BEGINNERS’ BOOTCAMP: RESEARCH ESSENTIALS

John Hermans, Executive Director, Prospect Management & Advancement Research, University of Toronto

SESSION DATE: October 17, 2018
SESSION TIME: 11:00am
AGENDA

• Prospect Development – Definitions
• Major Gift Fundraising and Prospect Stages – The Context
• Reactive Research – Profiles
• Profile Elements and Resources – The Essentials
• Moving Beyond Profiles – Other Services
• Proactive Research – Prospect Identification and Information ‘Push’ Services
• Working with your Development Colleagues – Prospect Management, Portfolios and Metrics
• Professional Development – Apra!
Prospect Development – Definitions

• **Prospect Research**: the process of learning more about an individual’s personal background, past giving history, wealth indicators, and philanthropic motivations, to evaluate their ability to give (capacity) and warmth (affinity) toward an organization.

• **Prospect Management**: the discipline of managing, tracking, and reporting on an organization’s activity (cultivation, solicitation, stewardship) with its constituents and prospects.

Prospect Development – Definitions

Good prospect research speaks to a major gift prospect’s:

- Affinity
- Interests
- Capacity
  - And sometimes…
    - Influencers
    - Motivators
Major Gift Fundraising and Prospect Stages – The Context

THE FUNDRAISING PYRAMID
Major Gift Fundraising and Prospect Stages – The Context

PROSPECT STAGES

- **Identification / Qualification**
  Identifying new major gift prospects through various resources, and collecting initial information on their affinity and capacity

- **Cultivation**
  Fundraising officers begin engagement of a qualified prospect, and may request more detailed information on their interests and capacity

- **Solicitation**
  Fundraising officers have moved the relationship forward and are ready to ‘make the ask’

- **Stewardship**
  With a major gift secured, fundraisers thank and recognize the donor, and assess when the relationship is ready for the cultivation of the next gift
Reactive Research – Profiles

PROFILE TYPES / FORMATS

• In-Depth Profiles
• Short Bios
• Discovery Bios
• VIP/Event Memos
• Wealth Indicators
Profile Elements and Resources

PROFILE ELEMENTS
• Relationship to / history with your institution
• Career
• Wealth Indicators
• Community Volunteerism
• Philanthropic Giving
• Biographical Notes of Interest
Profile Elements and Resources

PROFILE RESOURCES

SEDAR

• The System for Electronic Document Analysis and Retrieval

• Search for Company Documents - [http://www.sedar.com/search/search_form_pc_en.htm](http://www.sedar.com/search/search_form_pc_en.htm)

• If your prospect is a Director or Senior Executive of a publicly-traded company, search for the Proxy Circular (also known as a Management Information Circular)
### Profile Elements and Resources

#### Summary compensation table

The table below shows the compensation earned in fiscal 2017, 2016 and 2015 by CIBC’s five Named Executive Officers.

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Year</th>
<th>Salary ($)</th>
<th>Share-based Awards ($)</th>
<th>Option-based Awards ($)</th>
<th>Non-equity Annual Incentive Plan Awards ($)</th>
<th>Pension Value ($)</th>
<th>All Other Compensation ($)</th>
<th>Total Compensation ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victor Dodig CEO</td>
<td>2017</td>
<td>1,000,000</td>
<td>4,445,280</td>
<td>1,111,320</td>
<td>2,381,400</td>
<td>496,000</td>
<td>2,250</td>
<td>9,436,250</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>1,000,000</td>
<td>4,364,360</td>
<td>1,091,090</td>
<td>2,338,050</td>
<td>396,000</td>
<td>2,250</td>
<td>9,191,750</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>1,000,000</td>
<td>3,717,819</td>
<td>929,455</td>
<td>2,502,376</td>
<td>387,000</td>
<td>2,250</td>
<td>8,583,900</td>
</tr>
<tr>
<td>Kevin Glass CFO</td>
<td>2017</td>
<td>750,000</td>
<td>1,214,752</td>
<td>303,688</td>
<td>650,760</td>
<td>247,000</td>
<td>2,250</td>
<td>3,168,450</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>750,000</td>
<td>1,190,280</td>
<td>297,570</td>
<td>637,650</td>
<td>212,000</td>
<td>2,250</td>
<td>3,089,750</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>750,000</td>
<td>1,040,000</td>
<td>260,000</td>
<td>700,000</td>
<td>209,000</td>
<td>2,250</td>
<td>2,961,250</td>
</tr>
<tr>
<td>Harry Culham Group Head, CA</td>
<td>2017</td>
<td>500,000</td>
<td>4,186,477</td>
<td>1,046,619</td>
<td>2,242,754</td>
<td>146,000</td>
<td>2,250</td>
<td>8,124,100</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>500,000</td>
<td>4,166,008</td>
<td>1,041,502</td>
<td>2,231,790</td>
<td>111,000</td>
<td>2,250</td>
<td>8,052,550</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>500,000</td>
<td>3,562,000</td>
<td>890,500</td>
<td>2,397,500</td>
<td>134,000</td>
<td>2,250</td>
<td>7,486,250</td>
</tr>
<tr>
<td>Larry Richman Group Head, US Region, President and CEO, CIBC Bank USA</td>
<td>2017</td>
<td>483,345</td>
<td>1,108,589</td>
<td>277,147</td>
<td>593,855</td>
<td>66,000</td>
<td>10,721,500</td>
<td>13,250,466</td>
</tr>
<tr>
<td>Deepak Khandelwal Group Head, Client Connectivity and Innovation</td>
<td>2017</td>
<td>184,726</td>
<td>1,246,728</td>
<td>311,682</td>
<td>667,890</td>
<td>0</td>
<td>9,852,086</td>
<td>12,263,112</td>
</tr>
</tbody>
</table>
Profile Elements and Resources

PROFILE RESOURCES

SEDI

- System for Electronic Disclosure by Insiders

- www.sedi.ca

- Searchable database of trading in securities (shares, options, deferred share units) by public company insiders
Profile Elements and Resources

PROFILE RESOURCES

• Canada Revenue Agency (CRA)


• Search for a charitable foundation by name

• Review its most recent T3010 filing, using the “Full View” option
Profile Elements and Resources

PROFILE RESOURCES

• iWave / Prospect Research Online (PRO) - www.iwave.com
• CharityCan - https://charitycan.ca/
• Grant Connect - http://www.imaginecanada.ca/grant-connect
• Metasoft / FoundationSearch and BIG Database - www.foundationsearch.ca / www.bigdatabase.ca
• Dow Jones / Factiva - https://www.dowjones.com/products/factiva/
Moving Beyond Profiles – Other Services

- Relationship Mapping
- Reputational Analysis
- Briefing Notes for Prospect Meetings
- Benchmarking Research
- Environmental Scans and Tracking Fundraising Trends
Proactive Research – Prospect Identification

Prospect Identification – Classic Techniques

• Mining your existing donors – who is ready to move up from annual giving to major giving?
• Relationship mapping and peer review – who is in your donors and volunteers’ networks?
• Donors to similar institutions and causes – who are the notable donors to causes like yours?
Proactive Research – Prospect Identification

Analytics – Prior Giving
• RFM Scoring
  • Recency of giving
  • Frequency of giving
  • Total Monetary Value of giving
  • Scored out of 100, with constituents assigned to quintiles for sorting
Analytics – Demographic Wealth Screening
PRIZM and WealthScapes

- http://www.environicsanalytics.ca/

- PRIZM postal code lookup tool - http://www.environicsanalytics.ca/prizm5

Proactive Research – Information ‘Push’ Services

Media Monitoring - The proactive distribution of information relevant to your institution, its interests and its goals

- Sources – Google Alerts, Factiva, Proquest
- Coverage – donor/prospect news, gifts to other institutions, news about your institution?
- Content – emails, newsletters?
- Frequency – daily, weekly?
### Working with your Fundraising Colleagues

#### Prospect Management – Prospect Portfolio Construction

<table>
<thead>
<tr>
<th></th>
<th>Identification</th>
<th>Qualification</th>
<th>Cultivation</th>
<th>Solicitation &amp; Ask</th>
<th>Gifts &amp; Stewardship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MG Prospect Ratios</strong></td>
<td>11</td>
<td>8</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong># MG Prospects</strong></td>
<td>330</td>
<td>240</td>
<td>120</td>
<td>90</td>
<td>30</td>
</tr>
<tr>
<td><strong>Max’m Days in Stage</strong></td>
<td>60</td>
<td>120</td>
<td>180</td>
<td>180</td>
<td>As Donor MOU</td>
</tr>
</tbody>
</table>
Working with your Fundraising Colleagues

Performance Goals for Major Gift and Planned Giving Officers

Weekly Contact Goal for Individual Fundraiser = Total Number of Donors/Prospects Under Management divided by 4.

CONTACT (MOVES) OBJECTIVES AND MIX
(In order to provide a model, we use the number "100" as an example of the contacts under management.)

<table>
<thead>
<tr>
<th>Standard</th>
<th>Qualifying Contacts</th>
<th>Cultivation Contacts</th>
<th>Solicitations or Asks Needed</th>
<th>Stewardship Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Fundraiser</td>
<td>70% of Contacts (18 per week)</td>
<td>20% of Contacts (5 per week)</td>
<td>5% of Contacts (1 per week)</td>
<td>5% of Contacts (1 per week)</td>
</tr>
<tr>
<td>Experienced Fundraiser (3 to 5 years)</td>
<td>25% of Contacts (5 per week)</td>
<td>50% of Contacts (15 per week)</td>
<td>15% of Contacts (4 per week)</td>
<td>10% of Contacts (3 per week)</td>
</tr>
<tr>
<td>Very Experienced Fundraiser (5 years and longer)</td>
<td>5% of Contacts (1 per week)</td>
<td>65% of Contacts (16 per week)</td>
<td>20% of Contacts (5 per week)</td>
<td>10% of Contacts (3 per week)</td>
</tr>
</tbody>
</table>

- A reasonable target for gifts secured is 6 per month by whatever method. Depending upon the organization and the giving constituency, this could result in $1 million per year.
- A contact (move) has an objective. It may be accomplished by letter, telephone, or personal visit.
- With good prospects, one contact (move) per month (12 per year) is desired. With 4 to 5 per year in the form of personal visits.
- The number of personal visits will be somewhat determined by the geographical distribution of your contacts—the more dispersed the group, the more likely the difficulties in making the 4 or 5 personal contacts a year.
Working with your Fundraising Colleagues

HOW TO BE A STAR!

• Know your institution – its history, fundraising priorities, top donors, volunteers and prospects

• Know your fundraisers – what problems they face, how their success is measured, and how you can help them succeed

• Know your profession – be the local expert on as many aspects of your work as possible; be the one that your colleagues come to for answers
PROFESSIONAL DEVELOPMENT - APRA

APRA: Association of Professional Researchers for Advancement
• Conferences, publications, symposiums, mentors, webinars, networking and resource materials

APRA International
• www.aprahome.org (US $225/year)

APRA-Canada
• www.apracanada.ca ($45/year)
PROFESSIONAL DEVELOPMENT - APRA

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THANK YOU!

QUESTIONS AND COMMENTS?

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