



JUMP-STARTING A STALLED CAPITAL CAMPAIGN

BY MARK BREWER

Capital campaigns start with early excitement, enthusiasm and momentum. But over a typical five-year campaign timeline, inevitably, the unexpected will happen, both good and bad. When a campaign loses momentum, or is perceived to lose momentum, you may be facing a stall. Just like when your car battery drains, you need a jump-start of fresh energy to get the system flowing again.

Don't despair. Whether your stalled campaign is due to a lack of planning or external, unforeseen circumstances, a crisis is a terrible thing to waste. Use your stall as a platform to replan, regroup and re-energize around your organization's unique value to the community.

Why do campaigns stall?

Experts say that campaigns can stall for a number of reasons. Marilyn Bancel, CFRE, an experienced consultant with The Oram Group in San Francisco, says, "When a campaign stalls, it's usually because of a lack of prospects—a lack of well-cultivated major donors and the infrastructure needed to support the cultivation. That includes the donor database as well as adequate staff and systems for good cultivation. You have to have it all going."

Linda Lysakowski, ACFRE, author and campaign consultant with decades of experience, says, "Many campaigns stall because organizations weren't prepared when they started." She adds, "They didn't have community backing, or they didn't have board support, or they didn't have the infrastructure in place."

Other factors affecting momentum include a weak or poorly articulated case, leadership issues, little or no planning or timing issues. An economic downturn can also initiate a stall, as in the Great Recession of 2008, when many campaigns had to suddenly deal with a constricted pace of commitments and pledge fulfillment.

Are you following a plan?

Bancel says, “Many nonprofits go into campaigns with more hope than planning.” Without a strong plan, she says, “You have to invent it on the fly. If you don’t plan key areas, your campaign is at risk.”

Bancel, reflecting on her decades of experience, notes, “It’s difficult for many nonprofits to make their annual goals, it’s harder for them to find the time and focus to do serious strategic planning and it’s more difficult to do the scope of planning that will take them smoothly into and through a capital campaign. The reality is that, for smaller community organizations that aren’t geared up for ongoing major-gift fundraising, it’s too overwhelming to prepare in all the ways you need to go into a real capital campaign.”

Understanding which key areas to plan requires either experience or research. Bancel laments that while a wealth of resources exist to help leaders plan, “Many leaders don’t read them.”

Do you have enough prospects?

A shallow prospect pool tends to be an issue for smaller organizations without a full-time, ongoing major-gift operation. These nonprofits may not have a history of well-cultivated major donors who know about their organization. “So a campaign comes along, and suddenly they need those people. And boards and staff come to the realization that you can’t fool Mother Nature—these relationships take time,” Bancel says. “You have to court people and get them involved over time to get them up to a level of giving that is needed.” She says that a typical major-gift cultivation takes 18 months to three years.

Is your board on board?

Another stumbling block for campaigns is not having engaged, energized and committed leadership. The board needs to be on the front line of marketing and donor cultivation. Lysakowski says, “I’ve found that with a failing campaign, it’s usually because the board isn’t behind it. You can’t run a successful campaign without the board’s commitment. Until 100 percent of the board gives, you can’t go out and ask for community support.” Bancel says, “Organizations find that they don’t have the right board in place when they go into a campaign and need to recalibrate their board over the course of the campaign.”

Are your volunteers prepared?

If you don’t have a major-gift operation in place, you’re probably counting on volunteers to cultivate donors and ask for gifts. If you don’t have enough volunteers, or they’re not properly coached or trained, then you’re at risk for a stall. It’s important that volunteers be trained to avoid common missteps such as asking too early, not asking for enough, over-cultivating or not asking for a gift.

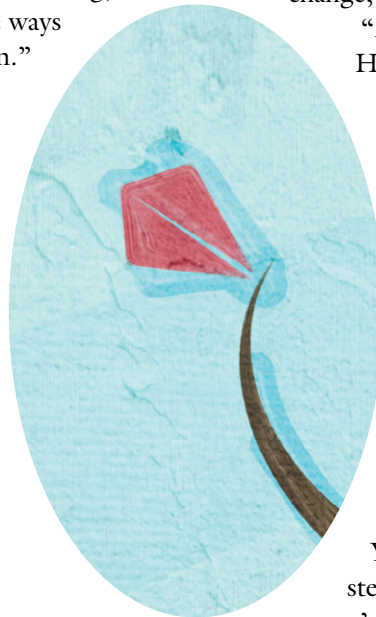
Even the best-planned campaigns can have momentum issues if a key volunteer or staff member leaves or has a change in circumstances, such as an illness or a job change, or he or she simply loses interest.

“Momentum is a tricky thing,” says David Huffine, vice president for advancement at St. Joseph’s Villa, a regional social service agency in Richmond, Va. “Different people operate with different time horizons, and you don’t always know that when you recruit them as a volunteer. You can have two leadership candidates who seem to be equally enthusiastic, equally articulate and equally connected. But one of them has an inner resilience and perseverance, and the other one has an inner impatience—they get frustrated if they don’t get immediate gratification. You need your campaign leader to be a steam generator.” If the leader loses steam, you’re stuck.

He says that the pace of commitments can color the perception of momentum. “Some people expect to hear about a new major commitment every couple of weeks to stay excited,” he says. “But if it’s every six weeks, they might start thinking there is a problem, and they lose confidence.” He says that the typical campaign structure of cultivating the largest gifts early can work against campaign momentum. “You typically go to your major donors first and then move down the pyramid as time goes by,” he says. “So it isn’t really lagging or loss of momentum. You’re working faithfully down your pyramid, but it can feel like that to some people.”

Is your case for support supporting your campaign?

A case for support that is not compelling enough to motivate gifts may hold a campaign back. Donors and prospects outside of your passionate inner circle need to be constantly reminded that your organization fills





a real need in your community, that you are uniquely positioned to provide the necessary help and that their participation in a successful campaign will make the community a better place. Your mission statement is not sufficient to sell your campaign. Asking for gifts because you need the money is also not a strong proposition. Whether your case is articulated in a beautiful brochure, a PowerPoint presentation, a simple one-sheet or a list of talking points, everyone who's asking for gifts on your behalf needs to be able to articulate that your organization serves a crucial role and has the ability to turn campaign gifts into a new building, new programs or other goal.

Timing Issues

Campaigns can also stall due to doing steps out of order, such as launching a campaign with a direct-mail effort, which usually comes last. You've asked your top donors for a gift by mail before courting them in person for something more in line with their capacity to give and connection to the organization.

Another mistake is to publicly announce a campaign too early, such as announcing a \$2 million campaign after raising only \$20,000. The yawning gap between your commitments and the goal will raise questions about the health of the campaign.

In either case, you can start over and relaunch with a more effective plan.

Getting Back on Track: Take Time Out to Plan

A stalled campaign needs new energy to get it back on track. Experts suggest taking time out to evaluate the campaign's strengths and weaknesses and to plan and implement the changes necessary to restore campaign credibility internally and externally. If your campaign was underplanned, this is the time to take inventory of your fundraising fundamentals and create a plan to restore momentum. If your leadership is burned out, now is the time to create a plan to attract fresh energy.

Lysakowski says, "If you can't afford to hire a consultant to be with you every step of the way, hire one in the beginning and let them do the planning with you. If you have a good campaign plan, you can implement a lot of it yourself without getting stuck along the way. Usually, you need a campaign feasibility

study, or you need more time to research and cultivate donors if you're not going to do a study."

A campaign feasibility study, usually done before a campaign is launched, helps assess your campaign readiness and is also an effective early cultivation opportunity. This is that stage where you can identify and cultivate your leading donors and determine whether, as a group, their gift capacity and connection to your organization are strong enough to fulfill your goal. Whether you do a study at the beginning or in the middle, you need solid information on your prospects' ability and willingness to support your goal.



Jump-Start Your Leadership

Campaign energy comes from people. If you're in a position to replace or augment your board, create a process to find the best people—those with major-gift capacity and the energy, time and passion for the cause.

Bancel says, "Board members who aren't interested in fundraising usually leave during a campaign. So at some point, you need to be prepared to find new board members who are going to work for you." The objective is to have a board that's "all in," ready and willing to commit to their own gifts and be able to open doors in the community. She says that cultivating an effective board means finding people with "money and networks—finding people who know people. It's about opening doors and getting audiences, and then having your message well in hand."

An effective board nominating process will help you assemble a board that will move you toward your goal. "A lot of community organizations don't consider a serious board nomination process until it comes to a crisis. One way out of the stall is to get serious and organized about the nomination process so you get leaders who are ready to take your momentum and build on it," Bancel says.

Internally, campaign leadership generally falls on the executive director. If the executive director is not a go-getter, Bancel says, "Things can turn to sludge. You need someone who will get out there, talk to people and develop those relationships."

Sometimes, the executive director doesn't want a front-line fundraising role for various reasons, such as personality or health. Can the development director substitute for the executive director? Bancel says,

“In theory, it’s possible. In practice, it can be very challenging. What I’ve done in some cases is to encourage the organization to give the development director a different title and a different place in the hierarchy so outside people feel like they’re talking to a true organizational executive and not the fundraising person.”

Re-energize With a Challenge Grant

While personnel adjustments can help you shore up your campaign foundation, your campaign probably needs an energetic jump-start. A challenge grant is a powerful motivator that can infuse new energy into your prospecting, cultivating and closing efforts.

Lysakowski says, “I worked on a campaign that was close to the finish, but they couldn’t get the last quarter-million dollars—that last amount they needed to start construction. So the campaign implemented a challenge grant by going back to a top donor and asking [the donor] to consider an additional gift in the form of a challenge grant. Through this challenge grant, they met their goal by going back to donors for second gifts. They were able to raise that money because they got people to either extend their pledges for an extra year or got them to increase the amount based on the challenge grant.”

A challenge grant has its own timeline, benchmarks, celebrations and gift pyramid. Huffine describes it as a mini-campaign within the larger campaign. A challenge grant can have all the elements and best practices of a campaign but on a shorter timeline. “In campaigns, we create important benchmarks to drive momentum, like a groundbreaking or ribbon-cutting. These benchmarks drive attention and motivation. Just like the overall campaign, your challenge grant can have celebrations at the kickoff, sometime in the middle, you can have a final stretch period celebration and a victory celebration,” says Huffine.

“Set a deadline and stick to it. This will help develop a sense of urgency around the challenge,” says Huffine. “The challenge deadline is as strong or stronger than the campaign deadline. The hard deadline is very valuable in getting people to increase motivation. A

one-year challenge within a five-year campaign is one way to time it.”

Experts say that it’s helpful to solicit a challenge grant from a well-known donor or a foundation that is highly known and respected. “It’s like a Hallmark® seal of approval on your organization and on your campaign, and some people are influenced by that. They want to invest in a winner,” Huffine says. The size of the challenge should be an attention-getting amount based on the goal of the campaign. There are many ways to structure the challenge, such as a dollar-for-dollar match up to a certain amount.

Some foundations, particularly local foundations such as the Circle of Service Foundation in Chicago, like to make the capstone gift in the form of a challenge grant to help nonprofits sprint to their campaign finish line. Generally, these foundations like to see a strong campaign plan and a board that has committed their own gifts. Some foundations expect that you have raised some percentage of the goal before applying.

Challenge Grants Jump-Start Motivation

Motivation is the most important element in a campaign, and a challenge grant has a powerful effect on motivation. The inherent urgency of a challenge is a good inducement to get in front of donors who have pending proposals. Huffine says, “When a campaign is stalled or flagging, you tend to have too many lingering decisions—pending gifts that you have asked for but they’re staying in the pending column, and you’ve tried all kinds of ways to get them to go ahead and make a decision. The challenge grant is a very powerful way to close those gifts.” He says that you may get a “no,” but at least you have a decision.

A challenge grant can motivate your volunteer solicitors. For example, if you have a volunteer who has committed to cultivate 10 major prospects, the volunteer may not have a sense of urgency with a five-year timeline. “The challenge grant helps motivate them to get started with their prospects sooner,” Huffine says.

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Challenge Grants Can Bring in New Leadership

Campaigns generally have a volunteer leader. Your challenge grant can have its own leader too. Your current leaders may be getting tired or feel that they've exhausted their contacts. New leaders bring in new energy.

Leading a challenge grant is a smaller role for someone who you'd like to have involved but may have demurred on a larger role due to timing or the perceived scope of a five-year commitment. Or a new major donor may have surfaced who you feel is a good fit to lead a challenge. Huffine says, "The new leader is just for the challenge grant—to supplement your current leaders. The old leaders can be re-energized by the new leaders."

This is also an opportunity to bring in new volunteer solicitors, perhaps someone you wanted to recruit for the overall campaign. You can go back to him or her now for a limited one-year commitment.

Cultivate Second Gifts

The best prospects for a challenge grant are those who have already made a commitment to the larger campaign. Lysakowski says that a challenge will attract first-time donors, but she says, "I find that donors who already gave will agree to do more. People know you're stalled and you need a certain amount to get you over the top." Huffine adds, "Maybe they gave you less than what you asked for the first time, or their capacity to give may have improved."

Challenge Grants Can Inspire First-Time Donors


Huffine says that challenge grants are an opportunity to bring in new first-time donors. He says, "People respond to excitement, urgency and momentum. A one-year proposition will stimulate some prospects who aren't motivated by a longer campaign timeline. Annual funds condition prospects to think in one-year increments, so when you get into a multiyear capital campaign, not everyone makes the psychological transition. One-year thinkers are perfect for a challenge grant."

Huffine continues, "You can distill your prospect base to determine who you think will be more

responsive and then concentrate on them. Some prospects are competitive by nature, and they see their giving as impactful philanthropy that is competitive. They are very focused on the return on investment." For example, a dollar-for-dollar challenge will motivate some donors because it doubles the impact of their gift. He says, "The donor feels like they're giving \$200,000 when the gift is actually \$100,000. That really registers with some people."

Jump-Start Your Narrative

Huffine says, "You can overpromote the challenge grant, and people have more patience with that. The challenge grant can become a big part of the campaign narrative. You can talk about it in proposals. It becomes an added inducement, something to talk about in addition to the important purpose of the project that you are raising the money for. You can use it in acknowledgments. Not only did they give to the overall campaign, but they also helped us meet the challenge grant. You can give them a double chance to feel great about it."

Of course, the challenge will work only if you have your fundraising fundamentals covered. If you can't afford a consultant to help you turn your campaign around, take advantage of the many books and other resources on fundraising and campaign fundamentals. Do the research to ensure that the financial support you seek is actually there. Have a donor database that is relatively easy to get information into and out of. In the end, a successful jump-start from a stall will make your organization stronger and more attractive to donors. You'll be in a great position for the next campaign. 



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His nonprofit experience includes fundraising for higher education, senior care and social services organizations. He writes trade magazine articles to help busy professionals stay abreast of trends and new ideas. He also writes direct-mail fundraising appeals, campaign communications, case studies and white papers. He lives in rural Elizabeth, Ill.