

Prospect Research and Campaign Planning



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SESSION DATE: October 14, 2016

SESSION TIME: 9:00 a.m. – 10:15 a.m.

Session Description

Explore strategies on how prospect research, analytics and information services can best support an organization's campaign efforts.

- assessing campaign readiness/capacity
- building gift pyramids
- constructing prospect portfolios
- creating campaign development plans
- supporting/partnering with senior leadership
- presenting information to secure buy-in and confidence
- and evaluating your success.





University of Toronto Advancement

University of Toronto: Towards 2030

Planning exercise initiated in 2007, examined implications for:

- Changing demographics and provincial enrolment policy
- Balance of graduate and undergraduate intensivity
- Tri-campus system evolution
- Governance structures
- Undergraduate experience
- Recruitment and internationalization
- Accountability, value, and ROI of educational experience
- Funding sources



University of Toronto Advancement

Major culture shifts

- Calling culture
- Asking culture
- Goal oriented culture
- Service and value culture
- Client orientation
- Culture of high-achievement and high expectations
- Culture of transparency and measurement
- New leadership standards

Major change initiatives

- Restructured DUA
- Restructured divisions
- Prospect Management System
- Metrics for MG officers
- Metrics for alumni engagement
- Major rebranding
- Consolidation of facilities
- Replace information system
- Boundless Campaign



University of Toronto Advancement

- Massive parallel change initiatives
- Value of jumping in the deep end
- Key to achieving performance gains
- Key to achieving cultural and organizational change
- Connects indiv/team performance to wider gains
- Result?



University of Toronto Advancement

Employee satisfaction survey results 2010 vs. 2015:

- “I feel valued as an employee” +17%
- “I feel motivated in my job” +11%
- “I would recommend UofT as a place to work” +10%
- “Morale is strong in my work unit” +6%
- “Stress is negatively affecting my performance” -25%



University of Toronto Advancement

Lesson?

Change is not always to be feared





University of Toronto Campaign

Campaign Plans and Parameters

- \$2 billion campaign goal
- Quiet phase ended with public launch on November 20, 2011 with \$966 million raised to date
- All-in campaign: all gifts committed during the counting period, regardless of size or type
- Counting procedures follow CASE guidelines

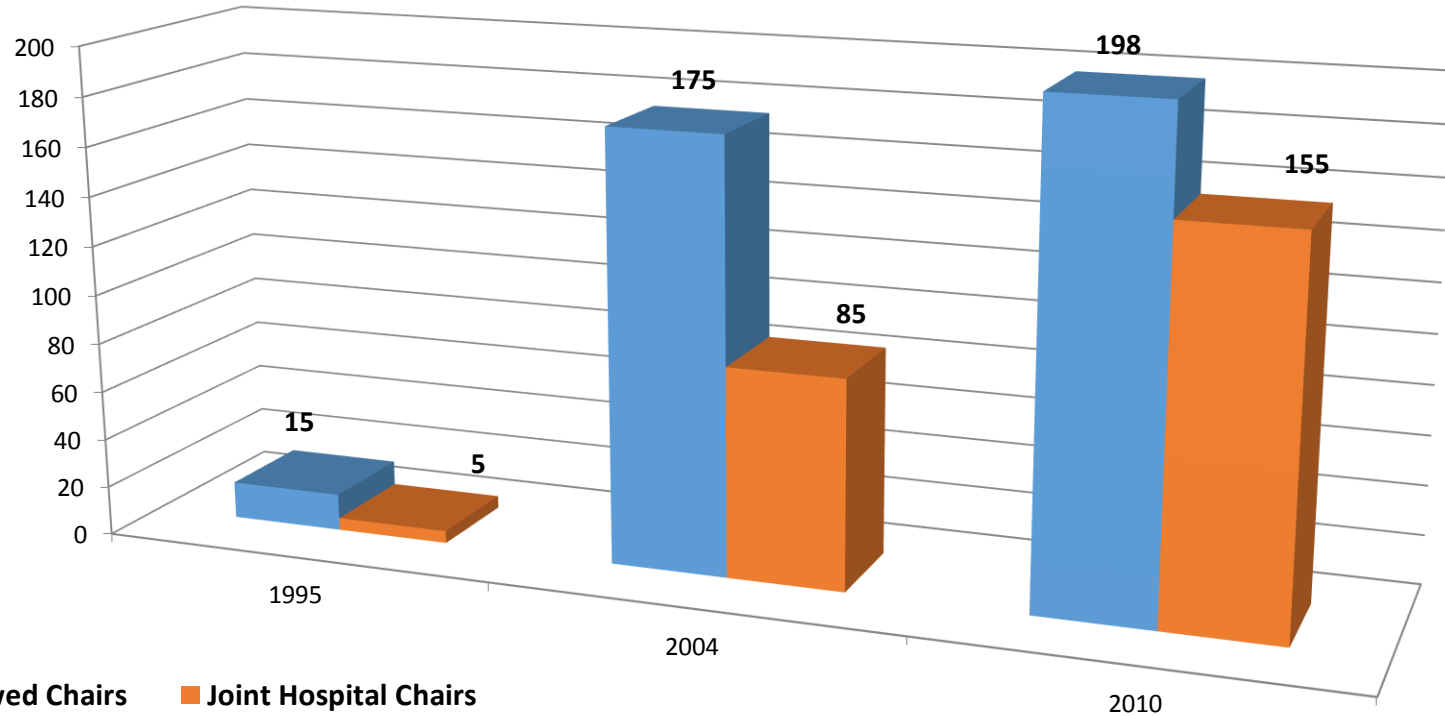


Why a Campaign?

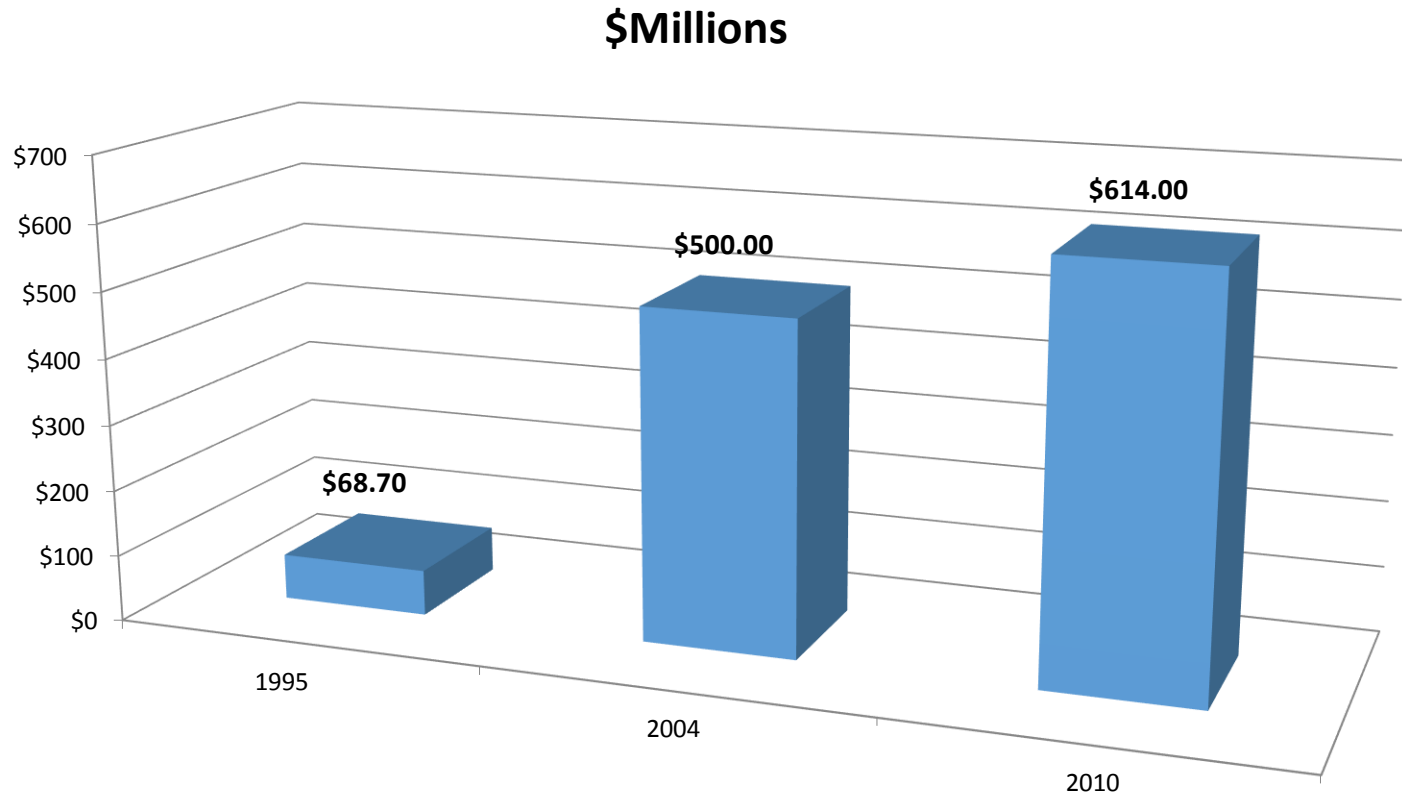
- Transformative gains tied to campaign
- U of T still a priority for major philanthropy
- No evidence of donor fatigue post-campaign
- Achieved modest incremental growth since previous campaign (includes impact of recession)
- New campaign an opportunity to establish a new threshold



Faculty Support: Endowed Chairs

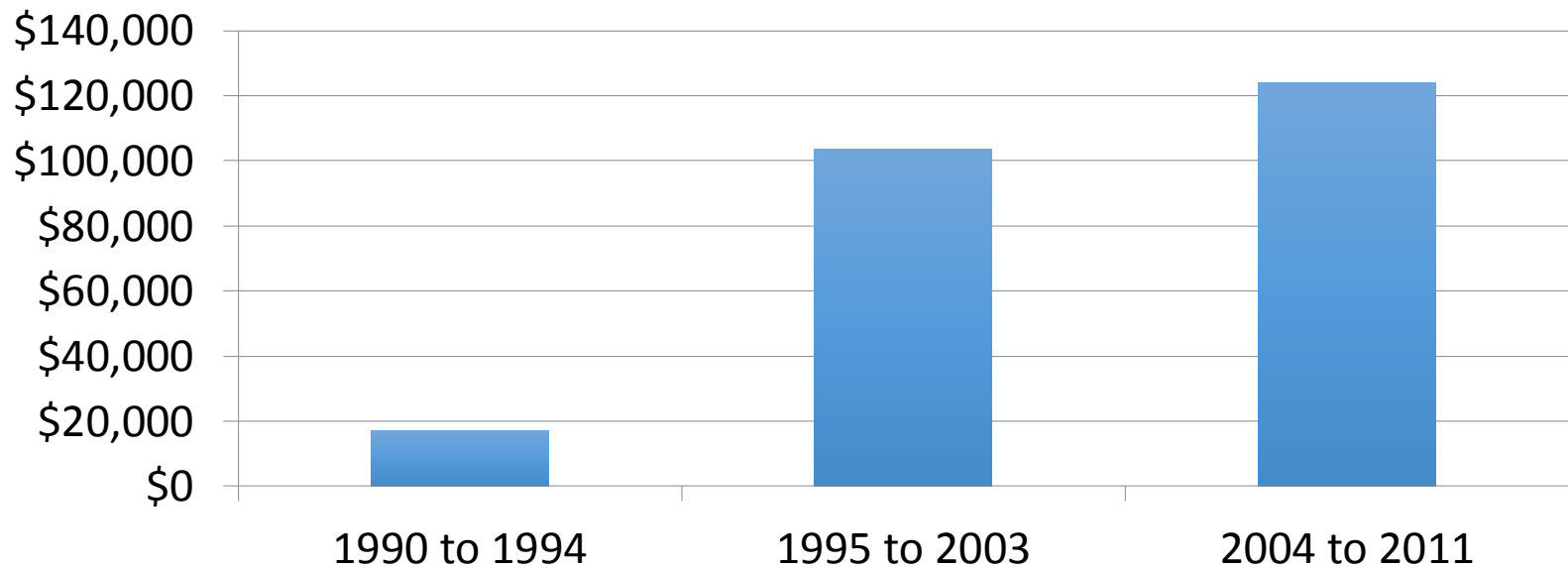


Student Support: Endowed Aid



Why a Campaign?

Average Funds Raised (\$000s)



Levering Existing Resources: University of Toronto vs Princeton

University of Toronto



Operating budget: **\$1.57 billion** (US, 14-15)

Student population: **84,556** (2015)

Endowment size: **\$2.14 billion** (CAD)

Times Higher Education Ranking: **19**

NTU Scientific Paper Rating: **3**

US News & World Report: **16**

Princeton University



Operating budget: **\$1.68 billion** (US, 14-15)

Student population: **8,138** (2015)

Endowment size: **\$22.72 billion** (USD)

Times Higher Education Ranking: **7**

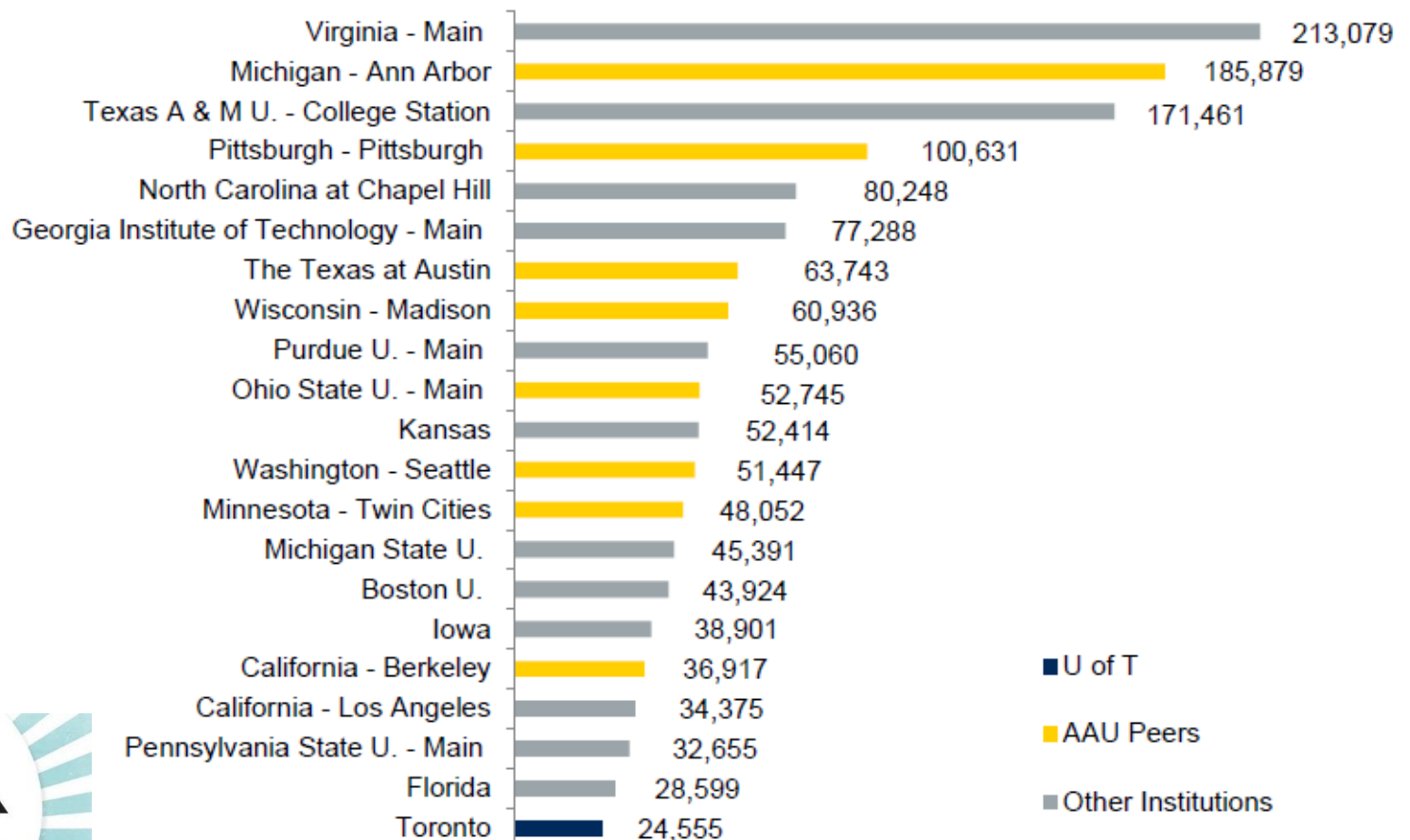
NTU Scientific Paper Rating: **71**

US News & World Report: **13**

APRA
CANADA 2016

October 12-14
Toronto

Levering Existing Resources: Top Endowments at AAU Public Institutions Per Student



Source: IPEDS

Why a Campaign?

- The impact we can and should have on the defining challenges of the 21st century
- Opportunities to develop the talent, leadership and answers for these challenges
- Opportunities to drive the University's leadership in a global context in key areas of reputational strength and consequence
- Opportunities the University offers to bring the world to Toronto, and Toronto to the world
- Opportunities to develop leaders with global fluency and experience
- Opportunities to contribute meaningfully to Canada's innovation agenda, and to the betterment of local, national and international communities



Environment for “Great Minds” campaign (mid-1990’s)

- Large pool of donors and alumni largely untapped to that point
- Major gift philanthropy in university sector relatively new
- Little institutional competition
- Largely centrally driven: relatively few “askers”
- Started with “soft” goal of \$300 million with several rises before declaring \$1 billion
- Economically buoyant period in the early years of the campaign (dot-com bust occurred in latter half)



Environment during Quiet Phase for Boundless Campaign (2005 – 2011)

- Much more competitive environment
- Donors came to expect more; a more sophisticated audience
- Starting with assumption of \$2.0 billion
- Less certain economic environment, sometimes at a crisis point
- Expanded role for principals and deans
- Expanded role of volunteer leaders to extend reach, influence, endorse, and lift sights
- Need more sophisticated teams and approaches
- Need to broaden and deepen cultivation efforts across the board





Planning Phase

Key Readiness Platforms

- Engaged and dynamic institutional leadership
- Passionately committed volunteer leadership
- Deep pool of donors and prospects capable of making the investments required to achieve the vision
- Professional resources of the highest caliber and capability
- Compelling vision and case for support
- An exceptional brand and marketing platform



Planning Phase

Key Stakeholders

- President
- Key volunteers and donors
- Principals and Deans
- Governing Council

Key Questions

- How much can we raise?
- How much do we need to raise to support our highest priorities?
- What's the right financial goal that positions the institution correctly?
- Do we have enough prospects?
- Do we understand our prospect pool potential?
- Do we know our donors and prospects well enough?



Planning Phase

Tools and Techniques

- Planning/feasibility study
- Internal analysis
- Predictive modeling and data mining
- Consultations: internal and external

U of T Example

- Program review, including data mining and portfolio recommendations
- Internal analysis
- Revenue scenarios
- Principal Gift research
- Pre-campaign steering committee
- Principal and Deans consultations



External Review: Purpose

- Chart a path to \$200 million annually
- Analyse divisional and central fundraising capacity
- Benchmark performance and resources vs. US, CA peers
- Identify performance gaps with best-practice institutions
- Assess financial potential of the University's base
- Recommend infrastructure required to reach \$200 million+ and mount a significant future campaign



External Review: Findings

- Unusually strong, untapped financial potential even compared to leading US public and private clients
- 6,000+ assigned high priority prospective donors
- 20,000+ unassigned prospective major gift donors
- 10,000 prospects in portfolios
- Portfolios heavily balanced to identification and stewardship
- Review findings identified the need to rebalance portfolios, and to put a stronger emphasis on “calling culture” – and on soliciting



Prospect Development Model



Prospect Development Model

- **Director, Prospect Management**
 - Assesses portfolios to determine need for new prospects, status of current prospects
 - Brings additional team members to the table
 - Tracks deployment of new prospects, and analyzes success
- **Director, Advancement Research**
 - Conducts prospect identification work based on unique DO needs such as project based identification
 - Maintains a running list of prospects with a known net-worth in excess of \$10M
 - With the Director, Business Intelligence and Analytics to develop tailored prospect identification strategies based on an requesting officer's objectives.
- **Director, Business Intelligence and Analytics**
 - Creates data models and tools to identify prospects based on estimated net worth and such indicators as giving and engagement levels.
 - Identifies strong prospects using these tools
 - Works with the Director, Advancement Research to ensure collaboration to meet the requesting officer's needs.



Portfolio expectations and guidelines

- Standard benchmark for major gift development officers is to carry a portfolio of 100 – 125 assigned major gift and gift planning prospective donors.
- Weighted 80-90% toward major gift prospects, 10-20% toward gift planning prospects
- Weighted 80% toward A, B and C-rated major gift prospects, and P-rated gift planning prospects
- Composed of prospects spread across the development stages, but generally balanced as:
 - 20% in Identification
 - 50% in Cultivation
 - 20% in Solicitation and Closing
 - 10% in Active Stewardship
- 80% of a development officer's assignments should be where DO is lead Prospect Manager



Portfolio assessment

- Recommend keeping or adding prospective donors in portfolio that:
 - Have a major gift rating of A, B, C
 - Have capacity and inclination to make a gift in the next 12-18 months
 - Have strategies in place to be acted upon in the next 18 months
 - Have interests that are a match to approved divisional funding priorities
 - Ensure a balanced portfolio (spread across stages of the development cycle)
- Consider removing or excluding prospective donors from portfolio when:
 - A gift is not expected in the next 18 months
 - There has been no activity in the past 12-18 months
 - No face to face contact is planned to occur in the next 6-12 months
 - Management by Leadership Annual Giving would be more practical or appropriate



Pre-campaign Steering Committee

10 Key Benefactors and Stakeholders

Recommendations and Decision:

- Campaign counting policies
- Valuation and naming policies
- Campaign operating plan
- Campaign volunteer structure
- Working goal and timeframe
- Case for support and branding/marketing plan
- Appointment of honorary chairs and campaign chairs
- Recruitment to campaign executive



Pre-campaign Steering Committee: Analysis

- Growth scenarios for annual revenues
- Gift table modeling a \$2 billion campaign
- Research into campaign counting practices and precedents
- Naming and valuation guidelines

CAMPAIGN DURATION AND WORKING GOAL

Amounts in \$000s

BEST CASE SCENARIO		Using Revised Counting Rules	
Year	All Sources-Private Support	Annual Campaign Total	Cumulative Campaign Total
Projected	2016-17	\$214,109	\$2,095,923
	2015-16	\$203,498	\$1,881,820
	2014-15	\$193,493	\$1,678,322
	2013-14	\$184,055	\$1,484,829
	2012-13	\$175,151	\$1,300,774
	2011-12	\$166,751	\$1,125,623
	2010-11	\$130,000	\$958,872
Actual	2009-10	\$144,938	\$828,872
	2008-09	\$138,700	\$683,934
	2007-08	\$211,700	\$545,234
	2006-07	\$192,177	\$333,534
	2005-06	\$141,357	\$141,357
Assumptions			
1. Annual growth of 0%			
2. Begin with David Naylor's appointment in 2005-06			

MID CASE SCENARIO		Using Revised Counting Rules	
Year	All Sources-Private Support	Annual Campaign Total	Cumulative Campaign Total
Projected	2016-17	\$166,751	\$1,959,378
	2015-16	\$166,751	\$1,792,627
	2014-15	\$166,751	\$1,625,876
	2013-14	\$166,751	\$1,459,125
	2012-13	\$166,751	\$1,292,374
	2011-12	\$166,751	\$1,125,623
	2010-11	\$130,000	\$958,872
Actual	2009-10	\$144,938	\$828,872
	2008-09	\$138,700	\$683,934
	2007-08	\$211,700	\$545,234
	2006-07	\$192,177	\$333,534
	2005-06	\$141,357	\$141,357
Assumptions			
1. Advancement results remain at current four year average			
2. Begin with David Naylor's appointment in 2005-06			

WORST CASE SCENARIO		Using Revised Counting Rules	
Year	All Sources-Private Support	Annual Campaign Total	Cumulative Campaign Total
Projected	2016-17	\$136,751	\$1,779,378



Academic Consultation: Concurrent with Steering Committee

Consultation Included:

- Funding priorities
- Divisional case for support
- and university-wide case for support
- Brand and messaging
- Staffing requirements
- Campaign goal discussion



Consultations and Discussions with Academic Leadership

- First round of consultations, spring and summer 2010
- Principals & Deans Retreat in fall 2010 to establish academic framework for campaign
- Extensive P&D consultations through 2010/11 on divisional funding priorities
- Worked within individual planning cycle within each division
- Divisions prepared catalogues of divisional priorities, stratified by academic priority, and organized under broad headings of faculty, student, research/program, capital
- Divisional goal discussions in summer 2011



Academic consultations

Key Questions for Principal and Deans

- How much philanthropic revenue do I need for my priorities
- What is the potential to raise that much money
- Do I have enough prospects
- Do my team and I have the skills, tools and capability to achieve our full potential
- How much should I be investing in advancement
- How do I evaluate success



Academic Consultation: Analysis

- Past performance
- Previous campaign results
- Prospect base
- Gifts required to meet goal
- Gift table
- Advancement staffing model



Academic Consultation: Concurrent with Steering Committee

Consultation Included:

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Principal Gift Planning

- Expecting 50% of revenue to come from Principal Gifts
- Needed to create confidence that this was achievable
- Concern about balance between those already close to the university vs. new potential donors
- Detailed Analysis
- Openness and transparency
- Willingness to engage



Securing Buy-in: Keys to Success

- Credible data
- Sophisticated analysis
- Clear presentation
- Transparency and openness
- Accountability
- Relationship building
- Multiple consultations and long-term dialogue





Public Phase

Ongoing Planning and Analysis

- Annual planning cycle
 - Goal-setting prospects
- Replenishing prospect pools
- Push techniques
- Digests, alerts



Working with Academic Leaders

Specialized Research

- Daniels Faculty of Architecture, Landscape and Design
 - Developers
 - Architect firms
 - Alumni
 - Design and art supporters
 - Construction industry



Scaling for Growth

Aspirational Peers of \$200m to \$300m Annually

- 100 to 200 fundraisers fully focused on major gifts
- 10,000+ face to face visits annually
- Fundraisers submitting 10 to 12 proposals annually

Our Challenge

- From 20 fundraisers making 1,000 calls per year
- To 70+ fundraisers making 6,000 calls per year



Goal-setting prospects

- Define and validate annual fundraising revenue and activity goals for individual fundraisers, their respective divisional teams and the University as a whole
- Bring focus and discipline to each fundraiser's annual fundraising efforts
- Provide a focus for fundraising manager's discussions with the individual fundraisers on their teams and their teams collectively
- Provide a framework for understanding and gaining insight into our productivity, effectiveness and impact as fundraisers
- Provide Principals and Deans with a clear understanding of the most important prospects for their respective advancement programs within each fiscal year.



Goal-setting prospects

- Should be **visited by mid-October**.
- Fundraisers should be in discussion with all of their goal-setting prospects about a **specific ask amount by December 31**.
- Fundraisers should **aim to have presented at least 50% of their GSPs with a formal proposal/solicitation by December 31**.





Transparency and Accountability

Accountability

	Advancement Total					Major Gift Solicitation Activity					Major Gift Call Activity				
Division*															
Applied Science and Engineering (10)															
Arts & Science (5)															
Bloomberg Faculty of Nursing (1)															
Dalla Lana School of Public Health (2)															
Daniels Faculty of AL&D (1)															
Dentistry (1)															
Factor—Inwentash Faculty of Social Work (1)															
Faculty of Information (1)															
Forestry															
Hart House (1)															
Innis College (1)															
Kinesiology and Physical Education (5)															
Law (3)															
Leslie Dan Faculty of Pharmacy (1)															
Library (1)															
Medicine (17)															
Music (2)															
New College (1)															
OISE/UT (1)															
Rotman School of Management (6)															
School of Continuing Studies (1)															
Trinity College (3)															
U of T at Mississauga (4)															
U of T at Scarborough (4)															
University College (1)															
University of St Michael's College (2)															
Victoria University (2)															
Woodsworth College (1)															

Advancement Total:
 Total \$ Goal
 Raised YTD
 Realized
 Verbal Commitment
 Decision Pending

Major Gift Solicitation Activity:
 # Goal
 # Submitted
 Realized
 # Awarded
 Yield (#)
 PFY Awarded
 PFY Open

Major Gift Call Activity:
 Goal
 Total Mtgs
 Realized
 Dev Mtgs
 Prospects Met



Keeping Pace with Change

- Partnerships
- Internationalization
- U of T's place in the city
- Greater emphasis on U of T's role as an innovator/start-up hub
- Diversity
- Accountability, transparency and openness
- Competition and marketization
- Demographics
- Wealth transfer



Keeping Pace with Change: Implications and New Projects

- Entrepreneurship council
- International leadership councils
- Volunteer engagement
- Family generation strategies
- Increased emphasis on understanding demographics and values of alumni populations



Keeping Pace with Change

- Agility
- Perseverance
- Creativity



Mid-campaign Analysis

- As the campaign nears goal, the next chapter needs to be considered.
- Data and analytics will be even more important in analyzing options, making the case for what's next, and determining how to proceed.
- Many of the same questions loom for key stakeholders, often with greater intensity



Campaign Closing Committee

- Re-awaken interest with eye to future
- Inject new dose of momentum
- Connect key donors more closely to new President after leadership turnover
- 15 important leaders and donors, including “next-generation” lead benefactors
- Ensure volunteer buy-in for upcoming plans



Campaign Closing Committee: Key Decisions

- Help to develop new fundraising priorities related to emerging priorities in light of presidential transition
- Advise on enlistment, recruitment, cultivation and solicitation of under-represented sectors
- Determine parameters of campaign's closure
- Advise on plans for celebrations
- Advise on the establishment of a standing philanthropic volunteer body as a campaign legacy
- Assist with other activities needed to set the university up for continued growth



Principals and Deans Advancement Advisory Group

Mandate

- Campaign progress
- Maintaining momentum through end of campaign and beyond
- Boundless celebration goals, milestones
- The role of stewardship
- Post-campaign branding and communications
- Post-campaign advancement model





Thank You