

# Are You Ready for a Capital Campaign?

By Ted Grossnickle

A former client recently reached out and said his organization was *ready* to launch a capital campaign. We scheduled a meeting with the organization's new CEO and development director to discuss their desire to launch a campaign and determine if they truly were *ready* for a campaign.

A large, regional nonprofit whose endowment provides 30 percent of its annual operating budget, the organization held its last capital campaign in the 1990s. Considered by most outsiders to be marginally successful, the campaign was considered a failure by staff and board. The organization's current development staff is talented but has no campaign experience. The new CEO and development director are diligently visiting donors, but they are playing a game of "catch-up" and only now beginning to cultivate new donor prospects.

In this case, we recommended that the organization spend the next 12 to 18 months putting together a stronger development program and cultivating donors. Their goal should be to establish a campaign planning group in the summer of 2010, or once board and staff agree that they're ready to support a campaign.

Because each organization has its own particular set of circumstances, there is NO formulaic answer to the question of whether yours is ready for a campaign. Energy spent now in assessing your readiness will reduce the time, effort and resources required to successfully close the campaign.

Still, there are ways to measure your organization's readiness. Let's explore the characteristics of a nonprofit that is most likely to find success in a campaign.

- 1. Your nonprofit is needed.** The organization is actively making a difference in the community and can make an even bigger impact in the future.
- 2. Your nonprofit is known and respected.** The community knows about your organization, and when you recruit board members, they consider it an honor to be asked.
- 3. Your nonprofit is focused and healthy.** The organization has a practical strategic plan that fits with a capital campaign. The organization is financially healthy, meaning it has a balanced budget, access to credit, and financial and audit records that are in order.
- 4. You have a base for fundraising.** A strong corps of annual donors exists, and you have had success with increasing gifting levels by active stewardship.
- 5. Your board of directors is ready.** Each member of the board makes an annual gift to the organization, and many have made additional special or extra gifts. Board members understand what a campaign would require in terms of their own individual and collective financial support and time. The board is willing to help cultivate and solicit gifts, and each member has helped identify one or two donors that can make a gift for the campaign. The board has put a development committee in place, and board champions are advocating for fundraising.

**6. The staff leadership is ready.** The CEO is respected by staff, board, donors, clients and the larger community, and willing to commit time to working on the campaign. The organization either has a full-time development director or has addressed which staff member will be responsible for the campaign. The CEO and board have secured campaign counsel or addressed why they are not hiring counsel.

**7. You've done your homework.** The organization knows what it needs to raise funds for, can articulate the outcomes and has a written and refined case for support. A feasibility study has been conducted to test the case before going forward with a campaign, and you've set a realistic campaign goal.

**8. You can effectively tell your story.** You have a written plan to communicate your campaign and its key messages. Staff and board members can tell the organization's story and communicate why a campaign is necessary.

**9. You can spend money to raise money.** The organization has identified a budget for a campaign and has allocated funding for it. The budget includes funds for donor recognition and communication, training and materials, counsel and equipment. It also has a provision for travel and meals.

And, most importantly,

**10. Your campaign is important, exciting and will make a difference!** Your board and staff are excited about what this campaign can mean. You can create important changes in people's lives if you succeed in raising the funds.

Since a campaign is about much more than simply raising funds, it is critically important for the organization to approach the question of launching a capital campaign with some care. A successful campaign can lift public awareness and philanthropic support of your organization to a level you've previously only dreamt of, and make a terrific difference in the lives of those you serve.

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