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CENTERPIECE

FOCUS ON: DEVELOPMENT

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THE ROLE OF TRUSTEES IN MAJOR GIFTS FUNDRAISING

BY DAWN RAINS

I recently joined the board of another nonprofit organization and had the experience of being handed a “portfolio” of 10 major donors that I am responsible for cultivating and soliciting for the annual fund. As I am relatively new to the board, I am still learning about the organization. I have never met the people assigned to me. What if they ask me a question I can’t answer? What if they don’t even want to talk to me? While some of my concerns are somewhat irrational—even as a development professional—I find that I have nagging reservations about picking up the phone and introducing myself. Isn’t this work better left to staff members with whom the donors may already have a relationship?

Wait a minute! What am I saying? This is what I ask my trustees to do almost every day of my working life. It has been both a wonderful and an overwhelming experience to find myself in the shoes that I regularly ask our board members to fill. How must our board members feel, especially when they aren’t even sure where to begin? Are we doing everything we can to prepare and support them? Is trustee involvement worth the amount of time and energy that we (and they) put into it, particularly in the case of renewing major gifts to the annual fund? Do board members have the time and focus to develop the sustained relationships with donors that will benefit the organization in the long-term? Is trustee involvement best focused on introducing the trustees’ own friends and associates to the theatre, with current donors being solicited by the artistic or managing directors or development staff? If we don’t involve board members in annual fundraising, will we have the skilled and passionate leaders and solicitors we will need when our organization launches a major campaign? Are there better ways to partner with trustees to do this work?

These are the questions confronted by almost every development professional and trustee, and their answers are critical to the long-term health of our organizations. In this issue, I explore a recent transition in trustee involvement in Seattle Repertory Theatre’s major gifts program, and offer a few practical tools that might be of use.

Development *Centerpiece* Curator: Dawn Rains, director of development, Seattle Repertory Theatre. Copyright © 2003 by Theatre Communications Group, Inc. All articles reproduced by permission of the authors. No portion of this publication may be reproduced in any form, or by any means, including photocopying, without written permission from the publisher or author. Theatre Communications Group, Inc., 520 Eighth Ave., 24th Fl., New York, NY 10018-4156, telephone (212) 609-5900, fax (212) 609-5901, website: www.tcg.org. Ben Cameron, executive director; Joan Channick, deputy director; Christopher Shuff, director of management programs; and Rachel Ford, management programs publications associate.

In a second article, Carter Hiestand, who recently joined the Cleveland Play House after many years with Case Western Reserve University, talks about his perceptions of the differences in major gifts fundraising between the worlds of higher education and theatre. As trustee involvement in fundraising is one of the most challenging issues faced by development professionals around the country, I would love to hear your feedback and suggestions on effective strategies and alternative models that would be worth discussing in future issues of *Centerpiece*.

ENGAGING A BOARD IN MAJOR GIFTS FUNDRAISING

BY DAWN RAINS

At the first board meeting of Seattle Repertory Theatre's 40th-anniversary season, the board president announced that if the theatre was going to continue to thrive in Seattle's tough economic climate and produce an ambitious 40th-anniversary season of which we could all be proud, Seattle Rep's Board was going to have to reorient itself to focus on a new priority—it was going to have to become a "development board" in a way it never had been before. The main focus of this transformation needed to be increased board involvement in major gifts fundraising for both the annual fund and the ongoing \$15-million endowment campaign.

Why the urgency? Seattle Rep's Board has always had an individual gifts committee, a corporate gifts committee and an event committee—board members have always been involved in development. However, over the previous several years, especially during the economic boom years of the late 1990s, fundraising had been (in retrospect) relatively easy. Major gifts to the annual fund had always been solicited by highly personalized letters signed by trustees; we had had very few face-to-face meetings with our donors outside the context of a major campaign. The development staff was bigger and highly capable, and the board's fundraising work had been almost entirely delegated to the development committees—it had somehow ceased to be the work of the full board. Very little prospecting took place, as the individual gifts committee had their hands full just renewing current and lapsed major donors to the annual fund.

No sooner had we begun the quiet phase of our endowment campaign than the economy took a turn for the worse. As a result, the board's most experienced, passionate and willing major gifts fundraisers had been divided between two important fundraising priorities—the annual fund and a \$15-million endowment campaign. In fact, some of our strongest trustee fundraisers were serving on both initiatives and getting burned out. Finally, while a large board (58 people) provides the theatre with significant resources and a broad reach into the community, it can also allow a fair degree of anonymity and diffused sense of responsibility. The development staff had become frustrated by their inability to hold trustees accountable, and the annual scramble during the final weeks of the fiscal year to round up all of those outstanding annual fund gifts. Even though we had been successful at raising more and more money from individual donors, it was clearly time for a change.

As the most critical part of this shift, the board and staff leadership decided to combine the two committees tasked with major individual gifts—the Individual Gifts Committee (focused on annual fund gifts of \$1,000 or more) and the Endowment Steering Committee (focused on individual gifts to the Endowment)—in order to create a new force for major gifts fundraising at Seattle Rep. With this change, we hoped to accomplish the following:

- ❖ Enable the theatre to make comprehensive, multiyear "asks" of each donor, eliminating multiple solicitations and potential confusion.

- ❖ Maximize trustee relationships with donors and prospects, ensuring that the best person to ask is assigned to both the endowment and the annual fund requests.
- ❖ Minimize the constant communication and coordination that the two committees require.
- ❖ Maximize the time of several board members who were initially assigned to both committees.
- ❖ Involve and train more board members to do one-on-one solicitations; thus, building the theatre's ability to raise major gifts now and in the future.

New Major Gifts Team Structure

The newly comprised Major Gifts Team's mission was to oversee the theatre's endowment and annual fund major gifts programs—focused exclusively on a limited pool of 180 endowment prospects and current annual fund donors of \$1,000 or more. Each donor was determined to be a prospect for the annual fund, the endowment or in many cases, both campaigns. The important work of introducing new people to the theatre was delegated to an entirely new board development committee, the Prospecting Team.

In order to build in accountability to their peers, we set up four subteams within the newly comprised Major Gifts Team, each with its own trustee leader. Each leader was responsible for cultivating and soliciting their own portfolio of 8–12 donors and overseeing

three additional board members who each had their own portfolios of 8–12 donors. Two of the subteams (and their prospective donors) were supported and managed by the associate director of individual gifts, and two subteams were supported by the development director.

At the beginning of the season, we set a lofty goal of 50 face-to-face solicitation meetings involving trustees. The staff met with each of their team members to develop cultivation and solicitation strategies for each prospective donor. At that time, we scheduled 8 to 10 contacts with each donor, which were then built into a master calendar. Every week, a development staff member emailed or faxed each board member about his or her cultivation and solicitation tasks for the upcoming week. Trustees would update that staff person on the progress on their tasks. If a trustee was not performing, we could call on their team leader to check in with them.

As you can imagine, this process was highly time intensive for the development staff, but we felt that breaking the major gifts work of the board into smaller chunks might help to make the whole process seem more manageable. We used scheduled major donor events as catalysts and opportunities for board members to make contact, particularly with people they didn't know.

The Outcome

How many solicitation meetings did we finally achieve? Just a handful, but more than we have ever achieved before. How many contacts via notes, phone and events did Seattle Rep board members have with our donors? Hundreds. Two trustees that had never gone on a personal solicitation on behalf of the theatre were successful in not only getting a meeting, but at making a double ask for both our annual fund and our endowment campaign. Overall, the team and staff raised more than \$600,000 last season. On the other hand, the staff was still scrambling to follow up with outstanding annual fund major donors in the weeks before the close of the fiscal year, because several board members had failed to follow through with their assigned tasks or had simply run out of time.

The larger question: Was it worth the time and energy that we invested to involve the board members in major gifts fundraising? My honest answer would

have to be: sometimes. We all know that when personal relationships already exist, they can be essential to our success. Where they don't, the staff can just as capably cultivate and solicit those gifts. We have also found that if a gift is going to be relatively easy to secure, it may not be worth using up a trustee's personal or professional capital to solicit the gift. However, mid-level donors (\$1,000) really appreciated the new attention that they received from trustees, and we believe that we have strengthened our relationships with these donors. Many increased their annual gifts, several attended small events to learn more about the endowment campaign, and event attendance and interest in our work among this group of donors grew steadily throughout the year.

What Worked?

- ❖ **Training opportunities throughout the season:** We started the year with a short session to help each trustee articulate his or her own personal case for Seattle Rep. In the second meeting, we talked about what to write in cultivation notes, or how to follow up on an event invitation. In the third meeting, we did roleplaying exercises on how to get a face-to-face meeting, including how to deal with objections. Finally, after much cultivation had taken place, we talked about the ins and outs of a face-to-face solicitation meeting. As trustees began to go on solicitation meetings, we had them report back to the full team about how it went, what they would have done differently, and the questions they were asked and how they responded. In our experience, working these 20-minute training sessions into each of our committee meetings was more effective than scheduling a half-day of major gifts training—more people attended, and it seemed that people felt less overwhelmed by the information.
- ❖ **Creating a plan for each donor:** For the first time, we created an individualized cultivation and solicitation plan for each donor, with 8–10 planned contacts for each of 180 donors throughout the year.

Some of the tasks were assigned to the trustee (follow up on an event invitation, get a face-to-face meeting), and some were assigned to staff members (send an invitation or information on a particular production or program.) While it was a massive undertaking, planning ahead and scheduling each contact significantly improved our contact with donors. It also helped trustees to break their work into smaller, more manageable chunks (see sample Cultivation Planning Form on page 7.)

- ❖ **Weekly reminders of cultivation and solicitation tasks:** Each Monday morning, a development staff member sent reminders about cultivation and solicitation tasks to each board member, the managing director and the senior development staff. Of course, some board members didn't follow through as well as others, but for many, being reminded of the one or two things they needed to do that week, with all of the information they need to do it (phone numbers, addresses and purpose for each contact), made the whole process more manageable.

What Didn't Work?

- ❖ **Combined ask was confusing and overwhelming to some:** For those trustees who never really got off the ground, it seemed that part of what was holding them back was the overwhelming idea of having to make a combined ask for both the annual fund and the endowment campaign. However, several trustees proved fairly proficient in this process.
- ❖ **Some board members hit stumbling blocks:** Despite their best efforts, some trustees were not successful in setting up meetings with donors. Some did not get the level of gift that they had hoped for. In those cases, it was essential that team leaders and staff stepped in to reassure and encourage these trustees to continue their work.

- ❖ **Some board members still just didn't do the work:** Some board members could still not be encouraged, prodded or dragged to do their cultivation or solicitation tasks, an especially demoralizing result for the rest of the team members and staff. If someone is hesitant or downright resistant to serving on the Major Gifts Team, I am now inclined to work with him or her to find another way to contribute to the theatre's development efforts rather than twist his or her arm to participate.

What Did We Learn?

- ❖ **Board members have different needs:** We found that we had two distinct subgroups within our Major Gifts Team. The first is a group of people experienced with soliciting and being solicited, whether it is for the annual fund, special campaign or event support. They tend to be well

established in the community with many long-standing relationships, and they are well versed in the ups and downs of *quid pro quo*. This group was largely assigned to cultivate and solicit the people they knew.

The second group includes relatively new trustees who are making some of their largest gifts ever to our organization, and who had never (or only modestly) asked friends and colleagues to give to an organization that they care about. This group was doubly challenged: They had not participated in fundraising previously, and we were asking them to focus on donors that they (and, in many cases, the staff) had never met.

As the work of the team progressed, the questions and concerns raised by these two groups were in stark contrast to one another—they had different needs in terms of level and type of staff

support. Interestingly enough, as a group, the less experienced trustees attained better overall results and were more likely to complete the tasks to which they had agreed.

- ❖ **Board members need early success:** A few board members did not have a successful experience early in the year, through no fault of their own. Upon following up an endowment event invitation, a long-time, mid-level annual fund donor said to one of our intrepid trustees: "I don't know where they got the idea that I wanted to give to the endowment campaign." As time went on, these trustees got increasingly discouraged that they had not been able to get a meeting, or had not been able to achieve any personal contact with a prospective donor. If we had been able to engineer an early success, these board members would have definitely been more effective throughout the year.

SAMPLE CULTIVATION TOOLS SUGGESTED TO BOARD MEMBERS

Note to readers: While some of these opportunities might seem obvious to staff members, many trustees were very pleased to receive this comprehensive list of the tools that were available to them, including events, publications, special behind-the-scenes opportunities, etc.,—that they had more at their fingertips than just writing a personal note or scheduling a meeting.

- ❖ **Tickets:** We are happy to provide you with an additional pair of theatre tickets to bring friends or associates who you are introducing to the theatre. In addition, we are pleased to schedule an opportunity to meet the artistic director, the managing director or a member of senior staff, or to set up an opportunity to go backstage following a performance to meet the cast.
- ❖ **Behind-the-Scenes Opportunities:** We can arrange an opportunity to attend our Meet-n-Greet, our traditional gathering of the full company on the first day of rehearsal for every show, followed by the opportunity to observe a read-through of the script. In addition, the opportunity to visit and observe (as approved by a show's director) rehearsals or tech week, and/or to take behind-the-scenes tours are additional tools at your disposal.
- ❖ **London Tour with Artistic Director and Managing Director:** Available to \$100,000 donors to the endowment and \$25,000 donors to the annual fund, this exclusive tour to London is a great enticement for upper-level gifts.
- ❖ **Major Donor Events:** Targeted for Playwrights Circle level (\$3,000 and above), opening night dinners provide a regular opportunity to bring donors and trustees together with artists and key members of the staff. In addition to opening night events, we annually host several other events to cultivate, solicit and thank donors at other levels.
- ❖ **Fundraising Events:** Also, our major fundraising events are great ways to introduce new people and companies to Seattle Rep:
 - ◆ Repartee Gala Dinner Dance
 - ◆ SRO/Nordstrom Fashion Show & Luncheon
 - ◆ 40th-Anniversary Celebration

- ❖ **Education Events:** Seattle Rep has one of the most comprehensive arts education programs in our region, going far beyond the usual student matinee performances. Our long-term residencies, ranging from 10 weeks to a full school year, result in the students' creating original theatre pieces based on the work that they have experienced at Seattle Rep. The culmination of these residencies are public performances at the school and at Seattle Rep. These events are usually illuminating, touching and often hilarious—and serve as the best showcase of the work we do in the public schools and throughout our community.
- ❖ **Donor Lounge:** Located in the theatre, this new lounge provides an exclusive venue for you to meet and/or bring donors and prospects for small and intimate cultivation gatherings during intermission or before and after the plays.
- ❖ **Major Gifts Brochure:** To be included in mailed solicitation packages or brought to solicitation meetings and events. Provides detailed information on Inner Circle membership and benefits as well as a pledge card to leave with the donor.
- ❖ **Publications:** If you need an overview of the current season's programming, a *season brochure* is available.

Also, for a special “behind-the-scenes” look at the season, we can provide a copy of the “*Chris Notes*”—our version of *Cliff Notes* to the season. If your prospect is most interested in Seattle Rep’s arts education programs, we can provide a copy of our education brochure. Also, for the first time in more than eight years, Seattle Rep is producing an annual report, which provides a great overview of the organization.

- ❖ **Prospect Researcher:** A full-time staff member works in conjunction with the development staff and team members to provide the background information you will need about our prospects and donors and how to best partner with them for the advancement of the theatre. This information may include details about their relationship to and interest in Seattle Rep, their support of like organizations in the community, their professional and educational backgrounds, etc.
- ❖ **Seattle Rep Note Cards:** Perfect for your every personal note-writing need!
- ❖ **Donor Benefits:** A wide range of donor benefits are available at every level to make every visit to Seattle Rep more meaningful, convenient and enjoyable.

FROM ACADEMIA TO THE THEATRE

BY CARTER HIESTAND

The question was asked of me nearly every day in my first month as director of development at the Cleveland Play House: “How is raising money for the theatre different from raising money at the university?” I was asked to write this article, but let me say that this transition has only been in place for four months!

For eight years I was the director of development for the College of Arts and Sciences at Case Western Reserve University, a “Top Fifty” national research university. We had 24,000 alumni just within the college. In addition, there were potential donors from other parts of the school. The university has an endowment of over \$1 billion and a development staff totaling nearly 100 people. The question “Will we make budget?” was never asked. If anyone ever made comparisons between “contributed income” and “earned revenue,” I never heard them! Of course, these are the obvious differences.

Yet, when I was asked to write this article, I had to take a step back and ask myself, “Is it really that different?” After all, you know all the clichés: “fundraising is friend raising”; “people give to people”; and “articulate your mission clearly and people will give.” What then is unique about fundraising for the theatre?

There are two differences that I experience on a weekly basis. **At the university, fundraising was staff-driven.** Fundraising for the theatre is board-driven. In my eight years at Case Western Reserve, I made a fundraising call with a board member (or volunteer) only nine times. I don’t always work with board members here, but board members do 80 percent of our solicitations.

I keep wondering, “Should it be this way?” Is this “traditional” model of nonprofit fundraising still the way to go? Perhaps the answer depends on the size of the theatre, the board and the staff. It seems to me that unless you are in a major campaign, most board-driven fundraising is mainly for the theatre’s annual fund. That is all very important. Yet, what is one of the main challenges for theatres around the country?

Their endowments are small, and during the “lean” times, they don’t have enough supplemental income to help get them through it.

Can board members be expected to help raise major gifts to endow different parts of the theatre (unless they are in a campaign where such gifts are planned and executed)? In this day of busy schedules, can a board member take the time to cultivate the relationship that is often so necessary to solicit a major gift from a donor? All the neat formulas in the books seem to ignore this fact. I suspect that it is the staff (the development staff and the artistic or managing director) who can make the time, and hopefully, develop the relationships necessary for major gift/endowment fundraising. Unless this is done, won’t the organization always be too “annual fund dependent”?

The second major difference is **the reason people give to the theatre versus the reason they give to the university**. Recently, it was announced in the local news that an elderly woman’s estate of \$10 million had been left entirely to just two organizations: an animal rights organization and a nature organization. Most interesting was the fact that the woman had never been involved in either organization, indeed, had NEVER EVEN VISITED either organization. Why the gift? Her executor said it all: “animals and nature were her two passions.”

The donors who I have met in the theatre give because of their passion for theatre. Many of them were involved in amateur theatre when they were younger. Many also attend performances at other theatres in the city. All of them have been involved for a long time. In contrast, the passion for the university donor comes from its being his or her *alma mater*, in particular, and he or she gives mainly out of loyalty and obligation. (Very seldom did I hear the alumni/ae describe their passion for education.) The loyalty of the donors I now work with is for theatre and the arts in general, as experienced through the Cleveland Play House in particular.

How does this difference play out? It might be the difference between the emotive and the cerebral. Theatre donors might ask: Were the productions...moving ...entertaining...well directed... (you fill in the blank)? The frequent questions about the university are “Where did we rank this year? Are we drawing good students? Are we attracting strong faculty with good credentials?” In theatre, we are evaluated more, and on a daily basis, by how we fulfill our mission. I’m not sure any of my alumni donors were even guided by the mission statement of the university.

Dare I say also that maybe another key difference is that education is an accepted value, a given, never one debated or reconsidered. Unfortunately, it seems that the importance of the arts, especially during tough times, is forever being re-evaluated—which impels us, as arts fundraisers, to continue to articulate clearly, and with passion, why funding for the arts is so important.

—Carter Heistand is the director of development for the Cleveland Play House. He can be reached at chiestand@clevelandplayhouse.com.

CENTERPIECE TOPIC CURATORS

If you would like to contribute an idea for a *Centerpiece* topic, please notify the appropriate curator or contact:

❖ *Marketing*

Barbara Geeson Watson, director of audience development, Center Stage, bwatson@centerstage.org

❖ *Development*

Dawn Rains, director of development, Seattle Repertory Theatre, dawnr@seattlerep.org

❖ *Education*

Daniel Renner, director of education, Denver Center Theatre Company, renner@dcpa.org

❖ *Governance*

Judy Hansen, trustee, Milwaukee Repertory Theater, hansenjudy1@aol.com

❖ *Topical Issues*

Email TCG’s **Chris Shuff** at cshuff@tcg.org

ENDOWMENT & MAJOR GIFTS TEAM CULTIVATION PLAN

Date Created: _____

Prospect: _____

Account #: _____

Contact Information: Day _____

Evening _____

Email: _____

Primary Solicitor: _____

Primary Development Staff: _____

Who else can help? _____

Targeted Solicitation Amount: Endowment: \$ _____

Annual Fund: \$ _____

Prospect Profile Completed and Attached? Yes

No

Profile anticipated to be available: _____

Solicitation Method: Face-to-Face Solicitation: meeting date _____

Personalized Letter with Phone Follow-up

Cultivation Plan: (plan 6 to 8 contacts for your prospect throughout the year; can include personal notes, personal contact, event invitations & follow-up, chatting at an event, sending Rep materials, reviews, tangible items, etc.)

Action:	Assigned to:	Deadline:	Completed:

Notes: (record results of actions, content of conversations, and other information relevant to this donor)

Questions to help you develop your strategy:

What is the rationale (case) for this specific major gift? _____

How does this gift support the mission of the theatre? _____

What do we know about the prospective donor? Their interests? Concerns? Previous gifts? Relationship with Seattle Rep? _____

Who should be involved in the solicitation? Other trustees? Staff? From the prospective donor's perspective? Spouse? Financial advisor?

Who should ask for the gift? _____

When is the right time to ask? What cultivation needs to be done first? _____

What is the specific request for the endowment and/or the annual fund? _____

How much time will be involved (from getting the appointment to asking for the gift to negotiating the details)? _____