

# Ventures <sup>IN</sup> Philanthropy

advancing philanthropy through nonprofit consulting and training

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## President's Message

By Linda Lysakowski, ACFRE



Many people ask "Why the name, CAPITAL VENTURE?" And occasionally, we even get calls for venture capital.

Thinking about it, in some ways we are similar to venture capitalists – we help organizations achieve their dreams. We help them get the financial capital they need to build facilities, secure the future of their programs, and provide operating support.

While venture capitalists are often thought of as risk-takers, nonprofit organizations are traditionally thought of as staying in the more secure world of safe investments. However, nonprofits are often ready to risk everything – their financial capital and their human capital – because of one thing: commitment to their mission. We at CAPITAL VENTURE are honored to be part of advancing the mission of so many great organizations. We are pleased to feature just a few of these clients in this issue.

We are also delighted to announce the additions of our Philadelphia and Virginia offices. Our Philadelphia office will be staffed by Rhoda Indictor, while Preston Hadley will head our office in Virginia. Both Rhoda and Preston come to us with a long history of successful fundraising and nonprofit management. Rhoda is profiled in this issue of *Ventures in Philanthropy*, while Preston will be profiled in our next issue.

WATCH FOR CAPITAL VENTURE'S online fundraising courses – coming soon!

## Keys to a Successful Capital Campaign

Launching a Capital Campaign is typically a landmark occasion for most nonprofit organizations. A successful campaign provides unprecedented opportunities for an organization to clearly define its mission with the broader community, expand services and create a foundation for future success.

However, not all capital campaigns are created equally. While many are resounding triumphs, an ill-conceived campaign that fails to achieve its goals can do irreparable harm to an organization, its reputation and its financial standing.



Delaware Valley Golden Retriever Rescue



West Lawn/Wyomissing Hills Library

Capital campaigns can go awry at many stages: a feasibility study that goes unheeded, tepid support from inside the organization, or public disinterest are only a few of the factors that can undermine your efforts. But many of these pitfalls can be avoided with proper planning and execution.

CAPITAL VENTURE has provided fundraising counsel to numerous capital campaigns. The most successful campaigns all share common attributes:

- **The organization has built a compelling case for support.**

Competition for dollars is intense and growing more fierce all the time. Donors – whether it be individuals, corporations or foundations – have many worthy choices at the local,

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regional and national levels. Why should they support your cause?

Building a compelling case for support of your campaign is absolutely critical for success. Potential donors will ask tough questions and will expect thoughtful and direct responses.

• **Ensure you have the commitment of your board.**

Your board members are the leaders of both your organization and your community. They have invested their time and their resources in helping you achieve your goals, and in most cases, they will serve as major contributors to your capital campaign.

If your board is not fully committed to moving forward with a campaign of significant magnitude, you have little chance for success. The community follows the lead of your board members – and in this case, the old cliché “actions speak louder than words” rings true.

• **Build an effective volunteer campaign cabinet.**

A successful campaign requires broad community support among both

businesses and individuals. The major gifts portion of your campaign will encompass literally hundreds of personal visits and a tremendous amount of resources and coordination.

An effective volunteer base delivers two benefits: first, it provides the resources to do a job your organization couldn't possibly do with just its staff. And more importantly, it invests the community into your campaign. Your volunteers will make their own pledge to the campaign, and in many cases, deliver their business gift as well.

Capital campaigns are typically a marathon, not a sprint. Planning and executing the various aspects of a campaign is usually a multi-year effort. A compelling need and firm commitment are essential to survive the inevitable ups and downs as the campaign progresses. A solid plan that encompasses all the essentials is the road map to success.



Holy Name High School



Schuylkill Valley Community Library

CAPITAL VENTURE provides consulting services for planning (i.e., feasibility) studies, capital campaigns, and other development needs. Please call us toll free at 877-540-2896 or 866-539-9990 for additional information.

# Donor Affirmation through Effective Recognition Practices

By James B. Ingolio, MA, ACFRE – Guest Author

Despite increasing competition for charitable contributions and more complex fundraising strategies, one aspect of resource development remains remarkably unchanged – the short- and long-term value of recognizing and celebrating donors. Since the inception of formalized development programs and campaigns in the early 1900's, donor recognition has played a significant role in building sustainable relationships with philanthropic investors.

Donor recognition is an integral component in donor relations, particularly with major gift donors.

It is the foundation for long-lasting relationships between the donors and the nonprofit institutions in which they invest. Development practitioners will admit that recognition is not given the attention it deserves due to staffing, budget and time constraints. They feel pressured to move upward and onward in their quest for larger gifts at the expense of stewardship.

Donors often receive too little formal or informal recognition. The recognition they do receive is often impersonal, detached, contrived and unimaginative.

The most effective methods of recognition are based on a donor-centered philosophy, which enhances long-term relationship building and future gift giving. The end result is the nurturing and renewal of the philanthropic spirit, which can influence and perpetuate the habit of charitable giving.

National and regional research indicates that approximately 55 percent of all donors stop giving within the first year to a particular charity, and nearly 85 percent of all donors no longer give

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# Tell Us What You Think! Win Prizes!

We want to make the *Ventures in Philanthropy* newsletter as informative and interesting as we can to our readers. Please take a few moments to complete this readership survey. You can return it to us by:

Mail: CAPITAL VENTURE  
320 N. Kenhorst Blvd.  
Reading, PA 19607

Fax: 610-796-9150

Or complete the survey online by visiting our website at [www.cvfundraising.com](http://www.cvfundraising.com)

Every person completing a survey will be entered into a drawing for a \$100 gift certificate to The Sharper Image.

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**1) What sections of *Ventures in Philanthropy* do you usually read?**

- Feature on a key development topic
- President's Message
- Staff Profiles
- Recent and Upcoming Presentations
- Success Stories

**2) In general, do you find *Ventures in Philanthropy*:**

- Extremely valuable
- Somewhat valuable
- Can take or leave it
- Not valuable at all

**3) Do you want to continue receiving *Ventures in Philanthropy*?**

- Yes
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- Printed version through the mail
- E-mail
- Downloadable from CAPITAL VENTURE website with e-mail notification

**5) Any other comments:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Please contact me about the following development needs:**

- Capital Campaign counsel
- Annual Fund management
- Board development
- Conducting a feasibility study
- Board/volunteer training
- Public relations/communications planning



# Recent & Upcoming Presentations

## Back by Popular Demand...Capital Campaign Workshops

In conjunction with PANO, CAPITAL VENTURE offers its popular workshops that provide non-profit organizations with a jump-start on planning a Capital Campaign. Workshops will be held from 9:00 a.m. to 4:00 p.m. on the following days:

**May 4-5:** Wormleysburg, PA

**May 6-7:** Pittston, PA

**May 13-14:** Johnstown, PA

**May 18-19:** Phoenixville, PA

## New!

## CAPITAL VENTURE – sponsored workshops – Las Vegas, NV

CAPITAL VENTURE brings two of its highly-acclaimed workshops to Las Vegas. Our expert consultants provide a wealth of valuable information.

**May 14:** “Getting Your Board to Fundraise”

**June 17-18:** “Capital Campaigns for Churches”

*Workshops conducted by Linda Lysakowski, ACRFE and Sue Kreeger CFRE*

## Other Upcoming Presentations

**March 14-17:** AFP International Conference on Fundraising, Seattle, WA

“Getting Started in Fundraising,” and “Survey Course: Capital Giving”

**March 25:** Maryland Association of Nonprofit Organizations, Baltimore, MD

“Building Your Case for Support” and “Marketing Your Nonprofit”

**March 29:** Berks County Chamber of Commerce, Reading, PA

“Fundraising in Difficult Times”

**April 13:** AFP Philadelphia Chapter, Franklin Forum  
“Working With Boards”

**April 27:** AFP Maryland Chapter, Sheraton Baltimore North  
“Assessing Campaign Readiness”  
Book Sale and Signing

**May 28:** AFP Las Vegas Chapter  
“Developing a Case for Support”

**For details about all Recent & Upcoming Presentations please call toll free:**

**1.877.540.2896**

**or see our website at: [www.cvfundraising.com](http://www.cvfundraising.com)**

# Success Stories

We are pleased to report the “Graduation” of 20 participants in our Group Consulting Program, offered as a pro bono service to celebrate CAPITAL VENTURE’s 10th anniversary. Graduation/Reunion celebrations will be held this spring.

## Pennsylvania ProBono Group Consulting Program Graduates:

Harry Harrison, Cynthia Moultrie and Courtney Wilborn of the AFRICAN AMERICAN MUSEUM OF PHILADELPHIA – *Collects, preserves and interprets the culture of African Americans in Pennsylvania and the Americas.*

Dawn Catteau of ALPHA OMEGA PLAYERS – *Offers theatrical productions and educational opportunities to Berks County.*

Joe Ayala of CENTRO HISPANO DANIEL TORRES – *Provides services to the Latino community in Reading and throughout Berks County.*

Jennifer Powell of CLARE HOUSE – *Provides homeless women and children a temporary home, life-skills programs and aftercare support.*

Marcella Bossow and Richard Green of CROSSING THE FINISH LINE – *Provides respite for young adult cancer patients and their caregivers.*

Traci Foster and Trish Onley of LOGOS ACADEMY – *An educational institution promoting the spiritual, intellectual, social and emotional welfare of students.*

Melissa Orner of PHILADELPHIA YOUTH NETWORK – *Provides youth workforce development programs to build the next generation of workers.*

## Nevada ProBono Group Consulting Program Graduates:

Elinore Bugli of CARSON CITY SYMPHONY – *Offers entertainment and education of audiences in Carson City.*

Ken Beaton, Frieda Ford, Leona Cockenmeister, and Jere Schultz, of THE CHILDREN’S MUSEUM OF NORTHERN NEVADA – *Offers innovative, hands-on learning adventures in the Arts, Sciences, and Humanities.*

Wendy Randall of RED MOUNTAIN MUSIC COMPANY – *Fosters excellence in the musical performing arts.*

Estelle Murphy and Kathleen Brooks of SAFE NEST – *Promotes the eradication of domestic violence by providing shelter, food, clothing, counseling, education, and other services.*

Fran Smith of THE VOLUNTEER CENTER OF SOUTHERN NEVADA – *Provides resources to groups and individuals to help deliver creative solutions to community problems through volunteerism.*

# Profile: Rhoda Indictor, Consulting Associate

Rhoda Indictor, CAPITAL VENTURE's newest consulting associate, came to fundraising the old-fashioned way – from the ground up.



"I didn't know I was a fundraiser until many years after I started doing it," Rhoda recalls. "I was running small social service and healthcare agencies and we needed to raise money to survive. So I'd knock on the door of a local business and was happy if I came away with a \$10 gift."

Rhoda learned grantwriting in the same nose-to-the-grindstone way. "I wrote down what we wanted to do, how we were going to do it, and who was going to do it," she said, "and money would often be made available. That's how I started doing grant work."

Rhoda has transformed those grassroots beginnings into a very successful career. Specializing in healthcare and social services, Rhoda has provided fundraising, grantwriting, marketing and business development acumen to Philadelphia-area firms such as Ambulatory Services Division and Temple University's Department of Obstetrics, Gynecology & Reproductive Sciences. Rhoda has also worked with education, cultural arts, environmental preservation and religious organizations.

While at Temple, Rhoda provided clinical, grant writing and fundraising coordination on an infant mortality reduction grant that resulted in a \$4.8 million prenatal care initiative funded by The William Penn Foundation – a far cry from those \$10 gifts of her early years in development!

Rhoda believes that a key strength she offers clients of CAPITAL VENTURE is her experience in building and running programs. "I can understand what these agencies are up against, because I've been there," Rhoda remarked. "I've had to raise funds while running programs. I can be sympathetic as well as empathetic."

Rhoda says she enjoys coming into a situation and working from the ground up to build on an organization's vision. "I really enjoy working with agencies as they go from infancy to adolescence," she said. "When they reach adulthood, I'm happy to pass things on."

Even though she has been with CAPITAL VENTURE for only a short time, Rhoda has already seen first-hand that the company is well respected. "I was in Harrisburg (Pennsylvania) representing CAPITAL VENTURE at a meeting, and I was very pleased at the reception we received," she said. "One woman was discussing capital campaigns, and she gave a tremendous plug for CAPITAL VENTURE."

Just in case Rhoda ever tires of fundraising, she could conceivably go back to her days as a radio personality.

"Some of the most fun I had was when I produced and hosted a call-in radio show on behalf of a healthcare organization," she said. "We brought in health care professionals each show to answer caller's questions."

"I try to be a very creative person and find new ways to solve problems and address issues."

All of us at CAPITAL VENTURE welcome Rhoda and can't wait to see what she comes up with next!

## Donor Affirmation CONTINUED FROM PAGE 2

to the same charities by the fifth year after their first-time gift. This is known as "donor attrition" – a serious problem that forces practitioners to spend an inordinate amount of time, effort and money on donor prospecting. Donors have indicated that a standardized, "cookie-cutter" approach to recognition does not particularly engender donor loyalty.

If charitable giving is to keep pace with the increasing need for funds, we, as development practitioners, must address the problem of donor attrition. More effort must be devoted to building donor loyalty and donor retention. A better understanding of and an appreci-

ation for donor-focused recognition is needed to minimize donor attrition.

A recent survey of Pennsylvania major gift donors and fundraising professionals revealed:

- Only 20 percent of the donors believed their charitable giving is motivated by recognition; 52 percent said they are not motivated to give in order to be recognized.
- Nevertheless, the majority of donors agreed that recognition is important for good donor stewardship. Only 18 percent of the survey respondents believe recognition is a waste of

the nonprofit's valuable resources that could be better spent for direct services.

- About 80 percent of the donors believe tokens of recognition (mugs, certificates, etc.) are sometimes or always appropriate, depending on the organization's traditions and culture and the perceived cost of the tokens.
- Half of the development practitioners said donors do display tokens of appreciation. In comparison, only one-third of the donors said they actually display such items.

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*Advancing Philanthropy through Nonprofit Consulting & Training*

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*The mission of CAPITAL VENTURE is to provide fundraising counsel, specializing in innovative training and consulting services for both new and established development programs. CAPITAL VENTURE strives to advance the cause of philanthropy by providing professional, ethical and competitively priced fundraising counsel for nonprofit organizations.*

## Donor Affirmation CONTINUED FROM PAGE 5

- The most common method of thanking donors is by letter from the Development Director, Executive Director, or Board Chairperson. Donors said they particularly enjoy a letter of appreciation or hand-written note from a beneficiary who was helped by the organization.
- Donors revealed that their least preferred form of recognition is to be invited to serve on a fundraising committee or campaign cabinet because of their leadership giving. With few exceptions, many donors said they dislike asking for money.
- When appropriately recognized, 50 percent of the donors said they would continue to support their favorite charities at the same giving level, and 35 percent said they would increase their gift giving.
- Board members and other leadership volunteers need to have more personal involvement in recognition and stewardship efforts; "Thank you" phone calls, notes or in-person visits are appreciated by donors.

Donor recognition is a core function of fundraising. There is a general consensus that recognition enhances relationships between donors and nonprofit organizations. The ultimate outcome of these relationships is the organization's

ability to fulfill its mission. Hence, donor recognition can be viewed as part of the process for capacity building and mission advancement.

While Development practitioners often view recognition as a means to advance the organization, a more recent trend is to provide formal and informal recognition in a manner that best suits the donor's wishes. A donor-focused approach nurtures donor relationships, improves communications between the donor and institution, lowers donor attrition, and ultimately secures even greater philanthropic investment.

When deciding how best to recognize a major donor, consider what techniques are appropriate for the magnitude of the gift, the donor's personality, likes/dislikes, as well as personal and family interests. Whenever there is doubt, the best practice is to ask the donor how she or he would like to be publicly or privately recognized. Then combine your own unique, creative recognition elements to affirm the donor as a special individual to your organization. As Development guru Jerold Panas has said, "Recognition is respect made tangible."

