

The Charity First Series



PROSPECT RESEARCH

Robin Jones
and
Rebecca Funnell

The Charity First series aims to provide practical and straightforward guidance on the challenges confronting charity operations today, with fundraising in the spotlight. Its individual subjects range from those concentrating on the UK and Ireland to non-profit issues in the EU and other jurisdictions, from traditional to digital fundraising and from basic help for those just entering the third sector to specialist areas for the more experienced.

For further information and orders see www.charityfirstseries.org

This sample consists of brief extracts from one title in the series.

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INTRODUCTION

‘Good prospect research is vital if a charity is to give appropriate priority to the right potential donors, and if it is to treat those potential donors in a manner which is respectful and appropriate’, Adrian Beney, Partner, More Fundraising Consultants.

So, you have decided to ‘Take the Plunge’ and do some major gift fundraising for your charity. The first step is to build a pool of potential major donors who you will eventually ask for a major gift. We call these ‘prospects’.

Good fundraisers have always known that in order to persuade people to make a major gift to a cause, and even to have the courage to ask for a major gift in the first place, they must first build a strong and comfortable relationship with that major gift prospect.

Major donors are often busy people and so meetings with fundraisers may be brief, leaving very little time in which to build up such a relationship. So it is essential that fundraisers go into every prospect meeting or event having done their homework. That homework is ‘Prospect Research’, an activity which minimises the risks of making faux pas and maximises the potential to engage prospects by introducing them to those areas of your organisation’s work most likely to inspire them.

As you can see then, prospect research is essential to major donor fundraising and, in many larger charities, a fundraising team may include one or more dedicated prospect researchers. In smaller charities, fundraisers need to do their own research. But where should you start?

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PROSPECT RESEARCH: GETTING STARTED

More and more charities are putting more and more effort into major gifts. Stage one is identifying the prospects. Who is there connected with your organisation that is wealthy and a potential major donor? Who is there in the outside world that has an affinity to your cause but you don't yet know. The answer lies in prospect research.'

Giles Pegram, CBE, the former Appeals Director of the NSPCC who received the 'Lifetime Achievement in Fundraising' award in 2002 and now runs his own fundraising consultancy.

In order to gather the knowledge you will need to cultivate major gifts, there are three main tasks that need to be performed by the prospect researcher. These are:

- Building a donor pool
- Qualifying lists of prospects
- Profiling of prospects

The key is to avoid doing too much research too early; only do as much research as you need at each stage.

Building a Donor Pool

If your organisation needs to identify new donors where can you go to find them?

Exploring your database - Diving for Pearls

The first place you should look is in your own back garden. What do you

know about your current supporters and which of them can you move up the donor ladder to become a major donor?

Provided that you have a list or database of supporters or members or other individuals who have an affiliation to your organisation, you could have these screened electronically against a database of wealthy and/or influential individuals. Between 1-5% of your supporters are likely to have the capacity to make a major gift and for some organisations, the figures are higher. Database screening can be done by a number of research agencies. Remember to remove from your dataset any individuals that you already know about before you send the data for screening otherwise you will be paying for results you don't need!

Once you've had your data screened, you will have a pool of individuals who are both affiliated to your organisation and wealthy and/or influential who you can research in more depth.

Manual Screening

Further searches on your database can be performed manually to add extra names to your prospect pool or if a database screening is beyond your budget. These searches will give you a pool of 'suspects' which would need to be researched in a little more depth to ascertain which of these can really be considered as credible major gift prospects.

Run queries on your database for prospects who live in expensive postcode areas (find these at www.zoopla.co.uk/property/richlist and www.forbes.com/2007/12/11/postcodes-uk-expensive-forbeslife-cx-po_1212realestate.html).

Also check your database for people who have sent you cheques or made transfers from private banks such as Coutts & Co. These banks

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About the authors

Robin Jones: Robin is a hands-on prospect research consultant. He has worked in fundraising for 15 years and set up his own business, Milestone Research, in 2003.

After completing his degree at Bristol, Robin worked for a local authority as an archivist. He worked in information management for two multinationals in London before moving into the not-for-profit sector.

He was chair of the Institute of Fundraising's special interest group, Researchers in Fundraising, from 2002 to 2007 and continues as a committee member.

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