

KEY ELEMENTS OF AN ASSET DEVELOPMENT PLAN FOR COMMUNITY FOUNDATIONS

Transatlantic Community Foundation Network Working Group: “Building Charitable Assets and Partnering with Donors”

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Introduction

In addition to a strategic plan (which should include an asset building goal), a successful community foundation should also have a plan to guide its program for building endowments and raising other funds to be used for charitable and administrative purposes. Most asset development plans (which ideally are no longer than five pages) include these elements:

Mission Statement

The mission statement of a community foundation is the starting point for the telling of its story. From this brief articulation of the foundation's purpose for existence flow all of the other messages that the foundation will present to its various audiences and different constituencies. Some topics that a mission statement may address are:

- ❑ The geographical area that the foundation proposes to serve
- ❑ The foundation's desire to be in partnership with donors
- ❑ The foundation's openness to addressing multiple community issues
- ❑ The representative nature of the foundation (as evidenced by its governance, grant making, etc.)

Goals

The asset development plan should include a series of goals or desired outcomes. This section of the plan should answer the broad question: "What will success look like?" These goals might include references to:

- ❑ Advocacy (e.g., desired changes in legislation that is supportive of giving; other public policy support for Non-profit Organizations (NPOs) and charitable behavior)
- ❑ Management and governance (e.g., board and staff responsibilities for asset development; opportunities for board and staff development)
- ❑ Communications (e.g., visibility of the foundation among different constituencies as well as the general public)
- ❑ Community leadership (e.g., convening activities)
- ❑ Knowledge of the NPO community (e.g., regular site visits)
- ❑ Sources of financial and other support (e.g., amounts of money to be raised for various purposes; number of funds to be created; segmentation and rating of prospective donors)

As implied, the goals of the asset development plan can include more than simply financial targets.

Strategies

Each goal of the asset development plan should be supported by a description of the steps required to achieve it. For example, that description might include:

- ❑ a timetable for reaching the goal
- ❑ the identification of the individuals responsible for giving leadership to reaching the goal
- ❑ an estimate of the resources (personnel, money, products) needed to reach the goal
- ❑ references to the communications/marketing tools that will be used.

Sometimes it is helpful to arrange this information in matrix form.

Evaluation Plan

The asset development plan should include mechanisms to monitor and evaluate the foundation's progress in completing the strategies it plans to use to reach its goals. Questions to consider in developing an evaluation plan include:

- ❑ To whom (in the foundation and in the community are we listening?)
- ❑ What are the needs of the community and how are we responding to them?
- ❑ What success are we having in convening members of the community?
- ❑ Are our asset development activities cost-effective?

Development of Donors

A community foundation needs to deliver a clear and consistent message about its purpose and whom it proposes to serve. However, it also needs to identify the different audiences and prospective donors it wishes to reach with that message so it can tailor the message to their interests and needs. As it builds its prospect list, it should imaginatively keep in mind a wide range of different possibilities in addition to obviously wealthy individuals:

- ❑ Professionals (attorneys, architects, physicians, etc.)
- ❑ Civic and NPO leaders
- ❑ Religious leaders
- ❑ Friends of current donors
- ❑ Young people
- ❑ Minority groups

(See the next section for other examples)

SOME LESSONS LEARNED BY SUCCESSFUL COMMUNITY FOUNDATIONS

Mission Statement

- ❑ Don't get too focused on a single issue. A community foundation needs to be a large enough "umbrella" to cover many interests.
- ❑ Take care to identify clearly the proposed geographical service area of the community foundation

Donor Prospect/other Audiences List

- ❑ Community foundations have many audiences. Not all of them are donors.
- ❑ In addition to prospective donors, other segments of the community with whom you need to communicate regularly are:
 - ✓ Professional advisors to people of wealth
 - ✓ Influential community leaders
 - ✓ Your own board and staff members
 - ✓ Corporations/businesses
 - ✓ Media
 - ✓ Government leaders and public officials
 - ✓ Financial institutions
 - ✓ Other NPOs
 - ✓ Foundation partners (domestic and international)
 - ✓ General public
- ❑ Since you probably can't reach all of them simultaneously, take time to establish priorities. Note, however, that professional advisors (people who

advise prospective donors) are perhaps the most useful audience with whom to communicate, because they can introduce their clients to your foundation and its work. Try to build a strong cadre of professional advisors and communicate with them regularly. Perhaps you can play a role in convening them as a group.

- ❑ Try to chart and analyze the "demography of wealth" in your community. Who controls the real wealth (it may not be the obvious individuals)? Who influences them? Whom do they influence? This information may help you to establish your priorities.
- ❑ REMEMBER: The best prospect for a gift often is someone who already is a donor.

Goals

- ❑ An asset development plan may well have a goal (or goals) related to convening audiences who may not be immediate donor prospects. For example, the nation of Slovakia permits citizens to direct 1% of their taxes to NPOs. Community foundations could play an important role by convening all of the country's NPOs to organize a national campaign (The Power of 1) to encourage this kind of giving.

STRATEGIES

Campaigns

- ❑ Challenge grants are one of the most effective ways to encourage giving because they validate the importance of what you are doing in the eyes of other prospective donors.

Communications

- ❑ **DETERMINING A PROSPECTIVE DONOR'S CHARITABLE INTEREST AND INTENT AND LINKING THEM WITH OPPORTUNITIES TO BE PHILANTHROPIC IS THE MOST EFFECTIVE WAY TO BUILD ASSETS! BEGIN BY ASKING PROSPECTIVE DONORS, "WHAT IS IMPORTANT TO YOU?"**
- ❑ A conversation with prospective donors involves 20% talking and 80% listening to their interests.
- ❑ Other key messages when speaking with prospective donors:
 - ✓ We are accountable and transparent
 - ✓ Your gift may have a greater impact if it is pooled with other gifts

- ✓ Your gift of permanent assets can help you to achieve immortality; it enables you to give forever
- ✓ Your gift is an excellent way to memorialize a family member or friend.
- ✓ We can help you to identify worthy recipients of your giving.
- ✓ We can help your giving to be more effective -- to make a difference.
- ✓ We can provide you with investment expertise.
- ✓ There may be tax benefits available to you.
- ✓ We are part of a well-established and fast-growing, international philanthropic movement.
- ✓ We can help your giving to be effective, transparent and accountable.
- When explaining the role of a community foundation to other audiences, one of the most effective ways to do so is to tell personal "stories" about donors and how their gifts have helped to strengthen NPOs and to build community.
- Different audiences will be listening to see what part of the message about the community foundations speaks to their "self-interests." For example:
 - ✓ Corporations may be interested to see how giving through the community foundation can help their public relations
 - ✓ The media may be interested to know that community foundations can provide them with both good stories and expertise on community issues
 - ✓ Government leaders may recognize that their involvement with a community foundation can enhance their reputation and popularity or offer partnership possibilities for the establishment of new programs for the good of the community
- A brochure (and every community foundation should have at least one interesting document that describes its purpose and activities) is only a tool. It is no substitute for personal contact

Organization

- Board members of a community foundation should possess:
 - ✓ Vision
 - ✓ Willingness to give leadership to change

- ✓ Tolerance of risk
- ✓ Commitment to be actively and personally engaged

- Their principal responsibilities include helping to build relationships between other individuals and the community foundation.

- One of the primary responsibilities of the CEO is to build a board team and then to devote time to nurturing and strengthening it -- while still treating each member as an individual asset with different talents.

- Everyone connected to a community foundation needs to be involved in asset development. Assigning this responsibility to an asset development "committee" usually doesn't work well.

- Each volunteer and staff member should have an individual assignment plan.

Among the best volunteers for the work of asset development are:

- ✓ Corporate CEOs who have demonstrated their willingness to be engaged
- ✓ Individuals with large personal and professional networks
- ✓ Leaders who are personally generous and willing to describe why they give
- ✓ Current donors

- Consider training and using board members as speakers to different audiences.

- Short-term, project-oriented work groups and task forces may be more productive than standing (permanent) committees.

Some internal needs for asset development

- ✓ Good staff
- ✓ Opportunities for staff development
- ✓ Gift processing software (donors must be thanked promptly)
- ✓ Investment policies and procedures
- ✓ Coordination of all communication
- ✓ Good fiscal record keeping systems
- ✓ Ability to produce quick and accurate reports on donors and relationships with them
- ✓ Coordination between asset development and grant-making

Other points to remember

- No single asset development model works equally well for everyone. Identify your own strengths and build upon them. For example, if you have no assets, you may need to focus first upon your ability to convene leaders around important issues.
- As you grow, make sure that your "services" keep pace with your "sales." When you expand your staff, the first person you hire might well be someone with financial and technology skills to keep track of all the internal transactions that will be required to meet the needs of new donors and programs.
- Take time to learn from others -- not just your peers but also experts from business and other fields. Encourage your board members to learn from their counterparts at other community foundations (both domestically and internationally).
- Regularly find time to celebrate your achievements and to have fun!

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