

Prospect Research: Every Prospect, Every Time

How much should Mary and John pledge to our building campaign? This question arises and needs to be answered for every campaign and for all prospects. Staff and volunteers can plan and prepare for a campaign, but without sufficient prospect research to be followed by intelligent evaluation based on this research, your chances of achieving success are at best, hit or miss.

Prospect research is expensive, and certainly time-consuming, but it will make all the difference in the world with your campaign. The long-term benefits of prospect research are immense.

Where do we begin?

Initiate the process by answering some basic questions about each prospect:

1. Is this person a former board member, grateful patient, alum, grandparent, etc.; or does he/she have any involvement with your organization?
2. Do they own assets or are they swimming in debt?
3. Has this person requested information from you organization? Planned giving brochures? Tax-wise estate planning information?
4. Is this individual generous to other charities?
5. What type of donor is he/she? Ego-driven or cause driven? Do they require substantial recognition or prefer anonymity?

Once you have answered these questions and have eliminated those that are not really legitimate prospects, you can then concentrate on your real prospects.

What information should you collect on your top prospects?

At the very least: full name and addresses, phone numbers, emails, educational attainment, business titles, marital status, information on children (number and ages), and information on the spouse including education, career, etc.

Additional information that always proves helpful includes the specific connections to your institution, honors and achievements, participation in clubs and other organizations, political affiliations, religious affiliations, recreational interests, previous charitable and political contributions, other personal interests, and any directorships held.

If the prospect works for a publicly held company, the prospect's net salary and stock holdings made be in the public domain.

Certainly the giving history of the prospect will be telling in evaluating their potential interest in your organization. Also, you must track visits to your office, attendance at special events, miscellaneous volunteer activities, and participation with special projects.

Keep in mind too, that best friends of a prospect can be the gatekeeper in getting you in to see them about your organization's funding needs. Equally important is to know the accountant or attorney of the prospect.

Of course, the use of online databases to search for prospect information is an important tool. Online databases available for your use include: Dialog, Lexis/Nexis, WealthEngine, and Dow Jones News Retrieval.

In researching executive prospects working for a public corporation, review the company prospectus, the list of corporate officers and directors, sales volumes, profits, the annual report, a listing of the grant decision makers, and any prior gifts made to other institutions in your community.

Gathering information on executives working for and/or owning private corporations proves to be more difficult, but information is out there if you know where to look. Multiple online resources are available from companies such as Dun & Bradstreet and Hoover's, which contain useful information on private companies. Your interaction with various civic organizations such as Rotary, the Jaycees, or Lions Clubs could provide a network of information on executives of private companies. Also, searching the online archives of The Wall Street Journal can provide a wealth of information.

In researching foundations, determine the names of directors and trustees, their professional connections, current foundation assets, the decision making process, the history of their recent grants, and the key contact for you to visit before sending a written proposal or submitting a proposal online. The most recent IRS 990 forms and annual reports will also provide useful information. Also, know the average size of grants awarded and the time frame in which they are paid. The Foundation Center is the typical resource used by development professionals to start the grant research and writing process.

Corporate and foundation funds are certainly appreciated, but keep in mind that the majority of money given away in this country comes from individuals. Individual gifts far exceed those of corporations and foundations. Thus, individual gifts should be the primary focus of your prospect research.

Every Prospect, Every Time? You Bet!

Make prospect research a major strategy in the strategic planning process for your development office. All staff members need to understand what it is that your researchers can do, and more importantly, your researchers must be told by your development professionals what type of information is the most helpful to gather.

Key solicitors, such as volunteers, the president or executive director, and directors of major gifts and planned gifts should share their future travel schedules with your researchers. This way, information can be gathered on prospects in the area to be visited, thus making fundraising trips worthwhile and cost-effective.

Following much tedious research comes the cultivation phase. Make sure you assign staff members and/or volunteers to follow-up with your prospects, and you identify the action steps necessary for this cultivation process to turn the prospect into a substantial donor.

The bottom line is that prospect research is an initial operating expense, but in time increases your bottom line dramatically. What are you waiting for? Start researching!