The Right Gift From The Right Person at the Right Time: Tracking Your Prospects

Robert Weiner
President, Robert L. Weiner Consulting

Karen Rhodes
Associate Director of Development, College of Engineering, UC Berkeley

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Your newest colleague, a major gifts officer, wants your help. She needs to get to know her prospect pool and decide where to focus first. To get started, she wants to know:

- Have any of her prospects been rated as having a high gift capacity?
- Which of them have the strongest connections to your institution?
- How is her pool divided among prospects in cultivation, solicitation, and stewardship?
- Which prospects are ready to make a gift in the immediate future?
- How much have her prospects given in the past and what did they support?
- What actions took place recently and what follow-up is needed?

For some answers, she will seek out colleagues, volunteers, board members, and perhaps her predecessor. At the same time, the Advancement Services office and advancement database should help her fill in the blanks, track the new information she gathers, and stay focused on the best prospects.

(Note: although corporate and foundation fundraisers need to answer the same questions, the focus of this chapter is on major gifts.)

Every organization has its own way of tracking prospects. The fields and codes listed below are provided as examples, not as the "right" answers.

Who are the top prospects?

"Top" prospects are those with an optimal combination of capacity (how large a gift they are likely to make), inclination (how committed they are to your institution), and readiness (when they might be able to make a gift). Capacity is the most seductive of the three. However, it does not matter how wealthy someone is if she does not care about your institution and will not answer calls from your fundraisers.

How much are your prospects likely to give?

Gift potential, or capacity, is a good starting point for prioritizing prospects. These ratings are derived through staff and volunteer interactions with the prospect, prospect research, peer ratings, and/or electronic wealth screenings. Gift potential is not the same as net worth or disposable assets – it should reflect a likely gift to your institution. Below are sample gift potential ratings for an institution that classifies a major gift as $10,000 or more:

- $5M+
- $1M - $4.9M
- $500,000 - $999,999
- $250,000 - $499,999
- $100,000 - $249,999
- $50,000 - $99,999
- $25,000 - $49,999
- $10,000 - $24,999
- Less than $10,000 (not a major gift prospect)

How committed are your prospects?

The ideal prospects have both *inclination* or *affinity* as well as capacity. Inclination is a subjective rating of the prospect's interest in giving a significant gift to your institution. It is based on the prospect's prior support of your institution (or organizations with similar missions), the degree to which your project aligns with the prospect's interests, and the strength of the prospect's relationship with your institution.

One institution uses the codes:

1 Strongest inclination to give at rated potential: We are their top priority.

2 Strongly inclined, but we may not be their top priority.

3 Moderate inclination; worthy of pursuit. Could be inclined to give at potential if engaged properly.

4 Low inclination; worthy of pursuit. With proper attention, they could become more inclined to give at potential.

5 Not interested in us. No amount of cultivation will bring them around.

6 Interested, but health or personal situation prevents giving at this time.

7 Unknown inclination.

Another uses:

1 HIGH: Trustee, major donor, active on boards and committees, solicitor of others.

2 MEDIUM: Active, regular volunteer, significant donations made, committee person.

3 LOW: Moderately active or formerly active, periodic donor at lower levels.

4 QUESTIONABLE: minimal interest, sporadic donor, participant, meeting attendee, etc.

5 NONE: not involved, no record of interest.

Others categorize their prospects as **hot**, **warm**, and **cold**.

When did your prospects last give, how much did they give, and what did they support?

Inclination and readiness to give are often demonstrated by a history of interactions with your institution, including past giving. If you are not able to combine giving history with your prospect tracking data, it may be time to look for a new donor database. This topic is discussed in the first chapter of Section V, as well as in CASE's *Handbook of Institutional Advancement*.

Who took the last action and what was it?

Your database and contact reports should tell you who did what with whom, and when. You should be able to tell whether any prospects are expecting calls, meetings, or proposals. The contact reports should provide more qualitative information about interests, inclination, and readiness (but nothing that you would not want the prospect to read).

Which prospects are at which stage in the major gifts cycle?

At a minimum, your tracking system should tell you whether a prospect is in initial investigation, being actively solicited, or has declined a previous ask. There are many ways to track prospect status. For example, one organization uses the codes:

A Identify
B Involve
C Align
D Ask
E Close

Often, a prospect status hierarchy looks like the following:

A Identification
B Research
C Qualification
D Cultivation (some institutions use a separate Renewal status)
E Solicitation
F Stewardship
G Not a prospect

A fully detailed hierarchy looks something like this. Even if you choose a simpler format, some of these stages may be worth adopting.

A ***Pending*** or ***Internal Tracking*** – The prospect is awaiting research and/or qualification.

B ***Research***

C ***Not a Prospect*** – The prospect is not viable.

D ***Potential*** or ***Introductory*** – The prospect is awaiting classification by a fundraiser.

E ***Initial Cultivation*** – This code is used during the early stages of getting to know the prospect.

F ***Cultivation*** – The prospect has displayed interest or is a previous major donor who has been moved back into cultivation. A prospect might remain in cultivation for months or years.

G *Active* – A solicitation strategy is being developed. This code is used just prior to scheduling and making the ask.

H *Inactive* – Prospect is not able to give a major gift at this time but has potential for the future.

I *Ask Scheduled* – The anticipated ask date and amount have been set.

J *Ask Made* – The solicitation took place and a decision is due.

K *In Negotiation* – The prospect may have made a commitment but the specifics of the gift are still being worked out.

L *Closed Solicitation/Yes* **–** The prospect agreed to the ask.

M *Closed Solicitation/No* **–** The prospect declined the ask.

N *Closed Solicitation/Not Now* **–** The prospect declined the ask but will consider an ask in the future.

O *Stewardship* – Stewardship would follow Closed Solicitation/Yes.

P *Renewal* – Renewal follows a period of stewardship.

Are your top prospects ready to make a gift?

You have looked at capacity, inclination, past giving, and past actions. Many institutions also track the likelihood of a gift within a time period. This code can be called many things, including **readiness**, **timeline**, or **stage**. For example, one institution uses the codes:

C1 0 - 6 months until solicitation

C2 7 - 12 months until solicitation

C3 13 months or more until solicitation

The **C** indicates that they are in cultivation (so you can pull a list of all the Cs), and the number tells you when an ask might come.

Putting it all together

In reviewing all of the prospects assigned to your new fundraiser, you identify fifty prospects who are coded as being actively cultivated (let's say they are coded "**C**") and a dozen who are coded for Stewardship (they are coded “**S**”) – they made a gift in the past and may be ready for another approach.

Five of the **C**s and two **S** prospects are rated as having gift potentials above $5 million. However, their inclination ratings are all low or unknown. They may be wealthy, but they are not ready to be approached (and may never be).

On the other hand, thirty of the **C**s and ten of the **S** prospects with the highest inclination ratings have gift potential ratings above $500,000 and a few are rated at $1 million. The inclination codes were all entered within the past six months, so the information is reasonably current. This group goes at the top of your fundraiser’s list. Unfortunately, the previous fundraiser did not track readiness so you do not know if any gifts are imminent. The new fundraiser promises to do better at tracking readiness.

The fundraiser decides to focus her immediate attention on the **C**s who have the highest inclination ratings, capacity ratings of at least $500,000, and who had recent significant contacts. She will also work on reengaging the **S** prospects.

Meet the prospects

As the fundraiser gets to know her prospects, she will want to record her results. If she is raising funds for more than one purpose, she needs to track which prospects are interested in what. Many institutions do this with interest, project, or campaign codes. These might be general (e.g., Music, Engineering, Building, Scholarship, or Endowment), or specific (e.g., Library Addition Campaign). If you are recording projects only as free text in a spreadsheet, contact report, or comments field it will be difficult to produce a list of prospects by project. Instead, you need a defined set of codes, so that graduate fellowships are always “GRF” rather than a random set of acronyms and abbreviations.

As the fundraiser builds relationships with her prospects, she should track prospect status (cultivation, solicitation, etc.) along with dates showing when the status code was assigned. Many fundraisers also track the following:

- What action needs to be taken next (e.g., arrange lunch with the department chair)? This is usually entered as a free-text comment.
- Who needs to take the action? In large offices, the action may be delegated to another fundraiser or an assistant. Some databases allow tasks to be assigned

to someone else. The person who made the assignment can then monitor the status of the task.

– When does the action need to take place? Many databases include a tickler system to remind fundraisers of upcoming actions. The ticklers might be displayed when they log into the database, or they might arrive via email. However you track them, is important to retain a record of past actions.

If your institution has more than one fundraiser, you will want to assign a solicitor to active prospects. Some institutions assign multiple "solicitors." This might include a manager who helps develop the strategy and oversees all approaches, a volunteer who helps with cultivation, and a fundraiser (or perhaps a Dean) who will make the ask.

A related topic is prospect clearance: who is authorized to make contact with a prospect? Large institutions often assign a prospect manager who is not necessarily the solicitor. The manager needs to be informed of all cultivation and solicitation plans. Clearance might be granted for only specific types of activities (e.g., ongoing cultivation but not solicitation). Clearance might also be granted for a set time period. At the end of this time, the clearance can be extended if tangible steps have been taken and progress is being made. Otherwise, it can be withdrawn.

What else do you need to track?

The list seems endless. It includes wealth ratings from electronic and peer screenings, the value of stocks and properties, board memberships, gifts to other organizations, *Who's Who* entries, news reports, and much more.

No system has defined fields for everything. A lot of prospect data will be entered as free-text comments. If possible, however, you should categorize comments so they can be easily retrieved.

Fundraisers must avoid the trap of spending all their time tracking data at the expense of raising funds. In addition, some information changes daily and is not worth transferring to a database. If you have a small shop or no researcher, stick to the basics: status, inclination, interests, capacity or ask amount, last action, and next action.

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Some databases allow you to enter a proposal record for a prospect. A single prospect could have multiple proposals. A proposal record lets you track the solicitor, project or purpose, planned ask amount, planned ask date, and any notes. You can then record a series of activities and dates related to the ask. Some institutions also record a confidence level for a planned ask. For instance, the ask might be targeted at $1 million, with a 75 percent confidence level.

Some development offices use a pipeline report to track major gifts activities and forecast revenue. Such a report might summarize how many prospects are in each stage of activity for each fundraiser, department, region, or campaign. It might list the predicted value of pending and planned solicitations, and, if tracked, the level of confidence that the asks will be successful.

Advancement Services' role

Your challenge is to help fundraisers identify the best prospects, prioritize their work, and stay in touch with prior donors without getting bogged down by record keeping. A good prospect tracking system also turns information about prospects into an asset that is available long after any particular fundraiser has left the institution.