Prospect Research
Strategies for Small Development Offices

AFPLI March 2016 Presentation by Susan Shebar Fioribello
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Benefits of Prospect Research

- Maximizes the use of your limited resources

- Enhances your understanding of your prospects and existing donors
  - Biographical
  - Financial (business and wealth indicators)
  - Inclination

- Informs your cultivation strategy
  - The “big question”: timing and sizing of the “Ask”
    - Too much too soon - prospect ducks out before dessert
    - Too little too late - prospect gives you cash from his / her wallet
  - Different Information for each stage of Solicitation Cycle

- Identifies new donors
We would do prospect research but...

- We are too busy!
- We don't have enough staff!
- Research is expensive!
  - I can just "Google" what I need
- Research is hard!
We are too busy!

- But, . . are you spending time on the right people?
- But, . . are you identifying new prospects?
- But, . . are your events creating new donors?
- But, . . are you Asking the right amount at the right time?
We don't have enough staff!

- Hire a Full-Time or Part-Time Researcher
  - $45,000 - $75,000

- Hire a Freelancer Researcher
  - $1,000 - $3,000 a month

- Train Existing Staff Member
  - Varying fees for training courses (several hundreds to several thousands)
  - Time from existing duties

- Do it Yourself
  - Time from existing duties
Research is Expensive!

- Major gift officer has 20 prospects in their current portfolio
  - No research is conducted:
    - 20 calls result in 10 meetings
    - 10 meetings result in 10 asks and 3 donations:
      - Prospect 1: $25,000
      - Prospect 2: $15,000
      - Prospect 3: $10,000
  - Invest $4,000 for research: 20 profiles @ $200 per profile
    - 5 prospects were reassigned to annual giving campaign due to in-depth research
    - 15 calls result in 12 meetings
    - 12 meetings result in 12 asks and 4 donations:
      - Prospect 1: $30,000
      - Prospect 2: $15,000
      - Prospect 3: $12,500
      - Prospect 4: $10,000
  - $4,000 investment yielded $17,500 in additional gifts...
    - For ever $1 spent on prospect research raised $4.375 in giving: ROI=437.5%
Research is Hard!

- Everything is hard until you know how to do it
- Focus on only the information you really need
- Focus on the most useful resources and learn them
Goal of Prospect Research

- Identify Current “Upgrade” Donors
- Identify/Qualify New Prospects
- Determine Gift Capacity Range
- Inform the Cultivation the Process

“Discover how to marry the interests of a potential donor with the interests of your nonprofit”

(Maryrose Larkin “Prospect Research Basics” 2009 APRA MO–KAN)
Create an Research Plan Step 1: Why

- Give research a seat at the table
  - Good research is done by staff knowledgeable in organizational goal, agendas and activities

- What is the goal of your research program?
  - Identify NEW major gift prospects
  - Increase giving from annual fund
  - Improve cultivation process
  - Beginning a campaign
  - Etc
Create an Research Plan Step 2: What

- Identify the types of information useful to YOUR organization (examples)
  - History with your organization
  - Financial
    - Plane/Yacht Ownership
    - Stock Ownership
    - Real Estate
  - Network

- Identify the type information useful to you personally (this will vary depending on your fundraising style)
  - Hobbies
  - Social Club Affiliations
Create an Information Plan Step 3: Where

- Identify and organize the information you already have so you can retrieve it when necessary
  
  - "Hot" "Warm" and "Cold" Files
    - Also known as:
      - The files on my desk
      - The files in my desk drawer
      - The Central Files

- Database

- Institutional knowledge
  - Who knows the prospect
  - How was the prospect identified
  - Known honors and affiliations

- Include pre-event and post-event research components in event planning
Create an Information Plan Step 3: Who and How

- Write an information policy/manual to standardize:
  - How will data be collected - Make data collection as organic as possible. Minimize the amount of extra work.
    - Call reports
    - Formal research
  - Where will each type of data be stored
    - Database
    - Central files
  - How will data be coded
  - Who will record data
Important Reminders

- Follow through on information policy
  - Update as necessary to accommodate technological and organizational changes

- Keep copies of all old policy and manuals so meaning of old data is not lost

- USE THE DATA
Focus Research

- Do you really need “everything you can find about Mr/s……“?

- How will the information be used?:
  - Strategy meeting
  - One-on-one meeting
  - Cocktail party
  - Gala

- How soon is the information needed (1 hour vs 2 weeks)?

- Seek the information you need at the time you need it?

- Research as part of the donor cycle?
Donor Cycle

- Identify
- Communicate
- Steward
- Solicit
- Cultivate
## Sample Research Plan

<table>
<thead>
<tr>
<th>Stage</th>
<th>Information</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification</td>
<td>General biographical, business, affinity, connections</td>
<td>Light research, general bio, who knows who, Predictive Affinity Model</td>
</tr>
<tr>
<td>Qualification</td>
<td>Wealth and philanthropic indicators</td>
<td>Quick wealth screen, asset search, philanthropy search, Predictive Affinity Model + Philanthropic and Asset Model</td>
</tr>
<tr>
<td>Cultivation</td>
<td>Detailed information, personal, interests, family, business, etc.</td>
<td>Detailed Prospect Research Profile, who knows who</td>
</tr>
<tr>
<td>Solicitation</td>
<td>Detailed wealth and philanthropic indicators</td>
<td>tock and asset analysis, philanthropic history</td>
</tr>
<tr>
<td>Stewardship</td>
<td>Changes - marriage, births, promotions, etc.</td>
<td>News and notes alerts</td>
</tr>
</tbody>
</table>
Data Mining and Predictive Modeling

- Quickly identify prospects within your database
  - Upgrade
  - List building
  - Event planning
  - Annual Fund

- Simple techniques can be used to start
Wealth Screening

- Quickly obtain wealth estimates for large groups of people

- Newer services from companies like Blackbaud and Wealthengine provide subscription services to screen small batches and individuals

- Becomes powerful when combined with predictive modeling

- USE THE DATA
Where to Look Free - Biographical
New resources are becoming available all the time. This is not an exhaustive list

- Pipl.com - mainly restricted to pages about people
- Linkedin.com
- Facebook.com
- Muckety.com
- Professional Directories
  - Martindale.com (lawyers)
- Google Advanced Search Features
Where to Look Free - Business and Wealth

- Salary and Stock
  - Forbes.com
  - SEC.gov
  - Bizjournals.com
  - Yahoo!Finance

- Real Estate
  - Zillow.com
  - Assessor Websites (information varies by county)
Where to Look Free - Contributions

- Political Contributions
  - Opensecrets.org

- Foundations
  - Guidestar.com
  - Fdncenter.org

- Links to many, many sources
  - http://nudevelopment.com/research/bookmark.html
Why Invest in Fee Resources?

- Vetted information
- Focused Results means less time wading through irrelevant results
- Using the correct resource will quickly return information
- Google VS LexisNexis Study
- Pay for aggregated services to gain access to many sources or pay directly only to most important sources
Key Fee Sources

- Biographical
  - Social Register
  - Marquis Who’s Who

- Business and Financial
  - Morningstar (formerly 10kwizard)
  - Hoovers

- Aggregated Sources
  - LexisNexis
  - WealthEngine
  - Iwave
Ethical Considerations

- Adhere to appropriate Code of Ethics
  - Professional
    - APRA
    - Confidentiality, Relevance, Honesty
    - AFP
    - FERPA
    - CASE
    - Donor Bill of Rights
    - Etc.
  - Institutional

- Confidentiality, Relevance, Honesty, Accuracy and Accountability

- Use only legally, publicly available sources
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