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Join Us in Our Continuing Discussions

The world of nonprofits is changing and nowhere faster than in the fund-raising arena. Do you gather information on prospects? Do you take advantage of computerized databases or the Internet? Do you use e-mail to stay connected to donors? How has prospect research changed since the advent of information technology? We examine these and other related questions in this issue of *Working Paper*.

We're interested in hearing from you on this topic. Send an e-mail to info@wolfkeens.com or fax a response to 617.679.9700. We'll post your comments in the Publications section of our web site, located at www.wolfkeens.com.

Tools of the Trade: Prospect Research Updated

Laura Lewis Mandeles
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It wasn't long ago that research on prospective foundation and individual donors to nonprofits began with a walk to a bookshelf laden with oversized and often out-of-date directories and guides. Typically, that exercise was followed by a trip to the local Foundation Center or regional library to track down microfiche copies of 990 tax forms and past giving histories. If you were lucky, the information you uncovered over the course of a couple of days was less than two years old.

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Individual and corporate prospect research was even more of a challenge. Fund-raising research professionals are well-known for reading the "Playbill" program from back to front — combing over the names in patron acknowledgements for possible supporters of their own organizations' projects. But then it was back to the library, the microfiche, and the oversized books to verify the giving capabilities and interests of possible contributors.

Over the past decade, digitization turned the big books first into small discs, then into Internet sites with sophisticated search engines. Prospect researchers can now find information on giving by individuals, foundations, and corporations in minutes rather than hours. Foundations make guidelines and applications available online, publish news of grants awarded on their web sites, and provide links to grantees' sites and other resources.

This easy access to data brings new challenges and accentuates old ones. Information that is so easily accessed by one skilled researcher is as widely available to other organizations and individuals. In this context, the mission of a good prospect researcher hasn't changed: he or she must be able to build a multi-dimensional prospect profile that links the organization's needs with the background, interests, and financial capacity of a potential donor while providing a tailored strategy for acting on this information.

As research tools have become more sophisticated, good prospect research has become even more vital to an organization's overall development effort. Both science and art are at work in knowing where to look, how to look, and what the data mean. Although technological advances have made gathering information easier, the experienced prospect researcher will continue to draw on human as well as technological networks.

We have asked three professionals from three very different organizations to share their perspectives on prospect research: a one-woman development department for a growing nonprofit advocacy organization, a principal in a firm that contracts to do prospect research for nonprofit clients, and a university-based prospect research professional who is also a former board member of the Association of Prospect Research for Advancement.

Angela Boone

Development Manager, The Sentencing Project

As a one-person development shop in a legal advocacy organization, I have to be careful to use my prospect research time well. Although technology has made such research easier, allowing me sometimes to delegate it to administrative staff or interns, I follow these guidelines to use my time and theirs efficiently:

- **The best prospects are already in our database.** We all dream about finding a new donor with the capacity to make a really significant gift, but the ability to give is not the same as the willingness to give. I start looking for prospects in Sentencing Project lists and contacts, and try to build the donor network from people who know us.
- **Don't overlook consistent, low-dollar contributors.** I am particularly interested in learning more about regular, long-term contributors. Major planned gifts often come from low-dollar donors who have been loyal to the organization over a period of years.
- **A good system for recording and storing information is essential.** I emphasize consistent formats and procedures for recording prospect research information so that I can retrieve the information quickly and easily for multiple purposes.
- **The Internet is not the only source.** We have become so dependent on the Internet that we forget there may be little information on even excellent prospects, particularly those individuals over sixty. The best source of information about a person is still someone who knows him or her, not a website.

Matthew Pinsker

Senior Associate, Jack Burden & Associates

Our firm stumbled into donor prospect research a few years ago. We had been hired by a prominent national politician after a series of embarrassing revelations about his donors made the news. Our job was to review all future contributors to make sure that they carried no potential political (or legal) baggage. During the course of that project, we realized that this vetting process (which mostly involved reading hundreds of digitized newspaper articles) was not just useful for defensive political operations but might also be used by nonprofits to raise funds.

My colleagues and I — mostly former history majors — saw in donor prospect research an opportunity to engage in a kind of "applied biography." In addition to recording known giving patterns and estimating giving levels based on wealth and other factors, good prospect profiles also usually include the kind of biographical details that might help causes find the right matches. Our service aims for the next level — to find the kind of revealing detail that can help secure a major gift from a known prospect or find the unknown potential benefactor.

The key lies in the search terms. Our research analysts are trained to think more like investigative reporters and to use the raw material of modern media to find the most valuable leads for our clients. The signature of our profiles, in addition to standard information about contacting the prospect, prospect history, and financial capacity, is a few pages of well-selected quotations, which can paint a revealing and useful portrait of future contributors. All of our material comes from the public record — and more remarkably, the vast majority of it comes from the mouths of the donor prospects themselves.

Shelby McClintock

Associate Campaign Director and Director of Prospect Research & Management, Bucknell University

In the recent past, I've started thinking about our field as "advancement research" and suggesting that this is our future — an office that provides critical information and analysis to support the entire development operation. Advancement research includes traditional prospect research, prospect management coordination (tracking the cultivation process as well as the size and designation of pending solicitations), and "prospect analysis." Prospect research will always be the foundation for what we do, but advancement research can do much more to increase fund-raising revenue.

Advancement researchers are now building predictive models to help fund raisers prioritize travel and solicitation. They are studying how different generations of donors behave so that marketing pieces can be customized to the giving patterns of each. And they are identifying trends in their constituent databases to inform strategic planning.

One organization found that over a third of its major gifts came from non-alumni in its region, completely contradicting prior assumptions. Another saved $200,000 on mailing costs by eliminating marginal prospects unlikely to make gifts anyway. At Bucknell, our research staff is working to identify the top national markets for our entire constituency. This work is allowing the development and alumni relations team to collaborate with enrollment management, admissions, and the career center in order to maximize Bucknell's resources and provide the best experiences for our students, parents, and alumni.

Advances in technology have certainly contributed to this evolution in the role of research. But the most significant contributor has been the community of researchers themselves, who are passionate about finding better ways to help their organizations raise money and do good work.

NEED HELP in fund raising, strategic and business planning, market and financial analysis, facilitation, or any other areas? Chances are the "Portfolio" section of the Wolf, Keens website (www.wolfkeens.com) can direct you to other organizations that have successfully completed such a process. You can find detailed descriptions of how projects were structured and completed. And if you want more information, please e-mail us at info@wolfkeens.com or call 617-494-9300.

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Every Friday, we send a brief e-mail message with six or seven news items that you may have missed. They are interesting, important, sometimes amusing. And they relate to aspects of nonprofit management, governance, planning, funding — all those matters that occupy us every day.

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