



**EXTEND YOUR REACH:
MAKE MAJOR GIFT OFFICERS ACTIVE
PARTNERS IN GIFT PLANNING**

PG CALC WEBINAR

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THE CHALLENGE

Major gift officers tend to avoid the use of gift planning strategies in their day-to-day conversations with donors for a few key reasons. They worry that a lack of technical knowhow prevents pursuing such conversations to conclusion. They worry it undermines their primary efforts to unlock current support. They worry that asking a donor about their estate plans – which is what most major gift officers believe gift planning is solely about – is like asking donors what they intend to do when they're dead, and few are comfortable asking that.

So, gift planning gets marginalized or left out completely. The situation is compounded by missed opportunities to discover and pursue current gift opportunities that gift planning informs, due to a lack of basic understanding.

Lots of gifts are left on lots of tables.

Traditional methods of teaching gift planning are flawed because they focus on teaching technical knowledge in a contextual void. The Four Decisions approach differs because it teaches the **practical application of a consistent methodology that is adaptable to individual styles**.

INTERACTIVE CASE-BASED TRAINING

Creating context, and relating it to gift planning, works best when case-based learning is the method. By using cases, and an interactive approach, it's possible to create the context for understanding why certain giving options (both current and deferred) work, for whom, and why.

A corollary benefit is that it helps major gift officers work **together** with gift planning officers for mutual benefit and better outcomes. That is to say, gifts are secured at the full asking amount, or even leveraged higher, with donors who walk away happier with the experience because they discover that they can do as much, or more, than they thought possible. All while attending to personal and family goals. It results in the *best* gift for donor and organization alike.

Interactive case studies enable major gift officers to uncover assets, as well as personal and family goals, that lead to all sorts of gift plans, both current and deferred. They combine gift planning strategies with major gifts efforts to produce bigger and better gifts.

It positions gift planning leaders as advocates of a training program that is easy to sustain and consistent in approach. The ultimate outcome is a **sustainable** in-house training program that provides ongoing, long-term benefits. Perhaps most valuable is the binding

experience of meeting regularly with colleagues to examine cases, to try out what it sounds like when you're with a donor, and how it translates into collaboration with the gift planning team.

CASE STUDIES PULL IT ALL TOGETHER

Interactive case studies are the method used to educate major gift officers about how best to partner with their gift planning colleagues for their own benefit and that of their institution.

A simple quadrant format – known as the **Four Decisions** – informs all conversations with major and principal gift donors (and even leadership gift donors). It gets wrapped up in a **Two-Part Conversation** that invites donors to talk from their **heart** first while putting money and methods into the second part of the conversation.



The case-based training method teaches essential tools and techniques about the Four Decisions and the Two-Part Conversation and provides a real-world context for applying newly-acquired detective skills.

WHY IT WORKS

Often, as soon as you sit down with someone in your role as a development officer, they're likely to say they know what you want, and ask how much you want them to give. It becomes transactional from the outset; and it limits the conversation to practical considerations rather than one based on their emotional connection to your organization. Inviting someone to have a Two-Part Conversation with you, once explained, is almost always acceptable to them, even if they think it is unusual for a development officer to go about it this way.

Of course, many people think it's unusual because they aren't used to fundraisers inviting a conversation from the donor's point of view. However, experience proves that this approach helps prospective donors to open up and to engage in thoughtful conversation.

THE TWO-PART CONVERSATION - HEART FIRST

It's simple really; and the initial effort is natural for most, if not all, front-line fundraisers. It's about discovering **why** someone wants to meet with you and why they find your institution valuable. This is a vital part of the conversation to have with a prospective

donor. It gets them talking from their heart at the outset, and that's where people ultimately make the most satisfying gift decisions which they then justify in their heads.

Then discover **what** they would want to support by finding out what they want to accomplish. Here's the first place where **intentionally** offering suggestions helps to move the Four Decisions method forward. Saying something along these lines: *You might tell me that you are interested in supporting students . . . or faculty . . . or program . . . or bricks and mortar.* Handling the conversation this way provides the opportunity for immediate feedback by watching the reaction to each suggestion and gauging what might be of greatest interest. And while some donors know exactly what they want to accomplish, most haven't thought about it much, if at all.

This is a crucial moment, and it's important to be careful when you get to the end of the *first part* of the Two-Part Conversation. It's a potential pitfall where a prospective donor will ask how much you want them to give, and/or spontaneously volunteer to you how much they want to give. It's a natural tendency for many. It leads to a typical transaction taking over at this point if you let it.

THE TWO-PART CONVERSATION - ACTION SECOND

Instead, remind them that they agreed up front to a two-part conversation with you, and that now is the time to ask about **how** they might best make a gift. They're thinking you mean cash, a check, or a pledge payable over a few years perhaps. That's what so many of us get as gifts. Yet most major donors don't keep more than 10% to 30% of their net worth in their checking accounts. So why chase that part of their pocketbook when there's more wealth elsewhere?

Be intentional. You **can** make suggestions using the "you may tell me language" along these lines (depending on what you've learned): *Are you getting ready to sell a business? . . . Seeing your lawyer for a new will? . . . Talking to your accountant about a tax issue? . . . Getting ready to support an elderly parent in long-term care, or send a grandchild to college? . . . Or preparing to sell real estate? . . .* By putting such ideas in front of them, **intentionally**, you will find out what's on their financial mind and what populates their personal goals list.

This probably seems a bit tricky, or even uncomfortable, for many development officers. No surprise there. Many major gift officers think that this is personal and forbidden territory where only gift planning officers are allowed to tread. Why? Because they worry that they won't know what to do with the information they uncover or be able to answer questions a prospective donor might ask. And why muddy the waters with this kind of conversation when there's a chance to walk away with a gift commitment, **in cash**.

It might mean a nice gift in cash but leave untapped the best or biggest gift possible that benefits the donor at least as much as the institution. And if the conversation about assets, personal goals, and giving priorities stalls, it's possible to default back to a cash gift payable over time.

Here's the bottom line. You will never find out about appreciated asset gifts unless you explore, **intentionally**, whether there are such gifts waiting to be discovered and developed.

Imagine, for example, that you are sitting in a donor couple's living room after dinner when they decide to fund a full-ride, four-year scholarship that will cost six figures. As the husband tells the good news, his wife asks him to go get the checkbook. You may suddenly feel conflicted. Take home a six-figure check for the scholarship, or ask about appreciated assets as an alternative? If experienced enough, you may go for the asset play and ask to discuss the **best** way for them to give (that's the **how** part of the conversation) and suggest a brief review of assets, like appreciated securities or real estate. After explaining the benefits of giving stock rather than cash, the husband says: "Is that legal?"

You may be momentarily surprised, especially since the husband is a very sophisticated, successful, worldly donor who has worked in government and industry at the highest of levels. After confirming the benefits with their accountant, the next day, they make the gift in stock, and subsequently double up on their outright support, and use stock to pay off a five-year pledge in seven figures to endow the scholarship that they created in honor of one of their parents.

But how many major gift officers would seek such information by guiding the conversation away from the impending cash gift and a check on the spot? Not nearly enough.

What it takes is a commitment to be a super sleuth (think Colombo, Sherlock, or Nancy Drew). The job is to find out everything about a donor's circumstances and capabilities. It's achieved by applying the Two-Part Conversation, **intentionally**. It may take multiple meetings over many months, and certainly, isn't likely to happen on a first or second visit. It's not transactional, and that's what makes it challenging for some fundraisers. But **great** success is the potential reward. It's by embracing "why", "what" and "how" in ongoing conversations with donors that you discover "will you?" tends to take care of itself along the way, becoming more of a mutual agreement than a final question.

HOW TO PUT IT TO WORK

The Four Decisions and Two-Part Conversation can be learned in a morning workshop that includes didactic presentation coupled with interactive exercises. After introducing

the overall concepts, interactive case studies can begin. It works very well when the effort is championed by leaders in gift planning and major gifts. Pulling everyone together once every six weeks or so to try on a new interactive case keeps learning and the momentum going. It has multiple beneficial outcomes.

Major gift officers and gift planning colleagues become increasingly collaborative, working together regularly and productively. The number of gift planning conversations grows for both current and deferred gifts. The level of regular collaboration between major gift officers and their gift planning partners spikes from then on. The conceptual framework of the Four Decisions enables every gift officer to determine where, exactly, they are in the continuum – why, what, how and will you? – with each and every donor they are moving along toward a gift.

There is tremendous strength in training major gift officers in applying such simple approaches. It brings continuity to what is otherwise an amorphous approach learned from many managers and supervisors throughout someone's career. This intentional approach helps to level the playing field and enables more front-line officers to excel.

It helps major gift officers to become **super sleuths** who partner effectively with gift planning colleagues without having to become experts themselves. And that's a crucial difference to this approach. In fact, one of the great spin-off effects is that major gift officers learn a lot about gift planning along the way, including about deferred gifts, and that's a plus.

What's best about this approach is that it enables any major gift officer to easily analyze whether they have truly learned what they need to know before getting to "will you?", and more easily forestall a transactional outcome by better understanding someone's circumstances and personal goals for themselves and their families. In the process, the donor has the opportunity to give from the heart.

The Four Decisions wrapped up in the Two-Part Conversation is a simple, yet effective, tool to corral complicated conversations. It offers solid anchors to hang on to when a donor conversation takes off into the wild and wonderful twists that we've all come to expect.

And it doesn't require turning major gift officers into gift planning experts. They **will** become increasingly conversant – and knowledgeable – about why certain assets and methods of gift giving make sense for different donors. And because they learn it in the context of real donor situations, with partners who help them understand and model the language of gift planning, it sticks with them. Once they've participated in helping someone establish a remainder trust, or a gift annuity, or a lead trust, or a current gift of real estate, they won't forget it.

Coupled with metrics that help encourage gift planning conversations, they can become ever better “super sleuths” who end up getting credit against their major gift metrics for gifts of appreciated assets. Metrics can be as simple as stating a numerical expectation that they close a certain number of documented bequests each year or that they invite a certain number of gift conversations with donors where they involve their gift planning colleagues. The right metrics are the ones that encourage and measure the behaviors that underpin the methodology of the Four Decisions: Why, What, How, and Will You?

At Rochester Institute of Technology, where I was Associate Vice President of Development, the initial metric was stated as a minimum number of planned giving asks per year as noted in a check off box when entering a contact report into the data base. Since I read contact reports for my team as part of the process of signing off on expense reimbursements, it was easy for me to monitor what the ask was really about and to encourage direct conversations with the Director of Planned Giving. In the first year after training everyone to use the Four Decisions approach, the number of planned giving asks quadrupled compared to the previous year. The increase was a result of greater awareness because of the training and an understanding that such asks would be factored into performance appraisals. At other institutions I’ve worked with, it has been set up as a certain number of “documented” bequest intentions expected to be closed during any fiscal year. Both approaches lead to increased interactions between major gift and gift planning teams.

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