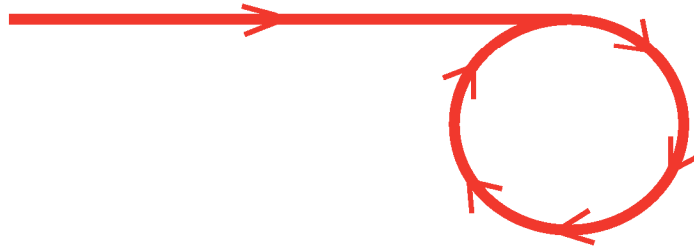


ASSURING YOUR SUCCESS

The Cultivation Cycle and the *T•A•G* Process



THE CULTIVATION CYCLE AND THE T•A•G PROCESS

Four Principles

The concept rests firmly on four principles fundamental to successful major gift cultivation:

- 1) Development is a very simple business. We have only two objectives:
 - a to help create an understanding of the special mission, value, and accomplishments of a particular cause or organization; and
 - b to secure the necessary support in the form of goodwill and dollars to sustain and advance the institution.
- 2) Development is far more than a material concern for money. In fact, fundraising itself is more psychological—even spiritual—than it is financial. It is the human spirit and its aspirations that are our primary concern.
- 3) Most gift support should and usually will come from those closest to us—normally trustees, alumni, present donors, etc. As the late Francis Pray observed some years ago, *Around every (nonprofit organization) in this country there is a group of men and women, ranging in size from a half dozen to a few hundred, who literally hold in their hands the make or break power for the institution itself.* This “power” is in large measure economic as reflected in the gifts of those who have reason to care most deeply about causes to which they are committed.

The single most important function in a successful development program is the cultivation of major gifts. One of the persistent truths is that relatively few donors provide the bulk of total gift dollars.

Traditionally, it had been thought that roughly 80 percent of the money in any fundraising program is contributed by 20 percent of the donors. This long-standing 80:20 ratio is clearly an understatement. Today, the ratio is likely 90:10—or even more heavily weighted toward the larger gifts.

The fourth principle is perhaps the most significant:

- 4) Since 90 percent or more of the total gift is normally received in the form of very special and major gifts, a proportionate share of resources (staff, time, and budget) should be allocated accordingly.

There are few fundraising professionals or nonprofit organizations applying this principle fully. But any organization that does will, within a relatively brief time, far exceed its present level of gift support.

Cultivation Cycle

To cause such a turnaround will, in most instances, require the force of the president or chief executive. This should be done by edict and example—followed by careful redirection of the development program.

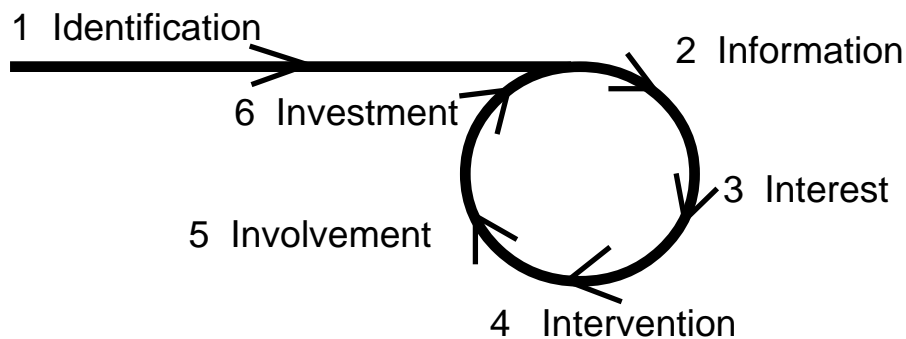
Here is a rather simple procedure to follow in implementing a program of special and major gift cultivation. Let us say that special gifts are defined as from \$1,000 to \$10,000, and major gifts as above \$10,000.

The cultivation of potentially large donors is a systematic and continuing effort to develop the power structure of an institution. It involves six steps, all of which begin with the letter “I”:

- 1 Identification
- 2 Information
- 3 Interest
- 4 Intervention
- 5 Involvement
- 6 Investment

In nearly every instance, the final six steps comprise a continuing cycle of learning additional information about the potential donor (step 2); furthering his or her interest (step 3); intervening—finding systematic reasons to *get in their way* on a regular basis (step 4); encouraging a meaningful involvement (step 5); and, ultimately, receiving added financial investment (step 6).

Widely recognized now as *The Cultivation Cycle*, this process may be visualized as follows:



There is an important additional step not listed here—but it is immensely significant. When an investment has been made, the donor should be asked to work with you in soliciting others.

Implementation

You know best how such an effort might be initiated within your own situation. We suggest, however, that the following steps be put into practice:

- 1) Determine that the role and function is of primary importance. Secure the concurrence of the Chief Executive and the Development Committee of the Board of Trustees. There must be agreement and a clear understanding by Trustees and Staff.

- 2) Assign the Chief Development Officer full responsibility for *T•A•G* and, where appropriate, designate a development staff officer as the *Manager* (see page 5) or the *T•A•G* Nag!
- 3) Establish a simple and clear-cut procedure for implementing the Cultivation Process. To begin with, one should:
 - a Make an **initial list** of all known potential major and special gift donors and gather as much information on each as is readily available.
 - b Assign an estimate of **Gift Potential** for each potential donor, using four categories. The dollar range for each category should be appropriate to each situation. We suggest you use the following amounts for the various categories:
 - 1 \$1 million and up
 - 2 \$100,000 to \$1,000,000
 - 3 \$10,000 to \$100,000
 - 4 \$1,000 to \$10,000
 - c Determine **Readiness to Give** of each potential donor, using four levels:
 - A Ready to Invest (or reinvest).
 - B Needs some cultivation.
 - C Needs extensive cultivation
 - D Only marginal interest
 - d Within each category, (see b on this page), **rank in order** of potential importance (1-A, 1-B, 2-A, 2-B . . .).
 - e Beginning with the top 10 in the highest category, estimate the **cultivation requirements** for each.

For example, the top 10 should probably have an average of 10-12 cultivation contacts or "tags" a year. The next 20 should have 8-10, the next 30 should have 6-8, and the next 40 should have 4-6.

This total of 600-800 *tags* with the top 100 potential donors is about all that one person can handle if 80-90 percent of his or her time is spent in major gift cultivation. (A *tag* is defined as the *meaningful* engagement of or interaction with a potential donor.)

- 4) Plan specific cultivation tags for each potential donor as far in advance as possible, making use of the six-step *Cultivation Cycle* (see sample six-month Cultivation Schedule attached).

T•A•G Management

Detailed information on each potential donor and a cultivation tracking system should be maintained by those specifically responsible for major gifts. Once a manual system has been established (see sample Cultivation Summary attached), information and data can be maintained and processed by computer.

The regular and disciplined tracking of each potential donor is essential to significant major gift results. This can be facilitated by use of Call Reports (sample attached) and by regular weekly review and planning sessions involving all those (including the Chief Executive Officer) concerned with major gifts.

One final word relating to the Cultivation Process: This has to do with the 6th step of the Cycle—the Investment phase. Even after going through all of the preliminary cultivation steps, it is not an uncommon fault in many to want to avoid, if at all possible, asking for the gift. You must not lose sight of the objective—that securing the gift is the natural, as well as hoped for, end result of the cultivation process. And the best part of all of this is that the donor experiences the joy of giving and is deeply enriched.

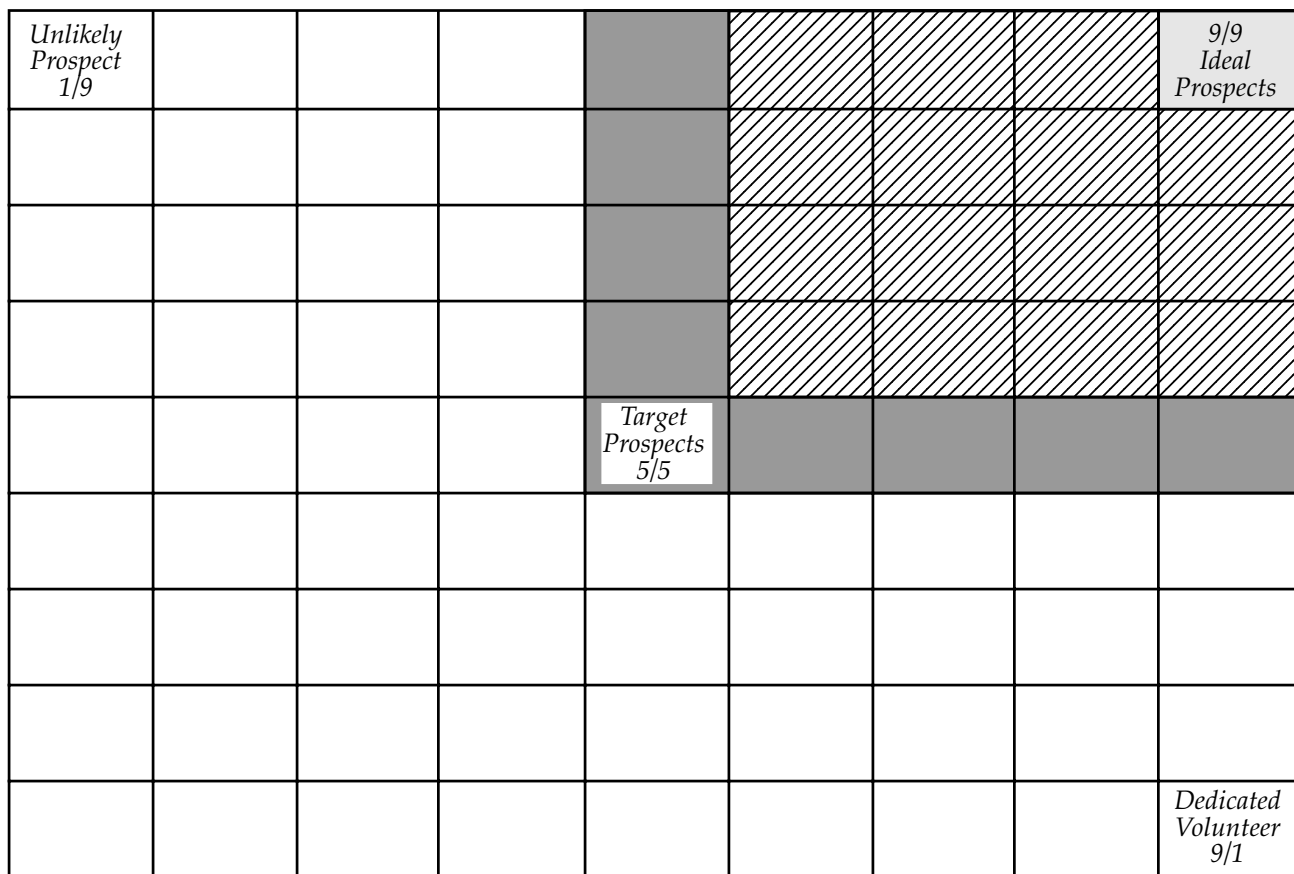
PROSPECT EVALUATION GRID

Name

Ranking (total of both numbers)

High
9
8
7
6
5
4
3
2
1
Low

Financial Capability



High
9
8
7
6
5
4
3
2
1
Low

Financial Capability

1 2 3 4 5 6 7 8 9

Identification Interest Involvement Investment

Low High

Current Interest or Involvement

JEROLD PANAS, LINZY & PARTNERS

Guide—Current Interest/Involvement

1 Not on mailing list
2-3 Some identification
4-5 Has demonstrated some interest
6-7 Has been involved
8-9 Heavily involved or significant record of giving

5/5 and above Target Market
6/6 and above Major Gift Prospects
9/9 Ideal Prospects

Grid Location

1/1 Negligible Interest/Little Capability
1/9 Negligible Interest/Great Capability
5/5 Beginning of Target Market
9/1 Very Involved/Negligible Capacity
9/9 Ideal Prospect

PEG Ranking for Major Gift
(total of both numbers)

2-6 Very Poor Prospect
7-10 Marginal
11-12 Fair
13-14 Good
14-17 Very Good
17-18 A Superb Prospect!



