

The Transformative Gift

Large gifts from donors can transform an orchestra, affecting everything and anything from launching a concert series to rethinking its mission and mandate. But how to get there? Trine Sorensen, a veteran corporate consultant who serves on the boards of orchestras and other nonprofit arts groups, offers an insider's perspective on the strategies and tactics that lead to principal gifts.

Raising major gifts is a major task for any orchestra. The “Raising Your Organization’s Largest Gifts” session at the League of American Orchestras’ 2019 National Conference in June explored the elements of successful principal and transformative gift programs and the critical roles that organizational leaders—from CEOs to board members to fundraising professionals—play in shaping a culture that supports giving at the highest levels.

Speakers at the session, offering multiple viewpoints on what it takes to obtain principal gifts, were Don Hasseltine, senior consultant at the Aspen Leadership Group; Scott Showalter, president and CEO of the Oregon Symphony; and Trine Sorensen. Sorensen brought a unique perspective to the panel as a donor, board member, and former corporate consultant. She serves on the boards of the League of American Orchestras, the Oregon Shakespeare Festival in Ashland, Oregon, and the San Francisco Symphony, where she is chair of the development committee. She serves on the advisory boards for Stanford Live at Stanford University; Music@Menlo in Atherton, California; the Global Council for the Chamber Music Society of Lincoln Center in New York; and Northwestern University Bienen School of Music in Evanston, Illinois. Prior to her work on nonprofit boards, she spent a decade as a consultant for Accenture specializing in change management and systems and organizational redesign, and was a hospital administrator.

By Trine Sorensen

While there are some principles that apply for all fundraising levels and activities, principal gifts are different. Principal gifts are defined by a nonprofit organization as the largest transformative gifts. All gifts are *impactful* and allow an organization to serve its mission, but not all gifts are transformational. Transformational gifts move the needle toward a future that is unimaginable without significant philanthropic support. For example,

the lead one or two gifts that provide 50 percent of the cost for a new music hall are transformational. The donors who give the rest of the funding are impactful. Similarly, if a donor endowed the wind section of an orchestra to recruit the best musicians in the world, this would be transformational. Endowing one position in the orchestra, on the other hand, might be considered impactful and vital but not transformational.



Allen Pozner

Trine Sorensen at the “Raising Your Organization’s Largest Gifts” session at the League of American Orchestras’ 2019 National Conference.

Examples of transformational gifts at two classical-music organizations where I am a board member come to mind. At the San Francisco Symphony, a \$10 million lead challenge gift from the Evelyn and Walter Haas Jr. Fund led to “Keeping Score,” an ambitious multiyear, multimedia project launched in 2004 aimed at bringing the power of classical music to millions of Americans’ homes and schools via television, radio and the internet. The gift behind “Keeping Score” helped to transform the San Francisco Symphony’s global reach and establish it as a leader in music education and media. In January of this year, the League of American Orchestras launched The Catalyst Fund, a three-year pilot program of annual grants to adult and youth orchestras that aims to advance their understanding of equity, diversity, and inclusion (EDI) and to foster effective EDI practices. The Catalyst Fund is supported by a three-year, \$2.1 million grant to the League from The Andrew W. Mellon Foundation with additional support from the Paul M. Angell Family Foundation. The Catalyst Fund provides grants orchestras can use to engage EDI consultants to help them create and implement strategies to serve people of

all races, genders, and cultural, religious, and socio-economic backgrounds, while recognizing that engaging authentically and respectfully with diverse communities requires orchestras to examine—and often change—their own values, cultures, and ways of working.

Principal, major, leadership gifts, etc., are industry-speak used to organize development programs. When considering principal gifts, we think of a community of donors at the very top of the gift pyramid who will receive the most attention from your CEO, artistic leadership, and board members. As Ron Schiller outlines in his *Raising Your Organization's Largest Gifts: A Principal Gifts Handbook*, this number is somewhere between 25 to 40 prospects who are “top of mind,” depending on an organization’s size and budget and year. Major gifts prospects are a tier down from principal gifts and primarily managed by your development team. It is likely that future principal gift prospects will grow from your major gift pool.

The dollar amount of these gifts will vary depending on the organization’s budget size and can come from individuals, families, foundations, corporations, and estates. The numbers have shifted in the last couple of decades from 80 percent of donations coming from the top 20 percent of donors to 95 percent of donations coming from the top 5 percent of donors. The biggest challenge in the narrowing of the gift pyramid from 80/20 to 95/5 is that organizations become enamored with these significant gifts and focus their attention and resources

on the 5 percent—and underinvest in building robust and sustainable fundraising programs. Without healthy annual giving and major gifts programs, the number of future principal gift prospects will be diminished. Organizations need to invest enough at the principal gift level, while also building a long-term pipeline of future principal gift prospects. It is a balancing act.

Principal gifts are partnerships and provide mutual shared satisfaction for both the donor and the organization, and they are not tied to annual need. Principal gifts take time and resources and are an organizational team effort to cultivate, solicit, and steward. Such campaigns have set goals, milestones, and specific funding areas. The key elements in obtaining a principal gift include: a belief and confidence by the donor in all aspects of the organization’s mission, vision, values, strategic direction, financials, leadership, and staff culture. You want the donor to be proud of their organization.

Strategies, Tactics, and Relationship-Building

What are the necessary elements to get there? First, the orchestra needs to embrace the notion of a partnership with the



Speakers at the “Raising Your Organization’s Largest Gifts” session at the League of American Orchestras’ 2019 National Conference included (from left) Scott Showalter, president and CEO of the Oregon Symphony, and Trine Sorensen.

donor. This partnership is cultivated and facilitated by the organization’s leaders, artistic staff, and other donors. Depending on the dollar level, annual fund gifts

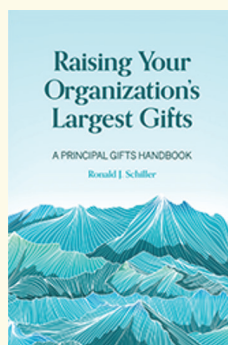
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are usually solicited by a few fundraising staff depending on the size of the gift and are tied into an organization’s annual fund goals. However, cultivating principal gifts can involve far more staff and resources. Proper cultivation and stewardship of major gift prospective donors typically involves a couple of staff members or volunteers; building and sustaining relationships with donors capable of transformational gifts usually involves a relationship-building team of five or even ten individuals including staff members, administrative and artistic leaders, and board members/peer donors, in part to ensure that the organization-donor relationship is not disrupted as the result of any one person’s departure from the organization.

Development staff will identify top donors based on wealth capacity. In addition to wealth capacity, essential donor

“Raising Your Organization’s Largest Gifts”

For more on the “Raising Your Organization’s Largest Gifts” session at the League of American Orchestras’ 2019 National Conference, including resources, visit <https://www.leagueconference2019.org/june-5/gifts>. The session used Ronald J. Schiller’s book *Raising Your Organization’s Largest Gifts: A Principal Gifts Handbook* as a reference; Schiller is the founding partner of the Aspen Leadership Group. Visit <https://bit.ly/2Zvw8y4> for more on Schiller’s book.



qualities include propensity, inclination, timing, priority, and alignment of goals. Further, development staff need to investigate the donor's past giving history, so that they understand how the donor makes decisions—and whether it is one person who decides or a joint decision. That way, staff members won't exclude those in the relationship who are key to the decision-making process. And orchestras should seek to understand where their organization stands in terms of the donor's philanthropic priorities.

When there are major organizational leadership changes, which is very com-

After a campaign is over, be sure to remember the donors. Don't drop them. You never know if they will come back at a later time.

mon in the development world, incoming development leaders and staff must read the donor's file. Donors don't like to be approached by new leaders with ideas to fund that they had clearly signaled they are not interested in. Engage in conversations with the donor to verify that is the case, as donors can change their minds over a period of time. Staff should do their homework and *listen*. Develop the relationship. Communicate with the donors.

For principal gift prospects, stewardship needs to be built in at the beginning. Engage the donor in your organization's strategic plan. Offer them opportunities to weigh in. Communication needs to be personalized and frequent. Communicate via phone calls, personalized mail, email. With some prospective and current principal donors, you may need travel to them if they are not able to come to the organization. Share news—good and bad—with them frequently. Organizations blanket donors with email blasts, which is understandable, as it is an efficient process. However, with principal gift prospects and donors, there needs to be a more personalized approach, and executive directors, development chiefs, and key artistic staff should examine this analytically: who do

Belief and Confidence Checklist: Potential Donor

- Belief in the Importance of Giving
- Confidence in the present and future personal financial circumstances
- Confidence in overall personal circumstances
- Belief in the organization's mission
- Confidence in the organization's leaders
- Belief in the Vision and confidence in the organization's strategy
- Confidence in the organization's financial strength and stability
- Confidence in the organization's capacity to raise additional funds from others

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Belief and Confidence Checklist: Organizational Leaders

- Belief that their organization is worthy of philanthropic investment at levels they are seeking
- Belief and confidence in each other's leadership, vision, strategy, and planning
- Confidence in their chief development officer and their development program
- Confidence in their organization's capacity to meet fundraising goals
- Belief in philanthropic partnership

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The session on raising principal gifts at the League's 2019 National Conference included graphics based on Ronald J. Schiller's book, *Belief and Confidence: Donors Talk about Successful Philanthropic Partnership*, 2016, and *Raising Your Organization's Largest Gifts: A Principal Gifts Handbook*, 2018.

they spend their time with and why?

Too often, organizations will contact the donor only when they want a gift. With principal gift prospects and donors, timing and frequency of communication and engagement need to be personalized and ongoing.

What's the Big Idea?

Organizations have funding priorities and are quick to identify what they need; often, these needs are focused on the funding crisis of the moment. However, principal gift donors fund "big ideas" built on shared objectives. Funding a need or dollar goal or campaign does not excite a potential principal donor. From the donor's perspective, such proposals evoke a "so what?" response. For them, the *why* is more important than the *what*, and messages need to be about the big ideas. These big ideas need to be developed with the donor. Involve them early on in the planning process; these ideas need to be shared, not one-sided.

Discussion with the donor will result

in understanding their philanthropic goals, priorities, and interests. Frequently, campaign leadership staff will meet with a donor to assess if they can send a proposal with no discussion about the donor's specific areas of interest or dollar priority. I have seen organizations submit a generic written proposal to identify their needs. But if there is not enough front-end donor work done, the one-sided proposal can be a wasted exercise and serve only to alienate the donor, whose response is, "What are they thinking? Where did they get

that dollar figure from? These are not areas I am interested in."

It is best to discuss donor interests first, before sending a proposal. That way, by the time a written proposal is sent, it has already been developed over multiple conversations and is just the formal document. Organizations have done their research and have engaged the donor, and the donor has signaled areas of interest and possible dollar commitments. There should be no surprises.

On the other hand, some donors may not want to discuss anything in a meeting and instead will want only a written proposal. The best approach is to ask the donor their preference, and the timing should be close to when there is a formal ask so there are no surprises.

Maintaining Trust

Donors work closely with development staff and leadership and become close to them and sometimes to their families. Nevertheless, when a staff person leaves an organization for another nonprofit,



Don Hasseltine, senior consultant at the Aspen Leadership Group, speaks at the “Raising Your Organization’s Largest Gifts” session at the League of American Orchestras’ 2019 National Conference in Nashville.

remember that the relationship is with the organization, not with the staff member.

After a campaign is over and some time has lapsed, including staff changes, be sure to remember the donor. Flag the donor in the database. Don’t drop them after a campaign. You never know if they will come back at a later time. I recall the time that my family had given some money to a campaign for an organization as a one-

time gift and did not hear back from them after the thank you. Communications were canned and in bulk mail. When we visited that organization a few years ago, staff did not recognize our name until we pointed to it on a donor wall.

It is rarely necessary to say no to a donor who has been properly educated and engaged; donors want their gifts to succeed as much as the organization wants the gifts to succeed. However, there are cases when it is necessary to say no to a donor. I recall an example of a donor who placed front-end restrictions and conditions on a transformative gift by defining organizational leadership changes, strategic direction, and diving deep into operations. This has to do with confidence, mutual alignment and goals, and trust. It has to be evaluated on a case-by-case basis if a donor places unrealistic expectations or directions that the organization cannot

fulfill and changes the strategic direction or its mission. In some cases, the organization may have to say “no.” This decision has to be evaluated carefully and involve senior organizational and board leaders on the best course of action.

One note on advisory councils and committees that aim to widen the donor base: There needs to be a clear purpose with measurable impact. Volunteers on such committees need to feel that the time is worth spent. Staff can spend a lot of effort giving “show and tell” presentations to these committees. Instead, they should spend time with engagement, conversation, and meaningful discussion. These councils should not have as their primary effort to support fundraising efforts. Only after individuals are engaged and the relationship is developed can there be meaningful conversations about their philanthropy. [S](#)

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