CONQUEST

'THE APPROACH TO A CAPITAL CAMPAIGN'

CAUSE

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Benefactor Group Research Report

CONQUEST OR CAUSE?

WHICH STRATEGY WILL GUIDE YOUR NEXT CAMPAIGN?

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In a recent study, the Nonprofit Research Collaborative found that 56% of nonprofit organizations are either in the midst of a capital campaign or are planning for their next. In some sectors—like higher education—campaigns have become a permanent feature of the fundraising landscape. With shifting donor demographics and growing interest in the long-term impact of donations, today's fundraisers must create innovative campaigns that appeal to a broad range of supporters if their goal is long-term sustainability.

For many nonprofit leaders, planning a campaign strategy comes down to the question of "conquest or cause?"

CONQUEST

noun: con·quest \ ˈkän-ˌkwest

1: the act or process of conquering

2a: something conquered; especially: territory appropriated in war

2b: a person whose favor or hand has been won

CAUSE

noun: \ ˈkoz \

1a: a reason for an action or condition: motive

1b: something that brings about an effect or a result

1c: an agent that brings something about

1d: sufficient reason

A Brief History of Campaigns

The earliest reference to a capital campaign comes from the Hebrew scriptures (1 Chron. 29) when David makes a lead gift "*in my devotion to the temple of my God I now give my personal treasures of gold and silver for the temple of my God…*" (v3) and asks the other Houses of Israel to join him. "*Then the leaders of families, the officers of tribes, the commanders of thousands and commanders of hundreds… gave willingly*" (v6). Simply a request (or command) from someone who set an example and has the authority to bend others to his will. And so it went for millennia.

Fast forward to 1905, when Charles Sumner Ward and Frank L. Pierce launched a highly professionalized approach to campaigns with their work for the YMCA. The multi-year pledge, campaign publicity, gift chart, and volunteer hierarchy all begin to take shape.

Educational institutions were early pioneers of the capital campaign. When Harvard's $82.5 million campaign—A Program for Harvard College—launched back in the 1950's, it was the most ambitious and successful fundraising effort in the history of higher education. It raised more than $100 million, and its success led other universities to follow.

- In 1960, Stanford followed with its successful $100 million PACE program—A Plan of Action for a Challenging Era.

- By 1996, Duke University and Washington University in St. Louis announced plans to raise $1 billion. Soon, the list of universities that had pursued goals of $1 billion or more expanded, including early pioneers Johns Hopkins, Michigan, Northwestern, Ohio State, Virginia, and Yale.

Campaign as Conquest

An organization with a "conquest campaign" pursues a single, unwavering goal: to meet—or exceed—a fundraising target no matter what.

Campaign as Conquest

From eye-popping "billion-dollar campaigns" to small-scale fundraising efforts, conquest campaigns are driven by the finish line.

Conquest campaigns have much in common with military campaigns: their large scale, long duration, detailed planning, and complex logistics. They adopt military tactics and language: team captains, gift targets, a battle for hearts and minds. Even the word "campaign" is derived from conquest: the term refers to the plain of Campania, a place of annual military exercises by the armies of ancient Rome.

The classic conquest campaign was introduced by Lyman Pierce and Charles Ward in the early 1900s when they introduced the multi-year pledge and gift chart in their work with YMCAs. This approach was embraced by the "greatest generation." They came home from WWII and went to work. They set goals and achieved them, whether it was inventing a gadget, reaching the moon, climbing a mountain, or exceeding a campaign goal. For many decades, these campaigns built great institutions even as they strengthened civic pride. From art museums to zoos; from alma mater to soup kitchen; donors and leaders called communities to action.

IS A CONQUEST CAMPAIGN RIGHT?

Typical conquest campaigns have several common characteristics:

- highly dollar-goal-oriented and heavily influenced by numbers and statistics (like gift charts, wealth screening, affinity scores, etc.);

- a "comprehensive" approach that counts every contribution, including annual fund, event proceeds, in-kind gifts, deferred gifts, and campaign-specific pledges;

- driven by a desire to break previously set records and exceed competitors' fundraising totals;

- highlighting accolades like "top ten" listings and "best of" awards;

- a longer duration to attain a higher goal; and

- tailored messages and elite events that appeal to a small set of key influencers.

A conquest campaign can result in significant financial support. Because these campaigns focus on large gifts, they can be effective and cost efficient. These are the types of campaigns that secure the "mega gifts" that are heralded in the media and elevate fundraisers to national stature. Often donors are richly rewarded with high-profile recognition, which can engender the social norming that helps to attract other wealthy individuals to the cause.

One benefit of a conquest approach is a familiar structure that is easy for many staff members and volunteers to comprehend and execute. For example, a classic campaign organization chart follows a top-down hierarchy that reflects "command and control" management (Fig. 1). Committees are organized according to the presumed magnitude of gifts and donor cohorts. Even if lines get blurred and committees become jumbled, the classic organization chart provides a degree of comfort and accountability.

> **Conquest campaigns have a long record of success, but their tactics may be losing effectiveness with the rising generation of donors and leaders.**

According to a report by Blackbaud, older donors are more likely to believe that monetary gifts are the best way to support organizations they care about.

FIGURE 1. A TOP-DOWN MANAGEMENT HIERARCHY
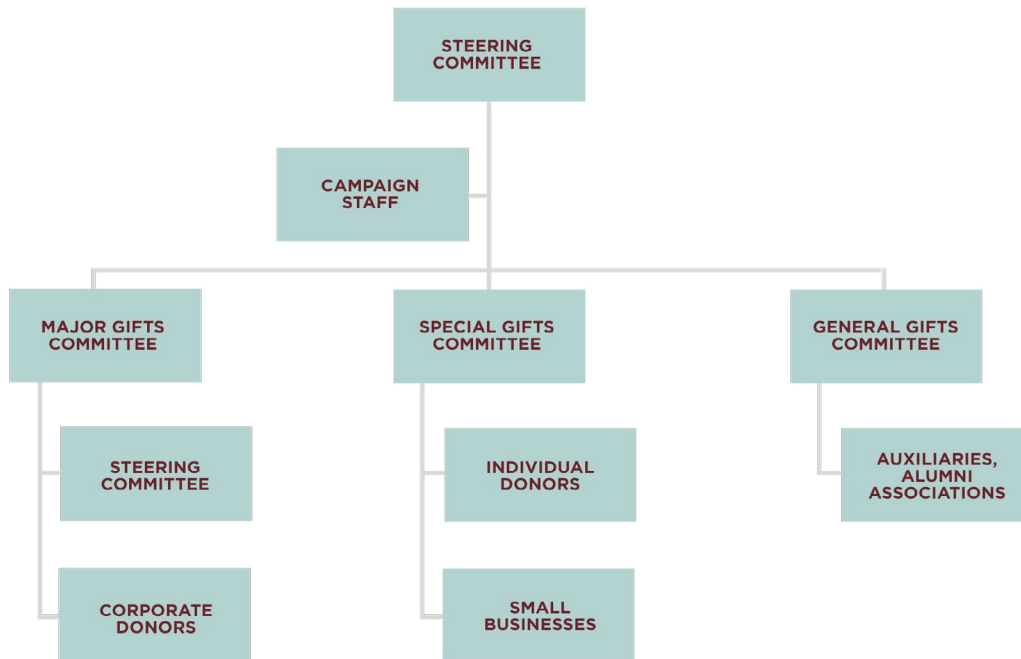
A conquest campaign may be the best way to earn the support of older donors who tend to ascribe great value to monetary gifts. But the types of institutions that have relied on such campaigns—such as higher education, or elite arts institutions—are experiencing a troubling decline among younger generations who are more likely to devote their contributions to causes that have demonstrated impact and a culture of philanthropy that values gifts of all sizes.

> **Conquest practitioners must also take care to be transparent at every step of the process.**

There is temptation to take shortcuts or inflate gifts in order to meet the fundraising goal. While every nonprofit has distinct counting methods, unclear data and "creative math" can damage an organization's credibility, hinder its ability to reach the next campaign goal, and—perhaps most importantly—shortchange the mission. Consider this list of "conquest" tactics-gone-awry cited by Holly Hall in *Inside Philanthropy*:

- Counting revenues that are not charitable gifts, such as government contracts or tax credits.

- Counting gifts twice, once toward the overall campaign goal and again by the department, program, or project to which donors directed their campaign contribution.

- Valuing in-kind donations such as real estate or historic artifacts higher than an appraiser would.

- Reaching back to count estate gifts and other large donations that came in long before the start of a campaign.

- Ignoring official guidelines by including bequest pledges [and, we would add, beneficiary designations] from young donors that take decades to realize.

Rather than the model gift pyramid with a healthy balance of small, medium, and large gifts, many conquest campaign models look more like a space needle or the Washington Monument. There is a bulge of big gifts, a base of direct-response contributions, and scant "middle" gifts. This reflects the structure of typical development offices with their high-touch/low-volume major gift officers or high-volume/low-touch direct-response tactics. There is often no staff or strategy to engage mid-level donors whose $25,000 pledge might be the largest they've ever made but feels insignificant in comparison to the celebrated major gifts. [For an approach to these Mighty Middle© donors visit benefactorgroup.com/mightymiddle].

Campaigning for a Cause

Campaigning for a Cause

Rather than highlight a nonprofit's financial goals, a cause campaign shows potential donors how their financial support will serve the common good. The campaign case is usually filled with anecdotes rather than accolades, and success is measured by the ability to affect social change.

These campaigns are especially prevalent among social justice and human service organizations that have traditionally been driven by the cause, with messages that are more likely to resonate with donors. Cause campaigns share many of the characteristics of social movements: structures that empower diverse and/or dispersed groups to mount effective strategies in pursuit of a common goal.

More recently, some practitioners in sectors like healthcare and higher education—long bastions of the "conquest" model—have recognized that a cause strategy can be appropriate. At Lasell College in Newton Massachusetts, new fundraising realities set in with the fading of a generation of affluent and generous alumnae from the school's early years as a two-year women's college. Its recent campaign, "In

Pursuit of Great," had a more modest financial goal than previous efforts, yet rallied donors around causes such as affordability, hospitality, and STEM education. To complement a traditional major-gifts strategy, the College launched its first giving days and began an initiative to connect board members more closely to the College's impact in the classroom and community.

> **Technology has provided effective tools to support cause-style fundraising, whether it's the strategic use of general social media platforms, or the adoption of customized platforms to support engagement and solicitation.**

Consider Pelotonia, a fundraising biking event which declares "it's not just a ride, it's a movement" on its website home page. More than 8,000 riders have used a simple and effective fundraising platform to tell stories of their own experiences with cancer and inspire friends and peers to donate more than $180 million for cancer research in a decade.

FIGURE 2. **A DECENTRALIZED MANAGEMENT MODEL**
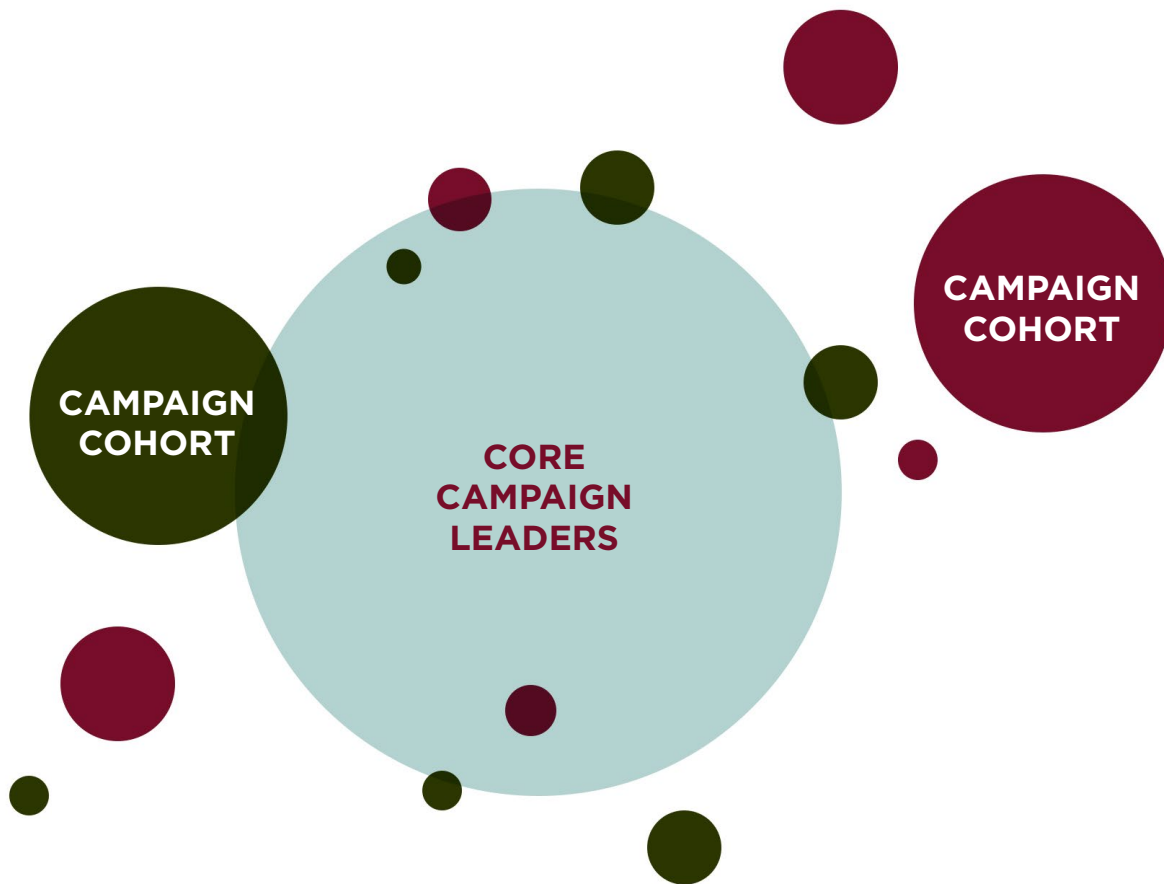
IS A CAUSE CAMPAIGN RIGHT?

Cause campaigns tend to be most successful for organizations with:

- a results-oriented message that focuses on stories of impact;

- a diverse set of stakeholders engaged as voluntary leadership;

- an understanding of movement building and strong social media presence; and

- an approachable marketing strategy that encourages gifts of any size.

We've observed that cause campaigns hold greater appeal for younger donors and leaders. When asked whether the ability to see the impact of their donation would influence their decision to give, 60% of donors aged 18-32 agreed, compared to only 35% of donors over 49. But the approach can present challenges. The distributed model of leadership can be foreign to campaign leaders and difficult to manage. Various constituents self-organize around common interests, geography, or other traits. While these factors can capitalize on passion, they may be light on accountability. They can also put stress on a constituent database, so it is important to have good donor data management in place prior to launching such an effort. To learn more about institution-wide data management, please refer to our recent whitepaper at benefactorgroup.com/p360.

Because a cause campaign is often driven by a heartfelt vision, it is crucial for organizations to set concrete goals and then develop a strategy to meet them. A cause campaign may not be as focused on celebrating the financial tally, so knowing how to honor donations of all sizes will be instrumental to a campaign's success. And the efforts to engage more donors and utilize more diverse strategies may also result in a greater upfront investment, so board members and campaign leaders will need to

understand the merits of a lower short-term ROI in an effort to build a pipeline of future donors and generate a groundswell of goodwill.

In all likelihood, a handful of very large donations will still be critical. But, in a "cause" campaign, these gifts are often structured differently: often the donation is either a challenge or matching gift that celebrates gifts of all sizes in their capacity to "move the needle" on significant issues.

TABLE 1. **CONQUEST VS. CAUSE: A HYPOTHETICAL EXAMPLE**

The Scenario: A leading cultural institution is approaching its 100th anniversary. A few years ago, it celebrated a successful campaign that raised $75 million and resulted in gleaming new exhibits. But the campaign also exhausted leadership and wore out its welcome among donors who detected a distinct air of entitlement. New leaders have carefully rekindled relationships and introduced popular programs, and are now focused on the future, including a desire to build an endowment that will help the museum endure for another century."

Tactic	Conquest Approach	Cause Approach
GOAL	Set a goal that is higher than the last campaign's. $100 million aligns with the upcoming milestone.	Set a goal that conveys the campaign's impact. How about: • 100 annual programs funded • Outreach to 100 new classrooms endowed • 100 new members at every level • 100 new planned gift donors enrolled • 100 artifacts donated from area collectors
ASSESSMENT	Conduct interviews with key influencers and a wealth screening of the donor database.	Engage diverse stakeholders through interviews, group discussions, and surveys. Complement this discovery with philanthropic screening.
APPEAL	Alluring recognition opportunities for the biggest gifts: $20 million to name the directorship and $5 million for a curator.	Impact. Culture matters. Culture is a cause.
LEADERSHIP	Recruit the town's most influential and affluent for the campaign committee.	Assemble a diverse and influential group that is passionate about the power of art.
MESSAGING	Seek attention for the most recent accreditation, art acquisition, big gift.	Tell stories about the power of historical artifacts to heal, to connect, to give meaning.
COUNTING	A comprehensive approach that counts every gift and pledge at maximum value and sweep in reasonable "qualifying reach-back gifts."	Count financial gifts in accordance with a clear policy and add other metrics of success such as engagement or impact measures.
SOLICITATION	Leverage peer relationships quid-pro-quo so donors "can't say no."	Inspire donors to make the greatest gift possible.
STEWARDSHIP	Recognition, events, and donor mementos.	Opportunities to experience the results of their support.

Why not both?

The most successful fundraising campaigns find ways to appeal to both the head and the heart. For some organizations, this involves combining cause- and conquest-based strategies. A conquest approach can be used to secure key support from major donors and key influencers in the early "quiet" phases of a campaign. Meanwhile, cause-focused tactics can help to develop a larger donor base and motivate volunteer leaders—just in time to kick off a larger-scale community phase to cap off the campaign.

> **A campaign study can help an organization determine whether its strengths align with a cause model or are more applicable to the conquest approach.**

A classic campaign planning study with its focus on 30 to 40 interviews with key influencers complemented with data analysis reflects the conquest approach and is most likely to yield recommendations that are

long on major gift strategies but short on broader engagement. To learn more about possible cause strategies, a typical study might be complemented with discussion groups, planning charrettes, online surveys, social media metrics, or other efforts to engage a broader group of stakeholders. Learn more about campaign studies at benefactorgroup.com/studies.

Throughout a campaign, many decisions will take "conquest or cause" into consideration. For example, should a campaign brochure focus on accolades or anecdotes? While it's tempting to try to serve both conquest and cause with a single tactic, the results can be muddled. It is probably more prudent to focus on each audience/tactic at a time.

Whether you choose to focus your next campaign on conquest, cause, or a bit of both, understanding your institution's strengths and your donor base will put your organization on a track to success.

"Fundraising is the gentle art of teaching the joy of giving."

We are pleased to share these insights that we have gleaned over the last 20 years serving those who serve the common good. We help nonprofits wherever they are in their lifecycle.

Capital Campaigns

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Staff Retreats
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Mid-level Giving Programs

Endowment Building

Endowment Planning
Endowment Building
Planned Giving Programs

Strategic Planning

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Strategic Objectives
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Do you have questions or something to add? Let's talk.
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