Basics of a Feasibility Study for Fundraising Campaigns

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Introduction

A feasibility study is a sort of "dress rehearsal" for a fundraising campaign. It may also be compared to the engagement period before marriage. An organization is wise to embark on this process before jumping headlong into a fundraising campaign. Whatever the reason for an organization to raise money, known as its case for support or case statement, it is good to know before you begin how successful you will be. It is the difference between doing a fundraising campaign the smart way and doing it the hard way (or foolish way).

A feasibility study tests a cross section of leadership and major prospective contributors. This testing is typically done by face-to-face interviews between professional counsel and the prospective leader/contributor. It is not a survey of the entire constituency. It is designed to determine a number of critical pieces of information, including the viability of the case, the climate for giving, the availability of volunteer leadership, the appropriateness of the "gift-range table" and to determine the availability of prospective contributors with the ability and interest to support the proposed campaign.

Without conducting a feasibility study an organization is subject to two major risks.
1. It may proceed with a campaign, thinking it can raise much more than it really can. When the work is done, everyone is discouraged because only a percentage of what needed to be raised was achieved.
2. On the other hand, it may be possible for an organization to proceed with a fundraising campaign and have success in raising the money sought, not realizing that much more could have been raised had a properly planned feasibility study first been completed.

In either case, the organization would be well-served to launch into a fundraising campaign with a significant amount of assurance of success, rather than proceeding on the basis of perceptions and assumptions.

Following are the basic steps taken in conducting the feasibility study:

1. Initiating
2. Hiring
3. Writing
4. Conducting
5. Analysis
6. Presentation
7. Follow-up

1. Initiating the process

The feasibility study is performed to test and plan for a fundraising campaign, so the board and/or staff must initiate the plan to conduct a fundraising campaign. The organization must determine what or how to describe the project it wants contributors to fund. There must be some perceived likelihood that the identified project will have success. Typically, the organization desires to "raise the bar" in embarking on this process. It wants to do something it may have never accomplished before in its history. It wants to become something it has previously only aspired to become. The feasibility study can determine if this is the time for an organization to indeed take itself to a whole new level of success.
2. **Hiring professional counsel**

This process is designed to provide honest answers to serious questions posed by an organization to some of its most important contributors and leaders. Having objective, experienced fundraising counsel conduct the interviews ensures the confidentiality required for the very best results. The work of the professional counsel is to record all comments and suggestions made by the interviewees, but to ensure that the specific source of the narrative is kept confidential. In addition, experienced professional counsel is in a good position to properly evaluate the collected data for its relevance to the potential future campaign.

3. **Writing the case statement**

The case statement is an attempt to put in writing a brief, clear statement that communicates the purpose, program and financial challenges facing the organization. It truly answers the question of why you are conducting the campaign. It is a public statement that must stand alone without explanation.

The case should answer the following questions:

- **What's in it for the contributor--i.e. why should they give to this effort?**

  The case needs to be both rational and emotional. The case should be compelling, but not too emotional. There is a fine line between urgency and desperation - a line that the case for support should never cross. It must appeal to both the head and the heart. It is critical that both staff and volunteers are involved in the development of the case. It is this ownership of the process that sets the stage for a successful campaign.

  Harold J. Seymour, in *Designs for Fund Raising*, sums up the definition of a good case for support: “Finally, it should be said that the case for fundraising, taking into account what has been said about people, causes, and giving, should aim high, provide perspective, arouse a sense of history and continuity, convey a feeling of importance, relevance, and urgency, and have whatever stuff is needed to warm the heart and stir the mind.”

  In writing the case statement, brevity is the goal. When the case statement is mailed out to prospective donors, you don't want them refusing to read it because of the sheer size of the document. The entire document should ordinarily be 7 pages or less in length. The document should be easy to read, with appropriate use of graphs and charts.
The components of a well-written case statement should include the following:

- Mission
- Vision
- History
- Statement of community problem
- Goals of the campaign
- Objectives to meet these goals
- Programs and services
- Staffing
- Governance
- Facility needs
- Endowment
- Budget for the campaign
- Statement of needs
- Gift range chart
- Named-giving opportunities

The actual writing of the case statement is typically a collaborative effort between professional counsel and staff of the organization. The case should reflect the flavor of the organization writing it. If the organization tends to be informal, then the case statement should reflect this. If, however, the organization portrays a very formal image, then the case statement should look and feel very formal.

It is important to think about the specific audience who will read this document. If they prefer reading information presented in a certain way, than by all means provide the information to them in the way that they will most likely read it. You want the reader to care enough about your organization and your message that he/she will read the case statement and response appropriately to it.

4. Conducting the interviews

How many interviews should be conducted? Who should be interviewed? What questions should be asked?

These are the basic questions about the interviews. You should interview the number of prospective contributors and leaders that will be enough to tell you what you want to know. It is probably best to error on interviewing too many rather than too few, but the more that are interviewed the greater the cost of the feasibility study. The cost of the study is relative to the number of interviews. So if a study calls for 70 interviews, it will cost nearly twice as much as a study interviewing 35. For most small to medium sized organizations interviewing 30-40 people is normally adequate for determining the outcomes desired.

Probably the more important factor is to interview the right people. Certainly an organization will want to include the current major contributors and those who it is hoped will become major contributors for this particular campaign. Some people are very influential in their impact on these contributors, either by their position in the community or by their past service to the organization. These major influencers should also be part of the interview group.

It is sometimes advisable to interview people that are somewhat disconnected, but represent a group of potential contributors that the organization would like to engage in the future. Remember that the goal is to determine the success of a fundraising campaign, so the people interviewed need to represent the list of
people that will eventually be on the campaign prospect list.

The specific questions that are asked the interviewees is a very important factor. Everyone knows that the value of information gathered from people is directly related to the questions that are asked. The experience of the professional will be most helpful in designing questions that will assist the organization in its evaluation of the entire interview process.

For example, one of the likely questions will relate to an evaluation of your organization’s board of directors. It might seem that this question has little to do with the ability of the organization to reach its campaign goal. However, the evaluation of the board will assist in knowing how to interpret either enthusiastic support for the project or pessimism for the project. It is one of several questions that should be asked to give a much broader picture of how to design a campaign, especially if there are issues that need to be tackled and resolved that will greatly improve chances for success.

5. **Analysis and report preparation**

This critical step in the process is ordinarily left to professional counsel. They are charged with the responsibility of summarizing all the data gathered during the interview process and writing a report. Professional judgment and expertise comes to bear at this point perhaps more than any other. It is at this juncture that an organization reaps the real benefit of outstanding professional expertise.

In almost all studies, the interviews will emphasize certain issues that need to be addressed before moving on to the actual fundraising campaign. The report should provide a concise, but comprehensive evaluation of the results of the interviews, providing recommendations and conclusions that will inform and guide the next step in the process. Charts and graphs are generally very helpful in this presentation. A well-written report will focus on the main issues, giving the highlights and summary of the results, as well as the details.

Sometimes the results of a feasibility study are that the fundraising campaign should not be initiated. The projected amount of money that could be raised may be far less than is necessary to proceed with even a portion of the project. In those cases, the organization must do the work necessary to position itself to conduct the campaign, or it may decide to abandon the idea entirely and concentrate on a whole new area of operation. In all cases, however, much valuable information ought to have been gained that will provide good insight into the organization’s future endeavors.

6. **Presentation of findings**

The report is a confidential document that is presented to the contracting party that hired the professional counsel to conduct it. Typically in a nonprofit organization this would include the board of directors and perhaps executive staff. It might be a good idea, however to present the findings to anyone else to whom it would be helpful to do so. It also might be a good idea to present the report summary in various settings to show how the organization is positioned
in its efforts to conduct a successful campaign.

7. **Follow-up to the study**

The organization is best served in conducting the study if the follow-up is undertaken as soon as possible. If the feasibility study shows that the project is enthusiastically supported and the goal is likely to be reached, the follow-up is fairly easy – it is simply to proceed with the fundraising campaign. In most cases, however, there are a number of decisions to make. Modifications are required in either the content or the size of the proposed campaign. Furthermore there may be a number of issues that need attention as well. The board of directors and staff, along with advice from professional counsel, need to weigh the relative merits of the options and plan accordingly.

**Summary**

When the report is in and presented to the appropriate people, an organization should have learned several valuable things from a well-conducted feasibility study. They should know the answer to questions like, *Do people like our plan? What is the climate for giving to this campaign? Do we have adequate campaign leadership available? Is the campaign goal achievable as it is currently designed? If not, what is achievable? What factors need to be considered before launching a campaign?* The answers to these questions are obtained by sampling and interviewing a select number of people that are either deeply committed to your organization or have influence over the ability of your organization to achieve success in a fundraising campaign.