




HOW TO SUCCEED IN FUNDRAISING BY *REALLY* TRYING

by Lewis B. Cullman



“Based on his lifetime of philanthropic engagement, Lewis has put together a lively and practical guide that will help people be successful fundraisers. They might even learn to enjoy fundraising if they follow his example!

— David Rockefeller

Lewis B. Cullman is not only a pioneer in business, but also in charity. An architect of the first “leveraged buyout,” he made his money with At-A-Glance®, the largest manufacturer of calendars and appointment books in the USA. When he sold the company in 1999, he and his wife, Dorothy, dedicated themselves to giving away most of their money during their lifetimes. To date, the Cullmans have donated nearly \$250 million to charities and causes in which they have a keen interest. Lewis Cullman is the author of the widely praised memoir, *Can't Take It With You – The Art of Making and Giving Money* (Wiley). (www.LewisCullman.com)

Dedicated to those who really try

Introduction

Many years of fundraising and many missteps have brought me to a place where I can speak with confidence about raising money. And since so many people have urged me to write down the tricks of the trade, I've decided to take a crack at it.

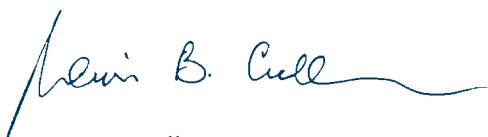
Fundraising is not rocket science but there is a certain kind of science to it, and these systematic tricks of the trade have become the lifeblood of a tremendous industry of charitable giving in the United States, reaching as much as \$10 billion a year. We are the envy of the rest of the world.

My introduction to philanthropy came from my mother. What moved me to the next step—raising money—was probably a natural outgrowth of philanthropy. The whole process evolved over a period of time. Some ideas came from business, others came from my own philanthropic experience.

What follows is a basic guide for trustees to apply when embarking on capital campaigns. The same rules apply to other fundraising efforts as well. It's just that capital campaigns are larger, last longer, and involve the entire organization.

The booklet begins with a *Ready Reference*—a quick guide that you can use as a refresher when heading into a meeting or getting ready to call on a prospect. It is divided into three parts: *Defining the Campaign, Tools & Techniques*, and *The Ask*. Next comes the expanded, annotated version, with more detailed information. At the very end are some of my recommendations about asking for money in a letter. Note that each section is color coded for quick and easy reference.

Here goes!



Lewis B. Cullman

Ready Reference

DEFINING THE CAMPAIGN

5

- Make a good case
- Set a manageable campaign goal
- Begin with the Board
- Cultivate your leads
- Make a big splash when you go public
- Offer plenty of naming opportunities
- Remember: Staff participation is a great weapon

TOOLS & TECHNIQUES

8

- Soften the potential donor
- Customize
- Use peer pressure
- Do your homework
- Don't get caught short
- Never take no for an answer
- Use challenge gifts as great incentives
- Make drop-dead challenges—they're better
- Network, network, network
- Talk up the cause. Take advantage of every opportunity
- And last: Keep a little humor, please

THE ASK

12

- Don't be shy
- Set up an appointment to ask eyeball to eyeball
- Be honest—it's the best policy
- Honor the spouse
- Be direct
- Have a number in mind before you walk in the door
- Listen to suggestions
- Know your prospects
- Close the deal yourself if you can
- Be flexible about payment
- Remember: More calls mean more successes
- Follow up
- Don't let excuses kill the deal

Defining the Campaign

Campaigns are a tremendous challenge: what the public sees is only a fraction of what's actually there. The success of any campaign is measured in dollars and cents—how much is raised and how quickly—but what determines the final figure is how well the groundwork has been laid. Here are some guidelines to get you to the starting line in the best possible shape.

MAKE A GOOD CASE

Don't leave business common sense behind. Your job as a fundraising trustee is to sell others on the absolute necessity of the campaign in question. Why are the funds needed? Create a thorough, thought-provoking case statement outlining the charity's need and justifying the campaign. Take the statement with you and be prepared to quote from it wherever you go. Prospects might never read the document, but for the solicitor it is a useful reference.

SET A MANAGEABLE CAMPAIGN GOAL

What will the project actually cost? And where will the money come from? Hard projections are vital at this point. Remember the ancillary costs, and don't base your projections on the cheap. Keep the ultimate campaign goal fluid. The bar can always be raised. It indicates success.

Be realistic. But at the same time, dream big.

BEGIN WITH THE BOARD

Before a campaign ever goes public, a core group of supporters, consisting mainly of key trustees, needs to make major pledges totaling at least 40 to 50 percent of the ultimate goal. This "core fund" is a necessary start. Just as important, the core fund convinces the outside world that most Board members are fully committed and are willing to make a major sacrifice.

An example: When a Chairman of a major charity approached me at home for a significant donation,

my question was, “How much have you given?”

His answer was, “I haven’t made up my mind.”

This is a no-no! Never make the mistake of asking for a donation until you’ve made your own commitment.

CULTIVATE YOUR LEADS

A well-managed campaign begins long before the official launch. Staff and trustees should identify and cultivate the best prospects for large gifts.

Prospects can be busy people—yours isn’t the only charity on their radar screen. Get to the point! Frankness pays.

Make your best prospects feel at home *before* asking them to give.

MAKE A BIG SPLASH WHEN YOU GO PUBLIC

The campaign is the most important thing to you, but to a newspaper editor or to the producer of the local evening news, it’s just another story. Your job is to prevent the media from ignoring you. Bring in big names to announce the campaign. Provide visuals; if necessary, hire a PR firm. Gilding the lily is a good idea.

At a Chess in the Schools event, we asked prominent New Yorkers to act as chess pieces on a giant board while the children in our program called the moves. What a great photo opportunity!

The bigger the splash, the easier to reach or exceed the goal.

OFFER PLENTY OF NAMING OPPORTUNITIES

The value of naming opportunities—putting a donor’s name on buildings, chairs, programs, exhibits, etc.—cannot be overemphasized. This gives you a good chance to raise the ante. Everyone is proud to have his/her name on a building or program.

Before you make a call, ask your staff to prepare a shopping list of these opportunities—or prepare one on your own. This will save you from quoting different prices for the same project. Doing so will backfire.

REMEMBER: STAFF PARTICIPATION IS A GREAT WEAPON

Key trustees provide the core fund that a campaign builds on. Voluntary staff participation shows the outside world that the people who do the day-to-day work of the institution are fully behind the campaign. What an impact their sacrifices can make!

After the core fund was established for The Museum of Modern Art’s recent Capital Campaign, major staff members volunteered to make substantial commitments of their own. This unexpected generosity prompted me to add significantly to my gift and to motivate the core trustees to do the same.

Tools & Techniques

Business skills are essential for a successful campaign.

SOFTEN THE POTENTIAL DONOR

In asking for money, there needs to be a great deal of preparation. Get to know your potential donor. Face-to-face is the best method.

If you don't know the potential donor, write him or her a note, introducing yourself and the campaign. Notes should be brief. If you have additional information that you feel the prospect needs to see, include it as an attachment or enclosure, so the prospect can read it at leisure. Don't clutter up the essential message with peripherals. Tell the prospect to expect a call from you for an appointment. Be sure to follow up promptly.

CUSTOMIZE

With giving, one size does *not* fit all. What charities does the prospect already support? What are his or her interests or dislikes? If you are approaching a couple, what are their mutual passions and their collective giving capacities? And which part of the couple is more prone to support one cause over another? Effective intelligence gathering can save valuable time and avoid considerable ill will. Nothing, for example, turns my wife Dorothy and me off more quickly and thoroughly than a fundraising pitch that takes little or no account of the vast public record of our sometimes-differing philanthropic interests.

Staff members should provide trustees with accurate information. If they can't, or if you have little faith in their sophistication with such matters, do the legwork on your own.

USE PEER PRESSURE

The size of your gift can persuade your peer to make a contribution as significant as yours.

DO YOUR HOMEWORK

A campaign is serious business. Approach it that way. Before you see a potential donor be sure to have your facts down pat. If you don't have the answer to a question, be sure to get it promptly.

DON'T GET CAUGHT SHORT

In deal-making, I learned an invaluable lesson: Don't leave the negotiating table without at least one good argument up your sleeve. After you have used up your last argument, it shows in your face.

NEVER TAKE NO FOR AN ANSWER

A few years back, Tom Rogerson of State Street Growth told a story about going to see some ancient curmudgeon in Boston. Tom was hoping to convince the guy to give the bulk of his \$25-million estate to charity, but he knew it was going to be a tough sell. Tom had barely started his pitch before the guy lit into him.

"I wouldn't give a dime to any goddamn charity," he shouted. "People ought to take care of themselves. Why don't they make their own money instead of hitting me up for it?"

Tom said, "Do you know that when you die, 55 percent of your estate goes to the government? Have you decided how much you want to go to defense? How much to education?"

"I can't make that kind of allocation!"

"Well," Tom replied, "I'll show you how you can."

I've always liked that story because Tom countered the curmudgeon's nonsense by suggesting charity as a way to make a choice. But what I most admire is the way Tom refused to give up.

Persevere! It works!

USE CHALLENGE GIFTS AS GREAT INCENTIVES

Challenge gifts involve setting a dollar amount to be matched. Using a gift as a challenge puts pressure on others to give generously.

MAKE DROP-DEAD CHALLENGES—THEY'RE BETTER

Drop-dead challenges require additional conditions, all of which must be met.

A good example: The Neurosciences Institute in La Jolla, California, was living off annual payments from a major pharmaceutical company until the company gave notice of pulling out.

To try to solve the problem, I set up a \$10 million drop-dead challenge to be paid over five years. Under the terms, the Institute had to raise an additional \$15 million. Another condition was that its trustees and key staff members all had to participate each year.

I scheduled my gift at \$2 million a year, and the Institute had to match that each year with an additional \$3 million.

If the Institute failed any condition, the challenge dropped dead.

But the Institute met the challenge.

NETWORK, NETWORK, NETWORK

The more philanthropists you know, the more prospects you have. Keep adding to that list to improve your odds.

TALK UP THE CAUSE AND TAKE ADVANTAGE OF EVERY OPPORTUNITY

Mention the cause at dinner events, Board meetings, even in locker rooms. Use any chance to talk it up or take advantage of serendipitous opportunity. My friends are quite accustomed to having me talk about Chess in the Schools—but with one guy I didn't even have to talk about it....

One day I arrived at the barbershop to find my chair taken by a friend who had arrived late for his own appointment. Since he disrupted my schedule, the fellow insisted on paying for my haircut. I then made a contribution to Chess in the Schools in his name.

Would you believe he's been a regular contributor ever since?

AND LAST: KEEP A LITTLE HUMOR, PLEASE

Raising money is serious business, but keep your sense of humor. Things are bound to go wrong. Don't worry.

I'll never forget the time Dorothy and I were at the Rainbow Room in Manhattan, at a party being hosted by Bernard Schwartz, the CEO of Loral, the big armaments maker. When Dorothy greeted him, she asked Bernard whether his company could donate its products as prizes for an upcoming fund-raiser.

Naturally, Bernard's jaw dropped in disbelief: Who is this crazy woman who wants rockets for door prizes?

On the way to the party, I had told her that Bernard was head of Loral, but she thought it was L'Oreal, the cosmetics maker. The confusion was cleared up!

The Ask

When all is said and done, you have to make The Ask. Get The Ask right, and you're home free. Get it wrong, and you'll have to go back to the drawing board. Here are some ideas to help you.

DON'T BE SHY

You've made your own major contribution. You can now ask with conviction.

SET UP AN APPOINTMENT TO ASK EYEBALL TO EYEBALL

Always make an appointment even if the prospect is a close friend. Never ask for a major contribution till you meet one-on-one.

BE HONEST—IT'S THE BEST POLICY

Always tell the prospect the reason for your visit.

When Dorothy and I were the prospects, we had an experience with this. We were invited to lunch by the head of an institution we had long supported. We accepted under the condition that it was not to be a fundraiser—but before we even had a chance to look at the menu, we were asked for additional support. We were so annoyed that we dropped that charity.

HONOR THE SPOUSE

Always ask both parties. Failure to do so might kill the deal.

BE DIRECT

Show respect for a busy person. Don't take too much time. Get to the point, as quickly as possible.

HAVE A NUMBER IN MIND BEFORE YOU WALK IN THE DOOR

Don't set a target that's too low. You can never raise it, but you *can* lower it.

LISTEN TO SUGGESTIONS

Sometimes the prospective donor has a good idea that you haven't thought of. Seize it. It may lead to an innovative project!

KNOW YOUR PROSPECTS

Encouraged by the tax code, family foundations play an increasingly vital role in philanthropy, but they don't all operate the same way. Many are simply the giving source for the foundation donor, in which event the "rules" suggested here are fully applicable. Other family foundations are more formal and have working Boards that collectively make decisions. In those cases, the face-to-face Ask will need to be accompanied by a formal proposal submitted to the Board. You should be the one to suggest it, before the foundation representative raises the subject. Doing so shows you're on top of the situation and aware of the differences between prospects.

CLOSE THE DEAL YOURSELF IF YOU CAN

Don't use a designated closer—unless absolutely necessary. It weakens your case.

BE FLEXIBLE ABOUT PAYMENT

Don't lose a prospect by being too rigid about timing. A planned gift is better than no gift at all.

Don't forget there are many planned giving opportunities. Offer the prospect a chance to shape the gift to suit his or her needs.

REMEMBER: MORE CALLS MEAN MORE SUCCESSES

You and your staff should prepare a solid list of prospects. The more calls you make, the more likely you are to meet your campaign goals. Don't worry about rejection. Proceed to the next call.

A Final Recommendation

FOLLOW UP

Don't forget to thank the donors for their commitments. Most people can't get enough attention. Ask fellow trustees to do the same.

Remember: The end of one campaign is the beginning of the next!

DON'T LET EXCUSES KILL THE DEAL

Here are some of the usual excuses for the inability to give. Know how to respond.

EXCUSE: "I've already committed a large percentage of my income."

RESPONSE: "Net worth should be the test, not annual income."
If key staffers have already made contributions, cite that as an example of true sacrifice.

EXCUSE: "I have to think it over."

RESPONSE: "Sorry, I need it by Thursday."
This is yet another instance where drop-dead challenges are a great asset. They spur everyone to action.

EXCUSE: "I can give only \$10,000."

RESPONSE: "We don't have that bracket!"
Of course, not every gift has to fit a naming opportunity or other category, but it's surprising how often this works, especially if you say it with a humorous touch.

EXCUSE: "Our guidelines for giving don't include that category."

RESPONSE: "How about changing the guidelines?"
Family foundations especially can be hemmed in by ridiculous guidelines reflective of the interests and prejudices of earlier generations. These guidelines need refreshing. Show the way, and you might just get thanked with a big donation.

EXCUSE: "That's all I can afford."

RESPONSE: "You should be embarrassed."
If everything else fails, try a little instructive outrage.

EXCUSE: [Anything for which you don't have a ready answer.]

RESPONSE: "I'm glad you brought that up!"
Keep the discussion going. You might think of something else!

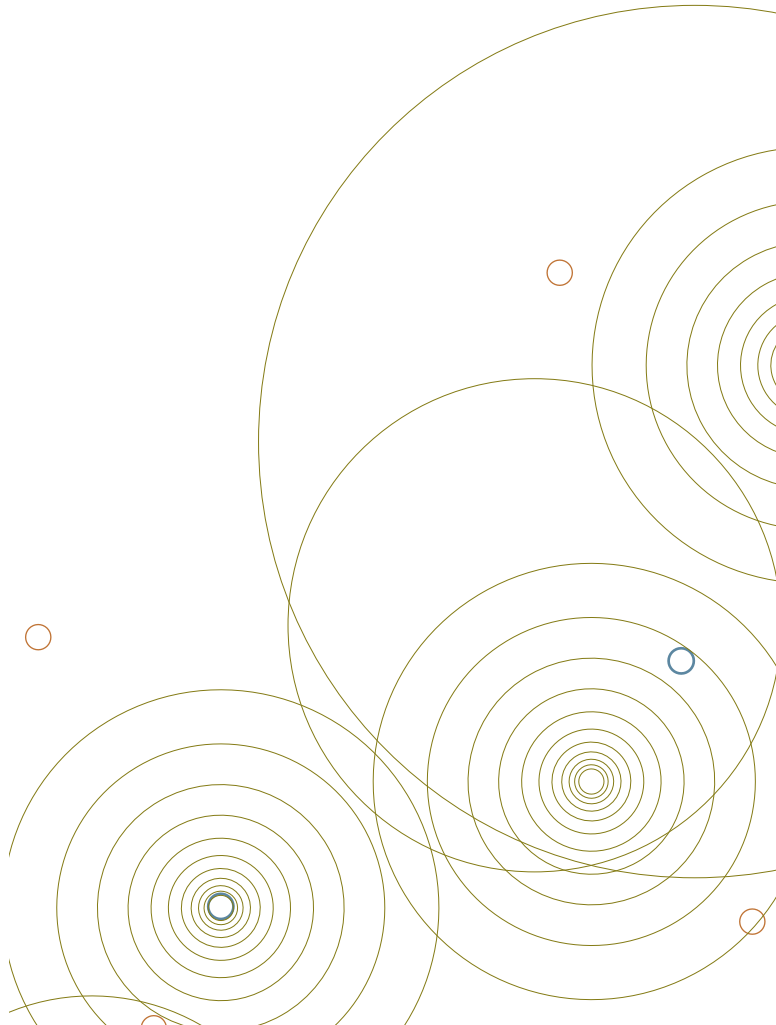
LETTER WRITING 101

Asking for money in a letter is an art in itself. Here are some valuable tips from one who receives many bad letters!

- Keep it to one page.
- Get to the point.
- Ask for the amount of money you want.
- Use short paragraphs.

To view letters both good and bad go to www.LewisCullman.com

Good luck!



Acknowledgements

Michael Margitich of The Museum of Modern Art (MoMA), from whom I learned some of the tricks of the trade. Without his involvement, this booklet would not have been possible.

Howard Means, who helped with my book, *Can't Take It With You*, and who assisted in organizing this brochure.

Denise Peppas, who not only prepared draft after draft, and never seemed to tire, but still was able to help on language and grammar.

Michael Shepley, who collaborated on the text and layout from day one.

Kathy Talalay, whose editing expertise was extremely helpful.

MoMA, which gave me the opportunity to test my techniques. And Ruth Kaplan for introducing me to Ed Pusz, Derek Barnett and Claire Corey, who were responsible for the design and printing of this handsome booklet.

Susan Martin, whose comments on letters and approaches were on the mark.

Dorothy Cullman, my wife, who stayed with me through this ordeal.

And to all the charities that helped me.

Thanks also to the following:

Glenn Lowry, Matthew Teitelbaum, Marnie Pillsbury and Susan Mui.

And Adam Gopnik, whose traffic delay for a speech allowed me as a pinch hitter to test these ideas!