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YOUR GUIDE TO

Conducting a Feasibility Study

Laying the foundations for successful major gifts fundraising

Exceptional fundraising partnerships

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Why undertake a feasibility study?

A feasibility study is a qualitative research process that addresses an organisation's readiness to mount a capital fundraising campaign. It's based on a series of confidential, behind the scenes interviews with a cross-section of a charity's leaders, givers, influential friends, staff members and other prospective supporters.

The response of these key constituencies to the proposed project, and their guidance on how best to make it a financial and community relations success, will determine if and how the campaign is made public. In some respects, the study can be regarded as a visit to an organisation's most respected and valued supporters to seek the benefits of their wisdom, before a major venture is embarked upon. The combination of the influence that these supporters might have on key prospects and their willingness to use what affluence they have, to help realise the vision, is a critical factor. When directly engaged through a study, often their access to others with these qualities helps open doors that have previously been considered inaccessible.

The study needs to focus on three key questions:

1. Do people believe in your vision? Is your case for support clear and compelling?
2. Where is the money? Specifically, where are the top ten gifts that could typically deliver as much as half of your fundraising target?
3. Who can we ask to get it? Which people are prepared to lead by example, to make a gift themselves and ask others to join them in doing so?

Benefits of a successful study

Based on the information gathered, the study director's professional experience, as well as other research data, the study report will set out a clear way forward. It's worth remembering, however, that not all feasibility studies lead smoothly on to the mounting of a campaign. On occasions, the information gathered, when analysed in the hard light of day, highlights that the most sensible way forward would be to hold or abandon any capital campaign or other fundraising programme.

By deciding to conduct a fundraising feasibility study to address questions relating to where the money is and who might be able to access this, a fundraising campaign or programme will proceed on a sound footing. You'll also have a clear target, a fundraising plan and also have identified sources of both volunteer leadership and major gifts.

Study tools

In Chapter 5 of our book Gifted Fundraising, we explain the principal tools for conducting a successful feasibility study. Here's a summary of what you'll need to prepare and use during the study process.

1. The draft case statement

The case is simply an advanced draft document at this stage; a statement of aspiration and intent that explains the need and lays out your vision. It's important to make sure though, that your fundraising committee and fellow board members actually share the ideas put forward in it. Take the time to incorporate the views of these key stakeholders. We're not saying that the committee should do the drafting, but rather, that the arguments for raising the money have been well thrashed out by your leadership team.

One of the most important rules when drafting any document is to remember who will be reading it. For the case statement, the first audience will be the people to be interviewed as part of the study.

2. Test scale of giving

Large-scale projects involve fundraising targets that are outside most people's comfort zone; the scale of giving is a helpful conceptual tool that breaks those figures down. While the case statement is an expression of aspiration and intent, this second tool of the feasibility study provides a blueprint; precise, calculated, complete. It maps, in a table, exactly how many gifts at the different, specific levels are needed if the fundraising goal is to be achieved.

EXAMPLE SCALE OF GIVING

£2 million over 5 years (in pledged gifts, Gift Aid, gifts of shares, gifts in kind)

ANNUAL GIFT £	GIFT OVER 5 YEARS £	NO. OF GIFTS REQUIRED	TOTAL £	% OF TARGET
50 000	250 000	1	250 000	12.5%
20 000	100 000	3	300 000	15.0%
10 000	50 000	7	350 000	17.5%
5 000	25 000	12	300 000	15.0%
2 000	10 000	40	400 000	20.0%
1 000	5 000	50	250 000	12.5%
500	2 500	60	150 000	7.5%
		173	2 000 000	100%

There are a number of factors your study director will consider when designing and populating the scale of giving. These include experience of past successful capital campaigns dealing with similar fundraising targets, comparable projects or similar organisations and previous levels of giving to your organisation and other benchmark institutions.

This wealth of comparable data, along with first-hand knowledge, provides the study director with a more concrete anatomy for a successful capital campaign. While a well-written case might prompt your interviewees to begin considering how you're going to achieve your fundraising goal, the scale provides the opportunity, during the interview, for an in-depth exploration of precisely where the major gifts might come from and who might be the best people to ask for them.

Discussing the scale with interviewees will also provide a seasoned study director with the anecdotal data they need to determine whether the scale is appropriate and attainable. Often an interviewee will propose a gift level that represents the 'average' giver, indicating where on the table they themselves might fall should the campaign be made public; by carefully exploring their reasons for suggesting a specific figure, the director can begin to understand what drives their level of giving. The study director might also explore the relative merits of a shorter or longer pledge period, or a more detailed explanation of the benefits of Gift Aid, not only to the charity, but the giver as well.

Over the course of the study interviews, the scale of giving enables the mapping of what motivates gifts of different sizes. Crucially, by providing a blueprint for meeting the overall target, extending beyond each interviewee's prospective level of giving, the study director is able to learn about the potential level of giving within an interviewee's extended network. For example, they can explore who an interviewee might know and be willing to approach. They might also ascertain what a prospective donor's level of giving could be. By testing the breadth of the network of potential givers, particularly in terms of those all-important 10-20 top level gifts, the scale allows your campaign to be established on an informed, assured footing.

Should your campaign move forward, the role of the scale of giving will continue to be pivotal, as it becomes the main tool used when asking a potential giver for money. While it's important to explain to prospects that gifts both above and below the levels indicated would be gratefully received, the scale tightens the focus on a specific fundraising target and clearly demonstrates the level of giving required to meet the desired goal.

This is as important for your fundraising team as it is for prospective donors. By providing a clear roadmap for reaching your goal, that daunting lump sum is broken down into a series of achievable goals that can be ticked off when completed. In this way, the scale becomes an essential tool in your feasibility study, in your campaign plan and beyond.

3. Quality interview list

At the core of the feasibility study are the interviews. A robust, accurate and useful study hinges on the quality of the interviews that are conducted. So, how do we identify the quality candidates; those people with the influence and affluence to make the study a success? Determining who should be interviewed starts with a relatively simple focus on:

- Your organisation's leaders
- Influential staff members
- Current major givers to, and champions of, your organisation

But, avoiding an institutional echo chamber – hearing only those voices which are part of your core constituency – is also important, if you want to ensure a rigorous feasibility study with thorough coverage of potential givers.

The key is to expand your list without compromising on quality; mindful that interviewing 100 of the same type of people will merely confirm the findings that can be gleaned from half a dozen key interviews with well-selected interviewees. Sample size is not as much of an issue as the careful selection of the 25-35 people you do choose to interview.

4. Creating your prospect 'master list'

Your core interviewees, those self-evident candidates listed above, can help you to identify key candidates not immediately associated with your organisation. Their direction will help you to tap into influence and affluence at the edges of your organisation's network, stretching engagement with your project beyond your usual circle of supporters.

With these suggestions and additions, you should begin to see a collection of people covering not only the different constituencies within your organisation – board, staff, current givers, neighbours, suppliers etc. – but also others who would be interested in seeing the project succeed. For example, those who would benefit from it and those who would be keen to see your organisation take this next step.

So, you have your master list – but in order to identify the key players, you'll need more. The next task is to apply a process of evaluation. Without this, you'll be flying blind; unable to confirm the feasibility of your funding plans or the chances of winning your campaign on paper.

5. Prospect evaluation and rating

Creating the interview list during a feasibility study prompts you to consider the method by which you evaluate prospects; this is both critical to the success of the study and an indispensable part of any capital fundraising campaign. A key distinction needs to be made here between potential supporters (often referred to as 'suspects') and genuine prospects. The latter is someone:

- Who has demonstrated interest in your organisation
- Who has the affluence to make – or the influence to make possible – a gift to your project in line with your scale of giving
- To whom you have access.

Peer-to-peer, personal fundraising is underscored by a belief that most of the major, top level gifts for capital programmes and projects come from thoroughly predictable sources; your previous givers, your closest friends, your committed supporters, your key stakeholders and your volunteer workers. In contrast to these intimate connections, a suspect or possible giver is someone:

- Who might have a reason for being interested in your project;
- Who has the potential to give or might have access to those who do;
- To whom access must be forged.

Begin by screening your list closely, to determine which suspects are likely to be the major givers you need to win your campaign. Then score these out of 25 against the following four categories, so that those with the highest score are identified to progress through the prospect development process:

- Capacity – What indicators are there that this possible giver has the means to be able to make a gift at the level being sought?
- Inclination – Has this person a track record of giving to your organisation, or other related fundraising initiatives?
- Interest – How interested in your organisation and the particular fundraising project is this person?
- Access – Who has a personal connection to the individual and how strong is this?

EXAMPLE PROSPECT SCREENING SHEET

PROSPECT NAME	CAPACITY	INCLINATION	INTEREST	ACCESS	TOTAL
Mr Prospect	10	10	15	20	55
Mrs Visitor	20	20	10	15	65
Mr Giver	20	20	20	25	85
Miss Maybee	25	5	5	5	40

Screening individuals in this way means that when someone from the Times Rich List pops up on your quality interview list, you can be assured that they're genuinely interested in your project, inclined to donate and intimately associated with someone on your team. By weighting each component equally, your organisation isn't tempted to rely on wealth screening or scouring Forbes, for far-fetched subjects. Instead, it has a means of making the best possible decisions when generating an interview list for your study and when directing your resources during a capital campaign.

6. Conducting the study

So, having made a quality interview list that identifies the key players, it's time to determine who's best placed to reach out to them and seek their input and insight. Give this some thought; it's only by making a personal, informal approach that interviewees are likely to agree to give their time and advice to your campaign. It's often important to assure potential interviewees that any comments they choose to make will remain strictly anonymous in the report and that the interview itself is not a furtive attempt to ask for money.

Ahead of their appointment with the study director, you'll need to send interviewees a copy of the case statement, with a letter confirming the arrangements. This way, interviewees will be given the courtesy of time to review the case and reflect on not only what's being proposed, but also where the money might come from. This simple step considerably improves the validity of the study findings.

In summary

Successful feasibility studies are built on interviews that more closely resemble free-flowing conversations than fact-finding missions. An experienced study director creates an atmosphere in which interviewees feel relaxed and are able to speak their minds. Once the interviews are complete, you'll have candid answers to key questions:

1. Is your organisation sufficiently well-positioned within the community for a successful fundraising campaign?
2. Is your case attractive, urgent and relevant to major prospects, both individual and institutional, as well as the wider community?
3. Is the all-important influential volunteer leadership available?
4. Is your scale of giving appropriate and attainable?
5. Is your campaign timetable – when and for how long the campaign will run – agreed upon?
6. Are your board and management team engaged and prepared for a successful capital fundraising campaign?

Developing frank and detailed answers to these questions, through the study report and preliminary action plan, is the primary purpose of the feasibility study. But, as we have seen throughout the process of preparing for the study, its benefits stretch beyond an assessment of the campaign's viability.

Gifted Philanthropy would be delighted to have a no-obligation conversation with you about conducting a feasibility study and how we might help you to achieve your fundraising goals. Either get in touch with one of our directors or contact us via our website.

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