FOCUS B

Working with Individual Donors

TACTIC 5

Offer high-touch donor services

What is it?

It is said in the world of philanthropy that: *A donor isn't completely thanked until he or she has been thanked seven times.*

For a select group of your donors, you may want to go well beyond your basic donor services to provide *high-touch* services—which means you thank them many times over in a wide variety of ways. Simply put, this means that you will have more frequent and intensive contact with these donors, provide them with some really special services, and show your appreciation more often.

This tactic builds donors' long-term loyalty by offering them a wider range of service and participation, and by tapping into their interests and expertise. The basic hypothesis underlying high-touch donor services is this:

The more you do for a donor, the more they will do for you.

To learn more about building ongoing, productive relationships with individual donors, please see:

- **Tactic B-1: Nurture personal relationships**
- **Tactic B-4: Provide quality basic donor services**

How does it *really* work?

- **What does "high touch" mean?** The term "high touch" refers to going the extra mile by being in frequent contact with people and engaging them in ways that qualify as special treatment. We often think of the way people treat their best friends or favorite relatives—or how hotels treat celebrities—as "high touch." By tailoring extra services to the interests and experience of your special donors, it creates abiding involvement in your community foundation's or fund's work.

- **Who merits "high touch"?** In determining who deserves high touch from your community foundation or fund, ask yourself: *Who are our best-friend donors, and our most important donors—for whatever reason?* The answer to this question varies from community to community, as does the rationale behind it. Here are some categories of donors you might consider for your "high touch" list:

  - **Donors who give a large amount:** Some individuals or families may have given your community endowment a very large amount. Of course, what qualifies as "a lot" varies from place to place, so you have to determine what the threshold is where you are—$500, $1,000, $5,000, $10,000, more?

  - **Donors who have established their own fund:** Donors who set up a separate "named" endowed fund as part of your community endowment—like the John Doe Fund for Diversity, or the Hometown School Scholarship Fund, or the Main Street Improvement Fund.

  - **Frequent donors:** Donors who give every year for five years, for example. These people, if treated well, are most likely to give again and give more.

  - **New donors:** Getting special service in their first few years might encourage donors to become repeat donors.

  - **"Special target" donors:** Categories of donors who may be underrepresented on your list or whom you most want to involve in the work of your community fund or foundation. These could be doctors, teachers, people of color, youth, retirees, people on the other side of the river, second-home owners who you know give in their first-home community but have yet to give here, and so forth.

- **Other foundations:** Family, corporate or private foundations that give you challenge matches, grantmaking funds, or operating support.

- **Nonprofit organization fund donors:** Local nonprofits that have established and are growing their endowed organization funds as part of your community endowment.

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- **How do we organize our high-touch services?** You have two basic choices here: Either you set the menu in advance, or you let the donor choose from a menu you provide.

  - **A set menu.** In this case, you determine the specific set of services that you will provide to high-touch donors. You can differentiate categories or levels of high-touch donors by offering each category of high-touch a different set of services.

  - **A choice menu.** Many community foundations or funds offer high-touch donors a menu of services to choose from. For example, you might let your high-touch donors choose the two add-on services they would most like to receive from a menu of six possible services. By providing a menu of services, you show your donor flexibility, give them the opportunity and power to choose what is most valuable, and possibly avoid overextending yourself by offering everyone too much. This also makes it easy to differentiate among categories—some high-touch donors might be so important that you give them extra service choices. For example, $5,000 donors might be able to choose two extra services, while $25,000 donors get four.

- **What are some high-touch services?** High-touch services tend to fall into five categories.

  - **Be friendly.** This includes nice things you would do for a friend, like sending birthday cards, holiday cards or flowers. For example, the Humboldt Area

Foundation in rural northern California sends certain donors poinsettias every holiday season. There is nothing like a bright red flower to make someone think of you as they do their end-of-year giving! Other funds make sure they take targeted donors out for a one-on-one dinner or lunch at least twice a year, just to stay in touch and help them know they are valued. These friendly things—even home visits for coffee and chat—are highly valued by some donors, especially those who are elderly or living alone. They say: *We care.*

The Humboldt Area Foundation in rural northern California sends certain donors poinsettias every holiday season. There is nothing like a bright red flower to make someone think of you as they do their end-of-year giving!

- **Involve them.** Some foundations or funds involve special donors in program activities, such as asking donors to present grant checks to grantees, including donors on special advisory committees, or calling to ask their opinions when the Foundation is thinking of changing policies or practices. Some funds ask "best friend" donors to share their excitement and bring other donors to the fund.

  Another way to involve donors is to conduct an extensive annual survey of more important donors, then act on what you have learned from them, and report back the difference they have made because they offered their feedback and ideas. For example, several years back, the Maine Community Foundation (MCF) conducted a survey of their donors' that elicited feedback on the Foundation's services, as well as the donors' issue interests. During a grantmaking cycle later that year, MCF had more high quality grant proposals than they could fund from their unrestricted endowment. So they used the survey information to match the interests of current fund donors with the topics of the unfunded grants. MCF grantmaking staff then took unfunded proposals to the relevant donors, and many were subsequently granted from donor-advised funds. This helped the local grantee organizations, but it also made the donors feel that the Foundation was really paying attention to them and their interests. It was a win-win-win situation created by a high-touch approach to donors.

- **Learn with and from them.** Some foundations or funds treat high-touch donors as a great intellectual and strategic resource—so that the donors learn and the foundation learns from them as well. For example, many funds organize invitation-only events featuring expert "outside" speakers on topics that are important to the community or intriguing to the donors, such as complex financial planning, new trends in economic or business development, or specific books or culture. Rural funds or foundations can convene selected donors in *Donor Learning or Idea Circles,* in which they simply share their ideas about what is most critical to improve in the community, or they discuss a specific topic of interest. (Imagine what might happen if you got all your women donors together!) You can organize a team of donors into someone's van for the day and do a round robin of Learning Site Visits to current grantees. Some funds offer certain categories of donors specialized newsletters or route them to websites that give them useful information or help them get in touch with their philanthropic goals or target what they want to do with their giving. Ask yourself: *What can we do to help donors learn—and maybe help us learn from them at the same time?*

- **Honor them.** There are extra special ways to show appreciation and reinforce your more basic "thank you's." You could invite your high-touch donors to a nicely organized, elegant annual luncheon, dinner or reception. You could select a special name for these donors (you've seen this in all kinds of campaigns, with names relevant to specific areas—the Gold Donors, the River Captains, the Giving Tree Circle...) and present a pin, certificate or plaque of recognition at your annual meeting.

  You can highlight your donors by telling their stories in the annual report or in a special booklet. For example, the Humboldt Area Foundation publishes an annual "yearbook"—very much like a high school yearbook—of all its donors who have set up a specific named fund. In it, each fund has a description, which might include pictures of the donor, the purpose of the fund, and vignettes about the donor's life or a grantee of the fund. Most HAF named fund donors—who number in the hundreds—are (or were) working people of moderate means, so this document really honors the history of this rural region, and everyone wants to be in it. When HAF tried to stop publishing it for a time, there was a local hue and cry, and so HAF reinstated it.

- **Give them "bells and whistles" service.** At times, you might provide extra service to certain donors related to their fund investment or grantmaking. For a donor whose fund exceeds a certain amount, you might provide monthly rather than quarterly fund statements, or a wider range of fund investment options. You could offer financial planning advice from a local professional. Or you might help a large fund donor set up an advisory committee to develop and run a process to select grantee recipients every year. The issue for you here is: At what point does extra service go beyond what basic fees should cover...in other words, are there some financial or grantmaking services for which you really should charge extra fees?

Overall, being specific about high-touch donor services can help you assign an actual value to each service, and assess both the costs and the benefits of providing it. Some services, such as including a description of a donor's fund in the foundation's annual report, are relatively inexpensive. Others, such as hosting press conferences to announce new funds or providing professional investment management services, can be quite expensive. You can decide whether any of these services require additional fees, and if so, how much you should charge.

Building helpful capacities

- **Ask your donors.** If you and your board are interested in exploring this tactic, you could begin by meeting with a select group of existing donors that you might consider "high-touch" to explore the types of service they currently receive and what they would like you to offer. *(See page 7: "Service with a smile—What can we do for you, Good Donor?")*

- **Develop your menu of potential high-touch services.** With this input, your community foundation can develop some new services, or its own menu, starting slowly and adding services as appropriate.

Make sure that as your list of high-touch donors grows, you can provide to dozens of donors the same services that you initially provided to only a handful. The last thing you want to do is to stop offering a service that donors valued because you can't manage it anymore!

Service with a smile

What can we do for you, Good Donor?

If your community foundation or fund wants to figure out exactly what special services your high-touch donors would most value, consider organizing a focus group. Come up with a list of five to ten people whom you consider likely high-touch candidates—or gather some people who are very much like them—and have a chat over a meal, or for an hour or two in someone's office with optional refreshments afterward. Here are some questions to consider—but do create your own that have meaning in your place...and take notes!

Sample focus group questions on high-touch donor services

- Would you like our community foundation or fund to designate one board or staff person who would be assigned to you and your fund(s)? If so, why?
- What useful information would you like us to periodically provide you about our community endowment or our community issues and organization?
- How would you like to receive this information? Newsletter, websites, email, formal or informal gatherings?
- Would you like our community foundation or fund to organize with other donors and/or nonprofit leaders with interests similar to yours? Site visits, dinners, discussion groups, community issues briefings, expert speakers?
- Would you like our community foundation or fund to refer good grant applications directly to you if we think they fall within your areas of philanthropic interests?
- Would you like our community foundation or fund to arrange regular luncheons or meetings with you to discuss philanthropic ideas and your level of satisfaction with our services?
- Would you like to learn about strategies to engage your children in philanthropy?
- Would you like diverse investment options, under certain circumstances?

(continued on next page)

- What else might we do to help you advance your charitable interests and build our community fund as a resource for the entire community?
- Of all the things you mentioned in our conversation as being important to you, which one or two things would you value the most?

- **Be realistic.** Make sure that as your list of high-touch donors grows, you can provide to dozens of donors the same services that you initially provided to only a handful. The last thing you want to do is to stop offering a service that donors valued because you can't manage it anymore! At the same time, donors are people too, and they likely will understand if you have to scale back or change how you do something to be more efficient. Seek the advice of other community foundations or funds; their experiences will provide a good basis for planning.
- **Learn to say "no."** Provide donors a clear statement, in writing, of what services you will—and cannot—offer. Sometimes you must say no for ethical or legal reasons. Other times, you must say no when a request would cost more than it would bring in. Make sure your board members understand and support these standards so that they will back you up if you must say no to a donor.
- **Provide a donor-services orientation.** It's worth some special effort or training to help ensure that all board and staff members treat every donor and donor organization as a valued customer—and that you get better at it over time. There are lots of books, websites and consulting firms that provide training on customer-service techniques. You can also learn about customer service by brainstorming with board members who are business people, especially those in the financial sector.

The usual—and unusual—suspects

- **Current high-net-worth donors.** High-touch services generally target the donors who are best able to give more. Targeting them offers the most direct approach to increasing your endowment. If you haven't been providing these donors with any special services, ask what they would like. When you make them feel more strongly connected to your community foundation, they will be more likely to remember your foundation in their wills or with planned gifts.

- **Prospective high-net-worth donors**. When you meet and talk with prospective donors and provide them with a menu of services they can expect to receive at each level of giving, it may entice them to contribute.
- **Local businesses.** Local businesses that support large advised funds or are major donors are likely to be most interested in the marketing benefits of giving. Thus, being publicly honored by your fund or foundation, or having you handle all the back-office work for their grantmaking both are special services that can be mighty attractive.
- **Ignored categories of donors.** Offering one or two special services or honoring events to donors who are largely ignored or taken for granted—for example, people who may not be able to give a lot but who give *every* year, youth, women or people of color—can quickly make your fund their charity of choice!

Types of gifts, payoff, payoff horizon

- **Because many high-touch donors are high-net-worth individuals, gifts may include:**
  - major cash gifts
  - property, including stocks and real property
  - planned gifts
  - bequests
- **Gifts to support operations and operational endowment.** Long-term relationships tend to generate the kind of loyal donors who will give to this purpose.
- **Special campaigns.** If you are conducting a special campaign—such as one for unrestricted funds or field-of-interest funds—you should look to your high-touch donors first.

Offer high-touch donor services

Obstacles & challenges	Eliminating the fear factor
Are we ready yet? What if our basic donor services still have kinks that we haven't been able to work out yet?	**Hold off.** Your basic donor services should be flawless before you try to offer high-touch services.
Sometimes you can have too much of a good thing. Providing these services can be extremely time-intensive. How can a board with no staff or a small staff do all this?	**Start small.** Plan to add services incrementally. You don't want to be forced to take away services later. Use board members to provide some services, such as hosting exclusive events or site visits to nonprofits. Create a task force of board members willing to do this on a consistent basis, perhaps even forming one-on-one relationships with specific high-wealth donors. And if your donors begin to want and expect services that require a lot of work, institute a sliding scale of fees that will cover the time it takes to do them—this could be what you need to build enough funding to afford the staff to do it!
We can't compete. Donors have many options to give to funds or foundations that will do more for them than we can possibly ever offer.	**You are local.** Sure, a lot of your high-touch donors might give to a big national charity or their alma mater's endowment in the state next door. But in a rural place, you may offer them the *best* or the *only* option to give locally. Although you may not be able to provide them with all the glitzy stuff that national or big university endowments do, a little good, caring, personal local service can go a long way to keep you in these donors' minds.
Will they get the point? Our donors don't seem to link the special customized services we're providing to our efforts to grow more endowment.	**Donors can't read your mind.** With donors selected for high-touch services, a carefully crafted "ask" is just as important as it was during initial meetings. Crafting your plan so that services increase as giving levels increase will help make the point that the services are linked to your desire to raise larger gifts.
Our high-touch service does not seem to be leading to more big gifts.	**Be patient.** Sometimes donors are planning to make one big gift one day. You simply don't know when that day is...so be consistent and nice. The high road is always the best choice!

One important payoff is having satisfied customers. As any business owner will tell you, there's no advertising like word-of-mouth from satisfied customers. High-touch donors may have friends and associates who can make major gifts, and they can help you meet them!

Another payoff is increased board and staff satisfaction. Some high-touch donors are likely to be elderly, widowed or frail. Helping these community members fulfill their philanthropic goals not only makes the donors feel valued and appreciated, it also can be rewarding for board and staff members who work with them.

The payoff horizons can be from immediate to long-term.

RFD Tool Box

All the resources that follow relate to devising and providing high-touch donor services. The websites listed are active links to the materials that are available online. Where materials are not available online, use the email links provided.

Resources for the field.

Key organizations and resources that provide critical tools and information to the entire philanthropy field.

1. The Community Giving Resource

Details: This easy-to-use website lives its motto: *Connecting donors and ideas. Using giving to make change.* It aims to help individual donors learn about how to use their grantmaking to make a difference on specific community issues that interest them, such as housing, or health, schools and education, healthy environments, and safe and stable families. Your community foundation or fund could use this to work with specific high-touch donors who want to learn about a specific topic, or who are not certain about what to do with their grantmaking.

Online: www.communitygivingresource.org

Contact: The Community Giving Resource, 202-833-4690 x3, info@givingresource.org

Helpful examples from your peers.

Leading or representative examples of good practice by colleague community foundations.

1. Donor profiles

Details: The El Paso Community Foundation uses this section of their website to highlight a wide range of important donors. It is one example of a way to further thank and honor high-touch donors.

Online: www.epcf.org/profiles.sstg

Contact: El Paso Community Foundation, 915-533-4020, www.epcf.org

2. Donors' Stories and Guide to Charitable Giving

Details: This booklet provides an excellent example of how the Ozarks Philanthropy Project highlighted and honored its donors' stories in a publication meant to provide useful guidance on charitable giving to current potential donors. The effect: They built commitment by the current donors and their families, and provided inspiration to prospective givers.

Download: www.aspencsg.org/rdp/_documents/tactics/donors_stories.pdf

Contact: Community Foundation of the Ozarks, 417-864-6199, www.cfozarks.org

3. Donor yearbook

Details: The Humboldt Area Foundation publishes this annual donor yearbook as a centerpiece of its high-touch donor service program. The yearbook is so popular that donors scramble to get their gifts in before the annual publication deadline.

Online: www.hafoundation.org/about/annuals.html

Contact: Humboldt Area Foundation, 707-442-2993, www.hafoundation.org

About the publication

Leading Tactics for Rural Fund Development

Raising endowed assets in a rural setting can be *very different* from asset development in urban or metropolitan areas. *Leading Tactics for Rural Fund Development* was written specifically for rural leaders who want to raise endowments in and for their community.

This *Tactic* is one in a series developed specifically to make the job of the rural fund developer easier. The *Leading Tactics* were compiled from on-the-ground experience with rural endowment builders by the Aspen Institute Community Strategies Group with significant assistance from the Southern Rural Development Initiative. Most *Tactics* were then vetted and improved by a dozen rural community fund developers at a Knowledge Lab in early 2005. The Lab was sponsored by New Ventures in Philanthropy, a national initiative of the Forum of Regional Associations of Grantmakers, which also provided follow-up support to help complete the *Tactics.*

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Please go to any of our websites to find more than a dozen other *Tactics* in this series in the following four focus categories:

- *Focus A:* Understanding and Leveraging Endowment In and For Your Community
- *Focus B:* Working with Individual Donors
- *Focus C:* Engaging the Entire Community in Building Community Assets
- *Focus D:* Targeting Community Endowment for Community Outcomes