

# *The Sheridan Group* – Education Series

## The Planning or Feasibility Study: What`s Wrong With This Picture?

Everyone thinks he or she knows what a planning or feasibility study is, but few actually do - and no wonder.

The planning study is purported to be an objective analysis of an organization's market potential and fund raising carrying capacity by an independent firm or individual whose assessment is drawn from numerous campaign experiences. It should answer the critical questions concerning the potential for a fund raising campaign - how much, by whom, in what order and, perhaps most important, why.

Problems arise, however, in the representation of planning studies by some consultants and consulting firms, in some organizations' expectations of the study, and often in the final product itself.

### What Are These Problems?

- Some firms or individuals have been known to recommend a campaign not on the merits of its potential for success, but to secure company income. In this situation, ***a planning study can become simply a sales device rather than an objective assessment.***
- Since the planning study is often the key focal point in the sales competition for an account, ***what will be accomplished is often oversold.*** As well, the firm or individual consultant may not have the experience or time to deliver the promised product within the designated timeframe.
- ***Organizations frequently expect more from a study than is possible or even relevant.*** Example: Studies can and should allow a model or preliminary strategic campaign plan to be created that provides a clear picture of the shape, structure, timing and focus of the campaign. However, the study (as some organizations expect) cannot deliver a carved-in-stone campaign calendar, because events and circumstances often recommend changes as the campaign progresses.
- Finally, the study itself can be flawed, particularly if undertaken by an insufficiently experienced firm or individual. As an example, we reviewed a study recently for a \$3 million campaign for a social service organization. Its recommendation: A \$500,000 campaign among the organization's leadership, corporations and foundations, and a "new concept" campaign to raise \$2.5 million involving an organized bowling competition for the general membership.

Given all this, we devote this issue of The Sheridan Group Education *Series* to defining and detailing what the campaign planning study is and what should and should not be expected of it.

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## The Fund Raising Planning Study

### **What a Study Will Provide for Your Institution:**

- An objective, professional evaluation of your current fund raising program, and the readiness of the development office to staff and support a campaign (through an internal operational audit);
- The image of your institution with its various constituencies, its strengths and weaknesses, etc.;
- The funding priorities which will be best received and supported;
- A reading on public opinion regarding the potential of your hypothetical campaign;
- A judgment regarding the likelihood of securing a sufficient number of donors and volunteers;
- The nucleus of a leadership group for a campaign;
- An assessment of potential giving at various levels;
- The giving potential of major gift prospects;
- An estimated, achievable dollar goal;
- An assessment on appropriate timing to conduct a campaign;
- If appropriate, a preliminary organizational and operating plan for your campaign.

### **Furthermore, A Planning Study Will Provide:**

- Education and cultivation of your institution's donors and prospects;
- Interest and excitement about a campaign;
- Motivation for potential volunteers to work for your institution;
- Identification of potential problems - and potentially problem people.

### **What a Planning Study Won't Do For Your Institution:**

- Ensure automatic success of your campaign;
- Answer every question, address every issue that will come up in the course of a campaign;
- Let you off the hook as a prime mover in your campaign;
- Help avoid additional planning, creative thinking, and constant vigilance to create and maintain forward movement in a campaign;
- Provide an automatic scapegoat if your campaign gets bogged down or fails.

## When to Conduct a Planning Study

- After specific institutional program and project needs have been identified;
- After the Board has committed itself to providing leadership and support to meet the program and project needs;
- Prior to setting a campaign dollar goal and announcing a campaign kick-off date.

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## The Planning Study Process

- An internal operational audit evaluating mission, needs, systems and staffing capacities;
- Preparation of the interview questionnaire, chart of gifts required to reach a prospective campaign goal, and lead letter to potential interviewees;
- Compilation of a representative list of interviewees made up of a cross-section of the institution's major constituencies, both internal and external;
- Setting and conducting of the confidential interviews (each lasting 45 minutes to an hour);
- Relevant independent research regarding philanthropic trends, economic conditions, market share, potential leadership prospects;
- Assembly of data and preparation of a final report;
- Presentation of the report to the Board.

## Planning Study Report Should Contain

Full data on responses, including statistics wherever possible;

- Representative quotes to illustrate findings;
- Full analysis of findings (this means that, because...);
- Extrapolation of data to similar institutions and campaigns;
- A list of leadership, volunteers and gift prospects;
- Recommendations for public relations and/or marketing activities which would help set the stage for the campaign;
- Recommended areas in which your various constituencies need education (about the institution, its programs, planned giving, etc.);
- An overall goal, broken down by funding priorities;
- A preliminary operating plan for your campaign, including:
  - prioritized campaign objectives;
  - committee structure and responsibilities;
  - campaign monthly timetable;
  - delineation of campaign leadership, staffing, management and counsel roles;
  - model campaign budget.

## Next Steps:

- The Board of Trustees reviews and approves the study recommendations;
- If a campaign is recommended, case materials need to be developed, and the campaign chairman must be cultivated, recruited and solicited;
- If it is determined that the institution is not ready to launch a campaign, a plan and timetable should be implemented to prepare the institution and its major constituencies for the anticipated campaign.

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## The Other Uses of a Planning Study:

- As a strategic planning device to enlighten an organization's long-range plan;
- As a marketing tool to prepare communications, marketing and public relations plans;
- To test the feasibility and create the plan for a new fund raising program, such as planned giving.

## How To Select a Qualified Firm

- Request a list and check references from institutions where counsel has conducted planning studies recently;
- Ask about planning studies that counsel has completed for similar institutions, and whether the campaigns were successful;
- Interview the individual who will actually conduct the study. Check with the last account for which the individual conducted a planning study.