

Marketing Plan Step #1 – Three pools of Prospects

Let's look beyond marketing as a buzzword. Statistics show that there are thirty-two plus businesses in this country, about ninety-eight percent of which are classified as small businesses. Only one in five start-up businesses still exist after four to five years. Do most of these businesses eventually fail because their product or service is not good? Probably not. It is more likely that marketing and management has been inadequate. They either failed to promote their product or service appropriately, or they failed to manage their operation efficiently. Planned giving is exactly like a small business in this case.

Having reviewed some basic concepts about markets and marketing, it is time to push on. In launching into marketing, it is essential to develop a written marketing plan. Again, we recall the wisdom of Yogi Berra, "If you don't know where you're going, it may be difficult to get there." So, let's start with Step One to find prospects.

Three Pools of Prospects

Finding how to assess your largest overall market will entail understanding the "gap" between your organization and the eventual prospect. Step one of the marketing plan actually can be broken down into three different "gaps" between you and a prospect that must be closed in order to make a deal happen. Remember from Module 3, Session 5, to make a deal happen, you need to close the gap between the "producer" and the "consumer." Closing the gap, however, is different than closing the deal. Steps one through five of the marketing plan will help you to close the gap. Only step six can close the deal.

The three pools within step one are:

- (1) people who are already donors,
- (2) people who are affiliated with the organization but have not yet made one or more gifts, and
- (3) those people you know nothing about and have had no contact with yet. This latter group can be reached via public outreach, such as ad campaigns, email campaigns or other social media, or through "leveraged" markets—financial advisors and other centers of influence.

Pool #1 Donors Already in Your System

This core group of donors is the first of your marketing pools. Non-donors who are already affiliated with the organization make up your second pool. Your community at large – whether geographic or by commonality of interest – is your third pool of prospects, who may be reached directly or indirectly through financial professionals, social media, ads, etc. Each of these three pools of prospects has target markets.

The first and most likely to produce closed planned gifts will be pool one donors. You can do a shotgun form of contact such as a bequest program, for which you don't really need a true planned giving or asset-based philanthropy program, or you can specifically target donors whose demographics, psychographic or financial situation shows a propensity for a planned or asset based gift once we have set up the target markets and the gift strategy designs of steps 2 and 3 of the marketing plan. For the moment, we need to analyze Pool #1 of Step number one of the marketing plan.

Brainstorm Pool #2

As to pool two, you will need to brainstorm with colleagues as to what groups of people might be affiliated with the organization but have not yet made any gift. Employees, management, auxiliaries, clubs, etc. Create your lists and make them the next priority. In class we will list some types of affiliated persons.

Leverage Pool #3

Pool #3, how to use leverage to create new prospects, especially through the use of financial advisors, is the subject for a whole book unto itself. Maybe I'll write it someday. In fact, I have it outlined. But for now, please consider expanding your concept of what a "financial advisor" is as we discussed in Module One of PEPG. For the most part, planned giving offices look to attorneys, CPAs, financial planners, wealth managers and trust officers. Look beyond that. Include a broader range, such as appraisers, business brokers, business succession consultants, IRA custodians, commercial and residential real estate brokers, apartment management companies, venture capital groups, family offices, as we discussed. Just keep your eyes open for new types of "advisors" to people of wealth.

Now – Return to Pool #1

Develop a Matrix for Pool #1

Develop a matrix that includes the following:

- ✓ a set number of years of gifts you will analyze (at least five),
- ✓ the numbers of donors in certain gift level categories, and
- ✓ specific dollar ranges of gifts (for example, how many gifts were made in the amount of \$1-\$99, \$100-\$499, etc.).

The resulting matrix, along with some questions for analysis, will turn up some interesting potential prospects, or it may show that planned giving is not yet achievable if your organization is too small, or the fundraising program is too new. Marketing studies, product design, education, visibility and long-term cultivation may be necessary first. The results will indicate how long it will be before a planned giving program can be assimilated by the organization and become successful.

I. Gift History

A. Total gift amounts by whatever categories are already established (annual, major, planned, etc.) for a 5 or 10-year history.

B. Gifts by dollar level

1. All gifts \$1-99 for the past 5 or 10 years
2. All gifts \$100- \$499 for the past 5 or 10 years
3. All gifts \$500-\$999 for the past 5 or 10 years
4. All gifts \$1,000-\$4,999 for the past 5 or 10 years
5. All gifts \$5,000- \$9,999 for the past 5 or 10 years
6. All gifts \$10,000- \$24,999 for the past 5 or 10 years
7. All gifts \$25,000 and over

It will look like this one from several years ago. In Module 3, Session 8, we will look at several more recent matrixes:

PROSPECT POOL

From Donor Base

DOLLAR RANGE		2013	2012	2011	2010	2009
MIN	MAX					
\$0	\$99	5,505	4,751	5,245	6,759	8,508
\$100	\$199	1,971	1,757	1,819	1,889	1,896
\$200	\$499	1,794	1,811	1,816	1,784	1,492
\$500	\$999	555	492	510	443	392
\$1,000	\$4,999	302	299	298	279	277
\$5,000	\$9,999	429	449	347	286	313
\$10,000	\$24,999	79	93	49	45	42
\$25,000	\$49,999	55	52	49	41	36
\$50,000	\$99,999	25	15	12	8	14
\$100,000	+	21	14	8	10	11
	TOTAL	10,736	9,733	10,153	11,544	12,981