



PROSPECTING FOR GOLD LTD

Wealth Intelligence Services™

Briefing Note on Prospect Ranking



Defining prospects

Defining prospects is an important step to organising research throughout the campaign.

In order to avoid bottlenecks and thereby prolong the research process and the project time plan, we must ensure that we know what characterises the individual prospect and how we can track whether we at all stages of the campaign have sufficient prospects to research. To do so, there is a need to clearly define what a prospect is, what characterises different groups of prospects and to identify whether we have adequate numbers of prospects in each group to progress continually.

A prospect, in general terms, is in our campaign defined as someone who has the capacity to give and has an interest in or relationship with our cause, activities, or overlapping personal, business or philanthropic interests.

We need to concentrate on prospects capable of giving at least the minimum gift on our the organisation's preferred Table of Gifts. As a rule of thumb, we are assuming that prospects are capable of giving 1% of their income or alternatively 0.5% of their assets unless there is good reason to think differently (for example if the regularly give away 10% of their income).

There are many ways of defining prospects but Table 1 is a helpful way of thinking about them.

Table 1 - Defining Prospects

Prospect Category	Description	Typical Fundraising Comment
Cold Prospects	They can afford to give but we don't yet know whether or not they are interested in giving.	We're not yet on their radar.
Cool Prospects	They can afford it and have given to our kind of cause in the past.	They ought to give to us.
Lukewarm Prospects	They have the ability to give and are on our database.	Alumni, members, mail donors, other audiences.
Warm Prospects	We think they will give, given the right treatment.	Screened and we have a plan to get to them.
Hot Prospects	We have met them, they are interested, and can make a big gift.	Further meeting with a peer is imminent.
Red Hot Prospects	Potential donors whose behaviour indicates a major gift is likely.	Our top 20 prospects.



However some organisations choose to keep it much simpler just concentrating on cold, warm and hot prospects.

Prospect Pipeline

As the prospect is researched, contacted and cultivated, the prospect will progress through the different categories or stages of prospect characteristics and hopefully end up becoming a donor. As an aside here, it worth noting that some organisations categorise their prospects according to the “Seven Stages of Solicitation” process. Whilst this is valuable in managing prospects it is of less help at the beginning of a campaign because most prospects are cold or, at best lukewarm, even those coming from existing direct mail supporter lists.

Once the prospect categories are agreed the definitions should be added to the Campaign Manual and recorded in the organisation’s Database Operations Manual.

Ranking

With this completed, cold and warm prospects can now be sorted by how likely they are to give so that we can prioritise researching them. There are various ways of qualifying and ranking prospects so if you have staff with experience of other not for profits do not panic; just have a pragmatic conversation about the most helpful route for your institution. At the end of the day this is simply a process to sort and sift the most important prospects before researching them so it is never a perfect process.

Typical criteria might include:

- Previous giving history
- Propensity to give
- Capacity to give
- Giving history
- Age

Agree the criteria you want to use and assign each criteria a score of between 1 and three depending on how important this is to your organisation. The closer the prospect is to the cause, the higher the score. For example someone who is a donor and has been helped by your organisation would rank higher than someone who is simply a donor.

Scoring levels are relative, as scoring should reflect the diversity of the prospects and can therefore only be fully defined once part of the prospects are ready to be ranked. These prospects will then set the level for future rankings.



Propensity and capacity to give goes hand in hand when ranking prospects, as generally, prospects must possess both qualities. Propensity to give is not enough if the prospect does not have the capacity to do so, and capacity to give is not enough if the prospect has no intention or incentive to do so.

Before setting the strands, a quick review of the general level of wealth should be made, to enable a reasonable ranking. Bands of wealth should be decided on to enable easy scoring of the prospects wealth.

Assuming that prospects giving history is an indicator of both propensity and capability to do so, prospect giving history will be used as a ranking factor. Giving history is often scored on two criteria. If the prospect has given to other charities it may score 1 point; giving to your cause scores two and giving a large gift to you may score 3.

Prospects will also be ranked on age, on the assumption that at the age of roughly 60, most prospects will have few economic obligations such as children's education or mortgages. Furthermore, many will have had started receiving pension savings.

Problems

Most processes of ranking leaves some worthwhile prospects to 'hide' in the bottom rankings for a number of reasons. If, for example, there is a lack of publicly available information on a prospect's wealth, even though one reasonably can assume that the prospect is capable of giving considerably more, the prospect might end up in the lower end of the ranking i.e. it is worthwhile having a look through ranking lists before finalising them using common sense and experience as well.