

MANNA FoodBank



Capital Campaign Feasibility Study Report

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Introduction and Process for this Feasibility Study

The Feasibility Study for MANNA FoodBank was conducted by Sims & Steele Consulting. Twenty (14) members of the Board and Campaign Planning Committee participated, as well as 22 Community leaders. Each non-Board participant was identified as a leader or as having the potential to make a significant contribution. The interview questions are designed to assess the level of awareness and commitment to *The Space to Erase Hunger* project. The pre-case statement and interview questions were developed jointly by MANNA and Sims & Steele Consulting with advice and editing from members of the Campaign Planning Committee. The Conclusions and Recommendations contained in this report are based upon the comments from the numerous informational gatherings and the personal interviews, as well as the firm's knowledge of fundraising in Western North Carolina.

Study Participants (5 Online; 32 Personal; 37Total)

Board/CPC (16)

Phil Hardin
Allen King
Terry Latanich
Kip Marshall
James Mathews
Scott McLean
Joyce Miles
Beth Palien
Carol Pennell
Jim Peterson
Teresa Roach
Tom Ruff
Mary Ritter
Cissie Stevens
Carla Sutherland
Janie Wilson

Community (21)

Brandon Anderson
Elizabeth Brazas
James Caldwell
Dave Currence
Michael Fields
John Forrest
Tim & Susan Griffin*
AC Hunnicut
Randy Jameson
Gary Landwirth
Don Layden
Tom & Nancy Maher
Dini & Chuck Pickering
Robby Russell
Joe Scully
Brad Searson
Ross Sloan
Dana Stonestreet
Bruce Thorsen
Sheryl Williams
Oscar Wong

*Susan Griffin responded as a Community representative.

Conclusions

The following is a summary of the data gathered through the interviews. The report is organized according to the questionnaire used for the interviews. As you review each section, please keep in mind that from our experience an 80% or higher positive response indicates a basis for proceeding with the campaign.

Involvement:

- 83% of participants (or more) have had a direct association with MANNA. (Q.I.1)
- 63% of participants have been involved with MANNA for three years or more. (Q.I.1)
- 100% have found their involvement to be positive. (Q.I.2)
- 100% are kept sufficiently aware of what is going on at MANNA. (Q.I.3.)
- Participants appear to be receiving a good balance of newsletter info and active involvement with MANNA. No one seems inundated or concerned with communications that ‘miss the mark.’

Leadership & Management:

- 84% of participants assess the effectiveness of MANNA’s Board as ‘good to excellent.’ (Q.II.1) This score is lower because many in Community did not know the Board and marked ‘Don’t Know.’
- 92% of participants assess the management of MANNA as ‘good to excellent.’ (Q.II.2)

Strengths of the MANNA and The Space to Erase Hunger: (Q.II.3)

- Participants indicate MANNA’s strengths are: its 30 year tradition of being mission driven; has an outstanding image and reputation; strong leadership and strong management; and financially very solvent; and efficient- not wasteful.
- Participants indicate the strengths of *The Space to Erase Hunger* is it is a well-reasoned (not ‘over-scoped’ project); the case and presentation are very logical and well done; that getting advice from Walmart, Beacon and Ingles was very smart; that the need is evident, the freezer and cooler make sense; and this entire project allows MANNA the opportunity for considering more options for growth.

Areas for Improvement with MANNA and The Space to Erase Hunger (Q.II.4)

- Focus on waste and food to distribute and less about physical warehouse space
- Speak more about the quality of food and health options we can now offer – a real fundamental change in the way food banks operates. This represents a real strategic change that is not easy to do.
- Look at Freezer energy bill. Will there be a way to offset energy costs?
- Has MANNA looked carefully at the operating cost implications of this facility?
- Analyze who comes to food banks, why they do, and help address root causes of hunger
- Be careful adding satellites and branches; doing so could change the MANNA culture

Campaign Readiness:

- 97% of participants characterize the level of project planning leading to this proposed project and campaign as ‘good to excellent.’ (Q.IV.1)
- Example of an Interviewee that understands: *‘We can document that the need is growing by leaps and bounds; people in WNC are hungry, the population MANNA serves will continue to grow. As we learn about the importance of fresh fruits and vegetables in our diets to help prevent certain diseases, it is important that MANNA do all it can to provide both information and fresh nutritious food for its customers.’*
- 97% of participants indicate the pre-case and/or presentation make good sense. (Q.III.1)
- 94% of participants indicate this campaign as a ‘medium to high’ priority for them personally. (Q.V.8)
- Based upon the comments, the MANNA Board will want to be directed and given the appropriate opportunity for involvement in the capital campaign.

Goal Setting:

- Of 36 participant gift indications, the total low is \$404,000, the high is \$551,500, and the total average is \$477,750 or 19% of \$2.5M. (Q.V.11)
- 100% of the Leadership indicates they will make a gift or pledge, and 91% of Community for a total of 95%. (Q.V.10)
- 44% of Leadership and 29% of Community indicate they have or will consider including MANNA in their estate plans. (Q.V.12)
- MANNA’s prospect evaluation process already shows that there are ample prospects at \$10,000 and below. The next phase of work will be identifying more prospects at \$20,000+ and especially at \$250,000 and \$500,000.
- There is recognition that MANNA is largely a very successful grassroots fundraising organization, and that there has not been an annual emphasis on major gift fundraising. The campaign offers an opportunity to introduce major gift giving on an on-going basis. Therefore, to insure a strong major gift effort as part of the campaign, great care should be given to soliciting major gifts in the Quiet Phase in advance of setting the public campaign goal.

Recommendations (to be discussed)

Goals:

- Based upon MANNA's very strong project and campaign preparations, ALL 8 of the 8 key Feasibility Study questions received an 80% and higher response. In fact, all were 94% or higher. Therefore, it is strongly recommended that MANNA FoodBank proceed with its capital campaign and a Quiet Phase target goal of \$2.5m.

Explanation: What is most striking is the lack of a drop-off from Leadership scores to Community scores. This tells us that the effort and time to cultivate does not need to be as long- because the Community is either already 'cultivated' or can be very quickly 'cultivated' and primed for solicitation. Looking at the eight key questions- Q.I.2; Q.III.1; Q. IV.1 (Community is higher); Q.IV.3;Q.IV.4;Q.V.8 (greatest discrepancy), Q.V.10; and Q.V.11(Community indications are higher) – you will see how highly rated and closely aligned they are.

- To minimize fundraising risk and allow flexibility for adjusting both the objectives and the goal, the public goal can be determined based upon the results of the Quiet Phase, which includes commitments from the Board of Directors, Campaign Steering Committee, Staff, Lead Gifts and Former Board. Waiting to set the public goal allows greater flexibility to adapt to the Quiet Phase results- and most importantly helps to insure that the public goal is realistic.
- An important non-monetary goal of the campaign should be to strengthen the working partnership between MANNA and the Counties, and specifically to build a cadre of leadership, understanding and donor relations in select Counties.

Campaign Process: It is recommended that....

- The case statement be strengthened by articulating 'the demand' that is driving the project, the 'build new' verses renovate numbers, highlight the Walmart, Beacon and Ingles analysis, and more explanation of the regional distribution centers. Separately, produce a one-pager for each naming opportunity describing the space with picture, utilization, naming cost and recognition.
- Prospect identification and evaluation, which *has* begun, continue in order to identify 3 times the number of gifts needed for campaign success at each level on the gift chart (from \$10,000 up). See results to date below.
- Donors be given the opportunity to make pledge payments over a three-year period, and that exceptions be granted for those who wish to make their pledge over five years.
- All campaign 'asks' should encourage the prospect to continue their operational giving, make a 3 year capital pledge, and consider a planned gift through their Will or estate. Volunteers will be trained to make this ask.
- The campaign strategy include the time and planning for taking the campaign to all corners of Western North Carolina, so that everyone has the opportunity to hear about and be a part of *The Space to Erase Hunger* campaign.

Campaign Structure: It is recommended that...

- MANNA's Communication Department produce as much of the campaign materials as they are able.
- That ample campaign direction and staffing be in place to ensure a strong and ultimately successful campaign process. Note: funding for a campaign budget is generated through the capital campaign funds, and the cost of raising funds in a capital campaign typically should not exceed 5% of the total raised.

Areas for Concern, Leading to the Goal Recommendation

- **Leadership:** The Board of Directors should take the time to discuss expectations for giving their leadership giving to the capital campaign, and going forward keep the campaign a part of every meeting agenda.
- **Major Gift fundraising.** It is evident that MANNA has been working hard to build relationships with all donors and prospects but especially major gift prospects. Now it is time to reap the benefit of this work! Because there has not been a recent capital campaign and major gift fundraising has not been a part of the annual development program, this campaign offers the opportunity to establish an on-going major gift program. During the campaign, MANNA can continue to strengthen relationships with new prospects, and secure major gift or even lead gift level support from those MANNA has been cultivating. Following the campaign, it will be critical that these relationships be enhanced through the strengthening of an ongoing development program.
- **The Band-width to Make the Calls:** Realistically, to make all the face-to-face asks the campaign will need help from volunteers. Beginning in the Board and Staff Phases, and continuing with the Former Board Phase volunteers will be needed to make presentations, tours, cultivation/solicitation visits and make to make the ask. Staff (Cindy, Donna and others) will always be available to join on certain calls. Therefore management of volunteers is going to very important.
- **The Economy.** Hopefully the economy will stay relatively strong for the course of this campaign. Obviously, any major prolonged downward turn will affect the outcome. The structure of the campaign allows for adjusting the public phase goal to insure success.

Determinants of Successful Campaigns

Key	
✓	= Completed
■	= Partial
X	= Not At This Time

To begin a campaign, it is best to have five (5) or more of the following elements with a “check.” Using these indicators, the following is Sims & Steele’s evaluation of MANNA’s campaign readiness as of January 2014.

1. **Organizational Planning**



The project is grounded in organizational planning, preceded by strong visioning and strategic planning. At all times, a well-conceived plan is driving the pre-campaign decisions.

2. **Internal Stability**



The volunteer leadership is knowledgeable about “best practices” in nonprofit management, and the administration is well respected and committed to remain in position throughout the project. There are no major areas of public misunderstanding or conflict. The organization has a strong cast of volunteers who work as a team.

3. **Annual Fundraising Goals**



The organization has met yearly annual fund goals and has developed a constituency tradition and culture of giving, and meeting goals.

4. **Leadership**



The Board is strong and well led, and has the clout to provide the leadership and resources the campaign will need. An outstanding Campaign Steering Committee and Chair can be recruited.

5. **Fundraising Office**



The fundraising office has complete and accurate records, and has been successful with other fundraising programs. The donor database works well, and there is experienced staff and budget to provide what is needed for the campaign.

6. **Case & Donor Study**



The “case for support” resonates with the constituency, and potential negative issues are identified and addressed in advance of the campaign. The Board is willing to be open-minded and seeks the advice of others who are more experienced.

7. **Advance Commitments**



The project can identify with certainty several lead gift prospects who will ensure 35% to 50% of the campaign goal.

8. **External Climate**



The economy, competition from other campaigns, and the fundraising environment are suitable for the campaign being considered.

The Space to Erase Hunger

Gift Chart To Raise \$2.5 million

Size of Gift	Number Needed	Total
\$500,000+	1	\$500,000
250,000+	2	\$500,000
100,000+	3	\$300,000
50,000+	6	\$300,000
20,000+	15	\$300,000
10,000+	30	\$300,000
5,000+	35	\$175,000
Below \$5,000	Many	<u>\$125,000</u>
Total:		<u>\$2,500,000</u>

Sources of Funding for the Total Project

Leadership Phase:

Board of Directors: Set internal goal, personally solicit, and aim for 100% enthusiastic giving

Staff Phase: Aim for 100% enthusiastic giving

Campaign Steering Committee: Set target goal and aim for 100% enthusiastic giving

Former Board: Recruit leadership, hold a gathering, set goal, and ask leadership to solicit

Lead Gifts Phase:

Lead Gifts: Aim to secure the 3 lead gifts of \$250,000 or more.

Major Gifts Phase:

Defined as prospects with potential to contribute \$10,000 or more over 3 years.

- Individuals: Cultivate in group gatherings with individual follow-up as possible
- Industry & Business: Recruit a special committee to direct cultivation and solicitation
- Foundations: George Ivey, Sims & Steele grantwriter/consultant can coordinate and assist in conjunction with Jennifer McLean.

Public Phase:

Options can be determined following the Quiet Phase.

Proposed Campaign Gift Chart

Gift Size	Need	ID*
\$500,000+	1	0
\$250,000+	2	0
\$100,000+	3	4
\$ 50,000+	6	12
\$ 20,000+	15	15
\$ 10,000+	30	43
\$ 5,000+	35	45
<\$5,000	<u>500</u>	<u>500</u>
TOTAL	592	N/A

* Over 100 individuals, industries/businesses and foundations were suggested as major gift prospects during the Feasibility Study process. These names have been given to the Development office.

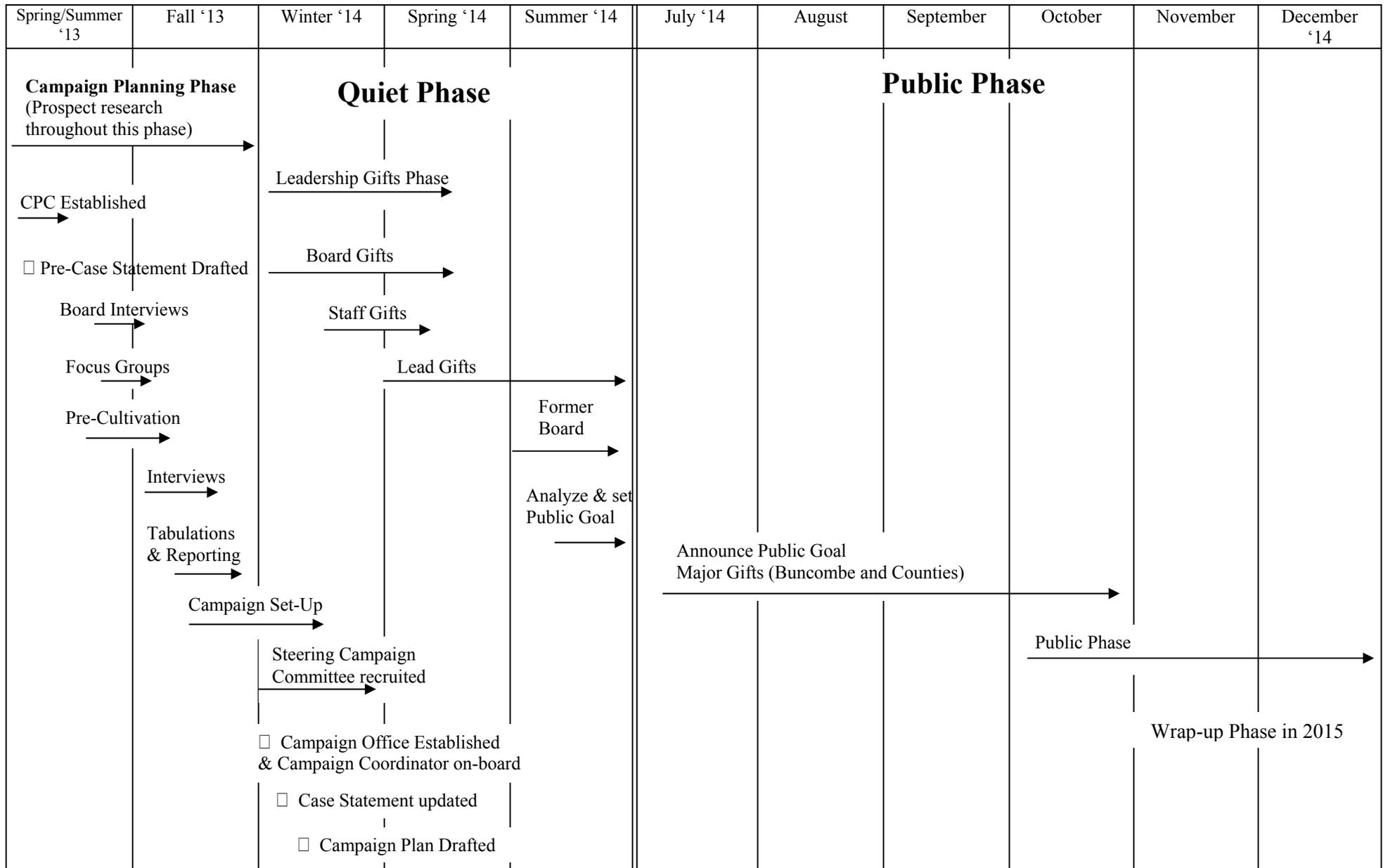
The immediate evaluation 'next step' will focus on MANNA's very top donors and prospects and rate and identify three qualified prospects for every one donor needed on the Gift Chart above.

Proposed MANNA Campaign Timeline

<u>Phase</u>	<u>Activities</u>	<u>Timing</u>	<u>Preliminary Benchmark</u>
Pre-Campaign:	<ul style="list-style-type: none"> Establish a Campaign Planning Committee Ensure internal stability Define funding objectives Develop proposed budget Draft pre-case statement Begin prospect research Identify the study participants Pre-cultivate the participants Define the interview questions Interview the participants, and thank following Tabulate data and formulate recommendations for CPC Board receives study recommendations Send Study summary to interviewees Recommend conducting Wealth Overlay 	June 2013 – January 2014	\$60,000
Campaign Readiness:	<ul style="list-style-type: none"> Campaign Coordinator position in place Establish the campaign office Continue prospect ID and evaluation Recruit a Campaign Steering Committee Finalize the case statement Draft the detailed Campaign Plan, with Communications Plan, for CSC approval Ensure gift processing system is in place Begin PR plans 		
Leadership:	<ul style="list-style-type: none"> Discuss and plan Board Phase solicitations Conduct Board Phase solicitations Complete naming & recognition policy and approvals Conduct Staff Phase Continue prospect ID and evaluation Develop ask strategy for all Lead gift prospects Begin personalized Lead gift cultivations and asks Submit Foundation LOIs & proposals, as needed Discuss and plan Former Board Phase Recruit Former Board leadership Set Former Board goal 	February – June 2014	\$1.5m

<u>Phase</u>	<u>Activities</u>	<u>Timing</u>
	Hold the Former Board gathering Conduct follow-up solicitations Recruit Public Phase planning team Create Public Phase Plan Recruit Major Gift Phase leadership Plan Major Gift Phase strategy Follow-up, close Lead Gifts, and make goal Evaluate, Set Public Fundraising Goal for Major Gift and Public Phase, and adjust Campaign Timeline	
Major Gift: (\$10,000+)	Public Campaign Announcement with Goal Careful prospect ID and evaluation Send corporate letters Begin Buncombe Major Gift cultivation gatherings Case Statement updated Recruit additional volunteers, as necessary Plan County-wide Campaigns – written plan approved Haywood, Transylvania, Cherokee, Macon, Henderson Implement all cultivation/solicitation activities thru year-end (Option To Conclude the Campaign Activities...Let's Discuss)	July – September 2014
Public Campaign:	Recruit the volunteers and help plan in advance Develop mailing & Public materials Conduct the Community kick-off Solicit County-wide via PR, website, media, and mailings Acknowledge all gifts Capital campaign concludes December 31, 2014	October– December 2014
Wrap-up:	Ensure accurate pledge data Thank donors and volunteers Prepare recognition materials Report campaign results Recommendations for managing ongoing fundraising and campaign pledge portfolio	January – February 2015

MANNA FoodBank
Actual Campaign: February '14- December '14 (11 months)



MANNA

Proposed Campaign Organizational Chart

Phases II - VI

