

THE WINSTON CHURCHILL MEMORIAL TRUST OF AUSTRALIA

Report by – SHANTHINI NAIDOO – 2007 Churchill Fellow

"We make a living by what we get, but we make a life by what we give."

Winston Churchill

To investigate philanthropic programs with a focus on individual giving within cultural institutions and zoos in the US and the UK.

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Dated

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Introduction

The inspiration to apply for a Churchill Fellowship came from my friend and marketing contemporary Virginia Lovett who was the recipient of a 2006 Churchill Fellowship.

However, the key driver for applying for the Fellowship was my desire to study the successful strategies used by overseas cultural institutions to develop their donor relationships to fund conservation, cultural and capital development goals.

Having being exposed to fundraising and corporate sponsorship over more than 17 years in the industry at a number of Sydney cultural institutions including the Sydney Symphony, Sydney Opera House, The Song Company; and most recently through my role as Head of Fundraising & Development for Taronga & Western Plains Zoos, I was interested in utilising the opportunity of a Churchill Fellowship to learn more about the underlying strategies, processes, systems and structures that could be applied within the Australian context to increase the level of financial contributions from individuals for cultural institutions and zoos.

Further to this, I had become increasingly aware within my role at the Zoos that there is a limit to the number and size of corporate partnerships that we can attract and manage effectively without compromising the benefits for existing sponsors.

Therefore the focus of my Fellowship study tour was on individual giving programs and strategies utilised by leading cultural institutions and zoos in the US and UK to develop philanthropic relationships with individuals.

I would like to extend my sincere thanks to the Winston Churchill Memorial Trust for the opportunity to travel to the UK and US to experience first-hand these strategies in action and bring home what I hope are practical learnings that I can share with my colleagues.

I would like to also particularly acknowledge the support of Mr Maurice Newman, AC, Chairman of the Taronga Foundation, Mr Peter Loxton, Assistant Director-General of NSW Premier's Department and Mr Guy Cooper, Director and Chief Executive of the Zoological Parks Board of New South Wales for their support of my application.

Finally I want to express my gratitude to all the overseas institutions that I visited for so generously sharing their valuable time, extensive knowledge and wisdom with me.

EXECUTIVE SUMMARY

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Project Description: To investigate philanthropic programs, with a focus on individual giving, within cultural institutions and zoos in the US and the UK.

Highlights

- **Southbank Centre, London** – meeting with Karen Napier, the Director of Development and her team to study the strategies used to secure over GBP56million towards the GBP100million capital redevelopment of Royal Festival Hall and SBC.
- **Fauna & Flora International, Cambridge** – Jo Coombes, Director of Development shared FFI's approach to raising funds for international wildlife conservation projects and her thoughts on attracting donations from the "new rich" in the UK.
- **Metropolitan Museum of Art, New York** – meeting with Kerstin Larsen, Chief Development Officer to gain an insight into the highly effective fundraising programs used by the Met to build "lifelong relationships" with donors.
- **Bronx Zoo, Wildlife Conservation Society of New York** – meetings with Maria Masciotti the Senior Vice President of Development and Membership and her team. Bronx Zoo's approach to prospect screening and identification is particularly impressive and effective.
- **Shedd Aquarium, Chicago, Art Institute of Chicago** – Meeting with Usha Subramanian the Director of Individual Gifts and Bill Tortorici was instructive in the areas of implementing a "seamless donor pathway" from members through to major gifts and bequests.
- **San Diego Zoo & Wild Animal Park** – Meetings with Amy Parrot, Associate Development Director and many members of her fantastic team. Their insights into managing giving circles and donor stewardship were extremely helpful.

Major Lessons

1. To maximise opportunity for success, philanthropic programs need a compelling vision, as well as total organisational commitment and prioritisation.
2. Implementing disciplined processes for developing "lifelong giving relationships" promotes intergenerational support for an institution.
3. A donor focussed approach which facilitates high levels of engagement with the cause is a key to ongoing success.
4. Research & knowledge management are an essential component of modern fundraising and key to understanding donor needs and tailoring the "ask".
5. Implementing a "sales versus support" resource model can help to ensure best practice fundraising and relationship management.

Disseminating and implementing lessons:

I will be actively seeking opportunities through the Fundraising Institute of Australia and other industry bodies to share my insights from the Churchill Fellowship trip. I have also undertaken media interviews and will be directly emailing my report to a number of colleagues. Closer to home, I have presented my findings to the Board of Taronga & Western Plains Zoo and I am working with my team to implement a number of relevant strategies as part of our ongoing fundraising efforts. In March 2008, I will also present the report to the Specialist Marketing Advisory Group of the Australasian Regional Association of Zoos and Aquaria (ARAZPA) international conference.

Churchill Fellowship Program

<u>Dates</u>	<u>Institution</u>
5 September	Kew Gardens Lucy Blythe, Director of Development
7 September	Zoological Society of London; London Zoo Bernadette Benati, Development Manager Ian Vallance, Development Support Manager Teague Flannery, Henry Churchill, Laura Winton, Emily Sheath, Mandy Lee
8 September	Fauna & Flora International Jo Coombes, Director of Development Liz Eaton, Individual Giving Manager
9 September	Winston Churchill Museum and Cabinet War Rooms
10 September-12 September	Southbank Centre; Royal Festival Hall Michael Lynch, Chief Executive Karen Napier, Director of Development Rebecca Preston, Head of Development (Individual Giving and Trusts) Katherine Muller, Head of Development Services Froniga Lambert & Leanne Parker, Development Events team
13 September	Wildlife Conservation Society of New York; Bronx Zoo Maria Masciotti, Senior Vice President, Development & Membership Lynne Wu, Director of Campaign Planning & Administration Lauren E. Rabin, Director of Development Operations
16 September	Metropolitan Museum of Art, New York Kerstin M. Larsen, Chief Development Officer
19 September	Australian Consulate General, New York Robert Archibald, Director of Cultural Relations
20 September	International E-philanthropy Awards, Harvard Business Club, New York
23 September	Frick Museum, New York
24 September	American Museum of Natural History, Washington DC Anne B. Shiva, Senior Associate Director, Individual Support
26 September	Centre for Non-profit Advancement Jeff Kost, Deputy Executive Director for External Affairs
1 October	Smithsonian Institution, National Museum of Natural History, Washington DC Christine Elias, Director of Development
1 October	Australian Embassy, Washington DC Jane Scott, Director Cultural Relations
2 October	Smithsonian National Zoo, Washington DC Fran Bernstein, Director Development, Membership and Marketing, Friends of the National Zoo Sarah B Speer, Development Manager

	Scottie Brown, Donor Relations Manager Brian Spak, Foundation Relations Manager
4 October	Shedd Aquarium Usha Subramanian, Director of Individual Gifts Bill Tortorici, Membership Manager
5 October	Field Museum of Natural History Devon Clark, Major Gifts Officer
6 October	Art institute of Chicago Emilie DeAngelis, Director of Individual Gifts
9 October	San Diego Zoo Amy Parrott, Associate Development Director Kea Spurrier, Major Gifts Manager Judy Kinsell, Director of Corporate Foundations Ginny Renehan, Director of Membership Kelly Craig, Development Grants Co-ordinator Georgeanne Irvine, Communications Manager – Development Department Pam Fein, Major Gifts Officer Charlene L Pryor, Director Gift Planning
10 October	San Diego Wild Animal Park
11 October	San Diego Zoo

BACKGROUND:

The Changing Culture of Giving in Australia

Many people have asked me about the relevance of studying overseas philanthropic programs considering the differing cultural, legislative, socio-economic and taxation environment of the UK and the US.

Whilst there is no doubt that these factors affect donor behaviour, the track record of fundraising by cultural institutions and zoos in the US and UK also means that they are experienced and highly successful at managing relationships with large volumes of donors, to engage them with their institutions resulting in significant financial contributions.

Dr Michael Liffman from the Asia-Pacific Centre for Philanthropy and Social Investment at Swinburne University reflects on the differences and similarities in the culture of giving between Australia, the UK and the US in his article in the FIA's 30th Anniversary issue of *Australian Philanthropy* magazine.

"As is the case with so many aspects of life in Australia, our philanthropic habits find themselves shaped by indeterminate blends of English and North American influences.", he writes.

"Giving is not a conspicuous aspect of our civic culture. The British approach to philanthropy has been described as one of private and low-key support through small unplanned donations to universal causes, in contrast to the American, where giving is public, planned and unapologetically connected with personal identity. Domestic and household giving in Australia reflects our history of apparent unease about extravagant wealth, our sense or privacy about personal convictions, and our expectations of a significant role for government in the provision of basic services."

Dr Liffman goes on to point out that Australian philanthropy as a percent of GDP in Australia at 0.68% is well below the levels of giving in the USA which is 1.6% of GDP.

However there are definite signs that individual giving is on the rise as evidenced by the success of many of our charities and cultural institutions in securing financial contributions from individual and private foundations.

For example on 3 September 2007, coincidentally the day of my departure on my Churchill Fellowship trip, the Sydney Morning Herald featured an article by journalist Steve Meacham entitled "*The Art of Giving*" in which he discusses the announcement of \$15million worth of donations to three competing art galleries in Sydney within the previous week and discusses if "*Australian arts philanthropy has come of age*". (See Appendix 1 for copy of full article)

"Arts philanthropy is suddenly a hot topic. In two extraordinary days, three of our elite arts institutions announced donations worth \$15million.", he wrote.

"For generations, Sydney has accepted that Melbourne is the capital of Australian philanthropy.... Now that is changing. These new donations suggest we (Sydney) are not only challenging the Victorians but adopting some of the virtues of American philanthropy, pioneered by names such as Carnegie, Guggenheim and Frick."

Similarly, my own recent experience at the Taronga Foundation continues to demonstrate the increasing awareness in the community and by high net worth individuals of the need to support the wildlife conservation and capital development goals of our zoos.

In the last 6 years, the Taronga Foundation has secured over \$36 million of its \$57.6million target in philanthropic and corporate support towards the 12 year Master Plan redevelopment of Taronga and Western Plains Zoos. Support from individuals and philanthropic sources have increased by 326% since the Foundation was established in 2000.

These success stories continue to emerge from cultural institutions in Sydney and around Australia, and with this trend comes the need for fundraising professionals in Australia to become increasingly conversant in managing donor relationships and meeting the needs of individual philanthropists.

In the recent summer issue of Australian Philanthropy, Gina Anderson the CEO of Philanthropy Australia points to the growth of Prescribed Private Funds (PPFs) as a key factor in this growth and in the emergence of a new breed of individual donors.

She also discusses the new players within the philanthropic sector and how the sector will need to respond saying, "*All these donors – well informed, sophisticated and confident – are driving the professionalization of the sector because they are unlikely to remain hands-off and assume that good intentions will lead to good outcomes. They demand a greater focus on the impact, value and effectiveness of philanthropy, and in some cases will wish to apply their own business skills to assist the organisation to which they are donating.*"

It is with the aim to learn more about how to engage “this new breed of donors “and how to understand and meet their needs that I chose to focus my Churchill Fellowship program on successful individual giving programs in cultural institutions in the UK and US, study strategies used for donor prospecting, donor stewardship and relationship building programs as well as the organisational culture required for success.

All the cultural institutions and zoos I visited are operating in highly competitive markets, where the demand for the philanthropic dollar is high, government funding (in most instances) is minimal, and the need to maintain and build strong donor relationships is imperative.

In this environment, Fundraising & Development is core business for everyone from the Chairman or President of the Board to the front-of-house staff; and strategies to ensure donor relationships and safeguard philanthropic revenue streams are organisational priorities.

LESSONS LEARNT

Trying to summarise all my observations and experiences into a report is difficult.

Much of what I saw in action overseas has been written and spoken of in fundraising textbooks, industry seminars and conferences and is not necessarily “new” to speak of. Certainly, I am aware that many Australian charitable organisations involved in fundraising already have many of the approaches discussed below already in place.

What I have attempted to do here is present five key learnings which I came away with that I hope will be useful insights for other fundraising professionals within cultural institutions and zoos in Australia.

1. Organisational culture focussed on philanthropic development

To maximise opportunity for success, philanthropic programs require total organisational commitment and prioritisation.

“Ultimately, the principles of fundraising GBP 1.6million are exactly the same as raising GBP 160million, but ultimately you need a compelling vision, the commitment to achieve it and the right leadership.” Karen Napier, Director of Development, Southbank Centre, London

In the majority of the institutions that I visited the development of donor relationships and the stewardship of donors is essential to protecting philanthropic revenue streams. Unlike many Australian cultural institutions which traditionally enjoy higher levels of government funding, philanthropic revenue is an essential for the ongoing operational and long term goals of many overseas organisations and it is not regarded as a “nice to have”.

As a result, the Development function is seen as an organisational priority with responsibility for philanthropic efforts incorporated into role statements for Board Members, and Chief Executives, in addition to senior staff within the Development function and across the organisation.

At all the institutions I visited, the Development Director reported directly to the Chief Executive Officer and worked closely with the Board to develop and implement philanthropic programs reflecting the significance with which the function is regarded within these institutions. The involvement of the Development function in senior management decision-making at the earliest stages is crucial to early fundraising strategy formation and promotes the consideration of the needs of philanthropic stakeholders across the organisation.

The need for a compelling organisational vision backed up with a plan for delivery, from which a strong case for philanthropic support can be developed, was also identified as essential to the ability to engage individuals, foundations and the community at large with fundraising programs.

My experience at Taronga and Western Plains Zoos attests to how important it is to have a clear vision for organisational development underpinning fundraising efforts. The 12 year Master Plan redevelopment program for the Zoos which is aligned with the goal to be the leading Australian wildlife conservation organisation and with fully costed projects and programs within it has been key to successfully engaging Australian philanthropists with our cause. It has provided a clear outline of the transformational change that will be delivered through the contribution of individuals, foundations and corporations. Additionally, the 3:1 matched giving program by the NSW State Government has been identified as a key influencer in donor decision-making.

Transformational change such as that being achieved at Taronga and that achieved in the last five years at the SouthBank Centre and Royal Festival Hall in London, requires the vision of the organisation's leaders and a commitment from them to be actively involved as ambassadors for fundraising campaigns.

It is also only through this level of commitment by the institution's leaders that the right set of volunteer leaders can be attracted and developed to undertake "peer to peer" asking and to draw the major gifts that can set the pace for major capital, cultural and conservation fundraising campaigns.

And, finally it is only with the support of the Board, volunteer leaders and the senior management team of an organisation by "setting an example through giving themselves, opening doors, hosting events and making the ask" that Development staff can succeed in their roles.

2. Implementing disciplined processes for developing "lifelong giving relationships" promotes intergenerational support for an institution.

What was evident in my discussions with many of the institutions was the highly developed use of Customer Relationship Management (CRM) processes within a fundraising context to manage donor stewardship, gift renewals and major gift development.

With often hundreds of thousands of donor records to manage, these systems are used to effectively manage donor relationships and identifying major gift opportunities, taking a centralised approach across the development team.

Through sophisticated segmentation using centralised fundraising database systems such as ThankQ(UK) and Raiser's Edge (US and UK), followed by structured prospect identification, wealth screening and prospect profiling the leading institutions have created tailored giving circle and donor programs that appeal to a variety of donor segments.

Lynne Wu, Director of Campaign Planning & Administration, generously shared the processes that the Development team at Wildlife Conservation Society of New York (WCS) at Bronx Zoo are using across their different Zoos and areas of Development operations to ensure a consistent approach to prospect screening and identification.

Following is a summary of this process used at WCS as outlined by Ms Wu:

Step 1: Transfer and Analyse Integrity of Data

This involves the transfer of individual and membership records (approximately 400,000 records) into the fundraising database.

It is important to note that all these individuals already have some previous association through membership or donations to WCS or one of their three New York Zoos.

At this stage a custom model developed by the WCS Development team in consultation with their database suppliers is used to screen these records to identify the top 100,000 records that move to the next stage of screening.

Step 2: Prospect Point

The top 100,000 records that have been identified in step 1 are then subjected to more in-depth screening with a system of weighting and scores linked to the individual's level of annual giving, major gifts, frequency of gifts and area of interest.

This process provides useful insights into the propensity for giving and donation history for the top 100,000 prospects within the WCS database.

Step 3: Wealth Point

Based on the Prospect Point screening the next step is undertake more comprehensive research involving individual donor profiling that indicates levels of wealth, areas of charitable giving and interest and connections to WCS current donors and leadership.

Step 4 Implementation Strategies

The information provided through the donor research is then fed into WCS's Individual Giving, Patrons and National Council team for further segmentation, prioritisation and assignment of tasks and timelines for contact, stewardship and method of asking.

Similar disciplined prospect identification processes were undertaken by the majority of institutions I visited and these are further enhanced by clearly articulated processes and systems for donor care.

In addition to this, all the institutions I visited have clear policies and procedures usually incorporated into development manuals that provide guidance for prospecting, donor stewardship and donor care including guidelines for the types of gifts that can be accepted and clear decision-making hierarchy for the acceptance and management of gifts.

The investment of time and resources in developing these types of procedural and policy documents assists in managing ongoing programs through staff transition periods and allows for clear communication and continuity with donors.

The outcome of this focus on processes and policies is the creation of a seamless donor pathway to identify and develop donor relationships with prospects from first time visitors and members to become appeal donors and then progress to giving circle members to major gifts to bequests and ultimately to ongoing family involvement (intergenerational giving).

3. A donor focussed approach which facilitates high levels of engagement with the cause is key to ongoing success.

Rather than focussing solely on the needs of the institution and its projects, a key differentiator in the USA particularly was the commitment of organisations to taking a donor focussed approach that emphasises involvement and educational insights into the way the institution is run, how their contribution will make a difference and how they can help to achieve positive outcomes.

At the Metropolitan Museum of Art in New York, these groups range from specific curatorial and collection interest groups through to donor programs for young professionals through to giving programs structured by the amount donated.

The Art Institute of Chicago's Sustaining Fellows program states its mission as being *"to bring together individuals who give unrestricted leadership support to The Art Institute of Chicago in the amount of \$1,500 or more. In return, these individuals are offered a variety of programs that provide educational insight into issues related to all aspects of art, an opportunity to meet others with similar interests, and foster a deeper relationship with the institution."* (See Appendix 2 for full Sustaining Fellows information)

Through this program alone, the Art Institute of Chicago secures almost \$4 million annually towards its capital and collection goals.

Similarly at the Metropolitan Museum of Art in New York, the opportunity for donors to become involved with the institution is seen as a privilege in itself and a real privilege of being part of the donor family.

"It's seen as an honour to be asked onto any committee or be 'chosen' to be asked for a gift", Kerstin Larsen, Chief Development Officer, Metropolitan Museum of Art, New York

Opportunities for special briefings with leaders of the organisation, curators, behind the scenes tours are regarded not only as benefits but as a means for powerful stewardship, education and development of donors.

With in-depth knowledge about the donors developed through research and profiling, and impeccable record keeping on donor interests, tailored stewardship programs that are all about responding to the donors' needs are developed and implemented to convert donors into major gifters and volunteer leadership.

The San Diego Zoological Society's President's Club and Circle program creates a clear donor pathway providing differentiated benefits levels for members within it. This program provides a structured approach for donor stewardship and relationship

building with the opportunity to further donor involvement with San Diego Zoo and San Diego Wild Animal Park's wildlife conservation, education and research efforts.

The program incorporates stewardship events and briefings throughout the year ranging from new member welcomes and member appreciation evenings and a Presidents Club speakers program through to specific recognition events for projects that contributions from unrestricted gifts have contributed to.

"We call it the 'power of briefing sessions', recently a briefing session with prospective donors for a conservation project resulted in an 89% success rate in terms of contributions from those who attended." Kea Spurrier, Major Gifts Manager, San Diego Zoo

Access to the Zoo's President and other senior staff for briefings is incorporated as an important part of this program of stewardship events.

In the majority of US and UK institutions I visited, stewardship events such as these are seen to be more of a priority than fundraising events. These events such as briefing sessions or opportunities for like minded groups of donors to meet and discuss ways they can assist the institution are used strategically to grow organisational commitment and give development staff the opportunity to meet and learn more about their donors.

And rounding off this structured approach to donor development is the high profile nature of donor recognition within the institutions which often tells the story of a whole family's involvement and contribution to an institution or outlines the philanthropic history of founding donors e.g. James Smithson's crypt in the foyer of the Smithsonian Castle in Washington DC, reflects the institutional pride and encouragement of "lifelong giving relationships".

This pride of association coupled with best practice relationship building which extends to major donor's families and friends results in ongoing involvement and contribution by many generations of families.

4. Research & Knowledge Management

"Time spent on reconnaissance is time well spent" Lucy Blythe, Director of Development, Foundation & Friends, KEW GARDENS

What became very clear throughout is that to be able to develop lifelong relationships and be more donor focussed, an investment in research and knowledge management is essential.

It is clear that the more you know about your prospects, members and donors and their motivations the better you will be able to meet their needs and ultimately the better the returns will be for the institution in the long-term.

The basis for all research programs I encountered was the organisation's centralised database supported by internal and/or external research resources.

Wealth screening and donor profiling as outlined above are standard practice in most institutions and provide in-depth background information to Major Gift Officers to use in contacting and developing relationships with potential major donors.

"We start with members, slice and dice our database of over 60,000 households, do all the profile work and then develop a relationship plan." Anna Shiva, VP Major Gifts, American Museum of Natural History, New York

Increasingly, overseas institutions are adding dedicated and specialist research resources into their development teams. These typically centralised departmental resources keep donor profiles and records up date and provide fundraisers with screened contacts for invitations to stewardship events, giving circles and for major gift proposals.

Volunteer leadership and board members are also used extensively in prospect identification and to screen major management prospects as part of the initial research process. It is through this that contacts and networks established to facilitate the most personalised ask.

The ability for major gift managers to have up to date information on donors gathered on a regular basis from the internet, media monitoring, industry and organisational sources is seen to be essential to catering to the needs of major donors, as well as helping them stay up to date with changes in donor lifestyles, interests and charitable giving.

The approach of having dedicated resources in this way to support the relationship managers within the Development team is one that allows specialists in research to undertake the important record-keeping and research tasks whilst ensuring the organisation's leadership and major gift teams have the best information to undertake their roles successfully.

5. implementing a "sales versus support" resource model helps to ensure best practice fundraising and relationship management.

At a number of institutions the move to a "sales versus support" resourcing model is helping to ensure best practice fundraising and relationship management.

In these models a centralised support services department is responsible for core functions such as content development, websites, research, managing the centralised database, financial management and reporting, events, signage development and interfacing with internal departments to facilitate fundraising initiatives.

At London's SouthBank Centre a centralised Development Events team and a Development Services team undertake and implement research services, signage, events, and donor care plans in conjunction with fundraisers situated in the Individual Giving and Trusts team and Corporate Giving teams. This structure was identified as being an important element of developing and implementing such a successful capital fundraising campaign in the space of just five years.

This type of approach frees up fundraising and major gifts staff to focus on making contact with prospects, responding to the needs donors and managing relationships with donors.

Without the distraction of having to be "all rounders" combining administration, event management, reporting, finance and record-keeping into the one role, major gifts staff are able to focus on donor development, major gift asks and stewardship resulting in the best possible returns for the organisation.

For example from my experience in an organisation such as Taronga, and in other cultural institutions, events management to stage stewardship and fundraising events can often become the focus for major gifts activity and reduce the time spent on donor stewardship, follow-up and actually making the ask. By clearly

focussing the role of major gifts managers and officers on the task of raising funds and providing them with support for other important donor care and prospecting tasks increases the opportunity for ongoing success.

Summary

In conclusion, the need to be donor focussed and to have top level organisational support for philanthropic programs are essential to the ongoing success of individual giving programs.

A compelling organisational vision underpinned with a clear implementation and delivery plan provides the basis of a strong case for support for individual donors and philanthropists.

In order to be able to implement a truly donor focussed giving program, it is essential to put systems and resources into place for support services such as a centralised fundraising database and research resources as well as develop policies and procedures to facilitate this focus on an ongoing basis.

Freeing up senior fundraising staff by investing in resources to undertake centralised research, administrative and systems support so that they can focus on donor care, stewardship and major gift proposals is a worthwhile investment in the long-term.

Donor stewardship is more than saying thank-you, it is a program of activities and communication that provides the opportunity for development of in-depth engagement by the donor with the organisation based around a clear understanding of the individual's needs.

And finally, by investing in research and knowledge management institutions can ensure that their giving programs and donor care are tailored to the needs of the donor rather than just being focussed on the organisations needs.

Whilst it became clear during my trip that there is much that we are doing right within our industry in Australia, the opportunity to see programs in action first-hand and take a step back from the day-to-day was immensely useful in identifying key ways to improve the performance of our individual giving program in the first instance at the Taronga Foundation.

I hope that these insights will be useful to others and look forward to the opportunity to share my knowledge with others within the industry in Australia.

Recommendations

- Ensure that your case for support is developed around a compelling vision and that the fundraising function is seen as a priority for your organisation and has active Board and Senior Leadership commitment.
- Consider whether a structured giving program will improve your donor stewardship and relationship management.
- Ensure that your database is up to date with information regarding your donors and use this as a basis for ongoing donor profiling and analysis to feed your

major gifts pipeline. Consider how a dedicated research resource within your development team might assist in taking a more donor focussed approach to your development programs and your major gift asks.

- Introduce stewardship events to engage donors more deeply with your organisation rather than just running fundraising events.

Appendix One: Article from the Sydney Morning Herald
03 September 2007

The art of giving

Steve Meacham

Donations worth \$15 million to three competing galleries were announced last week. Steve Meacham asks if Australian arts philanthropy has come of age.

A SYDNEY woman has pledged \$14 million to the Art Gallery of NSW when she dies. You won't know who she is. Her gift is based on the condition that no details are revealed before she dies. You are not even supposed to know her sex.

But Jane Wynter, the gallery's benefactions manager, reveals the would-be benefactor is female - for one good reason. "The statistics on bequests is that something like 70 per cent of all gifts come from women. Men are more often in the spotlight. But, come the day, the bequests often come from their wives."

In this case, Wynter isn't expecting the pledged \$14 million to turn into hard cash soon. "She was looking very well last time I saw her," she says with a laugh.

Arts philanthropy is suddenly a hot topic. In two extraordinary days, three of our elite arts institutions announced donations worth \$15 million.

Last Tuesday Kerry Packer's widow, Ros, was photographed in Canberra with the second-century Buddha that her gift of \$1 million purchased for Ron Radford's revitalised National Gallery of Australia.

That same day, the widow and sons of the construction magnate Franco Belgiorno-Nettis unveiled a \$4 million donation to the Art Gallery of NSW, which will allow it to convert storage space into a new contemporary art gallery.

The next day, the Cinderella of the Australian visual arts world, Sydney's Museum of Contemporary Art, trumped its rivals. Two leading businessmen, David Coe and Simon Mordant - the museum's chairman and fund-raising foundation chairman, respectively, have each pledged \$5 million towards a planned \$50 million redevelopment of the Circular Quay site.

Has the world gone mad? Or has Australian arts philanthropy come of age?

For generations, Sydney has accepted that Melbourne is the capital of Australian philanthropy. As long as we had our harbour and our beaches, we didn't begrudge them Alfred Felton's 1904 bequest, which established the National Gallery of Victoria as the nation's pre-eminent gallery.

Now that is changing. These new donations suggest we are not only challenging the Victorians but adopting some of the virtues of American philanthropy, pioneered by names such as Carnegie, Guggenheim and Frick.

Are the generous contributions of the past week a happy coincidence? Or evidence of a deep-seated trend that shows Sydneysiders are placing greater value on culture?

Coe, a financier, has served on the boards of the Sydney Children's Hospital and the Surf Life Saving Association, while the English-born Mordant, a corporate adviser, has given money to charities supporting art education and street children.

But their joint \$10 million gift to the Museum of Contemporary Art is different, they say. This time they've gone public because it is the easiest way to encourage other wealthy individuals to give the further \$15 million in private donations they need to revamp the museum. "We're not two lone lights," Mordant says. "We're pretty confident that the 50 per cent we want from the private sector can be raised pretty quickly."

Edmund Capon, the director of the Art Gallery of NSW since 1978, says there has been an immense shift in attitudes towards benefaction over the past 25 years. "When I arrived here, there were virtually no private funds in the trustees' portfolio. We relied on government funding."

The turning point was the creation of a fund-raising foundation in 1983. Since then, Capon says, the gallery has received about \$170 million of benefaction from private sources. "We're in the business of warm glows, immortality and tax deductions," he says. Changes to the NSW tax system have made it easier for people to give.

Yet Sydney still lags behind Melbourne, Capon says. "I think we've got to be honest. Private benefaction is a relatively new phenomenon here." Why? "I've always believed Sydney is devoted to hedonism, and hedonism is quite expensive."

John Reid, who was chairman of the Museum of Contemporary Art during the difficult years from 1994 to 1998, is the patriarch of one of Australia's most prominent philanthropic families. Reid family foundations have given an estimated \$9 million to various causes - including \$1 million to the museum during his chairmanship. "There has been a strong tradition of philanthropy in Australia," Reid says, "but from people who didn't want to make a fuss about it."

Reid says it is significant that the first big donation to the fledgling museum came from the Melbourne collectors Loti and Victor Smorgon, who gave 150 works, valued at \$1 million, in 1995. "They saw the MCA not as a Sydney institution but as an Australian institution," Reid says.

Rowena Danziger, the former head of Ascham School and current chairman of the Art Gallery of NSW Foundation, cites the example of the wealthy spinster Yvonne Buchanan May, who left an apartment block in Rose Bay to the gallery earlier this year. It is expected to raise about \$5 million at auction.

Danziger - who, with her husband, Ken Coles, has pledged \$2 million to the gallery in their wills - says the claim that Australians are poor givers compared with Americans is a fallacy.

"Australians aren't ungenerous. But it has only been in the last few years - since the 1980s really - that Australians have had a lot of money."

Fortunes have now been made and consolidated, she says. "Ford and Carnegie didn't immediately become philanthropists. They spent quite a bit of time putting large houses on Fifth Avenue and Newport Beach before they got into recognising their obligations to society." Danziger suggests that wealthy Australians have reached a point where they "can't invest any more in toys and baubles".

Judy Williams, the head of the National Gallery of Victoria's foundation, says her institution is about to launch a new fund-raising drive. "We have secured, or are in the process of securing, some very substantial leadership gifts," she says.

In the past decade the Victorian gallery has concentrated on a rebuilding program, funded in part by a \$15 million gift from the Ian Potter Foundation in 2000. And there

have been other huge gifts. "We've had an anonymous donor in the past year who gave us almost \$4 million," Williams says.

But the new focus will be on acquiring art rather than rebuilding. "Pretty much our whole collection has come from private benefaction," Williams says. "Alfred Felton's generosity is the best known example. What we are seeking to do is to build on that, reinforce the buying power that the Felton bequest once had."

In Canberra, Radford has also embarked on an aggressive acquisitions campaign at the National Gallery, funded by private benefactors. Apart from Packer's sandstone Buddha, the gallery recently announced the purchase of a work by the surrealist Giorgio de Chirico, valued at about \$4 million. It also acquired an important painting by Clifford Possum - snapped up at auction for \$2.4 million by a consortium of three anonymous benefactors.

Wynter says the Art Gallery of NSW has "a lot more benefactors than the National Gallery but because they have the prestige of being national, they get the Ros Packers". So there has been no substantial Packer donation to the family's local gallery? "Not yet," says Wynter. "I'm looking forward to it."

But aren't all the visual arts institutions competing for the same group of donors? Didn't the NSW gallery feel jealous when the MCA announced its \$10 million Coe-Mordant donation?

Not at all, Danziger says. "I think it's good for everyone. It's silly to be in competition, and the Mordants have been very generous to the art gallery as well. This sort of thing sets a good example."

Wynter agrees. "The rising tide raises all boats. I think the news about the MCA will be good for us, too."

Source: smh.com.au

Appendix 2 – Art Institute of Chicago’s Sustaining Fellows Program Information

Mission of the Sustaining Fellows

The mission of the Sustaining Fellows program is to bring together individuals who give unrestricted leadership support to The Art Institute of Chicago in the amount of \$1,500 or more. In return, these individuals are offered a variety of programs that provide educational insight into issues related to all aspects of art, an opportunity to meet others with similar interests, and foster a deeper relationship with the institution.

The Sustaining Fellows

In 1977, under the leadership of Arthur M. Wood, Edwin E. Hokin, and the Board of Trustees, the Sustaining Fellows program was established as a new support group, designed to honour those individuals and corporations having a great concern for the Art Institute of Chicago and providing significant annual support.

Over the course of the next several years, enthusiastic volunteers worked together to build the Sustaining Fellows into a group dedicated to the mission of the museum. They created imaginative, one-of-a-kind events and travel programs that met the high standards of its members, which resulted in significant growth of the group.

Today, the Sustaining Fellows continue to be a vital leadership force at the Art Institute, raising \$3.7 million dollars annually in general operating support. The Art Institute’s partnership with the Sustaining Fellows is an important component to the success and future endeavours of the institution. With their commitment, the Art Institute is confident it can continue to flourish and offer its members and visitors the beauty and power of the human imagination.

How does being a Sustaining Fellow help the Art Institute of Chicago?

Maintaining a museum of such calibre as The Art Institute of Chicago takes an incredible amount of funds and effort. Support from the Sustaining Fellows helps defray the costs of the following:

Preservation and Protections of the Permanent Collection

In order to preserve the fine condition of the art objects, appropriate temperature and humidity must be constantly maintained within the museum. In addition, certain works of art require restoration and conservation. Finally, due to the great value of its holdings, the museum must ensure it has top security systems and personnel.

Special Exhibitions

As one of the 10 leading fine arts museum in the world, the Art Institute is proud to offer a number of diverse and enriching special exhibitions each year for its members and visitors.

Ryerson and Burnham Libraries

These two libraries house the most comprehensive art history collection west of the Hudson River and as an international recognized architectural collection.

Museum Education

The Museum Education Department interprets the collections and exhibitions for both adults and children through tours, lectures, catalogues, games, and special programs. Visitors of all ages gain a clearer understanding of art and its history and role in society.

The Museum Building

The Art Institute strives to make each person's visit the most enjoyable possible. The Museum Shop, museum restaurants, auditoriums, and other public spaces all need to be cleaned, stocked, repaired, heated, and lit 363 days a year.

The Privileges of Being a Sustaining Fellow

Membership in the Sustaining Fellows is open to individuals who, in recognition of the Art Institute's commitment to artistic quality and its importance to the art world, desire to support it with an annual unrestricted gift of \$1,500 or more. In appreciation and recognition of their gracious support, Sustaining Fellows are offered an array of special privileges designed to bring them closer to the heart of the museum and its collection.

Sustaining Fellows Travel

Sustaining Fellows have remarkable opportunities to visit the great collections of the United States and abroad with an eminent scholar from the Art Institute staff. Limited to 30 participants, these trips include visits to private collections, museums, and places of importance and interest in the world of art. Travel programs strive to provide a strong educational component, allowing Sustaining Fellows to further their knowledge and relate it back to The Art Institute of Chicago.

Sustaining Fellows Events

Throughout the year, Sustaining Fellows are invited to attend a number of diverse and unique programs and special events, designed to educate and inform members on general as well as specific aspects of The Art Institute of Chicago.

Some of our annual programs offered include:

Curator Breakfasts/Lunches: These lecture programs highlight a current exhibition, museum collection, or special project, and include a gallery walk led by a curator.

Exhibition Opening and Private Previews: These special "sneak peek" receptions allow guests to hear a brief lecture by one of the exhibition's organizing curators and provide an opportunity to view the show in a more intimate setting.

Art Walks: Art walks giving Sustaining Fellows the opportunity to view private and corporate art collections.

Sustaining Fellows Annual Meeting: This special event allows the museum to thank Sustaining Fellows for their annual support.

THE PRIVILEGES OF GIVING

Membership in the Sustaining Fellows is extended to donors supporting the museum with an annual unrestricted gift of \$1,500 - \$2,499 and includes the following benefits:

- First-time members receive a copy of *The Art Institute: The Essential Guide*
- Family membership to the Art Institute of Chicago
- Invitations to major exhibition openings or private showings
- Invitation to the Annual Meeting of the Sustaining Fellows
- Invitations to exclusive Sustaining Fellows events
- Travel opportunities for one Sustaining Fellow

Sponsoring Membership recognizes patrons who support the Art Institute with an annual unrestricted gift of \$2,500 - \$4,999. In addition to membership benefits, Sponsoring Members receive:

- Invitation to a event or program hosted by the School of the Art Institute
- Invitation to a behind the scenes event, relating to an exhibition or unique aspect of the museum
- Travel opportunities for two Sustaining Fellows

**All trip participants must be current Sustaining Fellows. Membership at the \$1,500 level qualifies one individual to participate on a Sustaining Fellows trip. Couples who wish to travel together must be members at the \$2,500 level. Trip reservations are non-transferable to family members.*

Director's Council honours those who make an annual unrestricted commitment of \$5,000 - \$9,999. In addition to benefits at the Sponsoring Members level, Director's Council members receive:

- An Art Institute exclusive publication (first-time members only)
- Invitation to the annual art auction at the School of the Art Institute
- Invitation to a special lecture and reception with an Art Institute educator or curator

Sustaining Circle acknowledges those patrons who give an annual unrestricted gift of \$10,000 or more. In addition to the privileges of the Director's Council, members of the Sustaining Circle receive:

- An Art Institute exclusive publication (first-time members only)
- Invitation to a small private event with an Art Institute director or curator
- Priority reservations for all Sustaining Fellows events and travel programs

Special Recognition

Each year Sustaining Fellows are recognized for their invaluable support in the following ways.

- Listing in the Art Institute's annual report
- Listing on a plaque in the Columbus Drive lobby of the museum