

In the

Money



Raising big money is big work, and appropriate planning for a capital campaign is crucial to execution.

BY ERIN BRERETON

The Quincy, Mass.-based South Shore YMCA raised \$2.5 million in a capital campaign kicked off in 1997 that enabled it to build a new facility. Three years later, in 2000, it raised an additional \$6 million in capital funds.

Now, in 2005, after years of serving 19,000 community members, that once-new facility needs some work—and the South Shore Y is getting ready to dig in and embark on a new, ambitious capital campaign to raise \$12 million to renovate its original headquarters, add a family site to its Cape Cod camp—and more.

That amount must be raised in addition to the Y's usual annual fundraising—which doesn't worry President and CEO of South Shore YMCA Ralph Yohe a bit.

"It's two separate requests for a major donor. You go to them and say, 'For the next three years, we'd like you to consider giving this much for the capital campaign, this much for the annual fund,'" Yohe says. "Smaller donations go to the annual fund, with

local, individual donors being part of the capital campaign."

When planned and executed well, both fundraising drives can enhance each other, Yohe says.

"Giving begets giving, and the organization grows because your volunteer numbers grow and people are more involved because they know about the Y," he says. "I'd heard that annual campaigns increase after a capital campaign, but I really believe it now."

Time to Pre-Plan

The South Shore Y's experience stresses the importance of long-term planning for any major fundraising initiatives. In fact, preparations for its 1997 capital campaign started at South Shore in 1990, with an intensified focus on strengthening the board and involving each department of the Y.

"When we first started out, the most important thing [was to] build a stronger board," Yohe says. "We tried to involve our existing board more and we approached new, potential board

members. We looked very carefully at individuals within our community who could benefit and help the Y. We were very, very selective."

Locking a plan into place early and sharing it with your board, staff and community can make or break a capital campaign.

"It's very important that you start with a strong and complete strategic plan that everybody in the organization has bought into," says Fred L. Bradley, President and CEO of the **Metro Atlanta YMCA**, whose last capital campaign earned \$38 million to build five new buildings. "And you build a five- to 10-year road map about what you want to achieve internally and externally, and you make some strong and sometimes difficult judgments about priorities—what's going to come into play first and what's going to come into play last.

"Once those priorities get set, then comes the development of the case. It has to be a strong and compelling case that gets the policy volunteers and staff really energized."

Part of making the case compelling, Bradley says, is emphasizing the personal over the physical. "You're not talking about fundraising, you're not talking about bricks and mortar—you are talking about programs and reach and services," he says. "You're saying, 'Here's where the Y has been, here's where it is today, where do we want to take it over the next five to 10 years?'"

All Together Now

Communication with the board and major donors is important at this juncture.

"We try to make meetings genuinely engaging, not just reports on what color we painted the locker rooms or how many people we served," Yohe says. "Board members get excited, but achieving that level of involvement isn't easy—it takes time, effort, listening. Sometimes we have meetings where people don't agree, but they respect their fellow board members, which is the key—you have to build that team approach and that respect before you go into a campaign.

"A big part of any capital campaign is a strategic plan, and getting all of

your boards behind that plan is the key," Yohe says. "We make our plan together, and when we finish, we have a vision of where we want to go for the next three, four, five years."

That unified vision can result from a campaign task force that ensures everyone is "heading in the same direction."

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"First we will go to a very small group—the leadership or major givers group—and talk about the need for the campaign and make sure they all agree and have a say in the amount of the campaign and duration of the campaign," Yohe says. "Then we go to a larger group and then to the total board, which includes most of our important donors."

"We are having individual conversations with board members all the time

about their personal giving," Yohe says. "We have 100 percent commitment and participation from each of the 38 members of the board. In our last campaign, they gave \$3 million of the \$6 million raised. It's the people who are nearest and dearest to the organization who really end up giving the most."

Calling in Reinforcements

Y-USA offers numerous resources to aid campaign preplanning, but also consider enlisting outside assistance, such as hiring a fundraising consultant.

"It's important to engage an independent consultant [to help with planning] because it gives you an unvarnished read on what the community leadership is saying," Bradley says. "We engage a consultant for a flat fee and he or she goes out and tests the case that has been developed. She meets community leaders, major funders and wealthy individuals and corporate leaders, and says, 'Here is what the Y wants to achieve over the next five to 10 years. They've gone through a careful and deliberate planning process and they have determined that this is what it's going to cost. Do you think their strategic plan and their priorities are on target? If you had the opportunity to support it, would you?'"

Valuable Resources

Because diligent planning is critical to Capital Campaign success, Y-USA makes available the *YMCA Capital Development Planning Manual*, which walks Ys through the 20 important steps of their capital project. These, as well as advice on how to use the manuals, are available from the Y-USA financial development consultants assigned to your state.

"Then they talk specifics about the dollars. 'Let's say this is a \$36 million campaign to be conducted over a two- to three-year period, would you under the right circumstances be willing to make a substantial gift to the campaign? Would that be a four-, five-, six-, seven-figure gift?'" Bradley says.

"The fundraiser comes back to the Y and says, 'We tested \$36 million and we believe the YMCA

leadership is right on track, or it's too much, or community leadership thinks the organization could stretch a little more.' Then the board decides whether it wants to launch the campaign."

Then, Bradley says, you seek "quiet" major gifts without any public announcements. You begin the solicitation process by meeting with prospective donors, chief executive officers and others without fanfare.

This is just preparation, though, for the official campaign launch—provided you have set specific goals, gotten the board members and major donors involved, and accurately gauged the community's interest.

"Assuming the Y does well in that preliminary process, you are ready to announce the public phase," Bradley says. "You never go public until you have 60 to 70 percent of the dollars already committed." ■

What's It Cost?

If you're preparing to expand your Y with capital campaign funds, you'll have help.

Part of raising money for a project is selling that project—to community leaders, business heads, board members and other major donors—which is hard to do without cost specifics.

When determining how much needs to be raised to construct a new facility or how to factor in program costs, Y-USA's Building and Furnishing Services/Property Management Department is more than happy to help.

"You don't necessarily need to hire an architect—there is more than enough material from our department to take you about 70 percent through the campaign," says Yuriy Zajac, Senior Property Consultant for the Building and Furnishing Services/Property Management Department (BFS) at Y-USA. "That's more than enough time for you to select a local architect to turn conceptual designs into working documents."

Once a Y has done a feasibility and marketing study to prove it can raise money, Zajac says his department is ready to step in.

"We take the list of programs and services the Y wants to offer to the community and we create an architectural floor plan based on best practices of YMCA design, adjacency of spaces and traffic patterns," he says. "Basically,

the plan is a workable architectural plan that many Ys have taken to architects and said, 'Here, build this.'"

The plans are accompanied by an architectural guideline, building timeline and cost estimates based on construction costs in a specific Y's area, which Zajac's department tracks and updates every two months. That's allowed his department to pinpoint approximate construction costs within 3 to 5 percent of the actual finished construction costs, he says.

BFS also provides a series of 3-D images Ys can use for campaign materials, including an animated three-dimensional Y model. "Two-dimensional images are nice, but some people have trouble relating to what those plans actually convey," Zajac says. "You point to a rectangle in a bigger rectangle in a plan and say, 'That will be our pool,' and people will nod, but you show them an image with video and they really get it."

Best of all, the department's services are free and now available on YMCAexchange (www.ymcaexchange.org), where you can plan your own Y and download brochures, images and other materials—and Zajac's department is still willing and ready to help.

"The tools take you through all major spaces in a building and then calculates the square footage you need and gives you an architectural program and national cost of construction," Zajac says. "But it doesn't localize it for you. That's when a call to us comes in."

For more information, visit
<http://www.ymcaexchange.org/back/buildings%5Fproperty/>.