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Fund Development Advisors to Nonprofits

Milwaukee | Madison

\$5 Million in 18 Months

A Case Study of the campaign for a new Sauk Prairie Memorial Hospital

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Situation

Sauk Prairie Memorial Hospital opened its doors in 1956. Over the years that followed, the facility grew to 11 times its original size through several expansions and renovations until the hospital became land-locked. As demand for medical services grew and more room was needed, architects and engineers determined expansion was impractical and too expensive. The best solution: a new hospital at a new site.

As the hospital's executive team considered funding strategies for the new \$47 million hospital, it became apparent that as much as \$5 million would need to come from the public through a community fundraising campaign.

Compounding the challenge was a serious obstacle: the funds would be needed in 18 months in order to keep up with the construction schedule.



Was all this possible?

Feasibility Study

Could the hospital Foundation raise \$5 million? And could they do it in as little as 1½ years? A capital campaign of that size would be unprecedented for the neighboring communities of Sauk City and Prairie du Sac, known as Sauk Prairie. The Foundation hired McDonald Schaefer to determine the probability.

McDonald Schaefer began a capital campaign feasibility study, discreetly meeting with the hospital's key stakeholders, including selected board members, major donors and community leaders. During personal visits, McDonald Schaefer asked participants for their impressions of the current hospital, their feedback on plans for a new hospital, and their initial interest in supporting a capital campaign to fund it.

Based on information gathered during those visits, McDonald Schaefer conducted its proprietary analysis to determine what was achievable and concluded that, while it would be challenging, \$5 million was a realistic campaign goal, provided the Foundation follow a specific recommended campaign strategy based on McDonald Schaefer's years of planning and directing such campaigns.

Although a bit apprehensive about the ambitious goal, the Foundation forged ahead and started planning for the most significant fundraising challenge in its history!



The Campaign

With the results of the feasibility study in hand, Executive Director Patrice Luer and McDonald Schaefer led the Foundation through intensive planning to prepare everything – *and everyone* – for the charge. The Foundation retained McDonald Schaefer to provide their special expertise and expand the Foundation’s capacity for the high-stakes capital campaign.

During this critical planning stage, the Foundation focused on four priorities:

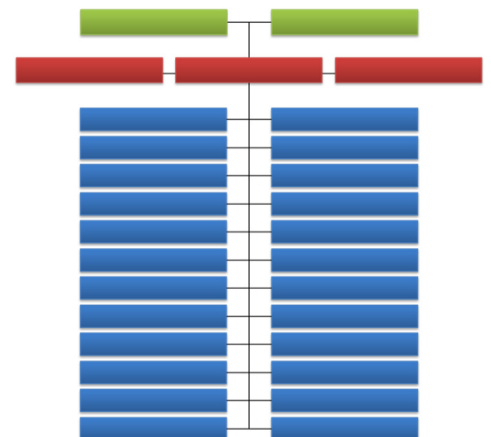
1. Campaign Leadership
2. Communications
3. Major Donors
4. Campaign Infrastructure

Campaign Leadership

Knowing that successful capital campaigns depend on active and influential volunteer leadership, the Foundation set out to recruit a visible and connected campaign cabinet whose members would make generous gifts of their own and open doors to other donors throughout the community.

The Foundation started by inviting two, well-recognized families with deep roots in Sauk Prairie to serve as Honorary Co-Chairs. They agreed, and the campaign now had prominent and respected families endorsing the project.

Next, the Foundation decided on a three-person Co-Chair structure, which would serve as the working core of the cabinet. They recruited a well-liked and connected business woman with instant name recognition. Then they selected a popular and respected doctor who would give the campaign unique medical credibility as well as access to fellow doctors. Finally, the Foundation brought on a friendly and energetic woman who represented the third generation of a local family business whose name was well-known in the area. This configuration proved to be ideal. The Co-Chairs knew the majority of major donor prospects the Foundation needed to reach.



The last step in developing the leadership team was to recruit approximately 20 more individuals with connections of their own who collectively would give the Foundation wide access throughout most of the community. McDonald Schaefer trained and mentored these committed friends of the hospital, closely supporting them as they became effective volunteer fundraisers.



Communications

Not everyone in town agreed the hospital should relocate or that it should spend tens-of-millions of dollars to do so. Among the findings of the feasibility study was that some influential community leaders weren't sold on the idea. Winning over the community would not be easy. Residents of Sauk Prairie would need an explanation as to why the hospital should take on such an ambitious project and why the organization, which by all accounts was financially healthy, needed their help.

A wide variety of communications strategies, pieces and outlets would be needed to raise awareness for the project, provide a solid rationale for the move and answer the public's questions convincingly. Most importantly, the campaign needed to reflect the community's full involvement.

McDonald Schaefer and the Foundation developed a comprehensive communications plan integrating dozens of related messages and distribution channels to reach people effectively throughout the community and provide project credibility. As part of this plan, the team gave special consideration to branding the campaign to speak directly to the issues and concerns discovered through the feasibility study.



McDonald Schaefer and the Foundation developed the following materials for campaign folders that provided everything a cabinet member would need during personal visits with potential supporters:

- Campaign stationery for all correspondence to give the campaign its own identity
- Case for support (the main project brochure)
- Named gift opportunities
- Gift levels for the Donor Wall of Honor that would be displayed in the new hospital lobby
- Renderings and images of the new hospital
- Frequently asked questions
- Dynamic list of current donors
- Pledge form and return envelope

The Foundation and McDonald Schaefer also developed other communications tools including a campaign newsletter, video, website, sophisticated direct mail, attractive signage that would be positioned at the old hospital and rotated among several local stores and restaurants, yard signs and more, all of which helped increase awareness of the campaign and



reinforced the giving decisions of current donors, several of whom were featured in articles and on signage.

Among the most important communications opportunities of the campaign was the public campaign kickoff. Campaigns often go through two phases: first, the quiet phase, most of which comprises one-on-one conversations with potential major gift donors; and second, the public phase, which begins when the campaign reaches 50% to 75% of the goal. During the public phase, mass media are used to reach the entire community and encourage broad support. Campaign awareness and momentum builds steadily with each progressive step.

On a beautiful summer afternoon, the Foundation orchestrated a highly visible public campaign kickoff at a charming local winery. The kickoff included refreshments, a short program with speakers, public recognition of all donors to date and encouraged others to join the campaign. With major donors and major donor prospects in attendance, as well as local press, it was a marvelous success.

McDonald Schaefer ensured that all of the communications strategies were organized and managed in an integrated communications schedule for optimal messaging and timing.

Major Donors

By the time they are completed, capital campaigns will receive gifts of all sizes – even gifts of \$1! But successful campaigns depend significantly on large gifts, relative to the project’s goal. Aware of this fundamental campaign principle, Luer and McDonald Schaefer evaluated the Foundation’s entire pool of potential supporters and prioritized its donor list based primarily on three questions: How affluent is the donor prospect? Are they ready to be asked for a gift? Which of our team members knows the donor?

Based on the results of this important exercise, the Foundation developed a sequence for reaching out to the community following the effective campaign strategy of “top down and inside out.” The Foundation would begin its campaign by reaching out to those people with the largest gift potential first, then move on down to smaller gift donors (top down) as well as those closest to the hospital and most supportive of its plans, and then outward to the broader community (inside out).

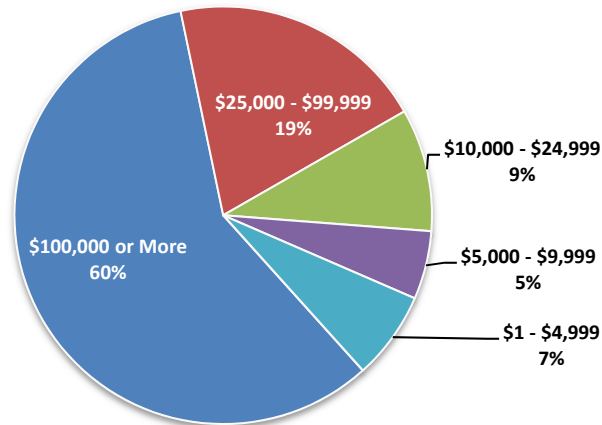
The strategy proved very effective. The Foundation raised nearly \$3 million with gifts of \$100,000 or more, 60% of its entire goal, with these lead gifts:

\$500,000 (x 2)
\$250,000 (x 3)
\$175,000
\$100,000 (x 10)

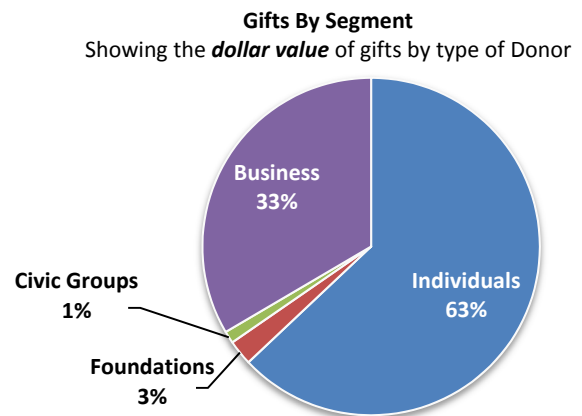
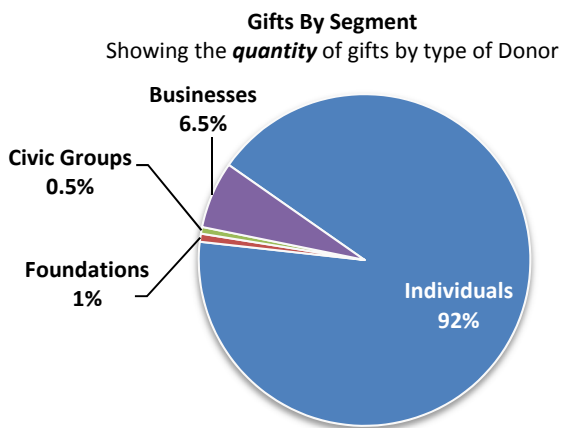


The graph below shows how gifts at all levels contributed to reaching the goal, but major gifts of \$25,000 or more accounted for nearly 80% of the goal.

Gifts by Size
Showing how much gifts at each level contributed to the overall total



Throughout the campaign, the Foundation reached out to individuals, businesses and foundations, all of which contributed to its success.



Campaign Infrastructure

Since the hospital Foundation had been fundraising for years, it already had in place much of what was needed to take on a campaign. But capital campaigns are major undertakings that tax and strain an organization’s development department, even one that is established, has experienced staff, systems, policies, a communications plan, brand recognition, computers and software, and other infrastructure in place. There are a surprising number of details to manage during a major campaign and they often present challenges different from those encountered in annual fundraising efforts.



Recognizing that a functional campaign office is essential to supporting active volunteer fundraisers and ensuring a good rhythm for the campaign, the Foundation objectively reviewed its capacity. It considered its staff, development policies, record keeping, prospect research tools, fundraising software and hardware, office space, and more. After evaluating all of its systems and resources, the Foundation made strategic adjustments to properly prepare for the demands of the campaign that followed.

Summary

When Sauk Prairie Memorial Hospital decided to build a new hospital, its Foundation was tasked with raising millions of dollars on an expedited schedule. The Foundation took the appropriate first step of conducting a feasibility study to determine the true potential for the campaign and then, working at the direction of McDonald Schaefer, went on to conduct an energetic and disciplined \$5 million capital campaign on an accelerated schedule.

The campaign succeeded primarily for two reasons:

1. The Foundation focused on the four fundamentals essential to successful campaigns:
 - a. Campaign Leadership
 - b. Communications
 - c. Major Donors
 - d. Campaign Infrastructure
2. The Foundation ran a well-managed campaign that leveraged personal relationships with major donors throughout the community who cared about the future of health care in Sauk Prairie.

McDonald Schaefer is pleased to have partnered with the Sauk Prairie Memorial Hospital Foundation, serving as Campaign Director on this important campaign, and congratulates all those involved on this impressive achievement!



Click here to see a [two-minute video clip](#) of Patrice Luer and her campaign Co-Chairs discussing their successful campaign.



For more information or to discuss your fundraising challenges, contact McDonald Schaefer at (414) 272-1835 or visit mcdonaldschaefers.com.

