

Nine Reasons Why Capital Campaigns Fail

by Ron Huddleston, President

Well, what a New Year! We have been so busy with new clients that I just have not had the time to focus on our monthly newsletter, and for that, I apologize. I would like to welcome the City of Bedford, Texas to our ever-growing list of clients. We look forward to working with them on their brand-new performing arts center.

The Huddleston Group has recently taken on a couple of clients who are having so many difficulties with their campaigns that they tried to take short cuts or overestimated their leadership, donors, and prestige in the community. And, yes, both of them did not perform a campaign planning and feasibility study which would identify these shortcomings. So, I decided to spend this time with you to identify why campaigns fail or stall. Enjoy!



When capital campaigns “stall out” or unravel, as they sometimes do, organizations often blame “external” circumstances—such as competition from other campaigns or lack of access to major donors and community leaders.

In our experience, however, the key factors in the success of capital campaigns are the organization’s own planning, preparation, and execution—and failure usually results from the lack of same. Most organizations, like most people, generate their own problems by omission or commission. And in the “high stakes” environment of a major capital campaign, weaknesses and errors in judgment can be decisive.

Here are nine scenarios we have often encountered. On your road to success, none of these have to become roadblocks; there are ways to deal effectively with each. They are more like red lights—to be ignored at your peril!

1. Negative image or perceptions

From the community’s perspective, an organization may have serious “image problems,” which can cause people (whatever their personal opinions of the organization may be) to question the wisdom of getting involved. These issues may include the following:

- Lack of stature, visibility, and/or credibility.
- Past problems with the quality or accessibility of services.
- Chronic operating deficits or excessive long-term debt.
- A history of unsuccessful capital campaigns.

At the “street level,” of course, negative perceptions can take many years to change. Within the so-called “donor community,” a much smaller and more coherent group, the process can move much faster. Here, the organization’s challenge is first to gain access to leaders—and then to back up its claims with substance rather than “spin.”

2. Lack of organizational leadership

Some organizations lack leadership at the board and/or CEO level. The chief executive and the trustees run the organization on behalf of the community. They are responsible, in the end, for the wise use of the community's dollars. If the individuals who lead the organization do not have the trust and confidence of the "donor community," they may need to be replaced by leaders who do.



3. Lack of a compelling vision and/or strategic plan

An organization embarking on a major capital campaign needs both a compelling vision of what it wants to be and do and a credible plan for getting there. (Here, we are talking about a strategic plan, rather than a campaign plan.) Without a vision and a plan, the organization will find it difficult to build a case that (a) captures the imagination of donors and volunteers and (b) convinces them that the vision can, in fact, become a reality.

Furthermore, the specific objectives of the campaign should reflect both the vision and the plan—so that the organization, through the success of the campaign, can take a significant step forward. An unfocused collection of "good ideas" or a program designed to ensure mere survival is unlikely to inspire donors and volunteers to make the extraordinary effort required to bring about success.

4. Out of touch

It is possible for an organization to gradually lose touch with the community and get into the habit of functioning largely from an internal perspective. For such an organization in which reality is defined by its own limited sphere of interest and activity, it may become difficult or impossible to understand how major donors and community leaders see the world and make decisions. When an organization talks more about its own "needs" than those of the community or the population it serves, that is often a sign that the lines of communication need to be improved.

5. A narrow or uninvolved donor constituency

The organization's donor constituency may be too narrow to support the campaign on its own. Or, more commonly, potential donors and volunteers may not be involved with the organization in a meaningful way.

If there are not enough substantial prospects already affiliated with the organization (as there often are not), then more prospects will have to be identified and "cultivated"—i.e., new relationships will have to be developed.

Meanwhile, if those already affiliated with the organization are not sufficiently involved to consider making significant gifts, then they too will have to be cultivated — i.e., closer relationships will have to be developed.

Otherwise, the organization will soon find itself casting about for "angels" to rescue the campaign.

6. Jumping the gun

Some organizations attempt to enlist the general chair much too early in the campaign. Or they announce the campaign as soon as they have decided to go forward. Either mistake can be fatal.

The leaders of many organizations seem to believe that until the general chair is enlisted, the campaign has no credibility, and nothing can be accomplished. So, they begin to approach their top candidates prematurely (making it easy for them to say no), or they settle for whomever is available.

In either case, the road ahead may be a rocky one. It is much better to enlist leadership within the institution's "family" constituencies (board, faculty, staff, physicians, etc.) and proceed with the solicitation of these key groups. Positive results will encourage your top candidates for general chair.

Organizations with no experience of capital campaigns sometimes behave as though the sooner they announce their "need" for money, the faster it will come in, and the sooner the campaign will be over. In fact, the more effort that goes into planning and preparation, the more successful the active solicitation phase of the campaign will be.

7. Lack of experienced development staff, campaign budget, or functional systems

When an organization's development staff lacks experience, knowledge, and/or competence in capital campaigns, and counsel is not involved, volunteers will not receive the expert guidance and support they need to be effective, and the capital campaign will soon flounder.

Let us face it: Development is still a relatively new profession, and its growth has been explosive. The field has certainly attracted and/or produced its share of outstanding practitioners. At the other extreme, the successful candidate for a new position may know only a little more about development than the CEO or board committee that recruited him or her.

That is another good reason to bring professional counsel into the picture. During a capital campaign, development staff can often learn a great deal by collaborating with an experienced consultant. We have also found that a consultant's recommendation can count on a lot when additional staff need to be recruited, an adequate campaign budget is established, or critical operating systems are upgraded.



8. An unrealistic campaign plan, schedule, or goal

To establish a realistic campaign plan, schedule, and/or dollar goal, you need both hard data (of the kind that can normally be obtained only through a planning or feasibility study) and the experience and judgment it takes to interpret the data.

Without these resources, it is almost impossible to estimate these things:

- How much the organization can expect to raise?
- What portion needs to come from, say, the top

thirty or top one hundred gifts?

- How many volunteers can be recruited to solicit those gifts?
- How long will all this probably take?

Both science and art are involved here: These are estimates, and no campaign ever unfolds exactly as planned. But without a goal, a schedule, and a strategy, there can be no campaign at all.

Mere guesswork will not be good enough; the plan must be sufficiently credible and workable to maintain the confidence of volunteers and the momentum of the project until the goal is attained. Otherwise, many will drop out and/or “burn out,” and the campaign will not be remembered as a happy experience.

9. No planning or feasibility study

Without a professionally conducted planning or feasibility study, the organization may find itself working in the dark. It may lack the current, objective, and strategic information that is needed to plan and implement a successful campaign. A thorough study, conversely, will usually identify any of the other “red flags” described above saving your organization from a major embarrassment.

Not every situation, however, calls for a study. If you are confident that you have an outstanding campaign chair lined up, and you know who your top donors are likely to be, then you may not need to conduct a study. At the other extreme, if you are in a weak position to undertake a capital campaign, even an expertly conducted study may not change that.

The Seven Essential Elements of Success

As we ponder all the ways that capital campaigns go wrong, it is not too difficult to see what is required for them to go right. Based on four decades of experience in the fundraising business, our firm has found the following seven elements to be essential to a “winning campaign”:



1. A solid organization.
2. A worthwhile project.
3. A compelling case for support.
4. The availability of sufficient financial resources.
5. Qualified and committed volunteer leadership.
6. Pacesetting leadership gifts.
7. A realistic and well-executed campaign plan.

If these elements are present, or at least within reach, your organization will have an excellent chance of avoiding pitfalls—and carrying your campaign to a successful conclusion. If you would like to learn more about how The Huddleston Group can help you with your next campaign, please contact us at your convenience.

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