



Overture
CENTER FOR THE ARTS

2019-2022 Development Plan

INSPIRING LOYAL PATRONS AND DONORS TO SUSTAIN OUR MISSION

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VP OF DEVELOPMENT | ACCEPTED BY THE DEVELOPMENT COMMITTEE 9/11/2019

REVISIONS ACCEPTED:

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Overview

The purpose of this plan is to identify objectives and key performance indicators for the development team that align with the Overture Center for the Arts' (Overture) strategic plan and actions to be taken to achieve these long-term objectives. This is intended to be a living document that is regularly reviewed by staff with progress reported to the development committee quarterly and to the board at least annually. It is not intended to include all actions by the development team to support a healthy fundraising program; rather the goal is to identify key opportunities to increase program effectiveness, improve the donor experience and better support the organization's current and future funding needs.

Semantically, "development" refers to the strategic process of cultivating, securing and stewarding long-term donor relationships to inspire significant gifts. The donor often consults or engages advisors in making the gift and the decision timeline can be lengthy, especially in planned gift decision-making. There is no minimum for a "significant gift." It is variable based on the donor's capacity. In corporations, this will frequently require approval from leadership or corporate before entering an agreement.

"Fundraising" focuses on securing gifts that require little or no consideration from the donor in response to an ask – direct mail, email, social media, event attendance, etc. These might be viewed as "customary" gifts and there is no minimum or maximum; a person sets a "custom" gift level based on income.

Overture has engaged with TRG Arts to develop data-driven revenue models for both earned and contributed revenue. The actions herein will be updated to reflect best practices, new or heightened priorities and program evaluation as recommended by TRG Arts. The first year of the engagement will focus on "fundraising activities" and the subsequent years will expand these to become layered development strategy. Frontline development staff will continue to engage in development activities during all phases of the TRG Arts implantation. Significant plan updates will be noted and approved by the development committee as appropriate.

Overture will celebrate its 15th anniversary season in 2019/20. An estimated 12 million people have interacted with the center since its opening, creating significant wear and tear on its public spaces and the building's architectural, technological and mechanical infrastructure and requires substantial investment to support the center's long-term physical health. Overture plans to embark on the "Beyond the Curtain" capital campaign in January 2020 to address the most financially significant capital needs. A brief overview of campaign activities is included in this plan, while the project plan is developed and monitored by the Capital Funds Cabinet.

Lastly, establishing a substantial endowment is critical to protecting Overture’s long-term sustainability. Current efforts to build the endowment through planned gifts (and current gifts) will continue to build a pipeline for the future. Once the capital campaign is completed, Overture will begin planning for an endowment campaign with an ultimate goal to secure a \$50MM endowment to support capital expenditures and programming.

Overture Center for the Arts Mission and Vision

Mission: To support and elevate our community’s creative culture, economy and quality of life through the arts.

Vision: Exceptional experiences for all.

Annual Fundraising Projections

It is estimated Overture will need to increase year-over-year fundraising by roughly 10% to support increased building maintenance, cost of doing business and establish reserves to protect against an economic downturn and unexpected expenses.

Fiscal Year	Annual Fund Goal
2018/19	\$2,400,300
2019/20	\$3,056,000
2020/21	\$3,500,000
2021/22	\$3,955,000
2022/23	\$4,470,000
2023/24	\$5,050,000

Annual fundraising will not support all maintenance and capital requirements; as noted in the Overview, a capital campaign plans to launch in 2020 to support the current capital investment needs followed by an endowment campaign to provide long-term support for maintaining the center. The organization is also reviewing financial modeling to develop earned revenue sources to support maintenance, capital replacement and facility improvement.

Key Fundraising Objectives

Objective	Key Performance Indicator (KPI)
1. Increase patron and donor loyalty to result in consistent annual giving.	Increase donor retention from 26% to 48% by 2023.
2. Engage new donors for a healthy funding pipeline.	Increase donors with benefits (\$100+ gifts) from average of 1,800 to 2,500 by 2023.
3. Demonstrate board and staff commitment to the mission and special projects.	100% board and staff giving participation (at any level) in annual giving and special campaigns by 2023.
4. Support long-term financial sustainability of the organization.	Secure \$20MM in planned gifts to endowment by 2023 in preparation for public endowment campaign.

5. Secure resources to address current deferred maintenance and capital investment needs.	Launch capital campaign in January 2020 with defined target to be completed by fiscal year end 2023.
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Key Fundraising Lines

Term	Definition	Primary Audience	Staff Responsibility
Annual Giving	Passive fundraising – digital asks, round up at POS and direct mail without staff contact	Individuals	Ops Manager, Dev Coor executes with marketing
Major Gifts	Active fundraising - \$1,500+ annually, multi-year pledges, underwriting, Local Legends (\$100,000+)	Individuals	VP, CEO, DOD
Corporate Partnerships	Active -Primarily sponsorship with benefits \$2,500+, Corporate Champions (\$100,000+)	Businesses	VP, CEO, DOD- Corporate Partnerships
In-Kind	Active - Service trades or or marketing exposure	Businesses	VP, CEO, DOD- Corporate Partnerships, Exec Team
Grants/Foundations	Active - Application required requests for annual and multi-year funding	Corporate foundations, private foundations, gov't agencies	Grants and Foundations Manager, VP, CEO
Planned Giving (Anderson Legacy Circle)	Active - Deferred giving via bequests, insurance, etc. that are realized in the long-term. Encouraged to be directed to Endowment.	Individuals	VP, CEO, DOD- Planned Giving
Capital Campaign	Active - Short term fundraising push to support deferred maintenance and capital investments outside the “regular” budget	Individuals primarily, businesses secondary mostly via in-kind	VP, CEO, DODs, Capital Funds Cabinet
Endowment	Active - Two funds – one at MCF, one with Trust Point – created to invest principal into perpetuity and use 3%	Individuals	VP, CEO, DODs

	of fund value to support capital investment		
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Board members support development activities through prospect strategy, referrals, stewardship activities and participating in donor meetings.

Target Markets

The TRG Arts project focuses on building long-term fundraising capacity by building patron loyalty overtime through intentional permission-based points of entry, engagement and stewardship to broaden and deepen relationships. The ultimate goal is to convert a casual donor to a committed donor to a planned giving participant overtime. Key target markets are:

- Season subscribers: 20% of 7,700 subscribers gave in 2018/19
- Loyal single ticket buyers: adding this segment to donor communications in 2018/19 resulted in 90 new donors
- Businesses rapidly growing (attract/retain employees), downtown Madison economic interest, seeking to connect with a primarily educated, affluent audience, desire to connect with quality established arts access programs
- People who personally know or who have been inspired by Pleasant Rowland and Jerry Frautschi’s generosity
- Active participants in Overture’s volunteer, community and/or education programs in and outside of Dane County
- General arts enthusiasts, including patrons of resident arts groups who do not give to Overture

Development staff will be tracking market segments response to determine those most likely to respond. Higher financial investments will be made with those who are most likely to respond (known as TIER 1) and with lesser investments in TIERS 2 &3. Tiers will be dynamic each season based on response data.

Action Plans

TRG Arts recommends the followings best practices to build long-term annual fund sustainability:

- Year-round renewal programs for current donors (\$2-\$1,499)
- Two donor acquisition campaigns for subscriber non-donors and recently lapsed donors (calendar year-end and match campaign).
- Donation increase/upgrade campaigns for donors who have given at the same level for 2 or more consecutive years.
- All major gift donors (\$1,500+) assigned to a staff member for personalized cultivation, solicitation and stewardship.

These recommendations are radically different from the current strategy and will take roughly three years to become standard practice. However, average ROI is a 10% increase in annual fund returns.

Goal	Actions
OBJECTIVE 1:	<u>2019/20</u>

<p>Increase patron and donor loyalty to result in consistent annual giving.</p> <p>KPI: Increase donor retention from 26% to 48% by 2023.</p>	<ul style="list-style-type: none"> ✓ Implement TRG Arts renewal process, including automatic renewal options ✓ Engage development committee in donor stewardship with key segments • Build automatic reports to consistently evaluate annual fund performance in the TRG Annual Fund Tracker to inform strategy • Donor welcome packet to communicate benefits • Explore push notifications • Develop monthly giving marketing plan (in relation to website redesign) ✓ Implement TRG Arts acquisition strategies ✓ Conduct holistic donor, subscriber and corporate benefit audit to support patron loyalty ✓ Enact a portfolio approach to grants/foundations to create strengthen funder relations ✓ Formalize individual underwriting opportunities to support donor choice and connection to major gifts • Create simple mission-impact materials to share with donors (one-page infographic, video) • Launch expanded donor magazine (may be on hold for 2020/21 due to Marketing VP turnover and brand redesign) <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Implement gift increase/ upgrade campaign strategies • Expand donor stewardship with full board • Launch new website with improved giving communication and user experience • Refine TRG Arts recommendations and implement next step strategies • Conduct donor survey <p><u>2021/2023</u></p> <ul style="list-style-type: none"> • Incorporate donor feedback into strategies • Continue to refine TRG Arts recommendations
<p>OBJECTIVE 2:</p>	<p><u>2019/20</u></p>

Engage new donors for a healthy funding pipeline.

KPI:

Increase donors with benefits (\$100+ gifts) from average of 1,800 to 2,500 by 2023.

- Use TRG Arts acquisition strategies to increase subscriber donations from 20% to 30%, reinstate lapsed donors and encourage gifts from loyal multi-ticket buyers
- ✓ Implement TRG Arts renewal strategies for Q1, Q2, Q3 to smooth out current fundraising cycle with most contributions in Q4
- ✓ Simplify corporate, underwriting and general giving information
- ✓ Research new grant/foundation opportunities for project, operating and capital funds
- Work collaboratively to position International Festival for NEA funding
- Create comprehensive donor acquisition and post-event engagement strategy for pre-Frostiball dinner event using table sponsor model to attract new business and individuals for the 2020/21 Season
- Work collaboratively with departments to identify current and potential in-kind opportunities
 - Formalize in-kind directions and train non-development staff

2020/21

- Create evergreen giving brochure
- Deploy monthly giving marketing to non-donors
- Create engagement strategies with area Chambers of Commerce
- Refine and expand TRG Arts acquisition strategies
- Launch expanded Frostiball strategies
- Apply for 3-4 new grant/foundation proposals, actively developing relationships with new funders.

2021/22

- Refine and expand TRG Arts acquisition strategies
- Expand corporate development outside of Dane County
- Expand foundation relations to outside of Dane County

	<ul style="list-style-type: none"> • Refine and expand Frostiball strategies
<p>OBJECTIVE 3: Demonstrate board and staff commitment to the mission and special projects.</p> <p>KPI: 100% board and staff giving participation (at any level) in annual giving and in special campaigns by 2023.</p>	<p><u>2019/20</u></p> <ul style="list-style-type: none"> ✓ Development Committee establish board giving expectations, goals, parameters and process (ticket \$, event \$, personal \$, business \$, circles of influence, etc.) • Development Committee to identify board fundraising goal for 2020/21 (best practice is 6% of operating budget) and process for building peer buy-in • Staff establish employee giving program including goals, parameters, tracking and recognition <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Implement board giving process managed by board, supported by staff • Implement staff giving process and supported by staff • 100% board participation in annual giving and capital campaign at any level • 100% staff participation in annual giving and capital campaign by staff at any level • Create a joyful giver experience for board and staff <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Evaluate staff and board giving programs
<p>OBJECTIVE 4: Support long-term financial sustainability of the organization.</p> <p>KPI: Secure \$20M in planned gifts to endowment by 2023 in preparation for public endowment campaign.</p>	<p><u>2019/20</u></p> <ul style="list-style-type: none"> • Develop a comprehensive, data-supported organizational performance dashboard including a more detailed development dashboard to track KPI progress • Use 15th anniversary to promote planned giving with a goal to secure 15 new documented planned gifts ✓ Employ planned giving marketing plan to build Anderson Legacy Circle awareness and recognition

	<ul style="list-style-type: none"> ✓ Steward current members through stewardship event, recognition and personal contact • Introduce planned giving with Board ✓ Identify Donor Advised Fundholders as primary audience for direct contact for planned giving ✓ Include planned giving progress in development dashboards • Create a charter and recruit planned giving council to provide pro bono support to staff <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Create plan to introduce planned giving to volunteers • Create plan to develop Anderson Legacy Circle as a community to support long-term stewardship • Activate planned giving council <p><u>2021/22</u></p> <ul style="list-style-type: none"> • Continue to evaluate and refine planned giving program
<p>OBJECTIVE 5: Secure resources to address current deferred maintenance and capital investment needs.</p> <p>KPI: Launch capital campaign by January 2020 with defined target to be completed by fiscal year end 2023.</p> <p>*See appendix A for a more detailed timeline.</p>	<p><u>2019/20</u></p> <ul style="list-style-type: none"> ✓ Feasibility study ✓ Technical audit • Determine campaign target • Campaign materials • Cabinet/volunteer training • Identify Tier 1, 2, 3 donors to contact for campaign, create personalized donor strategy and assign primary workers • Launch silent phase <p><u>2020/21</u></p> <ul style="list-style-type: none"> • Continue to monitor goal progress and provide support to cabinet members • Establish external communications plan to build messaging for public phase in 2022/23 <p><u>2021/2022</u></p> <ul style="list-style-type: none"> • Continue to monitor goal progress and provide support to cabinet members.

	<ul style="list-style-type: none"> • Implement communications and marketing plans for 2022/2023 public phase. • Prepare stewardship and recognition plans – gifts, signage, closing event for 2022/23 <p><u>2022/2023</u></p> <ul style="list-style-type: none"> • Launch public phase of campaign. • Execute stewardship and recognition plan. • Celebrate and REST!
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Policies and Procedures

Reviewing and updating policies and procedures on an annual basis is a best practice, reduces risk and provides strong ethical guidelines for staff and board. These are the basis for the organization’s reputation by supporting an environment where donors understand the impact of their gifts, feel appreciated and engaged in the mission and trust the organization is operating ethically. Once established, each policy should be reviewed annually in the 4th quarter.

Document	Status	Responsibility	Deadline	Completed Date
Gift Acceptance Policy	Two exist, unsure of current policy	Dev Committee and Staff for Board Approval	09/01/2019	8/14/2019
Donor Relations Policy	Codification of existing procedures	Dev Staff for Dev Committee and Board acceptance	10/01/2019	9/11/2019
Development Department Confidentiality Form	New	Dev Staff for CEO/HR approval	10/01/2019	8/14/2019
Donor Privacy Policy	Update existing	Dev Staff for Dev Committee and Board acceptance	10/01/2019	8/14/2019
Endowment Investment Policy	In process	Investment Committee for Board Approval	01/01/2020	
Memorandum of Understanding – Endowment	In process	Investment Committee for Board Approval	01/01/2020	

Capital Fund Short- to Mid-term Investment Policy	If applicable	Investment Committee, Capital Cabinet input, Board Approval	01/01/2020	
Memorandum of Understanding – Capital Fund	New	Investment Committee, Capital Cabinet Input, Board Approval	01/01/2020	
In-Kind Contribution Instructions	New, part of Donor Relations Policy	Development and Finance Staff	10/01/2019	9/11/2019
Ethical Fundraising Training	New	Development Committee	One case-based discussion of fundraising ethics per year	10/10/2019

Evaluation

Staff will develop a dashboard to provide the Development Committee an overview of KPIs, project completion and areas of concern for strategic discussion at committee meetings. Elements of the Development Dashboard will be incorporated in the Board of Directors Dashboard to communicate current status and strategic progress.

Key metrics may include:

- YTD to Goal Fundraising: Annual Fundraising, Capital Campaign, Planned Giving
- YTD to Goal and YTD Comparison for past 2 years Donor Retention Rate
- YTD # of donors and YTD Comparison for past 2 years # of Donors
- % of Board and Staff Giving Participation and YTD \$
- YTD Endowment Balance and \$ of Current and Deferred Endowment Pledges

Staff will develop individual performance goals with HR for performance evaluation as well as personal performance metrics to be approved and monitored quarterly with the VP of Development. Frontline fundraisers are required to create an annual portfolio plan, which is reviewed every 6 months, and participate in monthly prospect strategy meetings. The development team meets weekly to monitor project progress and holds longer strategy meetings several times throughout the year.

This plan will be reviewed by staff and development committee after the year end close to evaluate progress and adjust seasonal goals.