

The Value of the Feasibility Study

By Robert Hoak

Having worked for 15 years in development, both as a consultant and as a development executive, I have seen a number of organizations struggle with the concept and added expense of conducting a feasibility study before launching a major campaign.

Consider the following scenario of Ann, a very successful development officer at a large, well-known human services organization. Ann's organization is considering a major campaign for a high profile capital project that seemingly has strong broad based support from throughout its constituency of donors. In fact, several of Ann's Board members have already indicated their openness to considering a major commitment. All signs point to success for the campaign and Ann is confident that her organization is ready to begin.

Realizing that she will need additional resources to conduct a major campaign, Ann begins the process of looking for campaign counsel to assist her. Unexpectedly, every consultant she considers recommends that the organization undertake an extensive feasibility study over three months, and at a significant cost, in advance of initiating a campaign.

Ann doesn't understand why the organization needs a feasibility study. She has worked very hard to build and cultivate her constituency base. She knows who her top potential supporters are. She's concerned about a stranger talking to her donors. And why should her organization spend the additional money to find out what she already knows?

The simple answer: to ensure success. Although Ann may have a real sense of where the potential exists with her donors, does she honestly know how they will react when presented with a challenge gift request for this specific project?

The feasibility study is an objective evaluation of an organization's perceived strengths and weaknesses, effectiveness, financial capabilities, leadership, accountability, Board strength, and staff professionalism and ability. It also establishes a starting point for the development director, the campaign counsel and the volunteer leadership to initiate a campaign, and is an important cultivation step to introduce the project's basic objective and the elements essential to the campaign's success.

More importantly, it gives an organization a strong indication of the potential donors' financial capability, philanthropic interests, leadership potential, dedication to the organization and project, and finally, a sense of their potential financial commitment to the campaign.

After having conducted a number of feasibility studies for organizations throughout the country, I continue to be astounded by how quickly individuals

will open up and reveal themselves and their opinions during an interview. Be assured, everyone has an opinion and most people are more than willing to share their thoughts and feelings with an outside party.

Indeed, donors, Board members and volunteers often welcome the opportunity to vent, in a confidential interview, on issues where they feel their concerns have gone unheeded. The organization should consider this a golden opportunity to address internal weaknesses or practices that may have deterred donors from supporting them fully. One recent instance where a donor specified three reasons why he would not make a gift led to a turnaround - and a \$5 million contribution.

Once completed, the study findings should be a blueprint for your success. By evaluating the potential donors' reactions, the consultant can assess an organization's true financial potential and campaign leadership capabilities. Feedback from the study will allow the organization to craft a case statement around the donors' priorities, and help create a priority list of initial solicitations to set an example of generosity that will inspire other potential supporters to consider a challenge gift.

This information is critical to an organization's ability to set appropriate campaign goals, recruit the best leadership, and develop the most effective solicitation strategies. Having these elements of a campaign in place before the official launch will provide Ann, her staff, and her volunteers with confidence and peace of mind that the campaign is properly positioned to reach its goal.