



Planning for nonprofits and philanthropy

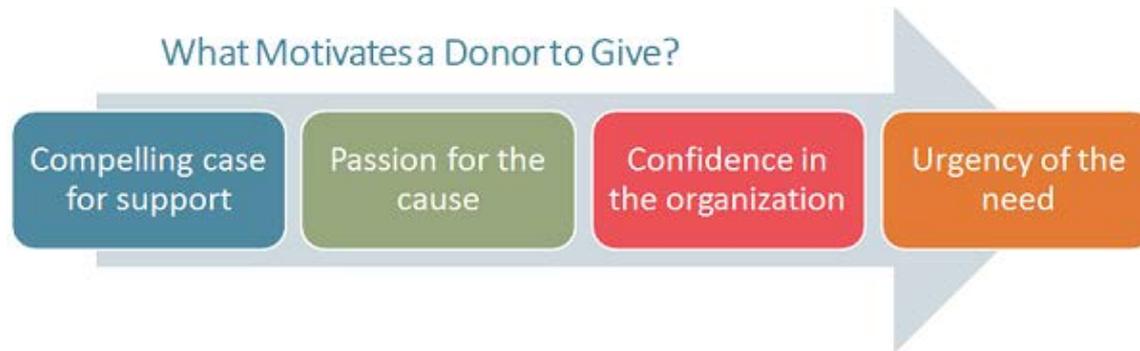
# All About Feasibility Studies

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*A campaign feasibility study is a critical part of campaign planning, helping a nonprofit to set goals with a strong degree of confidence that they are appropriate and achievable, and knowing that the case for support has resonance with prospective donors. A feasibility study tests the case that you plan to make to donors; it can help to shape the project that is the subject of the campaign; and it can identify voluntary leadership to drive the campaign.*

*In a series of five eblasts, we'll provide a primer on feasibility studies answering nine questions, including how the process can be used for more than just campaign planning.*

**What is a feasibility study?** A feasibility study is a form of market research designed to test whether a prospective set of donors is likely to support a prospective project – for example, constructing or renovating a new building, expanding a major program, or establishing an endowment. A feasibility study is typically commissioned by a nonprofit to help decide whether to initiate a fundraising campaign, determine how much money to seek, and inform the campaign’s design and execution.



## The process

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**How is a feasibility study conducted?** Typically, a consultant conducts a set of confidential interviews with prospective donors asking for their reaction to a “case for support” that describes a major project, program or initiative that is the focus of a potential campaign (e.g. a new performing arts auditorium, a plan to scale up a proven human services program, a set of endowed academic chairs...). A campaign can underwrite significant expenses that are new and “over and above” a nonprofit’s annual operating costs. The data gathered in the interview process is aggregated and analyzed to project the likely success of a campaign.

**Can anyone conduct a feasibility study?** The success of a feasibility study has everything to do with participants’ faith in the integrity of the process. Each prospective donor who participates must trust that the interviewer will maintain the overall confidentiality of the conversation which relies on frank discourse back-and-forth between interviewer and interviewee. For this reason, feasibility studies are typically performed by an independent third party (e.g. a fundraising consultant).

**What really happens in the process?** A pool of prospective donors is selected (50-75 names to start); ideally, each has an existing relationship with the nonprofit or with its cause. The prospect is invited to participate in a confidential one-on-one interview with an independent consultant. In advance of each scheduled interview, the interviewee receives a draft “case for support” to review. During the interview (always in-person), the prospect is asked for a reaction to the case and an estimate of the gift that s/he might make if motivated by a passion for the cause. A total of 30-40 interviews is conducted to complete a feasibility study.

**What’s in a “case for support?”** A good case for support gives prospective donors a compelling reason to participate in a fundraising campaign. It lays out a problem to be solved with a proposed project or initiative; it underscores the urgency with which a bona fide “need” is to be met; and it gives the prospective donor confidence that the nonprofit will be able to meet the need given appropriate resources. In short: what, why, why now, and why us?

## How predictive?

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**What makes a feasibility study valid?** Feasibility studies are both art and science. Their accuracy in projecting the likely success of a prospective fundraising campaign rests on the quality of the interviewees, the interviewer, and the analysis of data gathered in the process. A donor prospect will be asked in the interview whether s/he is likely to support the project or initiative described in the case and if so, at what level. But there's often a gulf between "likely to support" and "commitment." As a result, a feasibility study should be used to inform the board in setting a campaign goal and to shape the scale and scope of the initiative described in the case; it is not a proxy for bona fide campaign commitments however.

**How predictive is a feasibility study?** A feasibility study will tell the board, based on a group of 30-40 interviewed prospects, what percentage of those is likely to participate in a fundraising campaign and at what relative level of support. The common wisdom is this: Prospective donors who indicate they are likely to support a campaign at a modest level generally do so at a modest level, while prospective donors who indicate they will be more generous tend to under-commit in the feasibility study interview and over-perform if they are passionate about the cause, and appropriately engaged in the campaign.

**What else is learned from a feasibility study?** A feasibility study can be revelatory. At core, the study provides feedback on the ‘case for support’ so it can be honed – or rewritten! – to make support more likely. A feasibility study can help shape architectural or program plans as prospective donors opine on a project they’re being asked to consider underwriting. A feasibility study will help a nonprofit to identify prospective voluntary leaders – the men and women who will populate a campaign committee and participate in solicitations. A feasibility study can reveal donors’ feelings which might help a nonprofit to think differently about its marketing, its communications, or its donor stewardship. A feasibility study can help identify new and promising prospects since each conversation should conclude with the question: Who else should we speak with? Who else might find this project of interest?

**How else can a feasibility study process be employed?** Perhaps the burning question for a nonprofit is not about fundraising, per se, but about organizational direction. Like market research in the for-profit world, a feasibility study can test the response of existing supporters or opinion leaders in the community as a nonprofit considers expanding its mission, developing a major new programmatic focus, scaling up as part of a comprehensive business plan, merging with another nonprofit, or introducing a new name and visual identity – to name just a few possible questions. The process is the same: a series of confidential interviews conducted by an independent third party with data aggregated, analyzed and reported.



# About Us

## Plan A

## Advisors

**Plan A** was founded in 2013 by Evan Kingsley and Adam Gaynor as a new kind of **consulting** practice to design and facilitate **highly individualized** approaches to the unique needs of clients, their audiences, leadership, and financial and organizational platforms.

Together they have more than **40 years of experience** in nonprofits, social enterprises, philanthropy and organizational development across the **widest range** of organizations, institutions and philanthropies.

Plan A works with the **board and executive leadership** of agencies, institutions, organizations and funders to design the most **effective and efficient paths** to setting and meeting **realizable goals**, driven by a **strong and compelling vision**.

Plan A projects include **strategic and business planning, governance, mergers and fundraising**.



Ready to set an introductory meeting? Please get in touch. We welcome your inquiry and take great pride and pleasure in guiding you and your organization to the right solution for your needs.

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