

As originally seen in GrantStation's Tracks to Success:

The Nonnegotiable Feasibility Study

By Tom Ralser / June 2012

Feasibility Study. Goal Assessment. Opportunity Analysis. No matter what you call it, a face to face meeting with potential funders is the nonnegotiable first step to a successful capital campaign. But let's be clear: the feasibility study is NOT the proper place to solicit them for money.

Just as capital campaigns have been around as long as fundraising, feasibility studies have been around as long as capital campaigns. Previous articles for GrantStation's Tracks to Success series ([Capital Campaigns: The Next Generation Parts 1 and 2](#)) have discussed the need to rethink and retool how the campaigns themselves are positioned and run. This article discusses one important issue which is not new, one which is often glossed over, and one new concept to integrate that should provide better results.

The Traditional Point That Is as Valid as Ever

The traditional view that a feasibility study is a necessary first step to a successful campaign has been validated over and over in campaign after campaign. Despite this successful history, one of the comments we hear most often is, "We know we are going to do a capital campaign, so why do we need to spend the time and money doing a feasibility study?" The cliché that pops into my mind to describe this is *penny wise and pound foolish*. To even consider skipping a feasibility study disregards the pivotal role it plays: it is a cultivation step, not a solicitation step. Solicitations are for campaigns. Cultivation is what feasibilities are all about.

It is simply unrealistic to assume that the very first time a face to face meeting is held, the prospect will pull out their checkbook. Since the feasibility study is often the first personal contact one has with a potential prospect in a fundraising context, it is the opportunity to converse, interact, and truly appreciate their opinion. Their opinion is vitally important: it is what allows the program of work being tested to ultimately become *their* program of work. With their input reflected in the final program or project, it is now *their* program or project, which of course, they are much more likely to fund. Their ownership of the program or project leads to larger dollars raised.

The Often Glossed-over Point

While the need for a feasibility study has not changed, how it's actually implemented varies widely. Although this is the time to engage in real discussion and gather input, there are some practitioners out there that avoid the key ingredient of discussing money. It's as if talking about

possible future investment is unsavory, and talking about specific amounts are off limits. While this visit with a prospect is not a solicitation for money, the topic of money must be discussed. Without this discussion, the takeaway is nothing more than a guess, and one could have guessed without going through the trouble of setting up the appointment, preparing material, driving through traffic to the appointment, etc.

Those feasibility study reports that are nothing more than page after page of charts and graphs of opinion read like nothing more than a survey. If the issue of possible financial involvement in the program of work or project is not a part of the feasibility study, it is not a real feasibility study. Certainly not one where I would put my name on the dotted line to then raise that money.

The New Concept That Makes for Better Results

The new concept that I suggest makes for better campaign results is one of featuring outcomes in the feasibility document. Although the meaning of the word “outcomes” is becoming diluted these days, boldly stating what an investment in the project being tested will accomplish is highly effective in terms of prospect engagement and cultivation.

Outcomes are simply the impact the program will have on the nonprofit’s primary customer. They are one step beyond outputs, which are typically the things which are easy to count, such as number of people served, number of classes delivered, or number of jobs created. Outcomes, on the other hand, demonstrate how those outputs manifest themselves: how did the classes change a person’s life, or what does a job mean to the community at large? Getting to the outcome level also allows for the non-emotional motivations of a prospect to be uncovered and later capitalized upon.

A more in-depth discussion of both the traditional and new practices for an effective feasibility study will be presented during a webinar to be held July 18th at 2:00 pm eastern time. Check the online education section at GrantStation.com for further details.