

# Investment Prospectus

*An Effective Tool for Nonprofits to Use with Major Donors*

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Nonprofits seeking to increase income from major donors soon discover that major donors think differently than small donors. Small donors are content with “this is what we do” descriptions and testimonials. Major donors think more broadly, in terms of investment, impact, and results.

## What is an *Investment Prospectus*?

It is a concise, fact-packed, twelve-page document that looks much like a financial investment prospectus issued by a for-profit company. The difference is, a for-profit company invites investment for financial gain. A nonprofit invites investment for the achievement of a mission in the world.

An *Investment Prospectus* answers the questions major donors ask:

- + What is this organization seeking to accomplish? (Desired Outcomes)
- + How do they seek to accomplish this? (Strategy, Programs, Activities)
- + Why do they think this will succeed? (Evidence of Effectiveness)
- + Is this a sound organization? (Organizational Due Diligence – Governance, Leadership, Structure, Financial, Legal)

An *Investment Prospectus* can be written for the support of an organization overall or for a specific program or initiative.

## Why is it useful?

- + Most major donors come from the world of business. This tool fits with what they are used to seeing and how they are used to thinking. It speaks their language.
- + It can be used in many ways in conjunction with fundraising activities and events. Present donors can pass it on to friends and colleagues – potential new major donors.
- + The fact is it prepared by an outside consultant enhances credibility. It is not just another promotional piece.

An *Investment Prospectus* does not guarantee certain results from certain donations. It only provides good evidence the desired outcomes will be achieved.

## How do we get one?

The process usually involves agreeing on the project, the client organization sending information to Michael, a series of interviews with key leaders, and a process of analysis, writing, review, and publication.

- + Standard cost: \$8,000.
- + Standard timeframe: two months.

If this sounds interesting, please contact Michael for a no-obligation, initial conversation.



**Michael Jaffarian** is a consultant to nonprofits, with an emphasis on research. He

served as the executive director of a thriving nonprofit in Singapore, has worked as a professional researcher for 30 years, and has written and published 130+ articles and book contributions in the field. Michael helps nonprofits thrive and change the world!

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