



Feasibility Study Executive Summary

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EXECUTIVE SUMMARY

BuildingBlox Consulting (BBC) was honored to collaborate with Los Altos Stage Company (LASC) as you prepare to launch your capital campaign to enliven the arts in Los Altos. We conducted fundraising planning and a feasibility study and provided recommendations to maximize your fundraising success. For detailed information, charts, and supporting data, please refer to the full final report and appendices. Research and ratings on probable major gift donors have been supplied to the LASC staff.

SCOPE OF WORK

The following is a summary of the scope of our work which started in November 2023:

- **Create a case for giving:** an engaging narrative that tells the LASC story to probable major donors
- **Identify and prioritize ~200 of LASC's most probable major gift donors** and assign them a likely ask amount
- **Assess your leadership's fundraising readiness** through survey and interviews with staff and board members
- **Develop a detailed breakdown of staff tasks** required for campaign success and an estimation of the amount of time needed to perform those tasks
- **Provide systems for tracking and reporting fundraising activity** to create efficiency and accountability
- **Conduct fundraising feasibility interviews** with 20 probable donors to ascertain impressions of LASC, solicit feedback on your plan and messaging, determine their likely giving to the capital campaign, and assess the likelihood of your raising your stated target of \$25M to be raised over five years.
- **Develop a 5-year campaign plan** and make recommendations for implementing your campaign

Campaign Feasibility Findings

Between April 8, 2024, and May 28, 2024, BBC conducted 20 confidential interviews with a subset of your top probable donors. We have reported the feedback we received without attribution (see Appendix 4: Feasibility Interview Quotes for the full set of responses). These interviews were conducted online via Zoom, each lasting between 45 and 75 minutes. In these interviews, we sought feedback on interviewees':

- Impressions of Los Altos Stage Company, including the board and staff
- Perceptions of Los Altos Stage Company's priority issues
- Reactions to your case for giving, including the project plan and budget
- Willingness to support the campaign

Our interviews revealed widespread enthusiasm and interest in creating a downtown theater. Naturally, some concerns were raised (see the full report for our interview findings). Many interviewees indicated their willingness to make extraordinarily generous gifts to the campaign. However, we did not interview many probable donors with a likely ask amount of \$1M-\$5M+.

The absence of feedback from the largest potential donor base makes projections more challenging.

Without feedback from the largest potential donors, we believe it will be difficult but not impossible for LASC to raise \$25M over the next five years. However, if LASC can secure 1 to 4 lead gifts totaling approximately \$10M or more, the probability of success will be significantly higher.

Fundraising Feasibility Methodology

To determine your likelihood of success, BBC asked feasibility study participants if they were likely to contribute to this capital campaign. Interviewees provided a low and high range estimate of their potential gift levels. It is important to note that interviews were confidential, and the responses were not firm commitments but serve as estimations of likely giving.

Our fundraising feasibility projections stemmed from examining three populations:

- 1. Probable Major Donors – \$9.4M to \$15.5M**
We projected the probable levels of giving from all 187 probable major donors identified by LASC, based on the responses and the rating assigned to each interviewee.
- 2. Community Campaign – \$900K to \$1.25M**
Projections of likely giving from community-level annual donors (who give less than \$25K over five years) who were not top probable major donors.
- 3. X Factor: Giving from Donors Not Yet Identified – \$1M to \$3M**
An additional projection based on the assumption that LASC will grow their pipeline of major gift asks as they open new networks throughout the campaign.

For each population, we provided conservative, moderate, and aggressive projections.

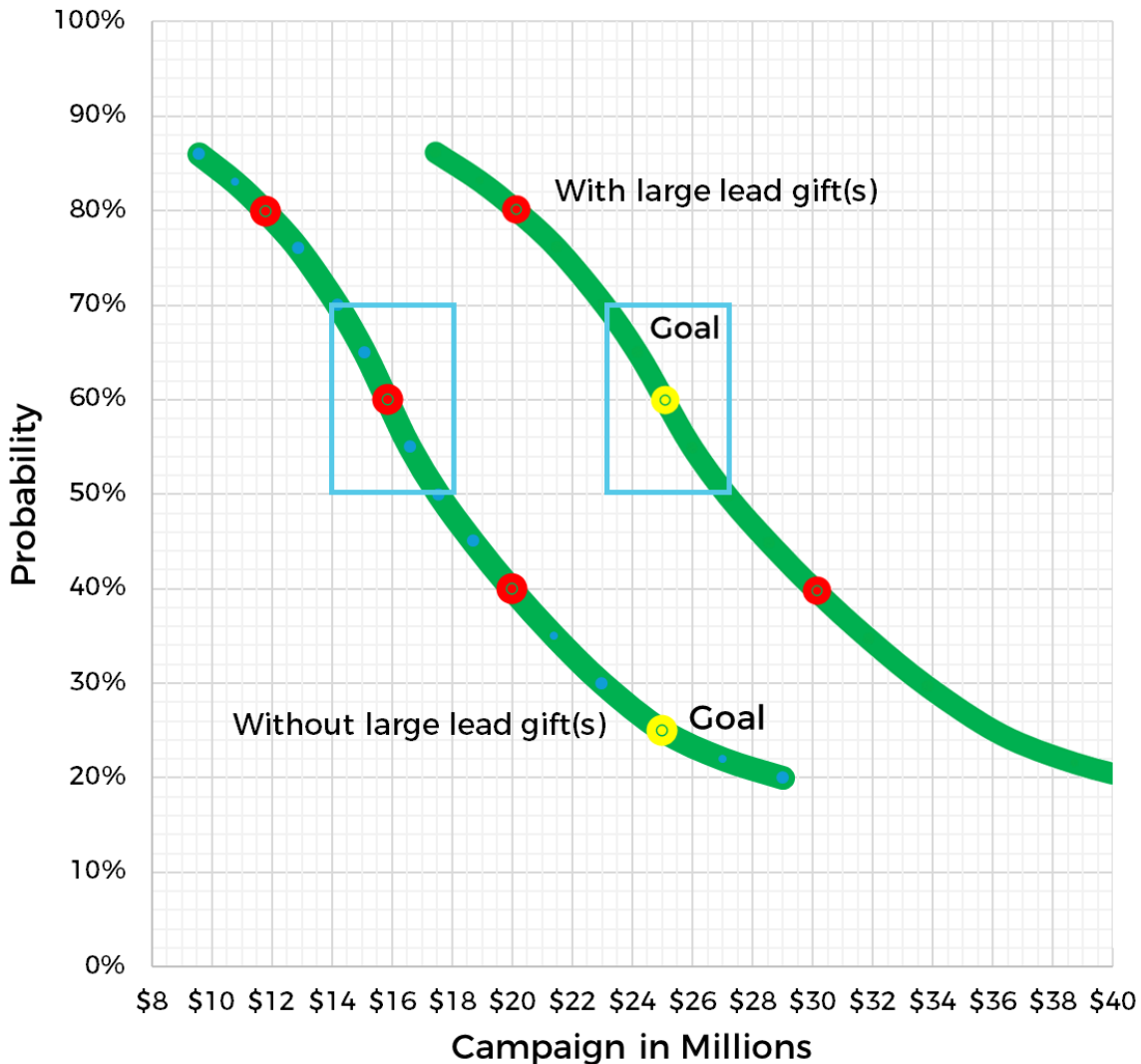
Figure 1: Campaign Giving Projections Based on Feasibility Study Results

Tier	Low Projection %	Medium Projection %	High Projection %	Conservative Projection 80% confidence	Moderate Projection 60% confidence	Aggressive Projection 40% confidence
0 & 1	18%	26%	33%	\$3,035,000	\$4,250,000	\$5,575,000
2 & 3	24%	31%	38%	\$6,366,250	\$8,235,000	\$9,976,250
Probable Major Donors Subtotal				\$9,401,250	\$12,485,000	\$15,551,250
Community Campaign				\$900,000	\$1,000,000	\$1,250,000
X Factor				\$1,000,000	\$2,000,000	\$3,000,000
TOTAL				\$11,301,250	\$15,485,000	\$19,801,250

- Tiers 0 & 1: Includes all board members and probable donors closest to LASC.
- Tiers 2 & 3: Includes probable donors who are less engaged with LASC.

Based on the chart above, the following probability curves show a range of your most probable fundraising outcomes along our conservative, moderate, and aggressive confidence levels of success. The blue boxes indicate the range of probability that we recommend you consider when establishing your campaign goal.

Figure 2: LASC Campaign Fundraising Feasibility



One line shows our projections including 1-4 large lead gifts totaling \$10M+, and the other line shows our projections in the absence of those securing those early gifts.

The lines indicate your most probable outcomes for this five-year campaign range from \$20M on the conservative end (80% probability) to \$30M on the aggressive end (40% probability).

Therefore, we strongly recommend that the initial focus of your campaign be on securing those lead gifts from individuals, foundations, local businesses, corporations, or government sources.

Securing those gifts not only numerically increases the amount of your fundraising but also builds momentum and raises the giving sights of others. But without those early lead gifts, your probable outcomes dramatically decrease to \$11.3M (80% probability) to \$19.8M (40% probability).

After making an extensive effort to secure those early lead gifts, reconsider the scope of your project and whether to scale back or move forward. Among those early donors, you may find individuals who can facilitate introductions, those who want to take a more active role in the campaign, or potential future leaders of LASC.

Additionally, 11 respondents indicated a possible interest in including LASC in their estate plans, with two mentioning possible testamentary gifts of \$500K to \$1M, indicating significant upside potential. Actively expanding your legacy giving program could enhance LASC's long-term financial sustainability, though is less likely to help in funding your short-term goals.

Highlights of Interview Themes

The following is a summary of the most common themes mentioned by interviewees. See the full report for a detailed collection of interview themes and quotations.

1. Nearly all interviewees agree that theatre, art, and culture significantly benefit the community.
2. Interviewees appreciate the quality of LASC productions, especially considering its limited resources and facilities. However, some expressed concerns about the choice of plays.
3. LASC is highly valued as a resource for children, and interviewees were excited about the theater serving more kids.
4. There is a strong need for better publicity, outreach, fundraising, and donor stewardship.
5. Most interviewees acknowledged the serious limitations of the Bus Barn facilities, though some appreciated its intimacy.
6. There is widespread support for a new theatre and cultural center downtown, in line with Los Altos' Master Plan. However, concerns include parking and potential disruptions to businesses. Many emphasized the importance of offering a variety of programs in the new facility, not just LASC's.
7. Interviewees emphasized the importance of securing large lead gifts from individuals and corporations, as well as active support from the City of Los Altos, for the project to succeed.
8. Those familiar with Gary Landis, the Executive Director, praised his artistic leadership but were uncertain about his fundraising potential.
9. Board members were commended for their dedication and commitment, particularly Vicki Reeder. However, concerns were raised about high turnover rates, fundraising abilities, and succession planning.

Top Probable Donors

As shown in the gift chart in Figure 3 below, a vast majority of your fundraising for this campaign will come from major gift fundraising which is predicated on face-to-face relationship building. Since your time is limited, it will be important to continue prioritizing your top, most likely major gift donors and the timeframe for cultivating and soliciting them. In other words: who are you going to ask, for how much, and when?

Figure 3: Gifts Needed For a \$25M Campaign

Gifts Payable Over 5 Years	Pledges Needed		Cumulative Giving		
	#	\$	#	\$	% of \$
\$5,000,000	1	\$5,000,000	1	\$5,000,000	20.0%
\$2,000,000	3	\$6,000,000	4	\$11,000,000	44.0%
\$1,000,000	4	\$4,000,000	8	\$15,000,000	60.0%
\$500,000	8	\$4,000,000	16	\$19,000,000	76.0%
\$250,000	10	\$2,500,000	26	\$21,500,000	86.0%
\$100,000	12	\$1,200,000	38	\$22,700,000	90.8%
\$50,000	14	\$700,000	52	\$23,400,000	93.6%
\$25,000	24	\$600,000	76	\$24,000,000	96.0%
Major Gifts Subtotal	76	\$24,000,000	76	\$24,000,000	96.0%
Community Campaign	Many	\$1,000,000	Many	\$25,000,000	100%
TOTAL		\$25,000,000		\$25,000,000	100%

It will come as no surprise that a significant amount of the money to be raised for this campaign is expected to come from a relatively small number of donors.

LASC Identified and rated 187 probable donors with likely ask amounts totaling \$39,325,000.

Figure 4 below summarizes the LASC top probable donor list by likely ask amount and assigned priority tier. In the chart, “\$ Ask” represents the likely ask amount. For example, in the light blue section, 2 probable donors have a likely ask amount of \$500K each and are assigned to priority Tier 3, indicating they are the least close to LASC. Note that identified prospects do not include government funders.

Figure 4: Summary of Rated Top Probable Donors

Giving Level	All Tiers		Tiers 0 & 1		Tier 2		Tier 3	
	# Rated	\$ Ask	# Rated	\$ Ask	# Rated	\$ Ask	# Rated	\$ Ask
\$5,000,000	1	\$5,000,000	0	\$0	1	\$5,000,000	0	\$0
\$2,000,000	6	\$16,000,000	3	\$8,500,000	1	\$2,500,000	2	\$5,000,000
\$1,000,000	3	\$3,000,000	1	\$1,000,000	1	\$1,000,000	1	\$1,000,000
\$500,000	8	\$4,000,000	4	\$2,000,000	2	\$1,000,000	2	\$1,000,000
\$250,000	19	\$4,750,000	8	\$2,000,000	1	\$250,000	10	\$2,500,000
\$100,000	20	\$2,025,000	9	\$900,000	5	\$525,000	6	\$600,000
\$50,000	50	\$2,550,000	16	\$850,000	16	\$800,000	18	\$900,000
\$25,000	80	\$2,000,000	18	\$450,000	28	\$700,000	34	\$850,000
TOTAL	187	\$39,325,000	59	\$15,700,000	55	\$11,775,000	73	\$11,850,000

Leadership Fundraising Readiness

To assess your fundraising readiness, we conducted confidential interviews with staff and board and administered a confidential online survey to all staff and board asking participants to evaluate LASC’s effectiveness in the following areas. The following are highlights from that assessment.

- ~97% of survey respondents felt that a new theater is essential to the ongoing sustainability and future success of LASC.
- Nearly everyone felt that it was reasonable to expect board and volunteer supporters to make a financial contribution to the campaign that is generous within their personal financial situation.
- For all respondents, enthusiasm for serving as an ambassador was high, with ~77% being extremely or moderately enthusiastic.
- Nearly everyone expressed willingness to participate in at least one or more fundraising activities in support of the campaign.
- If leaders live up to the number of visits they committed to in the survey, there is more than enough willingness among leadership to meet with your individual probable major gift donors.

Highlights of Recommendations

The following are our top-level recommendations to maximize your fundraising results. See the full report for a complete set of detailed recommendations.

1. Secure Early Large Lead Gifts from Individuals, Corporations, and/or the City of Los Altos.

Emphasize the critical importance of securing these top lead gifts early in the campaign. Aim to secure 1 to 4 lead gifts totaling \$10 million. These contributions will not only provide substantial financial support but also serve as a strong endorsement of the campaign, encouraging other donors to contribute more generously.

2. Include Legacy Giving in Your Discussions with Prospects.

While it may not assist with immediate cash flow, emphasizing estate plans and testamentary giving is potentially crucial for the long-term viability of LASC.

3. Discuss and Codify Board Member Expectations and Their Roles in the Campaign.

As the LASC board evolves over the next few years, clearly communicate the importance of the campaign to current and potential new board members. Emphasize that this will be a major focus in the coming years and outline the roles you expect board members to play, including making gifts and serving as ambassadors or introducers.

4. Train Your Board and Other Ambassadors to Use Your Case for Giving.

Because your ambassadors will represent LASC in the community at large and when meeting with probable donors, it is important that they deliver a clear, consistent, and compelling message about LASC and the campaign. It will be critical for them to learn to tailor their presentation to address the specific interests and concerns of individual potential donors.

5. Strengthen Ties with Probable Major Gift Donors Through Multiple Face-to-Face Visits.

It will likely take three or more visits to introduce potential donors to your plans, get their feedback, answer their objections, and show them that large gifts are critical to LASC meeting its goals.

6. Expand Your Pool of Major Gift Prospects and Adjust Ask Amounts to Suit Each Individual's Capacity and Enthusiasm for the Project.

Our feasibility study showed a number of people willing to give more than their originally determined ask amount. Therefore, we encourage you to be more ambitious in your asks of potential donors within reason. The way to avoid offending would-be donors is to emphasize the size of gifts you need to be successful, rather than telling people what they ought to give.

7. Grow Your Team of Ambassadors.

Expand your team to increase your capacity for visits with prospects. Increasing the number of ambassadors for LASC will help open doors beyond your traditional donor base.

8. Recruit a Campaign Committee of Select Board Members and Other Community Leaders.

Only bring people onto your campaign committee once you have secured a commitment from them. Focus the committee on the identification, cultivation and solicitation of probable major donors.