

# Being Strategic Within Advancement Services

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*Make the world a better place.*

# My Session Title Says What?????

Downsizing: The Impact of Budget Cuts in the Effectiveness  
of your Advancement Services Department

# Let's Take a Trip Down Memory Lane

**We were all set for a nice game of golf**



**and then.....**

## Wham! – We are Playing Hockey and We are the Goalie!



## What was Happening Out in the World in 2009

- In March 2009 the DJIA was around 6,500
- Unemployment rate at all time highest
- Real estate market still seeing foreclosures but in some areas values of homes have increased
- People are looking for a change
- Consumer spending is down

## Foundations\*

- Close to two-thirds of surveyed foundations predict reductions in the number and/or size of the their grants in 2009
  - Larger foundations – those giving \$10M or more -- were less likely to reduce the size or number of grants
  - Foundations' focus turning towards the economic crisis
  - Over 54% anticipate participating in more non-granting activities
  - 37% of the foundations anticipate a reduction in capital support
- 
- \*Foundation Center 2009 Survey of over 1,000 of the nation's largest foundations

## High Net Worth Individuals\*

- Giving will be down
- Greater interest in volunteering and board service
- Traditionally large supporters to higher education
- Over 80% identified giving back to the community is a high priority
- Major shift in the source of charitable advice
- Top three reasons they stop giving
  - No longer feeling connected – 57.7%
  - Decided to support other causes – 51.3%
  - Being solicited too often – 42.3%

\*2008 Study of High Net Worth Philanthropy – Center of Philanthropy at Indiana University – Sponsored by Bank of America

## Looking Within Our Own Organizations

- Reduction in staff
- Reduced travel budgets – let's be honest reduced budgets overall
- Multi-tasking more than usual
- Waiting for the shoe to drop



## The Sky is Falling....The Sky is Falling



## What is going to serve us best?

- We need to stop running around screaming “The sky is falling!”
  - Does this further our goal?
  - Fear within the team
  - What is it saying to our constituents?
  - Put yourself in the place of the donor!
  - We need to change our paradigm - shattered vs. slight sprain
  
- Take a deep breath and focus inward
  - What is our mission and vision?
  - Does it speak to the current times?
  - Balancing budget cutbacks with needs
  - Color outside of the lines
  - This is how we have always done it – well that is not working anymore!

## Messaging to our donors and ourselves

### ○ TO OUR DONORS

- Balance need with stability
- Passionate – don't speak the lines
- Donation = impact
- Watch the number of solicitations
- Really listen
- More than just a checkbook
- Thank You

### ○ TO OURSELVES

- Open up the field & stop “my donors”
- Tear down the silos
- Cultivation & Stewardship
- Measuring affinity along with \$ raised
- Trip Reports & Tracking
- Have I used all my resources at hand?
- Thank you

## Game Plan – over all

- Do you have a revised implementation plan based on current staff size?
  - If no, then gather the team and build it out
  - If yes, is it working? Does it need to be restructured?
  
- Questions to consider
  - Are prospects/donors being compromised?
  - Are steps that were originally handled being left out? Why?
  - Are you ensuring this is being communicated as temporary?
  - Are staff being rewarded/acknowledged for taking on additional tasks?
  - Are you saying no?

## Game Plan – Screening, Modeling & Prospect Research

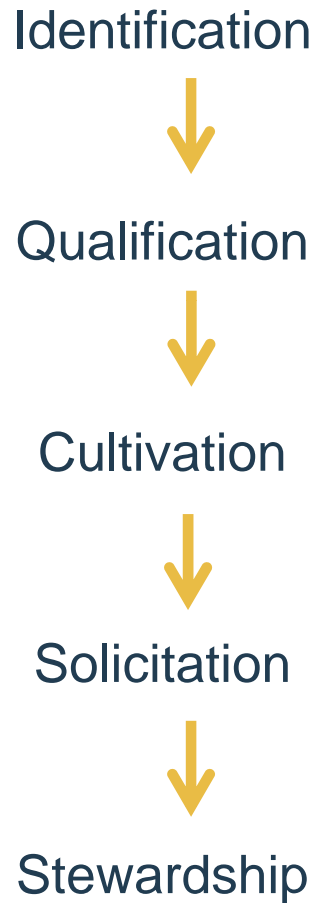
- Use it Across the Board!
  - Use modeling and screening to create your VIP Annual Fund
  - If giving has increased then rescreen or screen
  - New Donors – create a level where all new donors are screened
  - Using your modeling to target your prospects
  - Planned Giving – annuities, bequests, charitable remainder trusts
  - Which VIPs are connected to Foundations?
  - Strengthening attendance at events
  - Be proactive – trust your instincts
  - Make sure your at the grown-up table ... and stay there
  - Track ROI by not only \$ raised but by %

## Getting Back to the Game

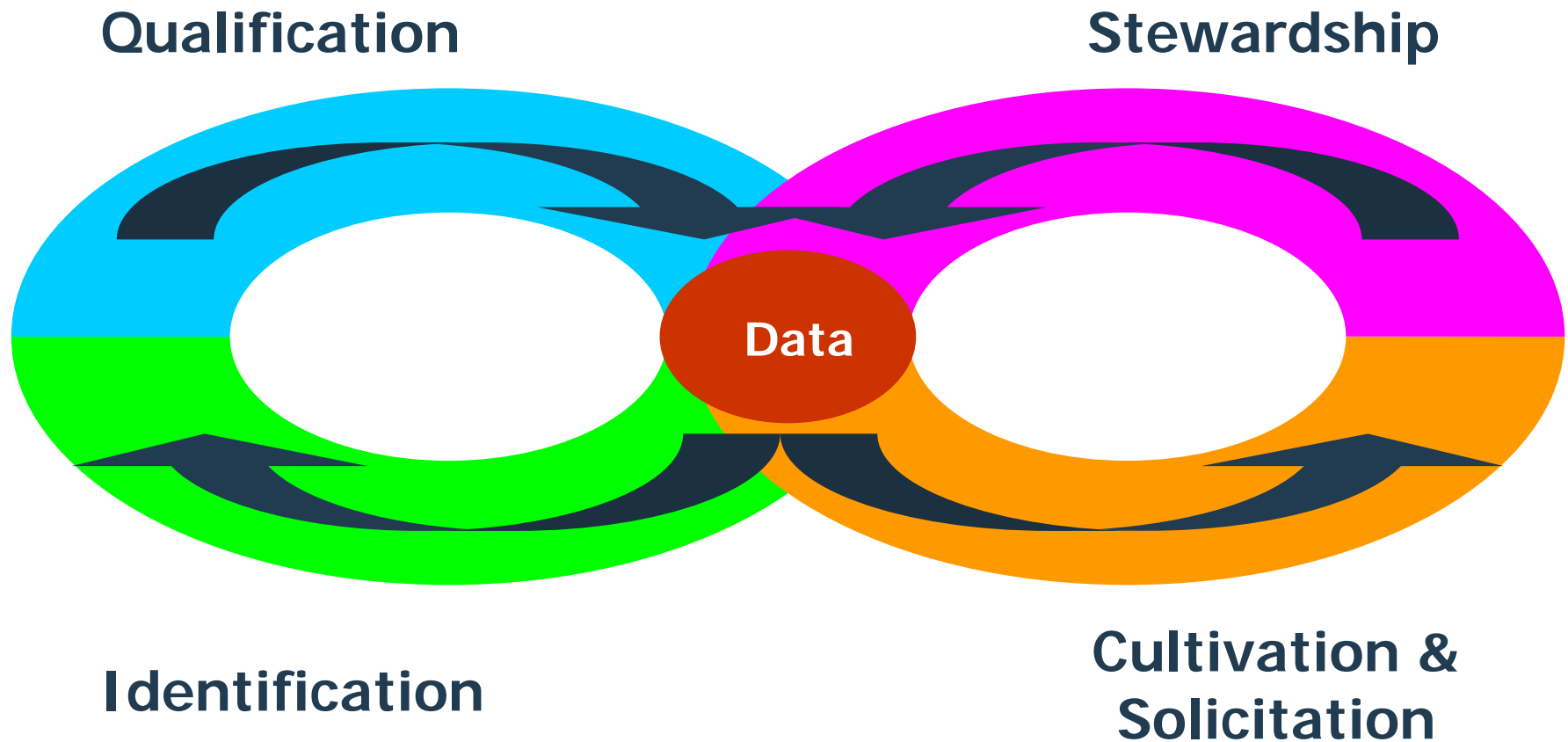
- Cold calls
  - Stepping out of our comfort zone
  - Prioritize by modeling/scoring, constituency; giving & other key factors
  
- Utilize your VIPs or closely held donors
  - Make them apart of the team
  - Opening doors –constituents; friends; family; financial planners
  
- Smart Trip Planning
  - Night before your visit with your top prospect
  - Where are you strong geographically outside of your immediate area?
  
- Pledging over 5 years
  - Opportunity for donor to increase pledge
  - Ideal for maintaining and building the relationship
  
- Document Everything

**Ok, back to our regularly scheduled program....**

## Fundraising Cycle: Traditional Views

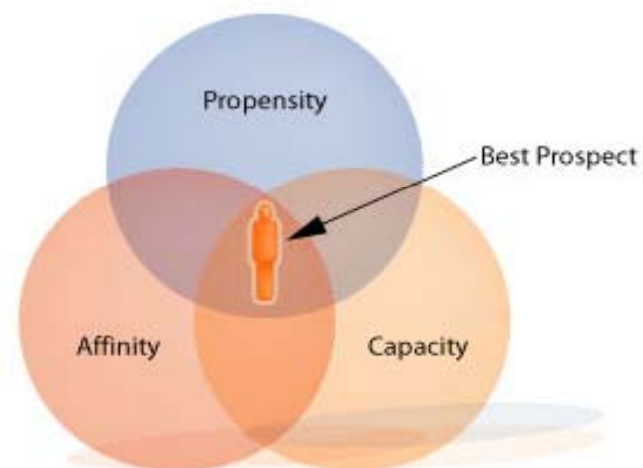


## Breaking Tradition: Infinite & Integrated View



## Why?

- No more silos
- Multi-dimensional view of donor/prospect/constituent
  - “Amazon.com Effect”
  - Personalized, current and instantaneous
  - Allows you to greater assess your database
    - Individual donor needs and ability
  - Improves effectiveness of fundraising



## How?

- CRM
  
- Assumption: We all have a database that our organization relies on
  
- Questions:
  - How do you use your legacy system?
  - Is it primarily used for gift processing?
  - What other data are you recording?
  - Do you use it for segmentation? What types?

## Traditional Views

- At least 20 years old
- Promotes Silos
- Assumptions of Tradition:
  - It works so keep on doing it
  - No advancements to warrant change
- Flaws in Assumptions:
  - It may not be working anymore
  - Great technological advancements since then

## CRM: Originally Corporate

- Originally Corporate: **Customer Relationship Management**
  - “Processes implemented by a company to handle its **contact** with its customers”
  - “**Storing information** on current and prospective customers”
  - “**Accessed** and entered by employees in different departments”
  - “**Details** on any customer contacts can also be stored in the system”
  - “**Improve services** provided directly to customers and to use the information in the system for **targeted** marketing and sales purposes”
  
- [http://en.wikipedia.org/wiki/Customer\\_relationship\\_management](http://en.wikipedia.org/wiki/Customer_relationship_management)

## What is CRM for Non-Profits?

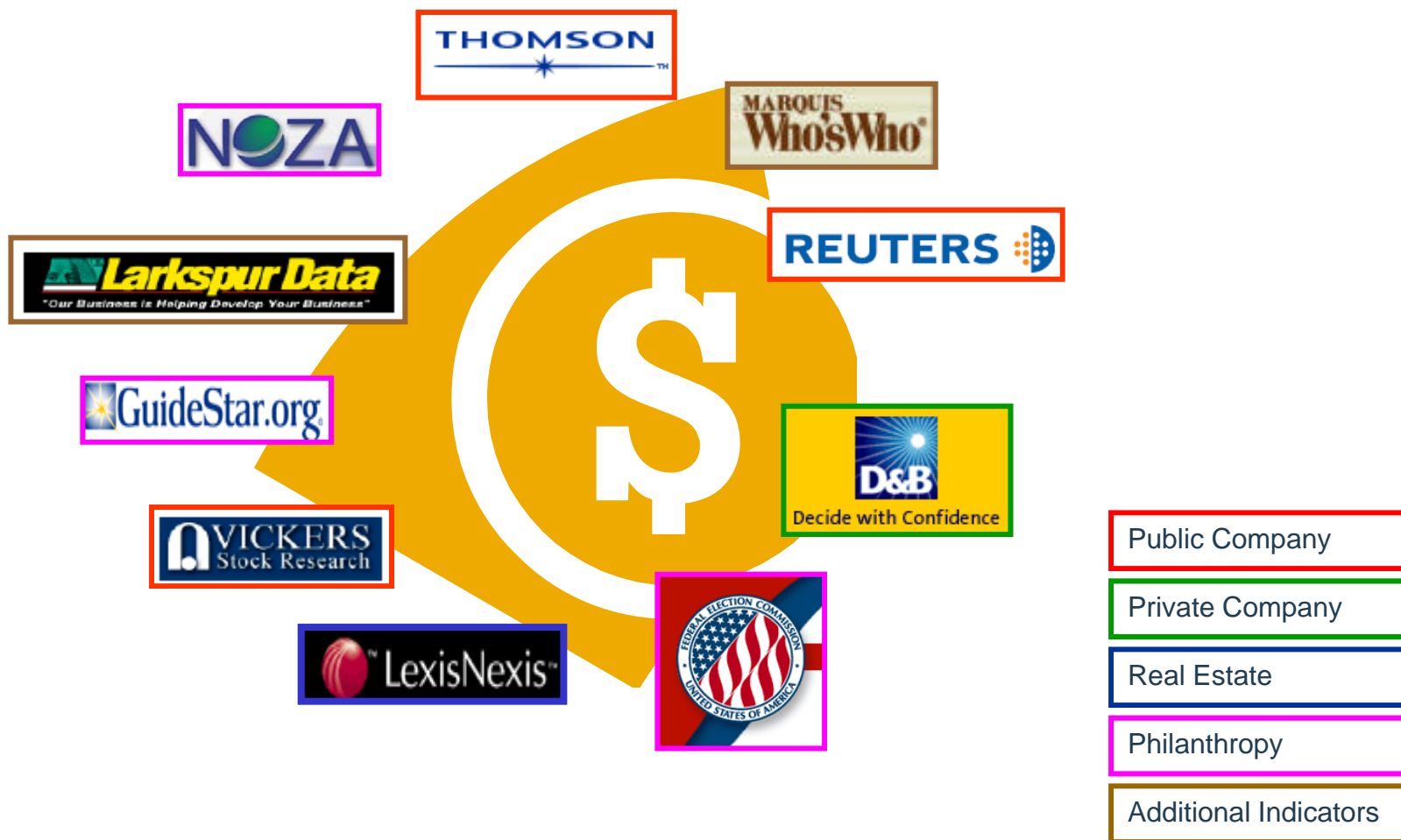
- **Constituent Relationship Management**
  - Processes implemented by a non-profit to handle its **contact** with its constituents
  - **Storing information** on current and prospective constituents
  - **Accessed** and entered by Development employees in different departments
  - **Details** on any constituent contacts can also be stored in the system
  - **Improve services** provided directly to constituents and to use the information in the system for targeted outreach and solicitation purposes

## Types of Data

- Collected Internally within Organization
  - Personal
    - Contact Information
    - Business Information
    - Birth Date
    - Spouse, family, etc.
  - Interactions
    - Direct Mail received
    - Personal Communications
    - Email & websites – sent, opened, etc.
    - Opt-In/Opt-Out
  - Affinity
    - Interests related to your organization
    - Committees, events, causes, etc.

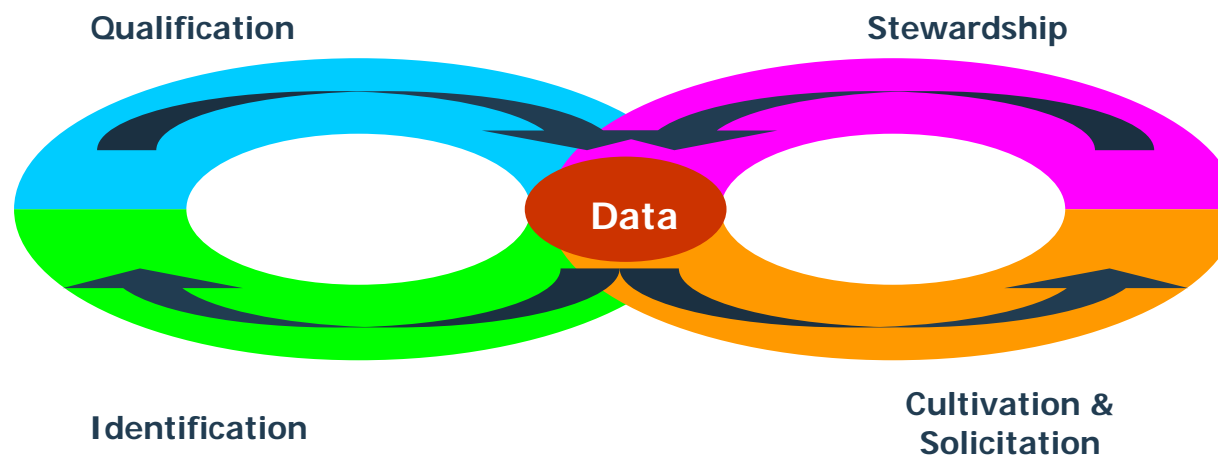
## Types of Data

- o Collected Externally by Organization



## Us: What Can We Do?

- To succeed:
  - Communication between departments is key!
  - Continual Data Flow → Ability to analyze and strategize
- CRM provides a system/process for tracking
- Tracking is not enough – data must be used!



## Data → Information → Strategy

- Data is not information; Information is the integration of data
  1. *Facts become Data when they are organized*
  2. *Data, when analyzed, becomes information*
  3. *Information, when applied, becomes practice or tactics*
  4. *Tactics, when coordinated, become strategy*
- Key Concept: Transforming facts into strategy leads to better decision making
- *Adapted from: Daniel Weinreb's AFP NNE 2007 presentation*

## Defining Strategy

- Define your strategy based on your data
  - Connect the dots
  - Integrated, yet distinct, strategies for different initiatives
  
- Using Internal Data
  - What interactions have been made, trip/contact reports
  
- Using Asset Data
  - What resources are available
  - What factors are being used to calculate capacity
  - Is your data current
  
- Using Predictive Modeling
  - Analyzing internal and external data and patterns to determine likely behavior of constituents

## A Portrait of a Constituent

**Jane Smith – ID# 43000673**

**Event Participant – Attending Reunion**

**Alumna – Class of 1982**

**Lived in Wood Hall while at school**

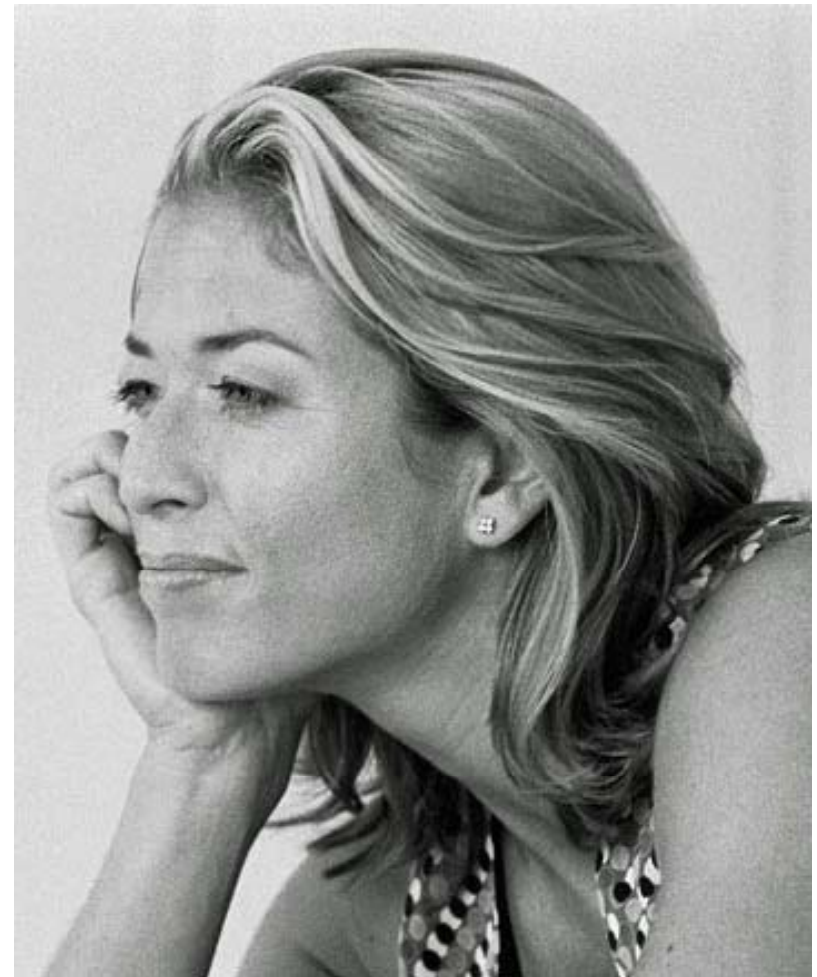
**Contributed \$500 to Annual Fund**

**Married, 2 daughters**

**CEO of AB Electronics, \$55M Sales**

**2 Properties, \$5.2M**

**Sits on BOD of Smith Family Foundation**



## Singular Focus

**Jane Smith – ID# 43000673**

**Event Participant – Attending Reunion**



## Understanding your Constituent

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## Coming into Focus

**Jane Smith – ID# 43000673**

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## Adding External Data

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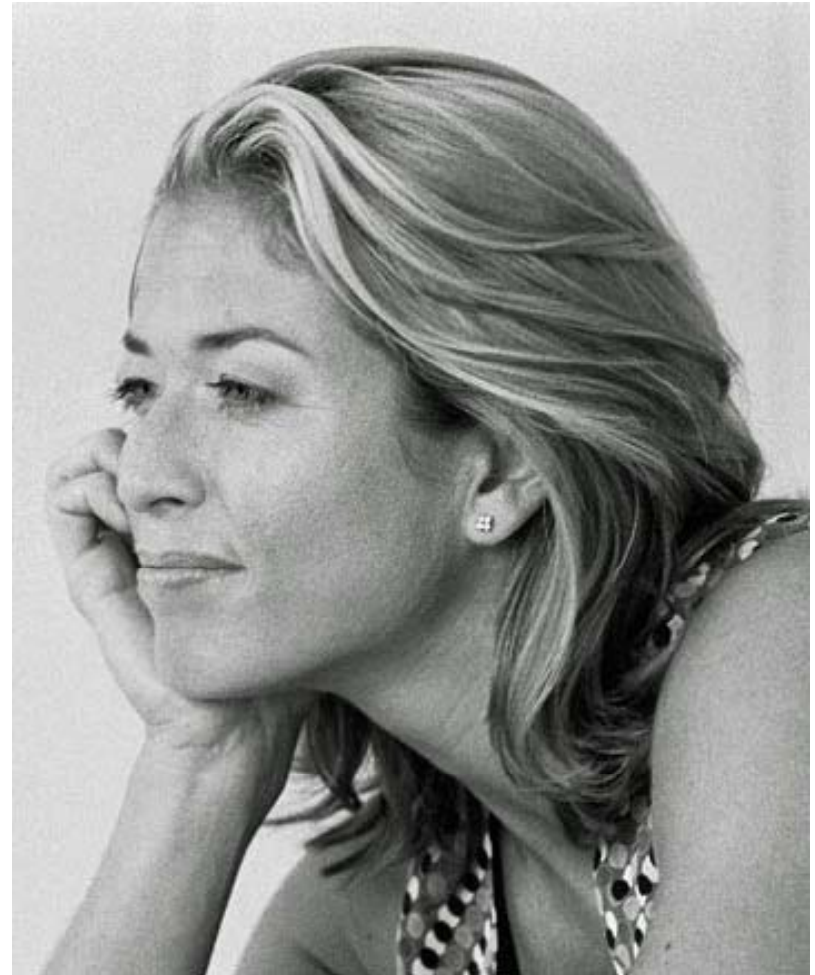
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## Daring Concepts

- Data-based decision making
- Reporting for significance
- Building it backwards
  - Determine what we value
  - Determine what we'll measure
  - Ensure we measure what we value
  - So we will value what we measure

## Step 1: Determine RELEVANT Metrics

- Most common approach – counting activity
  - For front-line officers as well as behind-the-scenes functions (see CASE *Currents* March 2006 “By The Numbers” – Thomas W. Grabau)
    - Number of visits
    - Dollars raised
    - Gifts closed
    - Profiles written
    - Requests fulfilled

But what does this tell us about the VALUE of our work?

## Determine RELEVANT Metrics – cont'd

- The preferred approach: report on IMPACT and EFFECTIVENESS – with “hard” data:
  - Generated potential – From the prospects you identified, what is the potential gift total represented?
  - Yield – Of prospects you identified, how many became managed, assigned, were contacted, were solicited, gave a gift?
  - Efficiency – What was your turnaround time for requests? What was your on-time percentage for deadlines? How many person-hours did certain activities take?

## Determine RELEVANT Metrics – cont'd

- Strategy – What percentage of prospects were cultivated\solicited for projects identified in original Research reports?
- Data integrity – How many changes were submitted to the database?  
How many records were “found” after having no current address?  
How many records were inactivated or deceased?

Notice that each of these measures goes beyond simple numbers – and leads to additional “how, why, how can we improve” questions and discussions

## Determine Relevant Metrics – cont'd

- A better approach: report on IMPACT and EFFECTIVENESS – With “soft” data as well as “hard”:
  - Client satisfaction – Survey information on attitude, perceptions; hard numbers on turnaround time, deadlines
  - Skill level – How close is your office and each individual to meeting best practice expectations for research? Are gaps being closed?
  - Reliability and planning – How successful is your office in meeting its stated goals?
  - Loyalty to mission and values – Are activities, projects and goals in line with your stated values?

## Advancement Services – An Example

- Fundraising Systems Specialists – The database, and the data needed to make the entire engine function
- Business Information & Analytics – Predictive analytics, metrics and reporting
- Relationship Management – Prospect strategy and effective management
- Prospect Development (Research) – Prospect identification and strategy
- Donor Relations – Recognition and stewardship at the individualized level
- Strategic Planning – Across the Advancement division

## What is Brought to the Table?

- Fundraising Systems Specialists – Providing the first line of effective donor stewardship
- Business Information & Analytics – Maximizing savings by focusing on best opportunities
- Prospect Management – Ensuring prospects are managed effectively toward largest gifts
- Prospect Development – Identifying the next wave of the pipeline, partnering in strategies
- Donor Relations – Taking care of the current pipeline to ensure continued investments

## Informed consumers

- Creating links with internal clients
  - Understanding requirements
  - Addressing needs
  - Delivery modes and methods
- Creating partnerships across functions
  - Information technology
  - Finance, treasury, accounting
  - Human relations
  - Executive unit

## Details are *always* necessary

- We can do them right:
  - Requirements gatherings
  - Needs assessment
  - Business decision mapping
- Or not:
  - Retrofitting reports
  - Posing questions to fit answers
  - Scrambling for sense
  - Exporting craziness

## Questions You Should be Asking Yourself

- What are we trying to achieve?
- What information are we collecting?
- How will the analysis be completed?
- Are we willing and able to change our business approach in response to the information?
- How are we approaching the challenges (resources\time\other)?
- How will we balance conflicting needs?

## Tips to Success

- Keep it simple
  - Not designed to be additional bureaucracy or red tape
  
- If you build it, they will *not* come
  - “Help Us Help You” approach
  - Make it Meaningful
  - Ask questions upfront
  
- Get buy-in from the top (and from the foot soldiers)
  
- Training!!
  
- Metrics & Reporting
  - Quality and quantity count
  - What goes in, must be able to come out

"Technology is, in many ways, a necessary evil for nonprofits doing business today. You need it just to stay competitive."

- *Joni Podolsky, Wired for Good: Strategic Technology Planning for Nonprofits*

## Questions/Comments?

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