

Fundraiser's Guide To Smart Data: The Big, The Bad, & The Ugly

Presented by:

Travis Carley, Corporate Vice President, CCS

Erik Kiernan, Vice President, CCS

Tuesday, April 7, 2015| 1:00-2:00pm



Fundraising • Development Services • Strategic Consulting

Presentation Team



Travis Carley, Corporate Vice President, CCS

Travis joined CCS in 2002. Since then, he has assisted clients with capital campaigns, planning studies, custom learning programs and provided executive leadership. Travis' areas of expertise include development training and custom learning, development audits and assessments, major gifts, international fundraising and multi-unit campaign planning and management.



Erik Kiernan, Vice President, CCS

Erik has worked with CCS and its clients since 2001. He has seventeen years of experience working with non-profit organizations, including church stewardship drives, capital campaigns, feasibility studies, development audits and campaign planning. His areas of expertise are project management, organizational development, volunteer management, major gift solicitations and major gift portfolio analysis and development. Prior to joining CCS, he served as Director of Development for Trinity Catholic High School in Newton, MA and was a Campaign Director for Fraternity Management Group in Tucson, AZ.

Today's Presentation

Analysis allows for informed decision making.

- Identify new opportunities
- Improve efficiency by focusing on most likely opportunities

Metrics define a standard for evaluation.

- Assess progress and performance
- Set challenging, achievable goals
- Build accountability

Benchmarking provides a sound basis for comparison.

Audience Poll

What is the size of your organization's development shop?

- ☐ 0 – 3 fundraisers
- ☐ 3 – 10 fundraisers
- ☐ 10 or more fundraisers



Challenges Non-Profits Face with Data

Accuracy

- How good is your data?

Sources

- Are you limiting your analysis to your own sources?

Technology

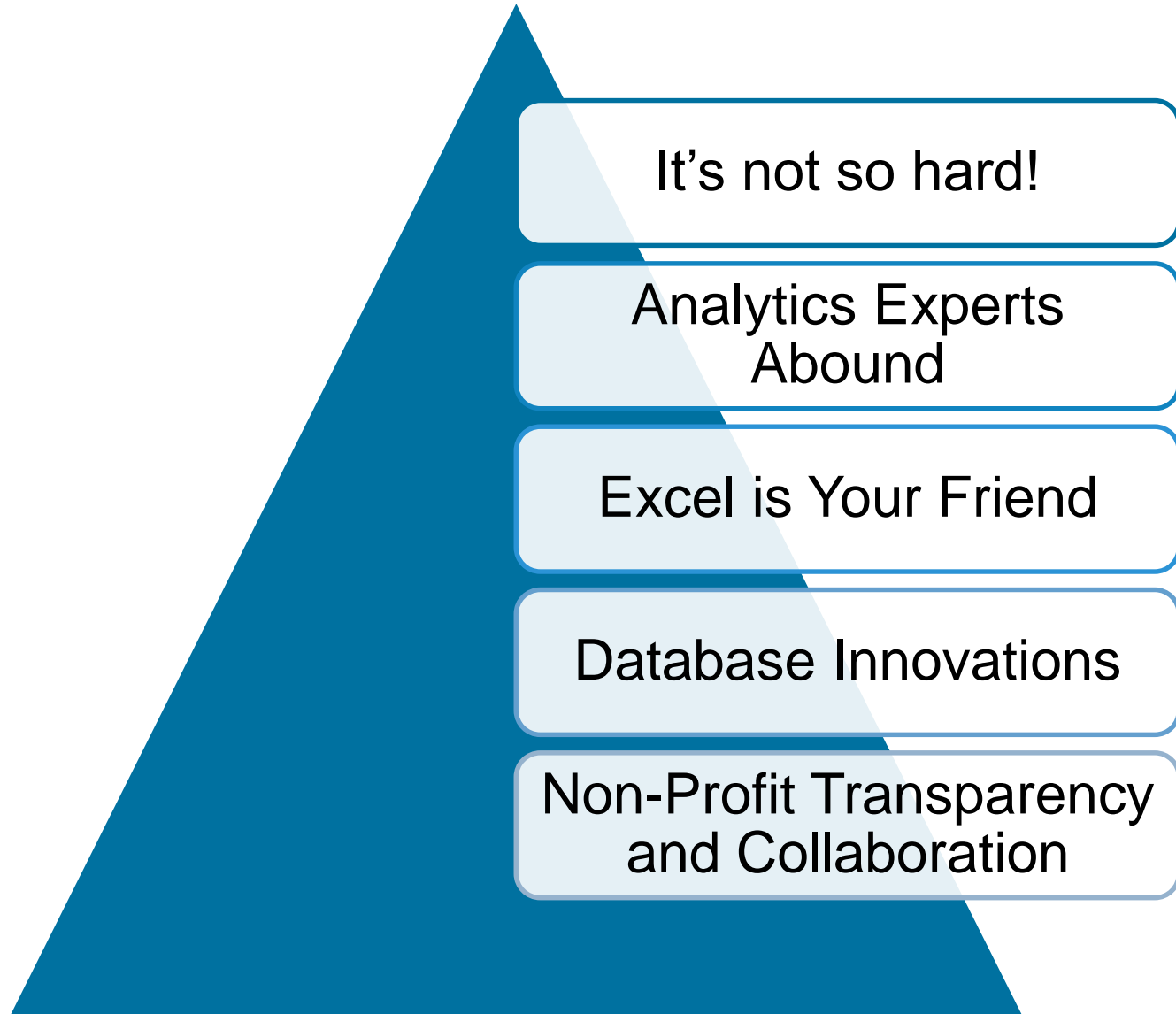
- Are you capable of doing what you want to do with the data?

Relevance

- To whom can and should we compare our metrics?

f(garbage) = garbage

Reasons for Optimism



**ANALYSIS ALLOWS FOR INFORMED
DECISION MAKING**

Information for Maximized Fundraising Results

Maximize Donor Engagement

- Build and maintain a broad base of loyal donors
- Understand lifestyles and values of prospects
- Confirm what is already known

Maximize Donor Development

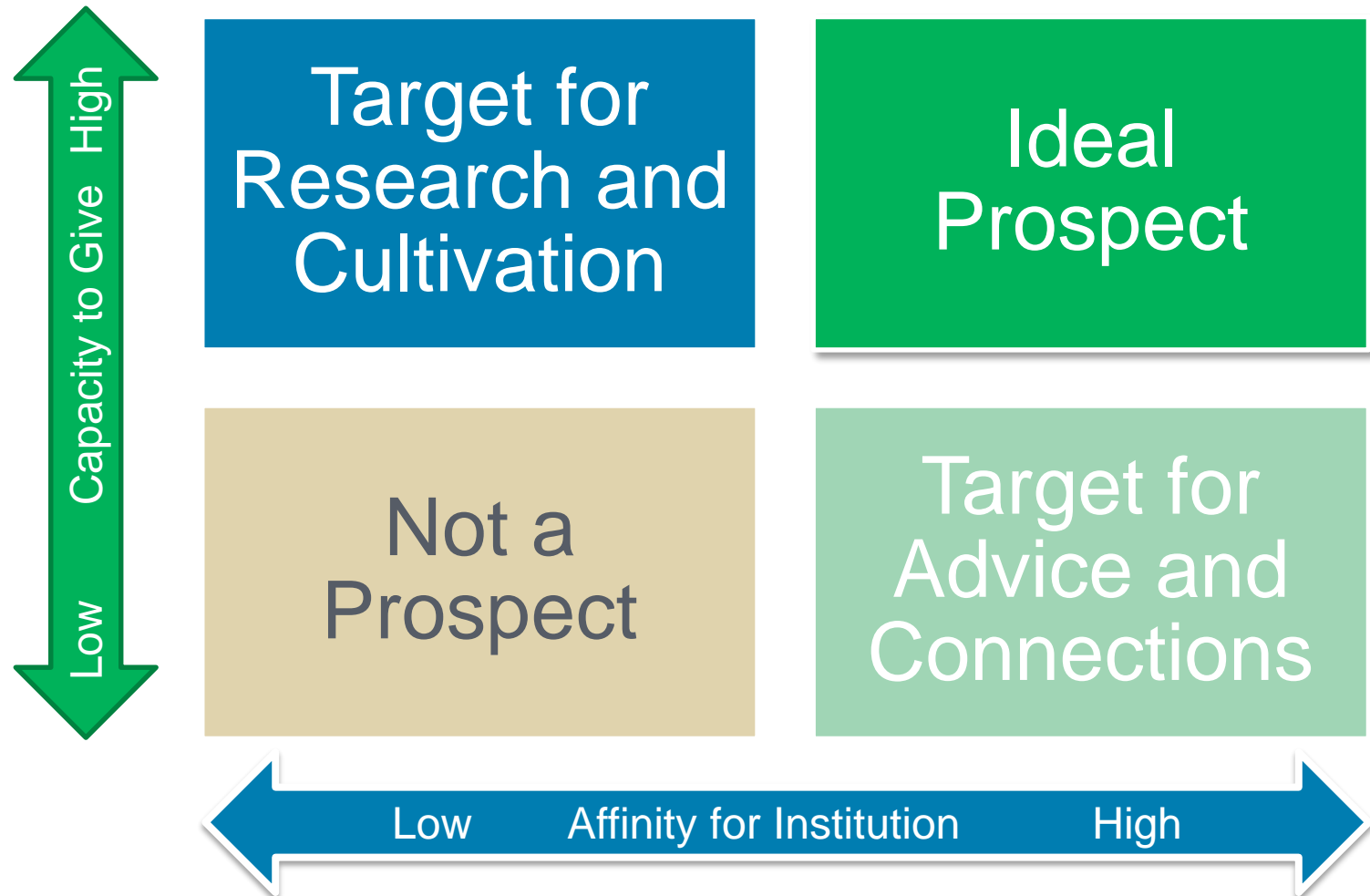
- Engage donors at higher, regular levels of commitment
- Win larger donor investment through major & planned gifts
- Identify new major, planned and annual giving prospects
- Make informed asks

Maximize Fundraising Efficiency

- Increased ROI



Capacity and Affinity



Wealth Screening and Modeling

Includes external data (publicly-available information).

Helps to classify ability to give and pinpoint those who have significant financial capacity.

Scores prospect's affinity to give to similar organizations or to your organization.

Searching current and potential donors for prospects with major gift potential.

Conducting research on prospects who have already been identified.



Creating Prospect Scores

- ☑ Identify key characteristics you can measure
- ☑ Assign a score from 1 to 10 over the range of values
- ☑ Sum totals and sort descending to prioritize prospects

Simple Prospect Scoring Example

Wealth Screening Rating

A = 10 pts; B = 8 pts; C = 6 pts; D = 4 pts; E = 2 pts

Total Lifetime Giving

\$1,000,000+ = 10 pts; \$100,000+ = 8 pts; \$50,000+ = 5 pts;
\$25,000+ = 3 pts; \$10,000+ = 2 pts; <\$10,000 = 1 pt

Likelihood to Give to A Project

Confident = 10 pts; Probably = 7 pts; Maybe = 4 pts; Doubtful = 1 pt

Affinity to Our Organization

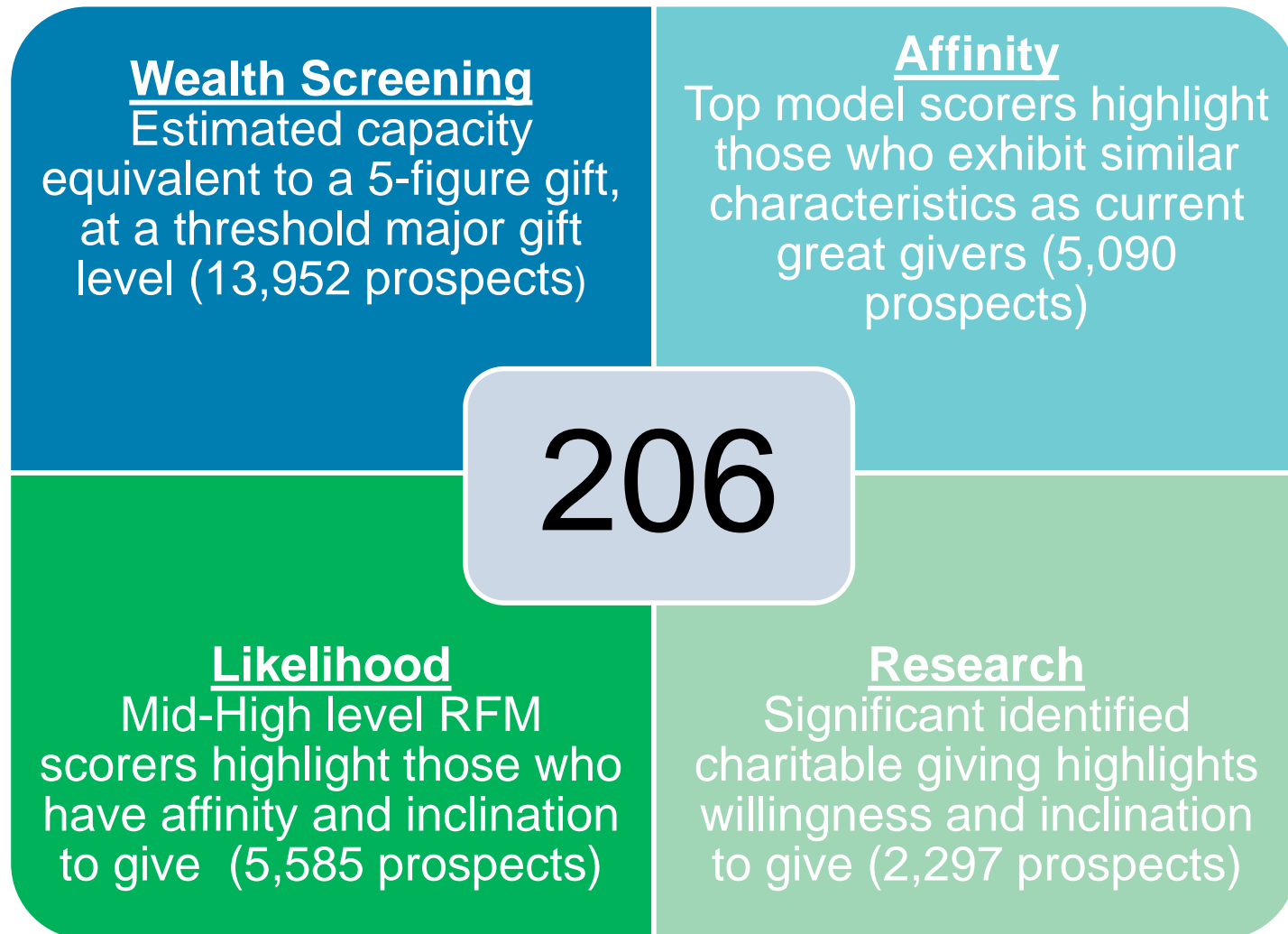
Very Favorable = 10 pts; Involved = 5 pts; Unknown = 0 pts

Sample Prospect Score

ID #	Wealth Screen	Lifetime Giving	Likelihood	Affinity	Total Score
23459	10	10	10	10	40
21868	8	10	10	5	33
19453	10	3	10	10	33
37552	6	5	10	10	31
13474	8	3	10	10	31
28991	10	5	7	5	27
33875	10	8	1	5	24

Sample Segmentation Strategy

Segmentation Rationale



Key to Success



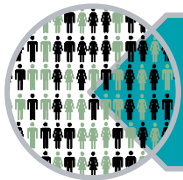
Identify what data will create value for your organization.



Harness both internal and source out external data.



Comfort level with source vendors and data tools.



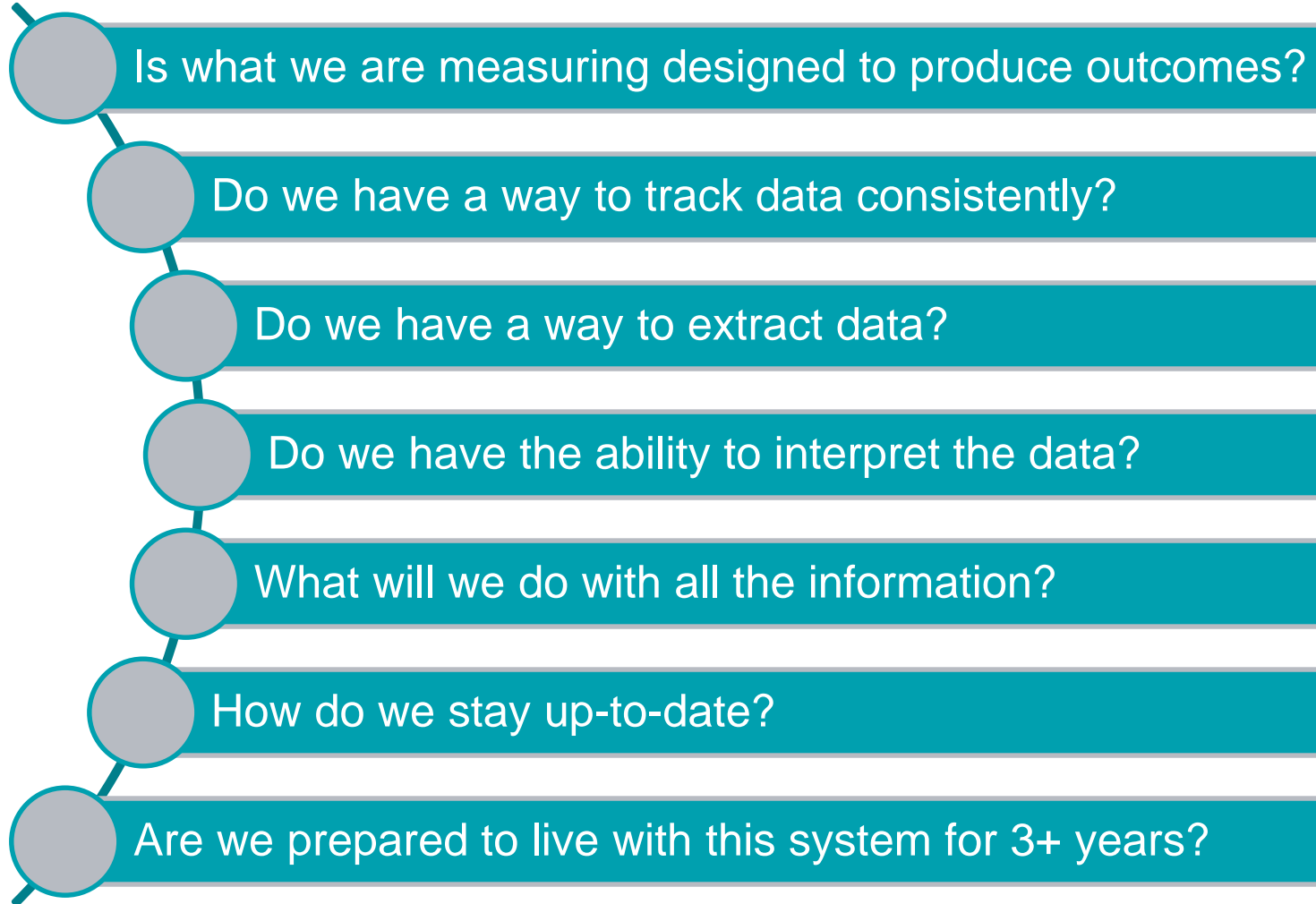
Data and numbers won't tell you everything you need to know about your donors and prospects.



Use it!

USING METRICS TO EVALUATE AND MANAGE ACTIVITY

Adopting Metrics – Before Getting Started

- 
- Is what we are measuring designed to produce outcomes?
 - Do we have a way to track data consistently?
 - Do we have a way to extract data?
 - Do we have the ability to interpret the data?
 - What will we do with all the information?
 - How do we stay up-to-date?
 - Are we prepared to live with this system for 3+ years?

A Partial List of Metrics

Moves	Face-to-Face Moves	Number of Contacts by Type	Number of proposals	Number of gifts closed
Request Amount	Gift Amount	Prospect Readiness/ Stage	Number of prospects identified	Source of Prospect Identification
Discovery/ qualification activities	Number of prospects qualified	Gift Capacity Rating	Affinity Rating	Date of Prospect Identification
Date of Assignment	Date of Moves through Stages	Date of Gift	Average Time in Each Solicitation Stage	Solicitation Yield (Average Gift/ Average Request)
Conversion Rate (# of Asks/ # of Gifts)	Percent of Portfolio Visited	Portfolio Yield (Amount Raised/ Portfolio Capacity)	Donor Renewal Rate	

Metrics as a Management Tool



Clarifies and focuses thinking; sets expectations.

Establishes a framework for predictive planning and action.

Becomes the basis for performance evaluation.

Provides content for effective dialogue.

**Empowers
gift officers.**

Industry Portfolio and Activity Benchmarks

Benchmark*	Low	High	Target
Portfolio Size	125	200	150
% in Discovery/ Qualification	10%	30%	20%
# of New Prospects per MGO/ Year	13	60	30
% in Solicitation / Negotiation	20%	30%	20%
# of Solicitations per Year	24	45	24
% of Solicitations Closing	33%	66%	40%
# of Solicitations Closing per Year	8	30	10
Length of Time in Cultivation	12 mos.	18 mos.	12 mos.
Time from First Contact to Gift	18 mos.	24 mos.	18 mos.

Target activity benchmarks are for consideration.

** Source of Benchmarks: WealthEngine "Use Analytics to Make Better Decisions"
Presentation*

USING METRICS TO ASSESS PROGRAM PERFORMANCE

Steps and Tools of Comparative Analysis



1. Collect Data

What is the minimum data required for healthy program analysis?



Multiple Years of Giving



Multiple Data Sets on All Records:

- Donor
- Constituency
- Gift amount
- Date
- Solicitation Method
- Appeal
- Type of Gift

1. Collect Data

Organizational Overview	2010	2011	2012	2013
Total Operating Revenue	\$8,200,000	\$8,300,000	\$7,900,000	\$8,500,000
Total Operating Expenses	\$8,000,000	\$8,150,000	\$8,200,000	\$8,350,000
Fundraising Staff (Using 0.5 FTE Increments)	2.5	2.5	3.5	3.5

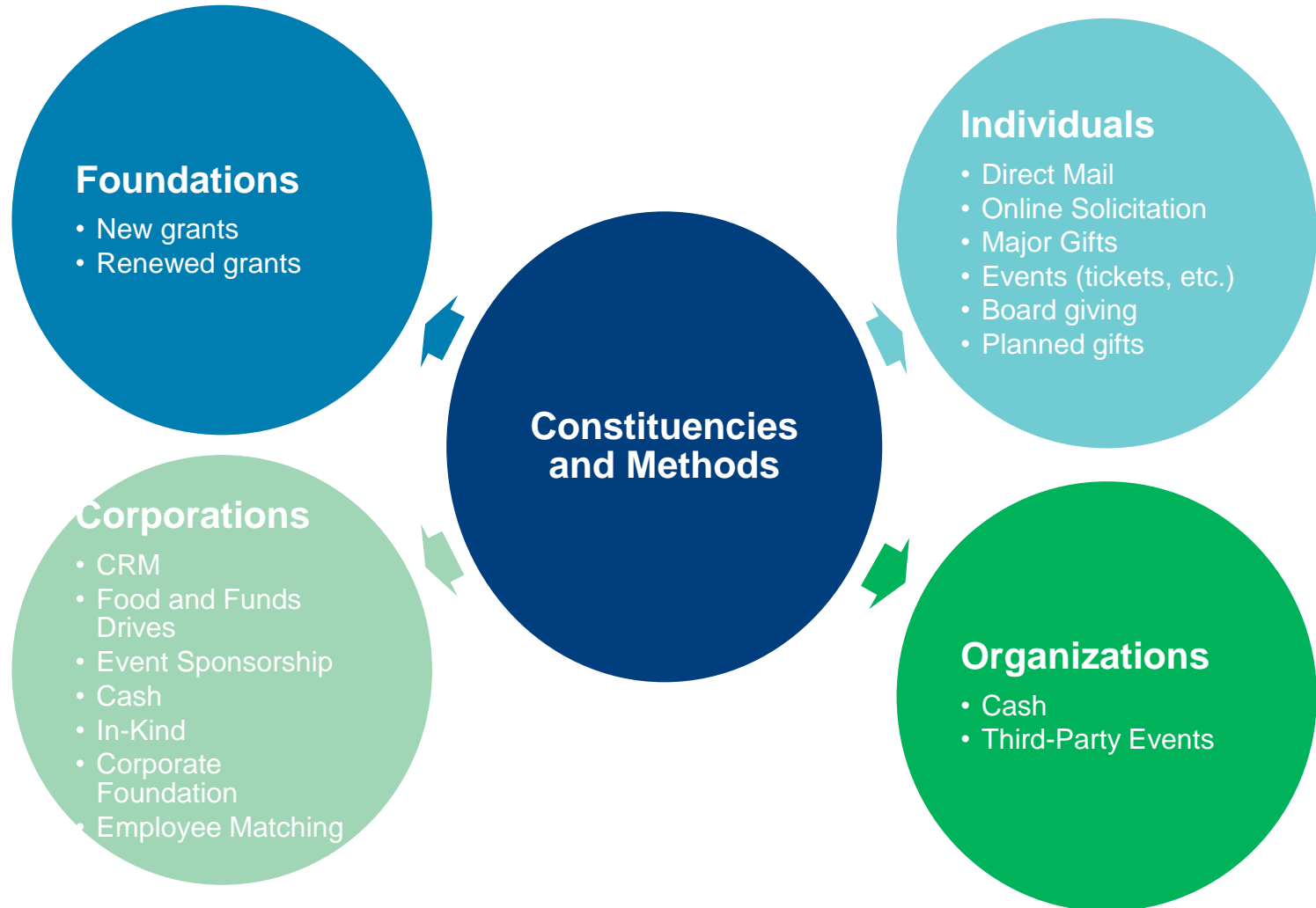
Philanthropic Revenue

Major Individual Gifts	\$-	\$-	\$-	\$250,000
Direct Mail	\$283,266	\$358,247	\$432,268	\$543,303
Online Giving	\$20,358	\$23,156	\$35,933	\$37,091
Bequests/Planned Gifts	\$-	\$-	\$-	\$-
Other Individual Giving	\$-	\$-	\$-	\$-
Foundation Gifts	\$253,202	\$133,171	\$117,185	\$80,717
Corporate Gifts	\$171,706	\$441,013	\$182,928	\$280,315
Cause Related Marketing	\$667,047	\$723,690	\$700,961	\$773,565
Special Events	\$35,746	\$31,077	\$49,778	\$47,925
Other Philanthropic Cash Support	\$63,897	\$58,413	\$74,498	\$75,583
Government Support	\$2,755,464	\$2,911,890	\$3,381,503	\$2,312,124
Total Support	\$4,250,686	\$4,680,657	\$4,975,054	\$4,400,623

Development Expenses

Development Staff	\$300,000	\$250,000	\$300,000	\$250,000
Development Operations	\$14,395	\$17,501	\$17,730	\$16,877
Development Vendors	\$-	\$-	\$-	\$-
Development - Other	\$-	\$-	\$-	\$-
Total	\$314,395	\$267,501	\$317,730	\$266,877

1. Collect Data: Aligned by Constituency



2. Analyze the Current Situation

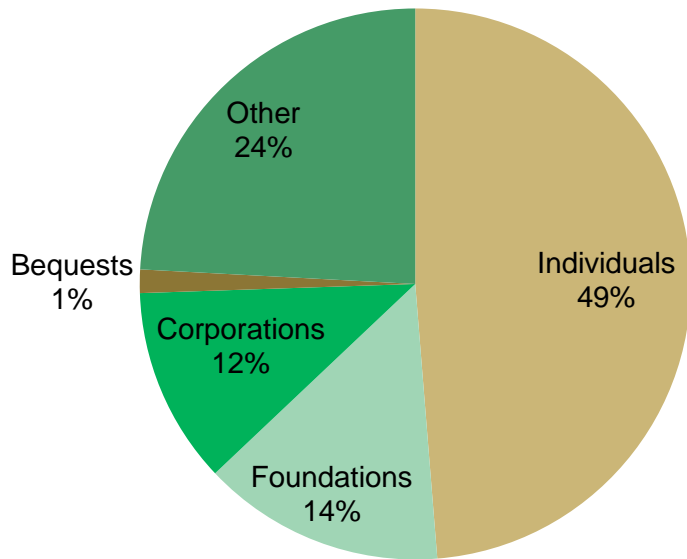
Evaluate by Source and Method

Revenue by Method	2008	% of Total	2009	% of Total	2010	% of Total	2011	%
Major Individual Gifts	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 250,000	
Direct Mail	\$ 283,266	17.4%	\$ 358,247	18.8%	\$ 432,268	25.2%	\$ 543,303	
Online Giving	\$ 20,358	1.3%	\$ 23,156	1.2%	\$ 35,933	2.1%	\$ 37,091	
Bequests/Planned Gifts	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	
Other Individual Giving	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	
Foundation Gifts	\$ 253,202	15.6%	\$ 133,171	7.0%	\$ 117,185	6.8%	\$ 80,717	
Corporate Gifts	\$ 171,706	10.6%	\$ 441,013	23.2%	\$ 182,928	10.7%	\$ 280,315	
Cause Related Marketing	\$ 667,047	41.0%	\$ 723,690	38.1%	\$ 700,961	40.8%	\$ 773,565	
Food & Funds Drives	\$ 131,375	8.1%	\$ 133,171	7.0%	\$ 122,536	7.1%	\$ 160,871	
Special Events	\$ 35,746	2.2%	\$ 31,077	1.6%	\$ 49,778	2.9%	\$ 47,925	
Other Philanthropic Cash Support	\$ 63,897	3.9%	\$ 58,413	3.1%	\$ 74,498	4.3%	\$ 75,583	
Total Private Support	\$1,626,597		\$1,901,938		\$1,716,087		\$2,249,370	

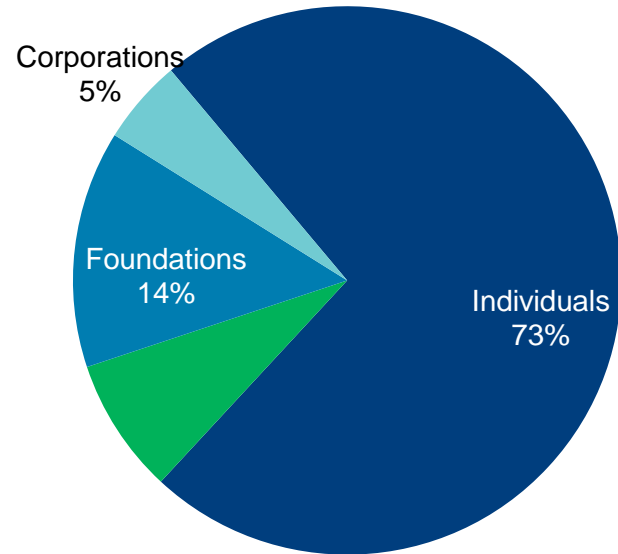
Revenue by Source	2008	% of Total	2009	% of Total	2010	% of Total	2011	%
Individuals	\$ 303,624	19%	\$ 381,403	20%	\$ 468,201	27%	\$ 830,394	
Corporations	\$ 171,706	11%	\$ 441,013	23%	\$ 182,928	11%	\$ 280,315	
Foundations	\$ 253,202	16%	\$ 133,171	7%	\$ 117,185	7%	\$ 80,717	
Events	\$ 834,168	51%	\$ 887,938	47%	\$ 873,275	51%	\$ 982,361	
Other Philanthropic Support	\$ 63,897	4%	\$ 58,413	3%	\$ 74,498	4%	\$ 75,583	
Total Private Support	\$1,626,597		\$1,901,938		\$1,716,087		\$2,249,370	

2. Analyze the Current Situation - Source

Giving By Source 2009 – 2013 Avg.

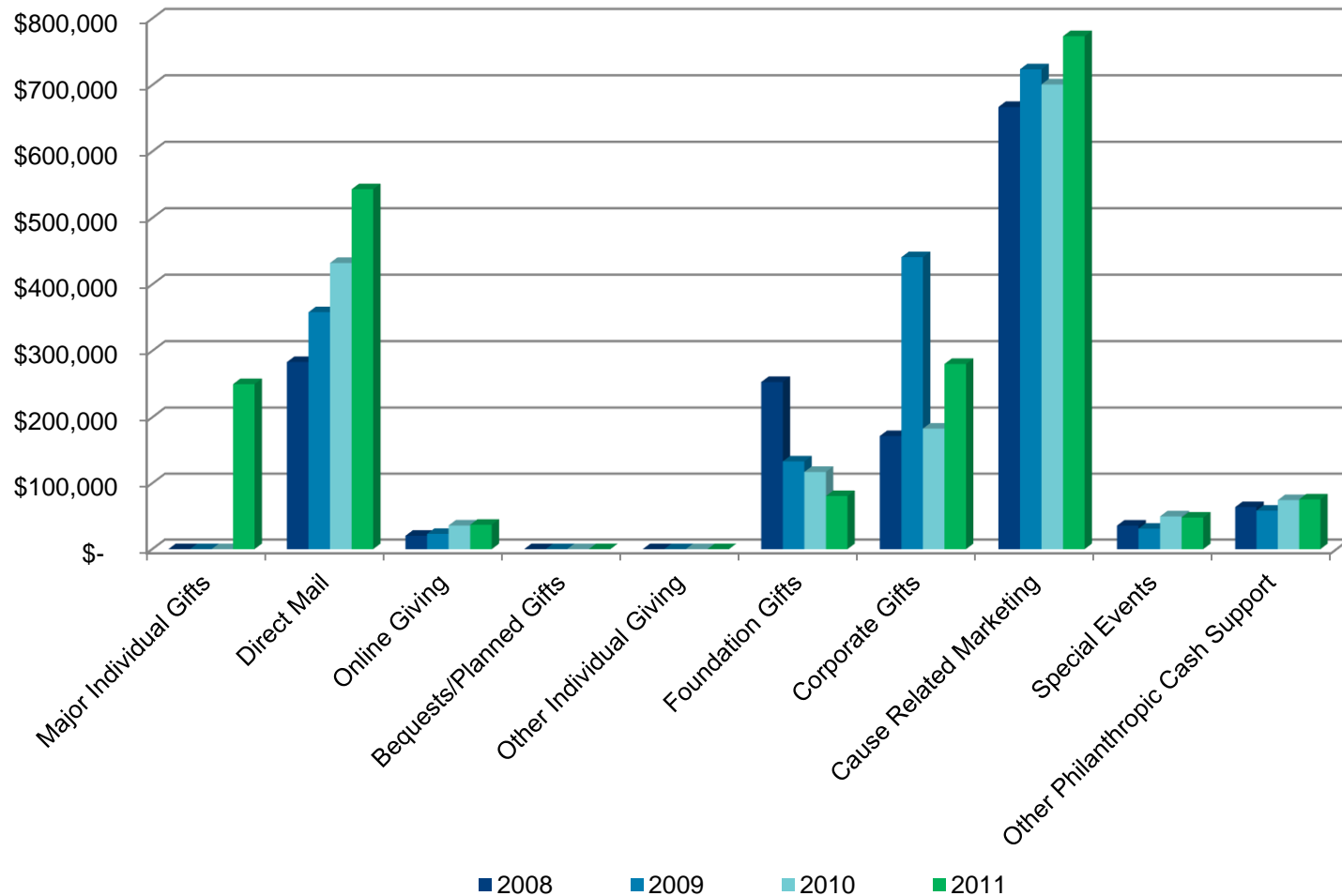


Giving USA Philanthropy Overview



2. Analyze the Current Situation - Method

Change in Support By Method



3. Compare Your Performance

- Conduct a review of current programs and operations
 - Overall results – **Is the program growing? Achieving goals?**
 - Fundraising by method – **What methods are working?**
 - Fundraising by source – **Diversified and balanced?**
 - Cost to Raise \$1 – **Are we efficient? Room for investment?**
 - Cost to Raise \$1 by method – **What does each method cost?**
 - Progress against goals – **Are we achieving success?**
 - Industry/Peer comparison – **How do we compare?**

3. Compare Your Performance: Efficiency

Development Expenses					
Development Staff	\$ 300,000	\$ 250,000	\$ 300,000	\$ 250,000	\$ 275,000
Development Operations	\$ 14,395	\$ 17,501	\$ 17,730	\$ 16,877	\$ 16,626
Development Vendors	\$ -	\$ -	\$ -	\$ -	\$ -
Development - Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 314,395	\$ 267,501	\$ 317,730	\$ 266,877	\$ 291,626

Summary

Cost to Raise \$1	\$0.210	\$0.151	\$0.199	\$0.128	\$0.172
Funds Raised per FTE	\$ 125,758	\$ 107,000	\$ 90,780	\$ 76,251	\$ 99,947

Overall Cost per Dollar Raised Standards:

■ Charity Navigator

- \$0.10 (\$0.03) – 10 pts.
- \$0.20 (\$0.10) – 7.5 pts.

■ BBB Wise Giving Alliance

- < \$0.35

■ National Average

- \$0.20

Solicitation Method

CTR\$

Direct Mail Renewal	\$0.20 - \$0.25
Memberships Associations	\$0.20 - \$0.30
Special Events	< \$0.50
Volunteer-Led Solicitation	\$0.10 - \$0.20
Corporations	\$0.20 - \$0.25
Foundations	\$0.20 - \$0.25
Capital Campaigns	\$0.10 - \$0.20
Planned Giving	\$0.20 - \$0.25
Overall Total	\$0.20 - \$0.35

3. Compare Your Performance: Efficiency

- What sector?
- What size?
- What market?
- Longevity of organization?
- Purpose?

3. Compare Your Performance: Efficiency

“Fund-raising efficiency should not be confused with fund-raising effectiveness. The objective of an institution’s program should not be to spend as little as possible each year to raise money, but to maximize the net... This is not to say that an institution should pay no attention to how much is spent on fund raising. There are limits beyond which it is impolite if not unethical to spend money to raise money.”

CASE/NACUBO’s Expenditures in Fund Raising, Alumni Relations, and other Constituent (Public) Relations

3. Compare Your Performance: Benchmarks

The Giving Common
An Initiative of the Boston Foundation

GIVING IN NUMBERS
2010 Edition
Corporate Giving Standard
A Guide to the Corporate Giving Standard and the Corporate Giving Standard Index

VS
2011 Voluntary Support of Education
Executive Summary

CASE
COUNCIL FOR ADVANCEMENT
AND SUPPORT OF EDUCATION

 **FOUNDATION
CENTER**

2011
**eNonprofit
Benchmarks
Study**
An Analysis of Online Managing, Fundraising and
Advocacy Metrics for Nonprofit Organizations
Authored by **M R I T E N**

AHP ASSOCIATION FOR
HEALTHCARE
PHILANTHROPYSM
Connecting People • Enriching Lives

 **DONORS
FORUM**

 **AAMC**

 **BOARDSOURCE**[®]

salary.com[®]

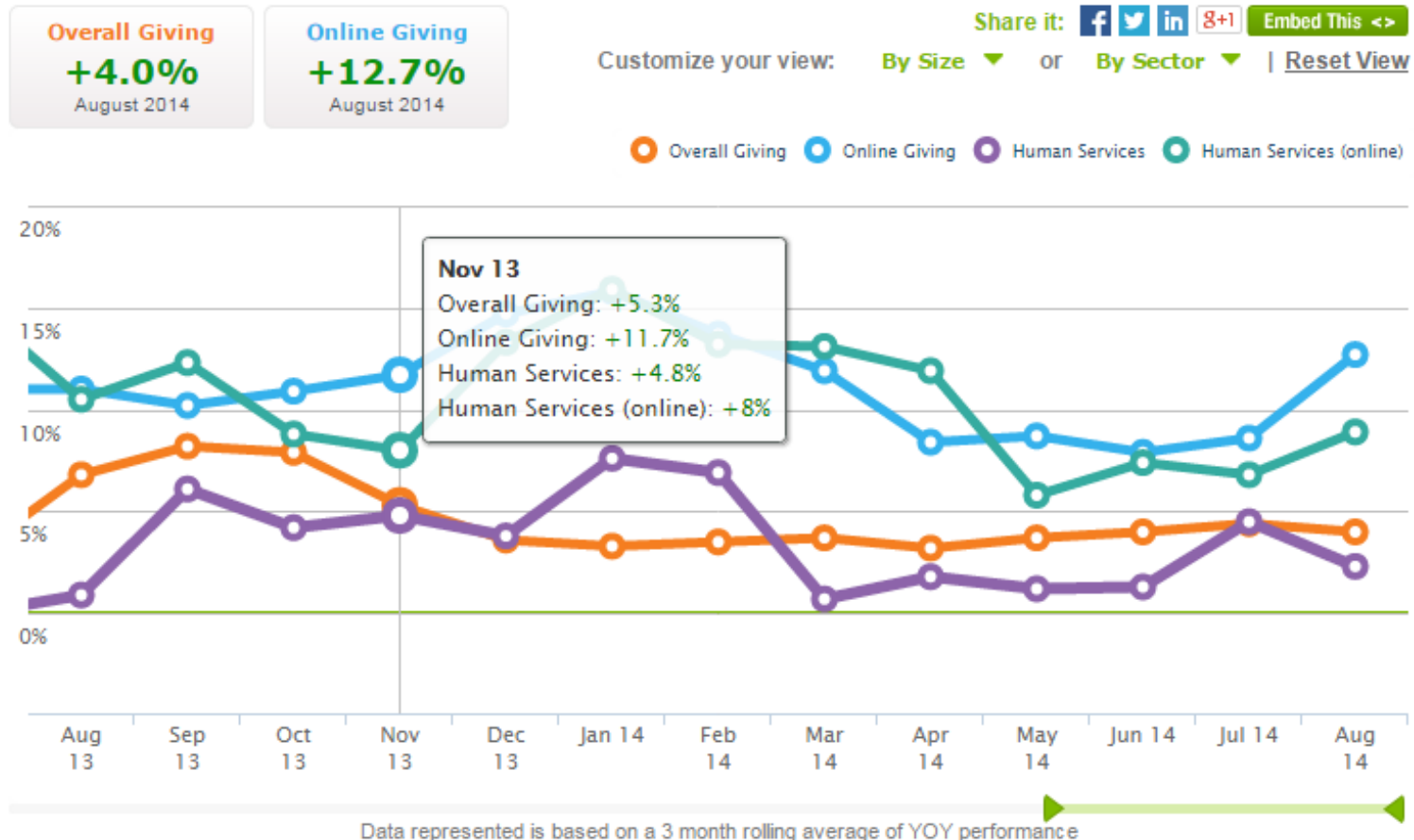
blackbaud[®]

 **AFP**
Association of
Fundraising Professionals

2014
GIVING USA
**THE ANNUAL
REPORT ON
PHILANTHROPY
FOR THE
YEAR 2013**
**DATA
TABLES**

3. Compare Your Performance: by Source

The Blackbaud Index



3. Compare Your Performance: Peers

- Just Ask!
- Call your peers
- Share best practices
- Ask about their ROI and staffing
- We're all in this together

Take Action on Your Findings

- Ensure ethical practice
- Identify strengths and opportunities
- What can/should be added to the program?
- What stands in the way of growth? What is the solution?
- Adjust staffing and expenses
- Pursue better balance
- Invest in more effective methods
- Set future goals
- Make better “investment” decisions

QUESTIONS AND DISCUSSION

About CCS

Founded in
1947

Leading consulting and
management firm for
non-profits

Provides campaign design and
management, development services,
and strategic planning and
consulting to diverse non-profit
institutions

Diverse Client Roster:

- Hospitals and medical centers
- Schools, colleges, and universities
- Religious institutions
- Arts, civic, and cultural organizations
- Environment and conservation organizations
- Voluntary health organizations
- Associations and advocacy groups

Chicago, New York
Dallas, San Francisco, Boston,
Los Angeles, Washington,
Baltimore, St. Louis, London, Dublin

Overall, CCS helps our clients raise approximately
\$6 billion per year

Thank You!



Fundraising • Development Services • Strategic Consulting

Travis Carley
Corporate Vice President, CCS
tcarley@ccsfundraising.com

Erik Kiernan
Vice President, CCS
ekiernan@ccsfundraising.com



800.223.6733

info@ccsfundraising.com

DISCOVER THE CCS DIFFERENCE:
Learn more about our transformative fundraising programs.



[ccsfundraising](https://www.facebook.com/ccsfundraising)



[ccsfundraising](https://twitter.com/ccsfundraising)



<http://linkd.in/hZhTWq>



<http://ccsfundraising.wordpress.com>

Use your Smartphone
to scan this code.

