CREATING A CULTURE OF ANALYTICS

... out of The Data That You Already Have
Agenda

- **Data** – Do I have enough data? The right data? Is there “dark data” that is available but unused? Is there data I should start collecting?

- **Tracking the right metrics** – Are the metrics I’m using driving the behavior and results I desire? Increased yields? Confidence in ask amounts to avoid leaving $ on the table? A happy team reaching their goals?

- **Having data-driven discussions** – Tips and tricks for keeping things positive and productive

- **Diving into predictive analytics** – “How to” plus use cases to get even more value from your data. And why bringing it in-house is possible and has big advantages!
Data

• You’ve got more than you think
• Figure out what you are trying to do
• ... and what might make a difference.

Ranked Prospect List:
1. John Smith ($15.2mm)
2. Sarah Blue ($10.0mm)
3. Doug Jones ($8.1mm)
   ...
96. Mark Smith ($75k)
97. Etc.

Patient Potential

Major Giving Likelihood

We generally prefer separate factors.
Major Giving Metrics: We Have Observed

Industry Practices and Benchmarks are Not Working. Why??

• Development Officer Activities

VS.

• Prospect Cultivation
What are your current gift officer performance goals*?

What people are measuring today.

*Survey sent to 2,900 Development & Prospect Research leaders as part of the 2017 Drive Conference.
What percentage MGO annual compensation is tied to metrics?

*Survey sent to 2,900 Development & Prospect Research leaders as part of the 2017 Drive Conference.*
Can you ascribe improved performance to the use of these metrics?

Why Not?

- There is no reward/penalty tied to achievement / failure. They are simple benchmarks for excellence.

- We have the wrong metrics; they are not focused on cultivating prospects and maximizing revenue.

- Metrics can be gamed, that is, MGOs become fixated on metrics to the point that they actually lose gifts.

- There is not any real focus on metrics outside of initial development plans which are created once a year. There really are no follow-on accountability measures in place.

*Survey sent to 2,900 Development & Prospect Research leaders as part of the 2017 Drive Conference.*
Our Key Premise: Metrics = Coaching Tips

• Tell stories
• Highlight best practices
• Best used interactively with teams
• Use to drive coaching tips
• NOT “Thou Shalt”

Not “good” vs. “bad” thresholds.
We Suggest 5 Strategic Metrics

1. **Prospect Assignments**: Are all of our highest capacity and most engaged prospects staffed? Are pools reasonably sized?

2. **Penetration**: Is our pool of assigned prospects being connected with?

3. **Movement**: Are we moving prospects forward at a reasonable pace?

4. **Solicitation Levels**: Are our asks at the right level relative to capacity and attachment?

5. **Yield**: Are we closing solicitations at an aggressive level?
Pool Size & Balance

Joseph Haber, 98 assigned prospects

For more information watch: www.advizorsolutions.com/articles/how-many-prospects-should-be-assigned-to-a-major-gift-officer
Penetration

Uncovered Potential
Penetration

Includes Actions by Michael + Others (e.g., VP, Dean, etc.)

Uncovered Potential
Penetration: Click to Select Michael’s 42 Assigned Prospects with no connection in last 12 Months.
She was visited in 2014, nothing since then.
Cathryn’s Giving History

So why hasn’t Cathryn been contacted by Michael????

Her giving jumped in 2014, then fell back
Movement
Stuck in Qualification

Primary Staff — Prospects Stuck in Qualification

<table>
<thead>
<tr>
<th>Primary Staff</th>
<th># Prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL</td>
<td>171</td>
</tr>
<tr>
<td>Peachtree, Francisca</td>
<td>32</td>
</tr>
<tr>
<td>Carrington, Amanda</td>
<td>25</td>
</tr>
<tr>
<td>Benedict, Reed</td>
<td>22</td>
</tr>
<tr>
<td>Proctor, Alicia</td>
<td>18</td>
</tr>
<tr>
<td>Machado, Justina</td>
<td>15</td>
</tr>
<tr>
<td>Roberts, Tracee</td>
<td>13</td>
</tr>
<tr>
<td>Ortiz, Michael</td>
<td>9</td>
</tr>
<tr>
<td>Looby, Michael</td>
<td>8</td>
</tr>
<tr>
<td>Bastills, Don</td>
<td>7</td>
</tr>
<tr>
<td>Goldman, Talli</td>
<td>7</td>
</tr>
<tr>
<td>Berrios, Nancy</td>
<td>5</td>
</tr>
<tr>
<td>Pawlik, Marylin</td>
<td>3</td>
</tr>
<tr>
<td>Brown, John</td>
<td>2</td>
</tr>
<tr>
<td>Carnegie, Albert</td>
<td>2</td>
</tr>
<tr>
<td>Haber, Joseph</td>
<td>1</td>
</tr>
<tr>
<td>Meyer, Gretchen</td>
<td>1</td>
</tr>
<tr>
<td>Mitchell, Kathleen</td>
<td>1</td>
</tr>
</tbody>
</table>

Prospects: Stage vs. Age // Sized by Ask Amt; Colored by Prospect Manager

Stage 1: Qualification
Stage 2: Early Cultivation
Stage 3: Mature Cultivation
Stage 4: Solicitation
Stage 5: Stewardship

Age (in Months)
Stuck in Qualification

Upper part of Amanda’s cultivation pipeline is weak.

80 = too many in qualification; AND 25 are over 6 months.
Solicitation Levels

• **Are the Ask Levels reasonable relative to Expected Value?**

• **Expected Value** = Capacity * Attachment - Gifts in the past ~7 years

• Consider 3 cases:
  - $1mm capacity, highly engaged, no recent large gifts. EV = $300k
  - $1mm capacity, highly engaged, $200k gift 3 years ago. EV = $100k
  - $1mm capacity, disconnected, no recent large gifts. EV = $20k
Solicitation Levels

Wide range – some very strong. But over half the team has Ask Levels that are generally low relative to current year expected values based on capacity and attachment. // 60% of the fundraisers appear to be substantially under asking. We expect to see 2-3x pool coverage, 1.5x minimum.
Solicitation Yields. Very strong. $82M accepted out of $246M asked (1/3 of asked is accepted). Some of the field officers are at 100% (Heather, Daniel). 20 to 30% is typical.

But, most of the asks are low vs. expected value (the red bars on this page).
John Brown

• **Yield, Stage Movement, and Ask Levels are all interrelated**
  o Strong yield and quick stage movement are clues that ask levels may be low

• **Not looking at all 3 together can be dangerous!**

• **John Brown is a prime example:**
  o He is nailing Yield (80%) …
  o … and showing good Stage Movement
  o But appears to be substantially under asking
  o … even though he has a large attainment

⇒ *Net effect is $5mm potential lost revenue!!*

• **We unfortunately see this a lot**
Solicitation Levels vs. Yield

[Bar charts showing solicitation levels and yield for different names]
Best Practices

Michael Ortiz looked terrible on Visits FYTD, but has **good asks and strong yields**. The others with strong visits don’t look so good ...
Identify Best Practices

Michael + 3 others are doing better than their peers – strong asks and OK yields.

### Ask / Expected Ratio

<table>
<thead>
<tr>
<th>Primary Staff Name</th>
<th>Ask Amount</th>
<th>CY Expected Amount</th>
<th>Ask / Expected</th>
<th>Accepted Amount</th>
<th>Yield</th>
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<tr>
<td>Overall</td>
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<td>$6,809,847</td>
<td>1.92</td>
<td>$3,240,500</td>
<td>0.25</td>
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<tr>
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### Yield

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Showcase the 4 Top Performers

• Focus on the **positives**

• Have each of the top performers *share with their peers how* they achieved both strong solicitations AND strong yields.

• Openness and **transparency is key**

• Positive success vs. negative failure
Using Metrics

• **Stories, Coaching Tips & Best Practices**
  • Use metrics to uncover Stories ...
  • ... and find Best Practices and Coaching Tips
  • Which are shared and discussed openly with the team.

• **Reviews**
  • Set Development Officer Operating Plans annually
  • Plans focus on pool strategies and strategic metrics
  • Group discussion of best practices; team works to improve subpar performance
  • Showcase successes
  • Reviewed formally with DO’s at least 4x – 6x / year

• **Data**
  • “If it’s not in the system it didn’t happen”
  • Never perfect; use what you have
  • Continual improvement
Results: Year 1

- Data in system
- Abundant optimism
- Cultural shift
  - 1/3 Got it
  - 1/3 Not sure
  - 1/3 Confused
- Changes in behavior
- Baseline established
Results: Year 2

- More visits (32% increase)
- More individuals visited (28% increase)
- More proposals presented (154% increase)
- Higher value of proposals (95% increase)
- Record # of 7 – figure gifts; over all higher level of performance
- Revenue up 30%
- Average day to file contact report declined 😊
Per Development Officer* (stable program):

- **80 - 125 active prospects**
- **75 to 120 in-person visits in LTM**
- **80%+ Penetration** (at least 80% of assigned prospects contacted in LTM; 50%+ of prospects visited and/or actively solicited)
- **Efficient movement through stages** (typically < 6 months in qualification, < 18-24 months cultivation, <12 months solicitation)
- **~25 active proposals at any one time**
- **2 – 3x Ask vs. CY Expected Value**
  \[ \frac{\Sigma \text{Actual Ask Amount}}{\Sigma \text{CY Expected Amount}} \]
  for each DO pool
- **20-30% of Asks are closed** (~8 to 10 Solicitations closed in LTM)
Wake Forest: Creating a Culture of Analytics

- New leadership in 2008; wanted to be more data driven.
- ADVIZOR built 2 initial projects with WFU’s team:
  - Prospect Identification, late 2009
  - Major Giving Staff Performance, 2010
- Banner to Blackbaud CRM conversion (2011-2013)
  - ADVIZOR key to understanding data content
- Wake Forest develops and deploys more projects
  - Handful of users → widespread university wide use
  - Desktop only → web and iPad
  - Researchers, senior team, field officers “take it on the road”
Success Factors

1. Senior Management Buy-in and Support; “I wonder” questions
2. “Question Scrums” after Initial Training
3. Cut Off Old Unproductive Routes to Info
4. Keep it Simple → “more simpler projects are better than fewer complex projects”
5. Bake it into Training, New Hire Onboarding, . . .
Predictive Modeling
Predictive Modeling

• Use mathematical tools and statistical algorithms to examine and determine patterns in one set of data . . .

• . . . in order to predict behavior in another set of data

• Integrates well with in-memory-data and data visualization
Break the Problem Apart

If forecasting expected gift amount:

• Capacity (& Liquidity)
• Attachment
• Interest

Base: Undergraduate alumni with capacity to give over $50k
Target: Undergraduate alumni who have actually given over $50k
Two Types of Models*

• Linear Regression

• Classification (set membership)

* Common to fundraising
Base Population

Target

Better when skewed distributions, for example major giving amounts;

...Or when “set membership”, for example will attend reunion or not.

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<td>Target:</td>
<td>Undergraduate alumni who have actually given over $50k</td>
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</table>

<table>
<thead>
<tr>
<th>Base:</th>
<th>FY 2017 non-donors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target:</td>
<td>FY 2017 non-donors acquired in FY 2018</td>
</tr>
</tbody>
</table>
Classification (set membership)

Explanatory Factors (aka Influences)

- # Events last year
- # Events 2-5 years
- # Last 5 years made gift
- # Newsletter clicks last year
- Etc.

Base: Undergraduate alumni with capacity to give over $50k
Target: Undergraduate alumni who have actually given over $50k
Top 10 Use Cases

**Major Giving**
1. Attachment Scores
2. Expected Ask Values
3. Ranked List for a Program
4. Planned Giving

**Annual Giving**
5. Segment Non-Donors (most attractive to solicit)
6. Ask Amounts
7. Best Appeal Messages

**Other**
8. Patient Potential (from patient encounters)
9. Event Attendance (who is likely to attend)
10. Ad Hoc Hypothesis Testing

Source: ADVIZOR Fundraising Clients
QUESTIONS?