



Making Meaning of Metrics

Leveraging Accountability and Analytics to Enhance
Fundraiser Productivity

Advancement Forum



May 17th, 2016

University of North Carolina System



The Education Advisory Board (EAB)

Launched in 2007 as a division of the Advisory Board Company, EAB strives to provide the unique insight, collaboration opportunities, and expert advice needed to help make higher education smarter.

WHO WE ARE

650+

researchers, consultants,
and technologists on staff

WHO WE SERVE

1,100+

colleges and universities
across North America

26,000+

academic and administrator
leaders supported

78%

of US undergrads attend
EAB member institutions

WHAT WE DO

RESEARCH AND INSIGHTS

Research Forum Memberships offer strategic insights and actionable practices, as well as tools and expert advice to help with their implementation.

Our Research Forums:

- » Academic Affairs Forum
- » Business Affairs Forum
- » Student Affairs Forum
- » COE Forum
- » Enrollment Management Forum
- » Advancement Forum
- » IT Forum
- » Facilities Forum
- » Community College Executive Forum
- » University Systems Forum

TECHNOLOGY COLLABORATIVES

We provide web-based software with dedicated support to help members install technology-based best practices. Bringing hundreds of institutions together to collaborate around a common platform facilitates the sharing of lessons and generation of new insights.

Our Areas of Focus:

- » Academic and career advising
- » Student retention and graduation
- » Student registration and course planning
- » University procurement

DATA AND ANALYTICS

Our data scientists take disparate and disconnected member datasets, apply world class analytics and industry understanding, and provide members with insight into their own performance, as well as performance relative to peer institutions.

Our Areas of Focus:

- » Academic costs and efficiency
- » Faculty workload and time allocation
- » Academic program performance
- » Enrollment capacity and growth
- » University supply costs and pricing

MANAGED SERVICES

With our 2015 acquisition of Royall & Company, the industry leader in strategic enrollment management and advancement services, EAB now partners with members to help grow undergraduate and graduate enrollments, manage financial aid, and increase alumni giving.

Our Areas of Focus:

- » Undergraduate recruitment
- » Graduate recruitment
- » Financial aid optimization
- » Alumni participation

The Anatomy of a Study

EAB Research Process Overview



Comprehensive Literature Review

- Scholarly publications and dissertations
- News articles
- Social media and blog updates



125+ Interviews

- Vice Presidents of Advancement
- Associate Vice Presidents for Development
- Directors of Prospect Development
- Advancement Consultants and Vendors



Data and Benchmarking Resources

- Association of Fundraising Professionals (AFP)
- 2014 EAB MGO Survey
- Council for Aid to Education (CAE)'s VSE DataMiner
- IPEDS

The Major Gift Officer (MGO)

An Overview of the Current Landscape



The MGO in Brief

- Also called Directors of Development or Development Officers
- Fundraisers responsible for raising between \$250K and \$10M per year from high net worth individuals
- Key responsibilities are identifying, qualifying, cultivating, and soliciting prospective donors



MGO Quick Facts

Gender: 71% female, 29% male

Age:

- Under 35 = 6%
- Aged 35 – 55 = 66%
- Aged 55 and over = 28%

Ethnicity: 95% Caucasian, 5% other



2 years

Median tenure of MGOs at colleges and universities

More Than Metrics

Only One Part of the Broader Performance Management Landscape

Metrics

- What are the right metrics for my MGOs?
- What are the appropriate targets for these goals?
- How do I adjust these targets on the basis of portfolio and MGO characteristics?

Accountability

- How do I motivate my MGOs to care about metrics?
- How do I reward my fundraisers without breaking the bank?

Data and Analytics

- How can I equip my MGOs with data and analytics on their own performance to empower them to succeed?
- How can I support MGO discussions with deans about time allocation?
- How can I make a compelling case for greater investment in advancement from university leadership?



CAOs Need to Prove ROI

Advancement Under Increasing Pressure to Measure Its Impact

From Our Major Gift Donors...



“Our entrepreneurial background influences our approach to philanthropy...to make our giving more effective, scalable and sustainable. The return on this investment is stronger, more resilient communities.”

*Paul Orfalea
Founder, Kinko's (now FedEx
Office)*

...and University Leadership Alike



“The university could invest more in faculty and students. If it's going to put more money in advancement we have to be able to show what we're doing with that investment, and this has become especially acute in the post-2008 recessionary period.”

*Matt Ter Molen
Chief Advancement Officer
Syracuse University*

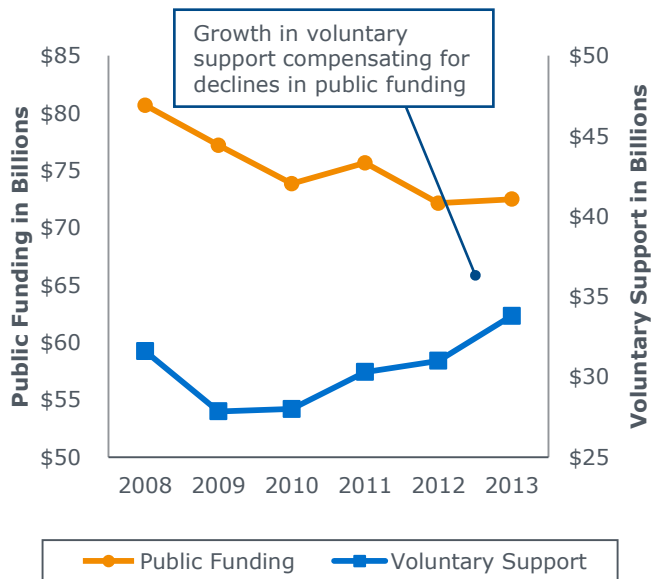


Bridging the Funding Gap

Administrators Look to Advancement to Fill Holes

Public Universities Increasingly Reliant on Advancement

Revenue by Source (2008-2013)¹



“Advancement has taken on much more of an important role lately, which coincides with the downturn in state support. We’ve seen increases in tuition, but politically you can’t increase tuition enough to take care of your shortfall—and you don’t want to. So philanthropy is the next frontier. In the old days whatever you raised was good enough—now it’s not.”

*Keith Inman
Vice President, Advancement
University of Louisville*

Source: “SHEF – State Higher Education Finance FY14,” SHEEO, April 12, 2015, <http://www.sheeo.org/resources/publications/shef-%E2%80%94-state-higher-education-finance-fy14>; The Integrated Postsecondary Education System, *National Center for Education Statistics*, <https://nces.ed.gov/ipeds/>; EAB interviews and analysis.

1) In real 2013 billions of dollars.

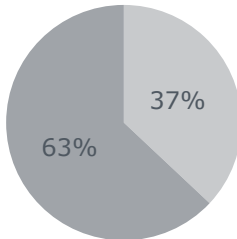


Disproportionate Dollars on Development Officers

Major Gift Officers Account for Increasingly Large Share of Budget

Advancement Department Expenditures at Research Universities¹

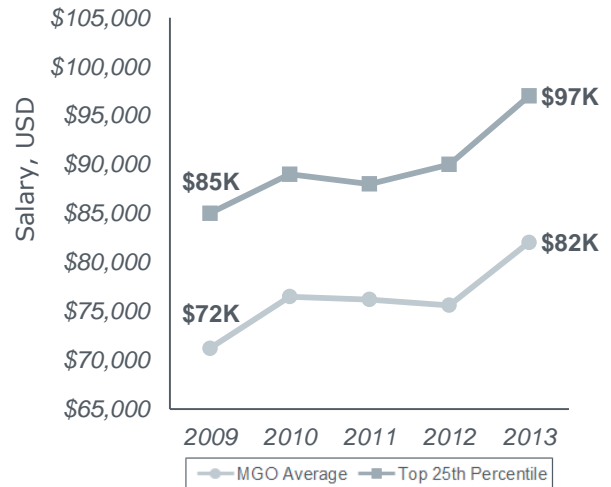
Council for Aid to Education Data, FY2014



- Fundraising/Development Salaries and Benefits
- All Other Expenses

Average MGO Salaries

Association of Fundraising Professionals Data, 2009-2013



Source: "2014 Compensation and Benefits Study," Association of Fundraising Professionals, 2014; Voluntary Support for Education Data Miner, Council for Aid to Education, <http://www.vse.cae.org>; EAB interviews and analysis.

1) n = 36.

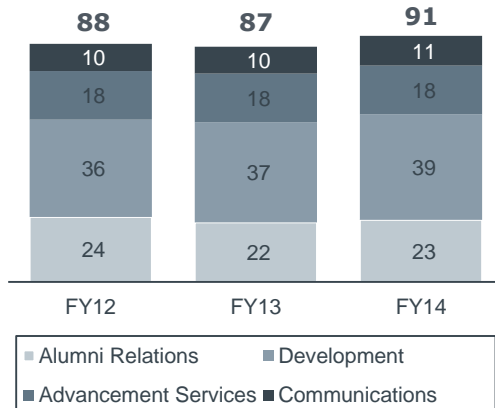
The Efficiency Imperative

“Doing More with Less” Has Become Advancement’s Mantra

No Relief in Sight

No Increase in Staffing Levels After Great Recession

Advancement Headcount Averages at 4-Year Institutions¹



Wealth Screen Too Porous

Full Prospect Coverage Requires an Army



In a perfect world...

- 181K** Average solicitable alumni²
- 12%** Defined as major gift prospects through internal or external analysis
- 110** Average gift officer portfolio
- 198** Ideal FTE MGOs

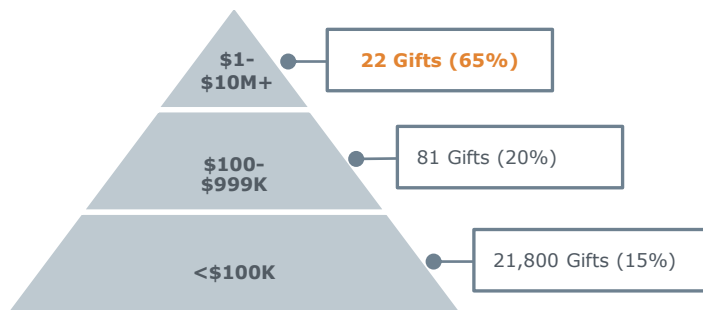
1) n=77. Includes Research and Master’s institutions.

2) Average and median figures using Public Research Institution data.

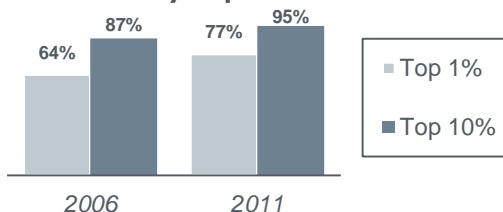
Is That a Gift Pyramid Or the Space Needle?

The Pareto Principle on Steroids

Number of Gifts and Percentage of Total Funds at Each Level: Hazel University¹



Percentage of Total Campaign Dollars Provided by Top Donors



“We talk often of the fundraising gift pyramid, but I think there’s a similar talent pyramid—one in which the top 10% of our MGOs are responsible for disproportionately high fundraising totals. If we accept this premise, we have to remain focused on measuring and increasing the productivity of our major gift officers.”

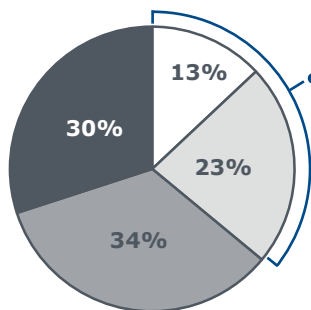
*VP, Advancement
Public Master’s University*

1) Anonymized private research university.

What Are Your MGOs Doing With Their Time?

Survey Reveals Substantial Time Allocation to Non-Fundraising Activities

Approximately what percentage of your time is spent on fundraising versus other responsibilities?¹ (n = 1,217)



□ Less than 50% of time

□ 50-60%

■ 70-80%

■ 90-100%

36% of MGOs spend ≤60% of their time on fundraising

“No hiring process is perfect, but I am surprised that we sometimes hire people as major gift officers who are often threatened by the idea of going out and visiting with people. The whole thing is illogical to me. But in our environment there are so many external opportunities that might capture a major gift officer's attention but are, in fact, tangential to actual major gift work. So it takes a real discipline on everyone's part—supervisors, deans, and MGOs—to stay focused on what is important.”

*Niles Sorensen
Vice Chancellor for Advancement
University of North Carolina
at Charlotte*

1) Other responsibilities defined as organizing events or writing articles for university publications, etc.

From Data Deluge to Distillation

In Era of Big Data, MGOs Need Quick Access to Salient Information



Day-to-Day Digital Overload

23%


Increase in number of business emails sent/received by average users between 2011 and 2015¹

1.72

Hours spent per day on social media in 2014

65.3

Mobile app notifications received per day in 2014



“When information is cheap, attention becomes expensive.”

James Gleick, Author



No Time to Drill Down

“To use that massive Cadillac database to figure out how many visits you have this year versus last year... at the end of the day a frontline fundraiser might want to know that but it’s not critical, so they’ll never find that data themselves.”

*Missy Ryan, Senior Director of University Development
Clemson University*

Source: Church K, “An In-Situ Study of Mobile Phone Notifications,” *Telefonica Research*, http://www.ic.unicamp.br/~oliveira/doc/MHCI2014_An-in-situ-study-of-mobile-phone-notifications.pdf; Mander J, “Daily time spent on social networks rises to 1.72 hours,” *globalwebindex*, January 26, 2015, <http://www.globalwebindex.net/blog/daily-time-spent-on-social-networks-rises-to-1-72-hours/>; EAB interviews and analysis.

1) Excluding spam emails

1

Laying the Foundation: Setting Expectations and Securing Buy-In

2

KPIs with Teeth: Creating a Culture of Accountability

3

Data as a Means, Not an End: Utilizing Performance Analytics to Support Decision-Making

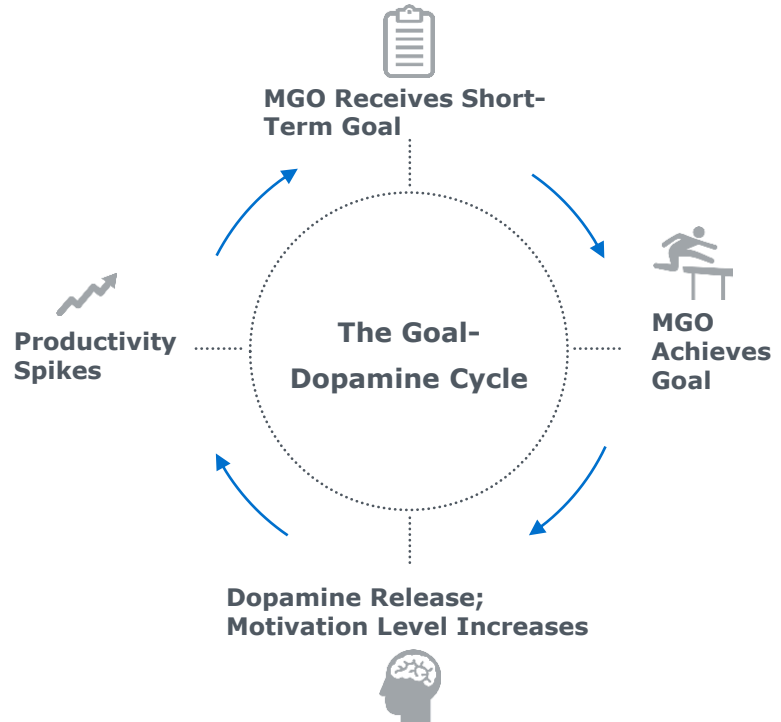
Why is Intermediate Goal Setting So Important?

Defining Success in Clear Terms is Critical for MGOs

The Destination and the Motor






“Your vision is your destination, and small, manageable goals are the motor that will get you there. Without the vision you’re on a road to nowhere. Without the goals, you have a destination but no motor. They work in tandem, and you need both.”

*Frank Murtha, Ph.D.
Managing Partner
MarketPsych*



Why Intermediate Metrics Matter

An Overview of Problems Evident in Absence of These Metrics

	Problem	Example
	No job definition	New MGOs uncertain of job expectations
	No rank for prioritizing time	MGO unfocused, does not know best activity to perform
	No guidance for reaching goal	Large financial target paralyzing without next steps
	No timely success measure	Outcomes revealed long after efforts made
	No basis for evaluation	Multiple MGOs' performance difficult to judge fairly

How to Choose Relevant Goals

Activity vs. Outcomes and Team vs. Individual



Activity Goals—Individual

- Prospects identified, qualified
- Contacts, visits, moves
- Prospects in each stage of pipeline
- Written strategies
- Solicitations
- Assists
- Dean, volunteer assists
- Size of solicitations
- Stewardship contacts
- Trustee interactions

Outcome Goals—Individual

- Gifts closed
- Funds raised
- Average gift size
- Conversion rate



Activity Goals—Team

- Prospects identified, qualified
- Referrals
- Prospect pool coverage rate
- Database entries, call reports
- Written proposals
- Stewardship contacts

Outcome Goals—Team

- Gifts closed
- Funds raised
- Annual fund upgrades
- Donor satisfaction



How to Choose Relevant Targets

A Three-Tiered Process For Finding the Answer for Your MGOs

Tailor Goals (Type and Level) Based On:

Step 1: Advancement Department Characteristics



- Campaign Stage
- Fundraising Maturity

Step 2: MGO Characteristics



- Tenure
- Title/Role/Compensation
- Percent Time Fundraising
- Academic Unit Affiliation

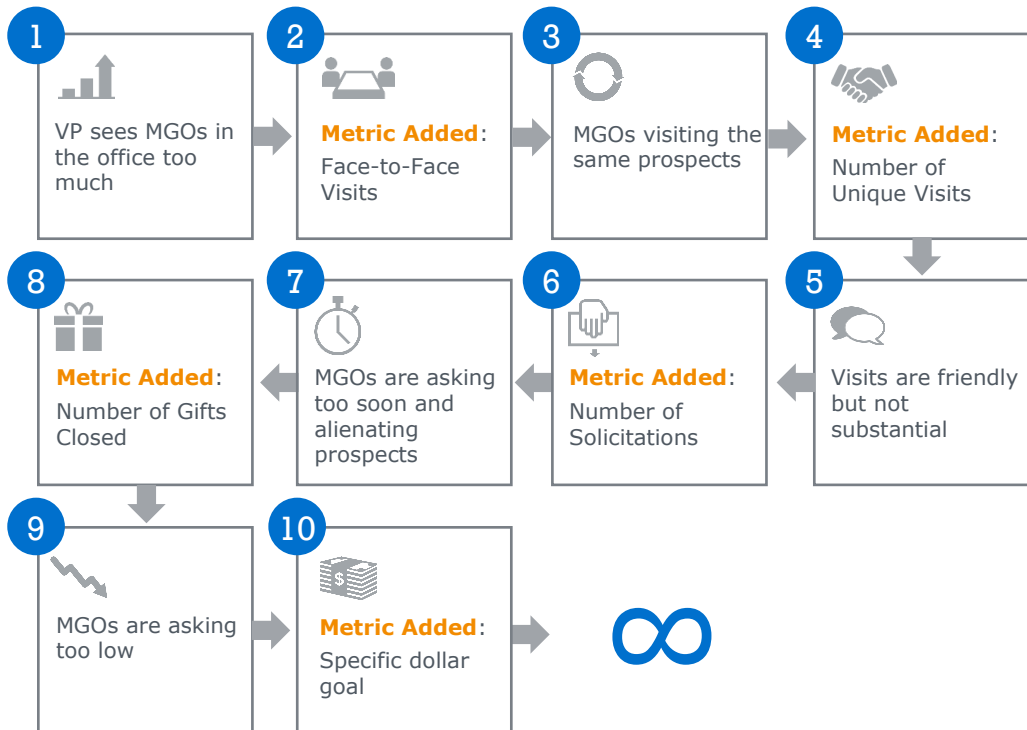
Step 3: Portfolio Characteristics



- Number of Prospects
- Capacity Ratings
- Affinity Ratings
- Prospect Stage Distribution

Be Careful What You Measure

Knee-Jerk Metrics Cause Confusion and Lower MGO Productivity



Make Your Performance Data Work for You

How to Analyze Your Data to Uncover Ratios



Pool Coverage



$$\frac{\# \text{ Unique Visits}}{\# \text{ Total Prospects}}$$



Effective Use of Visits



$$\frac{\# \text{ Total Visits}}{\# \text{ Asks}}$$



Yield Rate



$$\frac{\# \text{ Asks}}{\# \text{ Major Gifts}}$$



Accurate Ask Estimates



$$\frac{\text{Ask Amount}}{\text{Gift Amount}}$$



“We had a campaign consultant who told us to use a set of ratios for MGO goals. When I asked where he got these numbers from, he simply told me they were well-known in the industry. Maybe I’m just a data guy, but I’m not going to overhaul my performance management system based on figures that are not specific to my institution—or at least based on best practices. ”

*AVP, Development
Public Master’s University*

Industry Benchmarks

Data on Major Gift Officers¹



Key Fundraiser Metric Medians²

6

Visit-to-proposal ratio

67%

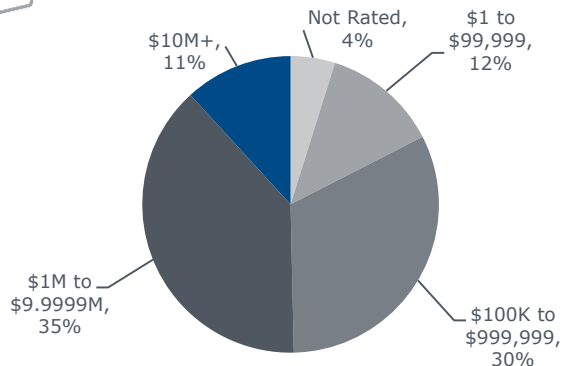
Gift closure rate

\$1.1M

Dollars raised



Portfolio Distribution by Capacity



Fundraiser Attributes

- Tenure at University – 4.8 years
- Tenure in Present Role – 2.1 years
- Management Responsibility - 31%
- ≥\$125K Total Compensation – 60%

1) Data on this slide is sourced from a group of ten private research universities; Includes major and principal gift officers

2) Only includes staff with >= 1 year in seat

Industry Benchmarks

Data on Leadership Annual Giving Officers¹

Key Fundraiser Metric Medians²

8

Visit-to-proposal ratio

65%

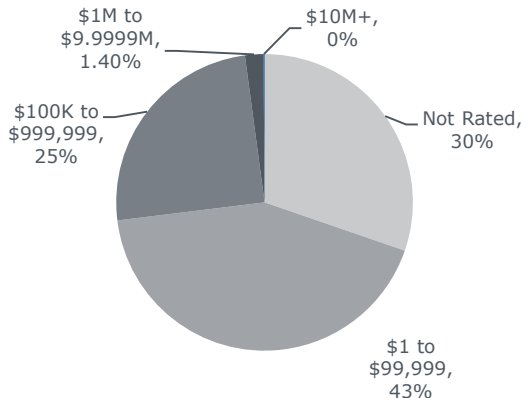
Gift closure rate

\$204K

Dollars raised



Portfolio Distribution by Capacity



Fundraiser Attributes

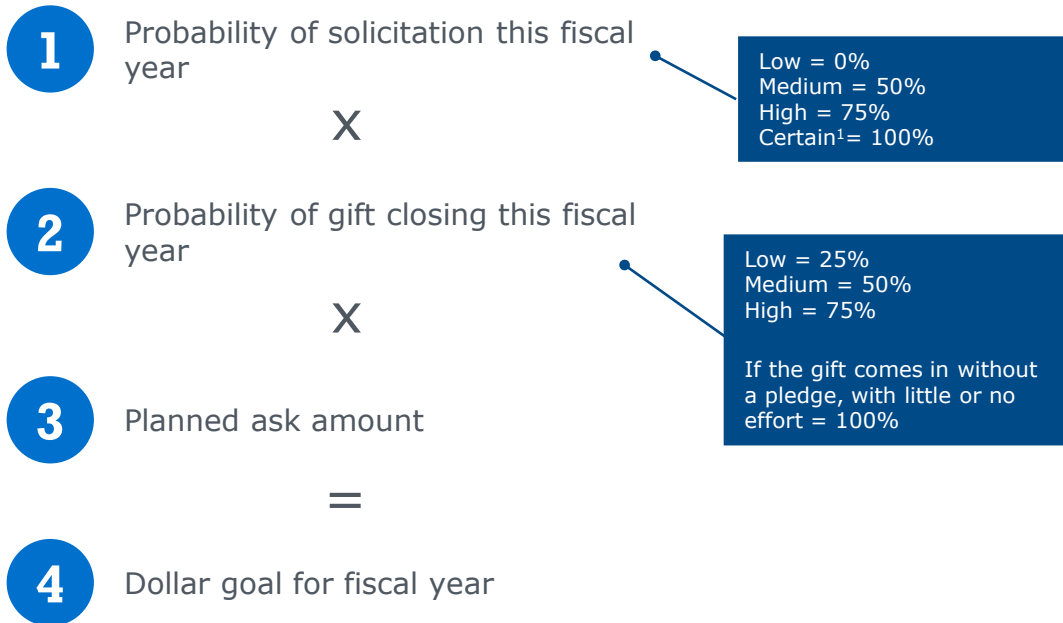
- Tenure at University – 2.7 years
- Tenure in Present Role – 1.6 years
- Management Responsibility - 22%
- <\$75,000 Annualized Total Compensation – 69%

1) Data on this slide is sourced from a group of ten private research universities

2) Only includes staff with ≥ 1 year in seat

A More Rigorous Approach to Dollar Goal Setting

NAU Incorporates Proposal Close Probability Into Annual Planning



1) Solicitations made last year, but not closed, are also included in this category.

Running the Numbers



NAU Incorporates Proposal Close Probability into Annual Planning

Sample Probability Calculation for NAU Director of Development

Prospect	Ask Amount	Solicitation Probability	Close Probability	Expected Amount
Bill Williams	\$1M	50%	50%	\$250K
José Perez	\$80K	100%	75%	\$60K
Rashmi Anilkumar	\$80K	100%	75%	\$60K
Mildred Smith	\$200K	50%	25%	\$25K
Roger Chen	\$150K	100%	50%	\$75K
Total Dollar Goal:				\$470K

Embedding Metrics into Job Descriptions

Clear Expectations Start From Day Zero

Development Officer

Salary: \$75,000

Minimum Qualifications: Five to seven years of front-line fundraising experience

Performance Expectations:

- 25 face-to-face visits per month
- 2 major gift proposals submitted per month
- \$500,000 raised per year...

Specific target levels,
rather than ranges,
clearly articulated

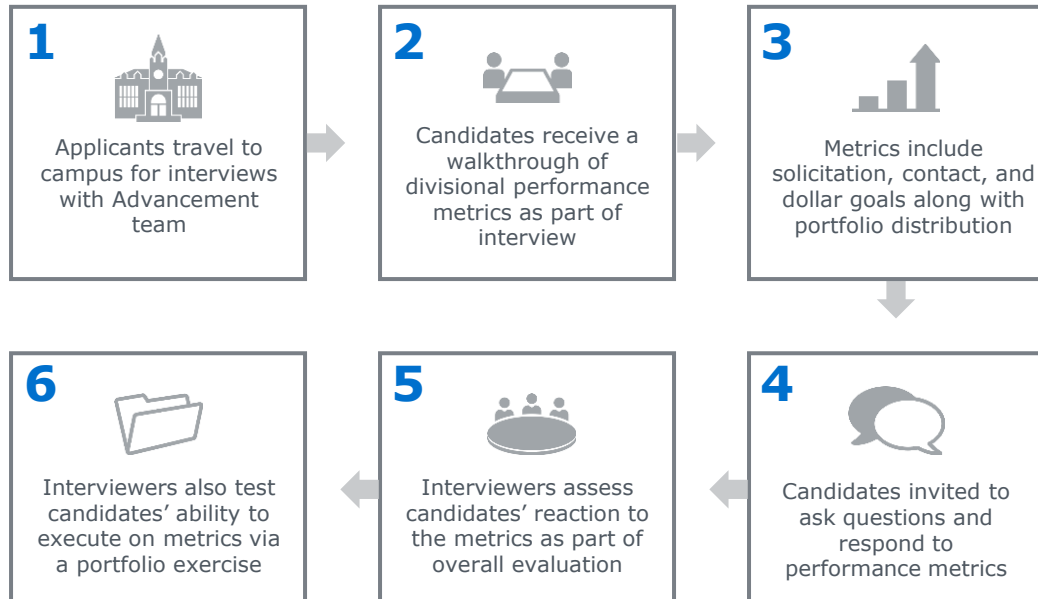
All performance
metrics included

“Candidates tell me they’re glad to know exactly what their metrics are because they have entered into institutions in the past without knowing what they’re expected to do. One candidate told me she was excited to work for my shop because we had such explicitly defined objectives, even in the job description.”

*AVP, Development
Public Research University*

Gauging Reactions to Performance Metrics

DePaul University Reviews Performance Metrics During MGO Interviews



Scoreboards Aren't Just for Stadiums

Progressive Advancement Shops Create Rigorously Designed Scorecards



Benefits of Using a Points System



More objective indicator of success than qualitative feedback



Distills massive amount of information into most relevant data points about performance



Easy to integrate into formal performance review



Agile enough to allow for weighting of activities/outcomes most valuable to your shop in a given period

Nimble Goal Setting

“Your department’s goals...and therefore the metrics you use to measure success toward those goals need to be responsive to the changing trends and demands of the environment.”

*Rick Dupree
Executive Vice President for Development
Indiana University Foundation*

Adding It All Up

Freed-Hardeman University's Points-Based Metrics System

Category	Goal	Percent Attainment	Points Possible	Points Earned
Cash	\$1M	80%	50	40
Total Contacts	25 per week	100%	30	30
In-Person Contacts	5 per week	90%	10	9
Donor Retention	NA	80%	10	10
Bonus for Estate Gifts	NA	NA	5	3
Total Points:				92

Average of the portfolio's production over last 5 years throwing out highest and lowest years +15%

Included in Total Contacts

Based on a scale:

- $\geq 80\%$ = 10
- 70%-79% = 5
- $< 70\%$ = 0

Based on a scale:

- $\leq \$49,999$ = 1
- $\$50,000$ - $\$149,999$ = 2
- $\$150,000$ - $\$249,999$ = 3
- $\$250,000$ - $\$499,999$ = 4
- $\geq \$500,000$ = 5

Points With a Twist



MSU Alumni Foundation Institutes Innovative Points Cap

Montana State's Metrics



Personal Visits



Discovery Visits



Solicitations



Dollars Raised
("Solicitation Gifts
Booked")



"In our system, you earn points in each task category. These points are capped because I don't want over-performance in one category to mask lower performance in the other categories. For example, it's great to secure a \$3M gift, but you still need to perform on the other metrics."

*Chris Murray
President and CEO
Montana State University Alumni Foundation*

Points Cap

The maximum number of points an MGO can earn in one metric, including performance greater than 100% of goal.

- ✓ Allows room for **recognition** of over-performance relative to goal
- ✓ Serves to ensure that an MGO who greatly over-performs in one area **remains motivated** to perform in others

The Points Cap: Recognition Within Reason

MSU Prevents Success in One Area from Masking Low Performance in Another

\$1M

Dollar Goal

30

Points Value

45

Points Cap

Points Earned for Dollar Goal Performance

MGO	Dollars Raised	Percent of Dollar Goal Attained	Points Earned
MGO A	\$870,000	87%	26
MGO B	\$1,500,000	150%	45
MGO C	\$2,000,000	200%	45

Although 200% of 30 points is 60, the points cap limits MGO C to 45 points

Emphasizing Individual Performance

Vanderbilt Applies Structured Approach to Performance Management

A Partial Sampling of Metrics with Three-Tiered Goal System¹

Metrics	Points Earned at Threshold	Points Earned at Target	Points Earned at Reach	Maximum Points
Dollars Raised by Team	10	10	10	30
Dollars Raised by Individual	35	35	35+	105+
Number of Solicitations Funded	30	30	30	90

Leadership changed the percentage of evaluation comprised by dollars raised by individual and closed gifts from 50% to 65%.

1) The full metrics system includes points for personal visits (30), solicitations made (30) and money raised by the university (15), for a total of 300+ points possible.

Knocking it Out of the (SEC D1) Park

Recognizing Fundraisers Who Beat Ambitious Dollar Goals

No Cap on Dollars Raised by Individual



For example:

If all three-tiered dollar goals are 35 points each and the development officer surpasses her reach dollar goal by 40%, she would earn:

$$\begin{aligned} &(35 + 35 + 35) \\ &+ \\ &40\% \text{ of } 35 \\ &= \\ &119 \text{ points} \end{aligned}$$

33%

Increase in solicitations

80%

Increase in Leadership Annual Giving dollars

Focus MGOs on Fundraising



“What we want to do is give you permission and authority to say when you need to say it, ‘I need to keep my focus on these prospects because that’s what’s most likely to lead to increased giving to Vanderbilt.’”

*Randy Smith
Executive Associate Vice Chancellor
Vanderbilt University*

1

Laying the Foundation: Setting Appropriate Goals and Securing MGO Buy-in

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KPIs with Teeth: Creating a Culture of Accountability

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Data as a Means, Not an End: Utilizing Performance Analytics to Support Decision-Making

Without Teeth, Metrics Are Just Numbers

We Ignore A System of Consequences at Our Own Peril

A World Without Consequences

Your Superstar MGO

"I could do more,
but it wouldn't
really benefit me."



Your Lowest Performer

"Even if I don't hit
my ask goal, what
do I have to worry
about?"



Our Last Mile Problem

"Metrics for development officers have been getting more press lately, but even though many VPs are interested in measuring performance, they fear integrating their metrics systems with the university's performance review process. Without a clear line between performance on metrics and specific consequences, why would anyone care about metrics?"

*Carrie Collins
Vice President for Inst. Advancement
University of the Sciences*

Transparency Breeds Accountability

Building a Meritocracy Requires Openness

Weighing In on Transparency

Pros	Cons
<ul style="list-style-type: none"> • Clear understanding of performance expectations • No secrets • Best MGOs are often competitive • Clarity of purpose 	<ul style="list-style-type: none"> • Difficult to include context (e.g., variability in prospect quality) • May breed jealousy among staff

Considerations

- How should the work of high performers be highlighted?
- How can deans best be kept apprised of the performance of their MGOs as well as those of other academic units?
- Should the performance data for advancement leaders be accessible?
- Should MGOs have access to metrics data of their peers via the reporting or dashboard tool?

EAB Guidance for Metrics Implementation

Two Approaches to Ensuring a Smooth Transition to Robust Metrics

Shop-Wide Trial Period

- Introduce new metrics with the introduction of a new CRM
- Offer one year trial in which metrics are tracked but staff are not evaluated on them
- Use trial period to collect performance data to better inform target levels
- Trial period can also assuage concerns about how metrics will affect fundraising behavior

New-Hire Trial Period

- Offer to all new fundraisers a one year trial period in which metrics are tracked but not included in performance evaluation
- Trial period offers an opportunity to assess the appropriateness of target levels, especially for fundraisers hired into new roles or unqualified portfolios
- Facilitates buy-in from new fundraisers who may feel overwhelmed by metrics in their first year



“We wanted to give people time to learn the new metrics. The transition was also envisioned to make sure that people would continue to work in a donor-centric way with the new measures in place.”

*Andrea Engebretson
Associate Vice President of Development & Managing Director
University of Wisconsin Foundation*

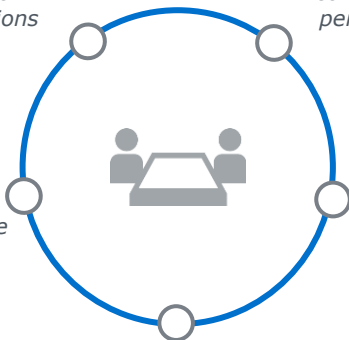
Are Your MGOs on Track to Goal?

University of the Sciences Institutes Quarterly Performance Reviews

Advantages of Quarterly Performance Reviews

*Create a paper trail
for possible out-
counseling decisions*

*Inform and
contextualize annual
performance review*



*Allow for mid-course
metric or target
corrections*

*Offer opportunity for
reinforcement, praise,
or constructive
criticism*

*Provide accountability for
data entry throughout
the year*



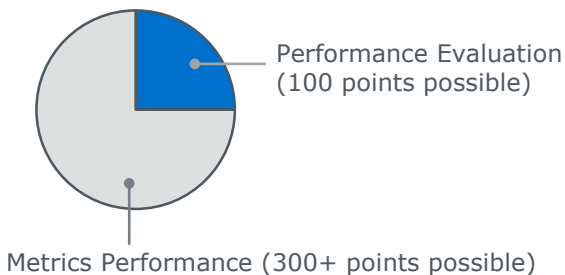
“It allows you to provide your employees with mid-course corrections. It provides subjective information in support of objective pieces of data. So, for example, it’s one thing to say Terry had a really slow quarter and not a lot of visits. Well if you look closely, Terry was busy closing a multi-million dollar gift that quarter and all of her time and focus was on that particular donor. So you can also provide praise, constructive criticism and guidance.”

*Carrie Collins
Vice President for Institutional
Advancement
University of the Sciences*

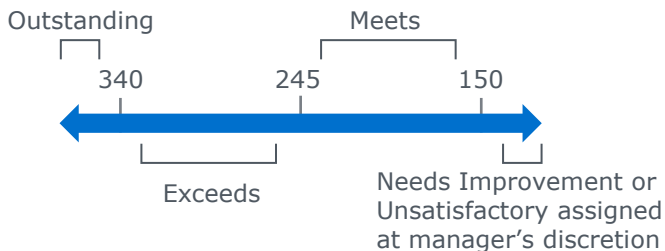
Metrics with Follow-Through

Vanderbilt Integrates Metrics Performance into MGO Reviews

Overall Performance Evaluation



Grading Scale



MGO Metric Acclimation

"Over time the questions have shifted from 'Why do we have metrics?' to 'Can you help me understand why this metric counts for this much as opposed to that metric counting for that much?' So I would say our experience was we had to... weather a period of time where people were acclimating to it, but now they have and the metrics are taken as a given."

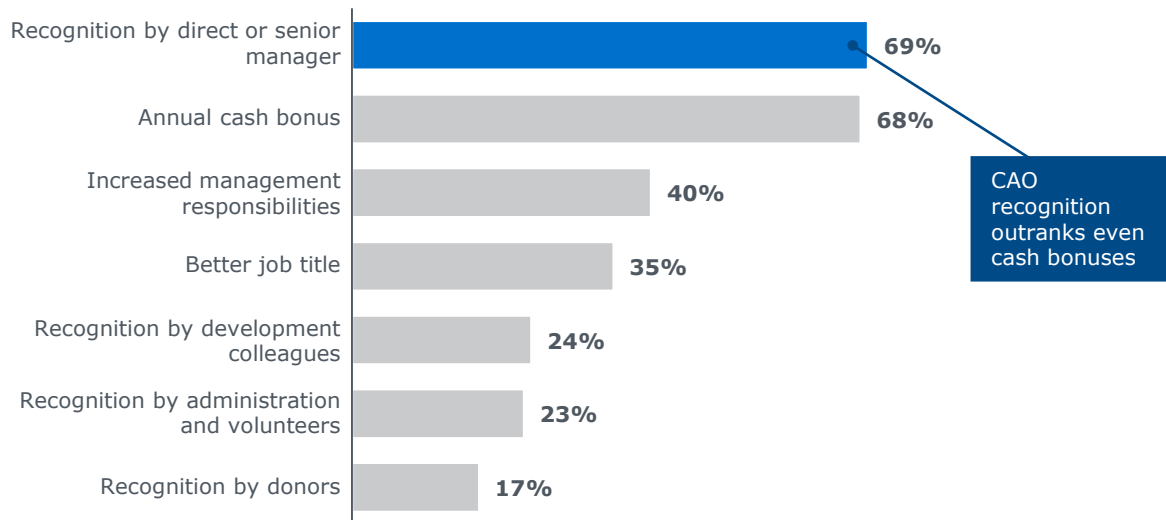
*Randy Smith
Executive Associate Vice Chancellor
Vanderbilt University*

Is Cash Really King for MGOs?

Survey Says, "...Not Exactly"

"What kinds of recognition do you prefer for meeting and/or exceeding performance goals?"

EAB 2014 MGO Survey (n=1,217)



Showing Appreciation

Myriad Methods to Increase Engagement and Productivity



Flex-Time, Additional Time Off, and
Vacation Re-Allocation



Gift Cards, Recognition Plaques,
and On-Campus Memberships



Peer-Nominated Staff and
Performance Awards



Personalized Thank-You Notes from
Leadership



Donor, Board Member, or
Constituent Appreciation Stories



Appreciation Less Costly Than You Think

“When I was at the University of Idaho the president approved a modest bonus pool for each university division. The maximum bonus amount was just \$500, but I had staff in my office in tears. It wasn’t the dollar amount. It was the fact that we were saying, ‘Thank you, we recognize that you’ve worked hard and we value you.’ The dollar amount doesn’t have to be enormous—ideally more than \$500—it just needs to be an amount that recognizes, rewards and thanks team members for doing well what you’ve asked them to do.”

*Chris Murray
President and CEO
Montana State University Foundation*

Equity Does Not Mean Equality

Rewards Tailored to Individual Preferences

Know Your Staff

A Four-Step Process to Customize Staff Rewards



Ask MGOs to identify their interests

**Step 1:
Discuss**



Record instances of outstanding behavior

**Step 3:
Chronicle**

**Step 2:
Observe**

Observe and internalize the motivators that work



Award credit where credit is due



Putting Your Money Where Your Metrics Are

Dalhousie Finds Success with Incentive Compensation Plan

Incentive Compensation Calculation

$$8\% \text{ or } 10\% \quad \times \quad 10\text{-}50\% \quad = \quad \text{Bonus Reward}$$

Goal Multiplier

- If an MGO hits her target level for a specific metric, that metric's goal multiplier is 8%
- If an MGO hits her stretch level for a specific metric, that metric's goal multiplier is 10%

If MGO fails to hit target *or* stretch level for a specific metric, that metric's goal multiplier will be 0%

Weighting

- Depending on a staff member's experience, supervisors will consider certain goals more or less important, giving them more or less weight during bonus calculation

Putting Your Money Where Your Metrics Are



Example of Incentive Compensation **Earned**

Metric	Goal	Achievement (stretch/target/ below target)	Bonus
Number of Face to Face Visits	15/mo	Target	$8\% \times 20\% = 1.6\%$
Number of Major Gifts Commitments Secured	10	Target	$8\% \times 20\% = 1.6\%$
Aggregate Value of Major Gift Commitments Secured	\$1.1 million	Target	$8\% \times 50\% = 4\%$
Other	TBD	Target	$8\% \times 10\% = 0.8\%$
		Total Bonus	8%

Putting Your Money Where Your Metrics Are



Example of **Failure to Earn** Incentive Compensation

Metric	Goal	Achievement (stretch/target/below target)	Bonus
Number of Face to Face Visits	15/mo	Target	$8\% \times 20\% = 1.6\%$
Number of Major Gifts Commitments Secured	10	Target	$8\% \times 20\% = 1.6\%$
Aggregate Value of Major Gift Commitments Secured	\$1.1 million	Below Target	$0\% \times 50\% = 0\%$
Other	TBD	Target	$8\% \times 10\% = 0.8\%$
Total Bonus			0%

Due to top priority of dollar goal, failure to hit target in this category would render MGO ineligible for bonus reward

Campus Collaboration Creates Career Choices

Pitt's Unique Partnership with HR Reaps Dividends

Motivations to Develop a Career Ladder

1. Low MGO retention
2. Lack of visibility into possible career paths for MGOs
3. Limited management positions available
4. No individual contributor role promotion options

Working With HR to Develop a Career Ladder



Analyze historical university advancement data to determine appropriate goals for each level



Educate HR about the differences between fundraisers and other university staff



Stress the objectivity of the promotional structure and the difficulty of performance required for promotion

Timeline for Career Ladder Development

January 2014

Secured buy-in from chancellor's chief of staff to work with HR on a fundraiser career ladder

June 2014

Analyzed 13 years of historical fundraiser data to develop career levels and goals

November 2014

Implemented the Charitable Relationship Manager system

March 2014

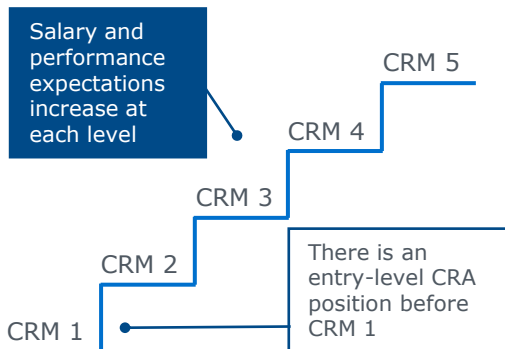
Formed a working group of advancement leadership and HR compensation analysts

August 2014

Reached out to peer institutions to investigate individual contributor promotion options

Innovating, One Step at a Time

MGO Career Ladder Integrated with Annual Performance Review



Promotional Reviews Incorporate Annual Evaluations

Successful annual evaluations each of the three years reviewed are also required. This ensures that qualitative performance (e.g., collaboration, professionalism) is also factored into the promotion decision.

Requirements for Promotion¹ from CRM 1 to CRM 2

Metric	Standard Goal	Goal for Advancement
Fundraising Visits	45	45
New Pledges and Outright Gifts	\$200,000	\$500,000+
Agreements Sent	6	6
Agreements Accepted	4	4
Total Contacts	1,000	1,000
Origination Gifts ²	2	3

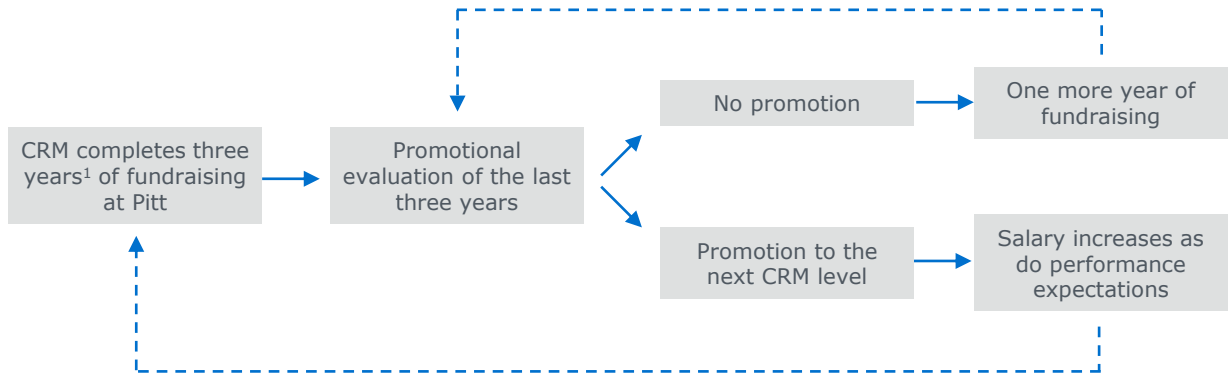
1) These metrics are based on a three-year average.

2) Gifts in which the donor(s) have never been placed in active management prior to being qualified.

Only Partially Resetting the Clock

MGOs Who Don't Get Promoted Are Considered Again the Following Year

Promotional Review Cycle



1) MGOs are measured on a "performance year" starting from their first day of fundraising, not the fiscal year.

1

Laying the Foundation: Setting Appropriate Goals and Securing MGO Buy-in

2

KPIs with Teeth: Creating a Culture of Accountability

3

Data as a Means, Not an End: Utilizing Performance Analytics to Support Decision Making

Changing Behavior...One Data Point at a Time

Data Empowers MGOs to Make Better Decisions Before It's Too Late



- Which prospects should I focus on this week?
- Have any of my prospects been in a stage for too long?
- Relative to last year, am I on track to goal?
- What does my performance look like compared to peers?

”

“We focus on monthly performance reports so that we are continually tracking and analyzing our progress. We want our fundraisers to always know where we stand vis-à-vis our goals and expectations, so that adjustments in strategies and action plans can be made in a timely fashion.”

*Brodie Remington
Vice President for Advancement
Stevens Institute of Technology*

EAB's Top Tips for Dynamic Design

Optimizing Your Existing Reporting or Dashboard Tools

What?

✓ Display progress to goal indicator and forecasting projections

✓ Where relevant, use ratios rather than mere numbers

✓ Show year-over-year comparisons

How?

✓ Utilize report or dashboard space wisely, prioritizing key data points

✓ Leverage diverse modalities (e.g., charts, graphs)

✓ Use color appropriately

Who?

✓ Carefully create recipient list

✓ Consider highlighting performance of high performers

When?

✓ Update on a consistent basis

✓ Distribute at key prospect aging points

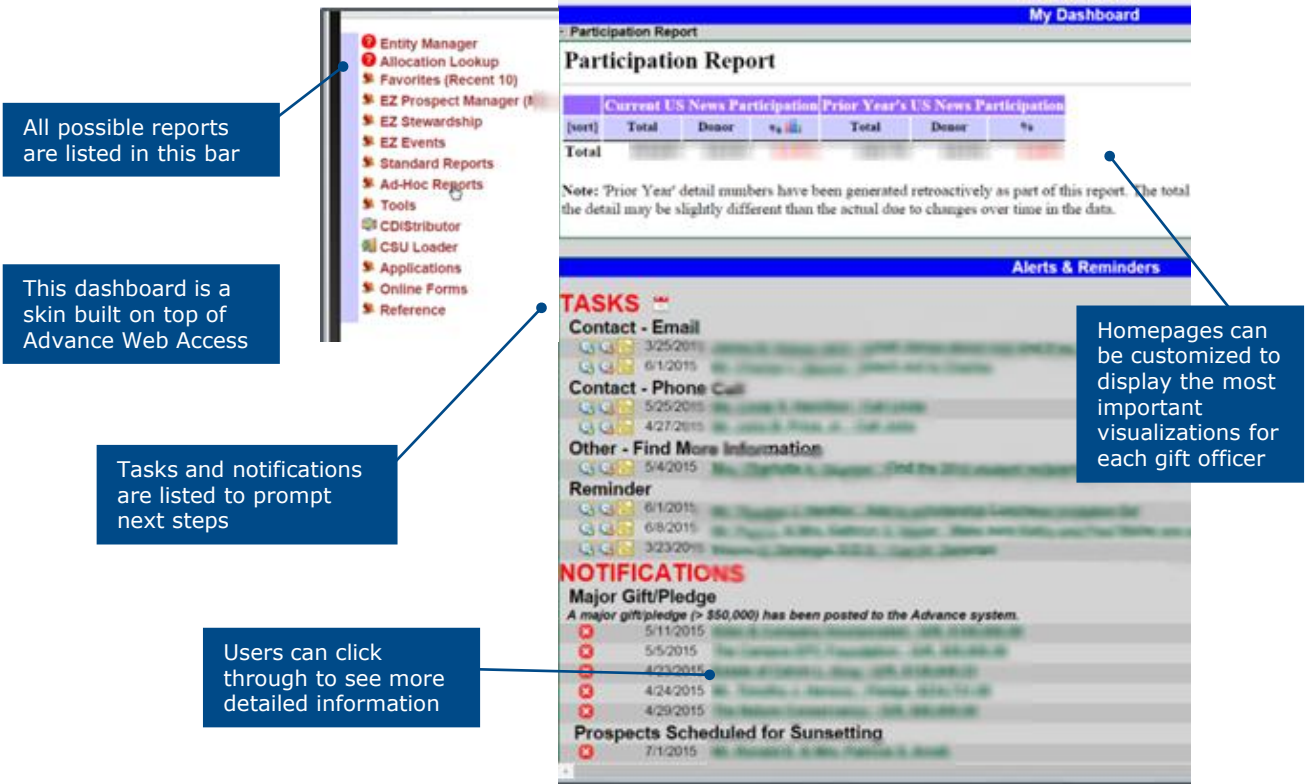


"100% of the analysis that goes unused is wasted."

*Ashutosh Nandeshwar
Director, Prospect Development and Analytics
California Institute of Technology*

A Layer of Sophistication

Colorado State Rolls Out Dashboard to Guide MGO Decision-Making



Entity Manager
Allocation Lookup
Favorites (Recent 10)
EZ Prospect Manager (1)
EZ Stewardship
EZ Events
Standard Reports
Ad-Hoc Reports
Tools
CDistributor
CSU Loader
Applications
Online Forms
Reference

Participation Report

	Current US News Participation			Prior Year's US News Participation		
[sort]	Total	Donor	%	Total	Donor	%
Total						

Note: 'Prior Year' detail numbers have been generated retroactively as part of this report. The total the detail may be slightly different than the actual due to changes over time in the data.

Alerts & Reminders

TASKS

Contact - Email

- 3/25/2015
- 6/1/2015

Contact - Phone Call

- 5/25/2015
- 4/27/2015

Other - Find More Information

- 5/4/2015

Reminder

- 6/1/2015
- 6/8/2015
- 3/23/2015

NOTIFICATIONS

Major Gift/Pledge

A major gift/pledge (> \$50,000) has been posted to the Advance system.

- 5/11/2015
- 5/5/2015
- 4/23/2015
- 4/24/2015
- 4/29/2015

Prospects Scheduled for Sunsetting

- 7/1/2015

All possible reports are listed in this bar

This dashboard is a skin built on top of Advance Web Access

Tasks and notifications are listed to prompt next steps

Users can click through to see more detailed information

Homepages can be customized to display the most important visualizations for each gift officer

More Tools Than a Swiss Army Knife

Goal Integration Provides Seamless Link to Annual Planning

Goals Set Within the System

Measurement	\$\$ Amount	Count
Asks Made - Ask Amount	\$0	
Asks Made - Ask Count		75
Contact Outcome - Disqualified		0
Contact Outcome - Identified		0
Contact Outcome - Qualified		0
Contact Reports - Informational		0
Contact Reports - Meaningful Contacts		375
Contact Reports - Non-Personal Contacts		0
Contact Reports - Personal Visits		0

Key Elements

Data entry and goals are in the same platform

More flexible than Advance:

- Can input more goals
- Goals can be set over timelines different from the Fiscal Year

Analytics on Analytics

Usage Reports Offer Powerful Insights to Advancement Services

Sample Utilization Report

User	Report	Generated On...	Time (in seconds)
Jonathan Kim	Advancement Effort	5/30/2015 09:17:14 AM	15
Reginald Bush	Advancement Effort	5/24/2015 02:55:34 PM	2
Erlich Bachman	Advancement Effort	5/19/2015 03:17:31 AM	2
Jack Bauer	Advancement Effort	5/4/2015 12:28:33 AM	11
Spencer Strasmor	Advancement Effort	5/1/2015 08:28:27 AM	5

Dr. Nicole Diver



Record Type: Alumna

Employment: Professor of Psychology, La Sorbonne

Age: 30

All Associated Giving: \$10,450,808

Years of Giving: 4

Primary Assignment: Mr. Francis Scott (Stewardship)

Estimated Gift Capacity: \$300,000,000

Active Proposal: \$2,500,000 / Study Abroad Center /
Expected 08/15/2015

Most Recent Meaningful Contact: 01/06/2015 (198
days)

Sunsetting Date: 10/31/2015

Contact Information: (click to expand)

Notes: (6)

Connections: (1)

Interests: (23)

Employment: (1)

Relationships: (5)

Colors of the Rainbow

CSU Color-Coded System Facilitates Immediate Comprehension

Revealing Trends by Capacity and Readiness

High gift capacity High readiness	High gift capacity Low readiness
Low gift capacity Low readiness	Low gift capacity High readiness

218%

Colorado State has increased production from \$55M to \$175M per year over five years by refocusing MGOs on top prospects

Meaningful Contact Reports Broken Out By Color

Prospect Code	#	% Contacted in Last 6 Months	% Not Contacted in Last 6 Months
Green	22	95%	5%
Yellow	40	55%	45%
Blue	0	N/A	N/A
Red	21	19%	81%
Total	83	57%	43%

Typically CSU tries to maintain 75% of the portfolio in green and yellow

Trend: This MGO is focusing her visits on donors likely to give soon

Dashboards May Not Be All Rainbows and Glitter



Tread Carefully Before Deploying a Color-Coded System

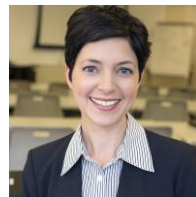
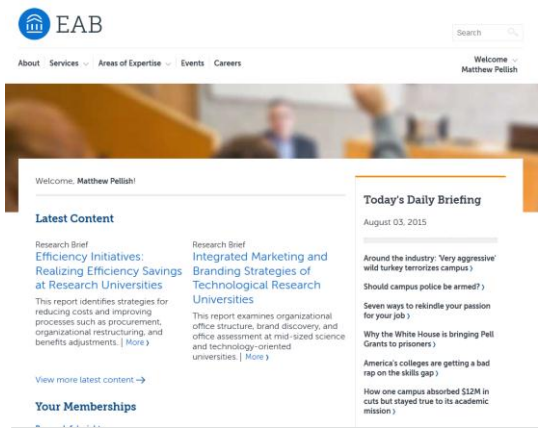


Red Indicator Engenders Visceral MGO Response

“If prospects had been in a certain stage for a long time, we used to mark them red. The fundraisers were irritated by that. It was frustrating because we’re talking about individual relationships and you don’t know that that donor goes away for six months, that they’re suffering from a disease, that their business is about to be sold. So something that you can say should take three months, in individual cases can take three years. Our fundraisers didn’t like it and our managers didn’t like it. It was a failed experiment for us.”

*Susan Hayes-McQueen
Senior Director, Prospect Management, Research, and Analytics
University of Washington*

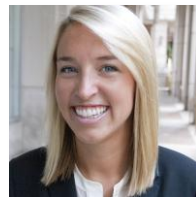
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