Making Meaning of Metrics

Leveraging Accountability and Analytics to Enhance Fundraiser Productivity
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

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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?

Source: EAB interviews and analysis.
CAOs Need to Prove ROI

Advancement Under Increasing Pressure to Measure Its Impact

“Greater gains than a Pied Piper IPO

Advancement under increasing pressure to measure its impact

CAOs need to prove ROI.

Source: EAB interviews and analysis.
Turn Back the Clock to Avoid Sticker Shock

**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

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1) In real 2013 billions of dollars.

Major Gift Officers Account for Increasingly Large Share of Budget

Advancement Department Expenditures at Research Universities

Council for Aid to Education Data, FY2014

- Fundraising/Development Salaries and Benefits: 37%
- All Other Expenses: 63%

Average MGO Salaries

The Efficiency Imperative

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

No Relief in Sight
No Increase in Staffing Levels After Great Recession

Wealth Screen Too Porous
Full Prospect Coverage Requires an Army

Advancement Headcount Averages at 4-Year Institutions

<table>
<thead>
<tr>
<th></th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni Relations</td>
<td>10</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Development</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Advancement Services</td>
<td>36</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>Communications</td>
<td>24</td>
<td>22</td>
<td>23</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th></th>
<th>88</th>
<th>87</th>
<th>91</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni Relations</td>
<td>10</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Development</td>
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<td>Advancement Services</td>
<td>36</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>Communications</td>
<td>24</td>
<td>22</td>
<td>23</td>
</tr>
</tbody>
</table>

1) n=77. Includes Research and Master’s institutions.
2) Average and median figures using Public Research Institution data.

In a perfect world...

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

Even the Pharaohs Would Be Impressed

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 University

- **<100k**: 21,800 Gifts (15%)
- **$100-$999K**: 81 Gifts (20%)
- **$1000-$10M**: 22 Gifts (65%)

**Percentage of Total Campaign Dollars Provided by Top Donors**

- **2006**: Top 1%: 64%, Top 10%: 87%
- **2011**: Top 1%: 77%, Top 10%: 95%

“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


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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)

- 30%: Less than 50% of time
- 23%: 50-60%
- 13%: 70-80%
- 36%: 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.

Source: EAB interviews and analysis.
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 2015\(^1\)

1.72

Hours spent per day on social media in 2014

65.3

Mobile app notifications received per day in 2014

“These 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*

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Laying the Foundation: Setting Expectations and Securing Buy-In

KPIs with Teeth: Creating a Culture of Accountability

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

Source: Mehta M, "Why Our Brains Like Short-Term Goals," Entrepreneur, January 3, 2013, 
http://www.entrepreneur.com/article/225356; EAB interviews and analysis.
## Why Intermediate Metrics Matter

An Overview of Problems Evident in Absence of These Metrics

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

Source: Philanthropy Leadership Council interviews and analysis; EAB interviews and analysis.
### Activity Goals—Individual
- Prospects identified, qualified
- Contacts, visits, moves
- Prospects in each stage of pipeline
- Written strategies
- Solicitations

### Outcomes 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

### Outcomes Goals—Team
- Gifts closed
- Funds raised
- Annual fund upgrades
- Donor satisfaction

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**Source:** Philanthropy Leadership Council interviews and analysis; EAB interviews and analysis.
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

Source: EAB interviews and analysis.
Rinse and Repeat Is a Recipe for Defeat

Be Careful What You Measure

Knee-Jerk Metrics Cause Confusion and Lower MGO Productivity

1. VP sees MGOs in the office too much
2. **Metric Added:** Face-to-Face Visits
3. MGOs visiting the same prospects
4. **Metric Added:** Number of Unique Visits
5. Visits are friendly but not substantial
6. **Metric Added:** Number of Solicitations
7. MGOs are asking too soon and alienating prospects
8. **Metric Added:** Number of Gifts Closed
9. MGOs are asking too low
10. **Metric Added:** Specific dollar goal

Source: EAB interviews and analysis.
Thumbs Down on Rules of Thumb

Make Your Performance Data Work for You

How to Analyze Your Data to Uncover Ratios

<table>
<thead>
<tr>
<th>Pool Coverage</th>
<th>Effective Use of Visits</th>
<th>Yield Rate</th>
<th>Accurate Ask Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td># Unique Visits</td>
<td># Total Visits</td>
<td># Asks</td>
<td>Ask Amount</td>
</tr>
<tr>
<td># Total Prospects</td>
<td># Total Visits</td>
<td># Asks</td>
<td>Gift Amount</td>
</tr>
</tbody>
</table>

“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

Source: EAB interviews and analysis.
Industry Benchmarks

Data on Major Gift Officers

Key Fundraiser Metric Medians

6
Visit-to-proposal ratio

67%
Gift closure rate

$1.1M
Dollars raised

Portfolio Distribution by Capacity

- $10M+: 11%
- $1M to $9.9999M: 35%
- $100K to $999,999: 30%
- $1 to $99,999: 12%
- Not Rated: 4%

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

Source: EAB interviews and analysis.
Industry Benchmarks

Data on Leadership Annual Giving Officers

Key Fundraiser Metric Medians

8
Visit-to-proposal ratio

65%
Gift closure rate

$204K
Dollars raised

Portfolio Distribution by Capacity

- $10M+, 0%
- $1M to $9.999M, 1.40%
- $100K to $999,999, 25%
- $1 to $99,999, 43%
- Not Rated, 30%

Fundraiser Attributes

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

Source: EAB interviews and analysis.

1) Data on this slide is sourced from a group of ten private research universities
2) Only includes staff with ≥ 1 year in seat

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A More Rigorous Approach to Dollar Goal Setting

NAU Incorporates Proposal Close Probability Into Annual Planning

1. Probability of solicitation this fiscal year
   - Low = 0%
   - Medium = 50%
   - High = 75%
   - Certain\(^1\) = 100%

2. Probability of gift closing this fiscal year
   - Low = 25%
   - Medium = 50%
   - High = 75%

3. Planned ask amount
   - If the gift comes in without a pledge, with little or no effort = 100%

4. Dollar goal for fiscal year

---

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

Source: EAB interviews and analysis.
### Sample Probability Calculation for NAU Director of Development

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Ask Amount</th>
<th>Solicitation Probability</th>
<th>Close Probability</th>
<th>Expected Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Williams</td>
<td>$1M</td>
<td>50%</td>
<td>50%</td>
<td>$250K</td>
</tr>
<tr>
<td>José Perez</td>
<td>$80K</td>
<td>100%</td>
<td>75%</td>
<td>$60K</td>
</tr>
<tr>
<td>Rashmi Anilkumar</td>
<td>$80K</td>
<td>100%</td>
<td>75%</td>
<td>$60K</td>
</tr>
<tr>
<td>Mildred Smith</td>
<td>$200K</td>
<td>50%</td>
<td>25%</td>
<td>$25K</td>
</tr>
<tr>
<td>Roger Chen</td>
<td>$150K</td>
<td>100%</td>
<td>50%</td>
<td>$75K</td>
</tr>
</tbody>
</table>

**Total Dollar Goal:** $470K

Source: EAB interviews and analysis.
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...

"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

Specific target levels, rather than ranges, clearly articulated

All performance metrics included

Source: EAB interviews and analysis.
Gauging Reactions to Performance Metrics

DePaul University Reviews Performance Metrics During MGO Interviews

1. Applicants travel to campus for interviews with Advancement team

2. Candidates receive a walkthrough of divisional performance metrics as part of interview

3. Metrics include solicitation, contact, and dollar goals along with portfolio distribution

6. Interviewers also test candidates’ ability to execute on metrics via a portfolio exercise

5. Interviewers assess candidates’ reaction to the metrics as part of overall evaluation

4. Candidates invited to ask questions and respond to performance metrics

Source: EAB interviews and analysis.
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
<th>Percent Attainment</th>
<th>Points Possible</th>
<th>Points Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1M</td>
<td>80%</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>Total Contacts</td>
<td>25 per week</td>
<td>100%</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>In-Person Contacts</td>
<td>5 per week</td>
<td>90%</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Donor Retention</td>
<td>NA</td>
<td>80%</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Bonus for Estate Gifts</td>
<td>NA</td>
<td>NA</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

**Total Points:** 92

Based on a scale:
- $≤49,999 = 1
- $50,000-$149,999 = 2
- $150,000-$249,999 = 3
- $250,000-$499,999 = 4
- $≥$500,000 = 5

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

Based on a scale:
- $≥80% = 10
- 70%-79% = 5
- <70% = 0

Source: EAB interviews and analysis.
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”)

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

“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

Source: EAB interviews and analysis.
## The Points Cap: Recognition Within Reason

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

### Points Earned for Dollar Goal Performance

<table>
<thead>
<tr>
<th>MGO</th>
<th>Dollars Raised</th>
<th>Percent of Dollar Goal Attained</th>
<th>Points Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>MGO A</td>
<td>$870,000</td>
<td>87%</td>
<td>26</td>
</tr>
<tr>
<td>MGO B</td>
<td>$1,500,000</td>
<td>150%</td>
<td>45</td>
</tr>
<tr>
<td>MGO C</td>
<td>$2,000,000</td>
<td>200%</td>
<td>45</td>
</tr>
</tbody>
</table>

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

Source: EAB interviews and analysis.
Emphasizing Individual Performance

Vanderbilt Applies Structured Approach to Performance Management

A Partial Sampling of Metrics with Three-Tiered Goal System

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Points Earned at Threshold</th>
<th>Points Earned at Target</th>
<th>Points Earned at Reach</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollars Raised by Team</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Dollars Raised by Individual</td>
<td>35</td>
<td>35</td>
<td>35+</td>
<td>105+</td>
</tr>
<tr>
<td>Number of Solicitations Funded</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>90</td>
</tr>
</tbody>
</table>

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.

Source: EAB interviews and analysis.
‘Dores Soar with Limitless Dollar Metric

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:

\[(35 + 35 + 35) + 40\% \text{ of } 35 = 119 \text{ points}\]

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

Source: EAB interviews and analysis.
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
Take Your Pick, Be it Carrot or Stick

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

Source: EAB interviews and analysis.
Metrics as Transparent as Crystal Pepsi

Transparency Breeds Accountability

Building a Meritocracy Requires Openness

Weighing In on Transparency

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear understanding of performance expectations</td>
<td>Difficult to include context (e.g., variability in prospect quality)</td>
</tr>
<tr>
<td>No secrets</td>
<td>May breed jealousy among staff</td>
</tr>
<tr>
<td>Best MGOs are often competitive</td>
<td></td>
</tr>
<tr>
<td>Clarity of purpose</td>
<td></td>
</tr>
</tbody>
</table>

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?

Source: EAB interviews and analysis.
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

Source: EAB interviews and analysis.
Better Performance Than Philly to DC on the Acela

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

Source: EAB interviews and analysis.
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

Source: EAB interviews and analysis.
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)

- Recognition by direct or senior manager: 69%
- Annual cash bonus: 68%
- Increased management responsibilities: 40%
- Better job title: 35%
- Recognition by development colleagues: 24%
- Recognition by administration and volunteers: 23%
- Recognition by donors: 17%

Source: EAB interviews and analysis.
More Flies with Honey Than with Vinegar

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

Source: EAB interviews and analysis.
Equity Does Not Mean Equality
Rewards Tailored to Individual Preferences

Know Your Staff
A Four-Step Process to Customize Staff Rewards

Step 1: Discuss
Ask MGOs to identify their interests

Step 2: Observe
Observe and internalize the motivators that work

Step 3: Chronicle
Record instances of outstanding behavior

Step 4: Recognize
Award credit where credit is due

Source: Philanthropy Leadership Council interviews and analysis; EAB interviews and analysis;
Dalhousie Finds Success with Incentive Compensation Plan

Incentive Compensation Calculation

\[
\text{8\% or 10\%} \times \text{10-50\%} = \text{Bonus Reward}
\]

**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%.

**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.

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

Source: EAB interviews and analysis.
## Example of Incentive Compensation Earned

<table>
<thead>
<tr>
<th>Metric</th>
<th>Goal</th>
<th>Achievement (stretch/target/below target)</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Face to Face Visits</td>
<td>15/mo</td>
<td>Target</td>
<td>8% x 20% = 1.6%</td>
</tr>
<tr>
<td>Number of Major Gifts Commitments Secured</td>
<td>10</td>
<td>Target</td>
<td>8% x 20% = 1.6%</td>
</tr>
<tr>
<td>Aggregate Value of Major Gift Commitments</td>
<td>$1.1 million</td>
<td>Target</td>
<td>8% x 50% = 4%</td>
</tr>
<tr>
<td>Secured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>TBD</td>
<td>Target</td>
<td>8% x 10% = 0.8%</td>
</tr>
<tr>
<td><strong>Total Bonus</strong></td>
<td></td>
<td></td>
<td>8%</td>
</tr>
</tbody>
</table>
Example of **Failure to Earn** Incentive Compensation

<table>
<thead>
<tr>
<th>Metric</th>
<th>Goal</th>
<th>Achievement (stretch/target /below target)</th>
<th>Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Face to Face Visits</td>
<td>15/mo</td>
<td>Target</td>
<td>8% x 20% = 1.6%</td>
</tr>
<tr>
<td>Number of Major Gifts Commitments Secured</td>
<td>10</td>
<td>Target</td>
<td>8% x 20% = 1.6%</td>
</tr>
<tr>
<td>Aggregate Value of Major Gift Commitments Secured</td>
<td>$1.1 million</td>
<td>Below Target</td>
<td>0% x 50% = 0%</td>
</tr>
<tr>
<td>Other</td>
<td>TBD</td>
<td>Target</td>
<td>8% x 10% = 0.8%</td>
</tr>
<tr>
<td><strong>Total Bonus</strong></td>
<td></td>
<td></td>
<td>0%</td>
</tr>
</tbody>
</table>

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
- **March 2014**: Formed a working group of advancement leadership and HR compensation analysts
- **June 2014**: Analyzed 13 years of historical fundraiser data to develop career levels and goals
- **August 2014**: Reached out to peer institutions to investigate individual contributor promotion options
- **November 2014**: Implemented the Charitable Relationship Manager system

Source: EAB interviews and analysis.
A Vaccine for MGO Attrition

Innovating, One Step at a Time

MGO Career Ladder Integrated with Annual Performance Review

Requirements for Promotion\(^1\) from CRM 1 to CRM 2

<table>
<thead>
<tr>
<th>Metric</th>
<th>Standard Goal</th>
<th>Goal for Advancement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising Visits</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>New Pledges and Outright Gifts</td>
<td>$200,000</td>
<td>$500,000+</td>
</tr>
<tr>
<td>Agreements Sent</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Agreements Accepted</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Total Contacts</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Origination Gifts(^2)</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

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.

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.

Source: EAB interviews and analysis.
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.

Source: EAB interviews and analysis.
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
Data Empowers MGOs to Make Better Decisions Before It’s Too Late

“Changing Behavior…One Data Point at a Time

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

- 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?
Better Reporting Than a NYT Columnist

EAB’s Top Tips for Dynamic Design

Optimizing Your Existing Reporting or Dashboard Tools

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Display progress to goal indicator and forecasting projections</td>
<td>✓ Utilize report or dashboard space wisely, prioritizing key data points</td>
<td>✓ Carefully create recipient list</td>
<td>✓ Update on a consistent basis</td>
</tr>
<tr>
<td>✓ Where relevant, use ratios rather than mere numbers</td>
<td>✓ Leverage diverse modalities (e.g., charts, graphs)</td>
<td>✓ Consider highlighting performance of high performers</td>
<td></td>
</tr>
<tr>
<td>✓ Show year-over-year comparisons</td>
<td>✓ Use color appropriately</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

“100% of the analysis that goes unused is wasted.”

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

Source: EAB interviews and analysis.
Colorado State of the Art Technology

A Layer of Sophistication

Colorado State Rolls Out Dashboard to Guide MGO Decision-Making

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

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

Source: EAB interviews and analysis.
More Tools Than a Swiss Army Knife

Goal Integration Provides Seamless Link to Annual Planning

Goals Set Within the System

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

Source: EAB interviews and analysis.
### Sample Utilization Report

<table>
<thead>
<tr>
<th>User</th>
<th>Report</th>
<th>Generated On...</th>
<th>Time (in seconds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jonathan Kim</td>
<td>Advancement Effort</td>
<td>5/30/2015 09:17:14 AM</td>
<td>15</td>
</tr>
<tr>
<td>Reginald Bush</td>
<td>Advancement Effort</td>
<td>5/24/2015 02:55:34 PM</td>
<td>2</td>
</tr>
<tr>
<td>Erlich Bachman</td>
<td>Advancement Effort</td>
<td>5/19/2015 03:17:31 AM</td>
<td>2</td>
</tr>
<tr>
<td>Spencer Strasmor</td>
<td>Advancement Effort</td>
<td>5/1/2015 08:28:27 AM</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: EAB interviews and analysis.
Better Design Than NASCAR Gauges

A One-Stop Data Shop

Dashboard Includes High-Granularity Data Available On Demand

Individual Gift Officer’s Prospect Portfolio Dashboard

- Page is mobile friendly and has a Google Maps function
- Columns can be dynamically rearranged according to the user’s interest that day
- User can drill down into more specific prospect information, log contact reports, or de-assign himself from the prospect
- Includes sunset date; system will automatically notify MGOs of upcoming sunset dates

Source: EAB interviews and analysis.
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

<table>
<thead>
<tr>
<th>High gift capacity</th>
<th>Low gift capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>High readiness</td>
<td>Low readiness</td>
</tr>
<tr>
<td>Low readiness</td>
<td>High readiness</td>
</tr>
</tbody>
</table>

### Meaningful Contact Reports Broken Out By Color

<table>
<thead>
<tr>
<th>Prospect Code</th>
<th>#</th>
<th>% Contacted in Last 6 Months</th>
<th>% Not Contacted in Last 6 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green</td>
<td>22</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>Yellow</td>
<td>40</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>Blue</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Red</td>
<td>21</td>
<td>19%</td>
<td>81%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>83</td>
<td>57%</td>
<td>43%</td>
</tr>
</tbody>
</table>

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.

*Source: EAB interviews and analysis.*

---

**Results—and an Altitude—that Take Your Breath Away**

**Colorado State** has increased production from $55M to $175M per year over five years by refocusing MGOs on top prospects. **218%**
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

Source: EAB interviews and analysis.
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