Making Meaning of Metrics

Leveraging Accountability and Analytics to Enhance Fundraiser Productivity
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

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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.
Greater Gains Than a Pied Piper IPO

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

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
```

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

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

Average MGO Salaries
Association of Fundraising Professionals Data, 2009-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>MGO Average</th>
<th>Top 25th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$72K</td>
<td>$82K</td>
</tr>
<tr>
<td>2010</td>
<td>$85K</td>
<td>$97K</td>
</tr>
<tr>
<td>2011</td>
<td>$85K</td>
<td>$97K</td>
</tr>
<tr>
<td>2012</td>
<td>$85K</td>
<td>$97K</td>
</tr>
<tr>
<td>2013</td>
<td>$97K</td>
<td>$97K</td>
</tr>
</tbody>
</table>

¹ n = 36.

"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

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

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>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alumni Relations</td>
<td>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alumni Relations</td>
<td>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>88</td>
<td>10</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>18</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>36</td>
<td>37</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>22</td>
<td>23</td>
<td></td>
</tr>
</tbody>
</table>

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

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 University¹

<table>
<thead>
<tr>
<th>Level</th>
<th>Number of Gifts</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$100K</td>
<td>21,800 Gifts</td>
<td>(15%)</td>
</tr>
<tr>
<td>$100-$999K</td>
<td>81 Gifts</td>
<td>(20%)</td>
</tr>
<tr>
<td>$1-10M+</td>
<td>22 Gifts</td>
<td>(65%)</td>
</tr>
</tbody>
</table>

Percentage of Total Campaign Dollars Provided by Top Donors

<table>
<thead>
<tr>
<th>Year</th>
<th>Top 1%</th>
<th>Top 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>87%</td>
<td>95%</td>
</tr>
</tbody>
</table>

“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 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% of time on fundraising
- 13%: 60-70% of time on fundraising
- 34%: 70-80% of time on fundraising
- 36%: 90-100% of 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

1.72
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

Laying the Foundation: Setting Expectations and Securing Buy-In

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

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

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

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

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Activity vs. Outcomes

**If...**
- Advancement shop is new
- MGOs are not as skilled
- MGO results are not improving
- Advancement shop is far from goal
- Focus is long-term

**Then...**
Focus on Activities

**If...**
- Advancement shop is mature
- MGOs are highly skilled
- MGO results are improving
- Advancement shop is near goal
- Focus is short-term

**Then...**
Focus on Outcomes

Source: Philanthropy Leadership Council interviews and analysis; EAB interviews and analysis.
# Individual Goals

## Weighing In on Individual Goals

### Pros

- Roles more clearly defined
- Sense of control over own performance
- Useful as a guide to plan time
- Awareness of appropriate performance level
- Awareness of success
- Sense of fair evaluation
- Ability to refuse non-MGO work

### Cons

- Reduced flexibility
- Risk that goals will be hit in dysfunctional manner
- Short-term view promoted at expense of long-term horizon
- Target levels may be difficult to set correctly
- Target levels may become ceiling instead of floor

### Considerations

- Goal implementation typically leads to debates about definition and credit
- Goals can promote negative behaviors
- Fewer goals better than more goals
- Goals should not be changed often

Source: Philanthropy Leadership Council interviews and analysis; EAB interviews and analysis.
Weighing In on Team Goals

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Collaboration always prominent</td>
<td>• Jobs tend to become ill-defined</td>
</tr>
<tr>
<td>• Information-sharing constant</td>
<td>• Staff has difficulty prioritizing activities</td>
</tr>
<tr>
<td>• Activity of supporting staff increased</td>
<td>• Little incentive for individuals to outperform</td>
</tr>
<tr>
<td>• Office culture highly positive</td>
<td>• Individual accountability difficult to measure</td>
</tr>
<tr>
<td>• Donor interests always of paramount importance</td>
<td>• Underperformers can hurt team’s morale</td>
</tr>
</tbody>
</table>

Considerations

• Consistent managerial oversight necessary
• Managerial span of control limited
• Employees must embrace spirit of collaboration
• More staff will have personal stake in outcome of MGO candidate interviews

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 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.
“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**

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

**Fundraiser Attributes**

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

Source: EAB interviews and analysis.

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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

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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

- $1M to $9.9999M, 1.40%
- $100K to $999,999, 25%
- Not Rated, 30%
- $1 to $99,999, 43%
- $10M+, 0%

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

Source: EAB interviews and analysis.
A More Rigorous Approach to Dollar Goal Setting

NAU Incorporates Proposal Close Probability Into Annual Planning

1. Probability of solicitation this fiscal year

   X

2. Probability of gift closing this fiscal year

   X

3. Planned ask amount

   =

4. Dollar goal for fiscal year

Source: EAB interviews and analysis.

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

Low = 0%
Medium = 50%
High = 75%
Certain\(^1\) = 100%

Low = 25%
Medium = 50%
High = 75%

If the gift comes in without a pledge, with little or no effort = 100%
### 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
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**

<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**

- **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:**
  - $\geq80\% = 10$
  - $70\%-79\% = 5$
  - $<70\% = 0$

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

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**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")

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"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

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**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

---

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

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

<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>

Points Earned for Dollar Goal Performance

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:

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

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

33% Increase in solicitations
80% Increase in Leadership Annual Giving dollars

Source: EAB interviews and analysis.
Simplicity is the Ultimate Sophistication – Da Vinci

Dunbar and Development Don’t Mix
Portfolios Have Become Large and Unmanageable

Approximately how many prospective donors are in your fundraising portfolio?
2014 EAB MGO Survey (n = 1,217)

- 0-50: 13%
- 51-100: 31%
- 101-150: 22%
- 151+: 29%

Dunbar’s Number

150

Oxford anthropologist Robin Dunbar determined based on the size of an average human brain that we can maintain stable social relationships with 150 other people.

Over half of MGOs have 101+ prospects in their portfolios

Source: EAB interviews and analysis.
Honey, I Shrunk the Portfolio!

Wildcats Win with “Less Is More”

Portfolio Size Reduction Yields Manageable Prospect Pool

Prior Portfolio Penetration

Fallow Prospects
- 65% of portfolio was not visited within one fiscal year
- Locked in portfolio, prospects received no additional fundraising touches (e.g., annual giving)

Active Prospects
- An average of 40 prospects received visits per fiscal year
- These were the only prospects in active fundraising stages

35%

“The whole concept of assignment seems to be flawed and strangely skewed towards having a large list of names assigned to you, versus, ‘these are the 30 people that I’m planning to solicit over the next 24 to 36 months.’ Shops have portfolios of 120-150 because some fundraising consultant 20 years ago told them to and they never second guessed it.”

David Lively
Associate Vice President, Alumni Relations and Development
Northwestern University

1) Both previous and current portfolio counts do not include prospects in stewardship

Source: EAB interviews and analysis.
Honey, I Shrunk the Portfolio!

Wildcats Win with “Less Is More”

Portfolio Size Reduction Yields Manageable Prospect Pool

Old Portfolios

- 75 unvisited prospects
- 40 visited prospects

Suggested New Portfolios

- 30-40 total prospects

Now all prospects in a portfolio must have an ask date, ask amount, expected gift close date, and gift design.

- 170% increase in number of asks
- 211% increase in number of gifts
- 595% increase in dollars raised

Figures above refer to the same fundraisers compared over a two-year period.

1) Both previous and current portfolio counts do not include prospects in stewardship.

Source: EAB interviews and analysis.
Laying the Foundation: Setting Appropriate Goals and Securing MGO Buy-in

KPIs with Teeth: Creating a Culture of Accountability

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

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

Creating a Culture of Accountability

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

“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?

Source: EAB interviews and analysis.
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

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

All possible reports are listed in this bar

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

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.
More Meta Than *Birdman*

## Analytics on Analytics

Usage Reports Offer Powerful Insights to Advancement Services

### 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>High gift capacity</th>
<th>Low readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>High readiness</td>
<td>Low gift capacity</td>
<td>Low readiness</td>
</tr>
<tr>
<td>Low gift capacity</td>
<td>Low gift capacity</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>Total</td>
<td>83</td>
<td>57%</td>
<td>43%</td>
</tr>
</tbody>
</table>

**218%**

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

**Meaningful Contact Reports**

- **Green**: 22 contacts, 95% contacted, 5% not contacted.
- **Yellow**: 40 contacts, 55% contacted, 45% not contacted.
- **Blue**: 0 contacts, data not available.
- **Red**: 21 contacts, 19% contacted, 81% not contacted.
- **Total**: 83 contacts, 57% contacted, 43% not contacted.

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

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

Source: EAB interviews and analysis.