Using Big Data Effectively for Fundraising Essentials and Raiser's Edge NXT

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Agenda…

1\.

Big Data; Overview of Analytics for RE NXT and Fundraising Essentials

2\.

Thoughts on Implementation; Case Studies for Annual and Major Giving

Big Data!

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Big Data, Analytics, and Implementation

What do we man by Big Data and Predictive Analytics?

1. Your organization’s CRM data and analysis on donors and prospects and various constituencies throughout your system
2. Data to help predict future giving opportunities across all funding programs
3. Wealth screening through public data sources on major gift prospects

Implementation, consider this:

1. No matter what, your organization made a financial investment
2. Focus on the most interesting ideas
3. Don’t try to absorb everything
4. Settle on some immediate goals that are:

S	M	A	R	T
Specific	Measurable	Attainable	Relevant	Time Bound

Analytics…
What have you done for me lately?

Data analytics and prospect screening are tools. Be sure to use it as just that, not a magic bullet!! There is no substitute for personal contact!!

- Should enable your organization to ***segment, score and rank*** your identified prospects quickly
- Analytics is great at finding ***new high-potential prospects*** among a large pool of individuals
- Identifies ***wealth, demographic and interest indicators*** that identified top prospects
- Your ***next steps*** should include further prospect research and field qualification
- Nuanced ***individualized circumstances and internal knowledge*** of each prospect may exist independent of the analytics

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Brief Overview of Analytics in Raiser's Edge NXT and Fundraising Essentials

Analytics in RE NXT and Fundraising Essentials Package Review

Analytics for RE NXT	Starter	Essentials	Prof
Wealth Rating	✓	✓	✓
Donor Segmentation		✓	✓
Next Ask Amount		✓	✓
ResearchPoint Subscription			✓

Fundraising Essentials Subscription	
Total Identified Assets	✓
Donor Type Rating	✓
Next Ask Amount	✓
ResearchPoint Subscription available at an additional cost	

For further details, register for the appropriate service via the Training Calendar for our Target Analytics online classes entitled, "*Target Analytics: Introduction to Analytics in Raisers Edge NXT*" and "*Learn for Analytics: "Fundraising Essentials Overview*"

Analytics for RE NXT and Fundraising Essentials Approach

Utilizes ***unique giving history*** tracked in your database, enhancing it with ***profile data*** to expand the information necessary to understand each constituent…

Next apply proven ***statistical techniques*** to identify the most likely ***donor type*** and ***next ask amount***…

Last perform a ***screening*** to uncover ***wealth*** and point you to those with the highest capacity to be ***higher-end gifts.***

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Donor Segmentation (RE NXT) or Donor Type Rating (Fundraising Essentials)

Uses **giving trends** in your **house file** + **consumer data** to measure donor **inclination to give major or annual gifts**

Donor Segmentation	Description	Goal
A	Annual	Most likely to give a smaller gift year after year
M	Major	Most likely to give a larger gift as a pledge over time
S	Suspect	Less likely to engage, consider minimizing effort

Next Ask Amount (RE NXT and Fundraising Essentials)

Recommends the dollar amount you should be asking based on **capacity & asset** information

Next Ask Amount	Minimum	Maximum
1	$1	$250
2	$251	$500
3	$501	$1,000
4	$1,001	$5,000
5	$5,001	$10,000
6	$10,001	+

Wealth Rating (RE NXT) and Total Identified Assets (Fundraising Essentials)

Screens for **public assets** (real estate, private company reported ownership %, public company insider holdings & options) to provide a range of assets discovered

★★★★★	$25 Million +
★★★★☆	$10 Million - $25 Million
★★★☆☆	$1 Million - $10 Million
★★☆☆☆	$500,000 - $1 Million
★☆☆☆☆	< $500,000
No rating found	No confirmed assets found

Total Identified Assets
$25,000,000+
$10,000,000-$24,999,99
$5,000,000-$9,999,999
$1,000,000-$4,999,999
$500,000-$999,999
$100,000-$499,999

RE NXT: Wealth Rating provides a star flag, indicating the dollar amount range for each prospect

Fundraising Essentials: Total Identified Assets provides a dollar range of assets found

RE NXT Sample Record

Ratings

$9,999,999.00 Maximum estimated assets - NXT
4/13/2015 Source: Blackbaud Analytics - NXT

$5,000,000.00 Minimum estimated assets - NXT
4/13/2015 Source: Blackbaud Analytics - NXT

1. Maximum and minimum range for the assets associated with the Wealth Rating

$5,000.00 Maximum ask amount - NXT
4/13/2015 Source: Blackbaud Analytics - NXT

$1,001.00 Minimum ask amount - NXT
4/13/2015 Source: Blackbaud Analytics - NXT

2. Maximum and minimum range for the assets associated with the Next Ask Amount

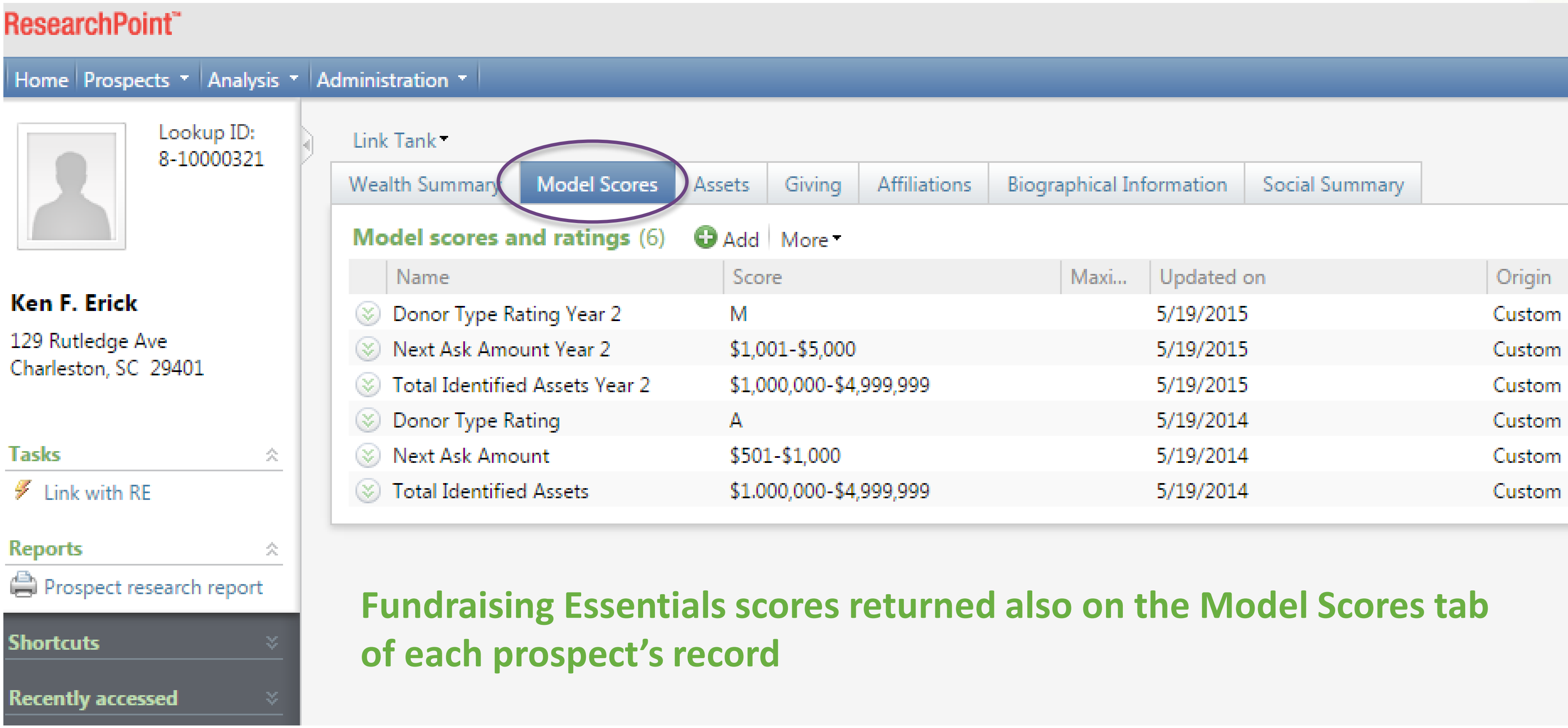
★★★☆☆ Overall wealth rating - NXT
4/13/2015 Source: Blackbaud Analytics - NXT

3. The Star Rating associated with the Wealth Rating

Major Recommended donor type - NXT
4/13/2015 Source: Blackbaud Analytics - NXT

4. The **Donor Segmentation** measuring donor inclination

Fundraising Essentials Sample Record in ResearchPoint



Name	Score	Maxi...	Updated on	Origin
Donor Type Rating Year 2	M		5/19/2015	Custom
Next Ask Amount Year 2	$1,001-$5,000		5/19/2015	Custom
Total Identified Assets Year 2	$1,000,000-$4,999,999		5/19/2015	Custom
Donor Type Rating	A		5/19/2014	Custom
Next Ask Amount	$501-$1,000		5/19/2014	Custom
Total Identified Assets	$1.000,000-$4,999,999		5/19/2014	Custom

Fundraising Essentials scores returned also on the Model Scores tab of each prospect's record

Thoughts on Implementation
Next Steps

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Thoughts for Annual Giving

- Sample top scoring annual fund results with upgrade strategy:
  - Direct mail
  - Email
  - Phon-a-thon
- Incorporate recent donors (i.e., current donors, LYBUNTs, etc.)
- Utilize last gift amount with appropriate ask strings based on capacity identified
- Keep annual appeals strategic:
  - How will gift be utilized?
  - How organization will benefit?
  - Provide “like” donor story
- Measure success of efforts and adjust for next appeal

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Thoughts for Major Giving

- Systematic layering in results into Prospect Management system
  - Re-qualify / disqualify assigned prospects
  - Bi-weekly or monthly prospect review meetings
    - Group meetings
    - Individual gift officer meetings
  - Meaningful prospect management reporting

- No prospect management in place...
  - Roll out over time
  - Track pertinent data for prospect review meetings
  - Include prospect management system in budget
    - Start inquiry into cost
    - Determine training needs
    - Bandwidth for staff to oversee data management

✓ *Check out Whitepaper: "Advancing Your Prospect Management System: Tools and Tips to Use Along the Way"*

Thoughts for Major Giving (continued)

- Assign newly identified major gift prospects to gift officers qualification
  - Gift officers to qualify thru various communication channels
  - How many prospects can gift officers reach out to and track
    - In a week?
    - In a month?
  - Track all attempts, contacts, next steps in system
  - Full prospect research with public data on qualified prospects in cultivation and solicitation stages

- Make completion dates attainable
  - Important to keep project moving forward!

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Thoughts for Major Giving (continued)

- Measure progress with metrics:
  - Senior management level analysis and reporting
  - Granular tracking of each gift officer
  - Track the following:
    - Prospect manager assigned
    - Prospect name, address, other pertinent data
    - Summarized gift data
      - ✓ (i.e., total, number, first, last, largest gift amounts/dates, etc.)
    - Meaningful contacts
    - Next action steps
    - Relevant analytics and wealth scores
    - Other internal ratings
    - Prospect management stage
      - ✓ (i.e., Identification, Assignment, Qualification, Cultivation, Solicitation, Proposal, etc.)

Case Studies

Annual Giving Case Study #1

The Scenario

- 2008 Post-campaign: Need to build annual base of philanthropic support
- 44,000+ prospects identified through wealth screening of database

The Effort

- Figure out how to make larger pool of prospects a manageable pool of donors
- Overlay internal research with wealth screening – i.e., event attendance, participation, etc.
- Create opportunities for donors to self-identify – communications series, events, annual fund appeals targeted to larger segments of best prospects.

The Result

- Annual operating revenue has increased by 127% from just over $1 million to $2.45 million
- Identified that 2-year members are best prospects for additional gift appeals
- Partner program big success – both annual fund prospects and planned giving prospects
- Events part of stewardship and prospect opportunities – post-event strategies very important

Next Steps

- Enhance tribute program mailings
- Increase annual appeal series
- Test larger segments of highly-rated prospects for upcoming campaign

Annual Giving Case Study #2

The Scenario

- Status quo: Highly-segmented list with customized ask string amounts based on last gift
- Goal: Learn how to use data analytics and wealth screening to raise more money from fewer pieces mailed

The Effort

- Test mailing focused on two segments that represented largest percentage of mailing with prospects who have lowest likelihood to give based on past observations in database:
  - Basic members with no other giving
  - Recently lapsed basic members with no other giving

The Result

- Had most successful year-end appeal ever for dollars raised
- Two smaller gifts from test group compared with 27 mid-sized from control group and 123 from previous donor segments.

Next Steps / Lessons Learned

- Keep trying to find the sweet spot with regard to the ask string for non-donors
- Prioritize focus on those with history of giving and capacity to upgrade
- Develop test for prior donors with consistent, but smaller gifts

Major Giving Case Study #1

The Scenario

- Build major gifts program with new portfolio structure/create donor pool for next campaign
- Qualify and cultivate prospects for leadership gifts to Campaign
- Wealth Screening for feasibility study and Campaign launch 3 years later

The Effort

- Identify prospects for individual portfolio management with Ttp 100 “Sweet Spot Prospects” using screening
- Trustee ratings and screenings and “gut” check for highly rated donors
- Host exclusive events with specific invitations to top prospects (dinner parties, private homes, etc.)

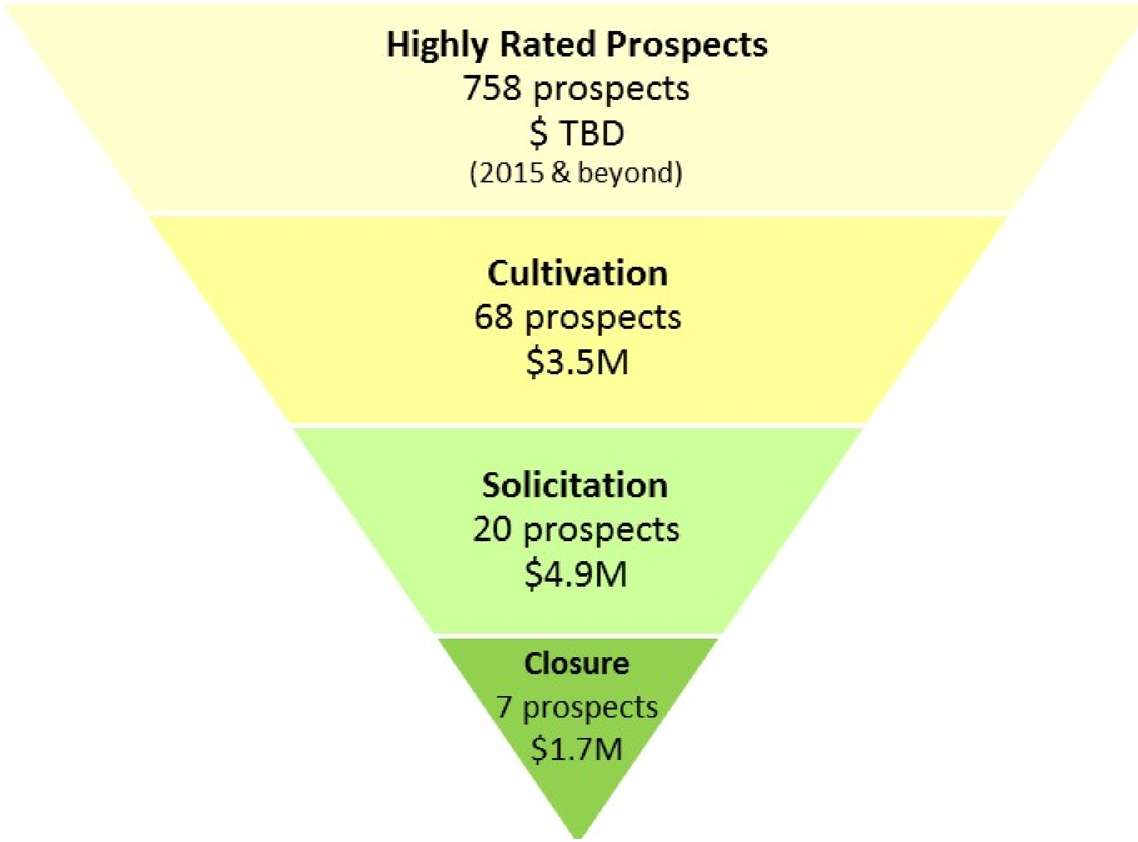
The Result

- Launched President’s Council ($10,000+ annual donors) in 2009 – Growth from 26 to 38
- Raised $15.4M in private, individual support in first year of Campaign vs. $12M in private support over five-years in first campaign
- Work yielded results for board development and high level volunteer engagement as well

Next Steps

- Comprehensive approach to campaign solicitations
- Realignment of volunteer committee structure
- Clear metrics and moves management tracking

2015 Prospect Pipeline



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Major Giving Case Study #2

The Scenario

- Goal to super-charge 2nd capital campaign to meet aggressive challenge grant goal
- Staffing is CEO and Director of Development (w/admin support but no prospect researcher)
- No volunteer committee with most donor identification done by staff

The Effort

- Short list created of major donors to first campaign, prospects identified since first campaign, and those with high Major Giving modeling scores.
- Wealth data and modeling scores helped prioritize those approached and ask amounts

The Result

- Currently at 89% of challenge goal (at 20% 1 yr. ago), with most likely 6-figure prospects solicited
- Without prospect researcher, reality dictates strong reliance on “gut” for the ask amount
- Realization that data results presentation is just the beginning, and what’s gleaned is tip of the iceberg

Next Steps

- Continue to utilize ratings and screening to focus efforts on those with the greatest potential
- Dig deeper into lesser known prospects
- Utilize results to focus upcoming public bricks and mortar campaign on most likely donors

Questions or Thoughts?...

Want to learn more about
Implementation of Your Big Data Analytics?

- Contact Your Target Analytics Account Rep
- Email, TAsolutions@blackbaud.com
- John the Target Analytics Community

Thank you!

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