



Blackbaud's 2008 Higher Ed Forum

The Annual Fund Bridge

Maximizing the Annual Fund Experience for Major Gifts

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The Annual Fund Bridge — Maximizing the Annual Fund Experience for Major Gifts



Check ---- Confirmed



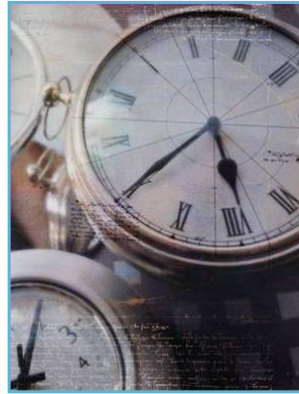
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Session Agenda

- ◆ Annual Giving Defined
 - How are we defining it for higher ed?
 - What bridge to Major Giving programs?
- ◆ Higher Ed Fundraising Models
 - Centralized
 - Decentralized
 - Both
- ◆ Issues
- ◆ Typical Portfolio
- ◆ Act – Maximize the Bridge

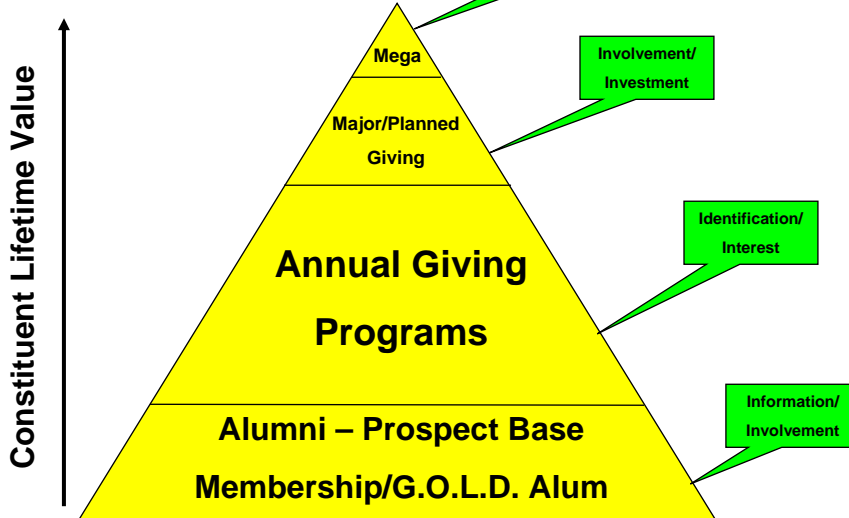


Annual Giving Defined

- ◆ Baseline yearly fundraising strategy supporting a substantial percentage of:
 - Institution - or - School/Unit based unrestricted gifts
- ◆ May take place more than once a year but is distinguished by its regularity/scheduled nature
- ◆ Tool used to strengthen affinity and assess capacity
- ◆ The experience determines potential for an additional gift(s), a major gift, planned gift, and/or a transformational/mega (i.e. campaign) gift
- ◆ Techniques are typically through direct marketing channels (i.e. mail, phone, web), but could include other methods like face to face or event



What bridge to major gifts?



Typical Higher Ed Annual Fund Cuts

- ◆ Constituents who have given in a certain **TIME** (R and F) frame
 - Consecutive years giving – i.e. more than 2 years, 5 plus, etc.
 - New This Year/LYBUNT/SYBUNT/Deeply Lapsed
- ◆ Constituents annual gifts based within defined **GIFT** (M) bands
 - Less than \$999.99 - Information/Involvement
 - Between \$1000 and \$4999.99 – Solid Interest/Identification
 - Between \$5,000 and \$25,000 – Involvement (Annual/Major or Mega Prep)
- ◆ Constituent giving preferences by **UNIT**
 - School based - Major/School Conferred Degree
 - Unit based - Library/Band/Activities/Special Interest
 - Athletics – Points are the way to go – good tickets are key!
- ◆ Fundraising to the **MASSES** – segments are the first cut



Typical Higher Ed Major Gift Cuts

- ◆ Unit based/Regional assignments
- ◆ Small tailored constituent portfolios that are comprised of:
 - 125 to 250ish of the most important prospects arranged by institution affinity, philanthropic propensity, and capacity
 - **INDIVIDUAL** cultivation plans that detail tactical and strategic steps that deepen involvement and move towards the major/planned/mega gift
 - **CULTIVATION PLANS** take into account full constituent institutional history from the beginning and all institutional touches
- ◆ Fundraising by the **ONES**
 - Each constituent is measured against the **QUALITATIVE** and **QUANTITATIVE** goals set out in the cultivation plan



Higher Ed Centralized Model

- ◆ All stages of fundraising happen out of one centralized alumni/development/marketing department
 - Alumni Association is part of the fundraising unit
- ◆ Annual Fund department services institutional general fund raising unrestricted dollars
 - Unrestricted dollars are allocated based on agreed percentages
- ◆ Major gift officers are intuitional based and fundraising based on need, projects, typical campaign type model
 - Exception Athletics
- ◆ High level of control – full review of the lifecycle



Higher Ed Decentralized Model

- ♦ A centralized advancement/fundraising department provides:
 - Overall tone for institutional based fundraising
 - Service bureau resources for unit based fundraising (i.e. mailings, calling, major/mega gift support, central receipting, database management)
- ♦ Alumni Association is not part of the fundraising unit and generally has independent campaigns
- ♦ Many shadow/external data sets
- ♦ Schools/Units take responsibility for care and feeding of all “owned” constituents for the full lifecycle
 - Uneven distribution of prospects – larger units can not necessarily staff to the levels of the pyramid
 - Hard to reach economy of scales in working with constituents
- ♦ Conflicts on those who have multiple institutional affinities
- ♦ Lack of an institutional view except for the chosen few - **“The Chancellor’s Portfolio”**



Higher Ed Centralized and Decentralized Mixed

- ♦ School based officers with dual loyalties to the central AVP and their school dean
- ♦ A service bureau annual fund that offers advice and service, but not necessarily engaged or followed
- ♦ Tough transitions between programs
- ♦ Requires more detail, higher levels of coordination, and trusts between individual units and the centralized fundraising unit



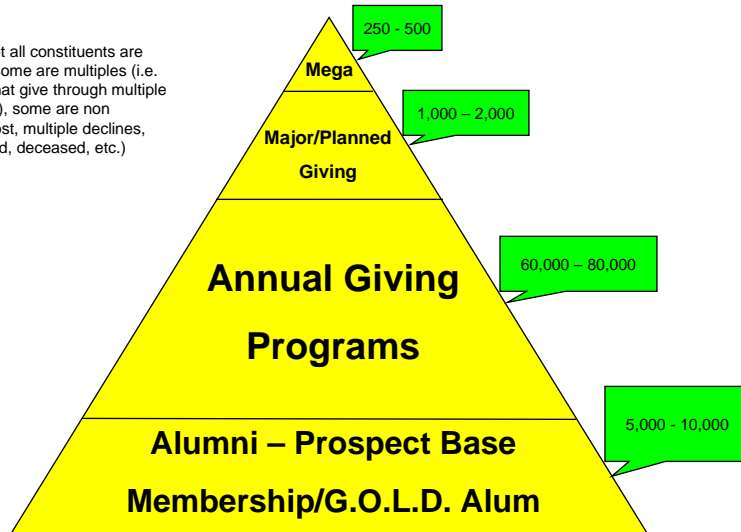
Issues

- ◆ Tough transitions
 - “I have donated for years and the only call has been from a student, why are you calling me now?”
 - Major gift officers have to rebuild the relationship for those who move into their major gift qualification portfolio
- ◆ Too many prospects
 - Not able to cultivate the high end mid-market appropriately to continue to learn, qualify, and message
 - Less information to work with and act on
- ◆ Unit based fundraisers are closer to the mission/projects/schools they work with
 - easier for them to tell the story
- ◆ Centralized fundraising is able to control message timing and methods
 - No overflow in the post box or email account
 - Phone calls can be timed to be part of a larger communication strategy



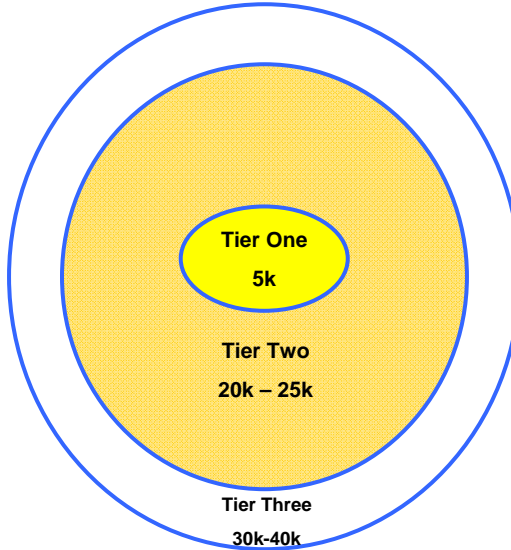
100k Constituents – What does the spread look like?

Assumption: Not all constituents are individuals, some are multiples (i.e. individuals that give through multiple legal entities), some are non-solicitable (lost, multiple declines, deeply lapsed, deceased, etc.)





Segmenting the Annual Giving Constituents



Define your Annual Fund Tiers by things like...

- ♦ Old School
 - Class year
 - School program
 - Giving history – patterns and programs
- ♦ Plus...
 - Propensity/Capacity/Affinity
 - (R)eceny/(F)requency/(M)onetary
 - Method
 - Predictive models
 - Wealth screening
 - Volunteer status
 - Interests
 - Event participation
 - Multiple channel use





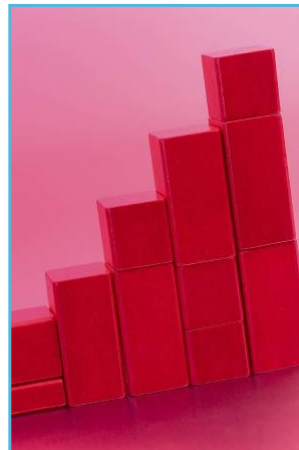
Create treatments by tier...

- ◆ The more important the constituent...
 - The closer the constituent is to making a significant gift
 - The more data to collect in terms of interests
 - More thought of how the institution interacts with the constituent
 - Use of channels
 - Messaging through channels
 - Data collection vs. always asking
 - Use of giving clubs



Act - Maximize the Bridge

1. Make every interaction count
2. Invest in the transactions
3. Strengthen your institutional ties





Make Every Interaction Count - Collect pertinent information from every interaction

- ◆ Student Rollover – Review current information coming from the registrar as part of the alumni information population
 - In addition to degree, do you get things like... major, minor, student activities, scholarship information, on campus housing assignments, etc. etc.
- ◆ Student Phonathon
 - Are callers trained to collect, process, and record specific pieces of information to begin to build targeted interests, affinity ratings, capacity?
 - Do you provide for that information to become part of the full constituent record for use in segmentation and tiering?
- ◆ Web Interaction/Social Networking
 - Can you trace and quantify where your constituents are spending time on your website and what types of interests they are investigating?



Make Every Interaction Count - Collect pertinent information from every interaction

- ◆ Events/Campus Activities
 - What, when, and how often are the on and off campus events is there participation
- ◆ Mail/Email
 - What outbound pieces generate what kind of responses?
- ◆ Reviewing all interactions –what combination provides the desired result
- ◆ Individual conversations and contact reports at all levels need to be made useful for selection and segmentation



Invest in the Transactions

- ◆ Figure out how to effectively tier your annual fund and invest in transactions that reflect the defined segments
- ◆ Tailor the appeal process
- ◆ Enhanced messaging
- ◆ Based on importance step up one to one fundraising to prep for major gifts
 - Assign a professional fundraiser for your Tier One group
 - Create cultivation plans that can be system managed



Strengthen Your Institutional Ties

- ◆ Alumni participation – peer fundraising and volunteer councils
- ◆ Frequent stewardship
 - Thank you calls
 - Thank you mail
- ◆ Event invitations – whether or not they can go or not
- ◆ Give your constituents a glimpse of what it is like to be a major/mega gift donor



Questions?

Answers?

Discussion?



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