


The Integrated Fundraising Model: Maximizing Donor Potential 

## The Value of Integrated Fundraising

- ◆ A donor-centric perspective
- ◆ Encourages multiple interactions within institution
- ◆ Interactive for better donor intelligence
- ◆ Offers a complete picture of the donor to better target communities
- ◆ Encourages a long term relationship

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## Session Agenda

- ◆ Setting the Fundraising Stage
- ◆ Gaining a Donor-centric Perspective
- ◆ A Year in the Lifecycle
- ◆ Integration Education
- ◆ The Measure of Success



## Setting the Fundraising Stage



## Industry Trends & Challenges

- ◆ Donors down, Dollars up
- ◆ Higher Competition
- ◆ Generational Changes
  
- ◆ Donor Demands are Increasing
  - Information
  - Impact
  - Engagement



## Questions to Ask

- ◆ We typically ask:
  - Who are my donors? (And non-donors?)
  - Where are they giving?
  - How long? How many? How much?
  
- ◆ We should also be asking:
  - Why are they giving?
  - What more could they be giving?
  - How else are they contributing?
  - Who else are they giving to?
  
- ◆ The Big Question: Can We Measure It?



## Gaining a Donor-centric Perspective



## Understanding the Whole Donor Experience

- ◆ Within your institution:
  - Attends athletic events
  - Networks through the alumni association
  - Class agent for reunion
  - Made special gift during campaign
  - Consistently gives small gifts to the annual fund
  - Called to update address when moved
  - Volunteered for committee
  
- ◆ Outside of your institution:
  - Ran a marathon to raise money
  - Volunteered for a political campaign
  - Sends monthly check to local broadcasting station



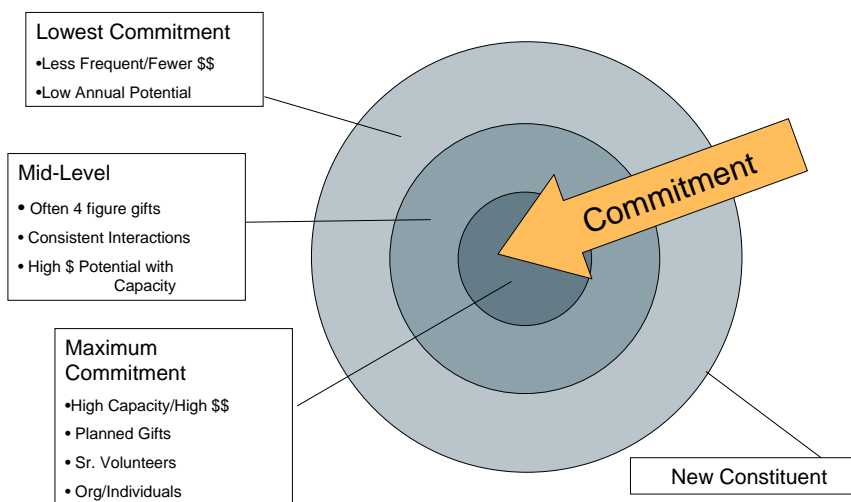
## Discovering Donor Passion

***Giving is an emotional act, driven by passion (not just wealth).***

- ◆ Passionate donors are interested in everything you do.
- ◆ Donors are not trying to hide their level of interest from your organization.
- ◆ Passionate donors are willing to share information about themselves.
- ◆ Passionate donors want you to keep in touch with them.



## Tracking Donor Passion

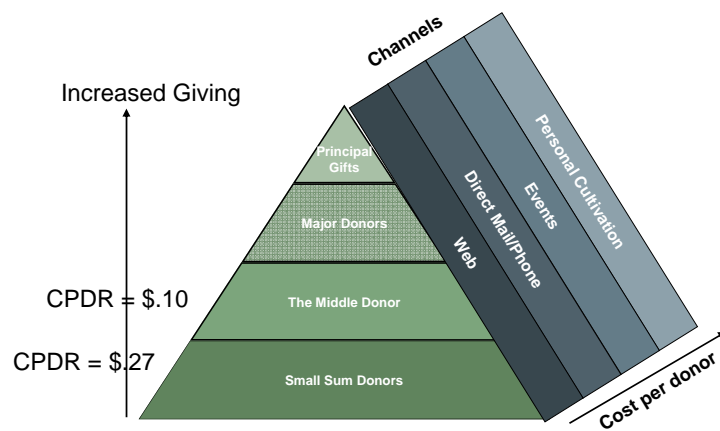




# A Year in the Lifecycle



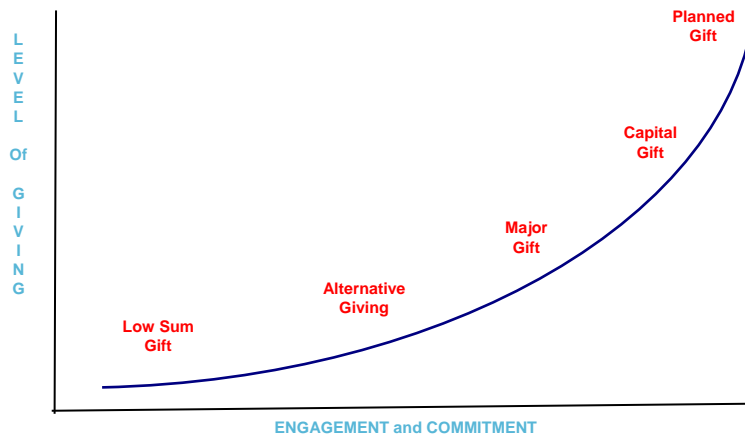
## Fundraising Efficiency Pyramid



Fundraising efficiency increases as gift level rises.



## The Continuous Lifetime Giving Cycle



## Defining the Lifecycle

- ◆ **Constituent Lifecycle:** A constituent's aggregate history of interactions, including donations, volunteer acts, correspondence, website visits, advocacy, events or any other interaction.
- ◆ The period of a "**lifecycle**" is defined from the date of first interaction captured in your constituent management database to the most recent interaction recorded there.

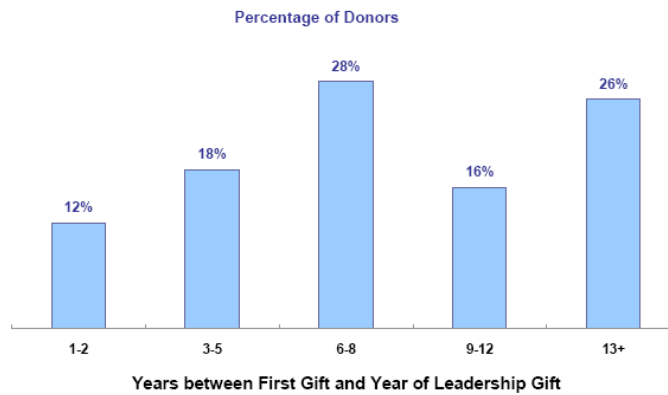


## Segmenting with the Lifecycle Approach

- The number of interactions
- The quality of the interactions
- The consistency of the interactions
- The level of monetary contributions
  
- Life stage: the constituent's interests, value, and capacity to give.

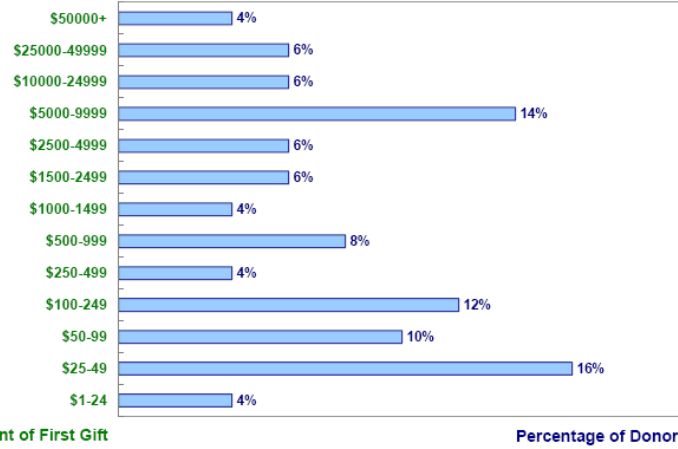


**Years Between First Gift and First \$10k Gift Among Donors Giving \$10K+ for the First Time between 1995 and 2006**





**Distribution of First Gift Amounts Among Donors Giving \$10K+ for the First Time between 1995 and 2006**



## Integration Education

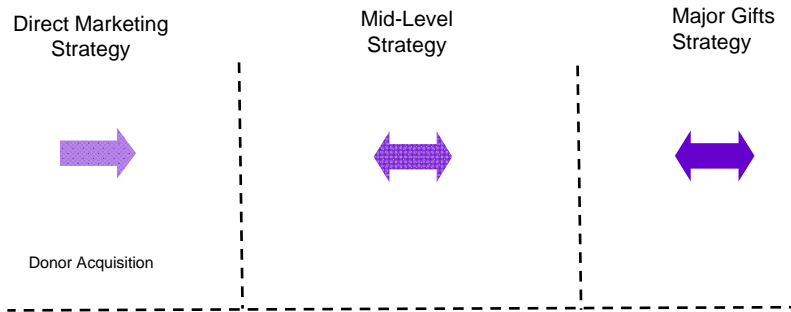


## Integrated fundraising requires:

- ◆ Reporting and analysis by donors, as well as departments.
- ◆ Understanding of donor's interests, behavior and capacity to give.
- ◆ Ability to honor donor preferences.
- ◆ Opportunities to engage linked to a rich donor profile.

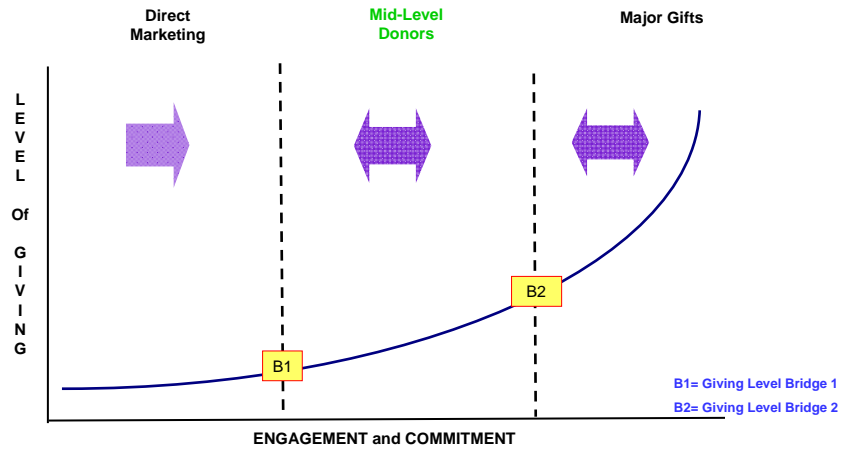


## The Integrated Fundraising Continuum





## Constituent Lifecycle Management System



### 1<sup>st</sup> Stage: Low Sum and Alternative Giving

- ◆ Entry point for the bulk of donors.
- ◆ Common vehicles:
  - targeted appeals
  - catalogs

### 2<sup>nd</sup> Stage: Mid-Level Donors

- ◆ Donors who show a significant increase in their level of giving or level of engagement.
- ◆ Common vehicles:
  - Highly targeted direct mail and internet strategy
  - More personal stewardship plan



## 3<sup>rd</sup> Stage: Major Gifts

- ♦ Common vehicles:
  - high-touch cultivation
  - individualized solicitation
  - highly personalized stewardship
  
- ♦ Vital activities:
  - Prospect research to help segment and prioritize the prospect pool
  - Manageable ratio of MGO to Donors (200 prospects per GO)
  - Cross-organizational alignment of mission and priorities
  - Easily defined opportunities for funding



## Segmentation Scheme

***Segmentation informs decisions regarding Handoff Points.***

- ♦ **New Donors First**
- ♦ **The Loyalty Dimension**
- ♦ **The Level of Giving Dimension**
- ♦ **The Value Dimension**



## The Integrated Fundraising Model

### Pros

- ◆ Create a strong, well-cultivated pipeline for Major Gifts.
- ◆ Help to manage the high volume of prospects currently being put into the major gift portfolio.
- ◆ Enhance the donor experience as they increase their level of giving.
- ◆ Allows for an opportunity to create greater engagement with donors.
- ◆ Creates the opportunity to increase the number of larger gifts.

### Opportunities

- ◆ Will need to build the infrastructure to support this model.
- ◆ Will be an organizational as well as cultural change.
- ◆ Will require an organization-wide agreement.



## Recommended Rules and Criteria

- ◆ All donors giving at a level of X dollars and up will be moved into the Mid-Level cultivation plan.
- ◆ Develop a handoff strategy with well-defined rules to address donors moving from the Direct Marketing to Mid-Level stage.
- ◆ Mid-level donors will have a specific cultivation/solicitation/stewardship plan designed to increase their level of giving.
- ◆ Once mid-level donors reach a cumulative giving level of X dollars are eligible to become Major Gifts prospects.
- ◆ Develop a handoff strategy with well-defined rules to address donors moving from the Mid-Level plan to Major Gifts.

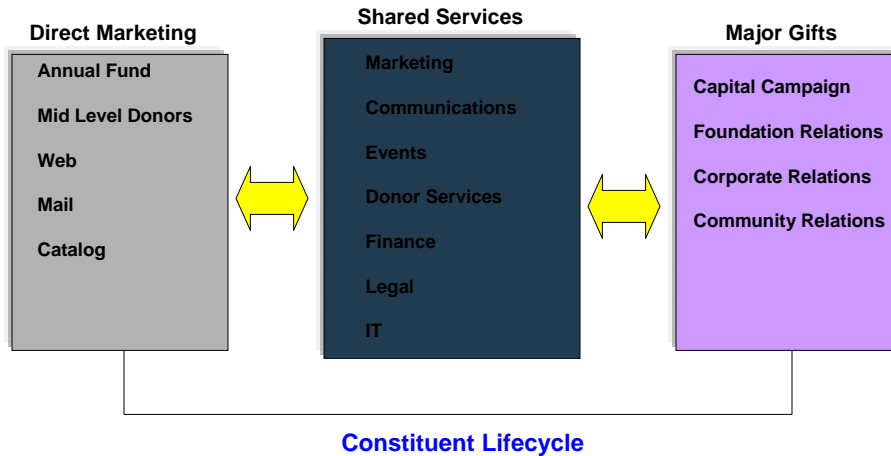


## Recommended Rules for Identifying Eligibility

- ♦ Run periodic wealth screening exercises on new donors; appends.
- ♦ Report regularly on new volunteer activity correlated with giving levels.
- ♦ Report donors with multiple touch points correlated with giving levels.
- ♦ Keep new donors isolated for the first year; evaluate movement after the second year renewal.
  
- ♦ Create a set of rules for the movement of CORE donors, for example:
  - Give more than X dollars
  - Responded to mission appeals
  - Have an active volunteer flag
  - Have a capacity rating
  - Lapsed <24months who have a high capacity rating
  - Given more than 5 gifts in their lifetime



## Recommended Infrastructure





## Shared Standards:

- ◆ A belief that raising the level of engagement for constituents creates opportunities.
- ◆ A desire exists to move constituents towards advanced stages of engagement.
- ◆ A desire exists to diversify the institution's giving portfolio.



## Dependencies

- ◆ Case Statements are prepared outlining initiatives and projects along with dollars necessary to support them.
  - Delivered in a standard format across all organization's communication vehicles
  - Easily accessible to all constituents and fundraisers.
- ◆ There is agreement organization-wide to implement an Integrated Fundraising System.
- ◆ Criteria for critical handoff points (B1 and B2) are clearly defined and agreed upon.
- ◆ Well-defined rules along with strategies for cultivation, solicitation and stewardship are determined and agreed upon for these handoff points.\*

\*This last dependency is crucial to defining the correct set of potential major gift donors, a vital prerequisite to a successful major gifts program.



## The Measure of Success



## Metrics

A Constituent Relationship Management system will provide a holistic view of individual and organizational donors with information on all contacts and behaviors relative to your institution.

- ◆ Standard Metrics should be monitored by:
  - Segment
  - Department
  - Fundraising program or effort
  - Division
  
- ◆ Consider a regional roll up of all metrics to encourage integration among departments and to evaluate geographic strength.



## Recap: The Integrated Fundraising Model

- ◆ To maximize retention and long term donor value, a donor-centric view must be adopted.
- ◆ Long lasting relationships are dependent upon consistent and relevant interactions.
- ◆ Engaging donors in a lifelong relationship is the goal of an integrated fundraising approach.
- ◆ It involves not only fundraisers, but everyone in the organization.
- ◆ The integrated approach is organization-wide.



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