Technology Trends in the Donor Lifecycle

BY BO CRADER AND KRISTEN FULKS

One of the biggest challenges of fundraising professionals is to stay on top of their game and institute the latest techniques to build a progressive fundraising program. To get ahead, here are a few of the latest trends in the lifecycle of your donors—technologies readily available to implement today, as well as those to look for on the horizon.

New Donor Acquisition

You have run fundraising campaigns on Facebook, your heart-wrenching video appeal has become one of the top searches on YouTube and you have more people reading your Twitter feed than your annual report. What's next?

With the explosion in mobile phone technology, many nonprofits are exploring mobile fundraising. This is the logical next step in reaching donors where they are, even if they are sitting on a couch and watching Sunday's football game. (Last year's United Way campaign during the Super Bowl was an early example of the technology's possibilities.) While readily adopted in Europe, mobile fundraising typically involves asking for a small financial commitment (usually $5) and at the same time asking for the mobile user to opt in to future communications.

Simply put, mobile users send a five- or six-digit code in combination with a keyword to such options as making a gift, signing up for email alerts or voting online.

Organizations follow up by releasing special "mobile-only" announcements, sending out action reminders, asking for a quick gift in a time of high need, providing just-in-time updates on advocacy initiatives and, of course, collecting information to be used for other cultivation channels.

One challenge is articulating an effective call to action in 160 characters or less. A greater challenge is working through the still-emerging Short Message Service (SMS) infrastructure in the United States, and the various related fees that have made mobile fundraising cost-prohibitive in the past.

For organizations looking to set trends in this area, the first step is to seek out a vendor with experience in the space. The vendor can help navigate the strategic and technical complexities of launching such an initiative and have negotiated rates with service providers. As the Obama presidential campaign demonstrated, thinking holistically about how mobile engagement can support more traditional initiatives can yield considerable results.

Qualification

Whether in a direct-mail campaign or a face-to-face meeting, the biggest mistake a fundraiser can make is asking for

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the wrong amount—alienating a new donor with an unrealistic ask or mistakenly soliciting a major-donor prospect with an annual-giving appeal.

This is especially challenging because of the unknowns. How much does a donor have to give? How liquid are his or her assets? What is the optimum ask amount?

Thankfully, a wealth of information, such as real estate holdings and corporate filings, is available by public record. Fundraising professionals are flocking to services to fill in wealth indicators, fine-tune target gift ranges and increase the probability of making the right ask.

More extensive services classify the best prospects for annual-giving, major-giving and planned-giving programs. By overlaying propensity data, capacity information and a donor's history with your organization, analytic services can develop models for determining the best approach. For instance, such a service identifies major-giving prospects from a pool of donors who previously gave

amounts less than $500 annually. With this knowledge, the fundraising team elevates them into the major-giving program and cultivates them for a larger gift without missing an opportunity.

Today's data services go well beyond cleaning up phone numbers and email addresses. Enhanced use of data hygiene and append services ensures valid and correctly formatted addresses, phone numbers and email. Nothing makes the postal service happier than complete addresses, and nothing makes a nonprofit executive happier than being able to migrate donors from postal mail to targeted phone and email channels.

Cultivation

With so many ways to contact your prospects and donors, it is critical to develop a cultivation strategy that includes online and offline activities to build highly targeted multitouch relationships, rather than overwhelming already information-saturated donors.

You should no longer be concerned with one versus the other. Experience has proven silos of engagement ultimately prevent opportunities to increase donor involvement. Contemporary strategies must accommodate multiple channels for giving and engagement, giving donors options of frequency, channel and method of giving.

Respecting donor preferences is critical. Donors expect a say in options, such as receiving email rather than direct mail, auto-payment rather than repeated solicitation for regular giving, asking for support by taking action or forwarding a message to a friend in lieu of making a gift. Once a donor has expressed a specific preference for cultivation, the strategy must alter to meet donor preferences.

The challenge is to be agile and able to respond to changes in donor preferences. To get started, include and capture a minisurvey of options in your next communication.

Solicitation

Most fundraisers agree that closing a major gift will always come down to a personal relationship and a face-to-face handshake.

This does not mean technology cannot play a role for those on the road, however. Organizations provide staff and volunteers with real-time access to prospect information through web-based access to customer relationship

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management (CRM) data and related tools. They can retrieve names, addresses, phone numbers, emails, review a giving history and add notes or follow-up tasks for themselves.

Moving forward, look for more options in the ever-expanding mobile-enabled world: Envision board members getting real-time updates as major donors check in to an event, including their table assignment, for ease of locating them in the ballroom. See event managers receiving a running feed of registrants, regardless of whether the registrations are through the mail, phone or the Internet. Expect alerts for solicitors every time one of their prospects is touched by another part of the organization. In addition, expect real-time access to a donor's volunteer or event history so you can be prepared at a moment's notice for an impromptu meeting.

The challenge? Is there an app for that? Many mobile applications are starting to emerge that are scratching the surface of the possibilities. Expect there to be an evolutionary leap in this area in the next few years as the developer community takes on these challenging scenarios.

In the meantime, look into expanding uses of personal online fundraising toolsets that allow constituents to create a fundraising page, send email solicitations to friends and family, and manage personal stewardship activities. These tools have been widely adopted for event-based fundraising, and although the costs associated with managing events has kept many organizations out of this market, expect to see an increase in use of this technology beyond events.

Digital Stewardship

Great strides have been made in stewardship in the past few years as progressive organizations have increased focus on retaining and deepening relationships with donors. However, stewardship still remains the area with the greatest opportunity for impact with technology.

You have seen the proliferation of online donor lists, real-time campaign thermometers, social networking flare and similar widgets displaying the results of fundraising efforts. Moving forward, organizations are looking to take the next step in creating a more interactive online experience. This includes not only showcasing results of campaigns, but also telling the stories of donors and beneficiaries in new and innovative ways.

Personalized stewardship recognition, including a webcam video message from the organization's leadership, program staff or a celebrity, for specific donors or donor groups is a very powerful, low-cost tool when the message is kept short, sweet and shareable.

More advanced efforts involve interactive maps of capital campaign efforts, offering users the ability to drill down into the stories of others, articulating the value and experience of giving. Watching media on outcomes and mission has a powerful impact. And, of course, it provides a view into other giving opportunities, restarting the donor lifecycle while completing it.

Fundraising has always been about connecting a donor with a need. Technology will further this by connecting donors with the mission and the impact, so donors are not only fully aware of how dollars are being spent, but also become active participants in fulfilling the mission.

Evaluation

Many organizations skip the critical step of evaluating programs and initiatives, missing the key opportunity to adjust and improve efforts, as well as streamline costs. Historically, evaluation has focused on specific solicitations to determine whether you asked the right amount, if prospects responded as expected and whether your organiza-

tion made an adequate return on its investment. Expect this type of evaluation to increase as organizations face steeper budgeting challenges and mandates to do more with less.

On a larger scale, organizations will increasingly evaluate fundraising programs more holistically. This includes determining how a particular appeal or campaign produced gifts in line with the comprehensive fundraising program, and in comparison to similar organizations. Collaborative peer benchmarking compares trends based on indicators built from an index representing trends across all participating organizations. This allows an organization to compare itself against similar institutions to evaluate its own level of success.

In addition, AFP has introduced the Fundraising Effectiveness Project (FEP), an annual survey to measure growth in giving, by gain or loss, in categories such as new or lapsed donors. The survey is compared against other organizations by vertical, amount raised, age of the development program, geography or a combination of these. It can help to identify the area or areas where an organization can most improve and provide information to help make better decisions moving forward.

Thus, the donor lifecycle has come full circle. The future of fundraising is deeply affected by the advances in technology every day. Keep up with the trends and incorporate them into your operational procedures to build a better future for your organization. ℗

Bo Crader is Blackbaud's business solutions manager and Kristen Fulks is principal consultant with Blackbaud in Charleston, S.C., www.blackbaud. com.

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