

# To Screen or Not to Screen

“When” is the Question

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## Executive Summary

Many nonprofit professionals wonder if their organizations should perform prospect screening. The truth is, in a perfect world, nonprofits would be performing ongoing screening, since it's a necessity for promoting greater fundraising success. But because this isn't a perfect world, the best plan of attack is to perform prospect screening only when it would be most beneficial and effective. But how do you determine that? Here, development professional Lawrence Henze explores how to assess your nonprofit's situation to discover how and when to apply prospect screening for maximized results.

## Introduction

It is a simple question: When is the best time for your organization to conduct a prospect screening project? For some organizations, providing the answer may seem easy:

“We will screen when we have the budget to do so.”

But even that answer may not be appropriate for your organization. Certainly, in a perfect world with the necessary budget available, it would be beneficial to engage in ongoing data mining and screening projects. Your donors, your prospects, and your database are all dynamic; therefore, your efforts to identify those individuals who are most likely and capable of making specific types of gifts should be dynamic as well. (This “perfect world,” unfortunately, has yet to be discovered by astronomers or nonprofit professionals alike, so this paper will focus on a realistic assessment of the timing of a screening project.)

So, in the absence of a perfect world, the answer to the question is most likely to be situational in nature. Just like the results of a data mining or predictive modeling project highlight the unique attributes of your constituents and your organization, so should the timing reflect the specific needs of your screening project. In truth, your organizational circumstances provide the best indications for the appropriate time to screen your database, and since there are multiple scenarios to be considered, there is more than one answer to be discussed. (Accordingly, this paper is more than one page!)

## Contents

Executive Summary .....	1
Introduction .....	1
Setting the parameters ....	2
Prospect screening and annual giving .....	2
Prospect screening and capital campaigns .....	4
Conclusion .....	6

Continued on following page

## Setting the parameters

For the purposes of this paper, “prospect screening” describes a process that is much more expansive than “wealth screening,” which is frequently and incorrectly used interchangeably with “prospect screening.” My view of prospect screening is more comprehensive, and includes an analysis of both propensity and capacity to make an individual gift, as well as a study of the relationships that will facilitate the giving process. When you read “prospect screening” in this paper, I include in its definition: data mining and predictive modeling, wealth screening, and peer screening.<sup>1</sup>

One final point of clarification will help set the parameters of this paper. Inherent in the title of this paper is a critical point: I assume that periodic prospect screening is a necessity for promoting greater fundraising success. Once considered a luxury, prospect screening is now properly viewed as a key component of an effective and efficient fundraising operation.

## Prospect screening and annual giving

Did you think I was going to start with prospect screening for capital campaigns? In a campaign-centered profession, it might be appropriate and fitting.

Well, the annual fund flows deep within my veins, and rarely does a day go by that I am not saying to some development professional, “Data mining begins with the annual fund.” (I also say, “Because I am your father” nearly as often, with seemingly less effect and certainly zero relevance to this paper). For most organizations — I will note the exceptions later — annual giving or membership comprises the vast majority of gift transactions with the organization. It is almost always the beginning of the donor relationship, and from this beginning, there are many possible paths to be taken. Prospect screening will provide you with a road map to these paths; it can be a virtual fundraising navigation system.

Annual giving screening may begin with the simple desire to understand the characteristics of the donors who are making small to medium contributions. Additional questions, however, may be more focused:

1. You may ask yourself, “What is the profile of acquired donors?” “From what sectors of our society do our donors originate?” Or, for professionals who work for organizations with natural constituencies such as alumni, “Which groups of our alumni are most likely to give?”
2. But question number one is only the first part of the puzzle; you probably want to know more. Maybe you really want a profile of the donors who are most likely to give consistently so you have more than an acquisition profile; you have an “acquire to retain” profile. And if your organization is only able to retain 30 percent of its new donors annually, for example, do you really want lost donors to contribute to your profile of best annual giving prospects? That might lead you in the wrong direction.
3. Once you know the donors who are most likely to give consistently, the next item on the agenda is to identify donors likely and capable of upgrading their support. You might wonder whom among those donors should you upgrade through an elevated ask amount, and whom would need a more personalized approach.



## About the Author

Lawrence Henze, managing director of Target Analytics, has extensive experience in fundraising, market research, and the application of predictive modeling services to the nonprofit marketplace.

The founder of Core Data Services, which Blackbaud acquired in 2001, he has also served as vice president of predictive modeling services at USA Group Noel Levitz and president of The Philanthropic Division of Econometrics, Inc.

Mr. Henze has 15 years of experience in development, raising more than \$125 million, primarily for higher education institutions. During his career, he has personally reviewed the giving histories of more than 30,000 planned givers across the country. He holds a BA in political science from Carroll College in Wisconsin, and an MA in public policy and administration and a law degree from the University of Wisconsin at Madison.

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4. Does your organization successfully track its donors' responsiveness to specific solicitation vehicles, such as direct mail, email, and telemarketing? If so, you might want to know if those who respond to email profile differently than direct mail responders, or if telemarketing donors are most likely to mature into major donors.
5. You might want to know, "If annual fund growth at my organization is in decline or is at a plateau, is it possible that we may have saturated the pool for unrestricted giving?" "Do restricted gift donors profile differently, and whom among our non-donors fit that profile?" "If we want to increase our response rate among non-donors, perhaps we need to ask for a different type of gift?" "Are we able to create a distinct profile of donors that give only or primarily to restricted funds?"
6. And, of course, there is my personal favorite of commonly asked questions: "Once we know who is most likely to give, as well as those unlikely to give, may we adjust our frequency of solicitation to be most effective and efficient?" "Will we react to our markets, reallocate fundraising resources accordingly, and explore our real potential?"

Isn't it clear that, for any of these questions pertaining to annual giving or membership program, the best time to do prospect screening is really now? But "now" may actually need to wait until the following is in place:

1. Budgetary funds have been secured. (I think I channeled a rocket scientist when I thought of this prerequisite.)
2. Staff is ready. (Implementation is usually thwarted if key positions are unfilled.)
3. You have the commitment among implementation staff to use the results as guidelines for revisions in current solicitation strategies. These revisions may include reduced solicitations and successful upgrade strategies — both of which help to cover the budget for subsequent prospect screening projects.
4. If you are using an outside direct mail/marketing vendor, you have commitment from this agency to follow your lead and directions on implementing new contact strategies indicated by the screening results.

As I alluded to earlier, some nonprofit organizations are less reliant on annual fund and membership activities to create their donor bases. Hospitals frequently rely on grateful patient programs for the bulk of their support, and they often struggle to establish a successful annual fund. Community foundations often forgo a true annual fund program altogether; perhaps it does not fit their mission statements and also it may conflict with other community-based organizations to which they frequently provide fundraising support. For these and other organizations, data mining and predictive modeling on the annual fund may not be necessary at all.

The demands of the forthcoming campaign make it essential for you to analyze the potential existing in your database and it is likely to be the easiest time for you to secure the necessary budgetary funds to underwrite the project.

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## Prospect screening and capital campaigns

If you're not currently involved in a capital campaign, it's highly likely you are in the planning phase for the next campaign. Years ago, nonprofit professionals frequently called these efforts "special gift campaigns," and as these have become an almost permanent part of the fundraising landscape, it has become much more difficult to truly call them "special." ("Literal Lawrence" strikes again!)

I have had the great pleasure of working with many of the best and brightest capital campaign consultants in North America. The vast majority of these consultants recommend that prospect screening be completed several months in advance of the campaign's quiet phase and in time for the feasibility interviews they will conduct. Prospect screening results may influence the selection of individuals for feasibility interviews and ultimately could impact the timing or goal of the campaign.

### Pre-Campaign Screening

Let's say you're in the pre-quiet phase for your next capital campaign. It is so secret, hush-hush, that only your best donors — and most of your constituents — know that is on the horizon. Come on, you don't think that your best constituents are blind to your patterns and profiles, do you?

Without doubt, the time frame immediately preceding a campaign is an ideal starting point for a major prospect screening effort. Why? The demands of the forthcoming campaign make it essential for you to analyze the potential existing in your database and it is likely to be the easiest time for you to secure the necessary budgetary funds to underwrite the project. However, if a primary motivator for the screening is to fill significant holes in the pinnacle of campaign pyramid, that alone should give you pause as to your actual institutional readiness to successfully complete this campaign.

Certainly, using pre-campaign screening to confirm assets is quite common, but it may not be necessary based on the quality of relationships you have developed with the "top of the pyramid" prospects in your database. It is appropriate to question whether you really need to obtain more wealth details on prospects selected for interviews during the feasibility study, but it may be necessary to engage in wealth screening to assuage certain fears inherent in the campaign planning process.

In my estimation, the best use of pre-campaign screening is to identify emerging mid- to upper-level major and planned giving prospects who will take significant roles in this and future campaigns. Predictive modeling, specifically major giving and target gift range models, will successfully identify current low-level donors and perhaps even new prospects who closely resemble the characteristics of your best donors. The modeling results will provide you with a significant number of prospects for current and future cultivation. Among those prospects identified for significant upgrades, you may choose to include those with current giving history for inclusion in the feasibility study interviews.

In spite of the pressure to raise current cash during a capital campaign effort, do not forgo this opportunity to identify annuity, bequest, and charitable remainder trust prospects prior to the beginning of the campaign. Identifying planned giving prospects now affords you the opportunity to adequately cultivate these prospects and increase the likelihood that you will secure their gift commitments during the course of the campaign.

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**Mid-Campaign Screening**

In my 15 years of working as a consultant to prospect screening projects, most mid-campaign modeling and wealth screening occur for one or two reasons.

First, great successes achieved in the first two years of the campaign have emboldened leadership to consider an updated screening project based on the new major giving profiles produced in the early phases of the campaign. This is a great use of prospect screening dollars, as the optimism generated by the campaign success creates a strong willingness to act quickly and directly on the prospects the mid-campaign screening generates.

The second reason is less positive: You have reached the mid-point of the campaign but fear that you have not identified a sufficient number of mid-range prospects to complete the campaign pyramid. However, a successful prospect screening project may help turn campaign pessimism into optimism, as it is likely to identify the needed prospects for your success. The painful reality may be that you may need to extend the time frame of the campaign in order to properly cultivate and solicit these new prospects.

The aforementioned capital campaign consultants often suggest their clients engage in a second screening at this time, for the same reasons mentioned in the two paragraphs above. Remember, fundraising is a dynamic enterprise and ongoing or periodic screening captures that movement within your database.

**Post-Campaign Screening**

Let's say that you just completed a successful five-year campaign and it exceeded the goals set for your nonprofit or educational institution. Your success puts you in the enviable position of now possessing the best, most current data on your donors in the history of your organization. From the perspective of predictive modeling, this great data is likely to lead to the vast, most insightful profiles available to organization. Not surprisingly, is a great time to do prospect screening.

Internally, it is also a great time for you to conduct your own analysis on the segments of your campaign that outperformed its goals, or perhaps underperformed its goals, to gain further insight into the constituency segments in your database. Although it is always important to succeed in your campaign efforts, it is also critical to understand the origin of that success and the areas in which you need to continue to improve. Do not let fundraising success lead to intellectual complacency; instead, use the great data you've accumulated to better understand the donors and prospects for your institution.

Finally, if you work for an institution that exists in a constant capital campaign mode, a post-campaign screening is tantamount to a pre-campaign screening. Please revisit the earlier section of this paper to affirm the numerous valid reasons for conducting a comprehensive screening at this time.

**“New Directions” Screening**

Perhaps the following situation has happened in your fundraising career: Fresh from a board of trustees meeting or visit to the chief executive's office, your manager comes to you to share the new fundraising priority that has been established for your advancement office. The directive you receive is to find additional prospects to support the featured fundraising initiative.

If the new fundraising initiative is based on an existing program and there have been previous donors to this effort, you may have the necessary data to conduct data mining or predictive modeling screening to identify the additional prospects sought.

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If the new fundraising initiative is based on an existing program and there have been previous donors to this effort, you may have the necessary data to conduct data mining or predictive modeling screening to identify the additional prospects sought. With no prior giving history, predictive modeling is a moot point, and you may have to rely on traditional hard asset or wealth screening on prospects you believe to have an affinity to this new initiative. Proactive donor and prospect surveys may also help you identify interest in new initiatives.

The scenario I have presented is an example of “situational” or “reactionary” advancement, and it is a reality that likely faces each and every one of us in the fundraising profession at least once in our career. Occasionally, the need for fast reaction eliminates the opportunity for planning in the manner to which we may be accustomed. If you choose to retain a vendor to provide the prospect screening services in this scenario, I encourage you to engage them in a discussion of how their expertise and experience may enable you to craft an implementation plan that will promote your success.

## Conclusion

By now, you have learned that the best time to conduct a prospect screening is when your vendor tells you to do so! Did that get your attention?

In all seriousness, I believe that prospect screening should be part of a comprehensive long-term plan that addresses the anticipated fundraising activities of your organization. In this paper, I have addressed most of the common scenarios and offered some recommendations for positioning your organization for prospect screening success.

When faced with a prospect screening situation that requires faster than normal review and planning, please consult with your vendor to get assistance in overcoming the time constraints placed on you.

## About Blackbaud

Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 24,000 organizations — including The American Red Cross, Cancer Research UK, Earthjustice, International Fund for Animal Welfare, Lincoln Center, The Salvation Army, The Taft School, Tulsa Community Foundation, Ursinus College, the WGBH Educational Foundation, and Yale University — use one or more Blackbaud products and services for fundraising, constituent relationship management, financial management, website management, direct marketing, education administration, ticketing, business intelligence, prospect research, consulting, and analytics. Since 1981, Blackbaud’s sole focus and expertise has been partnering with nonprofits and providing them the solutions they need to make a difference in their local communities and worldwide. Headquartered in the United States, Blackbaud also has operations in Australia, Canada, Hong Kong, the Netherlands, and the United Kingdom. For more information, visit [www.blackbaud.com](http://www.blackbaud.com).

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