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The Data-Driven Factor

Fundraising will always require sitting in someone's living room and asking for money. Data science helps determine which living rooms to visit.

Let's start with a total cliché. There are two kinds of fundraisers: the *artist* and the *scientist*.

Ugh. I expect you hear this at pretty much every fundraising conference. Some will say these two descriptors exemplify the best mix for a fundraiser. The so-called artist is the relationship builder, whereas the scientist likes to use data. Is this really the best way to describe the professionals in the industry? Is artistry synonymous with relationship building? Is relationship building truly the antithesis of data? Can one not research relationship building like a scientist? Do artists not look at data? Is it really helpful to remind an operations or data professional that *fundraising is really all about relationships*? Are these characteristics mutually exclusive?

I might challenge this dichotomy by considering a really great artist. Take, for example, the concertmaster at your local professional orchestra. This highly regarded position is the first chair violinist entering the stage immediately before the conductor. Certainly, she would qualify as an amazing artist in her own right. How did she achieve such a status? Perhaps it was artistic intuition. Perhaps she studied—a lot. I suspect the latter.

Most likely, this concertmaster began learning the violin at a very young age. She spent many hours a day at home or in a practice room refining her technique. She studied music theory at university to understand harmonic structures, forms, and historic nomenclature. A working knowledge of Italian was necessary for playing under many different conductors. In her deep score study, she realizes that one composer might mean an entirely different thing in using the same marking as another composer. It would not surprise me if she studied wood grains, bow hair, and historic violin makers; can describe the effects of humidity on her instrument; and knows several modern luthiers on a first name basis.

In this situation, would you tell the premier performer that violin is just about playing beautiful music? I might suggest that great artists achieve virtuosity not from intuition or an innate sense of artistry. Rather, they achieve their success through a passionate, resolute commitment to researching and practicing their craft.

Now consider the virtuoso of fundraising. Perhaps she just has an innate talent for asking. Or, perhaps, she studied and practiced over many years. I suspect the latter.

Most likely, this virtuoso fundraiser began as a junior gift officer and faced the same rejection all too common in this profession. Maybe she reached out to an accomplished mentor figure for advice. She took courses on deferred and outright gift options to add to her tool kit. She met with her prospect research professional to learn about asset liquidity and stage-of-life considerations. Over the years, she read books about donor relations, prospect development, metrics approaches, and making asks. She has a history of telling faculty, program officers, or doctors that their pet programs did not test well in a feasibility study. It would not surprise me if she knows several foundation leaders, trust officers, and financial advisors by name.

In this situation, would you tell her that fundraising is just about the art of relationship building? I might suggest that great fundraisers achieve virtuosity not from intuition or an innate sense of artistry. Rather, they achieve their success through a passionate, resolute commitment to researching and practicing their craft.

Logically, the opening premise renders the title of this chapter irrelevant. A data-driven fundraiser is really just a fundraiser. Or maybe not just a fundraiser, but a great fundraiser! Not sold? Okay, let's unpack this a bit.

Growth of Data Science

Over the past two decades, all industries witnessed a data science transformation. From predicting shopping patterns to predicting elections, from manipulating shopping patterns to manipulating elections—we've really seen it all. Data is everywhere. Some of it is very cool. Some of it is thoroughly scary. Some businesses are highly ethical and deeply committed to the public good. Some businesses are completely profit-dominated. Automation is welcomed in faster shopping and better playlists. Automation is not so fun if our jobs are on the line. The good, the bad, and the ugly are all tied up into this thing called "data."

In the fundraising profession, we saw the origin in prospect identification. Borrowing from the underwriting book in lending, we produced scores to predict who might be good prospects for future gifts. This was all well and good as long as it remained the purview of the researchers. But then, annual giving and direct marketing programs started to take notice. *Audience personas* and *segmentation* became common nomenclature. This was all well and good as long as it remained the purview of the marketing types. But then, leadership started running capacity analyses and staffing studies for campaigns. Prospect management teams began studying which activities were most influential in closing gifts. Consultants started conducting donor sentiment analysis studies. Now, this was just too close. Fundraisers everywhere began asking themselves "might I be data-d" out of a job? If I am a fundraiser who doesn't understand data, am I truly relevant anymore?"

For me, this line of thinking is completely off the mark. Rather, the value of a great fundraiser is so high that data science is its Fort Knox. Prospecting analytics developed to provide better names. Marketing analytics developed to warm the pipeline and increase the flow. Leadership used the staffing studies and capacity analysis to make the case for more fundraisers. Prospect management teams wanted nothing more than success from the fundraiser. Consultants wanted to tell you what the donors think so you could refine your skills. This data is for you. If you are a fundraiser, committed to your craft, you are truly relevant. Not only that; you are prized.

This fear of professional relevance is the main driver behind the “art and science” discourse. By lumping the hard stuff into a straw man called “science,” one can remain relevant by offering the “art.” But there isn’t anything to fear. Let’s look more closely at the science aspect.

Predictive Modeling

If you were a fundraiser in a one-person shop, surely you needed to find some prospects. Likely you started with your board members and existing donors. You met with the donors giving the most to try and upgrade them to even higher levels. Then the needs expanded and your team grew. To find enough prospects for the campaign, you had to look beyond existing gift levels. To start, you may have screened the file for wealth information.

Your prospects consisted of bigger donors and high-capacity folks regardless of gift history. As the file grew, the pipeline began to overwhelm the fundraiser. High-capacity prospects might have little engagement with the organization, resulting in dead-ends. In response, your researchers studied markers of engagement and produced a simple score to help prioritize the modest donors. Over time, the program continued to grow, and the campaign goals seemed unachievable. With the limitations of public wealth data, how was a fundraiser to find enough prospects? Could we screen for other factors such as probability to give a major gift? This demand saw the birth of predictive modeling for fundraising.

But what is it? At its core and as it pertains to prospecting, predictive modeling is finding distinguishing characteristics of major donors and scoring constituents by their fit to these characteristics. By contrast, market research looks for descriptive characteristics of major donors. Distinction helps you find; description helps you group.

If I were describing the *Where's Waldo* children's book (*Where's Wally* in some countries), I might say it is an illustrated book. It contains very detailed drawings with bright colors. The characters are simple, but the volume of characters and situations make it complex. The idea is to find the namesake character. This description is very accurate.

By contrast, if I were instructing a reader in finding Waldo, I might show a picture and identify his distinguishing characteristics. Waldo wears a red and white striped shirt and a stocking cap. He is rather tall and rail thin. His bangs feather out from under his cap, and he wears round, John Lennon-like glasses. The idea here is to contrast Waldo's characteristics from the other characters on the page. By finding red-and-white-striped shirts on the page, the seeker is more likely to ultimately find Waldo.

Similarly, a predictive model for major donors will not describe characteristics of the donors in a way that enables effective marketing. For example, 75% of major donors might live in the suburbs. This descriptive information might be helpful to marketing in event location planning. However, it might also be true that 75% of constituents in the database live in the suburbs. It gets you no closer to finding a major donor. Rather, it is like describing Waldo to a young reader as a brightly colored cartoon drawing, which does not distinguish him in any meaningful way.

A predictive model will look for differences between major donors and the random population. When these differences emerge, finding more major donors becomes more efficient. An assortment of distinguishing characteristics are assembled into a score. Those with higher scores are more distinct from the random group. Those with lower scores look more like everyone else. By focusing on those with higher scores, the odds of finding a future major donor increase just like looking for the red-and-white-striped shirt helps us find Waldo in a crowd.

In recent years, these scores moved from a static snapshot of distinction to a more dynamic measure. As the data profile of each constituent changed, so too changed their score. In a few cases, organizations are letting statistical software or coding learn and change its criteria without human-driven comparison analysis. This "machine learning" is often called "artificial intelligence." The result is the same insofar as identifying the constituents with the greatest odds of giving a major gift.

Recently, there has been a flood of artificial intelligence solutions for prospecting. With the maturity of the prospect development profession and the vendors that support this part of the sector, the ability to find potential prospects has matured beyond the ability to cultivate all the names to implement. So data sciences began to turn their sights to relationship management.

Predictive modeling for relationship modeling maintains its basis in comparison. However, rather than distinguish which prospects are most likely to give, these models focus on which activities are most likely to lead to gifts. A method used at many larger major gift programs is comparative performance analysis. Fundraisers with the highest levels of production are compared to those with lower production. The characteristics under evaluation are activity data such as visit count, portfolio penetration, visit spacing, time from assignment to first contact, ask levels respective of capacity, ask volume, ask penetration, channel of discovery attempts, number of discovery attempts, cultivation pacing, ask timing, and so on. If the activity under review has the same counts between the two groups, the activity is not a contributing factor for higher production. If the activity measurement is different between the groups, then there is reason for further investigation.

The goal of this type of analysis is not to evaluate the fundraiser, but rather to provide a better route to success. Much like how a GPS provides the best route based on the data at hand, relationship modeling reveals the optimal activities for successful fundraising. The GPS may not know of a new roadblock requiring a revised route. Similarly, relationship modeling simply provides a route subject to revision. Collectively, if the recommended activities influence officer-metric weighting, then the result should be increased production effectiveness by the fundraising team.

Example

Premise: A major US university needed to refine its fundraiser metrics to meet an aggressive major gift campaign goal. Based on existing run rates, it was unlikely to meet the numbers unless a few transformational gifts emerged. The top prospects for the campaign were already solicited. Waiting for unicorn gifts was insufficient.

What They Did: The development program contracted a data scientist to find 20% more production from its major gift team. The data scientist evaluated portfolio composition, performance activities, staff composition, and staffing levels. He conducted a relationship model to determine the top drivers of production. He recommended a shift in focus to solicitation volume with ask-level management at the officer level. He also pointed out that first- and second-year fundraisers were all over the map in solicitation level and timing. He recommended purposeful mentorship in solicitation effectiveness. Thirdly, he recommended a staff ramp-up in select units where there were many highly engaged prospects without manager attention.

The Result: The ramp-up for new fundraisers shortened, production per officer increased, and boldness in asking was met with boldness in giving. The fundraisers were still meeting with prospects as before. However, they were more focused on activities leading to effective solicitations. In short, the fundraisers met their goals. They were data-driven. The data was there to help them. And it did.

Capacity Analysis

Historically, as organizations prepared for campaigns, levels were set and fundraising initiatives were prioritized with a feasibility study. A consultant would meet with the top donors to the institution to conduct qualitative interviews. Because big donors primarily determined the success of a campaign, these studies tended to adequately achieve the aims of the campaign. Feasibility studies were, however, inadequate in predicting new donors emerging during the campaign period. And as campaign sizes grew and priorities expanded in breadth, feasibility studies decreased in adequacy. Talking to the best donors continues to provide political, cultivation, and outlier inclusivity value, but they are no longer enough for planning and sizing campaigns.

Data science rose to prominence in providing much needed decision support. Analysts, primarily in the consulting profession, began to evaluate the total of capacity ratings by constituents compared to likelihood and warmth measures. Highly engaged segments would yield a higher share of wallet than colder segments. Mathematically, it was possible to determine how much the file could give based on existing engagement levels. Furthermore, these analysts evaluated the reach of each fundraiser to determine the likely organizational yield. Then, they simulated how much more could be raised by cultivating different constituents, improving performance maximums with relationship modeling, and adding staff members. Now, it was possible to forecast how much might be raised doing business as usual versus how much might be raised by changing up some things a bit.

With ever-increasing pressure to raise more money, chief fundraisers need viable pathways to be successful. No longer can a fundraising executive say to her CEO or board, "We will double our efforts; this is where the rubber meets the road." The risk is too high, and the need for an actual path forward is critical. With a capacity analysis, a fundraising leader can say, with confidence, "With existing staff, it will take X years to achieve this goal. But with investment in staffing and process redesign, we can raise the goal in Y years."

Source and Journey

In recent years, many data scientists have shifted their attention to journey mapping. The relationship between constituent and organization is long and complex. For many sectors, the relationship begins long before the donor is on the radar of the fundraisers.

In a performing arts organization, for example, a child may attend a school field trip to the theater. Later, she may go with her family to a holiday show. At some point as an adult, she is invited to a performance and has a memorable experience. She may begin to go more regularly. As she succeeds in her business, she may decide to use some of her entertainment budget for a subscription. Through the communications, she learns about a program in the schools. Because of her nostalgia for her first field trip experience, she donates to the program.

The theater continues to delight her with messages of impact in the community. Her giving grows and her relationship deepens. A prospect researcher recognizes she is a successful businesswoman and refers her to a major gift officer. The major gift officer invites her to coffee to talk about her experience. Over time, she grows more passionate about the education program and makes a pledge to support broadening educational accessibility. After many years of continued support, she decides to leave a legacy gift in her estate to endow the head of education programming.

If the pathway to major philanthropy may take a lifetime, it is in the interest of development to understand the journey. Were there moments where a nudge from the organization accelerated giving? Were there experiences that lead to deepened engagement? Are people paying attention to the same channels that used to convert members to donors? This is the root of source and journey analysis.

An analyst might evaluate key sources such as first constituent experience (student, patient, child participant), first donor experience (event, direct response, passive envelope, self-identified), and first personal interaction (discovery visit, event table, called for help with a gift designation). She will also evaluate key journey markers such as patient experiences, shows attended, reunions attended, event participation, outbound appeals, inbound communications, visits, contact reports, solicitations, and so forth. These sources and journeys are compared to measures of lifetime value, or how much a donor will give over their lifetime. Using principles of comparative analysis, she will determine if certain origin points or sequences of events lead to higher lifetime values. She may also evaluate if these changed in recent years compared to past years. For instance, perhaps direct mail was a more effective original source of future major donors, but now the value is more consistent with midlevel lifetime unrestricted support.

For a fundraiser, the analysis may provide guidance for the most effective time or manner to make a discovery visit. The historic map might provide insight about potential designations. The analysis might suggest where to invest the most budget for pipeline development or base giving. Further, the journey map might suggest an optimal cultivation path to match the donors' pacing and objectives.

The main obstacle to source and journey analysis is having enough data. Until recently, many institutions maintained very siloed databases for each area managing a slice of the journey. As enterprise CRM solutions and integrated data warehouses emerged, more of the data became available to the analyst.

Data Visualization

If you are an executive in a fundraising organization, no doubt you have had requests for data visualization software come across your desk. Requests for tools such as Tableau, Advisor, and Qlik are not simply "data people wanting new toys." These represent a very earnest effort to break down the barriers of data for the fundraisers.

Data for data's sake requires no communication. Whether business users understand the analysis would be irrelevant. Data for the sake of improving a program requires communication. It used to be said that statisticians achieved job security through confusing terminology. No longer is this the case. Too many of the brightest analytics professionals were moved out of institutions because of failures to communicate. Let's face it, statistics are not only difficult to explain to nonstatisticians; they are downright boring.

Any semiotics professor would jump at the opportunity to show the efficacy of symbols and context. For example, the color red is often associated with stop because of traffic lights and stop signs. Red dots by a name on a list suggest a less than ideal candidate. The red color carries powerful symbolic weighting. And context is important. Scoring 85 points at the basketball game is only meaningful if you also know the score of the opposing team.

In data visualization, symbolism and context enable nonverbal communication. Using green icons for fundraiser meeting goals, yellow for nearly meeting them, and red for missing goals provides a quick status update of the team's efforts for the fundraising manager. A fundraiser making 15 solicitations, 85 visits, and raising $1.5 million may consider the numbers differently if the higher producers had fewer visits but more asks. He might focus his cultivation visits to be more directed toward timely solicitations.

How data is communicated may be more effective for behavioral change than the data itself. This is why data teams are so enthused about visualization tools. When the findings are clear, contextualized, and consumable, the recipient can understand and calibrate without a lot of explanation. In some cases, the visualization may even be motivating to the recipient. A helpful mnemonic for effective visualization leading to self-governing behavioral change is the word "COAST":

Comparison: Provide context by comparing segments, time periods, or officers.

One idea at a time: Express one key finding you wish to convey.

Alignment: Be sure the data is relevant to the intended recipient.

Simplest form: Complexity might look cool, but it is less effective.

Transparency: Show where people stand without shaming.

Talent Analytics

To date, most of the data science has lived in two main camps: (1) *Who we fundraise from* (prospecting, segmentation, descriptive analysis, and automated modeling), and (2) *How we fundraise* (relationship modeling, source and journey analysis, and capacity analysis).

Who does the fundraising is an emerging area of research and science. With an ever-expanding need for fundraisers and a talent pool failing to keep pace, talent analysis is more urgent than ever. Although capacity analysis evaluates staffing levels, there is much need for defining characteristics of future talent. This book, for example, seeks to set the stage for deeper analysis into the distinguishing characteristics of great fundraisers.

The danger in talent analytics is to focus on what people *are* rather than what people *do*. Demographics and descriptors are quite subject to biases. Behavioral analysis is not only less subject to bias, it is more productive in application. If certain skills or work habits better distinguish between effective or ineffective fundraisers, then a fundraiser can seek to learn and adopt them. Furthermore, it is more effective for hiring managers to understand the key skills and activities most relevant to the position descriptions.

Reject the Cliché

Being a fundraiser does not require you to be a data scientist. But being a data-driven fundraiser acknowledges that data science is beneficial to you. Being a great fundraiser does suggest a passionate commitment to craft. This is a different kind of science, but one every fundraiser can achieve. Like the concert master's dedicated study, research, and practice, you too can commit energy to self-improvement.

Data Is the New Bacon

Any book Josh and I write must start with data. It's not just because we are big data nerds, but because data-driven fundraising works. It raises more money, it saves organizations hours of time, and it is the future of our industry. I am so passionate about data-driven fundraising because it acts as a guide for smart and effective decision-making.

Big Data and analytics are hot topics in many industries these days. All business sectors are employing teams of analysts to achieve efficiency and revenue results. I know this firsthand because my husband is an analytics director managing over 30 employees whose sole responsibility is analytics and reporting for a large healthcare system. The dashboards his team developed for the system have been critical decision-making tools for the institution as they navigate the pandemic. Companies have been using analytics every day to make informed decisions. It is imperative that nonprofit institutions do the same or they will be left behind.

Analytics are everywhere. To prove it, a leading data visualization software, Tableau (with clients across the globe), has an annual conferences with over 100K attendees. A popular entertainment streaming service used analytics to create a binge-watching TV show based on a British TV series. A nationwide electronics company used sensors in the floor in several of its stores to track foot patterns and thereby charge vendors more for its more popular displays. A man walked into a nationwide retailer complaining that his 16-year-old daughter was receiving pregnancy coupons. Based on analytics, the daughter was exhibiting buying patterns of a customer who was pregnant. It winds up that the daughter was indeed pregnant; the retailer knew before the father did.

Now that we have access to data and the tools needed to analyze it, it is more important than ever that we as fundraisers take these next practices, understand them, and implement them.

My Lifelong Love of Data

I suppose I have never shied away from data. I was good at math in school, placing out of it in college. In my career, I came up through the ranks of development operations and individual giving. I started my career in fundraising as a development associate at a regional theater in Silicon Valley.

They sent me to Raiser's Edge software training my first week on the job, so data has always been a part of fundraising for me. I experienced their database conversion from a home-grown MS-DOS custom database that showed "*****" in the amount field when the donor's gift was in the six figures, so converting to RE was a dream. It was user-friendly and the Cadillac of fundraising software.

In each of my positions, I would wield the fundraising database and make it do things I needed as a fundraiser to be successful. The goal was always to use the database to its maximum capabilities because we were paying so much for it as an organization. Process improvement was always key. For each database I learned thereafter (Paciolan, Tessitura, etc.), I would do the same thing—treat it as the basis for everything I would do in the development shop. It helped that I had been a gift processor, so I knew how long it took to enter a batch or run acknowledgment letters. I also knew that I could rely on list pulls and exports or extractions to get me the data I needed to make decisions during my annual giving career. When I worked as a major gift officer, I would create my own queries to help manage my portfolio of donors and update my activities. This ease with the database led me from the major gift side of a multimillion-dollar campaign at a healthcare system foundation to taking their senior director of development operations position and managing their advancement services team. Because I had been in that team's shoes before, I knew how to set realistic expectations with executive leadership for how long requests would take. The foundation's chief development officer (CDO) at the time once asked me which position I preferred—major gifts or advancement services. I said either; I would go wherever the foundation needed me most. I honestly enjoyed both types of positions as well as the management of people to make things successful and efficient, and to accomplish goals.

Start with a Data Plan

Creating a data-driven culture for your team or department starts with the leadership. If you don't make the fundraising database the hull of your ship, your fundraising team will never be able to set sail.

When I speak at conferences about this subject, attendees almost always ask, "What if my data is a mess?" It's okay; you have to start somewhere. Just as you establish an annual giving plan for the year, you need to establish a data plan and timeline for the projects you want to accomplish with the system. Is data visualization a priority for your team? Go backwards. Start with reports you need and then figure out the data that needs to be cleaned first. Establish a month-by-month timeline with goals and objectives. The questions to answer in your data plan can include:

- What is the end result or data project to accomplish?
- What data needs to be cleaned to get to the end result?
- How long will it take to clean the data?
- What staff or contract resources will need to be used?
- What is the anticipated return on investment (ROI) of this project?
- What software enhancements are needed for this project?

Write your data plan down in a Word document or even on a whiteboard, and then use it as a tool for your team and your executive leadership for strategic planning purposes so you can advocate and invest in data-supported technologies for your department.

Data-Driven Leadership

It starts at the top. First, a development team leader needs to establish a strong foundation of development operations in your team. Remember that your database is the engine of all your operations, so garbage in is garbage out.

Next, look to enhance data management, processing, research, and portfolio management practices within your team. If you are a team of one, think about things you can do each day or during part of your day to establish these practices.

It is imperative that every fundraising leader educates and focuses their team on data-driven practices. It should be everyone's priority to make the database the center of operations because a data-driven fundraising culture is the future of every nonprofit no matter the size. The large institutions such as hospitals and universities have been implementing these practices for over a decade. It is time for the rest of the nonprofit sector to catch up. As a leader, you must focus gift officers on moves management and the weekly recording of actions in the database. It's also important to reorganize staff roles and department structure based on data-driven decision-making. A leader must hold team members accountable through reporting and weekly updates. And last but certainly not least, make data-driven hiring decisions. Make sure all your job descriptions emphasize the use of data through your team. New team members should be ready to fit into this data-driven culture of updating actions or steps in the database, pulling lists, or creating useful reports.

Applying Analytics to Fundraising

Every year, our employer and global philanthropy firm BWF surveys clients about how analytics had been applied in their shops: 45% were using it to establish financial projections, 49% were setting fundraising goals, 51% were analyzing staff performance, 55% were using analytics in direct mail segmentation, 63% were applying analytics to pipeline and portfolio management, and 81% were using it to identify prospective donors.

The arts sector was traditionally behind the curve in using advanced fundraising analytics practices until Josh and I deployed a pilot project introducing the concept of analytics to arts organizations using the Tessitura database. This project was featured in the 2016 August edition of *The Chronicle of Philanthropy* and is now being used by more than 20 arts and culture institutions around the globe.

What Josh and I found is that arts organizations needed to strategically identify prospects within their own donor, ticket buyer, and subscriber bases. But how? The answer was predictive fundraising models. The organizations would select four models with variables customized to their data. For example, the major gift model would tell an organization the likelihood of a prospect making a major gift with the amount determined by the organization. The planned giving model would indicate the likelihood of a prospect of making a planned gift. Donor or member acquisition models would indicate the likelihood of a ticket buyer converting to a donor or member. The capital campaign model would predict the likelihood of a prospect making a capital campaign gift.

The process begins by applying custom scoring to specific patterns in the organization's data, and every record in your database is rated. Then, predictive modeling follows a defined, tailored, and tested process. To extract the data, a query request form tailored to arts organizations is sent to the organization. When the results are delivered, the models not only help you identify great prospects that may need more attention, but it also show you where you may be wasting your efforts in portfolio management.

One of the biggest obstacles in any analytics project is adoption within your organization. Here are some initial steps for creating an analytics intelligent culture within your organization:

1. Create a data strategic plan for your team.
2. Establish a goal for what you want to accomplish using analytics.
3. Do it!

Getting Started with an Analytics Project or Program

How do I use analytics to inform best practices? You have to decide whether you are going to do your analytics project in-house or outsource it. Analytics has moved us from best practices to next practices by finding what "actually" works. With analytics, you can maximize the potential of your database by aligning portfolios and metrics to your constituency potential. And you can improve production of your team by investing in a strategic prospect development program that incorporates analytics.

Portfolio Management

As indicated in the BWF survey just discussed, analytics are commonly used to strategically assign your prospects among officers. First, you have to set up a portfolio management system within your database. Almost all databases come with this kind of capability, whether it is in a proposal or plans tab. This project could be a part of your data plan, even if you are a small shop. Next, you must require that officers track their progress with prospects using the portfolio system. Officers must be held accountable to report on their progress with prospects on a weekly basis. This is commonly executed with weekly reports to development leadership so as to hold officers accountable during revenue meetings to track their progress.

Major Gift Prospect Identification and Cultivation

One of my favorite things to do with analytics is to target a pool of major gift prospects using a major gift model. Once these prospects have been identified, you can verify them and immediately assign them to major gift officers' portfolios. If the prospects are in the top 1% of the model, that means they have a 99% likelihood of giving a major gift once cultivated. The officers can then take the reins with these prospects and start cultivating them. You or your officers can invite them to exclusive events like we did in the arts, which included hard-hat tours of the space, major gift prospect events with key artists, patron/stewardship events of an exclusive rehearsal, VIP intermission experiences, opening night performances, new works workshops, and patron tours.

List Management and Reporting

Once the predictive models have been loaded in the database, any list in the database can then be pulled and segmented using the models. The most common models used for list segmentation were donor acquisition, leadership annual fund, special events, major gifts, and capital campaign. Development officers in the arts, for example, could focus their cultivation efforts on those patrons who attended a particular performance or event by filtering attendees with high major gift model scores and running them through a Patron Activity Report in Tessitura.

Direct Mail Segmentation

Direct mail appeals now have a much better ROI because of analytics. I find that many times annual fund teams (or leaders who previously were in annual fund positions) are the first to adopt analytics due to the nature of their jobs. They are used to dealing with data and are able to beautifully balance the art and science of fundraising. As with all direct mail appeals, you must first create a compelling message, whether it be about education and community efforts, new works initiatives, production activities, hurricane relief, and so forth. Then, I find it's key to build momentum through multichannel messaging, and if at all possible, use a board challenge/matching grant with a deadline to create a sense of urgency. Finally, it's important to use enhanced list segmentation and data analytics. I found the combination of a donor acquisition model + previous giving + top performing zip codes created a great ROI for direct mail appeals at a previous organization.

Overall Results of Predictive Modeling

Of course, the whole point of all this data-driven fundraising is to increase revenue. Imagine your customer relationship management (CRM) or database as a fancy Cadillac with all the bells and whistles, but you have yet to learn how to start the car and drive it around the block. Likewise, there is no reason to invest in the fancy analytics tools if the "Cadillac" never leaves the driveway. Analytics is a powerful tool but only as useful as the teams that adopt them into practice. Because I used analytics at previous organizations, I saw substantially increased revenue from individual giving. One arts organization received $20,000 in current use gifts after using their planned giving model for a direct mailing. Another organization raised $100,000 in increased revenue using models in a six-month period. Of equal importance was the hours of time saved by prospect research and development staff in identifying prospective donors. Finally, analytics resulted in the effective portfolio management of prospects among gift officers, so that better decisions could be made on which prospects each officer should approach.

Due to limited time as a director of development, I didn't want to meet with a prospect unless I knew there was a 90% or more chance that they would give the gift I was asking them to give. That's what analytics does—it allows you to make the best strategic decisions with limited time and resources.

CHAPTER DISCUSSION GUIDE

- In an ideal world, without staff, time, or budget constraints, how might you implement analytics at your organization?
- What database project can you create a strategic data plan for your department/team this year?
- How might you implement data visualization (dashboards, infographics, visual impactful reports) in your fundraising shop?
- What steps can you take to adopt a data-driven culture in your team?