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Find out how a CRM program can take your fundraising to the next level.

Leveraging Data to Achieve Fundraising Success

We asked three of our team how to collect and leverage data to elevate your fundraising. Check out these insights from **Senior Consultants Peter McKinley** and **Randy Klassen** and **Senior Associate Lucy Ruiz.** Peter has 20+ years as a fundraiser; Randy was a non-profit CEO for 28 years and Lucy is a former Raiser's Edge consultant.

What is a CRM and why does my non-profit need one?

- **Peter:** *"CRM is an acronym that stands for customer relationship management in the nonprofit world. The key thing really is the word <u>relationship</u>: it's what really makes fundraising work well.*

  What this reflects is an overall systematic approach to building relationships with as many potential supporters as you can possibly find. The reason that I think a lot of organizations are looking to change their CRM, or to adopt one in the first place, is because the way in which we fundraise has changed over the years and the ability to get a good, strong ROI out of all types of donors has changed. And that is probably one area where the electronic tools have really made things a lot easier. It's respectful to donors, but it's also a good return on investment and a good way to manage for charities.

- **Lucy:** *"A CRM is any kind of application, spreadsheet, Access database, or any kind of database that allows you to track your relationship to your donors. And a key question to answer is, how will our organization use this tool? Ultimately, a database is a tool.*

  The reason why a lot of organizations go to a CRM is because it really helps automate a lot of the tasks that we would forget to do. If we just use spreadsheets, then so much *of what we do is manual, and that leads to inconsistencies. Consistency is important."*

Randy: *"When I was a CEO of a nonprofit charity, we tried to capture information on spreadsheets and in our file systems. It was very low cost, but we were missing a lot of information. We had a consultant really emphasize and encourage us to invest in a very robust CRM, which we did, and it changed our whole fundraising perspective. The CRM let us start to capture the relationship itself.*

With a CRM, we were able to then line up people with what they were interested in. We had a lot of different funds. And the donors could then match up their donation with something they were passionate about. It started changing the relationship of the donation. Their donation came to the community and to community investment. It was a more meaningful gift to the donor. And our donor retention went up because they were donating to a community building project rather than just to the organization."

Are we capturing the right data?

- **Peter:** *"We'd like to be able to contact people, so name and address, email address, phone number, social media handles.*

  But when we think of a relationship, we think about interactions and the content of what happens when you're speaking with someone or hearing from them. The electronic tools we have today certainly allow that kind of data capture to happen much more efficiently. It is now possible to track the types of information you're gathering across all kinds of levels of donors and all kinds of levels of interaction.

  Beyond that is the transactional: the types of donations that a person may make, the other types of support that they may give, like volunteering. We can begin with the notion of wanting to try to capture every way in which a donor interacts with you."

- **Lucy:** *"Each organization, program, or person who manages a portfolio needs to figure out what they want to measure. In year one, it might be bodies, donors, people who attend an event, and dollar amounts. That's usually the baseline. But with each subsequent year, you want to measure maybe one or two more elements. So maybe do most of our attendees also give to our annual program? Do our annual fund donors who respond to the direct mail piece also respond to the online appeal? Extrapolate different levels of how you correlate this data because your donors give in various ways.*

  Talk to the other folks in your organization. How can you see that data coming together? Immerse yourself in it. Pull those reports daily or weekly. You should know what your donor counts are and your average gift amount. If we're not measuring, we're not managing.

  If you're launching a new program, think about where you want to be. What is it you want to measure? Engage your data person or your operations person to say, 'help *me figure out how we track value X'. For example, 'I want to track how many alums also reply to the leadership giving appeal'. Or, 'I want to track how many of our new donors are also giving online within the next six months'. You need to figure out what you're tracking before you launch your program."*

- **Randy:** *"When we invested in a robust CRM, we were able to produce a lot more reporting which was more meaningful to the CEO, the staff and the Board. We were able to look at how many donations were coming in, how many donors, how many gifts, how many meetings and the conversion rate. We could analyze information far better than when we didn't have a system. It helped us analyze the information, evaluate it, and make better plans for the next year.*

  All of our fundraising was relationship based, but we did have a couple of annual events. Looking at those events in a different way, not just how many people attended and how much money came in, but when we captured the information and looked at it, we created a better plan for the following year.

  The other part is our Board started looking at fundraising differently by looking at the relationships. When I started reporting on how many donors we had, how many gifts were coming in, how many meetings we had, how many relationships we were building, it changed the culture of philanthropy within the organization."

How do we integrate all the data into something useful, at a reasonable cost?

- **Peter:** *"There's real value in analyzing what you've got and seeing if there are patterns that develop that show you which are the meaningful and less meaningful ways of interacting with people. The key is to make sure all that data comes together in one spot. And that's what a really good CRM does for a charity. Bringing all that data together means you're making fewer mistakes about how to contact someone on a very practical level but also gives you some powerful tools as you begin to understand the levels of engagement and the ways in which people like to respond to you. Data integration is critical to the effort to grow the relationship with the person.*

  Combinations of interactions are even more powerful and that is where the power of a CRM really hits the road. The notion that you could bring together different types of interactions with people, analyze them and understand the degree to which that person is engaged with you, which may have implications down to the amount of money you ask them to support you with, are really important. And it starts with identifying tools able to talk to one another to bring data all into one place.

  The cost of a CRM system is not insignificant. This is a medium to long-term kind of decision that should be viewed as an investment, not an expense. The expectations should be managed so that you will see that over the medium to long term, you'll be better off than if you had not made a decision to either upgrade or to add a CRM."

- **Lucy:** *"A very easy point of integration for many organizations is your Development office and your Finance office should be speaking to one another. Integration doesn't necessarily mean that the data automatically goes over to one system. It just means that you can somehow synchronize it or send data over.*

  Another point of integration can be with other departments. We're often very siloed and we're all busy trying to meet our goals, but are we stopping to look around and saying, 'Hey, can we leverage what others in our organization are doing? Are we integrating with our website? Can the website data come down into our database? If not, how do we make that happen?' Is it a spreadsheet or is it a report that you have to key in? It is really important to figure out what you want to integrate. Draw it out on a whiteboard if you have to, but you should know how all the data flows into your database."

- **Randy:** *"Our staff are great at developing really good relationships and connecting with people, understanding how they want to change our community and invest in their community. But when staff leaves, the relationship also has to be with the organization. Our CRM was able to capture the meeting notes, capture what passions that donor had to create a stronger community, how they wanted to see outcomes.*

  When we were able to capture that information, we could make sure if a fundraiser left the organization, that relationship just got picked up by the next person. They could review all that information on the CRM, the notes from the last meeting, what materials were already sent out, what the donor is interested in. And they could carry on that relationship. It changed our fundraising from a financial transaction to a relationship with the organization and also knowing how that donor wants to invest in a stronger community."

What are some examples of data management success stories?

- **Peter: "***Sick Kids Hospital is a completely data-driven, technologically-sound organization that still has the capability to bring things down to a human level. I think they are the counter example which proves it is entirely possible to have a strong system that leads you to human relationships. They are painting a picture of the type of person they are dealing with and giving themselves a really deep understanding of the best way in which to interact with those people.*

  They have invested in a lot of technology, but they have also invested in showing each donor that they respect them and are able to talk to them in the way in which they would prefer. The ways in which Sick Kids operates, while heavily resourced and therefore perhaps difficult to contemplate for most charities, is also an example of the ways in which, on a different scale, most charities could behave."

- **Lucy: "***We do a lot of Development office to Finance office integration. And usually that's the integration that clients avoid because Development counts one way and Finance counts a different way and we don't always balance. But we really need to balance because that's the way we steward our donors.*

That integration point, that handshake between the two systems, is ideally between a fund or a designation on the development side to a general account on the financial side. Once you bring these two elements together, many clients have found great efficiencies primarily because you eliminate data entry on the development side and data entry on the finance side. Now you've developed a symbiotic relationship and both teams need to understand a little bit about what's happening on the other side.

Creating that integration is something we've done for many clients. We often see 20 to 25%, sometimes even 40%, efficiency improvement when they've eliminated the double entry. It increases the level of reliability of the data, and that also increases everyone's use of the data. It's a win-win all the way around.

Another big thing an organization can do is invest in training. Not just one-time training when you implement the system, but long-term, ongoing training. There should be a lot of overlap in the training so that when there is staff turnover, systems and processes far outlive the people who are using them.

Randy: "*When I worked with the YWCA of Regina, they were having a challenging time capturing the information, making sure they were doing right by the donors and producing reports to their staff, their CEO, and their Board. I helped them implement a Raiser's Edge program, which is a really good CRM. As we trained the staff and captured the data, it really helped develop the cases, what we were fundraising for, and also the appeals on how we were asking. It really gave us a lot of detail to work with.*

And it also has a really nice online investment feature so that we could have donations coming online and capture that information. On an email appeal, we knew how many emails were opened, how many responses were read, how many donations came back. It really changed around the fundraising process in the organization. They were already well positioned by doing great work in the community, but capturing this information took their fundraising to the next level.

I also work with another organization with a very limited budget. They do really good work and they have a very simplified system. We looked at Canada Helps which works really well for them. They've changed their system around so that you can now list your funds. That helped develop a clear case, so donors knew what they were donating to; the funds that spoke to them.

We were also able to put a donation form right on their website which made it easier. You can include more information about the funds on the website and give donors confidence in your organization.

So Canada Helps is at one end of the spectrum. It's very easy to put in. It's a little bit more limited than Raiser's Edge, but both CRMs capture more information than just the basic transaction. And you're able to then work with your donors in a more meaningful way so that they can invest in your community in a different way."

Find out if you are getting all you can form your data from the highly experienced Global Philanthropic Senior Consultants on **Virtually GLOBAL™.** Our team each averages 25 years of on-the-ground fundraising experience and have evaluated and implemented CRMs for charities large and small.

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