The Five Pillars of Fundraising Strategy

June 8, 2011  Twitter: #5pillarsFR
5 Pillars of Fundraising Strategy

1. Structure and systems support a “whole pyramid” strategic focus
Whole Pyramid Focus

Questions

• Are people/units operating in silos?
• How well is everyone serving all levels of the donor relationship?
• Are strategies based solely on structure? Are donors across layers?
• Who is involved in the organizational planning process?
• As a direct response specialist, do I care if any direct response donors make a major gift?
• As a major gift officer, am I ready to ask if one of my donors wants to include us in their estate plan?
Whole Pyramid Practices

- Strategies drive donors up through pyramid layers
- Incentives encourage donor growth, not hoarding
- Communication calendars are developed with input from all departments that affect fundraising
- Measurements evaluate donor movement across layers
- Spirit of cooperation exists in the culture for open and robust sharing of donor data…and relationships
- Officers maintain relationships across layers
5 Pillars of Fundraising Strategy

1. Structure and systems support a “whole pyramid” strategic focus
2. Behavioral data is integrated into donor profiles and contact strategies
The Pursuant Paradigm

Driving the Relationship Lifecycle

- Multiply
- Attract
- Build
- Join

Donor Interests
Engaging Interests: Data Sources

- Donor data
  - RFM data (recency, frequency, monetary value)
  - Campaign response
- Wealth/Lifestyle data
- Donor research: interests, compelling language
- Behavioral data
  - Survey responses
  - Videos viewed
  - Microsite clicks
  - Events
Engaging and Observing Interests

Personal URL (Direct Mail)

Cultivation Email

Donor Intelligence

Microsite
Driving Donors Through the Pyramid

- Social Media
  - Websites and Emails
- Face to Face
  - Videos
- Direct Response
  - Events
- Face to Face Visits
- Mid-Tier Events
- Mid-Level Engagement
- Events and Conversations
- Capital Campaigns
- Legacy Gifts
Fact #1: Donor intelligence enables organizations to predict donor receptivity to mid-tier commitments before gifts have been made at that level.
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Fact #2: Donor intelligence can also be used to proactively identify potential major donors!
5 Pillars of Fundraising Strategy

1. Structure and systems support a “whole pyramid” strategic focus
2. Behavioral data is integrated into donor profiles and contact strategies
3. Donor behavior is driven through catalytic interactions
Driving Giving Behavior

All behavioral change comes down to answering two questions:

1. **Is it worth it?** If not, why waste the effort?
2. **Can it be done?** If not, why try?

*Source: Influencer: The Power to Change Anything; by Patterson, Grenny, Maxfield, McMillan, and Switzler; 2007*
Driving Giving Behavior

To overcome persistent resistance:

1. Create personal experiences, or…
2. Tell stories (vicarious experiences)
   - Changes “cause and effect” assumptions
   - Impacts a different part of the brain
   - Avoids evaluation centers
   - We learn by watching others
   - It is as if the experience actually happened to us

But what can we enlist beyond verbal persuasion?
## Driving Giving Behavior

<table>
<thead>
<tr>
<th></th>
<th>Motivation</th>
<th>Ability</th>
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<tbody>
<tr>
<td><strong>Personal</strong>&lt;br&gt;(Intrinsic)</td>
<td>Donors don’t want to give</td>
<td>Donors don’t know how to give</td>
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<tr>
<td><strong>Social</strong>&lt;br&gt;(Leadership)</td>
<td>No peer pressure encouraging giving</td>
<td>No team support for giving</td>
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<tr>
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<td>Rewards not aligned; no accountability</td>
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<th><strong>Level</strong></th>
<th><strong>Motivation (Is it worth it?)</strong></th>
<th><strong>Ability (Can it be done?)</strong></th>
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| **Personal** | • Impact communicated in terms people care about  
• Pictures and people impacted are used to tell the story – “humanize” the data                                                                                                                                             | • Donors know what is expected and how they can support the effort successfully  
• Complex challenges are broken into smaller, achievable, understandable tasks                                                                                                                                               |
| (Intrinsic)  |                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                             |
| **Social**   | • Formal leadership has communicated support and are involved  
• Opinion leaders are identified; trust is built, and they are engaged in the project                                                                                                                                  | • Leadership, experts, communication and fundraising – Team-based strategies  
• Information is complete (collateral, results, etc.)                                                                                                                                                                         |
| (Leadership) |                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                             |
| **Structural**| • Giving is recognized and appreciated in advance outcomes  
• Officers are incented to do the right things                                                                                                                                                                          | • Create proximity between the donor, the organization/leadership, and constituents  
• Environment reflects project priorities – you “see it” and “feel it” when you walk around                                                                                                                                      |
What is a “catalytic” interaction?

- Meeting is proactively established
- Conversation establishes trust
- Information shared grabs interest
- Opportunity is emotionally compelling
- Conversation challenges support beyond current giving levels
- Next engagement step is defined and invited
Fact #3:
Ongoing, two-way communication supports the relationship…but catalytic contacts drive relationships forward!
5 Pillars of Fundraising Strategy

1. Structure and systems support a “whole pyramid” strategic focus
2. Behavioral data is integrated into donor profiles and contact strategies
3. Donor behavior is driven through catalytic interactions
4. Data drives strategy
What Typically Drives Strategy?

- What is familiar
- Whatever is cheap
- Whatever is easy
- What worked last year
- Existing capabilities
- Shiny new objects
- Whatever worked over at __________
Data Drives Strategy

\[ \text{Data} \rightarrow \text{Information} \rightarrow \text{Knowledge} \rightarrow \text{Wisdom} \rightarrow \text{Decisions} \]

- **Data** (signals, know-nothing)
- **Information** (useful, organized, structured)
- **Knowledge** (contextual, synthesized, learning)
- **Wisdom** (Understanding, integrated, actionable)
- **Decisions** (change, movement)

**WHAT:** Reveals relationships
**WHY:** Reveals patterns
**BEST:** Reveals principles
**ACTION:** Reveals direction

Wisdom
...given insight, becomes...
Knowledge
...given meaning, becomes...
Information
...given context, becomes...
Data
...given purpose, becomes...
Data Drives Strategy

Data
Donor Intel.
Research
Environment

Philosophy
Beliefs
Experience
Training

Strategy
Direction
Messages
Goals

Creative
Visuals
Copy
Execution

Results
Feedback
Trends
ROI

Data Drives Strategy
What Typically Drives Strategy?

Data
- Donor Intel.
- Research
- Environment

Philosophy
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Strategy
- Direction
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Creative
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- Execution

Results
- Feedback
- Trends
- ROI
## Data Drives Strategy: Data Sources

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<tr>
<th>Fundraising Assessment Areas</th>
<th>1 Constituent Messaging</th>
<th>2 Donor Intelligence</th>
<th>3 Integrated Communication</th>
<th>4 Fundraising Capacity</th>
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<tr>
<td>1 Constituent Messaging</td>
<td>1.1 Core Messaging</td>
<td>2.1 System Support</td>
<td>3.1 Lifetime Value</td>
<td>4.1 Development Structure</td>
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<td>1.2 Brand Promise</td>
<td>2.2 Tracking and Testing</td>
<td>3.2 Communication Planning</td>
<td>4.2 Staff Expertise</td>
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<td>1.3 Case for Support</td>
<td>2.3 Analytic Dashboards</td>
<td>3.3 Cross-Channel Engagement</td>
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<td>3.6 Build and Multiply</td>
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1. Structure and systems support a “whole pyramid” strategic focus
2. Behavioral data is integrated into donor profiles and contact strategies
3. Donor behavior is driven through catalytic interactions
4. Data drives strategy
5. Donor development initiatives supported through cross-channel communication
Cross-Channel Engagement

- **Strategic**: Thoughtful and planned
- **Consistent**: Reflects a common message or theme
- **Integrated**: Anticipates and drives cross-channel
- **Congruent**: Works within the strengths of each channel
- **Intentional**: Drives toward stated goals

**Key**: Using the appropriate channel for the appropriate purpose at the appropriate time!
Cross-Channel Engagement

Data → Email → Website → Direct Response → Response Device
Cross-Channel Engagement

What kind of initiatives can be accomplished through cross-channel communication?

- Behavioral invitations
- Engagement efforts (initial gifts, upgrade programs)
- Follow-up strategies
- Reactivation programs
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Questions
Pursuant
Redefining fundraising.