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Fundraising Metrics are the Worst! (And How to Fix Them)

Date: July 27, 2023

Time: 1:00 – 2:00 Eastern

**Presenter: Prof. Russell James
Texas Tech University**



Fundraising Metrics are the Worst!

(And How to Fix Them)

Fightin' words



Want to start a fight in a fundraising comment section? Start talking metrics. Opinions are often passionate and conflicting.

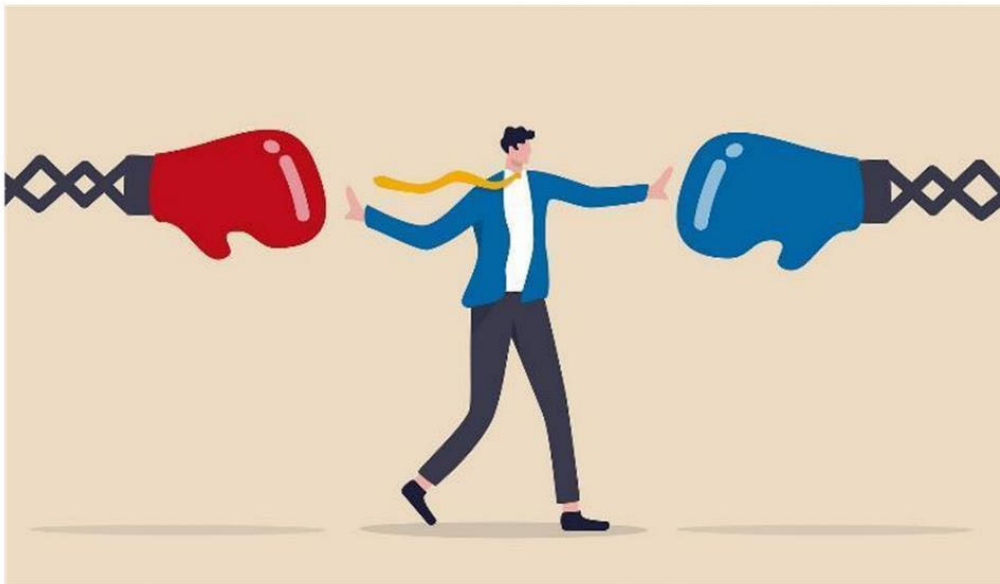


1. DonorSearch. (2015, October 13). *Nonprofit fundraising metrics: 26 essential KPIs to track*. [Website]. DonorSearch <https://www.donorsearch.net/nonprofit-fundraising-metrics/>
2. Provenzano, S. (2021, February). [LinkedIn post]. https://www.linkedin.com/posts/samprovenzano_fundraising-repost-philanthropy-activity-6767134914912538624-zLy1
3. Hodge, J. (2012). *If philanthropy is all about relationships, then why do metrics only measure money?* [Paper presentation]. <https://scholarworks.iupui.edu/handle/1805/6058>

“All about the Benjamins” or “All about the love?”

- One author explains why 26 metrics are “essential”¹
- Another writes, “Fundraisers need to focus MORE on creating memories and moments with their donors ... and LESS about hitting those wacky metrics or year-end goals”²
- Another asks, “If philanthropy is all about relationships, then why do metrics only measure money?”³

Can't we all just get along?



- What if both sides were correct?
- They're both talking about "fundraising," but this includes different things with different – sometimes opposite – rules

A business explanation: Big sales v. small sales



Fundraising is like a business that sells toothpicks AND aircraft carriers – at the same time.

Would you like to buy a new wing for your local hospital? How about a mosquito net? Maybe a chicken or a heifer? Or perhaps endow a world-class engineering school? It's all fundraising.

A business explanation: Big sales v. small sales



- Small sales are about quick, superficial transactions
- Large sales (called Key or Strategic Account Management) require longer, deeper, more consultative relationships

Rackham, N. (1988). *SPIN selling*. McGraw-Hill.

A job explanation: Big sales v. small sales



One researcher explains, “The objectives of salespeople are the opposite of the objectives of Strategic Account Managers”

Lacoste, S. (2018). From selling to managing strategic customers-a competency analysis. *Journal of Personal Selling & Sales Management*, 38(1), 92-122.

A job explanation: Big sales v. small sales



“Salespeople who remain strictly focused on sales instead of customers (i.e., seeking to close short-term deals or working only to reach their monthly targets or their quota) might show a propensity to fail as future Strategic Account Managers If they have a short-term selling approach, then they most likely should not attempt to transition to Strategic Account Management.”



Wilson, K., & Woodburn, D. (2014). The impact of organisational context on the failure of key and strategic account management programmes. *Journal of Business & Industrial Marketing*, 29(5), 353-363.

An organizational explanation: Big sales v. small sales

Why do orgs fail in big-ticket sales (Strategic Account Management)? One study found:

- “Failure to differentiate between, ‘The opposing philosophies of traditional sales and account management.’”
- “Focusing on short-term financial numbers rather than customer need and value creation.”
- “Senior management resists giving influence or control to customers.”

Change ‘customer’ to ‘donor’ for fundraising

Big sales v. small sales



- Traditional sales isn't wrong
- Strategic Account Management isn't either
- They're just designed to succeed at two opposite ends of the market

A storytelling explanation



- The “one big thing” in fundraising is always the same: Advance the donor’s hero story
- Suppose instead of managing fundraisers, we were managing writers

A storytelling explanation: Managing novel writers



Does it make sense to manage their daily work based upon their daily sales? Weekly? Quarterly? No. No. No.

Writing a novel takes a long time. Sales are still important, but not as a short-term metric to guide behavior.

A storytelling explanation: Managing Twitter “influencers”



Does it make sense to manage their daily work based upon their daily views? Weekly? Quarterly? Yes. Yes. Yes.

We can instantly compare posts that worked with those that didn't.

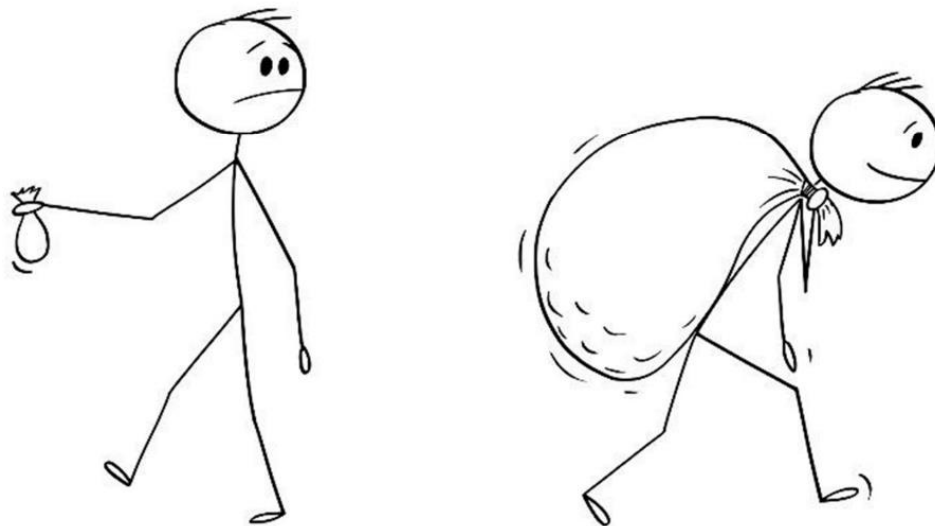
A storytelling conflict



The social media manager uses short-term metrics for managing “writers.” He encourages short, extreme, provocative statements. And he’s right.

The manager of novel writers responds, “This is nonsense. You can’t manage writers that way.” And he’s right, too. They’re both right because “writing” isn’t just one thing. Neither is “fundraising.”

Basic realities for fundraising metrics

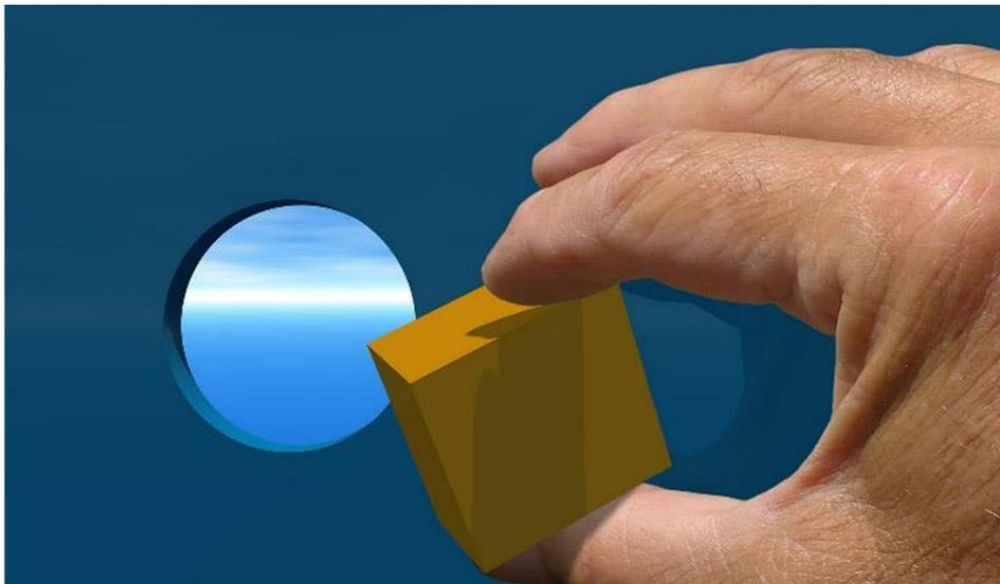


1. Levis, Bill (February 5, 2015). *The 80/20 Rule is alive and well in fundraising*. Association of Fundraising Professionals. <http://afpfp.org/blog/8020-rule-alive-well-fundraising/> ; 2. James III, R. N. (2020). American charitable bequest transfers across the centuries: Empirical findings and implications for policy and practice. *Estate Planning & Community Property Law J.*, 12, 235-285, 250.

The important issue is managing for large gifts. Small gift metrics are easy. Just constantly A-B test, you'll figure it out, but small gifts don't matter that much.

- An analysis of 3,576 charities found, "76% of gifts come from 3% of donors."
- Nationally, most charitable estate dollars come from 0.1% of decedents.

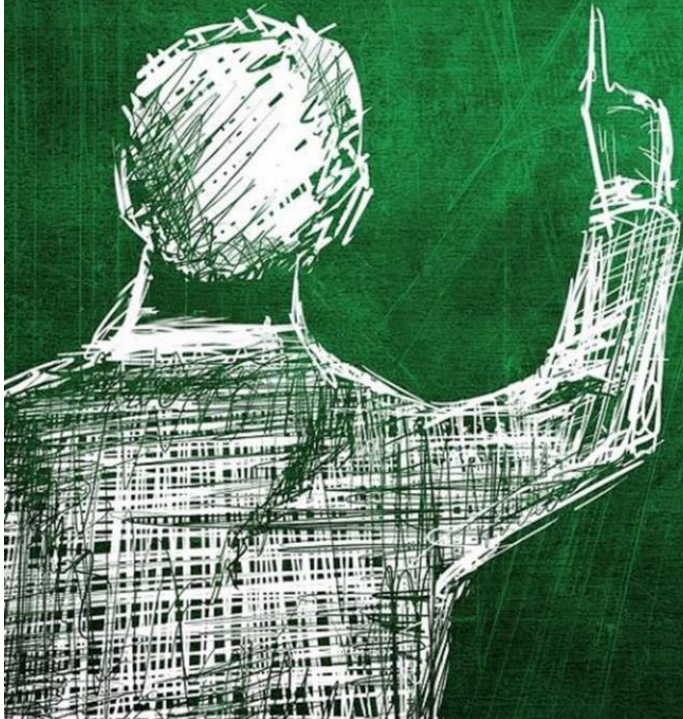
Basic realities for fundraising metrics

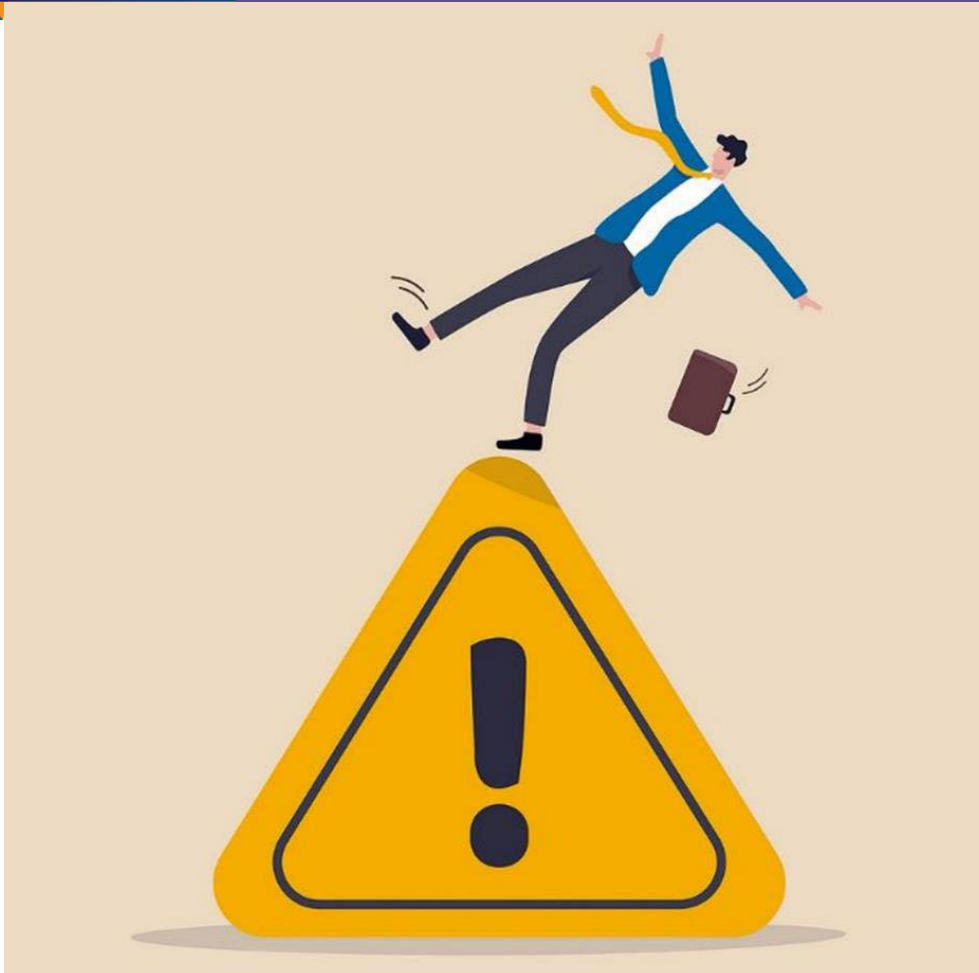


- I'm not disagreeing with small-gift metrics
- I'm disagreeing with applying them to large-gift fundraising
- I'm just answering a different question

Two key facts

1. Metrics can hurt
2. Metrics can help,
but only a little





Metrics can hurt fundraising

The first goal of fundraising metrics:

- ~~“Measure everything!”~~
- ~~“Measure all the important things!”~~
- “First, do no harm”

Megli, C. D., Barber, A. P. & Hunte, J. L. (2014, December). *Optimizing fundraiser performance*. Bentz, Whaley, Flessner.
Megli, C. D. (2016, January 1). Outlook: Producing high performers. CASE.



Metrics can hurt fundraising

- One study found, “over 42% of fundraisers view their metrics as detrimental at worst or ineffective at best in reflecting important behaviors”
- Fundraisers dissatisfied with their jobs often cite unrealistic expectations
- Retention is a key problem: Most fundraisers don’t become highly productive until about their fourth year at a charity

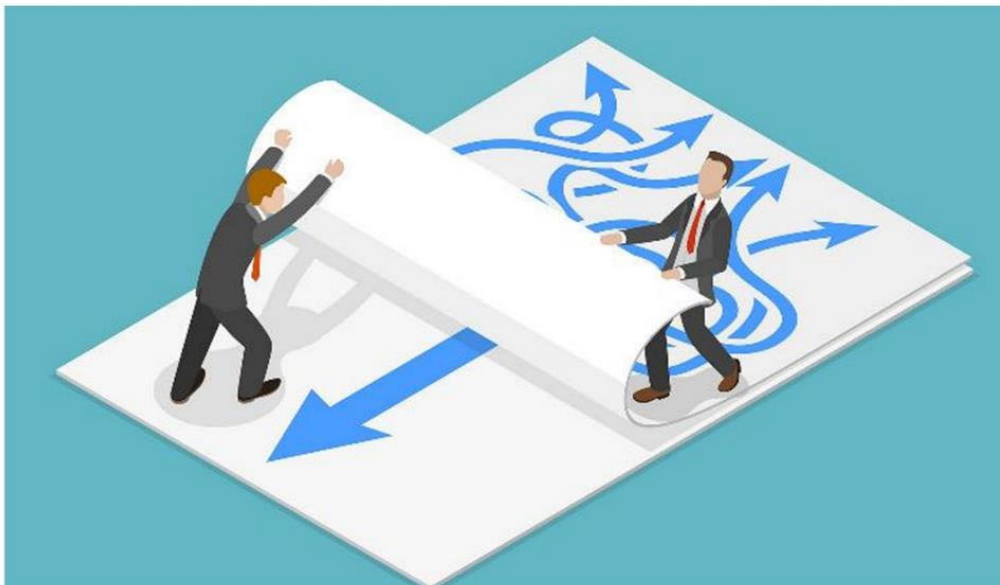


Bennett, R. (2007). The use of marketing metrics by British fundraising charities: A survey of current practice. *Journal of Marketing Management*, 23(9-10), 959-989.

Metrics can hurt fundraising

- One study found that charities using the most fundraising/marketing metrics were also the poorest financial performers
- They had the highest “top management demands for accountability” of fundraising, reflecting top-down distrust

Metrics can hurt fundraising



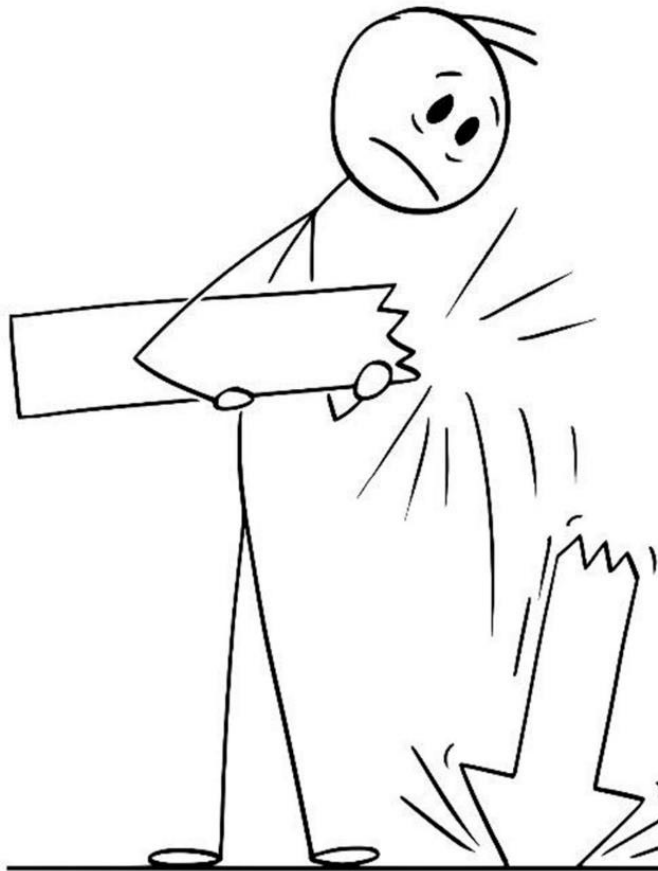
Another study found, “gift officers that were more focused on fewer metrics ... outperformed those professionals with equally weighted or mixed measurement models. In short, focusing on fewer but essential metrics results in increased productivity across a wide range of activities.”

Grabau, T. W. (2010, July). *Major gift metrics that matter*. Bentz, Whaley, Flessner.



Short-term metrics can hurt in business

Large sales result from long-term processes.
Short-term financial metrics can undercut these.



Wilson, K., & Woodburn, D. (2014). The impact of organisational context on the failure of key and strategic account management programmes. *Journal of Business & Industrial Marketing*. 29(5). 353-363.

A study of reasons for failed Key Account Management programs

- “If the end of quarter results are the main objective, Key Account Management never works”
- “Focus on numbers rather than customer need”
- “Short-termism: ‘Reconciling 36-month Key Account Management objectives with 12-month compensation plans usually frustrates most organizations’”
- “Focus on [immediate] sales and revenue makes the program focus short-term and leads to failure”



Short-term
metrics can
hurt in business

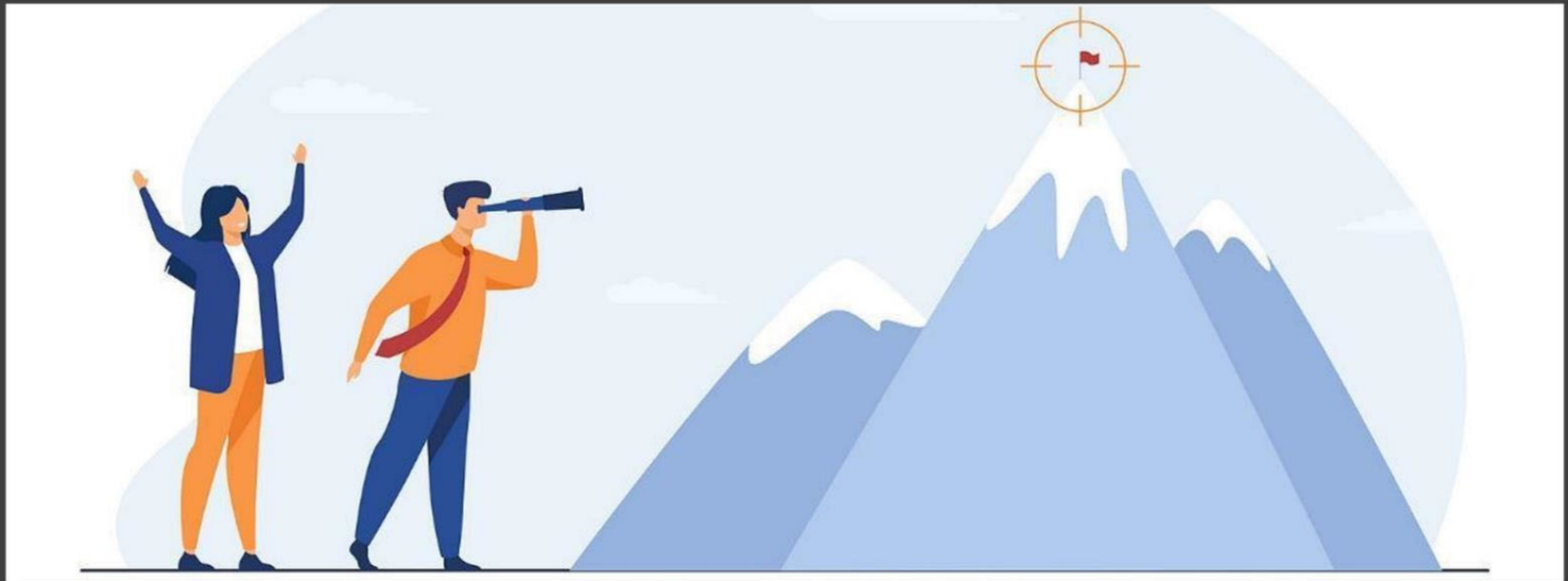
Another study explained simply,
“because of the relational nature of their
jobs, Strategic Account Managers are not
measured using short-term indicators”

Short-term transactions v. long-term value

Other business researchers explain, “This investment in relationships with the company’s most strategic customers will only pay off if ... the Key Account manager works with a mindset that allows value creation for both his own employer and the Key Account”



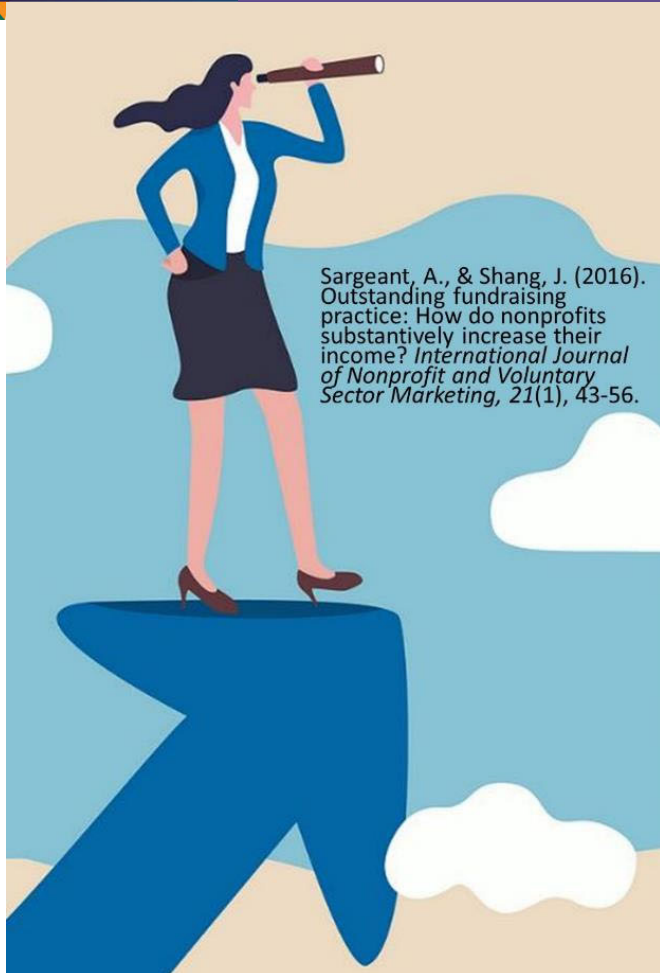
Peters, L., Ivens, B. S., & Pardo, C. (2020). Identification as a challenge in key account management: Conceptual foundations and a qualitative study. *Industrial Marketing Management*, 90, 300-313.



Short-term metrics can hurt in fundraising

One study found that (just like Key Account Management research results) the highest-growth fundraising charities used metrics focused on creating long-term value for the donor

Sargeant, A., & Shang, J. (2016). Outstanding fundraising practice: How do nonprofits substantively increase their income? *International Journal of Nonprofit and Voluntary Sector Marketing*, 21(1), 43-56.



Sargeant, A., & Shang, J. (2016). Outstanding fundraising practice: How do nonprofits substantively increase their income? *International Journal of Nonprofit and Voluntary Sector Marketing*, 21(1), 43-56.

High-growth fundraising metrics

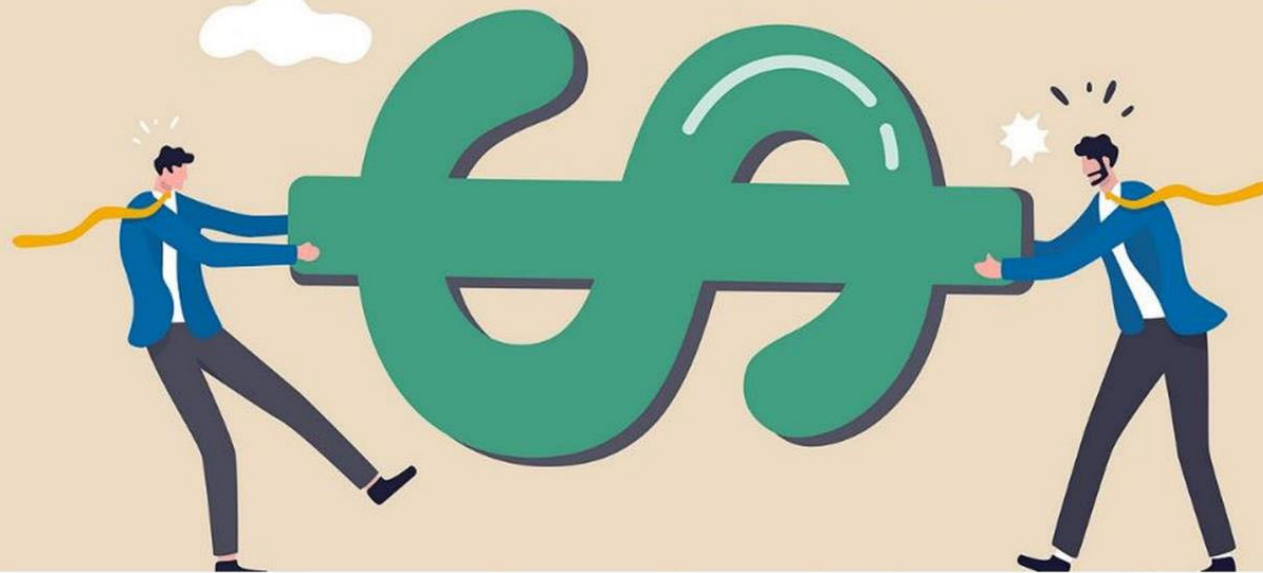
“Our outstanding leaders aligned their organizational metrics with the longer-term drivers of donor value. There was less concern with metrics such as response rates and immediate return on investment. They focused instead on the standards and behaviors they knew would add value for supporters and thus build donor lifetime value. Their appraisal and reward systems were similarly aligned, to focus team-member ambitions on the things that mattered most to longer-term growth.”

A short-term, transactional focus hurts fundraising even more than business

- Fundraising is based on the social/sharing world of the “gift” economy
- Whenever a relationship becomes “strictly contingent” or transactional, giving stops

Mauss, M. (1923/1967). Essai sur le don forme et raison de l'échange dans les sociétés archaïques / *The gift: Forms and functions of exchange in archaic societies*. Norton.





Short-term transactional behavior shows the lack of a mutual sharing or helping relationship

One anthropologist writes, “Ethnographers studying people as diverse as foragers (Mauss, [1923]) and Irish smallholders (Arensberg, 1959) have long noted that attempts to [strictly] balance exchanges are tantamount to ending ... relationships.”

Hames, R. (2017). Reciprocal altruism in Yanomamö food exchange. In L. Cronk, N. Chagnon, & W. Irons (Eds.), *Adaptation and human behavior: An anthropological perspective* (pp. 397-416). Routledge. p. 411.



Bennett, R. (2007). The use of marketing metrics by British fundraising charities: A survey of current practice. *Journal of Marketing Management*, 23(9-10), 959-989.

Charities can signal no mutual sharing or helping relationship

- One study found the least useful metric for justifying a budget increase from leadership was “Predicted improvements in donors’ feelings of satisfaction with or commitment to the organization”
- Most fundraising managers felt this wasn’t even “slightly important” to leadership
- Charities weren’t just failing to add value for donors; they weren’t even trying



Good metrics start with good story

Not caring about the donor's experience isn't a problem of what we're measuring. It's a problem of who we're being. It's a story-character problem.

The effective fundraiser delivers real value to donors. She advances the donor's hero story as the donor's "guiding-sage."

Good metrics start with good goals



- If you don't buy all that story mumbo-jumbo, let me translate: Metrics that lead in the wrong direction don't help

What's the right direction?

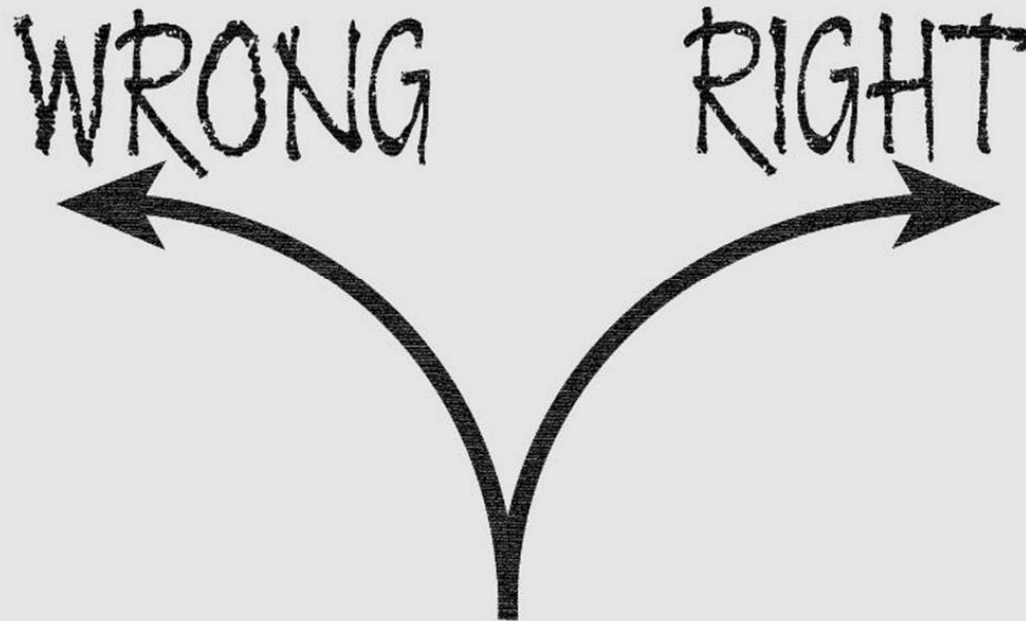
- In business, it's about creating value for the high-capacity customer
- In fundraising, it's about creating value for the high-capacity donor

Good metrics start with good goals



In “business” words, the goal is this:

1. Create and promote personally meaningful philanthropic investments (*i.e., advance the donor’s hero story*)
2. by building consultative relationships with donors of capacity (*i.e., by being the donor hero’s guiding sage*).



Good metrics
gone bad:
Money raised

- It's an important metric
- It can be helpful
- But it's often used wrong, and then it becomes destructive

MPG is a good car metric



If it drops unexpectedly, something is wrong

- It might be your spark plugs, motor oil, fuel, fuel injector, air filter, or tire pressure
- It might be the way you're driving

MPG as a good metric gone bad



Suppose your job is driving a car. In the back seat is your manager. You go up a hill: instantaneous MPG drops. The manager complains. You go down a hill. The manager is elated. You accelerate for an on ramp. The manager screams, “Look at these numbers! This is awful!”

Frustrating? A driver can influence MPG, but only a little.

The problem isn't the metric; the problem is the way it's being used



- In fundraising, money raised is good as a long-term diagnostic
- It can act as a “warning” light
- But it’s bad as a short-term “dashboard” metric to drive with
- This can lead to unsustainable short-term tactics: Ask early! Ask often! Don’t ask too big; just get to the “Yes,” right now!

Fixing bad metrics: Focus on long-term value

One manager was trying to figure out why estate gift income had been dropping by tens of millions of dollars for nearly a decade.

The answer: About eight years before, the new development director saw low ROI for mailing to older donors, so they quit mailing. The next quarter probably looked good, but the short-term metrics crushed the long-term results.





Birkholz, J. & Hunte, J. (2014, October 30). *The secrets of high-performing, long-tenured gift officers*. [PowerPoint slides]. Bentz Whaley Flessner <https://store.case.org/PersonifyEbusiness/Store/Product-Details/productId/165848717>

Fixing bad metrics: Focus on fundraiser actions

- One study of 270 university fundraisers found, “Major Gift Officers with solicitation goals, rather than dollar goals, have better activity with prospects and hit dollar goals anyway”
- Good metrics encourage doing the hard stuff



Peesker, K. M., Ryals, L. J., Rich, G. A., & Boehnke, S. E. (2019). A qualitative study of leader behaviors perceived to enable salesperson performance. *Journal of Personal Selling & Sales Management*, 39(4), 319-333.

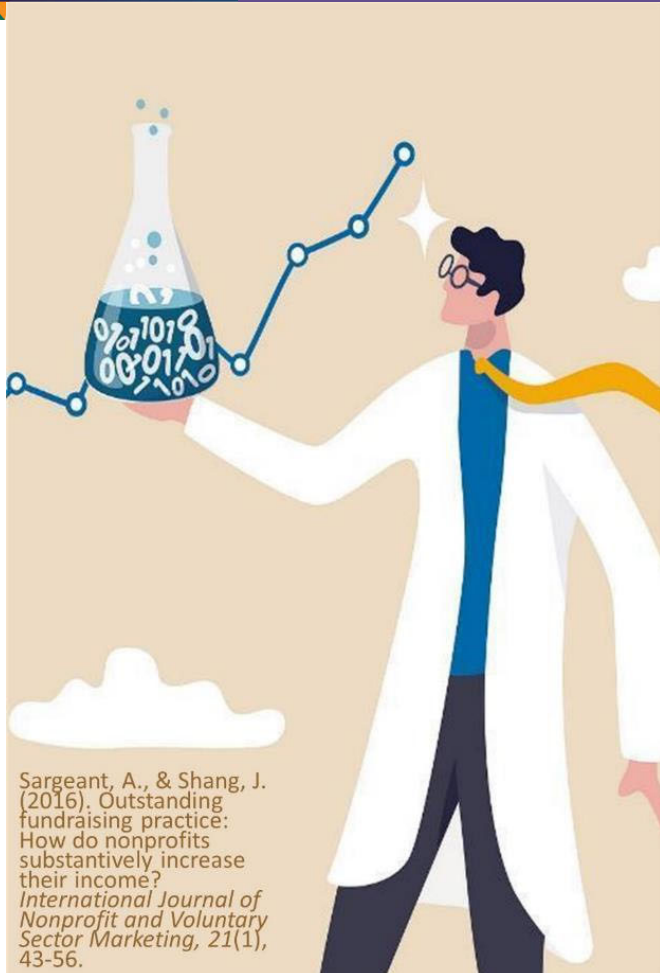
Using metrics in the right way: A tool for coaching

- One study looked at what works in managing business sales
- It found, “When asked to describe specific sales leader behaviors that best enable salesperson performance, sales professionals – both sales leaders and salespeople – overwhelmingly referenced coaching”



Using metrics in the right way: A tool for coaching

Just yelling “Run faster!” isn’t coaching. Neither is “Sell more!” or “Raise more money!” Metrics diagnose areas for improvement. Improvements come from training, shadowing, guiding, and practice.



Sargeant, A., & Shang, J. (2016). Outstanding fundraising practice: How do nonprofits substantively increase their income? *International Journal of Nonprofit and Voluntary Sector Marketing*, 21(1), 43-56.

Metrics as an opportunity for learning

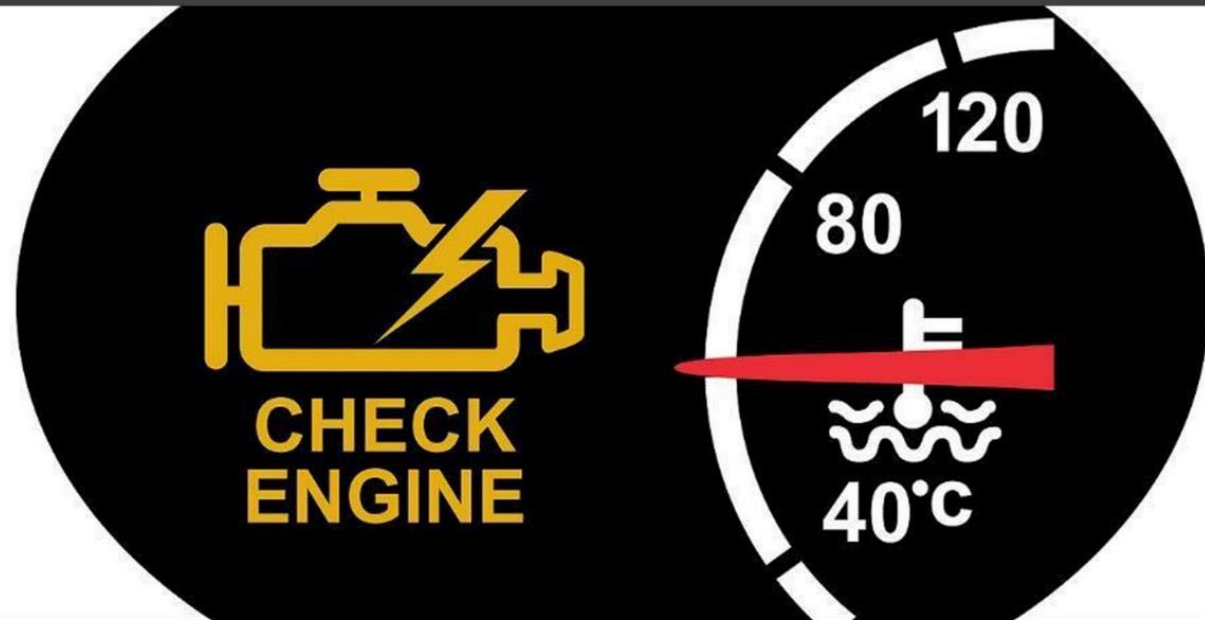
Research on the highest growth fundraising charities found, “Failure was redefined as the failure to learn from experience if something did not work out as anticipated, rather than the failure of a particular strategy or individual per se ... The achievement of this organizational learning culture seemed to us to be absolutely critical in delivering outstanding fundraising.”

Metrics don't have to be a top-down tool for punishment

- They can even be a bottom-up tool for learning. The most powerful metrics can be those the fundraisers themselves choose, revise, and recommend to leadership
- Metrics can be part of an empowered, participatory, learning culture



EAB. (n.d.). What are the right metrics to measure major gift officer performance? [Website]. <https://eab.com/insights/expert-insight/advancement/what-are-the-right-metrics-to-measure-mgo-performance/>



Metrics
aren't
perfect

Can metrics help? Yes. A little. Metrics can encourage the right behavior. They can serve as a “check-engine” light. But every metric can be gamed.

Gaming the metrics: Money raised



- A big gift means stop asking until the next reporting period
- A great year means change jobs: Who wants to compete against that baseline?
- The real secret is “owning” the right donors and being territorial



Gaming more metrics

- Number of asks: Just asking a lot is quick. Doing it well requires a longer process.
- Number (or share) of gifts closed: Always ask small. Easy asks hit this number.
- Number of donor visits: Just go see the old favorites and make it short. Five minutes or a full afternoon counts the same.
- Significant contacts: Focus on whatever is quickest. A letter? E-mail? Phone call? Skip the hard parts.

Metrics aren't people (sales)



Lacoste, S. (2018). From selling to managing strategic customers-a competency analysis. *Journal of Personal Selling & Sales Management*, 38(1), 92-122, p. 110

One study of salespeople found, “only 6% of salespeople without the personality traits fitting that trade will perform above average by working hard to compensate for their lack of personality “fit.” Emotional intelligence (EI) and interrelated features (e.g., competitive intelligence and empathic listening) represent the first pillar of those natural abilities, and the higher the level of EI, the better the salesperson will perform ... salespeople who do not score highly on EI have little chance of becoming successful Strategic Account Managers.”

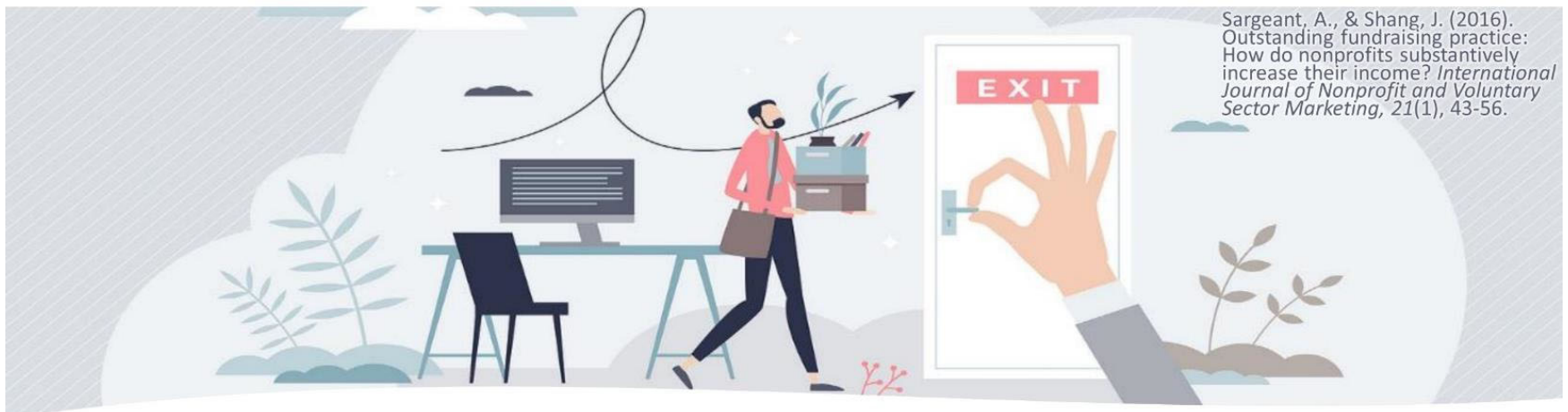
Metrics aren't people (fundraising)



Dr. Beth Breeze studied key personal skills in fundraising. The most important included:

- High emotional intelligence
- An ability to read people, and
- A great memory for faces, names, and personal details

Getting the right people: High then low turnover

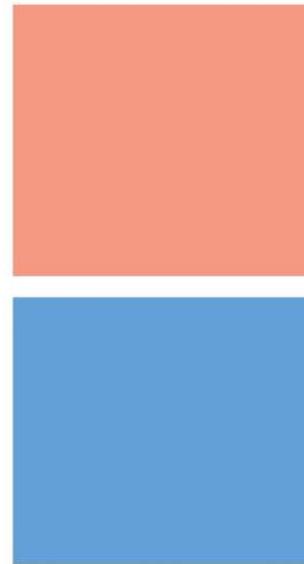


Sargeant, A., & Shang, J. (2016). Outstanding fundraising practice: How do nonprofits substantively increase their income? *International Journal of Nonprofit and Voluntary Sector Marketing*, 21(1), 43-56.

Research on the highest growth fundraising charities found

1. “In most of our cases, the teams were substantively overhauled. Our interviewees reflected that the people who left or were asked to leave were usually either not up to the task or, critically, did not demonstrate the level of passion and commitment necessary for the new fundraising approach.”
2. “None of the organizations we interviewed, after the right team had been built, suffered from the high turnover rates that otherwise pervade the fundraising sector.”

Conclusion: The secret to success isn't just about metrics

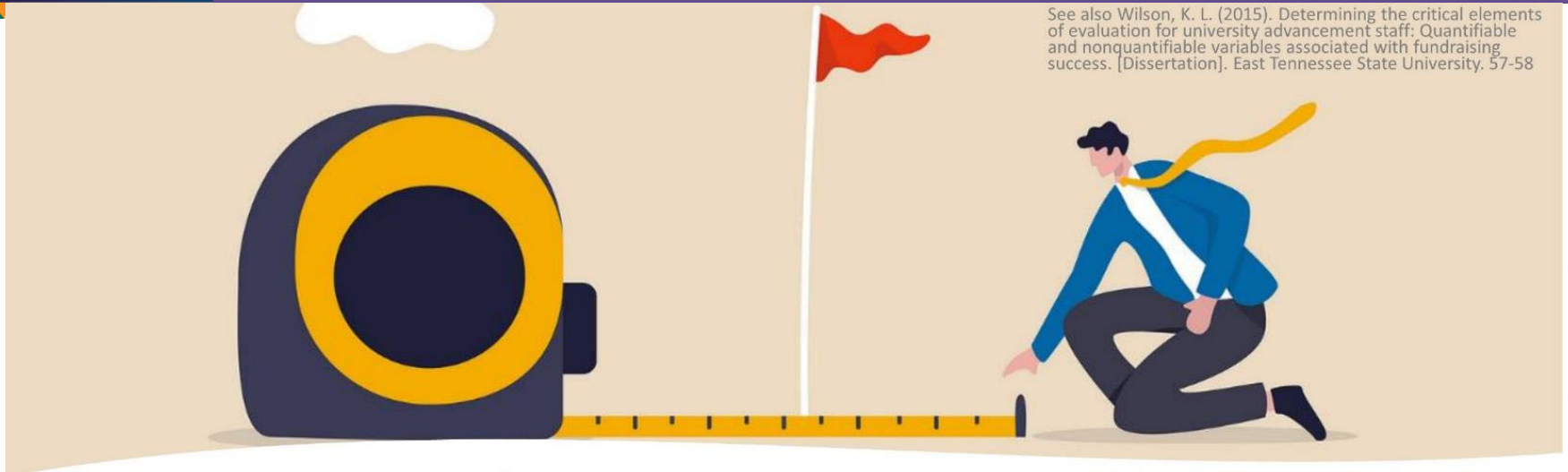


- Metrics aren't purpose, cause, or inspiration
- They're not coaching, identity, autonomy, or personal growth
- Metrics can help, but only a little

How to fix fundraising metrics with story magic!

Advancing the
right story for the
right donors





The right
metrics

- 1. Are we focused on the right donors?**
- 2. Do we have individual plans for them?**
- 3. Are we seeing them?**
- 4. Are we asking them?**

Answering “yes” doesn’t guarantee success but answering “no” usually guarantees failure

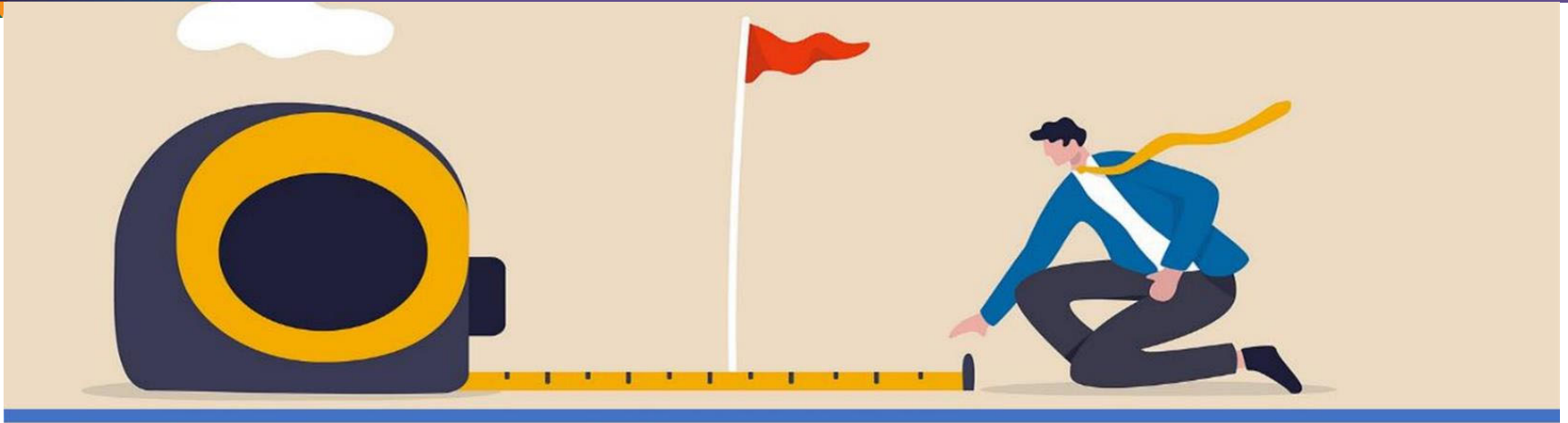


Bolker, J. (1998). *Writing your dissertation in fifteen minutes a day: A guide to starting, revising, and finishing your doctoral thesis*. Holt Paperbacks.

Storytelling metrics (writing)

Hours per day spent writing?
Words per day? Hitting these
metrics won't guarantee a
successful novel, but their
absence does guarantee failure.

Ph.D. students who write
consistently will finish.
Otherwise, they often won't.
Why? Because writing is the hard
part. The best metrics encourage
doing the hard stuff.



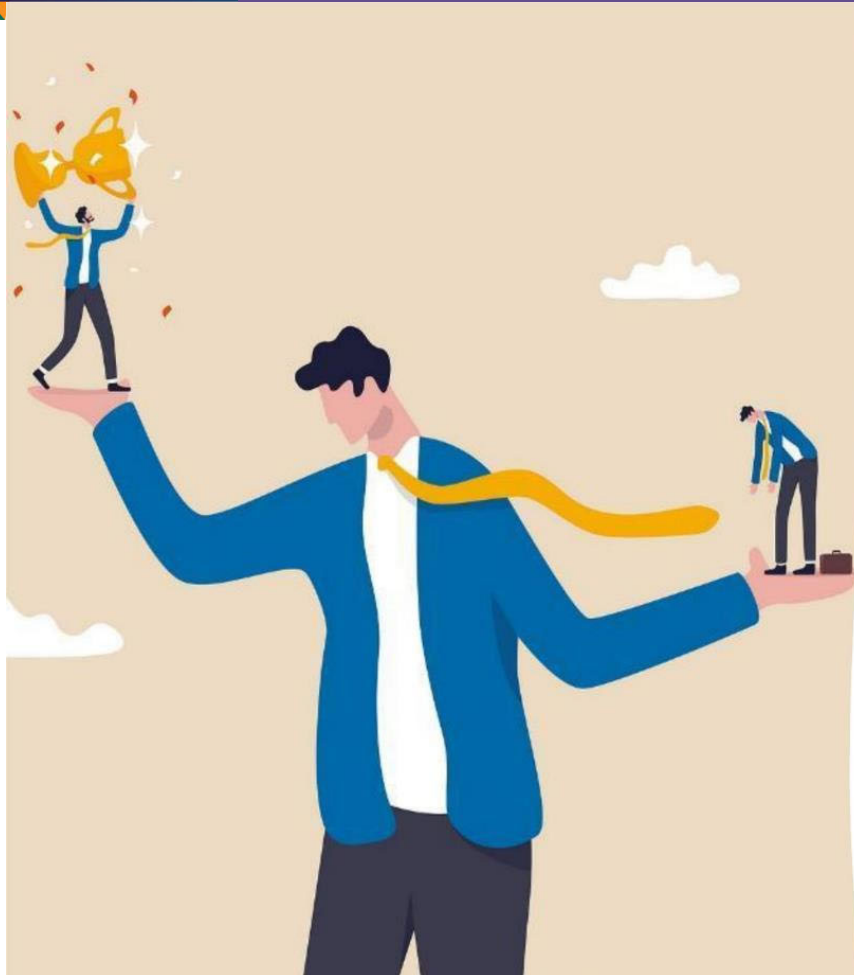
- 1. Are we focused on the right donors?**
2. Do we have plans for each?
3. Are we seeing them?
4. Are we asking them?



Fundraising math

Scenario 1. You spend the next two years working with 100 donors. Each has capacity to make a \$10,000 gift. Interest in giving is high. Each has a 75% chance of making that gift. → **\$750,000**

Scenario 2. You spend the next two years working with 100 donors. Each has capacity to make a \$1 million gift. Interest in giving is low. Each has a 3% chance of making that gift. → **\$3,000,000**



Fundraising math v. Fundraising emotion

Suppose you make one gift proposal per week.

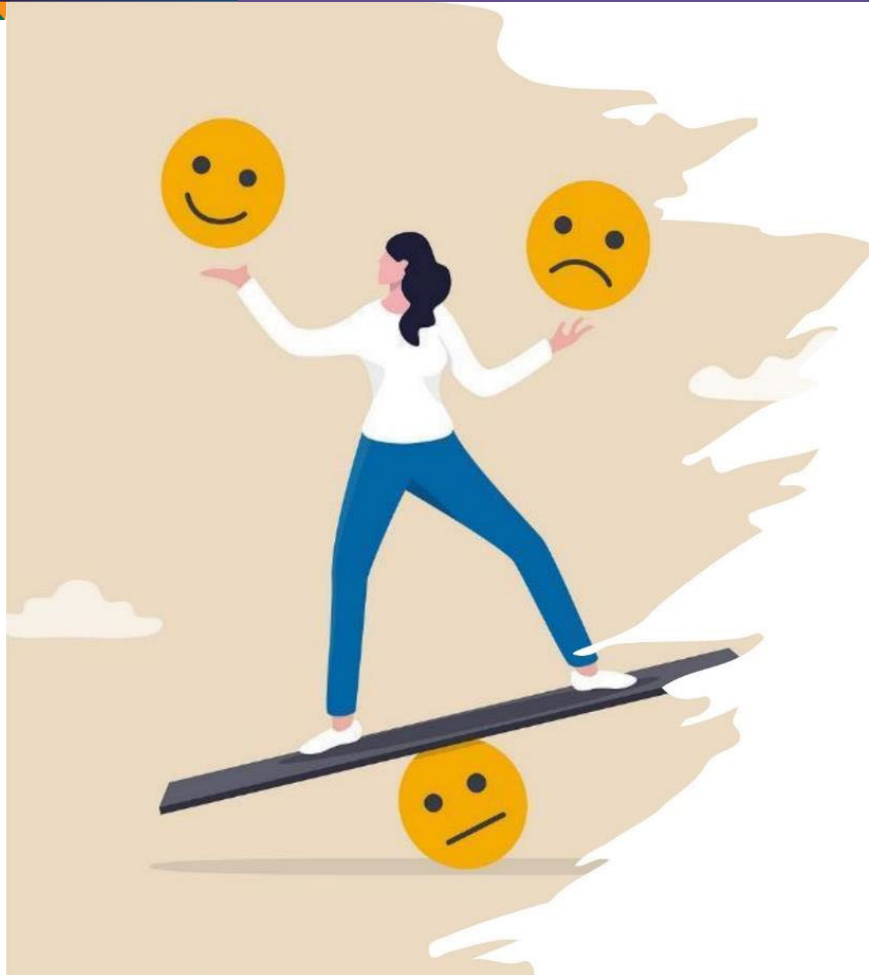
Scenario 1. You constantly win. Three out of four weeks, you bring back a big gift! → **\$750,000**

Scenario 2. You constantly lose. On average you'll lose 33 times for every victory. You'll have all of your proposals rejected for over 8 months. → **\$3,000,000**



Sports math v. sports emotion

- Before analytics, coaches and players did what “felt” good. They avoided the negative emotions of any negative outcome (i.e., “loss aversion.”)
- Analytics led to higher risk, higher reward tactics in basketball (three-point shots), baseball (home runs or bust), and NFL football (passing over running).

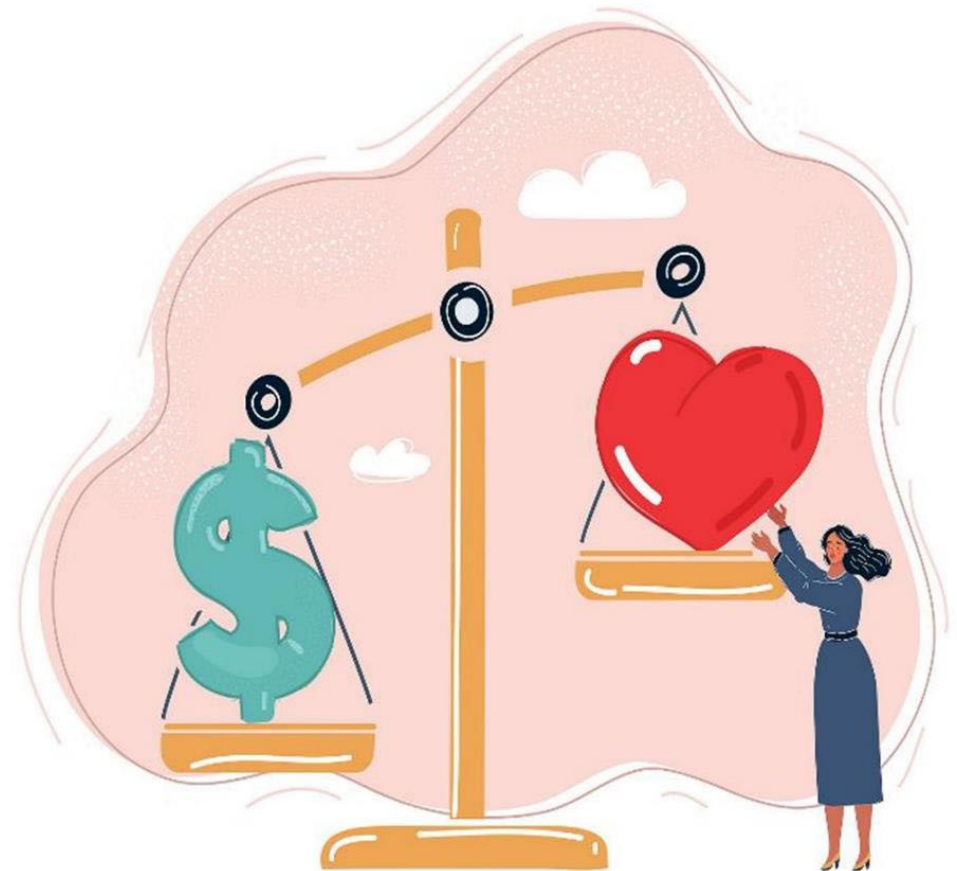


Analytics v. emotions

- In both sports and fundraising, the emotions don't match the math
- Focusing on winning a larger share of plays (or asks) feels better
- Focusing on winning the biggest plays (or asks) actually works better

Major donor math

- We want donors with high interest and high capacity, but these are not equally important
- We can influence a donor's interest (experiences, relationships, values connections), but we can't change their capacity



The right behavior: Spending time with high-capacity donors

The right behavior isn't the easy behavior. As James Daniel writes, "Many would gladly trade cold million-dollar prospects for warm ten-thousand-dollar prospects. Unfortunately, many do make this swap – a recipe for failure."



Daniel, J. P. (2009, January 26). Cold calls, the first hurdle. [Website]. BWF. <https://www.bwf.com/cold-calls-first-hurdle/>



The prospect prescription

The right metrics should nudge the right behavior, spending time with high-capacity donors. Ex: Capacity minimums for portfolios; multiplying activity metrics by capacity rating; more flexibility with high-capacity success rates and timetables.

What if we don't have enough high-capacity donors?

John Greenhoe relates, “the most successful development officers I have worked with developed a regimented procedure for connecting with new prospects.”

Referrals can work, too. “Who do you know that may be interested in our work?”

Start here: “How can we provide value to high-capacity prospects?” Ex: attractive experiences, recognition, prestige, gift planning expertise, access to a valuable social network.





Internal support: The advocacy story

- Getting a 30-minute meeting with a senator is reason for celebration. Why? Because that person has capacity to make an impact for the cause.
- What about getting a meeting with a high-capacity prospect? This should also be a cause for celebration. Why? Same reason.



The right legacy prospects: Wealth

- In annual giving, a low-wealth donor can make substantial contributions. In legacy giving, he can't.
- In annual giving, the value of small gifts can accumulate over many years. In legacy giving, there is only one gift.
- The wealthiest 0.1% of decedents donate 59% of all charitable estate dollars and make a larger share of their overall donations as legacy gifts.

The right legacy prospects: Age

- Nearly 80% of charitable estate dollars are transferred by documents signed by donors in their 80s, 90s, or older
- Adding: Most charitable decedents switched from non-charitable estate plans in the final 5 years of life
- Dropping: Among older adults, the ten-year retention rate for a charitable estate component is only 55%

James III, R. N., & Baker, C. (2015). The timing of final charitable bequest decisions. *International Journal of Nonprofit and Voluntary Sector Marketing*, 20(3), 277-283.





The right
legacy
prospects:
Age



Only 65% of legacy society members actually generate estate gifts.

Why? About 1 in 4 legacy society members received **no communications** from the charity in their last **two years** of life. (Charities often communicate based only on recency of donations and charitable decedents normally stop donating during the last few years of life.)



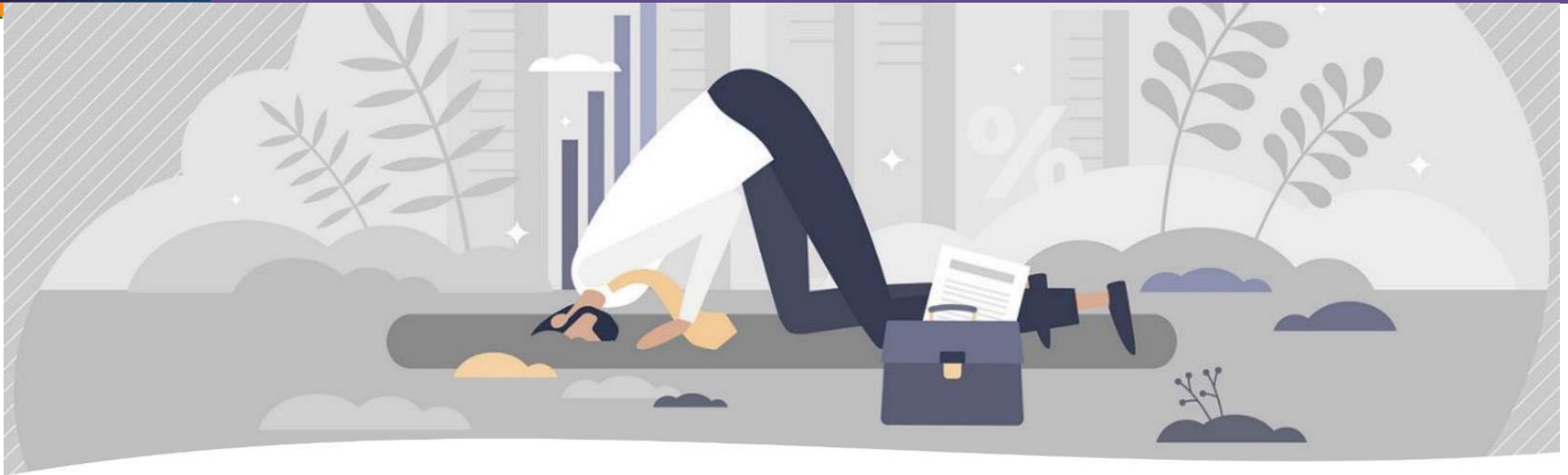
Wishart, R., & James III, R. N. (2021). The final outcome of charitable bequest gift intentions: Findings and implications for legacy fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing*, e1703.

James, R. N. III.
(2020). American
charitable bequest
transfers across the
centuries: Empirical
findings and
implications for
policy and practice.
*Estate Planning &
Community
Property Law
Journal*, 12, 235-
285.



Only legacy
outliers matter
(wealthiest,
oldest, and
childless)

- Leaving less than 10% of one's estate to charity is typical, but taken together, these decedents transfer only 3.8% of total charitable bequest dollars
- Most money comes from the tiny fraction of donors that give 90% or more of their estate to charity



Bad legacy
metrics when
only the
outliers
matter

- Counting every donor as “one”
- Rewarding fundraisers only for starting the process (new legacy society members), not for continuing it
- Counting the discovery of a pre-existing plan the same as generating a new one



The legacy
prospect
prescription:
New
counting

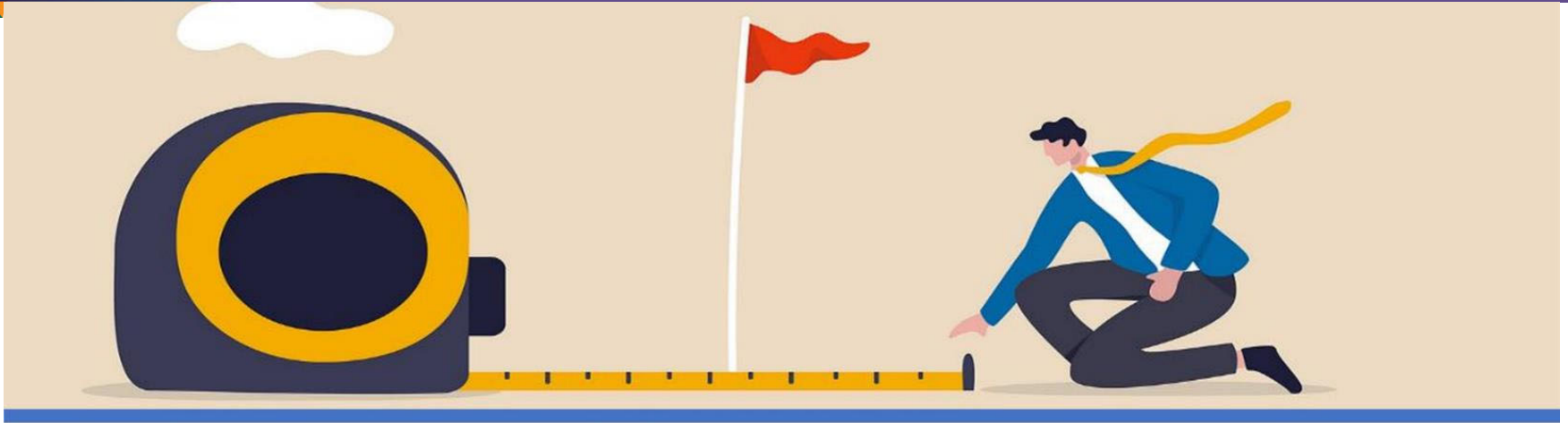
An irrevocable estate gift counts at 33% of face value for a 55-year-old donor (using a 5% interest rate). For revocable, multiply again: 33% of 33% is 11%.

Reconfirming at 65 counts another 10% of face value (46% of 46% is 21%). So does reconfirming at 72, 77, 82, 87, and 92. These reward maintaining relationships, not just “count it and forget it”.



The legacy prospect prescription: Metrics aren't everything

- Some causes win because they're naturally in front of people in their 80s and 90s like pets, cancer, healthcare, and hospice
- Others succeed with a culture that values visiting their oldest friends, never losing contact with their alumni, or regularly including legacy giving messaging



1. Are we focused on the right donors?
- 2. Do we have individual plans for them?**
3. Are we seeing them?
4. Are we asking them?

Davies, I. A., & Ryals, L. J. (2014). The effectiveness of key account management practices. *Industrial Marketing Management*, 43(7), 1182-1194. Table 8A and 8B.



The business answer: Individual plans for key accounts

One study looked at 20 Key Account Management practices across 209 businesses. Only one practice, having individual plans for each key account, simultaneously predicted:

- Increased share of customer spend
- Revenues
- Customer satisfaction
- Relationship improvement, and
- Improved retention

Individual plans: Why do they work in business?



The successful large-sales business is a valued advisor for its key customers. This consultative relationship requires individual plans.

Just selling doesn't need individual plans. The customer's path is always the same: Buy! Then buy some more!

Individual plans separate key account management from just sales.

Individual plans: Why do they work in fundraising?



- The “one big thing” in fundraising is always the same: Advance the donor’s hero story
- If the story is always the same, then it’s not the donor’s story
- An individual story requires an individual plan

Step-by-step donor story

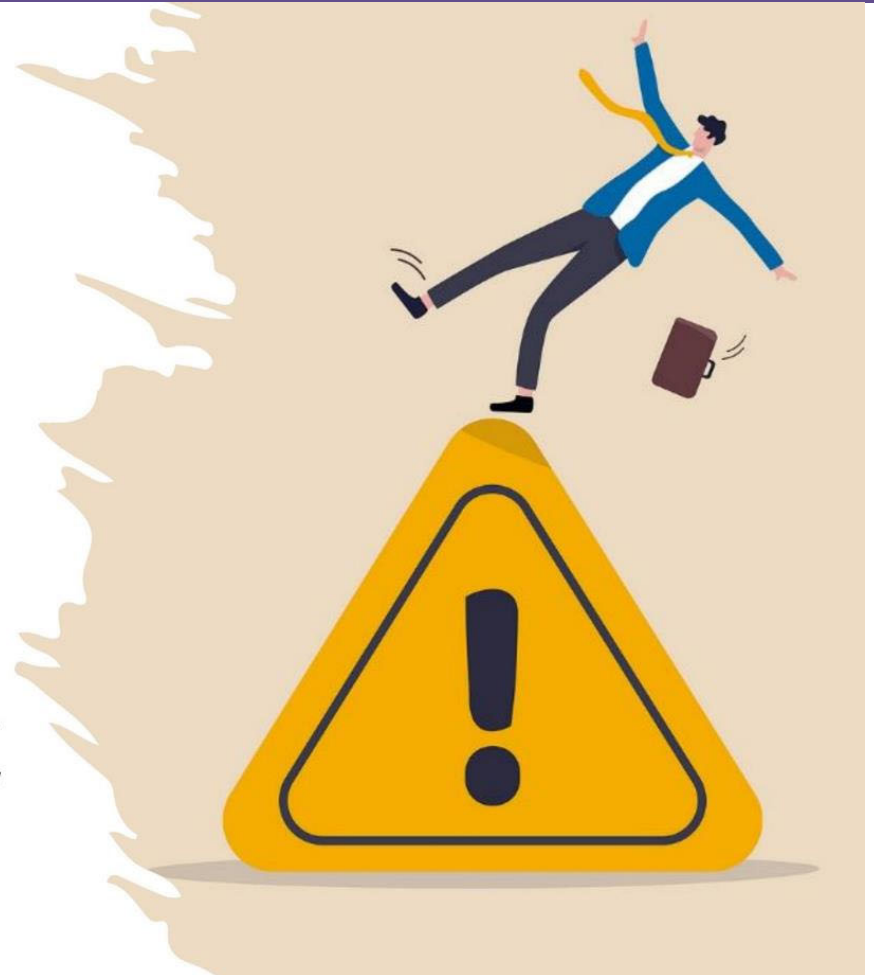
A step might link to the donor's identity (people, values, or life story). It might connect these to the charity, the cause, or a specific challenge. It might show how a gift has led to a victory. It might confirm the personal meaningfulness of that victory.

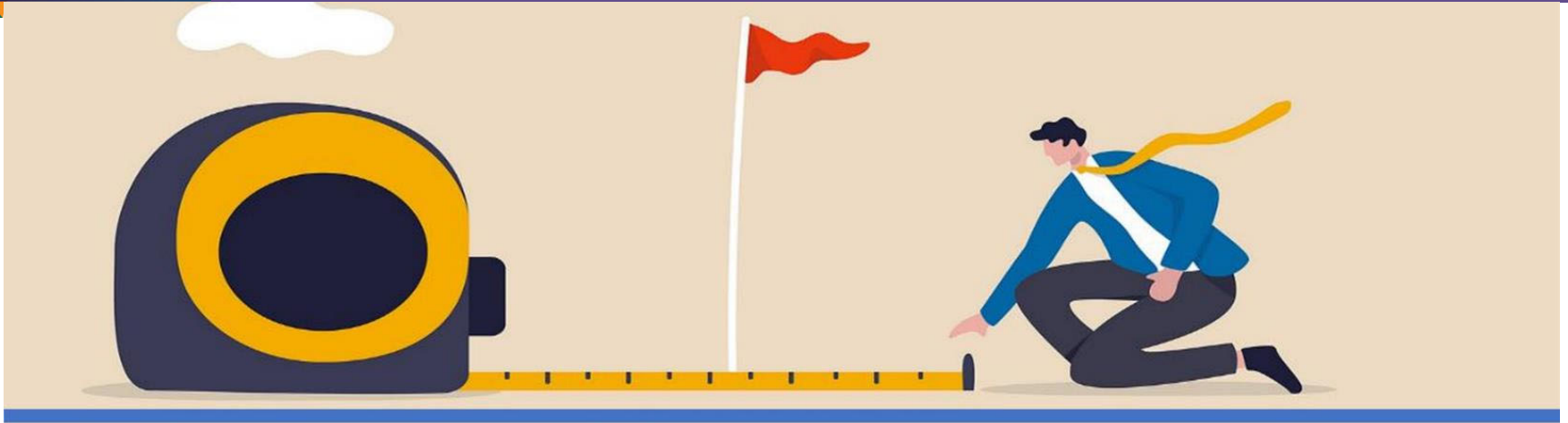
Every meeting should include an ask for the next step in the donor's plan: tour, meeting, proposal, etc.



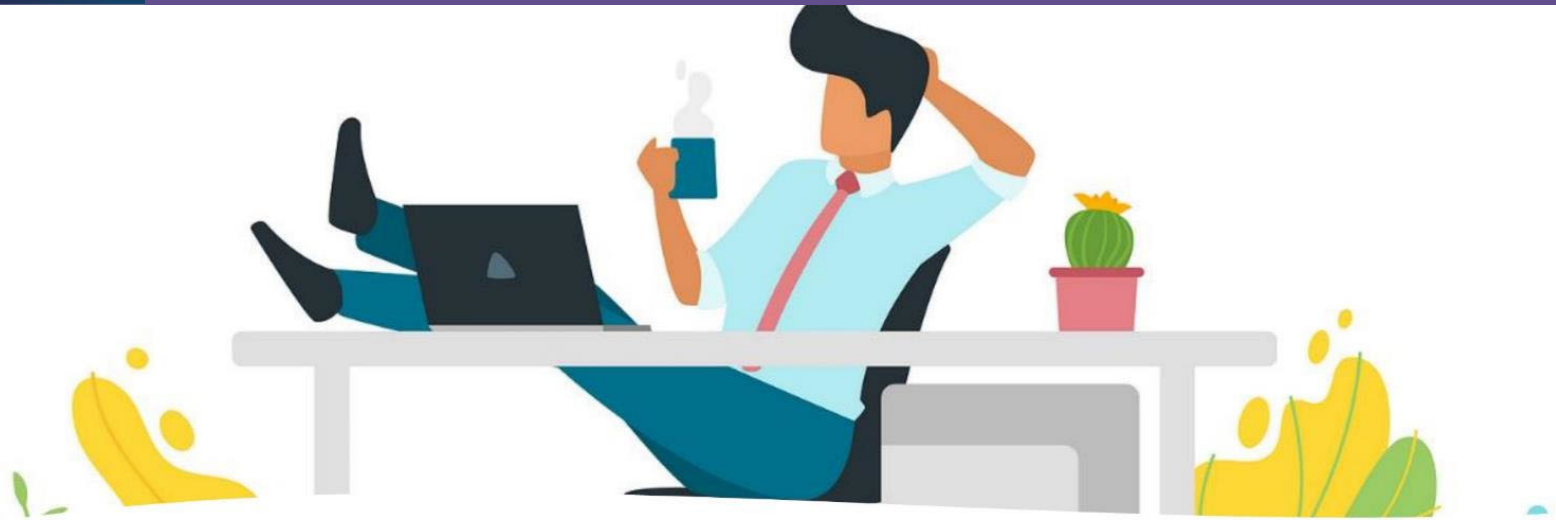
Don't need individual donor plans? Watch out!

- You might just be “pushing product.” This is different than being the donor-hero’s “guiding sage.”
- You might not have the right donors. Only high-capacity donors warrant individual plans.
- You might just be acting friendly instead of fundraising. Just talking doesn’t progress towards a meaningful ask.





1. Are we focused on the right donors?
2. Do we have plans for each?
- 3. Are we seeing them?**
4. Are we asking them?



An important start

It's hard to raise major gifts sitting in the office

- “Go see people,” helps
- Seeing the right people helps more
- Seeing the right people as part of a personal customized plan helps even more

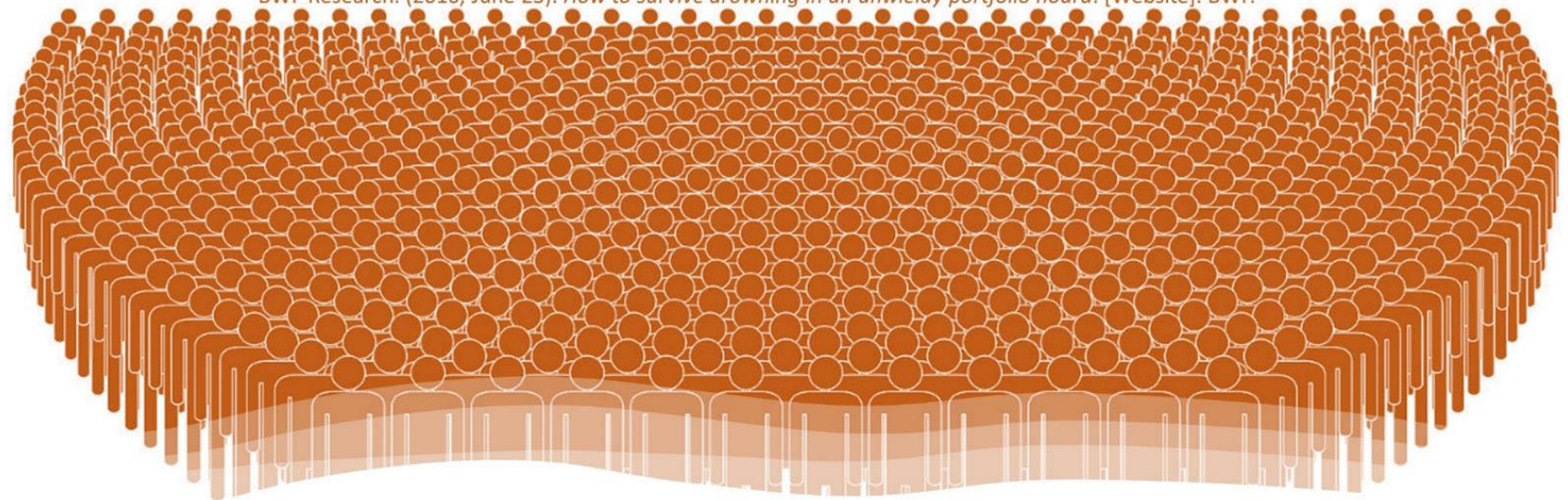


Are we
seeing
them?

“Them” means the high-capacity donors from step 1.

“Seeing them” is about visits and the share of the portfolio visited. (You might have 1,000 personal visits, but for a donor you didn’t visit, the answer to this question is still “No.”)

BWF Research. (2016, June 23). *How to survive drowning in an unwieldy portfolio hoard.* [Website]. BWF.



Share of portfolio visited: Why do we have so many people in the portfolio?

Bad metrics: “if the primary goal is total funds raised ... it is in an officer’s best interest to have a very large portfolio of already proven donors.”

Bad results: “Portfolios tend to grow into unwieldy hordes of neglected names or become stagnant like ponds disconnected from moving water.”

Fixing “Are we seeing them?”

1. Reduce (or divide) the portfolio
2. See more people



EAB. (n.d.). *What are the right metrics to measure major gift officer performance?* [Website]. <https://eab.com/insights/expert-insight/advancement/what-are-the-right-metrics-to-measure-mgo-performance/>

“Seeing them”
solutions:
Reduce the
portfolio

- Focusing more time on the best prospects works better
- “Institutions that have reduced Major Gift Officer portfolio size have actually seen increases in the number of asks, number of gifts, and overall dollars raised”

BWF Research. (2016, June 23). *How to survive drowning in an unwieldy portfolio hoard*. [Website]. BWF. <https://www.bwf.com/data-science/survive-drowning-unwieldy-portfolio-hoard/>



“Seeing them”
solutions:
Reduce the
portfolio

Focus on the few.

“In the vast majority of cases, portfolio optimization provides the biggest delta in rapid production increases.... It is a simple question of, ‘Are we seeing the best prospects?’ So much energy goes into the ‘seeing,’ but the ‘best prospects’ portion of the question continues to be our main missed opportunity pain point.”

“Seeing them” solutions: Divide the portfolio

- Or separate the portfolio into active (individual plan is moving toward a time-targeted ask) and passive (special attention only if the donor initiates contact)
- Division is intentional and planned based on interest, capacity, and the individual donor journey



“Seeing them” solutions: See more people

This might use
appointment-
setting strategies
or nudge
fundraisers to
prioritize visits, but
mostly is about the
manager’s
behavior



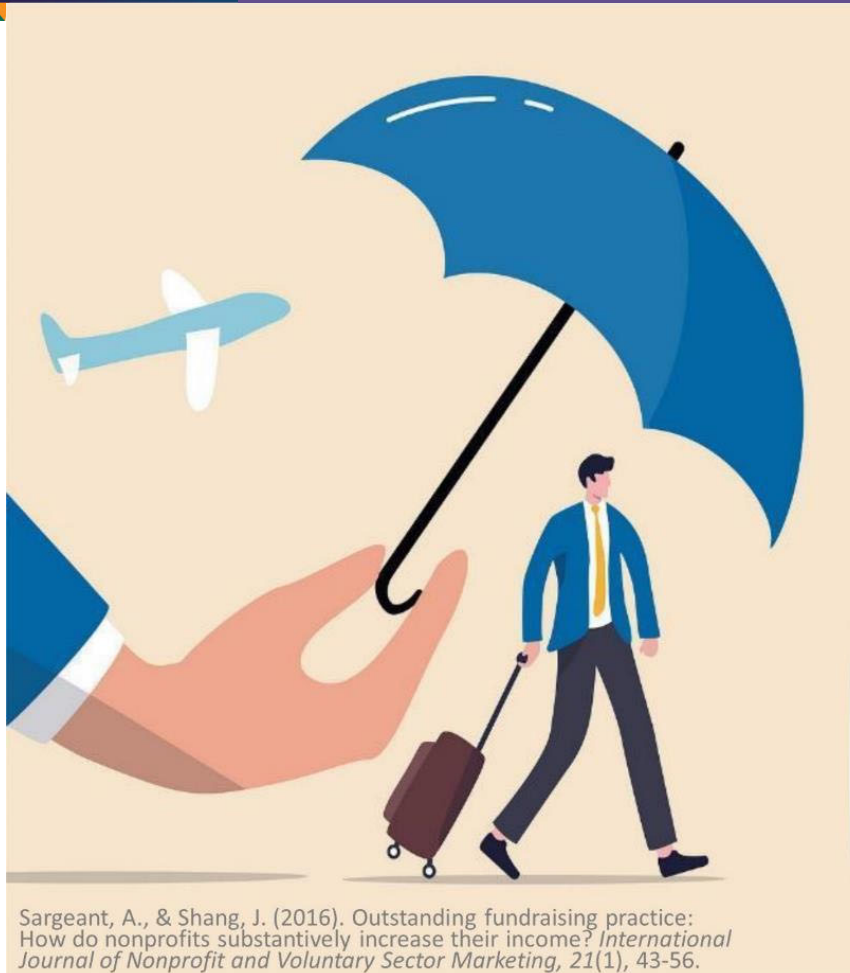
The manager frees the fundraiser to “Go see them”

A study of 660 frontline fundraisers found the barriers:

- 70% referenced other administrative work
- 52% referenced team and program management
- 46% referenced events
- 43% referenced support to deans/units/programs



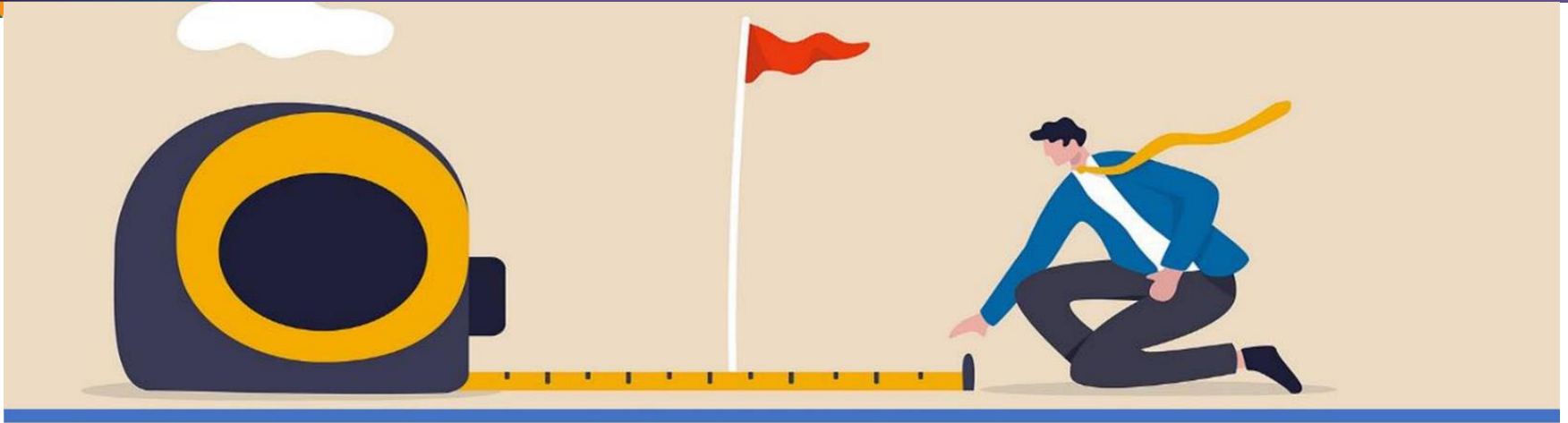
Megli, C. D., Barber, A. P. & Hunte, J. L. (2014, December). *Optimizing fundraiser performance*. Bentz, Whaley, Flessner.



The manager frees the fundraiser to “Go see them”

From a study on the highest growth fundraising charities:
“You would think I maintained tight oversight of my team, but in reality, I spend most of my time managing the organization so that my team can maximize their impact”

Sargeant, A., & Shang, J. (2016). Outstanding fundraising practice: How do nonprofits substantively increase their income? *International Journal of Nonprofit and Voluntary Sector Marketing*, 21(1), 43-56.



1. Are we focused on the right donors?
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Making the hero story ask: The call to adventure

Asking doesn't guarantee success, but not asking probably does guarantee failure. Asking metrics are important because asking is the hard part. The right ask will advance the donor's hero story. It will link identity, challenge, and victory.

Original Identity → **Challenge** → **Victory** → **Enhanced Identity**




Birkholz, J. M. (2018, January). Planned giving fundraiser metrics. *Planned Giving Today*, p. 6-8. p. 7



The “call to adventure” is not a small ask

What separates the top 20% highest-producing fundraisers (raising three-fourths of the money) from the rest? “The top 20 percent of officers tended to solicit gifts at the research capacity ratings ... The bottom 80 percent tended to ask for about 40 percent of the capacity ratings”

A stylized illustration of a person in a suit walking away from the viewer on a path. The path is composed of red dashed lines with yellow circular markers at each step. The background is a blue, low-poly mountain range.

The “call to
adventure” is a
planned step in a
journey

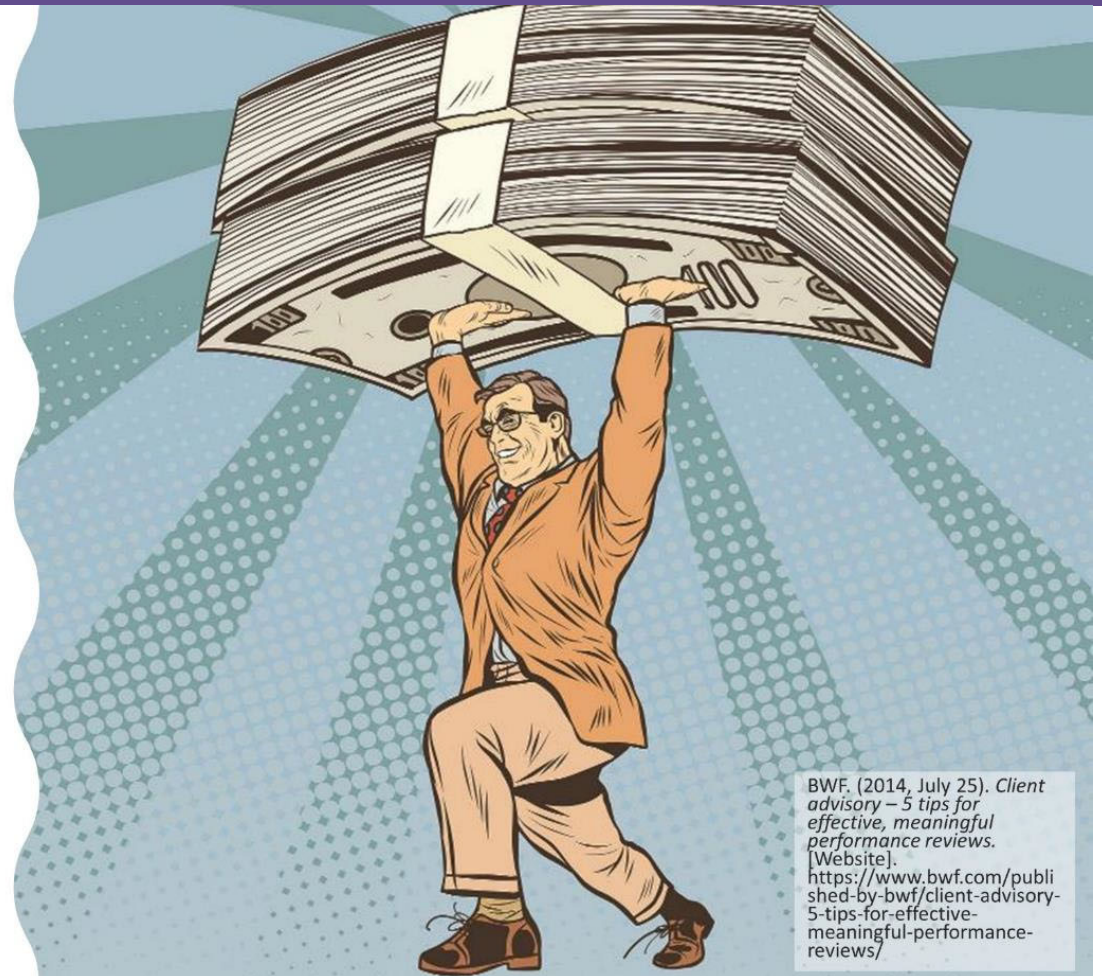
Birkholz, J. M. (2018, January). Planned giving fundraiser metrics. *Planned Giving Today*, p. 6-8. p. 7

What else separates the top 20% highest-producing fundraisers (raising three-fourths of the money) from the rest?

“... Top performers have a consistent timeframe for managing the cultivation process, and the average was about 11 months. Lower performers either asked too soon for lesser levels or dragged out the process. It is best to have a consistent action path that leads toward solicitation.”

The “call to adventure” is not a small ask

Other research finds, “Stronger fundraisers go on more calls, yes, but they also ask earlier and make more ambitious solicitations”



BWF. (2014, July 25). *Client advisory – 5 tips for effective, meaningful performance reviews.* [Website]. <https://www.bwf.com/published-by-bwf/client-advisory-5-tips-for-effective-meaningful-performance-reviews/>

Indicators for planned, personal, “stretch” asks: Time and size

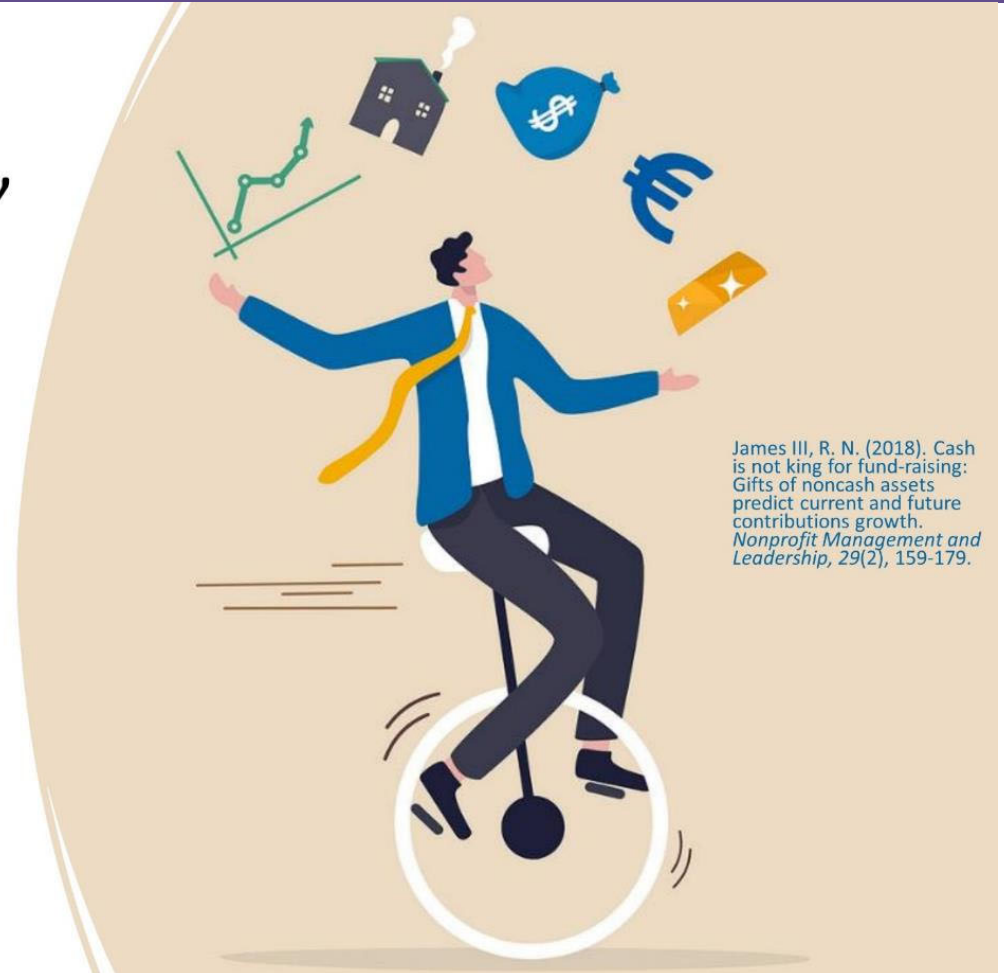
- Too much time in cultivation can alert that the donor’s story isn’t advancing
- Measuring asks relative to a capacity indicator can show if the ask is truly a heroic “call to adventure”



Indicators for planned, personal, “stretch” asks: Asking for assets

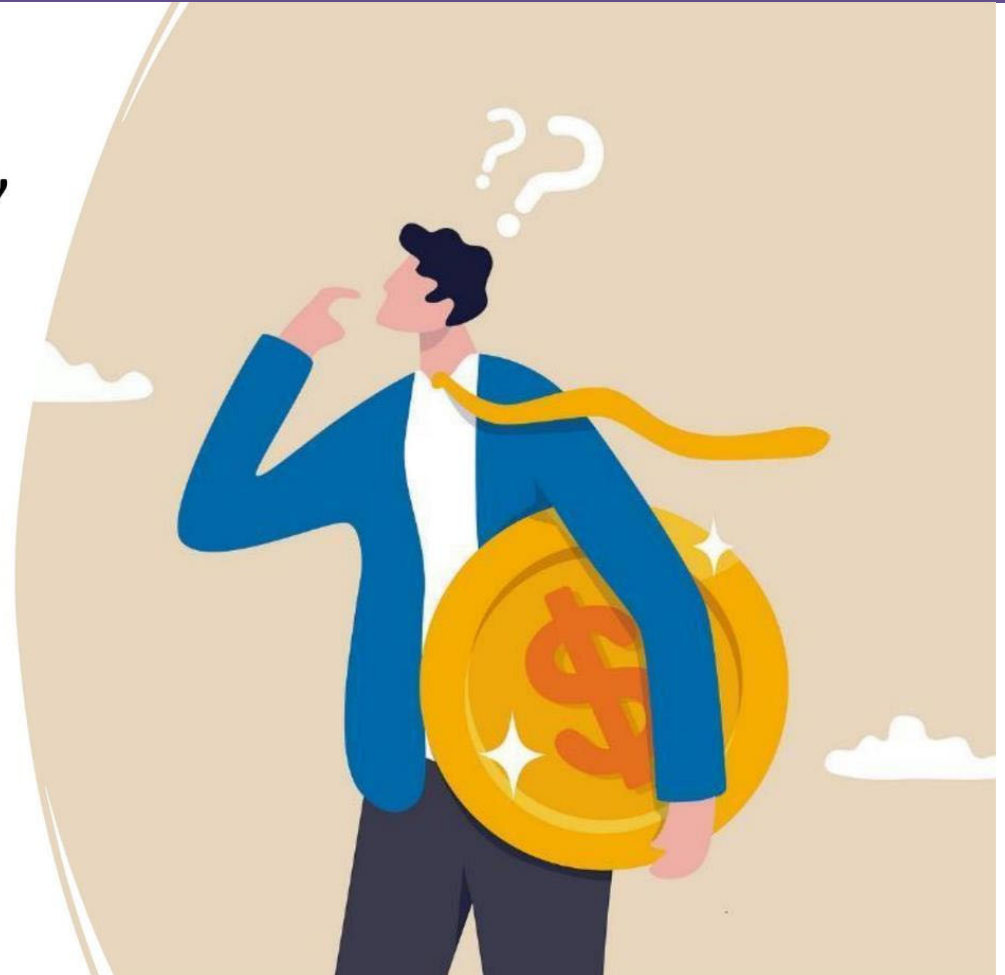
This can

- Change a gift’s reference point from disposable income to wealth
- Allow for broader conversations about wealth and philanthropic goals
- Lead to deeper, consultative relationships



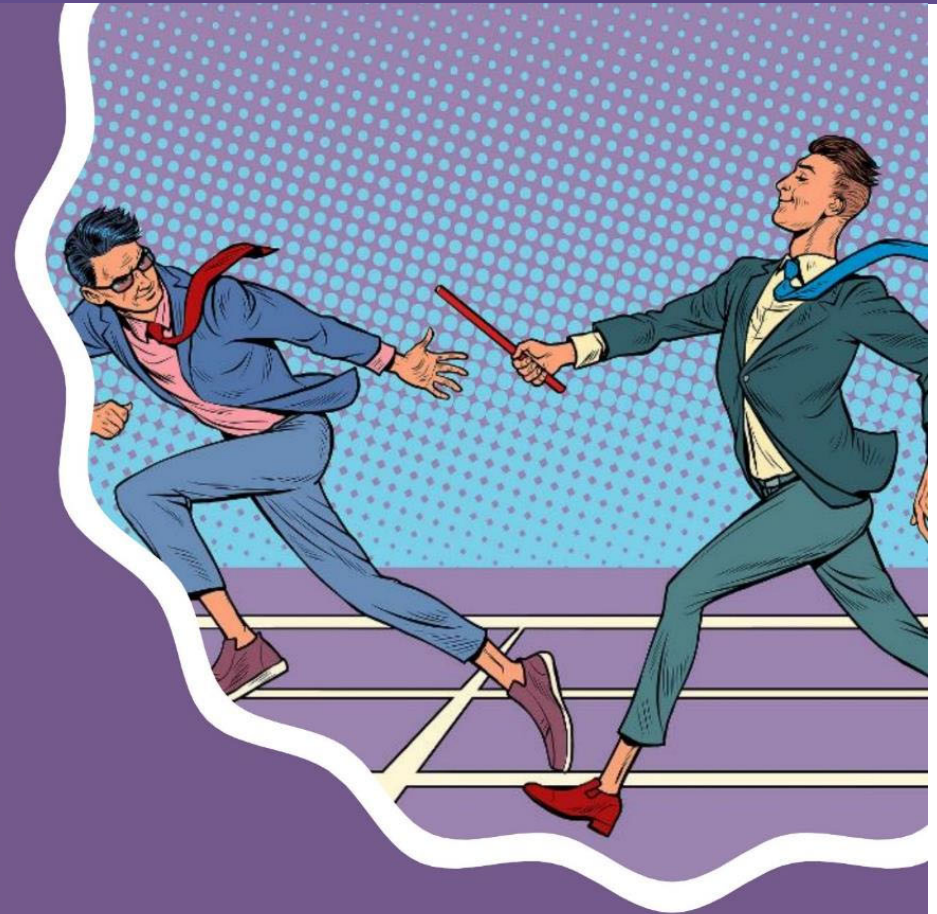
Indicators for planned, personal, “stretch” asks: Close rates?

- Beware of incentivizing small asks
- A heroic “call to adventure” is often met with an initial “no,” but can ultimately lead to a major commitment



Team asking

- Different people can focus on different steps in the story: Asking, reporting impact, delivering publicity or gratitude, building identity connections with the charity
- This division of labor improves costs, skills, and focus



Conclusion: What's the magical metric system that guarantees success?

- Sorry. Metrics probably aren't "the" answer.
- They're just as likely to be the problem.
- Metrics aren't people. They aren't leadership, strategy, or skills.





A fundraising problem likely isn't just a metrics problem

- Maybe fundraisers are telling the wrong story: The administrator-hero story works only for small gifts
- Maybe fundraisers are being the wrong story character: The donor's hero story needs a "guiding sage," not a "jester"
- Maybe donors lack capacity for the role: The major gift "weapon" may be too heavy to lift



Metrics can still help

They can answer:

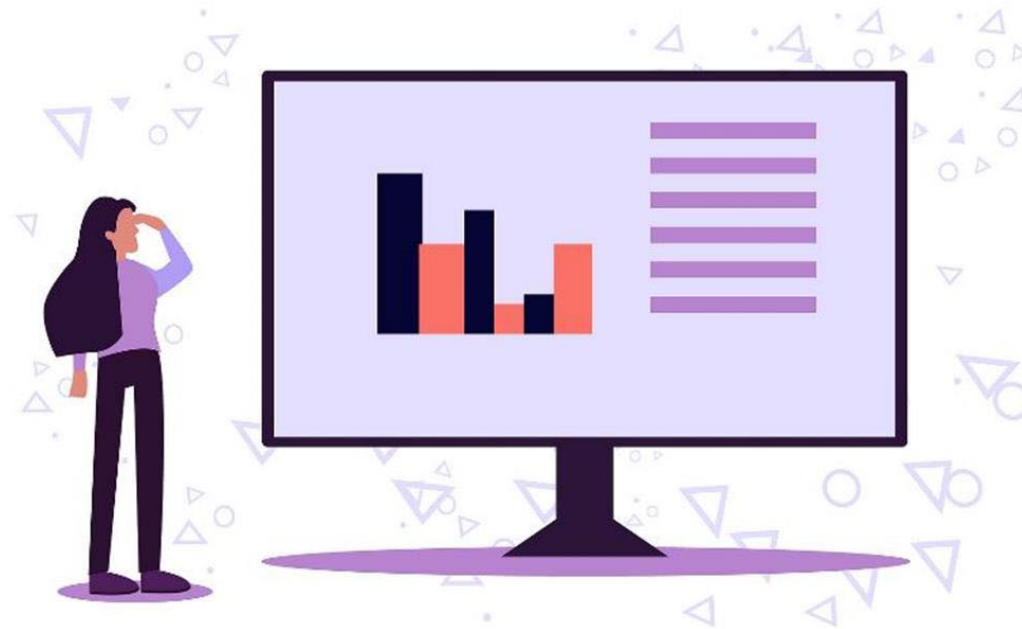
1. Are we focused on the right donors?
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Having these doesn't guarantee success, but not having them probably does guarantee failure

Metrics aren't magic, but ...

- They can nudge the right storytelling behavior, especially the hard stuff
- They can be a diagnostic “check-engine” light when story parts are missing
- They can help, a little, with the “one big thing” in fundraising: Advance the donor’s hero story





Fundraising Metrics are the Worst!

(And How to Fix Them)



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GIVING
SUCCESS

Questions?



Click the Q&A icon at the bottom of your screen.



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SUCCESS

Still Have a Question?

Contact: Prof. Russell James

E-mail: russell.james@ttu.edu
or Connect with me on LinkedIn