

# 28<sup>th</sup> Annual STAFF Summer Conference

## Key Performance Metrics

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3:30 p.m.

Kirner-Johnson 201, Hamilton College

# Note for Web Viewers

Please note:

Some of the data and accompanying tables that appeared in the original presentation have been removed due to their proprietary nature.

If you have particular questions about this presentation, please email me at one of the following addresses:

GregJGallagher (at) gmail (dot) com  
GJG652 (at) mail (dot) harvard (dot) edu

Thank you!

# Before We Begin...

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- In summary: even the simplest metrics, properly applied, can improve your results.
- I got a B- in Statistics.



# Why Do Metrics Matter?

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- “[Any task] must have a purpose higher than itself or it collapses into infinite recursion.” – Eliezer Yudkowsky

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- If you plan to do something tomorrow because you did it yesterday and today, *then your current long-term plan is to do it forever.*
- 2 Questions
  - Does the thing I am doing make sense?
  - For how long?

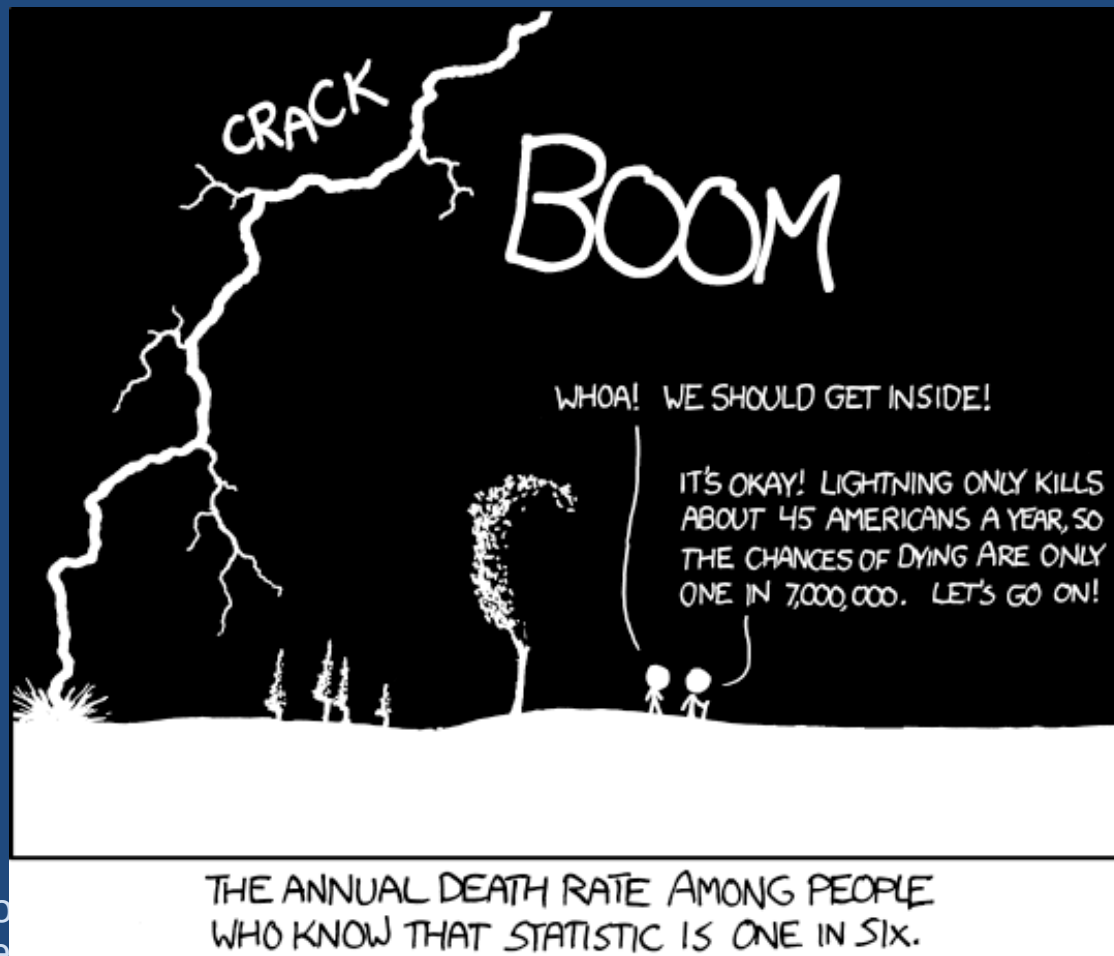
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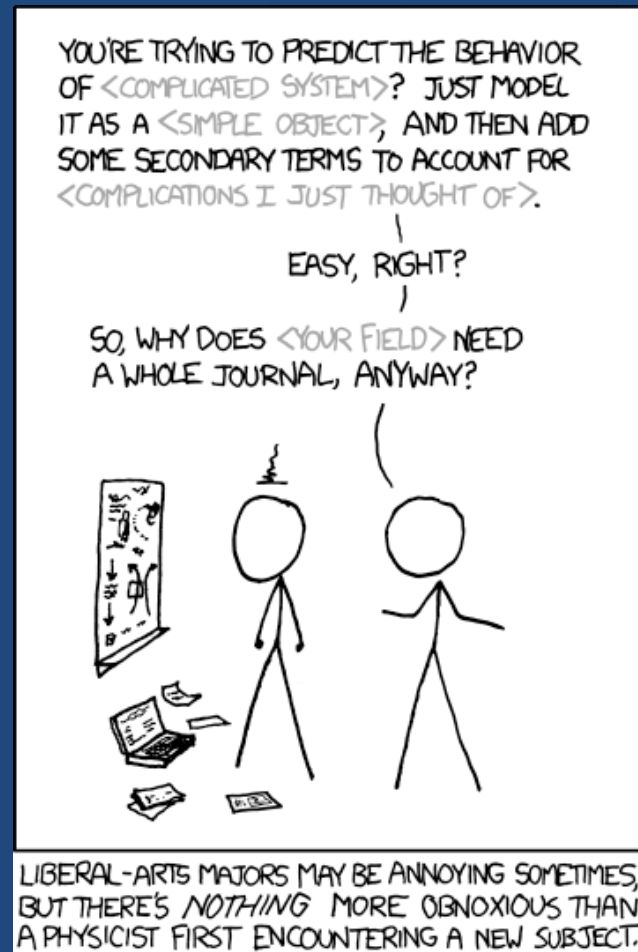


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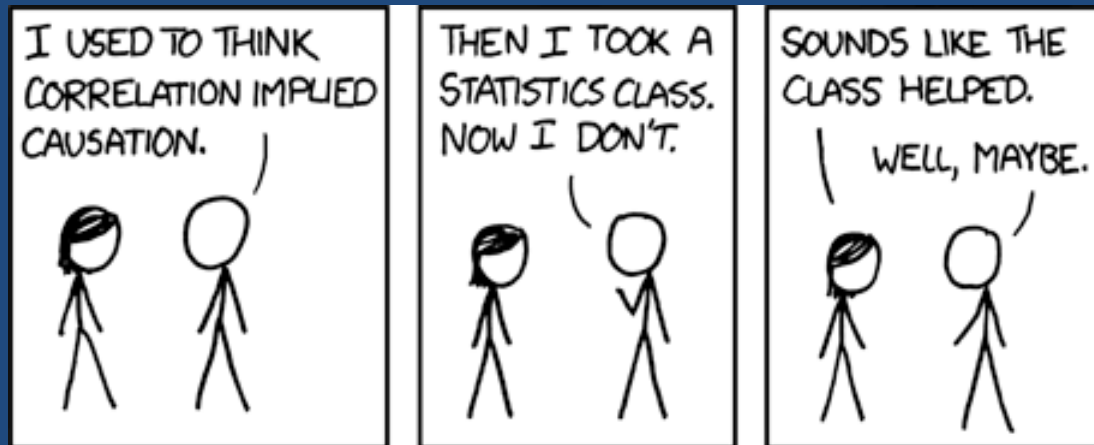
xkcd.com

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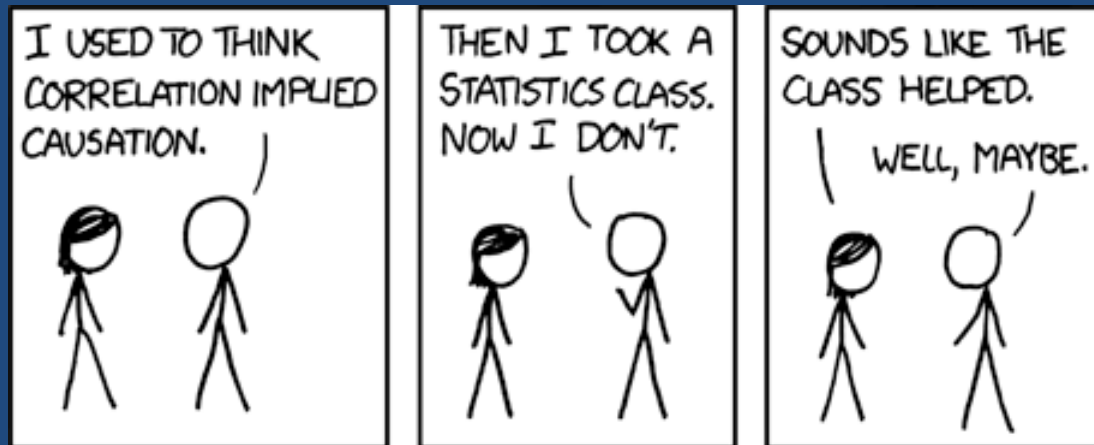
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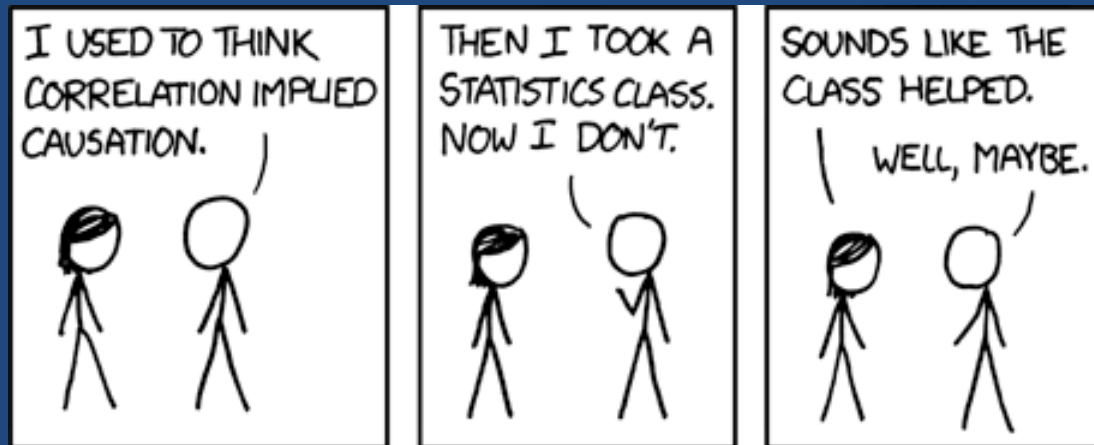
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# Things To Beware

- Correlation vs. Causation
  - Remember: Business of margins
- We run towards either winners or losers



# Things To Beware

Constituent Type	Avg. # of Dials to Contact	Participation Rate	Amount Raised
Alumni LYBUNT/SYBUNTs	13.9	33.2%	[redacted]
Alumni Lapsed/Non-Donors	37.57	34.4%	[redacted]
Parent LYBUNT/SYBUNT	16.92	38.9%	[redacted]
Parent Lapsed/Non-Donors	27.36	23.1%	[redacted]

## Efficacy of Phone Room Solicitation by Donor Type



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## Efficacy of Phone Room Solicitation by Donor Type

- This is what we're trying to avoid: ***race to the bottom.***

# The Fundraising Cycle



**Discovery &  
Qualification**



**Stewardship**

**Cultivation**



**Solicitation**



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    - Static vs. dynamic demographics
  - When starting out, trust your instincts
- Percentage distribution is often enough.



# Discovery & Qualification

Marital Status	Donors	Total Constituents	AF13 Participation Rate
Divorced	312	1011	30.9%
Married	3363	8959	37.5%
Domestic Partnership	81	238	34.0%
Separated	13	52	25.0%
Single	1650	7995	20.6%
Widowed	293	604	48.5%
Unknown	18	346	5.2%
Married to Alumnus/a	533	1041	51.2%

## Marital Status of Pomona Alumni Compared to AF13 Participation

A  
B  
C  
H  
N  
S

# Discovery & Qualification

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- What now?
  - Calculate P-Value
    - That's hard. We don't like hard.
  - Does a larger data set magnify disparity?
    - e.g. Does this factor matter more over time?

# Discovery & Qualification

Marital Status	Aggregate 3-Year Donor Likelihood	Total Constituents	3-Year Giving Reliability Rate*	FY13 Participation Rate	Nominal Difference (Falloff)
Divorced	347.67	1011	34.4%	30.9%	3.50%
Married	3737.33	8959	41.7%	37.5%	4.20%
Domestic Partnership	85.67	238	36.0%	34.0%	2.00%
Separated	17.00	52	32.7%	25.0%	7.70%
Single	1819.33	7995	22.8%	20.6%	2.20%
Widowed	318.00	604	52.6%	48.5%	4.10%
Unknown	20.00	346	5.8%	5.2%	0.60%
Married to Alumnus/a	588.67	1041	56.5%	51.2%	5.30%

## Marital Status of Pomona Alumni Compared to AF13 & 3-Year Reliability

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# Discovery & Qualification

## Standard Deviation



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...But that's hard. We don't like hard.

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  1. Find the mean of all numbers in the set

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  6. DONE.



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  6. DONE.
  7. It's also a formula in most spreadsheet software.

# Discovery & Qualification

- Sample Standard Deviation Spreadsheet

Nominal Falloff	Mean1	Rate - Mean	(Rate - Mean)^2	Mean of (Rate - Mean1)^2

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- First mean of 3.35%
- Standard deviation of 1.12%

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- Sample Standard Deviation Spreadsheet

Nominal Falloff	Mean1	Rate - Mean	(Rate - Mean)^2	Mean of (Rate - Mean1)^2

- First mean of 3.35%
- Standard deviation of 1.12%
- Normal range of 2.23% to 4.47%

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Key Performance Metrics

# Cultivation

- Definition: Improving the relationship

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- Measuring cultivation = quantifying the relationship



# Cultivation

- Definition: Improving the relationship
- Measuring cultivation = quantifying the relationship
  - Giving
  - Volunteering
  - Event attendance
  - The Culturally Relevant Things Your Alumni Care About

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- Options

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- Options
  - Patronage
  - The Ben Franklin Effect
    - “A person who has *done* someone a favor is more likely to do that person another favor than they would be if they had *received* a favor from that person.” - Wikipedia
- Remember Kant and Yudkowsky?

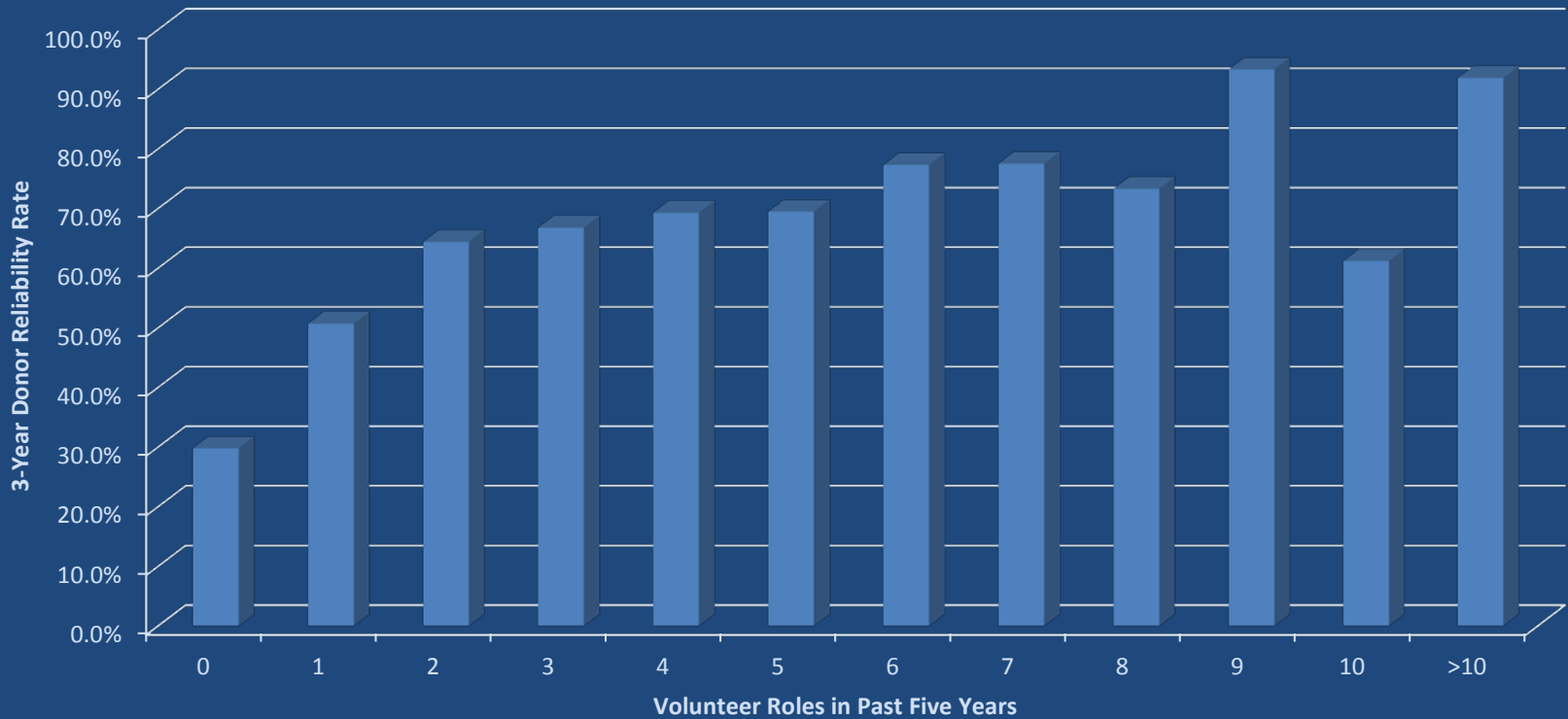
# Cultivation

## Alumni Participation by Volunteerism Rate

[This table has been removed due to the proprietary nature of the data.]

# Cultivation

## Three-Year Donor Likelihood by Volunteerism Rate





# Cultivation

- Psychographics

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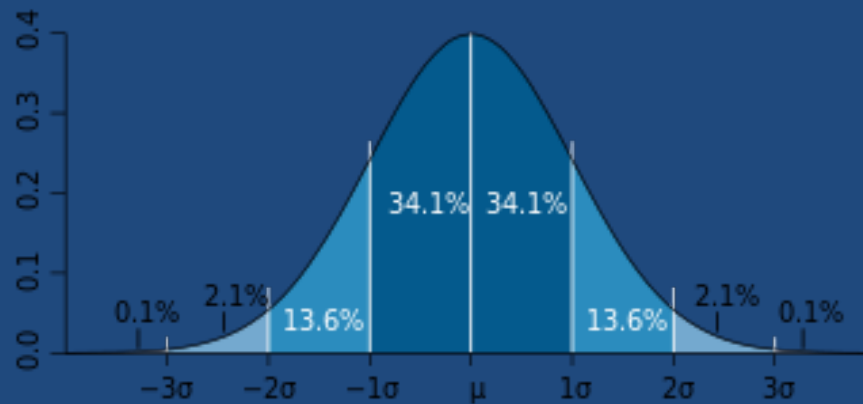
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  - Correlate constituents with line-item budgets

# Cultivation

- Psychographics
  - Data on passions
  - Correlate constituents with line-item budgets
  - WHY AREN'T WE ALREADY DOING THIS?

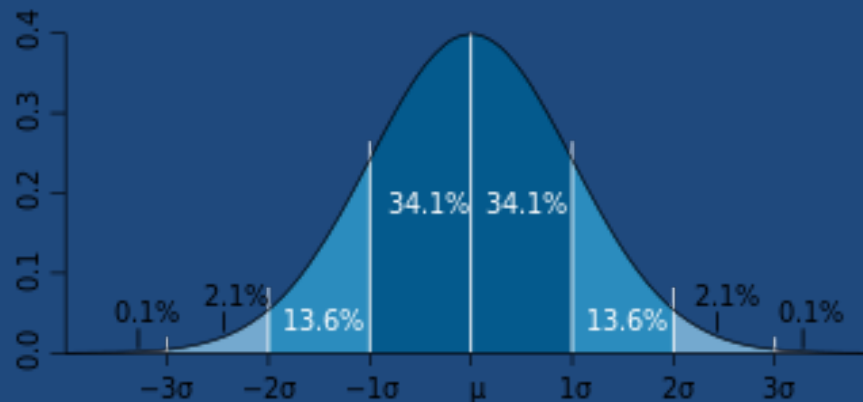
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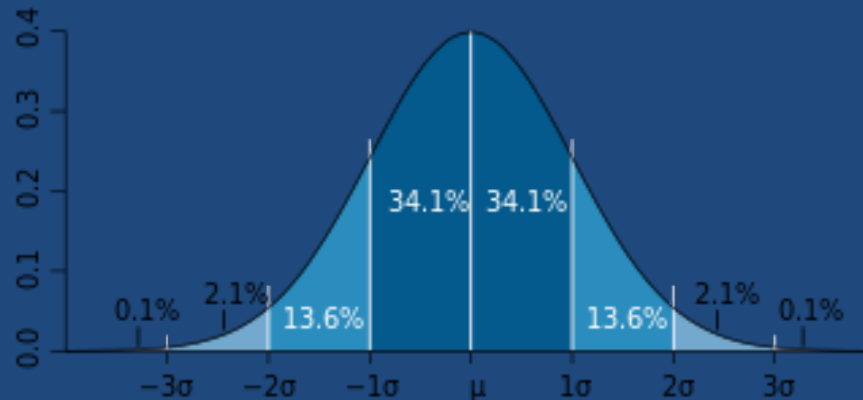
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- In fact, it may never have existed at all.



# Solicitation

- Definition: Interaction leading to acquisition
- How do you score giving?
  - RFM
    - Recentness, Frequency, Monetary Value
    - Classic Model
    - Variations



# Solicitation

- Classic RFM Model
  - Recentness
    - Active Donors divided into ranked subsets by most recent gift
  - Frequency
    - Each subset divided again by frequency of annual contribution
  - Monetary Value
    - All subsets divided one last time by either
      - Lifetime Giving
      - Average gift size (including null years in the data set)

# Solicitation

- RFM: 5 by 5 by 5

# Solicitation

- RFM: 5 by 5 by 5
  - 125 segments total

# Solicitation

- RFM: 5 by 5 by 5
  - 125 segments total
  - But that's hard, or at least time-consuming.
    - And we don't like hard.

# Solicitation

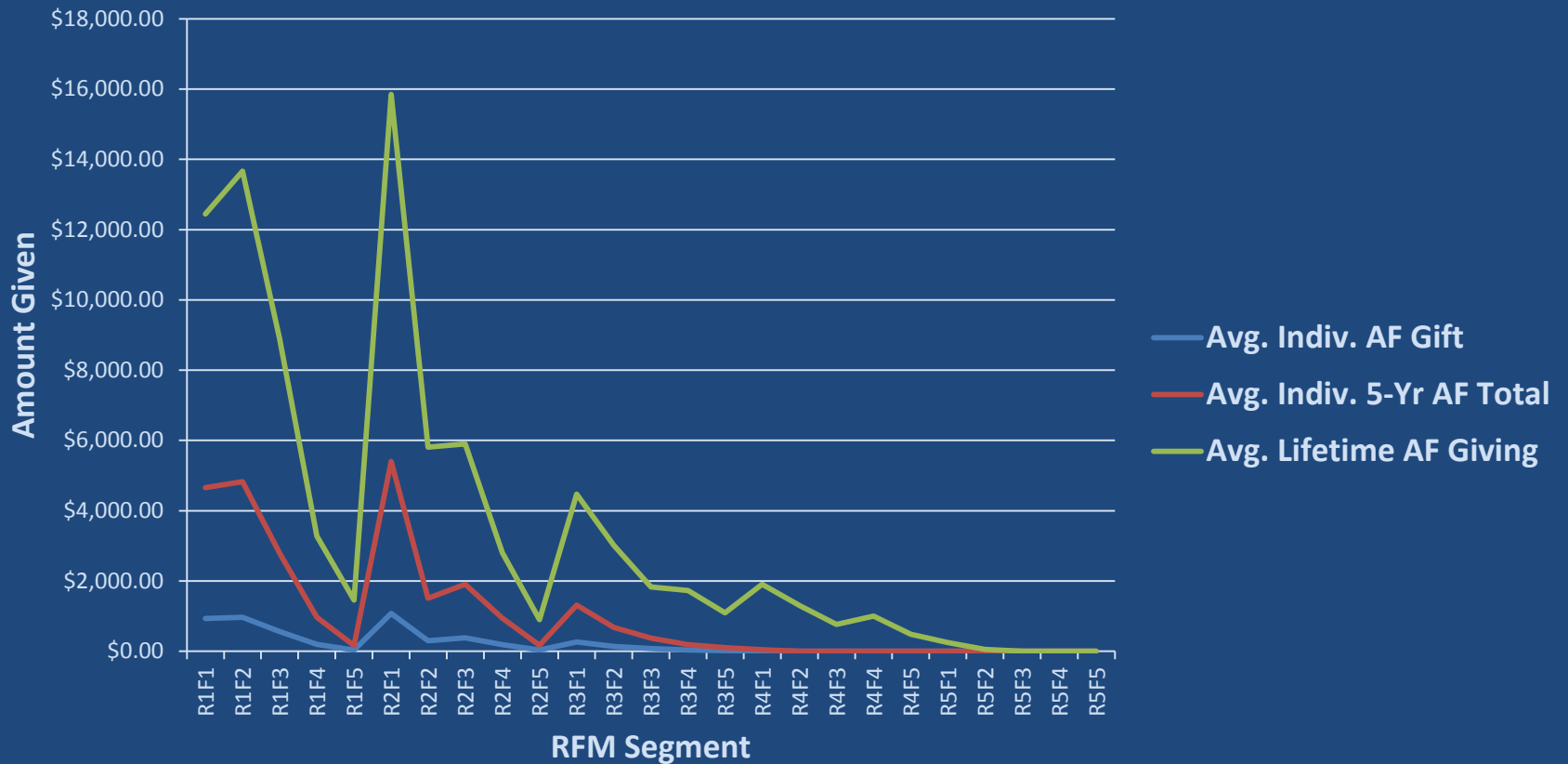
Pomona Alumni Scored by Recentness and Frequency of Gift (753 alumni/segment)

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## RFM Segment Giving Over Time



# Stewardship

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- ...I got nothin'.



# Stewardship

- Definition: Propitious gift acknowledgment
- ...I got nothin'.
- Experimentation requires segmentation.

# Questions?