CRM & Analytics
DMAW - DM101

The Evolution of Data Management & Analytics

- What is CRM?

- The Founding Principles

- The Modern CRM

- The Future of Data Management

Defining CRM

- What is CRM – (Customer) Constituent Relationship Management?

- A system to manage all of your organizations' interactions and relationships with its constituents.

The Early Days of Nonprofit Data Management

- And we historically did record data beyond gifts/transactions, even if we did not <u>use</u> all of that data in reporting, analytics, or database marketing.

- Life was a little simpler from a direct response fundraising and data management perspective.

Principal gifts and planned gifts

Major Donors

Repeat donors

First time donors

Prospects

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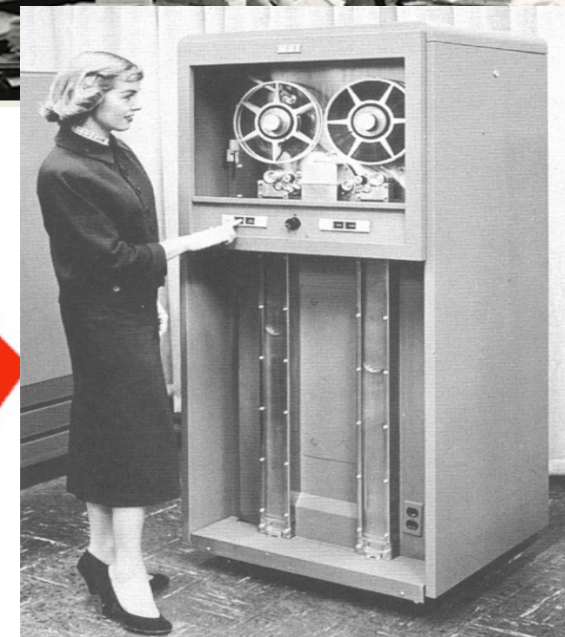
Optimizing the Donor Journey

The main goal of fundraising analytics is to
optimize the value of your constituents
at every step of their journey with your organization.

To analyze your fundraising:

1. Identify metrics that are meaningful

2. Learn the interplay between those metrics

3. Learn how your donor file is balanced across key attributes

4. Set benchmarks for future performance

5. Manage your fundraising strategy to give your donors plentiful opportunities to contribute, in the ways that work best for them, as efficiently as possible
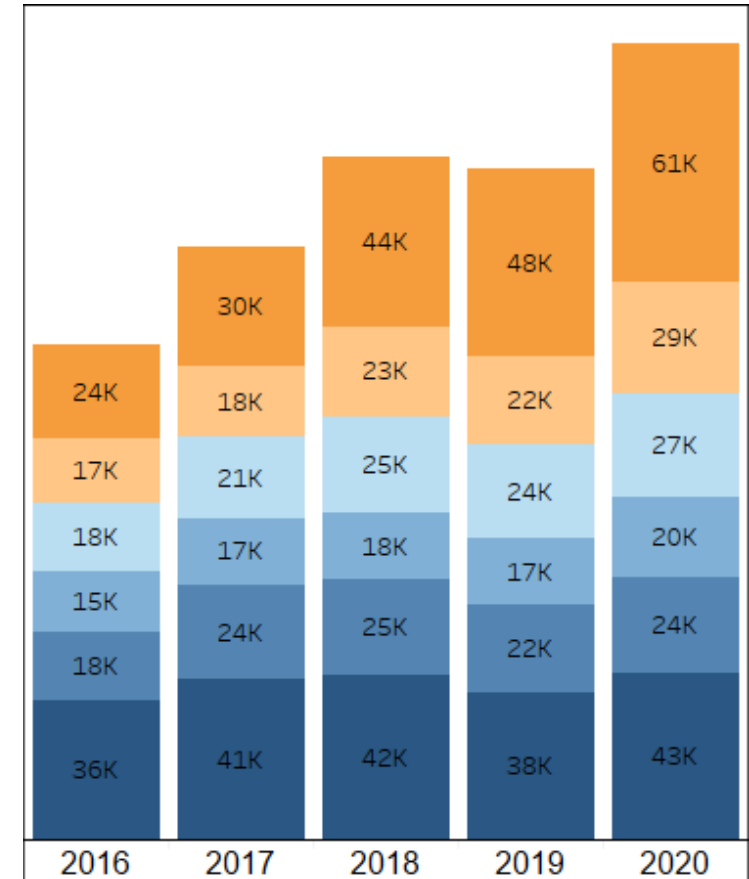
Identifying Meaningful Metrics

Measures of Participation

How many people give to you each year?
(Donors)

Do they give multiple times in a year?
(Gifts per Donor)

How long have they been on your file?
(Consecutive Years of Giving; Number of Years on File)

Do they come back every year? Or do they churn?
(Retention Rate, Attrition Rate, Reactivation Rate)

How many of them are still giving after 3, 4, 5 years?
(Lifetime Donors, Percent of Donors Still Giving)

Measures of Value

How much revenue do you take in each year?
(Revenue)

How much does each donor give in a year?
(Revenue per Donor)

How big is a typical gift?
(Average Gift)

Do your donors tend to give you more each year,
or stay where they are?
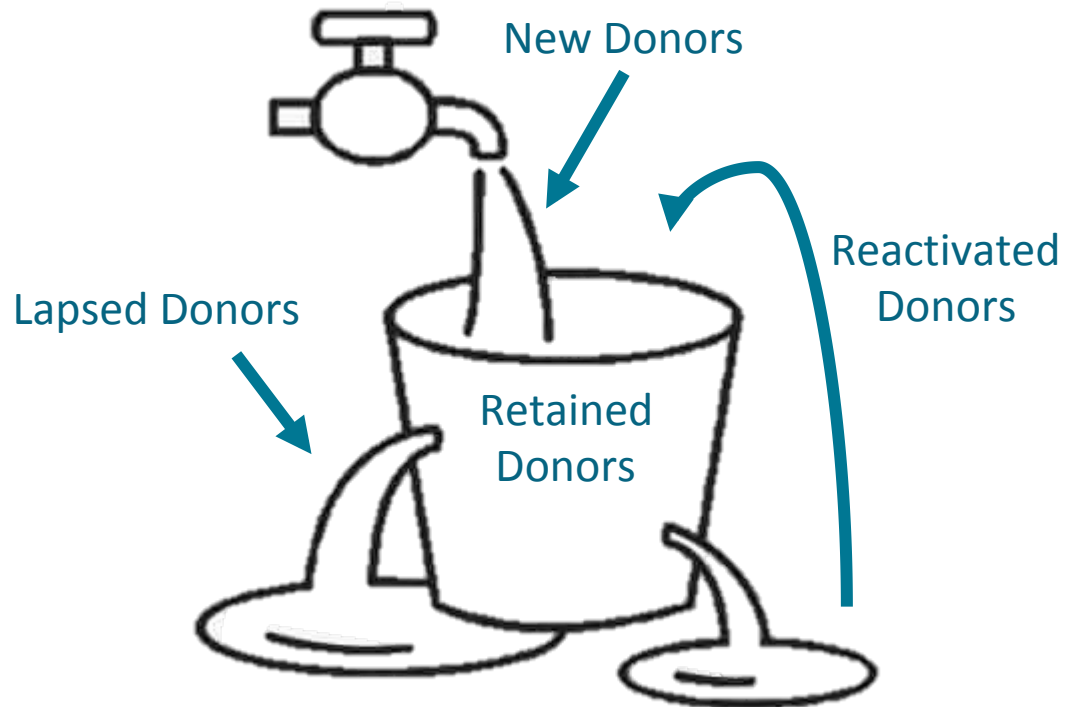(Percent Upgrading/Downgrading, Year-over-Year Revenue Variance)

Measures of Both

How much has each of your donors given you,
in total, over 3, 4, 5 years?
(Cumulative, Long-Term, or Lifetime Revenue per Donor)

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Traditional Donor Journeys
Measures of Participation: The Leaky Bucket

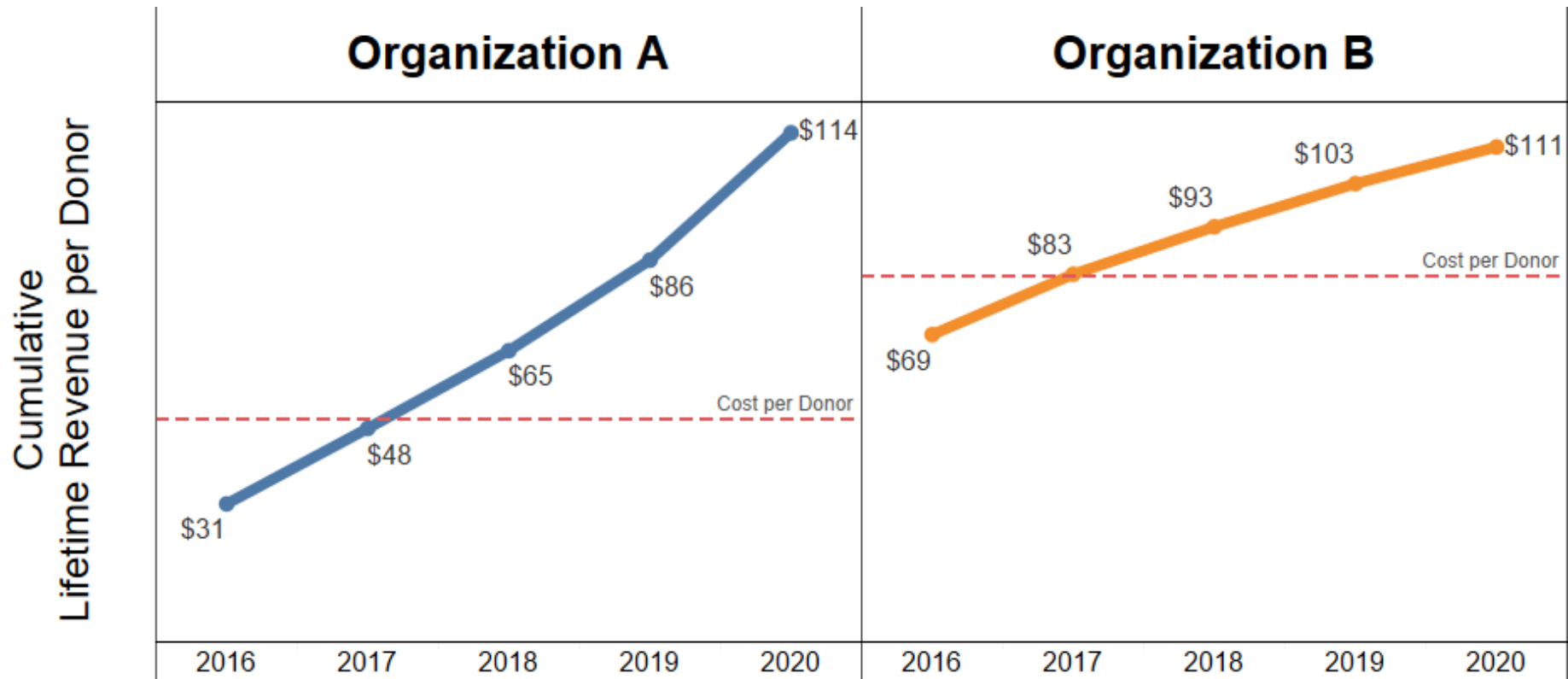|	Organization A	Organization B
Last Year's Donors	**385,000**	**172,000**
New Donors	121,600	85,000
Retention Rate	44%	47%
Retained Donors	169,780	80,240
Reactivation Rate	9%	3%
Reactivated Donors	88,620	38,760
Attrition Rate	56%	53%
Lapsed Donors	215,220	91,760
This Year's Donors	**380,000**	**204,000**
Coverage Ratio	**0.98**	**1.35**
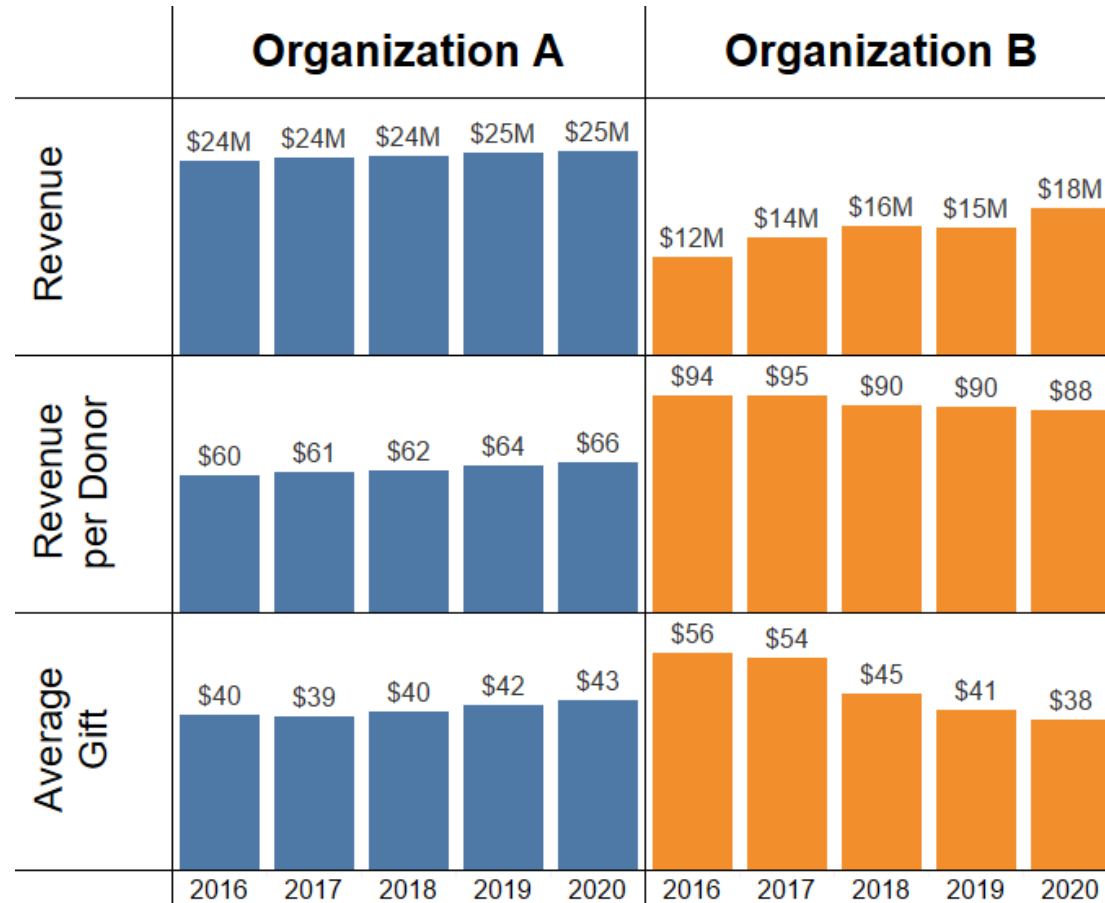
Traditional Donor Journeys
Measures of Both: Long-Term Value

The Present of Nonprofit Direct Marketing

- Direct mail (for most orgs) is still driving 60+% of revenue

- Channels continue to proliferate but attribution still a work in progress

- Online fundraising (ads, search, social, online P2P, email) continues to grow but currently at average of 10-25%

- THIS IS NOT A SALES PITCH! Think about your organization & fundraising practices & goals. Does your CRM help your organization do what you do best better?
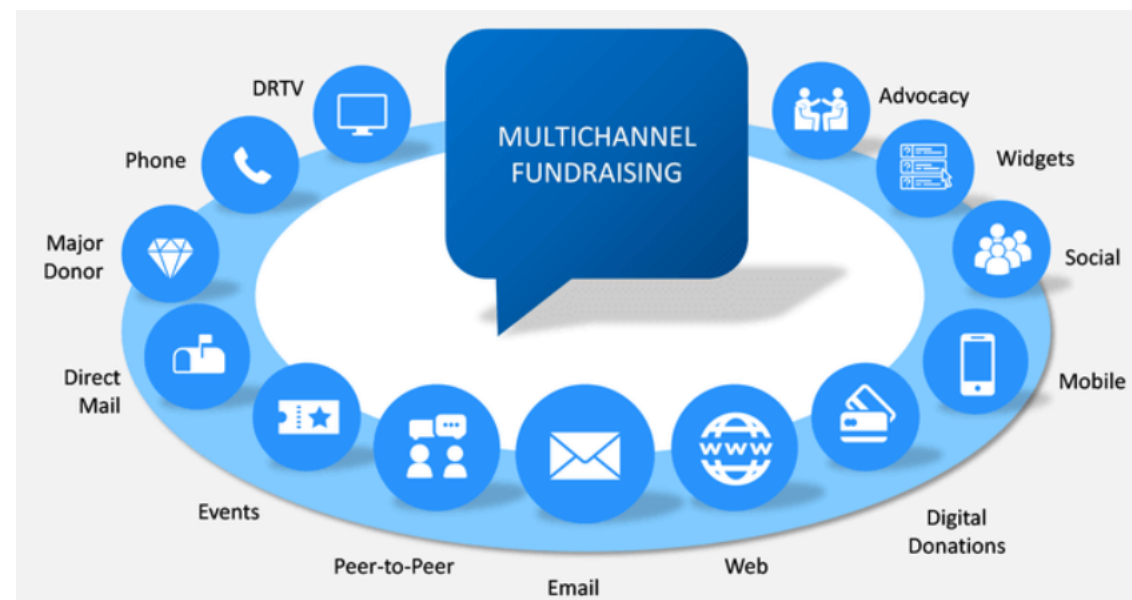
The Present of Nonprofit Data Management

- Segments – new donors, loyal donors, sustainers, major donors, planned givers

- Source Codes – RFM+(+++?)

- Constituent Journey Mapping

- Automate everything you can
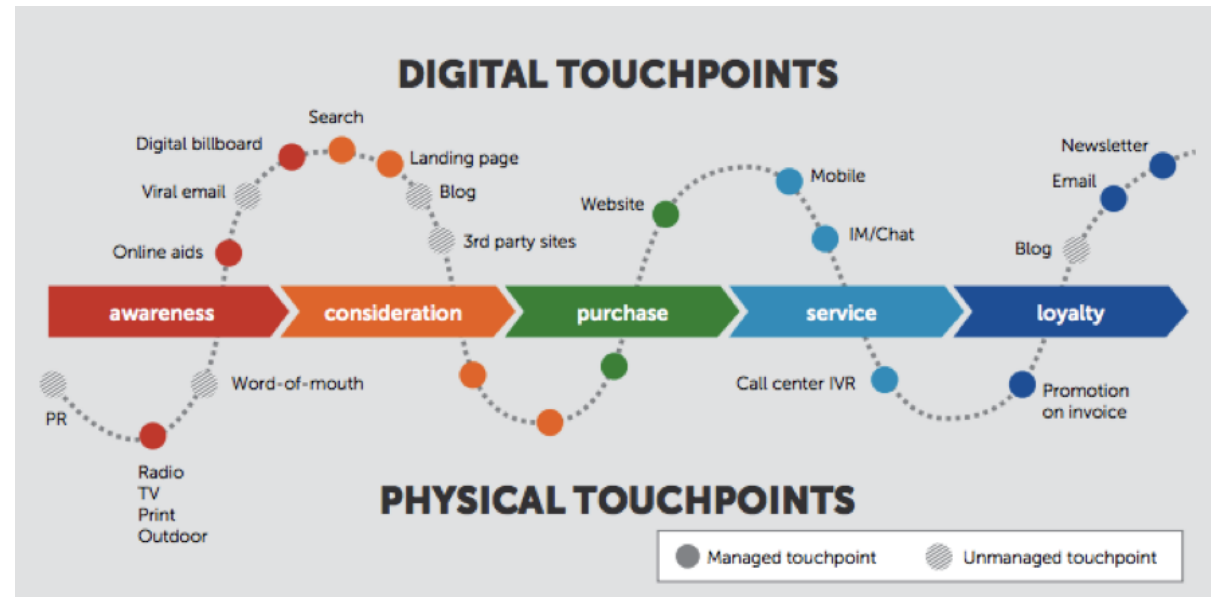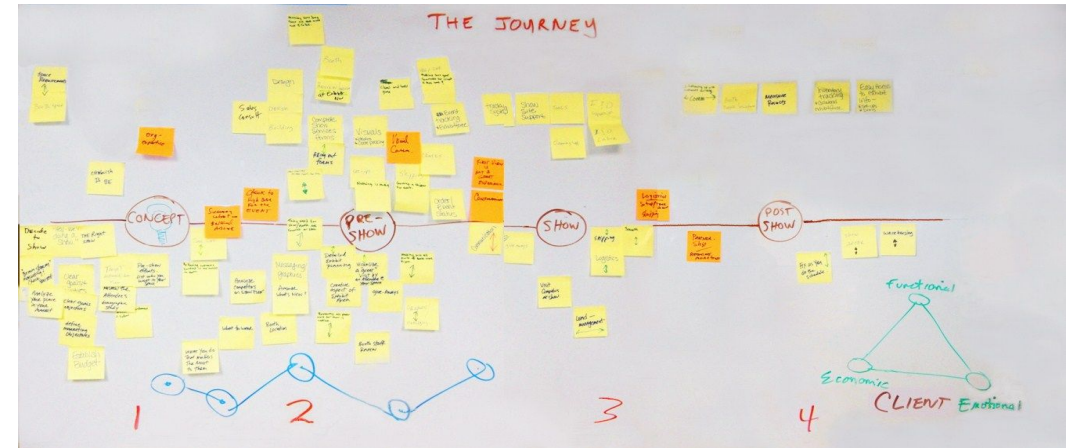
Current Donor Journeys
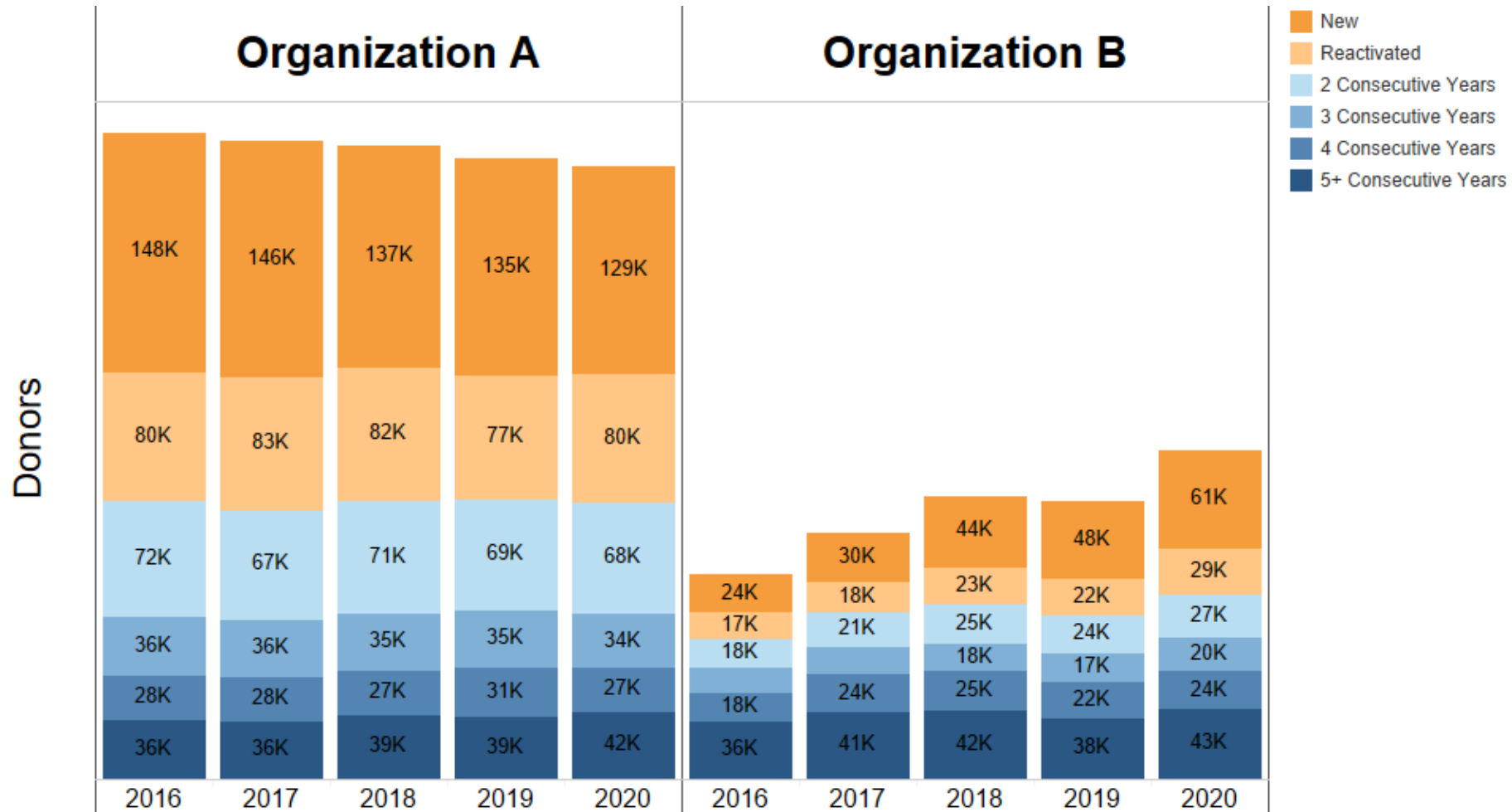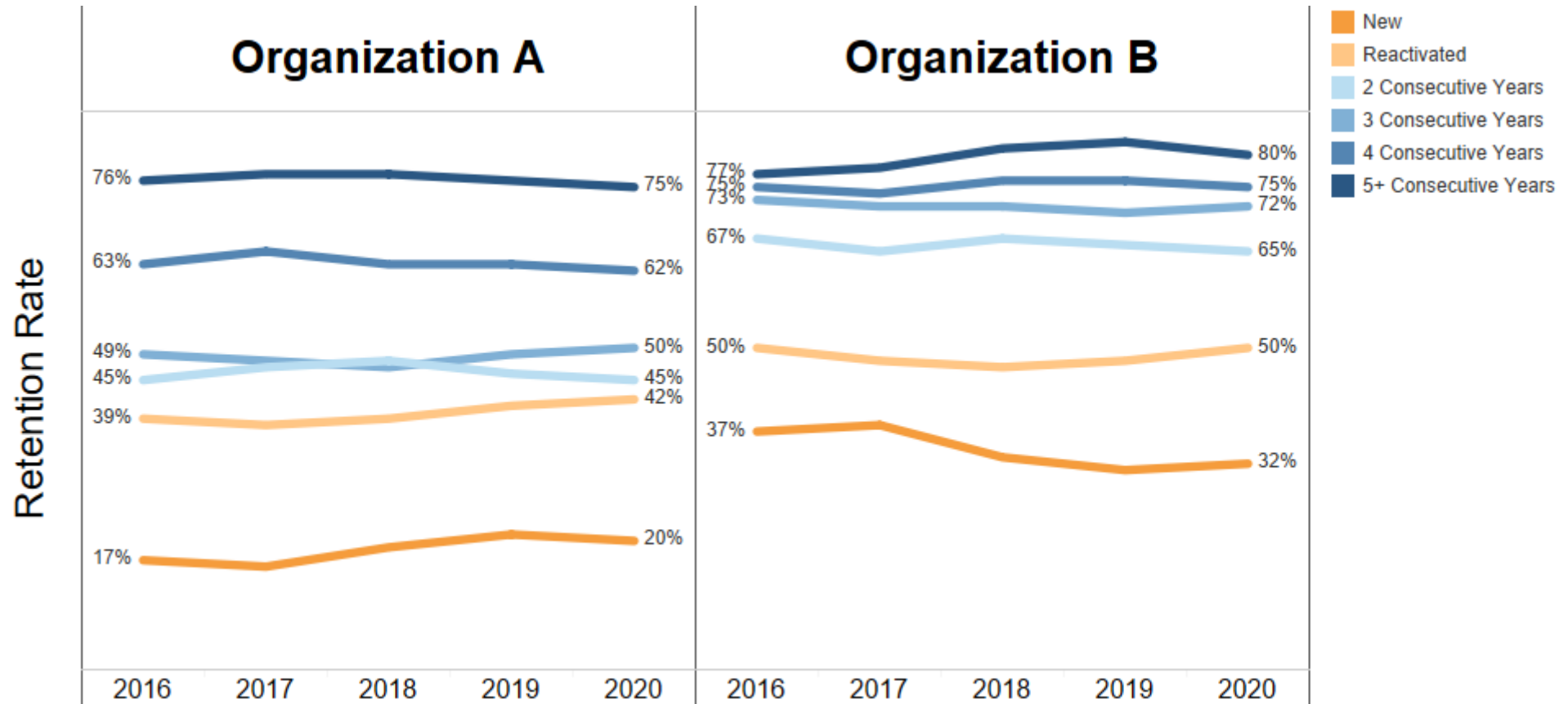## Key Distributions: Donors by Life Stage

Current Donor Journeys
Key Distributions + Metrics: Retention by Life Stage

Current Donor Journeys
Key Distributions: New Donors by Origin Channel

Organization A

	2016	2017	2018	2019	2020
Mail	188K	182K	172K	166K	158K
Telemarketing	52K	43K	43K	46K	48K
Email/Online	64K	63K	67K	54K	68K
DRTV	36K	59K	63K	69K	80K
Other	52K	40K	35K	39K	21K

Organization B

	2016	2017	2018	2019	2020
Mail	33K	43K	36K	34K	41K
Telemarketing	18K	21K	22K		24K
Email/Online	49K	59K	58K	57K	67K
Canvass			35K	40K	31K
Other	27K	23K	19K	20K	27K

Legend: Mail, Telemarketing, Email/Online, DRTV, Canvass, Online Events, Other

Current Donor Journeys
Key Distributions + Metrics: New Donor Revenue and Retention by Origin Channel

Organization A	Average Origin Gift Amount	New Donor Retention Rate
Mail	$66	38%
Telemarketing	$50	32%
Email/Online	$85	23%
DRTV	$25	20%
Canvass	$15	79%
Other	$48	19%

Organization B	Average Origin Gift Amount	New Donor Retention Rate
Mail	$66	41%
Telemarketing	$48	35%
Email/Online	$135	26%
DRTV	$30	15%
Canvass	$18	82%
Online Events	$51	10%
Other	$42	23%

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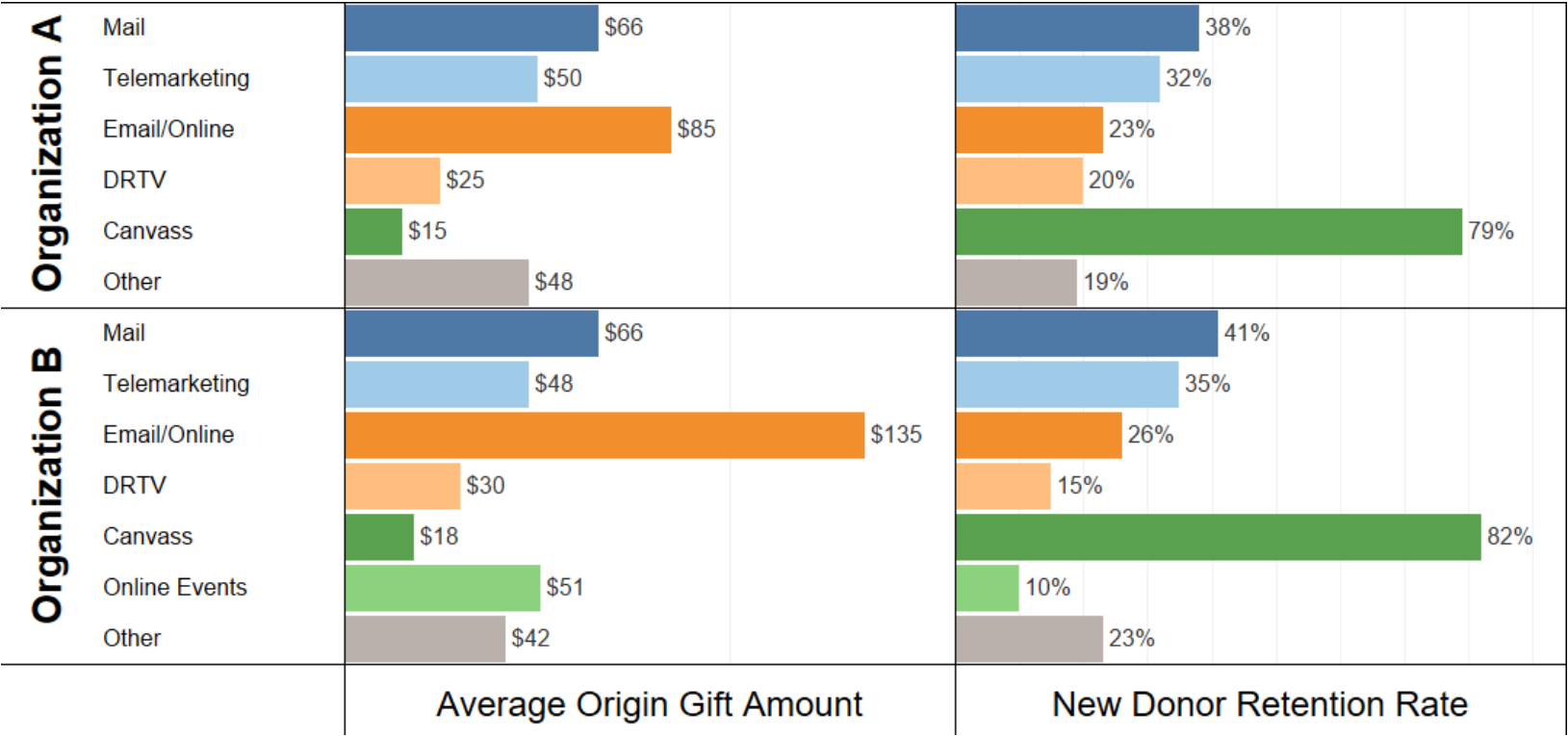
Current Donor Journeys
Key Distributions + Metrics:
Long-Term Value by Origin Channel
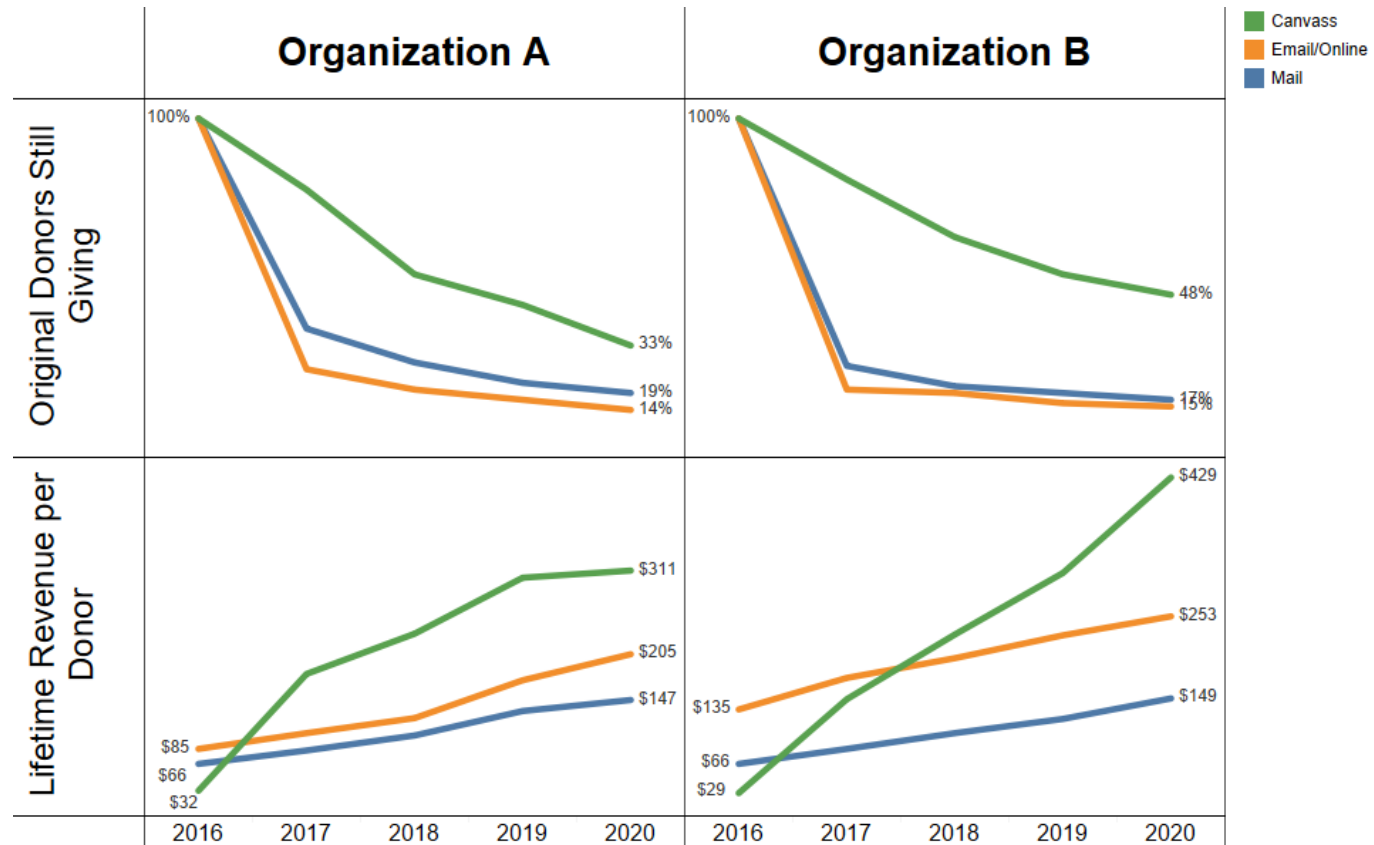
Optimizing the Donor Journey…in the Future

The main goal of fundraising analytics is still to optimize the value of your constituents at every step of their journey with your organization.

Donor journeys will become increasingly granular. Eventually, there will be as many donor journeys as there are donors.
Managing them will become increasingly complex, and you will need help from your CRM and other integrated tools.

The same analytic principles apply:

1. Identify metrics that are meaningful (will expand to include metrics of interaction & engagement)

2. Learn the interplay between those metrics

3. Learn how your donor file is balanced across key attributes (will expand to include more channels, payment methods, interactions, and types of engagement like events & volunteering)

4. Set benchmarks for future performance

5. Manage your fundraising strategy to give your donors plentiful opportunities to contribute, in the ways that work best for them, as efficiently as possible

The Future of Nonprofit Direct Marketing

- What if, what does it mean to your organization and when does this happen?
  - Digital overtakes direct mail
  - Source codes & Segmentation become obsolete
  - What if you got to your desk and the next/best, predicted meaningful action was waiting for you a user?
  - Where does AI first take hold in the constituent lifecycle
  - Will you have to know how to type?
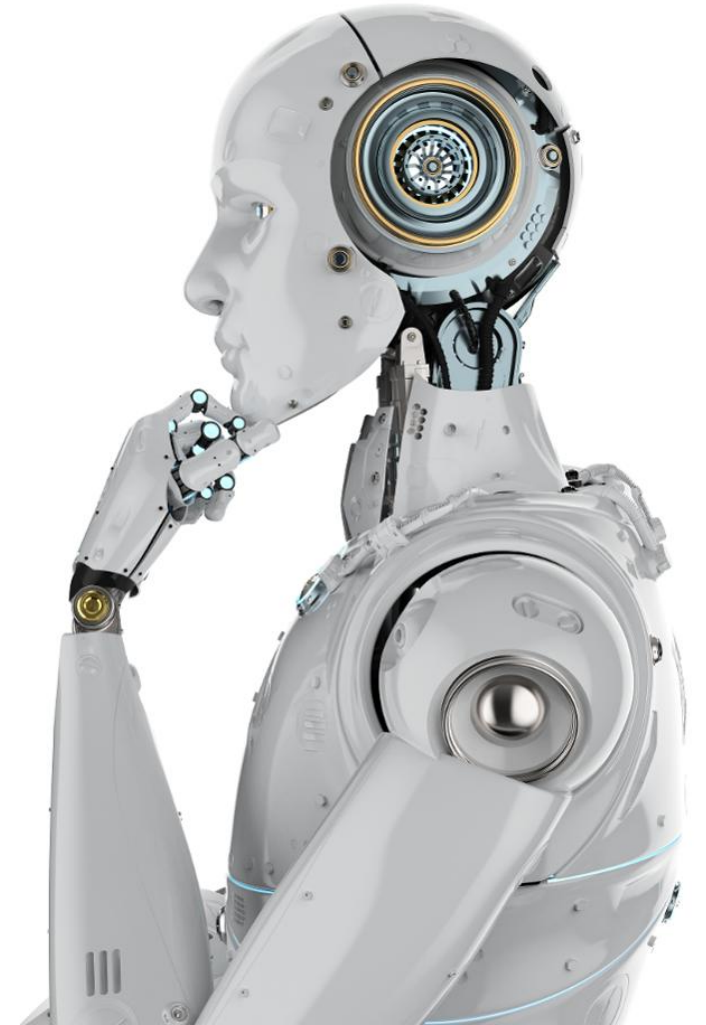
Any Questions?

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