

## Toward A New Annual Giving Paradigm

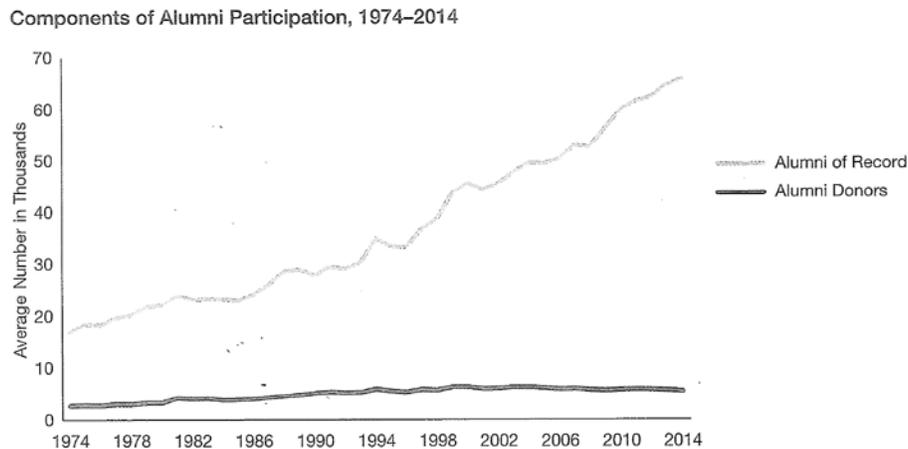


FIGURE 1. Components of Alumni Participation, 1974-2014. *Voluntary Support of Education, 2014.*

Our 2017 society is vastly different to the one in 1974, yet a fundamentally human yearning for meaning and connection remains.

During this time period, the average number of alumni of record per institution has more than tripled. It is safe to say that despite the tremendous gains in productivity over the last three decades, our capacity to maintain and develop human relations has stayed more or less the same. It has even been quantified as Dunbar’s number, the number of individuals with whom any one person can maintain stable relationships. It’s 150.

If we couple this fact with the prodigious wave of wealth creation our country has experienced<sup>1</sup> the focus away from community, broad-based fundraising toward major gift, individual solicitation makes a lot of sense. We had relatively fixed relationship-building “capital” to invest in an ever-growing pool of constituents.

In a way, the enormous success of this strategy has left many institutions in a weaker position. With a fixed capacity to establish meaningful interactions with a growing constituency, there is an increased risk of disconnect and fragility to outside shocks.

This whitepaper’s view is that in the last few years, technology is finally making possible a path forward. Through the judicious use of automation with a human touch, we have an opportunity to reinvent how we create and maintain relationships with our tens (or hundreds) of thousands of alumni family members.

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<sup>1</sup> Frank, R. (2007). *Richistan: A journey through the American wealth boom and the lives of the new rich*. New York: Crown Publishers.

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## Annual Giving's Mission

**Mission:** To develop opportunities for purposeful engagement that lead to philanthropic support of the institution's work.

In annual giving offices nationwide, the primary interaction of the vast swath of our constituents with our organization is in the form of the solicitation letter or its modern cousin, the solicitation email. The mission of the annual giving office is often to plan and implement a direct marketing solicitation schedule. In other words, pushing out information without necessarily engaging in a listening mode.

Other aspects of the donor experience that could satisfy this need are parceled out to other units: stewardship (thank you letters, individualized reporting), event execution, digital experience, pledge reminders, personal outreach (frontline fundraisers).

Two noteworthy exceptions successfully integrate many of these functions: reunions and special events. Both share the characteristics of not being a one-to-one endeavor between staff and benefactor while also having social elements. The propensity of giving around events (institutional or personal), especially when those involve one's peers, explains the effectiveness of not only the two cases stated above but also that of giving days, honorary campaigns, institution anniversaries, annual galas, end-of-year solicitations, gift anniversary appeals, and other "giving moments."

The annual giving office can contribute with an engineering mentality to the design and execution of "giving moments" by providing a 360 view (identification, coordination, and implementation) along with tools to increase the reach of frontline fundraisers.

In the following sections, I first offer a fictional case study of how technology could be used to empower relationship-building. Following that, I list the functions that this new type of annual giving office might serve within the organization as well as the type of positions it would need to be effective in this new mission.

### **Events, Fundraising Events & Non-Presential Events**

Not every event (a lecture, a dinner, an alumni happy hour) needs to be a fundraising event.

Not every fundraising event, in the sense used in this paper, has to be a traditional event (calendar year-end is a time of personal significance for giving, a giving day is another). For lack of a better word, I called them "giving moments."

Finally, not every fundraising event needs to be an actual gathering of people in a room. (Again, calendar year end and giving days are good examples where technology plays an important role in creating the event-like momentum. Also, election fundraising.)

The point is that the annual giving office seems to be a good place to design these "giving moments."

## Case Study

Kassandra is a development director in the School of Law. She manages a portfolio of 150 constituents (traditional major gift prospects) as well as a second tier of 2,000 alumni and friends.

Her first tier requires her to do traditional major gift fundraising work, developing personal relationships, listening to her donor's interests and passions, and aligning those with the organization's mission.

For her second tier, she gets a lot of help from the annual giving office. Most of the work is automated, but as the frontline fundraiser her job is to supervise and escalate the personal touch as needed.

Each time any of those constituents makes a gift, she automatically receives a notification that includes a pre-filled thank you email note. She usually sends those out within hours of the gifts being added to the system. People are appreciative of this personal touch.

The annual giving office also provides an automated system to feed lists of event attendees and match them to database constituents. This is done across the entire university. Event attendance lists are often in widely different formats and it is too time-intensive to manually match those names to their respective records.

With this information in hand, she is able to design specific sequences of events that she wants to take place. After all, many of these attendees are at their most excited about the institution right after visiting!

Her School has a series of Dean's Lectures that bring in high profile speakers and have large audiences. She has designed a campaign with the annual giving office where after each lecture, attendees receive a thank you email with a feedback survey, followed by a student call inviting them to visit the school for a tour, and again followed by a letter inviting them to support the Dean's Lecture series. At each step, she can decide whether the action step should occur automatically or be sent to her for review (i.e. if somebody needs a personal note from the Dean), as well as whether the step should be contingent on a set of conditions (i.e. did they complete the feedback survey? Did they attend the school tour?).

She is also able to see who visits specific webpages across the university continuum. When she was working on a campaign to fund a Sports Law professorship, being able to cross-reference this information with giving history and capacity gave her great insight into the ever-elusive donor interests. She was able to determine which alums had visited sports-related university web pages.

Because email signatures are centrally managed across her organization, she also has at her disposal powerful information on what constituents open whose emails. For example, she had been unsuccessfully trying to connect with alumnus John Dover. Through this system, she learned that he rarely opened emails from the development office but did open them from one of his professors with whom he kept in touch with.

Throughout the year, she also receives updated information on constituents that are about to make a gift or could need a visit to make a gift. The annual giving office builds models that identify donors who tend to make gifts if visited and uses online data from donors who visit the gift forms but do not end up making a gift, among other indicators!

These aren't all the tools she has available, but the common thread among them all is that she is charged with providing a human touch on a sliding scale of automation. This allows her to supervise and react to a much larger set of relationships.

### Functions of Annual Giving

Annual giving offices in this new paradigm should have these three functions:

#### 1) Knowledge Center

To house historical data, extract insights, and enable actionable items to constituents throughout the organization.

This function can be satisfied through appeal libraries, research (running experiments to prove or disprove certain hypotheses), seminars analyzing academic research, investigating how direct marketing practitioners in other sectors are successful (i.e. Agora Financial in Baltimore: long-form landing pages, video landing pages), organization-wide analytics, email analytics.

#### 2) Innovation Provider

A nimble approach to developing software tools that increase donor satisfaction or increase organizational efficiency.

Example projects: online optimization (giving forms remain woefully sub-optimized, abandoned cart emails, online funnel); easy name back-matching to constituent records; modeling who needs a visit, tools to mass-generate individualized stewardship documents (automated ty letter to prospect manager); technology for volunteer management/peer soliciting at scale (a lot of the friction here is still because of inflexible, manual processes); email follow-up management (i.e. Boomerang app); stewardship/reporting on impact for annual gifts (dashboards, radical transparency, etc.); digitally-signed emails

### 3) Infrastructure facilitator

We want to delegate as many decisions as possible to the frontline officer that's closest to the donor. We want to have the annual giving office take care of as many implementation details as possible. The annual giving office provides structure, know-how, knowledge, load-balancing across the organization (agreements with service providers, vendor evaluation).

### The New Annual Giving Team

Successful annual giving teams in this model will need a different set of skills. Functions that are traditionally separate will need to be brought together and tied to outcomes.

This group will also require a certain level of autonomy to experiment and test hypotheses, as well as low-level access to institutional resources (querying the database directly, server space, implementing analytics across website properties, etc.).

Gains with this team structure depend directly on their ability to blur the lines: advancement services vs frontline fundraiser, in-house vs outsourced, more than one role per person, or breaking out roles into multiple persons. Can be project-contingent. Smaller, more nimble teams that can achieve more.

- Frontline fundraiser with annual giving experience and technical know-how
- Project manager, knowledge of agile methodologies and design thinking
- Software engineer/s. Background in user growth, usability
- Digital marketing, SEO, SEM
- Digital/graphic designer
- Copywriter, focus on direct marketing communications
- Data analyst, focus on machine learning and experiment design

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