



Healthcare Analytics Toolkit

Your Guide to Maximizing Data for
Greater Impact on Your Mission

BLACKBAUD
INSTITUTE

FOR PHILANTHROPIC IMPACT

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INTRODUCTION

In the age of big data, countless foundations and their hospitals are turning their wealth of data into an extremely valuable asset. Forward-thinking organizations are partnering with analytics experts for several reasons: to improve and expand their data, to apply unparalleled analytics, and to create smart strategies. By implementing these assets, healthcare systems can address today's biggest challenges: increasing hospital revenue, decreasing debt, and growing philanthropic giving.

Data should be a valuable asset that enriches healthcare organizations and helps them grow. If data was listed on the balance sheet, it would likely be worth more than just about anything else. The data is immensely valuable because it is the raw material of information and insight.

But many organizations are keeping this treasure trove shelved away. They get overwhelmed by the flood of data, they fail to maintain it, or they choose to ignore it all together.

If you want to know which supporters are most loyal, which email campaigns have been most successful, or what programs need to improve, then you need to leverage your data. Relying on previous experience or gut instinct alone will not help you drive results. The hidden treasure can be found within data derived from healthcare foundations and their respective hospitals.



\$3,781,461

Untapped giving potential the average nonprofit is missing out on

\$52

Average upgrade capacity possible for annual donors that can be attained using data

\$1,197

Average potential lift from major donors

The numbers show that it's true. According to Target Analytics® research, the average nonprofit is missing out on \$3,781,461 in untapped giving potential. That untapped gift revenue is the result of under-asking for annual gifts and major gifts. The analysis revealed that an average upgrade capacity of \$52 was possible for annual donors, and a potential lift of \$1,197 existed for major donors.

The future of the nonprofit sector is one in which passionate professionals are armed with data insight to maximize their performance in critical areas. In the future, organizations will be more donor-centric because they made the choice to leverage data to build relationships at scale. Healthcare foundations will be more accountable and transparent in the future thanks to the use of data and metrics. When they build relationships and increase giving, foundations in turn will be better contributing to their hospital's overall mission.

A grateful patient program is just one example of an effective healthcare data analytics program that hospitals and their foundations are implementing. Impressive ROI reveals that tracking a patient from the time of their care through their recovery and eventually to their status as a constituent can be achieved with the appropriate data, analytics, personnel, and strategies. For more information about grateful patient programs click [here](#).

Picking the right starting point might seem daunting, but analytics-driven fundraising is a continuous, grow-as-you-go practice and is accessible to foundations of any size. In this toolkit, we will walk you through the essential steps you need to take on your analytics journey to enhance your most valuable asset—your data—and put it to use to make a greater impact on your healthcare organization's mission. Ready? Let's dive in.



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The Real Benefits of Healthcare Analytics

THE REAL BENEFITS OF HEALTHCARE ANALYTICS

Analytics should not be seen as a panacea, a magic wand, or even a silver bullet, but there are significant and very tangible benefits to be realized if your foundation is committed to changing how it makes decisions, applies its resources, and solves tough problems.

The actual return on investment (ROI) for an analytics initiative can vary widely based on several factors, including the type of organization, the initiatives it invests in, its organizational structure, its culture and fundraising maturity level, and more. We'll dive into those factors more, but for now, the following are types of benefits most healthcare organizations can generally expect to see:



Stronger Supporter Relationships

By better understanding your supporter's passions and preferences and targeting your communications and cultivation strategies accordingly, you can foster a happier, more satisfied donor base that will be more likely to continue supporting your organization for the long haul.

Improved Prospect Identification

With major giving being a key focus and revenue driver across all forms of nonprofit fundraising, it has become critical that organizations identify potential major givers (and mid-level givers with long-term potential) early in the relationship.

Higher Contribution Levels

Analytics can allow you to assign an appropriate target ask amount for each donor on file, which keeps you from under-asking or leaving money on the table. Gift range 'scores' can also be used to assess donor potential in terms of real dollars, helping you prioritize your cultivation efforts based not just on current giving level but also potential.

Increased Response Rates

Knowing which supporters are most likely to respond to different campaigns allows you to segment your mail file more effectively, mailing only to those who are already philanthropically inclined and most likely to provide a return on investment.

Reduced Mailing and Print Costs

Along with increased response rates mentioned above, being able to determine which donors are unlikely to respond to a campaign helps you avoid wasting postage, print, and processing dollars on unanswered communications. The combined savings can be thousands of dollars per campaign, if not more.

Reduced Direct Labor Costs

Direct labor is often the least understood and appreciated aspect of a foundation's budget, but it can be extremely costly. Analytics simplifies the processes that fundraising professionals must apply every day, enabling them to do more with less and invest their time in more strategic ways.



Start with the
Right Questions

START WITH THE RIGHT QUESTIONS

The first key to finding success with analytics is to make sure you are starting your journey by asking the right questions. These questions should be discussed by key decision-makers across your healthcare system—in fact, this discussion is an important part of setting up organizational buy-in for long-term data-driven success. Everyone will need to come ready to think about these big-picture topics:

- **What problem are we trying to solve?**
- **What value are we trying to create?**
- **How will we measure success?**
- **Who benefits by getting the answer right or wrong?**

You'll likely realize that starting with the right questions leads to more questions, and that's ok. This is a data journey and we're just at the beginning. Dig deeper into the discussion with these broad-based questions:

Are we willing and able to look at how we need to change our decision process? How do we currently make decisions? How will analytics change that?

Too often organizations make decisions by executive order or, at the other end of the scale, by what people think/feel and going for consensus. Neither approach is sufficient for making a data-driven decision. To truly leverage analytics, the organization needs to become comfortable in challenging assumptions and debating alternatives—but only if the challenge is supported by the data.

Are we ready as an organization and culture to tackle this? What will we need to change? How will we make data-driven decision-making one of our core principles?

“ *Don't forget the people! Leadership, transparent communication, listening, and involvement will be key to help everyone in the organization understand and feel invested in your analytics journey.* **”**

Do we have good data to analyze? Where is it? Who uses it and for what and with what frequency?

Data must often be cleaned up before you can consider a technology choice to help in analysis (more on that in the next section). The technology is merely a tool, an enabler. The other important enablers are the people and processes involved. You also need to know what you have and how it is being used and by whom. To move to a future state, you need to deeply understand the current data types, uses and questions being answered.

An important decision is whether to manage analytics in-house. If your organization doesn't have the resources to analyze data well, consider augmenting your capabilities through outsourcing. Working with the right partner can provide a tremendous return on investment, and it's often the easiest and most cost-effective way to get the ball rolling.

We'll cover the ins and outs of the culture change and collaboration that make analytics successful in [“Turn Insight into Action”](#) later in the toolkit.

SPOTLIGHT

Why Healthcare Nonprofits Need Analytics-Driven Fundraising

BY LIZA TURCOTTE, SENIOR CONSULTANT, BLACKBAUD

Few industries have seen as much change in the past decade as healthcare. And because the forces shaping the industry are so varied—shifts in the regulatory environment, the evolution of technology, changing consumer needs and expectations—it can be hard to keep up, much less stay ahead.

Savvy healthcare nonprofits and foundations have identified a bright spot among these challenges, and that’s the ability to impact their institution’s bottom line by engaging past and current patients through healthcare philanthropy.

The most successful healthcare nonprofits and foundations are laser focused on this and have shifted from fundraising for “nice to haves” to focusing on day-to-day priorities. These organizations help their patients see the value of paying their bill and being a donor. In fact, among my savviest clients, there’s growing acknowledgement that **a well-run grateful patient program is an essential** component of their success. And, in my opinion, it is these healthcare nonprofits and foundations that will be most competitive, stable, and well positioned in their communities.

On the programmatic side, this short document is a good reference for the groundwork associated with grateful patient fundraising, and more and more successful programs are powered by healthcare analytics.

Here’s why healthcare nonprofits need analytics-driven fundraising:

Analytics provide focus.

My healthcare clients often tell me they count on working amid constant change, where they need to do more with less, and that efficiency and effectiveness are more important than ever. Increasingly, it’s a matter of doing a limited number of things really well—and my most successful clients have shared that healthcare analytics is the work horse behind their effort.

For example:

- **Capacity Building:** Analytics can do the “heavy lifting” of finding significant giving capacity in your patient population, and it’s even more important for organizations without a researcher on staff. Development officers need to be equipped with information about how and where to spend their time—and free to focus on meaningful relationships with donors. A daily screening can identify patients with capacity so your gift officers can meet potential new prospects in your facilities regularly.
- **Prospect Research:** If you’re lucky enough to have prospect research expertise on staff, make the most of it with analytics. By using a wealth screening tool, your researchers will spend less time hunting, pecking, and Google® searching and can spend more time “moving the needle” meaningfully for your organization.
- **Donor Acquisition:** Healthcare foundations are focused on growing their base of supporters too. In this case, patients don’t necessarily need to be wealthy, but identifying prospects who are philanthropic and likely to convert to being donors goes a long way. Informing your acquisition efforts with analytics, particularly for more expensive but effective approaches like direct mail, creates the most opportunity in a resource-heavy process. And speaking of that...





Analytics provide focus.

Analytics can help determine where you spend your time, staff, and money. Donors are motivated by good business practices and by the impact of their gift—and ROI is one indicator of success in both areas. Very simply, an understanding of where opportunity exists—and pursuing it with the right resources—is good for business for many reasons.

My clients have used analytics to answer questions like:

Does the current organization staffing structure support our actual capacity to raise money? For example, a client started screening their inpatient population a year ago and uncovered untapped potential they hadn't anticipated. They've secured some nice gifts working within their current staffing structure, and now that they are established and have demonstrated success, they will hire a second major gift officer to help cultivate significant gifts.

What do we know about our patient population that can help drive increased engagement? Using analytics to uncover the behavioral aspects that motivate donors can help healthcare organizations communicate with potential prospects in the best way. It may help gift officers understand if a specific physician should be part of the solicitation process or perhaps if presenting the potential donor with a case study detailing cutting edge research would be meaningful. The possibilities are endless, and data can help make the right decisions.

Can we anticipate operational needs for the organization based on long-term potential? Identification and engagement of new prospects—coupled with the influx of new patients every day—is a matter of growth management and its related budget and staff needs. Analytics help get ahead of those steps.

With this type of insight, healthcare nonprofits and foundations make significant strides—not only in raising more money, which is always fundamental, but doing it with fundraising staff members who are more secure in their day-to-day practices and with thoughtful ideas about growth and adaptation across the organization. That's because...

Targeted use of healthcare analytics informs and drives strategic planning.

Effective use of analytics can help your healthcare nonprofit or foundation make short-term, tactical decisions that affect long-term strategy—and ultimately the success of your fundraising efforts. Pacesetter grateful patient programs have the advantage of foresight, balanced by a culture of nimbleness and flexibility.

It's a best-in-class understanding of why, when, and how they “do what they do” that differentiates them.



IV

Three Basic Types of Data Analytics

THREE BASIC TYPES OF DATA ANALYTICS

One way to consider data and analytics is to break it down into three basic types, which will cover almost anything you'll ever come across..

TYPE	Descriptive Data	Predictive Data	Prescriptive Data
DESCRIPTION	What's Happening Now	What's Likely to Happen	What You Should Do Next
SOME EXAMPLES	<ul style="list-style-type: none"> • Wealth Screening • Philanthropic Giving History • Consumer Demographics • Social Media Profiles 	<ul style="list-style-type: none"> • Who will respond? • Who will give a major gift? • Who will attend an event? • Who will reactivate? 	<ul style="list-style-type: none"> • Assign to a major gift officer • Ask for \$50,000 • Ask for \$50 via direct mail • Contact this person now
HOW IT'S USED	To develop a profile on a donor, a prospect, or a segment of people with common traits	To identify individuals who are likely to take an action and prioritize them ahead of the others	To take a very specific action knowing that statistically, it's likely to be the best approach

About 99.9% of data in the universe is **descriptive data**, which means it really doesn't predict what will happen—or tell you what to do—all by itself. It can be very useful, but significant skill and planning are necessary to actually know which descriptive data to use.

For example, knowing someone's age, income, and wealth status is interesting, but you can't simply infer that because a person is wealthy, they will be a great patient, prospect, or lifelong donor. What if the individual has never made a philanthropic gift in the past? What if they have never given to a healthcare organization like yours? Chances are, if you simply try mailing or cultivating them without additional insight, you'll end up spending a lot of time and money with nothing to show for it but wasted budget.

That's why **predictive data** is important. Predictive data tells you how likely someone is to do something—for example, how likely a former patient is to give you a \$25,000 gift. This kind of

data has tremendous potential, as it takes all the descriptive data known about your prospects and filters it down into a single 'score' that you can use to prioritize your initiatives. Let's say you have 10,000 former and current patients, along with community prospects, with more than \$1,000,000 in assets. The model will tell you which 500 prospects you should actually take the time to engage because they're the most likely to give that \$25,000 gift, based on their past giving histories and profiles.

Prescriptive data takes things a step further by recommending a specific course of action based on all the known data. It's by far the most useful kind of data—but it's also the hardest to create. A great example is a 'next-ask amount,' which tells you exactly what size gift to ask someone for in your next appeal. This kind of data takes into account everything about your prospect and your foundation. And then you have to trust it, which can be hard for people to do—especially if it conflicts with what you already think you know.

So, which type of data should you focus on?

Unless you have the time, people, and expertise to interpret a large amount of descriptive data (wealth screening is a good example), you should use it sparingly and instead focus on collecting predictive information and prescriptive data when and where it's available. Eventually, you can set your sights on working with a good data or analytics provider, which can offer you a mix of predictive, prescriptive, and descriptive attributes like the 16 examples below, which are heavily used in healthcare philanthropy:

DATA ELEMENT	TYPE	DESCRIPTION DATA
Philanthropic Recency, Frequency, Monetary	Descriptive	Current giving level of a donor to all organizations
Discretionary Income	Descriptive	Current yearly income for a donor after expenses
Total Identified Assets	Descriptive	Current amount of donor's total identified assets
Channel Indicators	Descriptive	Current marketing channel preferences of donor
Consumer Demographics	Descriptive	Current characteristics of donor household (age, income, etc.)
Consumer Behavior	Descriptive	Current behaviors of donor household (affiliations, interests, etc.)
Summarized Credit	Descriptive	Current credit status of ZIP+4 level households (past due, open accounts, etc.)
Geo-Demographics	Descriptive	Current characteristics of ZIP level households (age, income, etc.)
Principal Gift Likelihood	Predictive	Likelihood of a donor to give \$250,000+
Major Gift Likelihood	Predictive	Likelihood of a donor to give \$50,000
Annual Gift Likelihood	Predictive	Likelihood of a donor to provide an annual gift
Campaign Response Likelihood	Predictive	Likelihood of a donor to respond to a specific campaign
Target Gift Range	Prescriptive	Recommended donor ask amount over next 12 months
Next-Ask Amount	Prescriptive	Recommended donor ask amount for next appeal
Program Segmentation	Prescriptive	Recommended assignment of a donor to major or annual program
Loyalty Segmentation	Prescriptive	Recommended investment level for a donor, based on loyalty and engagement

[Download your own checklist of attributes](#)



v

Optimize Your
Database

OPTIMIZE YOUR DATABASE

Now that you understand the basic types of data, it's time to ensure that database is ready for analytics. First and foremost, this means optimizing your donor contact information.

Even for online-only fundraisers, patient and donor names and addresses are critical—nearly all data sources require a name and address to match data to your donor records. Some data types (like social media profiles or influence segments) are connected only via email address, but many others still rely on a good old-fashioned mailing address.

You should consider it a hard-and-fast rule that

If you don't have a high-quality name and address for a donor, it will be nearly impossible to append or derive any kind of value-add insight about that person.

With that in mind, there are a series of best-practice techniques that are essentially considered 'table stakes' for nonprofits. In other words, these are processes you need to implement for any analytics investment to be worthwhile:

Address Standardization

This process validates addresses against United States Postal Service standards in real time as the data is being keyed into the database, guaranteeing the quality of the data being added.

National Change of Address (NCOA®)

About 11% of the U.S. population moves every year and reports it to the United States Postal Service, which requires that mailers process their data through NCOA at least once every 95 days to keep mail files current.

In a 2016 analysis, Blackbaud determined:

- ▶ 17% of all records in an average nonprofit database are un-mailable
- ▶ Nearly 7% of addresses are out of date
- ▶ Over 40% of records are missing phone numbers
- ▶ Over 50% of records are missing email addresses

Proprietary Change of Address (PCOA®)

Another 5% of the US population moves every year but doesn't report address changes to anyone other than banks, credit card companies, and utilities. The PCOA process takes data gathered from those types of organizations and applies it back to the house file, allowing organizations to keep those donor records current. Typically, this process should be run once per year.

Did You Know? Many nonprofits use NCOA but don't realize PCOA is an additional option. Unfortunately, this can mean that bad data builds up over time, leading to duplicate data for the same donor, disconnected records, and campaign delivery issues.

Apartment Append

Often, a donor will provide an address that isn't 100% complete; it will be missing an apartment or suite number—or perhaps that data simply isn't keyed into the database. This is problematic when trying to match those donors to analytics sources, or when trying to mail into any type of dense urban area. Apartment Append adds or corrects the secondary address on a donor's record, significantly increasing its potential use for analytics and campaigns.

Deceased Suppression

An organization will lose 2–3% of its house file each calendar year on average due to constituent deaths. Yearly deceased suppression identifies and flags any supporters who have passed away, which removes them from inclusion in analytics and keeps the database updated.

Duplicate Removal

Once your data has been standardized and updated using the above processes, most CRM systems can identify duplicates and consolidate them, removing duplicate versions of “James Smith” or “Amanda Williams” that may be in the database with multiple addresses.

[Learn more about these best practices here.](#)





VI

Keep Your
Database Clean

KEEP YOUR DATABASE CLEAN

Building a Policies and Procedures Guide

After implementing the ‘table stakes’ processes, you need to map out internal procedures and policies for inputting data into your database. Put someone in charge of data quality, and make sure that individual has the authority to set cross-departmental guidelines for capture and maintenance. If you monitor your data health regularly and implement recommended best practices, you’ll avoid many roadblocks later, such as challenges with matching to data sources and consolidating duplicate information.

Work with your group of internal stakeholders to create and maintain a policies and procedures guide that documents how your organization enters and maintains records and performs database functions. Documenting these policies and procedures helps ensure data consistency and increases efficiency. Your manual can also serve as a handy training document for new employees. Some guidelines to keep in mind as you map out your manual include:

- Identifying which fields must contain data
- Identifying which constituency codes and attributes are used and when
- Including administrative information, such as the security policy and backup procedure
- Involving everyone in the process by dividing the manual into sections and reviewing it together
- Including a reports section listing your weekly, monthly, and annual reports and their standard parameters
- Including escalation processes for database users to follow when troubleshooting issues

When your document is created, add it to the intranet or network and save a shortcut to it on every desktop. Take the time to meet with everyone in your organization who touches the database to educate them on the best practices included in the manual. And finally, remember to update your manual whenever a new situation arises—make it a living document that everyone in your organization can trust to have the correct and most updated answers.

While every organization's policies and procedures will be unique—which means we don't recommend copying another organization's manual word-for-word—you can view samples other organizations have created [here](#).



SPOTLIGHT

How to Build a Grateful Patient Program to Drive Lifetime Donors

BY [PAGE BULLINGTON](#), MARKETING DIRECTOR, BLACKBAUD HEALTHCARE SOLUTIONS

Today's [healthcare market](#) is consumer driven. Forward thinking facilities must find ways to attract, keep, and nurture patients. [Engaging grateful patients in philanthropy](#) is an ideal way to do just that.

While data analytics and successful implementation strategies prove necessary for attracting potential patients, it is the ultimate responsibility of hospital and foundation staff members to collectively keep and nurture those relationships. Doing this provides the hospital foundation with a base of support that comes from its most loyal constituents, its grateful patients.

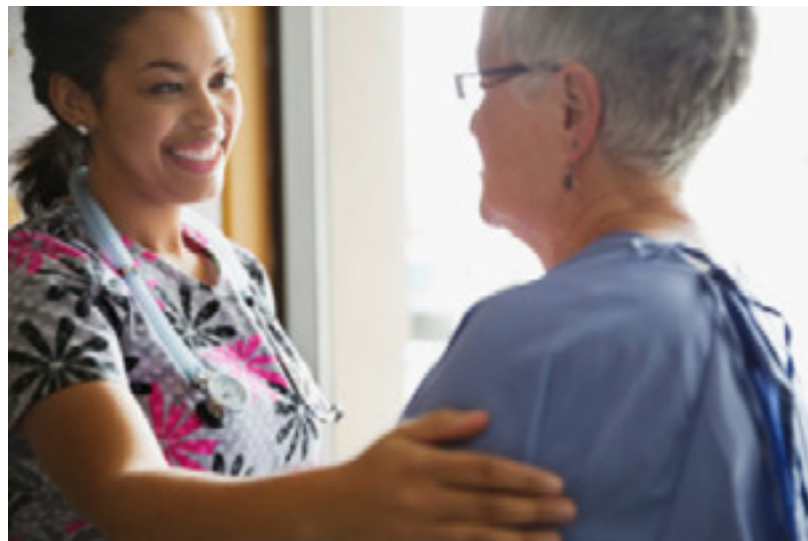
These types of constituent programs are formed at the intersection of clinical and philanthropic experiences and should involve hospital executives and foundation leadership. A well thought-out grateful patient program provides the guidelines to cultivate relationships with patients and turn those patients into lifetime supporters and donors.

10 key factors of a successful grateful patient program:

1. Dedicated resources and staff time outlined from kickoff through implementation and evaluation
2. A methodical, measureable plan with leadership buy-in and participation
3. Data—HIPAA compliant patient demographics
4. Amount, type, and frequency of data needed and coordination with hospital IT
5. Prescreening and database management tools
6. Physician involvement
7. Administrative patient rounding and continuous feedback
8. Access to patient satisfaction data
9. Refinement as program evolves
10. A true partnership between a hospital and its foundation

An [effective grateful patient program](#) involves the entire staff: clinicians, dining services, housekeeping, development, case management, executives, and foundation team members. Statistics show that the majority of consumers grade their overall hospital stays as opposed to just the medical attention they received. Because quality care impressions are established from the complete experience, it is vital to have active involvement from each and every department.

Once established, regularly evaluating your [grateful patient program](#) is crucial. Tracking the process and staffing will reveal necessary adjustments. Following the amount of patient donations, measuring the duration between first solicitation and gift, and comparing resources spent versus donations acquired will be valuable as you continuously improve your campaign. Consideration and implementation of a grateful patient program is an initial investment, but increasing your facility's bottom line from those who have already been welcomed through your doors can provide a lifetime of loyal supporters.





VII

Use Data in Your
Donor Programs

USE DATA IN YOUR DONOR PROGRAMS

Now that your foundation is set with an optimized database and procedures, let's explore the ways you can use analytics to be smarter with targeting and driving more efficient fundraising efforts.

You can tell a lot about your donors by looking through past information points such as donation history, biographical facts, and interactions with your foundation and/or hospital. Reviewing how much a donor has given you, time of last gift, and how many times they have donated—also known as Recency/Frequency/Monetary (RFM) History—is the first stop for any fundraiser to help you decide which prospects to contact with what message and which ask amount.

Using this information is a safe and easy way to help you plan your next campaigns. But actionable data layered on top of RFM history can really make your programs sing. You can avoid “analysis paralysis” by focusing on just a handful of variables—such as age, channel preference, gift likelihood, or donor affinity—that indicate a supporter's or prospect's level of passion for your organization. Interactions like event attendance, gift matches, visits to your website, or calls to your call center all indicate elevated interest by your donors. Avoid the temptation to discover new variables if you aren't yet taking advantage of the ones that other foundations have already found to be actionable.

Better insight into giving propensity and capacity can create a deeper understanding of donors for smarter fundraising campaigns. Finding wealth and asset information drives the ability to tailor asks so that you know you are not asking too much—or too little—of your constituents. Comparing giving patterns between your own organization and other charities can also help you find your most loyal supporters for further stewardship and donors with a probability of increasing commitments.

Let's look at a few examples to see how these types of data insights can help you streamline your segmentation process and focus on more impactful donor interactions:

Meet Mike.

He is a former patient from a serious car accident. He has been a constant supporter for your foundation with seven gifts over the last three years combined totaling about \$1,000. His most recent gift of \$25 was the result of an appeal. Advanced analytics can also help you manage annual fund and direct response campaigns. You see that he gives frequently to you and other organizations. With a little more research, you then learn he has given over \$2,000 to a hospital in a neighboring county.

Combining this information then provides better segmentation criteria for your next annual fund campaign. While you may not double his giving immediately, you can safely decide to move him to a higher direct mail package treatment and stewardship track. Knowing his giving history, you can tailor the ask strings to focus on upgrading instead of just renewing at the level of the most recent gift. Keeping him engaged now will help move him up the giving ladder in the future.

Say “Hello” to Heather.

She lives across town and is married with two children. Her donation history seems fairly involved with two gifts over a five-year span of \$550 each to your main annual fund campaign. This would determine she is a good target for your next year-end mail campaign. But let's look a little further...

With some additional wealth data research, you find out her husband owns an investment business whose primary customers are prominent physicians. Between the two of them, they hold over \$3 million in real estate assets. Looking at giving to other charities, you then find out that she and her husband have collectively donated over \$50,000 each to their university and to some more health-related organizations around the country.

With this new information, would you still keep Heather in your annual fund direct mail campaign? Or would you invite her to a behind-the-scenes event for local VIPs? She is currently unassigned for a major giving portfolio—should she move over?

Announcing Anita

This is a very loyal donor to your organization with a combined giving of over \$7,000 and lives in the next town over. Most likely she is already on your radar and has been in communication with one of your major gift officers. She is in your portfolio with a targeted next ask of \$5,000 to follow her current giving levels. Sounds like a sure deal, right?

The first review of new data looks at confirmed assets to infer overall wealth, namely real estate holdings. Her current donor profile shows her address in the next town, but with the screening, you learn she actually has another home upstate and a vacation home in Utah. Combined, her real estate holdings total over \$6 million in value.

Next, we add modeling with wealth information and ranking against your donor files. The model determines she is in the second highest tier, which means she could have the capacity for a \$250,000 gift. While wealth indicators show ability, looking at giving to other organizations shows propensity to give again. A search through a collection of public giving data shows that she has been donating to large healthcare research charities with gifts greater than \$10,000 each. This new information determines that maybe the major gift officer should be increasing the planned next ask amount as well as increasing the amount of stewardship through the year.

An internet search returns a recent award where she was promoted as one of the top leaders in her industry. Within that article, she talks about her passion for charities. Perhaps it is now time to expand some of the conversations when she attends your next event?

As you can see from these examples, analytics can help make you more efficient and effective in your interactions with a wide variety of donor profiles. Let's dive deeper into some of the strategies you can implement to make four common types of special donor programs more successful:

Major Giving

Over the course of the last decade, predictive analytics has surpassed traditional wealth screening techniques as the 'must have' for major gift fundraising professionals. The ability to rank, score, and segment thousands of prospects within

hours—not months or weeks—provides strategic advantages in performance and efficiency that no nonprofit organization can afford to disregard.

Growing a relationship over time is still key—analytics can just help you make informed decisions about who to focus your efforts on.

Overall, predictive modeling is considered the best bet for a high return on investment in major giving analytics. Predictive modeling is a process by which a nonprofit can integrate transactional giving data with large amounts of donor profile information and then predict with accuracy what actions donors are most likely to take in the future. A past study showed that predictive modeling, when compared to simple wealth screening, is more accurate at identifying future major giving opportunities.

Newly discovered major giving prospects are typically a combination of those you have never heard of and are not assigned to a gift officer (often because they are smaller donors or non-donors) and those who are known but not being cultivated at the appropriate level. Keep in mind that, like we mentioned before, analytics is not a magic wand. Even though you may identify a new crop of prospects able and willing to give more significant gifts to your organization, that alone does not guarantee that you will raise a certain amount of money. Growing a relationship over time is still key—analytics can just help you make informed decisions about who to focus your efforts on.

Looking at the combination of likelihood and capacity is critical to predictive modeling, as the richest prospect may have little interest in your hospital's mission, and the strongest advocates, or grateful patients, may not have the capacity to provide large gifts. This combination of models highlights individuals who have strong past-giving patterns—including longer consecutive giving histories and increasing gift sizes year-over-year—but the giving component is only part of the equation, highlighting one of the strengths of a modeled approach. The best prospects (frequently empty nesters) also have other common traits that correlated with major giving: larger amounts of publicly identifiable assets, strong credit, and a high level of equity in their homes.

A predictive model can statistically determine how each aspect of a donor's profile and giving history contributes to likelihood and capacity, and then weights those aspects accordingly when ranking and scoring the donors. Will this model work for all organizations in all circumstances? Of course not. The purpose of building models is to determine what donor attributes are predictive of specific giving behavior, specifically for your healthcare organization. Having said that, some common themes emerge in all modeling initiatives, such as strong past-giving patterns to the organization, statistically demonstrating the adage that retention is easier than acquisition.

Prioritize outreach by considering inclination and capacity.

Those who appear more likely to give major gifts to your foundation and have higher capacity should be the top group to assign to major gift officers and/or development leadership so that your staff can qualify, cultivate, and solicit larger giving opportunities. Prospects with lower scored likelihood but still high capacity can also be targeted for longer-term strategies. Special attention should be given to both these groups as opposed to mass communication strategies.

Use inclination scores to segment prospects for specific campaigns.

Analytics can help you identify the overall potential from your prospect base to realize a campaign goal. You can analyze how much idealized potential exists for a proposed campaign by calculating the low, middle, and high end of capacity ranges, weighting yield ratios or 'hit rates' for each group. For example, if you have 100 patient prospects who are likely to give \$25,000-\$50,000 and your historical 'hit rate' in securing gifts is from 1 out of every 10 prospects to whom you reach out, then you are looking at an idealized potential from these 100 prospects of \$250,000 to \$500,000.

Identify giving capacity of leadership donors in all your campaigns.

In the silent phase of a campaign, use analytics to determine the ultimate capacity of your leadership donors to ensure that you do not leave any potential dollars on the table early in your campaign. A close review of wealth screening results and in-depth prospect research is highly recommended for these extra special donors.



Planned Giving

Predictive modeling isn't just for major giving. This same type of analytics can be applied to the identification of the best candidates for **planned gifts**. As historical giving data becomes available, it is possible to identify the characteristics of donors most likely to make these types of gifts.

Historical giving data points to donor loyalty and age as key characteristics of planned gift donors, but that information—although now widely accepted in the nonprofit world—comprises less than half of the composite profiles for each planned giving vehicle. The missing criteria, critical to the accurate prediction of planned giving action, include:

Planned Gifts

Also known as “legacy gifts,” planned gifts refer to any charitable gift that requires more thought and planning to execute than the average donation. Planned giving has traditionally been defined as the gift that an individual creates during their lifetime that will take effect at or after their passing. Common types of planned gifts include: simple bequests in a will or trust, charitable gift annuities, charitable remainder trusts, charitable lead trusts, and non-cash assets.

Loyalty to You	Age/Cohort	Fiscally Conservative Data	Engagement with Others
<ul style="list-style-type: none"> • Giving history is trending positively/consistently, or long-term giving history • Volunteerism • Engagement 	<ul style="list-style-type: none"> • Generational correlations to planned giving 	<ul style="list-style-type: none"> • Conservative use credit • Preservation of assets 	<ul style="list-style-type: none"> • Political contributions • Giving to other nonprofits



Loyalty to You

The most common method of tracking loyalty to your organization is by examining giving or membership behavior. That information is tracked in a constituent relationship management (CRM) system, and it is the one aspect of loyalty that all organizations track. Ideally, a more expansive view of loyalty would include volunteerism, event attendance, and other elements of the concept typically referred to as “engagement.”

There’s no doubt that we will achieve even greater understanding of all aspects of donor behavior, including planned giving, as we improve upon our collection of engagement data in affinity activities. So what does that mean for you? It’s time to use your CRM’s data storage capacities to increase the knowledge you have of your foundation’s donors, members and prospects.

Age Cohorts

While predictive modeling demonstrates that cultivation and solicitation shouldn’t be focused exclusively on older individuals, age is a predictor of planned giving. Cohort or generational data, such as information on Baby Boomers or members of The Greatest Generation, has proven very helpful in focusing the marketing and cultivation of planned giving prospects on age-appropriate individuals.

Age is also reflected in another common variable—“number of persons in a home”—which describes homes with one or two adults and no children. Smaller households are far more likely to produce planned gift activity.

Engagement with Other Organizations

Advances in data collection pertaining to charitable giving and support of political activities and candidates have allowed us to identify these activities as predictive of planned giving behavior. Prospects for planned gifts are, or in other cases were, involved in pursuits to improve their communities or support activities of personal interest to them. **NOZA**[®], the largest and most accurate source of past charitable giving behavior in United States, combined with self-reported charitable giving behavior, allows us to build stronger profiles of all types of donors, including those who make bequests, annuities and trusts.

Fiscal Conservatism

Planned giving officers used to target older and wealthy individuals and households virtually exclusively. We now know that only a small percentage of planned gift donors fit that profile. The use of summarized credit data provides a clear predictive profile; it is financial behavior—particularly conservative financial behavior—that typifies planned giving donors.

Fiscal conservatism does not preclude the presence of wealth; rather, it influences the manner in which that wealth is conserved or distributed. In fact, it is not unusual to meet very wealthy individuals who believe they need the income stream provided by life income gifts. Fiscally conservative people are drawn to planned gifts, as their investment and saving philosophy is highly similar to the function and purpose of planned gifts.

For many organizations, the potential for planned giving revenue may actually *exceed* revenue achieved through current giving, so best practices must be adopted to make it happen. Analytics can be your secret weapon to set your organization up for long-term planned giving success.

Sustained Giving

Sustainer programs have been around for more than 30 years, but they have increased rapidly over the past five years. Sustainer fundraising has seen the fastest growing change in domestic fundraising, outpacing even the growth in online fundraising, and is proving attractive to younger donors, who have grown up accustomed to paying monthly subscription fees for services like Netflix[®] or Spotify[®].

Giving increased from 50% to 300% when donors committed to sustained giving, with even the low end far exceeding the typical return for non-sustaining donors.

The [Blackbaud Institute's](#) recent research series, *Sustainers in Focus*, shows overwhelmingly that revenue per donor increases when donors commit to sustained giving. The research uncovered the following six proven practices that any organization should implement to find sustained giving success:

1. **Ask new donors to give on a monthly basis.**
2. **Convert multi-year, single-gift donors to sustainers.**
3. **Make monthly giving the website default.**
4. **Use a credit card updater service to regularly update invalid credit card data.**
5. **Encourage donors to use electronic funds transfer (EFT).**
6. **Steward your sustainers.**

[Download the full research series to learn more about sustainer program success.](#)

Peer-to-Peer Fundraising

Peer-to-peer fundraisers are fantastic champions for your foundation and help bring in a literal wealth of resources for you. They are passionate and they ignite passion in the people around them to support a case—ultimately helping your mission. With smart, targeted cultivation, you can harness that passion to build momentum and convert peer-to-peer event donors to organization donors. By leveraging data elements, you can start to fill in the gaps in your prospect file, better target your fundraising campaigns, and increase your fundraising program's ROI.

Data providers can now quickly append a set of attributes to your donor file to assist in fundraising campaign segmentation. Events bring out all kinds of supporters, and not every event donor is going to give again. They may not ever give outside of an event. That's normal, but some people do give again. Predictive data will help you determine who is most likely to give to your cause.

For example, let's say you get 5,000 new donors from a race event sponsored by your hospital foundation. There is no way you can mail every donor on this list, and there is no way every donor would respond if you did. By overlaying predictive analysis, you can start to optimize the list to see donors who have the ability to give and, most importantly, are known givers to other organizations similar to yours.

By segmenting the file to focus on the more responsive donors, you shave off the other names who would never respond anyway, thus saving on campaign costs and increasing your campaign ROI.

In this example, if you mailed every donor you may get a 2% response rate, and net a little money at around \$0.75 cost to raise a dollar (CTRD). It's ok, but definitely not great.

But by appending predictive indicators, you can focus your efforts on responsive segments. This increases your response rate, decreases your costs, and could almost halve the CTRD. This is gold-medal performance.

		MAILED	% RESP	RETURNS	REVENUE	COST	NET	CTRD
Full File	All Names	5,000	2%	100	\$3,000	\$(2,250)	\$750	\$0.75
Subset Identified by Predictive Analytics	1st most likely	2,000	4%	80	\$2,400	\$(900)	\$1,500	\$0.38
	2nd most likely	1,000	2%	20	\$600	\$(450)	\$150	\$0.75
		3,000	3%	100	\$3,000	\$(1,350)	\$1,650	\$0.45

Just like running a race, timing is important when planning fundraising campaigns. Too many asks too soon will wear out a donor. Too little too late and the donor remains stationary. You want to leverage the excitement from your event but also make sure you leave some space for your event stewardship efforts. For most organizations, this could be between one to six months. A good reference would be to look at your current donor file for an indication of the average timing between first gift and second gift. By planning your campaign timing, you will maximize the performance of your event and conversion campaign without stepping on the toes of either one.





VIII

Consider Business
Intelligence

CONSIDER BUSINESS INTELLIGENCE

Once you've made a plan for the types of information you plan to gather, it's time to think about the systems and repeatable processes that you can use to extract insight from your data. This does not just mean your CRM software, but instead an approach to understanding supporters that is equal parts technology, strategy, and efficiency. This is known as "business intelligence."

The concept of business intelligence began as systematic reporting on historical performance—not much more than reports on paper—but evolved over time into a focus on forward-looking initiatives. Sophisticated analytics techniques are now used to not just describe what happened, but to predict what will happen.

Nonprofits are adopting business intelligence solutions to pull together data from systems outside of traditional fundraising solutions. They are amassing detailed multichannel campaign activity to compile a rich view of each supporter's interactions and interests beyond gift history. To broaden their knowledge, these organizations are superimposing external data sets that provide extraordinary insight into the wealth, demographics, personality, values, opinions, attitudes, and lifestyles of their supporters.

Different roles throughout an organization—from executives and program and campaign managers, to agency partners and data analysts—are empowered to answer questions that may have been previously unanswerable. Business intelligence allows them to resolve challenging questions such as:

- **How is the profile of our patient-donors and supporter base changing over time?**
- **How can we monitor key growth, revenue, and profitability metrics across our organization?**
- **How can we identify the programs or channels contributing the largest portion of revenue?**
- **Which aspects of a supporter's profile are most closely aligned with key segments, such as sustainers?**
- **How can grateful patient and patient conversion programs impact our bottom line?**
- **How do we link channel preferences with an advocate's likelihood to give?**
- **How can we quantify the lifetime value and breakeven point of acquisition groups?**
- **What is the true net value of our last multichannel campaign?**

Fundraisers and marketers are using these answers to maximize short-term campaign value and optimize their long-term approach to patient and donor development. By drilling deeply into RFM segments, they can explore additional attributes that influence response rates, like number of people who receive online newsletters, average number of gifts per year, average gift size, channel preference, and more. As a result, they are able to identify clusters of supporters that are more or less profitable—and then target smarter. Also, because they have immediate visibility into what's happening right now and what will happen in the future, they are able to adjust their strategies "in the moment" to secure the highest possible returns.

As you think about your reporting process, consider the following tips:

Be intentional about what you choose to measure.

Staff will respond to what you are counting, so tie your measures to your foundation's operational, tactical, and strategic plans.

Use a reporting tool that end users can easily adopt.

The more an end user can do, the better. This will also free your IT team from having to constantly create specific one-off reports.

Start with a single source of data.

Pulling biographical, prospect/proposal, action, relationship, and financial data will help you avoid time spent comparing and reconciling data between different sources.

Integrate checks and balances.

Make sure you employ a mechanism to check your work when you make changes or additions to the report. This could be a check cell or some other tool.

Meet regularly and stay patient.

Reinforce your process with regularly scheduled meetings where the report data is used as a tool for performance metrics. And don't expect the world in a few months. It will take time for staff to embrace the reporting system and all it brings to the organization.

Establish a true partnership between the foundation development team and the hospital leadership team.

Foundation leaders long to be at the hospital's board room table; however, this position must be earned. By proving the value of philanthropic dollars to the revenue side of the hospital, both sides will realize that teamwork between them is instrumental to increase giving and revenue.

[Download a handy checklist of these tips.](#)

As the quantity of data available to nonprofit organizations has exploded in recent years, many are turning to cloud-based tools that can quickly make sense of large amounts of data. These solutions can allow users visibility into the opportunity costs and related ROI of each potential strategy. Cloud-based solutions can also be coupled with consulting services from experienced statisticians who serve as interpreters and guides to identify patterns that help maximize the foundation's ROI. Access to this kind of comparative data can help you move beyond measuring the short-term, tactical successes of programs and campaigns, and instead apply a more holistic, donor-centric approach to address long-term success and financial stability of both the foundation and the hospital.





IX

Turn Insight
into Action

TURN INSIGHT INTO ACTION

This toolkit is filled with strategies and examples of the amazing power of harnessing information to help you achieve your mission. But what if you took all the steps to get and understand that data, and your colleagues never really acted on it? What if they still relied on their gut to tell them the final answer? And more importantly, what if that behavior was reinforced and rewarded?

If you're reading this and grimly nodding your head, don't fret. Many foundations have small pockets of folks who understand and can envision the benefits of really taking advantage of this wealth of information, but the organizations don't allow the opportunity to act on it. And in many cases, it's not because there are formal rules in place that prohibit such activity, but rather it's the even more powerful informal and unspoken cultural rules that get in the way.

So, the good news is that at least you're not alone. The challenge, though, is that a foundation's and hospital's cultures aren't something one can wave a magic wand at and change overnight. But it can change.

Organizational culture is a “pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration...”

Creating the Change

Each foundation or development department has a singular challenge: raise the necessary funds. We are quite sure you have a solid idea about those who have supported you most over the years, but you have possibly become reluctant to go back to the “well” too often. And, actually, are you sure you have been asking for enough? Usually, not asking for enough (or rarely, too much) comes from trusting the “gut” of those who know the donors well. Is your experience telling you that you need a more analytical approach that is more definitive and time-saving?

Perhaps the culture of your foundation has not been to qualify each of your prospective donor groups like patients, physicians, board members, administration, principal and major gift donors, annual donors, and the elusive unknown donor! If you are nodding your head, it is time for you to educate your organization about best practice with donors. That is, know as much as you can so that you honor their relationship with significant preparation for your conversations with these very precious constituents.

Culture is not something that is changed overnight, but it can start tomorrow. And we can help you. Through in-depth analytical studies, we've discovered that the following are drivers of success in healthcare fundraising:

- 1. The amount of giving by the governing and foundation boards**
- 2. The CEO speaking frequently about the vision and mission of the institution in the community**
- 3. The engagement of physicians in appropriate and timely cases for support**
- 4. The alignment of the foundation and healthcare institutions in their strategic priorities**
- 5. The number of face-to-face visits with major gift donors**
- 6. Adequate budget for technology and staffing of the foundation**

For an institution that is experiencing a 3% net operating margin, it would require \$330 million in services to generate \$10 million. Let us say that another way: Does your institution have one service line that generates \$330 million in services? Probably not. If your foundation can generate \$10 million in philanthropy, you would have generated more than, your entire heart program. If you are a much larger system, it would be likely that you would have higher nets on programs, but your philanthropy return would also be much higher.

There is one best practice here that can't be overlooked: finding out the potential and propensity for your donor to help you reach your goal. This toolkit will get you there.

The Three A's

Prominent management scholar Edgar Schein's definition of organizational culture is highly regarded and helpful: Organizational culture is a “pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems.” Schein notes that organizational culture consists of three levels: artifacts, which are visible things around the office; espoused beliefs and values, which can often be unspoken; and basic underlying assumptions, which are unconscious beliefs typically taken for granted.

Taking Schein's perspective, it becomes easier to see why culture is such a slow-moving element of organizations. While it might be easy to change some surface-level things, such as adding more open workspace, doing so doesn't really impact those unspoken rules or assumptions that have been used and taught to employees for years. Simply having the manager sit in a cube with her subordinates doesn't automatically change the power structure; does it? And it certainly doesn't change the perception that, at the end of the day, whatever she says goes.

Harvard professor Rosabeth Moss Kanter said, “Change is a campaign, not a decision.” Perhaps this phrase is never more accurate than when you are trying to change an organization's culture. If the management team decides to take advantage of deeper, more robust data, that's the easy part. The real challenge is undertaking (and sticking with) the much longer work of changing the deeply embedded culture to appreciate that data. While we would all like it if going to the gym once a month would get us in good shape, the truth is that only with regular committed workouts can you achieve that goal. And it's the same with cultural changes.

So what's the workout program that will get your foundation's culture in shape to take advantage of smart data? There are no easy answers, of course, but focusing on what is referred to as The three A's—assess, audience, and allow—can be a great start to your new culture.

Assess Your Culture

First, it's necessary to assess your current culture, and that takes honest, deep work. Remembering Schein's contention that only the “top level” of culture—the artifacts—are easily visible, you'll have to really explore the underlying, taken-for-granted assumptions that guide your work.

What is it that is truly valued and rewarded in your organization? While many organizations insist that they value teamwork, for example, they often will reward folks individually. If that's the case, and there is a choice to make as to whether to favor individual achievements or team achievements, can you blame someone who chooses the individual path? When the spoken, visible elements are in conflict with the unspoken but ultimately rewarded ones, we can expect our employees to choose the latter.

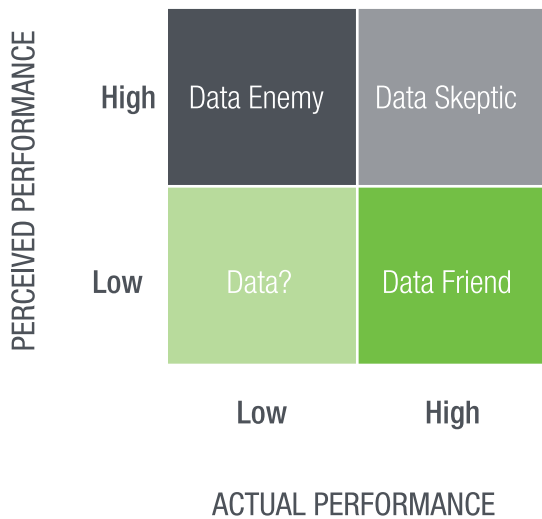
The same can be said of data. If you want to demonstratively elevate data's status in your foundation, you need to emphasize and reward using it, especially if it goes against the way things have always been done. Have you always sent direct mail using a standard query that has produced pretty good results? What if a new approach to data analysis suggested sending it to a different group of constituents? Now, what if your annual evaluation depended on raising a certain amount of money? What choice would you make? The tried-and-true query list or the new approach? If you weren't confident you would be understood and rewarded for “listening” to the data, would you do it? Probably not.

But what if the organization had made clear—in words, actions, and rewards—that using smart data would be supported no matter the outcome? What if you were celebrated for taking what would today be known as a risk? Imagine the difference. That confidence would only be achieved with consistent messaging and a culture that supported that path.

Overall, be sure to first take a hard look at where you are today—only then can you trace a path to where you want to be in the future.

Identify Your Audiences

Second, identify the audiences in your healthcare system who understand the power of smart data and have the tools and ability to really put it to use. Be careful here, though. Those individuals may not (and perhaps probably won't) be at the top of your organization. Sometimes those who really "get" smart data are those who may have gone somewhat unnoticed in your old culture. Remember, in your old culture, use of smart data may have not been recognized or rewarded—so those who might be your biggest assets in this change campaign may come from places previously unknown.



[Download a printable version.](#) Originally from Jeff Bladt and Bob Filbin's "Who's Afraid of Data-Driven Management?"

Jeff Bladt and Bob Filbin wrote a very intriguing article—in the Harvard Business Review (May 16, 2014), [Who's Afraid of Data-Driven Management](#), in which they argue that one can characterize employees' willingness to embrace data by putting them into four categories created by a 2x2 matrix with "Actual Performance" and "Perceived Performance" as the two axes. The two categories that merit special attention are the high and low categories. Those who fall into the high perceived performance/low actual performance quadrant are labeled "Data Enemies" because they know that increased reliance on data may reveal the true (unflattering) picture of their contributions. Those who fall into the low perceived

performance/high actual performance category are labeled "Data Friends" for similar, but opposing reasons: They know that the data will demonstrate that they've been stars all along, but haven't been recognized. The high/high group are called "Data Skeptics" because they will need some convincing; they've been successful in the current climate, so they may be reluctant to change—but they may ultimately be allies to your new movement. Those in the low/low group are called "Data?", with a question mark that implies they're not engaged in any real way.

This characterization is very helpful in your pursuit of a new culture of data appreciation. To make any change, you'll need support from the ranks, and identifying those who will be evangelists is exceptionally useful. Ask those Data Friends how they might capitalize on smart data, and be sure to really listen—even (or especially) if it is not the way you do things today. Then, give them the support and resources they need to really show the rest of the organization smart data's true power. Use them as a testing ground. Allow them to make some mistakes and figure some things out. But most importantly, when they succeed (and they will), be sure to celebrate, publicize, and reward them. Let others know that this is the new way to work. Others will notice and follow suit. Have you heard of the need for "quick wins" in a change campaign? It's true. And it works.

As for the Data Enemies and Skeptics, remember the biggest key of any communication: Know your audience members and their hot buttons. Take the time to truly understand what's important to them—and realize that it might not be the same thing that's important to you or another audience. For example, while your passion may be to use smart data to advance the mission of your organization, their passion might be to hit their annual numbers and get recognition. If that's the case, show them how the new culture of data appreciation can help them achieve that goal. Speak to them in the language they understand, and connect your goals to their goals. They'll start to get the message.

Allow for Time and Course Corrections

Allow, our final A, represents two different areas. First and foremost, allow yourself to appreciate how ingrained your current culture is and that it will take consistent work and extended time to really change it. Employees today are used to management announcing the next big thing and then not following through. Ask folks about past changes that have not worked, and you're probably in for a long conversation. That's OK, though—sometimes those are the same folks who will be the most impressed with your commitment and turn out to be your biggest cheerleaders. Appreciate that they probably are carrying that baggage, and aim to break those negative expectations. But also know that will take some time. Remember Kanter's words: a campaign, not a decision.

In addition to allowing yourself some time to fulfill your vision of a new culture of data appreciation, allow yourself the freedom to make some missteps along the way. The path to any new place is never as straight and smooth as first mapped, so if you blow a tire or take a wrong turn, it's OK! Don't be the person who doesn't stop to ask for directions; take some time to understand the wrong turn and backtrack if necessary. Changing the culture isn't an endeavor that can be put on a tight timeline, so don't artificially frustrate yourself or your team by focusing on those wrong turns. Just correct the course and move forward.

Many nonprofits originated well before the boom in data and the understanding of its applications, but that certainly doesn't mean they can't value and harness that power as they move forward and grow. Smart data can be the source of that growth, but the organization itself has to be a place where putting it to work is emphasized, celebrated, and rewarded. So as you start this journey to change your culture, remember the three A's to help you take that first step.

1. **Assess:** Assess Your Culture
2. **Audience:** Identify Your Audience
3. **Allow:** Allow for Time and Course Corrections

CHALLENGES OF DATA

While data is a formidable tool, it is no more powerful than the people wielding it—and all people are subjective. Data practitioners have a responsibility to stay aware of their own implicit and explicit biases that can affect how data is collected, interpreted, and used. Remember this context and make it an ongoing conversation among your staff.





X

Keep an Eye on
the Trends

KEEP AN EYE ON THE TRENDS

Analytics is one of the most rapidly evolving fields today. We know that big data is fundamentally changing the world around us, and it's our responsibility to ensure that our organizations are keeping pace so that we can leverage these new opportunities for our missions. Outlined below are a few trends you should keep an eye on as you continue on your analytics journey.

Cloud Analytics

Cloud analytics offer unrivaled opportunities to pinpoint the most effective ways to accelerate your mission and enable the highest quality solutions. Three aspects in particular offer big opportunities for foundations that leverage the cloud: data health, usage statistics, and smart software.

Data Health

The accuracy, completeness, and reliability of your data is critical to delivering your mission. When your constituent data is free of duplicates, and your address, email, and social attributes are accurate and complete, you are able to communicate with your constituents more reliably and effectively and minimize waste. Cloud-based services can keep your database updated about deceased constituents, expired credit cards, change of address information, and other contact attributes. In addition, cloud services can extend your constituent record with wealth and prospect research information that can help determine an individual's ability and likelihood to give.

Usage Statistics

The cloud also offers transparency into how a system is used, which greatly enhances the system's ability to deliver value. The vendor that creates your database can determine if new features are valuable, ensure that tasks are completed with ease, make changes to future versions, and identify and resolve issues before you ever encounter them.

Smart Software

A combination of data health and usage statistics provides the ability to blend analytics and your user interface (UI) into a predictive and smart user experience. When all of your important solutions and data are based in an integrated cloud, it's possible to better understand who donors are, as well as when and under what circumstances they're likely to give. What might have taken days or weeks of reporting work previously is now integrated directly into the tool—for example, automatically flagging high-capacity donors based on wealth screening, giving history, and historic interaction with the organization.

Artificial Intelligence

Artificial intelligence (AI) has tremendous potential to help improve performance for healthcare foundations and all nonprofits, as well as drive meaningful change in the world.

At its heart, AI is all about enabling machines to process information and learn. AI is a broad set of disciplines and technologies that performs tasks and solves problems once only doable by humans. This ability of technology to learn without every single step of a process having to be programmed by a human is a tremendous breakthrough.

As we've discussed, data is an abundant element in the social good community. As powerful as AI has grown, it is important to remember that its power is deeply interwoven with the potential of data—because that is the material AI is learning from.

The real formula for success in the social good community is the combination of the right data, insightful analytics and reporting, applied artificial intelligence, and the right expertise. We must embrace data, analytics, and AI to meet growing demands. When fed with the right data and designed by experts who understand the unique context of the social good space, AI can be a key ally in driving the change we want to see in the world.



XI

Conclusion and
Additional Resources

CONCLUSION AND ADDITIONAL RESOURCES

Remember, analytics-driven fundraising is a continuous practice for any and every organization. By reading this toolkit, you've taken the first step on your analytics journey to put your data to use for greater impact on your mission. As you continue along your path, check out these additional resources for even more information and tools:

- [The Blackbaud Index](#)
- [npEXPERTS: Fundraising Matters](#)
- [50 Fascinating Philanthropy Stats](#)
- [Analytics-Driven Fundraising](#)
- [The Point of Impact](#)
- [End-of-Year Fundraising Toolkit](#)
- [Blackbaud Institute Resource Library](#)
- [Healthcare Resource Hub](#)
- [Blackbaud Healthcare Webinars](#)
- [Building a Culture of Healthcare Philanthropy with Patients at the Center](#)
- [Why Advanced Analytics Are So Important for Fundraising Improvement](#)



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About the Blackbaud Institute for Philanthropic Impact

The Blackbaud Institute drives research and insight to accelerate the impact of the social good community. It convenes expert partners from across the philanthropic sector to foster diverse perspectives, collective thinking, and collaborative solutions to the world's greatest challenges. Using the most comprehensive dataset in the social good community, the Blackbaud Institute and its partners conduct research, uncover strategic insight, and share results broadly, all in order to drive effective philanthropy at every stage, from fundraising to outcomes. Knowledge is powering the future of social good, and the Blackbaud Institute is an engine of that progress. Learn more, sign up for updates, and check out our latest resources at www.blackbaudinstitute.com.

About Blackbaud

Blackbaud (NASDAQ: [BLKB](#)) is the world's leading cloud software company powering social good. Serving the entire social good community—nonprofits, foundations, corporations, education institutions, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for [fundraising and relationship management](#), [digital marketing](#), [advocacy](#), [accounting](#), [payments](#), [analytics](#), [school management](#), [grant management](#), [corporate social responsibility](#), and [volunteerism](#). Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina and has operations in the United States, Australia, Canada, Ireland, and the United Kingdom. For more information, visit www.blackbaud.com.

Data Attributes Checklist

Keep these 16 examples of predictive, prescriptive, and descriptive attributes in mind as you think about the mix of data your organization will collect and report on.

DATA ELEMENT	TYPE	DESCRIPTION DATA
Philanthropic Recency, Frequency, Monetary	Descriptive	Current giving level of a donor to all organizations
Discretionary Income	Descriptive	Current yearly income for a donor after expenses
Total Identified Assets	Descriptive	Current amount of donor's total identified assets
Channel Indicators	Descriptive	Current marketing channel preferences of donor
Consumer Demographics	Descriptive	Current characteristics of donor household (age, income, etc.)
Consumer Behavior	Descriptive	Current behaviors of donor household (affiliations, interests, etc.)
Summarized Credit	Descriptive	Current credit status of ZIP+4 level households (past due, open accounts, etc.)
Geo-Demographics	Descriptive	Current characteristics of ZIP level households (age, income, etc.)
Principal Gift Likelihood	Predictive	Likelihood of a donor to give \$250,000 or more
Major Gift Likelihood	Predictive	Likelihood of a donor to give \$50,000
Annual Gift Likelihood	Predictive	Likelihood of a donor to provide an annual gift
Campaign Response Likelihood	Predictive	Likelihood of a donor to respond to a specific campaign
Target Gift Range	Prescriptive	Recommended donor ask amount over next 12 months
Next-Ask Amount	Prescriptive	Recommended donor ask amount for next appeal
Program Segmentation	Prescriptive	Recommended assignment of a donor to major or annual program
Loyalty Segmentation	Prescriptive	Recommended investment level for a donor, based on loyalty and engagement

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Reporting Tips

As you think about your data reporting process, consider the following tips:

Be intentional about what you choose to measure.

Staff will respond to what you are counting, so tie your measures to your foundation's operational, tactical, and strategic plans.

Use a reporting tool that end users can easily adopt.

The more an end user can do (modifying filters, working in the report data), the better. This will also free your IT team from having to constantly create specific one-off reports.

Start with a single source of data.

Pulling biographical, prospect/proposal, action, relationship, and financial data will help you avoid time spent comparing and reconciling data between different sources.

Integrate checks and balances.

Make sure you employ a mechanism to check your work when you make changes or additions to the report. This could be a check cell or some other tool.

Meet regularly and stay patient.

Reinforce your process with regularly scheduled meetings where the report data is used as a tool for performance metrics. And don't expect the world in a few months. It will take time for staff to embrace the reporting system and all it brings to the organization.

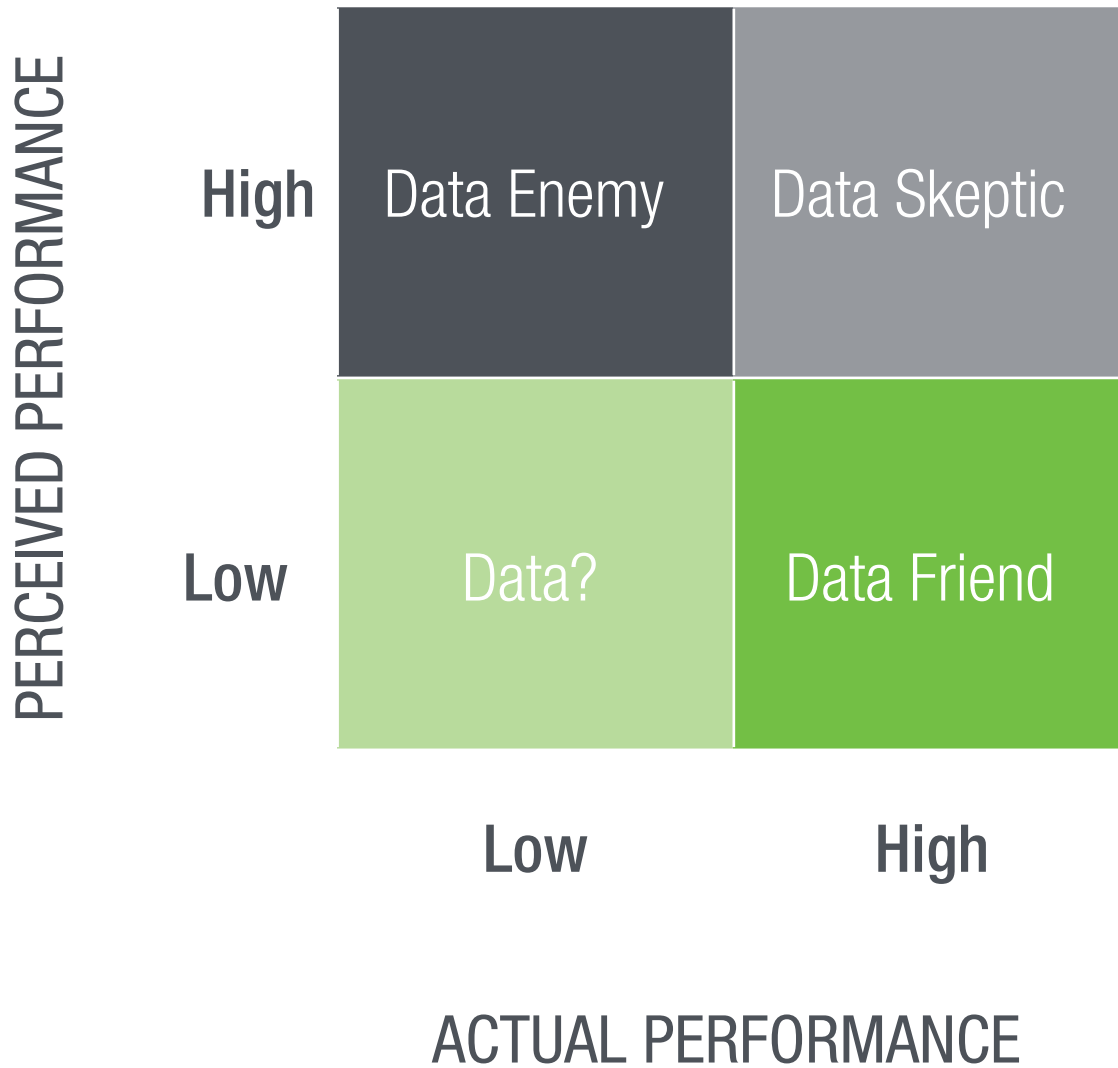
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Establish a true partnership between the foundation development team and the hospital leadership team.

Foundation leadership long to be at the hospital's board room table; however, this position must be earned. By proving the value of philanthropic dollars to the revenue side of the hospital, both sides will realize that teamwork between them is instrumental to increase giving and revenue.



Four Types of Employees and Their Willingness to Embrace Data



Originally from Jeff Bladt and Bob Filbin's "Who's Afraid of Data-Driven Management?"

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