

SPECIAL DIRECT RESPONSE FUNDRAISING EDITION

BEGINS ON P.4
GIVING USA

THE NONPROFIT TIMES

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July 1, 2014



SHOCK AND AWE

PSAs can even surprise the actors used for the spots

BY MARK HRYWNA

Some things you just can't make sexy – no matter how hard you try. Save the Children hired a dozen models to try make things like diarrhea, pneumonia and malaria sexy but it just didn't work. The buffed and beautiful models thought they were selling a sexy brand and sell they did, saying things like, "Lust is my mistress."

The director implored them to "keep it sexy and really pour it on this time." The vacant stare and blank expression makes sense when you realize their next cue card was: "Almost 800 mothers and 18,000 young children die each day, mostly from preventable diseases."

"You want me to say that's sexy?"

"It's strange saying that like this."

"This is not a sexy statement. I feel bad."

"It's just hard to make some of these words sound sexy."

"S**t, what's up?"



Less than a month after its release around Mother's Day, *The Most Important 'Sexy' Model Video Ever* by Save the Children eclipsed 3 million views on YouTube.

The Westport, Conn.-based charity developed the campaign with the help of two filmmakers from CollegeHumor.com to ramp up exposure for its 15th annual *State of the World's Mothers* report (#SOWM). The report focuses on the best and worst places to be a mom.

"It's an important issue but it's not a sexy issue, meaning it's not catching people's attention," said Save the Children President & CEO Carolyn Miles.

"This year, we have had more downloads of the report, but also much more coverage of the report itself, and in many, many more countries," Miles said. "I'm not sure the video did all that obviously, but it did get some of the basic issues and statistics out there," she said.

"It was not a fundraising driven thing by any stretch. It's the shares and click-throughs," Miles said. And while the sharing has been good, the challenge is always whether

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Classically Cannabis

Orchestra uses new law to hit high notes with younger donors

BY PATRICK SULLIVAN

Like many American symphonies, the Colorado Symphony Orchestra (CSO) has seen some of its audience go up in smoke. "Here in Denver, the classical music audience has been flat or slightly declining for a long time," said CEO Jerome Kern. "That impacts contributions. It's not simply that they're not attending concerts, they're not contributing to support."



CSO ensemble performs during the May 23 *Classically Cannabis* fundraiser at Denver's Space Gallery.

So, Kern and the CSO turned to marijuana.

With recreational marijuana newly legalized in Colorado (and in Washington state), "Here was a newly legalized industry that's growing very rapidly that came to us and said, 'We'd like to support you,'" said Kern.

Thus was born *Classically Cannabis: The High Note Series*. Sponsored by cannabis industry vendors, the series kicked

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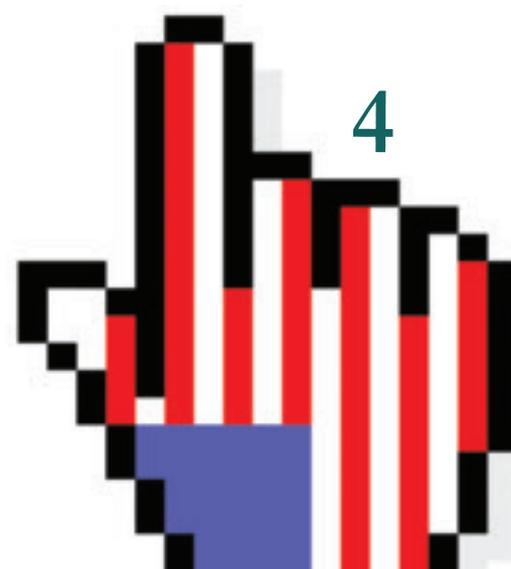
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Editor's Note

With the annual Giving USA statistics being reported in this issue (see page 4), we thought it was an opportune time to take a comprehensive look at the techniques required to raise the \$335.17 billion reportedly given by Americans during 2013. That's why just about every item in this issue deals with some form of fundraising.

The topics are mostly direct response fundraising and various elements of the marketing process. We hope that you'll enjoy the special focus. --Paul Clolery

Americans Feeling Better, Giving More

But, historic levels of profit, cash on hand don't spur corporate giving

BY MARK HRYWNA

A return to pre-recession levels for charitable giving might come sooner than originally projected after last year's estimated 4.4-percent growth in overall giving, led as usual by individual giving.

Charitable contributions in the United States jumped to an estimated \$335.17 billion. When adjusted for inflation it's approximately 3 percent more than the revised estimate of \$320.97 billion for 2012, according to initial estimates for 2013 released on June 17 by the Giving USA Foundation and its research partner, the Indiana University Lilly Family School of Philanthropy.

Projections at this time last year anticipated a return to pre-recession giving could be as many as six or seven years away. The new data, however, show that if giving continues at its current 4.2-percent pace over the past two years, pre-recession levels could be reached as early as 2015.

"If it takes another year or two to get back to where we were before the recession, you're basically at eight years; not a complete decade but pretty close. It's not [a lost decade] in the sense that the people continue to give but lost in sense of progress," said Patrick Rooney, Ph.D., associate dean for academic affairs and research at Indiana University's Lilly Family School of Philanthropy in Indianapolis, Ind.

Total giving has increased 22 percent (12.3 percent adjusted for inflation) since the official end of the recession in 2009, and again was about 2 percent of gross domestic product (GDP).

Giving by individuals was up 4.2 percent (2.7 percent inflation adjusted) and again was the largest portion of overall giving, accounting for \$240.6 billion, or 72 percent of overall giving, driven by an increase in large gifts.

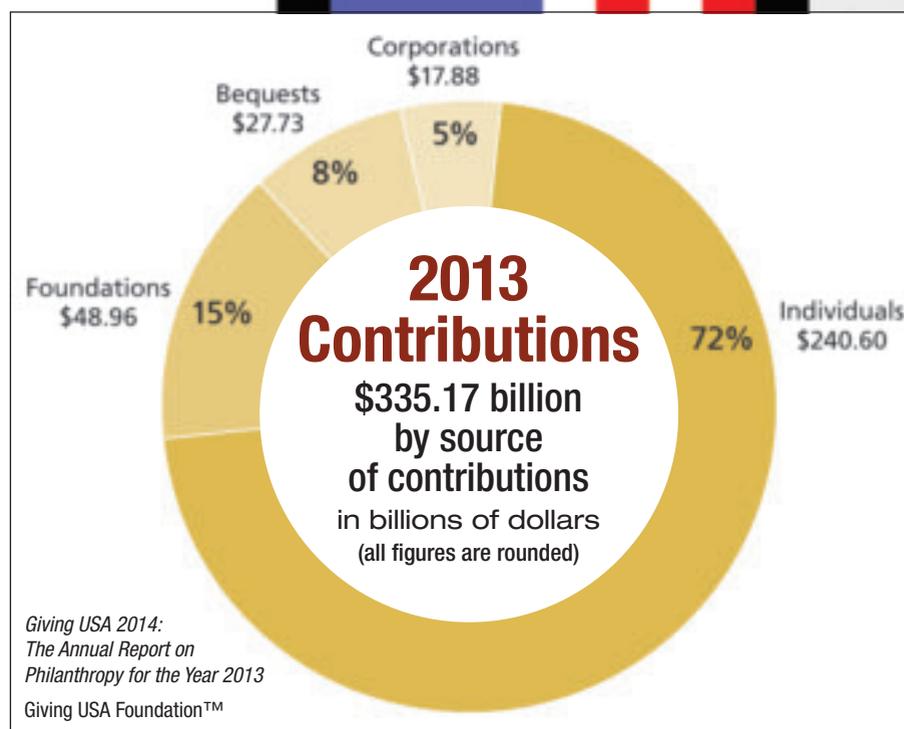
It's important for nonprofit boards to understand where giving really comes from: individuals. "It's easy for a board to get distracted by things like corporate and foundation giving and not really understand the day-in, day-out fundraising that needs to happen with individuals," said L. Gregg Carlson, chair of the Giving USA Foundation and president of Henderson, Nev.-based Carlson Fund Raising. Between individual giving, accounting for 72 percent of the overall pie, and another 8 percent from bequests and half of the 15 percent from foundations coming via family foundations, individuals really are the source of 87.5 percent of overall giving.

"I'm always intrigued by how much time a board spends strategizing a foundation grant request versus who they're going to visit and ask for a major gift," he said.

Five subsectors have reached or surpassed all-time high giving levels, in inflation-adjusted dollars, since the recession officially ended in mid-2009:

- Education, \$52.07 billion, up 8.9 percent / 7.4 percent after inflation;
- Human services, \$41.51 billion, up 2.2 percent / 0.7 percent after inflation;
- Health, \$31.86 billion, up 6 percent / 4.5 percent after inflation;
- Foundations, \$35.74 billion, down 15.5 percent / 16.7 percent after inflation;
- Environmental/animal, \$9.72 billion, up 6.7 percent / 8 percent after inflation.

If the pace continues, the arts, culture and humanities subsector could be the next category that reaches pre-recession



If it takes another year or two to get back to where we were before the recession, you're basically at eight years; not a complete decade but pretty close. --Patrick M. Rooney of the Lilly Family School of Philanthropy

levels, Carlson said. There was some reprioritizing of charitable giving to human services organizations that met basic needs in the midst of the recession. "The opera didn't need their gift that

year, the soup kitchen did," Carlson said, which would explain the big jumps for human services charities in 2009 and 2010 when arts groups took a hit.

"Part of it is, both the economic rebound and the fact that some donors during the recession and immediately after rebalanced their philanthropic portfolio, giving more to house the homeless or feed the hungry. Now we're far enough into the recovery, many donors have returned to status quo, so to speak, and we've seen nice bounces in education and giving to the arts that

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The **HEART** of a successful nonprofit campaign



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American Forests
4,000 Active Donors

American Heart Association
1,357,000 Active Donors

American Indian College Fund
18,000 Total Universe

American Printing House for the Blind
12,000 Active Donors (exchange only)

Arthritis Foundation
327,000 Active Donors

Boys Town
1,176,000 Active Donors

Catholic Donors Helping the Poor and Abandoned of the World - Trinity Missions
216,000 Active Donors

Cheyenne River Indian Outreach Masterfile
78,000 Active Donors

Church of St. John the Baptist
18,000 Total File

Citizens Utility Board
50,000 Active Donors (exchange only)

Common Cause
41,000 Active Donors

Covenant House
565,000 Active Donors

Debbie Wasserman Schultz for Congress
12,000 Active Donors

Disabled American Veterans
4,446,000 Active Donors

Feed the Children
651,000 Active Donors (exchange only)

Friends of the High Line
6,000 Active Donors (exchange only)

Graymoor Franciscan Friars of the Atonement
487,000 Active Donors

Guideposts Corporate Masterfile
1,731,000 Subscribers/Buyers/Donors

Guideposts Foundation Donors
431,000 Active Donors

International Animal Rescue
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Lady Bird Johnson Wildflower Center
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League of Women Voters
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Make-A-Wish Foundation of America
317,000 Active Donors

March of Dimes
1,530,000 Active Donors

The Marist Brothers
47,000 Active Donors

Memorial Sloan Kettering
824,000 Active Donors

Mercy Home for Boys and Girls
223,000 Active Donors

Muscular Dystrophy Association *NEW!*
471,000 Active Donors

National Audubon Society
252,000 Members

National Committee to Preserve Social Security & Medicare
942,000 Members/Donors

National Organization for Women
43,000 Active Donors

New York Public Television Donor DB
128,000 Active Donors

Our Lady of Victory Homes of Charity
29,000 Last 12 Month \$5-\$49.99 Donors (exchange only)

Rock the Vote
841,000 Active Members

Sacred Heart League
786,000 Active Donors

Shrine of St. Pio of Pietrelcina at the Church of St. John the Baptist
41,000 Active Donors

Smile Train
332,000 Active Donors

St. Labre Indian School
725,000 Total Universe

St. Joseph's Indian School
1,287,000 Active Donors

Susan G. Komen for the Cure
448,000 Active Donors

Texas Children's Hospital
59,000 Active Donors

The Province of St. Mary of the Capuchin Order
251,000 Active Donors

Thirteen WNET
114,000 Active Donors

United Spinal Association
225,000 Active Donors

United States Golf Association
709,000 Members

United States Holocaust Memorial Museum
63,000 Active Donors

U.S. Olympic Committee
526,000 Active Donors

VetsFirst
168,000 Last 12 Month Donors

WFMT Chicago
19,000 Members

Wildlife Forever
9,000 Last 12 Month Contributors

WTTW Chicago
121,000 Members

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had taken bigger hits during the recession," Rooney said.

Total giving was lifted by several very large gifts by individuals, couples and estates during 2013. Education benefits a lot from the recovery, Rooney said, especially when the stock market seems to go up. Large gifts and mega-gifts often go to higher education but K-12 education also did better, he added.

Giving to public-society benefit organizations increased 8.5 percent to \$23.89 billion, or 7 percent when adjusted for inflation. Giving to individuals was estimated to have risen 1.4 percent, to \$3.7 billion.

Giving to religion again was the largest by total at \$105.53 billion (31 percent of giving) but was flat or down for the fifth consecutive year, declining 0.2 percent, 1.6 percent when adjusted for inflation. The international affairs category was the only other subsector to fall, down 6.7 percent or 8 percent inflation-adjusted, to \$14.93 billion (4 percent of giving).

There's a strong correlation between giving in general and attendance at houses of worship. "People who actively practice faith are more generous toward human services and the charitable type of service. It could speak to why neither human service and religion are growing that rapidly," Irv Katz, president of the National Human Services Assembly in Washington, D.C., said.

"If you're a religious fundraiser, there's a lot to think about here. Not only is this a recent, last couple years' phenomenon, but clearly a longer-term phenomenon," Rooney said. "If you're thinking about starting a major capital campaign for a new church, synagogue or mosque, think about that carefully," he said.

Going back to 2000, the total giving to religion, in inflation-adjusted dollars, has remained relatively unchanged, up just 1.3 percent during those 14 years, to \$105 billion. There were peaks, such as the record \$110 billion in 2007 but also valleys and flat years. Over the same period, giving to education has grown by a third, an average of almost 2.4 percent annually, from \$39 billion to \$52 billion.

Last year's initial overall estimates were revised 1.5 percent higher, from an

original \$316.23 billion to \$321 billion. Adjustments showed somewhat higher growth of about 5.4 percent in 2012 giving. Originally, estimates showed a 3.5-percent increase in giving, 1.5 percent inflation-adjusted.

Most of the difference was attributed to a change in estimated bequest giving. Bequests can be driven by mega-gifts as well as a stock values, Rooney said. Stocks didn't change the portion of an estate but the values of stocks and corporations all fell dramatically in 2008 and 2009, and now bequests are back to where they were before the Great Recession.

Among sources of giving, only corporate funding declined last year, down 1.9 percent or 3.2 percent inflation-adjusted, to \$17.88 billion, after a year in which it was up almost 15 percent. Giving by foundations makes up the second largest portion, at \$48.96 billion, or 15 percent, and increased 5.7 percent last year, 4.2 percent when adjusted for inflation.

Giving via bequests was up 8.7 percent, 7.2 percent adjusted for inflation, to \$27.73 billion.

The clearest message in the numbers for John Lippincott is perseverance. "The fact that institutions that kept the faith during the recession are now seeing the rewards for that, that for me is the real takeaway and a real important message," said Lippincott, the president and CEO of the Council for Aid and Support to Education (CASE).

"Education was very persistent during the recession, in terms of maintaining relationships with donors, even during a period of time when those donors were not in a position to make a gift, or the same gift as in the past," Lippincott said.

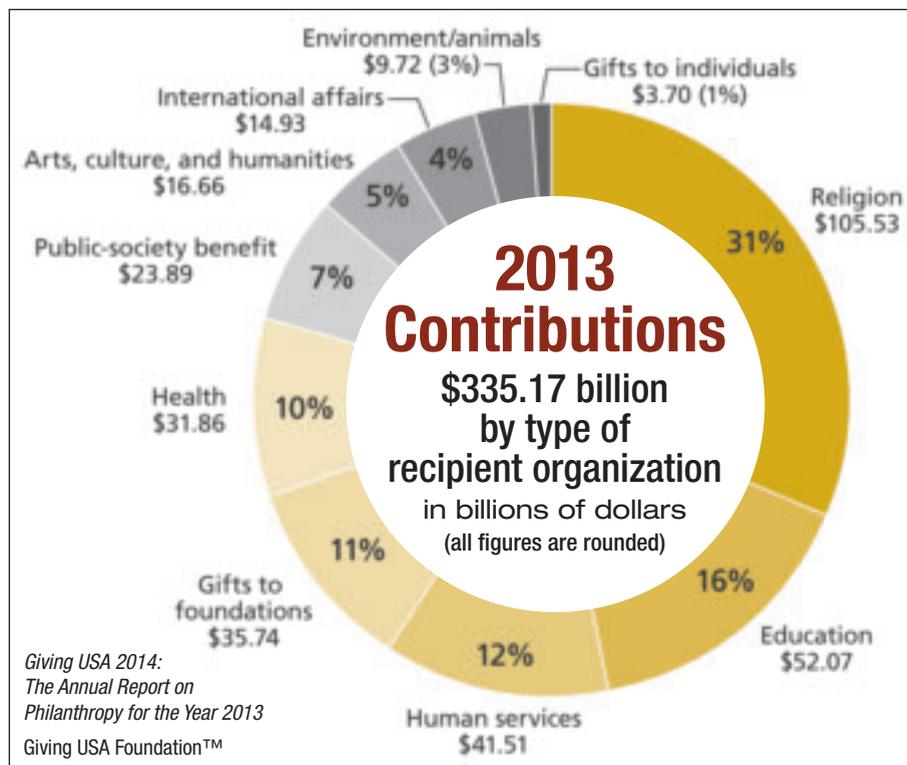
The University of Louisville started a \$1-billion campaign in January 2007, just before the recession began. "In the early days, the economy was a challenge," said A. Keith Inman, vice president for university advancement. "There was a time during the campaign that people still wanted to make gifts but the vehicle changed, from stocks, bonds or cash to planned gifts," he said.

Flat was the new up and the campaign was indeed flat. It generated \$105 million in 2008 and 2009 before steadily rising, to \$145 million in 2012 and \$162 million last year. Louisville was on pace to raise \$230 million by the close of the fiscal year June 30.

Louisville's last campaign during the

“People who actively practice faith are more generous toward human services and the charitable type of service. It could speak to why neither human service and religion are growing that rapidly.”

—Irv Katz of the National Human Services Assembly in Washington, D.C.



mid-1990s raised more than \$300 million. "If you're going to get serious about philanthropy, you need to draw a line in the sand and surpass it. What we've done, it shows it can be done," Inman said.

There were 186 gifts of seven figures or greater and more than 76,000 donors. Of those, Inman said 63,000 were for academics and 19,000 for athletics, while 6,500 gave to both. It doesn't hurt that Louisville's men's basketball team has been a perennial power, winning the national title last year while its football team won the Sugar Bowl. Success like that, and the media attention that comes with it, helps start the conversation with an alumni base of 130,000, he said.

Inman credits the introduction of metrics and measurement tools for some of the success of the campaign. "We measure everything. Before I got here, I'm not sure fundraisers had a goal...Major gift officers who were acting like annual fund officers. We really got organized and put metrics behind it," he said.

"We're certainly using our data to understand who our donors were and who our prospects were," he said, as opposed to handing a new hire a phone book and wishing them luck.

Consolidated revenue for the Washington, D.C.-based Melanoma Research Foundation (MRF) was up from \$5.37 million to \$6.45 million -- about 20 per-

cent. That pattern has held during the past five years, according to Executive Director Tim Turnham, due to a mix of grassroots support, special events and corporate support.

The same principles have applied that helped during the recession, such as "providing strong relationships, providing value back to that group, articulating a clear vision of where we're headed, and asking them to invest," he said.

A major website redesign last year enabled more people to engage with the organization online. Turnham said donations are definitely shifting more and more online, with about half of its website visitors being from mobile devices.

Pittsburgh, Pa.-based Achieva, formerly Arc Allegheny, is near the \$8-million goal for an 18-month capital campaign to expand programs and facilities. Vice President of Advancement Dave Tinker, CFRE, said the organization had an increase of about 13 percent for operating support, with some of that attributable to the capital campaign and more foundation grants. "We've done even more communications with prospects and donors, focused on sharing our story a little more," he said. Achieva is at or ahead of last year's pace so far, Tinker said, due to a very successful black tie auction dinner in the spring and higher than projected participants for an August golf outing.

Changes in wealth are the single biggest predictor among people who itemize their taxes, according to Rooney. When the market goes up, gifts of appreciated assets probably increase, and on the surface there's probably some considerable increase in donations of appreciated stock. For many households donors just feel wealthier, even if they're not liquidating assets. They might give more of their income.

The Metropolitan Museum of Art in New York City saw a gold rush in the value

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of donated stock in 2013. The museum, which typically has annual revenue of \$400 million or more, received noncash contributions of \$37.1 million in publicly traded securities last year, according to its tax forms. That's \$10 million more than the \$27.2 million it received in the previous four years combined.

The United Way of Greater Cincinnati saw its annual campaign increase about 1 percent last year, with a key driver being larger individual gifts, according to Chris Martin, vice president of development. The agency attracted several members to new giving societies that called for multi-year gifts of \$250,000 or \$500,000, in addition to significant growth in the number of new members of its Tocqueville Society (\$10,000+ gifts). "Those larger gifts have helped carry us," Martin said.

"People are feeling wealthier. It's a far cry from the conversations we were having in 2008. People were scared. People saw a big chunk of their net-worth evaporate. It was on paper but people were much closer to the vest -- not that they're not now -- but they're willing to have conversations to explore opportunities," Martin said.

And, 2013 was another good year for



donor-advised funds. Schwab Charitable reported revenues of \$722 million in 2012 compared with \$1.88 billion for the fiscal year ending June 2013.

Because of the fiscal cliff, 2012 was "a pretty extraordinary year," said Kim Laughton, president and CEO of Schwab Charitable. With potential changes to tax policy, people did a lot of estate planning at the end of 2012 to reduce their estate and taking gains prior to the implementation of new, higher taxes. "When you have a strong stock market, people have long-term appreciated assets to give," she said.

Education was very persistent during the recession, in terms of maintaining relationship with donors, even during a period of time when those donors were not in a position to make a gift, or the same gift as in the past.

--John Lippincott of the Council for Aid and Support to Education (CASE)

Rooney said Giving USA has discussed the possibility of breaking out data specifically for donor-advised funds (DAFs), which are currently included in the public-society benefit category, along with all federal campaigns, like United Ways and Jewish federations. "It's a larger share of public-society benefit obviously, but it's not driving the entire phenomenon," he said, adding that DAFs account for about 5 percent or less of all giving, according to the National Philanthropic Trust.

BUT WAIT ...

It wasn't all good news coming out of the newest estimates. Some observers have their concerns. For Lippincott, the challenge is the "increasing economic

stratification" among donors that's mirrored in general society. For example, alumni giving continues to increase, but participation has declined. So, the same number or fewer alumni are giving more. Likewise, charities in general are raising money from a shrinking donor universe.

Student debt also plays into the scenario as those graduating owing significant sums are going to inevitably be less inclined to make even modest contributions, Lippincott said. "If that habit or tradition of giving is not established early, it's hard to recapture it later," he said.

Lippincott estimated that 96 percent of the campaign funds will come from 1 percent of donors. "Great credit to that 1 percent of donors who are making that

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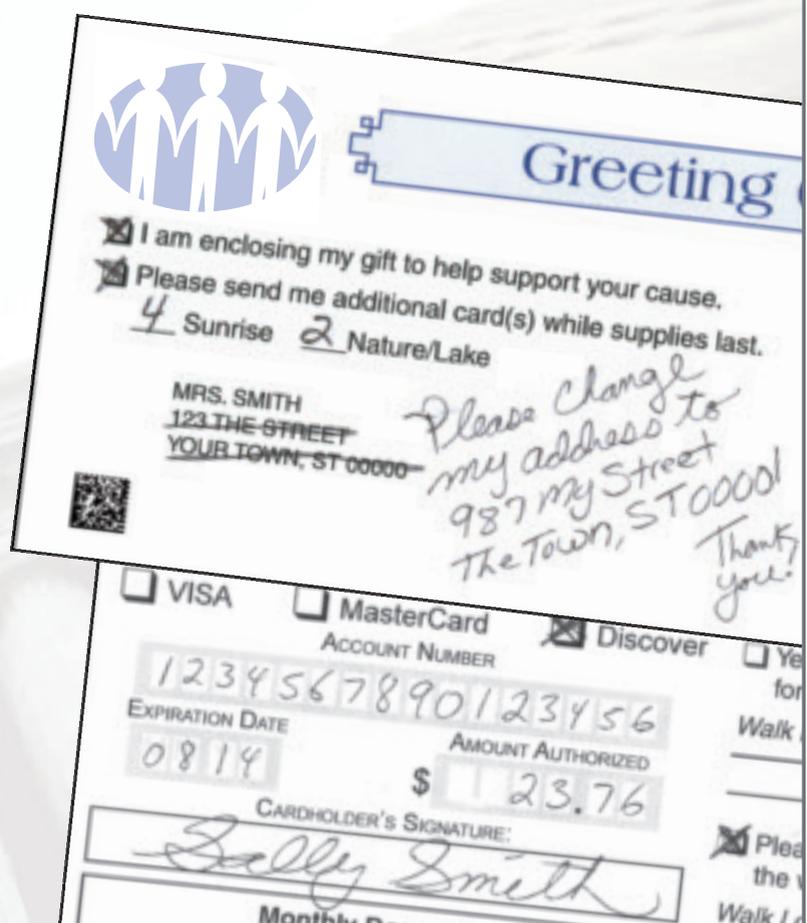
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Marketing An 'A-Ha' Moment

Learning by failing can appeal to donors

BY PATRICK SULLIVAN

Katie Bisbee, chief marketing officer for DonorsChoose.org in New York City, had to learn the hard way that “admitting failure and apologizing ends up engaging donors in a deeper way,” she said.

DonorsChoose.org usually sends a thank-you package of notes to donors from students benefiting from classroom projects that the donor funded. “Occasionally we fail to deliver the package,” said Bisbee. “When we fail, we send them a (DonorsChoose.org) gift card and explain what happened, and we let them come back and choose another project.”

The organization tested the gift card package plus an upbeat apology against a “dramatic” apology. Donors responded equally well to both packages, but 50 percent of those receiving a gift card made another donation. “Gratitude and thanking donors is so key,” said Bisbee. “It sounds so obvious, but I see a lot of nonprofits not doing that. That’s a really obvious ‘aha!’ that might not be so obvious.”

Bisbee said that failing is one of the best ways to learn something. Managers at DonorsChoose.org “wanted to be the first nonprofit to figure out online ads,” she said. A digital marketing expert was hired and “tried every digital advertising channel that for-profits drive a ton of revenue with,” said Bisbee.

The results were less than stellar 18 months later. “The best we got in per-donor acquisition was \$300,” she said. DonorsChoose.org leaders learned that not every strategy that works in the for-profit realm will work for nonprofits, and sometimes you need to cut your losses.

Many marketers report that their professional educations have been more of a gradual ramp-up than a series of great leaps forward. However, those leaps do happen, and they can elevate a savvy marketer’s business practice if the person is

ready to capitalize on the knowledge.

Tom Harrison, chairman of agency Russ Reid, headquartered in Pasadena, Calif., agreed with Bisbee’s sentiment that failures are valuable teaching moments. “I think we can learn along the way and have ‘aha!’ moments, but we also learn from our failures,” he said.

One of Harrison’s epiphanies came after a few years in direct response. Harrison entered the direct response industry after 10 years in public relations, an industry that he said places a high premium on intuition. “We were doing acquisition for a client, and we created a



As marketers, we’re definitely in the age of personalization.

--Katie Bisbee

new package to test against a control,” he said. “I thought it was so much better. The client thought it was so much better.” The client wanted to roll it out before testing, but Harrison ran the test anyway. “The new package didn’t work at all,” he said. “This is why you never go with your gut.”

Harrison said he loves direct re-

sponse because everything is testable. “Whenever something is testable, I’m compulsive about wanting to test it,” he said. “When it’s not, I revert back to taking the information available and making the best decision.” In direct response, “We can find out what the truth is and then we can roll it out,” said Harrison. “One of the things that’s most frustrating to nonprofit organizations is they’re often angry at donors because they give to the ‘wrong’ things. The donor wants a simple problem and a simple solution, and the marketers ask rhetorically, ‘What’s wrong with them?’”

That led to Harrison’s second “Eureka!” Keep it simple. You need tangible, urgent offers in the context of the big picture, he said. But if you focus solely on the big picture, your offer won’t work. Context and focus are key.

He used the example of a homeless shelter that provides a safe place to sleep, feeds the homeless, gives them clothes and helps them get a job or a general equivalency diploma. “You can write a direct mail piece on any of these things,” said Harrison. “One that works is, \$1.79



In years past, the website was designed as a one-way conversation.

--Christy Moore

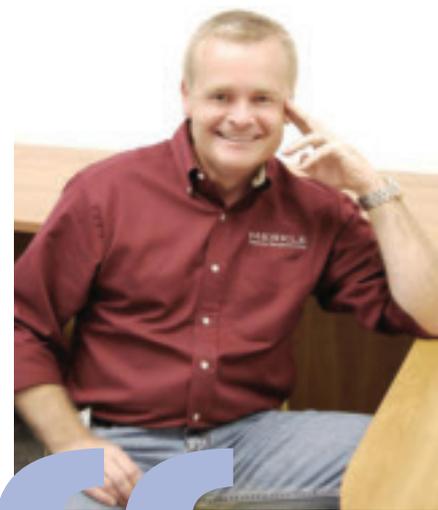
feeds one person. If you talk about any other program, enough (prospects) won’t give to justify the expense. You have to distill it; of all of those things, here’s how to make it simple.”

WHEN LESS IS MORE

Simplifying its website allowed marketers at Heifer International in Little Rock, Ark., to better converse with donors while increasing conversions, said Christy Moore, vice president of marketing. She realized that donors wanted to converse, not be talked at by the organization. “In years past, the website was designed as a one-way conversation,” she said. “It was all about donating. We decided to reduce the number of ways to

donate and develop a story arc that takes the donor on a journey, ending with the opportunity to donate, not beginning with the donation.”

The website placed an increased emphasis on photos, videos and stories to foster more of a connection between donors and the recipients of Heifer’s aid. Moore said since the new website launched in September 2013, “we’ve received positive feedback from donors and have seen our conversion rate up by 7 percent.”



The ‘aha’ moment was realizing what a burden it was on nonprofit staff to have to deal with that type of work. That allowed me to think outside the box. --Bill Sayre

It’s easy to get caught up in his clients’ enthusiasm and passion, said Harrison. “But a donor has a matter of seconds to glance at a direct response piece, understand the problem, understand the solution and decide whether it’s important to give,” he said. “Major donors and foundations give because they take the time to investigate. With normal donors, we have a few seconds. If we (the agency) investigate, we can drink the Kool-Aid too.”

Sometimes drinking the brew can help an “aha!” moment to coalesce. Melinda Halpert, vice president of marketing at First Book in Washington, D.C., recalled a visit she made to the field. “Because we’re not a direct service nonprofit we don’t always interact with the kids and teachers who are getting our books,” she said. She was reading to kids from a high poverty area, and one boy wanted her to read the book again. The boy was stunned and delighted when he found out each child would get a copy of the book to keep.

“It hit me hard because it helped me appreciate the vividness of the need,” said Halpert. Now, “When we’re looking

at social media or email analytics, it's easy to remember why we're doing the work."

Bill Sayre, president of Merkle: Response Management Group in Hagerstown, Md., won't take a sip, but he does listen to his clients. When more than one said they had trouble with processing certain types of donations, Sayre had an epiphany. "My 'aha' is really impacting how I interact with clients, from a standpoint of really listening to what their needs were and their points of pain versus approaching them with a solution already in hand," he said.

Merkle RMG processes most donations for its clients, but until six years ago it would return back some of the revenue to the nonprofit in the form of donations made in honor of someone or matching gift donations. "The 'aha' moment was realizing what a burden it was on nonprofit staff to have to deal with that type of work," said Sayre. "That allowed me to think outside the box." Sayre created an Exceptions Services Group to handle those sensitive types of donations. "It's a differentiator for us," he said.

Listening to constituents led to another of Bisbee's marketing epiphanies at DonorsChoose.org. "Until two years ago, I felt uncomfortable with teachers fundraising for their classrooms," she said. "Teachers are our beneficiaries. I

didn't think it was their job. We wanted to do it for them."

DonorsChoose.org added functionality for teacher crowdfunding, and Bisbee said approximately 40 percent of teachers using the site have opted to take advantage. "We decided we would never force or push teachers to fundraise, but decided to give them the tools to empower them," she said. "Why not empower people to fundraise on your behalf? We were running our organization for 11 or 12 years before we realized we should be giving teachers the tools."

First Book regularly surveys its constituents, and the results are often enlightening, said Halpert. Something that surprised her was that kids and educators were looking for more digital content. Halpert didn't think most of the children served by her organization had the technology to consume digital content. "We don't want to see kids stranded on the digital divide," said Halpert.

She was also surprised the first time answers came back that said First Book's network members were looking for more diversity in children's books. From those conversations, the organization's staff created the Stories For All project, which seeks to obtain more books featuring characters of color.

First Book purchased \$1 million worth of books featuring characters

more representative of its end users. "We can directly serve kids like the one who was so excited," said Halpert. "Stories For All is a big one because it's identifying a huge need, and it allowed us to go to the publishing industry and tell them there's a vibrant market for this."

Personalization, said Bisbee, is disrupting traditional marketing. Approximately three years ago, DonorsChoose.org emails began to resonate less with recipients. Open and click-through rates were down. "The way we tackled that problem was adding major personalization," she said.

DonorsChoose.org used to run generic back-to-school campaigns. "People come to us because they can choose the exact project to fund," said Bisbee. "That's why they care, because they're in control of their money. So why are we sending out a generic campaign?" The organization changed its messaging to encourage donors to give in their own postal ZIP codes or classrooms for specific projects based on what a donor has previously funded. "As marketers, we're definitely in the age of personalization," said Bisbee. *NPT*



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SHOCK AND AWE

Continued from page 1

they can get people do something once they've captured their attention. At the end of the video, viewers had three options: share the video, go to Save the Children's website or make a donation.

The overall goal was to get people's attention and provoke a conversation, measuring in three ways: the number of views, the ratio of positive to negative sentiments (likes/dislikes), and the number of comments per 100,000 views. It's the most viewed video that Save the Children has hosted in the U.S. and second all time for all national members of Save the Children. It exceeded the goal of 80 percent positive sentiment ratio as well as the target ratio of volume of comments per view on YouTube and third-party sites, like Facebook, BuzzFeed and Upworthy.

Some people internally didn't like it, according to Miles, but not to the point where it would be damaging to the organization or the cause. "Honestly, when you take a chance – and this was definitely a chance – you have to be ready for some people to not like something," she said.

What made the "sexy" campaign work was the reaction of the models. "It's their true actual reactions. You can't get genuine reactions in a script. The reason it worked was that the models didn't know what it was for when they came," Miles said.

Josh Ruben and Vince Peone of CollegeHumor.com directed the video, their first collaboration with Save the Children. The two met a representative from Save the Children during the 2013 South By Southwest festival in Austin, Texas.

"This one had to be the good one, better than anything we've done," said Peone, especially because Save the Children's last video "really raised the bar," launching on the three-year anniversary of the Syrian crisis in March and quickly garnering 30 million views. The two filmmakers hope to continue to garner more views of the video. "We know that 50 million people care about some of the crass, crappy comedy we've made," said Ruben.

The directors, as well as the production company, Big Block Live, worked pro bono but the actors were paid to keep up the ruse. After the fact, though, Peone said they received calls from the models wanting to donate their paychecks.

"We wanted to present it to the audience as the model experienced it, like a shocking reveal. The visceral, human emotions, and their responses were relatable. That discomfort, sometimes people don't want to see hard-hitting facts on the Internet," said Peone. "The best videos make people feel things, not necessarily make them feel great. You have to make them feel something," said Peone.

"For something to really hit you, they have to make you feel something. The best videos hit like a sledgehammer," said Ruben. Make people feel something in order for them to share it.

Peggy Conlon, president and CEO of The Ad Council in New York City, doesn't think charities risk losing people through "edgy" public service announcements (PSAs) and campaigns because they've already committed to the organization. "Whatever the issue is, people who are already stepping up, donating, volunteering, are not going to be turned off," she said.

"Usually when people understand the mission of an organization, through those kinds of social campaigns, it has a positive impact on their fundraising. People tend to give money to organizations that they understand and value," Conlon said, describing it as a borrowed effect, or lift.

Nonprofits should aim for what Conlon describes as the "trifecta" of raising awareness among people, raising their trust and developing the willingness to donate.

To have the biggest impact and have a campaign sur-

vive over time, Conlon said, "You really need to surround that idea with all the executions that you can possibly think of, across all the media platforms. If it's a great piece of video, you want to get it not just online but on air, on phones, outdoor billboards."

Anti-smoking and tobacco campaigns are most likely to be found going for the "shock factor" in their ads, according to Conlon. There are personal barriers people put up for excuses and reasons they smoke, she said, that requires extreme measures, making for PSAs that have featured a man talking with a hole in his throat or a woman who's lost her fingers.



When Nurture Calls features posters of young mothers breastfeeding in bathroom stalls, with headlines like: "Bon appétit," "Private dining," and "Table for two." A paragraph explaining the campaign follows, with the opening, "Would you eat here?"

The reason some anti-smoking ads are able to go as far as they do is because they are paid ads rather than donated PSAs. "I don't think they would get that much exposure if they were donated media," Conlon said, because it makes television stations uncomfortable. "That's the balance that media companies have to make: take revenue and risk losing the viewer. Some do it for the right reason," she said.

One recent anti-smoking campaign was criticized but not because the video was disturbing. In the ad, a mother is separated from her child at a train station and when the boy realizes he can't find his mother, begins crying. The ad was meant to convey what it's like if a parent was to die from smoking-related illness and not be there for their child. The ad, however, used a real child as opposed to an actor, leading some to say that it was

unnecessarily cruel to put him through that trauma.

When Nurture Calls features posters of young mothers breastfeeding in bathroom stalls, with headlines like: "Bon appétit," "Private dining," and "Table for two." A paragraph explaining the campaign follows, with the opening, "Would you eat here?"

When Nurture Calls riled up some users of social media, with complaints ranging from breastfeeding in public to simply the ages of the women featured in the campaign, who were actual mothers and not actors, garnering media attention from the *Daily News* and other outlets.

One of the women featured in the ads chimed in on the social media conversation via Facebook, conceding that she might be a young mother but also bemoaning the inappropriate and sexual comments received on the social network. Most comments, however, seemed to support mothers and their right to respectfully breastfeed in public.

To Conlon, enabling people to start a public dialogue via social media is fabulous. People who did the work don't really have to jump in, the community self-corrects to an extent, she said, adding that if someone says something outrageous, others jump in. "I love to watch these threads develop because it's really a community that is very engaged and not top down. It's really, what it is, is a community," Conlon said. "What social media provides is transparency, which is so valuable today," she said.

"People can comment and know that their voice is being heard in the discussion. I think that's very healthy around social issues like this," Conlon said.

The "Nurture" campaign isn't even for a particular charity or organization. It was developed by University of North Texas students Kris Haro and Johnathan Wenske as part of a class project. The website, launched in May, grew out of the project to help understand the initiative behind the campaign. Aimed to gather support for protecting a mother's right to breastfeed in public "by creating atmosphere where they feel comfortable enough to do what they do best -- nurture."

"By law, breastfeeding mothers are not protected from harassment and refusal of service in public, often forcing them to feed in secluded spaces such as public bathrooms," according to the website, which urges support for House Bill 1706. Originally introduced in 2013, but expected to be re-introduced in January, the measure would expand state provisions to legally protect women from harassment when they breastfeed in public.

The two are also developing a *Breast Friends* app, specifically for breastfeeding mothers, which allows moms to search nearby for restaurants and other places that "support breastfeeding mothers and have a friendly attitude towards it."

For nonprofit managers planning a campaign or ad, Conlon had three suggestions:

- Understand exactly who the target audience is;
- Set very measurable goals. Decide exactly what you'll be measuring that will have the biggest impact on the societal issue you're addressing; and,
- When you develop the creative, test it. Expose it to people in your target audience. "Sometimes we find that you can be too finger wagging, or too serious."

Miles imparted two lessons from Save the Children's process. "Let your team take risks and let them explore," she said. When she first saw the idea and script for the sexy campaign, Miles' first reaction was: "Yeesh, I'm not sure this is going to work." In this case, though, it was in the execution, not the scripting.

The second lesson, according to Miles: "Once you see something taking off, one of the things we did was shared it with a lot of people who could share it from there. Things do go viral on their own but you have to be sharing." **NPT**

CANNABIS

Continued from page 1

off in May with the first of three invitation-only fundraisers. The rest are scheduled for this month and next month, and the series will culminate with a concert at the Red Rocks venue in September, which CSO officials estimate will raise some \$200,000.

The fundraisers are to be intimate affairs. Each will accommodate about 275 people, with a minimum donation of \$75. CSO ensembles will be playing during the fundraisers, and the events are BYOC (bring your own cannabis).

The concert at Red Rocks (no smoking) will feature traditional classical music, said Kern. It will have cannabis industry sponsors. Red Rocks seats roughly 10,000.

"We've been working on audience growth, particularly lowering the age and increasing diversity," said Kern. "We saw the opportunity to one, raise significant amounts of funding and two, to reach into a new audience that would be different from the ordinary audience we serve."

Symphonies around the country have struggled with declining audiences recently, said Jesse Rosen, president and CEO of the League of American Orchestras in New York City. "There has been a decline in audiences for orchestras, although it has leveled somewhat," he said. According to a survey by the National Endowment for the Arts, approximately 8.8 percent of American adults attended a classical music performance in 2012, down from 9.3 percent in 2008 and 11.6 percent in 2002.

Kern said that while the orchestra thought about any perceived social stigmas about marijuana, the decision to move forward was easy. "I don't think you take a step like this without thinking



Justin Bartels, CSO principal trumpet (right) with patrons

about it," he said. "We're not endorsing marijuana use, we're accepting support from the cannabis industry, which is absolutely legit, the same as alcohol. I don't know how many states legalized medicinal marijuana; two states legalized recreational marijuana, and I don't think any performing arts organization can turn away any legitimate supporters." (It's 22 states and the District of Columbia.)

Fundraisers have to be careful when asking for donations from potential donors who have consumed marijuana. These donors should be treated with the same care as donors who have imbibed alcohol.

"The AFP Code -- and general common decency and sense -- dictates that fundraisers should not take advantage of someone who is vulnerable to impairment, whether it be from alcohol, legal marijuana or other substances," said Jay Love, chair of the Ethics Committee for the Association of Fundraising Professionals (AFP). "It's a form of exploitation, which the Code explicitly prohibits. Given the changing poli-

tics of marijuana, it's something fundraisers need to be aware of."

Requests for follow-up on the ethics of fundraising for the High Note Series were not returned by a CSO spokesperson.

The CSO has struggled in recent years with declining revenue and a recent board shakeup because of budgetary and salary issues. According to its 2012 Form 990, the orchestra had a net loss of \$788,069. The year before, revenue less expenses was a loss of \$227,143.

"The symphony about two-and-a-half years ago saw the vast bulk of community trustees leave and take their support with them," said Kern. He said the CSO is using the exodus as an opportunity "to reinvigorate (the orchestra) by extending the reach of the symphony, no longer positioning it as an elitist organization supported by few."

Classically Cannabis is just one way CSO is using unconventional audience development methods. "We've had a Comic Con series," said Kern, referring to the comic and graphic novel convention held the world over, including in Denver. "Next season we have what we're calling our (Geek Package). We'll have another Comic Con series and an Animaniacs (late-90s Warner Brothers cartoon) series. We've played with rock groups and folk singers. All of this is intended to get people familiar with the orchestra, and the hope is they'll listen to traditional classical music and find it rewarding."

According to Rosen, symphonies in cities around the country are targeting younger and more diverse audiences by modifying their programs. "Some have shorter concerts, or concerts that are priced lower to chip away at the price barrier," he said. "Some have programs

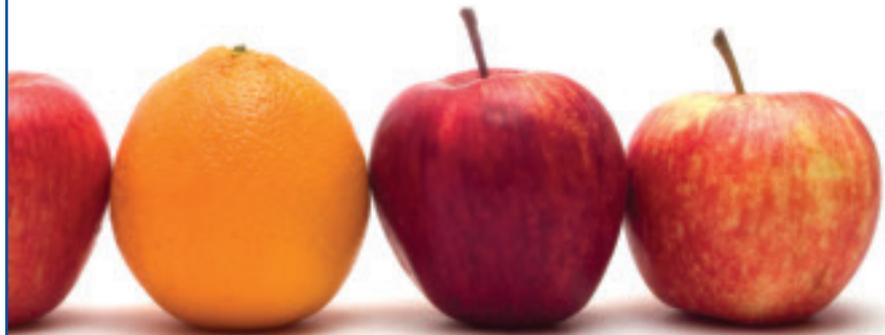
that begin at 10 p.m. and might convert into a club-like setting. There's experimentation with the concert itself: a varied repertoire, commentary from the stage, activities before and after the concert. There's lots and lots of different types of changes being tried to attract younger audiences."

Kern said the orchestra's relationships with corporate partners don't start with an ask for support. The orchestra first reaches out to provide a service. "We go out and say, 'how can we partner together, what can we do for you? Would you like music for your event? Are you interested in creating music with us?'" said Kern.

The most important aspect of audience development, said Rosen, is making any new programming organic to the symphony's community and circumstances. "There are no real cookie-cutter solutions because every community has a different demographic, different music leadership, different artistic focus," he said. "If there's one tip, it's understand your community and know your audience and prospective audience and build from there, rather than replicating a project someone did somewhere else. (The CSO) made a judgment of what that community would enjoy and would appreciate. It has to be very local."

All of these efforts are around modernizing for a changing demographic in a changing landscape. Kern said the orchestra's survival depends on it. "If you're not creative in today's environment, you're going to die. No doubt about it," he said. "If people adhere to the old model and go back to being dependent on a small number of wealthy individuals or entities, that's not a recipe for longevity." *NPT*

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Scoring Donors

Dump your weak donors to add prospects

When Nicole Gyorfí Titus, a veteran communications director, was asked to lead digital operations for ReadyforHillary, a Rosslyn, Va.-based national political action committee, she didn't hesitate to utilize a cooperative database for the PAC's direct mail fundraising efforts.

In the case of organizations preparing high-end mailings, access to more names is allowing them to score their current donors and possibly even remove them from the plan in favor of prospects with better scores.

It starts "when an organization sends their donor list to a modeler," explained Suzanne Forman, account director at Key Acquisition Partners, a firm that provides list brokerage and other services from offices in Annapolis, Md., and Naples, Fla.

"The modeler then analyzes and profiles those (donor list) records," said Forman. "Since they usually have 97 percent of the names provided, the modeler has demographic and lifestyle information on most of the records. They then look for names in their database that have the same characteristics as the organization's donors."

The modeler ranks and scores the names,

based on a variety of characteristics. "Theoretically the lower-scoring segments won't perform well," Forman said. "The organization can now drop those names and replace them with names from their co-op model which should perform significantly better. Since the output file that was provided is used as a suppression, the additional names net out nearly 100 percent."

The key differentiator between co-ops is the methodology used to create the model. Price matters as well, although industry observers said there are competitive deals that are tailored to each client.

ReadyforHillary uses Infogroup Nonprofit Solutions' Apogee co-op, according to Titus. Providers often straddle the gulf between list brokers -- who generally recommend providers to their clients -- and database cooperatives that actually crunch the numbers. The Papillion, Neb.-based business data and marketing solutions firm acts as a list broker for nonprofits and other organizations, but also maintains, mines and models its own co-op databases, according to firm President Gretchen Littlefield.

"One of the big trends is the overall growth of cooperatives," said Littlefield. "There are

many marketers who source the majority of prospects from co-ops instead of traditional response lists. That's a huge change."

The change was driven by a desire to improve response rates, or the donations collected, as well as reducing costs.

"Response rates were falling across industries. Organizations had less money to spend on direct response mailing, so they wanted an approach that would yield better results," she said. "Instead of cherry-picking from individual lists, modeling allows the marketer to mail the people who are most likely to respond, and cut the ones that won't. That alone can cut your postage and print costs by 20 percent."

Even as the use of cooperative database marketing grows, "huge technological advances" are making it even more accurate, said Bruce Demaree, vice president of cooperative data services at DonorBase. The cooperative marketing database of the Armonk, NY-based firm focuses exclusively on nonprofits and fundraisers.

"We work with more than 250 nonprofits, and our database contains more than 57 million donor records," Demaree said. A sophisticated data-mining model can sniff out new prospects

who have never before donated to a charity.

"We can also find the most productive 'warm prospects,' or people who attended fundraiser events, signed petitions, or otherwise demonstrated support for an organization other than giving a gift, that are likely to respond to a mailing," said Demaree.

The next fundraising frontier is multichannel marketing, according to Infogroup's Littlefield. "Right now, direct mail campaigns are still the major fundraising source for nonprofits, but in the near future I believe we're going to see a convergence between direct mail, online and mobile applications," she explains. "Fundraisers will be able to select and model names and deliver targeted online display advertising to individuals in coordination with direct mail. It will change the industry."

"It's still in the early stages," she noted. "But data mining, and online and offline are all converging, and big data is driving it."

She's quick to add that direct mail isn't going away. "Quite the contrary, it will be enhanced by new technologies. I'm seeing dramatic improvements in direct mail response rates. Organizations that have figured out how to optimize performance with modeling are doing well in the mail," explains Littlefield. *NPT*

Martin Daks is a freelance business writer in Bethlehem Twp., Pa., and a regular contributor to The NonProfit Times.

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Importance Of Transparency

Let the public see through you for cross-sector partnerships

The times, they seem to be a-changing for corporate social responsibility campaigns. According to the *2013 Cone Communications/Echo Global CSR Study*, a whopping 87 percent of the more than 10,000 respondents said that they make purchases based on what they know about an organization's social, environmental and cause-related engagement.

The remaining 13 were predominantly older than 55. The Old Guard is fading out, and the New Guard wants to know what your organization is doing. They're even willing to say "it's okay if a company is not perfect, as long as it is honest about its efforts."

It's interesting to see that most of these consumers don't believe that they're getting as much truth and transparency as they should be from corporations. In fact, Cone reports that 91 percent of Americans believe organizations should tell them how they are supporting causes, but many do not think they are getting sufficient information. Only 58 percent of Americans believe companies are providing enough details about their cause efforts.

Along with the rapid growth and success of cross-sector partnerships, there is an increasingly savvy and information-hungry public. It means that a mere lack of transparency can now cause suspicion or even damage to an organization's image.

The public wants to engage in causes they care about. Companies do, too, albeit for slightly different reasons. Neither wants to be involved in a campaign that has something to hide. That's why the transparency of your cross-sector partnership is crucial.

TRANSPARENCY MEANS TRUST

Transparency means telling the truth about your organization, your partnership, and your goals. It means disclosing who is benefitting from a campaign, how much they are receiving, and precisely how and when funds are being raised and disbursed.

No cross-sector partnership can truly get off the ground until each side has put all its cards on the table, stating clearly what it can provide to the campaign (staffing, financing, exposure, equipment, media contacts or other contributions) and specifically what it expects to gain from the campaign. When your potential for-profit partner sees clear, well-thought-out objectives that are beneficial to their efforts (see a full list of po-

tential nonprofit and for-profit cross-partnership benefits at bruceburtch.com), they will work hard to meet your goals.

TRANSPARENCY MEANS TRUST BY YOUR PUBLIC

Once the partnership develops an honest, solid plan, that transparency must be extended to the public to engender trust. These days, "causeless cause marketing" isn't cutting it anymore. Cone's study shows that "Securing consumers' cause-related dollars is no longer a case of simply putting a ribbon on a package or donating a portion of proceeds. In fact, the need for transparency around not only the issue but the intended impact has never been greater."

When your potential for-profit partner sees clear, well-thought-out objectives that are beneficial to their efforts, they will work hard to meet your goals.

The behavior and thinking of major demographic groups supports these findings. For example, Millennials share their lives online through social media -- and they expect this same openness from companies. Many Millennials will research a company's business practices and commitments before supporting its causes, purchasing its products or even applying for a job there.

When it comes to African Americans, "authenticity is paramount," according to Dr. Rochelle Ford, professor of communications at Howard University. "African Americans are becoming more skeptical of corporate efforts to partner with the black community." The story is similar with Hispanic Americans, who are generally more brand-loyal when a relationship is emphasized, according to the Hispanic Association on Corporate Responsibility's Carlos F. Orta: "Once we trust a company, we're going to stick by it."

The government is watching you, too. Several states

are looking closely at the issue of transparency in cause marketing practices, and some have come up with specific recommendations.

After reviewing questionnaires sent out to 150 companies, New York Attorney General Eric Schneiderman concluded "consumers do not have sufficient information to understand how their purchases will benefit a charity," and subsequently released the *Five Best Practices for Transparent Cause Marketing* for use by charities and companies.

Not coincidentally, the American Red Cross, one of the world's most trusted nonprofits, is also one of the most transparent, with specific requirements for all cause marketing donation programs: "XYZ will donate to the American Red Cross, including the amount of the donation as a flat fee (e.g. \$1 for every shirt sold) or a percentage (e.g. 25% of the retail sales price) and the time frame (e.g. from September 1, 2013 until August 31, 2014)."

This specific donation language is clear and prominently placed on all product packaging and hang tags. The public sees exactly what amount or percentage of their purchase is going to the nonprofit partner, and the timeline of the campaign. This transparency creates trust. The thread between transparency and profit is trust.

A recent post on Causecapitalism.com highlights the relationship between transparency and successful business: "By opening up internal operations, successes and failures to the public and to employees, we demonstrate transparency as a company, allowing them to trust us, to recommend us, to tell us when we err, and to choose us again."

Effective communication is the platform upon which trust and a strong relationship are built. Your communication with your cross-sector partner and your public should be open, honest, and regular. When challenges arise, address them immediately asking: "What can we do to solve this challenge in a way that will strengthen the partnership and further our goals?"

Indeed, working through such challenges with transparency will strengthen the partnership, prepare you for future challenges, and cultivate trust by the public, the crucial component to your campaign's success. *NPT*

Bruce Burtch is author of Win-Win for the Greater Good. His email is bruce@bruceburtch.com

Bells & Whistles

New tech is great, but stick mostly with tried and true

One of the biggest challenges of defining a smart digital fundraising strategy is to know where to start. The shiny new toys are abundant and tempt-

ing to chase as the digital landscape is evolving quickly.

Despite the constant game of whack-a-mole with new technologies, though, there are a lot of data and predictable

tools at our fingertips to help us prioritize what channel works for what purpose.

There's really no need to reinvent the wheel for your core digital strategy for the next five years. Focus 90 percent of

your resources on what predictably works and save 10 percent for occasional experimentation in new channels. Focus on the "main arteries" of growth, and the most predictable, proven channels for the end game you're trying to achieve.

In other words, build the list. Boring old email marketing still rules the day for predicting your future success.

It's often too late to build the list when the big moment, crisis, or opportunity comes. There have been so many missed opportunities for brands to really take off due to lack of planning and getting caught flat-footed when the moment strikes. This is driven by being too conservative and investing too heavily in the wrong channels, (i.e. hoping a *New York Times* ad will save the day and everyone will visit your website), or shutting down long-term, methodical, scalable growth programs.

Email still drives the most significant portion of online fundraising. Methodical, constant, email-based growth is the spearhead of the most successful digital and multi-channel fundraising strategies. Most nonprofits have a long way to go to maximize the potential of their email programs, and spread their resources or over-invest in less lucrative channels.

Social media, for example, is important, but only if done efficiently and at the right time, and not at the expense of more proven channels. Social media really falls into the more intangible realm of broader awareness and brand-building when you really dig into the data. Go to socialroicalculator.org for more.

Brand-building is important. Why stop there when you can brand-build and own the list? And, do you have enough long-term faith in another company hosting all of your constituents versus owning the contacts in your own email database with permission to send them email directly? Which is riskier? Own your list and have it on the servers of a trusted constituent relationship management service so your most valuable digital asset (valued roughly at \$10/email you own) is safe.

Here are some ideas for developing a focused and successful digital (and multi-channel) fundraising program.

1. Understand the size of your target market, and come up with realistic goals for gaining market share (mind share) of your key audience. At a minimum, understand how many people are in your geographic target, and then drill down on the specifics of cause, gender, and behavior.

For example, if your organization works on poverty alleviation in Africa and you're aiming to fundraise in the U.S., you should figure out what subset of the 300 million U.S. citizens would be receptive to your cause. Start by looking at your internal metrics and demographics -- who are you already capturing organically -- and then extrapolate to

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understand how big of a market remains to capture. Compare your list size and market saturation with other similar organizations that are at the top of your category. That 10-minute exercise will help you understand what success would look like. Find the marketing channels where the greatest concentration of that archetype can be recruited most efficiently.

2. Look before you leap. Study industry benchmarks to get a sense of what's in the realm of possible. (Hint: Tell your board that growing a 1 million person list with a \$20,000 budget and one intern is impossible.) The key metrics (Key Performance Indicators) to understand are average gift, conversion rates, frequency of emailing, growth rates, and percentage of revenue that are driven by email, traffic, social, mobile, etc.

3. For online acquisition, first max out your email program. Can you guess where your target donors spend most of their day, and give most frequently? It's when they're in the inbox at work. How many 40 to 70-year-old working professionals do you know spending more time on Facebook than in the inbox?

Email more than you think you need to because it's noisy out there. Ask only four times a year, and you might as well

not bother.

Building Facebook and then converting to email is generally more expensive and harder than paid acquisition from a targeted community. Flip the equation, and leverage email to conquer social. The lifetime value of an email address is worth about \$10 to an organization over four years. The return on investment (ROI) for paid acquisition can be 200

Most nonprofits have a long way to go to maximize the potential of their email programs and spread their resources or over-invest in less lucrative channels.

percent to 400 percent if best practices are followed. Social acquisition to email can be more than five times the cost, and about 10 percent as effective.

4. Leverage email as the spearhead for your multi-channel brand building and direct response. The email record is the golden ticket for appending both offline (mailing address and phones) and social data. Email acquisition versus traditional direct mail list rentals can yield about three to four times the lifetime

value because online donors will also give offline at about 10 times the rate of the older demographic of direct mail donors who give online. Payback timelines for email acquisition are now one to three years whereas breakeven on direct mail acquisition can be longer.

Plus, owning an email address is a renewable resource. A one-shot rental of a list is not as valuable, typically, in the

long-term. It's also worth noting that many nonprofits have success with email cultivation followed with telemarketing for a direct fundraising ask.

5. Find a way to integrate constituent-centered story-telling into your messaging. Talk about yourself all the time. Be wonky. Brag about your brand - at your peril. Instead, engage your grassroots base as heroes and brand advocates, and amplify your message through a word of mouth megaphone.

Ditch the time-and-resource-intensive newsletter that no one really clicks, and repackage only your most compelling content into bite-sized, single action emails. Don't send email blasts to many. Write copy that speaks to that one individual reading the email. Do you have a good story? Tell it all in a long form email sometimes. Half of your subscribers now read email on smart phones. The user experience of clicking from email to web on a smart phone stinks, so give people a compelling story to read all in the email. Inspire. Mix it up.

Advocacy campaigns as a story line are the easiest way to engage and cultivate donors. Petitions give you a forum with a built-in antagonist and give your constituents public recognition for joining your army of good people and heroes. Your brand is the mentor-guide providing an opportunity for activists to do good and feel good about doing good. Activists -- someone who has taken action on your behalf -- are often seven times more likely to donate. *NPT*

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Data Massage Therapy

The broken promise of good data on clients and donors

When asked what a nonprofit needs to be successful, managers will respond “money.” Board members will respond with “a sense of mission and goals,” while program directors will say “skilled and motivated staff.”

They are all correct. Unfortunately, they also stop short of identifying the resource that drives all others: information.

High quality and well-quantified information about needs, response, and results is the bedrock of operations. The nonprofit sector is one of the most information intensive industries. The exchange of information between and about donors, providers, and recipients drives program development and funding.

Impact and outcomes are proclaimed and investment decisions in the form of grants and gifts are made based on an organization’s ability to efficiently address problems. Unfortunately, most nonprofits do a poor job of adequately quantifying exactly what they did to produce their results. And, quite a few cannot precisely document their outcomes. There might be spreadsheets and charts.

Peeling away the top layer of the final report reveals a morass of assumptions, guesses, and enumerations of suspicious provenance. Ask to see an alternate view of the source data and you’ll get a blank stare or angry statement: “This is the data. There is no other view.”

The width and depth of data collection in most organizations is sorely lacking, the reason being no one understands how to do it better, or even that there is a problem. Funders don’t understand the full power of good source data. They suffer from a metonymic myopia wherein they conflate the report with the data. They don’t see data as a renewable resource. They trivialize or underestimate the level of commitment it takes to collect

and store data for later use.

This lack of understanding about how data works has not diminished the desire for it. Many funders create custom data collection tools that lack basic usability and the ability to share data with any other applications. These systems are difficult to use, tend to focus on a narrow cross section of services, and do not allow for the import or export of data.

A client receiving multiple services might have demographic data individually typed into each funder-mandated database, never to be seen again. The lack of any extraction tools means that no comparisons can be made. Data cannot

Many funders create custom data collection tools that lack basic usability and the ability to share data with any other applications.

be converted into information because it is too narrowly defined and separated. The common term for this is data silos.

INTEGRATION NOW

The business case for unifying data into a single analysis and reporting environment is very strong. Good data becomes good information, which in turn is used to make good decisions. The process of using data as a resource for analysis, evaluation, and planning is called Business Intelligence (BI).

BI is the measure of an organization’s ability to make fact-based decisions utilizing one or more trustworthy data sources that can be stored, transformed and consolidated in a way that makes information available when needed at the appropriate level of detail. BI is often confused with Big Data, which is internal or external data sets exhibiting two

or more of the characteristics of Velocity, Variety, and Volume.

Velocity is data that changes very quickly. Variety is very broad data in the form of lots of elements/details. Volume is sheer size of the data, usually in the millions of rows. High velocity data might be activities a child performs during a supervised visit -- hugging, smiling, or playing with toys. Variety might book titles checked out by clients of a literacy program. Volume could be millions of answers to thousands of test questions. They all share the characteristic of lots on data in very small pieces. Data sets can be internal – large sets of client data

collected over a long period, or external data that is purchased or leased from a third party such as LexisNexis.

When done well, BI makes data available to business users in a way that they can investigate and manipulate data without the need for technical help. It shortens the time between inquiry and answers.

Many vendors will say that their products are BI capable or compatible. It is unclear what that term means in the sales context. Likewise, many organizations will parade their Excel pivot tables and say that they are using BI. A look behind the curtain reveals a labor-intensive undertaking using data of questionable pedigree. It might look good, but is barely repeatable and produces suspect conclusions.

A good BI initiative starts with a commitment to data quality and the belief that all evaluation and analysis should

be based on facts and inferences drawn from original data, albeit with some repackaging to make it more understandable. If a report says that 15 clients achieved outcome X, then it should be possible to retrieve those 15 individual records and to immediately answer other questions about demographics, participation, or any other details that are routinely tracked.

It should not be a game of 20 questions to determine who collected the original information, where they stored it, and the programmatic and policy decisions they made to arrive at that number.

Note that heretofore, except for the occasional mention of Microsoft Excel, the discussion of BI has been not only platform independent but also technology independent. That is not to say that you can implement a business intelligence strategy without making technology decisions. It is just to reinforce the idea that a strong commitment to the process and adherence to good design principles generally trivializes the importance of platform.

Before committing to BI, it would be nice if an organization made a commitment to good data quality. It is even more important that an organization understands the options and opportunities created by such a commitment and that there is a clear understanding of the tools and what they can (and can’t) do.

POTENTIALS OF THE MICROSOFT BI STACK IN NONPROFITS

Before you can transform data into information you have to have to have data. There are two ways to acquire data: You can collect it yourself or you can buy it. You have to collect a little yourself no matter what. Most data collection tools are built around relational databases, and most relational databases are built

around Structured Query Language (SQL). SQL Server is a Microsoft product, but there are other SQL databases. Whether you build it yourself or buy a commercial application there is probably an SQL database storing and presenting the data.

SQL breaks a business process into entities and transactions and, when well designed, offers tremendous power and flexibility. If anyone complains to you that there are not standards in nonprofit databases, just smile and say: "I think SQL is the de facto standard." There might be some harumping in response, but no real defense. The only problem is that while good, SQL databases remove structural ambiguity from a system. If an outcome is recorded it has to be assigned to a client -- operational problems can linger.

The outcome could be assigned to the wrong client or to one of several copies of that client's record. The biggest problem with SQL is that while it is an amazingly elegant environment -- someone comfortable with basic algebra can learn the basics in a few hours -- it is not taught well in many nonprofit or even business management programs. In short, there just aren't that many people comfortable with basic algebra.

The marketplace responded by creating databases with programmed reports that address around 60 percent of the reporting need. You can use the report writing tool included with the package for the remaining 40 percent. If the application supports it, you can use a third-party query/report writing tool.

The sad part about so many report writing tools is that they are terrible. They provide even more complex, and much less standardized, proprietary reporting tools in an effort to avoid the perceived complexity of raw SQL.

The corporate world began to recognize that the very large databases they were using contained valuable information during the late 1990s. Years of data were available not just for reporting but for more sophisticated analysis. If a question could be asked with precision, the answer could be found in the source data.

With a new emphasis on analysis, the older core data collection systems gained the designation Online Transaction Processing (OLTP). Such systems are tuned to collect information about an entity quickly and to reuse that information.

Similarly, transactions between entities happen very quickly -- a customer (already in the database) is linked to a product (ditto) on a date with a price.

The immediate need of tracking sales and managing inventory is satisfied, and the near-term need to report sales by product and quarter is likewise met.

The optimization for faster transaction processing has a price. OLTP environments can slow down when dealing with extremely large data sets. While millions of records in a system are generally considered trivial, tens of millions or billions can slow things down. Combine that with the sheer number of tables in a moderately sophisticated application and the theoretical ease of analysis is overshadowed by the practical complexity of putting all of the pieces together.

WAREHOUSE TO THE RESCUE

Two related strategies emerged to address the need to work with OLTP data: Online Analytical Processing (OLAP) and data warehouses. OLAP is a way to organize data so certain elements (grantee, for example) could be compared to others (regions) quickly and without a lot of technical knowledge by the business user. An Excel pivot table is a good example of what OLAP data can look like in its final form.

A data warehouse is a repository of data from one or more (usually OLTP) data sources which presents a more integrated and unified view of things and

events than the original systems.

Data warehouses are often called the one source of the truth in an organization. They technically reside in the same SQL environment as OLTP systems, but architecturally they are quite different. First, the terminology of entity and relation is replaced with the concept of dimensions and facts.

A dimension represents a collection of business elements such as customers or stores. Everything you want to know about a dimension is stored in the table, usually spelled out. Where an OLTP table might store a lookup code -- "5" for region -- a grantee dimension would store the entire value "Midwest." While it takes more disk space to do this, disk space is cheap and saving the business user the chore of finding the lookup table and making the link is well worth the cost in disk space.

Facts are the events that occur against and between dimensions, such as purchases of products or visits to clinics. Facts can be quantified.

Data warehouses are much more than a copy of source data into an easy to use read-only reporting environment. The process of designing the dimension and fact tables involves not only an inventory of the source OLTP (and other

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Words make the difference no matter the medium

As online fundraising becomes more of a dominant medium, the cry of “Doom!” invariably attends the use of traditional media such as direct mail and space advertising.

Oh? Comparative response says otherwise. Traditional media are alive and well when their appeals are structured to mirror the basic psychology that still, in the advanced year 2014, gives them an edge for personalization. They suffer when the fingertips of semi-pros grind out apparent bulk.

Let’s take a joint cynical look at some recent mailings, not just analyzing but explaining how we either admire what they’ve done or how response could have been increased through more dynamic, more convincing, and more one-to-one use of words.

For starters, here’s envelope copy, set in a basic sans-serif typeface on a double-window envelope. It’s sent by one of the best-known family planning organizations, to an occasional but not dedicated contributor: “Annual Renewal Enclosed.” What’s your opinion of that envelope copy?

Don’t attack it because it doesn’t have even an ounce of a “Golly, Gee Wilikers, thank God it’s here!” excitement. Instead, ask your own fertile mind: If you were tasked with creating envelope copy for an organization whose goals you support in a generalized way, what might you have written here to achieve a higher percentage of openings? (We all know the drill here: Percentile response from those who don’t open the envelope is a solid zero.)

Even the ancient “Personal to” or a

handwritten anything would generate a higher percentage of opened envelopes. Inspirational copy such as “We need each other” or a recapitulation of the first sentence of the letter, “I can’t thank you enough” could do it but a split test would replace guesses with reality.

A mailing from a different leading nonprofit, this one dedicated to conserving the natural wonders of this country, has “Second Request” as its envelope copy. While some recipients might regard those two words as cold and busi-

Any reaction to an outside scrutiny should lead to self-analysis. It’s not ‘did it pull’ but ‘will minor changes result in the appeal pulling better?’

nesslike, a comparative benefit of such Spartan phrasing is the automatic guilt reaction it might stimulate among others. How many others, of the total target-group? Because danger lurks here, let’s assume they’ve tested.

Smartly, instead of launching immediately into a call for money, the letter inside that envelope opens with another guilt-generator: “Did you receive our calendar?” And, competing against 2014 parallel online appeals as direct mail should, the letter is written in first-person singular – “I” – instead of the more distant first-person plural – “We.” The response device is labeled “Acceptance,” assurance that the target-individual feels in command.

(Parenthetical thought: “You are invited to apply” is a candidate for the least-motivating invitation line of this

year or any other.)

One of the best-known nonprofits has two legends on its window envelope. The first, above the window, is naked child psychology, designed to get that envelope opened: “Make one donation to help feed a malnourished child, and we’ll never ask for another gift again!” A separate message, to the right of the window: “Multiply Your Gift 4 Times!”

Do you see any problems here? One is obvious: The two messages are out of sync with each other. Why use pitch, ad-

mitting initial caps on the second one? What else do you see? The exclamation point after the first one changes the tone from sincerity to advertising.

Another veteran user of direct mail, this one committed to pet adoption, on its envelope addressed to a non-member builds guilt by assumption, telling the recipient, “Your New Membership Card Enclosed.”

Anyone who has even a passing acquaintanceship with both the nonprofit world and printing costs isn’t surprised to see an almost identical legend on the face of an envelope from a national parks advocacy group ... and isn’t surprised that both “Cards” aren’t printed on card stock. One is a sticker and the other just a perforated section. Does reducing production cost, but disappoint-

ing those who expect something they can display, suppress response? That’s one of the reasons to test.

(Another parenthetical point: Keeping a promise within any specific communication is an absolute. Explain and justify a deliberate mismatch and you’ll avoid even a subliminal “Yeah, I thought so” reaction.)

Oh, an extra comment that’s well beyond controversial in a 2014 ambience: The well-written and emotion-generating letter for each of these two mailings begins with the obsolete greeting “Dear Friend.” Did the same freelance source create both?

This column will discuss greetings in a future issue, but how easy it is to replace “Dear Friend” with a more motivational opening. Meanwhile, start replacing “Dear Friend” (at the latest, today). Analysis and attack aren’t synonymous. Cold-blooded analysis, whose purpose is to point out creative techniques adaptable to many nonprofit mailings, may include both positive and negative comments.

Any reaction to an outside scrutiny should lead to self-analysis. It’s not “did it pull” but “will minor changes result in the appeal pulling better?” *NPT*

Herschell Gordon Lewis is a professional writer who lives in Pompano Beach, Fla. He is the author of “Hot Appeals or Burnt Offerings,” an analysis of fund raising techniques. His most recent book is his 32nd -- “Internet Marketing Tips, Tricks, and Tactics.” Among his other books are “On the Art of Writing Copy,” (fourth edition), “Creative Rules for the 21st Century,” and “How to Write Powerful Fund Raising Letters.” Web site is hershellgordonlewis.com

DATABASE

Continued from page 17

systems, but also a careful and deliberate categorization of the nonprofit itself. As much art as science, dimension modeling determines what questions can be asked and how investigations can be condensed or expanded.

Obvious nonprofit dimension includes not only the clients, but also their addresses, employers, program enrollments, and funding sources. Facts can include days spent in a program, daily attendance, test scores, pay rates, and anything else that can be counted or summed.

The thing that makes a data warehouse more powerful, and consequently complex, is the ability to incorporate data from multiple OLTP and other databases into a single reporting environment. That might mean incorporating data from a case management system with information from an HR database, allowing agencies to look not only at the intersection of clients and caseworkers, but of all staff at all locations as well.

The process of populating a data warehouse is called ETL for Extract, Transform, and Load. Microsoft's SQL Server Integration Services is a powerful ETL that many nonprofits can receive -- almost for free -- from TechSoup.org.

DRILL, BABY, DRILL

Drilling down -- exposing increasing levels of detail on a topic, and rolling up -- combining detail records into a summary, are an important part of a data warehouse. One dimension that is surprising to newcomers is time. A time dimension allows the user to roll-up or drill down according to time frames. Days, weeks, quarters, fiscal years, calendar years, school years can all be mapped to a single transaction and the resulting reports can be displayed at the appropriate level of temporal detail.

Another feature of a good data warehouse is its ability to track changes. Where an OLTP system would typically overwrite the old address when a customer moved or the last name after a marriage, the data warehouse can capture that change and use it (or suppress it as required) in reports.

A good data warehouse creates a taxonomy of dimensions and facts that facilitates inquiry into performance and trends. However, the primary output of a traditional warehouse is a tabular report, whether as a printout, HTML document, or Excel table. It provides a two-dimensional view of the data. While two-dimension reports do produce information, sometimes there is not

enough there to support decision making by staff. An OLAP database takes selected dimensions and facts from a data warehouse and aggregates them for multidimensional retrieval.

The primary product of an OLAP database is a cube, which then becomes the source for a reporting system or Excel pivot table. While an OLAP cube doesn't have to be based on a data warehouse, it is the most common practice. The primary advantages of a cube are that because data are pre-aggregated, performance is very fast. Cubes also allow for dynamic rollup and drill down on both the horizontal and vertical axis.

With a well-implemented time dimension it is possible to display client information on each row of an Excel pivot table and date information for each column. The intersection of each row and column could be the sum of sales dollars or the sum of counseling hours received. The summary level of detail for clients could be region, with the ability to click and drill down at will to the state, county, city, or even the individual client. Likewise, the columns could start at the year level and drill down (across, really) to the quarter or month level. With a little planning, it is possible to show the current period next to the prior year at the

same level of detail (year, quarter, etc).

While the OLAP cube can display quantitative information at the intersection of a row and a column, the ability to further filter data makes it multi-dimensional.

PUTTING IT OUT THERE

The technical cost of creating a data warehouse with any combination of big data or OLTP data sources is next to nothing. Servers, in the cloud or local, are cheap. The software is almost free. The problem is the lack of understanding of the power of continuous data collection and a lack of commitment to data quality.

Foundation program officers don't know or understand the analytic value of detailed transactional data, so they don't ask for it. Instead, they focus on anecdotes and call them outcomes. Worse yet is when a foundation or other funder makes its own data collection tool and using it is a condition of funding.

The solution to the problem of bad data leading to bad decisions that result in bad data is to break the cycle and make a commitment to data quality and data integration. A good BI strategy starts with developing interesting questions and devising ways to produce answers from very basic information. *NPT*



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FUNDRAISING BRIEFS

5 WAYS TO BOOST YOUR ANNUAL FUND

When you want to increase donations to your annual fund, “Your secret weapon is relationships,” said Kent Stroman. “We’re not in the transaction business.”

Stroman, a consultant with the Institute for Conversational Fundraising, along with Pamela Witter, formerly executive director of development at Houghton College in Houghton, N.Y., gave tips on increasing annual fund revenue during the Association of Fundraising Professionals 2014 International Conference on Fundraising in San Antonio, Texas.

Stroman and Witter outlined five tactics to increase revenue to your annual fund. And, said Stroman, you don’t need to be in the midst of a formal campaign to take advantage. “Everybody’s in a campaign,” he said. “You can apply some strategies we think are reserved for major campaigns every day. The key word is ‘scalable.’ Everything is applicable, regardless of your circumstances.”

First, you need to “show why,” said Stroman. Put a name and a face to your mission. It’s all about branding. “We know we’re supposed to tell a story, but until our institution went through a branding process, we didn’t realize the gravity,” said Witter. “Branding aligns image with identity. Identity is who you are, the real you. Image is how people perceive you.” When your image doesn’t line up with your identity, she said, you’ve lost the trust of your constituents and donors. Branding creates consistency.

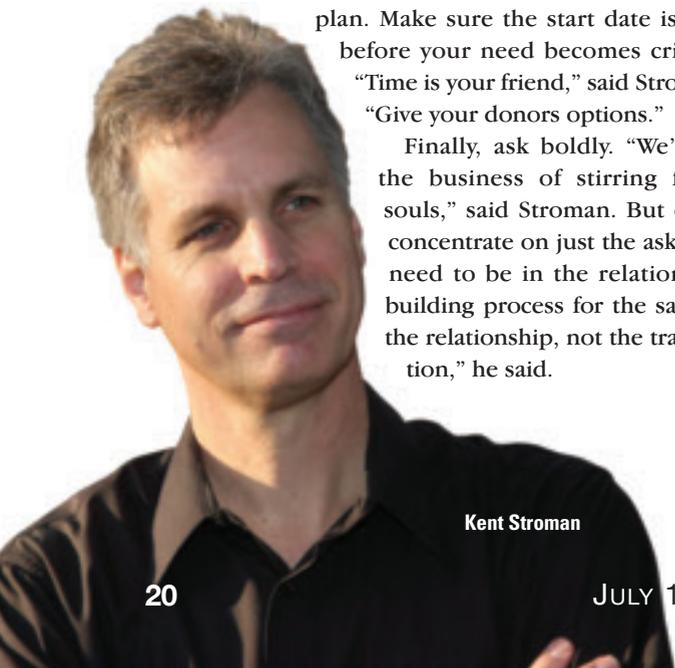
Second, it’s important to think big. “One of the biggest mistakes is we come up with a real number and then we decide we can’t get there, so we come up with an arbitrary number that’s almost there,” said Stroman. You need data to hit the number you want.

Data mining is taking a deep dive into data and looking for patterns. Once you have those patterns, set up a predictive modeling system. Witter found that once they used a predictive modeling system and gave each donor a score, her institution was able to mail less to donors who aren’t as inclined to give. “We saved thousands and fundraising continued to rise,” she said.

Third, you need to have a plan. There are eight elements to a good plan: A powerful story; a get-real budget; a calendar; scale of giving; a challenge and a sense of urgency; collateral materials; accountability for results; and, a prospect list.

The fourth element is starting early. You’ve already developed a timeline when you made your plan. Make sure the start date is well before your need becomes critical. “Time is your friend,” said Stroman. “Give your donors options.”

Finally, ask boldly. “We’re in the business of stirring folks’ souls,” said Stroman. But don’t concentrate on just the ask. “We need to be in the relationship building process for the sake of the relationship, not the transaction,” he said.



Kent Stroman



Pamela Witter



Karen Osborne

5 STYLES THAT INFLUENCE GIVING

If you want to influence someone, be they a donor, a board member or a co-worker, you need to start with style. Karen Osborne of the Osborne Group, based in Mt. Kisco, N.Y., said, “There’s a wide variety of influencing styles. It’s an art. There’s not just one way to do it.”

Osborne outlined those styles and tips for influencing during the Association of Fundraising Professionals 51st International Conference on Fundraising in San Antonio, Texas. The five influencing styles, according to Osborne, are:

- **Asserting:** Coming from a place of expertise. You’ll have data and facts to back up your points, and you’re making your arguments based on confidence. This is a good style to convince anyone who likes facts and figures.
- **Convincing:** Persuasive language, bringing someone over to your side.
- **Negotiating:** Negotiating suggests a certain amount of compromising.
- **Bridging:** Trying to find alignment and showing your subject how much you have in common.
- **Inspiring:** Inspiring is all about showing a grand vision.

“You’ve got to get good at analyzing what’s needed to get me to an inspired, joyful, generous yes,” said Osborne. “It’s about the relationship. You want them to feel good so they say yes again and again.”

Influencing means having a conversation, said Osborne. When you’re going into a conversation with a donor or a colleague, you might have a laundry list of talking points. Pick the three most salient and throw the rest out. “It is not an inquisition, it’s a conversation,” said Osborne. “But you’re going to walk away with the answers to those three questions, because you know without them you won’t know what to do next.”

Without trust, said Osborne, there is no influence. “Things go faster and you make more money,” she said. There is a difference between trusted and trustworthy. “You earn being trusted, but trustworthiness is a function of your character,” said Osborne. “You might not trust me because you don’t know me yet. Why should I put myself out there for you? Another reason, especially from the donor side: You’re not transparent.”

Osborne cited a study that showed only 10 percent of donors trust nonprofits to use their money on what is promised. “They give to us anyway because they care and they’re hoping,” she said. “Think how much more money they’d give if they were confident.” Endowment donors, she said, were a notable exception. Some 90 percent of those donors trust their money will be spent properly.

DONOR RECRUITMENT ‘LIGHTS’ THE WAY TO MORE GIFTS

Recruiting a donor is like a light switch, said Diana Ruano: Either you get someone or you don’t. Development and stewardship is more complicated. “It’s a volume dial,” she said.

Ruano, senior international consultant for Daryl Upsall Consulting International, spoke about best practices in developing donor loyalty during the recent Association of Fundraising Professionals 51st International Conference on Fundraising in San Antonio, Texas.

The first step in stewardship is actually the recruitment. “The best acquisition leads to the best retention,” said Ruano. Part of this first step is examining how the supporter has come to you. “What are we doing at that touch point to ensure that the relationship is the best?,” Ruano said to ask yourself.

A welcome call should go out to the donor no more than 72 hours after the first donation. Ruano said a welcome call could reduce attrition in the first three months. “It doesn’t matter how they’ve been recruited,” she said. “We’re talking speed in this element. It’s more important than anything else to say thank you. It’s also a great opportunity to verify information and how the person wants to be communicated with.”

After the welcome call should come a welcome letter, no more than a week after first contact. Review the grammar, personalize it and start it with an emotional letter, said Ruano. She directed the audience to sofi.org’s thank-you letter workshop.

Then, you’ll have to register the donor. It might depend on how the donor has been recruited, said Ruano, but “We need to ensure we all have a relational-based fundraising database.” It has to show communications touchpoints: how many appeals, the donor’s response to them and how they want to communicate.



Diana Ruano

“You need to be able to do something with the information from the welcome call,” said Ruano. “You need to query, analyze, segment and find out who’s attritioning and what’s not working. If you work with suppliers, your system must be compatible with the suppliers’ system so it’s uploading automatically.”

For monthly donors, a missed payment is an opportunity for stewardship. Reach out for clarification calls: why did the payment get bounced back? “Our experience is we have every type of answer,” said Ruano. The tone is important. It should be apologetic, “I’m sure it’s a logistical issue on our end.” And, Ruano said, it usually is. “The faster you do these, the better they work,” she said.

Once you’ve taken these steps, donor development can begin. Developing a relationship should be both methodical and experimental, said Ruano. It’s often easier to justify acquisition than retention because the return on investment for acquisition is shorter. But an engaged donor can add much more to your organization than one that attritions off your file after the first donation.

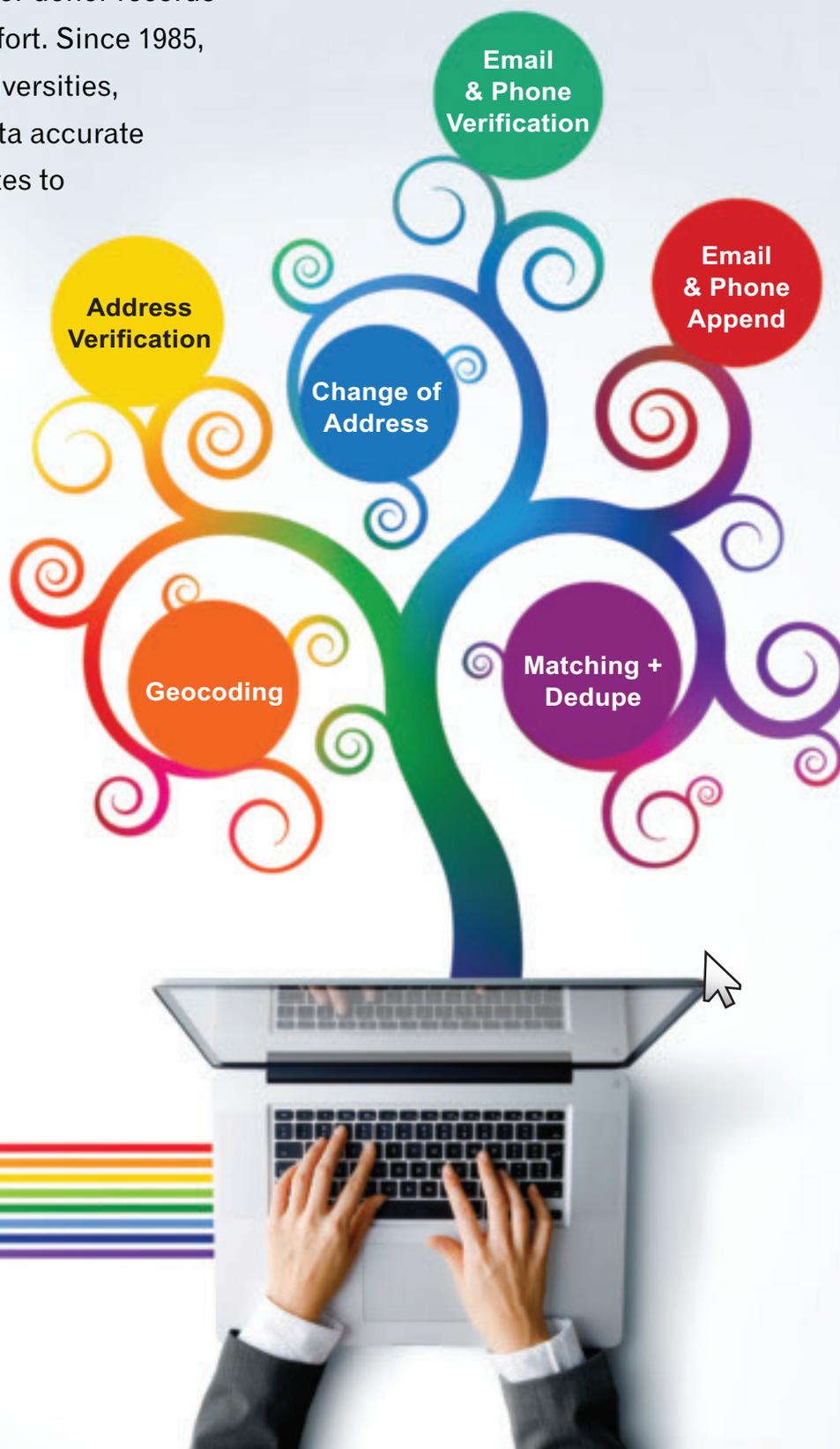
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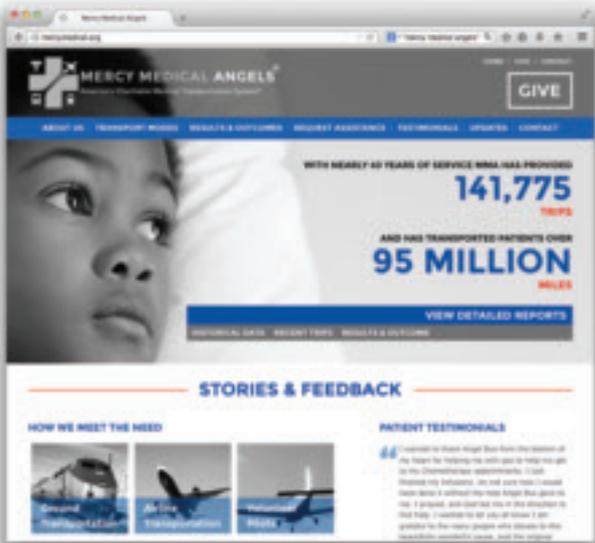
Spiffing-up the look takes more than you'd think

Mercy Medical Airlifts is now Mercy Medical Angels. The Volunteer Center of United Way is now Volunteer New York! And, the Allied Jewish Federation of Colorado just goes by JEWISHcolorado.

Nonprofits around the nation, large and small, are being rebranded to varying degrees. The South Shore Conservancy is still the South Shore Conservancy but with a new look in terms of a logo. The Hartford Foundation for Public Giving (HFPG) also goes by the same name but changed its tagline (“Together for good”) when it unveiled a new logo earlier this year.

“People have less time to think about what you do and your elevator speech is getting tighter and tighter,” said Alisa Kesten, executive director of Tarrytown, N.Y.-based Volunteer New York! “Your name becomes more important. You’re talking about a tweet, a post. You probably want your name to do and say things that it didn’t have to years ago. It’s a mistake for any organization to think that any name change is going to be the answer to all your challenges. It can help but it’s a toolkit,” she said.

Volunteer New York! has been the volunteer service bureau for Westchester County, N.Y., for more than six decades. About 30 years ago, it began doing business as the Volunteer Center of United Way. “It was confusing because we always have been two separate organizations, two boards, two budgets, but the ‘of United Way’



From Mercy Medical Airlifts to Mercy Medical Angels

was confusing,” Kesten said. “We were working within the same geographic area -- Westchester and Putnam counties -- so the confusion I think was something both organizations were happy to go along with,” she said. The previous name “not only didn’t talk about who we were, it really was misleading. This gave clarity to a lot of people,” she said.

“We wanted a name that people in the mid-Hudson Valley, no matter where, could identify with us,” Kesten said. They wanted a name that wasn’t designated to a particular county but also didn’t want something that was mid-Hudson Valley because that means different things to different people. “You don’t see that on a map of New York State,” she said.

Sarah Durham used to be careful even using the word “branding.” Some 20 years ago when she founded Big Duck, a Brooklyn, N.Y.-based communications consulting firm to nonprofits, there was a sense in the non-



From The Volunteer Center of New York to Volunteer New York!

profit sector that branding was something for-profits did – “something slick and insincere,” and nonprofits were loathe to even consider it. “Nonprofits started to understand that branding isn’t just about decorative stuff like a pretty new logo but an umbrella term about how you message, how you’re perceived, how audiences think about you, and being mindful of the way you communicate,” she said.

Since the Great Recession began in about 2008, Durham has seen a kind of urgency for nonprofits, as funding has gotten tight and competition for dollars has increased. “For many organizations, it forced them to acknowledge that they haven’t been communicating as well as they’d like,” she said.

The Great Recession might have been the catalyst for the Allied Jewish Federation of Colorado to summon the courage to change, according to President and CEO Doug Sesslerman. In the downturn, the organization saw revenues shrink between 15 and 20 percent of what they were before the recession.

“This is something we could feel coming our way. The question was to be either proactive with strategic planning or reactive,” Sesslerman said. “Generally, whether nonprofit or for-profit, you’re going to be better able to steer your company if you’re proactive rather than reactive,” he said.

The name change was just the start for what’s now JEWISHcolorado. The three-year process culminated last year, merging a federation responsible for the \$10-million annual campaign with a \$50 million endowment and melding two board of directors into one.

“To signal the change, we should be open to the idea of a new name. We always used JEWISHcolorado as our website, and in the end we concluded that name stood for everything we are,” Sesslerman said.

Most federated organizations are “seeing the writing on the wall: What got us here is not going to get us into the future,” Sesslerman said. They are challenged because “they do great work but in a somewhat ambiguous way.” As a federated, or umbrella organization, he said they’d “seen for some time that donors were less interested in our product,” and more comfortable with giving to organizations to which they could directly relate or impact -- especially younger and larger donors.

The new board was governed like a business merger, with the two boards together for the first year of the process, and both chairs serving as co-chairs.

The new by-laws call for an eventual maximum of 35 board members when historically there were more than 120. The initial board has 45 members and a committee structure that replaces the old board model. Fundraising staff also was organized into Financial Resources Development department instead of silos between planned giving, endowment and annual giving.

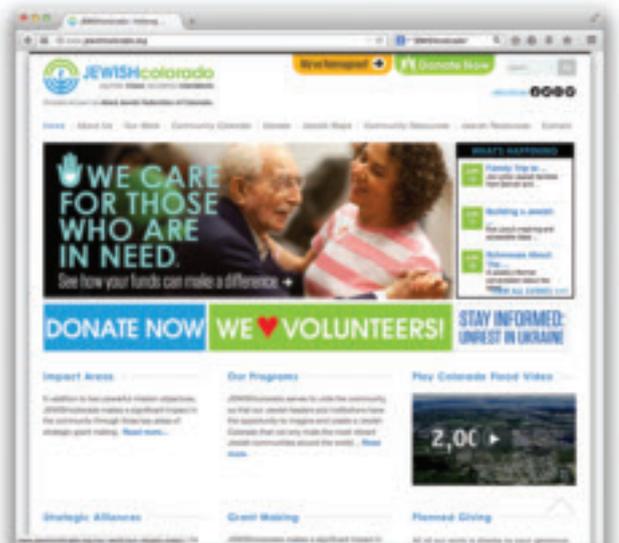
More than half of the nonprofits that Big Duck works with to rebrand are doing so after a strategic planning process during which rebranding was an objective. “Ten years ago, a strategic plan might have some fuzzy objective, like communicate better; now, more and more, it’s acknowledging that communications is critical to achieving mission,” Durham said.

Changing the name was one of four goals Volunteer New York! set during a strategic planning process to determine what the organization could do to “be relevant in the next few decades as the last six,” Kesten said. The name also serves as a call to action, in hopes of “moving the needle” when it comes to volunteering in the Empire State.

“We see a name change as just the beginning,” Kesten said, adding that the process took almost a year, unveiling the new name during National Volunteer Week in April. This is the first year of implementation of a three- to five-year plan, with specific goals going forward. “We’ve checked off some big items off our to-do list,” such as rebranding, but there’s more to do, such as diversifying revenue and attracting more support from individuals and private foundations. “We want people to think of us when they’re thinking they want to volunteer. That’s not something that happens overnight,” Kesten said.

“The most important thing is that the end goal is not a name change. That’s not where you stop and that’s not success. A name change and rebranding should be the beginning of the third quarter, if you’re a football fan. You have to keep going. That’s not going to be the magic wand to open all the doors but you do need a clear name and clear messaging, and a timetable that’s well thought-out and forward thinking is important,” she said.

The new logo and tagline for Hartford, Conn.-based HFPG is another step in a strategic plan launched three years ago that included a new mission statement. HFPG continues to be a broad-based grant maker but has



From the Allied Jewish Federation of Colorado to JEWISHcolorado

shifted to address the key issue in the region of a huge achievement gap through education. The plan will continue into 2015 when the organization will mark its 90th anniversary.

The new logo, unveiled in March, is the organization's seventh logo in almost 90 years of existence. The community foundation for Connecticut's capital city and 28 surrounding communities replaced "Here to help. Here to Stay," which had been its tagline since the late 1990s with: "Together for Good."

"The brand is more than a tagline and logo. It's how you project yourselves. It's the experience you have with folks you're working with," said Nancy Benben, vice president for communications and marketing.

The foundation is "moving in a slightly different direction than almost 20 years ago" and the new logo "reflected that energy and direction with a better sense of who we are," she said.

In anticipation of its centennial in 2016, the National Park Service and National Park Service Foundation earlier this year unveiled a new logo, as part of a campaign that will begin next year to "reintroduce" the organization and the parks to a new generation.

After 15 years, the South Shore Conservatory (SSC) scrapped a classic French horn as the focal point of its logo. The conservatory, based in Hingham and Duxbury, Mass., incorporated the reversed SSC acronym into a solid blue cube.

"Many people associate us with being only a music school. We're much more inclusive than that," President Kathy Czerny said. SSC offers an arts and literacy program for public schools, a full-day arts-integrated

kindergarten program and creative arts therapy as well as finding creative solutions for communicating with Alzheimer's patients and developmentally delayed individuals, she said.

Changes were inspired by a semester-long internship with marketing specialists from Boston University's graduate program, who observed that the "unique logos for each program detracted from the overall brand of the conservatory."

What Durham of Big Duck calls "accidental branding" is common in the nonprofit sector. When a nonprofit is founded, it's a very "reactive" process because there's no time or money. A logo is thrown together without much thought about messaging and no one's really thinking about driving perception. As charities start to reach 20 and 30 years old, Durham said they realize it's not an effective way to reach new donors or retain existing donors so they're rebranding.

Rebranding can take six months ("doable but a fast timeline") to about a year, Durham said. It can depend on how much research, how many people in the organization are participating, and how much committee work or board involvement.

After 20 years, Durham developed what she called the first real, quantitative study of the impact rebranding has on a nonprofit, in a recently released e-book called *The Rebrand Effect*. The results -- based on an online survey of several thousand nonprofits, not all clients -- indicate that a majority of those that made significant increases to brands saw a significant increase and much easier to fundraise.

"The data seem to suggest that going through a re-

branding process, or a significant change to communication, can definitely work as a fundraising strategy," Durham said. There are other variables at place too, such as strong, new leadership that saw a fundraising lift and new strategic plans. "If the right elements are in place, it really is safe to say that" rebranding can lift fundraising.

"It takes a while for nonprofits to build internal stakeholder support, and budget" for a rebrand. "The process is much like the strategic process, working on top of your regular work. It takes time to do it and do well," Durham said.

Pepsi, Coke and other huge multinational corporations spend millions more on rebranding. They change their campaigns but not the organizational underpinning. "Consistency counts, it's an asset," Durham said, not encouraging an organization to rebrand unless it has a clear strategy and knows exactly where it's trying to head.

The question Durham said she often gets is: "How do we know if we change it's going to be worth it?" Most all of the rebrands Big Duck is involved with are about communicating -- to raise more money.

JEWISHcolorado's Sesserman said the staff and volunteer leadership of a nonprofit must have the stomach for change. What he's most proud of is his board's courage, not just to realize that markets were shifting, but also to do something about it. "If the anxiety of the future is greater than the stomach pain, you can move forward. If you are pretty comfortable with the future, then the stomach challenge is greater than the anxiety into the future, then maybe stay where you are." *NPT*

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SPECIAL REPORT / GIVING USA

Continued from page 7

kind of commitment but I'm not sure we want to necessarily celebrate that trend line," where fewer donors are accounting for more of the donations, he said. There are 48 active billion-dollar campaigns by colleges and universities.

There were \$4.2 billion in mega gifts (classified as \$80 million or more by an individual or bequest) during 2013, which accounts for 1.2 percent of the overall \$335 billion donated. "While it's important for the charities receiving those gifts, I don't think that's what's driving it," Rooney said. There have been other years when it's been a bigger percentage, he added, but giving among high-net worth households is often between one-third and two-thirds of total household giving.

And while there might be more confidence in the economy and signs that it's growing, there are still large numbers of people struggling. "People don't perceive the human crisis as critical as they had at the height of the Great Recession," said Katz. The fact that many more middle-income people have sustained long-term unemployment and lower standards of living is not very visible. "A large cadre of families are continuing to endure tough economic times but

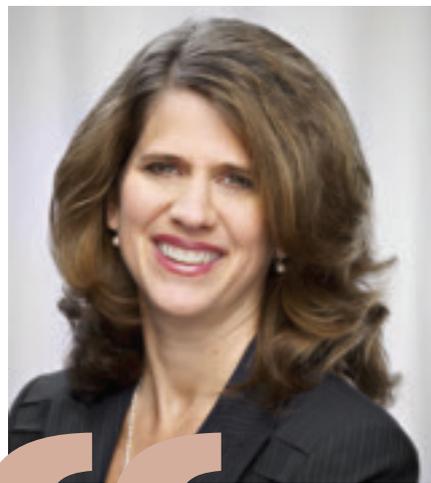
they're not visible," he said. "They are your neighbors. They may not be using the traditional relief entities like people who've been living with poverty for a long time. I think it's below the surface."

Giving as a percentage of GDP has bounced between 1.7 percent and 2.2 percent but for most years of Giving USA studies, it's been between 1.9 and 2.1 percent, Rooney said. Since the Great Recession, it's "really flatlined" at around 2 percent.

Getting past 2 percent will take a combination of things, according to Carlson, including reaching out with capital campaigns to attract mega-gifts at a higher rate and more investment in the annual fund.

Only 2.7 percent of Americans give the "Biblical tithing" level of 10 percent and less than 8 percent of Americans give 5 percent or more to religion, Rooney said. If every household in American gave up \$5 a day of "frivolous consumption" to philanthropy, he said it would double household giving overnight and probably top \$500 billion in charitable giving. Double that \$5 a day, he said, and it would triple the share of household giving going to philanthropy.

If corporations donated 2 percent instead of 1 percent, that would have a



When you have a strong stock market, people have long-term appreciated assets to give.

—Kim Laughton, of Schwab Charitable

"very material impact," Rooney said, but since households constitute three-quarters of all giving, changing their behavior would have the biggest impact.

At 2 percent, it actually positions the U.S. as among the best, most generous in the world, said Lippincott. "It's not something to be ashamed of, it's actually a good number compared with other parts of the world," he said, but there's no question it could, and should, be better.

But giving won't get past 2 percent if Congress rolls back existing incentives for giving, such as the charitable deduction or not extending the IRS rollover. "If we're going to move that needle, it will be because we adopt policies that encourage giving at still higher levels. We must be very mindful of what levers for change are here, and among those levers are U.S. tax policy," Lippincott said. "Unfortunately, the sentiment I'm hearing far too often is moving in the wrong direction."

Preliminary estimates by Giving USA™ are based on econometric models and use historical data from Forms 990 submitted to the Internal Revenue Service (IRS), as well as sources including the Bureau of Economic Analysis, Foundation Center and the National Center for Charitable Statistics. The 2013 preliminary estimates released last month, which include some projections and models, will be revised annually two more times, once IRS data are compiled. *NPT*

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CALENDAR



JULY

9-11 The Bridge to Integrated Marketing & Fundraising Conference will be held at The Gaylord National Resort and Convention Center, Oxon Hill, Md.
Info: www.bridgeconf.org

21-23 American Marketing Association will hold its Nonprofit Marketing conference at the Renaissance Arlington Capital View Hotel, Arlington, Va.
Info: www.marketingpower.com

30-AUG. 2 The Association of Prospect Researchers for Advancement will hold its annual international conference at The Cosmopolitan Las Vegas, Las Vegas, Nev.
Info: <http://www.aprahome.org>

AUGUST

4-5 The Direct Marketing Association Nonprofit Federation will hold its annual New York City conference at the Grand Hyatt New York in Manhattan.
Info: www.nonprofitfederation.org

SEPTEMBER

3-6 NTEN (Nonprofit Technology Enterprise Network) will hold its first Leading Change Summit at the Hilton San Francisco Union Square.
Info: <http://mylcs.nten.org/14lcs/home/>

9-10 The Association of Fundraising Professionals and the Stanford Social Innovation Review will hold the 9th Nonprofit Management Institute at Stanford University in Stanford, Calif.
Info: www.afpnet.org

17-19 The Alliance for Nonprofit Management will hold its national conference, Capacity Building for Collective Action, in Austin, Texas.
Info: <http://theallianceconference.org>

OCTOBER

5-8 The National Catholic Development Conference (NCDC) will hold its annual conference at the Marriott Chicago Downtown in Chicago, Ill.
Info: www.ncdc.org

6 The National Association of Attorneys General and National Association of State Charity Officials conference will be held at the Regency Washington Capitol Hill, Washington, D.C.
Info: www.nasconet.org

6-8 Blackbaud will hold bbcon2014, its annual conference for nonprofits, at the Gaylord Opryland Resort and Convention Center in Nashville, Tenn.
Info: <http://bbconference.com/>

14-17 The International Fundraising Congress will hold its annual event at The NH Leeuwenhorst Hotel in Noordwijkerhout, The Netherlands.
Info: www.resource-alliance.org

To get your event added to the calendar, email it at least eight weeks before the event to: ednchief@nptimes.com



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Senior Consultant Omatic Software

Omatic Software is the award-winning company helping nonprofits integrate, extend, and optimize their Blackbaud® software and processes. With innovative, proven technology and an experienced team of experts, we are the go-to company for nonprofits seeking to improve their usage of Blackbaud technology. For over 12 years, Omatic has been providing technology solutions and services exclusively for The Raiser's Edge® and The Financial Edge™. Omatic was listed on the Inc. 500 fastest growing businesses for the last two years and was the only recipient focused on nonprofits. Located in Charleston, South Carolina, Omatic boasts more than 1,500 customers located in over 20 countries.

Position Summary

Omatic Software is hiring a Senior Consultant for consulting services on The Raiser's Edge, Omatic products, and nonprofit strategy. The role will include assessing client needs and then designing and delivering professional solutions and guidance to clients in a timely fashion, ranging from implementations and training to database audits and strategic fundraising consulting. With wide-ranging projects and a fast-paced environment, attention to detail, organization, and relationship skills will be critical to the success for this role. The candidate will have expert-level knowledge of The Raiser's Edge, the ability to work with a variety of individuals and skill levels, and be very well versed in nonprofit business practices and fundraising strategies. If you are looking for a fun atmosphere, a variety of challenges, less time on the road and the ability to transform nonprofits, please let us know!

Duties & Responsibilities

- Conduct Raiser's Edge consulting engagements
- Conduct internal and client-facing software trainings
- Accurately assess client needs during discovery process
- Write and deliver professional recommendations customized to the individual needs of clients
- Identify creative technical solutions to complex data issues
- Conduct and manage implementation projects for all of Omatic Software's products
- Serve as senior consultant on large projects, managing resources and client expectations
- Perform engagements on time and within budget
- Participate in user forums and blog posts
- Conduct webinars or speaking engagements as needed
- Blow clients' minds

Required Experience & Skills

- Expert-level Raiser's Edge experience
- Nonprofit industry experience
- Technically savvy
- Excellent written and verbal communication skills
- Ability to identify and target needs, define technical concepts, and deliver accurate assessments
- Attention to detail with a strong ability to organize, manage, and execute projects as assigned
- Superior time management skills, with the ability to handle multiple projects at a time
- Ability to thrive in a fast-paced team environment
- Ability to work with a variety of skill levels
- Sense of humor preferred
- Conduct and manage implementation projects for all of Omatic Software's products
- Serve as senior consultant on large projects, managing resources and client expectations
- Perform engagements on time and within budget
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