



Metrics and Measures that Motivate Success

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Using Metrics and Measures to Drive GP Success



- Fundraising goals have increased exponentially over the last decade.
 - Charities have more at stake.
 - There is more focus on gift planning in comprehensive campaigns.
- The bottom line is that metrics drive behavior.

Using Metrics and Measures to Drive GP Success



- Gift planning metrics are frequently misunderstood and frequently misapplied.
- This is not simply a conversation about metrics.
 - It's a conversation about data.
 - And a conversation about strategy.

What We'll Cover

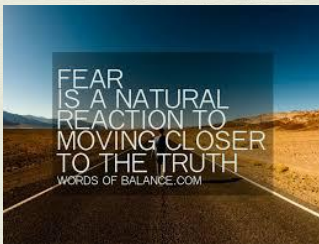


- Define and understand metrics
- The key metrics principles
- The challenges in using metrics
- The trends in the industry
- Use and abuse of metrics in gift planning

What We'll Cover



- Identifying opportunities and setting strategy
- Coaching institutional strategies that improve success
- Motivating and focusing staff
- Creating value for planned giving with management
- What you need to be a metrics master



Oh No - Not Metrics!

What Are Metrics and Where Did They Come From?



- Metrics are quantifiable measures used to track the elements of an activity and the results.
- All nonprofits - large and small - are using metrics to move towards best practice.
- We're hearing about metrics tied to ROI, staff performance, and donor behavior.
- It allows a charity to analyze past and current performance, and set future goals.

Key Fundraising Metrics



- Most nonprofit metrics migrated from the for profit world:
 - Sales revenue
 - Customer loyalty and retention
 - Cost of customer acquisition
 - Operating productivity
 - Overhead

The Role of Metrics



- To focus staff behavior on activities that produce the best results
- To improve performance
- To drive strategies
- To force strategies
- To analyze whether a particular strategy is succeeding or failing

Activity Metrics



- Face to face donor contacts
- Other substantive donor contacts
- Number of stewardship touches
- Number of stewardship events/attendees
- Number of gifts initiated by/supported by non-gift planning staff
- Contacts with professional advisors

Performance Metrics



- New deferred gift commitments (count and dollar value)
- New charitable gift annuities
- New charitable remainder trusts
- Referrals from non-gift planning officers
- Referrals from professional advisors

Observational Metrics



- Observational metrics relate to strategy.
- Which donor segments respond best to each type of marketing?
- Which segments of the organization have the best synergy with the development team?
- Which segments of our work are most appealing to our donor base?

Metrics Are Numbers, and The Key Principles: Numbers Have Power



- We have to be careful about the metrics we prioritize.
- Metrics are only numbers.
- But numbers often have power greater than we expect.
- Simple example: Using \$\$ as the metric for success in a new PG program, or as the primary measure of a PG officer's success.

The Key Principles: We Prioritize What Is Measured



- Management analysis
- Board analysis and activity
- Departmental performance
- Team performance
- Individual performance

The Key Principles: Metrics Can Skew Perception



- Each of the five groups mentioned may use the information in a different way.
- While 40 new gift commitments registers as an unqualified success on the PG team, 40 new gift commitments without "real money" may register as a disastrous failure in other organizational eyes.

The Key Principles: Metrics Can Be Dangerous



- Single metrics never tell the whole story.
- Metrics without knowledge mean nothing.
- This means education and teamwork are critically important.
- And it means relational metrics - that is, the impact of PG on the success of other teams - is important.

The Challenges in Using Metrics in Planned Giving



- The PG pipeline - how do you know what's out there?
- Our donors look very healthy....how can we project gift "maturity"?
- No data, bad data, and other tales of woe
- Showing a relationship between activities and outcomes

Trends in the Industry



- Pressure for a return on investment
- The gnarly world of campaign: boom or bust for planned giving
- The world of big data: no place to hide



The Use and Abuse of Metrics in Planned Giving

Everyone Has a Horror Story



- When cash is the only thing that counts
- Oh my gosh - they're counting everything
- When metrics are a weapon



Four Ways to Use Metrics to Drive Success

Identifying Opportunities and Setting Strategies 1

- Charting where you are in the land of opportunity:
 - Growing multi-year donor counts
 - Steady donor migration to higher levels of investment
 - High level of donor retention
 - Transition from transactional to relational

Identifying Opportunities and Setting Strategies 1

- Using data to map next steps
- Using the road signs that point to your donors
- Using the information to drive strategies
 - Highest correlations among completed gifts
 - Greatest responses to marketing and outreach

Coaching Institutional Strategies that Improve Success 2

- An understanding each donor is touched by multiple parts of the organization
- The impact of annual giving on PG success
- The impact of PG commitments on annual giving success
- The power of stewardship to motivate donors and keep them coming back
- How vision and expected outcomes drive giving

Motivating and Focusing Staff

3

- Setting goals and using metrics that drive best practices
- Identifying problem areas
- Recognizing strengths

Creating Value for Planned Giving with Management

4

- Counting uncertainty with certainty
- Calibrating expectations
- Connecting the dots between activities and outcomes
- Creating a culture of discipline and trust



What You Need to Be a Metrics Master

The Tools of the Metrics Masters



- Data - THERE IS NO SUBSTITUTE!
- Access to reports - and ability to create queries
- Support from the top
- Collaboration



Final Thoughts
