TRANSITIONING
to TOMORROW
2012 UCP ANNUAL CONFERENCE
WASHINGTON, DC

Evaluating Success: Establishing a Framework for Charting Impact

What We Will Cover

- How can I show I met my goal?

- Analytics
  - Compiling Data Sources
  - Types of Analytics

- Monitoring Outcomes
  - Develop meaningful KPI
  - Setup process to monitor

How can I show I met my goal?

The easy answer...

- Analytics!
- Use Analytics to determine what needs to be monitored to evaluate success.
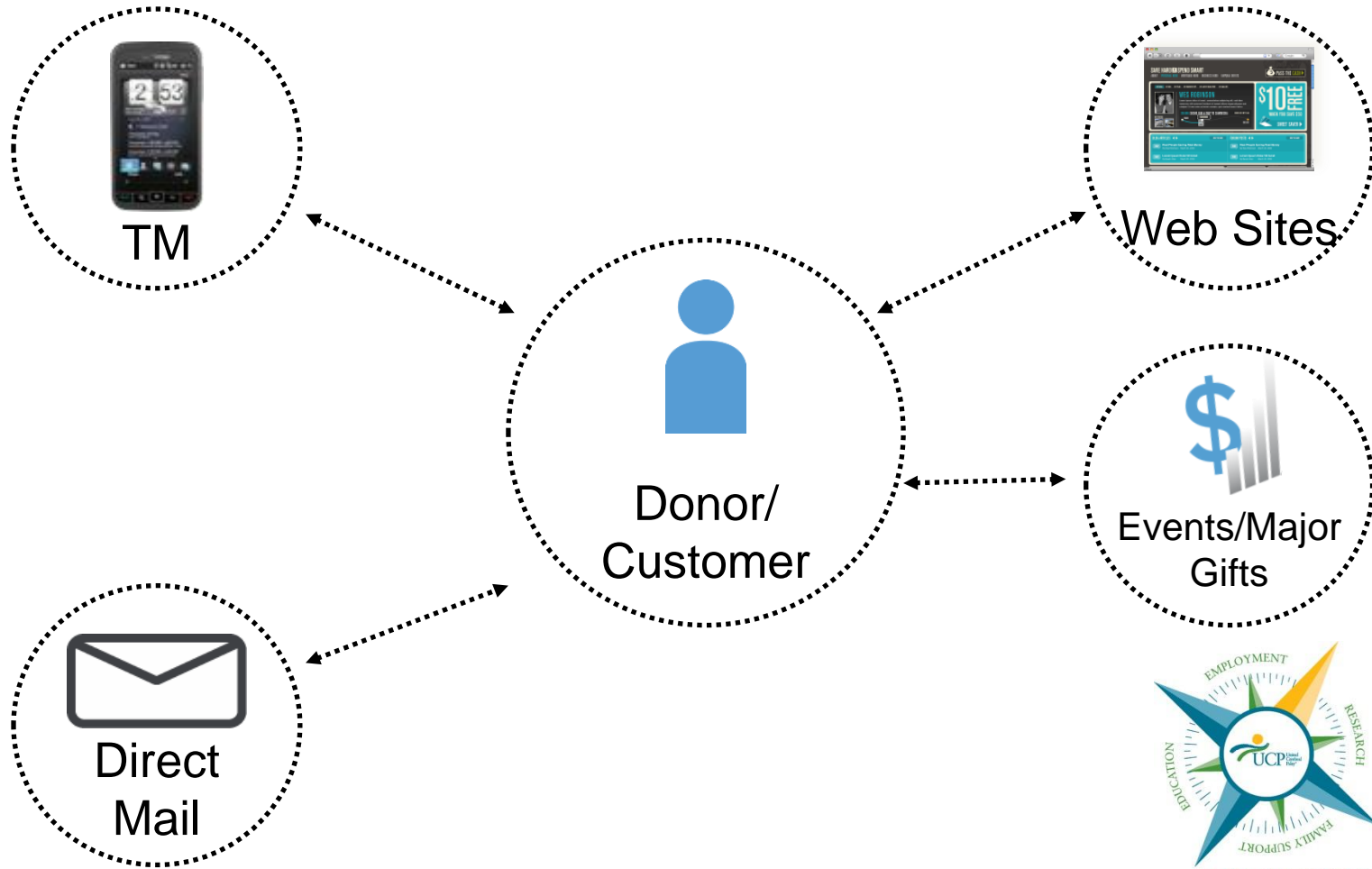- Develop a process to track the outcomes.

The harder answer... how?

The key to maximizing value and sustained growth is getting the right information to the right people at the right time

ANALYTICS

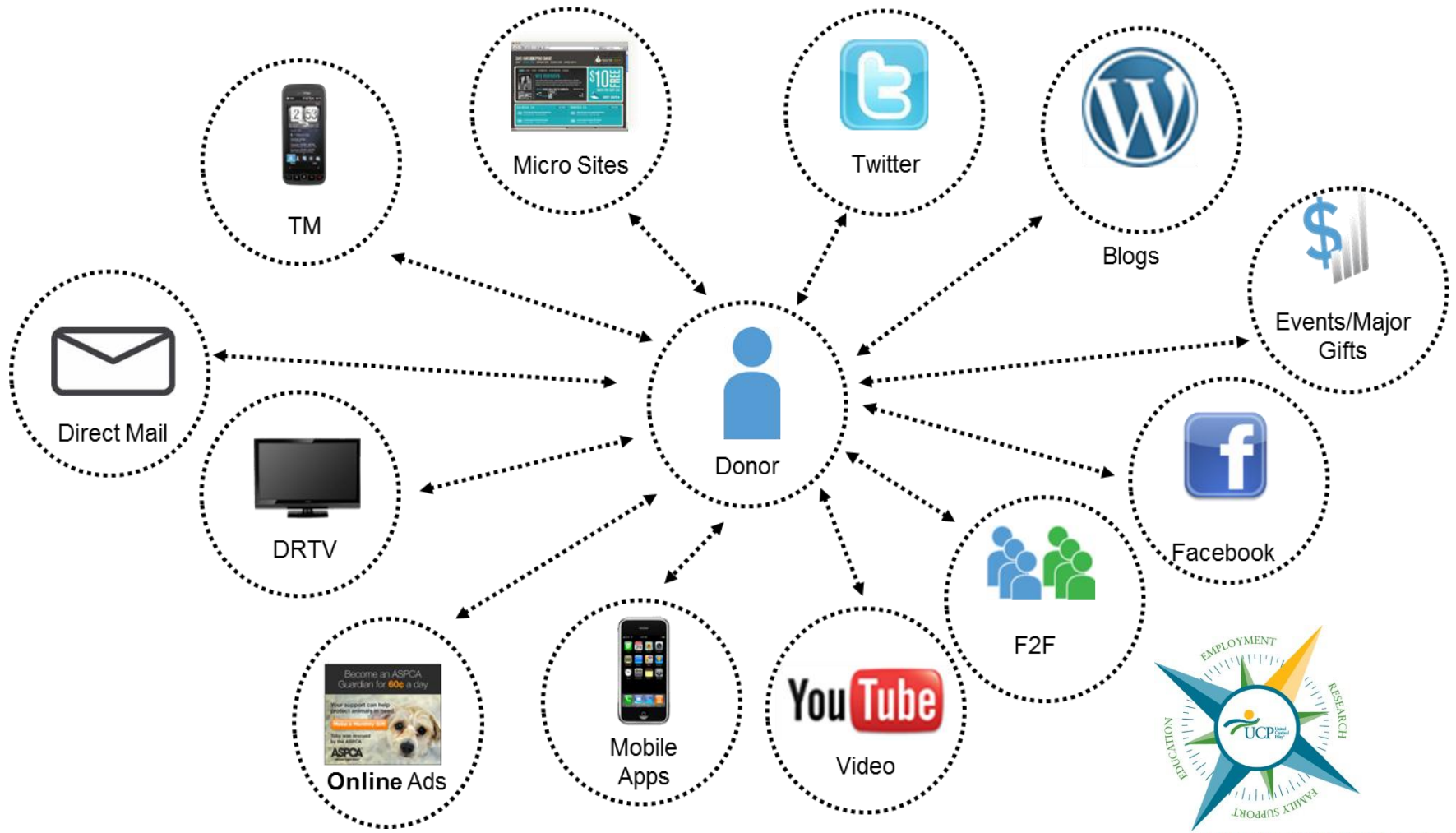# Sources: The Old Model

TM

Web Sites

Donor/
Customer

Events/Major
Gifts

Direct
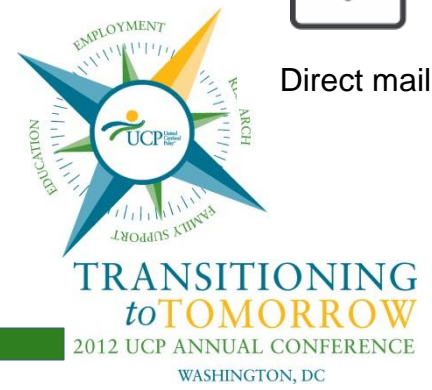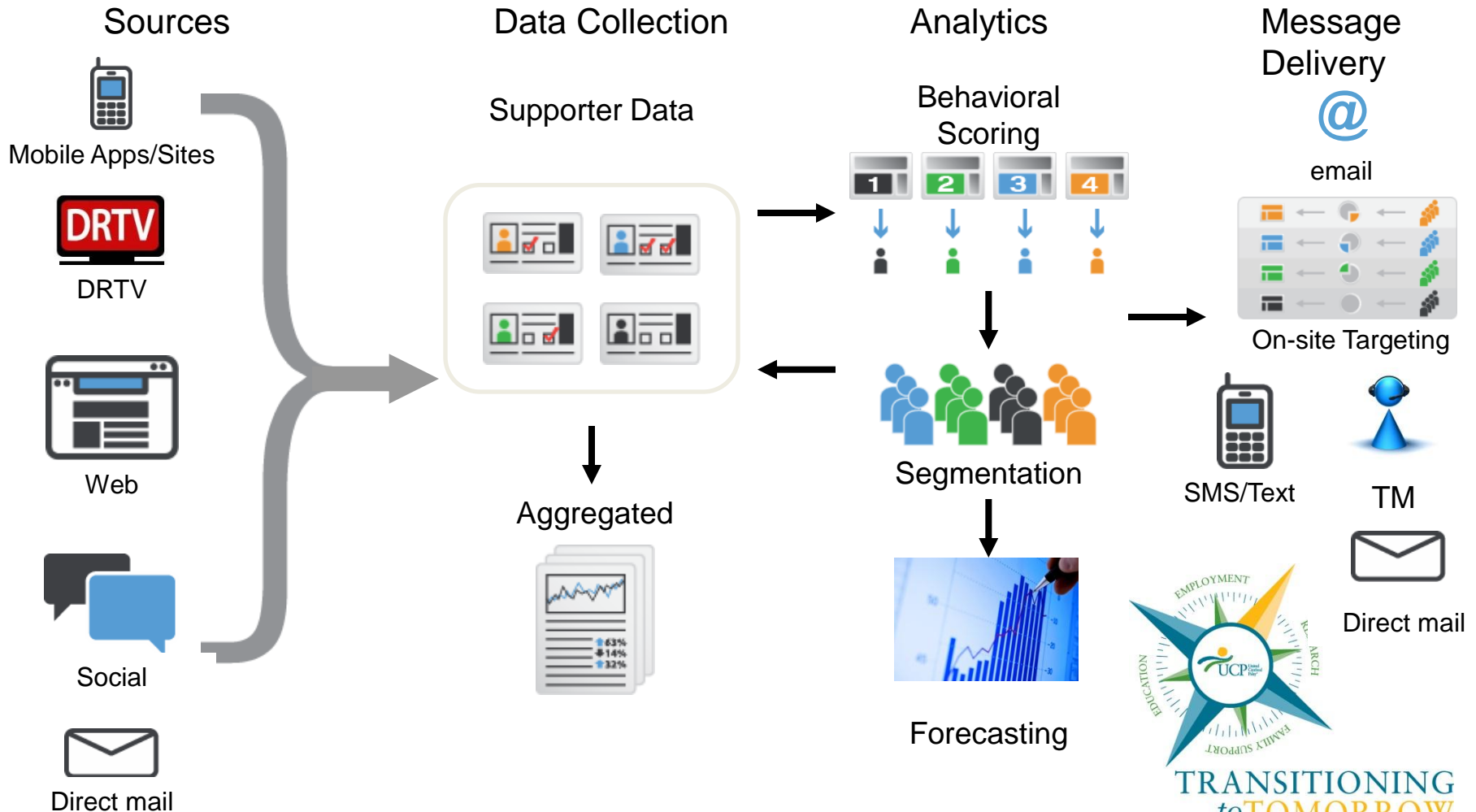Mail

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You Need a Plan that Integrates the Data

Integrating Data for Analytics

Balancing LCLS

- There are basically 4 types of data that need to constantly be balanced in decision making – each has different value.

  - L – Lagging   Benchmarking
  - C – Current   Campaign Reports
  - L – Leading   Forecasting/Budgeting
  - S – Strategic   Scenario Building

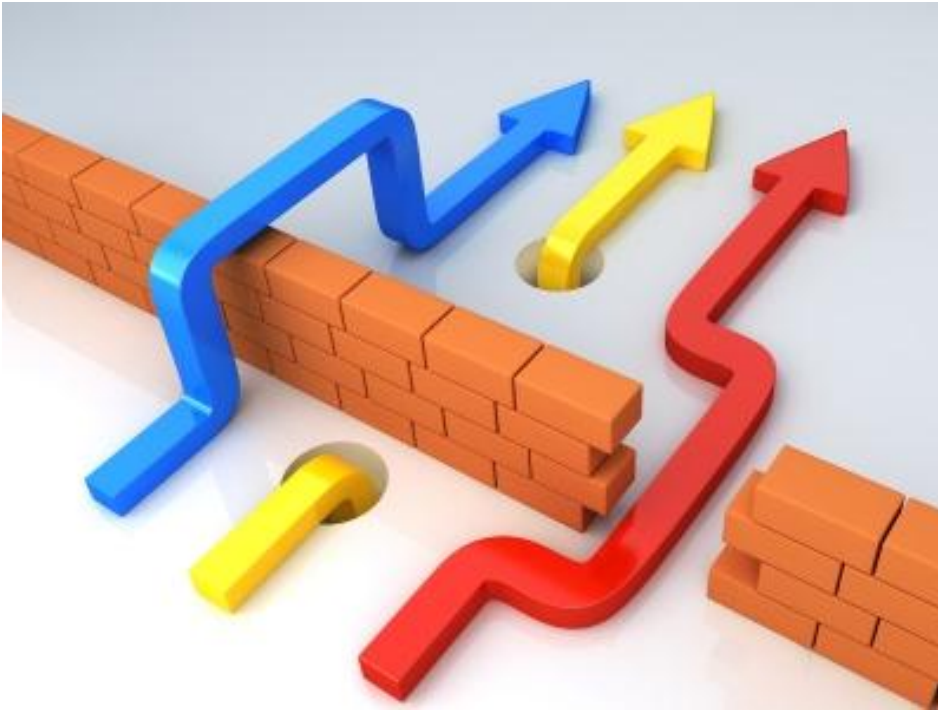   Multi-Year Growth

Analytics – a Few Types

- **Campaign Analytics**
  - Performance Reports
  - Package Test Results
- **Forecasting Analytics**
  - Budget Forecasting
  - Cash Flow Forecasting
- **Digital Media Analytics**
  - Web Site Traffic Analysis
  - Paid Advertising ROI

Analytics – a Few Types

- Communication Analytics
  - Segmentation Analytics
  - Predictive Analytics

➢ Performance Indicator Reports
- Trend Analysis – historic donor value
- Multi-Year Forecasting – future donor value

Budget Analysis

- Question: "Based on where I am today in my fiscal year cash flow and how campaigns have been performing, where am I going to end the fiscal year."

- Approach: Combining current cash flow to date along with a forecast of "active" campaigns gives an excellent real-time approximation of total fiscal year revenue.

Budget Analysis: Tools

- Campaign Budgets: All TM, DM, Web, etc. budgets with expected outcomes.

- Predictive Flow: using different tools for each channel flow out budget (i.e., DM would use a standard days out).

- Estimation of Carry In/Carry Out: Based on timing of prior FY campaigns how much revenue will be "carried into" this FY. Same for current FY Campaigns.
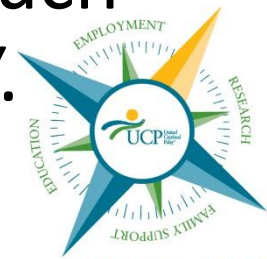
Budget Analysis: Results

DM	FY Thru 9	Proj 10	Proj 11	Proj 12	EOY Proj	FY Budget	Diff
Acknowledgments	$83,400	$9,530	$9,610	$9,760	$112,300	$120,000	($7,700)
Acquisition	$78,950	$8,100	$9,370	$8,140	$104,560	$120,000	($15,440)
Monthly Giving	$78,960	$8,600	$8,110	$9,510	$105,180	$120,000	($14,820)
Lapsed	$80,670	$9,150	$8,820	$8,380	$107,020	$120,000	($12,980)
Renewals	$79,980	$8,200	$8,510	$9,340	$106,030	$120,000	($13,970)
Total DM	**$401,960**	**$43,580**	**$44,420**	**$45,130**	**$535,090**	**$600,000**	**($64,910)**
List Rental	$79,140	$9,310	$9,860	$8,510	$106,820	$120,000	($13,180)
Whitemail	$8,095	$884	$831	$906	$10,716	$12,000	($1,284)
Total Whitemail/List	**$87,235**	**$10,194**	**$10,691**	**$9,416**	**$117,536**	**$132,000**	**($14,464)**
Restricted (-)	**-$824**	**-$91**	**-$83**	**-$81**	**($1,078)**	**($1,200)**	**$122**
Grand Total	**$488,371**	**$53,683**	**$55,028**	**$54,466**	**$651,548**	**$730,800**	**($79,252)**
FY12 Budget	**$548,100**	**$60,900**	**$60,900**	**$60,900**			
Diff	**($59,729)**	**($7,217)**	**($5,872)**	**($6,435)**			

Forecast Analysis

- Question: "Recent performance metrics are soft compared to last year, how is recent performance going to affect my fiscal year budget."

- Approach: "Look at recent cash flow trends based on which campaigns are active and use tools to forecast the remaining months."
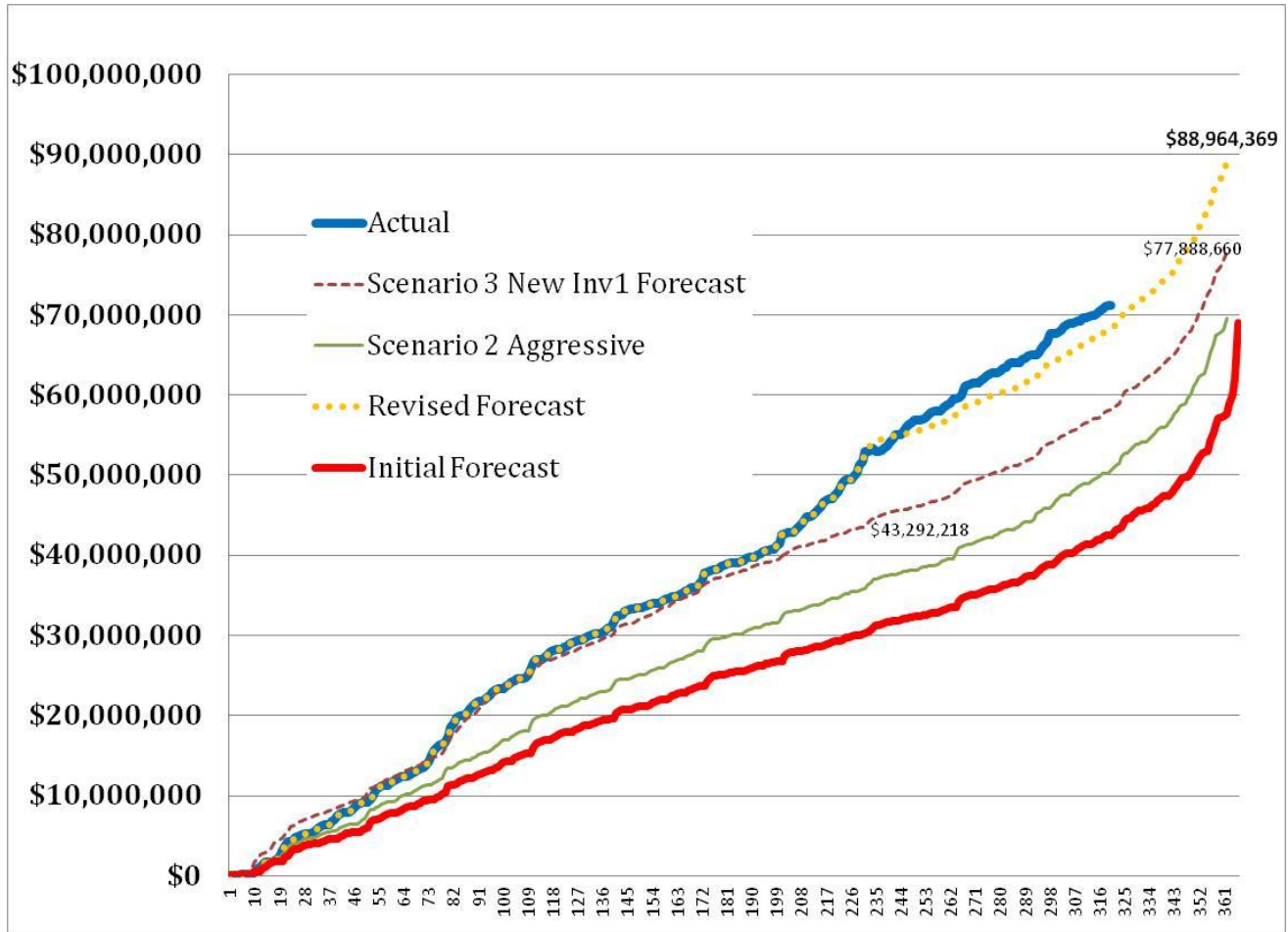
Forecast Analysis: Tools

- Historical performance by day.

- Time-series analysis to utilize recent trends along with historical performance to predict outcome.

- Create several forecasts based on assumptions of environment changes.

Forecast Analysis - Results

Multi-Year Forecasting

- Question: "Determine the baseline scenario of business models based on declining performance."
  – Analyze what investment levels are realistic given current trends in each business model
- Approach: "Establish benchmarks for growth in each program areas including investment levels, return on investment targets, donor return rates, retention targets, donor conversion, and upgrading targets, etc."
  – Identify the donor segments of greatest value to guide investment decisions.

Multi-Year Forecasting - Tools

- Segment the file into the investment channels (i.e., DM acquisition, Web Ads, F2F, etc.)

- Estimate performance of the new acquisition channels based on the investment.

- Use historical activation, retention and upgrading measures to predict future donor value.

- Create scenarios based on modifications of investments or changes in the base file.

Multi-Year Forecasting - Results
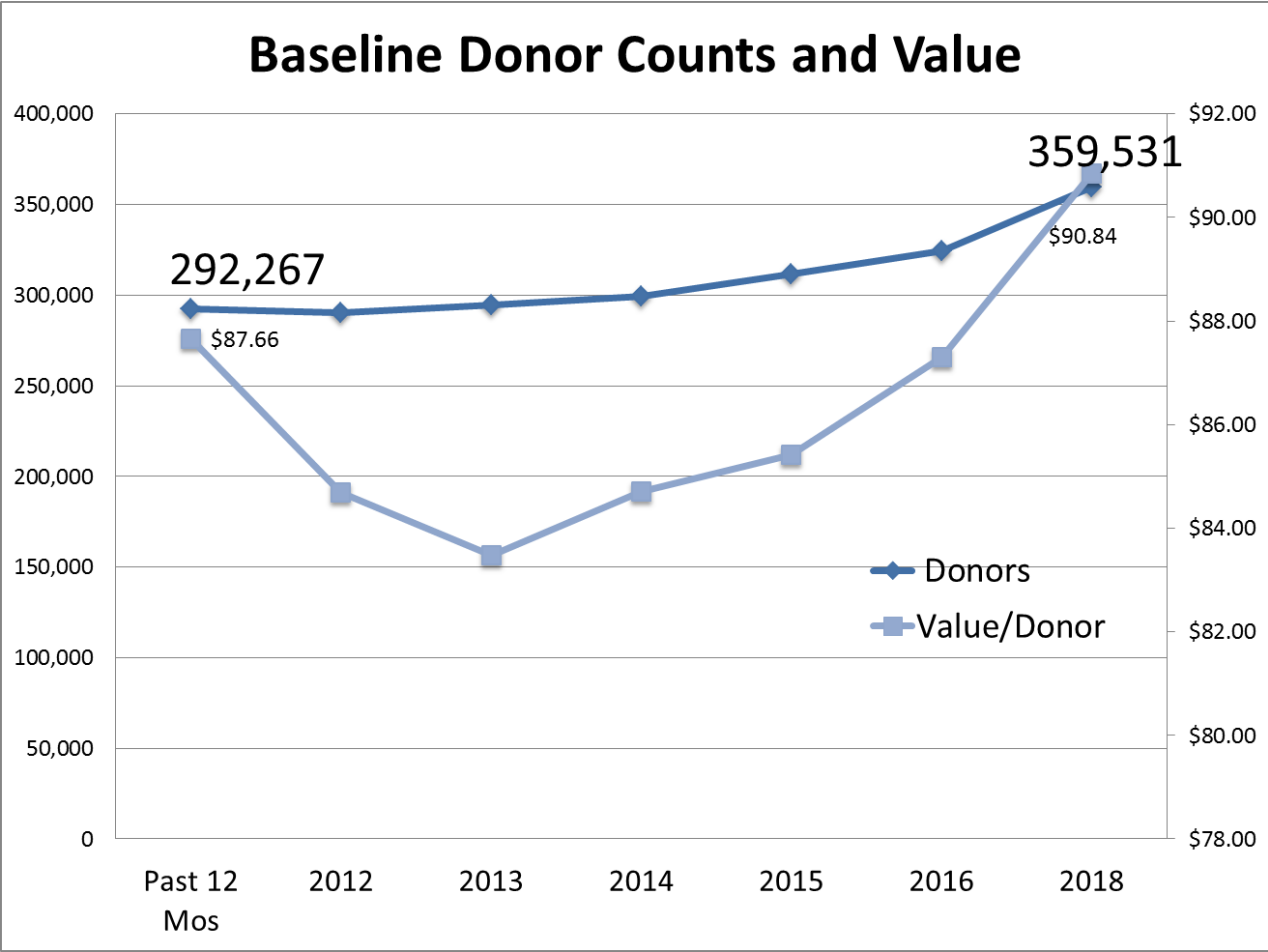
Baseline Donor Counts and Value

The key to maximizing value and sustained growth is getting the right information to the right people at the right time

MONITORING OUTCOMES

Monitoring Outcomes

- As important as the initial analytics is the tracking of the expected outcomes vs. actual outcomes.

- Data visualization can be a key factor in being able to communicate easily and quickly the current state of affairs.

Monitoring Outcomes

- Provides continually learning cycle to ensure today's activities are on track for long-term goals.

- Allows opportunities to change course as needed

- Visual versus data – know what your audience wants

Monitoring Outcomes

- Allows for organizational alignments where key metrics and trends are understood by all.

- It's all about getting the right data at the right time to the right people.

- Data visualization can be a key factor in being able to communicate easily and quickly the current state of affairs.

integral

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THANK YOU!