New Approaches to Optimize Your Phonathon

Brian Gawor
Vice President, Research
5 Ways to Optimize Your Phonathon

1. Understand the **Purpose, Role and Total Impact** of your Phonathon
2. Data quality = phonathon quality
3. Make phonathon about more than the ask
4. Optimize metrics by donor type and your goals using benchmarks
5. Talk about your phonathon differently

Elements of Successful Phonathon Strategy

- **Analytics and insights-driven planning**
- **Focused, productive coaching**
- **Personalized follow-up**
- **Flexible, scalable process**
- **Superior Execution**
- **Increased Fulfillment**
- **Quality Data**
- **Success Metrics**
  - Dollars Raised
  - Program ROI
  - Donor Participation
  - Data Records Updated
  - Major Gift Pipeline Generated

- **Considered, informed**
Understand The Purpose and Role of Your Phonathon

What problem does phonathon solve?
Defining the Purpose

Phonathon and other channels

- What is the goal of annual giving?
- Document the goals phonathon meets.
- What goals do other channels solve for?
- Build a business plan that outlines the purpose of each channel.
- Gain alignment across leadership and stakeholders.

Remember: Every channel should have a well-defined role. It can evolve over time, but shouldn’t shift every month.

Documenting the Plan

Gain Alignment Across Leadership & Stakeholders

<table>
<thead>
<tr>
<th>Channel</th>
<th>Problem</th>
<th>Purpose/Primary Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phonathon</td>
<td>Need 2,000 new undergrad donors to achieve FY18</td>
<td>Acquire new alumni donors</td>
</tr>
<tr>
<td></td>
<td>alumni participation goal.</td>
<td></td>
</tr>
<tr>
<td>Direct Mail</td>
<td>Need to increase the renewal rate to 65% to meet</td>
<td>Renew Donors in a cost effective manner</td>
</tr>
<tr>
<td></td>
<td>FY18 participation goals with no increase in AG</td>
<td></td>
</tr>
<tr>
<td></td>
<td>budget.</td>
<td></td>
</tr>
<tr>
<td>Crowdfunding</td>
<td>Need to offer faculty a means to fundraise that</td>
<td>Reacquire lapsed donors that aren’t responding to</td>
</tr>
<tr>
<td></td>
<td>won’t negatively impact unrestricted fundraising</td>
<td>traditional annual giving</td>
</tr>
<tr>
<td></td>
<td>totals, but that will help us achieve our alumni</td>
<td>appeals.</td>
</tr>
<tr>
<td></td>
<td>participation goals.</td>
<td></td>
</tr>
</tbody>
</table>
### Measuring Impact

**Direct Impact-Start With The Purpose**

- How will you measure?
- Determine what "success means"
- How often will you report?
- What are the key milestones?
- Gain Approval and Buy-In

### Measuring Impact

Over-communicate the plan and progress

<table>
<thead>
<tr>
<th>Channel</th>
<th>Purpose</th>
<th>KPI's</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phonathon</td>
<td>Acquire new alumni donors</td>
<td>Number of New Alumni Donors (3 Years)</td>
<td>1,800 New Donors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LTV of New Donors</td>
<td>12% Non-Donor Pledge Rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Donor Pledge Rate (3 Years)</td>
<td></td>
</tr>
<tr>
<td>Direct Mail</td>
<td>Renew Donors in a cost effective manner</td>
<td>Renewal Rate via Mail (3 years)</td>
<td>2% pt increase in renewal %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Renewal Rate (3 years)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cost to Raise $ (3 Years)</td>
<td>Reduce CTR$1 by 5%</td>
</tr>
<tr>
<td>Crowdfunding</td>
<td>Attract lapsed donors that aren't responding to traditional annual giving appeals.</td>
<td>Reacquisition Rate (3 Years by Constituent Type)</td>
<td>24% reacquisition rate</td>
</tr>
</tbody>
</table>
Measuring Impact

Need visibility to measure impact beyond pledges

- Donor engagement
  - What’s the value in a live conversation?
- Channel influence
  - Does a phone conversation increase the likelihood of giving in another channel? (A/B Test)
- Additional insights from conversations
  - # Left Money in Will
  - CEO of a fortune 500 company
  - Married another alumnus
Do our instincts match our behavior?

**MOST EFFECTIVE CHANNELS FOR:**

**ACQUIRING NEW DONORS**
- Direct mail: 36%
- Giving day: 19%
- Email: 9%
- Direct donor meetings: 9%
- Other: 9%

**RETAINING EXISTING DONORS**
- Direct mail: 49%
- Phone: 16%
- Email: 11%
- Calls to donors from our staff/leaders: 5%
- Direct donor meetings: 4%

**UPGRADING EXISTING DONORS**
- Direct donor meetings with our staff/leaders: 20%
- Phone: 26%
- Direct mail: 14%
- Calls to donors from our staff/leaders: 0%
- Email: 5%

**FIRST METHOD EACH YEAR USED TO CONTACT:**

**A POTENTIAL NEW DONOR**
- Direct mail: 29%
- Phone: 28%
- Email: 20%
- Giving day: 5%
- Crowdfunding: 3%

**AN EXISTING DONOR FOR RENEWAL**
- Direct mail: 52%
- Email: 14%
- Phone: 14%
- Giving day: 4%
- Year end campaign: 3%

**Are you currently using the following to guide your annual giving appeal strategy?**

<table>
<thead>
<tr>
<th>Method</th>
<th>Yes, using now</th>
<th>No, not using now</th>
<th>We want to start</th>
<th>I don’t know what this is</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predictive ratings/analysis</td>
<td>54%</td>
<td>16%</td>
<td>3%</td>
<td>37%</td>
</tr>
<tr>
<td>Year-end ratings/analysis</td>
<td></td>
<td>10%</td>
<td>1%</td>
<td>89%</td>
</tr>
<tr>
<td>Third party/contracted</td>
<td></td>
<td></td>
<td>12%</td>
<td>88%</td>
</tr>
<tr>
<td>analysis of results</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>
2 Data quality = phonathon quality

How will changes to phonathon impact data quality?

5 questions to ask

- What volume% of updates do callers generate each year?
- How does this compare to other channels?
- How will I capture 1st party updates?
- How will I validate data purchased from outside vendors?
- How will I capture donor insights?
  - Left money in will
  - Life changes
  - Refusal reasons
Data is the root of successful donor-centric fundraising.

How Data Makes a Difference

- Less waste, better ROI
- Data allows you to get the right message to the right individual, the more specific the better
- Focusing only on optimal calling pools
- Relevant, targeted outreach results in more gifts in fewer attempts
- More complete records, more opportunity to connect
- Contact information, affinity, past engagement, ongoing engagement signals
Smart Data Enrichment
The first step for a strong core

- Pacific Lutheran University
- Data Enrichment, Cell Append Research
- Targeted approach and scope
- Refined conversation guide
- Deep data analysis

Now go beyond enrichment and old-fashioned heuristics to deliver a more successful program.
The right data coupled with the right technology helps you reach the right people, at the right time, with a more relevant message.

Use your data to dynamically tie the giving conversation back to affinity, experiences, identity and impact.
Optimized Calling Pools
Next-Gen Personalized Experiences
3 Make phonathon about more than the ask

Impact of Thank You Calls
They say yes more

FY15 CURRENT DONOR PLEDGE RATE
BASED ON FY14 THANK YOU CALL STATUS
Impact of Thank You Calls

They even pick up more

FY15 CURRENT DONOR CONTACT RATE
BASED ON FY14 THANK YOU CALL STATUS

51%
Total boost to pledge rate for thank you calls

4
Optimize metrics by donor type and goals
New giving team.
Concerned about AG Channels.
Dollars stagnant.

Phonathon Declines $25k

Current Phonathon

<table>
<thead>
<tr>
<th></th>
<th>2ND GIFT</th>
<th>LYBUNT</th>
<th>SYBUNT</th>
<th>LONG LAPSED</th>
<th>NON - DONOR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECORDS</td>
<td>746</td>
<td>3,075</td>
<td>2,750</td>
<td>2,853</td>
<td>13,602</td>
<td>23,026</td>
</tr>
<tr>
<td>COMP RATE</td>
<td>67.02%</td>
<td>82.60%</td>
<td>65.53%</td>
<td>70.52%</td>
<td>44.11%</td>
<td>55.82%</td>
</tr>
<tr>
<td>COMPLETES</td>
<td>500</td>
<td>2,540</td>
<td>1,802</td>
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<td>CONTACT RATE</td>
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<td>60.45%</td>
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<td>CONTACTS</td>
<td>400</td>
<td>2,251</td>
<td>1,540</td>
<td>1,443</td>
<td>2,136</td>
<td>7,770</td>
</tr>
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<td>PLEDGE RATE</td>
<td>62.50%</td>
<td>33.32%</td>
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<td>750</td>
<td>450</td>
<td>400</td>
<td>180</td>
<td>2,030</td>
</tr>
<tr>
<td>AVG PLEDGE</td>
<td>$136.00</td>
<td>$245.33</td>
<td>$151.11</td>
<td>$83.75</td>
<td>$90.22</td>
<td>$165.39</td>
</tr>
<tr>
<td>DOLLARS</td>
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<td>$184,000</td>
<td>$68,000</td>
<td>$33,500</td>
<td>$16,240</td>
<td>$335,740</td>
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$50k increase.  

## Potential Phonathon

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<th>LYBUNT</th>
<th>SYBUNT</th>
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<td>2,853</td>
<td>13,602</td>
<td>23,026</td>
</tr>
<tr>
<td>COMP RATE</td>
<td>67.02%</td>
<td>90.86%</td>
<td>75.36%</td>
<td>70.52%</td>
<td>48.52%</td>
<td>60.71%</td>
</tr>
<tr>
<td>COMPLETES</td>
<td>500</td>
<td>2,794</td>
<td>2,072</td>
<td>2,012</td>
<td>6,600</td>
<td>13,978</td>
</tr>
<tr>
<td>CONTACT RATE</td>
<td>80.00%</td>
<td>88.62%</td>
<td>85.46%</td>
<td>71.72%</td>
<td>35.60%</td>
<td>60.38%</td>
</tr>
<tr>
<td>CONTACTS</td>
<td>400</td>
<td>2,476</td>
<td>1,771</td>
<td>1,443</td>
<td>2,350</td>
<td>8,440</td>
</tr>
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<td>36.65%</td>
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<td>8.43%</td>
<td>26.93%</td>
</tr>
<tr>
<td>PLEDGES</td>
<td>250</td>
<td>908</td>
<td>518</td>
<td>400</td>
<td>198</td>
<td>2,273</td>
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<td>$169.11</td>
</tr>
<tr>
<td>DOLLARS</td>
<td>$34,000</td>
<td>$222,640</td>
<td>$78,200</td>
<td>$33,500</td>
<td>$17,864</td>
<td>$386,204</td>
</tr>
</tbody>
</table>
5 Talk about your phonathon differently

Other ways to expand scope

It’s about more than the ask

- Crowdfunding platform invitations
- Giving Day hype
- Social ambassadors
- Events and advocacy
- Partner with admission
- Major and Planned Giving lead generation
Change your questions
And how you ask them

• Current question: “What were the phonathon pledges and did they come in?”

• Different question: “How much did people we spoke with give by the end of the year?”

• Questions indicate priorities and drive behavior.
New Approaches to Optimize Your Phonathon

Key takeaways

1. Maximize the data quality going in and coming out of your phonathon.
2. Look at your goals and optimize your metrics by donor type.
3. Look at cross-channel synergy, make phonathon a strategic player.
4. Go beyond the ask. Ask new questions of donors and your program.
5. Talk about phonathon in new ways, and communicate total impact to your leadership.

Thank you

Brian Gawor
Brian.Gawor@RuffaloNL.com
@BrianGawor
Donationequation.com
THANK YOU FOR ATTENDING
PLEASE COMPLETE THE SESSION EVALUATION THAT WILL BE EMAILED AT THE END OF THE DAY

UPCOMING CONFERENCE EVENTS

EVENING OF EXCELLENCE RECEPTION SPONSORED BY THOMPSON FARMS
5 PM – ARCH VIEW BALLROOM

CASE VI EVENING OF EXCELLENCE – INDIVIDUAL, INSTITUTIONAL & SERVICE AWARDS
5:45 PM – GATEWAY BALLROOM 2

CASE AFTER HOURS SPONSORED BY REEHER
9 PM – HOWL AT THE MOON BALLPARK VILLAGE