

# KPI – Key Performance Indicators for Fundraising: II– Foundations, Corporations, Government

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Today's slides are available at:

[www.montgomeryconsultinginc.com/downloads](http://www.montgomeryconsultinginc.com/downloads)

# Key Performance Indicators

Skip if all attended first session.

- Management speak, a fancy term for simple notion...
- *Stuff you need to watch,*
- *Numbers you need to improve*
- Some suggested KPI focus on process, others focus on outputs, a few on outcomes
- Use target values and/or own past performance
- Use so that “pipeline stays full” or consider changes over time to drive improvement
- Adaptable to personal or organizational learning style.
- Today will suggest some KPI that MAY be applicable to your FR program... not comprehensive, some like/don't like

# KPIs for *all* fundraising: I – Mix

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## Philanthropic “Mix”

- Individuals – 58 to 70%
- Corporations – 5 to 18%
- Foundations – 16 to 19%
- Bequests – 5 to 9%

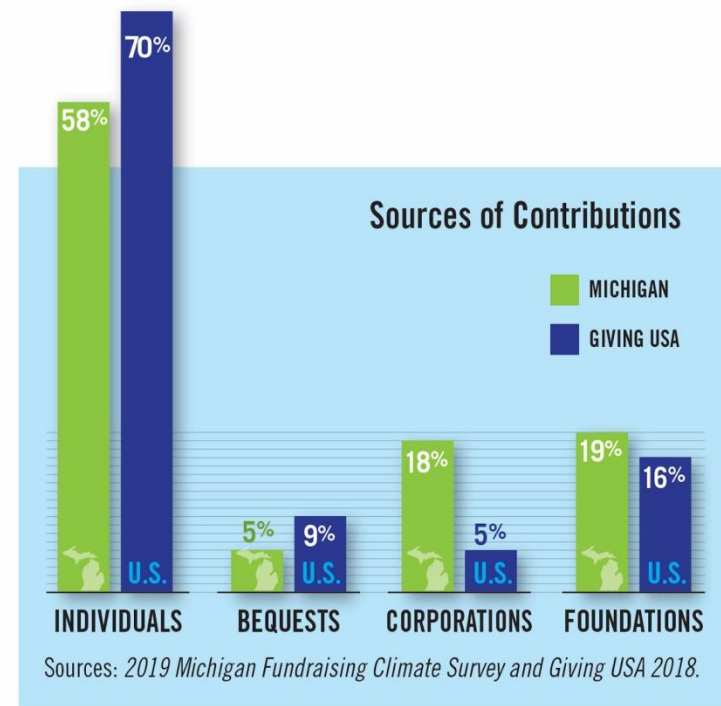
Action Implications:

“In range” – Hold fast

“Below” – Growth opportunity?

“Above” – Focus on other areas

Giving USA & Fundraising Climate Survey



# KPIs for *All* Fundraising: II – CPDR

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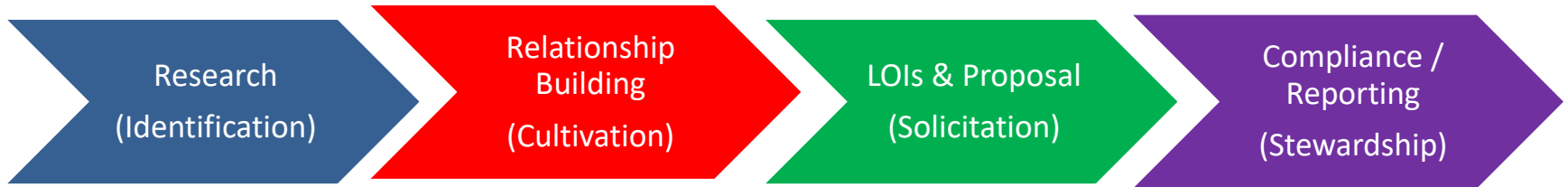
*Efficiency may be out of fashion, still important to donors + media & regulators. Critical to financial health... purpose of FR is generating net revenue*

## Potential KPI:

- **Cost Per Dollar Raised** = Total fundraising expenses divided by Total fundraising revenue. (PP)
- *Alternative Targets: Goldilocks” figures... \$0.50 too high... \$0.5 unsustainably low... \$0.10 to \$0.25 likely to be “just right” for a smaller but established FR program.*
- prefer the \$ measures of CPDR to the % measures of Fundraising ROI (FR ROI = FR Revenues divided by FR expenses)
- Can do CPDR for whole FR program or individual components

# KPI Thinking:

## *Fundraising as an “industrial process”*



- KPI not just “bottom-line,” that only sounds business-like.
- KPI can be early warning system that takes it all apart....
  - Inputs one end, Outcomes other end
  - Have KPIs for each step in between
- Permits you to see progress (or lack thereof)
- Identify problems early & location for intervention
- Helps you manage fundraising program more effectively
- Improves chances for meeting short and long term goals

# Research I: ID “Suspects”

Which “institutional funders” support organizations doing similar work in the same region as yours?  
What do you know about them?

*Potential KPI: Totals for Suspects ID'd through:*

- **Media/general online search**, including “honor rolls” of other organizations
- **Database search** (grants.gov, FDO & equivalents)
- **Informants/professional contacts**
- **RFP/NOFA or equivalent** received by organization
- **Other means**

# Research II: Qualify Your Suspects

*Are you digging deeper and gathering more info on your Institutional Suspects?*

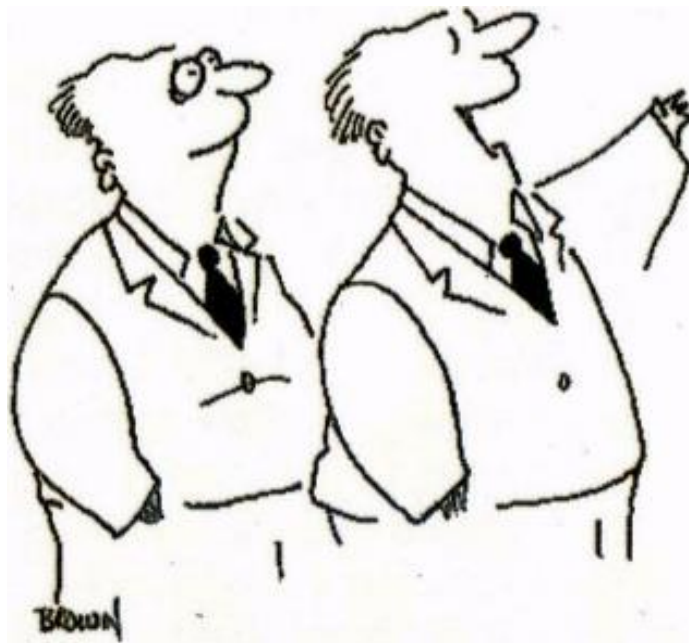
Potential KPI (monthly or annual counts) for:

- Funder **websites reviewed**
- **Reviewed hardcopy** from funder
- **Discussions** about specific funders with professional contacts/informants
- Institutional suspects of sufficient potential they are ***moving forward to Relationship Building***
- Institutional Suspects going ***straight to LOI / Proposal*** because funder does not permit contact

# Relationship Building – Why?



“Look Ralph, the foundation must have approved your grant proposal!”



***At many funders, the odds are heavily stacked against you when you submit proposals that are uninvited or, worse, unexpected.***



# Relationship Building

Are you engaging with new institutional prospects? Are you “staying in touch” with past, present, and potential Institutional Funders? (Foundations, Corporations, Government)

- Do they get your **newsletter** (Y/N) if so, **how many get?**
- **Made personal contact to maintain relationship with a funder representative** as part of a continuing relationship
- **Spoke with influencer** tied to institutional source(s) of funding
- Made an **initial contact with staff or decision-maker**
- **Met with funder on a specific need or opportunity.**
- Funder ***encouraged further discussion***
- Funder ***encouraged submission of an LOI***
- Funder representative ***invited submission of proposal***

# LOIs and Proposals

Are you actually making requests for Corporate, Foundation, or Government funds? (Numbers = Examples)

<b>a. LOI SUBMITTED</b>	<b>DISCUSSED LOI w/FUNDER</b>	<b>b. PROP. INVITED</b>	<b>PROPOSAL NOT INVITED</b>	<b>LOI STILL PENDING</b>	<b>“BATTING AVERAGE” (b/a = Avg)</b>
12	8	6	2	8	.50
<b>a. PROPS SUBMITTED</b>	<b>PROPOSAL DISCUSSED</b>	<b>b. PROPS APPROVED</b>	<b>FUNDS AWARDED</b>	<b>PROPOSALS DECLINED</b>	.
6	6	5	\$2,000,000	1	.83
<b>SPONSORSHIP REQUESTED</b>	<b>REQUEST DISCUSSED</b>	<b>REQUESTS APPROVED</b>	<b>VALUE OF SPONSORSHIPS</b>	<b>REQUEST DECLINED</b>	
8	4	2	\$100,000	0	.25

# Reporting and Compliance (Stewardship)

Are you fulfilling all funding requirements on a timely basis? Does your organization meet – ideally exceed – the expectations of institutional supporters?

Potential KPI

- **Timely Acknowledgement/Initial Paperwork sent**, Target: 1 week
- **Timeliness of Implementation** (do whatever promised to do on time or early), Target: 0% late
- **Correctness of Implementation** (do what you promised to do correctly), Target 0% error requiring explanation to funder.
- **Reporting Complete/Correct/Timely**, this will vary by type of commitment, Target 0% funder complaints (most follow up Qs OK)
- **Grantor/Sponsor/Donor Recognition**, Complete, correct, and timely.
- **Relationship management objectives** (Example - all funders invited to site visits?)