

KPI – Key Performance Indicators for Fundraising: I – Individual Donors

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Today's slides are available at:

www.montgomeryconsultinginc.com/downloads

Key Performance Indicators

- Management speak, a fancy term for simple notion...
- *Stuff you need to watch,*
- *Numbers you need to improve*
- Some KPI focus on process, others focus on outputs or outcomes
- Use target values and/or own past performance
- Adaptable to personal or organizational learning style.
For example, totals drive charts for visual learners.
- Some KPI that MAY be applicable to your FR program...
not comprehensive, some you like/some you don't.

KPIs for *all* fundraising: I - Mix

Philanthropic “Mix”

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

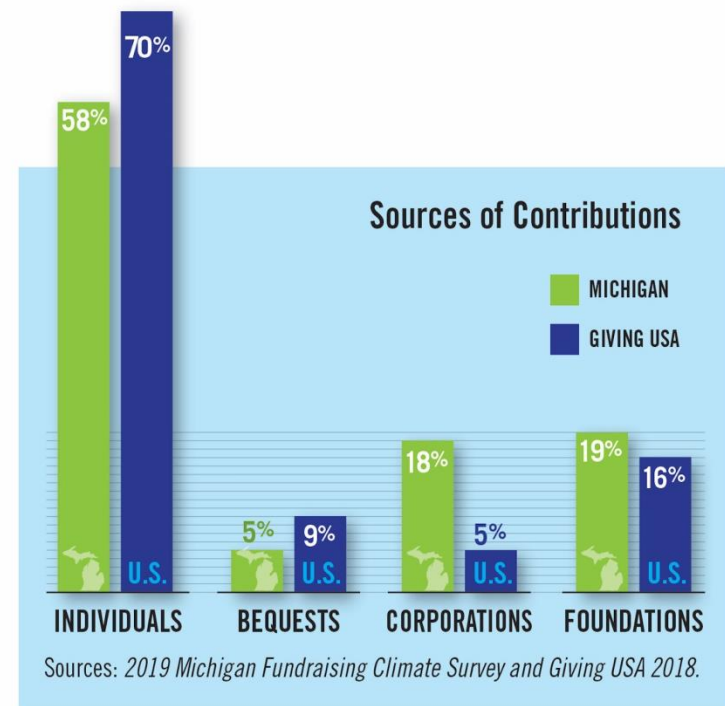
Action Implications:

“In range” – Hold fast

“Below” – Growth opportunity?

“Above” – Focus on other areas

Giving USA & Fundraising Climate Survey



KPIs for *All* Fundraising: II - CPDR

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

Potential KPI:

- **Cost Per Dollar Raised** = Total fundraising expenses divided by Total fundraising revenue. Target: Better than Past Performance (PP)
- *Alternative Target? ... 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.*
- I 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:

Envision FR as an “industrial process”



- KPI not just “bottom-line,” that only sounds business-like.
- KPI can be early warning system... take 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 & at best location for intervention
- Helps you manage fundraising program more effectively
- Improves chances for meeting short and long term goals

Identification I: Meeting People

“Mail-able names” are gold, is your contact base growing? Annually? Monthly?

Potential KPI: Annual or monthly total or growth rates for:

- **“Mail-able” names**, Target: +10% annual
- **Email list**, Target: +10% annual
- **Social – Friends and followers**, Target: Past Performance, hereafter “PP”

Identification II: Determine Giving Potential & Respond Accordingly

Are you looking for/finding high potential givers in your database? (contacts + donors)

Potential KPI:

- **Computer Screening**, Y/N + percentage screened
- **Manual List Review**, YH/N + percentage screened
- Number of *higher potential donors ID'd* monthly or annually (PP)
- Proportion of those w/potential *assigned for special attention* beyond routine solicitation (PP)

Cultivation I: “Mass Market”

*Are you “staying in touch” with donors and contacts?
Are you engaged in meaningful relationship building
with some or all? Is that working?*

Potential KPI:

- **Newsletter** (Y/N)
- **US Mail/Email frequency?** Target: 2 to 12 x/year.
- **Email Only: Open Rate, Click Through Rate, Time on Site**
- **Social – Posting**, Target: Minimum weekly on main platform)
- **Events: Held** (Y/N)
- **Invitations Sent / Acceptance Rate** Target: PP
- **Even attendance growth** - By event or total Target: PP)
- **Inquiries** (inc. visitors) Annual Growth Target: PP

Cultivation II: Higher Giving Potential

Are you establishing closer contact with those you have ID'd as having greater giving potential or that have demonstrated their potential through giving?

Potential KPI:

- **High-level Cultivation Events** (Y/N, How Many?)
- Cultivation **Event Attendance** (Number/Growth)
- **Discovery calls**: Monthly or Annually, Totals or Growth. All personnel or by DO

Targets? PP for all

Solicitation I: Mass Market

*Are you soliciting regularly using your prospect/donor base?
Are you including all contacts that your policies call for
soliciting somewhere in your solicitation program?* Are you
achieving good FR results in terms of totals and rate of
growth?*

Potential KPI:

- **Appeals**, Target: Minimum 2x/year
- Were some or all **segmented?** (Y/N) If so, which?
- **Send out** (total, appeal, by segment), Target: PP
- **Response rate** (total, appeal, by segment, by FR tool).
Target: PP

Solicitation I: Mass Market (cont.)

Potential KPI (continued):

- “**Bounce Rate**” for Email, Target: No more than 5%
- **Forwarding Order Expired** for US Mail, *pay for returns at least 1x/year*, Target: 1% or less.
- **Funds Raised** (overall, by appeal, by segment, by FR tool),
- **Average gift amount** (overall, appeal, segment, FR tool), Potential Target: National Median @\$180 online, @\$100 offline.
- **First time givers** (total, appeal, segment, FR tool), Target: PP
- **Re-engaged donors**, lapsed givers making new gift (total, by appeal, by segment, FR tool), Target: PP

* Policies vary as to when organizations stop soliciting people who do not (or no longer) give. Some organizations “pull” higher-level prospects out of the lists to receive annual and routine solicitations.

Solicitation II: Higher Level or “Major” Prospects/Donors

Are you getting your most promising larger donors and prospects solicited reliably, appropriately, and successfully? Are you using staff and board solicitors, are there differences in their levels of success?

Potential KPI:

- **Total Major Gifts*** prospects
- **Major Gifts Requested**, Total, by Solicitor or Purpose
- **Major Gifts Made**, Total, by Solicitor, or Purpose
- **“Batting Average”** (Gifts made divided by gifts requested), Total, by Solicitor, or Purpose
- **Average Major Gift Size**, Overall, by Solicitor, or Purpose

*“Major” means different things to different organizations at different times, use your organization’s own definition.

Stewardship

Are you meeting your obligations to individual donors? Are you meeting their expectations? Are they satisfied or dissatisfied with the treatment they receive from your organization (are they likely to give again)?

Potential KPI:

- **Turn around time** for gift processing, Target: 1 week.
- Promised **donor recognitions delivered promptly and accurately**, Targets: 0 complaints, less than 1% rate for errors caught at internal inspection
- **Negative Donor Comments**, Target: less than 1% of donors at any level volunteering negative comments about fundraising and related issues in written or verbal form.
- **Negative Media/Regulator Attn.**, Target: No complaints, 0 inquiries
- **Donor Survey Results** (if one is conducted) Target: Favorable ratings on all major measures, “4.5” or more on a 5-point Likert Scale.