



Education  
Advisory  
Board

Advancement Forum

# Advancement by the Numbers

Using Data to Inform Strategy, Improve Performance, and  
Secure Resources



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[eab.com](http://eab.com)

# Advancement Forum

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## “You Want Me On That Wall”

### The Irony of Asking for Funds for the Fundraising Department Grates on Us

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#### Switch “Freedom” to “Funding” and “Weapon” to “Phone”

“I have neither the time nor the inclination to explain myself to a man who rises and sleeps under the blanket of the very freedom that I provide, and then questions the manner in which I provide it! I would rather you just said ‘thank you,’ and went on your way. Otherwise, I suggest you pick up a weapon and stand a post. Either way, I don’t give a damn!”

*Colonel Jessup  
A Few Good Men*

#### They Just Don’t Understand

Communicating the Value of  
the Business of Advancement



#### Our Lips are Sealed

“Why would I show them my dashboard? They’d just tell me I spend too much and employ too many people... [University leadership] doesn’t understand the business of advancement.”



#### No Vision of the Future

“I need a new gift officer, and that person will bring in millions to the university within their first few years. But they turned down my request for FTE funding. The office of fraternity life, though, got another associate director.”

## Notes:

# Internal Pressure Matched by External Scrutiny

Higher Ed Becomes the Bad Guy

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First, Trade Press...



## "Going on a Diet"

The number of non-teaching professional staff has doubled in relation to enrollment over the past generation. Universities have added scores of public relations specialists, wellness coordinators, diversity czars... **Some paring of the Bureaucratic Army will become necessary.**

*Richard Vedder  
Blog Post, Inside Higher Ed*

...Then, Inflammatory Metrics in Mainstream Media

THE WALL STREET JOURNAL

"Hiring Spree Fattens College Bureaucracy – and Tuition"

Forbes

"College Costs Out of Control"

The Economist

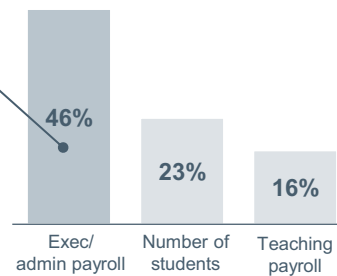
"The College-Cost Calamity"

## Seeing What They Want to See

Percent Increase in Payroll and Number Of Students, 2001 – 2012

### Misleading Metrics?

"Admin" includes student-supporting personnel: advisors, retention coordinators, and career service specialists.



Source: Wall Street Journal, "Dean's List: Hiring Spree Fattens College Bureaucracy-and Tuition," (Dec 28, 2012); Vedder, Richard "Going on a Diet" *Inside Higher Ed* (December 30, 2008) available at <http://www.insidehighered.com/views/2008/12/30/vedder> (accessed March 22, 2013); Education Advisory Board interviews and analysis.

## Notes:

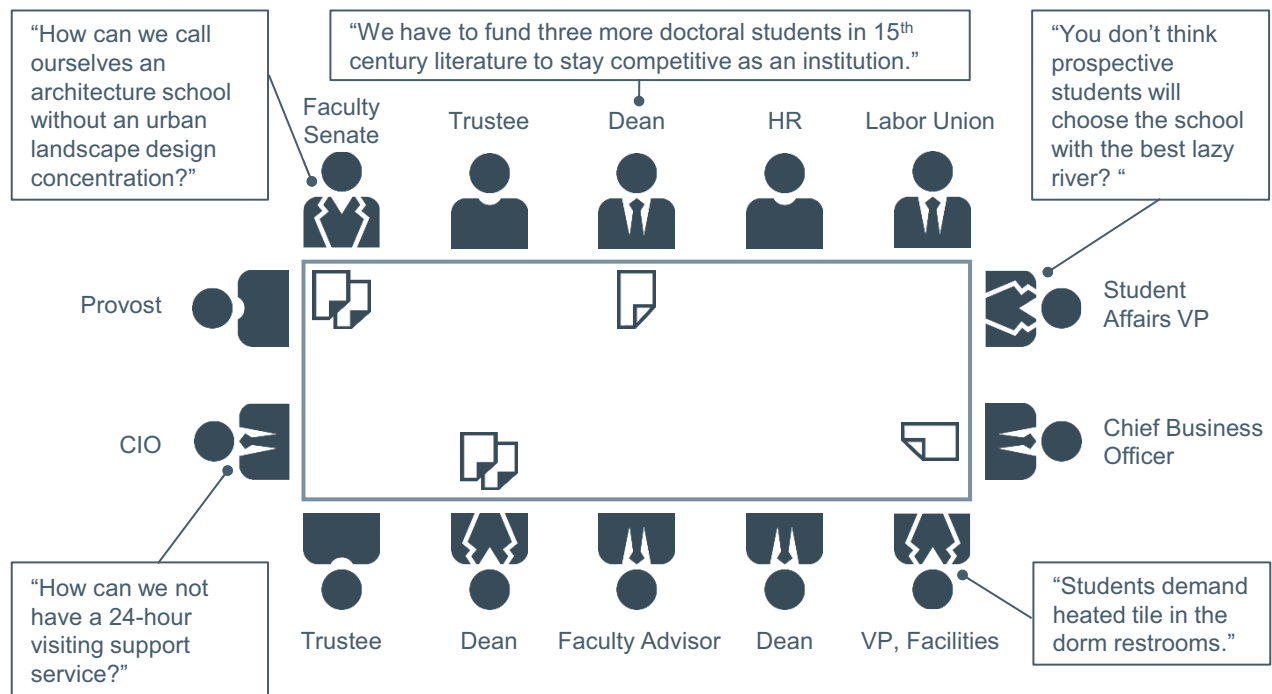
# Status Quo No Longer Acceptable

## The Good Old Days of “There for the Taking”

9

### Budget Allocation Process at Private Research Institution

*Illustrative*



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Source: Education Advisory Board interviews and analysis.

## Notes:

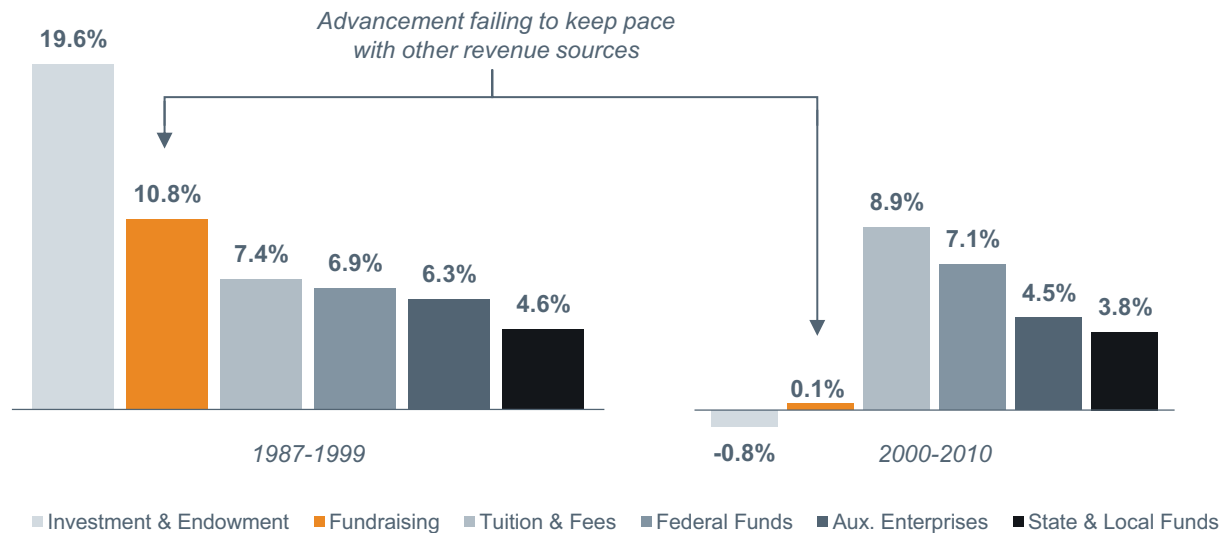
# Can't Just Point to the Scoreboard Anymore

Advancement Must Prove Itself as a Worthwhile Investment

11

## Fundraising's Relative Contribution Nearly Flat Over 10 Years

Higher Education Revenue Growth Rates by Source  
Four-Year Institutions, Public and Private (1987-2010)



## Notes:

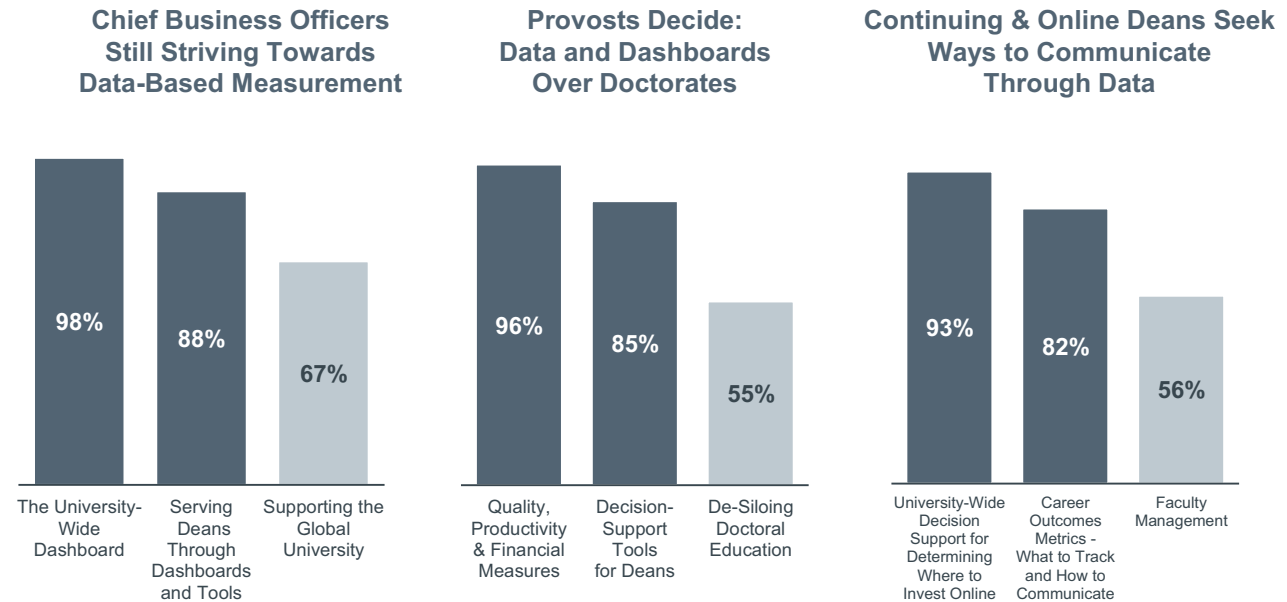
# In Harsh Spotlight, Campus Turned to Data

Education Advisory Board Witnesses Growing Analytics Interest Across Campus

13

## Topic Poll Winners & Losers Illustrate Top-of-Mind Issues

Campus Executives Seek Data and Analytics to Improve and Communicate Performance



## Notes:

# From the Inside Out

## Three Steps to a Data-Driven Advancement Function

15

### 1

#### Optimize Existing Resources

Improve efficiency by focusing major gift activity on those prospects most likely to give

- **Carleton University**  
*Finding Friendly Targets*
- **University of Pittsburgh**  
*At Our Fingertips*
- **Colorado State University**  
*Data-Driven Solicitation*
  - Score 1: Solicitation Readiness Scale
  - Score 2: Potential Ask Range (PAR) Score
- **Coda: Doing the Math**

### 2

#### Advocate More Effectively

Leverage data and analytics to communicate value and secure resources

- **University Y**  
*Under One Umbrella*
- **Widener University**  
*Persuading Your Audience*

### 3

#### Utilize External Expertise

Apply benchmark data and use analysis to contextualize success and right-size operations

- **Education Advisory Board's Proposed Partnership Service**  
*An Overview*
- **New Study on Human Capital**  
*Gifted and Talented: What Makes a Top Fundraiser?*

## Notes:



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## Notes:

# The Efficiency Imperative

## Pressure Mounts Despite Limited Resources

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### Wealth Screen Too Porous

*Full Prospect Coverage  
Requires an Army*



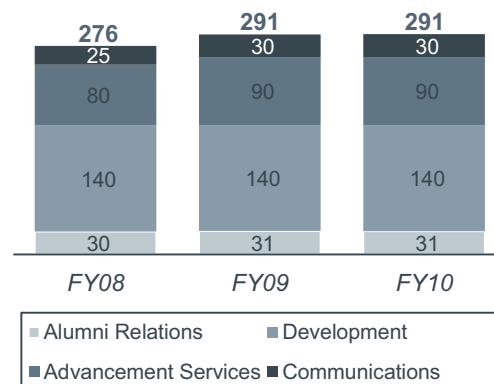
#### In a perfect world...

- 180,945** Average solicitable alumni<sup>1</sup>
- 12%** Defined as major gift prospects through internal or external analysis
- 110** Average gift officer portfolio
- 198** Ideal FTE gift officers

### No Relief in Sight

*Great Recession Holds  
Staffing Levels Flat*

#### Total Advancement Headcount Averages at Six Institutions<sup>2</sup>



1) Average and median figures using Public Research Institution data.  
2) Representative sample. Six Private Research institutions.

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### The Search Continues

"It's getting harder and harder to find qualified people to do this job. I can't pay them what they might make working in sales for a big corporation, and all of the people that I'd want to hire are good enough to make it in the private sector. No one wants to travel 200 days a year for \$60,000."

*President, University-Affiliated Foundation  
Large Public Research Institution*

## Finding Friendly Targets



### Carleton University

**Ottawa, Ontario, CA**  
**26,000 Students**  
**Primarily Undergraduate**

As a younger institution relying on wealth data to segment prospects, Carleton sought a more accurate way to define its major gift pool. Despite limited personnel and resources, with assistance from an outside firm and straightforward internal data analysis the institution resegmented its population and identified a group of high-wealth, high-engagement alumni for major gift targeting.



### Key Animating Principles

- A combination of internal and consultant-provided data enabled Carleton to pinpoint indicators of engagement, from which the institution created a profile that could be extrapolated across the entire alumni population
- Simple analysis using an engagement-wealth matrix resegmented the alumni population, redefining a new major gift target segment

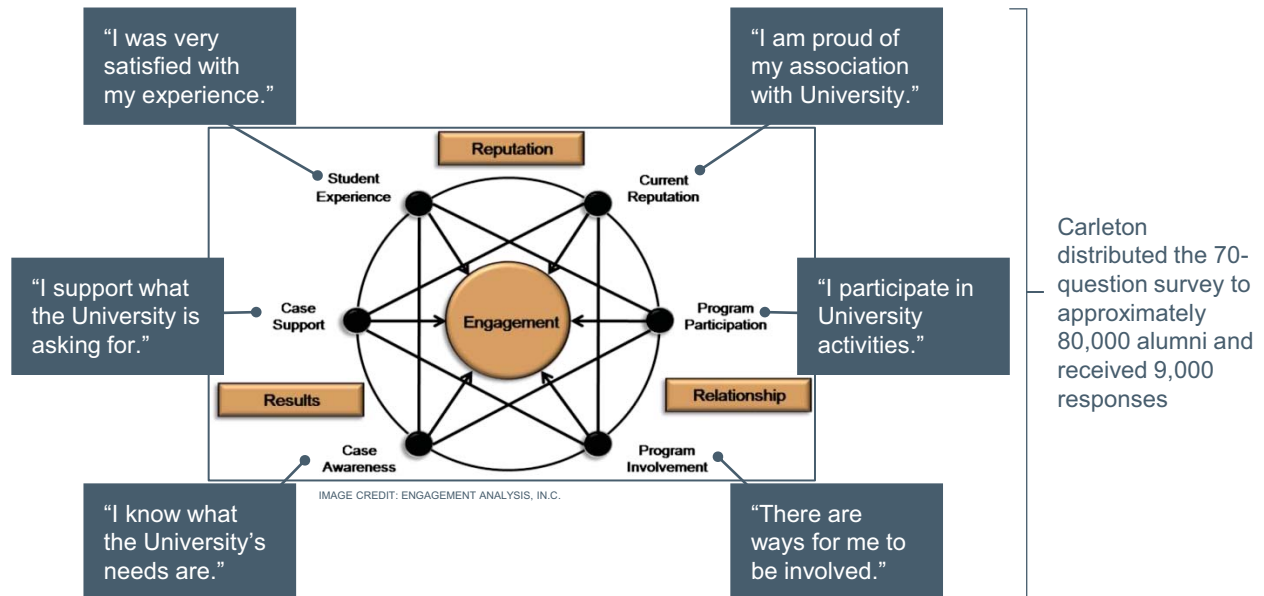
## Notes:

## Finding Friendly Targets

### Outside Vendor Applies Rigor to Traditionally “Soft” Measurement

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#### Engagement Analysis, Inc.’s Theory of Engagement Survey Produces “Engagement Score” For Each Alumnus



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Source: Engagement Analysis, Inc.; Education Advisory Board interviews and analysis.

## Notes:



We are grateful to Ray Satterthwaite, President of Engagement Analysis, Incorporated, for his contributions to our work. For more information, please visit <http://www.eanalysis.org>.

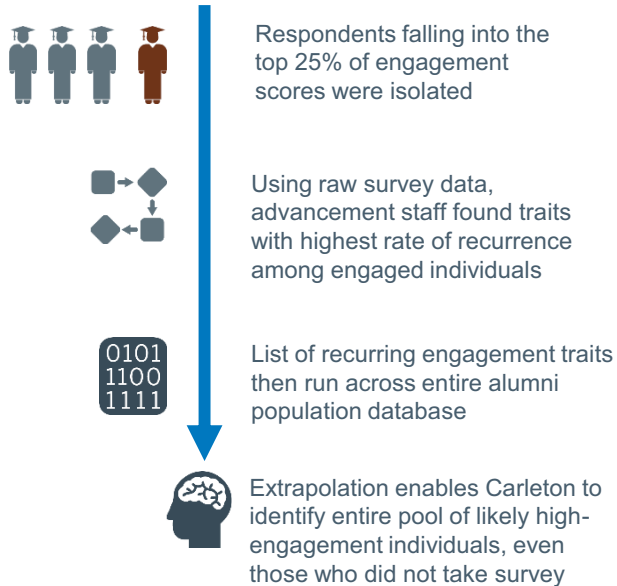
# Finding Friendly Targets

## Unpacking High Scorers to Find True Engagement Indicators

25

### Extrapolating Survey Data to Identify Engaged Alums

Initial Analysis Focuses on Identifying Common Traits



### The Results

Who Is Most Engaged?

#### What Mattered

- Undergraduate college  
Smaller cohorts in Business and Engineering schools lead to stronger engagement
- Age  
Pre-enrollment boom graduates more highly engaged

#### What Didn't

- Geographic location  
Positive undergraduate experience stronger than distance of current residence
- Wealth  
No correlation between wealth indicators and engagement

## Notes:


# Finding Friendly Targets

## Using Engagement and Wealth Data to Fish in a Smaller Pond

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### We Know Who's Engaged—Who Has Capacity?

Last Stage Incorporates Wealth Data to Define Major Gift Prospects

 **Engaged Alum Profile**

- Business or engineering grad
- Graduated before 1997
- Given to university 5 times at the annual level
- Likely to have attended at least one event in previous years



“

“Did we get it right? I don’t know. I know we got it righter than we did before. Relationship building is a long-term process. But it’s easier to fish in a pond of 5,000 top prospects than 70,000 general alumni.”

*Paul Chesser, Chief Development Officer*

## Notes:

## At Our Fingertips



### University of Pittsburgh

**Pittsburgh, Pennsylvania**  
**28,000 Students**  
**Public Research**

Pitt's advancement leadership faced the common challenge of wanting to improve gift officer yield while streamlining activities and minimizing efforts directed to prospects with low likelihood to make a gift. Mining their own gift history to perform a self-study provided Pitt with all of the information they needed to improve gift officer performance and yield.



University of Pittsburgh

### Key Animating Principles

- Pitt mined its own data to determine what was working—and what wasn't
- Using simple data points commonly tracked, Pitt determined the population segments that resulted in highest yield
- A better understanding of each segment's likeliness to give enabled Pitt to remodel the prospect assignment process to optimize chances for success

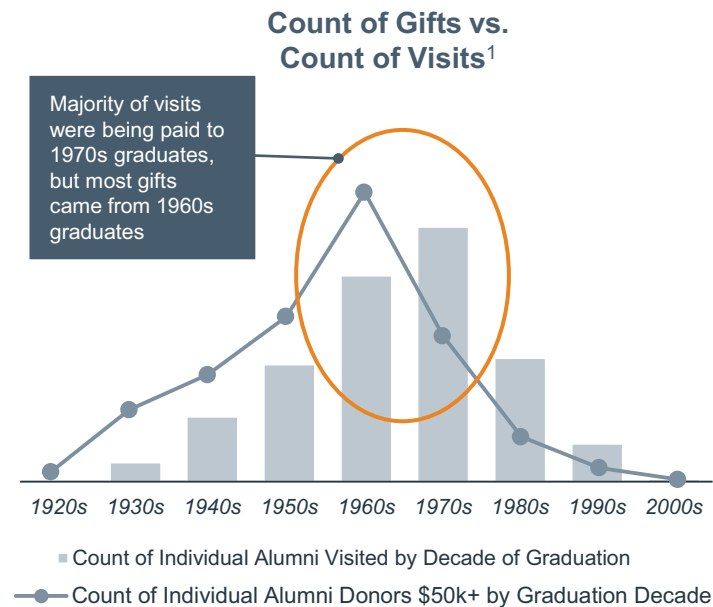
## Notes:

# At Our Fingertips

## Straightforward Analysis Identifies Significant Imbalance

31

### The “A-Ha!” Moment Trends Emerge from the Start



- Advancement staff calculated the percentage of visits paid to each decade's graduates, positioning that against percentage of major gifts from each decade's graduates
- Using this information, high-yield segments became obvious—as did the fact that time spent on certain segments should be reallocated.

	1960s	1970s	1980s	1990s
% Total Visits	23%	28%	14%	4%
% \$50k+ Donors	27%	13%	4%	1%
% Total \$100k+ Donors	26%	14%	2%	1%

1) Adjusted to remove bequests received.

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Source: Education Advisory Board interviews and analysis.

## Notes:



# At Our Fingertips

## Getting Through to Your Gift Officers

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### “How Many Alumni Do I Have to Visit Before I Secure a Gift?”

The Analysis That Drove Home Findings to Frontline Staff

Graduation Decade	Ratio of Alumni Visited: Gift
1920s	2.5:1
1930s	3:1
1940s	6:1
1950s	8:1
1960s	7:1
1970s	18:1
1980s	30:1
1990s	34:1
2000s	-

Using total visits and gift counts, Pitt determined a ratio for the number of discrete alumni visited for every one gift within each graduation decade.

For example, 34 visits to 1990s grads yielded one gift—while 8 visits to 1950s grads did the same.

“

“We saw that it didn’t matter how many visits were made—people will go to lunch with you 12 times a month if you invite them. Once we looked at number of alumni visited, it was obvious that there was a much greater return with some than others. When I put this in front of my gift officers, you can imagine their thoughts. **To get one gift, are they going to visit 34 grads from the 1990s, or are they going to find 8 or 9 from the 1950s and 1960s?”**

*David Dalessandro*  
Associate Vice Chancellor for  
Institutional Advancement

## Notes:

# At Our Fingertips

## Findings Used to Set the Bar for Current Activities

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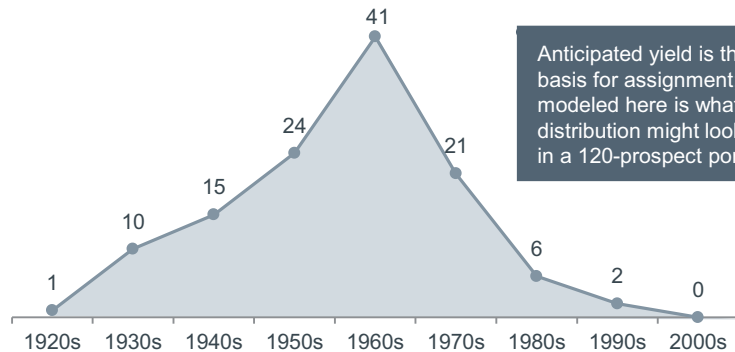
### Operationalizing Findings

Crafting a New Strategy to Engender Gift Officer Success

#### The Model Portfolio

- Pitt used self-study findings to model the ideal gift officer portfolio, maximizing each officer's total portfolio potential while maintaining parity across officers
- The Model Portfolio is actively used as a guide for prospect assignments

#### Sample Portfolio Distribution



Anticipated yield is the basis for assignment; modeled here is what the distribution might look like in a 120-prospect portfolio.



#### Results & Changes Made Following the Self-Study

- Gift officer goals expanded from visits-only to entire set of yearly outcomes: 56 visits, 10 new proposals, 6 agreements closed, \$1M raised
- Gift officers focused on quality, not quantity
- All Pitt gift officers now routinely raising \$1.6+ M by third year in seat

## Notes:

## Data-Driven Solicitations



### Colorado State University

**Fort Collins, Colorado**  
**29,000 Students**  
**Public Research**

Colorado State had a wealth of data at its fingertips—both purchased and internally tracked. Understanding that a series of discrete data points is difficult for frontline staff to interpret and act on, research staff developed a suite of scores designed to inform solicitation efforts and make sense of a long list of data points.



### Key Animating Principles

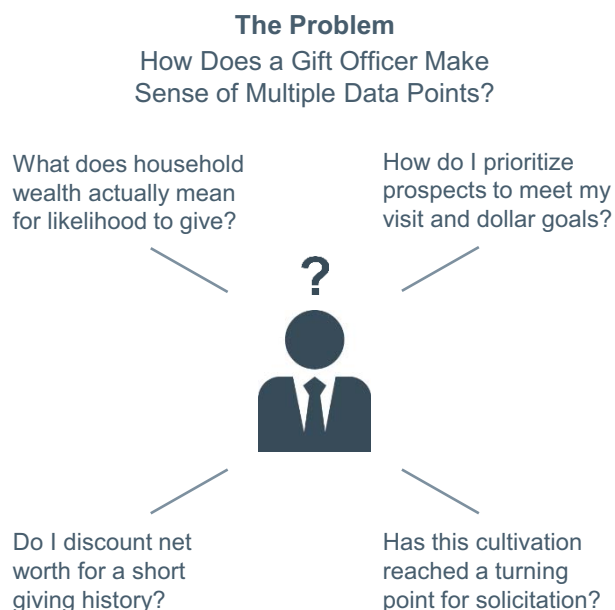
- CSU combined discrete data sources into a simple scoring system that frontline staff could easily understand and interpret
- Scoring indicators enable gift officers to better prioritize, approach, and solicit prospects
- The system's ease of use and corresponding user-friendly interface has facilitated quick adoption and ensures up-to-date, accurate information

## Notes:

# Data-Driven Solicitations

## Readily Understandable Indicators Focus Strategy and Activities

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## The Solution

### Solicitation Readiness Scale & PAR Score

#### Solicitation Readiness Scale

- Incorporates multiple data points quantifying interaction with institution into one score on a scale of 1-1,000
- Provides clear, concise indication of prospect's major gift approachability
- Conserves gift officer time and effort by enabling alignment of gift officer activity with prospect readiness

#### Potential Ask Range (PAR) Score

- Incorporates multiple data points about individual into one score on a scale of 1-1,000
- Provides clear, concise indication of individual's likeliness and capacity to give a gift within 1 year in a specific dollar range
- Enables stronger targeting of solicitations and better prioritization of prospects within portfolio

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### Setting the Stage

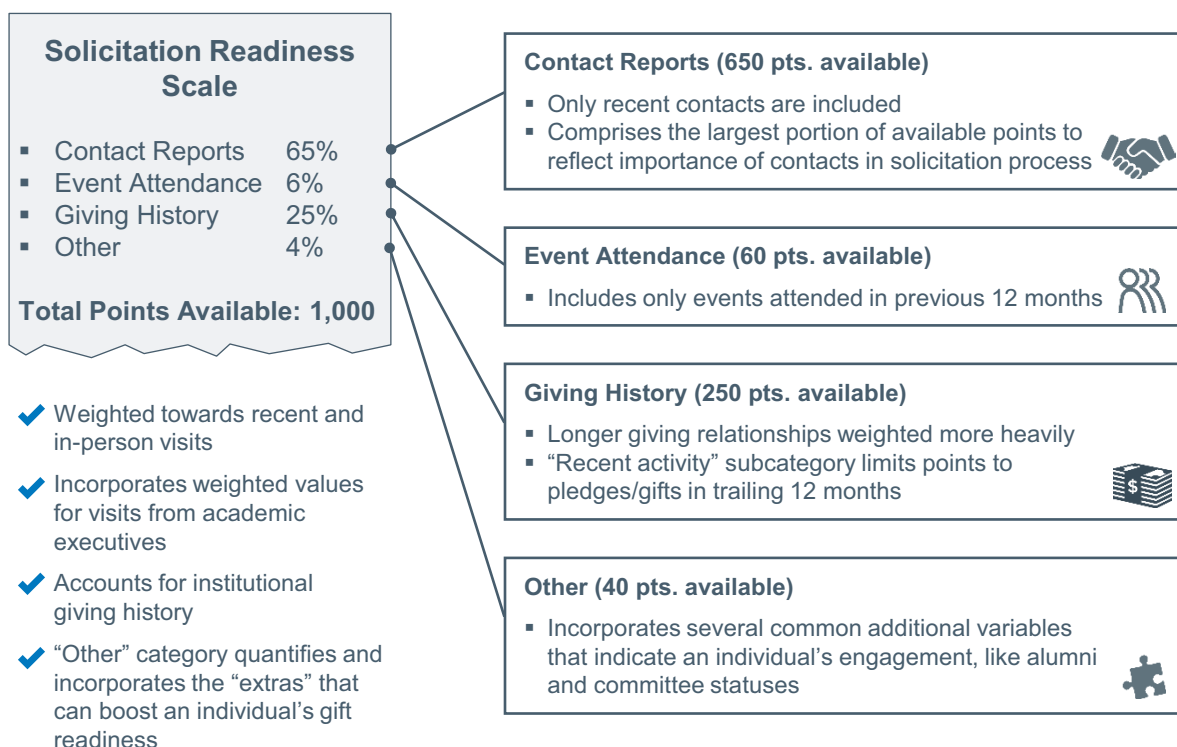
"With the abundance of data now available...it became imperative to develop a scoring or rating system which would be an easy-to-use, conservative, and realistic estimate of an individual's giving capacity. Without such a mechanism in place, staff would end up spending an inordinate amount of time analyzing data instead of putting the information to use."

*Colorado State University Statement on PAR Score*

# Score 1: Solicitation Readiness Scale

## Components Weighted Toward Most Significant Types of Contact

41



## Solicitation Readiness Scale: Score Breakdown

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In-person Visits			Avail. Points	
1 Visit	0-3 Months	75		
	3-6 Months	50		
	6-12 Months	25		
	Subtotal 150			
2+ Visits	0-3 Months	50		
	3-6 Months	50		
	6-12 Months	25		
	Subtotal 125			
More Than 1 College/Unit	0-3 Months	50		
	3-6 Months	25		
	6-12 Months	25		
	Subtotal 100			
Dean Or Higher	0-3 Months	25		
	3-6 Months	25		
	6-12 Months	25		
	Subtotal 75			
At Least 1 Visit In Past Years	2 Years Past	25		
	3 Years Past	25		
	Subtotal 50			
Total In-person Potential Points: 500				

Contact Categories

Phone Visits		Avail. Points	
1 Telephone Call	0-3 Months	45	
	3-6 Months	20	
	6-12 Months	20	
	Subtotal 85		
2+ Telephone Calls	0-3 Months	5	
	3-6 Months	5	
	6-12 Months	5	
	Subtotal 15		
Total Phone Potential Points: 100			

Giving		Avail. Points	
Recent Activity	0-12 Months (1 Gift/ Pledge)	125	
	0-12 Months (2+ Gifts/ Pledges)	25	
	Subtotal 150		
Recent Activity Sum	0-12 Months (Cumulative \$1,000+)	25	
Year of Giving	2-5 Years	10	
	6-10 Years	25	
	11-15 Years	45	
	16+ Years	75	
Total Giving Potential Points: 250			

Correspondence		Avail. Points	
Email or Traditional Mail, at Least 2 Instances	0-3 Months	30	
	3-6 Months	15	
	6-12 Months	5	
	Subtotal 50		
Total Phone Corr. Points: 50			

Events		Avail. Points	
Recent Attendance	0-6 Months (1 event)	25	
	0-6 Months (2+ events)	25	
	Subtotal 50		
Prior Attendance	6-12 Months (1+ event)	10	
Total Events Potential Points: 60			

Other		Avail. Points	
Additional Information	Alum	5	
	Spouse is Alum	5	
	Parent	5	
	0-12 Months (2+ click-throughs)	10	
	Active Committee Member	15	
Total Other Potential Points: 40			

Engagement Categories

# Score 1: Solicitation Readiness Scale

Indicator Quantifies Relationship with Institution

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## In Practice: How The Solicitation Readiness Scale is Used

### How Does a Gift Officer Use the Score?



#### One Number, Lots of Information

SRS provides a single indicator of the level of contact and frequency of engagement with a prospect



#### Getting Closer

400 is a tipping point within a portfolio: this number is a good point to begin considering an ask



#### First Things First

SRS also serves as a prioritization tool for gift officers, enabling them to better manage their portfolio and craft visit and contact strategies

### How Does the Score Change the Management Conversation?

**Gift Officer**  
*Quantifiable evidence of work put in to relationships*



**Manager**  
*Clear indicators of relationship progress to start looking forward*

### SRS Enables Management to Ask Direct Questions of Gift Officers

- Who are your strongest prospects right now?
- What are you doing to move your prospects forward (closer to solicitation)?
- Are you applying quality contacts (dean visits, in-person visits) to quality prospects?
- When will this prospect reach the formal ask stage?

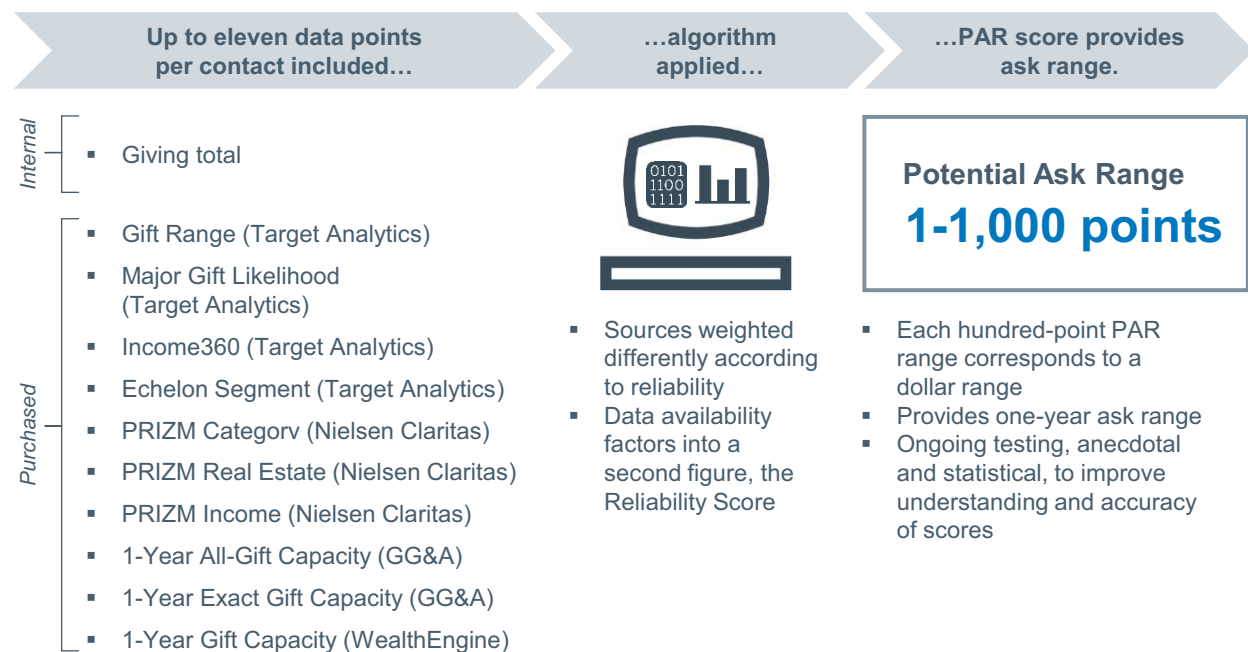
## Notes:

## Score 2: Potential Ask Range

Lots of Data In, One Score Out

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### PAR Overview



## Notes:



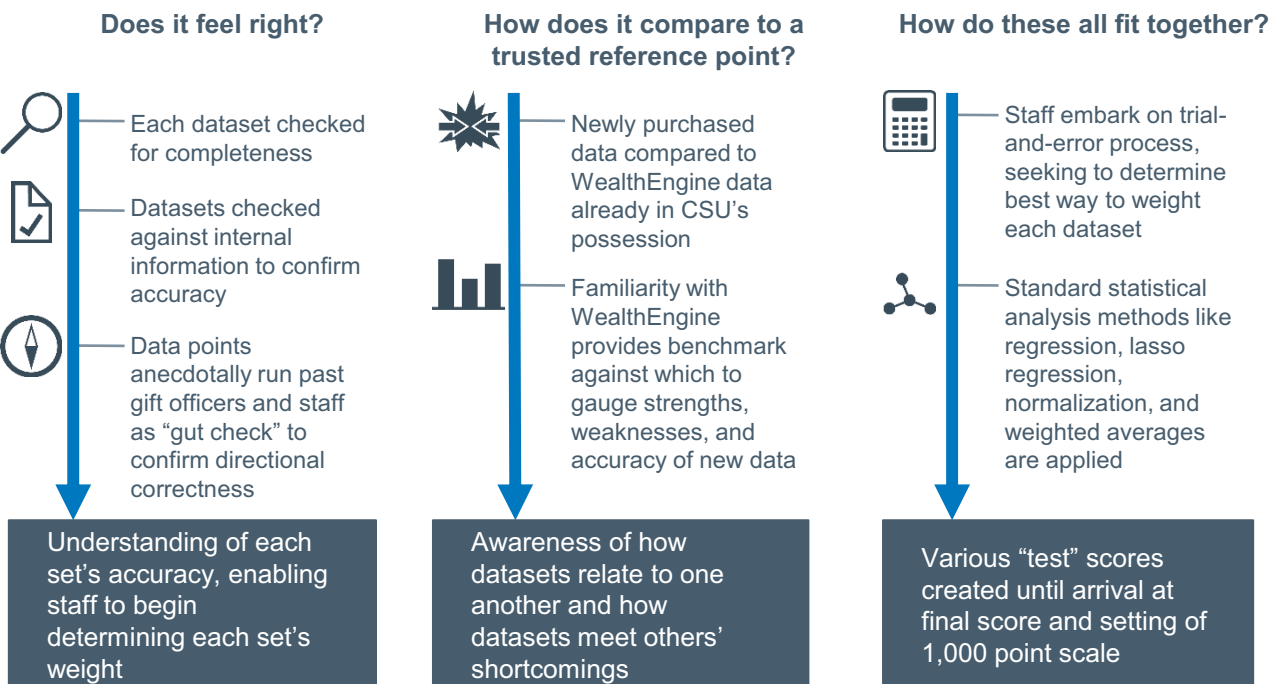
### Note on Data Sources

Vendor names are included for informational purposes only; Colorado State is neither endorsing nor criticizing any of the specific products mentioned herein.

## Score 2: Potential Ask Range

Determining the Recipe: Examine Data Sets Individually, Then Experiment

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Source: Education Advisory Board interviews and analysis.

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### Sample Findings from Data Comparison

- WealthEngine scores trend higher than Grenzebach scores for same prospect
- Target Analytics Range matches more closely with WealthEngine data as giving history increases

### Making the Leap

"[We could] make a few assumptions about the purchased data - that much of it was correct...but that the inaccuracies within the data sets were inconsistent. These two assumptions lead us to make the leap that...by combining all of the data together the inaccuracies would be minimalized."



## Score 2: Potential Ask Range

### The Final Result

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#### One-Year Potential Ask Range and Reliability Score

##### Component Weights Reflect Accuracy of Individual Datasets

Score Component ( <i>P</i> ) denotes Purchased	Avail. Points
Gift Range ( <i>P</i> )	100
Major Gift Likelihood ( <i>P</i> )	100
Household Income ( <i>P</i> )	100
Echelon Segment ( <i>P</i> )	100
Demographic Category ( <i>P</i> )	100
Income ( <i>P</i> )	50
Real Estate ( <i>P</i> )	50
One-Year All Gift Capacity ( <i>P</i> )	100
One-Year Exact Gift Capacity ( <i>P</i> )	100
One-Year Gift Capacity ( <i>P</i> )	100
Campaign Giving Total	100

##### Score Tells Gift Officer Where to Target Ask

Points	Ask Range	Points	Ask Range
1-199	Less than \$5,000	600-699	\$100,000 - \$250,000
200-299	\$5,000 - \$10,000	700-799	\$250,000 - \$500,000
300-399	\$10,000 - \$25,000	800-899	\$500,000 - \$1 M
400-499	\$25,000 - \$50,000	900-949	\$1 M - \$5 M
500-599	\$50,000 - \$100,000	950-1,000	\$5 M +

##### Key Attributes of PAR Score

- Single indicator makes sense of eleven disparate data sources
- Accuracy of source data “built in” to final score via total points available for each source
- Gift officers need only look at one score to determine range, enabling better portfolio management, prioritization, and forecasting

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#### Reliability Score Adds Context

- Sits alongside PAR score
- Discounts total potential points based on completeness of available data
- Informs a gift officer of how heavily to rely on PAR figure

Available Sources	Total Possible Points
1	50 – 100
2	101 – 200
3	201 – 300
4	301 – 400
5	401 – 500
6	501 – 600
7	601 – 700
8	701 – 800
9	801 – 900
10	901 – 1,000



#### Knowing Our Own Systems

“The PAR Reliability score is simply an indicator of how many data points were available to derive the PAR score. In the broadest sense, the PAR Reliability score is a measure of how accurate the PAR score is until further research, by either the prospect research staff or a development officer, is done. Currently, we feel that the PAR score is around 80% of the time right on target. When the PAR score is off it is often only off by one level, and usually lower than reality.”

*Colorado State University  
Statement on PAR Score*

# Data-Driven Solicitations

## Closing the Loop: Embedding Scores into Everyday Operations Yields Results

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### Gift Officer Education Leads to Data-Driven Conversations

*Scores Still New, But Showing Promise*



#### Training Materials

Prospect Research provides frontline staff with materials explaining the source data, score calculations, and how to use the scores



#### One-on-One Training

Prospect Research staff work closely with all development officers on using the scores, emphasizing:

- Validity
- Contextualizing scores based on interactions with prospect



#### Changing the Conversation

“The scores have proven to be very useful in allowing far more and more detailed discussions about the progress with particular prospects and groups of prospects without having to just rely on memories of the development officers.”

*Colorado State University  
Statement on PAR Score*

## Notes:

# Data-Driven Solicitations

Manage to Data and Systems to Maintain Integrity of Reporting and Analyses

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Intranet access puts information in front of officers every day

**Make It Easy for Them**  
*System Characteristics Drive Adoption*

## Development Pipeline - Prospect Portfolio

**Drilldown Settings**  
All - Face Value  
Assigned -- **James A. Connors, CSU**



**Overall Statistics for James A. Connors, CSU**

- 63 Total Prospects  
- 6 Added in Last 365 Days  
- 9 Dropped in Last 365 Days

Actions	Stage	Prospect Name	Expectancy	PAR	SRS	Days Since Last Contact	Next Task	Proposal Date	Proposal Amount	Assigned
	Explore	Mr. James J. de Vries, Board of Directors	(secondary)	\$100K-\$250K	295	137				
	Explore	Mr. John Deane	(secondary)	\$100,000	100	53				
	Solicitation	Mr. John Deane	(secondary)	\$25K-\$50K	245	33				
	Stewardship	Frank R. de Vries, Vice of Being	(secondary)	\$25K-\$50K	220	20				
	Explore	Mr. R. M. Blackwell & Mr. Margaret Phillips	(secondary)	\$10K-\$15K	85	683				
	Solicitation	Mr. Michael Blackwell (University of the Rockies)	(secondary)	\$25K-\$50K	210	113		12/3/12	\$200,000	
	Cultivation	Mr. Joseph R. de Vries, Treasurer (Being)	(secondary)	\$50K-\$100K	235	203				
	Explore	Mr. Joseph R. de Vries, Treasurer (Being)	(secondary)	\$15K-\$25K	80	258		12/1/12	\$5,000	
	Explore	Mr. James R. de Vries, President of Board	(secondary)	\$0	<\$2,500	350	1			
	Solicitation	Mr. Joseph R. Connors	(secondary)	\$15K-\$25K	400	17				
	Explore	Mr. R. M. Blackwell & Mr. Margaret Phillips	(secondary)	\$1M-\$5M RC	350	6		12/31/12	\$75,000	
	Explore	Mr. James R. Connors	(secondary)	\$100K-\$250K	350	165				
	Explore	Mr. James R. Connors	(secondary)	\$1,000	\$15K-\$25K	35	971			
	Explore	Mr. R. M. Blackwell & Mr. Margaret Phillips	(secondary)	\$15K-\$25K	410	-132				
	Explore	Mr. James R. Connors	(secondary)	\$10,000	\$25K-\$50K	62				
	Explore	Mr. James R. Connors	(secondary)	\$25K-\$50K	25	265				
	Explore	Mr. James R. Connors	(secondary)	\$10,000	\$25K-\$50K	250	985			
	Explore	Mr. James R. Connors	(secondary)	\$25K-\$50K	275	3				
	Explore	Mr. James R. Connors	(secondary)	\$25,000	\$15K-\$25K	155	236			

PAR and SRS front and center for every prospect, updated daily

Graphical indicators indicate recent changes to relationship reflected in SRS

Also optimized for viewing on mobile devices (iPhone, iPad, and Android)

- **User-friendly.** Can users easily and quickly figure out where to go to get the information they need?
- **Visually appealing.** Are graphs, charts, and reports easy to read and understand?
- **Mobile accessible.** Can staff, especially gift officers, enter and pull information on the go (like entering a contact report immediately after a visit)?
- **Inescapable.** Do users see the interface regularly (e.g., as an Intranet homepage or automated email push)?

## Notes:

# Overview: Predictive Modeling

## Predictive Models Drawing the Spotlight

55

### Lured by Stories of Incredible Returns, Private Sector Runs to Predictive Analytics



**61%** Companies using analytics predictively

**300%** Increase in predictive analytics use since 2009

**66%** Firms that have hired c-level data officer in past 18 months



**Forbes**

**"NFL Increases  
YOY Sales by 25%"**



**HealthLeaders  
Media**

**"System Reduces  
Readmissions by 20%"**



**cyta**



**"Utility Co. Improves  
Marketing Campaign  
Response by 30%"**



Source: Accenture, "Analytics in Action," <http://www.accenture.com/SiteCollectionDocuments/PDF/Accenture-Analytics-in-Action-Survey.pdf>, accessed 20 June 2013; Forbes, "Can Predictive Analytics Help J.C. Penney Avoid a Meltdown?", <http://www.forbes.com/sites/barbarathau/2013/04/22/can-predictive-analytics-help-retailers-dodge-j-c-penney-style-debacle/>, accessed 10 June 2013; HealthLeaders, "How Predictive Modeling Cuts Readmissions," <http://www.healthleadersmedia.com/page-1/fn-279439/How-Predictive-Modeling-Cuts-Hospital-Readmissions>, accessed 15 June 2013; IBM, [http://www-01.ibm.com/software/success/casdb.nsf/CS/5NAE-96SLC7?OpenDocument&Site=default&city=en\\_us](http://www-01.ibm.com/software/success/casdb.nsf/CS/5NAE-96SLC7?OpenDocument&Site=default&city=en_us), accessed 16 June 2013; Education Advisory Board interviews and analysis.

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### Sample Common Correlated Variables

- Married
- Business Address Listed
- Business Phone Listed
- Student Organization
- Zip Code plus Four
- Unknown Employer
- Home Phone Listed
- California Resident
- Business Administration Major
- Retired Status
- E-mail Address Listed
- Male
- Pre-Law Major
- Dentistry Major
- Single
- Missing Major
- Master of Business Administration
- Systems Management Major
- City Missing
- No Zip Code
- State Code Missing
- Preferred Year of Graduation
- Job Title Missing
- Employer Missing
- Unknown Marital Status

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Source: Thompson, Lori Ann, "Data Mining for Higher Education Advancement: A Study of Eight North American Colleges and Universities," accessed 13 June 2013.

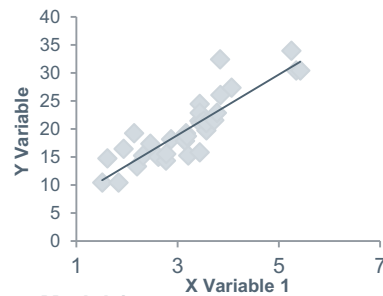
# Coda: Doing the Math

## How to Build a Predictive Model

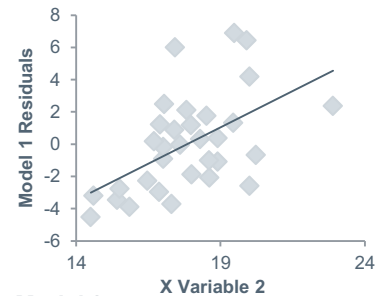
57

### Brief Model Overview

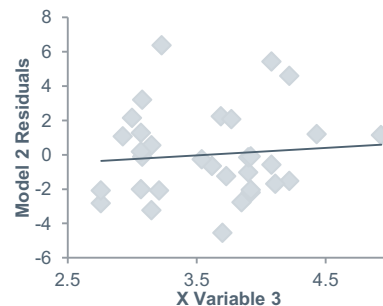
- After a variable is applied, the data points explained by that variable are removed and the “leftovers” (residuals) move into the next step for application of another variable. “Leftovers” are those data points with the greatest perpendicular distance from the line of best fit.
- The system ends when the remaining data points are just noise; that is, there is no variable that well explains the dataset.
- In a multivariate model, the variable application is sequenced in order of highest coefficient of determination to lowest coefficient of determination (adjusted  $r^2$ ).



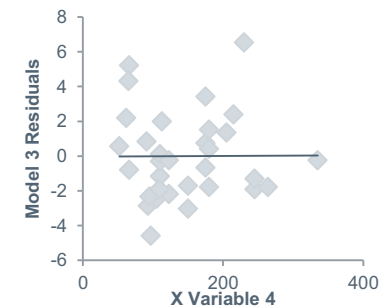
**Model 1**  
X Variable 1 Applied:  
Data 75.3% Explained



**Model 2**  
X Variables 1 & 2 Applied:  
Data 82.6% Explained



**Model 3**  
X Variables 1 – 3 Applied:  
Data 83.7% Explained



**Model 4**  
X Variables 1 – 4 Applied:  
Data 84.5% Explained

Source: Education Advisory Board interviews and analysis.  
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## Notes:

# Coda: Doing the Math

## Tips We've Picked Up Along the Way

59

### Remember...

When Building a Predictive Model, Keep These in Mind

#### Fewer is Better

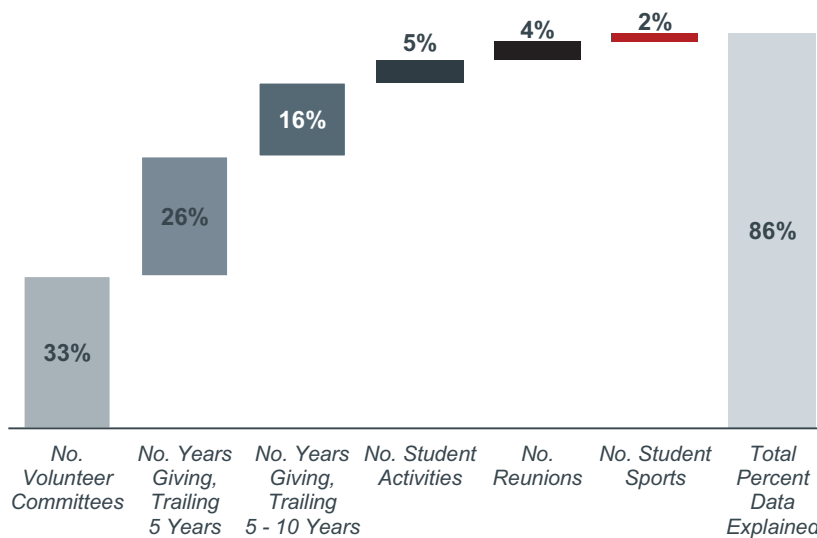
- Predictive models are best developed with fewer, strong variables than a multitude of potentially explanatory variables.
- Test for variable strength by computing adjusted  $r^2$  values of variables individually, and only include high  $r^2$  values in the modeling sequence.

#### Correlation is Not Causation

- Select variables with caution, avoiding “descriptors” and focusing on potential predictors.
- For example, if this sequence is run against all variables in a database, qualifiers like “married” may emerge as most “predictive.”

### For Example

Advisor Solutions Deduces Engagement Score Using Just Six Data Sources



Source: Advisor Solutions, Inc.; Education Advisory Board interviews and analysis.

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## Notes:

# From the Inside Out

## Three Steps to a Data-Driven Advancement Function

61

### 1

#### Optimize Existing Resources

Improve efficiency by focusing major gift activity on those prospects most likely to give

- **Carleton University**  
*Finding Friendly Targets*
- **University of Pittsburgh**  
*At Our Fingertips*
- **Colorado State University**  
*Data-Driven Solicitation*
  - Solicitation Readiness Scale
  - Potential Ask Range (PAR) Score
- **Coda: Doing the Math**

### 2

#### Advocate More Effectively

Leverage data and analytics to communicate value and secure resources

- **University Y**  
*Under One Umbrella*
- **Widener University**  
*Persuading Your Audience*

### 3

#### Utilize External Expertise

Apply benchmark data and use analysis to contextualize success and right-size operations

- **Education Advisory Board's Proposed Partnership Service**  
*An Overview*
- **New Study on Human Capital**  
*Gifted and Talented: What Makes a Top Fundraiser?*

## Notes:

# When Your Case Falls on Deaf Ears

## Heard Around EAB

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### From Our Advancement Executives

#### *Difficulty Communicating Value*



#### **It's a Cold War**

"One of my biggest problems is that the [academy] sees us as a separate entity that raises all the money and then keeps it for itself. ...We are like the 'evil empire' to them."



#### **Just Don't Understand**

"I feel like the chief educator...I'm doing all the work to not just train the academy side, but also to help admin/finance understand the importance of what we do."



#### **No One Asked Me**

"Deans have planning meetings attended by the CBO and the provost. I don't even have a seat at the table, so I can't help stress-test sustainability of assumptions about amount and sustainability of gifts to fund activity."

### From Our Other University Executives

#### *Unable to Penetrate Opacity*



#### **Questionable Returns**

"Am I investing in advancement to help close our budget gaps? I'm not sure I would call it 'investing.'"



#### **Not Speaking Our Language**

"Our [advancement chief] showed us some numbers that said investing in advancement offers a 500% return. I'm sure it does: in restricted dollars."



#### **A Billion Dollars in...Bequests?**

"We just finished a billion-dollar campaign. If we just raised a billion dollars, where is it? You'd never know it from looking around campus—or at our budgets."

## Notes:



# Under One Umbrella

## Using Data to Identify Skill and Management Gaps



### University Y

**Southeast US**  
**28,000 Students**  
**Public Research**

The university operated on a parallel structure, with gift officers embedded in central University Development and completely separate officers embedded in colleges, reporting to deans. Using data to demonstrate unrecognized gift potential, the chief advancement executive convinced a college dean to establish a dual reporting structure for gift officers. Implementation of the revised structure began in March 2013 and it still in its early stages.

### Key Animating Principles

- Because the institution had reporting and dashboards in place, the chief advancement executive demonstrated to an academic dean that college-housed gift officers were missing out on major opportunities
- The advancement chief was able to convince the dean to establish a new reporting structure in which gift officers report to University Development

## Notes:

# Under One Umbrella

## Limited Central Advancement Oversight Leads to a Focus on Small Dollars

67

### The Problem

College Focusing Too Strongly on Annual Gifts

- Reeher dashboards indicated that the College of Arts & Sciences was raising significantly less, proportionately, than should be expected based on wealth and giving likelihood
- Further analysis revealed that a \$1,000 ask level was common among solicited prospects

Measurement	Expected/ Predicted	Actual (College)
Typical gift ask	\$25,000	\$1,000
Contribution to Development Total Dollars Raised	18.1%	4%

### The Solution

Rerouted Reporting Structure, Implemented Spring 2013, Makes Life Better for Everyone

- Gift officers are still assigned to and focus on the College but are formally measured by and report to University Development
- Regular meetings and check-ins with the dean ensure that gift officers maintain content knowledge, while training and data from University Development work to improve major gift performance
- University Development now also runs Annual Fund efforts for the College

## Notes:

# Under One Umbrella

## Data Sharing and Mutual Goal-Setting Seal the Deal

69

### From “This Doesn’t Seem Right” to 106% YOY Increase

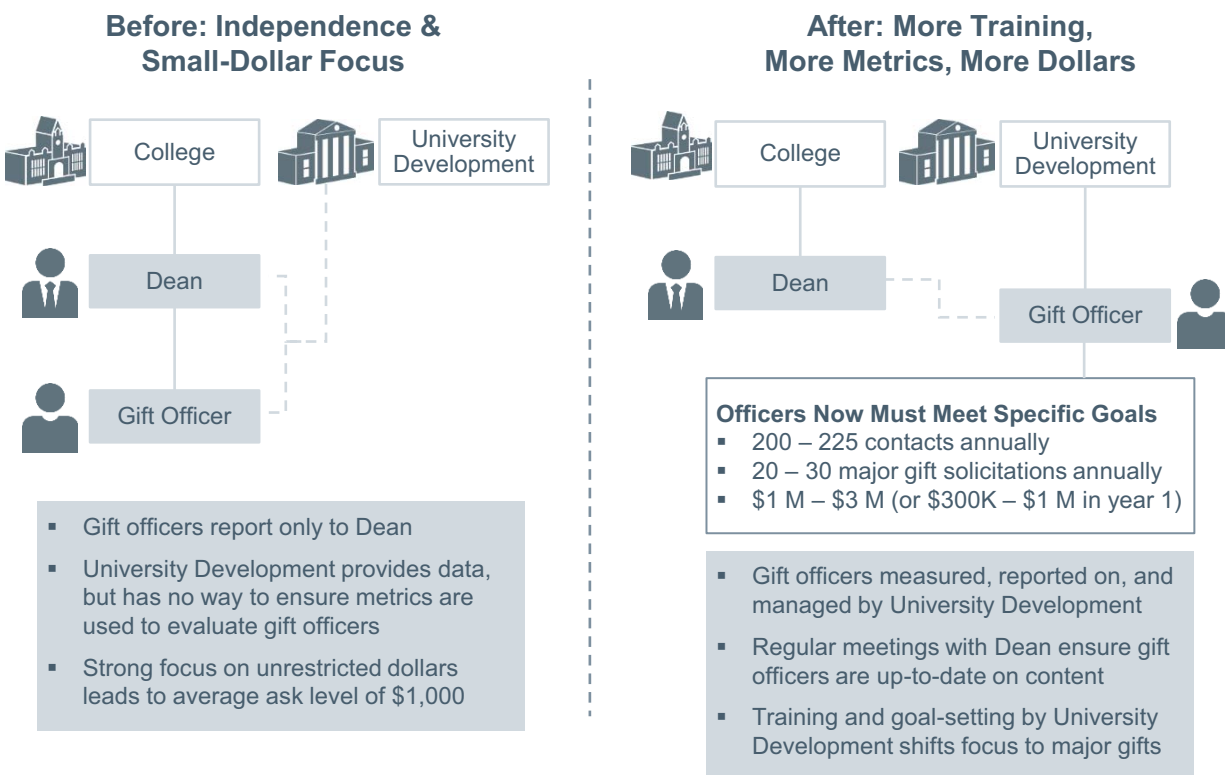


## Notes:

# Under One Umbrella

## Reorganization Changes Formal Structure but Maintains Relationship

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Source: Education Advisory Board interviews and analysis.

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### The Results

**Spring 2013**

Reorganization implemented

**106%**

Increase in phonathon dollars raised YOY to date (year 90% complete)

**11%**

Increase in annual giving dollars raised YOY to date (year 90% complete)



Renewed focus on major gift efforts



### It's All in the Approach

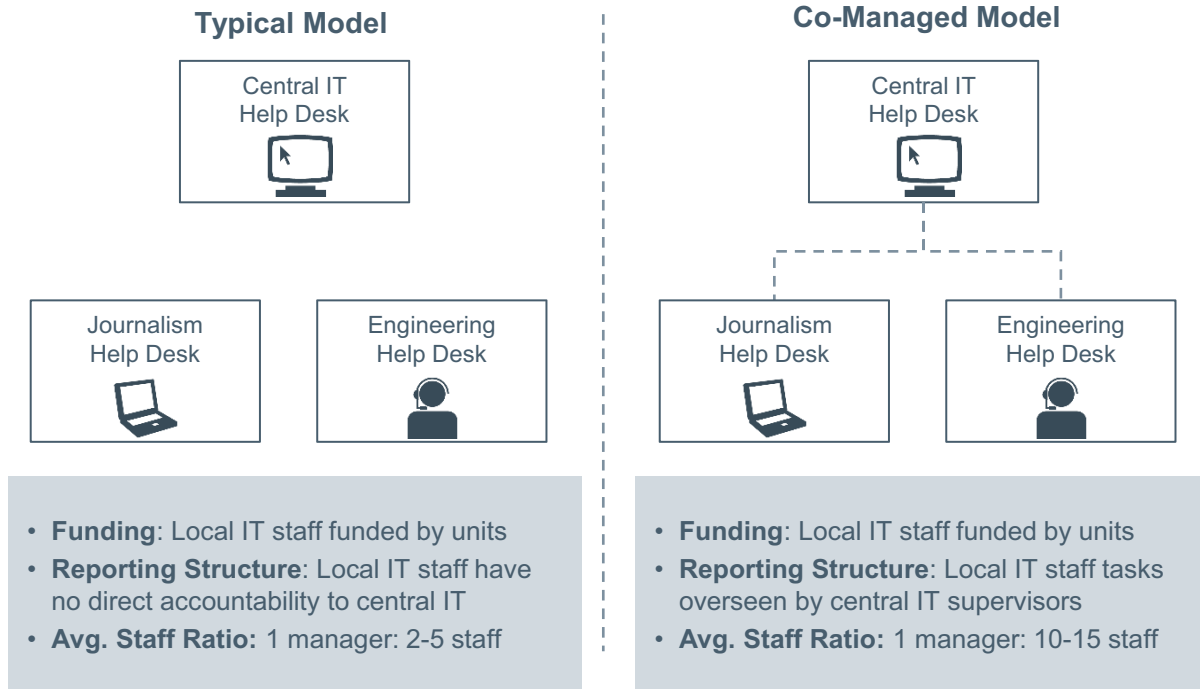
"We've tried to do this in a very positive way. On many campuses, it's a 'we' versus 'them' mentality. It was important to us that we approached this with firmness but with collegiality. So we've gone in with a positive attitude, and we've focused on the right things—focused on things moving forward rather than pointing out mistakes."

*Director of Fundraising Programs  
University Y*

## “Centralized but Shared” Increasingly the Norm

ASU Provides Example of Co-Managed IT Services

73



## Notes:

# Persuading Your Audience

## Data and Analytics Secure Funding for New Gift Officer

75



### Widener University

**Mid-Atlantic US**  
**5,000 Students**  
**Private Doctoral**

Faced with lagging progress in a major capital campaign, Widener needed additional advancement manpower in order to meet campaign goals. University leadership was reluctant to fund an additional position after having expanded advancement staff at the start of the campaign, leading the chief advancement officer to develop and share an ROI calculation to convince leadership that one additional FTE was necessary.



### Key Animating Principles

- Using gift officer metrics and pipeline sizing, the CAO was able to create simple predictive analytics to demonstrate the impact of an additional major gift officer
- Because the analyses were realistic and easily understandable when shared with leadership, funding for an additional gift officer was secured

## Notes:

# Persuading Your Audience

## Data and Analytics Secure Funding for New Gift Officer

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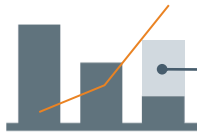
### The Problem

Campaign Falling Short of Goal



#### Campaign at a Glance

<b>\$58 M</b>	Goal
<b>November 2010</b>	Kickoff
<b>November 2013</b>	Conclusion (anticipated)



By Spring 2012, the Campaign was behind goal, most noticeably in the law school

### The Solution

Additional Gift Officer to Capitalize on Untouched Prospects

- A position had been previously vacated and was subsequently eliminated
- Chief Advancement Officer recognized the need to reopen this position, but had to convince President and Business Officer
- Using a combination of gift officer metrics and analysis, Chief Advancement Officer demonstrated the potential impact on campaign progress a new gift officer could have

## Notes:

# Persuading Your Audience

## Data and Analytics Secure Funding for New Gift Officer

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### Step One: Size the Pool

Tell Them What You Aren't Able to Do

#### Law School Prospect Scoring

	\$1K - \$5K	\$5K - \$10K	\$10K - \$25K	\$25K +
Excellent	182	41	23	11
Very Good	124	13	7	2
Good	44	3	1	0

- Blackbaud Analytics was used to size the prospect pool in the law school across all gift ranges
- Even considering only “excellent” and “very good” prospects, close to \$1 M in major gift potential was untouched

### Step Two: Size Potential Impact

Tell Them What You Could Do

- Existing performance metrics were used to determine how quickly a new FTE could impact the newly sized pipeline
- Figures were slightly adjusted to reflect a more senior gift officer requiring little ramp-up time



110 avg. portfolio size



12-15 visits per month



\$750k per fiscal year

**Impact Realized Within 6 Months**

## Notes:



# Persuading Your Audience

## Data and Analytics Secure Funding for New Gift Officer

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### Step Three: The Ask

Data, Metrics Back Up Request and Address Audience Skepticism

Chief advancement officer shared written proposal and prospect scoring dashboards

#### Request for Gift Officer Position

Improve performance to campaign goal...



Using existing performance data, adjusted for senior-level candidate...

Demonstrated wealth in prospect pool...



**Request Lands Favorably with Key Decision-Makers**

#### President

- Appreciates easily understandable bottom-line impact

#### Chief Business Officer

- Values data supporting pipeline size and impact assumptions



### The Results

**\$500,000**

Largest single gift secured by new officer, 6 months after taking seat

**90% +**

Law School progress toward campaign goal

82

### Demonstrate Impact

Use Reasonable, Transparent Calculations to Determine ROI

#### Cost Calculations

Average senior gift officer salary = \$80,000

Benefits Cost = 30%

Total Gift Officer Cost = **\$104,000****4.6<sup>1</sup>****Return on Investment**

**Cash**  
No adjustment

**Bequests/Deferred**  
Adjusted down to account for NPV

**Endowment**  
Adjusted down to account for fees

#### Funds Raised Assumptions

University A Gift Officer Goal: **\$750,000**

	Allocation by Gift Type	Discount	Recognized Dollars
Cash	50%	-	\$375,000
Bequests/Annuities/Deferred (Irr. Only)	30%	42%	\$130,500
Endowment	20%	Present value of annuity	\$75,000
Recognized Dollars Raised			<b>\$580,000</b>

**Gift Type**  
Percentages based on history

1) (Total raised – costs) / costs = \$476,000 / \$104,000

#### Why It Works

- Clearly communicates the bottom line
- Built from actual salary and benefits figures
- Discounts dollars raised according to generally accepted principles (e.g., IRS deduction for deferred gifts)
- Uses institutional data and history to determine discounts and allocations

# From the Inside Out

## Three Steps to a Data-Driven Advancement Function

83

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#### Optimize Existing Resources

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Apply benchmark data and research insights to contextualize success and right-size operations

- **Education Advisory Board's Proposed Benchmarking Service**  
*An Overview*
- **New Study on Human Capital**  
*Gifted and Talented: What Makes a Top Fundraiser?*

## Notes:

# Benchmarking Overview

## Presenting the Education Advisory Board's New Partnership Service

85

### Guiding Principles for the Education Advisory Board Benchmarking

- **One Survey, Consistent Across Time**  
Our goal is to create a lasting framework for data collection that minimizes member institutions' staff time and effort required.
- **Customized Reports and Analysis**  
We hope to collect detailed, transaction-level data wherever possible to facilitate customized analysis. Our research staff will provide data cuts, analysis, and commentary on request.
- **Focus on Industry Standards**  
Much of the data we collect will mirror common industry surveys (e.g., CASE and VSE) in order to reduce the burden of duplicate reporting on institution staff and to ensure applicability of analyses.

### Where We'll Focus



#### Budgets and Expenses



#### Results

*(Support Raised )*



#### Alumni Giving

## Notes:

# Proposed Overview

## Customized Reporting from a Shared Database

87

### Proposed Sources and Uses for Advancement Analytics Offering

#### Sources



##### Member-Submitted Survey Data

- Departmental Expenses
- Staff FTEs by Function



##### Member-Submitted Transaction Data

- Funds Raised
- Prospect Wealth Ratings



##### IPEDS and Other Public Data (NSF, etc.)

- Institutional Overview
- Financial Data
- Medical Center Data
- Student-centric Data (e.g., enrollment, completion rate, etc.)



##### Advancement Forum Database

- Oracle database
- SAS 70 audited data center
- HIPAA compliant
- Tableau reporting and analytics
- R statistical analysis
- Informatica for ETL and data integration

#### Uses



##### Custom Reporting and Analysis

- Easy-to-understand metrics correspond to other internal reports
- Controlled access maximizes data available and limits individual exposure
- Researcher provides analysis and context for each report
- Straightforward analyses highlight only the data that matters; no cross tabs



##### Industry Insight and Analysis

- Large data set available for analysis
- Ability to test conventional wisdom
- No proprietary models or analyses



##### Web Reporting Platform

- Dependent on security and ability to maintain anonymity
- Easy-to-use interface
- Presentation-ready reports and charts

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## Notes:

# With the End in Mind

## Why Develop a Major Gift Officer Competency Model?

89

### Potential Applications of Research on Major Gift Officer Competency Models



#### Expand, Examine and Engage the Talent Pool

Identify competencies and motivations of top gift officers

- Develop skills-based hiring model to source and evaluate gift officers from out of industry
- Improve offer acceptance rate



#### Enhance Major Gift Officer Knowledge Base

Create briefings and webinars for gift officers to advance their knowledge of higher education

- Use Education Advisory Board content to inform gift officer conversations
- Access easy-to-use database containing information about institution and peers



#### Up-Skill Existing Staff

Determine the performance attributes of the best gift officers vs. core performers

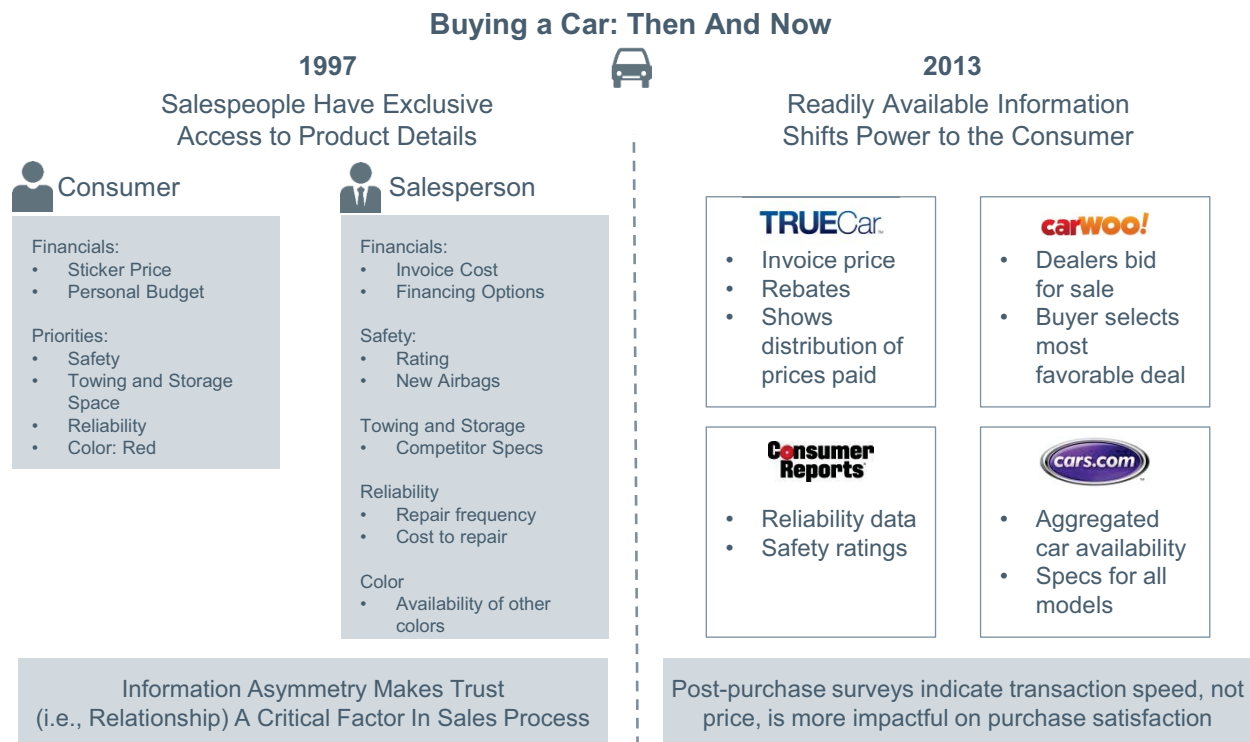
- Design trainings targeting most significant skill and competency gaps
- Deliver online and onsite training and workshops to gift officers

## Notes:

# Balancing Information Asymmetry

The Transaction Has Changed, But Have the Salespeople?

91



## From Supplier to Clarifier

“When buyers know more than sellers, sellers are no longer protectors and purveyors of information. They’re the curators and clarifiers of it—helping to make sense of the blizzard of facts, data, and options.”

*Daniel Pink,  
To Sell is Human*



## The End of an Era

“When I graduated from college [in 1984], the factory invoice of a car was locked in a safe... Today, the customer is telling me [what the cost is].”

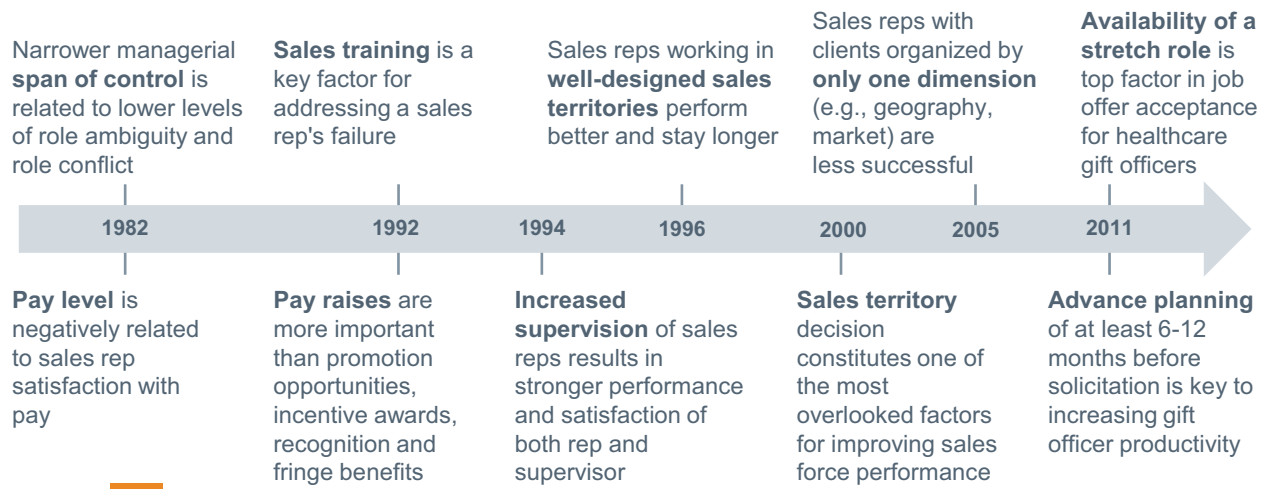
*Tammy Darwish  
Owner, DARCARS*

## More “How” Than “Who”

### Considerable Findings on Structure, Few on Competencies

93

#### Selection of Most-Cited Research on Sales Performance



#### No Meaningful Findings On Sales Competency

Since 1976, researchers have produced 137 studies and articles and conducted over 1,600 regressions examining hundreds of variables and have found no meaningful correlation between any one characteristic or behavior and performance.

## Notes:

# More Than One Road to Success

## Global Survey Finds Five Archetypes Dominate Sales Force

95

### Massive Study Seeks to Answer “What Drives Sales Performance Today?”



- Sister company to The Advisory Board
- Provides best practice research (and meetings) to CXOs of the Global 1,000
- Sales Executive Council serves 450 heads of sales at companies with revenues of \$1 billion+



#### Data Gathered From Thousands of Sales Reps

- Survey of over 6,000 business-to-business sales reps across both domestic and international industries
- Responses were self-reported by sales reps
- High-performers defined as top 20% of peers
- Survey tested attributes, skills, behaviors, activities, and knowledge



#### Multiple Statistical Methodologies Used

- Multivariate regression identified little correlation between performance and individual factors tested
- Cluster analysis used to examine groupings of variables revealed five distinct types of sales staff
- All five types were similarly represented in the overall sample

### Partial List of Variables Tested

#### Attitudes

- Desire to seek issue resolution
- Willingness to risk disapproval
- Accessibility
- Goal motivation
- Extent of outcome focus
- Attachment to the company
- Curiosity
- Discretionary effort

#### Skills and Behaviors

- Business acumen
- Customer-needs assessment
- Communication
- Use of internal resources
- Negotiation
- Relationship management
- Solution selling
- Teamwork

#### Activities

- Sales process adherence
- Evaluation of opportunities
- Preparation
- Lead generation
- Administration

#### Knowledge

- Industry knowledge
- Product knowledge



# More Than One of a Kind

## Five Profiles of Top Sales Reps Defined Through *The Challenger Survey*

97



### **The Relationship Builder** 21% of Sample

- Builds strong advocates in customer's organization
- Generous with their time
- Gets along with everyone



### **The Lone Wolf** 18% of Sample

- Follows own instincts
- Possesses strong self-assurance
- Difficult to control
- Does not file trip reports



### **The Challenger** 27% of Sample

- Has a different world view
- Understands customer's business
- Enjoys debate
- Pushes the customer



### **The Hard Worker** 21% of Sample

- Always goes the extra mile
- Refuses to give up
- Is highly self-motivated
- Responds proactively to feedback and development



### **The Reactive Problem Solver** 14% of Sample

- Responds reliably to internal and external stakeholders
- Works to ensure all problems are solved
- Focuses on the details

## Notes:

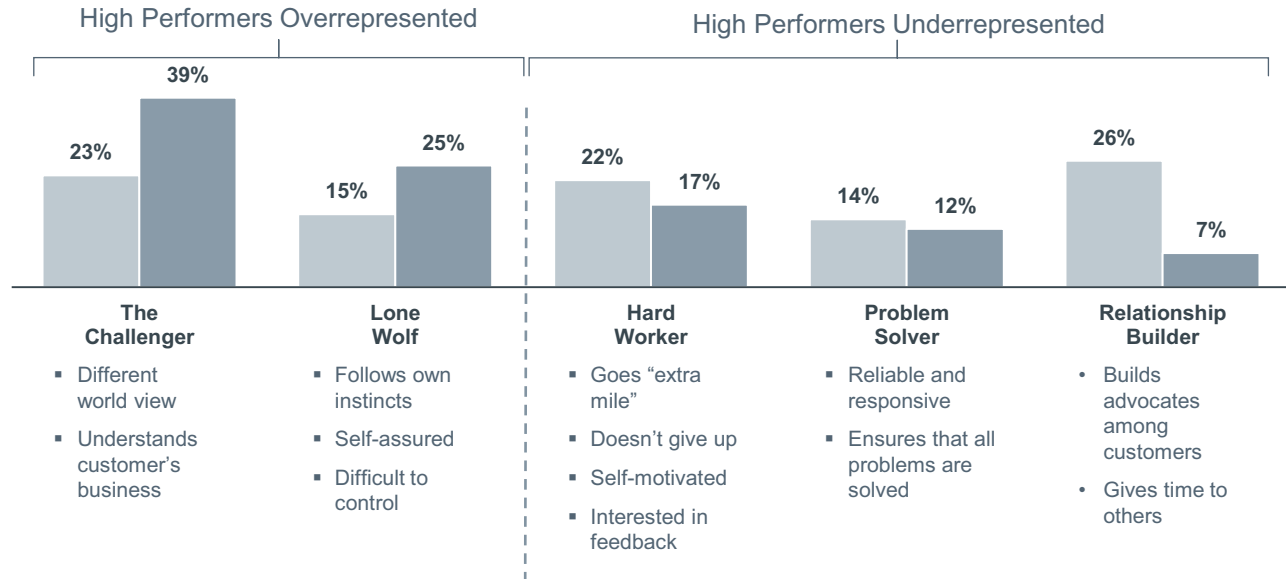
# One of These Things is Not Like the Others

Cluster Analysis Reveals Lack of Uniformity Among Top Sales Reps

99

## Sales Profile Representation Among Core Performers and High Performers

Core Performers  
High Performers



## Notes:

# Complexity Favors the Challenger

Does Size of Donation Add to Complexity?

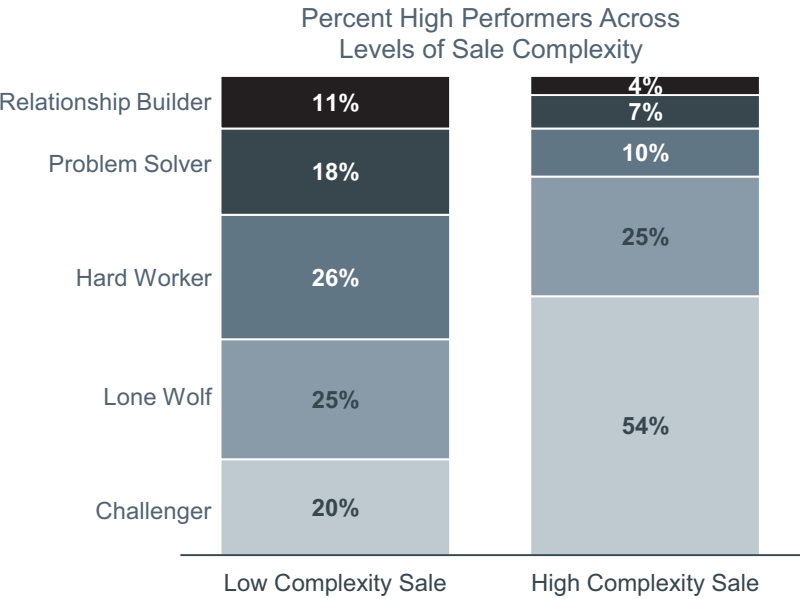
## Clear Disparities Emerge When Comparing by Sale Complexity

“

**Performance Gaps Arise in Complex Negotiations**

“In a transactional selling environment, the performance gap between average and star performers is 59%. In...solution-selling models, [stars] outperform by almost **200%.**”

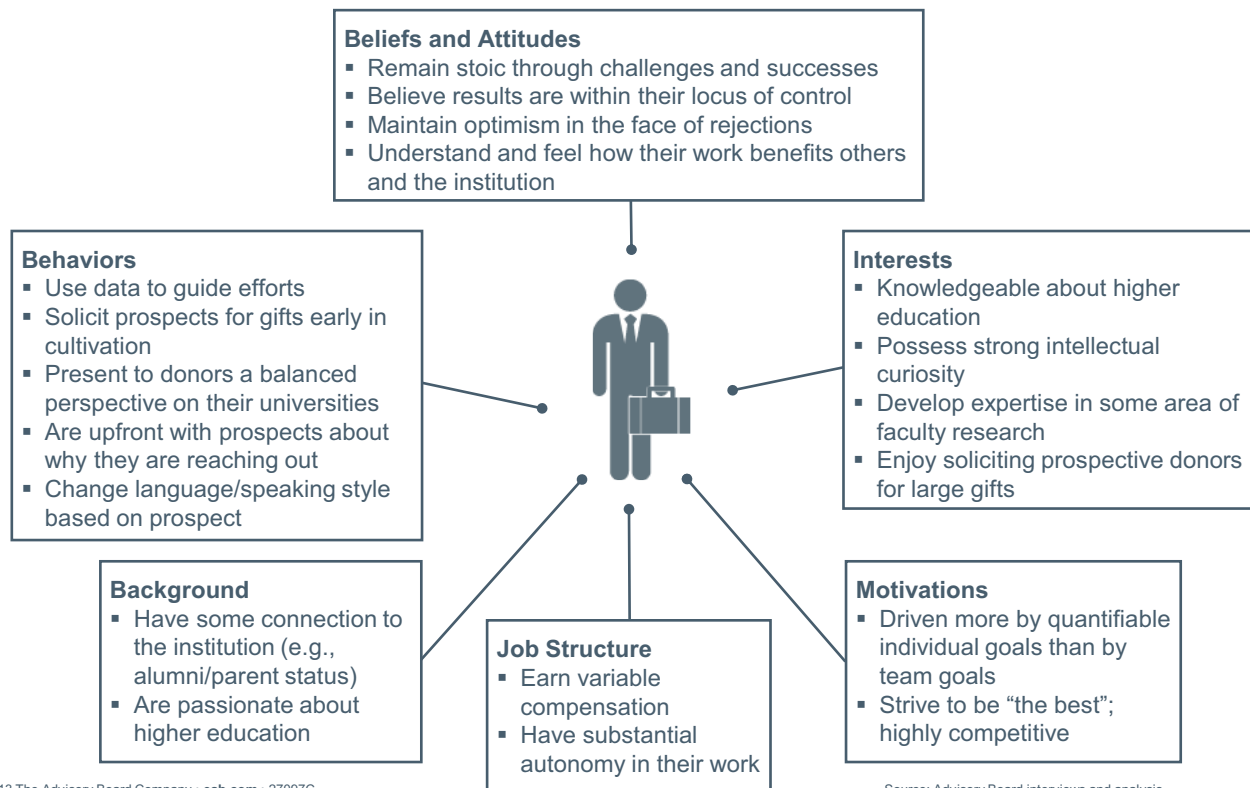
*The Challenger Sale*



## Notes:

## Connecting the Dots

### A Few Hypotheses About What Makes a Top MGOs Different



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Source: Advisory Board interviews and analysis.

## Notes: