



Organizational Structures of **Research Offices** in Advancement



Advancement Forum

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1) Executive Overview

Key Observations

Prospect researchers divide their time between prospect identification, prospect management, prospect profiling, and analytics (e.g., predictive modeling). Prospect identification and management currently account for nearly half of researchers' time, while analytics and modeling account for only eight percent.¹ Contacts recommend hiring one staff member to conduct the majority of data-driven research (e.g., predictive modeling, wealth screenings). Job candidates with social science majors (e.g., political science, psychology) who possess formal research experience (e.g., senior thesis) are in high-demand, as these students typically demonstrate experience with data software (e.g., Stata, SPSS, R).

Profiled advancement offices typically maintain between one and five research staff members. Researchers provide more detailed analysis and assistance when reporting to fewer gift officers. Researchers typically report to a director of prospect research, who reports to an assistant vice president for advancement services. At **Institution E**, prospect research and prospect management maintain separate staff, reporting structures, and responsibilities.

Profiled advancement offices employ both on-campus resources and third-party vendors to establish an analytics program (e.g., predictive modeling, wealth screening). At **Institution E**, the Director of Prospect Research recognizes the need for an outside vendor's services (e.g., creating a model to determine the potential success of a new fundraising strategy) and pitches the idea to the Assistant Vice President, who maintains final say over which vendor to hire. Profiled institutions also rely on on-campus resources to support data-centric research programs; research staff at **Institution G** worked with Ph.D. candidates in statistics to develop predictive models for athletics giving.

Typically, a restructuring of the prospect research office occurs only after staff retirement. At **Institution G**, researchers expanded their responsibilities to include prospect management only after the Director of Prospect Management and the Prospect Management Analyst retired. Although the prospect research team preferred to remain separate from the prospect management department, administrators recognized an opportunity for cost savings by expanding the role of existing researchers into prospect management.

1) Best Practices for Prospect Research in Higher Education Fundraising." Wealth Engine. Accessed January 1, 2013.

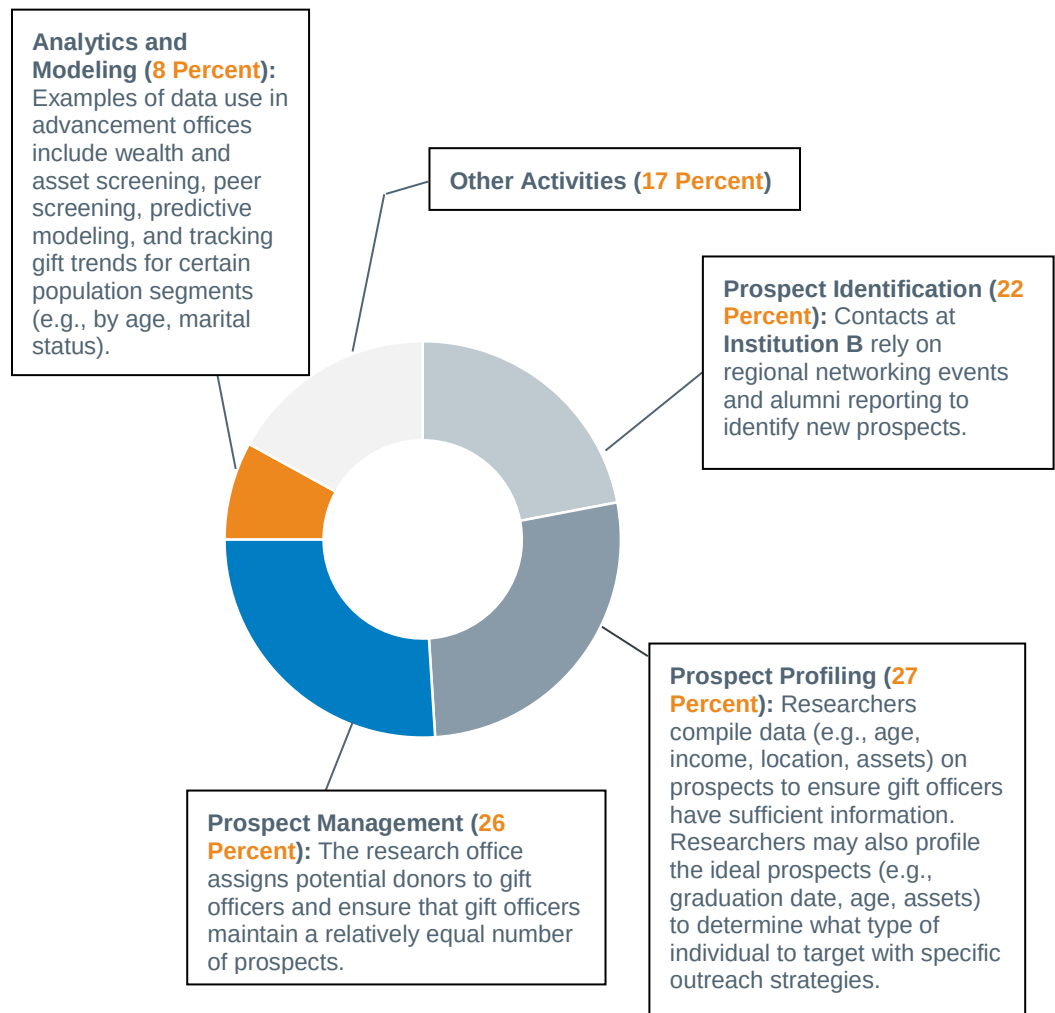
2) Research Office Function

Prospect Researcher Responsibilities

Prospect Researchers Spend Less than 10 Percent of Their Time on Analytics and Modeling

The typical prospect researcher divides his or her time across a number of related areas including prospect identification, prospect management, and analytics and modeling. Twenty-three percent of all institutions maintain a full-time staffer devoted to predictive modeling and 13 percent employ more than one data analyst.² These numbers, albeit relatively small, have increased substantially in the past ten years.

Breakdown of Responsibilities for Prospect Researchers in 2014³



2) Ibid.

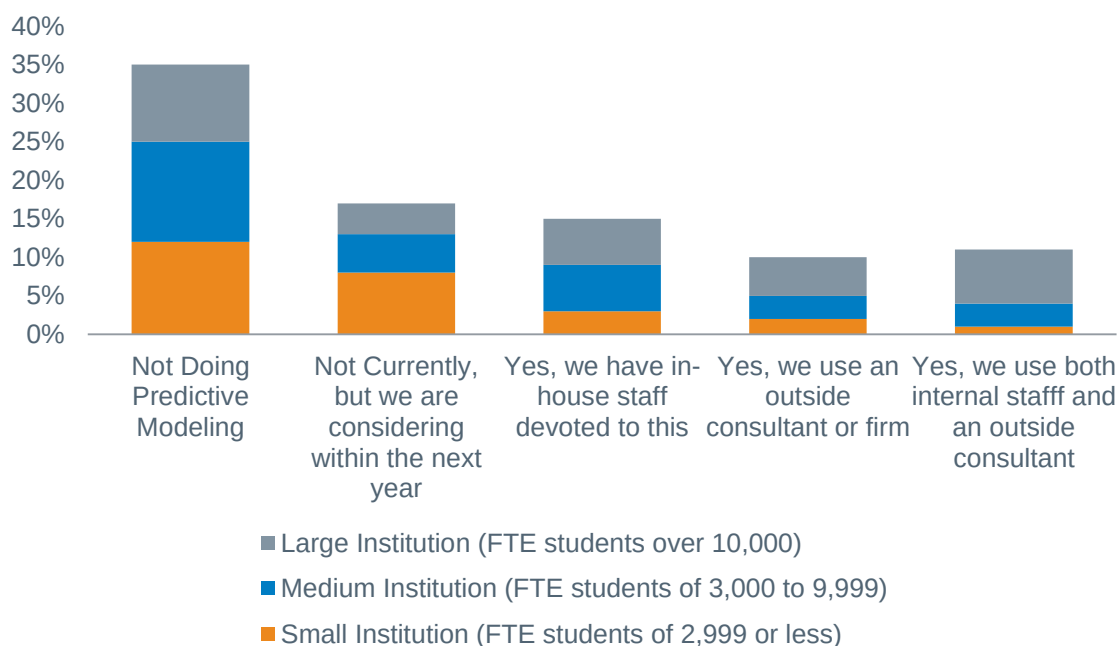
3) Ibid.

Employ Predictive Modeling to Evaluate the Likelihood of Individuals to Donate to the Institution

As of 2013, 38 percent of institutions surveyed by Wealth Engine conduct predictive modeling to some capacity, either in-house, through an outside consultant, or a combination of the two. Another 17 percent may implement predictive modeling by 2015.⁴

The Employment of Prospect Modeling for Prospect Research⁵

To what extent does your advancement research office employ predictive modeling?



Collect and Manage Historical Records of Giving and Personal Information to Ensure Data Accuracy and Effectiveness

Advancement offices rely on predictive models to answer questions such as:

- Who is likely to give a gift of \$5,000 or more to our organization within the next 12 to 18 months?
- Who is likely to give a gift of \$100,000 to \$500,000 within the next 12 to 18 months?
- Who is likely to give a gift of \$5,000 or more to the institution five years from now?
- Who is likely to give a gift of \$1,000,000 or more at any time?

Contacts at **Institution E** employ predictive models and other data-centric strategies to establish giving trends (e.g., times of year in which donors are more likely to give, fundraising appeals that have been historically successful with certain groups of alumni). However, the office must collect and maintain enough data to support the creation of a model. For example, if the goal is to predict future bequest donors, there must be enough information about

4) Ibid.

5) Ibid.

individuals who have given a bequest in the institution's database to establish a statistically significant data set.

Examples of Data Necessary to Establish a Successful Predictive Model

More Important Less Important



Screening and Research Data

- Financial information (including income, real estate and stock holdings)
- Asset ownership (boats, airplanes)
- Gifts to other organizations
- Children
- Professional history



Giving Data

- First gift amount
- First gift date
- Last gift date
- Largest gift date
- Largest gift amount
- Total lifetime giving
- Total number of gifts



Relationship with Institution Data

- Family ties
- Volunteer roles
- Connections to others in prospect pool
- Student activities
- Honors or awards
- Last staff/volunteer contact
- Event attendance



Demographic Data

- Location
- Age
- Marital status
- Gender
- Business title
- Email address
- Business phone
- Home phone

Collaborate with Statistics Students to Develop Data-Driven Research Approaches Free of Charge

At **Institution G**, contacts approached a professor in the Department of Statistical Analysis to develop and analyze a predictive model on behalf of the Advancement Office. As part of a final project for a statistics class, Ph.D. candidates developed a model to identify potential major gift prospects for athletic programming. The research office plans to employ this method again in the future, as it provides a low-cost, low-risk alternative to hiring an outside vendor for similar services.

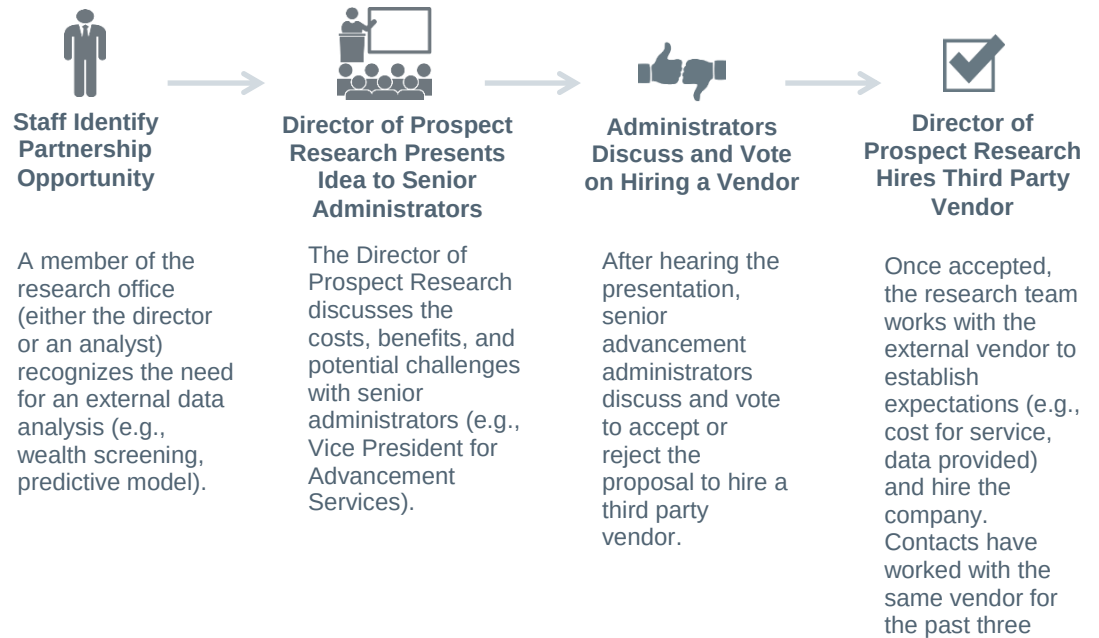
Vendor Selection

Contacts Consider Cost, Potential Return on Investment, and Company Reputation in Decision to Employ a Third Party Vendor

At **Institution D**, the Director of Prospect Research initiates discussions to hire a third party vendor with senior administrators (e.g., the Director of Advancement Services). At **Institution F**, little discussion between the prospect research director and senior administrators occurs; instead, directives come from senior administrators, who utilize the prospect research team to execute their decisions (e.g., contract with the chosen vendor, analyze collected data).

Bottom-Up Approach to Vendor Selection

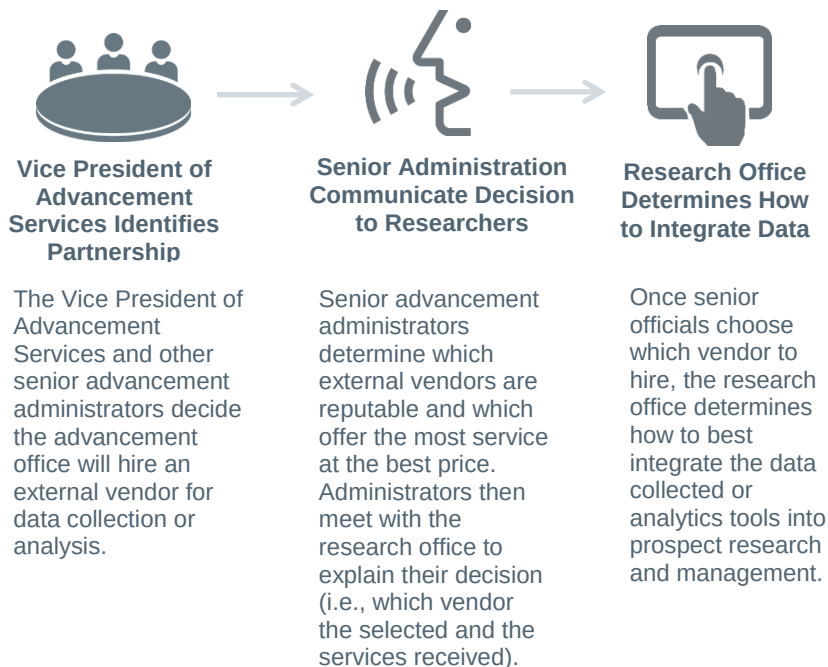
Institution D



Contacts acknowledge that the bottom-up approach promotes high levels of engagement and buy-in among research office staff for vendor partnerships. However, a gap may exist between the data that prospect researcher staff would like to the vendor to analyze and the feasibility of hiring a third part (e.g., associated costs).

Top-Down Approach to Vendor Selection

Institution F



The top-down approach to vendor selection allows researchers to focus on analyzing data and worry less about data sources. However, contacts at **Institution F** recommend soliciting feedback from research office staff even in a top-down approach, as they are often the most knowledgeable about what data from vendors would provide the greatest return on investment.

3) Staffing

Staffing Requirements and Transition

Gift Officers to Researchers

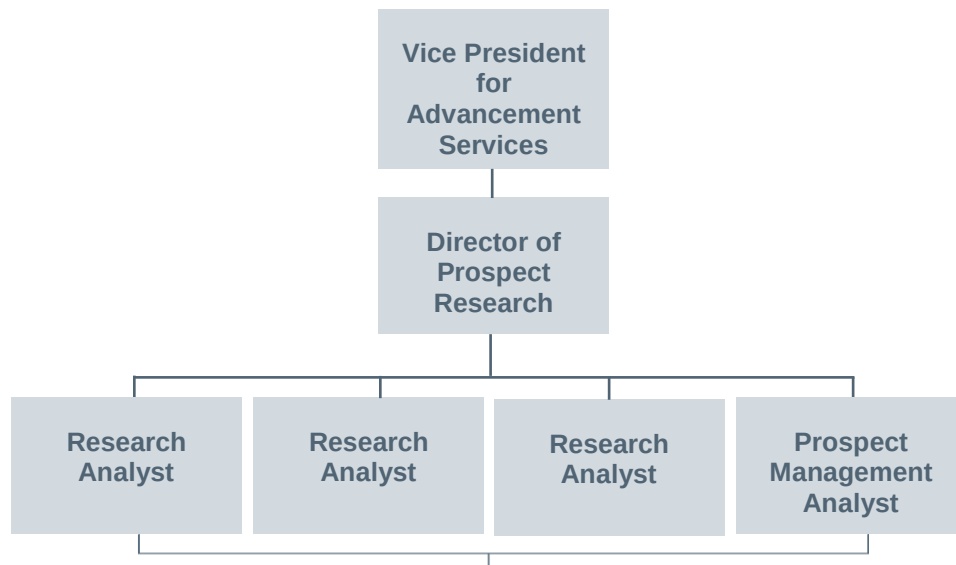
7:1

Previous EAB research suggests that prospect researchers should support no more than seven gift officers. Two years ago at **Institution A**, one researcher supported eight gift officers; today, each researcher supports no more than five officers.⁶

Hire One Researcher to Conduct the Majority of Data-Driven Research and Serve as the Primary Liaison with Vendors

Profiled institutions typically maintain between one and five full-time research office staff. At **Institution E**, the Director of Prospect Research serves as the only full-time researcher, although the advancement office plans to hire an additional researcher devoted to data analysis and analytics. At **Institution D**, the research office maintains three full-time research analysts and one prospect management analyst.

Reporting Structure at *Institution D*



Contacts recently transitioned the prospect management analyst to a full-time position focused on integrating data and analytics into the research office's services. The research office considered adding analytics to the responsibilities of existing research analysts; however, current research analysts did not possess the necessary skill sets to summarize and present the complex data to gift officers and senior advancement officials.

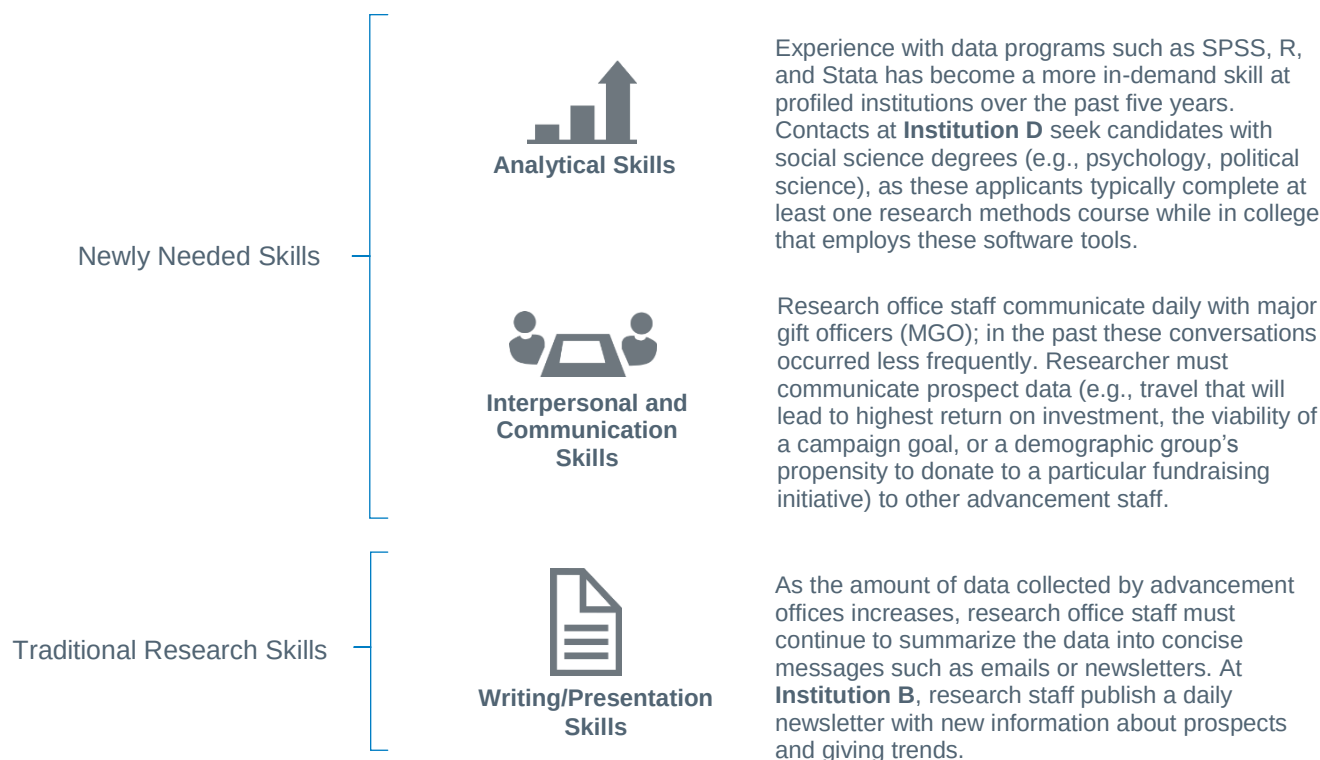
6) Fonseca, Liz. "Operations, Resources, and Staffing of Advancement Divisions," Education Advisory Board. Accessed January 12, 2013. <http://www.eab.com/Research-and-Insights/Advancement-Forum/Custom/2013/10/Operations-Resources-and-Staffing-of-Advancement-Divisions>.

In-Demand Skill Sets for Prospect Researchers

Hire Researchers with Experience Writing Concisely and Coursework that Requires Data Programs such as SPSS and Stata

At **Institution E**, the Director of Prospect Research evaluates potential research candidates across three categories: coursework or professional experience with data software, concise writing, and communication skills to interact daily with major gift officers. Although contacts prefer one to two years of work experience, the majority of candidates hired as prospect researchers are recent college graduates with bachelor's degrees.

Ideal Qualifications for Prospect Research Analysts



Transition/Office Relations

House Research Staff and Gift Officers in the Same Building to Promote Regular Communication

Research staff at **Institution F** and **Institution G** reside in different campus buildings than gift officers. Although the buildings are within a 15 minute walk, working in the same building promotes greater collaboration and discussion of new research (e.g., information on prospects, successful fundraising appeals) between gift officers and research staff. At **Institution D**, the Director of Prospect Research resides immediately down the hall from all gift officers and schedules face-to-face discussions at least once a month with each gift officer. Contacts convey more information through one-on-one meetings compared to email-based discussions, as important information is often not expressed as completely through email.



Training Hours

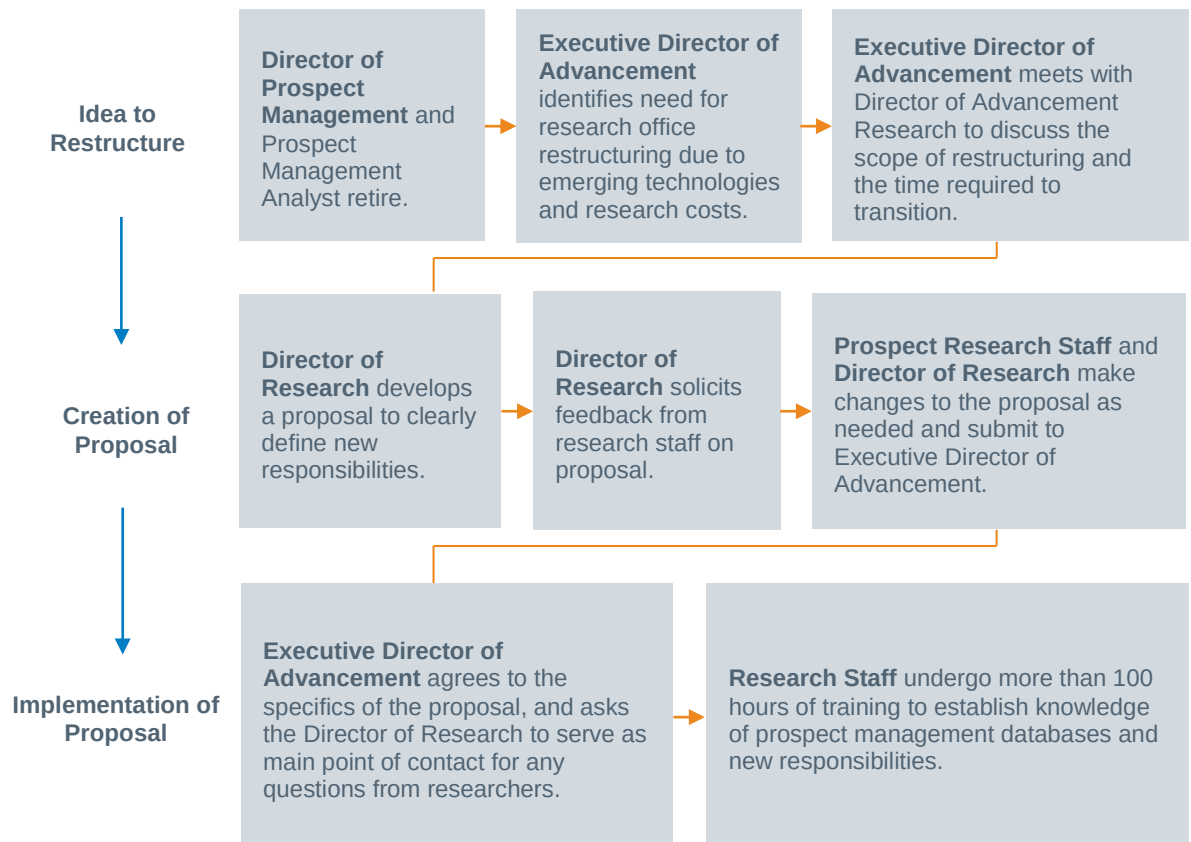
100

Researchers undertook 100 total hours of training in one year to establish familiarity with new prospect management practices and databases.

Provide Regular Trainings and Solicit Staff Feedback on New Responsibilities to Foster Staff Support

To ensure staff support for additional research office responsibilities, contacts host regular trainings to familiarize researchers with their new roles and new prospect management databases. Senior advancement administrators at **Institution G** decided to add responsibilities to the research department; however, they solicited and incorporated research staff feedback throughout the process. Profiled advancement offices acknowledge few challenges associated with fostering staff support for restructuring, as research office staff adapted well to training sessions and new responsibilities.

Process for Advancement Research Office Restructuring at *Institution G*



The Director of Prospect Research creates a proposal that formally describes the new responsibilities absorbed by the research department and the costs associated with them. The proposal also details the trainings that research analysts will undergo to familiarize themselves with the new responsibilities.

4) Outcomes and Assessment

Analytics’ Program Effectiveness

Profiled Institutions Remain Unsure of Effectiveness of Analytics Integration into Prospect Research

Although contacts express satisfaction with the integration of analytics into the research office, they have yet to collect results on the number of prospects identified through data-centric strategies that traditional research may have missed. Contacts at **Institution F** acknowledge that researchers often double check predictive models developed by vendors against prospect list databases to ensure quality, which substantially reduces the expected benefit of outsourcing this service.

Perceived Effectiveness of Predictive Modeling and Analytics in Prospect Research⁷

How Effective is Your Predictive Modeling When it Comes to Return on Investment?		
<i>Extremely Effective or Very Effective</i>	<i>Not Effective, Ineffective, or Not at all Effective</i>	<i>Not Sure</i>
30.1%	19.1%	50.9%

Despite the lack of evaluative metrics and the general uncertainty of analytics’ effectiveness in prospect research, the majority of institutions plan to continue or expand their analytics operations. For example, contacts at **Institution D** will continue to expand the number of research office staff and recommend hiring a data analyst with specialized skills.

Likelihood of Institutions to Continue Employing Analytics in Prospect Research⁸

How Likely Are You to Continue Your Analytics Program Over the Next Year?		
<i>Extremely or Very Likely</i>	<i>Not Likely, Not at All Likely, or Very Unlikely</i>	<i>Not Sure</i>
49.7%	14.7%	35.6%

7) Best Practices for Prospect Research in Higher Education Fundraising.” Wealth Engine. Accessed January 1, 2013.

8) Ibid.

5) Research Methodology

Project Challenge

Leadership at a member institution approached the Forum with the following questions:

- How many staff do contacts currently employ in their development office? How many staff are members of the research office?
- What are the main responsibilities for staff members in the research office? How have research staff functions changed to remain relevant for contacts' development offices?
- To whom do research staff report? Why is their reporting structure organized this way?
- How often do research office staff interact with major gift officers? Within the office, what is the physical proximity between research office staff members and major gift officers? What electronic tools do contacts use to support communication between research staff and major gift officers?
- For contacts who have restructured research staff responsibilities to reflect emerging technologies and data, what skill sets are in highest demand for employees? How do contacts evaluate these skills during the hiring process?
- What did research offices in advancement at contact institutions look like prior to restructuring? What motivates contacts in advancement offices to restructure their research offices?
- Who contributed to the decision to restructure the research office? What staff members participated in the process? What responsibility did each staff member assume during the transition?
- What strategies have contacts found most effective to encourage staff support for office restructuring? How do they communicate changes in function or reporting structure to research office staff?
- How do contacts evaluate the effectiveness of research office restructuring? What metrics do contact collect? How do contacts collect data for each metric employed?
- What advice do contacts at institutions who have recently restructured their research offices have for institutions considering a similar restructuring?

Project Sources

The Forum consulted the following sources for this report:

- "Best Practices for Prospect Research in Higher Education Fundraising." Wealth Engine. Accessed January 1, 2013.
- Education Advisory Board internal research libraries (www.eab.com)
 - Fonseca, Liz. "Operations, Resources, and Staffing of Advancement Divisions." Education Advisory Board. Accessed January 12, 2013. <http://www.eab.com/Research-and-Insights/Advancement-Forum/Custom/2013/10/Operations-Resources-and-Staffing-of-Advancement-Divisions>.
- National Center for Education Statistics (NCES). Accessed July 20, 2013. <http://nces.ed.gov/>.

Research Parameters

The Forum interviewed directors of prospect research at institutions with total student enrollment between 2,500 and 13,000.

A Guide to Institutions Profiled in this Brief

Institution	Location	Approximate Institutional Enrollment (Undergraduate/Total)	Classification
Institution C	South	5,300 / 6,000	Master's Colleges and Universities (Smaller Programs)
Institution D	Mid-Atlantic	5,000 / 7,000	Research Universities (High Research Activity)
Institution E	South	2,750 / 3,000	Baccalaureate Colleges – Arts & Sciences
Institution F	Pacific West	3,200 / 4,000	Master's Colleges and Universities (Larger Programs)
Institution G	South	6,250 / 10,000	Research Universities (High Research Activity)
Institution H	Northeast	11,000 / 13,200	Research Universities (High Research Activity)
Institution A*	Northeast	4,000 / 6,000	Doctoral/Research Universities
Institution B**	Mid-Atlantic	7,100 / 10,500	Master's Colleges and Universities (Larger Programs)

Source: National Center for Education Statistics

*Profiled through secondary research

**Contacts at this institution asked to remain anonymous