

**Back to Basics:**  
**3 Principles to Acquire, Retain, and  
Upgrade Donors**

*A Blackbaud Webinar presented by Sidekick Solutions*

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## Donors are Customers

Exchange of value for value



**Acquisition**



**Retention**



**Upgrades**

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## Donors are Customers

- Show donors the value of your mission through the impact of your programs.
- Build relationships with donors and provide an exceptional donor experience.
- Focus your message and your relationship on the donor.

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9/12/14  
9/12/14

## Donors are Customers (Simplified)

1. Offer a valuable product
2. Provide great service
3. Build a donor-focused approach



### **3 Core Principles**

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## Webinar Format

What?

Why?

How?

**Offer a valuable product**

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## Offer a valuable product – What?

**“Product”**  **Impact of Mission**

## Offer a valuable product – Why?

**71%** of donors who regularly or sometimes give to new causes or nonprofits are actively seeking information about that cause or nonprofit.  
As many as **75%** of donors use information about a nonprofit's impact in their giving decisions.



## Offer a valuable product – Why?

More than **60%** of respondents liked it most when nonprofits shared stories about successful projects or people they help.

Source: The 2013 Millennial Impact Report, Achieve. The Case Foundation, 2013.

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## Offer a valuable product – Why?

**46%** percent of donors stop giving to a charity for reasons related to lack of meaningful information.

## Offer a valuable product – Why?

*Would you rather give to an organization that is effective at achieving their mission or an organization that is ineffective?*

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Show donors you are effective  
in your mission!

## Offer a valuable product – How?

What is our product?



**Are we making an impact?**

## Offer a valuable product – How?

*“It’s no longer good enough to make the case we’re addressing real needs. We need to prove that we’re making a real difference.”*

- Mario Morino

## Offer a valuable product – How?

### **Are we making an impact?**

1. How do we define our impact?
2. How do we know if we are making an impact?
3. How do we communicate our impact to others?
4. How do we evaluate our impact?
5. How can we increase our impact?

**Offer a valuable product – How?**

**Productize Your Fundraising**

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## Offer a valuable product – How?

Example #1: Generic Giving Levels

**How much would you like to donate?**

**\$5**

**\$10**

**\$50**

**\$100**

**\$250**

**Other**

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## Offer a valuable product – How?

Example #2: Productized Giving

### How would you like to make an impact?

\$5

Plant a tree

\$1,000

Keep a youth off the street

\$10

One meal for a Senior

\$350

One day of camp for cancer patient

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**Offer a valuable product – How?**

**Productize Your Fundraising**

Tangible

Comparable

Specific

Quantifiable

**Generic or General**

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## Offer a valuable product – How?

### Productize Your Fundraising

Step 1: Define your results

Step 2: Attach a value to your results

Step 3: Position your “mission products”

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**Provide great service**

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## Provide great service – What?

**“Service”**



**Build  
Loyalty**

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## Provide great service – Why?

**53%** of donors leave due to a charity's lack of communication.

## Provide great service – Why?

Only **10%** of donors were very satisfied with the service quality of the organizations they supported, but donors who were very satisfied with service quality were **2x** more likely to make a further donation than those who were merely satisfied.

## Provide great service – Why?

Almost **one in three** donors said they are less likely to give again to organizations that are late in acknowledging gifts.



## Provide great service – Why?

Total nonprofit donor retention is **39%**, new donor retention is **22.9%**, and repeat donor retention is **60.8%**. It is more costly to acquire new donors than to retain existing donors, yet attrition is **substantially high**.

## Offer a valuable product – Why?

*Would you rather have a relationship with an organization that is responsive, attentive, and courteous or a relationship that is unresponsive, inattentive, and ungrateful?*

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Serve donors as customers of  
your mission!

## Provide great service – How?

**Be Responsive**

**Be Attentive**

**Be Positive**

**Provide great service – How?**



**The Golden Rule**



*“Treat donors the way you would  
like to be treated!”*

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## Build a donor-focused approach – Why?

Nearly **60%** of Generation Y, **50%** of Generation X, **37%** of Boomers, and **33%** of Matures agree that the ability to directly see the impact of their donation would have a significant bearing on their decision to give.

## Build a donor-focused approach – Why?

**75%** of donors list “information on results achieved with their gifts” as their top requirement to motivation for future giving.

## Build a donor-focused approach – Why?

Response and click-through rates in email campaigns declined by **16%** and **18.7%** respectively from 2012 to 2013. Declining response rates illustrate a saturated channel with non-differentiated messaging and campaigns.

## Build a donor-focused approach – Why?

**93%** of donors would give a second gift to the same organization if its fundraising were donor-centered.



## Build a donor-focused approach – Why?

**69%** of individual donors say none of the nonprofits they support call them without asking for another gift. **61%** of donors say they've received a request for a second gift with their thank you and this has offended **81%** of those donors.

Source: [2011 FEP Donor Retention Supplement, Association of Fundraising Professionals, The Urban Institute, 2011].

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## Build a donor-focused approach – Why?

*Would you rather be the focus of the giving process or be a secondary component to the giving process?*

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Focus on donors' needs, not  
your own!

## Build a donor-focused approach – How?

Create a value statement  
for donors

**“You” Statements**

Build a donor-focused approach – How?

**Donors are people not  
transactions**

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Build a donor-focused approach – How?

**Provide a personalized,  
customized, and  
individualized  
experience**

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## Build a donor-focused approach – How?

### 10 Ways to Segment Donors

1. Communication frequency
2. Communication method
3. Types of communication
4. Program interests
5. Generation demographic
6. Affiliation
7. Entity type
8. Annual giving level
9. Year-over-year giving status
10. Preferred giving channel

## What's Next?

**Manage performance to  
desired outcomes**

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# Performance Management Process



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## Set Goals and Define Strategies



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## Measure and Analyze Data



### Measure

Select Metrics

“Show” w/Evidence

### Analyze

Evaluate & Review

Requires Discipline

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# Continuously Improve Performance



Improve
What did we learn?
Should we change?
What works & what doesn't work?

## Back to Basics Blueprint

### **Step 1:** Apply Three Principles

1. Offer a valuable product
2. Provide great service
3. Build a donor-focused approach

### **Step 2:** Manage Fundraising Performance

1. Set Goals and Define Strategies
2. Measure and Analyze Data
3. Continuously Improve Performance

## Back to Basics Blueprint

**Step 1:** Apply Three Principles

**Step 2:** Manage Fundraising Performance



**Acquisition**



**Retention**



**Upgrades**

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## Contact the Presenter



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