


Science Behind the Art:
ROI for Frontline Fundraisers

AFP-RI
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Key Points

- * **Why** do you need an ROI report?
- * **What** metrics are relevant?
- * For **whom** should these metrics be developed?
- * **When** should you evaluate performance?
- * **Where** should you record this information?
- * **How** do you create an ROI report?

Why?

- * Request for increased resources
- * Support adverse employment decisions
- * Translate fundraising vernacular

What?

- * # personal visits
- * # gifts closed
- * % unique visits
- * \$ gifts closed
- * # proposals
- * Assists/shared credit

Number of Personal Visits

- * On campus or at prospect's location
- * Qualifiers to refine and further define
 - * Alum + spouse = 1 visit
 - * Group meeting w/several alumni = 1 visit, unless gift officer has meaningful discussion with each member
 - * Chats at events = no visit, unless conversation moves gift discussion forward
 - * Phone call/video = no visit, unless prospect insists on phone/video

Percentage of Unique Visits

- * Calculated by dividing number of prospects visited by the number of visits made*
 - * EX: 93 prospects/140 visits = 70% uniqueness
- * Gift officers are most successful at 75%
 - * Adjust percentage for each stage of gift cycle

* Eduventures®, "Trends in Managing Development Operations," CASE District VII conference presentation, Vancouver, B.C., slide 14 (February 25, 2011).

Number of Proposals Submitted

- * Tiered approach
 - * EX: MGO proposals:
 - * \$25,000 to \$100,000: 10 to 15
 - * \$100,000+: 4 to 7
- * Documented: **specific donor** asked for **specific amount** to support **particular project**

Number of Gifts Closed

- * Not most critical metric; can be crucial if gift officer closes 1 significant gift and then thinks she can take a break
- * EX: MGO closures
 - * \$25,000 to \$100,000: 7 to 10
 - * \$100,000+: 2 to 3

\$ of Gifts Closed

- * Annual goal: new gifts and pledges committed
- * EX: MGO goal: \$500,000
- * Include monies given as direct result of MGO's efforts
- * Planned gifts

Assists/shared credit

- * When 2 or more fundraisers work in tandem to successfully solicit and close gift, appropriate to provide shared credit, i.e. "assist"
- * Not necessary to quantify

For Whom?

- * Depends on size and structure of staff
- * Stratified responsibilities = tiered metrics
- * Portfolio and budget management expectations

When?

- * Annual performance evaluations
- * Quarterly evaluations
 - * Provide constructive criticism, guidance and praise
 - * Document and create a record

Where?

- * Database, software, spreadsheet
- * Critical to:
 - * Enter data
 - * Track data
 - * Generate reports

How?

ROI = dollars raised/cost of employment

- * Other metrics provide context to performance
- * Measure and report on quarterly basis

Cost of Employment

- * Gross salary + fringe benefits (33%) + travel and hospitality allowance (\$15,000)
- * MGO:

\$115,000	salary
37,950	fringe
<u>15,000</u>	travel allowance

\$167,950/4 = approx. \$42,000 per quarter

Adjust if individual spends less than 100% of time on fundraising

Metrics for Context

- * High number of proposals but low yield rate
 - * “Ambush” of prospects
 - * Issuing proposals before prospects are ready
 - * Inadequate follow up

ROI: MGO

METRICS	MGO: Quarterly Measures	MGO1: Actual	MGO2: Actual	MGO3: Actual
Visits	38	24	16	40
Proposals submitted	6	4	3	5
Proposals closed	3	1	1	4
Yield percentage	50.00%	25.00%	33.33%	80.00%
Dollars raised	\$125,000	\$100,000	\$340,000	\$125,000
Cost of employment (100% fundraising)	\$42,082	\$42,082	\$42,082	\$42,082
Net dollars raised	\$82,918	\$57,918	\$297,918	\$82,918
Return on investment percentage	297.04%	237.63%	807.94%	297.04%

ROI: Annual Giving

METRICS	Director: Quarterly Measures	Director: Actual	Ass't Dir: Quarterly Measures	Assistant Director: Actual
Visits	15	11	15	11
Proposals submitted	18	7	18	3
Proposals closed	6	4	6	2
Yield percentage	33.33%	57.14%	33.33%	66.67%
Dollars raised	\$25,000	\$4,100	\$12,500	\$14,500
Cost of employment (50% fundraising)	\$13,625	\$13,625	\$7,625	\$7,625
Net dollars raised	\$11,375	(\$9,525)	\$4,875	\$6,875
Return on investment percentage	183.49%	-30.09%	163.94%	190.17%

Implementation

- * Discuss with frontline fundraisers
- * Discuss with governing board
- * Track data and measure performance

Questions or Comments?

Thank you!

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