AFI
PO Box 1098
East Lansing, MI 48826

Annual Fund Inc. TOMORROW'S STRATEGIES TODAY

EVOLUTION

The newsletter for annual giving professionals *Volume 1, Issue 9*

NOVEMBER, 2004

The Calling Room

Mike Westfall, University of Toronto

The epicenter of activity within most annual giving programs is the calling room. Over the past several months I have spoken with a number of programs that are in the midst of building or redesigning their call center; in addition, I am actively involved in constructing a call center of our own in my role within the University of Toronto. We are in the final stages of constructing a new 60-station call center that will service over 400,000 alumni. Construction will be completed in December 2004. The room layout is noted on page 4 within the newsletter and also available on-line, with furniture designs as well, at www.annualfundinc.com. Our end goal, which will be achieved, was to find a great space that would provide a work management flow and be aesthetically pleasing to our students, thus producing a positive work environment.

Location, Location, Location

Perhaps the most important consideration is where you locate the calling center, due to its ability to attract and retain student callers. Ideally, the closer to the residence halls, the better the location is. I have personally had calling centers less than two blocks from a residence hall, in the basement of a residence hall, and off-campus on a campus bus route. These all worked well. The key is access to your workforce, with everything else being downhill from there. In the University of Toronto's case, we are building the call center in a 5,000 square foot space within an old hotel, now a residence hall. With this location, we will have over 1,000 students living above our call center. All, of course, are prospective employees!

Entry Common Area

The entry common area is the first point of contact for prospective callers, visitors, staff and students. While we want the call center to be very student focused in look and feel, the entry area leans more towards the professional look. I often relate to our callers and student management staff that they work for an organization that makes millions in revenue. While we want to have fun, it is also a business. Behind the reception area is a student work area for the processing of pledges and research by our student day staff. All office equipment is located here as well.

Conference Room

This is a multipurpose room that will be used for staff meetings and training. It is outfitted with network connections and audio-visual equipment.

Continued on page 9

Inside This Issue:

Part Two of Alison Novicki's continuing series "*How to Motivate Callers*", will be published in the December/January issue of Evolution. Our apologies for this delay.

The Great Debate: Average Gift Size VS. Participation Rates

There is a question asked within annual giving circles from time to time. Do you focus on dollars or donors? It is a tough balance. We are judged by leadership on our dollar results in the door and by the national rankings on our percentage of donors; the ultimate catch-22. The answer lies somewhere in the middle.

Many programs advocate swinging for the fences believing that you get what you ask for. With software that will enable multiple payments, EFT payments and credit card options, larger average gift commitments are more likely. Participation rates may suffer, but this is acceptable due to the end dollar results… until, that is, the US News & World Report or McLeans comes out and participation rates are noted for all to see and compare.

The challenge is to know and segment your audiences. Current and recent donors are your best bet for increasing the average gift, and with lapsing and non-donors it is best to utilize participation strategies. If you were to focus on strictly average gift then participation suffers, and vice versa.

Average Gift Strategies

- Encourage use of payment plans, credit card and EFT to break down large gift commitments into smaller payments over time. (current & past donors)
- Make requests for additional/second gift within same calendar or fiscal year cycle. (current donors)
- Personalize ask amounts based upon previous giving history so that requested amounts are reasonable yet it's still an increase. (all)
- Increase emphasis on matching gifts. (all)
- Make a stronger case for support. (all)

Participation Strategies

- Limit the negotiation levels within the Telefund. Less is more. Keep it simple and get them in the door. (long lapsed & non-donors)
- Invest in data integrity. This will expand the prospect base. (all)
- Use the Telefund for non-donors vs. direct mail. Non-donors will pledge 10% - 15% of the time vs. .005% return on direct mail. (non-donors)
- Keep an eye on donor retention rates and reactivation rates during the year, soliciting them as needed. (all)
- Educate students on the importance of philanthropy while on campus. While you may not see the impact, your successors will. (all)

In the end, it isn't about an overall philosophy of dollars or donors, but rather the strategies which are utilized based upon individual giving history. Mold your strategy around donor behavior or lack of behavior, not one size fits all.

AFI

EVOLUTION

The newsletter for annual giving professionals

Publisher
Annual Fund Inc.

Editor
Michael J. Westfall

Contributors
Terri Burris, *Virginia Tech*,

www.supporting advancement.com

Graphic Design
The Sales Factory

United States
AFI
PO Box 1098
East Lansing, MI 48826

Website:
www.annualfundinc.com
Email:
evolution@annualfundinc.com
Tollfree #: 1-877-AFI-INC7

EVOLUTION is published ten (10) times per year.

Annual Subscription Rates
$149 US / $179 Non-US
Please make checks payable to AFI (USD)

The Rankings Shell Game

Every fall the rankings within US News & World Report and McLeans hit campuses across North America. These rankings are quickly followed by meetings with leadership regarding the question of, “How do we get these numbers up in time for the next rankings?” To answer the question, we go into great detail on all the measures we are undertaking to increase the participation rate. And then the next year arrives and our numbers are the same or a little less. Instead, we should be answering that the participation rate will continue to drop slightly.

"... The percentage reported is accurate, and it will continue to decline over time."

While we are hopeful that the participation rates will rise, which is an end goal, the true barometer of success lies in the number of dollars and donors, not percentage of participation. It is a reality that while our results steadily increase, the trend that’s unfortunately marketed is a statistic over which we have marginal control.

My stock response to the participation rate question is that the percentage reported is accurate, and it will continue to decline over time. The odds, or in this case, the numbers are stacked against us. The most striking number is that of graduating classes. Schools are now graduating the equivalent of up to 5% of their alumni count each year and welcoming this group into the ranks of prospects, also affectionately known as the denominator.

For arguments sake, let’s look at the mythical numbers of AFI University:

- # of Alumni: 200,000
- Participation Rate: 20%
- # of 2005 Grads: 10,000

In order to maintain a 20% participation rate, we have to not only maintain the results of the past, but also generate 2,000 gifts from those that just graduated. This over simplifies the issue, as it is understood that the rankings only count addressable alumni and many of this 10,000 will be lost for a while. However, the principle remains, due to these alumni hitting our prospect list eventually.

Another issue impacting our denominator is the increased use of data integrity research procedures. The more addresses and phone numbers we locate, the more money we raise. The downside, of course, is that we are only converting ten to fifteen of one hundred alumni that are found. This is well below our historical 20% participation rate. Therefore, our dollars and donor numbers look great while our participation rate continues to fall.

At the end of the day we are evaluated on our results. If our number of donors continues to rise, but our percentage of participation remains flat or drops a bit, we should still be celebrated.

AFI

(Editors Note: The latest US News & World Report rankings have been broken down into a sortable spreadsheet by Devin Mathias of the University of Florida. It is available on-line within the resource library at www.annualfundinc.com.)

Managing Professional Development (Part 2 of 2)

www.supportingadvancement.com

Evaluating Opportunities

There should be a recognized and understood business process for evaluation, submission and approval of development opportunities.

- How does professional development fit in with other activities? For example, does the conference relate to current or future work of the employee? Does it relate to a specific project?
- Is there an alternative?
- Is staff allowed to attend the same conferences repeatedly, or do they attend different ones based on the skills they need to acquire?
- Are there staffs within the organization that can do the same training?
- How do the opportunities dovetail with industry groups such as CASE?
- How are skills inventoried and recorded, and how are past activities related to the current application?

Knowledge Sharing and Transfer

It is important for employees attending conferences to share the knowledge they've obtained.

- Presentation to relevant staff.
- Copying and sharing of conference materials and handouts, and inclusion in the organization's resource library.
- How can acquired knowledge be incorporated into the organization's formal training and orientation processes?
- Are there policies for attendees to write an article on the conference for newsletters or other industry related media?
- Is staff required to present in their area of expertise at conferences they attend?

Sharing knowledge provides a very visible demonstration of the benefits to the organization and shows your manager the value they provided by approving your request.

Professional Development vs. Training

We sometimes need to separate what we deem professional development from training activities. Some training is absolutely required in order to do one's job, such as database training for a new system conversion. This is different than the development one requires for their career in the advancement field. For example, there is a difference between courses in report writing, vs. a CASE conference on annual fund. The first represents the mechanical aspects of the job, and the second allows the individual to do the task with a much greater level of understanding. Technical and specific industry training are both valuable, and from a planning and budgetary standpoint, these should be separated.

Board Representation

Some staff may be required to represent the institution in a senior capacity on boards or similar activities. This is another case where the budget should be separated. An example of this in advancement services would be participation on a software product advisory group.

In some cases, depending on the activity, the individual might be expected to contribute personally to some of the costs. i.e. Serving on a non-profit board where the board is not related directly to the business of the institution. It gives you valuable experience but the institution may or may not wish to reimburse for expenses related to serving.

Continued on page 5

continued from page 4

Professional development is not just conference attendance.

New Software or Other Products Conference
These often require attendance by multiple staff since it involves the acquisition of new technology and group knowledge needs to be improved quickly. These conferences should really be included in a conversion or software acquisition budget, as opposed to coming from a professional development pool or budget.

Less Expensive Alternatives
Professional development is not just conference attendance. There are numerous alternatives that can be utilized to improve your skill set and move your career forward. Creativity can go a long way in finding them.

- Free seminars put on by industry associations can be economical, and costs are usually covered by an annual membership fee or a meeting cost.
- Bring in speakers that are peers in similar local organizations. Many will do this at no cost other than out of pocket expenses. Do the same yourself. Improves your skills, promotes your institution and can even lead to future consulting opportunities. Also good for improving your negotiation and organizing skills.
- Create your own industry, user or experts groups. APRA does this very well with their local chapter organizations, which are all volunteer managed.
- Bring in speakers from vendors. For example, have a security firm do a security seminar. These are valuable marketing opportunities for companies and many will do this at no charge or for a minimal fee.
- If you're using a consultant, especially if you have them on a retainer, have them present to staff on some aspect of what your organization is currently doing.
- Look for less expensive opportunities such as webinars, or other technologically enabled forums.
- Be a conference volunteer. Can usually get you admitted for a reduced cost, and it's a good networking opportunity.
- Write for publications and web sites. Good professional development and helps you think more concisely about your own organization and how to make improvements.
- Join or participate in an industry experts group or panel.
- Share your expertise on a listserv and other electronic forums to network with your peers.
- Start your own newsletter, web site or blog related to your area of expertise. Good for networking and also a good resume builder.
- Host a major conference at your own institution. Good events management experience. Also allows you and your staff to attend at a minimal cost. Raises the profile of your institution and your programs.
- When attending a conference, arrange for visits with peer institutions. Since you're already there, this can be done at minimal cost. Good activity to do the day before returning home, or in the afternoon after the conference ends.
- Share the registration fee with someone else if a number of the sessions are not applicable.
- Visit peer institutions. Some institutions have accommodation through a faculty club or on campus hotel at significantly reduced rates.
- Host or lead a roundtable or panel discussion.
- Get similar groups together at your institution to discuss common issues. i.e. A group of technical staff on campus that have job responsibilities for mass emailing.
- During staff retreats, incorporate an element of professional development into the agenda. i.e. A guest speaker.
- Dovetail with your job. If you're a fundraiser, schedule a few prospect calls around your conference.
- If you have multiple staff attending a conference, think about scheduling a group alumni dinner or a similar activity.
- For technical training, see if your vendor offers continuous training certificates where you can take a number of courses for less than what it would cost for individual ones.
- Look at the costs/benefits of paying for certification for your staff. Good if it appears that they will stay after becoming certified. You need to provide a career path as they gain skills. Good motivational tool.
- Training opportunities provided by your central campus. Institutions often offer a wide variety of in-house training activities, free lectures and tuition benefits.

Continued on page 10

Caller Raise Criteria

Terri Burris, Virginia Tech

If you have worked within a call center for any length of time, you truly understand how difficult it is to motivate, retain and reward student callers. As program managers, we are always looking for new techniques to reward callers. Sometimes we tend to overlook the most basic and appreciated way to reward: salary increases. At Virginia Tech, we provide semester increases based on overall statistical performance, technique and basic caller characteristics. We provide these raises at the end of the fall, spring and summer semesters. (Our student managers only receive annual raises.)

We begin the raise process by determining a callers' eligibility to return to our calling floor. A student calling associate must display, at minimum, the following criteria to be eligible for rehire. (We determine the callers' eligibility for rehire after all of the questions, charts and statistics listed within this article has been reviewed.)

- Must meet the attendance standards, as set forth in the caller personnel policy.
- Must be a dependable team member and employee.
- Must meet minimum statistical averages.

We rate the callers' job performance on a scale of one (bad) to three (best) including comments explaining the ratings.

Criteria	Below Avg. Effort	Avg. Effort	Above Avg. Effort	Comments
Attendance Record	1	2	3	
Job dependability	1	2	3	
Motivation	1	2	3	
Ability to work as a team	1	2	3	
Leadership Skills	1	2	3	

A student calling associate must meet the following criteria to be eligible to receive an increase in wage. (Semester increases are limited to $0.25 with promotion exception, and the maximum rate of pay is $10.00 per hour.)

Must have worked at least 15 or more shifts to be eligible for a raise.

Average pledge 10% above or higher than the caller average (5 cent raise)

Pledge rate 10% above or higher than the caller average (5 cent raise)

Number of Pledges 10% above or higher than the caller average (5 cent raise)

Total Dollars Raised 10% above or higher than the caller average (5 cent raise)

Perfect Attendance is equal to the total # of shifts required per semester (5 cent raise)

Reward effort and performance.

We use the chart opposite page (figure A) to rate the calling associate in the statistical criteria areas. The raise amount is based on how the caller performed in comparison to the **minimum** (10% below the caller average), **average** (overall caller semester average), and the **raise indication levels** (10% above the caller average). If the caller meets or exceeds the indicator they are eligible for the raise amount listed in that column. Once the first four columns of the chart have been completed, we tally the raise amount column to determine their semester raise amount.

We utilize our student management structure to help in evaluating the callers work history throughout the last semester. These managers spend a lot of time evaluating the callers, their call structure, their phone presentation, as well as tracking their absences and overall work ethic. Student managers answer the following set of questions based on their associates overall performance throughout the semester.

1. Describe the caller's work ethic by reviewing their performance in the following areas:

- Reliability
- Dependability
- Willingness to learn

continued next page

continued from previous page

- Personal gratification from a job well done
- Maintains confidentiality
- Respects property
- Follows policies and procedures
- Willingness to negotiate and resolve conflict

2. What are the caller's area of strengths and room for growth?

- Review the statistics listed in the chart below and review the employees file to search for zones, coaches, weekly reports as well as any other meeting information.
- You should consider how the caller responds consistently to the overall call structure:
  - Introduction
  - Rapport
  - Explanation of Fund
  - Asks
  - Closing
  - Overall Call Evaluation
  - Positive & Sincere
  - Enthusiastic & Upbeat
  - Caller Voice Level
  - Does Not Sound Scripted

3. How did the caller respond to evaluation and correction?

4. Would you rehire this person if given the opportunity? Why or Why Not?

5. Any additional comments.

Once all of this information has been completed for each caller we then briefly meet with each person to discuss their evaluation and raise amount. We complete evaluations for every caller regardless of whether they plan to return the following semester. We file all completed evaluation originals in the callers file and provide a copy to each employee. These evaluations prove to be useful when attempting to provide accurate reference information and determining whether the caller would be eligible for future employment with your organization.

AFI

Figure A.

Criteria	Actual Caller Performance	Minimum Performance	Average Performance	Raise Indicator Performance	Raise Amount
Has the caller worked at least 15 shifts?	Y or N	N/A	N/A	Y	NA
Total # of Shifts Worked		N/A	16	NA	NA
Caller pledge rate		33%	37%	41%	$0.05
Total number of pledges		87	97	107	$0.05
Total Dollars Raised		$10,573.17	$11,747.97	$12,922.77	$0.05
Average Gift (w/ match)		$108.99	$121.10	$133.21	$0.05
Perfect Attendance of 60 shifts?	Y or N	N/A	16	60	$0.05
Total Amount	NA	N/A	N/A	NA	

All indicators are based on the Caller Stats Report in Smartcall.

Presentations 101

A quick outline of tips and tricks as you prepare for your next big presentation.

Know Your Audience

- Try to get a handle on your listener's needs.
- Assess your audience's knowledge of the topic.
- Anticipate the types of questions your audience may ask.

Objectives of the Program

- Make sure your presentation covers all the topics promised by the program literature.
- Are the objectives relevant to your audience?

Time Management

- Have a distinctive beginning, middle and end.
- Be realistic about your time allocation.
- Allow time for questions and interruptions.

Audio-visual Equipment Use

Arrive early.

- Familiarize yourself with the equipment, location and room layout.

Introduction

- State the program objectives.
- Tell the audience what they will learn.

Body

- Involve your audience by incorporating humor, anecdotes, examples and samples.
- Don't save Q & A exclusively until the end, seek feedback throughout the presentation.
- Use handouts of presentation so that attendees can take notes.

Close

- Summarize major points.
- Leave time for Q & A.
- Distribute evaluations.
- Refer audience to other resources.

Expect the Unexpected

- Internet access goes down:
  - Save screen shots in off-line mode so that they can be viewed.
- Handouts get lost at airport or are late:
  - Always carry a full set of handouts that can easily be copied on/near site.
- Laptop shuts down:
  - Save a copy of presentation on a disk and/or email it to an account that is accessible on-line. Use this saved presentation on a replacement laptop.
- Not enough handouts:
  - Get business cards for all that did not receive them and follow up via mail. Also, make handouts available on-line.

> Hope for the best, but plan for the worst.

- Too much interaction by an audience member:
  - Have a flip chart to add questions for additional follow up later.
  - Request that they see you at break.

AFI

The Calling Room

Continued from page 1

Professional Staff Offices

The offices are positioned so that they overlook the calling floor. This will enable better monitoring during calling sessions, though we do prefer being on the floor as much as possible.

Calling Floor

The calling floor is set up to encourage the competitive team concept. In U of T's case, we are looking at three (3) teams of twenty (20). The area is set up so that there is one manager station per twenty (20) stations for a total of sixty-three (63) stations. The floor is sunken with the walls being a mixture of standard drywall and glass leading to the entry common area, the conference room, and the professional staff offices. The calling furniture was laid out to provide a more appealing flow to the room than the standard straight lines. Furniture diagrams are noted on the AFI site as well.

Environment

All of the parts work together to provide distinctive work activity areas, with the focal point obviously being the calling floor. The environment is a mixture of a professional infrastructure with a student-friendly tapestry.

AFI

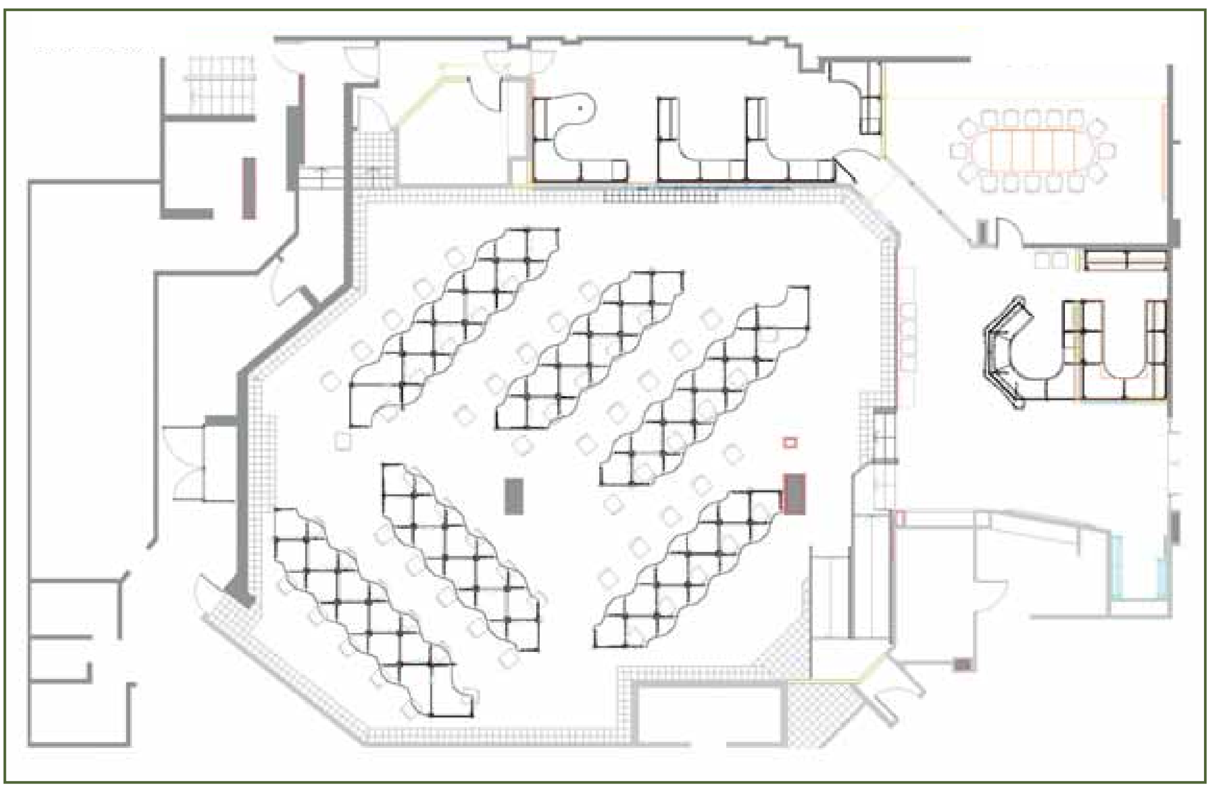
The Matching Gift Top Ten Tip

Quick. Name your top ten matching gift companies.

Did you focus on the amount of money generated or the number of gifts? There are actually two lists, one by money amount and one by gift numbers. The lists will be different due to the varied matching gift ratios. Your money list may, for example, have Exxon with its 3 to 1 match within the top ten, and Exxon may not even show up on the top ten list of number of gifts.

Just as we track, report and monitor our alumni that may be lapsing, the same should be done for matching gift relationships. Identify your two top ten lists and more importantly, the alumni responsible for each of the ranked companies. In previous issues, we addressed the strategy of corporate in-house campaign efforts. These efforts are more formalized in terms of programming and are worthwhile if you have the resources. Contact us at afi@annualfundinc.com if you would like a copy of the article sent to you. At the very minimum, monitor your matching gift donors to make sure that they renew their giving and/or have submitted their matching gift form.

AFI



Layout of the University of Toronto calling center.

Managing Professional Development

Continued from page 5

- Seek experts on campus to come in and do a talk to a specific program area. i.e. Someone from the business school to speak about investment vehicles to your planned giving staff.
- For systems training, try and dovetail with any training the central IT staff is taking. There may be a discount available as part of a larger group that you can take advantage of.
- Product demonstrations by vendors. Although sales focused, can help to provide valuable insight and information on new products and strategies. i.e. Evaluating a software package may give you some new ideas for reports.
- Participation on institutional committees can be useful, but be wary of the time they consume.
- Seek opportunities outside your program area. If you're in the annual fund and one of your responsibilities is running reports, take a database course.
- When purchasing software, negotiate at the onset for free training credits or free attendance at a user group meeting for a number of staff. Also, if you become experts quickly and don't use your training credits, negotiate with the vendor to convert these to free user group attendance. You have the most leverage with your vendor during the sales negotiation process.
- The United Way has a loan rep program that allows you to gain valuable organizational, volunteer management and volunteer training skills.
- Volunteer to work at your donor events. Helps you learn the names of people you see in reports, and who are some of the movers and shakers in the institution.
- Some organizations offer scholarships to allow individuals to go to a conference, if their organization does not have an adequate budget to send them.

Your Share of the PD Pie

Whenever you're asking for resources, manage up. Present the clearest and most comprehensive picture possible when requesting a professional development opportunity.

- Make sure you understand the budgeting process in your organization. If professional development comes from soft money, find out how to access the pool.
  - List benefits for the institution and for yourself. How the activity enhances your own skill set and how it fits in with your overall professional development plan.
  - A plan for how you will transfer the knowledge learned to other employees.
  - How you will participate and represent your institution at the conference. Best if you volunteer to speak, moderate a session, chair a panel, lead a round table or similar activities.
- If appropriate, what will be the risks of not attending?
- A careful compilation of all the costs for attending the conference. Hint: Use the word investment instead of cost or expense when requesting a budget.
- Lobby often for additional funds for staff that report to you. An increase in their skills makes you more effective in your own job. Also a very good motivational tool for lower and mid-level staff.
- Get comparative information on what peer institutions provide for their staff.
- Whenever you're requesting an investment, it's a good strategy to have an alternative in case your proposal is not accepted.
- If it's a delicate ask, present like you would present a proposal. Covering memo, and attached conference agenda with the most useful sessions highlighted and an attached budget. Gives your manager time to think about it, and extra supporting evidence makes it harder to say no.

Remember that more budget for professional development is typically available at the onset of a campaign or a systems conversion project. It's good to try and establish ongoing line items for these activities when budgets are available, so they become a regular line item in the budget process.

Summary

Professional development and training activities are some of the most important investments your organization can make. By planning and managing effectively, and taking a creative approach, you can greatly enhance your skills and provide a motivating environment for yourself and your staff.

AFI

AFI Questions of the Month

Month two of this new feature

AFI received many emails regarding the answers to last month's questions. Both questions and answers are available on-line at www.annaulfundinc.com. As a result of the response, AFI will pose two questions per issue. This month's questions, to test your wits or share with your student callers or staff, are noted below. Answers are posted on the AFI website.

Question #1:
Under international law, if a plane crashes in the middle of the Atlantic, where would the survivors be buried?

Question #2:
How far can a dog run into the woods?

AFI

EVOLUTION

The newsletter for annual giving professionals

$149 (USD) per year for 10 Issues *(International Subscriptions $179)* Check Enclosed ☐ Pledge (invoice) ☐

Name ____________________ Title ____________________

Institution ____________________ Address ____________________

City ____________ State/Province ____________ Zip ____________

Phone ____________ E-Mail ____________________

Please make checks payable to AFI and remit payment to:

US:
AFI
PO Box 1098
East Lansing, MI 48826

subscribe online at www.annualfundinc.com

Annual Fund Inc.