EVOLUTION

The newsletter for annual giving professionals

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Phone Center Automation — Essential to the Growth of Your Annual Fund

John Templeman, Cleveland State University

To automate or not to automate?

This is a major question that many universities must answer when determining how to conduct fundraising, or more specifically, Annual Fund activities. Even though most institutions would love to computerize their phone programs, it would not necessarily be beneficial for all of them to do so. Having a relatively small alumni base would make it difficult for any Development Office to justify the significant investment necessary for automation. Conversely, even if it would make sense to go the automated route, some universities just do not have the extra funds available. Higher education institutions facing these types of issues could adopt a different strategy involving a mix of direct mail and phone center outsourcing. However, outsourcing could prove to be less cost effective in the long run, and it is not as "personal" when strangers contact your alumni rather than students or volunteers.

Prior to accepting my current position in January 2004, I was fortunate to be a part of two extremely successful phone programs, both of which utilized calling software packages. When I arrived at Cleveland State, the university did not have an automated center, but it was making the most of what it did have…manual dialers and paper records. Still, the challenge of building a program from the ground up really intrigued me despite the fact that authorization for the funding of an automated phone center was still highly uncertain at the time.

Pre-automation, the CSU Phonathon was able to secure $124,168 in pledges during the Fall 2003 campaign. Additionally, the center was able to raise another $49,824 during the Spring 2004 semester, raising its grand total to $173,992 in pledges for FY 2004. I felt that this was a solid performance considering the resources that were available.

Inside This Issue:

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The Annual Fund in a Capital Campaign

The saying goes that we are all either in the midst of a campaign or preparing for a campaign. A common question is what role should the annual fund play in this predominately major gift effort?

There are several annual fund models that are commonly followed within the campaign context.

> One size does not fit all.

performs business as usual with the campaign and annual fund efforts operating separately.

Pros: Easier for all. Annual donors are not confused. Focus is on major gifts only, which account for majority of revenue anyway.

Cons: Participation is not maximized. Opportunity to market the campaign and increase awareness is missed.

Annual fund donors are asked to make campaign gifts.

Pros: Within the annual fund the campaign gift is marketed as a special gift made in "addition" to and after their normal annual fund gift. Double-dipping leads to increased individual giving during the public stages of the campaign.

Cons: It is difficult to ask annual fund donors to make a "campaign gift" because in the donor's eyes, they already have due to annual fund gifts counting in campaign totals. It can also scare newer donors or non-donors off by asking for too much. The focus shifts from participation to amount.

The campaign is used to leverage additional annual fund giving.

Pros: Additional request for an annual giving level gift is more realistic then a step-up campaign gift. The campaign is mass marketed via annual giving channels.

Cons: Missed opportunities to garner larger campaign gifts from annual giving donors that may have capacity to do so.

A Comprehensive Strategy

Which one is best? They all are. We within annual giving tend to focus too much on overall one-size fits all strategy when instead in reality each of these strategies fits only a segment of the whole. We should focus on the best aspects of each approach and target specific segments as appropriate utilizing all the strategies noted above.

Your segmentation schematic is paramount with the key components being timing of last gift and size of last gift. These two items will shape which campaign inclusion strategy is utilized.

Business as Usual Approach

This strategy is best for the majority of your audience, primarily those with low gift amounts and/or sporadic giving. While the campaign is not leveraged as the "end-all, be-all", it should be a marketed message with the focus on participation only and staying away from the dollar goal. Focus on the thousands of donors rather than the thousands of dollars.

Good News for Your Parents Fund

By Scott Linzey, www.stamats.com

2004 ParentsTALK™ Data – Parent's Involvement While Child is in College

While your child is in college, do you expect to... (percent saying "yes")

Be aware of child's grades	98%
Read newsletters from the college	96%
Get to know your child's new friends	95%
Supply spending money	92%
Visit your child on-campus	92%
Visit during parent's weekend	90%
Attend campus events	87%
Get to know the parents of other students	81%
Consult with college administrators	75%
Help your child choose classes/major	70%
Meet with faculty/staff regarding your child	69%

You've likely recently wrapped up your fall family weekend and my hunch is many of you were surprised by the heightened level of parental involvement in their "child's" college education. Don't be. The startling truth is that parents of today's college-age generation are far more involved, interested, and ever-present than those of previous ages. The "Helicopter parent" -aptly named thanks to their tendency to hover – will expect more and in some cases demand more from your institution than you might expect.

Witness the accompanying graph. 96% of parents surveyed expect to read newsletters from their child's college – do you publish a parent newsletter in print or via e-mail? 87% expect to attend campus events and 81% expect to know parents of other students – do you schedule parent socials before or after large campus events or at half time of football and basketball games? 75% expect to consult with college administrators – are you and your staff prepared and trained to handle parents, answer their questions, and cultivate an on-going relationship? Do you have ample time to do so?

Although this may seem overwhelming and a bit daunting, if managed strategically, think of the positive repercussions that could likely result thanks to the increased emotional investment on the part of parents in the institution:

Parents influencing their child and working as a retention partner

Parents actively engaged in new student recruitment in their communities and during campus visit programs

Increases in parent giving to the annual fund

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Affordability As a Case For Support

By Richard Greif, Opinion Dynamics

Almost half of all alumni across the nation see college affordability as the most important issue for their former schools to address. A national survey of over 350 college graduates conducted in December 2004 by Opinion Dynamics Corporation found that 48% believe 'making college affordable' should be the top-priority issue for their alma maters. As shown in the graph below, college affordability is far-and-away the most important issue.
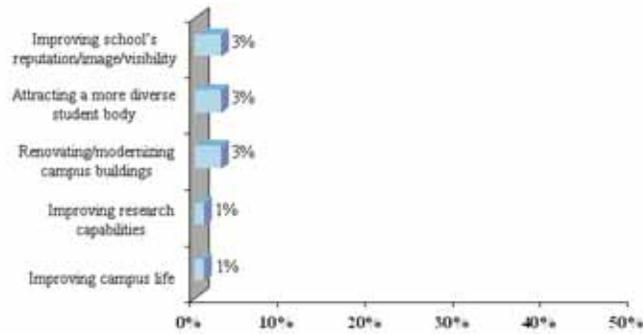

In particular, female alumni (54%), alumni making $25,000-74,999 annually (56%), and alumni under the age of 45 (57%) believe that making college affordable should be the top priority.

Q. Which one of the following issues do you think is the most important for your college or university to address?

The second-most mentioned issue, improvement of academic programs, garnered less than half of the alumni that considered affordability the top issue (22%). Of the nine issues given to alumni to choose from, either college affordability or improvement of academic programs was the answer for seven out of every ten respondents. Improving use of technology on campus and faculty recruitment and retention tied at a distant third, with four percent of alumni respectively listing each as their top concern.

Just three percent of alumni respectively found improving a school's reputation/image/visibility, attracting a more diverse student body, or renovating or modernizing campus buildings to be the top issue. Improving campus life (1%) and improving research capabilities (1%) were the least likely to be top concerns.
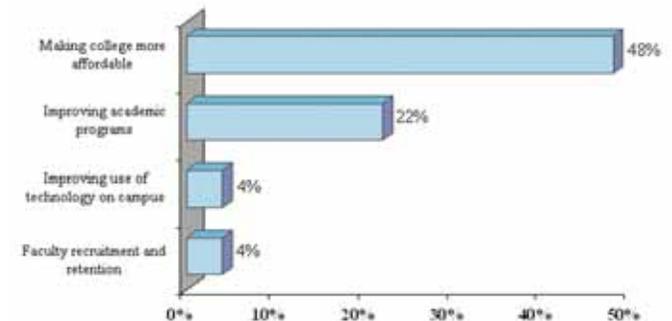
Why Is College Affordability So Important To Alumni?

Today's students are increasingly more likely to borrow to finance their education and wind up with larger cumulative debts. Average starting salaries for graduates have not kept pace with the rising debt loads, meaning alumni feel the impact financially for many years. Of course, this not only hinders their ability to give back to their alma mater, but raises many questions: Will younger alumni feel they are getting as good a return on their investment down the road compared to alumni of 10 or 20 years ago when tuition costs were substantially lower? And how does the affordability issue impact older alumni giving? Do alumni feel their school is doing enough to make college more affordable? Do alumni feel their gift can have any real impact, and are they being offered the option to donate directly toward scholarships? Our studies have often

# Why Advancement Reporting Fails (Part One of Two)

www.supportingadvancement.com

Effective advancement reporting and information deployment is one of our most critical tasks, but for the most part, we don't do it as well as we could. This affects our advancement performance but the irony is that we may not even know by how much because we haven't done a complete analysis. A discussion of the problematic issues in reporting can help improve our information strategy.

Focus on Data and not enough Focus on Information

Very few development shops have adequately defined what their critical performance indicators are and what information they really need to manage their businesses. The benefits of the information driven approach:

• Helps to communicate advancement strategy.

• Helps optimize advancement strategy.

• Helps create consistency.

• Drives strategic alignment.

• Helps development of strategies for directional changes.

• Helps to focus priorities.

• Helps integrate performance analysis and action.

• Encourages continuous improvement.

• Allows for more rapid deployment of changes.

• Facilitates integrated continuous cycle of improvement.

• Creates a culture of responsibility/accountability.

• Helps align people and technology to support advancement and organizational goals.

• Helps align organizational structure to business goals.
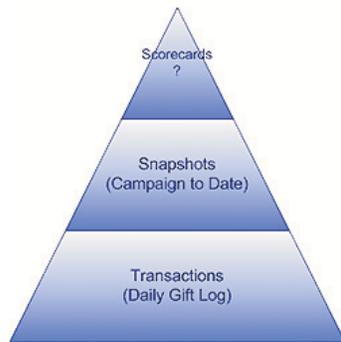
Difficult in Benchmarking

A few overarching industry groups such as CASE and CAE have benchmarking data but it is limited to summary information. There is not a sufficient level of granularity to do in-depth comparisons against peer institutions especially with micro-trends that lead to macro trends. We can only compare summary financial trends. This is not enough. This strategy, unfortunately leads to an insular

mind set when reviewing information. If totals are up we feel we're doing well, even though we may be slipping against peer institutions.

There are very few comparisons between different types of nonprofits and the competition between nonprofits for scarce resources has increased dramatically over the last decades.

External Influences and Other Variables

With the exception of events like 9/11, we fail to include enough external and other variables in our reporting and analysis such as the correlation of giving to the stock market and other economic indices. This could greatly enhance our predictive abilities. i.e. consider the engineering school where a large number of graduates work in petroleum refining. What is the correlation of their giving with energy prices?

Some sample data points for additional analysis:

• Stock market indices.

• Currency fluctuations.

• Staff turnover, number of staff.

• Advancement budget per year.

• Number of new graduates per year.

• Changes in consumer confidence.

Enterprise Data is Difficult to Obtain

Advancement is an enterprise related business and all of our constituent interactions affect the relationship with the enterprise. Within the industry, we fail to focus on the enterprise picture of data and the relationship of advancement activities to the enterprise because of the difficulty in obtaining and combining the data. Consider the relationship of a corporation with the institution.

It's difficult enough just to get the development picture from the gift, bio, pledge and prospect areas of the system. The accounts payable, grants and contracts systems are managed by other

**Limited Focus of Development Reporting for a Corporate Relationship**

Why Advancement Reporting Fails

continued from previous page

areas. There may not be common keys between the data. The accumulation and analysis of the enterprise view becomes a laborious manual effort. It becomes easier just not to do.

With events management, web transactions, an online community and other sources of information few organizations are able to adequately obtain or understand constituent behaviors based on a factual and complete information set.

Advancement is an opportunity driven business, and by not having the complete enterprise picture we miss opportunities or make errors that cause losses of opportunity. Consider the corporate and foundations development officer on a call who asks a CEO for a major gift only to have the CEO tell them that they just gave a major discount to the purchasing department and sponsored an athletics event. Sound familiar?
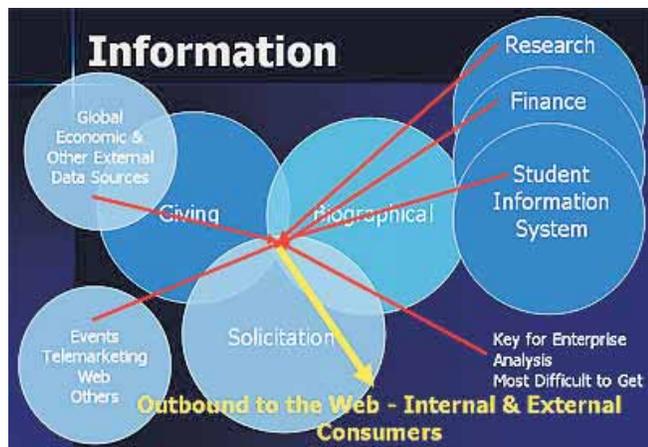
Good News Sells

We tend to focus on good news such as the campaign summary — annual fund year to date totals — total expectancies recorded for the campaign. One of the favorite graphs is the cumulative campaign total by year. It never goes down.

Underlying negative trends are valuable to analyze and are often invisible in summary reports. For example, even though the campaign totals increased, what was the retention rate over the last five years of annual giving donors giving less than $25,000?

There is a need for data mining reporting that shows a relationship between activity and giving. If we were to extend this to a trend we would have much better data for analysis of behavior than just financial data, or just activity counts.

Trend: Focus on Snapshots with Limited Focus on Longer Term

The typical advancement report is current year and previous year,

or just campaign to date. You see 5 and 10 year trend reports much less, and even less are historical to current trends reflected in today's dollars. You generally don't see these at all if they're going down or flat. Our lack of trend analysis limits our predictive and planning ability.

Trend: Total Raised

We focus on the campaign rather than the continuous campaigns we are all really in. While achievement of goal is important, the value in reporting information is really on the changes from pre — to — during — to — post — to projections for the future.

Limitations of Organizational Structures

Our organizational structures don't facilitate a broad integrated information approach. Reporting tends to be compartmentalized by program areas and except for summary statements is seldom integrated to present a combined and comprehensive enterprise viewpoint. This is further exasperated in large shops where program areas may have their own report writing staff.

We go into a room to make decisions and spend the entire meeting trying to understand each other's definitions and whose numbers are right. Instead, we should be making informed decisions based on clearly understood facts. We should also be focusing on donor and prospect transitions between program areas so we clearly understand the motivation behind the behaviors.

Compensation and Reporting

Non profit compensation systems don't drive demand for more sophisticated advancement reporting. In traditional product sales organizations, compensation is directly linked to sales through commission. Sales organizations were the first to develop and employ sophisticated data mining and analysis and other modeling. Ironically a lot of the underlying

algorithms were originally developed and researched at universities. We still don't use a lot of these techniques ourselves.

Accountability and performance mechanisms need to be tied more closely to compensation. A controversial topic because of the long term nature of donor cultivation, nevertheless a few organizations are doing this successfully. Improved reporting to measure past and guide future activities will be a likely offshoot.

Staff Turnover

Staff turnover is high in development and makes the formulation of a strategic information strategy difficult. Program managers have different marketing visions of what they want their programs to accomplish. As new people come on board, the definitions change and technical staff are left scrambling to rewrite existing

reports to match the new vision. If staff can't get the information they need, it can lead to more staff turnover. Because of complicated transactional data models, it takes a long time to train new staff before they are fluent in the capabilities the information can provide them. (Part II in next month's issue)

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Affordability As A Case For Support

shown that alumni are more likely to be interested in supporting scholarships than any other aspect of Universities, including athletics, departments, and extra curricula's.

All alumni have an interest in their alma mater's reputation, and attracting talented students depends on keeping college affordable. Schools must not only communicate to alumni what they are doing to increase affordability but also communicate that alumni can and should help keep it possible for their school to attract the best students.

Other Survey Findings

Thirty-one (31) percent of the college graduates surveyed said they had made or will make a contribution to their alma mater this year. Of contributors, an overwhelming majority (85%) said they plan on contributing about the same amount next year.

For more information and to learn more about the author, please go to www.opiniondynamics.com.

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Phone Center Automation

However, I, along with my superiors in the Development Office, knew that change needed to take place in order to increase Annual Fund dollars and move Cleveland State forward under the leaderships of its recently inaugurated president. This was especially true considering that the university had well over 90,000 alumni, most of who had never been contacted via phone since graduation. After months of deliberation, funding was finally approved in June 2004.

The next 4 months were quite hectic, but on October 14, 2004, CSU's automated phone center went live. It was exciting and rewarding to see the positive reaction from my colleagues as well as from the veteran callers who had never been associated with a computerized calling center. Over the next two and a half months, the phone program exceeded all expectations and raised more money than had ever been raised in an entire fiscal year at CSU. To illustrate, the center (as previously stated) raised $124,168 from 2,046 pledges as of 12/31/03. On the contrary, it was able to attain $202,518 from 2,854 pledges as of 12/31/04. This equates to an increase in

> We increased our $'s by 38.7%

pledges by 808 (28.3%) and a growth in dollars by $78,350 (38.7%). Furthermore, the $202,518 figure far exceeds any total previously obtained by the Cleveland State Phone Program, and there are still six months remaining in fiscal year 2005. Needless to say, the university made a very wise investment that is already showing large dividends, and in this author's opinion, these gains will only continue to progress as time goes on.

In addition to the aforementioned tangible benefits of automation, other benefits include increased contact with alumni, the ability to collect and store comments and other feedback, frequent updates of alumni demographics, and the capacity to equip student callers with multiple scripts and additional background information on colleges as well as alumni. Therefore, if your university has the means to automate but has not yet done so, it should strongly consider making the commitment. Believe me…the numbers don't lie!!

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How to Motivate Callers:
Motivating During Training (Part II of V) *By Allison Novicki*

There is a common school of thought that supervisors and managers should put a lot of stock into initial training because this is where callers will learn everything they need to know about being a productive caller. While I agree that initial training provides callers with the foundation for the potential to become a productive fundraiser, initial telefund training serves a greater purpose.

Initial training establishes a bond between new callers and their supervisors.

Without this bond, new callers are only accountable to themselves. However, when a bond does exist, the callers feel accountable to their supervisors and are even more motivated to become productive members of the team. What follows are recommended techniques that can be incorporated into training that will help to form this initial bond and motivate new callers from the very beginning of their positions as telefund callers.

What You Should Wear

How does the way you dress motivate trainees? Directly, it does not. Indirectly, your choice of clothes for training day says much about what kind of supervisor/manager you are and how you run the department. As with most supervisor-subordinate relationships, it is the supervisor's job to strike the appropriate balance between being "the boss" and "a friend." In the telefund environment, this balance is particularly delicate because it is common for supervisors to be close in age or even students themselves. In those cases, it can be easy to slip too far into friend-mode.

There are several messages you want to convey during training through the way you dress.

• I am a cool and likeable person, but I am still in charge here!

• I am not here to intimidate you; I am here to guide you.

• I am serious about this, but I am not a total dork.

• I can be your friend, but you must respect me as your supervisor.

First impressions do count.

It will be hard to change others perception after the initial encounter, so try following some of these guidelines for choosing your training day wardrobe, and your first impression should be a good one. (Quick note: I have never claimed to be a fashion guru, but I pay attention to what is in and what is out. These are suggestions based on what I have found that has worked best in the environments that I have been exposed.)

• In general, dress down from what you wear on a normal workday. Since many telefund departments have training during the weekends, this will not be a problem. If you train during the week, take a change of clothes with you for shift.

• Never wear jeans, shorts, T-shirts, jean skirts, or tank tops. These items are too casual and do not convey a sense of professionalism.

• Khakis, button down shirts, sweaters, and belts are good. Think "business casual."

• Try following the current fashion trends for college students, and then add a sophisticated flare to it. For example, those big long knit scarves are in right now for young people, but this would not necessarily work for business casual attire. Instead of a super-long knit scarf, try wrapping a beaded scarf with lots of color and texture around your neck and you will still look trendy and sophisticated. A suggestion for men: funky printed T-shirts are in. Instead of wearing the T-shirt solo, consider layering it over with a button down shirt.

• Wear nice shoes. In any work environment, this is important, but shoes are in and whether or not we like it, students will most likely notice if you are wearing an old pair of torn leather shoes.

I hope that your first impression to your trainees will be a good one, and they will leave training day with thoughts like this:

• "It is nice to have a boss that is not a fuddy-duddy. Are bosses supposed to be cool?"

> ## Callers take their cue from you.

• "This will be a tough job, but it seems like I will be able to count on my supervisor for help."

• "They are really serious about this – I hope that I can do well enough to impress them."

• "I'm telling my friends about this place!"

Your Demeanor on Training Day

Smile! You are at Telefund training! If that sounds a little over the top to you, it should. Attending a long training session is generally not something that people look forward to, particularly students who spend a lot of their time stuck in classrooms for several hours during the week. (This is actually a good argument for switching training sessions to the weekends.) Your enthusiasm and energy will determine the level of motivation your trainees will have for staying alert and engaged, so you have to be extra enthusiastic and energetic! In addition, you should smile…a lot. Nothing says, "stick around", like a smile.

As trainees arrive, do not just ask for a name and send them into the training room. Introduce yourself, shake hands, and take a moment to chat. Moreover, smile!

During the training session, you want to strike the same balance with your demeanor as you do with your attire: professional, but fun. Here are some minor ways that you can keep the mood light:

• Use an easel and poster paper as a visual aid during training and use smelly markers for writing. You are being professional by using visual aids, but adding some flare with the markers. Passing the particularly yummy smelling markers around for the trainees to take a whiff always gets a laugh.

• Do not be afraid to talk about yourself, especially if you are a former caller yourself. New callers will feel more at ease if they feel like they can identify with you.

• Encourage trainees to write down questions and give a little prize to the few who write down the most.

• If you sense that the trainees are getting a little too comfortable – and let's face it, if training is going the right way, there should be some anxiety about starting a new job – whip the training session back into shape by giving a pop quiz about some small detail that you've already gone over. Make sure that it is about a piece of information that is practically a necessity for callers to know before getting on the phones, like what your annual goal is.

Training Materials

I have seen many training manuals in my time, as well as some that barely qualify as "manuals" because they resemble a stapled together packet paper with a bunch of unorganized and disjointed information. It should be no surprise to learn that the schools who have a well-organized, professional, and comprehensive manual are the schools where callers perform the best. Besides giving trainees an excellent source of written information about the job, it communicates to them how serious and professional you are as the supervisor/manager. It motivates callers to put extra effort into learning and developing when they see how much effort you have put into the training.

Look at your current manual with a critical eye. As a professional, how would you feel if you were presented with this manual for a training session in your field? Try to include some of these aesthetic and substantive components the next time you revise your training manual:

How to Motivate Callers:
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• Use heavy card stock for the cover and bind your manual in some way other than stapling it together. (Actually, if you have written a comprehensive manual, it should be too thick to staple!)

• Invest some time in creating a table of contents, an index, and a glossary. This will make it much easier for new callers to navigate the manual after training.

• Use a plain old professional font, such as Times New Roman or Ariel. Fonts like Comic Sans are fun, but they are not as easy to read and they take away from the professional look of your manual.

• Include every conceivable aspect of the department into the manual, including: a history of your school's Telefund; descriptions of the other areas of development at your school; policies and procedures; bonus structure; disciplinary actions; a call outline; objections and their responses; technical details about your software (if you're automated); and a section at the end for notes.

• Review your manual often, updating as needed.

The time and effort you put into creating an enhanced manual will pay off in the form of better informed and more diligent callers with an unwavering commitment to get the job done right.

Encourage, Support, Validate, Confirm

Trainees arrive on training day as a clean and untainted slate. Some of them will have just rolled out of bed; some may doubt the whole training process; some are focused on how hungry they are; and some may even truly be excited about what they're about to learn. The trainees will have different needs, different personalities, different questions, different attitudes, and most importantly, different motivations for joining your team and attending training. Regardless of what that motivation is, you must make every effort to tailor the training session to each trainee.

Encourage and Support: Some trainees will be more willing to speak up than others will, but you cannot allow two or three trainees to dominate the training. If you do, you will see those who are less likely to volunteer slowly sink back into their seats and avoid looking at you when you ask questions. Encourage the quiet trainees and the more outgoing trainees by saying something like: "I'm glad to see that you're so anxious! I'd really like to hear from someone who hasn't had a chance to speak up yet." If necessary, call on someone and encourage him/her to answer your question by asking leading some questions that will guide him/her to the answer.

Validate and Confirm: Even when trainees are way off on an answer, or dealing with an objection during role-playing, etc., try to validate their method or reasoning, as if to say, "I see why you said that." or, "That's very creative." Then follow up with, "Let me explain the best way to handle that and you can tell me if that makes sense to you." By saying this, you are handing the power back the trainee and saying, "I trust that you will try your best to do this right."

Motivating callers to perform does not start and stop with whatever bonus system you have in place. It begins the moment the new caller sees you on the first day of training and continues until they eventually move on to another job or graduate. By focusing on the indirect and peripheral ways to motivate callers during training, you are having some bearing on how motivated they will remain throughout their telefund employment.

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The Annual Fund in a Capital Campaign

Campaign Size Gift is Requested

The other end of the spectrum, this audience consists of your most loyal donors and/or highest giving level donors. A sizable gift is a reasonable expectation and will provide a higher success rate as compared to requesting a campaign size gift from your entire prospect base. The marketed message should not be mass-produced, but rather high personal touches.

Additional Annual Fund Gift is Requested

This is the common middle ground reserved for loyal donors whose giving level is not high enough to warrant a leadership level gift. The additional request in the same year on behalf of the campaign takes advantage of the loyalty factor, but recognizes limited giving capacity.

A final note, at all costs, avoid multi-year annual fund pledges for 90% of your prospects, reserving them instead for the top 10% of donors that will provide the bulk of the revenue. On too many occasions annual giving shops will extend the multi-year pledge option to their entire audience. The end result is that those prospects that take advantage of this option end up pulling themselves from future annual giving appeals for the duration of the multi-year commitment. In the perfectly Information Technology supported annual giving office, these masses can be properly monitored and communicated with towards completion of the commitment. However, how many annual giving offices are properly supported with the resources to track and steward this audience?

At the end of the day, divide and conquer based upon the donor's giving history recognizing that there is a need to build consistency with the majority of the prospect group rather then going for the home run. Do not sacrifice your annual fund for short term gain and long term pain.

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Annual Giving Strategy in a Capital Campaign

AFI Puzzle Questions of The Month: December/January

Answers are noted on-line at www.annualfundinc.com. Good luck.

1. Which is heavier, a pound of gold or a pound of feathers?

2. Take out a pen for this one, or write the number on the board. In 30 seconds or less, give the number that is double one-half of 99,637,543,667,345.

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