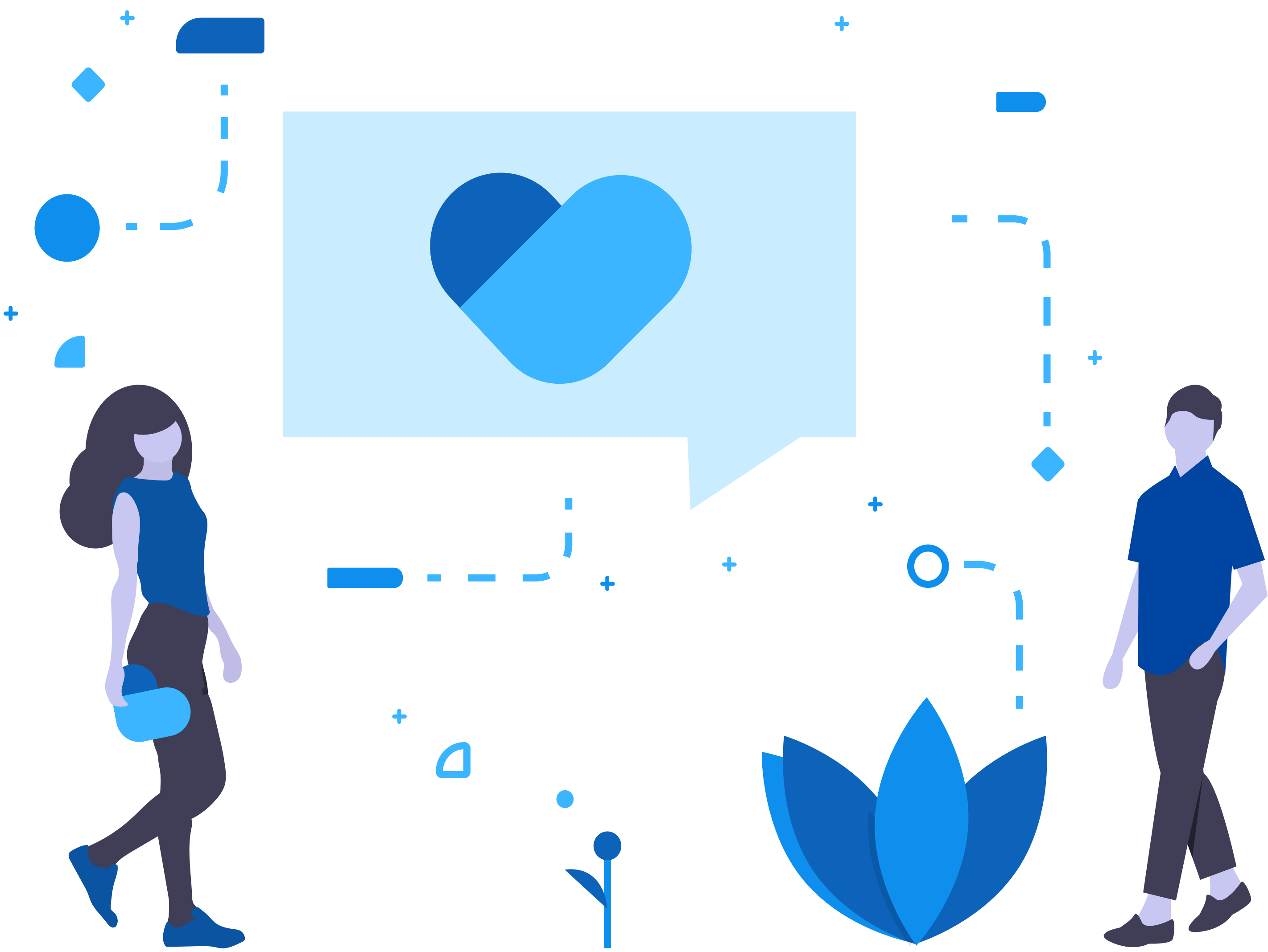
DonorDock

Mission: Engage

The Role of Donor Engagement in Successful Nonprofit Strategy



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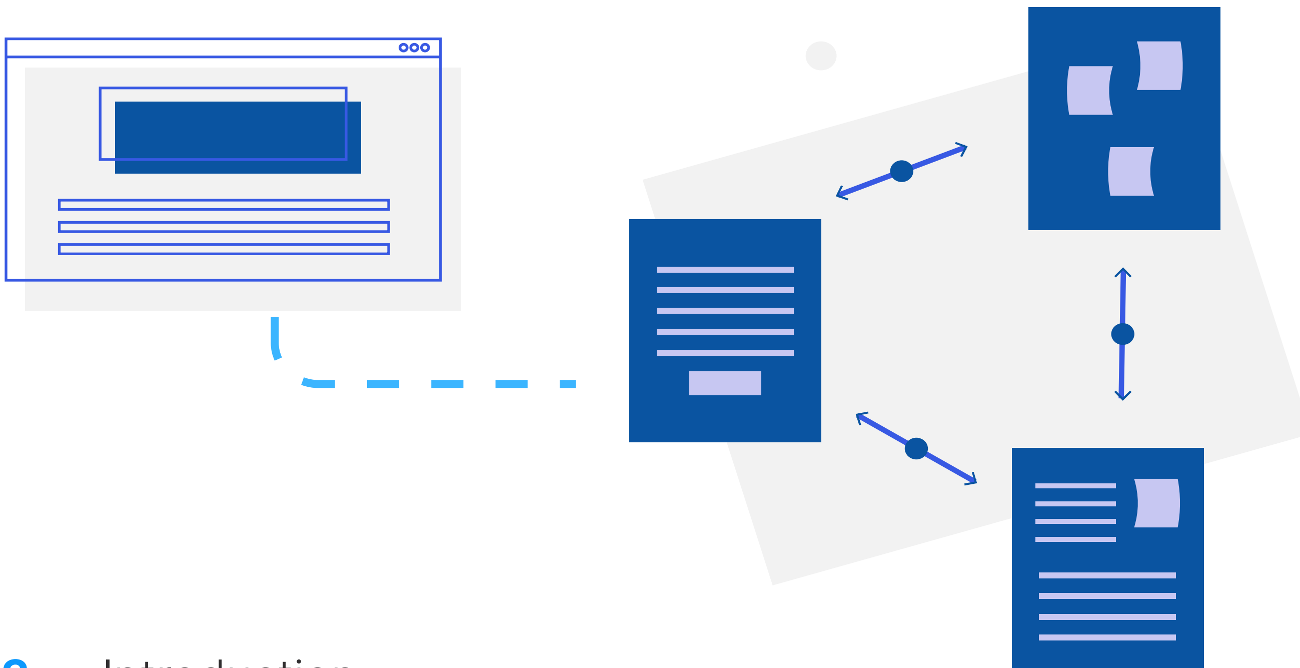
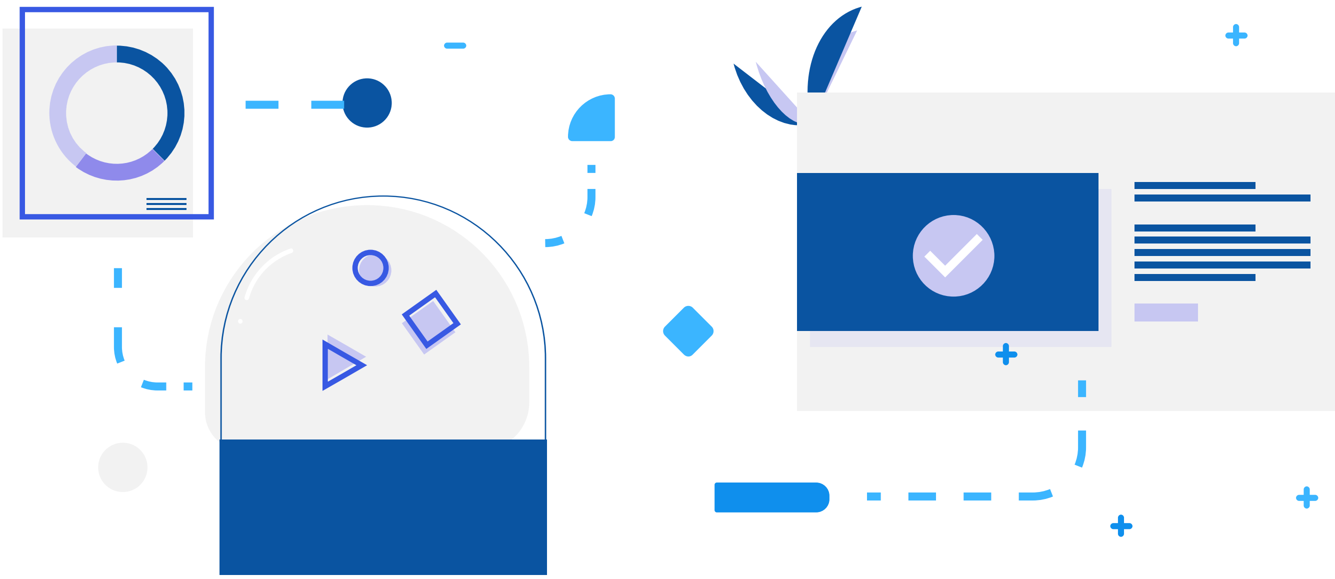


Introduction



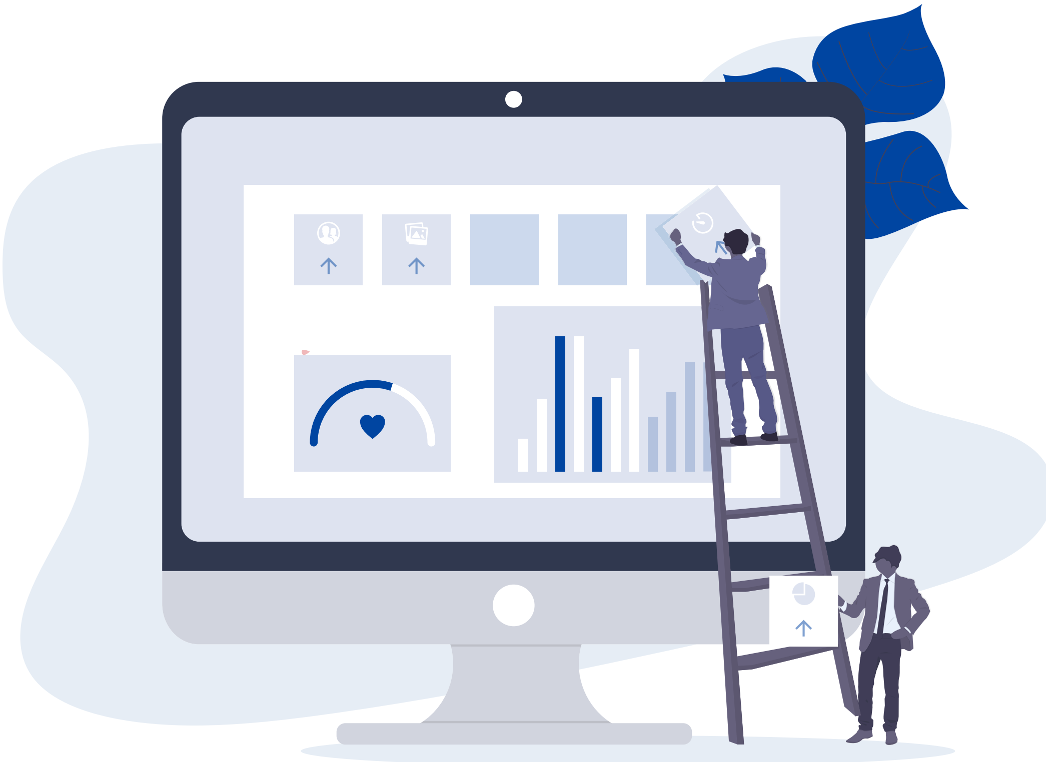
As the founder of DonorDock, I'm bringing my experience to the table in unlocking one of the elusive strategies into helping nonprofits succeed.

There's a powerful key in shifting a nonprofit mindset from believing they're "too different" from corporate businesses, to believing they can harness the same level of, if not more, success than their for-profit counterparts.

Dismissing these simple, CRM-focused tools could widen the gap between being a nonprofit or a nonexistent-profit.

I love the work we do, and I love getting to help nonprofits with their technology in engaging their donors and furthering their mission, and I promise the concepts that follow will do exactly that.

What is a CRM?



It's a tool, it's a software program, it's... the Superman of successful business strategy.

While the letters CRM stand for Customer Relationship Management, we'll focus on the idea of it being the foundation by which nonprofits achieve donor loyalty, healthy team engagement, and successful organizational outcomes.

Most people think of CRM as a program or software; only a tangible tool to track (on a screen) people an organization is engaged with. The truth is CRM is an entire strategy on its own, and one that a successful nonprofit cannot afford to overlook.

CRM helps to bring other strategies full-circle. What is brand engagement like with your organization? How do you build relationships with your donors through touch points or activities? How are you promoting the well-being of your donors, team members, volunteers, etc? How are these factors driving results? CRM answers these questions in a three-legged-stool approach.

The 3 Legged Stool

One of the companies I used to work for talked about the concept of a three-legged stool consisting of customer engagement, employee engagement, and business results. That concept always resonated with me and I have since adapted it to fit in the nonprofit world.

If you think of a stool with only three legs and these legs are labeled “Donor Engagement”, “Team Engagement” and “Impact and Outcomes”, it’s easy to accept an organization with an equal focus on all three of those things provides a level foundation, and steady growth. If too strong of a focus is on one area versus another, the stool falls out of alignment and tips over.

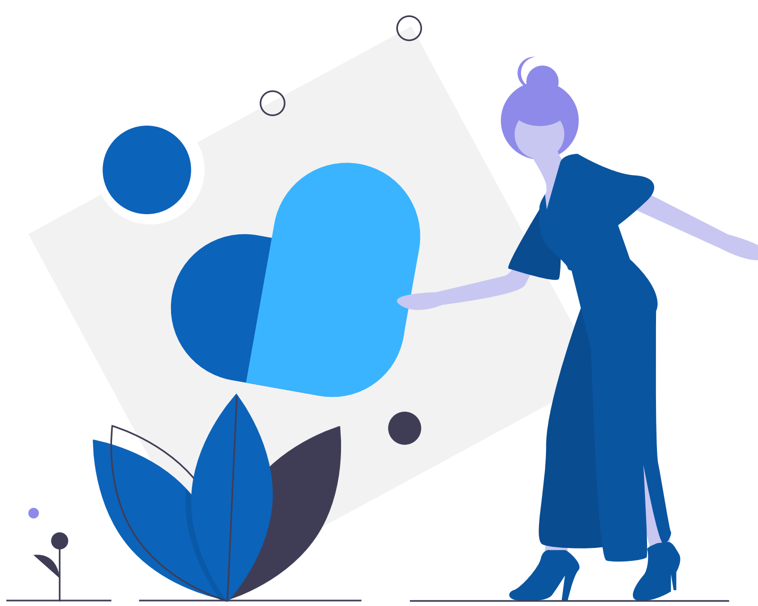
This is where the strategy of CRM for nonprofits comes to the rescue. As you’re trying to create better engagement with your donors, you’re giving team members access to tools to generate better engagement with one another and with the organization’s supporters. This, in turn, drives better results, stronger impact, and positive outcomes.

To do all of these successfully, it’s important to first ask and understand what your current needs are - right now - as an organization. In addition, be cognizant of what the future needs are going to be as you move forward.

What you don’t want to do is define a strategy that fits right now, but can’t or won’t scale or evolve with the organization as it moves into the future.

It’s important to focus on a well-balanced strategy that encompasses all three of these areas: donor engagement, team member engagement, and organizational impact or results. The complete three-legged-stool.

This balance begins with a customer-centric, or supporter-centric, focus in your strategy. Building a relationship with donors is not by chance. It is purposeful. Relationships are not accomplished by one person, one policy, one store, or one software system. They are multi-faceted and require constant attention by everyone involved in the organization.



CRM Strategy Concepts

It's important to note while there are multiple aspects in business that can and will affect their overall CRM strategies (things like operations, finances, etc.), there are three areas a business has to spend a lot of time and energy focusing on.

To be as successful as possible, a nonprofit needs to focus on these three as well. They are: sales, marketing, and customer service. Or in nonprofit terms, nurture, marketing, and donor engagement.

01.
Sales (or) Nurturing

Every business and every organization has a core audience they seek to serve. While the individual components of this audience differ from organization to organization, it's still necessary that you as the nonprofit seek to leverage skills, products, or services to meet specific needs of certain people. Rather than fueling the economic engine of a business that finds people who want to pay for or use their goods and services, a nonprofit's m.o. is to find the people they can serve, and "sell" the public (donors) on the story behind the mission and purpose of the organization in order to receive funding.

You're operating under the premise you can solve a problem or fulfill a need. Once you have buy-in from supporters, the goal with CRM is to promote a good story to the donors, and a positive experience to those your organization serves.

02.

Marketing

Whether in business or nonprofit, there are several key factors of marketing that are common across the board. These include items like:

- Providing up-to-date information on new products or services
- Purposefully and systematically communicating to new and existing [customers] supporters about events, new organizational developments, etc.
- Planning events and campaigns that target specific audiences based on past involvement, participation, interest, brand recognition, interactions.
- Analyzing results, data, effectiveness, and adjusting marketing strategy as necessary.
- Monitoring online trends and listening to social commentary about your organization and the people involved with it.

The goal of CRM in marketing is to make each engagement more personal and intentional, and delivering positive experiences. This drives significant data as we track different marketing activities, campaigns, costs, and of course the return on each investment.

While the mode of marketing strategy is important, the focus is grounded on the centric-person and their needs, communicating with and understanding the needs of those you interact with, and informing team members of organizational initiatives.

The marketing aspect of a CRM strategy is focused on developing and maintaining the brand of an organization both internally and externally.

03.

Donor Engagement

The third aspect, and probably the weightiest with regard to a successful CRM strategy, hinges on the maximization of donor engagement. Let's take a deep dive into what donor engagement is, and how to leverage it for your nonprofit organization.

Engagement, from a literal definition standpoint, means occupying the attention (and the efforts) of donors and prospective donors. You want them to want to help your organization and cause and to become involved in or want to become involved with your organization. Simply stated, it's getting people to pay attention and occupied in your cause, your organization, and your mission.

The good news is donors want to hear more from nonprofits. They want to be engaged more than a simple quarterly coffee meeting or newsletter. In a lot of cases, nonprofit organizations put more emphasis on the worry or fear of communicating when people don't want to hear it, when the reality is the donors and supporters of their organization want, and need, to hear what's going on.

I want to be clear here in stressing this does not mean donors want to be constantly struck up for new donations. The goal, rather, is to cultivate relationships through "cultivating activities" and ensure the people who support your cause, mission, and organization are actively involved through a myriad of ways best suited to them.

Donor Engagement:
Communication Channels

If you communicate to all of your donors through the same channels with the same message at the same timing, this is going to be largely ineffective. So many organizations today are following a pattern, thanking donors in the same way with the same message at the same time, or doing appeals through a single channel in a single method, sending out the same message regardless of who a donor is or why they care about the mission, why they've given in the past, etc.

A prime example of this fruitless communication is sending a postcard asking for a mail-in donation to donors who prefer electronic communication. Several donors may prefer to be communicated with over email and prefer to give online so the postcard proves ineffective in trying to cultivate a particular donor. They may see the postcard, but most likely won't take the time to sit down, visit the website, and give online - even if that's how they prefer to donate. However, if you contacted that same donor with an email or text message, providing a link to give online, they'll be more apt to do that.

Communicating on the same channels with the same message and the same timing as a blanket communication across all donors will not be as effective as streamlining your donor engagement process. Instead, you want to provide multi-channel engagement utilizing mail, phone calls, website communication, email, text, social media, etc. Each donor will have a preferred channel (or channels) of communication that will differentiate from each donor to another.

Organizations that have fine-tuned using as many channels as possible and allowing customers to seamlessly utilize those channels that work for them and that they prefer are much more likely to direct a positive outcome - not only in engagement, but in the results the engagement drives.

Donor Engagement:
Persona

Your donors are comprised of a group of people of different generations, genders, interests, giving preferences, and the list goes on. Creating a persona based on the data you have at hand about your donors and using that data to make sure you target them appropriately is what allows your organization to effectively move to what feels more like 1:1 engagement or 1:1 relationship building, even though in many cases, you're still operating from a 1:many perspective.

A persona is a definition of a single donor but is representative of a group of donors who have similar characteristics, qualities, and attributes. The more you can keep track of this information within your CRM, the more capable you are of appropriately targeting these personas through your marketing or ongoing stewardship.

Identifying personas is all about the details of each donor. You'll want to understand as much as you can about the donors and keep track of the information.

Pro-tip: take notebooks with you when you have in-person meetings with donors or prospective donors and make relevant notes with pen and paper. Don't take your electronic devices to make notes on, and don't rely on your memory and waiting to get back to your CRM program to enter the relevant data. Notebooks will never go out of style.

This is important because there is no substitute for having in-person conversations with people, especially when you're trying to get to know them and establish a relationship with them.

Here's a rundown of eight things to consider when identifying a persona:

01. Communication Frequency. Understanding how often your donors want to hear from you (weekly, monthly, quarterly, annually) will go a long way in getting your donors to engage with what you're sending them through varying channels.

02. Program Interest. What drew them to your organization and what keeps them interested? This allows you to hone in on information the donor is especially interested in and will be more relevant to them.

03. Affiliation. Learning about different affiliations (religious organizations, athletic clubs, board partnerships, etc.) your donors have helps you direct appropriate content to them to ensure what you're communicating resonates, and allows you to leverage those affiliated organizations to help you get your word out to other donors or prospects as well.

04. Annual Giving Level. This one is self-explanatory, but where do they line up for how much they support your organization on an annual basis? This can be important when communicating and can make a difference in dispelling information to someone who gives $50 a year compared to someone who gives $50,000.

05. Preferred Giving Channel. If someone prefers to give online and you mail them a postcard asking them to send a check in the mail, it's probably not going to happen. If you send an email or text message, or even post a social media link for someone who prefers electronic donation, they're far more likely to take advantage of the process that works better for them, and follow through on the call to action to donate.

06. Channels of Communication. Keep track of how your donors and supporters want to be communicated with. Electronic communication, phone call, snail mail - these are all important things to understand and will come out during those in-person conversations you have with your donors.

A Note of Encouragement

You're not expected to simply know all of this, or to figure this out on your own. This is a feature in DonorDock we're proud of, as it will keep track of whether people are opening emails, clicking links, deleting before reading, etc. Let your conversation guide your data, and let your system track your data for you.

07. Generation. This one especially goes hand-in-hand with both preferred giving channels and channels of communication. Certain generations may prefer to get an item in the mail or a personal phone call and may prefer to write a check and mail it in, where other generations may be much more inclined to want electronic communication and donating capabilities. Knowing the generation of your donor can help you customize how you interact with them.

08. Type of Donor. Is this a frequent donor? Smaller or major amount donor? Someone who gives $20 monthly or someone who gives a large gift at the end of the year? Understanding and classifying donors in this way can be a great help in identifying their persona.

These are eight powerful ways to begin to accumulate relevant and helpful data regarding your donors, and can all be acquired through a simple, honest conversation with them. Once the meeting is over and you have a chance to enter pertinent information into your CRM system, you can ensure you're communicating properly with relevant information through the appropriate channels.

This may seem more time-intensive up front, but will garner better results by executing a tailored, custom strategy based on the preferences of your donors. If you want to be known as a donor-centric organization, learning and tracking this information is step one. This will enable you to build better long-term relationships, ultimately leading to better fundraising.

Donor Engagement:
Mapping

Donor engagement mapping is essentially defining a repeatable process intended to drive a great donor experience. The repeatable process can start simple and be shared by everyone within your organization.

Let's take a lesson from different for-profits in how they deal with prospects, existing customers, and how they handle customer service issues. When you see organizations adept at providing great customer experiences, what do they have in common? The answer: it happens across the entire organization.

I don't go into a store and think I'm only going to find one person who will provide a great customer experience for me. I know anyone in the store uniform buys into the organizational idea that it's a customer-centric environment and therefore, they're going to provide exceptional customer service.

Just as companies like Zappos are known for their customer service, your organization can be known for its exceptional donor experience. Everyone within your organization can buy into and be a part of having a donor-centric vision. If everyone in your organization understands "our donors are a key part to what we're doing, and creating a great experience for them is part and parcel to what we're doing to achieve our mission."

The first and simplest option of donor engagement mapping is to create a list of steps, or a basic engagement plan with actions based on triggers. An example would be a donor giving their first online gift. What do you want to do as an organization to respond?

A. Send an email confirming receipt of a gift

B. Make a personal phone call and try to get them to subscribe to the newsletter

C. Through that personal phone call, learn how they want to be communicated with going forward

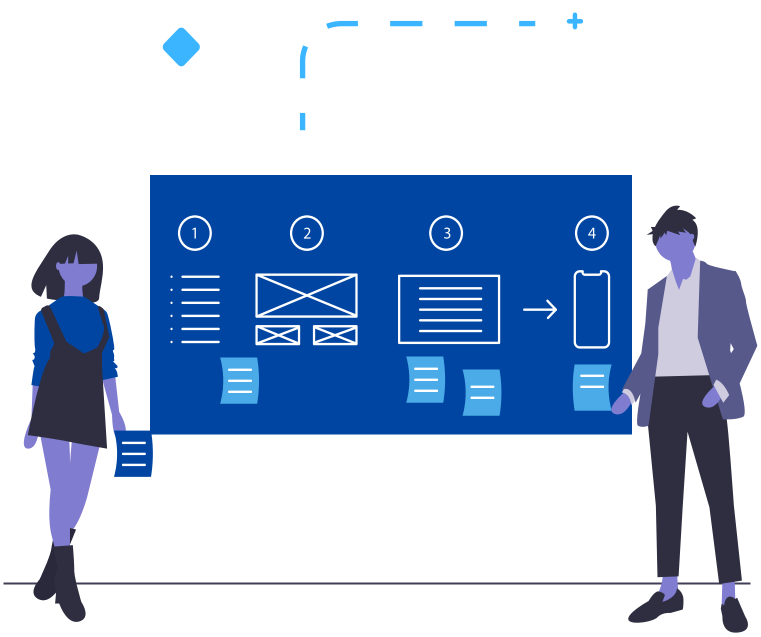
That's a simple example, but not a lot of nonprofits are even doing this basic level of strategic engagement planning. Taking this step and listing out what to do when receiving a first gift, second gift, (moving from a one-time donor to a recurring donor), what to do with a major gift or spike-up gift - even a donor moving to a lapsed donor status. This donor experience map is designed to help you lay out what the donor life cycle looks like, with the ultimate goal of keeping that donor and retaining them as long as possible.

We know it's far less expensive to your nonprofit to retain donors than it is to recruit new donors. This donor engagement map is designed to help you get the most out of your donors and make sure their experience is a positive one any time they interact with your organization.

One thing to keep in mind here: this can be done for different personas, which is a segue to a second option of mapping. This is a little more intricate and involves a decision tree. When you see the first gift come in and it's an online gift, what should be done if it's a certain persona you now understand?

Let's say a second time or spike-up gift comes in and this is a donor you're already familiar with. Based on the first example, they made a first gift and we made a phone call to them, during which we learned they're interested in a certain program we have going on, they like to communicate via email, and they prefer to give online.

Now that second gift comes in, because we know their persona information, we'll email them a thank you and specific information about what that gift means to the organization - especially the program they're interested in. With that decision tree, you can start to personalize this donor engagement map based on the persona. It may seem more complicated initially, but as long as you have the data available in your CRM, when these things come up and you see a need for engagement, you can use the information in front of you to cater to the donor's experience.



Conclusion

If your organization can move toward multi-channel engagement with personalized messages sent during the preferred timing and based on established persona groups, that will produce effective engagement, and move the needle in the direction of success.

By the way, these same concepts apply to prospective donors and attracting new donors through marketing. The more you learn and can track within your CRM, the more you can cater and cultivate in your communication with them as well.

What's important to remember here is donor engagement, marketing, and nurturing cannot be thought of as static items or principles. These aren't strategies put together today to look the same five years down the road, nor should they.

As you evolve as an organization, constantly evaluate to see if the strategy is working or if adjustments or changes need to be made.

This all ties back to the idea that CRM is not merely a software product, but is an overarching strategy within your organization. As you move forward through time and change, your strategy should be evolving with the organization and the personas of your donors.

These are exciting, attainable concepts, not outside the grasp of any organization. By making simple tweaks and modifications, nonprofits can adapt for-profit principles to utilize a CRM strategy and product, commit to being a donor-centric team, and establish genuine relationships and interactions with donors and for your organization.

About

DonorDock

DonorDock exists to help small to mid-size nonprofits conquer the fear of fundraising and enable them to raise more money in less time. While many competing tools are over-complicated, difficult to adopt, and costly, DonorDock takes a reductionist approach to the problem. Rather than focusing on collecting a large amount of data some of the time, DonorDock is focused on collecting the right data ALL of the time. This data allows effective coaching and analytics to truly transform an organization into a data-driven, successfully funded nonprofit.

The Author

Matt Bitzegaio is the CEO and co-founder of DonorDock and has over 20 years of experience in the CRM strategy and technology industry. Matt has been fortunate to work with many nonprofits of varying sizes during that time, and in 2017 began working on DonorDock with the vision of a CRM built for small to mid-sized nonprofits. Matt is passionate about using technology to help nonprofits create and maintain a more significant and successful impact.

Matt has taught CRM courses at two major universities, along with architecting and leading CRM projects and strategies for hundreds of organizations, large and small.

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