Stay Classy

Accelerating Social Progress
Your Presenters:

Mike Spear  
Director of Business Development  
StayClassy

Matt Scott  
Online Donations and Donor Engagement Coordinator  
Team Rubicon
Your Presenters:

Christine Crosby
Account Executive
StayClassy

Terri Harel
Marketing
StayClassy
Agenda

• Overview of Recurring Revenue Program
• Case study: Eleven11
• Launching your Recurring Revenue Program
• Managing Recurring Revenue
• Recap & Questions
Twitter Hashtags

#ClassyEdu

@stayclassysyd
@teamrubicon
A little bit of background...

Mike Spear
• **60-70%** of first-time donors do not give again the following year.

• **53% due to lack of effective communication**

• It’s **5-10x** more expensive to gain a new donor than to keep an existing one.
Recurring Donations

70% Donor retention
2-Year Timeline: One-Time Donations

Recurring Donations

One-Time Donations
Recurring donations have a significant **compounding** effect.
Proving the model...
Example 1: Assumptions

- **5,000** Donors to start with
- **$240** Initial one-time gift
- **10%** Donation growth YoY
- **45%** Donor Retention Rate
- **0** New Donor Acquisition
## Example 1: 45% Retention

<table>
<thead>
<tr>
<th>Year #</th>
<th># of Donors</th>
<th>Average Gift (Annual)</th>
<th>$ Value (Annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5000</td>
<td>$240</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>2</td>
<td>2,250</td>
<td>$264</td>
<td>$594,000</td>
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<tr>
<td>3</td>
<td>1,013</td>
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<td>$294,030</td>
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<tr>
<td>4</td>
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<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td></td>
<td><strong>$2,374,139</strong></td>
</tr>
</tbody>
</table>
Example 2: Assumptions

- 5,000 Donors to start with
- $20 initial monthly commitment
- 10% Donation growth YoY
- 70% Donor Retention Rate
- 0 New Donor Acquisition
### Example 2: 70% Retention

<table>
<thead>
<tr>
<th>Year #</th>
<th># of Donors</th>
<th>Average Gift (monthly)</th>
<th>Average Gift (Annual)</th>
<th>$ Value (Annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5000</td>
<td>$20</td>
<td>$240</td>
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<td>10</td>
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<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$4,835,130</strong></td>
</tr>
</tbody>
</table>
Example 3: Assumptions

- **5,000** Donors to start with
- **$20** Initial monthly commitment
- **10%** Donation growth YoY
- **20%** Donor Growth Rate
## Example 3: 20% Growth

<table>
<thead>
<tr>
<th>Year #</th>
<th># of Donors</th>
<th>Average Gift (monthly)</th>
<th>Average Gift (Annual)</th>
<th>$ Value (Annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5,000</td>
<td>$20</td>
<td>$240</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>2</td>
<td>6,000</td>
<td>$22</td>
<td>$264</td>
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<td>3</td>
<td>7,200</td>
<td>$24</td>
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<td>4</td>
<td>8,640</td>
<td>$27</td>
<td>$319</td>
<td>$2,759,962</td>
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<td>10,368</td>
<td>$29</td>
<td>$351</td>
<td>$3,643,149</td>
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<td>6</td>
<td>12,442</td>
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<td>$4,808,957</td>
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<td>14,930</td>
<td>$35</td>
<td>$425</td>
<td>$6,347,823</td>
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<td>8</td>
<td>17,916</td>
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<td>$468</td>
<td>$8,379,127</td>
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<td>9</td>
<td>21,499</td>
<td>$43</td>
<td>$514</td>
<td>$11,060,447</td>
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<tr>
<td>10</td>
<td>25,799</td>
<td>$47</td>
<td>$566</td>
<td>$14,599,791</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$56,474,136</strong></td>
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</tbody>
</table>
## Example 3: 20% Growth

<table>
<thead>
<tr>
<th>Year #</th>
<th># of Donors</th>
<th>Average Gift (monthly)</th>
<th>Average Gift (Annual)</th>
<th>$ Value (Annual)</th>
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<tbody>
<tr>
<td>1</td>
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<td>$20</td>
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<td>$1,584,000</td>
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<td>7,200</td>
<td>$24</td>
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<td><strong>$2,090,880</strong></td>
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<td>$27</td>
<td>$319</td>
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<td>12,442</td>
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<td>$387</td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td><strong>TOTAL: $56,474,136</strong></td>
</tr>
</tbody>
</table>
## Summary

<table>
<thead>
<tr>
<th></th>
<th>Example 1: 45% Retention</th>
<th>Example 2: 70% Retention</th>
<th>Example 3: 20% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong># of Recurring Donors after 10 Years</strong></td>
<td>4</td>
<td>202</td>
<td>25,799</td>
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<tr>
<td><strong>Average Annual Revenue</strong></td>
<td>$237,414</td>
<td>$483,513</td>
<td>$5,647,414</td>
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<tr>
<td><strong>Total Revenue Over 10 years</strong></td>
<td>$2,374,139</td>
<td>$4,835,130</td>
<td>$56,474,136</td>
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</tbody>
</table>
# Summary

<table>
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<tr>
<th>Examples</th>
<th># of Starting Donors</th>
<th># of Donors After 10 Years</th>
<th>Revenue After 10 Years</th>
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<tbody>
<tr>
<td>Small NPO</td>
<td>100</td>
<td>516</td>
<td>$1,129,483</td>
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<tr>
<td>Medium NPO</td>
<td>1,500</td>
<td>7,740</td>
<td>$16,942,241</td>
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<tr>
<td>Large NPO</td>
<td>5,000</td>
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<td>$56,474,136</td>
</tr>
</tbody>
</table>
Revenue Summary

1. $2,000,000
2. $4,000,000
3. $6,000,000
4. $8,000,000
5. $10,000,000
6. $12,000,000
7. $14,000,000
8. $16,000,000
Benefits:

- Predictable *revenue*
- Compounding *growth*
- Focus on retaining *donors*
- Community *development*
- Long-term *sustainability*
A Little Advice...

- Focus on low initial commitment
- Treat donors like investors
- Talk about impact
- Create relationships & community
A Real World Success Story...

Matt Scott
Team Rubicon Case Study

• What’s Eleven11?

• Components to a successful campaign
  – Planning
  – Execution
  – program management

• Results
The Support Squad

The Support Squad has become a reliable source of revenue from engaged donors.
Team Rubicon Case Study

• Planning

• CRM/Salesforce

• Custom graphics

• Content
The 60/10/40 Rule

60% Planning + 10% Execution + 40% Program Management = Success!
CRM/Salesforce Configuration
Training your Team
Create Custom Graphics

- Talk about impact
- Make it relatable
- Make it sharable

Disasters can destroy infrastructure and buildings, but we've seen what disasters can never break: community.

Thousands of Team Rubicon volunteers have deployed to help those who need it the most and now, it’s time to grow the TR Nation so we can continue to help those who need it the most.

This Veterans Day, join us in rebuilding our communities and helping our neighbors.

Disasters aren’t going away, and with your help, neither are we.
Share your Progress

Supporters love transparency, and they love seeing their progress towards success.
Make the Ask

The Ask

Social Media
Emails
Phone calls
Engagement

68% more recurring donors

In 11 days
The Results:

320 new recurring donors
2013 New Recurring Donors

Matching Challenger
Number of New Recurring Donors by Day
2012 vs. 2013 Eleven11

<table>
<thead>
<tr>
<th>Date</th>
<th>2013 New Recurring Donors</th>
<th>2012 New Recurring Donors</th>
</tr>
</thead>
<tbody>
<tr>
<td>29-Oct</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>30-Oct</td>
<td>10</td>
<td>10</td>
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<tr>
<td>31-Oct</td>
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<tr>
<td>1-Nov</td>
<td>10</td>
<td>5</td>
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<tr>
<td>2-Nov</td>
<td>10</td>
<td>10</td>
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<td>3-Nov</td>
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<td>4-Nov</td>
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<td>6-Nov</td>
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<td>7-Nov</td>
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<td>8-Nov</td>
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<td>9-Nov</td>
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<td>5</td>
</tr>
<tr>
<td>10-Nov</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>11-Nov</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>12-Nov-30</td>
<td>100</td>
<td>50</td>
</tr>
</tbody>
</table>

2013 New Recurring Donors 2012 New Recurring Donors
The Results:

$6,148

new monthly recurring revenue
The Results:

From

$8,600/mo

to

$14,700/mo
The Results:

$26K

in one-time donations
The Results:

$95K

Projected year 1 ROI
## Eleven11: if continued...

<table>
<thead>
<tr>
<th>Year #</th>
<th># of Donors</th>
<th>Average Gift (monthly)</th>
<th>Average Gift (Annual)</th>
<th>$ Value (Annual)</th>
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<td>1,559</td>
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<td>$41</td>
<td>$491</td>
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<td>3,880</td>
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<td>$594</td>
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<td></td>
<td></td>
<td><strong>$8,918,396</strong></td>
</tr>
</tbody>
</table>
So how do you replicate the success of *Eleven11* to develop and grow your recurring revenue program?
Launching your Recurring Revenue Program

- Focus on relationships
- Create access
- Engagement
Focus on Relationships

Relationships are about trust, connection, and pursuit of a common purpose.
Making the Ask...

Make it about the relationship between supporter and your organization’s impact.
Making the Ask...

Targeted campaign or Year-Round-Presences...

Either way, be specific.
Making the Ask...

Quantify your supporters’ monthly donation by tying it to your work.

Disasters can destroy infrastructure and buildings, but we've seen what disasters can never break: community.

Thousands of Team Rubicon volunteers have deployed to help those who need it the most and now, it's time to grow the TR Nation so we can continue to help those who need it the most. This Veterans Day, join us in rebuilding our communities and helping our neighbors.

Disasters aren't going away, and with your help, neither are we.

|$5/\text{MONTH}$ = OUTFIT A VOLUNTEER W/ PPE

|$10/\text{MONTH}$ = INCIDENT MANAGEMENT TRAINING FOR 1 VOLUNTEER

|$25/\text{MONTH}$ = TOOLS, TACTICS & TECHNIQUES TRAINING FOR 1 VOLUNTEER

|$50/\text{MONTH}$ = DEPLOY A STRIKE TEAM

|$100/\text{MONTH}$ = BUILD A FORWARD OPERATING BASE
Set up a targeted campaign that you can build on Y/Y.

Year round presence on your website.
OPB has the **sustaining circle**, how are you making your monthly donors feel **special**?
Engagement

Offline: gear, postcard, newsletter ext.

Online: email, social media, website ext.
Managing Recurring Revenue

- Ongoing Maintenance
  - Minimize Churn
  - Increase Donor Lifetime Value

- Year/Year Growth
Minimize Churn

Donor Churn = \frac{\# \text{ of lost donors}}{\# \text{ of total donors}}

On average, 70% recurring of recurring donors continue into year two.
Leading Causes of Donor Churn

- Lack of engagement
- Outdated payment information
- Donor Fatigue
Personalized Engagement

- Newsletters
- Occasional calls
- Direct mail

“For years, I felt lost and useless. I went from job to job and thought my life had no meaning until I found Team Rubicon. They have given me a renewed lease on life - I get to be with people who are of the same mind frame and feel as I do. It is amazing and refreshing to be accepted for myself.”

Jodi
Team Rubicon Veteran
Outdated Payment Information

Actively manage expiring credit cards and outdated contact information
Donor Fatigue

How much is too much?

How often nonprofits expect to email in 2013:

- Monthly: 42%
- Every other week: 17%
- Weekly: 14%
- Quarterly: 15%
- Twice a year: 6%
- Several times a week: 3%
- Will not send email: 3%
- Don't know: 5%

Source: NonprofitMarketingGuide.com/2013
Donor Fatigue

Customize your frequency to meet the recipient’s preferences.
Increase Donor Lifetime Value

Increase monthly donation amount of existing recurring donors
Increase Donor Lifetime Value

Donor Lifetime Value = \frac{\text{Avg. Donation per Donor}}{\text{Donor Churn Rate}}
Increase Donor Lifetime Value

How?
Increase Donor Lifetime Value

- Quantify their gift through engagement
- When updating payment methods
- Just ask
Managing Recurring Revenue

Year / Year Growth
Year/Year Growth

Establish your program’s brand, then build on it each year.
Recap – 7 Tips for Launching and Managing a Recurring Revenue Program

1. Define your goals & Key Metrics
   1. # of donors
   2. Average Gift
   3. Retention Rate (Churn)
   4. Upgrade Rate

2. Launch a targeted campaign

3. Engage – Make them feel special.

4. Team effort (60/10/30 Rule)

5. Measure, learn, and repeat
Questions?
Your Presenters:

Mike Spear
Director of Business Development
StayClassy

Matt Scott
Online Donations and Donor Engagement Coordinator
Team Rubicon

Christine Crosby
Account Executive
StayClassy

Terri Harel
Marketing
StayClassy
Thank You!!!

Contact our team:

sales@stayclassy.org
(619) 961-1892

Or

Create a free trial:

www.stayclassy.org/signup