



StayClassy

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

@stayclassysd

@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*

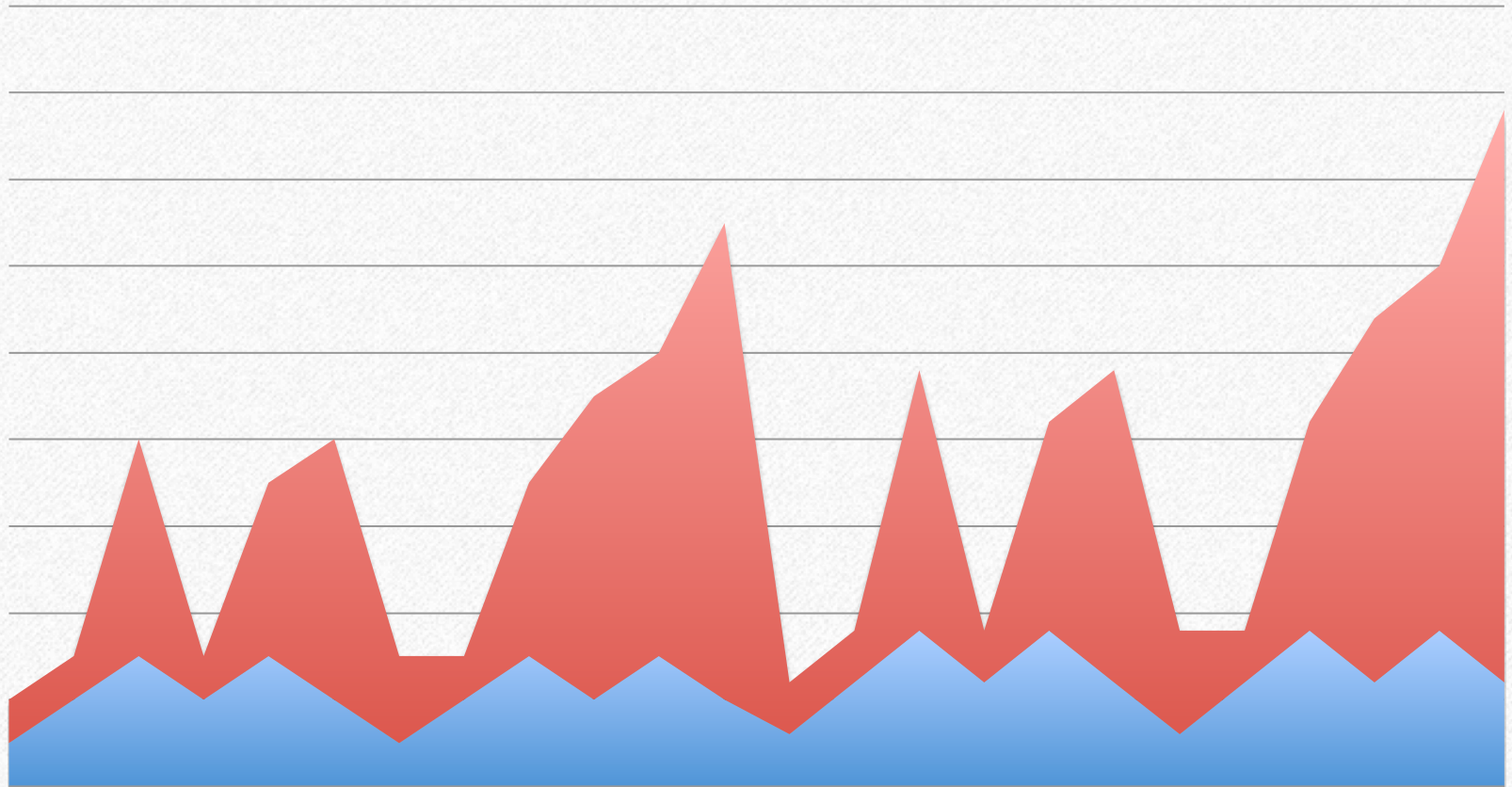


2-Year Timeline: One-Time Donations

Y2 High

Y2 Low

Y1 Low

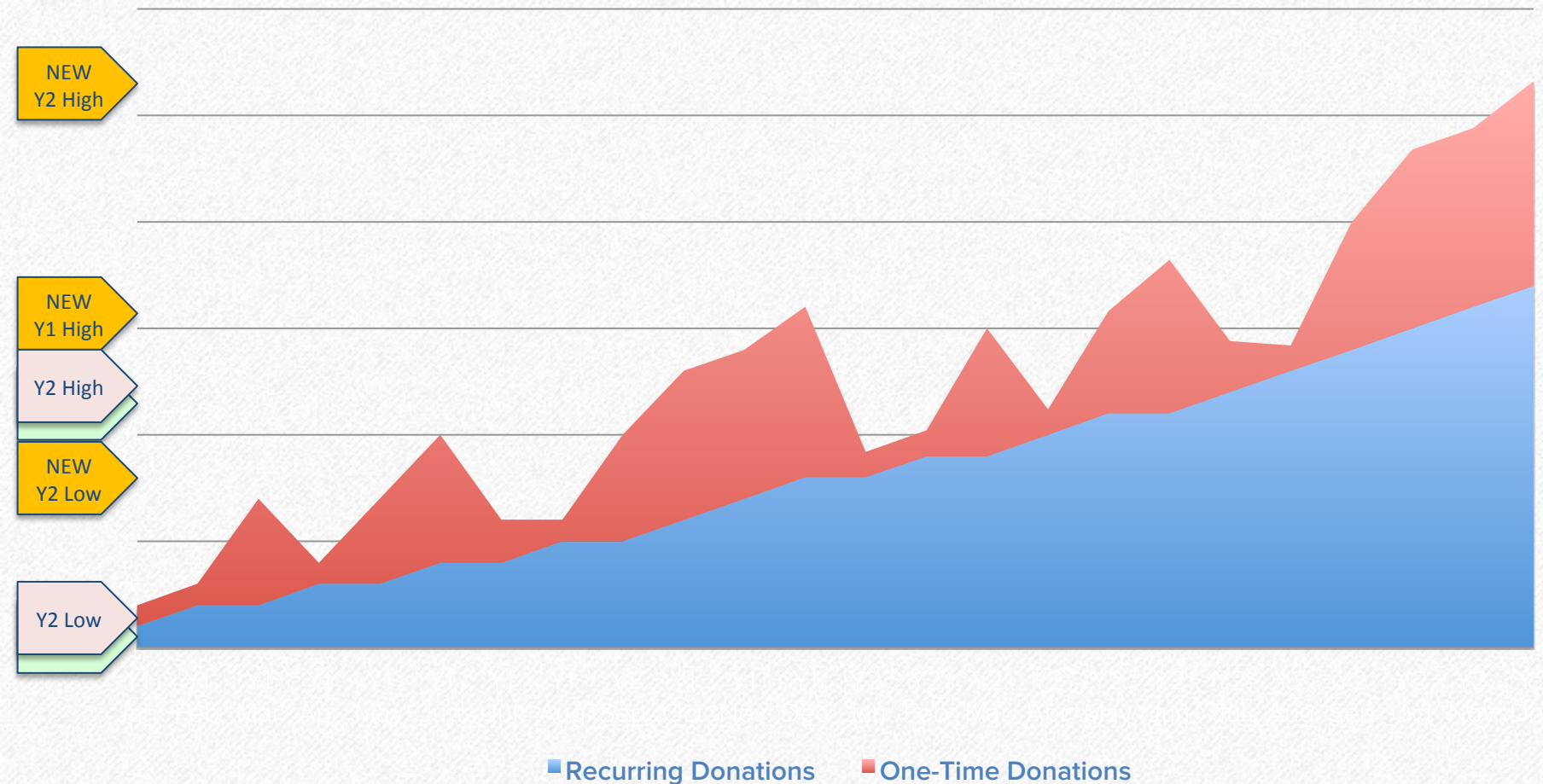


Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

■ Recurring Donations ■ One-Time Donations



2-Year Timeline: Recurring 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

Year #	# of Donors	Average Gift (Annual)	\$ Value (Annual)
1	5000	\$240	\$1,200,000
2	2,250	\$264	\$594,000
3	1,013	\$290	\$294,030
4	456	\$319	\$145,545
5	205	\$351	\$72,045
6	92	\$387	\$35,662
7	42	\$425	\$17,653
8	19	\$468	\$8,738
9	8	\$514	\$4,325
10	4	\$566	\$2,141
TOTAL:			\$2,374,139

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

Year #	# of Donors	Average Gift (monthly)	Average Gift (Annual)	\$ Value (Annual)
1	5000	\$20	\$240	\$1,200,000
2	3,500	\$22	\$264	\$924,000
3	2,450	\$24	\$290	\$711,480
4	1,715	\$27	\$319	\$547,840
5	1,201	\$29	\$351	\$421,836
6	840	\$32	\$387	\$324,814
7	588	\$35	\$425	\$250,107
8	412	\$39	\$468	\$192,582
9	288	\$43	\$514	\$148,288
10	202	\$47	\$566	\$114,182
TOTAL:				\$4,835,130

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

Year #	# of Donors	Average Gift (monthly)	Average Gift (Annual)	\$ Value (Annual)
1	5,000	\$20	\$240	\$1,200,000
2	6,000	\$22	\$264	\$1,584,000
3	7,200	\$24	\$290	\$2,090,880
4	8,640	\$27	\$319	\$2,759,962
5	10,368	\$29	\$351	\$3,643,149
6	12,442	\$32	\$387	\$4,808,957
7	14,930	\$35	\$425	\$6,347,823
8	17,916	\$39	\$468	\$8,379,127
9	21,499	\$43	\$514	\$11,060,447
10	25,799	\$47	\$566	\$14,599,791
TOTAL:				\$56,474,136



Example 3: 20% Growth

Year #	# of Donors	Average Gift (monthly)	Average Gift (Annual)	\$ Value (Annual)
1	5,000	\$20	\$240	\$1,200,000
2	6,000	\$22	\$264	\$1,584,000
3	7,200	\$24	\$290	\$2,090,880
4	8,640	\$27	\$319	\$2,759,962
5	10,368	\$29	\$351	\$3,643,149
6	12,442	\$32	\$387	\$4,808,957
7	14,930	\$35	\$425	\$6,347,823
8	17,916	\$39	\$468	\$8,379,127
9	21,499	\$43	\$514	\$11,060,447
10	25,799	\$47	\$566	\$14,599,791
TOTAL:				\$56,474,136



Summary

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

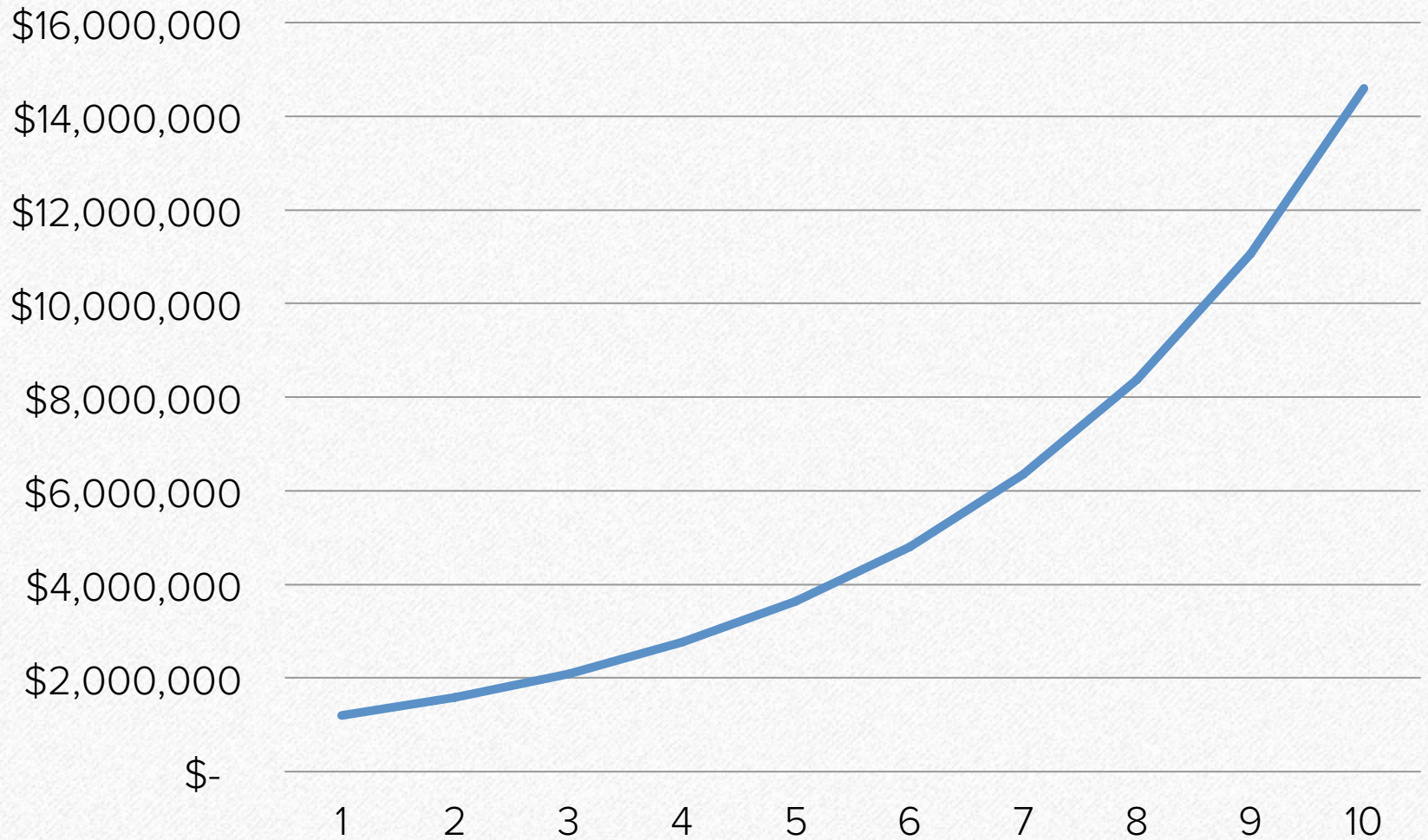


Summary

Examples	# of Starting Donors	# of Donors After 10 Years	Revenue After 10 Years
Small NPO	100	516	\$1,129,483
Medium NPO	1,500	7,740	\$16,942,241
Large NPO	5,000	25,799	\$56,474,136



Revenue Summary

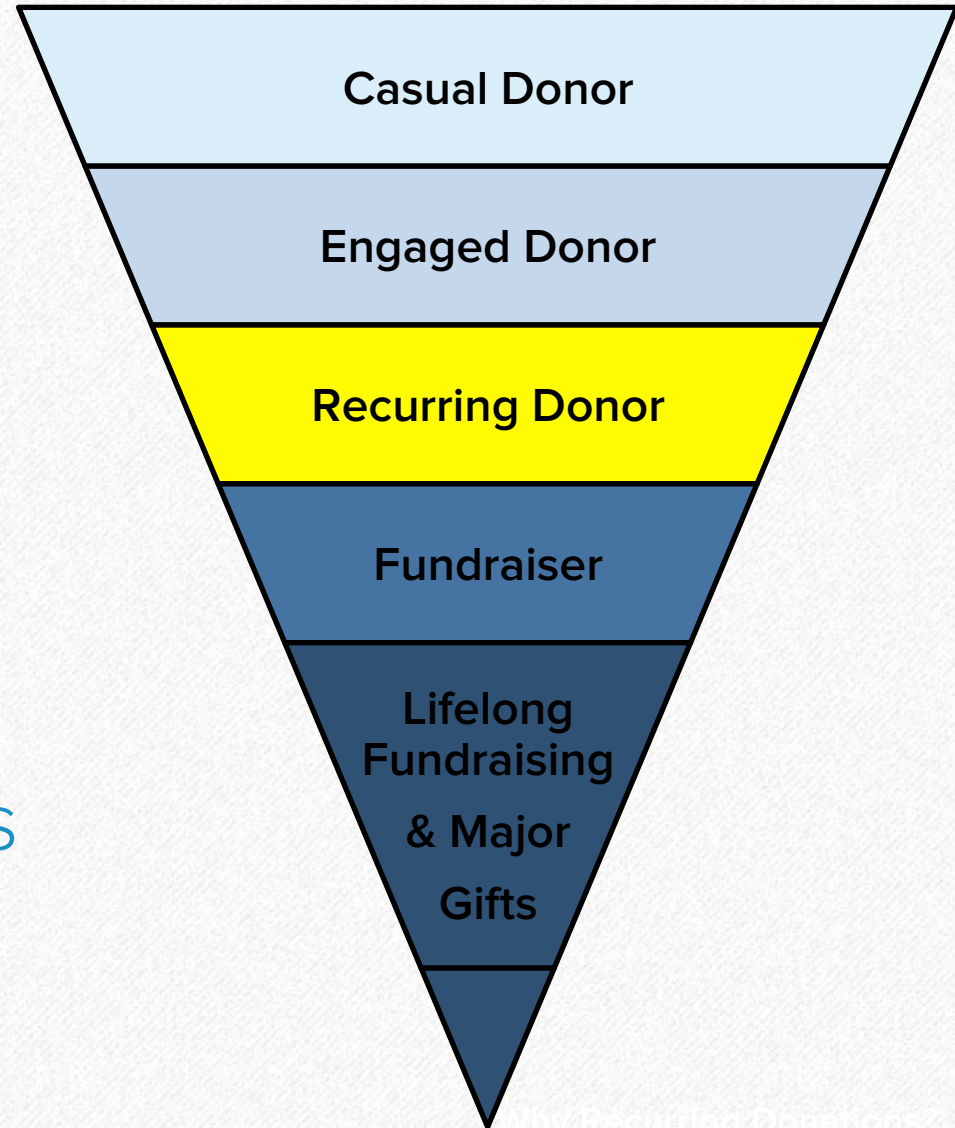


Benefits:

- Predictable *revenue*
- Compounding *growth*
- Focus on retaining *donors*
- Community *development*
- Long-term *sustainability*

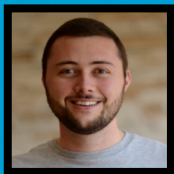
A Little Advice...

- 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.





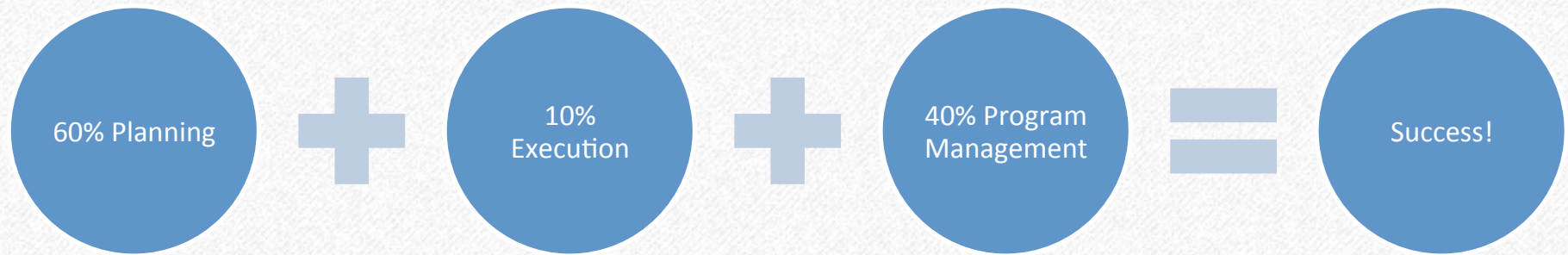
Team Rubicon Case Study

- Planning
- CRM/Salesforce
- Custom graphics
- Content





The 60/10/40 Rule





CRM/Salesforce Configuration

salesforce 14

Search... Search

Matt Scott Help & Training Nonprofit CRM

Home Chatter Files Contacts Households Organizations **Donations** Reports Dashboards Recurring Donations & Pledges Contact Merge About Nonprofit Starter Packages

Matt Scott Edit | Delete | Create New View

List Feed

New

Action

View:

Donation Name	Amount	Acknowledgment Caller	Acknowledgment Status
Clarizza Doloroso - StayClassy 11/09/2...	\$300.00	Matt Scott	Required
Wendy & Mark Jacobs Glassman - Stay...	\$500.00	Matt Scott	Required
Claire Silberman - StayClassy 11/10/2013	\$750.00	Matt Scott	Required
Regina McGraw - StayClassy 11/10/2013	\$250.00	Matt Scott	Required
Eric Alborn - StayClassy 11/11/2013	\$250.00	Matt Scott	Required
Teresa Grogan - StayClassy 11/11/2013	\$250.00	Matt Scott	Required
Frank Luby - StayClassy 11/11/2013	\$1,111.00	Matt Scott	Required
Patrick Reilly - StayClassy 11/11/2013	\$1,000.00	Matt Scott	Required
Lindsay Drewel - StayClassy 11/11/2013	\$250.00	Matt Scott	Required
Debi Bookwalter - StayClassy 11/11/2013	\$300.00	Matt Scott	Required
Phil Cronin - StayClassy 11/14/2013	\$5,000.00	Matt Scott	Required
Robert Moore - StayClassy 11/10/2013	\$250.00	Matt Scott	Called
Lorraine Diego - StayClassy 11/11/2013	\$250.00	Matt Scott	Called
Joan Bowen - StayClassy 11/11/2013	\$500.00	Matt Scott	Called
Christopher Harvey - StayClassy 11/11/...	\$500.00	Matt Scott	Called
Kalaivani Duane - StayClassy 11/11/2013	\$250.00	Matt Scott	Called



Training your Team

Attendee List (4)

Active Speakers

▼ Hosts (1)

Matt Scott

► Presenters (0)

▼ Participants (3)

Matt Runypon

Sarah Nanbu

Tegan

Chat (Everyone)

Matt Scott: Thank you all!!!!

Matt Scott: Hey Sarah are you dialed in?

Sarah Nanbu: Hey! I can hear you, but I don't think my mic is connected

Matt Scott: 1-888-827-6039
Participant Passcode:
58502560#

Matt Scott: You need to call in

Note

Share - Matt Scott

Full Screen

Donation: Wendy & Mark Jacobs Glassman - StayClassy 11/09/2013 - salesforce.com - Enterprise Edition

https://na7.salesforce.com/006A000000MsgLT

Goal URLs - Google ... salesforce.com - Cu... Donations - salesfor... Donation: Wendy & ...

11/09/2013

Donation Name Wendy & Mark Jacobs Glassman - StayClassy 11/09/2013 Close Date 11/9/2013

Organization Name Wendy & Mark Jacobs Glassman Amount \$500.00

▼ Acknowledgment Information

Acknowledgment Caller Matt Scott Thank You Required Yes

Acknowledgment Status Required Acknowledgment Call Completed 11/11/2013 2:46 PM

Thank You Card Sent

Thank you card sent ☐

▼ Call Notes

Acknowledgment Call Notes

Wendy's son served in

Recycle Bin

0:05:01/0:10:45

2:46 PM 11/11/2013



Create Custom Graphics

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/MONTH =	OUTFIT A VOLUNTEER W/PPE
	\$10/MONTH =	INCIDENT MANAGEMENT TRAINING FOR 1 VOLUNTEER
	\$25/MONTH =	TOOLS, TACTICS & TECHNIQUES TRAINING FOR 1 VOLUNTEER
	\$50/MONTH =	DEPLOY A STRIKE TEAM
	\$100/MONTH =	BUILD A FORWARD OPERATING BASE


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



Share your Progress

 **Team Rubicon**
November 7

If you just joined our Support Squad, you should be flexing in the mirror right now. If you'd like to help us reach today's goal, look no further: <http://bitly.com/eleven11TR>.



100 RECURRING DONORS = \$5000 MATCHING DONATION

Supporters love *transparency*, and they love seeing their *progress* towards *success*.



Make the Ask





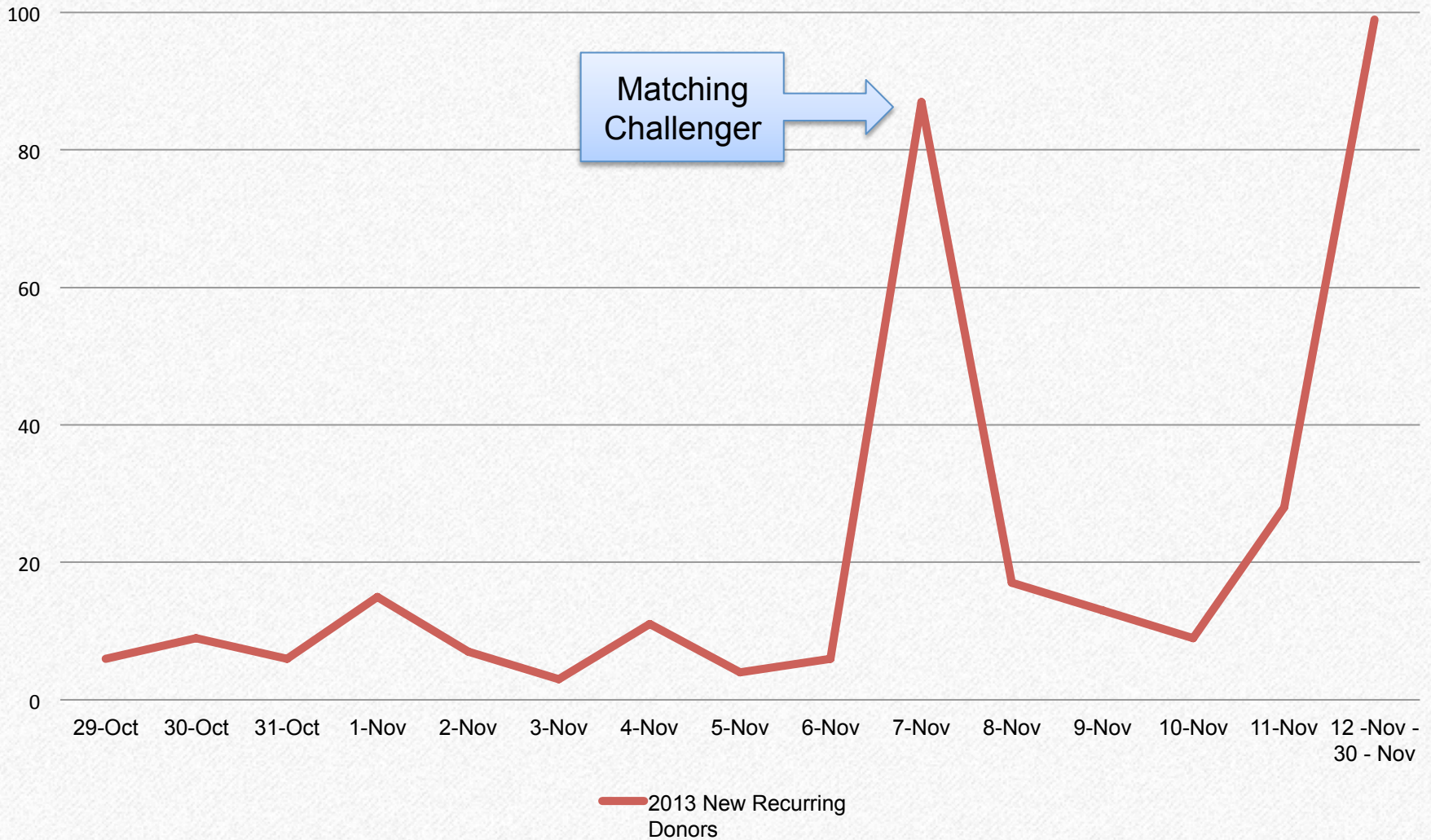
The Results:

320

new recurring donors

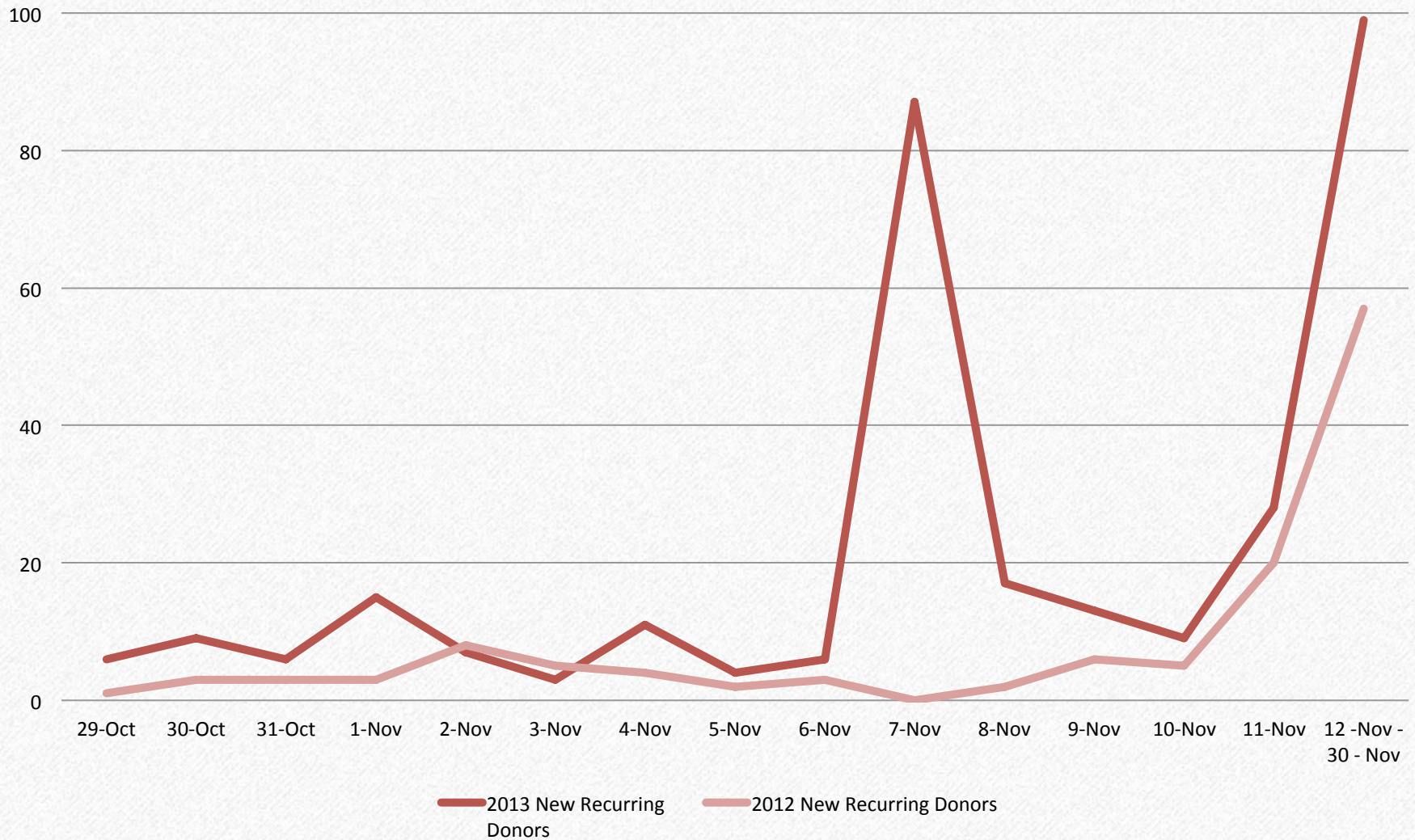


2013 New Recurring Donors





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





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...

Year #	# of Donors	Average Gift (monthly)	Average Gift (Annual)	\$ Value (Annual)
1	752	\$21	\$252	\$189,504
2	902	\$23	\$277	\$250,145
3	1,083	\$25	\$305	\$330,192
4	1,299	\$28	\$335	\$435,853
5	1,559	\$31	\$369	\$575,326
6	1,871	\$34	\$406	\$759,431
7	2,245	\$37	\$446	\$1,002,448
8	2,695	\$41	\$491	\$1,323,232
9	3,233	\$45	\$540	\$1,746,666
10	3,880	\$50	\$594	\$2,305,599
TOTAL:				\$8,918,396



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...

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

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TOOLS, TACTICS & TECHNIQUES
TRAINING FOR 1 VOLUNTEER



\$50/MONTH =

DEPLOY A STRIKE TEAM



\$100/MONTH =

BUILD A FORWARD OPERATING BASE

Quantify your supporters' monthly donation by tying it to **your work.**



Access & Transparency

Set up a targeted campaign that you can build on Y/Y.

Year round presence on your website.



OPTION 2: Invest Monthly

Recurring monthly donation allow TR to better forecast our operations. They're also an attractive addition to your credit card statement. Plus, recurring donors receive special offers from Team Rubicon.

Invest Monthly

Become a Member of the TR Nation



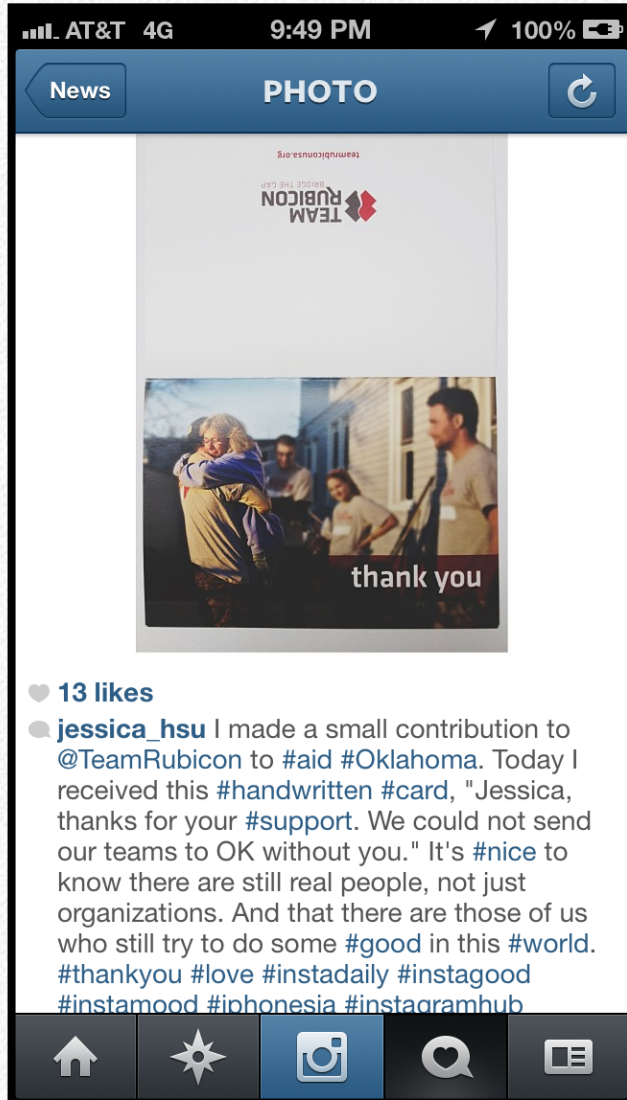
Engagement



OPB has the **sustaining circle**, how are you making your monthly donors feel **special**?



Engagement



Offline: gear,
postcard, news
letter ext.

Online: email, social
media, website ext.



Managing Recurring Revenue

- Ongoing Maintenance
 - Minimize Churn
 - Increase Donor Lifetime Value
- Year/Year Growth



Minimize Churn

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

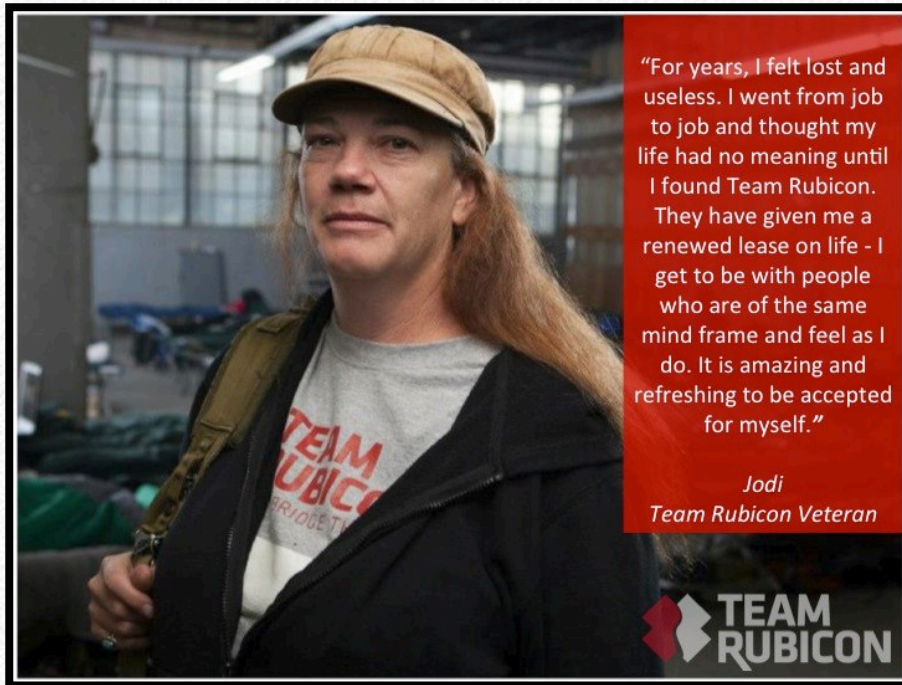
On average, **70%** recurring of recurring donors continue into year two.

Leading Causes of Donor Churn



- Lack of engagement
- Outdated payment information
- Donor Fatigue

Personalized Engagement



- Newsletters
- Occasional calls
- Direct mail



Outdated Payment Information

The screenshot shows the StayClassy dashboard for Team Rubicon, located in El Segundo, CA. The 'Reports' tab is selected in the navigation bar. Under the 'Generate Report' section, there are three dropdown menus: 'All Events & Campaigns', 'Recurring Donors', and 'Failing Payments'. A green 'Build Report' button is positioned below these filters.

Actively manage expiring credit cards and outdated contact information

Donor Fatigue

How often nonprofits expect to email in 2013



NonprofitMarketingGuide.com/2013

How much is too much?



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

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



Increase Donor Lifetime Value



How?



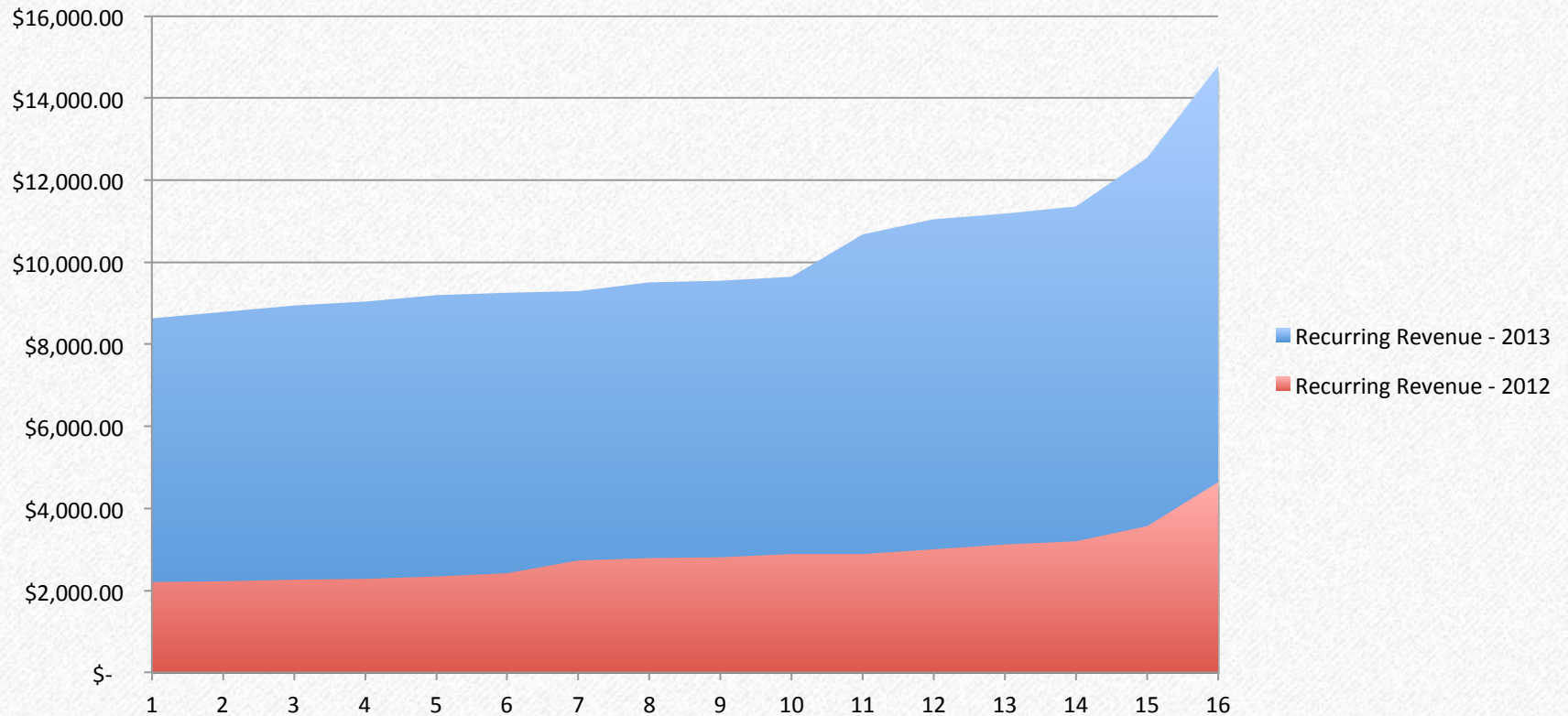
Increase Donor Lifetime Value



- 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?



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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