

IT'S TIME TO

FLIP THE

PYRA

MID



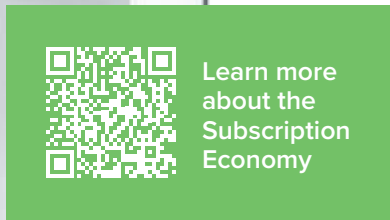
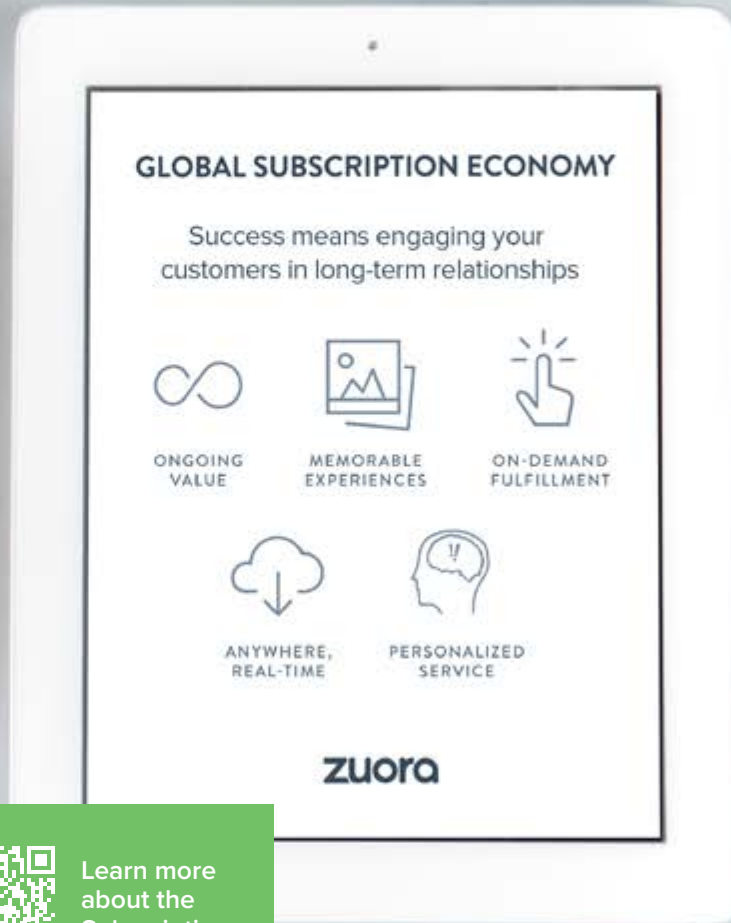
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The Giving Pyramid: A Trusted Friend

TIMES, THEY ARE A-CHANGIN'



Since the dawn of capital projects, the Giving Pyramid has served an important role in the life of the campaign: to support donor readiness analyses, provide a strategic fundraising framework to principal and leadership giving teams, and to serve as a roadmap and gut check for fundraising at the highest level. Additionally, an announcement at an all-staff meeting that a top box on the pyramid has been filled thanks to a \$5M gift can be a great motivator and morale boost for the broader fundraising operation.

We all acknowledge that the traditional Giving Pyramid is useful for planning, monitoring, and providing structure to capital campaigns. But are we overly reliant on the Giving Pyramid to demonstrate the success (or failure) of our campaigns? We know that in a traditional fundraising organization, 5% of donors supply 90% of the gifts. I am writing today to predict that, like my pal Dylan says, “Times, they are a-changin’.”

I would argue that times have been changin’ in higher ed development for decades. Donor participation rates are declining. They’re down 50% in the last 30 years¹ and 30% in the last 15 years², while overall philanthropic giving decreased in 2018 for the first time in five years³. The subscription economy (the focus on relationships rather than transactions) has altered the fundraising world. Donors expect to be treated as individuals rather than targets of mass marketing, and they are expecting ongoing value from their investments. And the next wave of donors has a completely different set of giving behaviors; they expect to be engaged in ways that provide them with continued, ongoing value. We keep hearing about these themes in conference presentations, webinars, and blog posts — but are we really ingesting these truths and taking action on them in our daily work?

¹CASE Currents, “Class exodus: The alumni giving rate has dropped 50 percent over the last 20 years. How can you rethink your value to graduates?” by Dan Allenby, October 2014

²2016 CAE VSE survey

³Giving USA 2019 Report

Donor participation rates are down



30%
in the last
15 years



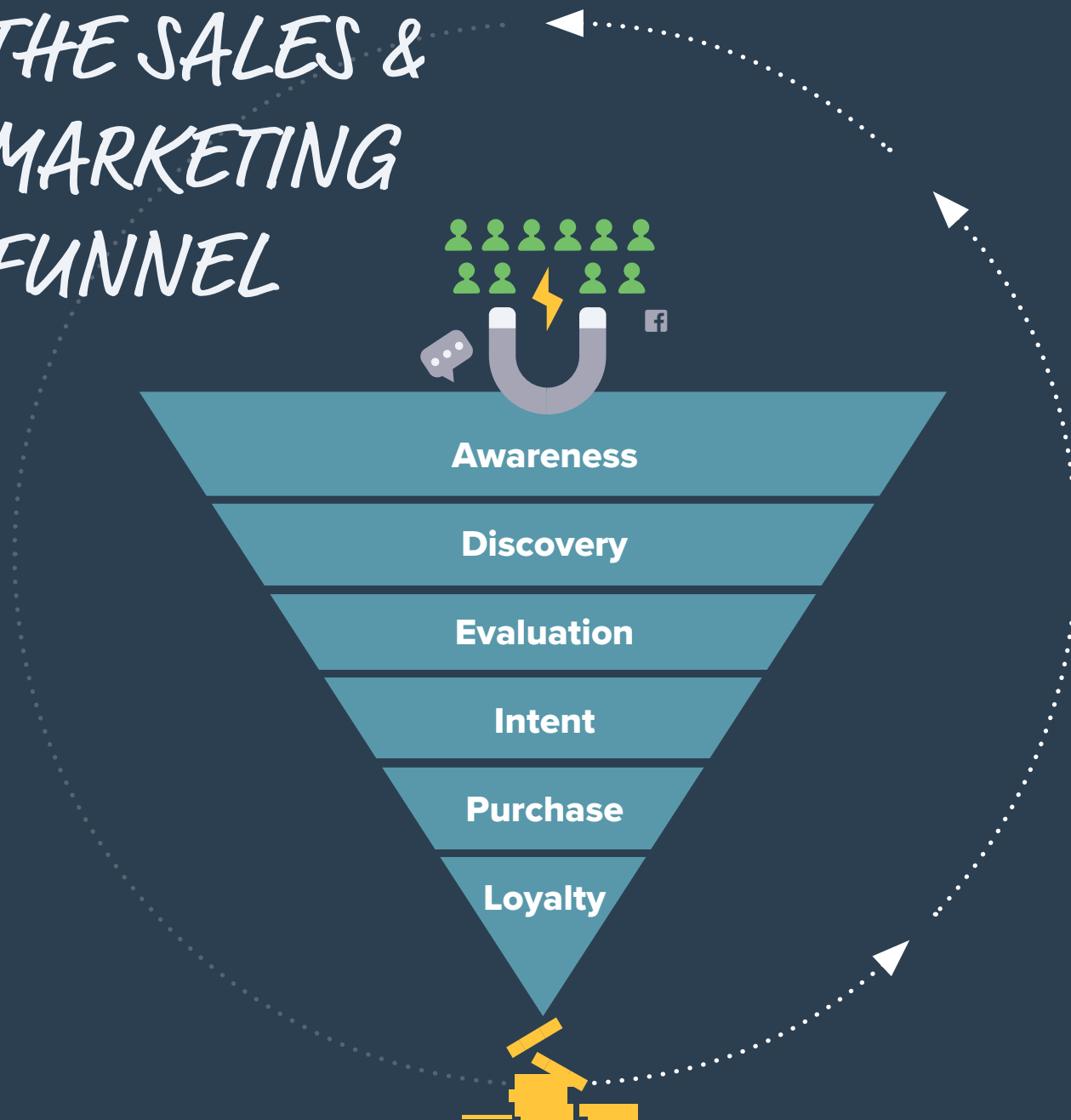
50%
in the last
30 years

The For-Profit Engagement Model

If you talk to any CEO or sales executive in the for-profit world, they can concisely rattle off the stages of their sales and marketing funnel. This model gives organizations a framework for how to tell the authentic story of a product, engage an audience around a brand, qualify which people are most likely to become customers, assign customized and targeted marketing and sales outreach to these targets, and then “close” the customer through the purchase of a product or service. Visually, this looks like a funnel.

CEOs and sales executives in the for-profit world have one bottom line: to increase revenue. And, as we all know, the competition for customers (and donors!) is fierce. The Sales Funnel provides a digestible, prescriptive approach to converting a large target-audience base into loyal customers. With demanding metrics and revenue goals, for-profit companies use the Sales Funnel to give structure to their daily work and to accurately forecast for the months ahead.

THE SALES & MARKETING FUNNEL



Will Advancement Keep Up?

I was a student of the nonprofit, educational fundraising world for many years. In the early days of my exposure to the field, I was amazed to learn that colleges and universities across the country were raising billions of dollars in spite of antiquated processes, outdated technology, and a lack of focus on the bottom 95% of the Giving Pyramid. These shortcomings might sink a company in the for-profit world. I quickly learned that higher ed fundraising has afforded these limitations because educational institutions have something that most for-profit companies don't: a natural constituency of "customers" who are personally connected to and invested in the organization.

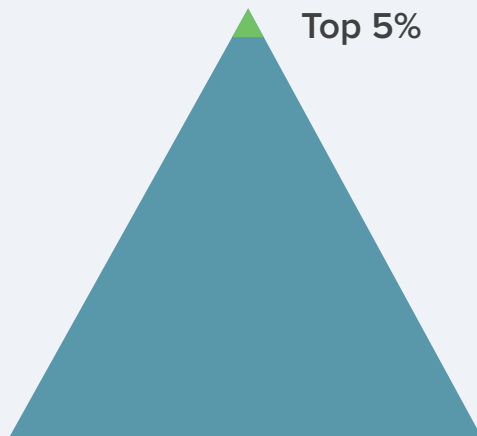
An education becomes part of you. *This* is the key to those billions of dollars that flow into higher ed institutions.

However, this anomaly cannot hold up forever. Educational institutions hold the attention, hearts, and mindshare of their audiences...and yet they are still losing donors. Fond memories can only go so far, and nostalgia is a crutch. The top 5% of donors are in danger of donor fatigue and they are aging. In short, higher education fundraising is facing a "let go or be dragged" situation.

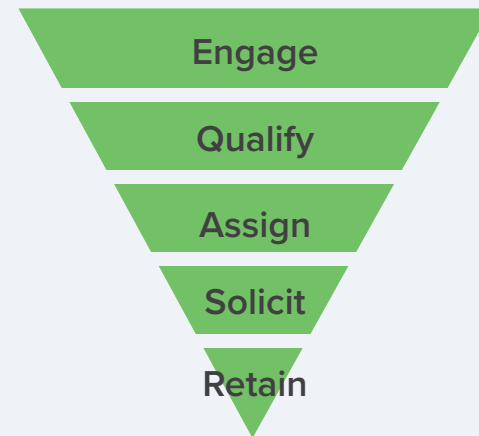
I am hoping to convince you that the “let go” option is to leave outdated business practices in the past, and dive head-first into the bottom 95% of the traditional Giving Pyramid. Embrace the constituents who say they love you on social media. Meet the next wave of donors where they are at today (online). Provide them with authentic value that complements the lives they lead. Leave spreadsheets behind and instead capitalize on the abundance of technology tools that make it easy to monitor, analyze, and act on digital engagement and donor interests.

My friends,
my colleagues:
It is time to **flip the**
Giving Pyramid.

OLD WAY



NEW WAY





ENGAGE

There's a whole big world out there full of brands calling for our attention. How do we decide which ones win our loyalty, and why? Why do we fly with a certain airline, favor a brand of running shoes, fork over a big premium for a particular pair of jeans, or shop at a certain grocery store?

For-profit companies live and die by their brands. Companies like JetBlue, Target, Netflix, and Patagonia have loyal customer bases for two main reasons: 1) they have developed a unique brand that accurately targets a carefully defined and time-tested niche audience; and 2) their customers feel that they receive something of value from their relationship with that company. For-profit companies have the great challenge of cultivating a loyal consumer base in the midst of constant competition, so they absolutely must produce targeted, on-brand content, and they must give their consumers something of value.

Herein lies an interesting distinction between the for-profit and educational worlds. Educational institutions have something that most for-profit companies do not: a natural, home-grown constituency of people that spent years absorbing, engaging with, embodying, and living your brand. After investing years of life (and a substantial sum of money), *your alumni and your brand are one in the same*. From the for-profit perspective, you have been given the highly coveted gift of a natural market, and this market is just waiting to be meaningfully engaged.

Your alumni are asking to be engaged in more than the traditional sense of being invited to attend an alumni happy hour or serve as an alumni mentor (though these are important engagement points that should never be cast aside). I encourage you to think critically about the brainpower and working hours that are put into what we currently call “alumni engagement.” Are your alumni relations and communications teams aligning their current engagement methods and messages with the school’s highest needs? Are your alumni events bringing real value to a substantial population of alumni? Is your carefully-curated school content touching the right audience and inciting engagement, or is it being tossed in the recycling bin?

“Don’t bring smart people together and not ask them to do anything useful.” These are words of wisdom from a friend of mine who sits on a number of boards. And, this applies here. We need to move toward providing our alumni with more meaningful engagement beyond sending out a quarterly newsletter or alumni magazine. Don’t passively produce content and not measure whether it is worth your institution’s time, effort, and monetary investment.

Instead produce stories that highlight problems your institution is working to solve, and video content that highlights the impact

of student groups on campus. Interview beloved professors. Film snippets of inspiring lectures. Poll your alumni amidst challenging times on campus. Educate your alumni on the current priorities of your school. Inform alumni about where you need their help. Tap into their affinity, their discontent, their admiration, their connection. Create thought-provoking, meaningful content and share it across Facebook, LinkedIn, Twitter, Instagram, and your website. Encourage gift officers to share these stories with their prospects.

And then (and this is a very important piece), celebrate the reactions. Many schools are creating incredible content, capturing the attention of previously disengaged, high-net-worth alumni hundreds of times over, but then: nothing happens.

In the for-profit world, if a potential customer wore a company-branded T-shirt, showed up to company events, liked and commented on a company’s Facebook page, and made efforts to stay connected with other customers, they would be given the best that the company had to offer. Let your engaged alumni know that you care about them, too, by improving their lives with the value that your institution can offer.

“EverTrue has been tremendous in helping us **engage alumni digitally** and target the right people for campaigns. We would not be as effective in the digital realm without it.”



CHECKLIST: ENGAGE



Strategy

- ✓ Communications team produces content that is aligned with fundraising priorities.
- ✓ Communications team and fundraisers meet frequently to strategize on upcoming content.



People

- ✓ There are specific staff members responsible for disseminating content via social and email platforms.
- ✓ There are specific staff members responsible for monitoring engagement (ROI) with content.



Technology

- ✓ Content is being shared at a consistent cadence across social media platforms (Facebook, Twitter, LinkedIn, Instagram) and school website.
- ✓ You have the right tools in place to connect engagement to individual users (email reporting, EverTrue, HubSpot, etc.)



EverTrue tip:
TrueView Webinar



Case study:
Digital Ads at Stonybrook



QUALIFY

Once you are producing quality content, sharing it across multiple channels, and capturing the hearts, eyes, and ears of your school's alumni, you must closely monitor the results. And when you do, you will find that there are thousands of alumni, parents, and friends of your institution who are engaging with your school's social media pages, but have not received any 1:1 outreach from your team.

This can be an overwhelming situation. Among the thousands of alumni that are raising their virtual hands by reacting to your high-quality, engaging content, who should receive immediate follow-up from an annual fund or major gifts officer? And let's not forget the golden nuggets of insights that are collected from alumni at events, committee meetings, mentoring gatherings, and student recruitment events. Exactly who is tasked with immediate follow-up to deepen the attachment and keep the positive momentum going?

In the for-profit world, there are entire teams of people who are dedicated to monitoring consumer engagement of all kinds and qualifying leads. These important players on the marketing and business development teams are tasked with unearthing the company's future customers. They track clicks on ads, email open rates, website visits, unfulfilled shopping carts, and then they analyze those engagement points and qualify who to target as prospective customers. And when a team member has a substantive interaction with a prospect at a conference or networking event, these teams are specifically tasked with nearly-immediate follow-up.

I think we have all learned that consistency is key in building a strong relationship. It's not about grand shows of affection every few months. It's about building a solid, accountable, present foundation, and keeping consistent momentum to move forward. And fundraising is about building relationships, so these same principles of consistency apply. Don't let the passing of time be a detriment to the strong relationships you're building with donors. Be timely, and be consistent.

This call to action goes out to my higher ed colleagues who work in prospect management: You play such an important role in the

traditional Giving Pyramid framework, and there is even greater potential for you to contribute in the flipped-pyramid world. There is a wealth of digital engagement data readily available, and I urge you to take advantage of these "warm leads" (as we would so lovingly call them in the for-profit world).

The University of Oregon prospect management team provides us with an example of what is possible here. The team sits down for 30 minutes every two weeks to do "prospecting blitzes" using EverTrue to surface and analyze digitally engaged prospects. These blitzes produce 50-100 new prospects for routing to annual fund or major gift portfolios. Saved segments in EverTrue and automated prospect discovery pools leverage technology to speed up this process and put the right potential donors in front of fundraisers automatically. This is qualification that would make the for-profit world jealous.

**PROSPECTING
BLITZ**


UNIVERSITY
OF OREGON

 **30**
Minutes

 Every
2 weeks

 **50-100**
new prospects

CHECKLIST: QUALIFY



Strategy

- ✓ Prospect research team reviews digitally engaged prospects on a regular basis.
- ✓ You use proactive strategies to combine past giving, career fields, interests, wealth insights, and/or digital engagement to build lists of prospects for important capital projects.
- ✓ Digital engagement is a factor in overall alumni engagement score.



People

- ✓ Prospect research team meets frequently with communications team to strategize on content ROI.
- ✓ There are specific staff members tasked with monitoring digital engagement and identifying prospects with high capacity or inclination.



Technology

- ✓ Digital engagement is regularly monitored and ROI for communications content is easily measured.
- ✓ Digitally engaged prospects are automatically surfaced to prospect research team.
- ✓ Researchers and fundraisers have easy access to donor wealth and net worth information.
- ✓ There is an automated process of identifying and researching new digitally engaged donors.



EverTrue tip:
How to Save a Segment
in EverTrue



Case study:
Ticket Sales at
Baylor



ASSIGN

Keep the Giving Funnel flowing by identifying highly engaged alumni and sending leads into gift officer portfolios or to targeted annual fund outreach. How can prospect researchers and managers more effectively mine digitally engaged prospects and partner seamlessly with frontline fundraisers to take action on this engagement?

Consumers are endlessly pulled in different directions. Businesses know that timing and rapid responses are critical to capitalize on consumer engagement. Sales executives for commercial companies know that holding the attention of a prospect once they have indicated interest is a delicate dance that needs to happen quickly. Imagine calling a Tesla showroom and leaving a voicemail that you're a huge Tesla fan, feel a lot of loyalty to the brand, and are considering purchasing a new vehicle. If there was a one-month lag time between making that phone call and receiving a return call from the showroom, Tesla would be a thing of the past!

We need to replicate this timeliness in advancement shops so we can capture engagement and respond quickly. This is how you stay relevant and top-of-mind with your alumni.

Imagine that your school shares heartfelt footage of a Commencement Weekend ceremony held for first-generation graduates and their families. An alumna comments, "As a first-generation immigrant and class of 1980 grad, this makes me smile. My dad was a janitor at the college and seeing me graduate and walk across that stage was such a proud moment for him and my whole Portuguese family!" This alumna is a former advertising mogul who now runs her own PR firm, and she gave the school \$500 two years ago. How can we ensure that this alumna receives immediate, personalized follow-up from a leadership giving officer? (Note: This is an actual Facebook comment, and real-life prospect)

Don't let opportunities like these slip through your fingers.

When your alumni raise their hands, take action. There is a huge opportunity here to breathe life into your prospect qualification and

assignment processes. Unearthing and taking action on warm leads is what powers prospect research and business development reps, sales teams, and fundraisers alike. We all win.

A really beautiful part of this is that the "red tape" that stalls most processes in educational institutions does not apply here. It is just a matter of putting people in the proper roles, setting clear goals, and equipping them with modern technology. It's critical to give specific staff members the responsibility to monitor and act on meaningful engagement.

From EverTrue TO PORTFOLIO

6 Months

5 hrs per week

30 new major gift prospects

15 prospects in qualification

\$100,000 solicitation made

THE UNIVERSITY OF IOWA

CHECKLIST: ASSIGN



Strategy

- ✓ Digitally engaged prospects are assigned to annual fund or major gift officers for personalized outreach on a regular basis.
- ✓ Prospect research team is accountable for assigning digitally engaged prospects to gift officer portfolio to replace stale or unreachable assigned prospects.



People

- ✓ There are specific staff members tasked with funneling digitally engaged prospects into gift officer or annual fund portfolios.
- ✓ Frontline fundraisers monitor digital engagement within their portfolios.
- ✓ There are gift officers with specific digital engagement metrics (i.e., digital gift officers or fundraisers focusing on qualification and cultivation through digital outreach).



Technology

- ✓ Qualified, digitally engaged prospects are flagged and assigned to annual fund or major gift portfolios.
- ✓ Digital engagement is noted as an “interaction” in CRM.



EverTrue tip:
Building a
Leadership Giving
Program



Case study:
OSU Uncovers 250 New
Major Gift Prospects



SOLICIT

When you arrive at this point in the Giving Funnel, you should have delivered valuable content, carefully identified the most qualified prospects, and strategically assigned them to annual fund or major gift officers for specific follow-up. After moving through the Giving Funnel, solicitation does not happen in the dark. At this point, you will be familiar with the interests and affinities of the prospect (Engage), have an understanding of their capacity and inclination (Qualify), and have developed a concise and informed strategy for how to cultivate the prospect (Assign). To ask them for a gift will be a natural next step.

In the for-profit world, by the time the moment arrives to ask the consumer to make a purchase, there is already an established and mutually-informed relationship between consumer and product.

This is the model we have to follow in fundraising.

Pat Hewett, former regional director of development at Boston University (and now vice president of development at Catholic Charities), moved through the “solicit” stage of the Giving Funnel with ease. He first worked with his communications team to tell stories about a specific fundraising initiative; he gathered data and analyzed the people that self-selected to be part of his constituency base through social media engagement; he took action on that engagement and followed up promptly with targeted messaging. In the end, Pat secured six board members and \$300K in new commitments to the initiative.

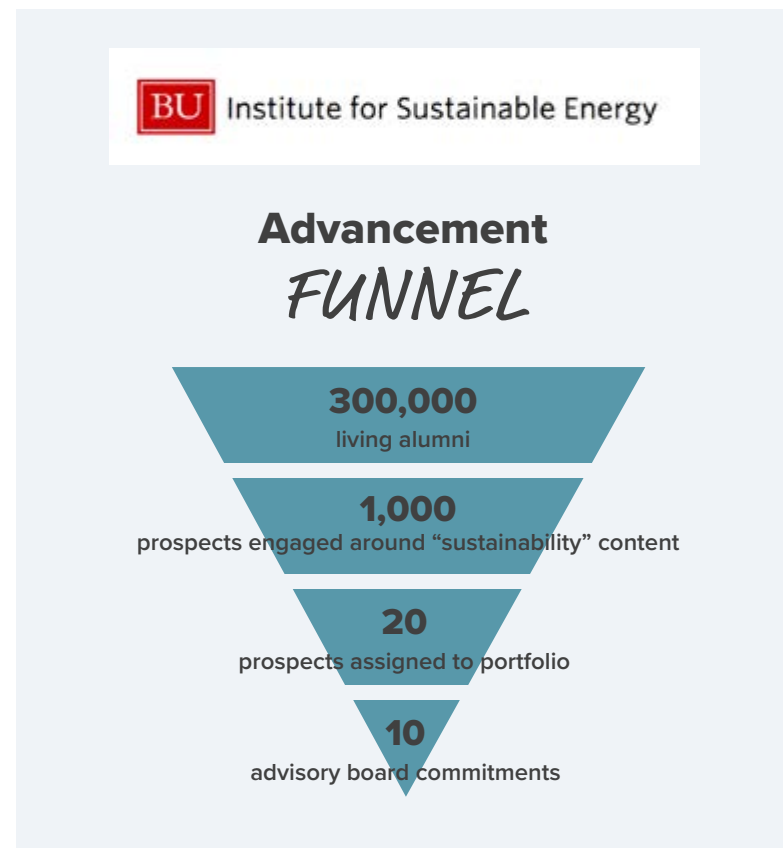
And this happened in mere weeks.

The solicitation step was easy for Pat because he had done his due diligence at every previous step. He built an effective Giving Funnel, and the result was something we can all strive toward.

Fundraising is about building relationships. And in order to build genuine relationships at scale, the logistics that make these relationships possible need to be running smoothly. If you are a road warrior, you need to travel smarter, not more (both for the sake of your university and your own well-being). How informed and efficient are your trips? Do you have backup meetings for your backup meetings? And in order to build effective trips, you must be

well acquainted with the health of your portfolio. What percentage of your prospects are currently in “qualify” stage, and how long have they been there?

A friend of mine leads a team of more than 40 sales people at a tech firm. His famous line is, “if you build your pipeline smartly, sales will close themselves.” He’s right. Closing gifts, just like closing sales, is the fun part. But in order to get there, you need to be smart, efficient, and effective on the journey.



CHECKLIST: SOLICIT



- ✓ There is a “Donor Resource Hub” or wiki page that houses information on fundraising priorities, impact stories, and donor resources from across campus to inform solicitation conversations.
- ✓ Digital engagement is considered when analyzing donors’ philanthropic interests on campus.
- ✓ ROI is openly discussed as a component of every solicitation.



- ✓ Gift officers are responsible for timely and topical follow-up with digitally engaged prospects.
- ✓ Gift officers are aware of donors’ digital engagement with institution prior to solicitation.



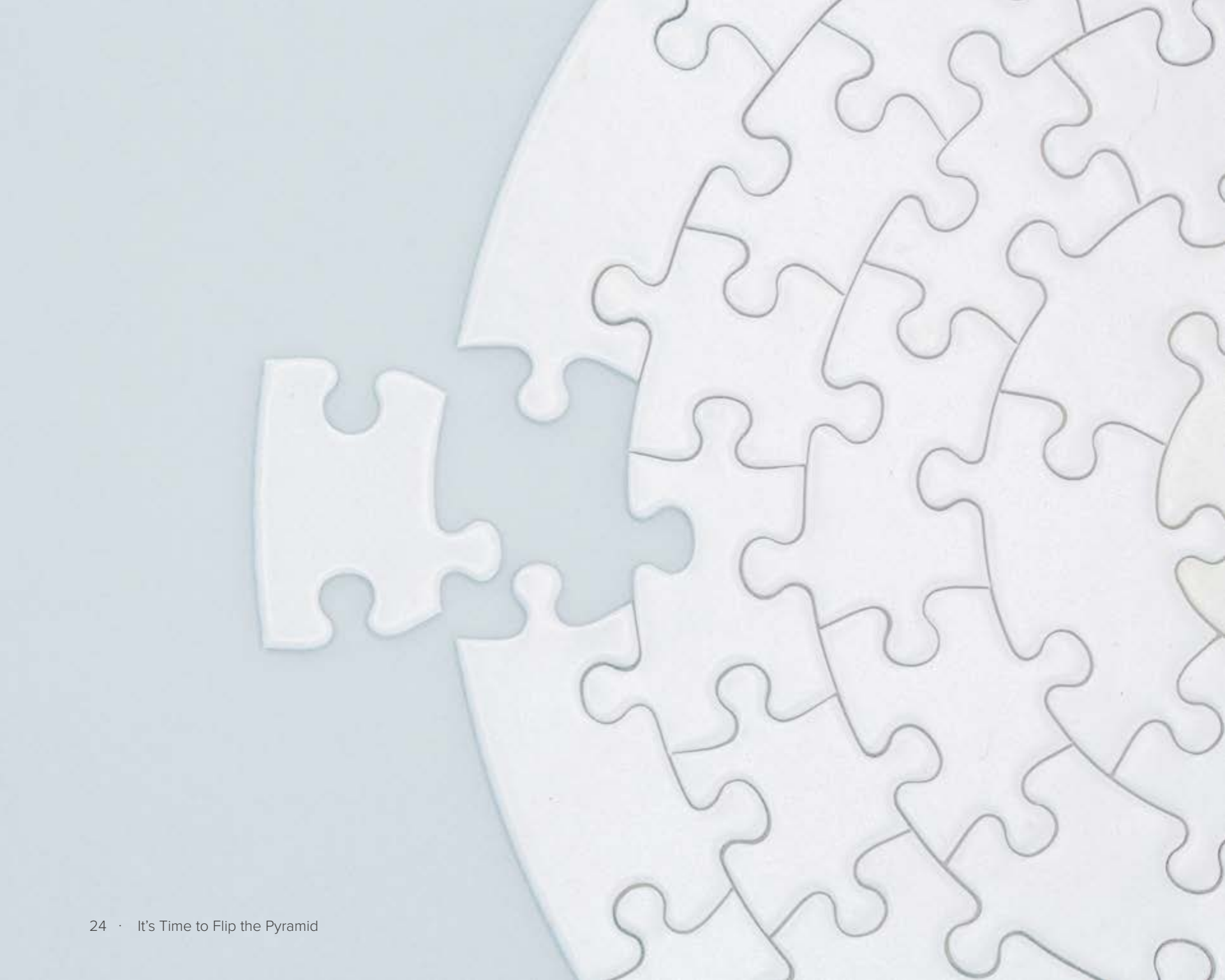
- ✓ There are maximum time limitations on how long prospects can remain in “qualification” stage of portfolio.
- ✓ Fundraisers are held to metrics for qualification visits and conversations.
- ✓ Fundraisers plan effective, efficient trips.
- ✓ Fundraisers conduct cultivation and solicitation conversations using video technology such as Zoom.



EverTrue tip:
Managing Gift
Officers



Case study:
Kansas State's
Fundraising Strategy



RETAIN

In the for-profit space, once a purchase is completed, you typically receive a personalized thank you email confirming your purchase, but because you have bought a product, you also receive an actual *something* that you can consume. This something — whether it be a product, a trip, a book, food — adds value to your life. But the transaction isn't the final step — it's the beginning of a long-term relationship.

Having solved a problem, for-profit companies capitalize on this opportunity and they strive to make the consumer feel even better about this new addition to their lives. The company remembers what the consumer purchased, celebrates it, and, within a short period of time, reminds the consumer about similar products they should consider.

In the for-profit world, it is widely understood that it is significantly less expensive to retain an existing customer than to sign a new one; healthy for-profit companies operate at a 90%+ customer retention rate. And yet, in educational fundraising, donor retention rates are low (often below 70%) and aren't consistently included in development's most-watched metrics.

In educational fundraising, once a gift is closed, there is a vital period of time during which the organization can make the donor feel that they have received something of value from their investment in the school, and will thus be inclined to give again. How can you enhance a donor's life after they give? What services, connections, or experiences can you offer that will continue to build the relationship?

Send the immediate thank you email, of course, and send more official, heartfelt acknowledgement letters after that, yes. But break the mold here. You already know what makes this donor tick because you have moved through the Giving Funnel together. Use the gift of their investment in the school as an opportunity to bring them into the inner circle. Take full advantage of the moment when the gift is made to really show your donors why they made a good choice. Provide them with value. And do this so well that it will be impossible for them to resist doing the same thing next year. Show your donors the return on their investment by sharing video

content that demonstrates the impact they have had on a research initiative, the growth of a faculty member's career, the life-changing experience of a student who studied abroad.

Stewardship is so much more than a thank you. It is the well-deserved soft place to land after a gift is made, but it is also the conduit to a closer, more meaningful, deeply symbiotic connection between donor and institution. It is the chance to form a connection so strong that your donors feel they are an integral member of your inner circle (because they are). Effective stewardship ensures that they won't want to leave.

You might realize that in showcasing the tangible effect that a donor has on the institution, one arrives right back at the top of the funnel, at the Engage stage. The bottom of the Giving Funnel syncs perfectly with the top of it; if your team properly demonstrates the ROI of a donation and shows the problems donors helped solve, you now have valuable, high-impact stories to distribute to your broader prospect base.

And thus, the funnel begins anew.

An ongoing, personalized donor experience:



**Keith Hannon,
Cornell University**

Creates personalized videos from beloved coaches/professors to bring campus to his prospects

CHECKLIST: RETAIN



- ✓ Donors are aware of ROI.
- ✓ Donors receive targeted, personalized communication after donating based on their demonstrated area of interest (email and digital segmentation).



- ✓ There are specific staff members responsible for ongoing, targeted communication with donors.
- ✓ There are gift officers with portfolios focused specifically on donor retention.
- ✓ There are specific staff members tasked with ensuring donor retention.



- ✓ Gift officers track “likely to lapse” donors (first-time givers, those who made a large gift increase, younger donors, etc.) and make them a priority for the next fiscal year.
- ✓ Gift officers track gift alerts and digital activity within portfolio.
- ✓ Technology used to provide customized stewardship experiences.



EverTrue tip:
Segmenting LYBUNTS/
SYBUNTS



Case study:
A New Record
at UConn



All Hands on Funnel

The Giving Funnel is not just a guideline for prospect researchers or fundraisers to follow. It is a holistic model that involves every corner of an advancement office.

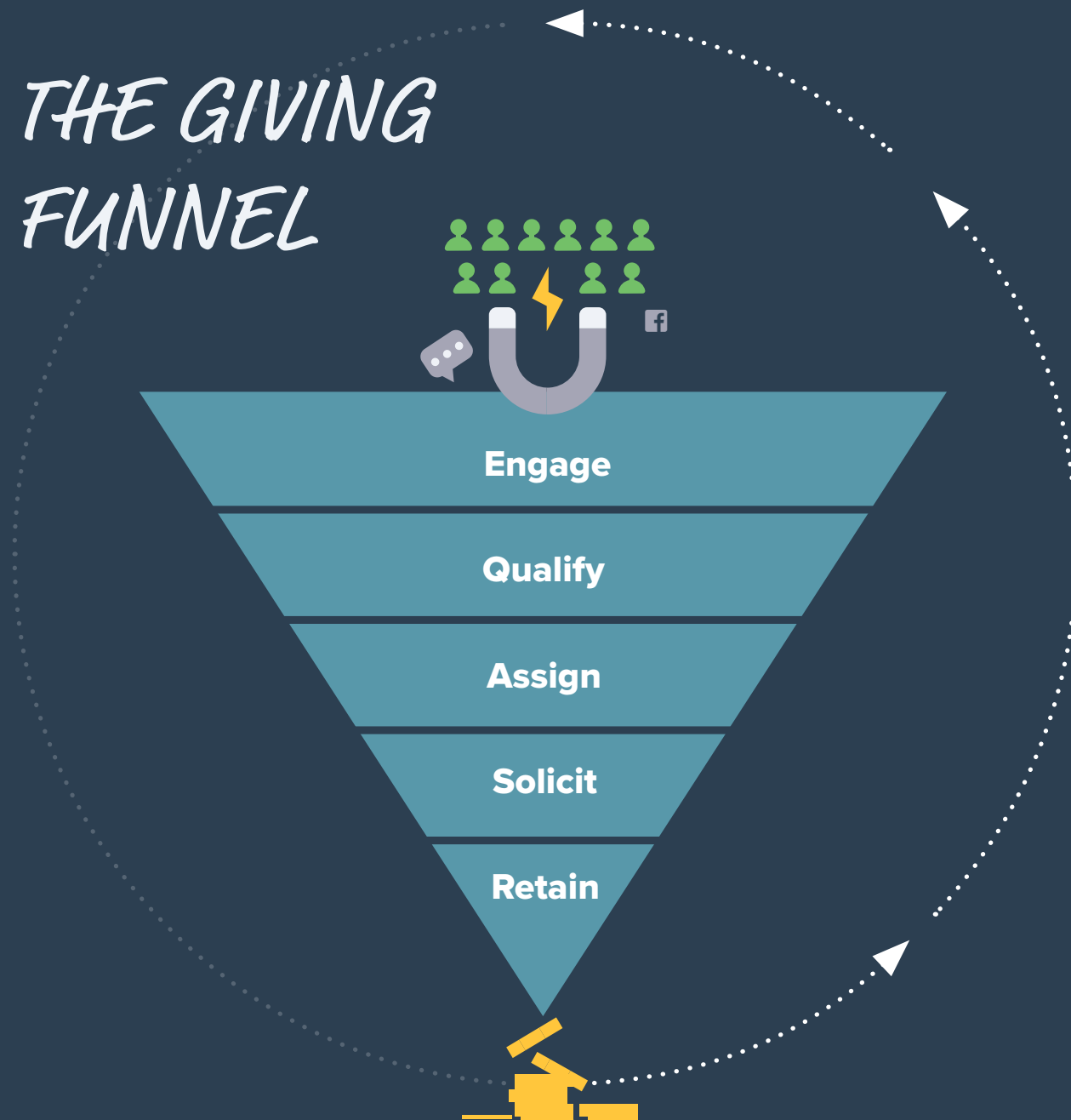
Faculty, staff, students, alumni, and parents all have the potential to be content creators for your institution. Encourage your community to become involved in spreading the word about how your institution is solving the world's problems. And when someone emerges as a champion of your institution, celebrate them by sharing their original content with a broader audience through more official marketing and communication channels.

The constituents in your community have a vested interest in the success of your institution. Faculty need investments to make their research possible; alumni hope to see their degrees appreciate in value; staff want to work for a prestigious, leading institution. Every member of your community should have their eyes open to those who are raising their hand and showing home-grown interest in contributing to the life of your school. Frontline fundraisers should be monitoring their portfolios to take timely action on prospects' digital engagement. Development coordinators and associates should be identifying digitally engaged prospects, and should take pride in flagging them to senior staff members.

The Giving Funnel represents an "all hands on" approach to discovering, uplifting, and celebrating the community that surrounds your school. I suggest that we embrace its full potential as a means of, at long last, paying attention to the 95% of the pyramid.

This is the future. I look forward to going there with you.

THE GIVING FUNNEL





THANKS FOR READING!

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