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Middle and Major Pods

Blue North

Submitted by Blue North Strategies, Inc. | March 2017

Introduction

If effectively constructed, a middle-donor program should ensure ideal treatment of your best mass donors and create a steady flow of donors into your major program. In many organizations, there are "clogs in the pipeline" that prevent the free flow of donors to their happiest place in the system. Blue North has developed the Pod system to help clear these clogs from the system.

General Principle

The problems addressed by this system include:

> Mass-file owners are hesitant to pass their best donors to middle

> Middle-donor reps do everything they can to avoid passing their best donors up to major, fearing the treatment they are receiving will decline

> Major- and middle-donor reps are hesitant to pass any donors back down to middle or mass because they need the revenue counted to their credit

> Donors are not necessarily receiving the treatment that most closely aligns with their desires, instead small donors get mail and email, middle donors get phone calls and major donors get visits—the faulty assumption is: the bigger the donor's gift, the more time they are looking to spend with the organization

At a very basic level the Pod system involves integrating the three functions of prospect development, middle-donor fundraising, and major-donor fundraising together into one integrated unit (a Pod) with shared revenue goals and a shared file. This approach removes the disincentives to move donors to the place they want to be in the file and it treats them accordingly.

How It Works

Most large organizations end up creating unnatural silos in their donor management system in an effort to systematically deal with volume efficiently. The motivation is right—minimizing cost while maximizing revenue. Unfortunately, the resulting system is bumpy and less than ideal from the donor's perspective.

The following functions are essential to any fundraising program that extends beyond a mass-level annual-giving program:

> Prospect Development – assess donors with significant capacity and demonstrated affinity to determine where they best fit in the system and whether they have major-donor potential

> Middle-Donor Management – efficient but meaningful phone and correspondence relationships with donors who are committing more than Mass level but not at the major or mega level

> Major-Donor Development – face-to-face custom relationships with those donors who give at a level that justifies a highly personalized treatment approach

Sophisticated fundraising shops have teams set up to offer these three distinct services. By using the Blue North Middle Moves™ process, we are recommending developing unified Pods, or small teams, that do all three with a shared file.

THE POD SYSTEM
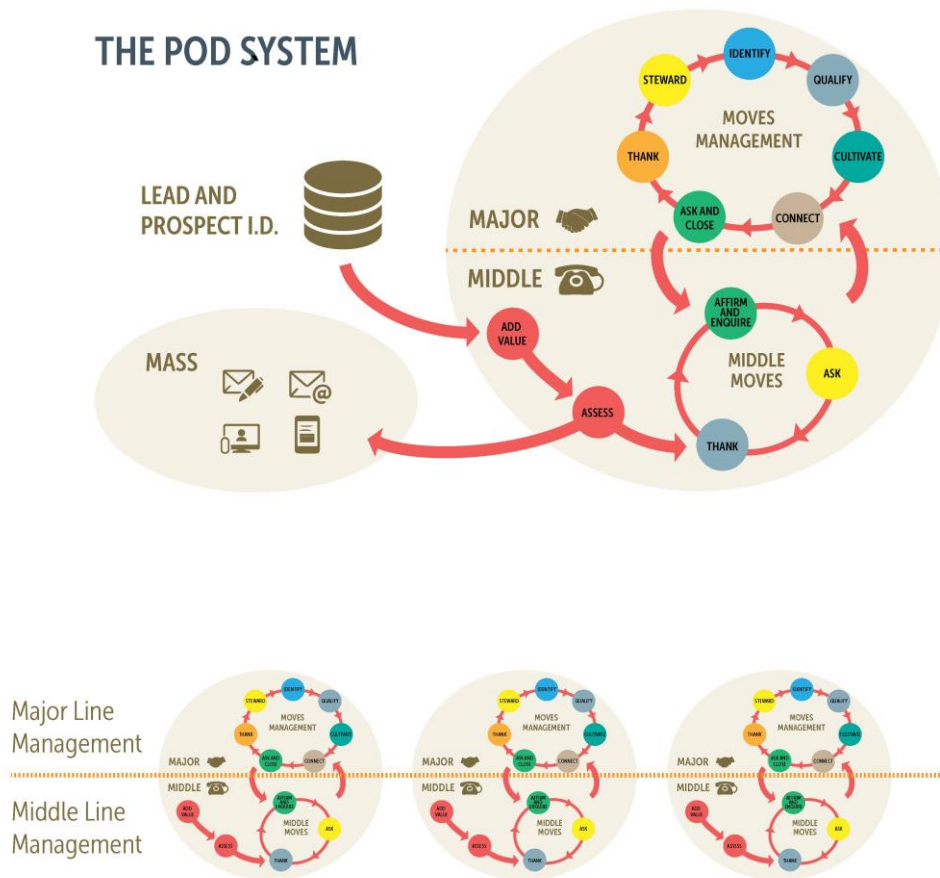
As the graphic indicates, there are three areas involved in this process:

1. Prospect Research
2. Mass Fundraising
3. Middle and major Pods

The mass file is the prospect-cultivation file. The prospect research group identifies donors in the mass file that are likely candidates for middle-donor growth. These donors are fed into the "connect or prospect" evaluation of the middle-donor process. Once the assessment is complete, donors will either end up back in the mass file or in the middle-donor group for further treatment.

Pod Details

This section lays out more details of how the Pod system works.

Prospecting in the Pod

Part of the function of the middle-donor rep is to take each new donor through the two step "connection" phase. During this process, the middle-donor rep is assessing the right location for the donor. If it is clear that they are happy with the mass treatment, they are receiving and are not looking for additional engagement, the donor may be passed back into mass. Another example would be if the donor gave a significant gift as a result of a one-time life event (sale of business or inheritance, for example) and is not expecting to give again at that level, they should not remain in a middle or major portfolio.

In order for this function to work, the system must generate a stream of donor prospects to be assessed by the middle-donor rep. Once the assessment is complete, a fluid process for donor assignment must be in place. A phone conversation digs into donor desires and requirements, deeper than a data screening ever could. It is this conversation and assessment that will ultimately determine the treatment of the donor.

File Management
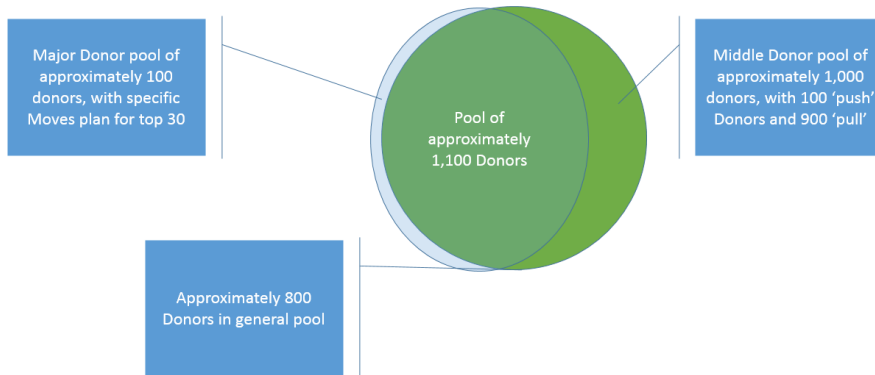
Within the Pod, it is critical that the donor file is shared, while at the same time it is very clear "who is responsible for whom." The goal of this system is to ensure donors receive the treatment they desire and require. This donor-centric model allows for

flexibility in who is treating whom. For example, it is quite possible that a major donor only wants phone and email correspondence and could indeed be best treated by a phone-based rep.

As the diagram above illustrates, the concept is to have a shared file with each rep assuming primary responsibility for their active lists. For the middle-donor rep, this means the 100 in their "Push" list, and for the major-donor rep, it definitely includes their top 30 and potentially more, up to their 100 donors. The division of roles and responsibilities needs to be discussed, assigned, and clear for each donor so that the treatment is not confusing.

In addition to the donors being managed exclusively by the middle and major reps, there will be a pool of approximately 900 donors who are being warmed and monitored for additional treatment. Any of these donors could rise into a more actively managed relationship.

Who's the Boss?

It's important to say up-front that the middle-donor rep is not the assistant of the major-donor rep in the Pod. In some instances, organizations have added a third role in the Pod which is "administrative support." A middle-donor rep is very much the peer of the major-donor rep and each have a very specialized role. For the middle rep, it's about warming and serving mid-range donors, while the major-donor rep is focused on fewer but larger accounts.

Pod Size

As stated elsewhere, assignment is based on geography. While Pods should be kept to a manageable size, when the density in the geography warrants it, it is perfectly acceptable to assign two middle reps and one major rep, or two major reps and one middle rep to a Pod to service the population in a given area. The critical determination should be rep file size, which is approximately:

> 1,000 donors for a middle rep (100 "push" and 900 "pull" in the warming pool)

> 100 donors for a major rep

Far fewer or more donors than this will lead to sub-optimal program performance.

Middle-Donor Rep Roles

As already stated, the middle-donor rep will follow the system established for middle donors to:

> Connect with new donors to assess their rightful place in the file

> Actively manage relationships with approximately 100 donors

> Monitor and passively manage relationships with approximately 900 additional donors

> Ensue donors with greatest capacity and potential are introduced to and engaged with their major-donor Pod partner

> Collaborates with Pod partners to ensure all donors are receiving optimal treatment

Major-Donor Rep Roles

The major-donor rep will:

> Establish and maintain relationships with their top 30 donors and, to a lesser extent, their other 70 donors

> Connect and engage with new donors identified by the middle-donor rep

> Collaborates with Pod partners to ensure all donors are receiving optimal treatment

Shared Goals

Critical to success of this system is ensuring that goals for the Pod are shared between all reps. We want to make sure there is no incentive in the system for reps to hang on to donors that don't belong in their file just to meet personal financial goals. Everyone must be motived to do the best thing for the donor.

The Pod team must have a clear and achievable revenue goal and feel that they have the ability and control needed to achieve it.

Discipline: Middle/Major Accountability

While the Pod shares financial goals, clearly the teams are divided by function and the two functions (middle and major) follow different processes and adhere to a different set of best practices. For this reason, it is important that middle-donor reps in have function accountability to someone responsible for the middle-donor program and major-donor reps also report into a major-donor leader. The idea is to share the results and success but have clear accountability into a function leader.

Concierge Treatment

Because this system is built to remove disincentives and establish a donor-centric system, it's important that revenue goals do not encourage conversations that pull donors away from their areas of interest.

When initially connecting with a donor, the middle-donor rep wants to understand what the donor loves and help them do more of it. Their role is to make dealing with your organization easy and convenient.

In some organizations, credit for revenue can get complicated. For example:

> Reps don't get credit for online giving

> Reps only get credit for giving to certain projects

> Reps need to ensure they are listed as the "motivator" for the gift

None of these examples are in the best interest of the donor.

It is important that the system is set up so the rep is serving the donor, not some complicated internal processing structure.

For this reason, when donors move into the system, all of their associated revenue should move with them. The Pod will be measured based on the incremental revenue and retention numbers that are achieved as a result of this system.

Summary

The best thing your organization can do for this program is to create a system and environment where donors' interests are well served. Any roadblock to making this happen will have a negative impact on giving. The goal is to create a Pod that fully embraces the needs and desires of the donor and grows the relationship.