



Discussion Topics

- **Challenges in managing technology for Constituent Relationship Management (CRM)**
 - Choices have become harder and come more quickly, with many more options and features.
- **Identifying gaps in Constituent information**
- **Best practices in Constituent Management**
 - Managing the cause, the Constituent and the means of continuing is a complex and often daunting task. The challenge today is not only in how one earns their money, but how one spends it. This too applies to the nonprofit sector.

+ Challenges continue to grow

Traditional challenges

- Increasing competition for donations
 - Everyone knows someone whose life plans have been stalled or thrown off course by layoffs and other economy related issues
- Inflation
- Acquiring resources (cost of technology, data, space & manpower)



Challenges continue to grow

New challenges

- Increasing number of programs, grants, volunteers
- Larger Constituent base
- More locations and channels to communicate with
- Rising expectations of constituents

While many old challenges still affect nonprofits, the new economy has boosted the need to stay competitive.

+ Challenges – Grass Roots Approach

Success to date may have been dependent on one form of fundraising

Future success is dependent on a balanced marketing plan and proper execution

+ Challenges – Grass Roots Approach

Success to date may have been dependent on one form of fundraising.

The Non Profit approach for many Non Profits has always been grass roots volunteerism and appeals.

The products they offer beyond incentives like tote bags and coffee mugs have mostly been intangible - satisfaction, tax write offs and the knowledge that they have helped better the world in some way, something much more difficult to sell than a computer, car or set of dishes.

+ Challenges – Grass Roots Approach

Past success may have depended entirely on event marketing, direct mail or telemarketing instead of a balanced marketing plan.

Not all of these organizations have maximized the potential of corporate appeals, planned giving.

In order to grow, a Non Profit must react to the Constituent's needs and support the Constituent's preferences for contact frequency, past donations and volunteer decisions.

+ Challenges – Grass Roots Approach

As communication channels and options grow more sophisticated, so must the approach of the Non Profit change with the times.

An email appeal or acknowledgement can be less expensive than a letter, an electronic debit for donations may be less costly to track and process than checks and cash.

Future success is dependent on a balanced marketing plan and proper execution

+ Keys to success

- Basic Building Blocks
 - Infrastructure
 - People
 - Procedures



Keys to success

When looking at a nonprofit organization that has grown their donation base into the multi-million dollar range, assumptions may be that there are basic nonprofit building blocks and infrastructure in place.

This may not be true.

Grass roots appeals may have led to low cost operations, groupings of many small chapters, independently working and growing.

Key personnel may wear many hats and thus cannot lend the appropriate attention to Constituent cultivation, corporate appeals and Constituent retention.

+ Keys to success

This may not be the most effective nonprofit model, or the most profitable approach but we are talking about organizations that have grown under the radar and used their limited resources wisely.

A successful operation built on grass roots appeals and volunteerism may not have an IT infrastructure to support email appeals and acknowledgements, website contributions and interactive volunteer scheduling systems.

There may not be nonprofit rules in place and a hierarchy standard from chapter to chapter.



Keys to success

Resources are better spent when organized

Even the most staunch organization supporter will not appreciate receiving three calls about the same event or four copies of the same appeal letter.

+ Keys to success

Today

The chapters, the pieces that support the whole may conduct fundraising management as simply as keeping note cards in a file or as sophisticated as a bricks and clicks mega-corporation.

Tools that meet the sophisticated needs of a northern California chapter may be too expensive and the functions offered might be too overwhelming for the smaller branches located in rural or less populous areas.

+ Challenges - Everything changes

Roles

- Staff
- Volunteers
- Donors
- Preferences
- \$\$\$

Future success lies in knowledge management



Challenges - Organizational Structure

Distributed or Centralized?

- Locations
- Staff
- Constituents
- Data

Future Success lies in capturing data and eliminating redundancy

+ Review the Old Rules

The standard nonprofit rules apply that may not have been worked out by the grass roots organization – streamline communications, standardize training and operations, establish nonprofit rules based around the tactics that have worked best.

Share the best practices and make them standard. Share and communicate regularly what works and what doesn't.

In other words, make sure the basic building blocks of success are in place before tossing technology solutions into the mix.



New Rules

Technology can be the most confusing part. Just like any small nonprofit wanting to grow, costs and benefits of technology need to be established.

What are the basic needs? What do we need vs. want? Can the costs be amortized or subsidized by donations?

Should a nonprofit insource or outsource IT functions? Is there a centralized database or data warehouse that technology can be built around?



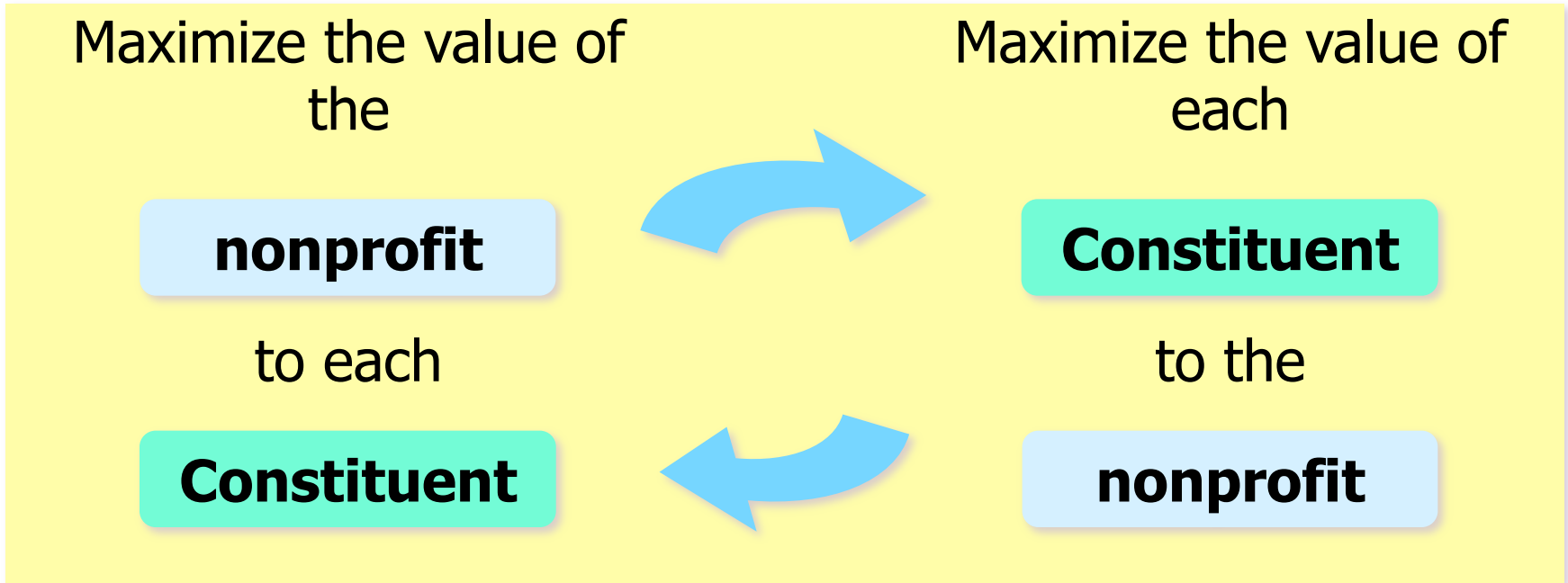
New Rules

Can the nonprofit stay ahead of the technology curve without diverting funds from their primary cause?

Solutions for managing combinations of fundraising and memberships, including marketing and contact management, volunteer scheduling, auctions, events and of course accounting.



Constituent Relationship Management



+ Confusion Around CRM

- Close ties to technology—becomes less strategic
- Too often focused on “better service” — forget that it’s about increased relevance

+ Gaps - Interactions Create a Perception

- Advertising
- Product experience
- Marketing – online; offline
- P.R.
- Salesforce
- Service_
- Support
- Word of mouth

+ Gaps - Contacts & Opportunities

Advertising
Direct Mail
Direct Response TV
Email
Events
Experiences
Member programs
Partner programs
Public Relations
Telemarketing
Volunteer programs
Word of mouth

+ A Challenge; and An Opportunity...

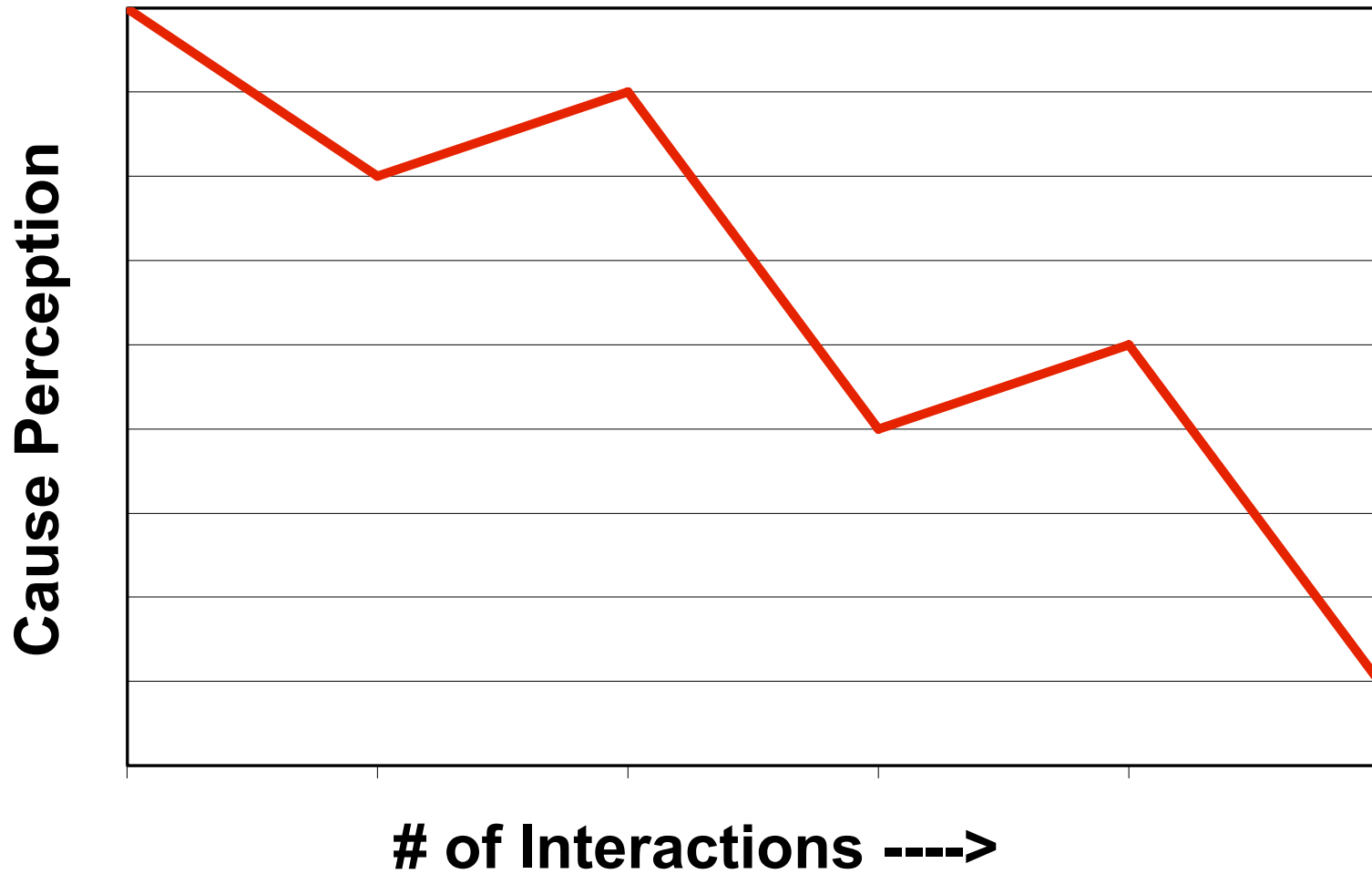
- Greater number of interactions:
 - More difficult to manage perceptions----need to do lots of things consistently right
 - If done well, have a more substantial base for a relationship



CRM Strategy

- How we will serve Constituent needs across all interactions
 - Inbound and outbound
 - Across all media and channels
 - Including general advertising messaging
- As a result, how we recognize the benefits of increased Constituent value

+ All Too Common Occurrence



+ How to Harmonize Cause and Strategy

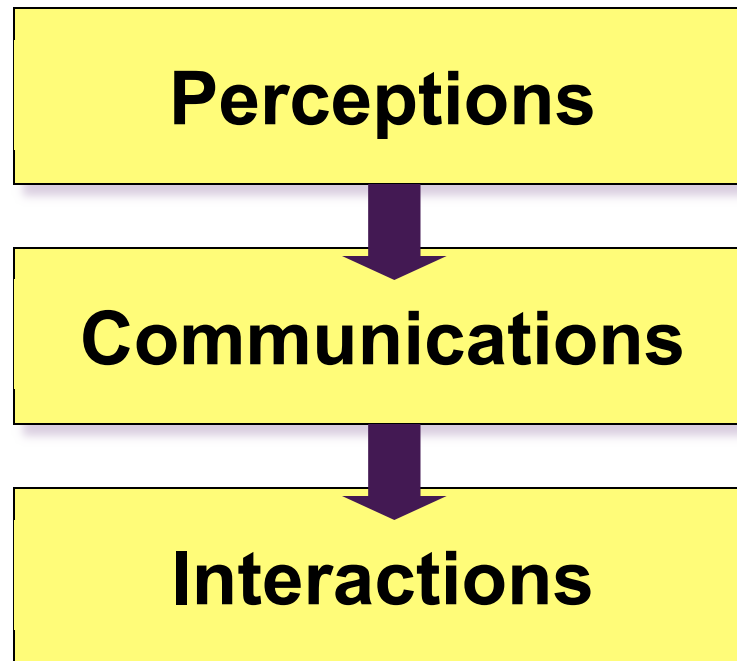
- View CRM as means of operationalizing and optimizing perceptions and resulting purchase behaviors
- Recognize the role of all touch points---all sales, service, marketing and product interactions---in shaping the Cause
- Recognize CRM as a means of inventorying and managing all of these interactions in a cohesive way

+ How to Harmonize Cause and Strategy

- Work together:
 - Align Constituent experience strategies
 - Don't deliver a Constituent experience that isn't consistent with the Cause!

+ How to Harmonize Cause and Strategy

- Optimally, these would not be separate functions in an organization...



+ How can a nonprofit survive, much less grow, and grow effectively?

- Need balanced marketing plan
- Cut costs of communication with constituents
- Capture and remember all interactions

+ Short of Changing the Way the World Works...

- Collaboration
 - Use technology to expedite relationships
 - Use people to manipulate technology
- Determine how all interactions contribute to Constituent perceptions---prioritize accordingly
 - Develop one common Constituent promise
- Continue to monitor and measure not only dollars but satisfaction across the organization
- And most importantly, just like in the for-profit world, it is easier to keep a Constituent than to gain a new one.