

What does your organization measure?

Measuring in general

The most effective organizations regularly evaluate things like:

1. Organization relevancy and mission – results (qualitative) not so much the numbers
2. Alignment of programs and services with mission
3. Quality of programs and services
4. Board and individual board member performance
5. Performance of each staff person, of teams, and of operations in general
6. Financial performance
7. Communications and marketing
8. Fund development performance including ROI and relationship building

Measures for fund development

Measures versus benchmarks

Measures are the things you plan to evaluate, e.g., donor retention rates, donor satisfaction, etc. Define your measures for multiple years – and keep adding more as you add the capacity to evaluate.

Benchmarks are the “target” or “goal” for a particular measure for a particular year. For example, the measure is donor retention; the benchmark for the particular specific year is 75%.

See sample fundraising plans in *Strategic Fund Development: Building Profitable Relationships That Last*, 3rd edition, Appendix 9 on the book’s website.

ROI (Return on Investment) and the fundraising numbers

1. Donor retention, attrition, and acquisition rates, for example: retention trends after first gift; year-on-year retention rates.
2. Total \$ raised and average gift size
3. # of donors and # of donors who give multiple gifts/year
4. % of donors who increase their gifts and frequency of donor upgrades
5. % of donors who decrease their gifts
6. Participation rates of board members and other volunteers in fund development activities
7. Application of well-established research and practice in fund development and donor communications; consistent use of the body of knowledge

Measures too often ignored

1. Staff and board member behaviors that demonstrate a culture of philanthropy
2. Diversity of prospects and donors reflective of a diverse community
3. Donor-centered fund development program
4. Satisfaction trends of fundraising volunteers, donors, event participants, etc.
5. Customer satisfaction with the organization as a whole
6. Donor satisfaction with service to donors
7. Donor loyalty trends (active loyalty versus passive loyalty)

Charitable giving measures that reflect donor loyalty

1. Donor retention rate
2. Rate of transition from first-time donor to regular donor
3. Percent of donors who increase their gift size and / or number of gifts per year
4. Size of gift compared to your estimation of donor's level of interest and commitment
5. See Adrian Sargeant's measures
 - And so many more! We do this pretty well as fundraisers.

Measuring relationship building from the donor's perspective

1. Satisfaction with your organization's execution of its mission and the progress made on your mission
2. Satisfaction with your organization's customer service (and not just from the development office!) Just look at Sargeant's research about donor loyalty.
3. Satisfaction with your thank-you process and your recognition program
4. Satisfaction with the quality of conversations they have with you
5. Satisfaction with your organization's communications
6. Degree to which their personal values align with your organization's values (essential for what a donor considers a large gift)
7. How often the donor refers others to your organization
8. How many times the organization has been pleasantly surprised by the organization's creativity and ingenuity.
 - And so many more! Seems to me we fundraisers are especially weak in this area.

Measuring what your organization does to nurture relationships

1. Breadth and depth of information in your files, with an emphasis on interests and disinterests, motivations and aspirations
2. Diversity, regularity, and frequency of organization contacts with prospects and most especially with donors
3. Level of personalization in communications and cultivation
4. Effectiveness of cultivation at fundraising events
5. Effectiveness of communications strategies and content
6. Check out Tom Ahern's performance measures for effective communications – in *Keep Your Donors: The Guide to Better Communications and Stronger Relationships*.
 - And so many more! Seems to me we fundraisers are pretty weak in this area.

P.S. What criteria do you use to determine your strategies for fund development?

Define the primary purpose of the strategy, e.g., generate income or nurture relationships. Examine the strategy to determine if it is really worth doing. Consider the criteria below. Rate them as 1 to 5 with 5 being high. (*Note*: Total numeric rating does not indicate higher worth.)

1. Mission alignment
2. Financial cost (direct and indirect)
3. Prospective net profit
4. Relationship building
5. Institutional capacity to do the work
6. Institutional capability to do the work
7. Staff and volunteer workloads
8. Risk analysis
9. Opportunity cost