

Portfolio Hygiene –
A Catalyst for Improving Fundraising Performance

A White Paper for University Fundraising Executives



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Introduction:

Each university has a “natural resource” in their constituency. These are the alumni, friends and parents whose lives have been affected by the institution. Many of them care about its mission and are open to supporting it. University fundraisers work daily to identify, cultivate and solicit these constituents to garner their support for the institutional mission.

No organization accomplishes this perfectly, especially during challenging economic times. As days, weeks and months go by, there are potential donors with passion and means that are open to the appeal, but never hear it. Prospects go unrecognized. Identified constituents go unassigned. Assigned prospects go without contact.

Despite major investments in fundraising staff and infrastructure, *our research indicates that still, 30 to 40 percent of an organization’s best prospects are often unassigned.* Of those who are assigned, many sit without contact for months or even years at a time. This wasted resource costs universities billions of dollars every year in unachieved results.

In this paper, we will discuss a best practice that we have developed called “Portfolio Hygiene.” It is a simple discipline for a regular conversation between a gift officer and their manager. We designed the process to be used in conjunction with the Reeher Platform for Gift Officer Management, but it’s a useful best practice regardless of how you manage your officers.

The Portfolio Hygiene meeting is an interview designed to clarify where the officer directs their efforts as well as set shared expectations for levels of contacts, proposals and results.

We have found that executives who implement this process experience improved fundraising performance. At the same time, it streamlines other

management policy and procedure discussions for prospect assignment and officer performance measurement.

About Reeher:

Reeher exists to help leading universities improve their fundraising performance. Since we launched the Reeher Platforms for fundraising management in 2007, we have been collecting and analyzing daily updates of information on constituent behavior, providing hard facts and real-time insight. Our customers use these tools to evaluate prospect pools, re-allocate their resources, then set and achieve measurable goals for improvement.

Reeher's customers include Johns Hopkins, Carnegie Mellon, Drexel, Tulane, University of Cincinnati, and Duke University.

Describing the Current State:

An organization's fundraising capacity is a function of

- The wealth of its constituents.
- The level of affection felt for the institution.
- The quality of the contact the university has with them.

If you are a Chief Development Officer, how do you improve your fundraising capacity? You cannot influence the wealth of the constituency. The general level of affection that they feel for the institution changes very slowly. During the course of a fundraising campaign, what you can influence is the quality of contact your officers have with prospects in how you identify, engage, and garner their support.

In a university, this process breaks down in two ways:

1. Lack of easily digestible information about wealth or interest level of prospects for the person who assigns a prospect.
2. Difficulty in assigning responsibility for a course of action to an officer, and efficiently evaluating whether the officer completed their assignment.

This can show up in an organization as:

1. Officers hoarding prospects.
2. Assigned prospects who have gone a long time without contact.

3. Frustrated researchers who know good prospects that don't get assigned.
4. Poor compliance with completing call reports.
5. Officers distracted from prospect cultivation by other duties.

The moment of truth for a fundraising organization is when the officer decides what they will do with their day. Who will they call? Who will they meet with? Where will they travel? Who will receive a proposal? The manager needs to be sure that the officer knows who they should see, and confirm that the officer is reliably executing the contact plan. We developed Portfolio Hygiene as a management tool to help you do exactly that, ultimately building a stronger organization.

What is Portfolio Hygiene?

Portfolio Hygiene describes a systematic and regular review of assignments and actions on assignments between an officer and their manager. It is designed to create a cycle of insight and expectation that keeps the officer focused on the right priorities, because they know that the conversation will be happening on a regular basis.

This review meeting includes the following resources:

1. A list of primary assignments for this officer.
2. An objective capacity evaluation for each prospect assigned to the officer*.
3. An indication of the current level of contact with the prospect. This could be expressed as a gift stage.
4. The date, or days, since the last contact that this person has had with the prospect.
5. A pool of other available constituents including their objective capacity evaluation.

The meeting is a conversation between the officer and the manager, where the officer identifies the next prospects to advance in the stages and discusses the current prospect assignments to determine if changes in assignment should be made.

* This estimation should be built using some form of objective scoring system that can be applied to all constituents. There are several ways to accomplish this. Reeher provides a solution called EVI.

The manager can then efficiently coach for specific situational actions, assess the officer's developmental needs, and recommend adjustments in the portfolio.

The officer will be identifying next steps in the coming period that the manager can make note of in order to review in subsequent meetings.

The key to the conversation is to have objective information readily available so that parties can review the situation, the manager can coach and the officer can describe their next steps. This richer dialog provides both participants more of what they need to accomplish their goals.

It is essential that these meetings occur on a regularly scheduled basis using the same set of management tools for each meeting.

We call this Portfolio Hygiene because it is a discipline that leads to a healthy organization. These meetings should be held on at least a monthly basis to establish and reinforce the good habits, trust and transparency that lead to a strong performance culture.

Describing the Results:

This approach can focus the officers on the areas of strongest opportunity. It also sends a message about the priority that you place on meeting and cultivating prospects.

You will see fundraising results as more dollars and donors from previously unidentified prospects. You will also see an increase in proposals from your officers.

In the cases for our customers who are using this approach, results include:

- 30 to 45% of their best prospects are not being discovered using existing identification processes.
- Up to 15% of their major gift results come from new prospects within 12 months of identification.
- Up to a 45% increase in the number of officers who generate over \$1MM per year in major giving.

Less concretely but as powerfully, this approach will provide you with new ways to measure officers. You will build a performance culture that good officers will want to be associated with.

We have several case studies about the impact that our customers have seen using our Platform that we would be happy to share with you on request.

Summary:

Our company's roots are in the corporate world of sales and marketing management. In focusing on university fundraising, we have learned that there are important differences. At the same time, there are many ways managing university fundraisers is like managing sales people:

1. Sales people perform better when they understand the rules of the game.
2. Sales people generally all talk a great game. Great sales people deliver measurable results.
3. Every sales person, regardless of seniority, welcomes coaching.
4. While most people resist being held accountable, great sales people know how motivating scoreboards can be.

With Portfolio Hygiene, you can provide a simple framework for performance management that fits the university environment. It builds strength in your organization, professionalism in your staff, and better results for your institution.



This report has been prepared solely for informative purposes.

Reeher provides software services to help leading universities improve their fundraising performance. To find out more about Reeher, please visit www.reeher.net.

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