



# Innovative Fundraising

Smarter Approach to Exceed Goals



Insight



Acquire



Cultivate

Transforming Fundraising for Non-Profits

## Changing Landscape

*Participation rates continue to decline in most higher education institutions and other non-profits. Growth in funds raised is coming mainly from increase in size of donation and not growth in donor base.*

The fundraising landscape is rapidly changing due to the advent of social networks, crowd-funding platforms, cloud computing, predictive analytics, and mobile communication. These technologies offer the promise of improving donor participation, retention, and reactivation rates for fundraising campaigns.

Social networks can give valuable cues on giving capacity and propensity and offer alternative ways to connect with constituents. Crowd-Funding software can mobilize “social ambassadors” to raise funds from friends and families. Predictive analytics can help focus solicitation effort on constituent segments most likely to give and thereby reduce wasted effort. Mobile messaging and applications can facilitate connections with hard to reach millennials.

Despite the promise of these technologies, most non-profit organizations, have yet to realize significant improvements in their fundraising. Participation at public and private colleges has declined from 11% in 2012 to 9% in 2014. Retention rates have not budged and remain at about 60 percent in 2014. Lapsed donor reactivation rate has stagnated at 26% during this period.<sup>1</sup>

Lester's Fundraising Division's mission is to help non-profit organizations unlock the promise of these technologies. Lester's offerings – **Insight, Acquire, Cultivate** - provide an integrated solution that covers the entire fundraising cycle. These solutions are aimed at addressing three key challenges in fundraising: increasing new donor acquisition; reducing loss of existing donors; and reactivating lapsed donors.

## Insight

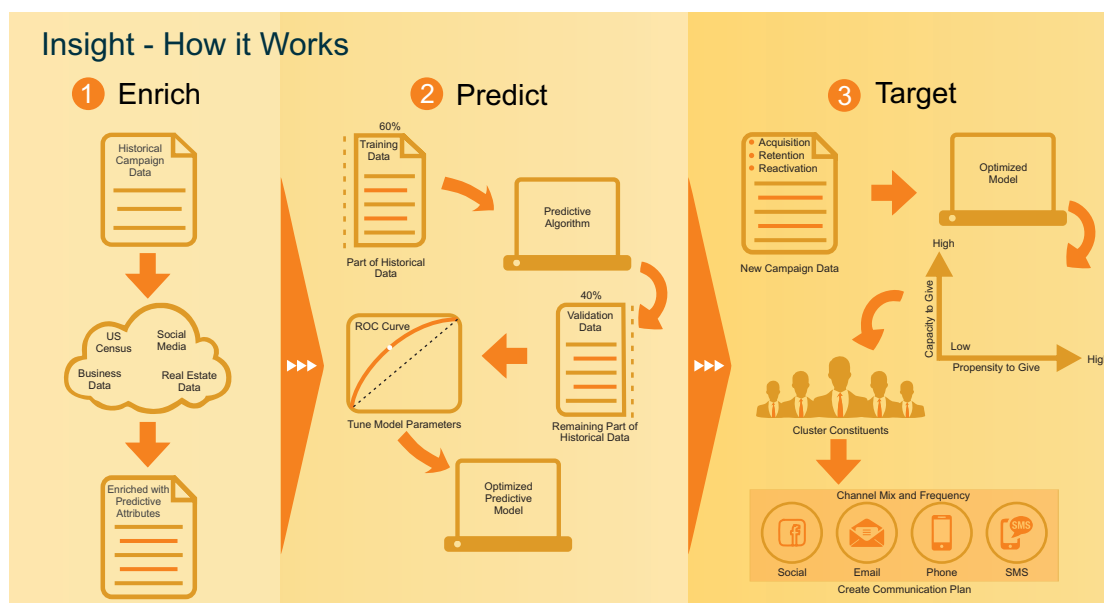
*Most fundraising campaigns do not factor propensity to give in the solicitation plan. The result is a lot of wasted effort chasing constituents who do not or cannot afford to give.*

Insight brings the power of predictive analytics (sometimes called machine learning or data mining) to fundraising.

Most fundraising campaigns do not sufficiently differentiate between constituents that are likely to give versus those that are unlikely to give. Also the “ask” is often based on historical giving patterns and not on constituent's capacity to give. The result is a lot of wasted effort chasing constituents who do not want to give or cannot afford to give. Insight fixes this core problem.

To predict constituent's willingness to give, Insight starts with results from the last few years' campaigns. This historical data is enriched with information culled from Social Media, US Census, Business Information Databases, Real-Estate Valuation Data, and other third-party data sources. This data is used to “train and tune” the predictive model. In other words, the model is trained to deduce from the attributes associated with a donor (e.g. engagement on social media) the propensity to give.

The prospect list for a fresh campaign is then run through the model to predict the likely response to a solicitation. Each constituent, is tagged with their likely propensity to give and capacity to give. Constituents are then grouped or clustered using these predictive tags. This segmentation is more powerful than the RFM (recency, frequency, monetary) segmentations that are traditionally used in fundraising.



A distinct solicitation plan – frequency of solicitation attempts, communication channel mix, messaging, and ask value - is created for each cluster. The end result is a campaign strategy that maximizes ROI by reducing wasted solicitation effort and boosting funds raised.

## Acquire

Acquire is a multi-channel, integrated communication platform designed to increase contact rates.

The main reason most fundraising campaigns fall short of their goals is because the majority of constituents are never reached. Even in successful telemarketing campaigns, despite repeated attempts, more than 50 to 60 percent of the constituents are not contacted. Increasing contact rate and getting an opportunity to make a case for a donation is the key to improving fundraising performance. This is the problem that Acquire solves.

Acquire helps increase contact rates in two ways. First, Acquire uses multiple communication channels seamlessly to connect with the constituent. Second, Acquire tailors the solicitation strategy – number of attempts, time of contacts; and channel mix – to propensity and capacity to give.

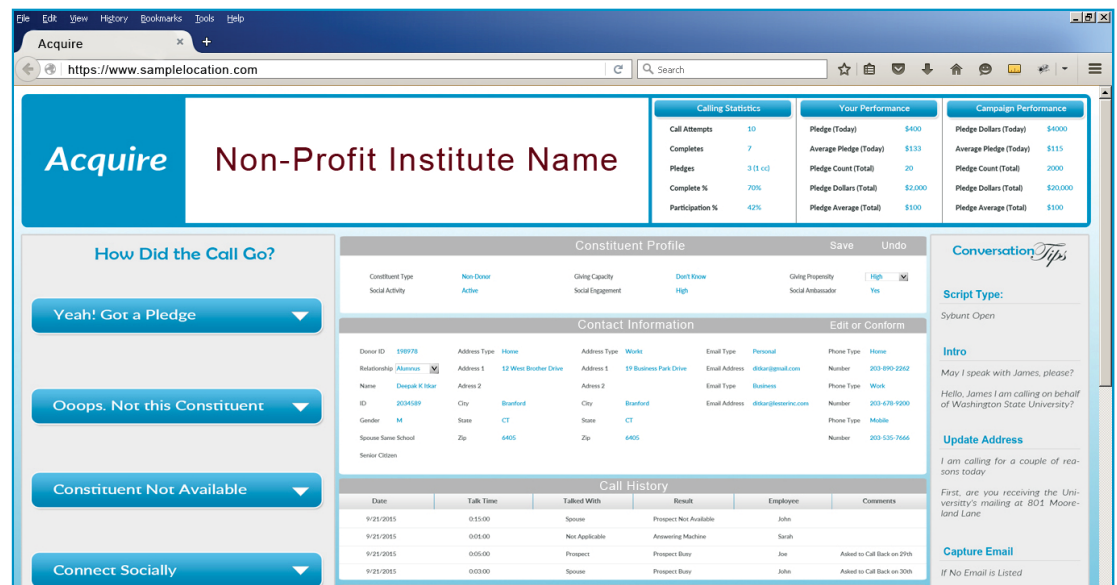
*Insight brings the power of predictive analytics to fundraising. Propensity and capacity to give is modeled using results from past campaigns.*

*Increasing contact rate is the key to improving campaign performance. Even in successful campaigns, more than 50 to 60 percent of the constituents are never reached.*

Acquire seamlessly  
contacts prospects  
across multiple channels  
& matches solicitation  
frequency and channel  
mix to propensity and  
capacity.

Most fundraising campaigns use multiple channels - email, direct mail, phone, social - to communicate with constituents. The problem is that this communication is executed sequentially, in silos, without responses from one channel being shared with other channels. Acquire stores responses across all channels in a common data repository. This allows seamless communication across channels to maximize contacts.

Acquire has a number of built-in features to tailor the solicitation strategy to constituent's propensity to give. Frequency of attempts by channel can be set by clusters and dynamically adjusted. Time of contact can be varied by call attempt to increase contact rate. Messaging such as telemarketing scripts or email or social posts can be tailored for each cluster. Social communication – organic and paid – can be executed from within the platform.



The screenshot shows the Acquire web application interface. The top navigation bar includes 'Acquire' and 'Non-Profit Institute Name'. The main content area is divided into several sections:

- How Did the Call Go?**: A dropdown menu with options: 'Yeah! Got a Pledge', 'Ooops. Not this Constituent', 'Constituent Not Available', and 'Connect Socially'.
- Constituent Profile**: A section for saving and undoing changes. It includes fields for Constituent Type (Non Donor), Social Activity (Active), Giving Capacity (Don't Know), Social Engagement (High), Giving Propensity (High), and Social Ambassador (Yes).
- Contact Information**: A section for editing or confirming contact details. It includes fields for Donor ID (198978), Address Type (Home), Address 1 (12 West Boulder Drive), Address 2 (12 West Boulder Drive), Email Address (dk@acquire.com), Phone Type (Home), and Phone Number (203-490-2282).
- Call History**: A table showing call attempts. The table has columns: Date, Talk Time, Talked With, Result, Employee, and Comments. The data shows three call attempts on 9/21/2015, with results like 'Prospect Not Available', 'Not Applicable', and 'Prospect Busy'.
- Conversation Tips**: A section on the right side of the interface, featuring a 'Script Type' dropdown (Setback Open) and a 'Capture Email' button. It includes a sample script: 'May I speak with James, please? Hello, James I am calling on behalf of Washington State University? Update Address I am calling for a couple of reasons today First, are you receiving the University's mailing at 801 Mooreland Lane'.

Most institutions use a  
“templated” thank you  
letter to acknowledge a  
donation. Weak  
engagement with the  
donor is one of the main  
reasons for pledges not  
being renewed.

Acquire offers the ability to recruit Social Ambassadors from within the platform. Constituents that are socially very active and have strong loyalty to the cause, are tagged as prospects for being Social Ambassador. This allows the callers to recruit Ambassadors during the phonathon. Once recruited, Social Ambassadors can be activated and deployed on a crowd-funding platform.

## Cultivate

Most non-profits face what is termed a “leaky bucket” problem. A significant portion of prior-year's donors choose not to renew their commitment. As a consequence, even after acquiring new donors, the overall participation rate remains the same. This is the problem that Cultivate aims to solve.

Weak engagement is one of the main reasons that donors do not renew their pledge. Most organizations rely on a templated “thank-you” letter and other mass-market

*Cultivate fosters deeper engagement with donors by enabling a personalized communication that speaks to donor's interests and motivation for giving.*

messaging to foster engagement with a new donor. Unfortunately, this mass communication is not sufficient to create a bond with the donor. As a result, a sizable portion of donors do not renew their pledge. Cultivate solves this problem with a personalized communication that speaks to donor's interests and motivation for giving.

Cultivate segments donors into "personas" based on an understanding of their interests and their reason for giving. This information, about their interests and reason for giving, is collected using surveys, mining social media information, and using web-forms. For each "donor persona" a communication plan is created. This plan includes content type, communication frequency, and channel mix. Content published on websites or blogs or social media is curated, tagged, and then distributed to each persona as per the communication plan.

## About Lester

Lester is a leading provider of fundraising, marketing and technical services to business and consumers. Founded in 1981, Lester has grown to over 1,500 professionals across our facilities in US and India.

Lester's solutions help fundraising, marketing and sales professionals connect with prospects and customers with integrated marketing tools. These tools help professionals learn and use information technology. We also help consumers and businesses purchase, deploy, learn and use information technology.

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