virtuous

# The Responsive Maturity Model

5 Key Building Blocks to Drive Increased Generosity

TABLE OF

# CONTENTS

# THE PROBLEM

Unresponsive fundraising tactics, manual processes, and internal data silos  are preventing nonprofits from achieving their generosity goals.

PROBLEM 1

# The Unresponsive Donor Experience

## Donor Disconnect

Giving is fundamentally personal. Donors give to your nonprofit for a variety of reasons, but typically they have a personal connection to your cause that's driving their generosity. As a result, today's donors expect you to create a more personal connection with them in return. Your donors are already getting thousands of hyper-personalized touch points from their favorite brands, social feeds and news outlets — and traditional, generic appeals are no longer able to break through the noise.

Historically, this type of personal connection has been reserved for the major donors only, while "everyday donors" receive the same email or appeal letter every month. This doesn't happen because fundraisers don't care about their "everyday" donors, but rather because they are often handcuffed to tools and processes that make it impossible to create meaningful connections at scale.

As a result of this donor disconnect, most nonprofits only retain 50% of their donors every year. And, according to research from Adrian Sargeant, two of the primary reasons why donors choose to not give again are: 1) **inappropriate asks and impersonal messages** & 2) a **lack acknowledgment and transparency**

> "Donors not only want to understand the impact of their gifts, but value organizations that intentionally foster meaningful relationships with their donors."
>
> **Una Osili | Lilly Family School of Philanthropy**

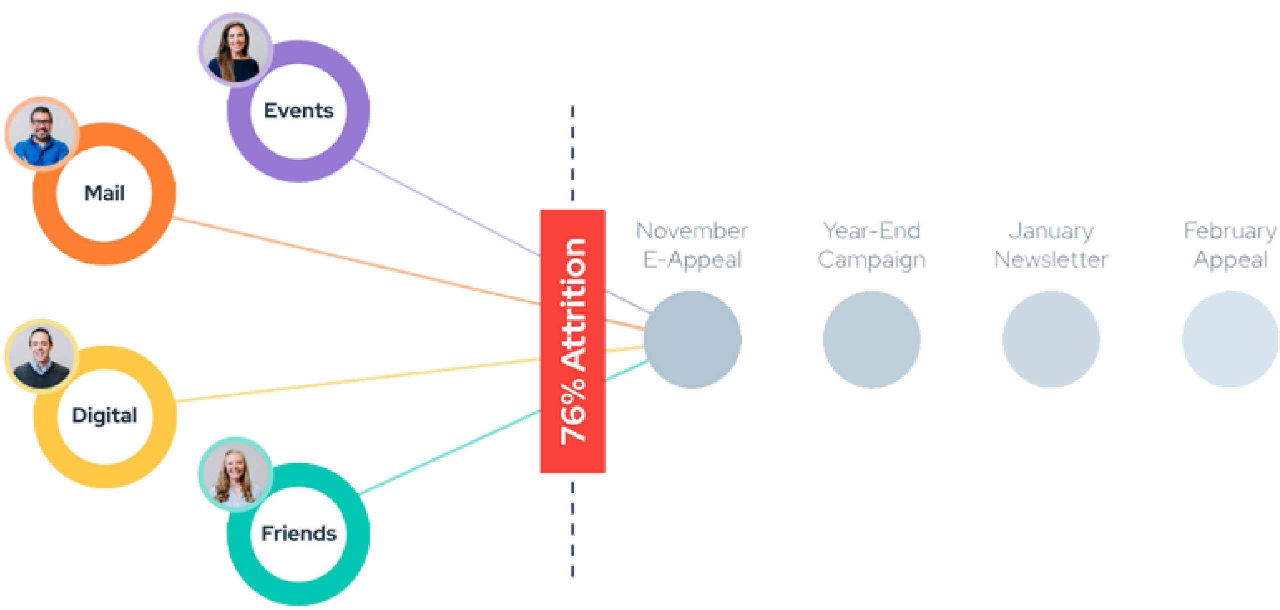
## Impersonal Fundraising

Mass marketing with generic appeals or email newsletters is quickly becoming an inefficient and outdated way to fundraise. Your new donor's motivations for giving to your organization are always personalized and varied, and your communication has to meet donors where they are.

New supporters find your cause through events, emails, social media, volunteers, etc. They often have only a partial understanding of your cause, and the range of programs and strategies that you offer. They also have vastly different giving capacities and ways that they prefer to engage.

Unfortunately, after donors are acquired, most organizations rely on retention and cultivation tactics that are largely one-to-many and impersonal. These "spray and pray" appeals and newsletters rely on one-way communication based on the timing that works best for the organization, not necessarily the donor.

**This impersonal cultivation strategy leads to high donor attrition rates after the first gift - and donors who are less loyal and engaged.**



DONORS EXPECT A PERSONAL CONNECTION

## Changing Donor Expectations

Ultimately, the reason that these generic, one-to-many fundraising appeals don't work anymore is because the world that your donors live in has changed. The fundraising strategies that worked 20 years ago simply don't apply in world where most marketing is hyper-personalized.

The ways people communicate and connect has changed dramatically in the past two decades. A new digital world has emerged that is bending over backwards to gain the attention of your donors. This new world is marked by constant connectedness, hyper-personalized communication, and online communities inhabited by members of our own tribe.

Donors in this new world want to know that their time and money are truly making an impact. They want to be connected, part of a movement. The old way of fundraising that centers your organization's timing isn't going to give donors that connection they need.

But most nonprofits struggle to provide the personal connection that their donors desire.

PROBLEM 2

# The Unresponsive Team Experience

## Team Disconnect

Not only do donors feel disconnected from your organization, the disconnect is often compounded by the team silos that exist within many nonprofits.

Organizations often struggle with significant walls between their different internal teams and their data sources. A lack of collaboration, as well as a default leaning toward the "way we have always done it", contribute to these silos. Individual teams are slowing sealed off until they become their own mini kingdoms. For a nonprofit to become responsive, they must first dismantle these silos and focus on creating a culture of transparency, collaboration, and unity.

Disconnected nonprofit teams are often the biggest driver of the disconnected donor experience, lagging generosity, and underwhelming impact.

## The Unresponsive Team

**FUNDRAISING**

- Manual data entry
- Limited collaboration
- Frustrated teams

**MARKETING**

- Misaligned KPIs
- Multi-system chaos
- Limited collaboration

**PROGRAM**

- Siloed from fundraising
- Lack of transparency
- Disconnected data

**FINANCE/IT**

- Multi-system chaos
- Backlogged
- Lack of visibility

# A RESPONSIVE MODEL FOR GENEROSITY

Breaking down the silos that create disconnected donor and team experiences.

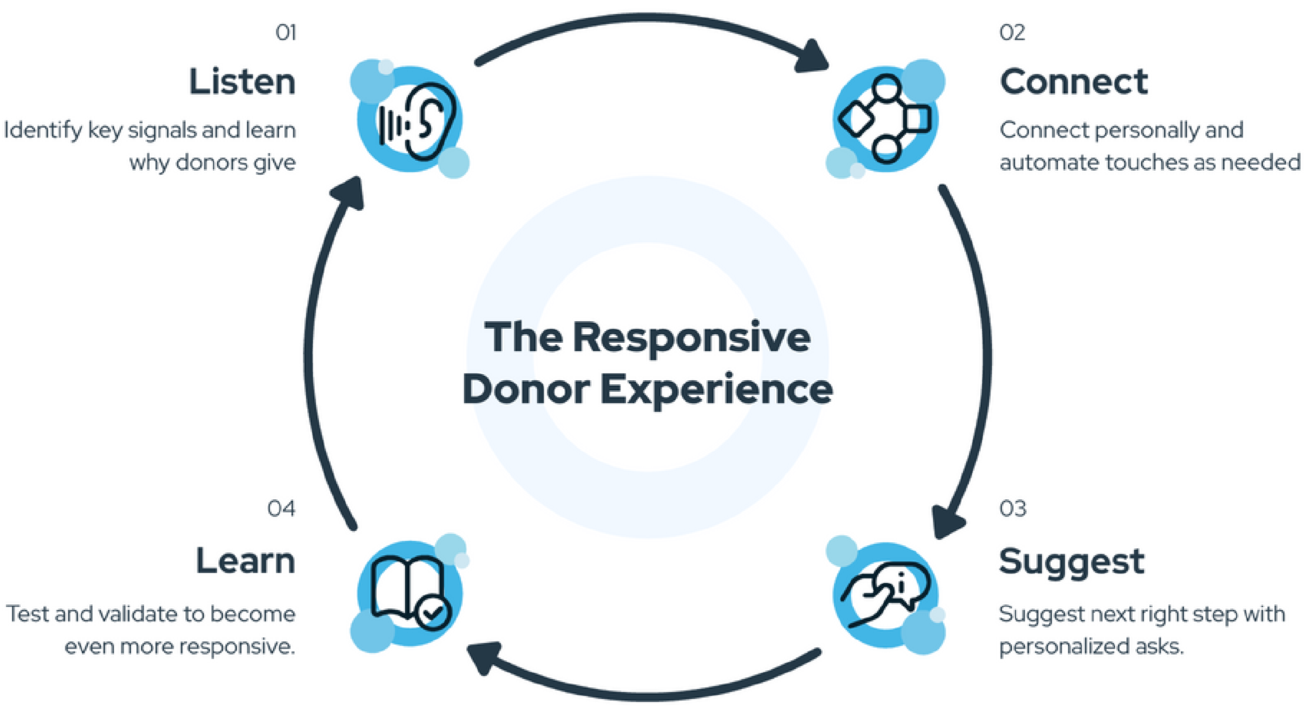
A BETTER APPROACH

# The Responsive Donor Experience

If traditional models of fundraising are no longer effective, what should be the new approach? The responsive framework provides a model that puts the donor at the center of fundraising and grows giving through personalized donor experiences that respond to the needs of each individual.

Leading nonprofits are leveraging the responsive framework to find better ways to truly listen to donors at scale and then connect more personally using data-activated touch points.

Using this new approach, fundraisers are able to 1) listen to their supporters, 2) connect in more personal ways at scale, and 3) suggest the right next step for each donor to grow giving. Donors feel known and appreciated and, as a result, generosity expands.



## Dynamic, personal journeys based on donor's timing

A core part of a responsive fundraising model is building powerful donor journeys that will automatically trigger based on a supporter's actions or preferences. As they mature, responsive nonprofits are able to leverage these dynamic campaigns to become more personalized and meaningful for their supporters.

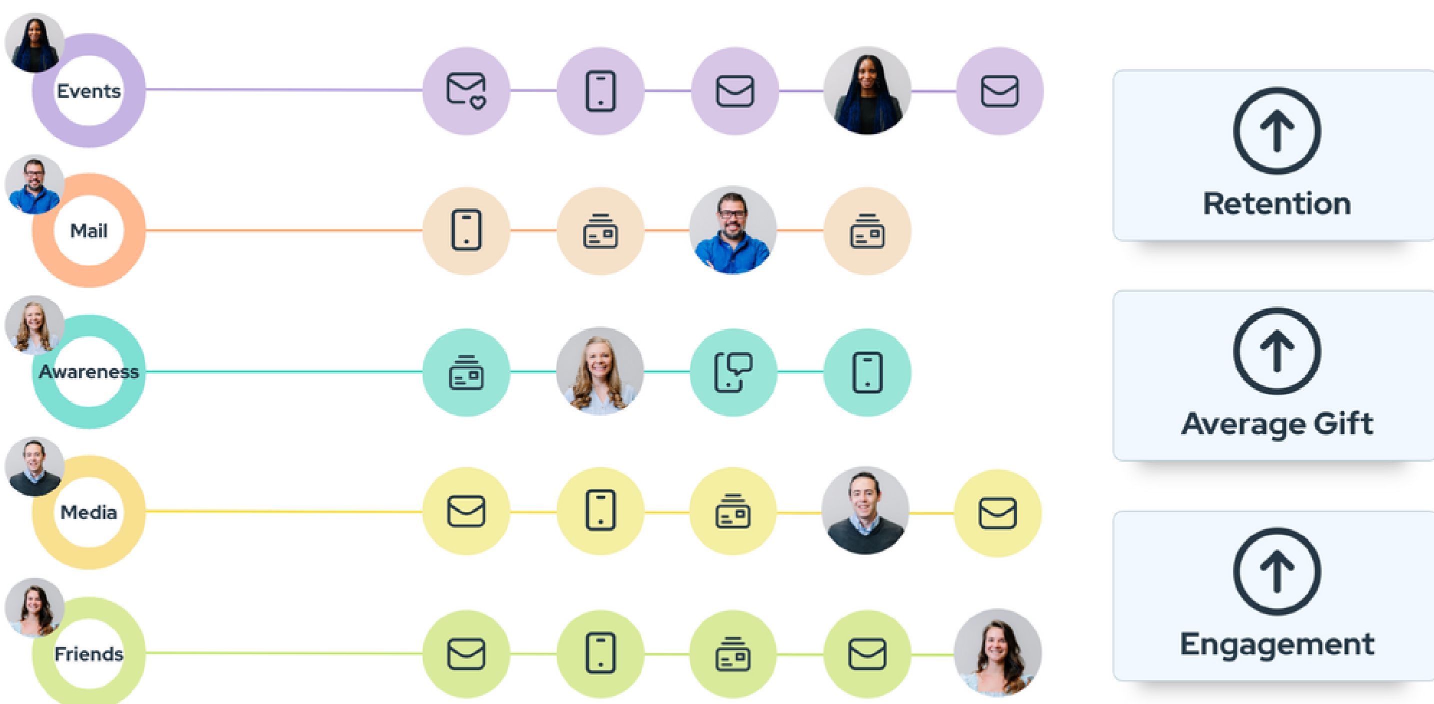
Rather than getting a generic email or letter, your constituents receive the right communication, at the right time, on the right channel. They feel known by your cause and are invited to engage more deeply in the areas that align with their personal passions.

**The result of this more responsive approach is increased retention, increased average gift, more volunteerism, and greater overall engagement.**

**DONOR ACQUISITION** ··········→ **DONOR CULTIVATION**

Personal ··→ Based on donor timing and introduction to the organization.

Personal ··→ Different messaging, steps, and asks based on donor journey.



A BETTER APPROACH

# The Responsive Team Experience

**Building Healthy and Effective Teams**

It's not just donors who benefit from a more responsive approach to fundraising. High-performing nonprofit teams are able to effectively break down silos within their organization and increase collaboration. Increased team effectiveness, KPI alignment, and transparency help accelerate growth and increase impact.

The Responsive Maturity Model is designed as a playbook to dismantle the ineffective practices of many nonprofit teams and help move them toward flourishing and success.

# THE RESPONSIVE MATURITY MODEL

Building an achievable action plan with provable results along the way

# There’s a Better Way

Changing the unresponsive donor and team experience requires intentional effort, but it’s possible! The remainder of this book is designed to provide easy to follow steps to begin your journey to becoming a more responsive and effective nonprofit.

## Why a Maturity Model?

The maturity model framework provides a structured approach to leveling up your organization's performance in a particular area. The model defines a set of stages that your organization can progress through as it becomes more responsive.

Maturity models are often used by organizations to benchmark their current level of maturity against industry best practices, and then identify areas for improvement. The importance of a maturity model lies in its ability to provide a clear and objective assessment of an organization's current capabilities, as well as a roadmap for improving those capabilities over time. By using a maturity model, organizations can:

1. Identify strengths and weaknesses and help focus on improving flat spots.
2. Set realistic goals based on the organization's current level of capability.
3. Measure progress and make adjustments as needed.
4. Improve decision-making at all levels of your organization.

> “Adoption is about transformation, not information, and transformation requires repetition, routine, and habits.”
>
> **Tim Lockie | The Human Stack**

## The Responsive Maturity Model

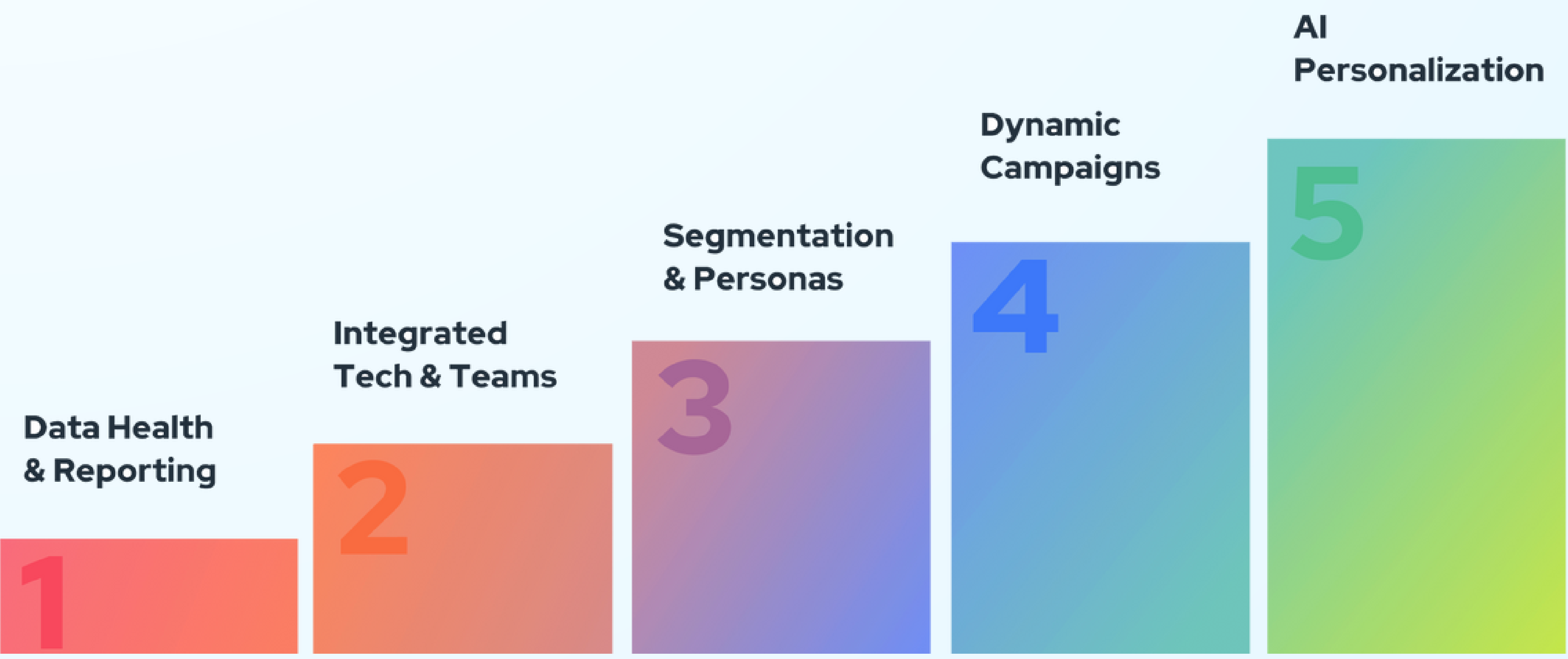
The Responsive Fundraising Maturity Model guides you step-by-step on how to move toward a more responsive organization.

Effecting change can sometimes feel impossible. We often hear nonprofits say that they desire this new reality, but making the change feels like "boiling the ocean".

The good news is that change is more achievable than you think, and the Maturity Model can provide an actionable roadmap that helps you become more responsive over time.

Each step builds on the step before. You don't need to have a step fully mastered before moving on—but it's important to understand the importance of building a solid base before maturing to the next step

As you tackle each step **you should see increased team effectiveness, increased donor retention/gift size, decreased staff burn out, improved advocacy and improved donor acquisition metrics**



1

MATURITY STEP 1

# Data Health & Reporting

# “We’re only as good as our data.”

BARBARA KRUSKO

*Chief Development Officer,*
*Arizona’s Children Association*

# Data Health & Reporting

> “If we have data, let’s look at data. If all we have are opinions, let’s go with mine?”
>
> **James Barksdale | Former CEO at Netscape**

## The Value of Trusted Data

Improving your donor communication and driving team effectiveness are virtually impossible if you don’t trust your data. Clean, complete, and easily accessible data is at the very core of a Responsive Team. Among other things, data health helps to:

- Create confidence in your communication
- Avoid embarrassing communication mistakes
- Allow for team-wide visibility into (trusted) metrics
- Create increased data coverage (contact info, attribution, project impact/funding, etc.)

Moving toward healthy data requires discipline and accountability. It’s not always easy, but it’s absolutely necessary for scale and effectiveness.

> "In God we trust, all other bring data."
>
> **W. Edwards Deming**

## The Value of Consistent Reporting

As Peter Drucker famously said, "You can’t manage what you can’t measure." Trusted data drives trusted reporting. And trusted reporting should be at the heart of all decisions.

Consistent, simple, and shared reporting creates alignment to common goals and visibility into your progress/risk. It also allows you to confidently test new ideas, knowing that you can quickly measure and adjust based on what’s working.

## The Technology You'll Need

- **Data health software:** Software to help identify and clean up duplicate records, bad addresses/emails/phones, or missing data
- **Strong opt-in tracking:** Explicit "opt-in/out" functionality on all forms for email, phone, etc. to avoid spam checkers. Opt-in data should flow directly to your CRM.
- **Email hygiene:** When in doubt, use 3rd party tools to verify email address validity and be relentless in removing bad addresses and unsubscribes. Follow all CAN-SPAM recommendations for email sending and sign-up.
- **NCOA & contact info appends:** Update mailing lists at least quarterly from the National Change of Address Database. When possible, append additional third-party contact data.
- **Shared, real-time reporting suite:** Real-time reports that are accessible to everyone. Reports shouldn't require manual work and should provide clarity around key metrics.

## The Team & Tactics You'll Need

### Data Health

- Clear policies and accountability for data health including documentation and team training for how data fields are created and used.
- A consistent data collection process and training to avoid inconsistencies in data entry. This includes relentess tracking down spreadsheets that create duplicative/missing data.
- Fundraising and Finance/Operations data review cadences (preferably weekly).
- Consistent and clear attribution tracking from all communication channels.
- Automated data collection (Automation + API) to remove manual entry.

### Reporting

- 3-5 clear quarterly goals tied to Key Performance Indicators (KPIs) within your reporting using a framework like OKRs or EOS. Everyone should know their number!
- Weekly cross-team KPI reviews to create visibility and accountability around goals.
- Everyone on the team should have a clear view of their core metrics and a  clear understanding how their daily tasks drive overall mission success.

## Start Simple with 3 KPIs as Shared Team Goals

Many nonprofits either leverage too many reports or focus on reports that don't have real organizational value.

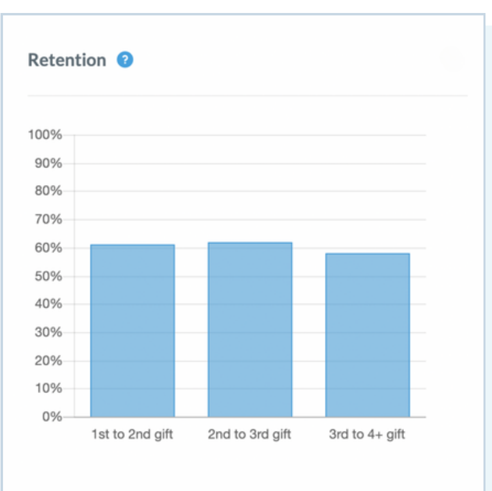
Providing a small set of simple KPIs is important for a few reasons:

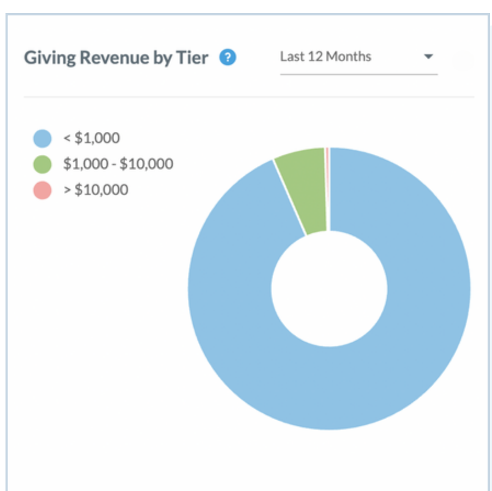
1. **Easy to Understand and Focus:** 3-5 simple KPIs help people quickly identify the areas where the core areas of your nonprofit need to be improved.This ensures that your team is working on the right task to achieve your goals.
2. **Actionable Insights:** By measuring and tracking a smaller number of specific metrics, it becomes easier to identify areas where action needs to be taken.
3. **Time-Saving:** Simple KPIs provide a concise view of performance. This reduces the need for lengthy reports and analysis, which can lead to information overload.

For most fundraising teams, the easiest place to start is shared team reporting for

- **Donor Retention** (YoY and 1st to 2nd Gift Retention)
- **Average Gift** (Increases/decreases for Major, Mid, Small and Recurring Donors)
- **Giving Revenue by Tier** (Major vs Mid vs Small)

These three metrics can provide the greatest high-level insights into the health of your fundraising efforts.




# 2

MATURITY STEP 2

# Integrated Technology & Teams

# Integrated Technology & Teams

## Creating a Unified Team & Donor Experience

For your nonprofit to succeed in the long run, it's essential to unify your teams and integrate your data. One of the biggest barriers to breaking down silos within a nonprofit is the lack of centralized data. The fundraising, marketing, volunteer, and program teams often use different systems to track data—and nonprofit leaders struggle to gain a clear view of what's actually happening across the organization.

When data and software systems are not integrated, nonprofit departments can't see how their work impacts other teams. This lack of visibility leads to missed insights, reduced team effectiveness, and a disconnected donor experience .

Nonprofits operating in silos often face a myriad of communication challenges. For example,

- The Comms/Marketing team launch a digital campaign without the ability to measure their effect on major donor contributions.
- The Volunteer team asks for donations, but lacks visibility into the outcomes of their effort.
- The direct response agency doesn't have easy access to the most powerful programmatic stories for appeals.
- The Program team is uncertain about which stories and outcomes appeal to donors. And they can't share program outcomes in a way that helps close the loop on specific gifts.

**For a nonprofit to become responsive, it must relentlessly dismantle barriers between data and teams, emphasizing a culture of transparency and collaboration.** This requires intentional cross-functional collaboration—but it also requires integrating data and software systems, rather than succumbing to the weight of multi-system chaos and spreadsheet hell!

FOCUS ON CREATING A CULTURE OF TRANSPARENCY AND COLLABORATION.

# Top 5 Reasons You Should Integrate Your Software & Data

1. Create a unified experience for your supporters, regardless of how they are engaging with you
2. Create a unified strategy for your organization by leveraging shared data insights across team.
3. Build trust in your data because your systems are well integrated.
4. Simplify your processes and reduce duplicate manual work.
5. Access a holistic picture of your supporters and what they care about.

## The Technology You'll Need

- **Integrated CRM + Marketing + Email + Giving + Volunteer + Program Impact** - A fully connected constituent software stack (single solution or API integrated).
- **A Single 360-degree View of Constituent Data** - Including data from CRM, Emails Received/Opened, Mail Received, SMS Received, Volunteer Hours, Memberships, Website Visits, Wealth/Demographic data, Survey Responses, etc.
- **Integrated Program Outcomes Data** - This includes key stories and metrics needed to close the loop with donors and report back on the outcomes associated with specific gifts.
- **Shared Cross-Team Reporting Platform** - Real-time KPIs with access across all team members and departments. Each role should have reports needed for their job without the need for manual or delegated report building.

## The Team & Tactics You'll Need

- **Generosity Operations person/team** to facilitate collaboration and data sharing (details about "Generosity Ops" on the next few pages!).
- **Shared quarterly cross-team goals** with monthly cross-functional meetings to align on key activities to accomplish goals.
- **Ongoing Discipline in Removing Friction** - Quarterly process to identify and eliminate redundant processes and share data insights.
- **Donor Journey Mapping** - Map of all constituent touch points - and a way track key metrics like giving, engagement, volunteerism, and key behaviors across the entire journey.

ACCELERATE TEAM & DATA INTEGRATION

# The Power of Generosity Operations

In the for-profit sector, the challenge of cross-team data insights and tight team integration is frequently addressed with a dedicated “Revenue Operations” team. Within many high-growth companies, the Revenue Ops team operates independently from other business functions. Their primary role of this team is to create strategic alignment and shared data insights across the organization with the singular goal of driving revenue. They are principally responsible for:

- Coordinating the collection and integration of data and software for reporting
- Delivering centralized, actionable insights to the entire organization
- Providing enablement and training to the teams on messaging, tactics, etc

Rather purely focusing on operational initiatives (like IT or Ops), this team is purely focused on revenue growth. They streamline activities that generate revenue and provide a unified view of the customer journey.

You might be wondering, "Sure, that works for for-profits, but my nonprofit world is fundamentally different." It's true – not every for-profit approach can be applied to the nonprofit context. The incentives and team configurations in nonprofits are unique, often necessitating strategies that diverge from those in the for-profit world.

That said, we've seen strong evidence that a version of the “Revenue Ops” framework can work incredibly well within a nonprofit.

Historically, larger nonprofit fundraising teams have introduced the role “Fundraising Operations.” This role is tailored to cater to the Fundraising team, offering operational assistance, reports, and data updates. Yet, the work of these teams is often not strategic (tactical/manual work) and their impact seldom extend beyond the Fundraising team itself.

To move beyond the paradigm of "Fundraising Ops," we prefer the name Generosity Operations to describe this relatively new function within nonprofits. The term "Generosity" is holistic, covering fundraising, marketing/comms, volunteer, and even program activities. Like in the for-profit world, the Generosity Ops team sits outside of the other departments and becomes a facilitator of shared data insights and learnings across the organization.

**Generosity Ops allows organizations to connect the dots on data from across the entire organization. They become the stewards of organizational data and collaboration.**

The output of the Generosity Ops team is a clear, sober view of metrics that help align the teams around common goals and outcomes. And the result is increased generosity, improved constituent engagement, and, ultimately, more impact. A few examples of the work produced by a Generosity Ops team could include:

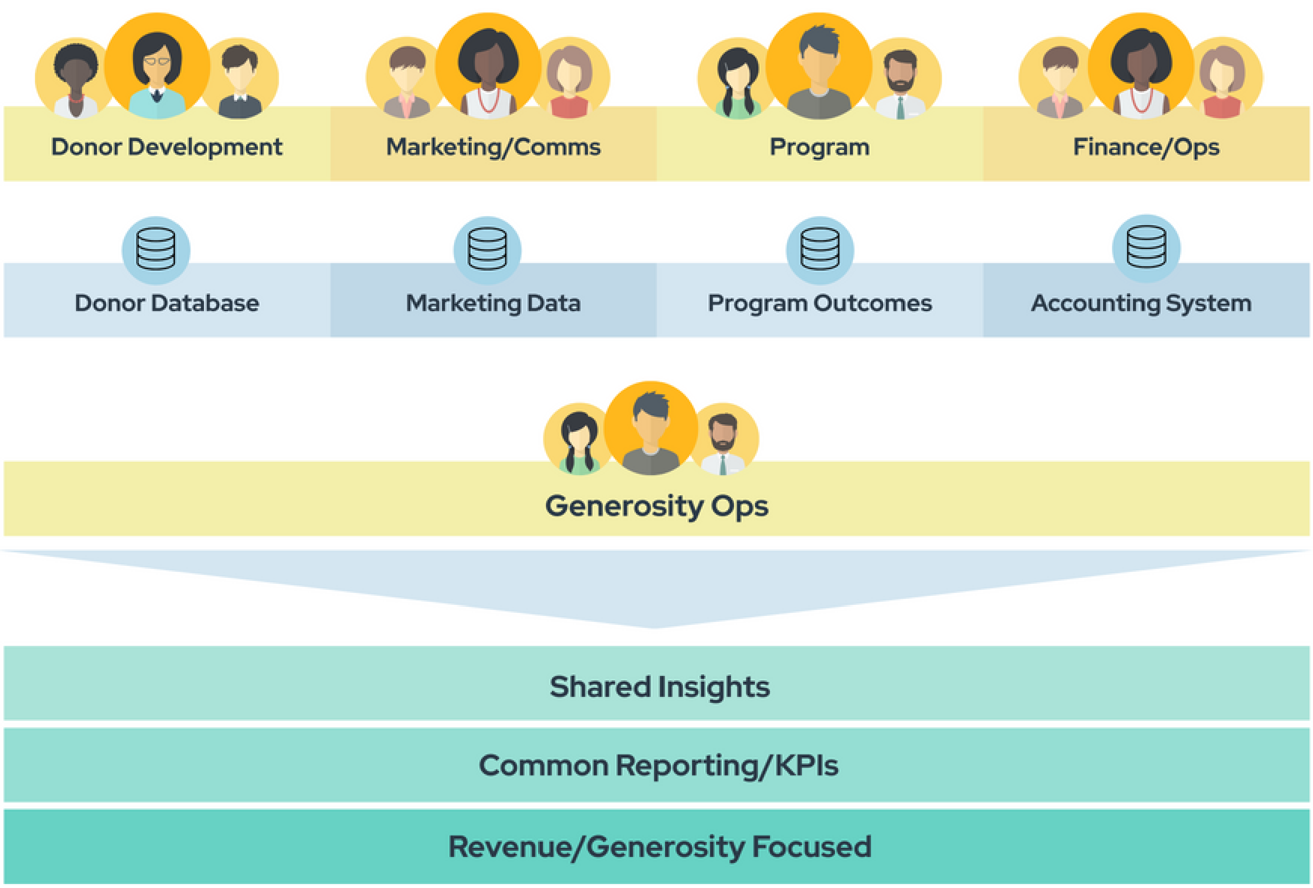
- Ensuring that Volunteer data (such as the volunteer's name, frequency, location, etc.) is connected to donor data in order to provide a holistic view of your supporters.
- Ensuring that Program impact data and stories are surfaced to Fundraising/Marketing teams and tagged appropriately to help both teams quickly source the right stories for each donor segment and better close the loop on impact.
- Ensuring that potential Ambassadors/Activists are identified early through social media, engagement, or event data—and then matched with opportunities that fit their skills and passions.
- Reporting on how Marketing, Volunteer, Program and Fundraising activities are interrelated to answer questions like "Are volunteers more likely to give financially?" or "Do personalized marketing emails drive more major donors to our website?" or "Does a personal connection to someone on our program team increase donor lifetime value?"
- Creating alignment by providing organization visibility to fundraising, marketing and volunteer quarterly KPIs. For example, the Program team may not know how much the new campaign is hoping to raise, the Major Gift team doesn't understand the impact of the new monthly giving program on the website, etc.

## Where to Start

The type of Generosity Ops team that you should launch will depend on the size of your organization. It's often difficult for smaller nonprofits to build out a full Generosity Ops team, but there are variations that can work at organizations of any size. For some orgs, a three-person cross-departmental committee with a part-time technical resource is all you need to get started. You'll need to experiment to discover what works for your specific context.

The key to a successful Generosity Ops function is identifying team members who understand both (1) the holistic needs of your organization and (2) how to leverage data and technology. Once in place, it's also critical to establish executive sponsorship and autonomy for the team, along with data/tech access so that they are able to effect change quickly.

*Generosity Ops within Typical Nonprofit Teams*



3

MATURITY STEP 3

# Segmentation & Personas

# Segmentation & Personas

## What are Personas and Segmentation?

Now that we have clean data and aligned teams, what's next?

**In order to move toward a more personalized approach with donors, we need ways to better segment donors into buckets based on their passions, capacity, stage in the donor journey.** Building segments (Segmentation) is simply the process of dividing your donors into subgroups so that you can more effectively personalize your outreach. Segmentation certainly isn't a new concept in fundraising, but historically nonprofits have primarily limited their segmentation to recency, size, or frequency (RFM) of donations in order to vary their mailings and avoid unnecessary direct mail spend.

For modern nonprofits, segmentation is a way to group donors by a range of themes and personas based on giving patterns, interests/affinity, stage in their donor journey, digital behavior, volunteer behavior, etc.

**A persona is a "fictional character" that represents a specific type of constituent** (e.g. *Sarah, the digitally connected stay-at-home mom interested in education programs*). Personas can be based on behavior, demographics, needs, preferences, etc.—and then constituents can be grouped by persona.

## Why Segmentation and Personas Matter

Segmentation, and more specifically, segmentation by persona, is the first step toward driving more personalized communication and increased generosity. Creating more personal outreach to donors will require:

- Quickly identifying each person's particular preferences and super-powers
- Dynamically tagging each person by persona to drive persona-based segmentation in future campaigns.

By organizing donors by persona, nonprofits are able to supercharge traditional giving segmentation (RFM) with relevant affinity or behavior-based data signal, and then specifically tailor more personal, meaningful connections with each supporter.

## The Technology You'll Need

- **CRM-Integrated 360 Degree Donor Views** - Digital engagement (e.g. email opens, web visits), volunteer data, advocacy data, wealth data, etc—all flowing to your CRM.
- **Automated persona tagging** based on donor behavior. Automation software connected to your CRM can effectively "listen" for key behaviors from donors (e.g. gave their first gift, volunteered, clicked our "urgent relief" email, etc.) and then assign persona-based segment data in real-time.

## The Team & Tactics You'll Need

- If you don't already have traditional donation-based segmentation in place, then it can be helpful to segment donors into key financial segments to start (major, mid, small, recurring, lapsed, deeply lapsed). **Learn more about traditional segmentation**.
- Build 3-5 core personas based on key donor behaviors. Create personas by affinity, channel, topic preferences, giving, and engagement. (Download the **Donor Journey Guide** for more on personas and journey building.)
- Map key messaging, stories and content to each persona based on their preferences.
- Identify important donor data fields required to track for each segment or persona.
- Use technology to automate tagging of donors into personas or segmented buckets.
- Ensure segments/personas are tied to all communication channels (mail, email, calls, SMS, etc). For web traffic, direct mail, and emails this means ensuring team discipline around consistent segment codes or UTM codes on all emails, web links, digital ads, letters, etc. It also requires a common shared framework for how you categorize and tag contacts. Back to Step One of our model, you can't manage what you can't measure!

"Multi-channel donors—those who give both online and offline—are worth three times more than online-only or offline-only donors. And their first-year donor retention rate is two times higher."

*NEXTAFTER*

*The State of Multi-Channel Donor Communication*

BONUS STEP

# Multi-Channel For the Win!

It's becoming increasingly difficult for nonprofits to earn the attention of donors. In our hyper-connected world, successful nonprofits understand that communicating with donors in more personalized ways across multiple channels is the key to growing giving.

.

The research says that touching donors on multiple channels, starting with email and traditional mail, is critical to increasing donor retention and average gift size.

For example:

- Multi-channel donors are worth 300% more in their lifetime value
- Digital donors are 3x more likely to become multi-channel donors
- Nonprofits see a 39% increase in giving when they call donors to thank them

The truth is that very few nonprofits are executing well on multiple channels. Virtuous recently conducted a study on multi-channel giving with NextAfter. We gave gifts as new donors to 102 organizations and, in the end, only 3 of the 102 organizations sent multi-channel communications to both the online donor and the offline donor.

Fixing this issue and unlocking growth requires a coordinated strategy where :

1. You leverage multi-channel campaigns for online, offline, and event donors (mail, email, SMS, phone). Make sure online donors are getting mail, phone calls, etc. And make sure mail donors visit your site or social feeds.
2. Your messaging across channels is designed to compliment/supplement content on other channels with symbiotic stories/content. Tell and re-enforce consistent stories.
3. Your follow up is driven by each donor's timing and preferences. Give your donors the power to communicate their own channel and frequency preferences.

Download the full **State of Multi-Channel Donor Communications** research study.

## The Technology You'll Need

- **Email + SMS + CRM + Mail + Tasks (phone calls) fully integrated into with Automation**.
- **Personas and segments synced across all channels.**
- **Gmail or Outlook integration** - Ensure that individual team email interactions are integrated into your strategy
- **Ability to track all donor communication and engagement** on all channels in one spot.

## The Team & Tactics You'll Need

- "Secret shop" your own donation experience by giving gifts via mail and online to experience what happens first-hand.
- Map out the timing of each current touch along with the desired touch points.
- Create a connected story across all of your channel communications so that messaging doesn't conflict with other channels or confuse donors.
- Ensure that physical addresses from online gifts make it into your CRM and mail program .
- Ensure there are clear digital CTAs on direct mail pieces and that emails gathered through the mail are entered and used.
- Conduct monthly cross-team campaign mapping exercise to review key messaging and results on every channel with input from the Program team.

virtuous

BONUS STEP

# 3rd Party Donor Signals

## What are 3rd Party Data Signals?

Historically, nonprofits have relied on 3rd party wealth data to identify the capacity of potential major donors. Donor wealth data refers to information about the financial resources and giving capacity each donor that is available from public data sources. This data can include a wide range of information such as income, assets, real-estate holdings , and charitable giving history.

For modern nonprofits, the use of 3rd party data has been expanded to include a range of additional data points to better understand the intent and preferences of each individual.

This data can include:

- Traditional wealth data
- Demographic data (age, gender, marital status, location, career)
- Interest and affinity data (favorite brands, political affiliation, causes of interest)
- Channel preference (email, mail, SMS, etc)
- Political affiliation and giving
- Social media accounts and social behavior/sentiment

When combined with your existing data on giving history, relationships, and volunteerism—this data can provide a powerful way to maximize the value of each relationship.

## The Technology You'll Need

- Wealth data integrated to CRM & Marketing Software.
- Demographic and social media profiles integrated to CRM & Marketing Software.
- Social media integration and social influence scoring.
- Data Analytics for wealth scoring, suggested gift asks, and outreach prioritization (incorporating data from your CRM and Marketing system).
- A system to tie key 3rd party data points to personas or segments in your CRM.

## The Team & Tactics You'll Need

- Leverage analytics/reporting to determine which 3rd party data points have the biggest influence on generosity. In the final step, we'll address AI/Predictive models as a way to accelerate these insights.
- Marketing, Fundraising, and Major Gifts teams sync quarterly on key data points are most influential - and refine as needed.
- Map 3rd party data to personas from Step 3. Automate tagging of personas and segmentation based on 3rd party data.
- Automate major gift officer portfolio assignment based on 3rd party wealth data.
- Automate volunteer prospect assignment, advocacy prospect assignment, grant prospect assignment, and planned gift prospect assignment based on 3rd party data signals like age, vocation or location.

4

MATURITY STEP 4

# Dynamic Campaigns

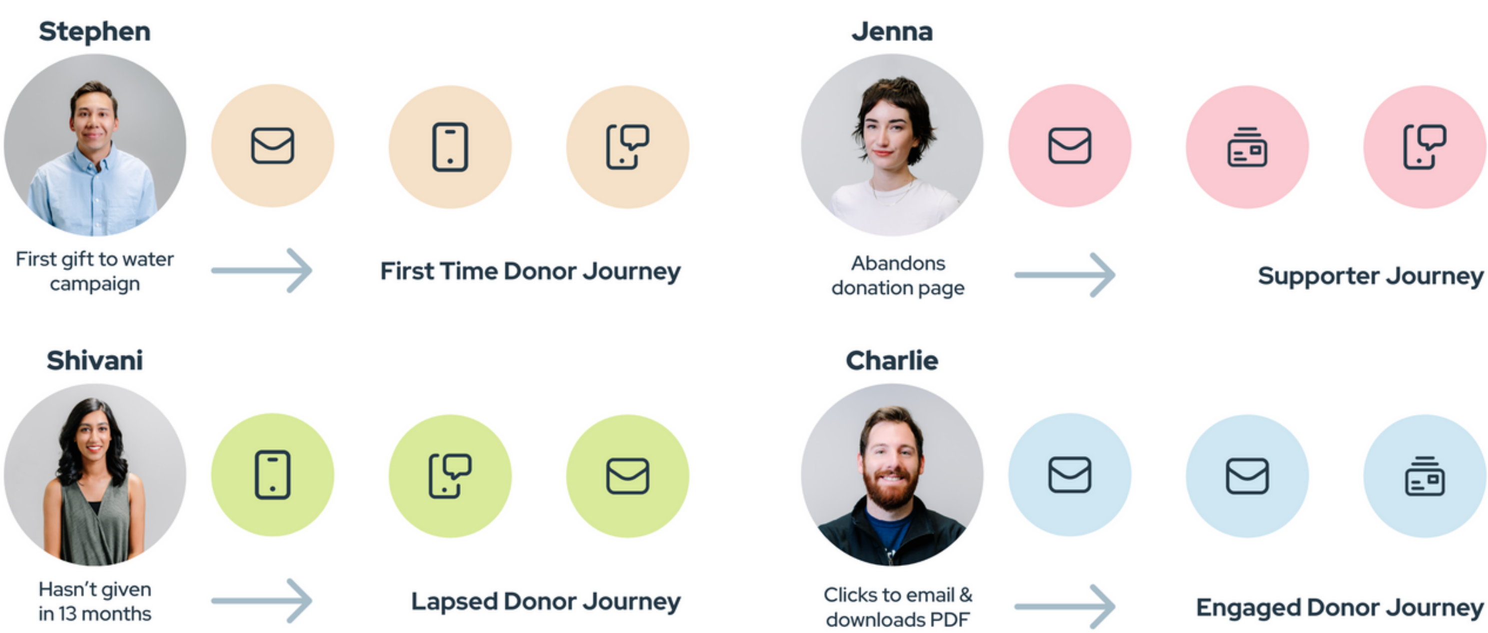
# Dynamic Campaigns

## The Difference Between Static & Dynamic Campaigns

We've officially made it to **Step Four where the principles of Responsive Fundraising truly begin to accelerate generosity**. Traditionally, nonprofits have leveraged direct response fundraising tactics that push the same email or mail piece to every donor at the same time. This one-to-many approach to fundraising can feel incredibly impersonal (everyone gets the same thing!)—but these campaigns are also largely based on the timing of the nonprofit and not the timing of the donor.

On the other hand, dynamic campaigns are based on each individual's behavior and timing. Instead of receiving an email or letter at exactly the same time as everyone else—donors receive individualized campaigns based on their own behavior, persona, or intent. Not surprisingly, this personalized approach consistently leads to higher retention, engagement, and average gift.

*Dynamics Campaigns Driven by Donor Behavior or Persona*



## The Keys to Unlock Dynamic Campaigns

- Move from manual list creation to automated & dynamic lists based on the Segments and Personas from Step 3. Use automation to identify donor traits in real time.
- Use automation to move donors through their journey automatically.
- Automate personalized messages based on key actions and behaviors (e.g. event follow up, social media warm name outreach, influencer outreach, etc).
- Design sequences that incorporate multiple channels (email, mail, calls, SMS, events, etc)
- Ensure program and marketing teams collaborate to connect key stories to each journey.
- A/B test and optimize journeys & experiences to increase giving.

## The Technology You'll Need

- Marketing Automation designed for nonprofit fundraising to automatically send the a series of the right touch points at the right time.
- Ability to automate multiple channels based on donor behavior (email, mail, SMS, calls, etc).
- Ability to automate 1) team tasks for follow-up, 2) data updates, and 3) donor tagging to increase efficiency and decrease time to important follow-up.
- A/B testing tools to test messages/CTAs and optimize response.
- Reporting tools to measure effectiveness of your donor journeys.

## The Team & Tactics You'll Need

- Map out key constituent journeys (2-4 to start). **Start with focusing on a first time donor journey and a donor retention journey**. Move to major donor assignment, volunteer follow-up, event follow-up, etc as you build success.
- Assemble key stories, copy and calls-to-action for automated donor journeys based on donor behaviors and preferences - and then vary content and channel based on persona
- Measure and test the effectiveness of each dynamic campaign.

BONUS STEP

# Inbound Marketing Campaigns

## What is Inbound Marketing?

Inbound marketing is a tactic to attract potential donors and volunteers to your nonprofit using relevant and helpful content. The goal of inbound marketing is to create content that is engaging to your target audience - and then to promote that content through social media, search engines, advocates, partners, etc.

Many nonprofits have an existing “tribe” who is already passionate about their cause. Inbound marketing builds trust with potential donors who are already interested in the cause —and positions your nonprofit as a thought leader in the space.

## What are examples of inbound marketing?

Responsive nonprofits leverage blog posts, ebooks, webinars, videos, etc. to deliver meaningful value to their target audience. This content should be optimized for search engines and distributed on social media, so that it can be easily discovered by potential donors who are searching for information related to your cause.

Great content also provides a great way for your existing raving fans to share your story with their friends in a more compelling way. By leveraging your "tribe" to share content, you can quickly expand your audience by taking advantage of  the influence and trust of people in your community. Fundraising is fundamentally personal. The more you equip donors to share stories with their friends, the more your impact will increase.

## Keys to Creating Great Inbound Marketing

- Create opportunities for a small "Yes" without having to donate (e.g ebook downloads, exclusive content, access to virtual events, access to meet with program staff, etc).
- Focus on short compelling stories and videos from the front lines of your cause. Don't make it all about you!
- When appropriate, provide short educational resources like shareable info-graphics that help educate prospects on the scale of the problem your trying to solve.
- Focus on SEO by including keywords and content related to questions that your audience might be asking on Google.
- Leveraging influencers for your cause, advocates, other thought leaders and related sites to promote your content. Be willing to shine the light on thought leaders who don't work at your organization. A rising tide raises all boats!
- Use lead forms to "gate" some of your content in order to capture interest or prospect names.
- Launch dynamic automated campaigns (multi-touch marketing drip series) that send a series of emails to warm name prospects that:
    - Provide value
    - Move them to the next "yes" (e.g. donate, volunteer, learn more, etc).

virtuous

5

MATURITY STEP 5

# AI-Driven Personalization

# AI-Driven Personalization

## The Case for AI in Fundraising

**We've made it to the final step and it's time to move on to the new frontier of AI!**

Unless you've been on a deserted island, you've been hearing a lot about the power of AI and Machine Learning. While there are plenty of risk and unknowns associated with AI, there are several areas where it can have immediate positive impact in fundraising. As a result, it has quickly become the fastest growing and final step in the Responsive Maturity Model.

While we're still learning a lot about the power of AI, we see the following two areas as clear wins for generosity growth in the nonprofit space.

- **GPT (Generative Pre-trained Transformer):** ChatGPT and other similar tools like Jasper are designed to model human language. The most forward-thinking nonprofits are already using GPT to accelerate copywriting, test new messages, and improve internal communication in a fraction of the time. If you're not experimenting with a GPT already, you should be! But, like I tell my teenage kids, make sure that you proof and modify GPT-generated text before sending it, particularly for letters and long-form emails. Use the technology to generate ideas and accelerate the process, but take the time to make it your own.

- **Behavior Prediction:** AI can be particularly useful for creating models that predict human behavior. Some of the best nonprofit-related AI is being used to successfully predict major gifts, identify volunteers, segment donors by persona, predict lapse donors, etc. Predictive models can leverage both your internal data (donations, digital engagement, volunteerism, etc) and external data (wealth, demographic, location, etc) to dramatically improve predictions about which people are most likely to give. In addition, good AI can also predict things like channel preference, gift amount, messaging preference (stats vs stories), and more. Even in it's current state, AI can be an incredibly valuable tool in driving increased generosity and improved team efficiency.

## The Technology You'll Need

- **Integrated AI-based predictive models** - models connected directly into your Marketing and CRM platforms to better segment donors and prioritize your most important follow-ups.
- **Nonprofit tech partners who are AI ready** - both tech platforms and agencies
- **Integrated GPT into the copy writing process** in order to accelerate content and message creation for your various personas (email/text composing, converting articles to emails, generating the scaffolding for appeal copy, etc)

## The Team & Tactics You'll Need

- Start with AI to predict donor retention, major gifts, and response rates on new donor acquisition lists (Who? Channel? Which ask? Message?).
- Stretch to hire Data Scientist or agency who understands how AI applies to nonprofit.
- Accelerate content with GPT (Personalized mail, SMS, email, blogging, etc).

# NEXT STEPS

Moving Forward with the Responsive Maturity Model.

virtuous

# Getting Started

Becoming a responsive nonprofit is a marathon, not a sprint. However, creating a better donor experience, generating greater generosity, and unifying your internal teams is worth the effort.

This Responsive Maturity Model is your roadmap for success. Spend some time as a team envisioning a future where your donors are excited to become advocates, volunteers are excited to become donors, and your organization is known for inspiring donor loyalty. Once you know where you are going, start with step one of this journey and get started!


## Try Virtuous

Implementing the Responsive Maturity Model with outdated tools will limit your growth. Virtuous is the only responsive fundraising platform designed to help you grow by building more personal relationships with your donors.

More than just a CRM, Virtuous fully integrates marketing, automation, events, online giving, portfolio management, volunteer management and more to provide a single unified Responsive Fundraising Platform.

See Virtuous in Action