



The Ultimate Guide to Nonprofit Donor Data Management

# Data that changes the world



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EBOOK

# Your Guide to Building, Maintaining & Leveraging an Effective Nonprofit Database

You want to make a difference. A big difference. However, to make that happen, you need to energize your existing donors and volunteers around your nonprofit organization's mission...every single day. And, of course, you must regularly generate funds and attract new donors. You can achieve all that by building a database that empowers you to develop better relationships, set realistic goals, deliver clearer reports, and execute great strategies. Ready? It's time to get to work on an effective nonprofit data management plan...so you can get on with the business of making the world a better place.

## The Big Picture: Database Essentials

There's so much data in the world (IBM is now measuring it in exabytes) that it's easy to neglect the task of managing all the data coming your way. By staying focused on three essential steps in the data management process, you can effectively use it to strengthen your organization and, as a result, make an impact in achieving its mission.

90%

of the world's data was created in the last 2 years"

IBM

1

**Collect it.** Gather data that is relevant to your donors, your organization and its mission.

2

**Maintain it.** Establish a routine to keep data updated and fresh. Regularly seek out new types of data that may improve your reporting.

3

**Use it.** With all that great data, you can develop short-term and long-term strategies, improve donor communications, accurately and quickly report successes and setbacks and motivate your team toward your mission.

## What's Working? What's Not?: An Internal Assessment

Before embarking on any data management task, whether it's simply cleaning out old information, migrating your database, or giving it a major overhaul, it's important to assess the strengths and weaknesses of your current database management process. Invite several team members for input to make sure you're getting the big picture. While every nonprofit organization is different, this list of 15 questions can guide you to a conversation about areas in your current data management process that may require improvements. Encourage candid conversations and take plenty of notes!

1. Is the current data we're gathering relevant?
2. Is our data outdated?
3. Are we sure that the data is accurate?
4. How is the data being used?
5. How often is it being used?
6. How easy is it to access data reports?
7. Are we interpreting the data correctly?
8. Should we be gathering more data?  
Different data?
9. What do our reports reflect? (donor retention, donor engagement?)
10. Who is accessing it? How often?
11. Who should be responsible for the organization's data management?
12. Do we have a policy on data management?
13. What is our process for collecting, inputting, analyzing and reporting data?
14. Could we be using the data more effectively?  
If so, in which ways?
15. How effective have we been in using data to make decisions on strategies, outreach and accomplishing our mission?





## Collecting Metrics That Matter

While collecting the data for your constituent profiles, the more the better. Some data points may be more ideal for one nonprofit than others. However, the more data you have on your supporters, the better you can appeal and steward them. Some data points you may want to consider collecting and tracking include:

- Age
- Gender
- Marital status
- Address
- Phone #
- Email address
- Social media profiles
- Household income
- Birthday
- Employer
- Income
- Pledges
- Interests
- Cost of acquisition
- Lifetime value
- Attendance at events
- Email open rates
- Soft credits
- Email clicks
- Website visits
- Direct mail response rate
- Volunteer
- Board memberships
- Follower on social media
- Cash/check vs. direct withdraw
- Has stated communication preference
- Gift amount
- Frequency of giving
- Patterns in giving
- Number of years as a donor
- Upgrades
- Downgrades

## Setting SMART goals

You can't reach your destination without a roadmap...without direction. That means setting goals, but not just any goals. You want SMART goals. As you may already know, SMART is the framework many companies use to set effective goals. But sometimes we need to be reminded of what it takes to develop goals and, as a result, incredible strategies that deliver results for your nonprofit organization. After analyzing the state of your nonprofit and collecting relevant data, develop goals using the following the SMART system:

**Specific** – What are your specific goals? Clearly define the goals your nonprofit organization wants to accomplish both on a short-term and long-term basis.

**Measurable** – Just as clearly defined your goals, develop a standard for clearly measuring them.

**Attainable** – Are your goals realistic? Can you actually attain them? If your organization has 500 supporters, for example, getting to 150,000 supporters by the end of the year may not be attainable.

**Relevant** – Just as important as it is for you to identify attainable goals, you should set goals that are relevant to your organization. Choose those that make sense for your nonprofit organization.

**Time-bound** – When do you want to accomplish your goals? Set a deadline so that you're accomplishing your goals within a certain timeframe.

# Your data management checklist



An effective data management strategy requires regular maintenance. If you're not setting and accomplishing tasks on a daily, weekly, monthly and annual basis, it's unlikely you'll be able to generate the reports that will dictate your future strategies. Use this checklist as a reminder of the exercises you should be doing regularly. Keep at it and you'll find that they will become second nature.

## Getting started

Many donor databases fail to reach their true potential simply because there is no defined process for data entry. Documenting and sticking to one universal process will ensure that all data is formatted consistently, and will protect your fundraising efforts in the event of staff turnover.

- Store your data in one place
  - Avoid multiple spreadsheets or multiple programs (accounting, email, donor database, etc.)
- Develop a standard format and naming conventions for data entry
  - Example: will we spell out Street or just use St.?
  - Example: will we use a five-digit zip code or a nine-digit zip code?
- Develop standard guidelines for data entry
  - Example: we will run a search prior to data entry in order to avoid duplicates
  - Example: only Sally and Jim will enter data (having more than one data entry person is a good idea, but having too many can cause problems)
- Have a plan for exceptions (there will always be some)
- Define optional custom fields and adhere to them
  - Delete/merge any duplicate or closely-related field
- Train your staff on all the standards that you have created
- Schedule regularly-occurring reviews of data and procedures
- Create donor segments. Develop several donor categories based on factors that can include:
  - Frequency of giving
  - Method of giving (event, online, direct mail, etc.)
  - Number of years as a donor
  - Active volunteer
  - Event attendee
  - Social media follower
  - Level of interaction (i.e. email opens, click links in emails)



Because organizations evolve as they grow, it's important to re-examine your processes every once in a while (at least annually). You may have an obsolete procedure, or find that there's a slightly better way to do something. Don't be afraid to change if it increases your productivity!

### Daily/weekly

- Enter new data (as needed)
- Update existing data (as needed)
  - Don't wait to update data if you get a change of address, name, marital status, employer, etc.
- Back up your data
  - Most database vendors/programs do this automatically, some do not

### Every month

- Identify and merge any duplicate records reports to keep team members and board members updated
- Fund/campaign activity
- Rolling LYBUNT / SYBUNT
- Overdue pledges Review your data against your goals.
  - For example, check your donor retention rate against the same month in the previous year. Develop short-term strategies to address setbacks or to make adjustments.

### Every 3 to 6 months

- Invest in advanced data services (some database vendors/programs, like Bloomerang, do this automatically!)
  - Phone append (reverse)
  - Email append (reverse)
  - Deceased suppression processing
  - Birth date append
  - Name append
- Revisit your strategic plan. Don't wait until the end of the year to determine if you're hitting your goals. If it's not performing to your expectations based on the data you're reviewing, you have time to make tweaks or significant changes to ensure that your campaign is a success by year's end.

66  
**12%**  
of all americans  
move each year"  
**U.S. CENSUS**

## Every 12 months

- Run an NCOA. A whopping 17% of Americans move each year — don't miss out! Some database vendors/programs, like Bloomerang, do this automatically!
- Purge your donor list. If you're like the average nonprofit organization, you'll find that around 88 percent of your donations are generated by about 12 percent of those on your donor list. Don't waste efforts on those who are not engaged. If people on your list have not donated to your cause in the previous two to three years, they're not likely to do so in the future. Remove everyone who falls in this category except (former) volunteers and board members.
- Develop an in-depth report for your donors to show them how their donations are making an impact. Incorporate this information in your annual report.
- Check businesses on your donor list to see if contact information needs to be updated.
- Review and update the organization's data management policy. If you don't have one, develop guidelines to ensure that the data gathering, entry and maintenance process is consistent no matter who is handling the task. Make sure it covers details from ensuring the accuracy of data to the methods of reporting.
- Train your staff on any updates with your donor management software to ensure that it's being used effectively.



88%

of dollars raised come from  
12 percent of donors"

## Conclusion

By properly establishing and maintaining your organization's database, you're able to set the foundation your organization needs to accomplish its mission. An effective database gives you the right tools to develop insightful reports, powerful strategies, and impactful messages for your donors.