

## Business Intelligence for Fundraisers

AKA Leveraging New Technologies such as Data Visualization, In-Memory Storage and Predictive Analytics in order to make better and faster Fact-Based Decisions.

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As we continue to pick-up speed on our journey down the information super highway, more and more fundraisers are voicing their concerns that amidst the promise of CRM, data warehouses, predictive analytics, and executive dashboards the reality may be much less than they have been hoping for. There is a feeling of being overwhelmed by the sheer volume of information, the speed at which it changes, and the varying degrees of information quality and relevance.

These concerns are actually all signs that fundraisers are ready for business intelligence. The reason business intelligence is only now starting to be talked about seriously within our industry is that without the ability to aggregate data and perform basic analytics its effectiveness is greatly reduced.

So what is business intelligence? Simply put, business intelligence is the collection, integration, analysis, and presentation of information to support data-driven decisions. When fully implemented, a business intelligence system provides deeper understanding of the interrelationships between data points, understanding that is often buried in multiple databases.

### **I Can See What You Mean**

A picture is truly worth a thousand words when it comes to information, and that is why data visualization is a key component of any successfully utilized business intelligence system. This is also why you are hearing so much about executive dashboards. Dashboards are a great first step, but the intelligence you will glean comes from combining visualization with the tools necessary to work with the data.

In fact, the best business intelligence systems allow the end-user to “play” with the data. You might think “play” is a strange word to use in the business world, yet studies have shown that enabling end-users to easily navigate data yields insights that are lost when they can only work with static dashboards or reports.

## Moving From Display to Discovery

A common mistake is to think that business intelligence is a data dashboard similar to a car where the speed, fuel, mileage, etc. are reporting what is happening at any given moment. Rather, with business intelligence, the dashboard becomes interactive, giving you insight into where you have been, what you are currently doing, and what you need to change to get to your destination.

What insights can a business intelligence system provide fundraisers? There are many, but they tend to fall into four broad categories: prospect identification, staff and prospect management, annual giving appeals targeting, and campaign management. With prospect identification you can discover prospects that are now hidden beneath a sea of ratings, scores, and wealth indicators. Key Performance Indicators are all the rage, but are the prospects you and your team have under management moving through the process in a timely, and effective, manner? Are your prospect portfolios balanced correctly? Are you targeting your appeals to obtain the highest possible yields, or just “shotgunning” them out there? Is your campaign and the components that make-up the campaign on track? Are you doing really well with certain prospect types, but not with others? Are certain types of fundraisers struggling with certain types of prospects? These are just a few questions that business intelligence can answer.

## Intelligence-Mart

Discovering the answers to these questions comes from end-user analysis and clear presentation of results. To glean this insight you must first overcome the biggest obstacle to business intelligence implementation: data collection and integration. Many organizations and institutions are in the process of, or planning for, a data warehouse or data mart project. The problem is that you need answers today and, to be frank, these projects can take a long time to complete.

This is why we are seeing a new type of business intelligence tool offered which has the capability to bring multiple data sources together virtually, without a data warehouse. We want to emphasize that ideally you would use business intelligence tools with a data warehouse, but we live in the real world and in that world you are most likely living without a central repository of organizational information.

## In-Memory = Speed

Another benefit of today's business intelligence tools is that they can work "in-memory". What that means is that they load your data into memory rather than on a disk. This technology, combined with visualization, is what creates an information playground where you can freely, easily, and quickly ask the questions you need answered and see results in real-time. Gone are the days of asking for a complex query to be created or a report to be generated. And, these new in-memory technologies can load your entire database of constituents, gifts, contacts, proposals, and a variety of descriptive characteristics into a standard PC platform.

You might be thinking that your IT department would not support this concept because they lose control of the data. Actually IT departments are among the first on the business intelligence bandwagon because it frees them from creating those complex queries and reports which drain their time and system resources. There is a growing acceptance that the days of the "data library" where you ask a question, an expert prepares a report, and then at some point you receive the answer is not providing the real-time intelligence needed to be successful in today's demanding fundraising environment.

## Predictive Analytics = Understanding

The third new technology to enter the fundraising scene is predictive analytics. Simply put predictive analytics allows you to select one group (for example, alumni who have given over \$100,000), and understand how they compare with everybody else. The "model" will tell you, for example, that certain types of degrees are important and that MBA's are more likely be \$100,000+ donors than other degree holders. In most cases there will be a set of 10 or more of these "factors" that "describe" the target group and what makes them different. Then you can quickly "score" everybody else to determine which others you might expect could be \$100,000+ donors, but aren't already. The scoring creates a ranked ordering which is ideal for follow up by your staff and marketing programs.

The new business intelligence solutions on the market today make this easy for your staff to do – no need to farm work out to consultants who are not familiar with your donors and operations. Your team knows your donors better than anybody else, and business intelligence enables them to do this kind of work on their own.

## Visual Discovery™ in Action

Imagine you need to the answer to the following question:

*A major gift officer is planning a trip to Chicago to visit with prospects and needs to know who are the most likely to support a new soccer stadium. The major gift officer has determined that prospects need to live within 25 miles of the Chicago metropolitan area; have minimum major gift capacity of \$250,000; have minimum known assets of \$1,000,000; Minimum cumulative past giving of \$100,000; have made a single annual gift of at least \$10,000; and are a current member of the Booster Club. Ideally prospects who are alums have also participated in soccer; participated in another sport; are active members of the new Alumni/ae On-line Community; and/or have given to another institution's athletic program.*

Now think about where that data is housed. For this example we will assume the following

- 1) Legacy system maintains demographic data; institutional giving data; and Activities
- 2) Booster club maintains a database of member activity
- 3) Wealth screening results are maintained in a separate database managed by research
- 4) On-line Alumni/ae community activity is maintained by the Alumni Association

To get to your answer you will need to create a query for each system, run the query, export the data, compare the results from each system, and finally prepare a list. This process might take anywhere from hours to days or even weeks if there is a back-log in your IT department.

With Advizor Visual Discovery™ you will have already created a virtual data warehouse of all four databases with the data linked by a common ID. In a matter of minutes you will be able to not only answer the question, but you will likely also see additional criteria which you can easily add in order to produce a superior result.

Once you have the results, you can publish them to an interactive dashboard which can be accessed directly by the major gift officer. This is not a fantasy; it is a reality than can be enjoyed by fundraisers today.

## The Age of Intelligent Information

One of the great ironies of the information age is the true beneficiaries, or end-users, of the data have too often been passive participants. The person who knows what you need is you, so you need to have direct access and ability to work with the information. And it needs to be as easy as an iPhone. You might say we are entering the information age where the “i” stands for intelligence and the intelligence that is most important is yours.

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