

# Stanford SOCIAL INNOVATION<sup>Review</sup>


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*Field Report*  
**Collaborative Fundraising**  
By Sarah Murray

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## FIELD REPORT

 A worker for the Contributor Development Partnership canvassing service signs up a donor for Rocky Mountain PBS.

# Collaborative Fundraising

The Contributor Development Partnership is revitalizing public broadcasting with a fundraising model that can help other large nonprofits with local affiliates.

BY SARAH MURRAY

**I**ncreasing membership and soliciting donations used to be no easy task for WCTE Upper Cumberland PBS. The Tennessee-based television station had on-air pledge drives and used a database and GiftWorks donor management software. But its IT systems were not integrated, and many processes required staffers to key in information.

“Our membership manager would generate and print letters, hand-fold them, and send them out,” says Avery Hutchins, WCTE’s director of development and marketing. “As money came in, we had to manually enter those deposits.”

But in February 2016, this burden lifted when WCTE handed over management of all its correspondence with members to the Contributor Development Partnership (CDP). Launched in 2011 with funding from the Corporation for Public Broadcasting (CPB) and WGBH, the New England public broadcaster, the CDP gives stations a data-driven approach to fundraising as well as access to software and services that many would find prohibitively expensive if purchased individually.

“Now, if someone wants to donate or become a member, they click on the button and fill out the whole form online,” Hutchins says. “That data goes straight into our software. A thank-you letter gets generated

and goes out in the next mail stream, and it automatically generates an e-mail response.”

That boosted efficiency has helped WCTE attract and retain more donors and increase its net revenues—from about \$96,000 in 2014-15 to more than \$135,000 in 2015-16, with \$158,000 projected for 2016-17. It is a pattern seen more broadly: Since 2012, when the CDP started offering services for stations, participating stations have raised an additional \$55 million in new net revenues.

This is welcome news. In recent years, public broadcasting has experienced sharp falls in viewership and donors—and shrinking revenues have serious implications for programming. But while the rise of competing options renders viewership declines hard to reverse, the CDP’s creators believe its new model offers public broadcasting stations, let alone nonprofits in other fields, a big opportunity to increase their revenues.

### THE IMPORTANCE OF GOOD DATA

A key part of the effort uses improved data capture and analysis driven by collaboration. It was not that stations had never shared data—far from it. In fact, US public broadcasting lends itself to such cooperation. Made up of national programming providers and independently owned and operated local stations, few compete with each other (except in regions served by more than one station). “They’re very collaborative and willing to share data—and that doesn’t often happen in this sector,” says Steve MacLaughlin, vice president of data and analytics at Blackbaud, which provides nonprofits with software and services and helps the CDP to develop and manage its data.

However, the idea was to go from simply comparing stations’ performances to finding out which were doing better and why, and what were their most promising revenue opportunities. “It’s not enough just to know the benchmarking,” MacLaughlin says. “You need deeper insights into revenue opportunities—should an organization focus on monthly donors, membership renewals, or matching gifts?”

Part of the challenge was persuading stations that often saw themselves as unique that they could do more to share best practices. The insights generated from better data were crucial to this,

says Chuck Longfield, chief scientist at Blackbaud, who developed software for WGBH and started two companies focusing on nonprofits and data.

Take corporate matching gifts. Some stations might believe they are better positioned to raise a larger proportion of their money in this way because of the presence of large companies in their area. But the data paint a different picture, according to Longfield: Stations in areas that have a heavy



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corporate presence are not necessarily raising more through corporate matching gifts than others.

“I started calling it the science of philanthropy,” Longfield says. “That was a whole new concept to the stations.”

The initial investment from the CPB and WGBH focused on streamlining the system, which proved crucial for building the CDP database. “Years later, it seems simple and elegant, but it was a massive challenge,” MacLaughlin says. Each station had its own way of collecting and storing data and used different terms for the various forms of fundraising. Moreover, the CDP’s creators knew that broadcasters would be unlikely to submit data unless it was easy, so they designed the system in such a way that stations did not have to install new software to use it.

“It’s about overcoming the fact that any independent organization is always looking for a reason to say no,” says Michal Heiplik, the CDP’s executive director and head of membership marketing at WGBH. “So in removing those reasons, that architecture was critical.”

The CDP’s creators also sought to present information in a simple, easily digestible way—and free of charge. The result was the Revenue Opportunity and Action Report (ROAR), a one-page quarterly benchmarking bulletin produced for each participating station. Based on 24 key fundraising metrics—from overall member retention to matching gift revenue and vehicle donations—the report shows how stations compare with national averages and benchmarks, and provides insights into potential gains from improving their performance in key areas. Simple traffic-light icons indicate relative performance in each metric. “Green is good, yellow means you need to look at it, and red means you need to fix it,” MacLaughlin explains.

Although these analytical steps represent enormous progress, the CDP aims to increase the frequency of data flow so that, rather than creating a snapshot of fundraising performance, it can paint an ongoing picture. While data comes from stations four

times a year, Longfield says, “what you’d love is to get the data all the time, because there are some opportunities where, if you’re going to take advantage of them, you need to tell someone right away.”

#### **TAKING ACTION WITH SHARED SERVICES**

While better data gives stations new insights on fundraising performance, stations also need to be able to act on them. For many, this is not easy. “The fundraising world has continued to get more complex with digital and social media marketing, database marketing, and everything from text-to-give to door-to-door canvassing,” says Ben Godley, chief operating officer and executive vice president of WGBH, which continues to fund the CDP. “But there’s no way these stations can grow in sophistication because they don’t have the resources.”

This problem prompted the CDP to add a second key element: shared services, which enabled stations to outsource fundraising programs at an affordable price. “What stations really need is turnkey-simple execution,” Godley says.

In smaller stations, one staff member might serve as pledge producer, membership director, and data entry officer. This leaves little time for the critical step of developing new strategies. David Preston, vice president of member and viewer services at Minnesota’s TPT—Twin Cities PBS, a station with annual revenues of about \$32 million, says he spends much of his time searching for new fundraising opportunities. Part of this involves exploring what he calls the “what if” of new funding sources and untested strategies—a leisure that smaller stations cannot afford.

And if internal resources are limited at many smaller stations, so is their ability to purchase software services at competitive prices. Here again, CDP has stepped in to help: Hutchins cites the membership software WCTE uses through its CDP participation (stations do not pay for any software that the CDP uses to execute its services). “If we were to buy that software on our own, it

would have been \$20,000 to \$30,000 to have it created, built, and implemented,” she says.

The CDP also offers shared fundraising services, such as door-to-door canvassing and vehicle-donation programs. And because it is buying these services on a large scale, the CDP can negotiate much better rates than individual small stations can. Thanks to these advantages, some stations pay a monthly retainer to the CDP to outsource their entire membership fundraising operation. But while stations can cherry-pick the CDP services they want to use, they cannot adapt them. “If you had each station trying to modify best practice, you’d never get scale,” Heiplik says. “So once they sign up, it’s our show.”

Take, for example, thank-you calls. After research revealed that calling a donor at a specific month and time of day using a set script can make a big difference to donor retention, the CDP engaged a telemarketing company. “The station cannot edit the script or the timing; we execute the calls and stations pay the bill,” Heiplik says.

The CDP has proved popular. By October 2016, 133 of the country’s 180 public television stations had signed up, along with 68 radio stations. And this popularity has translated into dollars and donors. For example, in its first two years of operation, the Thank You Call program generated a 56 percent increase in first-year donor retention and a 72 percent increase in first-year-revenue retention.

With the philanthropic sector competing ever more intensively for donor dollars, these are results other nonprofits might envy. So is the CDP model applicable to other charitable organizations? Its creators think so, particularly for national or global nonprofits that have local affiliates, such as Habitat for Humanity or the Special Olympics.

“Public broadcasting was a natural breeding ground as an incubator,” Heiplik says, “but it’s absolutely applicable to any nonprofit with a federated organization.” The key, he stresses, is to build trust with organizations and maintain their individual branding in donor engagements. “The end donor never knows CDP has been there,” he says. “We’re just making them look better.” ■