

So You Think You Need an Electronic Screening?

Academic Impressions

Virtual Seminar Part I

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Seminar Goals

- What can electronic screening (ES) do for you?
- How do you determine your ES needs?
- What are the ethical issues with ES?
- How can you find the best vendor for you?
- How can you make the case for an ES?

Industry Overview

- Brief history of ES:
 - ✿ 1980s – All demographic.
 - ✿ Evolved to household specific assets.
 - ✿ Added household specific wealth indicators.
 - ✿ Value added: scores and ratings.
 - ✿ Super powered: predictive models.

Terminology

- **Geodemographic Data:** External data, not directly related to assets — census data, warranty cards, neighborhood home values.
- **Hard Asset Data:** External data from public records — major stockholdings, property values, political contributions. Not bank accounts!
- **Wealth Indicators:** External data— yacht ownership, luxury cars., etc.

Terminology

- **Scores/Ratings:** Based on your data — # of gifts, value of gifts, consecutive years of giving, event attendance, etc.
- **Models:** Statistical predictions of future behavior based on your data. Can then be combined with external data.

Industry Overview

Kinds of Services:

- ❁ Geodemographic Screening
- ❁ Birthdate appends
- ❁ USPS address updates, phone number, email appends
- ❁ Hard asset screening
- ❁ Selective screenings (e.g., just real estate holdings).

Industry Overview

Kinds of Services:

- ❁ Wealth indicators
- ❁ Foundation screenings
- ❁ Predictive modeling
- ❁ Online access
- ❁ Consulting

Typical Costs

- Don't focus solely on cost per record:
 - ✿ Figure out your needs.
 - ✿ Identify a vendor who can meet them.
 - ✿ Negotiate the things you need.
 - ✿ Consider screening smaller, more targeted sample.

Typical Costs

- Price ranges:
 - ✿ Address, email, age appends: \$.05 per record.
 - ✿ Hard assets: ~\$1 per record.
 - ✿ Geodemographic: ¼ to ½ cost of hard assets.
 - ✿ Modeling: varies considerably.

Benefits of Electronic Screening

- **Asset and Wealth Indicator Screenings:**
 - ✿ Efficient way to review 1,000s of records.
 - ✿ Points research to new prospects.
 - ✿ Identifies top prospects.

Benefits of Electronic Screening

- **Scores, Ratings, and Predictive Models:**
 - ✿ Improves accuracy with household-specific data.
 - ✿ Helps you focus activity of fund raisers quickly.
 - ✿ Models can identify your future best prospects.
 - ✿ Models help with strategy.

Limitations of Electronic Screening

- Asset and Wealth Indicator Screenings:
 - ✿ Computer generated.
 - ✿ Public information only.
 - ✿ Limited ability to distinguish \$1m from \$100m.
 - ✿ No information on *disposable* assets.
 - ✿ Some people will not turn up (retired, wealth is in spouse's or foundation's name, or offshore).

Limitations of Electronic Screening

- **Asset and Wealth Indicator Screenings:**
 - ❁ False positives.
 - ❁ Young alumni may still have parents' address on record.
 - ❁ Yet to be proven for prospects outside the U.S.
 - ❁ Each data point needs to be evaluated separately — only as good as the database being used.
 - ❁ Merely a pointer to wealth.

Limitations of Electronic Screening

- Scores, Ratings, and Predictive Models:
 - ✿ Require prospect management support.
 - ✿ Standard vs. Custom models.
 - ✿ Statistics, not individual research.
 - ✿ You probably already know more about your top prospects than any screening company.
 - ✿ How much information does a fundraiser really need to make an ask?
 - ✿ Capacity scores don't indicate interest.

Defining Your Goals

- Know Your Organization's Screening History.
- Why Screen?
 - ✿ Identifying new prospects.
 - ✿ Qualifying prospects (ratings).
 - ✿ Prioritizing existing prospect pool.
 - ✿ Targeting direct mail/annual fund upgrades, planned giving brochures.

Defining Your Goals

- Why Screen?
 - ✿ Estimating the overall capacity of your prospect pool.
 - ✿ Getting to know your donors and prospects better.
 - ✿ Understanding prospect behavior (ratings).
 - ✿ Predicting prospect behavior.

Issues to Consider

- Who to Screen?
 - Alumni (Young/Mature), Parents, Friends, Regions, Patients.
- Who Not to Screen?
 - Trustees, Managed Prospects, Unsolicitable Constituents, International Constituents, Staff, Past Non-Donor Parents, Relatives of patients who died in your hospital.
- Tight or Loose Match?

Issues to Consider

- Off the Shelf or a La Carte?
- One vendor or a combination?
- Some data, like gifts to other charities, is unreliable.



Issues to Consider

- How to keep Research from becoming overloaded or being seen as a bottleneck.
- A screening is not a replacement for a researcher.
- How many new prospects can your fundraisers take on? Are they prepared to prune their portfolios?

Issues to Consider

- (How) will you integrate the results with your donor or member database?
- How will you produce a prospect profile that combines your bio, demo, and gift data with screening results?
- How will you track outcomes?
- How long will it take to see results?

Ethical Issues

- Which data to send?
- Which information to receive?
 -  Public Information
 -  “Public Information”
- Who gets to see the results?

The Selection Team

- **Committee Decision**

Pros:

- ✿ Need to get all stakeholders on the same page.
- ✿ Two (or more) heads are better than one.
- ✿ Dividing up the work.
- ✿ Team building and buy-in.

Cons:

- ✿ Can take longer to decide.
- ✿ Need a good facilitator who understands screening, modeling and is respected by the team.

The Selection Team

- Building Buy-In
 - ✿ Research Staff
 - ✿ Technical Staff
 - ✿ Fundraising Staff
 - ✿ Departmental Leadership
 - ✿ Executive Leadership
 - ✿ Volunteers
- Who Will Chair the Team?
 - ✿ Researcher? Fundraiser? Both as co-chairs?

The Selection Process

- Make a short-list of vendors you would like to invite to participate in the selection process.
- Call potential vendors and let them know what you are trying to do.
- Invite the vendor to do their “dog and pony show” to the selection team, via web presentation, or in person.
- Try to schedule each of the vendor presentations within a short time frame, for example, one week.

The Selection Process

- Test each of the vendors' products
 - ❁ USE THE SAME DATA FOR EACH VENDOR.
 - ❁ Pick names you know well as well as names that you don't know as well.
 - ❁ Provide the data to each vendor at the same exact time.

The Selection Process

- Have the vendor deliver the results and interpret the data, again, via web presentation, or in person, to the selection team (again, try to schedule these visits during the same time period).
- Evaluate the results and how they will potential interface with your database.

The Selection Process

- Have the vendor provide you with three profile reports for you to evaluate more closely (choose the same profiles from each vendor tested).
- Don't be afraid to ask the vendor to provide more information to help you evaluate the product.
- Narrow down all of your vendors to your top choices.
 - Use a Weighted Rating System to evaluate the vendors.
 - Use the Olympic selection method.
 - When in doubt, go with your gut feelings.
- Reference checks.

Evaluation Criteria

Traditional Asset Screening

- Consider the Sources

- Real Estate match data

- Lexis-Nexis is the most common; other sources?

- Securities match data

- Thomson and Vickers is used frequently

- What other sources does the vendor use?

- Does the vendor provide information on stock options?

- Private Company Information

- Dun & Bradstreet is used most often; other sources?

Evaluation Criteria

Traditional Asset Screening

- More sources to consider
 - ✿ News, Who's Who
 - ✿ Philanthropy, \$1M Lists, Yachts, etc.
- Matching
 - ✿ Exact vs. Near
 - ✿ Household Specific

Evaluation Criteria

Traditional Asset Screening

- Scoring/Ratings
- How will the results integrate with your donor database? If integrated, is it bi-directional?
- Do you have the ability to refresh the data?
- Do you have the ability to screen new names?
- Do you have the ability to screen foreign names?

Evaluation Criteria

Traditional Asset Screening

- What are the reporting capabilities?
- Can you map your data?
- Staff Support/Consulting
- Delivery of results, training, education on how to use the system.
- Customer Service

Evaluation Criteria

Traditional Asset Screening

- Your past Experience working with the vendor.
- Biggest “Pro”
- Biggest “Con”
- Cost
- References from other clients.

Evaluation Criteria Predictive Modeling

- Custom or standard
- Appended data
- Match with needs
- Staff support/Consulting
- Cost
- References are key

Reference Check Questions

- How long did the project take?
- Who was involved?
- Who has access to the raw screening results?
- (How) have you integrated the results with your main database?

Reference Check Questions

- Did the vendor help you use the results?
- How is the vendor's customer support?
- Were you happy with the vendor's training?
- What would you do differently next time?

Decision Time

- Final Decisions
- If necessary, ask vendor to re-price their proposal
- Negotiations
- Contract Reviews
- Making the Case For \$

Next Steps

- Feedback to Vendors
- Implementation Timeline
- Implementation Plan
- Tracking and Reporting on Results

Handouts

- The APRA Ethics Statement
- Electronic Screening: Assume Nothing Question Everything: A Self-Study Guide for Fund Raisers Considering the Purchase and Implementation of an Electronic Screening
- RFP Sample from the University of CT
- Electronic Screening Vendor Reference Questions
- Sample Analysis of Potential Vendors
- APRA Connections Summer 2003 ES Issue

Resources

- Prospect Research: A Primer for Growing Non-Profits
by Cecilia Hogan
- “If I had an Electronic Hammer: Implementing Screening and Data Mining Results” APRA Connections, Fall 2002
by Stephen Hupp
- APRA Connections Special Issue on Electronic Screening,
Summer 2003.
- “Gifts are in the Details” CASE Currents, May 2006
by Shelby Radcliffe McClintock and Jennifer Shimp
Bowerman

Resources

- Robert Hoak, OnPhilanthropy: “Why Bill Gates Is Not a Prospect for Your Campaign!”
www.onphilanthropy.com/site/News2?news_iv_ctrl=-1&page=NewsArticle&id=6354
- Timothy Conley, *CASE Currents*, May/June 2002: “Narrowing the Field: Make an informed choice when seeking an electronic prospect screening service”
- APRA Vendor Listings:
www.aprahome.org/vendors/showcase.htm