ANNUAL GIVING
BOOT CAMP

Reeher's Six Squares:
The Building Blocks for Segmentation

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What We Will Cover Today

Methodology for segmentation

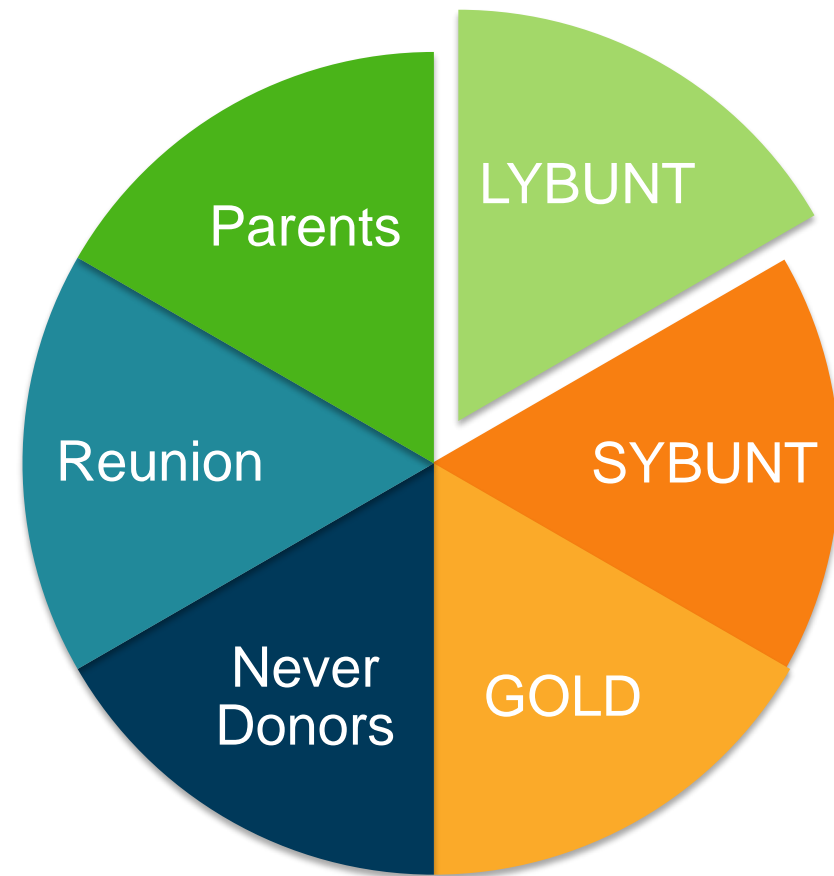Approaches and research to frame context for segments

Using the tools to improve segmentation

Traditional Annual Giving Segmentation

- Centered around past giving
- Challenging to maximize approach
- Can become very complex

Ideal segmentation would incorporate giving and engagement across all relationships

Moving Past LYBUNT and SYBUNT

Leaks targets

Can focus attention on donors with low likelihood

Gives false positives

Only accounts previous giving and therefore more volatile to change

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Leveraging EVI and PDI

Annual Fund Expected Value Index

- Rank order of all relationships based on the estimated size of their gift for the current fiscal year

Annual Fund Probability to Donate Index

- Percentage score of the likelihood of them making a gift this fiscal year

Use Predictions to Focus Resources

TAKEAWAY:

Predictive systems improve results by better targeting cultivation resources.

Predictive Systems

- ☐ Unsegmented
- ☐ Wealth
- ☐ LYBUNT / SYBUNT
- ☐ Brand X
- ☐ Brand Y
- ☐ EVI (Reeher)

The Reeher Six Squares for Annual Fund Segmentation

PDI

High — Low

EVI

High

Low

All Relationships

The Reeher Six Squares for Annual Fund Segmentation

PDI

High ← Low

EVI — High / Low

High Value (AF EVI >= 65) High Probability (AF PDI >= 10)	High Value (AF EVI >= 65) Medium Probability (AF PDI >= 2 and < 10)	High Value (AF EVI >= 65) Low Probability (AF PDI < 2)
Low Value (AF EVI < 65) High Probability (AF PDI >= 10)	Low Value (AF EVI < 65) Medium Probability (AF PDI >= 2 and < 10)	Low Value (AF EVI < 65) Low Probability (AF PDI < 2)

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The Reeher Six Squares for Annual Fund Segmentation

PDI

High Low

EVI

High

Low

High Value (AF EVI >= 65) High Probability (AF PDI >= 10)	High Value (AF EVI >= 65) Medium Probability (AF PDI >= 2 and < 10)	High Value (AF EVI >= 65) Low Probability (AF PDI < 2)
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The Grid

FY2013 through Q4

Segment	Records	Non-Donors	Donors	Participation	Acquired	Retained	Renewed
Green	48,876	28,363	20,513	42.0%	2,248	13,074	5,191
Purple	9,654	8,109	1,545	16.0%	598	488	459
Blue	62,998	62,676	322	0.5%	121	106	95
Red	80,758	78,926	1,832	2.3%	1,110	416	306
Yellow	5,523	5,522	1	0.0%	1	0	0
Orange	124,250	124,248	2	0.0%	0	2	0

PDI

High ⟵ 10   2   Low

EVI — High / Low

High Value (AF EVI >= 65) **High Probability** (AF PDI >= 10)	**High Value** (AF EVI >= 65) **Medium Probability** (AF PDI >= 2 and < 10)	**High Value** (AF EVI >= 65) **Low Probability** (AF PDI < 2)
Low Value (AF EVI < 65) **High Probability** (AF PDI >= 10)	**Low Value** (AF EVI < 65) **Medium Probability** (AF PDI >= 2 and < 10)	**Low Value** (AF EVI < 65) **Low Probability** (AF PDI < 2)

65
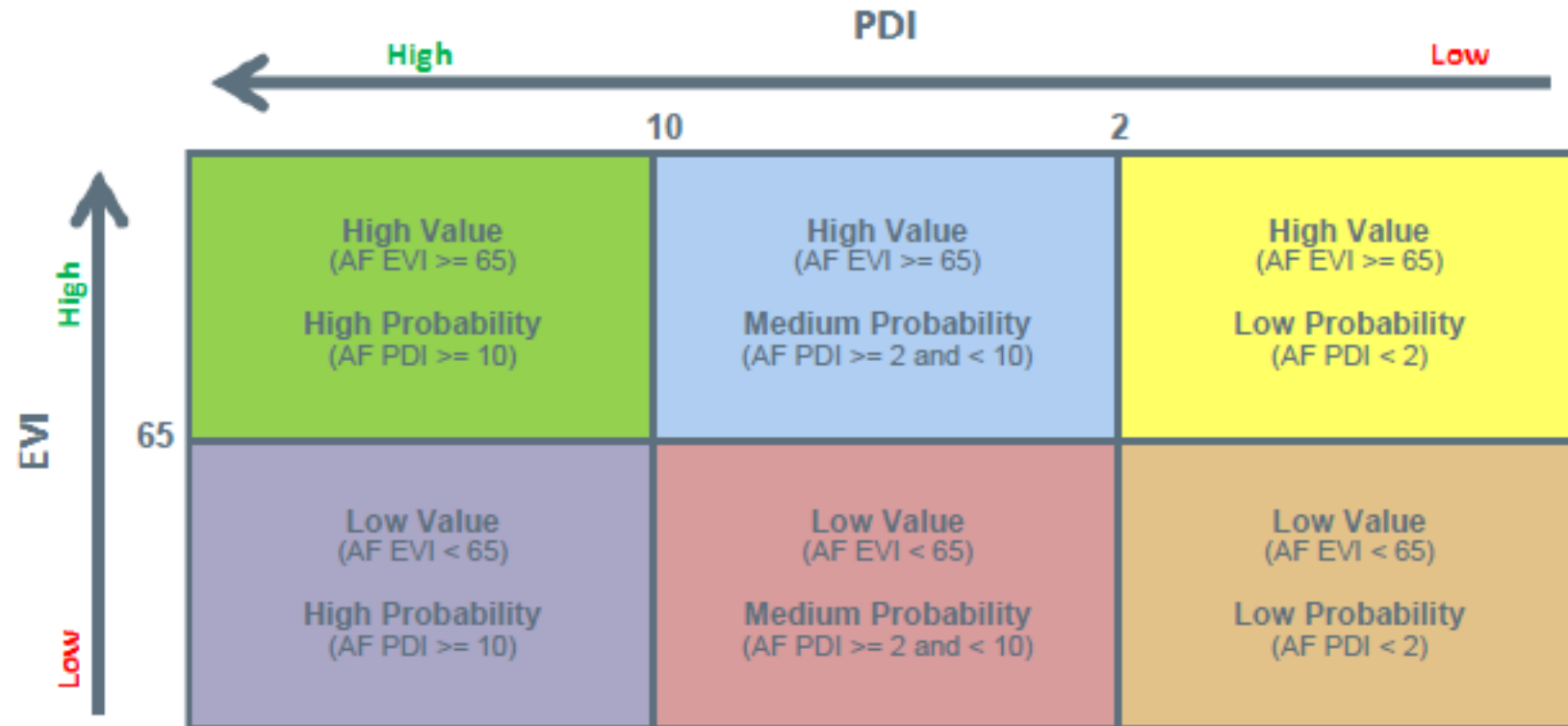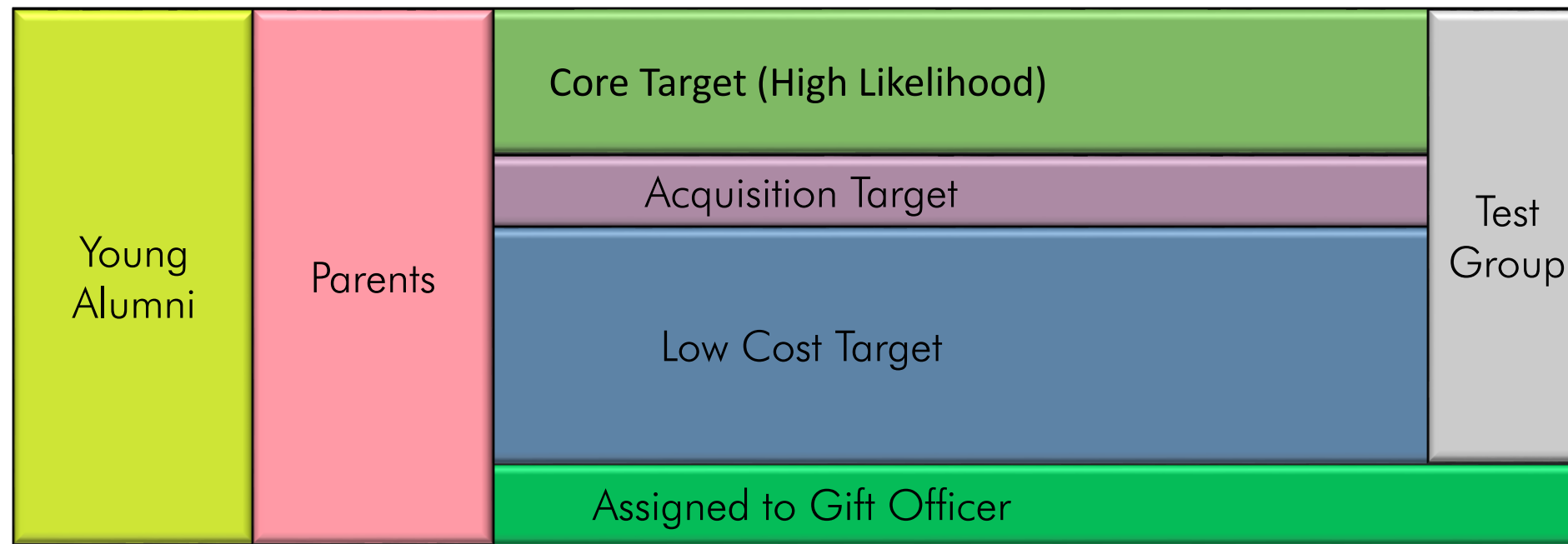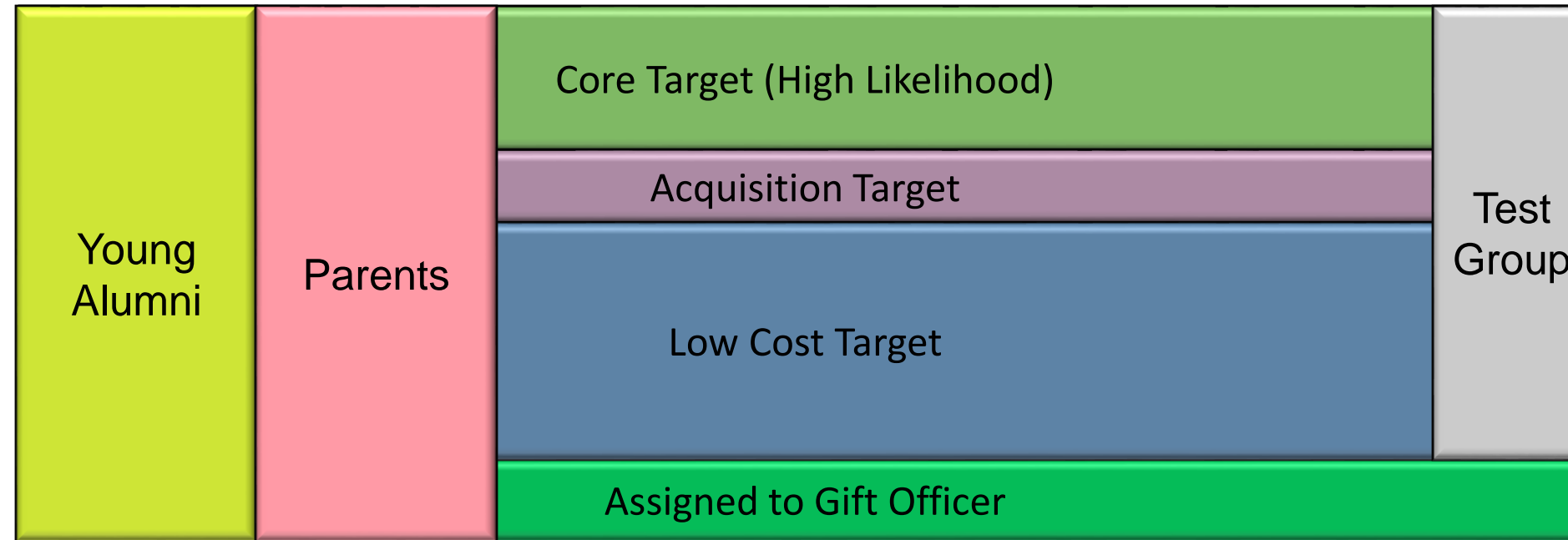
Sample Simple Segmentation

- EVI & PDI can streamline segmentation
- LYBUNT, SYBUNT, Degree Type, Marital Status information finds its appropriate weight in the model
- Messaging can be targeted, but needs to be tested

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Likely Strategies

		Core Target (High Likelihood)	
Young Alumni	Parents	Acquisition Target	Test Group
		Low Cost Target	
		Assigned to Gift Officer	

Young Alumni
- "Full Stream" of Material for first 5 years"
- Divide into "high interest" group for extra cultivation over their lifetimes

Parents
- Use Net worth variable to sort on capacity
- Disregard EVI and PDI for new parents

Core Target
- Focus on Retention & Renewal
- Anniversary date
- Use Net worth to test ask amounts

Acquisition Target
- Highest PDI of non-donors
- High intensity and high concentration

Low Cost Target
- Minimize spending
- Create small test groups to experiment using "champion" acquisition strategy

Test Group
- Testing strategies for Core and Acquisition are highest priority
- Ask amount tests for Core
- Sequence and timing tests for Acquisition

Case Study

Public University

110,000 alumni

Annual Fund Priorities
- Maximize on Annual Fund Resources
- Improve Annual Fund planning
- Focus on Gift Band Migration

Implemented in 2013

Case Study

Decreased mailing list from 45,000 to 27,000

Increased donors by 7 % and dollar amount by 5%

$9,000

$8,800

$17,800

Thank You.

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