Workbook:

Calculating the Numbers for Our Four-Step Portfolio Review

This workbook helps you calculate the data you'll need to complete our recommended four-step approach to benchmarking and conducting a prospect portfolio review for your Major Giving Program.

Before you complete these calculations, you'll want to read our accompanying Resource Guide and Case Study to understand how to apply your results.

Data You'll Need

Create the following three queries in your CRM or prospect management software which are related to your Target Analytics modeling project results. You'll use the number of records discovered from these queries to work through our conversion percentage benchmarks just below.

You'll also need to include our recommended output fields for Target Gift Range and Summarized Gift Amounts from the previous fiscal year to calculate a few formulas we've suggested further in this guide. By the end of this workbook you'll know precisely how well your current assignments cover your total major gift prospect pool, as well as how much potential revenue from your prospect pool is currently being captured.

QUERIES YOU NEED TO CREATE TO COMPLETE THE CALCULATIONS

1. *Total number of identified prospects*

    Query: Major Giving Likelihood score (MGL) is between 701 and 1000 AND Target Gift Range (TGR) is one of $5,001-$10,000, $10,001-$25,000, $25,001-$50,000, $50,001-$100,000, $100,001+.

    Enter # of records here: _____

2. *Total number of identified prospects currently assigned to a solicitor*

    MGL score is between 701 and 1000 AND TGR is one of $5,001-$10,000, $10,001-$25,000, $25,001-$50,000, $50,001-$100,000, $100,001+ AND Solicitor Not Blank.

    Enter # of records here: _____

3. *Total number of assigned prospects that made a gift within last fiscal year*

    MGL is between 701 and 1000 AND TGR is one of $5,001-$10,000, $10,001-$25,000, $25,001-$50,000, $50,001-$100,000, $100,001+ AND Solicitor Not Blank AND Last Gift Date is last fiscal year.

    Enter # of records here: _____

OUTPUT FIELDS YOU NEED TO COMPLETE THE CALCULATIONS

1. *Total revenue from assigned prospects in the past 12 months*

    For query 3. from above, add a field to your output that shows the total giving from these records over the past 12 months. **Then add that column up.** *You may need to use a spreadsheet and add up their giving in the final row. See the example below.*
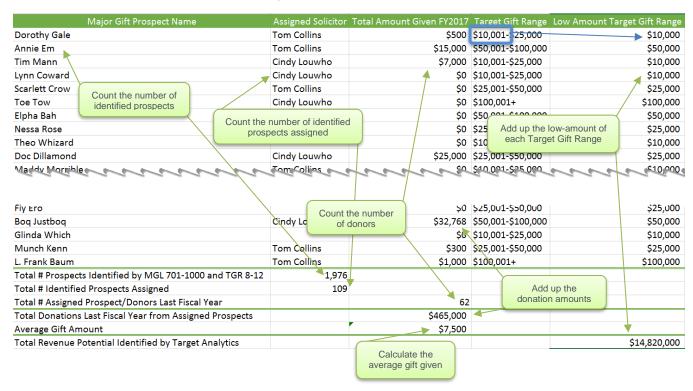
    Enter the total revenue amount here: $_____

2. *Total potential revenue from identified prospects*

For query 1. from above, add a field to your output that shows the low-end gift amount from each record's Target Gift Range.

For example, all records with TGR $5,001-$10,000 would translate to $5,000. **Then add that column's values together.** *You may need to use a spreadsheet and create a new column inserting the low-end TGR amount and add up their potential revenue in the final row. See the example below.*

Enter the total potential revenue amount here: $_____

EXAMPLE DATA, OUTPUT AND CALCULATIONS EXPLAINED

Major Gift Prospect Name	Assigned Solicitor	Total Amount Given FY2017	Target Gift Range	Low Amount Target Gift Range
Dorothy Gale	Tom Collins	$500	$10,001-$25,000	$10,000
Annie Em	Tom Collins	$15,000	$50,001-$100,000	$50,000
Tim Mann	Cindy Louwho	$7,000	$10,001-$25,000	$10,000
Lynn Coward	Cindy Louwho	$0	$10,001-$25,000	$10,000
Scarlett Crow	Tom Collins	$0	$25,001-$50,000	$25,000
Toe Tow	Cindy Louwho	$0	$100,001+	$100,000
Elpha Bah		$0	$50,001-$100,000	$50,000
Nessa Rose		$0	$25	$25,000
Theo Whizard		$0	$10	$10,000
Doc Dillamond	Cindy Louwho	$25,000	$25,001-$50,000	$25,000
Maddy Morrible	Tom Collins	$0	$10,001-$25,000	$10,000
Fiy Ero		$0	$25,001-$50,000	$25,000
Boq Justboq	Cindy Lo	$32,768	$50,001-$100,000	$50,000
Glinda Which		$0	$10,001-$25,000	$10,000
Munch Kenn	Tom Collins	$300	$25,001-$50,000	$25,000
L. Frank Baum	Tom Collins	$1,000	$100,001+	$100,000
Total # Prospects Identified by MGL 701-1000 and TGR 8-12		1,976		
Total # Identified Prospects Assigned		109		
Total # Assigned Prospect/Donors Last Fiscal Year		62		
Total Donations Last Fiscal Year from Assigned Prospects		$465,000		
Average Gift Amount		$7,500		
Total Revenue Potential Identified by Target Analytics				$14,820,000

Count the number of identified prospects

Count the number of identified prospects assigned

Add up the low-amount of each Target Gift Range

Count the number of donors

Add up the donation amounts

Calculate the average gift given

Calculate Your Organization's Percentages

Using the data you've collected above, you can calculate the results of your own prospect management system.

CASELOAD CONVERSION PERCENTAGE

Total number of identified prospects currently assigned to solicitor	÷	Total number of identified prospects	=	Caseload Conversion Percentage (%)
Literacy Today has 109	÷	Literacy Today has 1,976	=	5.5%
	÷		=	

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GIFT CONVERSION PERCENTAGE

Total number of assigned prospects that made a gift within the last fiscal year	÷	Total number of assigned prospects	=	Gift Conversion Percentage (%)
Literacy Today has 62	÷	Literacy Today has 109	=	57%
	÷		=	

RATIO OF ASSIGNED PROSPECTS TO DONORS

Total number of assigned prospects	÷	Total number of assigned prospects that made a gift within the last fiscal year *as the ratio to 1*	=	Ratio of Assigned Prospects to Donors (X:1)
Literacy Today has 109	÷	Literacy Today has 62	=	1.75:1 (rounded up to 2:1)
	÷		=	

REVENUE POTENTIAL PERCENTAGE

Total revenue from assigned prospects in the last fiscal year	÷	Total potential revenue from identified prospects	=	Revenue Potential Percentage (%)
Literacy Today raised $465,000	÷	Literacy Today's potential is $14,820,000	=	3.1%
	÷		=	

Set Your Organization's Goals

To set your goals for this fiscal year, use your results from above. We'll guide you in calculating your goal-setting. Remember, you're setting goals for your major gift program, not for all organizational fundraising. We've included an example of the Literacy Today goals from our accompanying Resource Guide and Case Study to help in explaining the charts with detailed examples.

CASE STUDY GOAL SETTING: LITERACY TODAY

In our sample case study, Literacy Today's new development director (DD) discovered the following prospect management results:

- The Target Analytics predictive modeling project identified 1,976 major gift prospects
- Only 5.5% of their identified major gift prospects were currently assigned to a solicitor – 109
- Sixty-two (57%) of the assigned prospects had made a gift in the last fiscal year
- Each of the two solicitors closed 31 gifts last year; averaging 2.5 gift closures per month per solicitor
- Total revenue in the last fiscal year received from these donors was $465,000 for an average gift amount of $7,500
- Their assigned prospect-to-donor ratio was approximately 2:1
- Target Analytics had identified a total revenue potential for the 1,976 prospects of $14,820,000
- Only 3.1% of the potential revenue had been captured in the last fiscal year

Using this information, the DD and solicitors, together, set the following reasonable and achievable goals for the coming fiscal year:
- They would increase their revenue potential from 3.1% to 6%
- This set their major gift revenue goal at $889,200 for the new fiscal year – a 91% increase over the $465,000 raised last fiscal year

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- They also decided that their assigned prospect-to-donor ratio would be increased from a current 2:1 ratio to a 3:1 ratio.
- Finally, they've agreed to carry prospect portfolios of individuals capable of making a minimum gift of $10,000 annually, an increased gift amount of 25% higher than the $7,500 average gift amount they're soliciting now.

With these goals set, here's how the Literacy Today major gift team will achieve their caseload and revenue goals.

	Calculation	Goal
# of Donors Needed	$889,200 revenue goal ÷ $10,000 average gift	89 donors
# of Prospects to be Assigned	89 donors x 3 (3:1 ratio)	267 prospects
# of Assigned Prospects per Solicitor	267 prospects ÷ 2 solicitors	134 prospects each
# of Gifts Closed per Solicitor	89 donors ÷ 2 solicitors	45 each
Average # of Gifts Closed per Month per Solicitor	45 closed gifts ÷ 12 months	3.7 per month per solicitor

SET YOUR OWN GOALS

Now it's your turn. You only need to set three goals to get started in establishing your caseload and revenue goals for the coming year. Then, you'll use the calculations you've already completed above to finalize your numbers.

Decide Three Goals

1. What % of your revenue potential conversion would you like to capture in the coming year? For example, Literacy Today's current revenue potential conversion is 3.1%; they've decided to raise it to 6%.

    Enter your desired revenue potential percentage here: _____%

2. What assigned prospect-to-donor ratio is right for your team in the coming year? For example, Literacy Today's current assigned prospect-to-donor ratio is 2:1 they've decided to raise it to 3:1.

    Enter your desired assigned prospect-to-donor ratio here: _____:1

3. What is the minimum gift amount that will qualify for solicitor assignment in the coming year? For example, Literacy Today decided that an individual must be capable of making a minimum annual gift of $10,000.

    Enter your desired minimum gift amount here: $_____

Finalize Your Numbers

Work through these calculations to set your caseload and major gift revenue goals for the coming year:

	Calculation	Goal
Major Gift Revenue Goal	Total potential revenue from identified prospects x Desired revenue potential percentage =	$
# of Donors Needed	Major gift revenue goal ÷ desired minimum gift amount =	#

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	Calculation	Goal
# of Prospects to be Assigned	# of donors needed x Desired assigned prospect-to-donor ratio =	#
# of Assigned Prospects per Solicitor	# of prospects to be assigned ÷ # of solicitors	#
# of Gifts Closed per Solicitor	# of donors needed ÷ # of solicitors	#
Average # of Gifts Closed per Month per Solicitor	# of gifts to be closed per solicitor ÷ 12 months	#

When instituting a solicitor portfolio review process, it's important to track and report on a consistent basis so that you can monitor progress as well as celebrate successes as they occur. You've made both a fiscal and a human resource investment in your Target Analytics project, and properly applied, it should propel your fundraising revenue to new heights over time.

Recommended Reports to Keep You on Track

In addition to understanding how you're progressing toward your goals of assigning and managing a larger number of identified prospects, as well as capturing a larger percentage of potential revenue, you'll also want to monitor more closely the relationships and the solicitation schedule of your assigned prospects. If you're using Raiser's Edge or RE NXT (Database view) you can easily run the following suggested reports for this purpose. Our Raiser's Edge Report Guide is worth your perusal as well! If you're using another product check with your vendor contact for suggestions about similar reports:

- The Solicitor Performance Analysis Report provides a snapshot of assigned prospects by solicitor. It provides a list of solicitors, their assignments, the amount they have raised, and if they are above or below their goals. The report can also break out multiple campaign goals separately and showing where a variety of assigned goals have been met or exceeded, as well as progress toward goal amounts.
- The New Donors Report can be run using query #1 above to indicate which of your identified major gift prospects has donated this year. It lists all first-time donors within the specified date range. The report includes constituent name and information about their first gift. It's a great way to see if even an unassigned major gift prospect has become a donor.
- The Comparative Report compares donations from one time period to another, such as last fiscal year to this fiscal year. The report shows whether giving has increased, decreased, or stayed the same for each donor displayed. Filtered to assigned major gift prospects – query #2 above – the information is useful when creating solicitation methods for constituents and prospects. The variance can be shown by percentage or dollar amounts. The report includes the constituent name, address, totals for the first and second periods, variance between the periods, and a grand total.
- Finally, each solicitor might benefit from reviewing the First/Greatest/Latest Report on his or her assigned prospects (query #2 above). Its snapshot of giving markers over time will quickly alert you to those people that need immediate attention or help them in prioritizing prospects by those that would benefit from a new or revised cultivation and solicitation plan.

Conclusion

At least semi-annually, re-calculate the prospect management conversion percentages you've completed in this workbook so that you can adjust your caseloads, solicitations and revenue progress. This way you're always on top of reaching your revenue goals!