

From Data Warehouse to Targeted Segmentation

Highland Hospice held a lot of data but had a limited direct marketing programme. Its director of fundraising and communications David Welch explains how reassessing the hospice's data management helped it develop a strategic approach to supporter relations.

HIGHLAND HOSPICE

Highland Hospice is the only hospice serving adults with incurable life-limiting disease in the highlands of Scotland and is acknowledged as the centre of specialist palliative care expertise in the region. It currently provides a ten bed In-Patient Unit in Inverness and a day hospice on the same site.

When I started my new role about two years ago I reviewed our fundraising activities and respective income. It became apparent that our processes were to accept money and post respective details on the database. Although we were very good at it, we were simply building a data warehouse without utilising the tools available to us.

Our outbound communications and fundraising initiatives were successful but limited. Our main source of income at that time was through events and we were seriously lacking any significant direct marketing programmes, despite recording so much data.

I took the decision to review our systems, personnel and processes, and database software with the help of the professional services team at Blackbaud, the supplier of our Raiser's Edge software.

We needed to set out the objectives of the hospice, determine our target market, resources, appropriate training and time scales. Our team of fundraisers had been using the solution well but to a limited degree as a result of little or no formal training.

The project management included a complete revision of the stage-by-stage processes from data input, segmentation analysis, SRM applications and training needs. The Blackbaud team and Highland Hospice worked together to cover four main areas:

- Review of current data – including cleansing, de-duplicating, appending and enhancing the data to provide effective and targeted communication strategies
- Training – nine staff members were trained to ensure they had an in-depth understanding of Raiser's Edge, with the ability to run segmentation analysis, query reports and measure campaigns
- Tracking and segmentation – campaign coding was introduced, allowing Highland Hospice to track communications effectively, conduct return on investment analysis and determine who to target, where and how
- Maintenance of historic information – identifying who gave money, how much they gave and how frequently, to help the profiling analysis that supported the eventual campaign and message.



“...We continued with our existing fundraising plans, but [Blackbaud] gave us a stronger focus and offered clarity around our planning and implementation... Now, all direct marketing is timed according to the information captured and analysed. It is also segmented according to donation habits – for example, if an individual is donating £50 three or four times a year, we don't want to invite them to donate £2 per month.”

– David Welch,
Director of Fundraising and
Communications,
Highland Hospice

All this was done while we continued with our existing fundraising plans, but it gave us a stronger focus and offered clarity around our planning and implementation. It may seem obvious to say, but without proper procedures and the right project management, we would not be able to see the benefits that we do now. We are far more strategic and we use data and information in support of future activities.

Highland Hospice direct marketing activities are now very different than they were before – often mass mailing or duplicate messaging. Now, all direct marketing is timed according to the information captured and analysed. It is also segmented according to donation habits – for example, if an individual is donating £50 three or four times a year, we don't want to invite them to donate £2 per month.

In addition, the analysis uncovered significant information that helped our direct marketing. For example, we are utilising segmentation analysis to identify that in certain regions it is better and more effective to employ telemarketing – particularly in housing developments and among individuals new to the area.

The project is ongoing, but the change in skills and processes has allowed us to take a more strategic view and develop the analysis further to target audiences even more effectively through the verification of details and input of additional data.

As a result, a high-level segmentation analysis breaks the data down into three parts:

- Current and traditional supporters
- Those local residents or those in the catchment area that know of the Hospice
- Those new to the area

Each is now automatically assigned a different fundraising strategy, with subsequent steps to ensure the right communication is sent to the right individual. The project started in June 2007, so we're well into the new process and the skill levels of the team, improvements in our supporter relations and identification of opportunities are way ahead of expectations and we have a renewed confidence in our campaigns.

The support from Blackbaud was second to none – without their experience and input the project would never have come this far, their involvement was essential to the plan. In working together we have developed robust processes and procedures, implemented a data strategy and now fully utilise our SRM database.

David Welch is director of fundraising and communications at Highland Hospice. Welch joined the hospice in 2005 after 12 years spent working in international aid at director level in Scotland, Africa, Asia and Eastern Europe. Prior to that he spent six years in retail management with Marks & Spencer and Boots.

David Welch
February 2008



This article first appeared in February 2008. Reprinted with kind permission of Professional Fundraising.



0845.658.8590



solutions@blackbaud.co.uk



www.blackbaud.co.uk

Blackbaud Europe, Ltd.
The Tower Building
11 York Road
London, SE1 7NX
England
© July 2008