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HIGHER EDUCATION ADVANCEMENT:

The technology transformation

Contents

A Note from Ellucian

Higher education advancement has undergone a fundamental change recently. The social and economic realities of the past 10 years have irrevocably transformed the way institutions and foundations approach building community and fostering institutional support.

The impacts of these factors demand a strategic response. Tax law changes, advances in direct marketing, and the growth of stewardship culture all intensely shape the higher education advancement market today. Today's students, who are tomorrow's alumni, also require different engagement from alumni of the past.

These tectonic shifts in the advancement landscape pose a serious challenge. The question for the field is not only how does advancement stay on top of these trends, but also how does advancement need to adapt to come out on the winning end?

In my work with colleagues at Ellucian and across the advancement community, one thing at least is clear to me: The amount of talent and investment in innovation for higher education advancement means success is attainable. There are so many exciting technologies and strategies to help keep pace with social and economic changes, along with promising efforts to scale business processes that ensure proactive and meaningful engagement with constituents. Together, we are on the cusp of a phenomenal era to sustain—and accelerate—future giving.

In this guide, you'll find information from some of the most innovative leaders in higher education advancement, and we hope you'll enjoy their insights on the changes in today's market and how they are navigating these changes through powerful alignment of business strategy and technology.

Kim Coelho

Director of Product Management,
Advancement Solutions
Ellucian

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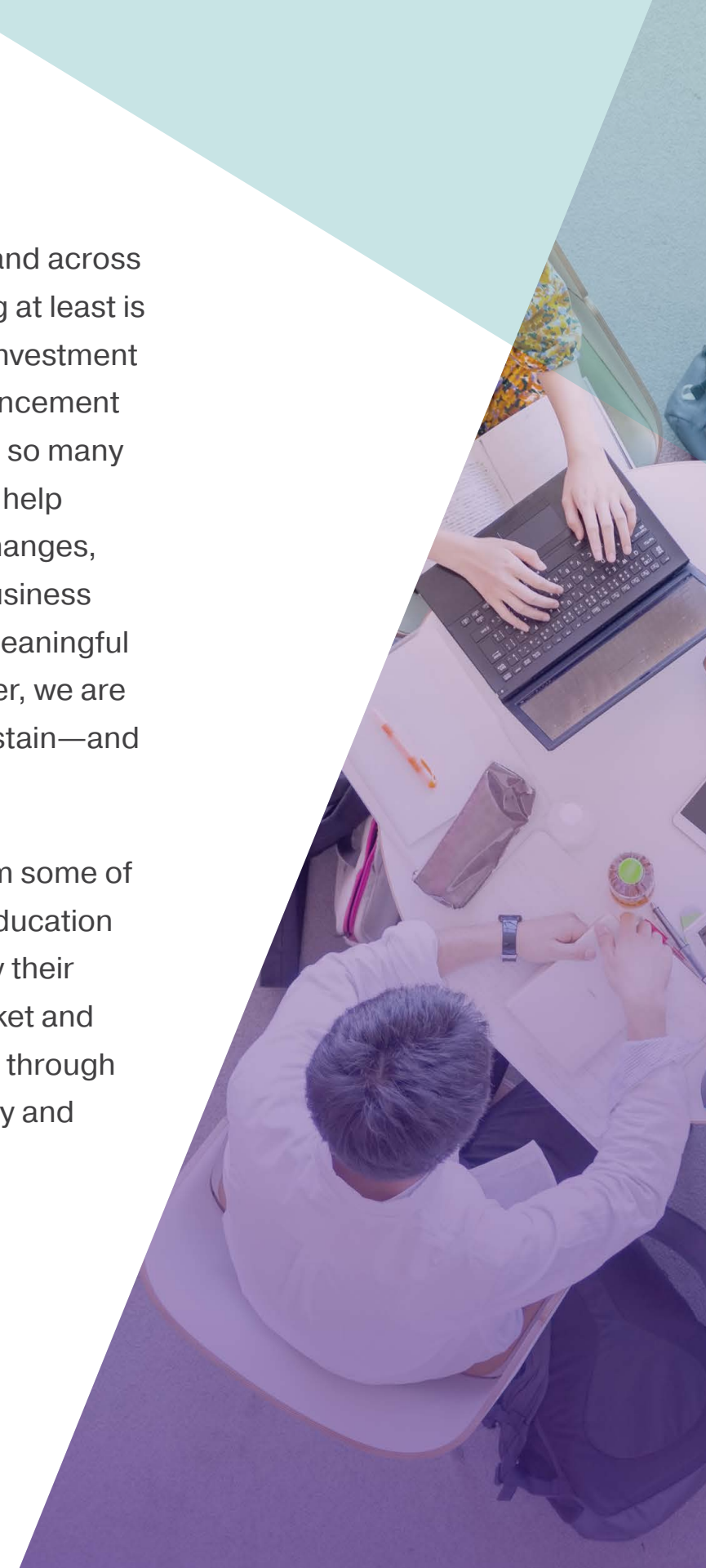
What's different about today's advancement landscape?

Advancement has always been about establishing, cultivating, and fostering relationships. That's the part that hasn't changed, and will be at the core of every successful advancement office's mission.

But there's a critical piece of the advancement puzzle that has changed significantly, and it impacts nearly every aspect of your institution's advancement efforts: technology—and how your constituents (and staff) use it. Understanding technology's role in your institution's campaign or engagement program is crucial, and the stakes have never been higher.

"Advancement in general is going through a real change," says Mark Koenig, assistant vice president for advancement services, analytics and digital strategies for Oregon State University Foundation. "There's divestment from state and local governments for higher ed. Enrollment is dropping, especially with the Millennials now graduated. So, we need to think about how we leverage technology to make ourselves more efficient, especially across the enterprise, from recruitment to student success and advancement, and having that better integrated."

Oregon State University
Foundation

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Mark Koenig,
Assistant Vice President for Advancement Services,
Analytics and Digital Strategies at
Oregon State University Foundation

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Who is donating?

Today's donors (and potential donors) are composed of several constituencies that are actually very interested in philanthropy. But there are so many **different demands that are being placed on them** for supporting things that they're passionate about. In 2017, **giving to higher education increased by 6.3 percent**. However, many other segments also saw increases of similar size. In total, education accounts for only 14 percent of all donations made. In essence, higher education may be getting lost in the noise as other philanthropic efforts, natural disasters, and other causes demand the attention of a limited pool of donors.

A handful of generational trends are also affecting the advancement landscape:

- 10,000 Baby Boomers retire each day in the United States, and their discretionary spending may become more limited.

- Gen X volunteers more often and donates more frequently than any other generation, and should remain a primary focus for institutional advancement.

- By 2020, Millennials will form 50 percent of the global workforce, and are rapidly becoming the largest pool of potential donors with rising giving potential.

- Generation Z (currently 19 and younger) is mobile-first and mobile-only— and 27 percent of the global population. Paying attention to this generation and getting them involved early through volunteering or via student giving programs could pay dividends in the long term.

Furthermore, today's student profile is markedly different from those of the past, and that has absolutely impacted how advancement has had to operate and respond. For example:

45%

25%

60%
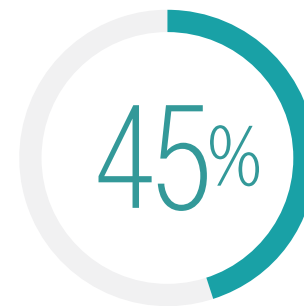
45 percent of students today are over the age of 25
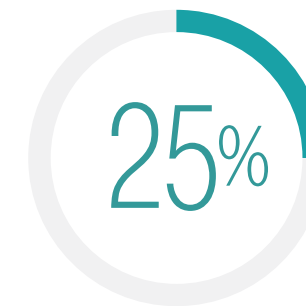
More than 25 percent of those students also have children at home

More than 60 percent maintain jobs while in school

This is certainly a dramatic shift from what the typical student looked like 20 years ago. And that means the "typical" alumni profile also looks quite different, and will continue to evolve. Advancement leaders should, therefore, re-think how they engage these alumni, and consider the technologies available to support their staff's efforts.

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For Millennials, it's all about a good cause… and the right giving channels

There are approximately 80 million Millennials in the United States. **By 2017, this age group accounted for more total charitable donations than any other age group.** And chances are, a sizeable portion of students at your institution today are Millennials.

Millennials are motivated by a "good cause." They are interested in improving the quality of life for people whom they believe need help. Their interest in the causes/social issues of personal consequence remains constant—and influences which organizations they donate to. In addition, they rely heavily on technology to interact with those organizations.

According to the Association of Fundraising Professionals, based on information from a study commissioned by Dunham+Company, **"Millennials were more likely than other generations to use technology and be influenced by it.** Fifty-one percent have given a gift through the organization's website, 37 percent said they have used a smartphone to give through the organization's website, and 36 have been motivated to give by something they have seen on an organization's website."

The upshot of this is that higher education advancement departments are advised to craft strategies to market efforts toward Millennials, and to properly leverage the right technology in order to lay the groundwork for success. This means making online giving more simplified for donors, and clear about where the funds will be utilized.

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Market pressures…and donor expectations

Alumni, donors, and prospective donors have certain expectations. They expect messaging that's tailored to them and reflects their personality and interests. They want to feel that the institution is engaging with them on a more meaningful level, and not blindly holding out a tin cup to ask for a donation.

Different generations communicate—or prefer to receive communications—in different ways. This trend has profoundly shaped advancement marketing, and will continue to do so. Generation X, for example, may not be averse to receiving phone calls from their alma mater, whereas Millennials prefer different forms of communication—specifically, mobile communication.

Today's donors also expect a more personalized experience, and that means the current technology transformation occurring with advancement is really all about data—data governance, data access and management, data segmenting and reporting—and utilizing that data to help your constituents feel a personal connection with the institution.

Advancement departments benefit from a complete snapshot of their constituents through aggregated data views. **And data is what helps build the narrative for how we engage or modify our business practices to meet donor expectations.**

It's all about how to make the data work for you—through data-driven decisions. Information collected and combined from many different sources—such as social media, communications outreach, and internal data collections—grant your institutional leadership a holistic view of your constituents and what's going on with your development efforts. This kind of insight is the missing piece of the puzzle that allows advancement departments to make meaningful decisions with real impact.

With these technologies, we might capture new information about our donors that we didn't capture before, and that's going to help us connect with them on an even more personal level, which is something we need to do.

Kate Goldberg, Director of Advancement Services at Washington College

Using data can have significant impact on constituent engagement, allowing you to:

- Be better able to target communications;
- Showcase donations and results better;
- Capture more robust information about giving and engagement throughout the institution.

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The need for comprehensive technology

Because today's donors and potential donors demand personalized experiences with the institution and eschew mass communications and marketing, many institutions are shifting to more comprehensive solutions, such as constituent relationship management (CRM) technology, rather than simply adding even more individual applications. This approach connects all of the necessary components of institutional data and giving history to build a more comprehensive picture of potential donors and alumni.

This more holistic view can drive decisions related to moving a prospect forward. The technology is the underlying support needed to provide efficiency and automation for constituent engagements. If your end users—or frontline fundraisers—are more directly connected to the relevant data, they can also be more informed about what the data means.

"We recognize that we want to get the right content to the right people at the right time," says Koenig. "And having the right information will allow us to capture individuals' interests and give us the ability to market to them as they want to be marketed to."

Without a flexible system for aggregating data and building reports from it, institutions too often rely on labor intensive manual processes to collect important information—and try to make sense of it. This means that staff spend an inordinate amount of time trying to accomplish tasks that can easily be handled with technology. **The current cost of data aggregation and manipulation is often at the expense of manual effort and labor by staff.**

The more we can build into a dashboard (and access easily), the less time we have to spend on updating numbers manually

Angel Singleton, Director of the Office of Annual Giving at The University of Alabama Birmingham

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Business value of CRM

Your constituents want to feel connected to your institution in a personal way, and your marketing should reflect that. As mentioned previously, today's donors—and in particular, Millennials—expect targeted and personalized messaging. On a consumer level, they expect product suggestions and purchase recommendations to reflect their interests. If they do not, or if they are wildly off the mark, then these constituents will disengage. The same principal applies to philanthropic outreach: Know who your customers are, and know what drives their passions.

How can you do that? By having the right data in the right place, and at your fingertips.

PAST
Decentralized data storage

FUTURE
Constituent-centered model
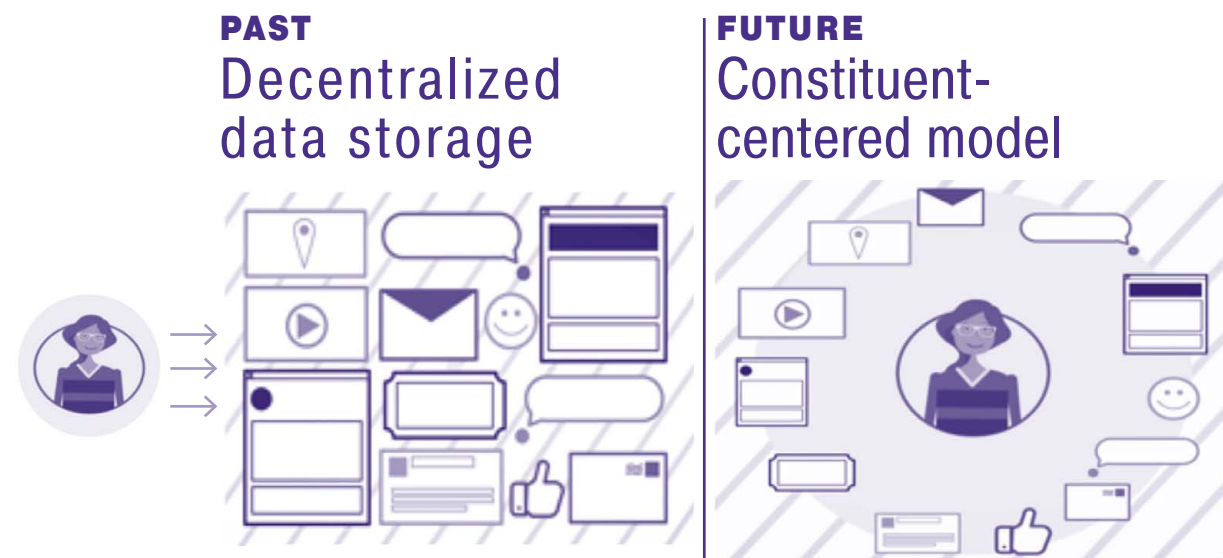
Institutions use a variety of systems to capture and store data. That means information may be spread across campus and buried within multiple databases. Constituents interacting with your institution may have valuable data locked within these disparate systems. The key for any institution is to access that information and utilize it to create more personalized marketing for individual donors—and a CRM solution is essential to make that happen.

"A CRM is not a database," says Mark Koenig. "With a CRM, we're really talking about building out your business processes and business strategy is and how you can leverage that tool to be successful. It's a very different approach from what we've thought of from a database perspective."

Marylyn West, senior director of advancement information services and analytics at The University of Alabama at Birmingham notes the importance of institutions utilizing data for personalized marketing. **"We must strive to be more donor-centric—by learning how our donors like to give, what contact points resonate with them most, and where they want to see and be involved with change."**

Advancement shops are also using the adoption of new solutions that improve donor personalization, engagement, and efficiency as an opportunity to align better business practices in collaboration with IT. These institutions are not just eliminating databases for manual reporting, but also re-imagining the roles of staff and making the necessary changes to increase efficiency within the advancement department. Chris Pipkins, assistant vice president of advancement operations at American University, says, "Every act taken by an advancement department is an act of donor stewardship or constituent engagement. So, that requires efficiency, and sometimes requires an elevation of staff skills."

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Top 5 CRM Myths

Technology offers useful tools to aid advancement and engagement efforts. And one of the most flexible, versatile tools is a CRM solution.

It's important make an informed decision about selecting the right technology for your advancement operations, and many misconceptions surround the conversation about CRM solutions.

Here are some common myths about CRM solutions:

1 I don't need a CRM

While most existing advancement solutions can support basic gift processing, there are often missing critical elements—such as tailored marketing, workflow automation, and comprehensive reporting. These elements have come to be expected by both staff and constituents alike to ensure efficient engagement. Over time, many advancement shops have added on individual services or solutions to support these elements. However, these add-ons can require extensive IT maintenance or upkeep, and advancement staff often have to work within different systems to access contact reports, event attendance, gift trends, and more. A CRM solution consolidates and streamlines constituent engagement data to enable access to a holistic perspective of constituents, allowing you to build community more effectively.

2 CRM is too costly

Costs have drastically reduced in recent years with cloud offerings and constant feature and functionality improvements. Additionally, CRM solutions that provide out-of-the-box functionality tailored to your organization enhance the efficiencies gained by staff and can also provide cost savings that improve your institution's or department's bottom line. This means that more of your fundraising efforts can often be maximized in the long run by a well-designed CRM solution tailored to your organization's operations.

3 Migrating data to a CRM is too time consuming

This is not necessarily true. By selecting a CRM solution tailor-made for higher education advancement needs, data migration and integration can be highly efficient because the system aligns with your business. Once in place, a CRM that aligns well with your business can continue to deliver cost savings by easily communicating with complementary third-party solutions across the organization.

4 CRM is way too complex for our needs

This is also not necessarily true. The right CRM requires fewer technical resources to set up communication campaigns, funnel management workflows, dashboards, etc., allowing advancement to gain access to efficiencies that are not always available through stand-alone or add-on products to existing solutions.

5 Implementing a CRM will solve all of my challenges

While a CRM can certainly improve access to data, workflows, and provide staff efficiency with constituent engagement, it doesn't eliminate the need for an effective business strategy, best practices, and change management. Advancement continually needs to be evaluating what methods of constituent outreach are most effective, and adjust tactics, plans, and goals. However, a CRM can enable and equip all members of the team—from leadership to prospect researchers and front-line fundraisers—with access to the data, allowing for better segmentation, reporting, and engagement that can ultimately impact outcomes.

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It's about more than technology: Change includes processes and people

While evolving business needs and shifting constituent expectations are largely driving technology transformation at higher education institutions, leaders must remain keenly aware of the impact of these changes to their people, processes, and performance. **"Technology is more than the tool; it's an ecosystem. This transition from tool to environment propels our industry to innovate current business and information models rather than maintain them,"** says Chris Pipkins of American University. "A CRM, for example, moves data closer to the consumer. As a result, the business priorities and processes drive the configurations and flows of work, a critical shift in philosophy and execution in a reality where higher education is being asked to redesign its social and economic ROI."

Change certainly doesn't happen in a vacuum, and as institutions adopt new and more powerful technology to handle their advancement programs, it becomes increasingly important for institutions to manage those changes more carefully and thoroughly.

One of the best ways to begin is by evaluating the conversations centered around the impending technology change facing the advancement department. What are people saying? More importantly, how are they saying it? What are the primary concerns?

Institutions that have experienced successful implementations of new technology understand employee concerns and address those concerns early in the process.

Kate Goldberg tries to encourage her team by telling them that things may be different when implementing these new technologies, but in a good way. She is honest with them about new habits and potential changes to how different contributions are entered or managed. **"Now, maybe we're going to capture new information about our donors that we didn't capture before, and that's going to help us connect with them on an even more personal level,"** she says.

Mark Koenig notes, "There are two reasons change management projects fail. The first one is that leadership at the top is not involved. The second one is employee resistance."

Koenig adds that managing employee expectations and keeping communication channels open is absolutely critical when implementing new technology. "You're changing people's business processes, you're changing the work that they do," he says. "Helping people to adapt to that change and become invested in it makes a huge difference. You do that by being very open, very transparent, very communicative, and really engaging those people."
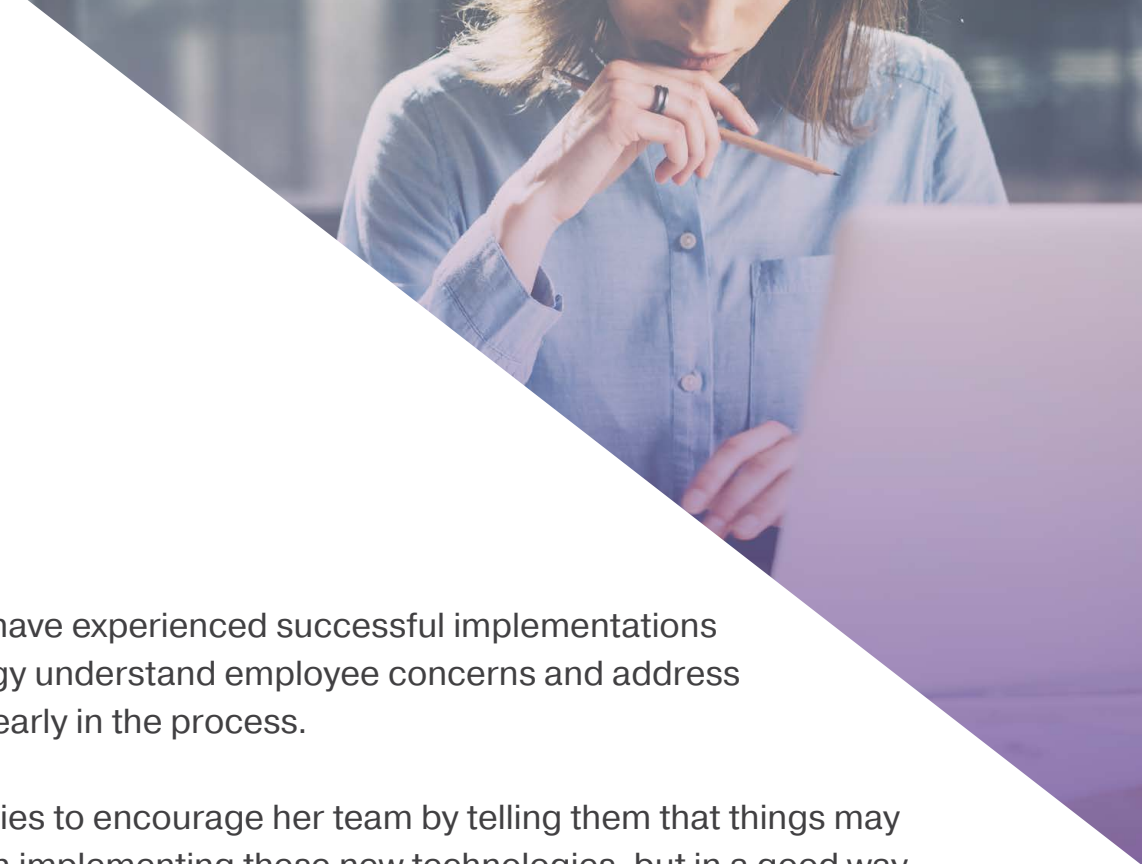
As with any large technology transformation, good communications should be at the forefront of the conversation. Some strategies for effective change management practices include:

- Build a business case or "North Star" mission of what you want this technology to achieve.

- Secure senior leadership and key stakeholder champion onboard at the beginning.

- Understand exactly what you want to achieve and ask the big questions of potential outcomes.

- Decide and refine the business outcomes and the process in the new system as opposed to the legacy processes.

- Communicate honestly and **consistently** with staff who are impacted by the change.

- Offer training and ongoing discussions about how the changes impact processes.

- Remind staff and leadership of the benefits (both during and after—getting the new system running is the beginning, not the end).

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Chris Pipkins,
Assistant Vice President of Advancement
Operations at American University

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Empowering the future of higher ed advancement

Today's donors expect personalized, consumer-grade, quality interactions with institutions. One-size-fits-all marketing and outreach is no longer effective. Advancement programs today can only succeed through carefully cultivated, individualized relationships with donors and alumni.

Ellucian's newest product for advancement is Ellucian CRM Advance. It is fundamentally organized around helping institutions build personalized relationships with constituents while providing scalable capabilities for mass engagements.

Ellucian CRM Advance was specifically designed to help institutional advancement meet changing constituent expectations. As transformational technology shifts are taking place, Ellucian has worked with our 750-plus customer community to help them identify:

- Appropriate pathways to the cloud that match the needs, expectations, and timing considerations for successful customer adoption;

- Data management and analysis required to stay ahead of donor giving trends and predictive actions;

- Staff alignment strategies to ensure new software/processes are effective in adoption and usage.

"For colleagues who are looking for a new CRM solution, I really do encourage them to think about not only where they want to be, but where would they like to go," says Koenig. "That is one thing that I believe Ellucian CRM Advance provides—an opportunity for the future, not just what you need today, but what you need tomorrow."

Learn more at Ellucian.com/CRM-Advance

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Inspired by the transformative impact of education, Ellucian develops solutions that power the essential work of colleges and universities. As the world's leading provider of software and services designed for higher education, Ellucian works with more than 2,500 institutions in nearly 50 countries—enhancing operations and enriching the experience for over 18 million students.

Ellucian provides student information systems (SIS), finance and HR, recruiting, retention, analytics and advancement software solutions. With more than 1,400 institutions subscribing to Ellucian's cloud services and SaaS offerings, the company is one of the largest providers of cloud-based solutions in higher education. Ellucian also supports the higher education community with a range of professional services such as application software implementation, training, education, and management consulting.

Ellucian brings power, passion, and performance to bear for higher education, and its ability to better our world. **Visit Ellucian at www.ellucian.com.**