

CREATING AN EFFECTIVE DM SUPPORT INFRASTRUCTURE

Direct marketing provides a key source of fundraising income and plays a critical role in supporter care. The creation of an effective DM support infrastructure, underpinned by an understanding of the key elements of the infrastructure and their interactions and inter-dependencies, can facilitate:

- Effective strategic and tactical planning based on detailed analytics and supporter insight
- Profitable DM using data-driven principles for targeting, segmentation and personalisation
- Resource-efficient and cost-effective DM execution and response management
- A closed-loop approach for DM planning, execution, measurement and refinement
- High levels of supporter relationship management and care

The 5 key elements of the support infrastructure are:

➤ **Supporter Database**

The database sits at the heart of the infrastructure providing analyses and communications/response tracking to drive planning and measurement; providing facilities to support DM execution; and providing information to enable supporter relationship management and care. It is critical to ensure a 360 degree supporter data set, data integrity and data recency.

➤ **Analytics**

Database generated analyses and reports are laid alongside external market intelligence to provide a key input for the planning process. Expert interpretation is required to translate analysis data and statistics into true insight to drive both strategic and tactical planning.

➤ **Planning**

The insight generated by the analytics process is used for both strategic and tactical planning. Strategic plans are defined – growth rates, ROI, etc. Tactical plans are defined – marcomms programmes, business processes, etc. It is important for the planning process to include all infrastructure elements and all internal and external stakeholders.

➤ **Execution**

The execution of the marcomms plan will involve all relevant delivery mechanics – creative, data, media, digital, print/production, etc. Infrastructure considerations need to be taken into account during execution – database extracts will need to support the personalisation and response tracking requirements, operational and process planning will need to cater for all likely response types, etc.

➤ **Response Handling & Supporter Services**

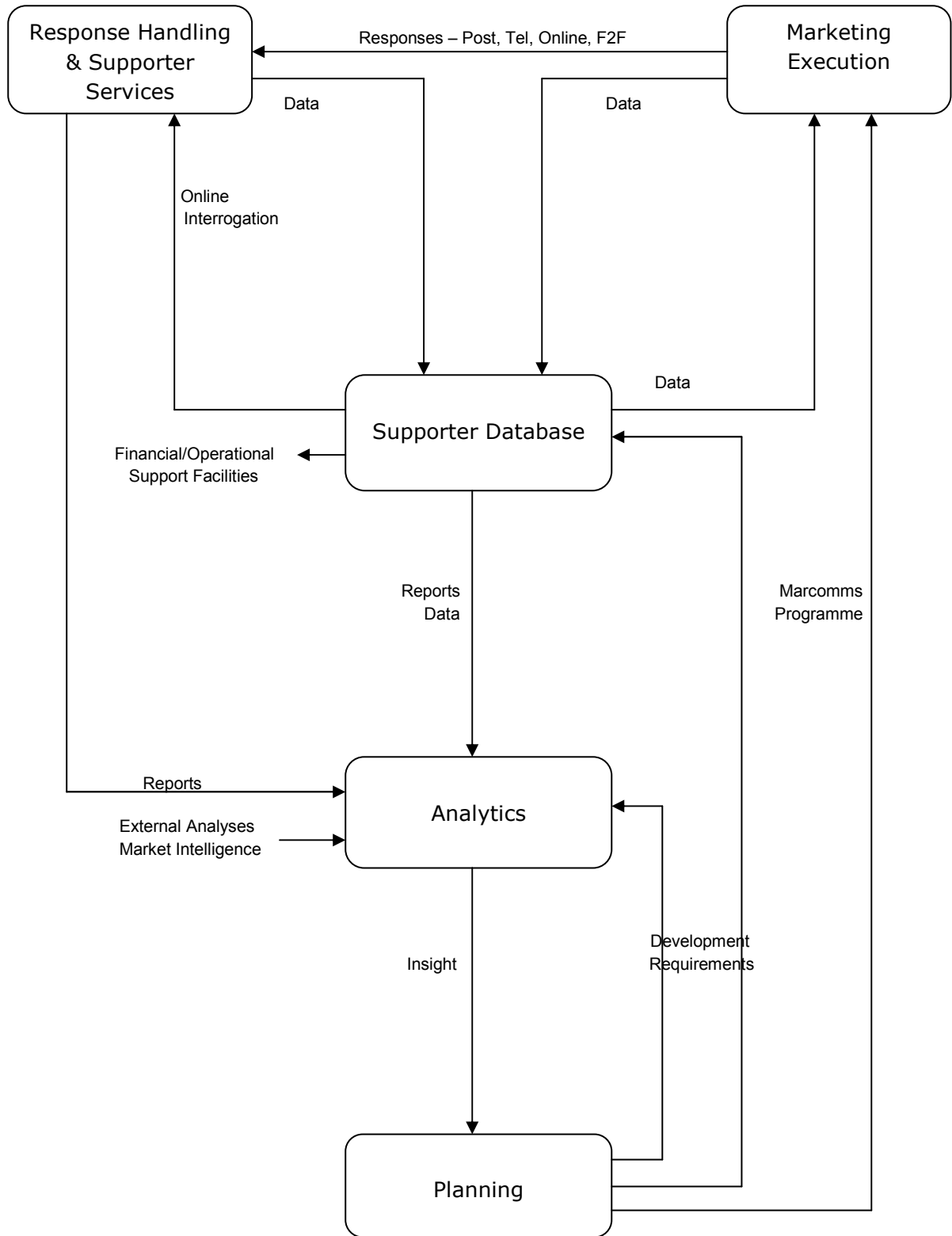
All required operational systems and processes need to be in place for response management and supporter care. Again, infrastructure considerations need to be taken into account - ensuring that data is captured and flowed to support database recency and subsequent analytics, that processes will deliver the required supporter care levels, etc.

The exact nature of the infrastructure and the detail of its operation will vary depending on factors such as: the nature/scope of a charity's direct and data-driven marketing activities; how the charity is structured in terms of remits/responsibilities for the different elements of the infrastructure; and whether the infrastructure elements are managed and delivered in-house or are outsourced.

The individual elements of the support infrastructure may be being managed independently of each other, they may be being managed in-house or outsourced or a combination of both, and they may be individually and separately highly effective. But for optimum effectiveness it is important that there is an understanding and appreciation of the whole – of the relationships, the interactions and the inter-dependencies of the individual elements - and for a closed-loop approach to be taken in operating the infrastructure.

On the following pages are an outline infrastructure map to illustrate the 5 key elements and their interactions and some guideline considerations for the infrastructure operation.

SKELETON INFRASTRUCTURE



INFRASTRUCTURE OPERATION CONSIDERATIONS

Supporter Database

- Is the database supporter-centric?
- Does the database afford a full 360 degree view of supporters taking into account all fundraising/activity types and channels?
- Are there fully detailed supporter records - attributes, response behaviour, communication history, preferences, etc?
- Does the database include facilities to support DM execution – selections, segmentation, coding for response tracking, etc?
- Does the database include facilities to support other non-DM activities – income processing/reconciliation, gift-aid claims, internal audit requirements, etc?
- Does the database support links with any external applications – a virtual terminal for card payment processing, a website for the direct import of online transactions, an analytics package, etc?
- Are there robust data hygiene/integrity facilities in place – validation of key data items, deduplication & merging, address verification, etc?
- Do the database maintenance processes support data recency – are there regular updates to transaction data, contact data, attribute data, mailing preferences, etc?
- Does the database have user-friendly look-up facilities to enable supporter query handling and resolution?
- Is the data structured in a way that can be easily interrogated to generate useful reports and measurements?
- Are there established analytics/reporting routines from the database - to provide information for performance measurement, for planning, etc?

Analytics

- Is there a set of clearly defined database and marketing KPIs – RFV, LTV, repeat giving rates, conversion/upgrade rates, growth/attrition rates, regular giving longevity levels, campaign performance targets, etc?
- Are there analytics/reporting facilities in place from the database and from in-house/outsource operations - to allow measurement and tracking of campaign performance and KPIs?
- Are external analytics packages/applications used to supplement database/operations generated analysis data?
- Are the data generated reports and analytics combined with external marketing intelligence – market trends, competitor research, supporter feedback, profiling, etc?
- Are web analytics used to assess online effectiveness – visitor sources, entry points, navigation behaviour, giving behaviour, abandon rates and points, etc?
- What interpretation skills are applied to generate qualified insight for the planning process?

Planning

- Do the planning processes encompass both strategic and tactical planning?
- Do the planning processes result in clearly defined and communicated strategic and tactical objectives?
- Are all elements of the support infrastructure considered and reviewed as part of the planning processes?
- Is consideration given to whether any infrastructure developments or enhancements may be required to support the planned activities – in terms of database functionality and facilities, business systems, operational processes, outsource solutions, data/communication flows, resources/skill sets, etc
- Are all internal stakeholders involved/consulted in the planning process?
- Are any relevant external stakeholders involved/consulted in the planning process – outsource solutions providers, business partners/affiliates?
- Are all relevant compliance and best practice requirements taken into account?

Marketing Execution

- Are all potential supporter response types and channels identified in advance of activities commencing – cold vs warm, post, telephone, online, F2F, attendance, etc?
- Are business and operational processes defined and developed in advance to cater for all likely response types and channels?
- Is consideration given to whether variable response management processes will be required based on response variables such as value, speed of response, source segment, supporter attributes, etc?
- Are all potential data collection scenarios identified in advance of activities commencing – what response data will be available and from what sources?
- Are data processes and facilities defined and developed in advance to ensure optimum data collection – what data needs to be captured, how will it be captured, how will it be flowed, how will it be recorded on the database for future interrogation/use?
- Is optimum use made of the data available from the supporter database – to drive targeting, segmentation, laser personalisation, coding for response tracking, etc?
- Are database IDs and segment coding used on personalised response pieces to existing supporters to ensure that segment performance can be measured accurately and that response transactions can be accurately allocated within the database?
- Are internal and external stakeholders involved in the campaign delivery process to allow operational input and planning - early sight of artwork and creative treatments, live laser samples for zoning set-up if responses are to be scanned, sample packs, etc?
- Are volume projections circulated to allow for operational resource planning and allocation?

Response Handling & Supporter Services

- Are in-house and/or outsource operational systems and processes in place to manage all likely response types and channels?
- Are in-house/outsource personnel briefed in advance on volumes, types, channels, response management requirements?
- Are in-house/outsource personnel provided with all relevant information/ data to ensure operational and supporter care effectiveness – access to campaign materials, FAQs, copies of mailing files and codings, cold list sources, etc?
- Are SLAs/KPIs in place for both in-house and outsource operations to ensure marketing and supporter care objectives are met?
- Is reporting available to support SLA/KPI monitoring and all other operational requirements – financial reconciliation, campaign results, etc?
- Are data routines in place to ensure that the database recency and integrity objectives are met – content and frequency of data flows to the database, data validation and verification, deduplication, etc?
- Are there online look-up facilities into outsourced systems for interrogating supporter data, viewing scanned images, etc – to enable supporter query handling and resolution?
- Do archive arrangements for response pieces meet internal audit and record keeping requirements and meet external legal/regulatory/best practice requirements?
- Are the operational response management processes locked-down sufficiently enough to deliver accuracy, efficiency and cost-effectiveness, whilst also remaining sufficiently flexible to allow a tailored supporter-focused approach?

SUMMARY

A DM support infrastructure is critical for delivering both effective and profitable DM and high levels of supporter care.

Internal business structures may result in the individual elements of the support infrastructure being managed independently of each other as they may fall within different areas of business/directorial remit.

Individual elements of the infrastructure may be operated in-house and/or may be outsourced to one or several outsource suppliers.

For optimum effectiveness of the infrastructure it is important that there is an understanding & appreciation of the whole – of the relationships, the interactions and the inter-dependencies of the individual elements, and of the closed-loop nature of the infrastructure with each element playing a critical role within a single overall delivery cycle.

If the whole infrastructure is given consideration as part of the planning processes, if the internal and external stakeholders within all parts of the infrastructure develop an understanding of the whole and their potential impact on each other's effectiveness, and if the infrastructure is operated as a closed-loop then the end results can be highly effective and efficient, delivering both profitability and high levels of supporter care.

*Information compiled by: Sue Maccabe, Consultant Business Analyst
May 2009*

For more information visit www.docdataresponse.co.uk t.01993 770600 e. info@docdataresponse.co.uk
OR Sue Maccabe e. sue.maccabe@dotjoining.co.uk