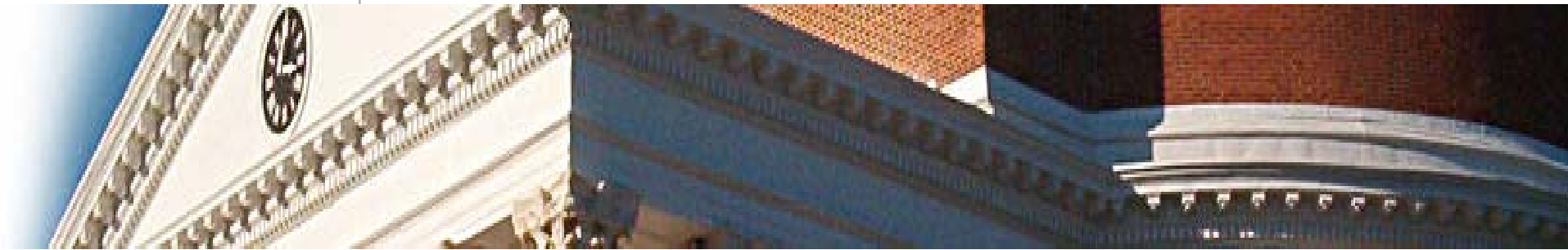


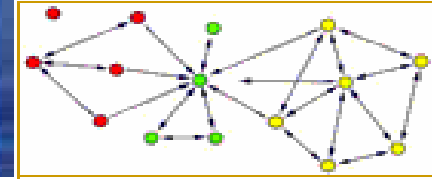
American Cancer Society Case Study: Performance Drivers for Productive Fund Raising

June 2006



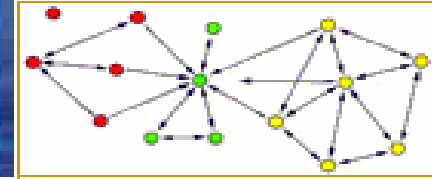
The **NETWORK ROUNDTABLE** *at the* **UNIVERSITY OF VIRGINIA**

Agenda



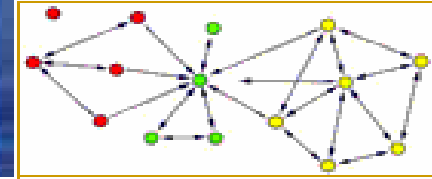
- About the American Cancer Society (ACS)
- Situation Overview
- Findings
 - Donor Characteristics
 - Networks and Behaviors of High-Performing Planned Giving Officers (PGOs)
 - Central and Peripheral PGOs
- Recommendations
- Critical Success Factors
- Appendix

About the American Cancer Society



- The American Cancer Society (ACS) is a nationwide, community-based voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service.
- Headquartered in Atlanta, Georgia, the ACS has state divisions and more than 3,400 local offices. With more than two million volunteers nationwide, the American Cancer Society is one of the oldest and largest voluntary health agencies in the United States.
- American Cancer Society Challenge Goals for 2015
 - Decrease cancer mortality rates by 50 percent, preventing almost five million deaths
 - Reduce cancer incidence rates by 25 percent, averting almost six million new diagnoses
 - Measurably improve the quality of life for people with cancer





Challenge

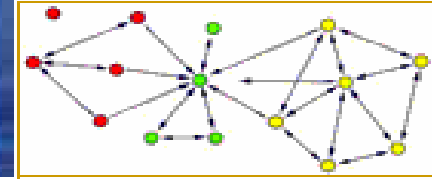
At ACS, Planned Giving Officers (PGOs) are responsible for raising funds for the fight against cancer. Because the funds raised vary considerably from PGO to PGO, the ACS wanted to understand the drivers of success and what behaviors and characteristics made some people more effective and productive than others.

The Role of Network Analysis

The Chief Development Officer sponsored an Organizational Network Analysis (ONA) to identify drivers of performance. The objectives of the ONA were to identify:

- Critical success factors for high-performing PGOs;
- Characteristics of high performers that could be replicated;
- Insight into donor characteristics;
- Performance of the overall PGO network.

The Network Analysis Highlighted Findings in Three Key Areas



Donor Characteristics

- People most likely to make donations are a family member of a person who had cancer or are cancer survivors themselves.
- Professional advisors provide leads which result in the largest donations.
- The lead decision-makers are over age 50 (most frequently in age range of 71-80). There may be an opportunity to target lower age bands. Network techniques would lend themselves to finding other donors connected to a person who experienced cancer.

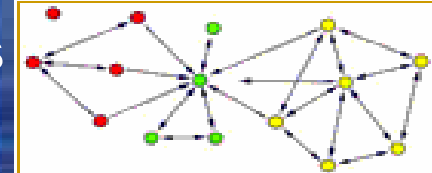
Networks and Behaviors of High-Performing Planned Giving Officers

- High performers not only had larger networks, but more differentiated *internal* networks, comprised of connections to people who don't necessarily know each other, allowing for greater access to more varied information.
- High performers had *external* networks that were differentiated in terms of the kind of donors targeted as well as the quality of their relationship with the donor.
- High-performing PGOs produce more funds from fewer leads.
- Results from the behavior assessment indicate that high performers were differentiated in terms of: 1) enjoying being in competitive situations, and 2) continually looking for ways to improve work.
- Cultural value results show that high performers feel better about ACS than peers.

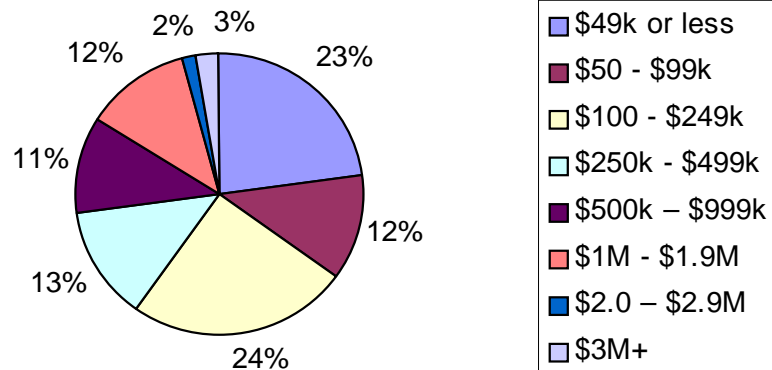
Central and Peripheral PGOs

- Central people hold the network together. However, because of their many connections, they represent potential overload points as well as risks to the organization if they leave.
- Newcomers have difficulty understanding who knows what and attaining legitimization. Turnover is higher than desired.

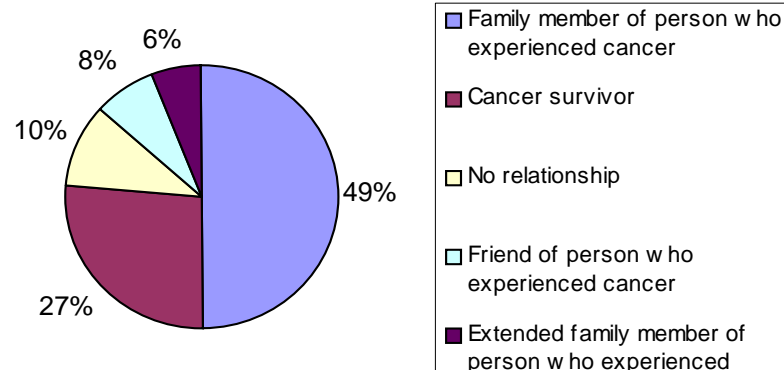
Donor Characteristics: Most Donors Are at Least 50 Years Old and Had a Family Member Who Experienced Cancer



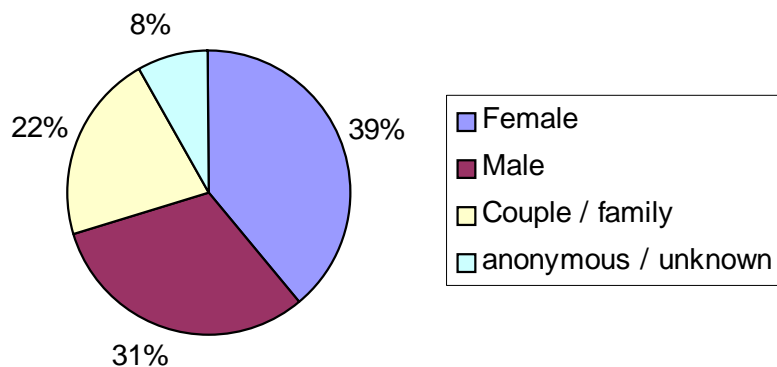
Size of the Gift Received



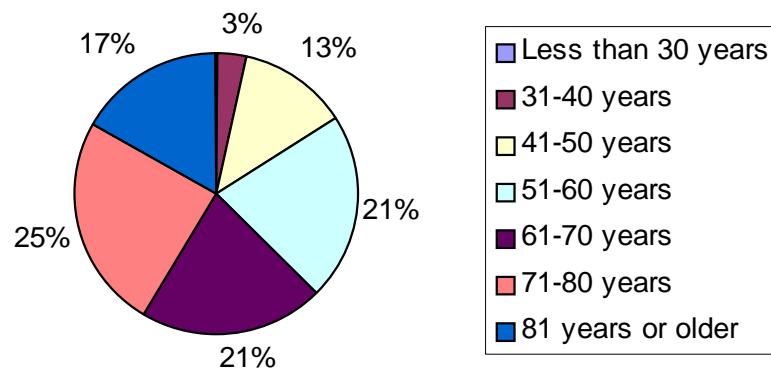
Donor's Relationship to Cancer



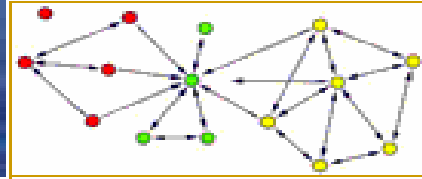
Donor's Gender



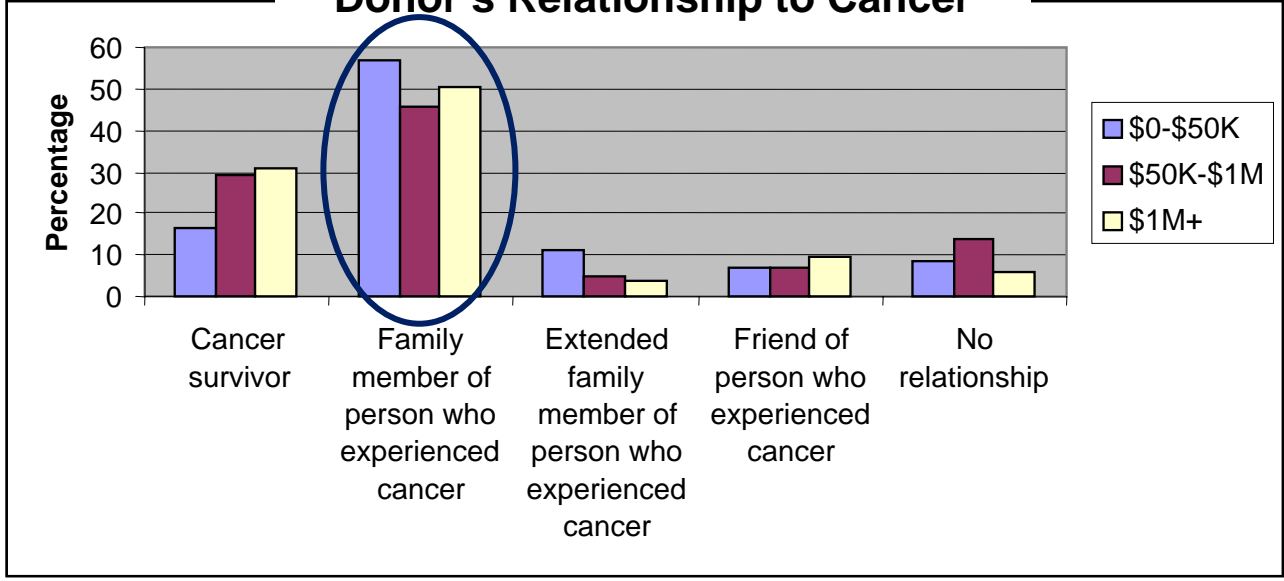
Age of Lead Decision Maker



Donor Characteristics: Leads from Professional Advisors and Donations from Family Members Result in Higher Contributions

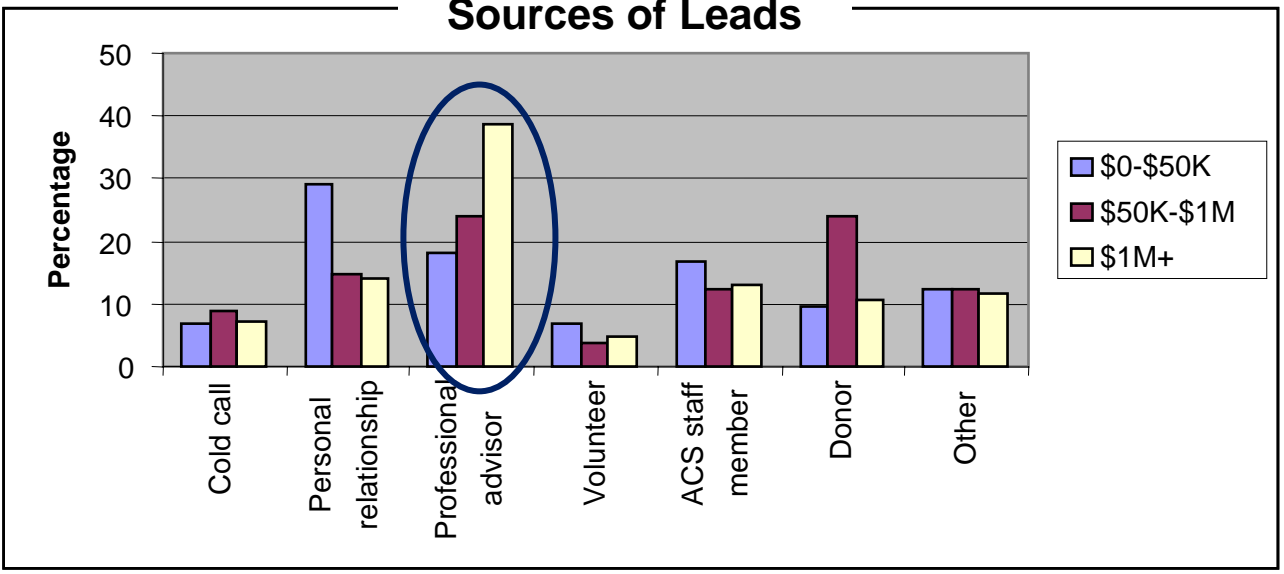


Donor's Relationship to Cancer



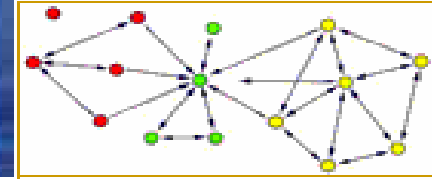
Those who had a family member who experienced cancer or who had survived cancer themselves donated significantly more across all brackets of giving.

Sources of Leads

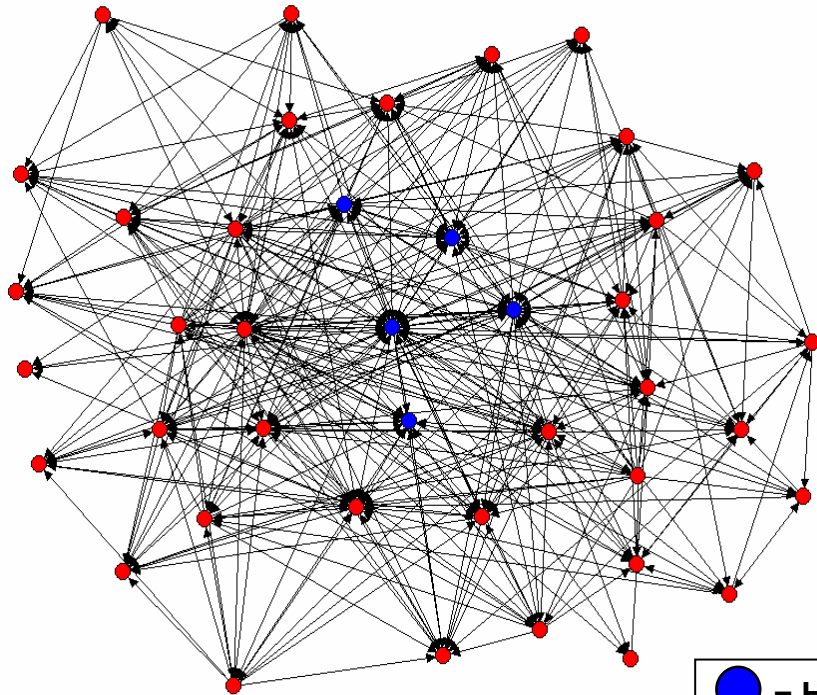


Leads from professional advisors, such as legal or financial planning advisors and trust officers, result in higher gifts.

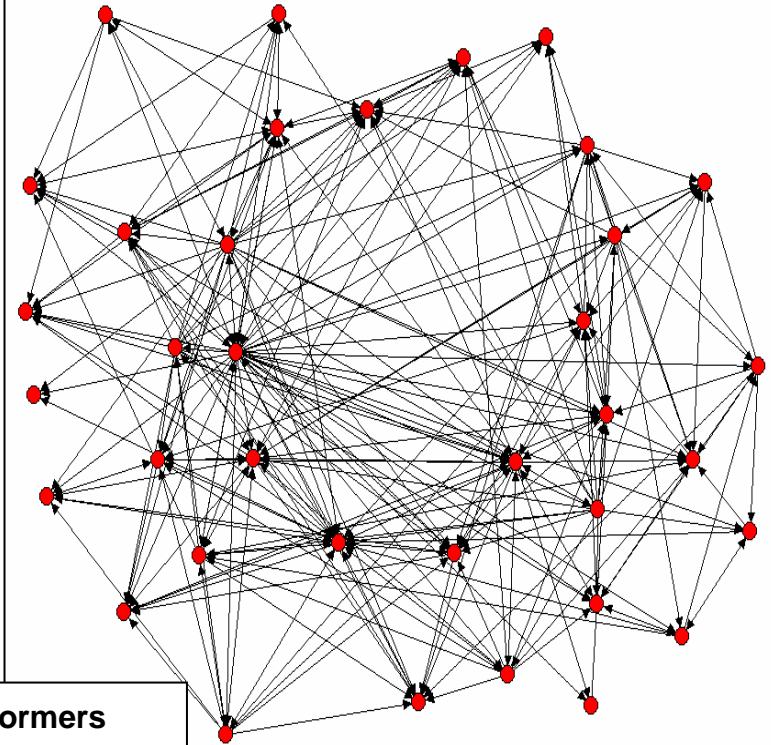
High-Performing PGOs: Internal Network Characteristics



With High Performers



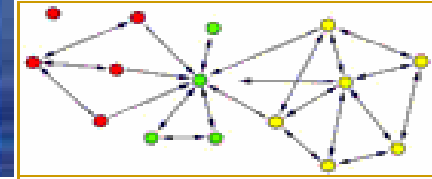
High Performers Removed



● = High performers
● = Non high performers

High performing PGOs are critical both for their individual performance and the way they hold the group together. Losing the top five central people reduces the number of relationships in the network by 23% and the total gift value by 25%. This is a clear flight risk to guard against.

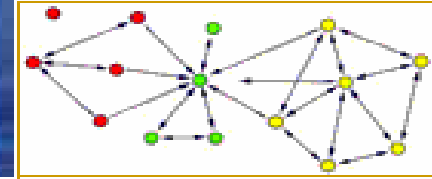
High-Performing PGOs: Unique Characteristics Within the PGO Network



High-performing PGOs have larger networks (an average of 25 ties as opposed to 15 for the overall group). But their networks were also uniquely differentiated by the kind of ties they had and their overall position in the network of their peers.

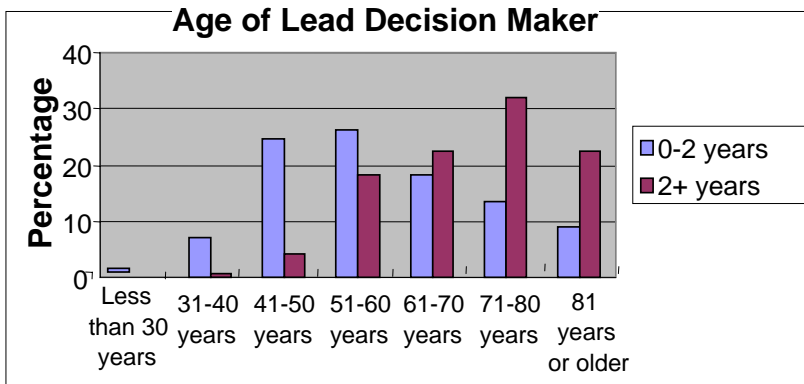
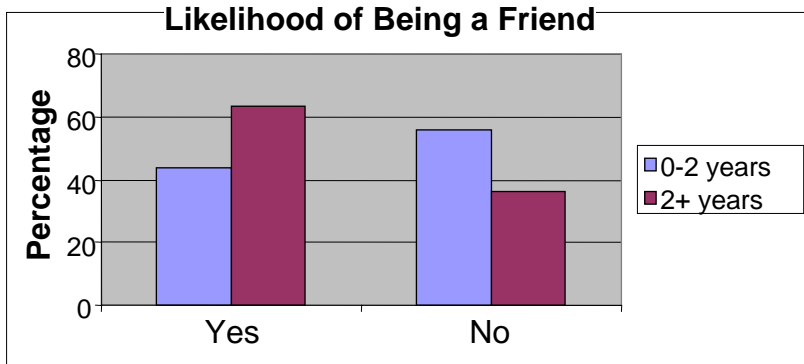
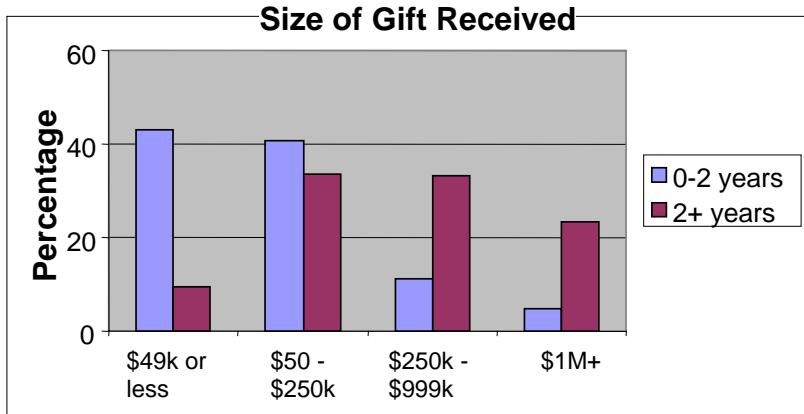
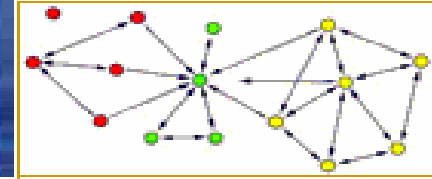
	High Performing PGOs (averages)	Overall Group (averages)
Degree sought out by others	Sought out by 18 people (almost twice as often as overall group)	Sought out by 10 people (half as many as high performers)
Role as broker	Key brokers (twice as likely to be sitting in "Tipping Point" positions)	Peripheral and less central roles
Cross-group relationships * This is a key metric for high performers.	Twice as likely to have ties outside of division	Half the number of relationships outside of the division.
Reputation	High performers had much closer relationships with each other	Fewer interactions with high performers

High-Performing PGOs: Key Donor Characteristics Varied Considerably From the Group as a Whole



- **High performers seem to do a better job getting connected to high net worth individuals and also in asking for donations of substance.**
 - **Larger gifts:** 63% of the gifts produced by high performers were greater than \$250K, compared to 40% for the group as a whole. 26% of high performers prior lifetime gifts were above \$1 million, compared to 7% for group as a whole.
 - **Higher net worth:** 23% of the constituents of high performers had a net worth of \$500 million or more, compared to 6% for group as a whole.
- **High performers develop depth in their relationships as well as continually expand their networks through cold calls.**
 - **Leverage personal networks:** 30% of lead sources for high performers were based on personal relationships, compared to 18% for the group as a whole.
 - **More cold calling:** In addition to leveraging personal ties to build their network, high performers also had more than twice as many cold call leads than the group as a whole, which resulted in twice the number of donors from cold calls.
 - **Stronger networks:** High-performing PGOs were more likely to consider the constituent a friend than the group as a whole. These more social relationships were more likely to produce gifts in every range over \$50,000 (and twice as likely to produce gifts over \$1 million).

High-Performing PGOs: Characteristics of High-Tenure PGOs May Influence Low-Tenure PGOs



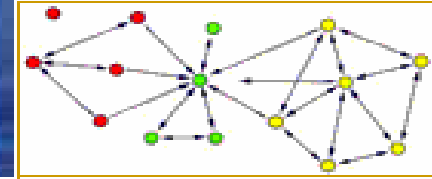
If certain characteristics of high-tenure PGOs were adopted by low-tenure PGOs, retention and performance would improve.

- By replicating networks of those with longer tenure amongst the 0-2 year band, revenue from the top 15 contacts could increase almost 200%.
- Higher-tenure PGOs focus on families, older constituents, and cancer survivors and their family members. They are also more likely to view the donor as a friend.

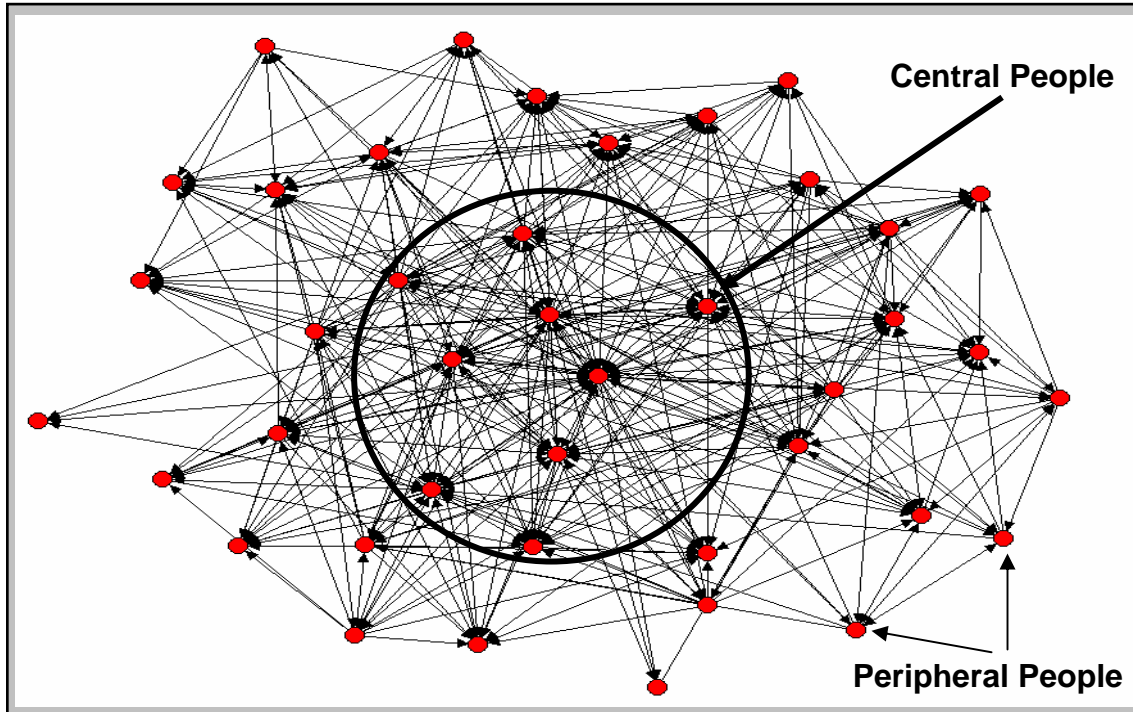
Some criteria distinguish those with high tenure and might influence hiring decisions. PGOs who stay:

- Had less planned giving experience and less time in income development prior to ACS;
- Are twice as likely to be cancer survivors;
- Are older.

Central and Peripheral PGOs: the Network is Well Connected But Has Potential Vulnerabilities



Network of People Who Are Helpful in Providing Information to Learn and Work More Effectively

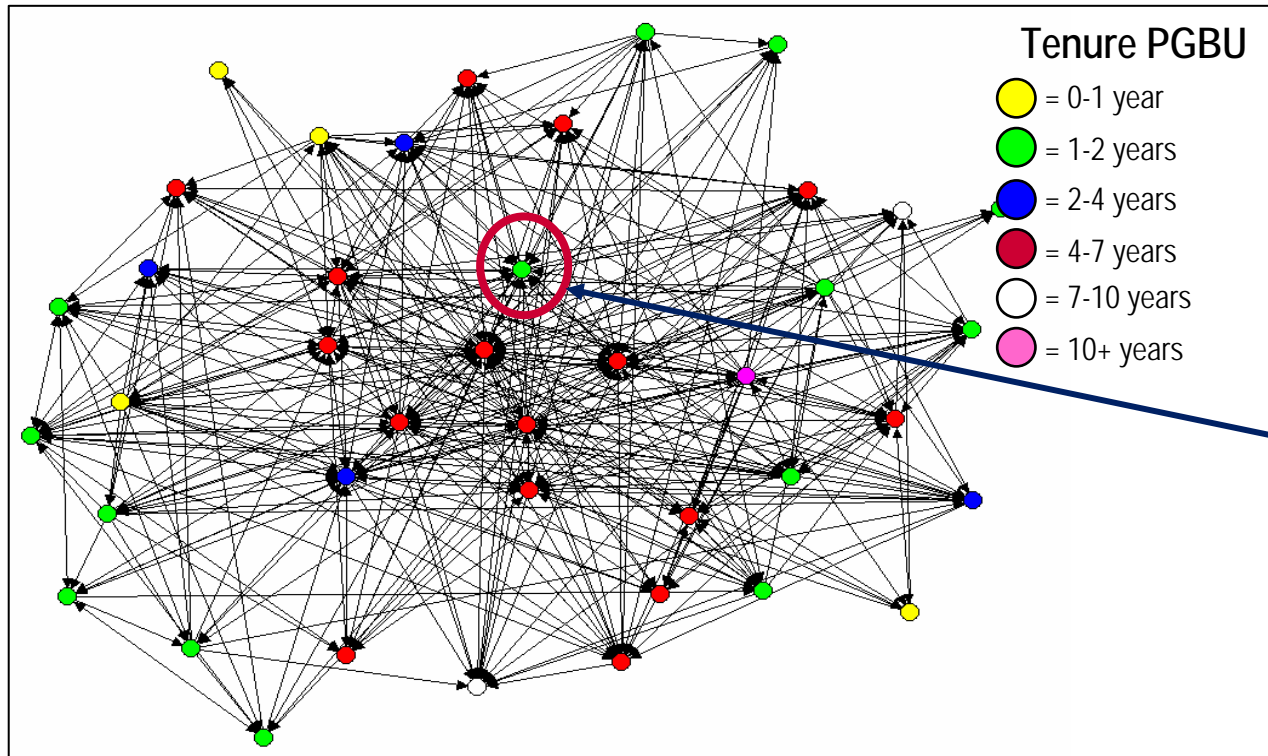
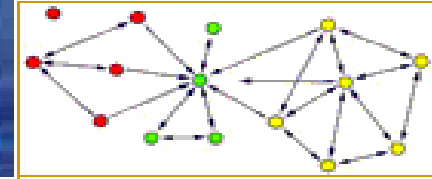


Connectivity is widely distributed with some people heavily connected while others are very peripheral.

Interviews of the most central and peripheral people would identify who might be a bottleneck or ineffective knowledge hub, or who might be under-utilized and a flight risk. Relationships can then be redistributed as necessary.

Metric	Description	Target	ACS	Comments
Density	% of existing relationships (out of 100%) within group	30%	27%	High overall density, although some people are highly connected and others are very removed.
Cohesion	Average # of steps to reach any other person in group	2.0	1.8	PGO figures indicate that people are likely to call a friend and then a friend of a friend in the pursuit of information.
Centrality	Average # of relationships per person	12	11 (s.d. = 5.3)	Individuals can typically maintain 10-15 relationships. Avg is a good, but there is a wide distribution in number of ties.

Central and Peripheral PGOs: High-Tenure PGOs Tend to be Central With Newcomers on the Edge

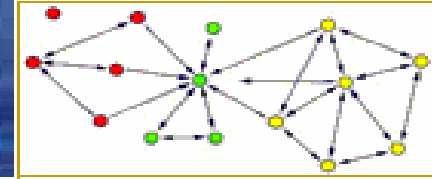


Interviews with this low-tenure person, would likely yield ideas for how to on-board other newcomers more effectively.

The PGOs on the edge of the network tend to be newcomers. Simple changes to on-boarding practices and mentoring would help them build key connections, improve performance and build morale. There are three categories of peripheral people that should be approached differently:

- 1) Performance problems or cultural “mis” fits that are working their way out of the network.
- 2) Legitimate peripheral players (e.g., experts or those balancing work life issues that if forced in might leave).
- 3) Those desperately trying to figure out how things work but have not been on-boarded or staffed in ways that help them to get productive and connected.

These Findings Resulted in Specific Recommendations

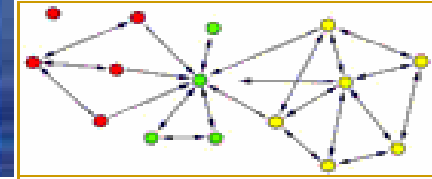


Findings

Recommendations

Findings	Recommendations
<p>Donor Characteristics</p>	<ul style="list-style-type: none"> • Focus broader communications on family members of those that have experienced cancer as well as those in lower age bands. • Emphasize research and advocacy (as opposed to information, programs and screening) and develop relationships with legal advisors.
<p>Networks and Behaviors of High-Performing Planned Giving Officers</p>	<ul style="list-style-type: none"> • Help to bring new people into ACS more productively through building key relationships early, on-boarding, training, and mentoring. These actions can decrease susceptibility to departures of central people as well. • Educate the broader PGO population on the network differences to raise awareness of successful characteristics of high performers. • Replicate high performers' networks through leadership coaching, training programs, career development processes and targeted mentoring. • Utilize personal network profiles, created for each person in the network, to drive performance. Network changes can be influenced and measured for performance and career development purposes. • Consider high-performing behaviors in hiring and evaluations to better embed these characteristics in the PGOs. • Consider whether the programs geared to high performers have a backlash effect of pushing new PGOs out and allowing established PGOs to become dominant.
<p>Central and Peripheral PGOs</p>	<ul style="list-style-type: none"> • Select interviews can help define information domains and decision rights that can be re-allocated to decrease demands on overly-connected people, free their time and increase others ability to get work done more efficiently. • Utilize staffing, internal projects and human resource mechanisms to help to minimize inefficiencies that result when better-connected people depart. • Identify routine and semi-routine decisions that could be handled in structured meetings or through structured decision-making processes. • Ask key players (brokers and central members) to mentor newer members.

Factors Critical for Successful Network Analysis Projects at the ACS

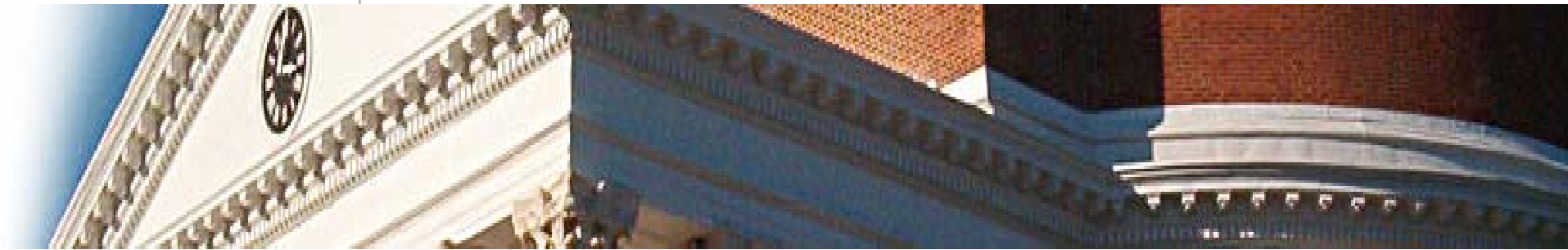


- Spend time early in the process to get the survey right, focusing the questions on the results you want to learn.
- Test the survey in advance and obtain feedback from people in the roles and community being analyzed.
- Choose an audience for whom the strength of the network is a key performance indicator—whose job success relies heavily on having a strong network.

Conducting a network analysis on our Planned Giving Officers got us excited about additional applications of network ideas at ACS. We're now exploring how to look at external networks of our staff and volunteers, and how to identify places where we have multiple points of access to prospective donors and volunteers.

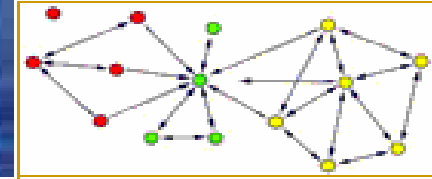
—Justin Gerensky-Greene, Strategic Director, Best Practices

Appendix



The **NETWORK ROUNDTABLE** *at the* **UNIVERSITY OF VIRGINIA**

Why We Should Focus Our Attention on Organizational Networks



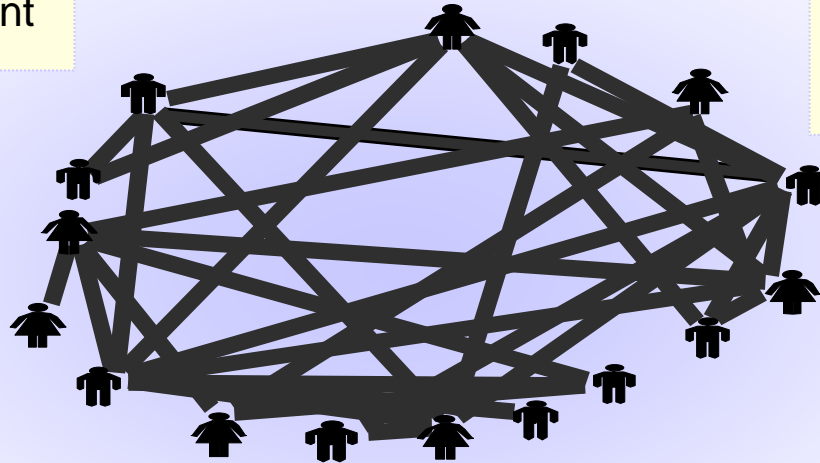
Key Reasons Why Organizational Networks Are Important

Where Work Happens

- Lack of boundaries
- Informal networks increasingly important

Where People Engage

- Join and commit to people
- Trust accrues in networks of relations



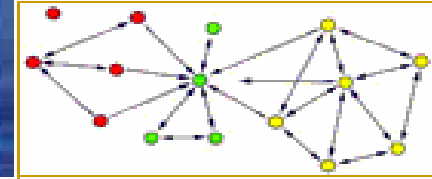
Where Knowledge Lives

- Rely on people for information
- People can provide more than databases

BUT...

- Invisible
- Complements formal structure

How to Interpret a Network Diagram



- **Central People**

- Are an important source of expertise
- May become bottlenecks

- **Peripheral People**

- Are underutilized resources
- Feel isolated from the network
- Have a higher likelihood of leaving

- **External Connectivity**

- Provides balanced and appropriate sources of learning
- Holds relevant influence with key stakeholders

- **Brokers**

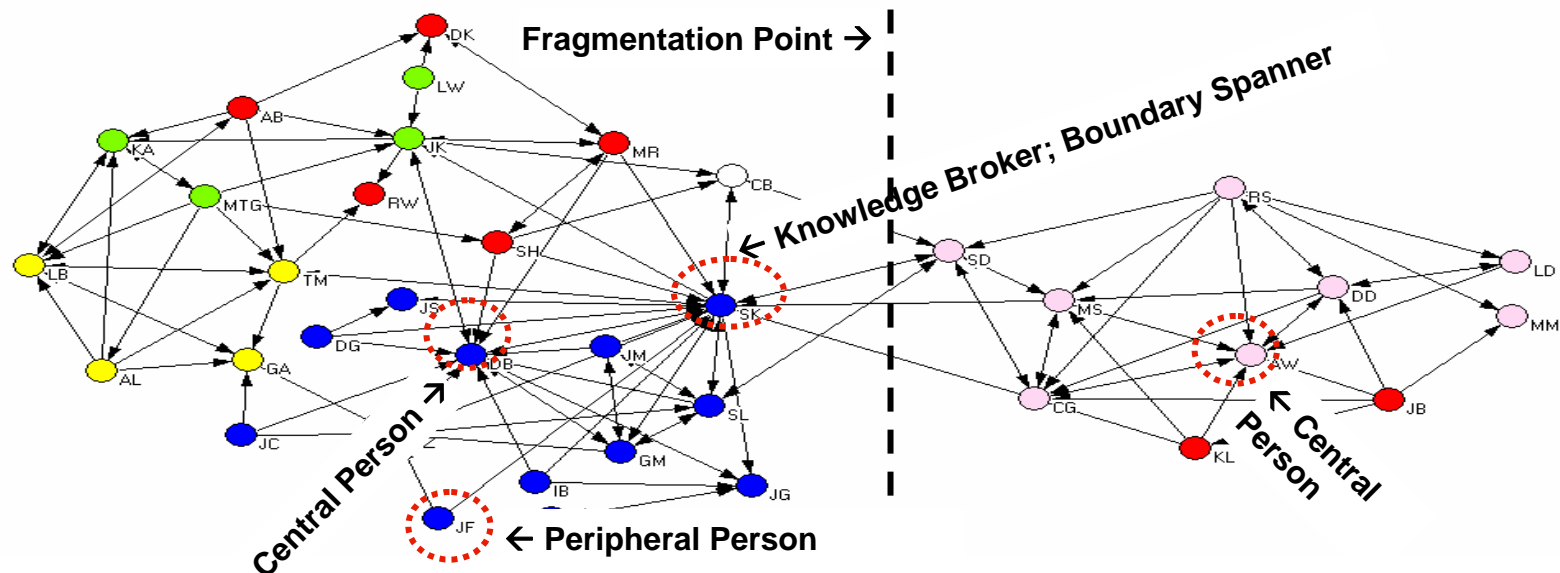
- Are critical connectors between diverse information sources and specific kinds of expertise. High leverage points.

- **Fragmentation Points**

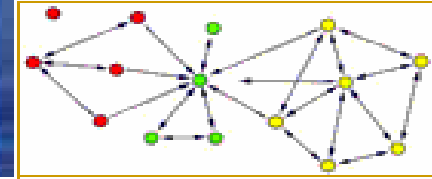
- Affect information flow across boundaries (e.g., cross functional, hierarchical, geographical, or expertise)
- Provide targeted opportunities

- **Personal Connectivity**

- Improves community leader effectiveness
- Enables grass roots network development efforts



Key SNA Terms—Quantitative Metrics



Density: Robustness of network (group measure)

- Number of connections that exist in the group out of 100% possible in that network.
- **Bottom Line:** More points connected means quicker and more accurate information flow.

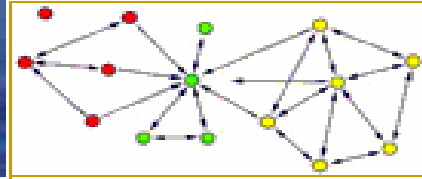
Cohesion (Distance): Ease with which a network can connect

- Shows average distance for people to get to all other people.
- **Bottom Line:** Shorter distances mean faster, more certain, more accurate transmission/ sharing.

Centrality: Identifies influential people (individual measure)

- Number of direct connections (ties) that individuals have with others in the group.
- **Bottom Line:** Individuals with more ties to others may be in more advantaged positions and may have access to more of the information or knowledge in the network.

The Network Analysis Project Ran for Seven Weeks, and Resulted in Specific Recommendations



Plan

- create network survey
- define community members
- obtain senior sponsor

Run

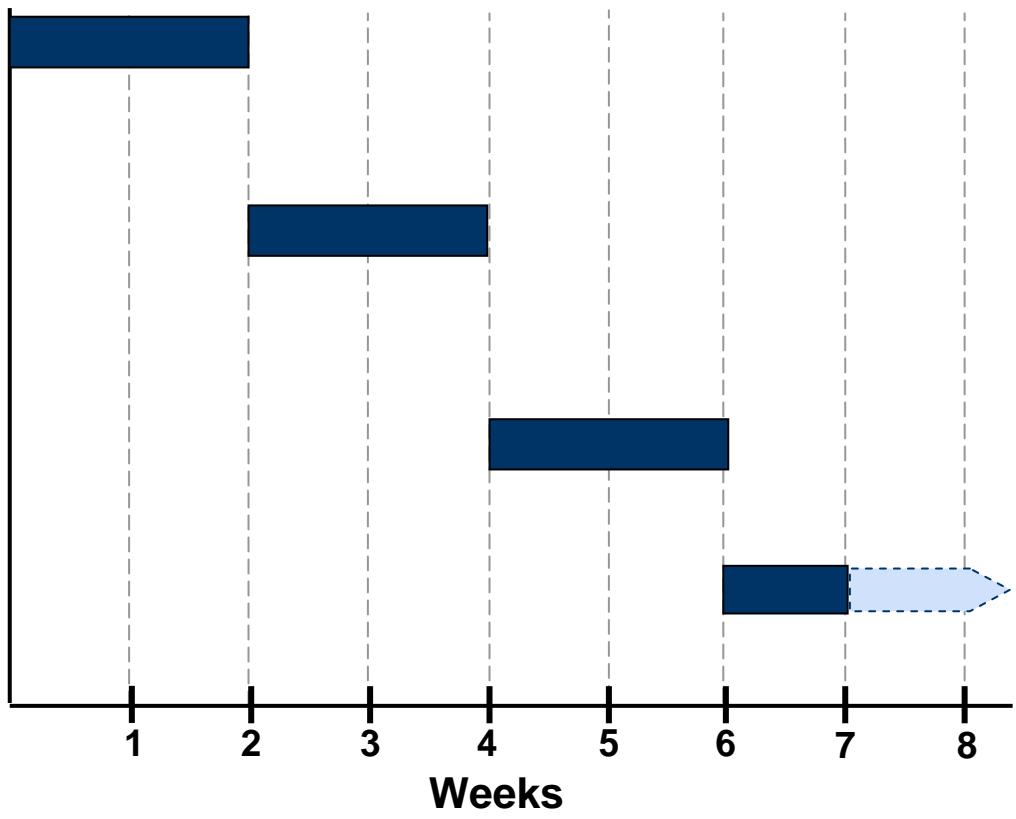
- test diagnostic with small sub-group
- administer Web-based diagnostic
- send system-generated e-mails to obtain responses

Assess

- create recommendation report
- provide personalized Web sites

Apply

- develop and implement project plan
- take action on personal network results



In less than two months, network analysis provided important insights and identified actions that would improve the performance of the Planned Giving Officers.