



MEASURING CONSTITUENT ENGAGEMENT TO DRIVE NONPROFIT SUCCESS

WHITE PAPER

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DOCUMENT OVERVIEW

This white paper was developed by Accenture engagement experts in partnership with nonprofit technology and business consultancy, Apparo. In our collaborative research initiative, we tested our hypothesis about driving engagement with local nonprofits. The research results overwhelmingly suggest that this topic is top of mind for many nonprofit executive directors and that understanding constituent motivation is key to enabling growth.

In this document, we will address the following questions:

- How do nonprofits measure constituent engagement?
- How can nonprofits leverage engagement to enable growth?

For more on Accenture's capabilities on engagement, please go to <http://www.accenture.com/>.

To complete an engagement survey and analysis of your nonprofit's constituent engagement, please contact Apparo at info@apparo.org.

EXECUTIVE SUMMARY

Constituents at all levels – funders, employees, partners and clients – have high expectations for nonprofit organizations to achieve specific outcomes aligned with their missions. Nonprofit executives are increasingly required to provide hard evidence that their programs better people’s lives. They are now expected to quantify organizational reach, constituent involvement and overall impact.

As such, many nonprofits are relying on methods traditionally favored by for-profits, such as keeping detailed databases and measuring outcomes to show value. Through a partnership with Accenture, Apparo has been examining the importance of engaging constituents and creating a tool for measuring that engagement on an understandable and cumulative scale.

Our research, outlined within this report, suggests that measuring engagement helps nonprofits understand their donor return on investment and how to leverage it. Our Nonprofit Engagement Scale (NES) provides nonprofits with a broad based approach to measuring the engagement of constituents with the ultimate goal of understanding how to advance donors, volunteers, Board members, staff members and/or patrons/clients further along the “engagement scale”.

UNDERSTANDING NONPROFIT CONSTITUENT ENGAGEMENT

Engaged constituents (including donors, volunteers, board members, staff and patrons) add more value to their nonprofit organization, enabling nonprofit executives to expand mission-critical activities. They have a positive attachment and commitment to causes, and are highly motivated to act on a nonprofit’s behalf. Highly engaged constituents are also willing to serve as ambassadors and share an organization’s story with others, thereby increasing the value that organization brings to the community. But what motivates them and how do nonprofits strategically target these individuals to increase engagement?

By assessing current levels of constituent engagement, nonprofits can establish baseline metrics and better understand what motivates and inspires their constituents. They can use these metrics to demonstrate return on investment upon which to “prove” results of programmatic and funding initiatives, and they can use these findings to build a plan to convert volunteers to financial donors and convert financial donors into influential advocates.

Social, economic, and political factors are often outside the control of nonprofit organizations, yet they have a direct impact on constituent engagement. In 2012, a public opinion survey showed that the economy (86%), jobs (82%), and budget deficit (69%) represented three of the top four priorities of Americans.¹ According to U.S. giving, roughly 73% of charitable contributions in 2011 were made by individuals.² With such a large portion of funding coming from individuals, nonprofits must understand their constituents’ priorities, and what motivates them to put their time, treasure and talent towards a nonprofit.





For example, given the recent focus on fiscal responsibility, cuts have been proposed to many of the deductions that Americans take for mortgage interest, health care, and charitable contributions. Nonprofits must ask themselves, “Is the charitable contributions tax deduction a key motivator for my donors? Would they continue to donate if this benefit went away?” Understanding what motivates constituents and having a plan to cultivate them through social, economic and political changes is key to nonprofit sustainability.

Consider the financial collapse in 2008, which led to a \$30 billion drop in charitable contributions by wealthy families, measured by charitable deductions claimed on tax returns of families with income greater than \$200,000.³ Nonprofits that were unable to maintain their funding levels were forced to reduce or eliminate programming, or in drastic cases, cease operations entirely. Nonprofits must prepare to weather any future storms.

Additionally, the composition of volunteer hours has shifted over the past several years. Since 2008, the value of a volunteer hour has gone up at twice the rate of total volunteer hours with an increase from \$20.25 in 2008 to \$22.14 in 2012, which is a 9.33% increase.⁴ At the same time, the trend in total volunteer hours donated to the nonprofit sector has only increased at a rate of 4.38%.⁵ All this translates into more volunteer hours by fewer volunteers—a fact that is validated by the value of a volunteer hour.

Does your nonprofit have a plan to compete for fewer volunteers to complete their volunteer hours?

To be successful, a nonprofit must proactively track and measure constituents through the engagement pipeline. Within this context, a nonprofit can recognize from where its next wave of donors will develop. Additionally, it can then segment, target, and position appropriate messages to move constituents up the engagement continuum.

MEASURING CONSTITUENT ENGAGEMENT USING THE NONPROFIT ENGAGEMENT SCALE

A constituent can have a variety of engagement touchpoints with a nonprofit. A constituent could make a financial contribution, contribute talent, or contribute time. Constituents interact with nonprofits differently and must be engaged based on the values that are most important to them. In an effort to increase a nonprofit’s overall engagement, organizations must first identify the status of their current constituency. The Nonprofit Engagement Scale (NES) helps nonprofits identify constituent behaviors and measure them.

The NES uses five levels of engagement to classify where nonprofit constituents fit into a continuum. Ultimately, “full engagement” is obtained when they reach the “sweet spot:” donation of time, application of skills and financial contribution.



Together, Accenture and Apparo piloted the NES at four Charlotte-area nonprofits. We found that any nonprofit, regardless of size, reach or mission, can use this scale to better understand their constituents and increase engagement.

The NES pilot program was developed as part of Apparo's Technology Innovation Award (TIA), sponsored by Accenture, which promotes technology and business innovation in the nonprofit sector. Throughout the pilot, each TIA semifinalist received training and consulting support to analyze constituent engagement within their organization and develop their own engagement program.

First, the nonprofits asked up to 200 of their constituents to complete an online survey of 25 targeted questions that measured knowledge and engagement with the organization, ranging from basic awareness ("I am aware of this nonprofit's mission and how it impacts the community") to a more intimate level of knowledge ("I have shared my skills/experience with this agency"). Then, results were aggregated and each respondent was assigned to one of five levels on the Engagement Continuum. Using the survey findings, the nonprofits can quantify current engagement levels and identify ways to increase constituent engagement over time with targeted programs and marketing initiatives.

PILOT PROGRAM RESULTS

While the nonprofits that participated in the pilot program are at varying stages of implementing the engagement plans they've developed with Accenture's help, they have each begun to realize the benefits of clearly defining their engagement level and identifying ways to move constituents along the continuum. Several are seeking funding to implement the described tactics. Here are their stories:



HABITAT METROLINA PARTNERS, the winner of the 2013 TIA, used their survey findings to develop a plan to use video and social media to connect people to their mission. Habitat has changed tremendously over the years from a new home construction ministry to a housing ministry that serves families through new construction, home repair, foreclosures acquisition and rehab, and home weatherization. Through this engagement program, they will create professional videos to demonstrate what the "new" Habitat looks like.

When asked about participating in the engagement pilot program, Executive Director Meg Robertson said, "It was helpful in that we could see where we stood with our current constituents. The knowledge of what your donors and constituents are thinking is incredibly valuable."

CLEAN AIR CAROLINA's survey revealed the need to increase awareness among younger constituents, so they decided to launch a social media campaign.

Their engagement program will tell the story of their work across North Carolina and entice new "supporters" who have not yet donated to make a financial contribution and take a specific action to improve air quality. The program includes a series of videos celebrating Clean Air Carolina's 10th Anniversary in 2013.

REGIONAL AIDS INTERFAITH NETWORK's engagement program is designed to increase constituent engagement by developing and premiering a video featuring local HIV-positive citizens. Educational information will be interjected for use as a health education tool. The project will be used in community and congregational-based settings, and through social media. By integrating the wisdom and voices of people living with HIV, RAIN plans to inspire and empower more people, open more minds and help break the stigma of HIV and AIDS.

CATHOLIC SOCIAL SERVICES OF THE DIOCESE OF CHARLOTTE, NC plans to use social media to engage their volunteers to address the needs of vulnerable clients seeking food assistance or refugee resettlement. To effectively recruit, develop and retain volunteers, this engagement program will establish conversational relationships with volunteers. These conversations will flow in a "continual loop" touching the lives of volunteers and their social network, and expanding into the larger community.

Linda Franks, Business Director at Catholic Social Services said, "We found that the engagement scale truly helped us identify and measure the involvement of our current volunteers. This helped us benchmark where we are and where we would like to be."

Catholic Social Services has since hired a Communications Specialist to assist with this project and roll out their

engagement plan.

"I think this will provide a very useful tool to the nonprofit sector. Nonprofits are always looking for ways to analyze their impact on clients and the community using outcome measurements and other analytics," said Franks.

"This engagement scale provides easy to understand descriptions in bullet format for the different levels of engagements as well as key questions that can be used by nonprofits to brainstorm future strategy and planning."

WHAT THIS MEANS FOR THE NONPROFIT SECTOR

It is critical for nonprofits to understand their constituents and develop programming addressed to each target audience, with the goal of moving constituents along the engagement continuum. Targeting the right group of people with the right message is more important than ever. However, 68 percent of nonprofits lack a dedicated marketing role within their organization.⁶ So how can organizations adapt?

The NES gives organizations an opportunity to market to the right audience, deliver appropriate messages and pitch the best "ask." Implemented successfully, the NES can help organizations increase capacity and sustainability, even in difficult economic situations. And, in the ever-important world of digital media, nonprofits have the opportunity to increase their return on engagement by developing and maintaining online relationships, fostering personal interactions and providing compelling digital content.

NONPROFIT EXECUTIVE LEADERSHIP SHOULD ASK SEVERAL KEY QUESTIONS:

- 1) Do we really know the engagement level of our constituents?
- 2) If we are able to segment our constituents, how can we develop specific programs to advance them up the scale of engagement?
- 3) What would our business model look like if our current donor model becomes less effective or obsolete?

To complete an engagement survey and analysis of your own nonprofit's constituents, please contact Apparo at info@apparo.org. Visit www.apparo.org for more information about innovative technology and business solutions for the nonprofit sector.

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Accenture is a global management consulting, technology services and outsourcing company, with approximately 261,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$27.9 billion for the fiscal year ended Aug. 31, 2012. Its home page is www.accenture.com.

ABOUT ACCENTURE'S NONPROFIT GROUP

Beyond our commitment to our clients is our dedication to improving the way the world works and lives. To learn more about how Accenture can help your nonprofit organization connect its vision to its practice to improve outcomes and lives, contact nonprofitgroup@accenture.com or visit www.accenture.com/nonprofit.

ABOUT APPARO

Apparo is a nonprofit organization that supports other nonprofits in their efforts to improve the delivery of their missions in the community. Apparo's mission is to transform the way nonprofits deliver their missions through innovative and transformative technology and business processes. Apparo is a convener of skilled IT professionals to bring technology solutions to the nonprofit community. We advise, we counsel, we facilitate solutions and we share knowledge.



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