

Higher Education Advancement Technology

Building the Business Case



BY DAN KEYWORTH

Introduction

by Dan Keyworth, Vice-President of Customer Success Modernization and Managing Director of International Markets Group at Blackbaud



All universities face challenges with digital transformation and what it means for fundraising and alumni data, legacy systems, data literacy, and access to skills. Advancement leaders must be confident speaking to and collaborating with CIOs, CTOs, and CITOes to ensure that philanthropy and external engagement are given the right prioritization and focus. In this white paper, Dan Keyworth explores key considerations for Higher Education leaders across Advancement and IT.

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Dan is Vice-President of Customer Success Modernization and Managing Director of International Markets Group at Blackbaud. Based in London, he helps lead Blackbaud's customer success teams and strategy around the world to enable customers to realize value towards their desired outcomes. Until 2014, Dan was part of University of Oxford Development Office's Executive Team, overseeing collegiate-wide systems, regular giving, legacies, relationship management protocols, and broader collaboration. He is also Chair of Trustees at inHive, a UK charity that works globally with partners to improve young people's lives by strengthening their access to networks and relatable role models.

Part One:

Global Technology Trends

Our [Supporter Experience Report 2022](#) highlights that tech-savvy organizations deliver a better supporter experience. They see better supporter loyalty and retention; are more likely to understand and respond to supporter needs; and are more likely to exceed fundraising targets (91% vs 74% baseline).

To achieve this, organizations are increasingly focused on converting their system of record into a true **system of action**, with embedded insights and heavy automation. The goal is to make it much easier to act upon the data, paired with systems of engagement (such as online giving, online community, and so forth), a system of payments, and a system of accounting.

It is essential that fundraising teams harness a smart CRM that supports the ‘orchestration’ or automation of their work. An advancement system is, or should be, much more than a repository of data; it’s a key enabler to income generation growth and mutually beneficial engagement with their university’s largest and most diverse external audience. It’s about leveraging technology to empower that audience of a hundred-thousand-plus alumni and supporters to give their time, their talent, and ultimately their treasure in support of the university’s mission.

This goal is broadly consistent across Canada, the US, Europe, and Asia-Pacific, with much commonality in the opportunities and challenges facing Canadian institutions and their international counterparts. There are differences of course, especially with some leading US universities in terms of budget and team-sizes, which follows from philanthropic income for many Canadian universities currently being lower – either because they’re earlier on their advancement journey or they have less consistently invested in fundraising year on year.

One consequence of fundraising not being as firmly embedded which accentuates the challenge is many Canadian advancement leaders don’t yet have a seat at or near the top table. That’s gradually shifting as more universities surpass \$12 million per annum in fundraising income, but where significant philanthropy



doesn’t already exist, then it’s even more important to demonstrate the positive return on investment generated by fundraising and engagement (and the underlying technology), and not assume it is appropriately understood by university leadership.

An encouraging trend across Canada is increasingly weighted commitment to engagement beyond just philanthropic benefits (treasure), with institutions recognising the value of alumni and other friends as volunteers (time) and advisors (talent) to help drive university priorities. Drivers vary from widening access and participation; to career mentoring and networking; to business, civic, or community engagement; to continuous learning; and more. It cannot and should not be all about the fundraising.

Still, many universities across the globe have barely begun to scratch the surface of truly empowering and mobilising their audiences to action – whether for fundraising or engagement. Better technology is now

there to support decentralized growth – for example through peer-to-peer fundraising and crowdfunding (such as for emergency appeals, class-based fundraising, or cause-based initiatives) – but many institutions remain cautious about ‘letting go’ of their brand and are missing out on supporters and advocates as a result.

Many Canadian universities and colleges are well-positioned on areas like data privacy, cybersecurity, payments compliance, and more, partly a result of CASL and stringent – arguably globally-leading – EU GDPR laws that would apply to European international students. Various updates to US data privacy laws this year are also to be considered as they are in many ways catching up with the GDPR, and it is often similar for payment regulations (e.g., Strong Customer Authentication), cloud frameworks (e.g., G-Cloud), and accessibility (e.g., European Accessibility Act). The right systems can help stay apace of requirements for adhering to donor preferences and expectations.

Investment in the right **technology and data is a key enabler** to achieving all these things, and more. No longer can we think of our advancement system as just a ‘database’. It needs to be much more, and fundraising leaders must embrace and champion this as a core priority.

Our Status of Canadian Fundraising 2022 study confirms those who ‘get the most from their tech’ are more likely than their peers to class themselves as digitally mature, say they’re focused on the supporter experience, and be gaining more supporters year-on-year than they’re losing.



Part Two:

Maximizing Opportunities using Advancement Technology

A top priority is making this case for sustained investment as a key enabler to income generation growth and the wider engagement benefits to the university or college. Critically, advancement is a revenue generator not a cost centre. Advancement leaders cannot defer technology decisions solely to their teams, as they must sponsor them to their fellow university leaders.

We collectively need to champion that advancement is not an 'either/or' between human relationship management on the one hand and technology and data-driven interaction on the other – the best operations blend both, even for principal and major givers. Technology-enhanced experiences are not just for low-level donors – almost all major donors interact digitally and online almost every day of their lives.

Advancement teams can optimize technology across four key areas:

- 1 Firstly, and of paramount importance, they help **Raise Resources** – with the right tools to drive holistic fundraising, revenue management, and stewardship. As one component, digital giving is growing faster than overall giving each year and expanding into major giving.
- 2 Secondly, they enable teams to **Deliver Programs**, leveraging automation and intelligence to identify and reach the right beneficiaries as quickly and effectively as possible, from donors to applicants to students to researchers – a vital factor for the 'orchestration of work'.
- 3 Thirdly, they help **Manage Operations**, with truly harnessing and embracing the cloud enabling greater operational excellence, cybersecurity, and maturation across functions. Business continuity is a key component – as we learned from a world shift to remote during the COVID-19 pandemic.

- 4 Fourthly, they empower teams to **Measure Impact** – with outcomes and impact reporting as one of the fastest-growing c-suite priorities, to better demonstrate societal value (to government, media, beneficiaries, funders, etc.). Impact also links universities, colleges, charities, foundations, corporations, and the individual change agents together in a social good ecosystem connected around the causes we collectively advance.

Progress in leveraging advancement technology is all about partnership. The most successful universities are typically those where Advancement and IT teams work as strong partners, and embrace integrating key suppliers into the process too. Collaboration helps achieve the combined goals of the organization, with deep understanding of the pivotal role of fundraising and alumni engagement and what is needed to maximize positive return on investment.

Every university has a mission, and income generation and external engagement are two key enablers of that mission. At the same time, of course, almost all organizations face significant challenges around costs and must be prudent stewards of their post-secondary institute's resources.

Critically, the goal of University IT and Finance with respect to advancement should not be simply to reduce costs, which results in far lower ROI. For example, an institution with a choice of spending \$100,000 to raise \$1 million or \$200,000 to raise \$2 million will do much better to invest the extra \$100,000, driving \$900,000 net benefit over the 'least cost' approach. To secure the extra investment, however, it is essential to have clear and measurable ROI underpinning the cost.

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Yet it is not just about cost – time matters too. Some universities have spent several years trying to achieve cross-student lifecycle transformations without any meaningful progress in delivering fundraising improvements. That has a material negative effect on the university’s mission, by delaying significant growth in income that could otherwise propel other initiatives and positively change the lives and success of all students, teachers, researchers, and other beneficiaries.

The best IT programs effectively balance **time, resource, scope, and risk**, with a clear set of milestones that focus on propelling the advancement team forward quickly and acknowledge the significant cost of delaying the development office’s time ‘in the sun’. If your remit is to grow fundraising by \$5 million per annum but your CRM implementation to enable that takes 3+ years to complete, then you’ve foregone £15 million in expected income at the outset. Similarly, if the realization of the big vision under delivers in scope, then the impact can be equally negative. For this reason, advancement leaders must hold their IT teams, their suppliers, and themselves to account for executing clear and measurable deliverables with speed and prudence.

Digital transformation is the full integration of digital tools across every part of an organization – it is a cultural transformation that puts new ways of working

at the heart of what you do. All departments across the university must be invested in the vision of what can be achieved, including advancement. Fundraising must be a key partner/lead, as this team has one of the clearest pathways to advancing the institution’s mission.

Over time, legacy technology impedes organizations’ ability to guarantee data security and perform day-to-day operations, and it negatively impacts supporter and service user experience. Allowing ‘digital’ to be pigeonholed as an IT-led project risks reducing the conversation to a review of platforms and tech-stack versus driving institutional change. And, sometimes, digital *transformation* is misleading as a goal – it’s better to think of digital *adaptation*, as we are in a world where we, and our processes, must react fast and constantly evolve, and our tech-stack and people need to be agile enough to support this.

Part Three:

Building the Right Team for Long-Term Success

It is imperative to have a clear annual plan for continuous improvement. Go-live should just be the first phase of a perpetual program, focused on maximizing value from your technology and data. In a cloud-first world, your supplier should proactively help you with maximizing that value, as a part of your annual subscription.

To do that, your university should invest in vendors and solutions that bring expertise to Higher Education and are incentivized to drive your long-term success, with advancement as a priority. By investing in partners that can **develop, implement, support, and deliver value**, and bring annual innovation, you lower the expectation and cost upon your team to have niche skills or become in-house software developers. Ask what your supplier spends on annual product development specifically centered around fundraising and determine whether they will regularly spend time with you discussing how best to adopt this innovation. Also assess each supplier's existing fundraising user/customer community, as they should be an extra avenue to help you succeed and to ensure business continuity (including via hiring) following staff turnover.

Ultimately leverage your supplier as a partner. Lean *into* relationships with vendors that invest to help you succeed. At Blackbaud, we sell, we implement, we support – and we help you achieve success, but we can only do that with ongoing partnership at an executive-level, to avoid a trap of descending into technical aspects that will not actually drive transformative change to your business outcomes. Ask the same of any other large vendor. Does their solution include product and people? Customer outcomes should be your supplier's priority, with a business and financial model such that they are resolute in driving you value towards those outcomes.

We think it is key a supplier's people add value throughout the lifetime customer relationship and so we work hard to understand our customers' goals and proactively help them achieve them. That model includes embedding success principles from the

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initial onboarding immediately post-sale and then accelerating (not decelerating) success planning post go-live, focused on enabling your business outcomes through a continuous success plan. The implementation methodology should also teach throughout the process, so you are ready to go from day one.

Advancement and IT teams do incredible work, but that does not mean that your internal staff can or should be experts in everything to enable best-in-class fundraising through technology; material value should come from suppliers dedicated to growing your income and social impact. Having that same supplier relationship across all stages of the technology lifecycle ensures access to external expertise on an ongoing basis. You want interoperability, yes, but with a single point of accountability.

So, what skills should you recruit for? Firstly, invest in people who embrace change and have a continuous change mindset. The world has changed multiple times over the last five years, and that will continue. Do you have a team that constantly wants to innovate, optimize, and improve? Also invest in those who can effectively bridge the vision/strategy to execution, to ensure you not only think big but also drive results quickly and scale upwards fast.

COVID-19 changed the way society interacts – consumers expect digital-first, and charity leaders are using this as an opportunity to drive change in their organizations. The digital transformation is continuous and here to stay. It's all about adaptability, scalability, and agility. The last three years has taught us that things will change, and change again, and change yet again.

Your technology and data need to be one of your key enablers in this ever-changing world. So, the most obvious point is to prepare and be ready for that continuous change management, with solutions for advancement that will keep pace with an ever-changing world.

Part of that will need to be letting go slightly of the organization's control on brand and messaging, and empowering innovation and activism across your alumni and donor community. Digital payments and fintech will continue to grow in importance, as will insight and automation, and the cloud will make it easier to test and optimize on a continuous basis – versus the old way of working through big implementation projects or investments followed by periods of neglect and stagnation every several years.

Towards this, there is value in recruiting and retaining those who can drive collaboration, break down silos, and win 'hearts and minds' across and beyond your

organization. Organizations can achieve much more when they build bridges across departments, and with suppliers, to partner together closely, recognizing that the benefits of sharing data and insights whilst advancing their core business priorities far outweigh the costs. Clear relationship management protocols and data governance is needed, and again it should not be at the expense of best-in-class fundraising – they can be mutually reinforcing with the right solutions and integration strategy.

And don't forget to embrace the potential benefits of remote-first. For each advancement role, consider whether onsite attendance is necessary, or whether you can in fact widen your access to talent and provide a more desirable employee experience (to help retain your best staff longer-term by enabling them to operate in either a hybrid or fully remote environment.



Part Four:

Enhancing Engagement and Leveraging Insight

The debate of having one CRM (aka 'one ring to rule them all') versus multiple best-of-breed solutions will always be present for large and complex organizations like universities and colleges. As ultimately there are two parallel problems to solve for: **more collaboration and fewer silos** (i.e., less duplication) which a single (eco)system can enable, and **more sophistication and fewer workarounds**, which best-of-breed enables.

A first thing to note is that the key focus on post-secondary insight and establishing a single source of truth must not be at the expense of effective advancement. Universities and colleges need sophisticated philanthropic revenue (gift) management, including high volume transaction processing, coupled with dedicated fundraising and stewardship capabilities that are designed for major giving, legacy fundraising, digital giving, etc. They also need deep, multi-channel engagement functionality, including strong segmentation and automation to power relevant communication and donor engagement across channels, and more holistic management of their communities, such as for their donor-enabled scholarship and award programs.

All these things continue to evolve and develop, through digital transformation and compliance, and so need ongoing investment to optimize. Many are specific to fundraising (e.g., Gift Aid, Direct Debit, CASL, GDPR, SCA, donor stewardship, household giving, etc.), and if customized will rapidly fall behind expectations of your donors and your ability to scale up income. These things propel your success and must be the priority, to grow your income generation year-on-year.

At the same time, insight and intelligence are critical, both embedded within the advancement system and connected to your wider university or college ecosystem. The former is part of that fundraising-focused investment, to make sure the insights are grounded in what your donors have, need, and want; whilst the latter can be best facilitated through an integrated ecosystem of (a small and sustainable number of) key market-leading solutions. A combination of open APIs, low-code no-code developer

tools, and other automation tools is vital, so that the right information can be seamlessly shared between solutions. Alongside direct integrations, e.g., with student systems, online mentoring, Finance and GL, etc, we typically see universities flourish by leveraging integrated Business Intelligence tools like PowerBI.

The benefit of this approach is two-fold: firstly, it delivers far quicker **time to value**, as you are not trying to build complex business processes from the ground up in systems not designed to support them. But it's also better long-term sustainability – as you are minimising customization and leveraging the product innovation and ongoing customer success and support of vendors who are specialists in the fields you're focused on. You need a well-defined fundraising and engagement data structure, so you can build true equity in your advancement data. Poor data is a major issue in the sector and limits data-driven decision making and efficiency of execution. Role-based access should then make that data even more usable for specialised groups.

The other major shift to prepare for is around purpose. The Technology & Services Industry Association (TSIA) notes that employees, especially the next generation of tech employees, gravitate to mission. They are looking for organizations that can articulate a meaningful mission. This is equally true for universities as it is for corporations and charities. This focus on social impact is only going to increase over the next 3-5 years and will be essential for all organizations to be able to tell the story to their employees and students of the social impact they are having, towards building a better world. If you don't, your competitors for your university's talent will.

Great insights come from outside your organization too. The area of measuring and accelerating impact is perhaps most exciting of all. If we can truly connect interrelated missions of multiple education institutions and with other non-profit and corporate organizations and with individuals that want to drive more social good – by matching all funders and fundees together more smartly and efficiently and telling an amplified story of combined social impact – then we can aspire to grow philanthropy as an overall percentage of Gross Domestic Product. That ultimately will advance universities' missions and ensure we do not just fight for a fixed-size pool of funds.

Conclusion

Social good matters. Our ability to have social impact on the world has never been so great, nor so important. We must all be champions and ambassadors for the importance of advancement – of philanthropy and fundraising for greater income generation to higher education, and of the pivotal role of engagement to inspire, empower, and mobilise our alumni and other audiences around the world. These are, or should be, non-negotiable priorities for every university, with technology and data as key enablers of that vision.

About Blackbaud

Leading uniquely at the intersection point of technology and social good, Blackbaud connects and empowers organizations to increase their impact through cloud software, services, expertise, and data intelligence. We serve the entire social good community, which includes nonprofits, foundations, companies, education institutions, healthcare organizations, and the individual change agents who support them.