EQUANTIIS

The Data Challenge:

How membership organisations can drive success

Introduction

In today's digital world, data reigns supreme.

As humans, we produce more than 2.5 quintillion bytes of data every single day. What's more, the overwhelming majority of that data was created in the last five years alone. We use data for everything, from informing our decisions and improving our lives, to backing up our arguments and generally finding solutions to problems.

Of course, the advent of the internet and the rise of digital natives have escalated the importance of and our reliance on data. It goes far beyond assisting in our personal lives – organisations worldwide, small and large and across industries and sectors have been realising the benefits of adopting a data-driven culture.

Did you know...

> **Data-driven organisations are 23 times more likely to acquire new customers**

By embracing data-driven decision-making, organisations can unlock numerous benefits, such as identifying new opportunities, enhancing customer satisfaction, increasing sales, and improving efficiency.

So, with all the associated benefits, why are only 26.5% of businesses successfully establishing a data-driven organisation?
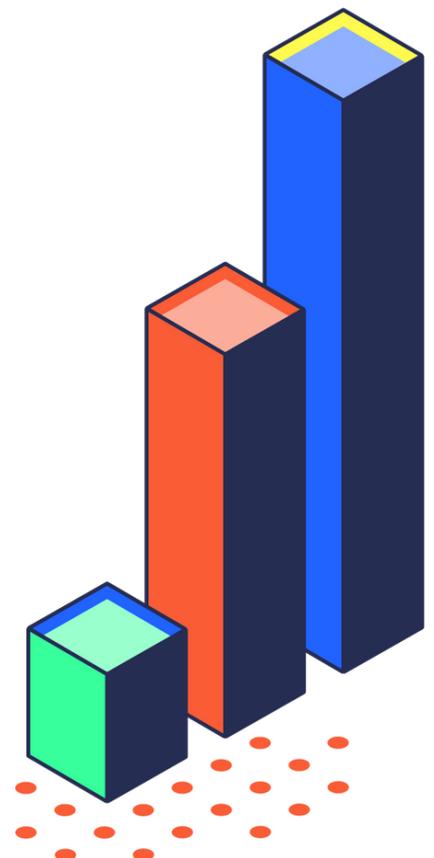
Data Hurdles
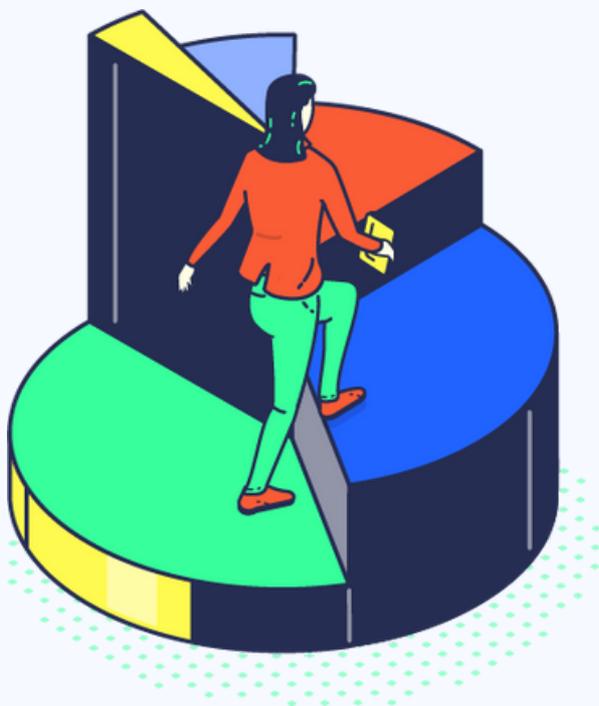
There are a whole host of reasons why organisations struggle to adopt a data-driven culture, which we'll dive into later, but some industries simply find this more of a challenge than others.

For example, those in the retail, agriculture, banking and finance sectors are top of the leaderboard, leveraging data for substantial business gain. Whereas industries such as NFP (Not-for-Profit), especially membership organisations, often find it harder to become data mature.

The Importance of Members in Organisations

NFP organisations need support from their members to raise income – this can be for any number of reasons, such as research and development, fundraising or investing. Many raise income through subscriptions, fundraising, publishing, e-commerce, shops and events. Receiving this support is essential, without members, these organisations can't exist.

In light of this, a top priority for membership organisations is to retain existing members, recruit new ones and increase engagement. To achieve this, they need to have sufficient insight into their data.
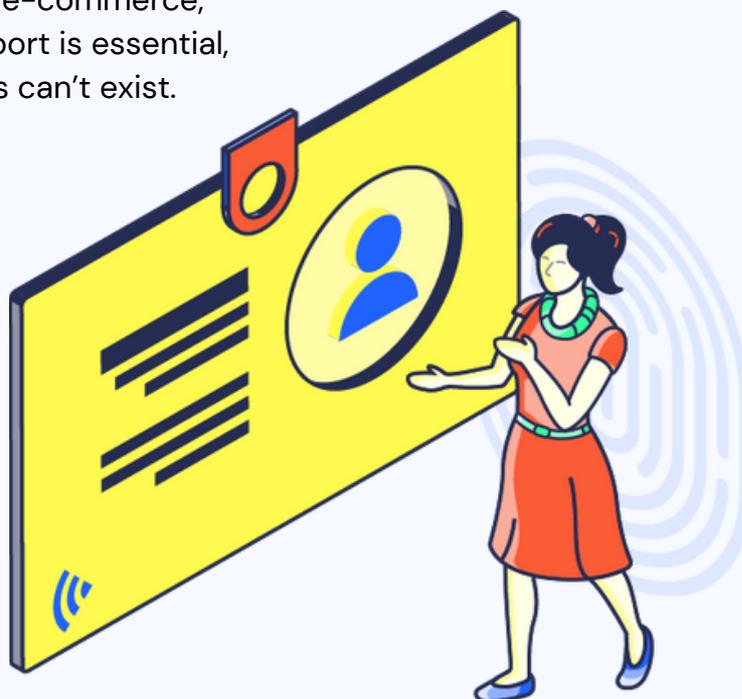
Technology Maturity

NFPs have a wealth of data available but are often unable to leverage it to inform decision-making. Why?

Two of the main culprits are a lack of technology enablement and internal know-how.

For example, legacy systems and employees that are resistant to change are just two reasons why implementing new technology is such a huge feat for membership organisations. The infrastructure and systems in place have likely remained unchanged for years. Skipping numerous generations of technological advancement makes the jump to migrating to innovative technology a daunting one.

Alongside this, Bill from the membership team has probably been using the existing systems and processes for years, he may be the only one trained to use them, and he's unlikely to want to change anytime soon unless he can clearly see the benefits of doing so. Often, these legacy systems are disparate, meaning there's little connection between the membership system, events platform, mailing system, and finance systems. There's no single-member view or way to bring data together to get a picture of a member and then work out how to attract, engage and ultimately retain them.

With scenarios like the above, it's easy to see why organisations and their employees may lack the agility and interoperability needed to switch to new systems, even if they do offer numerous benefits.
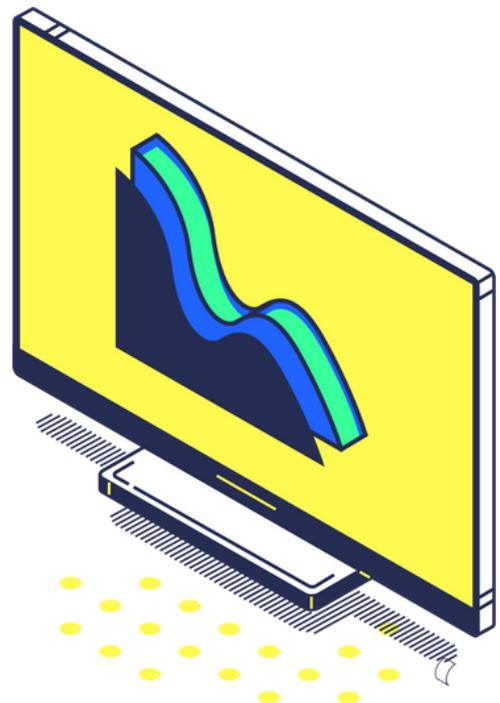
Data Confidence

One of the biggest challenges is trusting the data that organisations have available to them. Without the right systems and processes in place, employees won't use the data they have access to, as it may lead to an incorrect action, such as sending an unsolicited email to a member or reaching out to the wrong target audience.

A lack of data confidence usually points to a lack of data culture. Sometimes, organisations might shoehorn new tools and technologies into existing infrastructure without addressing the underlying problem.

For example, an organisation may choose to replace the CRM system they use to manage members and supporters, etc. They may select a different tool because it promises greater transparency and more granular insights into data. But technology implementation without a data strategy is only a quick fix.

Simply replacing the CRM may enable the organisation to access and manage the information, but then what? They need to know what to do and not to do with that data to fuel the needs of their members and better engage with them.

Without buy-in from all the relevant stakeholders and team members, a data-driven strategy is doomed to fail. Being truly data-driven is all about changing the way in which the whole organisation works, how everyone views data and ensuring that everybody can realise the benefits of becoming data-driven.

Use Case #1

The Organisation

A Not-for-Profit society

The First Challenge

To improve intelligence and use the data they have to better guide them in terms of how they operate and how they use their income and funds to deliver real results.

The majority of organisations within this sector are often not at the size or scale where they have integrated or single solutions that have been developed over time. Instead, there tend to be a lot of legacy systems, i.e. 'Bob has been using customised platforms to connect with members and boost volunteer numbers for years. However, Jen and her team use a CRM that has a different purpose.'

This situation means that a lot of the data they have between systems is siloed and separate. Team members resort to exporting data into excel sheets to try to cross over and understand where they have those relationships with members.

For example:

> Does member A represent a member of a supporter?

> Are they the same person?

> Is the organisation engaging with them and talking to them about renewing their membership?

> Are they talking to them about raising funds and volunteering?

Organizations must be able to answer these questions without the hassle of exporting spreadsheets. Currently, the siloed approach hinders the relationship and makes a single customer view difficult – they need to recognize and appreciate duplication to streamline efforts.

Use Case #1 Continued

The Second Challenge

As a result of the first challenge, nobody at the organisation has confidence in and access to the data. If the membership team is trying to understand the characteristics of how a particular member is engaging, they may not have the full breadth of knowledge needed to see those touchpoints. Some information may be separate, on different systems or simply not accessible. People need access to this information.

On the other hand, organisations also need to be able to implement controls and measures to limit access to information that could be sensitive. It's one thing to want to give everyone access and create an environment where everyone can access and use the information to make decisions. Still, equally, not everybody should have access to everything.
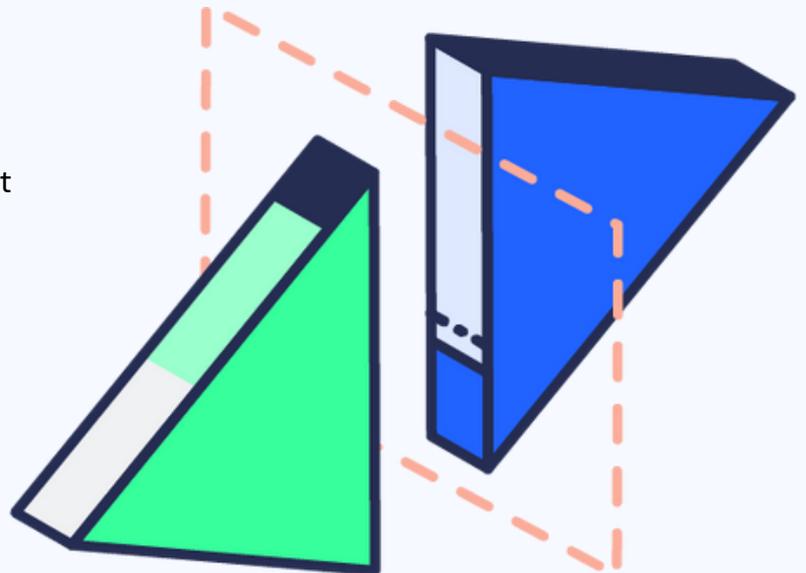
The Solution

The organisation needs a place to store all data, a single source of truth. This type of solution will allow everyone to access the same information across departments regarding member engagement and touchpoints. It can also ensure that stringent controls and permissions are placed on certain sensitive information so that access to that data is only granted to those who truly need it.

A single source of truth will enable the organisation to have confidence in its data. It also highlights how they manage and see the benefits of the work they are delivering, and shows them the benefits of maturing, and getting to a position of understanding their data.

Use Case #2

The Organisation

A national charity and membership body
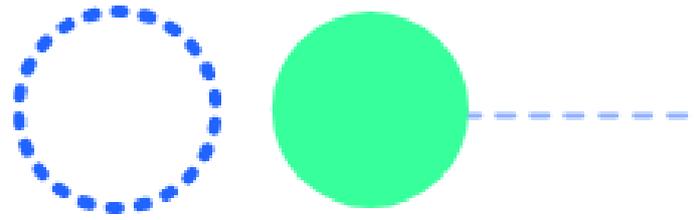
The Challenge

The organisation has different types of relationships including members, supporters and donors. In this instance, the organisation commissions its members to undertake research and other activities – which could include anything from developing a research paper to supporting the distribution of grants through scholarships.

In this instance, the charity actively seeks donations and sponsorship from large organisations, to then invest in research and academic activities.

For an organization to thrive, it must have a central hub of information that outlines its network of members, supporters, and donors. This data source will help classify the individuals, track their engagement with the organization, and ultimately guide efforts to get them involved in key initiatives. It's a critical component of effective outreach and growth.

The Solution

To improve access and intelligence in terms of the data the organisation holds.

In this instance, selecting and procuring a new CRM to provide a single source of truth can provide a central repository for all relationships and data.

This will enable the academy to understand, not only who these people are, how they interact with them and the touchpoints they've had, but also help to understand what sort of fundraising the organisation is getting in. And in turn, look at how those funds are allocated and managed, and how the organisation demonstrates that those funds are being used in a way to make an impact in line with the organisation's overall goals.
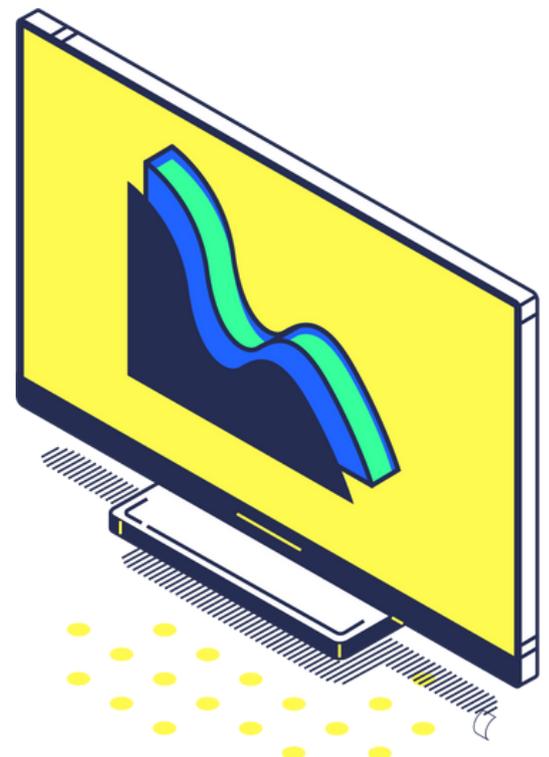
Steps to Data–Driven Success

It's not as simple as plugging in a technology solution and becoming data–led. Steps need to be taken to facilitate success.
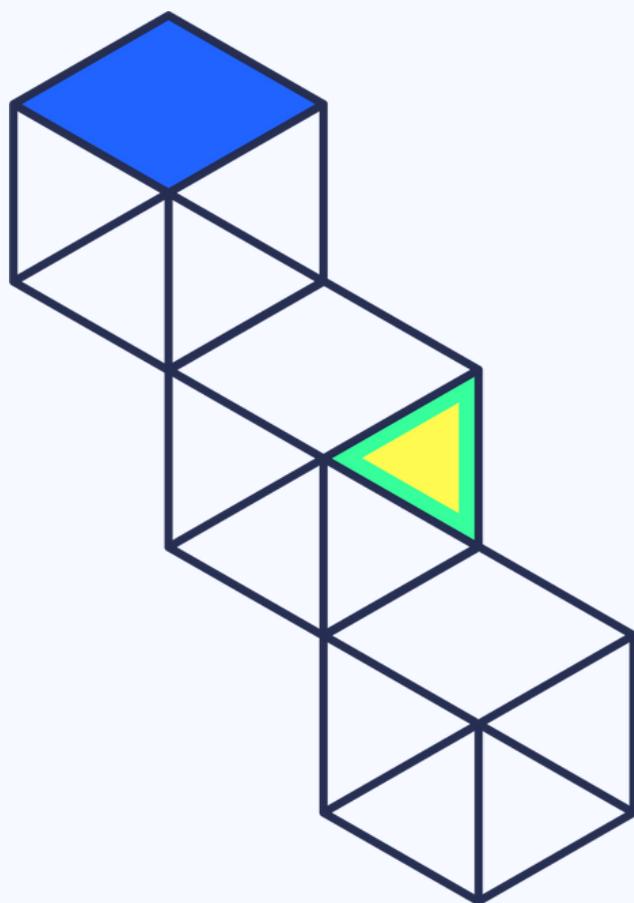
Step 1 – Identify the data you have

This is a simple starting point but it's also often underappreciated. The information that an organisation already records has taken time and effort to gather so, use it.

- **What data do you already record?**

- **How is it recorded? Is it in somebody's notes, in a spreadsheet, is it in internal systems?**

- **And where is that data recorded?**

Often, this is when organisations find that they have duplication across teams and departments in regard to what data has been gathered and where that data sits.
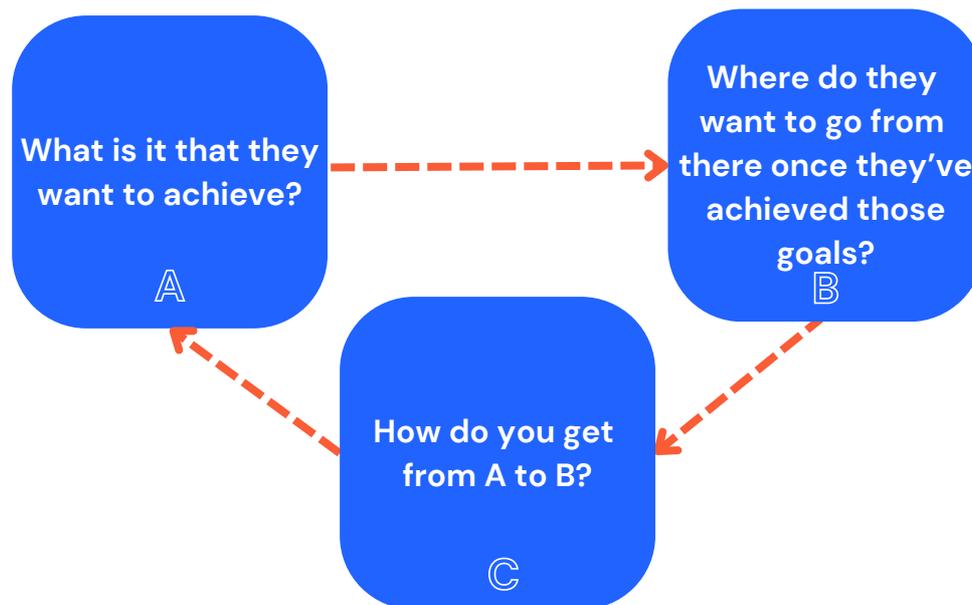
From this point, you can then start to identify areas that require change in order to avoid wasted time and effort and start to improve operational efficiency and drive productivity.

Developing a strategy or roadmap is the first step to overcoming the data hurdles mentioned above. Without a plan or structure, there's no guidance for the organisation to follow, monitor and measure the successes and potentially highlight areas of improvement.

Organisations need to consider:

What is it that they want to achieve?

A

Where do they want to go from there once they've achieved those goals?

B

How do you get from A to B?

C

If you think about every example scenario in which you may need data, there's a significant amount of time and effort that goes into that identification. Instead, organisations need to identify their most critical user cases, to then develop the strategy based on those cases – what's the purpose or reason that you require the information?

Don't go overboard. Developing a strategy that focuses on a couple of key areas is more advantageous than attempting to do everything in one shot.
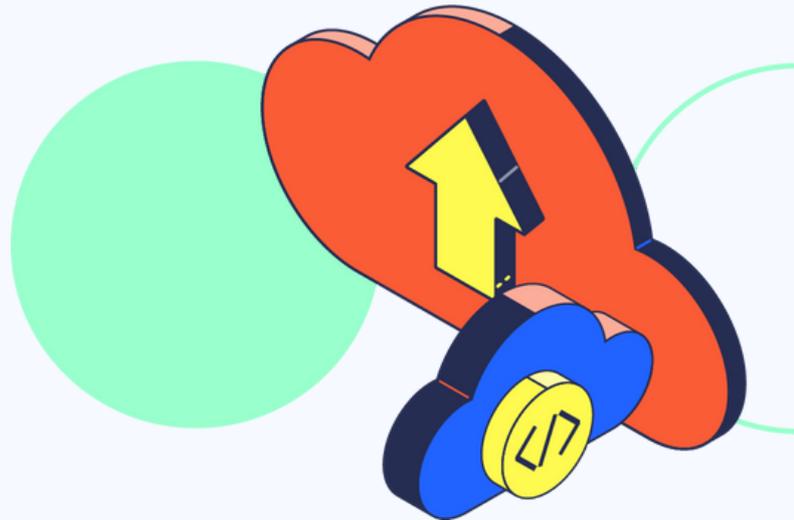
- Qualify data requirements: what information do you need to use, what's the source of that information, and how might that data then be presented or accessed?
- Adopt governance: how can you ensure the quality of the data you use, how will you monitor data access and privacy and instil data ownership and responsibility?

These key points should then be used to build your data framework, which in this sector, should mature as it develops rather than ripping and replacing everything all at once.

Step 3 – Technology Procurement

This is where you need to look at how you're going to take your requirements, i.e. the pieces of information you need to gather that you've laid out in your strategy, and think about where it's coming from and how you're going to manage the governance perspective. Alongside this, requirements gathering is also about establishing user, e.g. functional and technical needs to deliver specific outcomes. Think about:

- **What tools are you going to use? Something simple or something heavier such as a Power BI type of solution?**

- **Have you considered the hardware and the IT infrastructure you already have in place?**

- **What's your budget?**

- **What about the user experience, how intuitive do you need the tool to be?**

Step 4 – Skills Gaps and Change Management

- Current Skill Levels
- Desired Skill Levels

Training or additional support required

Year 1   Year 2   Year 3   Year 4

Having the right people for the job is key to encouraging data strategy success. What skills gaps do you need to plug?

Training is a key aspect of any kind of change management. You will now have new requirements in terms of the capabilities and skillsets to make the change successful and ongoing.

Having the information, the governance and the technology is one thing, but if you can't help people use it, how will it work, and how will you support people? This is where you may need to consider hiring externally or working with a partner rather than building that internally.

One key point that organisations often don't think about is what's needed to make a data solution stick.

While technology certainly plays its part in supporting a data-driven culture – and it's important to get that aspect right – it's only one aspect of the wider data culture picture. There are countless technologies available with varying price points that are interoperable and straightforward to plug and play. However, these can only support an organisation's journey to becoming data-led, it's not the whole solution.

This is where change management comes into play.

Changes to an organisation's practices, policies, strategies, training, and mindset are all required to form the foundations of a data-driven culture. This takes time, effort, and patience. They need the buy-in of all the relevant stakeholders. Without everyone seeing the benefits and being fundamentally involved, the change won't be adopted or succeed.

- **How will you engage the organisation as a whole to buy into this whole project?**

- **How will you create the story and the compelling business case for why people should buy in, care and be a part of it?**

Ways of working and the culture that sits around it are fundamental for change management.

Within the not-for-profit space, it's likely that employees have worked with an organisation for a number of years, and as a result, employees pick up and learn the ways of working over time. They know who to go and speak to when they need the answer to something. Reliability becomes second nature.
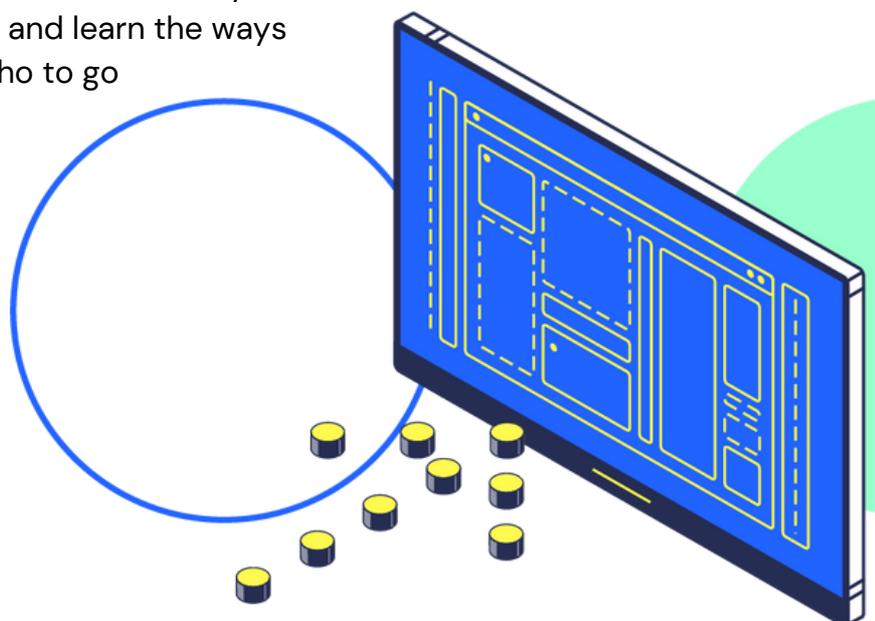
A change in mindset is needed to facilitate the changes required to instil a data-driven culture. Employees have to migrate away from traditional intuition-based decision-making which relies on gut instinct and previous experience. Instead, they need to think:

> *'In taking information I have access to, I can analyse it, review it and use it as my source to decide how I might interact with a member.'*

Organisations need to use information and data to support and create a hypothesis and validate that with cold hard facts.

This means that people no longer need to be in the mindset of exporting information from systems, owning their own spreadsheets and data versions in silos, but instead using a single source for all data. And then, recognise and have confidence in that information to make important business decisions.

Create the environment in which the strategy, technology and training will succeed.

Conclusion
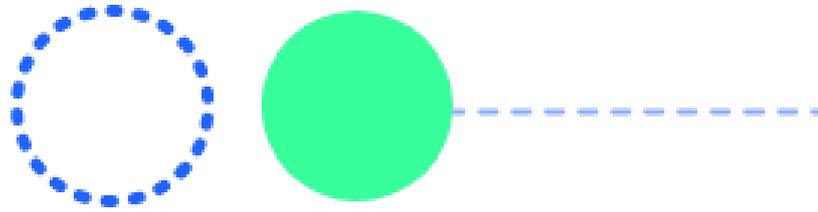
Membership organisations face many challenges in the data space, from gathering and accessing data to analysing it and better-inform decision-making, but it doesn't have to be this way.

Experienced, external support can help plan, guide and support the whole data-driven journey. From working with you to see what you already have, and developing a strategy to help you on your way to data success, all the way through to recommending the right technology solutions. Training and change management are all part of the process, and the right consultancy firm will get everyone involved to ensure buy-in from all stakeholders to encourage maximum success rates.

For membership organisations that aren't sure how to kick off their data-driven journey, Equantiis can support you. Contact one of our experts in the Not-for-Profit space to learn more about how we've helped other organisations, and how we can help you on your way to data success.
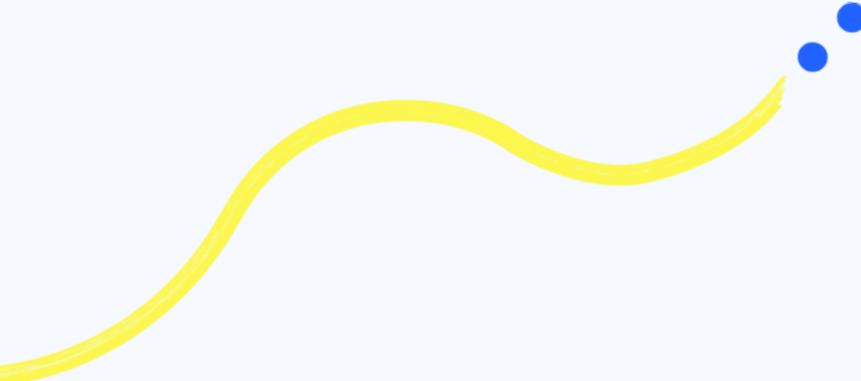
EQUANTiiS

We build digitally enabled business.

We're business and technology consultants with real world experience and one clear focus: how to digitally empower our clients to deliver the best possible customer experience with operational excellence.

Interested in finding out how we can help you leverage data to improve member experience, increase operational efficiency and drive organisational growth?

Contact a member of our team to start your data strategy today.

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