

## CHARITIES FOCUSING ON 'CUSTOMER SERVICE'

BY: LISA BERTAGNOLI NOVEMBER 10, 2008

With the economy lurching, local non-profits are paying close attention to an old sales adage: It's easier to keep current customers than to chase new ones.

Charities around Chicago are launching blogs, investing in software, hiring new employees and taking other steps to turn "donor management" into "customer service." As individuals and businesses cut back, non-profit leaders say personal touches are crucial, sometimes making the difference between thousands or millions of dollars going to their organization or somewhere else.

"The most promising next contributor is the existing one who's happy," says Jay Frey, senior major gifts officer and development director at Rush University Medical Center. That approach "is much more cost-effective," he says.

Nancy McInroy, executive director of the Illinois chapter of the Leukemia & Lymphoma Society, says her organization sends donors "personalized and tailored communication." One example: A letter to a donor whose son-in-law has blood cancer made reference to the son, his family and his specific disease.

Ms. McInroy hand-writes notes on standard acknowledgements, ensuring they go out 24 to 48 hours after receipt of a donation, and calls donors to thank them, as well. The organization, which has an \$8.4-million annual budget, plans to hire a deputy director, which will give Ms. McInroy more time to pay attention to donors.

Ms. McInroy, 37, spends 25% of her time on donor management, "and it should be 50%," she says.

Hand-holding techniques with donors is critical because individuals, who account for 83% of all charitable giving in Illinois, can be fickle, fundraising experts say.

"Individuals are tough," says Marcia Lipetz, president and CEO of Executive Service Corps of Chicago, a non-profit consulting firm. "You have to keep in touch with them, recognize them, spell their names right."

A client of Bergstrom Associates, a Chicago-based fundraising consultancy, lost a large donor because the donor received only a thank-you note.

"They felt they should have had communication — been invited to see something, be kept informed of changes," says Betty Bergstrom, the firm's founder. She blames the charity's naiveté: "It never occurred to them that they should pick up the phone and talk to a person," Ms. Bergstrom says.

Some personal touches are going high-tech. StreetWise, a Chicago newspaper publisher that assists homeless people, is using a new online donor-management tool, DonorPerfect, to get acknowledgements out faster.

"We want to be able to thank people as soon as possible after they've given money," says Michael Speer, 55, StreetWise's publisher and executive director. It already has made "a huge difference" in getting letters out faster, he says.

Along with tailored e-mails, DonorPerfect keeps donors in touch with the organization and its efforts. "It's easier to work with existing donors than to go out and find new donors," Mr. Speer says.

A Silver Lining Foundation, which helps underinsured and uninsured women pay for mammograms, recently launched a blog to keep in touch with donors. While the blog is too new to show results, the organization has gotten positive feedback from another "customer service" effort: its annual donor party. The cocktail party is free, and there's no asking for donations, says Silver Lining founder Sandy Goldberg.

"I don't like it when people feel that they're being reached out to only so they can open their checkbook," says Ms. Goldberg, 63. "We love our donors — they matter to us."



Nancy McInroy, head of the Illinois chapter of the Leukemia & Lymphoma Society. Photo: Erik Unger