



# Membership Metrics: A Review of Current and Best Practices



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## Contents

1. Introduction .....	2
2. The Challenges of Big – and Small – Data .....	3
3. Metrics Collected and Perceptions of Importance .....	7
4. Challenge #1: Collaboration.....	12
<i>Best Practice: A Collaborative Approach to Data Management.....</i>	<i>14</i>
5. Challenge #2: Culture and Processes .....	17
6. Challenge #3: Strategic Alignment.....	21
7. Challenge #4: Measuring Member Engagement .....	25
8. Key Findings and Recommendations .....	27
Appendix A: Respondent Demographics .....	30
Appendix B: Survey Instrument .....	32

## 1. Introduction

Leveraging engagement metrics, behavioral analytics, and "big data" are at the top of the priority list for strategic nonprofit leaders. However, a recent focus group sponsored by Tate & Tryon found that many nonprofits struggle to collect even "basic" membership information, such as referral sources for new members or why members leave. We conducted a survey to learn more about the data-related challenges faced by nonprofits and identify best practices. Specifically, the purpose of the survey was threefold:

1. Describe standard and best practices related to the collection, tracking, and reporting of membership metrics
2. Identify strategies to address obstacles related to the collection, tracking, and reporting of membership metrics
3. Guide future Tate & Tryon thought leadership to help nonprofit leaders manage their data strategically and successfully

Forty-eight nonprofit leaders, primarily Chief Membership Officers (40%) and Chief Financial Officers (38%), completed the online survey between June 18<sup>th</sup> and July 12<sup>th</sup>, 2013. Most (92%) respondents are from professional or trade associations. Forty-two percent have individuals as members, 35% have non-individual members, and 23% have a mix of individuals and non-individuals in their membership. A range of revenue sizes are represented, with 39% of responding organizations having annual revenue of \$10M or more (Appendix A provides further detail).

The following sections present the results of the survey within the context of current research and recommended practices related to the collection, analysis, and reporting of membership metrics. **Please refer to Section 8 on page [27](#) for a summary of key findings and recommendations.** Throughout this report, the term "member" or "membership" refers to all organizational stakeholders, including members, potential members, volunteers, and constituents. Please also note that where applicable, percentages may not add to 100% due to rounding.

## 2. The Challenges of Big – and Small – Data

In May 2011, McKinsey & Company published the article *Big Data: The next frontier for innovation, competition, and productivity*. They describe how the amount of data available is increasing at an unprecedented rate due to developments in technology and because more information is being captured by organizations in every sector. The article predicts that an organization’s ability to harness big data – information existing in extremely large and/or unstructured databases – presents an opportunity for enormous competitive advantage: “The use of big data will become a key basis of competition and growth for individual firms. From the standpoint of competitiveness and the potential capture of value, all companies need to take big data seriously.” Only a few forward-thinking people were talking about big data in 2011, but in 2013 the phrase is ubiquitous.

Many organizations, particularly in the nonprofit sector, are unprepared to leverage the power of big data, much less “small data” such as information about member involvement or organizational activities. Tris Lumley’s July 2013 article *Raising the Bar on Nonprofit Impact Measurement* from Stanford Social Innovation says that 75% of charities today measure some or all of their work. Stated differently, this means that a quarter of all charities still do not quantify the success of their activities. They are unable to answer questions such as, *Are we achieving our mission? Have we delivered the value we promised to our members? What is the return on our investment?*

### EXPERT PERSPECTIVE

“If you define your business as solving customers’ critical problems, learning with and about your customers becomes a core business function and measure of success.”

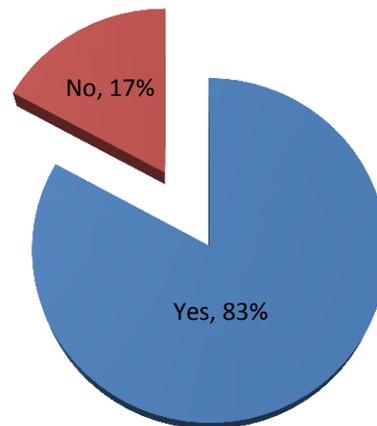
*Anna Caraveli, Managing Partner  
at Connection Strategists*

When it comes to data, big or small, nonprofits struggle with developing the technical and organizational infrastructure to leverage the power of stakeholder information. Specifically, nonprofits often lack the collaboration, organizational structures and processes, and strategic alignment required to successfully collect, analyze, report, and take action on data. They also struggle to define complex, multi-dimensional gauges of success, such as member engagement.

Tate & Tryon’s managing partner Charles Tate believes that the many challenges faced by nonprofits are often perceived as technology issues when in fact structural, procedural, or other organizational issues may be the culprit (or at least contributing to the problem): “Most of our clients focus their time, energy, and money on the IT aspects of data management,” he says, “overlooking the importance of strategically selecting which metrics to capture and how to report them, as well as the business processes used to capture the data and ensure the data is reliable.”

A recent focus group for association executives conducted by Lauren Malone, Director of Strategic Research at Tate & Tryon, found that associations struggle to collect basic membership information such as where new members come from and why members leave. Several executives who attended the focus group said that they do not consult their membership metrics when making strategic decisions or evaluating progress toward their goals. Fortunately this appears to be the exception, since approximately eight out of 10 (83%) survey respondents report that they do use membership metrics to help direct their organization’s strategic plan (Figure 1).

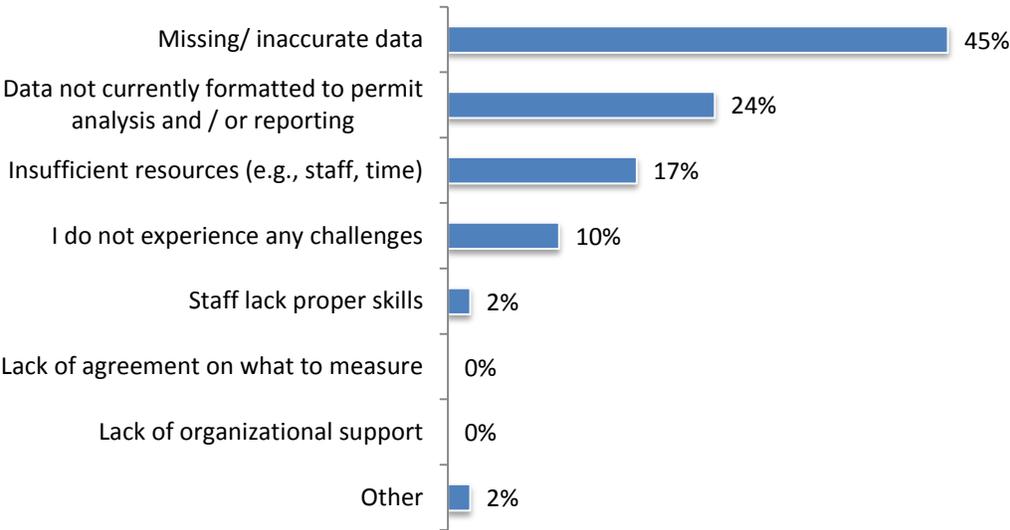
*Figure 1. Does your organization use membership metrics to inform your strategic plan? (N=47)*



However, less than half (47%) of respondents consult their organization’s strategic plan when deciding which membership metrics to collect (see Section 6). Taken together, these findings suggest that although many organizations use membership metrics to measure progress against goals, they do not use their strategic plan to drive decisions about which metrics to invest resources in collecting, analyzing, and reporting.

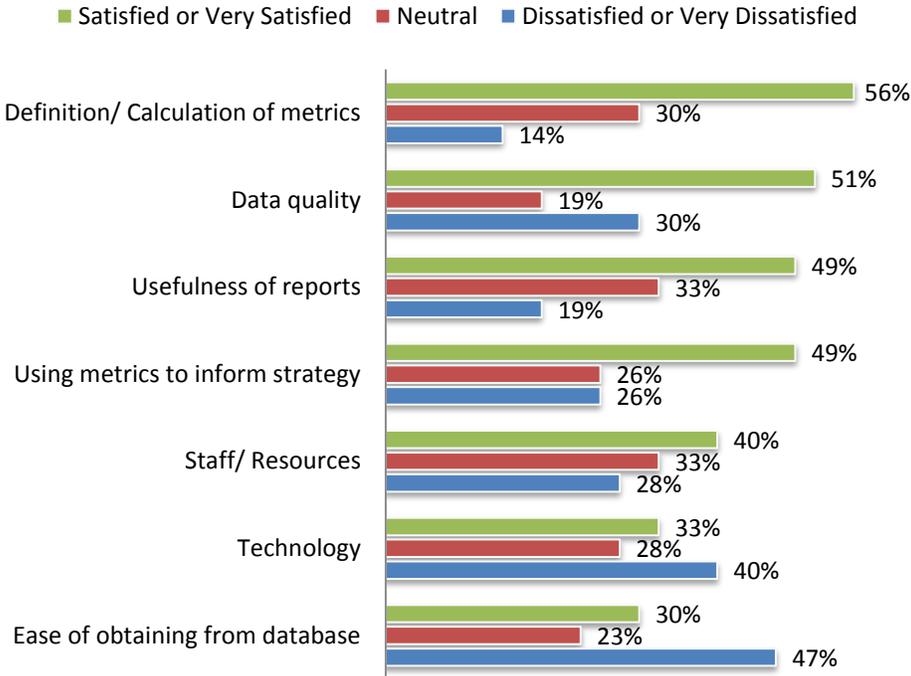
When asked to choose among the challenges listed in Figure 2, nearly half (45%) of respondents cite their primary challenge regarding the collection, analysis, and/or reporting of their membership metrics as missing or inaccurate data. Nearly one-fourth (24%) say their biggest challenge is that data is not formatted to permit analysis or reporting and another 17% say they lack sufficient resources (e.g., staff or time). Conversely, lack of agreement on what to measure, lack of organizational support, and staff lacking proper skills do not appear to be challenging areas for respondents. One in 10 (10%) respondents says they do not experience any challenges (Figure 2).

**Figure 2. Select your primary challenge regarding the collection, analysis, and/or reporting of your membership metrics. (N=42)**



Nearly half (47%) of respondents are dissatisfied or very dissatisfied with the ease of obtaining information from their database (e.g., AMS or CRM). Four out of 10 (40%) respondents are dissatisfied or very dissatisfied with the technology used to collect, analyze, and/or report membership metrics. Respondents feel most satisfied (56% satisfied or very satisfied) with how their membership metrics are defined/calculated, and approximately half (51%) are satisfied or very satisfied with the quality of their data (Figure 3).

*Figure 3. Select your overall satisfaction with each of the following aspects of your organization with regard to membership metrics. (N=43)*



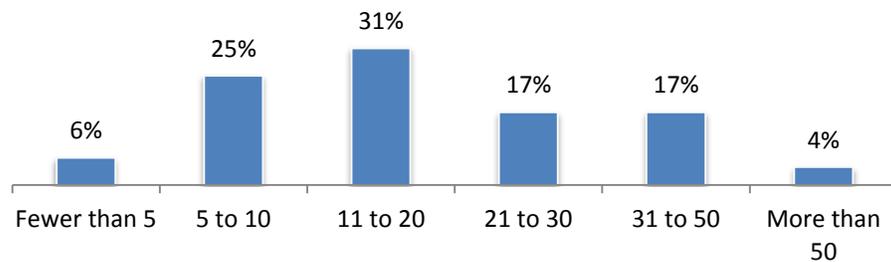
To summarize, nearly seven out of 10 (69%) respondents say that their primary challenge regarding membership metrics relates to issues with the completeness or the format of data. Respondents are least satisfied with the ease of obtaining data from the database, although satisfied or very satisfied ratings are low (ranging from 30% - 56%) across all categories. As will be discussed further in Section 6, less than half of respondents consult their organization’s strategic plan when selecting their membership metrics, suggesting a disconnect between organizational strategy and the metrics used to measure success.

Subsequent report sections review the results of the following survey topics: Metrics collected and criticality ratings; collaboration; culture and processes; strategic alignment; and member engagement.

### 3. Metrics Collected and Perceptions of Importance

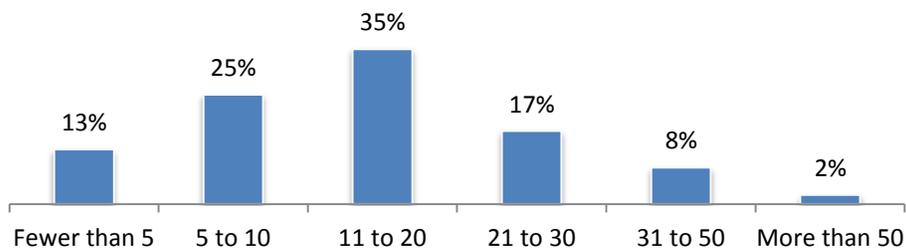
Nearly four out of 10 (38%) respondents collect more than 20 single data points (e.g., name, address, age, etc.) about their members, while 56% collect between five and 20 single data points. Only a small percentage collect fewer than five (6%) or more than 50 (4%) single data points (Figure 4).

**Figure 4. What is the total number of single data points (e.g., name, address, age, etc.) that your organization collects about its members? (N=48)**



Approximately six out of 10 (62%) respondents have their members directly provide/input (e.g., through completion of a membership form) more than 10 data points. Only 13% of respondents have fewer than five data points directly provided/inputted by members (Figure 5).

**Figure 5. How many of your membership data points are directly provided/ inputted by your members (e.g., through completion of a membership form)? (N=48)**



One respondent describes the adoption of a more self-service membership model:

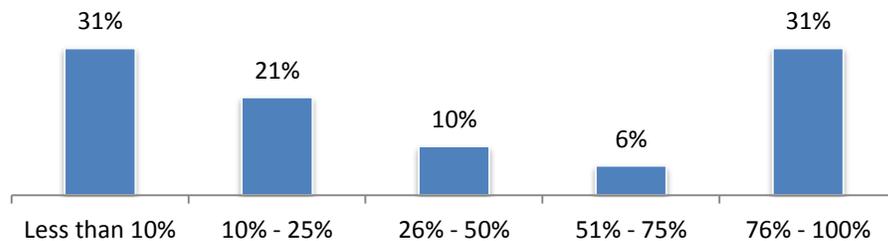
*“We are switching to a new database system within the next three months which will allow for better integration of functions. It will also allow for our members to update their information online and to apply for membership and register for events online.”*

Approximately half (52%) of respondents enter or “key in” 25% or less of their membership data manually (versus automatically uploading or feeding from an integrated system) while nearly one-third (31%) manually enter more than 75% of their membership data (Figure 6). This suggests that there is a lot of variability across organizations in the number of data points manually entered versus automatically uploaded or fed from another system. Nonprofits with non-individual members are significantly more likely to manually enter membership data than organizations with individual members. In fact, approximately three-fourths (76%) of non-individual membership organizations manually enter more than 75% of their membership data. This may be due to the fact that individual membership organizations often utilize an online membership form while many non-individual membership organizations do not.

**TATE & TRYON  
DATA TIP**

Acquire data directly from members whenever possible to improve data accuracy and minimize the time required from organizational staff to input member information. The same applies to manual versus automatic data entry.

**Figure 6. Approximately what percentage of your membership data do you manually enter/ “key in” (versus upload or feed from an integrated system)? (N=48)**

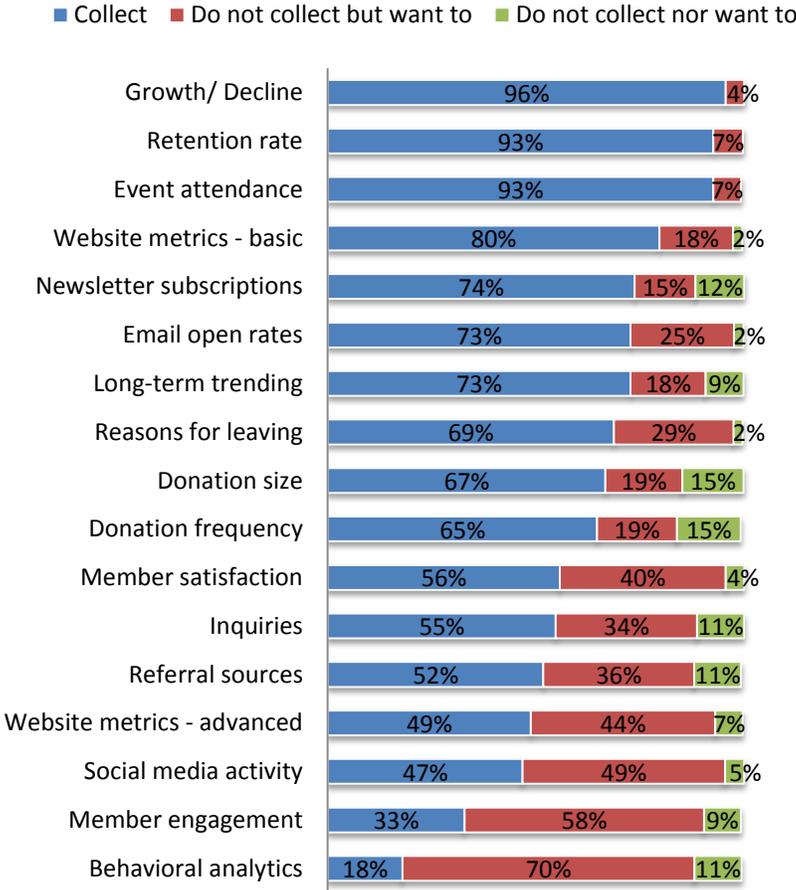


A nonprofit that participated in our survey has an automated process for transferring website information to its database, described as follows:

*“We have an annual recertification for charities wishing to remain as part of our alliance. This process is fully automated through a members-only portal on our website, and the information entered directly feeds Salesforce, where metrics information is housed.”*

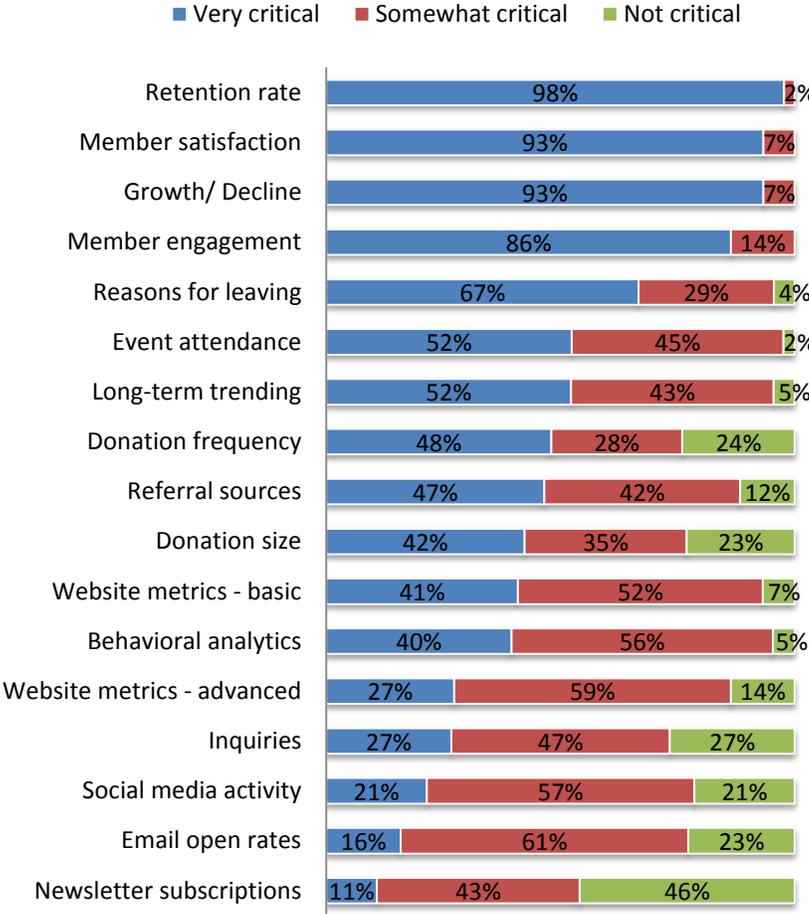
The most commonly collected data points/metrics are membership growth/decline (96%), member retention rate (93%), and event attendance (93%). Seven out of 10 (70%) respondents say that they do not collect behavioral analytics but would like to (Figure 7). Behavioral analytics, or the analysis of member behavior to predict future behavior or trends, is discussed further in Section 4.

**Figure 7. Indicate the extent to which your organization collects or measures the following information. (N=range from 26 to 45)**



Respondents feel the most critical data points/metrics for evaluating progress toward their goals/strategic plan are retention rate (98%), member satisfaction (93%), membership growth/decline (93%), and member engagement (86%). Newsletter subscriptions and email open rates are least cited as very critical (11% and 16%, respectively) (Figure 8).

*Figure 8. Select the degree to which you feel each data point or metric is critical for evaluating progress toward your goals/ strategic plan. (N=range from 25 to 45)*



Eighty-six percent of respondents feel that measuring member engagement is very critical for evaluating progress toward their goals/strategic plan, yet only one-third (33%) of respondents track this metric. Similarly, nearly all (93%) respondents say that knowing member satisfaction is critical for measuring progress toward their goals/strategic plan, but only slightly more than half (56%) collect this metric. Conversely, nearly all (93%) respondents track event attendance while just half (52%) feel this information is very critical for evaluating progress toward goals. Newsletter subscriptions and email open rates are collected by approximately three-fourths (74% and 73%, respectively) of respondents, but as previously discussed, a much smaller percentage (11% and 16%,

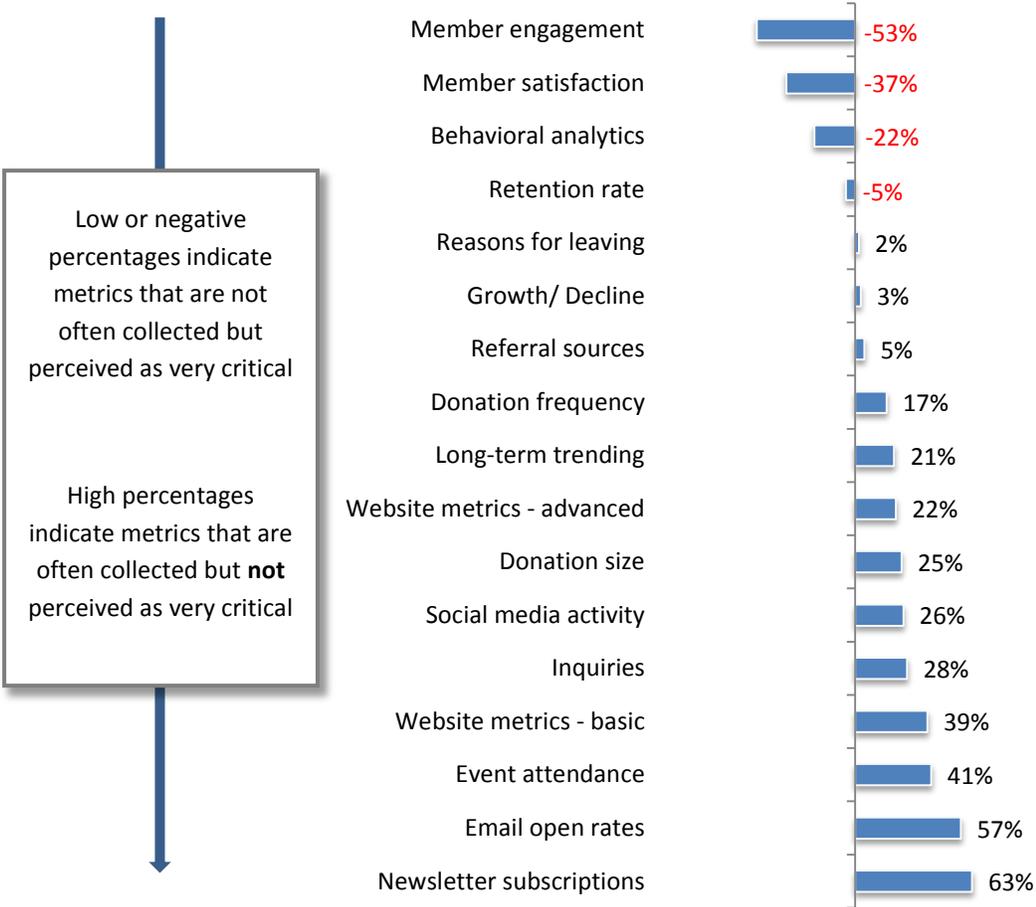
respectively) feel these metrics are very critical for measuring progress toward their goals/strategic plan.

Figure 9 presents the difference or “gap” between behavior (the percent of respondents who collect a metric) and perception (the percent of respondents who feel a metric is very critical for measuring progress).

**TATE & TRYON  
DATA TIP**

Do not measure something just because you can and ensure you are not missing out on key insights by not tracking information that you could. For example, if most of your members engage with your organization online but you only track event attendance, your member engagement analysis may yield misleading results.

*Figure 9. Difference between the percent of respondents who collect a metric and the percent who indicate it is very critical for evaluating progress toward their goals/strategic plan. (N=range from 25 to 45)*



## 4. Challenge #1: Collaboration

A nonprofit's ability to turn data about its stakeholders and activities into actionable business intelligence creates the potential for enormous competitive advantage. However, all too often metrics are selected randomly without organization-wide discussion and are analyzed and reported within silos. For example, because membership data is frequently considered to be the responsibility of the membership department and is maintained separately within that department, organizations miss an opportunity to combine membership data with that of sales and marketing, events and logistics, and finance. Imagine the power of merging sales data with membership data, such as being able to identify which products or services tend to be more popular with particular member segments. Taking this one step further, imagine you could adopt the Amazon.com approach of tailoring your marketing strategy based on member purchase history. By targeting campaigns toward those member segments most likely to be interested, you would be able to invest fewer marketing resources for greater yield.

### EXPERT PERSPECTIVE

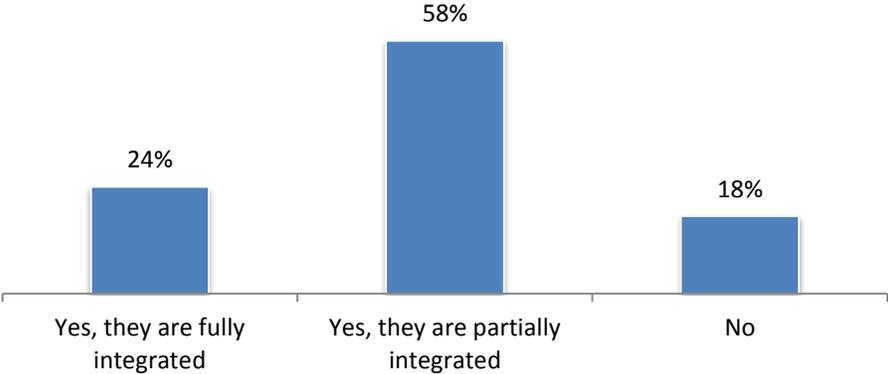
“By obtaining the most relevant information from their peers in finance, sales people can de-commoditize the selling process, not only nurturing new bonds with customers, but making sure they are nurturing the right customers.”

*CFO Research, Better Data, Better Decisions: How Finance Can Fuel Sales Force Effectiveness*

However, it is difficult to conduct this kind of sophisticated analysis – often referred to as behavioral analytics – if the various components of your membership data are separated. Ideally, all of your datasets should be integrated or stored in one location. This (1) reduces the potential for redundant processes, (2) streamlines activities like data cleansing, (3) helps organize roles and responsibilities, (4) ensures metric standardization, apples-to-apples comparisons, and accurate trending, and (5) is necessary for conducting higher-level analyses. For example, to determine which types of members are most likely to be active online and whether online activity improves engagement, information from multiple sources will need to be integrated and analyzed.

In our survey, more than half (58%) of respondents say their website, AMS or CRM, and accounting system are partially integrated, while only approximately one-fourth (24%) say they are fully integrated (Figure 10).

*Figure 10. Are your website, AMS or CRM, and accounting system integrated? (N=45)*



The process of integrating datasets begins with encouraging employees from different parts of the organization to share their data. In a recent CFO Research survey, 82% of senior finance executives felt that improving collaboration among finance, operations management, sales, and/or HR was a crucial sales function improvement that their company needed to make within the next two years. The next section describes one nonprofit’s approach for improving cross-departmental collaboration.

## Best Practice: A Collaborative Approach to Data Management

*An interview with Trevor Mitchell, Executive Director of Member Programs and Services at ARMA International*

Tate & Tryon recently had the opportunity to speak with Trevor Mitchell, Executive Director of Member Programs and Services at ARMA International (ARMA). We were intrigued by ARMA’s approach to establishing roles and responsibilities regarding the management of their database. Four years ago, ARMA was undergoing a new AMS implementation. As they began to review their business processes with their vendor, they realized that many business rules were unnecessary and that there was a disconnect between what the actual database users needed and what was being established by upper management. Additionally, there was no standardization for how data was being entered into the database and there was very little sharing of information among various departments.

“The core team was the catalyst to change the overall culture of information silos.”

To address these issues, ARMA decided to create a “core team” of power users, comprised of managers from different departments who were heavy users of the database. Their task was to reach across the information silos, review the business requirements, and determine which business requirements were relevant and which were not. They would then make recommendations as to what should be adjusted and where it would be worthwhile to invest in a customization. The development of this team was a huge shift for ARMA because database-related decisions were typically made by directors rather than database users. Moving to a bottom-up approach required empowering the core team and enlisting the support and approval from the CEO.

“Participating on the core team helps the power users get a holistic view when looking at business process rules. It creates an environment where we’re more accountable to each other.”

The core team consisted of manager-level power users from four departments: Membership, Accounting, Education, and Publications. The team was also assisted by a representative from IT. At first, the group experienced conflict because although everyone wanted the effort to succeed, each member had different priorities and ideas about how to proceed. Eventually, as the team learned more about the organization as a whole, they developed a new level of respect for each other. The team began to review the business processes from a holistic perspective and was able to identify what changes needed to be made.

Because the core team successfully aided the AMS implementation, it continues to play an important role in the organization and has assisted with several cross-functional technology initiatives. Staff is encouraged to contact the core team directly with questions so that minor issues can be resolved and more complex issues can be triaged as necessary. The core team also is encouraged to have team meetings within their own departments to share information. This bi-directional communication ensures that important changes are communicated clearly and that issues are identified early. For example, employees using the database noticed an issue which they shared with the core team. The core team identified the issue as relating to a key business function and therefore worthy of a high-priority status. The core team in turn brought the issue to the vendor who discovered a bug within the system. Leveraging this system of communication thus allowed for the efficient identification and resolution of an important system issue.

“The core team helped us leverage the system the way it needed to be by the people who actually use it.”

“Because the data is clean, we know that we’re consistently reporting across the organization and everyone knows how to pull the right information.”

The core team’s role becomes more important whenever there is an upgrade or implementation, which is approximately every other year. The team helps plan and oversee the review of standard operating procedures, the testing schedule, and training for staff. The team also champions changes that are made, communicating their importance as they are rolled out. Because ARMA understands that the ability to create cross-functional reporting requires sound customer data, the core team ensures that data is standardized across the organization. Everyone, however, shares responsibility for keeping the data clean.

### *Four Years Later*

The core team has grown to include six individuals, and there are several ancillary members who join when particular issues or topics are being discussed, such as the annual conference. Core team members meet every other week for a half hour and exact roles and responsibilities are fluid so that the team can adapt to whatever is most needed. The team discusses issues or concerns employees are having with the system, identifies changes or customizations that should be made, and decides what training should be developed so that staff understands how to use the database.

The core team is excited and intrinsically motivated to assume this responsibility. They view their involvement as an opportunity to help enforce changes that make their own jobs more effective and efficient. Participation is considered an honor and a form of recognition of database expertise.

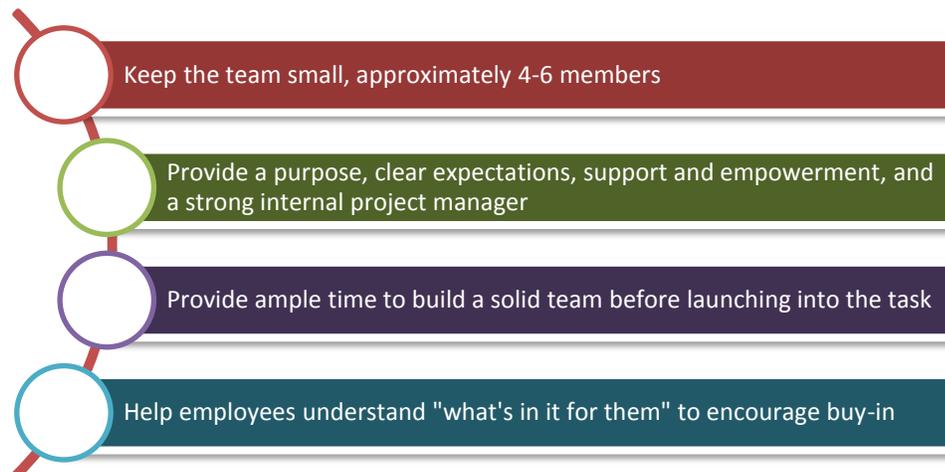
Because of the team's efforts, ARMA is able to minimize its risk of experiencing issues after implementing a database change. Staff at all levels has a firm understanding of any developments because the core team leads the charge and reinforces communications.

Also, because the organization now has clean, standardized data across departments, Trevor is able to conduct multi-year analyses of ARMA's recruitment, retention, and termination trends. When the findings were first shared, board members and leadership from other departments realized what could be produced from good data. The board now requests additional reports, and departments such as publications and education are conducting their own trend analyses.

Trevor's advice for other organizations? "I would have brought the team together earlier to give time to build mutual understanding before asking the team to make tough decisions. I would also have provided stronger project management, although it is important to remember that the purpose of the project manager is to ensure meetings run smoothly, move forward, and reach resolutions. The team should still be fully empowered to make decisions." The elements Trevor views as essential for success are summarized below.

"Empowerment was the defining piece of our success. If we hadn't felt empowered that we could do what we needed to do, it wouldn't have worked."

**Table 1. Guidelines for Building a Cross-Functional Team**



## 5. Challenge #2: Culture and Processes

While technology is frequently blamed for causing issues related to accessing or analyzing organizational data, there are many cultural and procedural barriers which could also contribute to the problem, including informational silos (employees often feel protective of their personal spreadsheets or datasets), a lack of awareness of the importance of collaboration and adopting a data-centric approach to strategy development, and unclear assignment of roles and responsibilities (including designating accountability) to manage the data collaboration process.

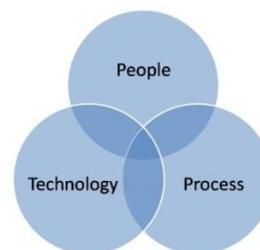
The McKinsey & Company article about big data described in Section 2 agrees that technology is only part of the story: “Organizations need not only to put the right talent and technology in place but also structure workflows and incentives to optimize the use of big data.” The article predicts that “Companies will increasingly need to integrate information from multiple data sources, often from third parties, and the incentives have to be in place to enable this.”

In a 2013 survey conducted by the Direct Marketing Association and the Winterberry Group of more than 130 marketers, publishers, marketing service providers, technology developers, and policy experts, when asked “What is inhibiting your ability to implement a holistic marketing data governance strategy?” the most frequently cited reasons are internal process/marketing operations challenges (55%) and lack of a clear internal owner to lead efforts (46%). Lack of appropriate tools/technologies is the fourth most cited reason (41%), suggesting that technology poses less of a challenge to data governance than procedural and organizational factors.

### EXPERT PERSPECTIVE

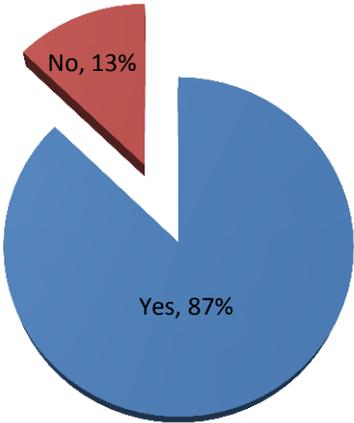
“For any system (e.g., an association management software system) to operate optimally, your organization must have the right people in place and apply the right processes to the appropriate technology. When all three circles are complete and overlap, you are operating at maximum effectiveness.”

*Wes Trochlil, Getting It Done: Who, How, and With What*



The adoption of a data-centric culture requires support and commitment from all levels of the organization. Thirteen percent of respondents to the Tate & Tryon survey feel that they do not have organizational support for obtaining membership data (Figure 11).

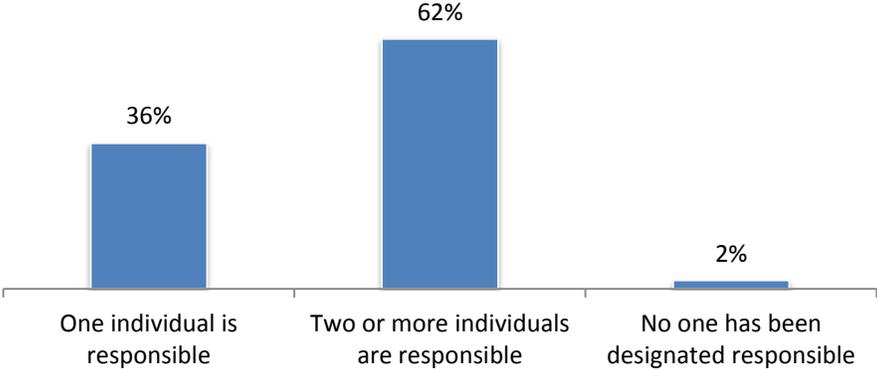
**Figure 11. Do you have organizational support in obtaining membership data? (N=47)**



Among respondents who feel they do not have organizational support for obtaining membership data, the board is most frequently cited (50%) as being the least supportive functional area. Conversely, the functional areas most frequently cited as being supportive are membership (37%) and IT (22%). Nearly three out of 10 (29%) respondents say that all functional areas are supportive.

Approximately six out of 10 (62%) respondents have at least two employees designated responsible for collecting, analyzing, and/or reporting membership data, while 36% have designated one employee for this role. Only 2% of respondents have not designated anyone responsible (Figure 12).

**Figure 12. How many employees has your organization designated responsible for collecting, analyzing, and/or reporting your membership data/metrics? (N=47)**



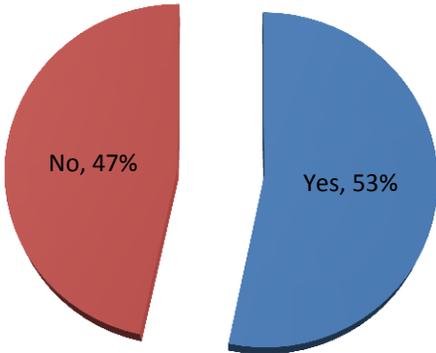
When thinking about how to assign data-related roles and responsibilities, keep in mind that it may be important to involve staff with differing skill sets or from different levels within your organization. In the recent Harvard Business Review (HBR) article *Keep Up with Your Quants*, Thomas Davenport says that “Companies need general managers who can partner effectively with ‘quants’ [analysts] to ensure that their work yields better strategic and tactical decisions.”

**TATE & TRYON  
DATA TIP**

Ensure that those who work with data in your organization connect with those who have a “bird’s-eye” view and can tie results to organizational strategy.

Respondents are roughly evenly split between those who have a documented business process for capturing data points and producing membership metrics and those who do not (Figure 13).

*Figure 13. Do you have a documented business process for capturing data points and producing membership metrics? (N=45)*

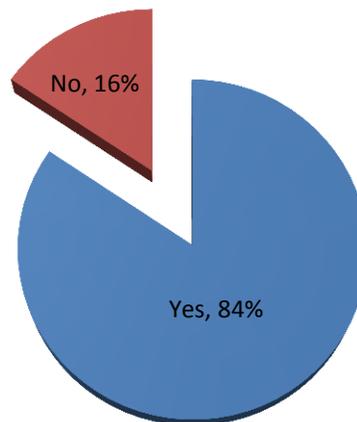


**TATE & TRYON  
DATA TIP**

Having a documented process for capturing and entering data is important because (1) it communicates the importance of data and supports a data-centric culture, (2) it clarifies roles and responsibilities and helps eliminate redundant processes, (3) it can help clarify what might need to be improved, and (4) it eases transitions in leadership or changes in assigned roles and responsibilities.

Approximately eight out of 10 (84%) respondents have data entry guidelines for their membership database. This suggests that many nonprofits already have a starting point for developing more comprehensive business process documentation for the tracking, analysis, and reporting of membership metrics (Figure 14).

*Figure 14. Do you have data entry guidelines for your membership database? (N=45)*



Effective data management processes include ensuring that the data is used to inform strategy and organizational decisions. In HBR's *Keep Up with Your Quants*, Davenport describes a Merck & Co., Inc. executive with responsibility for a global business unit who works closely with his organization's analytics group to ensure that data leads to action. Davenport writes, "Before an ROI analysis, [the Merck executive] and the group discuss what actions they will take when they find out whether [an initiative] is highly, marginally, or not successful – to make clear that the effort isn't merely an academic exercise."

#### EXPERT PERSPECTIVE

"[We] have to move away from the notion of analytics as the key to insight and towards the belief that they're the GPS of transformation. Self-improvement, not self-knowledge, is the goal."

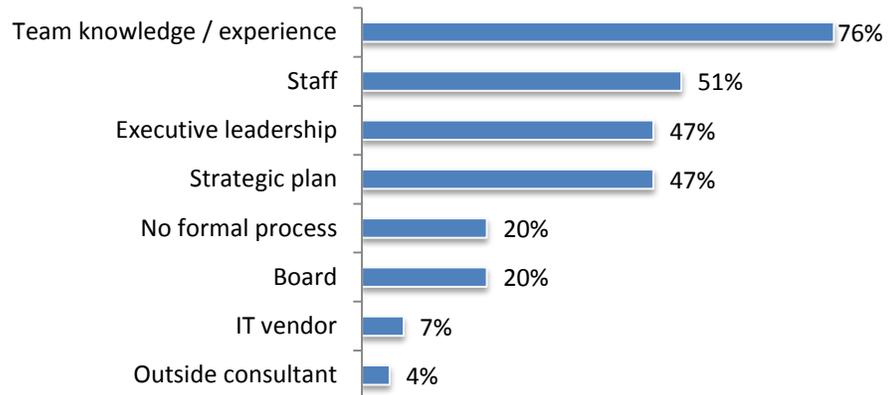
*Michael Schrage, What LeBron James Knows About Analytics That You Should Too, HBR Blog Network*

## 6. Challenge #3: Strategic Alignment

Culture and processes that promote collaboration, while key aspects of a strategic approach to data management, will not suffice if meaningful metrics haven't been selected in the first place. According to CFO Research, "Deciding where to add resources to the sales organization – whether in people, training, technology, or strategy – is also a byproduct of knowing how to measure 'high performance' in the context of the company's overall goals."

When asked what basis their organization uses to select which membership metrics to collect, approximately three-fourths (76%) of Tate & Tryon survey respondents say they rely on their team's knowledge/experience. Other popular responses include consulting with staff (51%), consulting with executive leadership (47%), and consulting the organization's strategic plan (47%). One out of five respondents has no formal process for selecting membership metrics (Figure 15).

**Figure 15. What basis did your organization use to select its membership metrics? (Select all that apply.) (N=45)**



### TATE & TRYON DATA TIP

It is important to consider your organizational goals and strategy when selecting your metrics to ensure that (1) resources are not invested in metrics that ultimately do not reveal anything useful, and (2) the metrics you track actually measure progress toward desired outcomes. All nonprofits should have a formal process for selecting metrics and should consult their strategic plan as part of that process.

*Getting Your Data to the Right People*

Taking action on your data requires getting the right information in the hands of the right people. Many data software programs permit the creation of dashboards which are a convenient way to tailor or filter your data for your audience, whether the audience is the board, executive leadership, staff, or your membership.

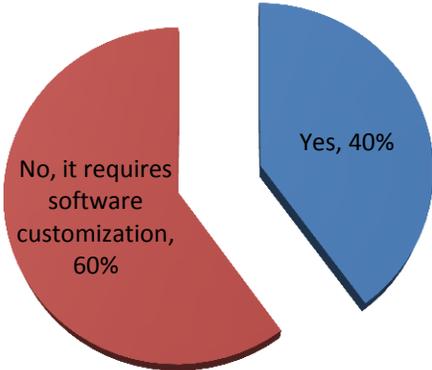
Six out of 10 (60%) respondents say their reporting software is not flexible and requires customization (Figure 16). In such instances, it is important for nonprofits to identify their reporting needs and communicate them to their vendor prior to configuring a data management system.

**EXPERT PERSPECTIVE**

“The [data] tool has to match what the manager needs, as opposed to making the manager use the tool that the whole company uses.”

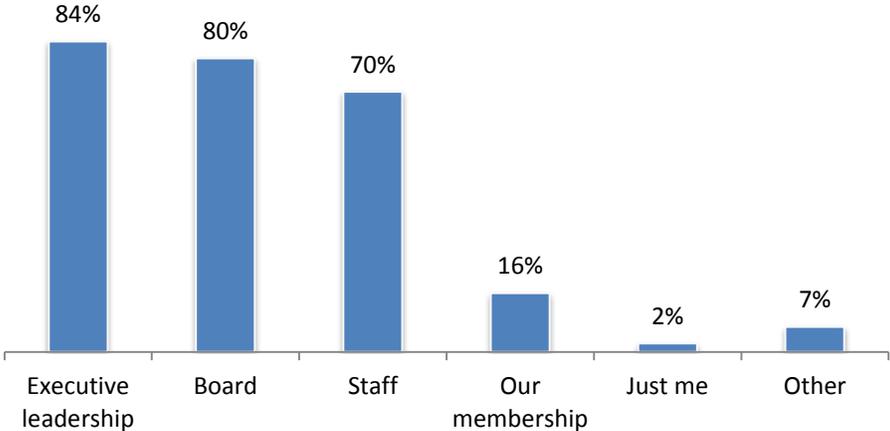
*CFO Research, Better Data, Better Decisions: How Finance Can Fuel Sales Force Effectiveness*

*Figure 16. Is your reporting software flexible? (N=42)*



Most respondents report their membership metrics to executive leadership (84%), the board (80%), and staff (70%). A smaller portion (16%) report metrics to their membership (Figure 17).

**Figure 17. To whom are your membership metrics reported? (Select all that apply.) (N=44)**



One respondent shares metrics frequently with the board to maintain relevance:

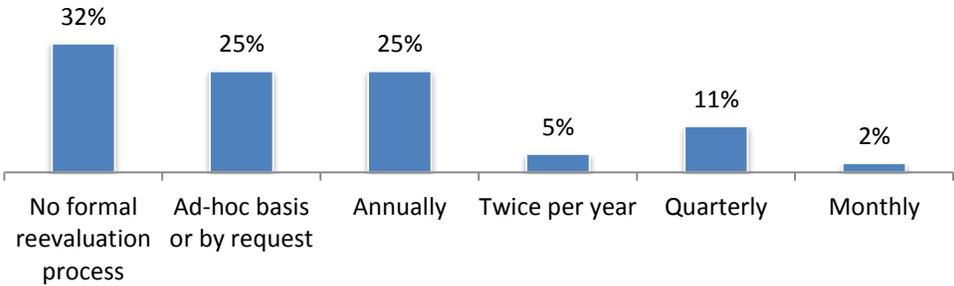
*“We collect and report on a monthly basis which keeps the membership metrics top of mind with the board.”*

It is also important to periodically revisit your metrics to determine if they are in fact telling you what you need them to tell you. As your strategy or goals change, your metrics may need to as well. Approximately four out of 10 (43%) respondents reevaluate the usefulness of their membership metrics on a regular basis. Of these, one-fourth (25%) review their metrics annually, while the remaining 18% do so at least twice per year. One-fourth (25%) of respondents review their metrics on an ad hoc or by request basis and approximately one-third (32%) of respondents have no formal process for reevaluating their membership metrics (Figure 18).

**TATE & TRYON  
DATA TIP**

Remember that if you change your metrics or the manner in which they are calculated, apples-to-apples trending comparisons may no longer be possible.

*Figure 18. How often does your organization reevaluate the usefulness of its membership metrics? (N=44)*



At NIGP: The Institute for Public Procurement, CEO Rick Grimm says that his organization distributes metrics to the management team on a monthly basis to review trends. At the end of the fiscal year, his data team asks managers what metrics they find useful to determine whether they should alter the information being tracked. They also hold quarterly all-hands meetings to share trends and other data results so that everyone in the organization, regardless of department, receives the same information. If there is an unusual trend or pattern in the data, Rick asks employees from different parts of the organization to provide thoughts about what might be the cause. Using this approach, Rick is able to obtain a holistic understanding of the data.

## 7. Challenge #4: Measuring Member Engagement

Many nonprofits are unsure how to define and measure member engagement. As discussed in Section 3, although the majority of respondents feel that tracking member engagement is very critical for measuring success, only one-third (33%) of respondents currently collect this metric. While there are best practices that should be considered, determining employee engagement does not have a “one size fits all” solution. Just as your metrics should align with your strategy, your formula for determining member engagement should accurately reflect the stakeholder behaviors that indicate a meaningful involvement with your organization.

The following paragraphs outline some important concepts to keep in mind when considering your approach to measuring member engagement.

### *Take a long-term view.*

According to Chuck Longfield, Senior Vice President and Chief Scientist at Blackbaud Inc., it is important to focus on lifetime value, not just response rates. This requires a commitment to not only collecting but tracking, trending, and interpreting member engagement data over the long term.

At NIGP: The Institute for Public Procurement, CEO Rick Grimm describes how trending metrics back several years helps reveal patterns that are incremental and can only be viewed over longer periods of time. Trending also allows Rick to validate strategic decisions, build transparency and trust with the board, and spot emerging trends early. Unusual data patterns help Rick know where to more closely examine data to understand what might be driving a change.

### EXPERT PERSPECTIVE

“Practitioners often look only at a 12 month period... they’re not trending 2-3 years. Particularly in the association world, you have to look at the data pre-2008 to know whether you are seeing recovery.”

*Rick Grimm, CEO, NIGP: The Institute for Public Procurement*

#### EXPERT PERSPECTIVE

“It’s human nature to focus on finding the ‘killer’ idea... maybe though, the real killer idea for most organizations would be to make better use of their data so that they can develop more meaningful relationships with their donors.”

*Chuck Longfield, Senior Vice President  
and Chief Scientist, Blackbaud*

#### *Track more than event attendance.*

Your members likely demonstrate engagement in a variety of ways, including website downloads, gift matching, and inquiries. Chuck Longfield illustrates this with an example: “A donor just phoned to tell you her change of address and commented on how much she loves the work of your organization. The data input clerk thanks her and puts in the change. Wait a minute! Something really rather wonderful just happened there.” However, as the survey results show in Section 3, only

about one-fourth (27%) of survey respondents feel that inquiries are a data point critical for evaluating progress toward their goals/strategic plan. It is also important to remember that for some associations, the majority of interactions with members occur through the website, underscoring the importance of tracking website activity metrics. While 80% of respondents collect basic website metrics (e.g., page views, click through rates, and time on site), only 49% collect advanced website metrics (e.g., keyword searches and navigation paths). Consider a variety of metrics – including those that may be unconventional – when determining how to measure member engagement.

*Weight engagement factors based on importance.* After you have identified the behaviors you would like to include as measures of engagement (such as volunteering, donations, online activity, inquiries, and referrals), a different number of points can be assigned to each behavior based on its relative importance to your organization or how strongly you feel it will predict the likelihood of a membership purchase or renewal. For example, if you feel that volunteering indicates a higher level of engagement than a donation, you might assign 20 points to volunteering but only 10 points to a donation. You can then calculate an engagement score for each of your members over a defined period of time.

Once you have collected engagement data, correlate your engagement measures with outcomes to see whether the behaviors you selected are in fact predictive of the outcomes you desire. Some measures may be more predictive than others, and some may have no predictive value at all. For example, you could discover that frequency of online downloads, but not frequency of donations, is correlated with the likelihood of a membership renewal. Based on the results of your analysis, you can adjust your point system and engagement formula accordingly.

## 8. Key Findings and Recommendations

While nonprofits face many barriers to adopting a more data-centric orientation, there are a growing number of tools and resources to help. The results of the Tate & Tryon Membership Metrics Survey contribute to our understanding of current practices regarding nonprofit data collection, analysis, and reporting, as well as some recommended practices to help nonprofit leaders navigate through challenges. The following paragraphs summarize the key findings and implications from our survey.

- **Finding:** Approximately eight out of 10 (83%) respondents report that their organization uses membership metrics to inform their strategic plan, yet less than half (47%) consult their organization's strategic plan when selecting membership metrics. **So what?** Without using a strategic approach to drive decisions about which metrics to track, organizations may be investing resources in metrics that are not meaningful for gauging the success of the organization or for providing business intelligence. This not only potentially diverts attention from more useful indicators, but may misinform an organization or provide inaccurate information about its members or programs. Ensure that your metrics can be linked to your organization's goals, priorities, and mission.
- **Finding:** Nearly seven out of 10 (69%) respondents say their primary challenge relates to issues with the completeness or format of the data. **So what?** Without understanding what is truly preventing your organization from fully leveraging your data, you may end up wasting time and money – such as buying new database software – fixing something that wasn't broken. Review your entire data process from the beginning, including your data sources and inputs, to identify which parts may not be working effectively. Realign work processes and roles as needed to standardize data and maintain its integrity.
- **Finding:** Nearly four out of 10 (38%) respondents collect more than 20 single data points (e.g., name, address, age, etc.) about their members, while 56% collect between five and 20 single data points. Only a small percentage collect fewer than five (6%) or more than 50 (4%) single data points. **So what?** While there is no right or wrong number of data points you should collect about your members, you'll want to ensure that each provides useful, meaningful information. You can help ensure this by confirming that your data points are related to your strategic plan. Over time, you should also correlate your metrics with outcomes to assess whether they have predictive value.

- **Finding:** Nearly one-third (31%) of respondents manually enter or “key in” more than 75% of their membership data. **So what?** Manually entering data (versus automatically uploading or feeding from another system or form) increases the likelihood of data entry error, limits your ability to standardize data formats and integrate data from multiple sources, and makes it more difficult to create real-time, ad hoc reports. Automating your data entry processes minimizes these challenges and also frees up your time to conduct more complex data analyses.
- **Finding:** Eighty-six percent of respondents feel that measuring member engagement is critical for evaluating progress toward their goals/strategic plan, yet only one-third (33%) of respondents measure member engagement. Conversely, nearly all (93%) respondents track event attendance while only half (52%) feel it is very critical for measuring progress. **So what?** If you select metrics because they’re simple to measure or readily available but not necessarily meaningful, you may miss out on key insights by not tracking information that reveals valuable intelligence about your membership or activities. For example, CEO Rick Grimm of NIGP: The Institute for Public Procurement says that only eight percent of its members attend the annual conference. Therefore, event attendance would not be an accurate measure of member engagement as it would not capture the many other ways members are involved with the organization.
- **Finding:** Approximately one-fourth (24%) of respondents say that their website, AMS or CRM, and accounting system are fully integrated. **So what?** Integrating your datasets (1) reduces the potential for redundant processes, (2) streamlines activities like data cleansing, (3) helps organize roles and responsibilities, (4) better ensures apples-to-apples comparisons and trending, and (5) is a prerequisite for higher-level analyses such as predictive modeling and behavioral analytics. Review your current datasets and data processes to determine the steps you should take to integrate your datasets.
- **Finding:** Only about half (53%) of respondents have a documented business process for capturing data points and producing membership metrics, although most (84%) have data entry guidelines for their membership database. **So what?** Documenting your processes for capturing and entering data is important because it clarifies roles and responsibilities related to data management and can help identify areas that might need to be improved. Data entry guidelines are valuable for maintaining the standardization and integrity of your data.

Finally, consider the overall **so what?** Why is adopting a strategic approach to data management important? Why is it critical to have a collaborative culture, integrated datasets, and strategic alignment between your goals and metrics? The answer lies in the competitive advantage and opportunities for growth that you can realize by leveraging insights from your data. The following questions, adapted slightly from the recent Accounting Today article *Sitting on a Gold Mine* by Rob Ganjon, are examples of the kinds of business intelligence you can extract from your data:

- Which member segments account for the greatest profits?
- Which types of members are generating your greatest growth (and should be developed)?
- Are there sub-segments or niches that are particularly profitable?
- Based on their consumption of your organization's services, which members are good candidates for cross-selling or up-selling efforts?

Regardless of the challenges you may be facing, it is worth recalling the proverb that perfect is the enemy of good. Prioritize your issues and start with the most pressing challenges or the low hanging fruit. Refer to best practices for inspiration. Pilot a new data approach or technique with a small part of your organization, and if the approach proves successful, it will be easier to gain leadership support for a larger change. Correlate your metrics with outcomes and adjust what you measure to ensure you are only capturing meaningful information. Finally, share your stories and successes with [Tate & Tryon](#).

### **About Tate & Tryon**

***Tate & Tryon is a full service consulting and accounting firm. Our Strategic Research Service can help you address the challenges discussed in this report through a variety of activities including:***

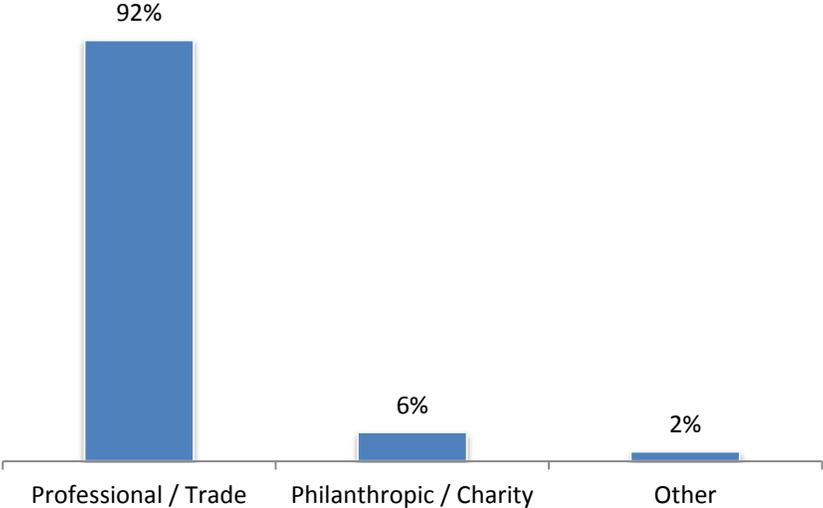
- *Review the data being collected by your organization to ensure your metrics are aligned with your organization's goals*
- *Provide guidance to improve the processes your organization uses to define, collect, analyze, and report membership metrics*
- *Conduct a survey of your organization's members to better understand their behavior, opinions, and expectations*
- *Discover new ideas for addressing challenges and unlocking the full power of your organization's data*

***For more information about our Strategic Research Service, please download our [brochure](#).***

# Appendix A: Respondent Demographics

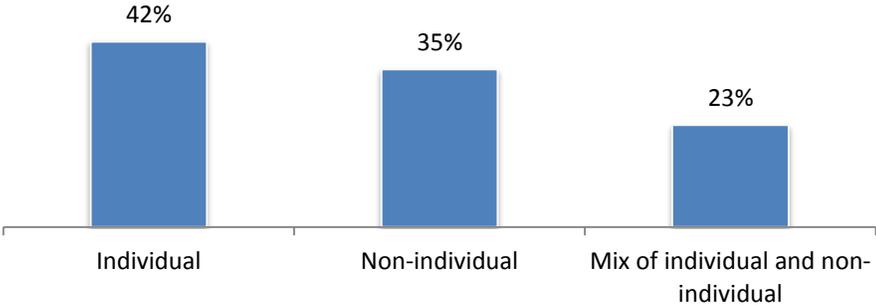
Approximately nine out of 10 (92%) respondents identify their organization as a professional/trade association, while 6% identify as a philanthropic or charitable organization (Figure 19).

Figure 19. Select the option that best describes your organization. (N=48)



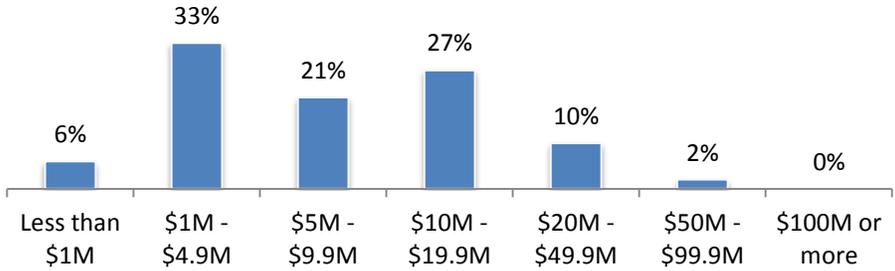
Less than half (42%) of respondents say they are an individual membership organization, while slightly more than one-third (35%) indicate that they have non-individuals as members (e.g., organizations). The remaining 23% of respondents say their membership includes a mix of individuals and non-individuals (Figure 20).

Figure 20. Select the option that best describes your membership. (N=48)



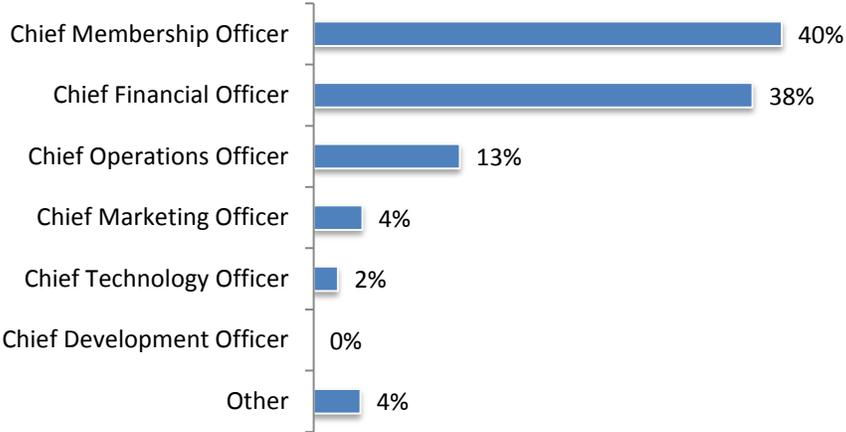
Thirty-nine percent of responding organizations have annual revenue of \$10M or more. Twelve percent of responding organizations have annual revenue of \$20M or more (Figure 21).

**Figure 21. Select the option that best describes your organization’s total annual revenue size. (N=48)**



The most common response to “please select the option that most closely resembles your position title or primary job responsibilities” is Chief Membership Officer (40%) and Chief Financial Officer (38%), although a variety of other positions are also represented (Figure 22).

**Figure 22. Select the option that most closely resembles your position title or primary job responsibilities. (N=48)**



## Appendix B: Survey Instrument

### *Survey Introduction*

A nonprofit's ability to transform information about its members into actionable business intelligence creates the potential for enormous competitive advantage. Leveraging engagement metrics, behavioral analytics, and "big data" are at the top of the list for forward-thinking membership and marketing directors. However, a recent focus group sponsored by Tate & Tryon found that many nonprofits face numerous obstacles to managing member data successfully. As a result, we are conducting a survey to learn more about this issue and identify best practices. Specifically, the purpose of this survey is threefold:

1. Describe common practices related to the collection, tracking, and reporting of membership metrics
2. Identify strategies that can help address challenges related to the collection, tracking, and reporting of membership metrics
3. Guide future Tate & Tryon thought leadership so that we can help you manage your organization's member data strategically and successfully

The survey will take approximately 15 minutes to complete and your responses will be confidential. Please submit your survey by close of business Friday, July 12<sup>th</sup>. Completing the survey entitles you to receive the complete results report, including profiles of selected best practices.

Thank you in advance for your time. If you have any questions, please contact Lauren Malone at [lmalone@tatetryon.com](mailto:lmalone@tatetryon.com) or (202) 419-5191.

As you complete the survey, please note the following:

For simplicity, throughout this survey the term "member" or "membership" refers to all organizational stakeholders, including members, potential members, volunteers, and constituents.

We are interested in learning about both the financial and non-financial information you collect about your members, including demographics, participation, and online activity.

*Part 1 of 4: Demographics*

1. Please select the option that best describes your organization.

- (a) Professional / Trade
- (b) Philanthropic / Charity
- (c) Other

2. Please select the option that best describes your membership.

- (a) Individuals
- (b) Non-individuals (e.g., organizations)
- (c) Mix of individuals and non-individuals
- (d) Other (please describe): \_\_\_\_\_

3. Please select the option that best describes your organization's total annual revenue size.

- (a) Less than \$1M
- (b) \$1M - \$4.9M
- (c) \$5M - \$9.9M
- (d) \$10M - \$19.9M
- (e) \$20M - \$49.9M
- (f) \$50M - \$99.9M
- (g) \$100M or more

4. Please select the option that most closely resembles your position title or primary job responsibilities.

- (a) Chief Membership Officer
- (b) Chief Marketing Officer
- (c) Chief Development Officer
- (d) Chief Financial Officer
- (e) Chief Technology Officer
- (f) Chief Operations Officer
- (g) Other (please describe): \_\_\_\_\_

*Part 2 of 4: Metrics*

5. Please select the best response for each item below.

	Fewer than 5	5-10	11-20	21-30	31-50	More than 50
What is the total number of single data points (e.g., name, address, age, etc.) that your organization collects about its members?						
Number of single data points provided / inputted by your members (e.g., through completion of a membership form)						

6. Approximately what percentage of your membership data do you manually enter / "key in" (versus upload or feed from an integrated system)?

- (a) Less than 10%
- (b) 10% - 25%
- (c) 26% - 50%
- (d) 51% - 75%
- (e) 76% - 100%

7. How many employees has your organization designated responsible for collecting, analyzing, and / or reporting your membership data / metrics?

- (a) One individual is responsible
- (b) Two or more individuals are responsible
- (c) No one has been designated responsible
- (d) Other (please describe): \_\_\_\_\_

8. Does your organization use membership metrics to inform your strategic plan?

- (a) Yes
- (b) No

9. Do you have organizational support in obtaining membership data?

- (a) Yes
- (b) No

10. (If "Yes" to Q9): Which functional area is most supportive with helping you obtain membership data?

- (a) Membership
- (b) IT
- (c) Finance
- (d) Marketing
- (e) The board
- (f) Executive leadership
- (g) Administrative functions
- (h) All are supportive
- (i) Other (please describe): \_\_\_\_\_

11. (If "No" to Q9): Which functional area is least supportive with helping you obtain membership data?

- (a) Membership
- (b) IT
- (c) Finance
- (d) Marketing
- (e) The board
- (f) Executive leadership
- (g) Administrative functions
- (h) None are supportive
- (i) Other (please describe): \_\_\_\_\_

12. Please indicate the extent to which your organization collects or measures the following information.

	Currently collect/ measure	Do not collect/ measure but want to	Do not collect/ measure and have no plans to
Member retention rate			
Membership growth / decline			
Referral sources for new members			
Reasons for leaving for non-renewing members			
Newsletter subscriptions			
Member inquiries			
Email open rates			
Event attendance			
Donation frequency			
Donation size			
Social media activity / participation			
Website metrics – basic (e.g., page views, click through rates, time on site)			
Website metrics – advanced (e.g., keyword searches, navigation paths, click patterns)			
Member engagement			
Member satisfaction			
Long-term trending (comparing membership metrics to at least three years ago)			
Behavioral analytics (e.g., predicting which resources may be more popular for specific types of members based on member behavior or demographics)			

13. Please describe any member information you currently collect or measure not listed in the table above.

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14. Please select the degree to which you feel each data point or metric is critical for evaluating progress toward your goals / strategic plan.

	Very critical	Somewhat critical	Not critical
Member retention rate			
Membership growth / decline			
Referral sources for new members			
Reasons for leaving for non-renewing members			
Newsletter subscriptions			
Member inquiries			
Email open rates			
Event attendance			
Donation frequency			
Donation size			
Social media activity / participation			
Website metrics – basic (e.g., page views, click through rates, time on site)			
Website metrics – advanced (e.g., keyword searches, navigation paths, click patterns)			
Member engagement			
Member satisfaction			
Long-term trending (comparing membership metrics to at least three years ago)			
Behavioral analytics (e.g., predicting which resources may be more popular for specific types of members based on member behavior or demographics)			

15. How does your organization define member engagement? (Please leave blank if you do not measure member engagement.)

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*Part 3 of 4: Processes & Reporting*

16. Do you have a documented business process for capturing data points and producing membership metrics?

- (a) Yes
- (b) No

17. Do you have data entry guidelines for your membership database?

- (a) Yes
- (b) No

18. Are your website, AMS or CRM, and accounting system integrated?

- (a) Yes, they are fully integrated
- (b) Yes, they are partially integrated
- (c) No
- (d) Not sure

19. What basis did your organization use to select its membership metrics? (Select all that apply.)

- (a) Team knowledge / experience
- (b) Organization's strategic plan
- (c) Consulted with the board
- (d) Consulted with executive leadership
- (e) Consulted with staff
- (f) Enlisted the assistance of an outside consultant / consulting firm
- (g) Consulted with IT vendor
- (h) We do not have a formal process for selecting membership metrics
- (i) Other (please describe): \_\_\_\_\_

20. How often does your organization reevaluate the usefulness of its membership metrics?

- (a) Ad-hoc basis / by request
- (b) Annually
- (c) Twice per year
- (d) Quarterly
- (e) Monthly
- (f) We do not have a formal process for reevaluating membership metrics
- (g) Other (please describe): \_\_\_\_\_

21. To whom are your membership metrics reported? (Select all that apply.)

- (a) The board
- (b) Executive leadership
- (c) Staff
- (d) Our membership
- (e) I'm the only person who looks at our membership metrics
- (f) Other (please describe): \_\_\_\_\_

22. Is your reporting software flexible?

- (a) Yes
- (b) No, it requires software customization
- (c) Other (please describe): \_\_\_\_\_

*Part 4 of 4: Overall Evaluation*

23. Please select your primary challenge regarding the collection, analysis, and / or reporting of your membership metrics.

- (a) Missing and / or inaccurate data
- (b) Data not currently formatted to permit analysis and / or reporting
- (c) Insufficient resources (e.g., staff, time)
- (d) Lack of organizational support
- (e) Lack of agreement on what to measure
- (f) Staff lack proper skills
- (g) I do not experience any challenges
- (h) Other (please describe): \_\_\_\_\_

24. Please select your overall satisfaction with each of the following aspects of your organization with regard to membership metrics.

	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied
Data quality					
How the membership metrics are defined / calculated (e.g., member engagement)					
Ease of obtaining information from the database (e.g., AMS / CRM)					
Using membership metrics to inform strategy					
Staff / Resources					
Usefulness of reports					
The technology used to collect, analyze, and / or report membership metrics					

25. Have you implemented any practices related to membership metrics collection, analysis, and / or reporting that have been successful or for which you have seen positive results? If so, please describe the practice below.

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26. Would you be willing to speak with someone from Tate & Tryon further regarding the best practice(s) you described for possible inclusion in a best practices case study report?

- (a) Yes
- (b) No

27. Please provide any additional comments you may have.

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28. Please provide your email address so that (1) we may send you the survey results report when it becomes available and (2) follow up with you if you provided a best practice you would be willing to discuss with us. Please be assured that your survey responses will remain confidential.

Email address: \_\_\_\_\_