BLACKBAUD INSTITUTE

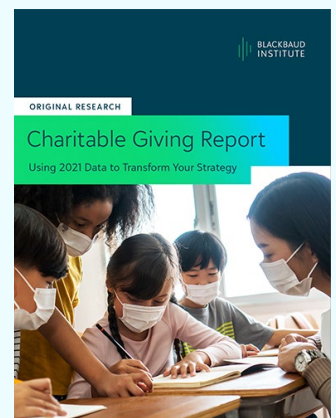## BENCHMARKING:
The Insight Track to Success

As you get stuck in the day-to-day hustle and bustle of your work, it becomes all too easy to lose sight of the ways you can shift your practices to reach your big picture goals. Benchmarking allows you to gain a higher-level view that can inform realistic goals, while providing a framework to shift practices in meaningful ways. This kind of knowledge is power—power to expand your most successful practices and address the ones that are causing you to underperform. To embrace benchmarking as a tool to improve your work, keep these steps in mind:

Stay focused on the macro level.

Short-term reporting is important for you to regularly aggregate data, but making strategic decisions based on small fluctuations in your data can lead to shortsighted outcomes. By reviewing your performance year over year, you can take a step back and identify true trends in your performance over time. Remember that the objective of benchmarking is to improve your performance long-term, not to make immediate changes to your current practices. Look to resources like our *Charitable Giving Report*, offering year-over-year giving trends from the largest data set in the social good community, to gain an understanding of the macro landscape. You can also browse our online knowledgebase: The Explorer, for subsector specific insights, so you can compare your own organization's trend lines.

Identify a starting point.

Identify the area you'd like to benchmark. Maybe you'd like to lower your donor acquisition costs, increase donor retention, or bolster program attendance. Once you establish your goal, it will inform which specific metrics to track. Narrow the field you are trying to benchmark to realize the most effective approaches. Use the Benchmarking Checklist for the first steps that you and your team can use to start your own benchmarking efforts.

ORIGINAL RESEARCH
Charitable Giving Report
Using 2021 Data to Transform Your Strategy

Get your copy of the *Charitable Giving Report* for the latest giving data you need to transform your strategy.

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Work inclusively to identify shared benchmarking goals across your organization.

Bringing all key organizational areas to the table to begin your benchmarking conversations is critical. Set a meeting to discuss benchmarking and include leaders from development, finance, programs, IT and all other areas within your organization. By including all areas, you gain a holistic view of the shared goals across your organization, get buy-in from all areas to share metrics, and work together to benchmark your organization's overall performance in the areas that really matter. When you are working toward goals that are truly critical to achieving your mission, you can keep the important players on board throughout the process. For more information on cultivating an organization-wide fundraising mindset check out: *npEXPERTS: Building a Culture of Philanthropy* or you can read: *The Opportunity of Collaborative Benchmarking* for insights on how to make the most of your benchmarking opportunities.

Stick with a common set of metrics.

Your goal will inform which specific metrics you track over time, but it is important to keep these consistent year over year. Remember to keep a high-level context and use metrics that will reflect your true performance toward the organizational goals identified. Ensure that these metrics can be regularly and uniformly collected to easily compare the trends across long spans of time. You can also look to similar organizations in your field for ideas on which key metrics to track—using a common set will allow you to share information and benchmark across organizations as well. Our Analytics Toolkit offers tips on the types of data and analytics best practices that will help you collect the information you need to know.

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Listen to your data and let it guide you.

Benchmarking is only valuable if you are willing to listen to what your data is telling you. Be ready to accept that the areas that don't measure up may not always be those you suspected. Changing your strategy based upon benchmarking results must be an organization-wide commitment, and leadership plays a key role. Educate all teams on why data collection and benchmarking matter, so they can support the journey from where they sit, whether that be as a database administrator building the right reports or the chief development officer keeping an eye on the wider trends. For firsthand wisdom on letting your data guide you, check out "Let Go of Your Fear: Anyone Can Be Data-Driven."