

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

Matthew: Hello and welcome to Marketing Smarts, a podcast brought to you by MarketingProfs. I'm your host, Matthew Grant, Managing Editor here at MarketingProfs, and I thank you for listening.

When you are running an organization whose purpose is to change the world, measuring the effectiveness of your Facebook campaign and the actual value of your network of volunteers and donors might not seem like your top priority. As Beth Kanter and Katie Paine point out in their recent book, *Measuring the Network Nonprofit*, focusing on performance metrics and becoming a data-informed organization may actually be the best way to accomplish goals, big and small. In fact, they subtitled their book, *Using Data to Change the World*.

In case you don't know, Beth Kanter is a nonprofit powerhouse who has long championed the use of social networks to improve the reach and impact of nonprofit organizations. Katie Paine is a recognized expert on the use of metrics to improve marketing effectiveness and increase marketing's accountability. I invited them both to Marketing Smarts to talk about their book, why nonprofits may have been measurement-shy in the past and how data can change the world. The following conversation was the result.

Before I get started, I want to remind you that if you like what you hear on Marketing Smarts or even if you don't, you can always leave us a review in iTunes or a comment on our site. You are also welcome to reach out to me directly via email at mattg@MarketingProfs.com and you can find me on Twitter where I am @MattTGrant.

Finally, I would also like to point out that Beth will donate her share of the proceeds from this book to support the Sharing Foundation's work in Cambodia. Let's get started. Beth and Katie, welcome to Marketing Smarts.

Beth: Thank you for having us.

Katie: Thank you for having us.

Matthew: I am honored to have you on the show. I have never had both a queen and a goddess on the show and it's nice to have both kinds of royalty in a sense, or really deities.

Katie: We're just mere mortals.

Beth: We are just mere data geeks.

Matthew: That's what makes it even more impressive.

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

I wanted to jump straight into talking about your book, *Measuring the Network Nonprofit: Using Data to Change the World*. I want to get into a conversation of goals, goal-setting and determining goals later. I was curious about what the goal of the book was.

A lot of it seemed to be about convincing nonprofits of the power and benefit of becoming a data-informed organization. Beth, I was wondering if you could start out by talking about the goal that you had in mind in putting this book together.

Beth: That's a great question. I think this book was in the making for a couple of years. I'm not a measurement person. In fact, I think the first line of the book is, "Beth used to think that measurement was the equivalent of Darth Vader running after her with a radioactive lightsaber." That is not an unusual mindset in the nonprofit sector.

I have literally trained nonprofits and NGOs in the use of networked approaches and social media on every continent in the world except for Antarctica. One of the questions I was asking throughout the past decade has been, "Who is using this? Who is using Facebook and LinkedIn? Stand up if you are using these tools." Eventually, everyone in the room would stand up. Then I would say, "Are you getting measurable results?" Initially, everyone would sit down.

I kept on hearing "How do we measure this stuff?" or "My boss is asking me 'what's the value?'" Back in 2009, I put together a panel for SXSW, South by Southwest, that was a social media nonprofit ROI poetry slam. I invited a couple of the early adopters in the nonprofit sector to present their case studies in verse.

Of course, at a poetry slam, you need an expert judge so I kept asking around, "Who is the smartest person around this stuff? They don't necessarily have to be in the nonprofit sector. I want an expert in measurement to be the judge." I worked up my nerve to ask Katie if she would be a judge and she said yes.

One of the big takeaways for me was that measurement is not so scary. The other thought was that Katie had this great practical advice and that it would be great to spread that beyond this room to all nonprofits who are struggling with how to measure and get results from social media.

Matthew: Katie, I have been aware of your work for several years now but more in the for-profit sector. On MarketingProfs, we have a lot of content around measuring and it seems like even for-profit organizations struggle with measurement. Everyone accepts that it's valuable. Do for-profit organizations have different challenges when it comes to implementing measurement or is it parallel to what you see in the nonprofit world?

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

Katie: It's parallel but it's also easier. I have been doing a whole series of measurement workshops for both for-profits and nonprofits and the difference is that a nonprofit has a mission. They do want to change the world. Whether they want to save children, animals, plants or build wells in Africa, it is very easy to agree that it is a good thing, whatever it happens to be.

Let's say the goal is to save animals. You don't get into a situation as you do in some for-profit organizations where the goal is to get media coverage, sales, leads or get the stock price up. In the for-profit sector, you have some very well established business metrics that are really far away from the activities that marketing or PR is doing.

In the nonprofit world, there is not that big of a gap. Pretty much everyone understands that if you are trying to raise money, there is a link on your page to donate now and you measure that. Or if you want more membership, that is the metric.

In many ways, the nonprofit world has it easier. I think where it has it much harder is that there isn't a knowledge of business and business metrics. People don't go into nonprofits because they love Excel or statistical analysis. They typically go into a nonprofit organization because they want to help them achieve the mission.

You have a bit more of an aversion to Excel and math. It's really not the Darth Vader thing but I think there are a lot of people that do feel the way Beth did those years ago.

The other side of it is the fact that frankly, in the PR world, whether it is nonprofit or for-profit, there is an aversion to math, Excel and statistics. That is one of the reasons why everyone says that it is important but that they don't know how to do it or it is too hard.

Beth: There is the aversion and I think that maybe there is a just a skills gap and the question, "Where to find a volunteer or a professional who can help me with this." The network of data-geeks in the nonprofit sector is becoming more apparent because this is a critical skill.

I think that one way nonprofits have it hard too is that certain funders require certain pieces of data to be collected and that doesn't necessarily coincide with the data that can help a nonprofit improve what they are doing.

Matthew: Right, though it seems that would be important. You have to give the funders what they want. Part of the challenge then is balancing what you have to measure to improve your own organizational effectiveness and what you have to do to address the concerns of stakeholders.

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

Beth: Exactly.

Katie: What is really happening and driving a lot of this stuff is that the CSR programs within the for-profit organizations are accepted. Everyone accepts the fact that you have to do a CSR and you have to give grants out but then how do you know if it's working or not?

The old way of doing it was, "Did I get exposure?" Now they are saying, "Wait a minute, exposure isn't necessarily good unless it helps achieve the mission." It was with great joy that I gave the book to a funder on Monday and said, "You really do need to read this because you are measuring all the wrong things."

It was very, very well accepted but it was an interesting moment of, "Oh. Yes, I have to look at things differently because exposure isn't necessarily achieving the mission."

Beth: This fits into a whole movement that is happening in the nonprofit sector towards outcome-based evaluation, not just for social media and communications but program evaluation. There are thousands and thousands of people around something called the Leap of Reason community. In fact, the founder of that actually blurbed our book and was one of our peer reviews. They are trying to systemically change the thinking on the funder side of things.

Matthew: You spend a lot of time in the book talking about goals and the importance of goals, how everything flows down from what the goal of the organization is. Beth, I was wondering if you could talk a little bit about that. What are some of the challenges that nonprofits have, not just in articulating their goals but in tying them to metrics and measuring what you're doing?

For example, I live in Concord, Massachusetts. There is a group of people who march silently every Friday because they want to end war. That is a long-term goal and hard to measure. You can measure it once there is no war but it seems way off in the future.

Beth: A lot of the nonprofits have what we call a "big, hairy, social change goal". It's thinking through the interim steps in getting to that goal, not in terms of what the organization has to do but actual interim results that may be softer or more intangible, like building relationships, building engagement and setting up a logic-path between those.

Last week, I took a field trip to an organization called Volunteer Match. You would love this, Katie. They gave me a measurement tour of their office. As soon as you get off the elevator, there was a huge, big-screen TV that was their live map of activity on their website. Volunteer Match's goal is to get more people to

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

volunteer in communities but this live, real-time data was giving them a count and a stream of where referrals, actual people connecting up with a nonprofit, were taking place visually on a map. It showed how many they looked at and whether or not they were browsing versus actually sending a request.

I asked the CEO why they were tracking referrals. He said, “We know that 50% of the people who visit our site end up actually volunteering. We know that in order for them to find a volunteer opportunity that is compelling to them, they need to go through two or three referrals.”

They had this ratio. They know how long a volunteer will volunteer with a nonprofit organization on average. It’s something like 142 hours per year. They approximate value of that. He was able to say, “We generated \$650 million worth of social impact last year for volunteering.”

Then he showed me his reports. They are just tracking four key metrics. He started talking about how the interim metrics all ladder up to help them get to that impact or to improve what they’re doing. I think that takes a lot of thought and discipline.

This particular organization is quite new. They are not well established and have not been around for over 100 years. In a way, they are able to start with this culture of being data-informed as opposed to having to change behavior or culture in the organization.

Matthew: What you were describing sounds really sophisticated. It sounds like even though they are quite new, they are already runners in a way.

Beth: Yes, and also they came from a business background.

Matthew: Sure.

Katie: It is and it isn’t. Years ago, Shonali Burke at ASPCA was tracking exposure to web visits to net value of new members acquired. Literally, it is the net value of her activities.

A similar organization that we work with, the Corporation for National Community Service, is already tying all of their traditional PR activities as well as their social activities back into traffic to Serve.gov, MLK Day and these various unique websites they have set up to do the same thing, to encourage volunteers. They are measuring their success based on how many volunteers sign up.

There are a lot of runners out there. As Beth will tell you, and if you read the book, you will see that most of the great examples are from these smaller start-up companies. They have embraced data-informed culture from day one.

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

The bigger challenge is with some of the legacy nonprofits that were born 100 years ago. The notion of measuring something other than the effectiveness of your direct mail campaign is a challenge.

Matthew: You and I have both mentioned this concept of being data-informed. I think a lot of our listeners coming from the for-profit world are going to be familiar with the idea of being data-driven but you make a real distinction between being data-driven versus data-informed. You talk about how the goal is to become data-informed. Could you articulate the difference there?

Katie: Yes. It came out from chapter two or three in an interview with Nancy Lublin who was the CEO of Do Something. I think they are truly one of the poster children nonprofits in terms of being data-informed.

She said, "You could be data-driven but you could be driven by the wrong data." We try to be data-informed because we bring our whole wisdom to the data and really relate it to making decisions, not necessarily justifying what we've done. It's not just a matter of showing numbers but really thinking about what that means in terms of our program and how we can get better results."

It's not just a social media person sitting in the corner with their spreadsheet, or even a data-geek. It's a working partnership with the program and communication people to really apply and use that data. That's data-informed.

Matthew: Right. You spend a lot of time showing how important it is that this metrics-centric approach is something that has to be implemented across the organization and certainly led by the organizational leaders.

I think that there are lots of people who, because of their background, automatically start measuring and trying to track what they're doing. That's not the same as actually having the whole organization built around the importance of metrics.

Katie: Exactly. It's having it come from the top, from the CEO and the board perspective asking what the data says instead of making a decision and then going to get the data to back up your decision or doing it based on your gut.

Matthew: Why don't you talk about people measure? A lot of times, organizations measure things so that you can point to the big win, "Hey, we've just hit one million fans on Facebook," or "Donations are up 50% in the last year." You really stress measuring your failures first. Katie, could you talk about what that means?

Katie: Everyone wants to get a gold star. That comes from grade school. In reality, you don't learn anything from getting a gold star because chances are, you've already gotten kudos and applause and you know about the gold star. What you

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

want to know is what didn't work so you can move resources away from the stuff that doesn't work and toward the stuff that does.

Sunshine Overkamp who was at the Council on Foundations many years ago came up with this whole paper on measuring failure and how it's so much more valuable. Every single time I go into this, everyone wants to say, "This program did really well." I say, "Well what about this one? Why are your numbers going down here? What caused this number to go down? Was it the competition, a peer group, something else going on in the industry? Did you just screw it up?"

The reality is that chances are if you forensically investigate your failures, you are going to learn a lot and improve a lot more. In the book, there is a wonderful example with Do Something and their fail-fest.

Beth: Or [0:18:39] **Mocks Rising** funerals. It's funny because Katie mentioned that it comes from school. It's a mindset change. There are two different mindsets. We can have a fixed mindset where we are driven or motivated by external praise, "Wow, you got an A+." Then there is a growth mindset where you are motivated by the internal drive to improve what you're doing. "I got a C+. What do I need to change to get an A?"

Katie: Here is a perfectly good example. One of the things I will be looking at in the next half hour with a client is this. It turns out that the people who went through social media training scored significantly higher on pretty much all of the key important metrics for this particular organization. You look at 20 different metrics, which is way too many. For every single one of them, there is at least a five point difference between those who went through social media training and those who didn't.

The people who went through social media training are clearly more engaged, committed, more satisfied with their job and are doing extra. The first thing you ask from that is, "Is this because the people who went through social media training are already more engaged and are therefore a self-selected group?" The other piece of it is to say, "Let's look at all these things. Sometimes there is a ten point difference. Sometimes there is a two point difference. What are the two-pointers? Where isn't social media training hitting all cylinders?"

That is the kind of analysis that I think no one wants to do because it is hard. You look at it and say, "Let's find the places where it is only a two point difference and see if we can make it a ten point difference."

Matthew: Right, and that seems to address the critical importance of actually doing something with the data.

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

Katie: That is the critical thing. We have too much data and don't know what to do with it.

Beth: Or else, "We analyzed and we found some stuff we are doing wrong but we are just going to continue to do what we always did because we've always done it that way."

Katie: Oh please, don't even go there. What I love is these organizations who, when I ask how they measure failure say, "We don't fail." I say, "Excuse me? Of course you do." "Yes, but we don't acknowledge it and we don't ever change anything so we don't fail."

Matthew: Right. Beth, early on you mentioned networked approaches. In the book, you talk about the value of networks and how you measure the value of networks. Could we talk about what that looks like?

In many of stories, it comes out that people have been putting all this time and effort into building up their networks, their Facebook fan-base or getting engagement on Twitter and they don't really realize the value of the network until they actually need it. There is always a perceptual lag between knowing that a network is probably valuable, putting in all this effort and then only seeing the return on that effort intermittently.

Beth: That's a great question. This book is a bit of a follow-up to my first book which was called *The Network Nonprofit* which talked about a nonprofit's need to not work as isolated institutions but work in a network along with their stakeholders, people and other organizations. It talked about all the different practices.

We did have a small chapter on learning and measurement. When it used to come up early on, it was more of a skeptical answer, "What's the value of this? Why are we wasting our time on this?" That was about getting on the same page in terms of expectations around the end result and honoring that engagement and building relationships are just as important to measure and refine as the dollar amount.

In that chapter about networks and showing their value, we talk about using social network analysis more as a reflective practice to look and be intentional about the types of connections and how people are connected to one another in your network along with the strength of those relationships.

It's using it mostly as a pre and post-test. If you look at your network and get a picture of it and see that it looks like a bunch of silos, you need to get out there and start what [23:22.4 Girlinghouse] of LinkedIn calls filling structural holes.

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

Introduce people in your networks. Find the outliers who may be connected to other networks. If your after picture looks like a virus, you have successfully woven your network so that people are connecting with one another, feeling better about you and are more willing to carry out your message or donate to your campaign.

I experienced this firsthand in 2008. I won America's Giving Challenge and raised over \$100,000 for Cambodian children. Even before the challenge came, I spent a lot of time building relationships with influencers across different disciplines.

I remember halfway through it, we were struggling to raise the money. As we hit the deadline, the network rose. The key supporters were telling other people who were then telling other people. I was getting donations from people who were three or four steps removed. I was amazed. To me, that really demonstrated the power of this.

Matthew: Right. Katie, since you come from this PR background, you could weigh in on this, too. One of the reasons to do social network analysis is to try to identify influencers but you also point out that people have a lot of misconceptions about how one might actually count as an influencer and how influence really works. Could you set them straight?

Katie: Beth really does have an understanding of this unlike anything else. There are influencers that are going to spread your message. They are not influencers in the traditional PR sense, media sense or certainly not in the clout sense. They are individuals who have a certain characteristic. It is almost the Malcolm Gladwell thing. They have interest and passion for your mission and a good network. Therefore, they are going to be influential to your cause.

It is really much more than an individual analysis of your network. You can't get a computer to tell you this stuff. It just doesn't work.

Matthew: Beth, what do you have to add to that in terms of really thinking through who counts as a true influencer within your network and what types of influence they may be able to exercise?

Beth: I think about the case study we have in the book about Shonali Burke again, who is absolutely fabulous. She was doing a project for the United Nations Refugee Campaign. She did have an influencer or champions strategy as part of it. I think they had something like 40 or 50 influential people who really care about immigrant rights working and writing about the program and being their ambassadors.

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

We interviewed her to find out how she found those people and we put this in the influencer chapter. We asked her, “How did you find those people?” She used a couple of tools. I’m blanking on the name but Katie will remember it.

Katie: It was Traacker.

Beth: Right. She generated this list. I said, “Wow, all we have to do is just go buy this tool? She said, “No, there was a lot of elbow grease. We had to do a lot of searching, identify who the best bloggers were that were writing about this and actually look at their blogs and get to know the people in their network.” She said that there is no mystery to it. There are a few tools that can help guide you initially but it is doing research, getting to know who these people are and then cultivating them.

Matthew: Right. We are getting to the end of our time here. What do you think for-profit companies can learn from nonprofits? Obviously, this focus on data and measurement and using that for continual improvement is something that should at least be happening in the for-profit world. I am wondering if there are things in the nonprofit world that you think would really benefit for-profit companies to pay attention to.

Katie: Break down the silos. I think the thing that you see in nonprofits is the fact that when you start talking about those silos and pointing out how bad they are for measurement and results, data-sharing starts to happen. On the for-profit side, it is really hard because you have marketing in one silo, public relations in another and never the twain shall meet.

Marketing measures one thing and PR measures another and the sad thing is the fact that if they shared the data, the whole organization would improve and everybody would be happier. The lines are drawn so clearly in the sand, and this is typically structurally.

For-profits have more people and therefore, they have more vice presidents. One vice president does one thing and doesn’t share things with the others. Sadly, that’s what happens.

If they could get past some of that stuff the way some of the nonprofits that we’ve worked with and talked about have, they would be much better off.

Beth: Once you tear down the silos then you have the opportunity to actually think about a theory of change. I know that businesses think about the bottom line but it’s also about thinking what can change and then looking at the logical steps that can lead up to that change.

Marketing Smarts, Episode 63

A Marketing Podcast

December 19, 2012 Guests: Beth Kanter & Katie Paine

Matthew: There is so much more that we could cover here but we are out of time. If people wanted to find out more about the book, *Measuring the Network Nonprofit: Using Data to Change the World*, where would you send them?

Beth: MeasuringTheNetworkedNonprofit.Org. You can also find it on Amazon and it's linked to on both my and Katie's blogs.

Matthew: Beth and Katie, thank you very much for joining us today. Thank you, listener, for listening to the very end. This has been the Marketing Smarts podcast brought to you by MarketingProfs. I have been your host, Matthew Grant. Talk to you next week.

Katie: Thanks so much, Matthew. Thank you, MarketingProfs.

Beth: Thank you.