Investigation of <u>UW-tips</u> as a viable corporate pledge processing system

RIT Executive MBA Consulting Team:

James R. Forger

Cynthia K. High-Fischmann

Michael A. Krupnicki

Table of Contents

1.   **Background of the Project**

The United Way of Greater Rochester (UWGR) commissioned a team of students from Rochester Institute of Technology's Executive MBA Program to assist in identifying a standardized pledge processing system for its corporate partners. The RIT Executive MBA Program is an accredited graduate business program comprised of students who are experienced, high potential managers from area organizations. It is an intense, 2-year program in which students participate in 24 integrated business courses in a team-based format. The capstone of the program is the Quality Project. The Quality Project has teams spend two academic quarters assisting a local organization solve a business problem.

The team chosen to assist UWGR was comprised of three local executives: Cynthia High, James Forger, and Michael Krupnicki. Cynthia High is currently Human Resource Business Partner at Eastman Kodak Company. Her area of expertise is Human Resource Management. James Forger is currently Worldwide Product Line Manager at Eastman Kodak's Digital & Applied Imaging division. His area of expertise is software development and implementation of information technology solutions. Michael Krupnicki is President of Mahany Welding Supply Co., Inc., a local, privately held industrial distribution company. His area of expertise is Accounting and Finance.

UWGR had been receiving requests from its partners to help lower the costs of annual UW campaign administration. UWGR is one of the nation's most progressive and efficient United Ways. For every $1.00 in donations they receive, UWGR pays $.92 out to local charities. Despite this extremely low overhead rate, UWGR is committed to continuously lowering the overhead of its partners as well as its own internal costs. The team from RIT was brought in to identify a pledge processing system that would meet the goals of UWGR and lower the cost of running campaigns. Both primary and secondary research performed by the team identified various alternatives for campaign pledge systems.

UWGR was aware of two system alternatives that were used by other United Way organizations. The identified alternatives included a system called UWIN and an

application called UW-tips (United Way Tracking and Information Processing System).
Additional information was obtained on these two systems.

UWIN is a system that was developed by the National United Way organization.
This system is based on a service that performs pledge card scanning for participating
companies. Companies using this system send electronic formatted employee records
and completed donation pledge forms to a processing center. The processing center then
scans the pledge forms, matches deductions to the electronic employee information, and
then transmits an electronic file containing the proper payroll deduction amounts back to
the participating company. The cost of this service is $1.99 per pledge card, which is
subtracted from the employee donation before distributing donation payments. In
addition, the National United Way automatically distributes the donations directly to the
participating charitable organizations, essentially reducing the local United Way's ability
to directly fund programs that will greatly benefit local communities. The cost of the
processing, the lack of local flexibility, and the lack of campaign feedback ***during the
campaign*** were serious drawbacks of this system.

UW-Tips is a desktop software application developed and distributed by a small
software company called SoftwareNow, Inc (SNI). The company provides outsourced
United Way campaign services to companies in the North Carolina area. This software
application is a tool that was originally developed for use in this business, but has
expanded to become a stand-alone product of the company.

In addition to pledge processing solutions that were utilized by United Way
organizations, other 3rd party solutions were identified. A variety of generic fundraising
software applications are available to assist with fundraising campaigns, however all
identified applications focused on the database and solicitation management aspects of a
fundraising campaign rather than specific pledge form processing aspects of the process.
Specific applications that were investigated include FundRaiser Basic, FundRaiser
Professional, GiftMaker Pro, Donor Trac, SofTrek, Results/Plus, and TRAC.
Background information from each of these packages was acquired.

After carefully analyzing all of the available pledge processing solutions, the
project team determined that UW-tips was the most promising. It is a system specifically
designed to overcome challenges of running corporate United Way campaigns, which
include integration of data with payroll and HR systems, efficient pledge card processing,
generation of real-time updates of campaign progress, and transfer of campaign results to
the United Way.

2.   Background on <u>UW-tips</u>

      <u>UW-tips</u> is a stand-alone software solution for the effective and efficient management of UW campaigns. It is Windows based, and is delivered on one CD-ROM. The cost of an annual license is $500 per installation. It increases efficiency by allowing for fast input of pledge card information, as well as uploads to corporate payroll records and to the local United Way. This feature eliminates one of the largest costs of pledge processing – *redundancy.* It increases campaign effectiveness by providing timely, robust reports on the progress of a campaign, allowing campaign coordinators more time to increase participation and donation levels.

      The product is developed by SoftwareNow, Inc. (SNI). SNI has been involved with United Way campaigns since 1984. For the past 12 years they have been repeatedly contracted to handle all data related aspects of the employee campaign for a major corporation in North Carolina. . Hence, not only do they develop and market the software, they themselves use it as a third party campaign management service. They understand the idiosyncrasies of running campaigns, and continually use knowledge gained by themselves and others to improve their product.

      <u>UW-tips</u> is currently in use by over 60 organizations in 14 states. A partial list of satisfied customers is as follows:

Allied Signal, Phoenix Arizona	America West Airlines, Phoenix Arizona
America Health, Phoenix Arizona	Arizona State University, Phoenix Arizona
Bank One Corporation, Phoenix Arizona	Bank One Corporation, Columbus Ohio
Bank One Corporation, Denver Colorado	Baxter International, Deerfield Illinois
Cargill, Inc, Wayzata, Minnesota	City of Phoenix, Phoenix Arizona
Clark Refinery, Port Arthur Texas	Gencorp, Fairlawn Ohio
Hamilton Medical, Dalton Georgia	Philadelphia Newspaper, Philadelphia PA

Phoenix Children's Hospital, Phoenix Arizona	Phoenix Newspaper, Inc., Phoenix Arizona
PNC Bank, Philadelphia Pennsylvania	Maricopa County Government, Phoenix Arizona
MBNA Bank of America, Wilmington DE	MAYO Foundation, Rochester Minnesota
Nortel, Research Triangle Park NC	Norton Company, Worcester Massachusetts
Rochester Institute of Technology, Rochester NY	Salt River Project Utilities, Phoenix Arizona
State Employee Combined Campaign, NC	State Employee Combined Campaign, Ohio
Summa Health Systems, Akron Ohio	Sunoco, Philadelphia Pennsylvania (4 sites)
United Way of Southeast PA, Philadelphia PA	University Medical Center, Charleston SC
VISTAKON, Jacksonville Florida	Valley of the Sun UW, Phoenix Arizona
Wisconsin Physicians Service, Madison WI	Zales Corporation, Irving Texas

This list is not exhaustive, but does demonstrate the variety of organizations that are utilizing the product.

3.   Features and Benefits of UW-tips

As previously mentioned, UW-tips is a Windows-based software application designed to increase the efficiency and effectiveness of running United Way campaigns. A list of UW-tips features and benefits is as follows:

Feature	*Benefit*
Designed specifically to run UW campaigns.	Application only contains features that pertain to efficiently running UW campaigns; it does not contain extraneous features typical of generic software programs designed to be used by a multitude of various organizations.
Data entry screens designed to minimize data entry time.	Campaign staff will appreciate the user-friendliness of the program and the ability to rapidly input pledge information
Data integration with corporate HR / Payroll	UW-Tips database is built from records

system. Capture data once at the grassroots level and electronically feed the information to payroll.	provided by payroll and/or HR and uploaded into the application; this eliminates the redundant step of keying in employee data. Second redundant step of keying pledge information into payroll is eliminated via upload of processed UW-tips data into the organization's system.
Robust and Flexible report generator for campaign coordinators.	Campaign coordinators can instantly generate the reports of their choice to assist in the campaign. Generator includes the following reports: 1. No Response Report 2. Current Goal vs. LY Totals 3. Current vs. LY Totals 4. Current vs. Goal 5. Summary Statistics 6. Weekly Pledge Summary Report 7. Leadership Target Report/Labels 8. Leadership Summary Report 9. Guideline Giving Report 10. Contributor Listings 11. Cash Contributor Listings 12. Direct Bill Report 13. *and many more*
Ability to Fax Reports directly to UW.	UW needs campaign updates to monitor community campaign. UW-tips allows the participating organization the ability to regularly fax UW the reports they desire. A one-page report summarizes 98% of a UW's typical questions.
Flexibility accommodates confidentiality.	Each organization can tailor how much donor information it shares with UW. Data such as salary information can be encrypted so that pledge-processing personnel are not privy to

	this information.
Final campaign data electronically sent to United Way	Saves trouble of manually calculating campaign results; system will print labels for donation envelopes.

4. Approach & Methodology of the Project

The RIT consulting team used a methodical, objective approach to evaluating the viability of UW-tips. A summary of this approach and methodology is as follows:

The first step was to identify the needs of UWGR in a pledge processing system. This was accomplished by conducting interviews with various UWGR personnel, and by independently developing a process workflow map. Key findings in this area include:

- The lack of a standard UW pledge processing system across various companies prevented UWGR from helping companies lower costs and increase effectiveness of their campaigns.
- Questionable accuracy of the campaign data that is available during the annual campaign resulted in difficulties in projecting annual goals.
- Multiple redundant data entry of the same pledge cards data increases local UWGR costs.
- Inability to match "donor choice" selections to specific payroll deducted contributions could result in inaccurate donation practices.

In the course of these interviews, several insights into the wants and needs of partnering organizations were expressed by the UWGR staff. However, the RIT team did its own primary research to determine customer needs. Five organizations were chosen based on their variety of size, geographic dispersion, number of departments, sophistication, campaign size, participation rates, and several other criteria. The 5 organizations chosen for on-site personal interviews with campaign coordinators were as follows: Monro Muffler, RIT, Ziff Davis, Eastman Kodak, and JML Optics.

Each of these personal interviews consisted of discussions with the organization's campaign coordinators and various members of the RIT team. The team learned how each organization ran its campaign, and the improvements it sought. Key findings included:

- Each company had its own "homemade" pledge processing system that utilized a level of sophistication anywhere from manual pen and paper up to customized spreadsheet and database templates.
- Companies were not interested in a solution that included scanners.
- The data entry portion of processing pledges was not deemed to be the most expensive aspect of the campaign.
- No standardization existed across organizations as to the process or system of running a UW campaign.

A result of these interviews was the compilation of a matrix, summarizing the criteria we analyzed across all five organizations. This matrix can be found in Appendix 1.

After understanding customer needs, the team then did secondary research into viable technology based solutions. The team also considered the viability of a custom developed application for United Way, including a pledge card scanner. This custom solution was rejected due to customer needs (resistance to and costs of scanners), lengthy development times, cost of development, incomplete specifications, and long-term support issues. After thorough research into the applicability of numerous software packages, UW-tips was chosen based on its functionality, robustness, and cost/value relationship.

5.   Description of Organization Chosen for Pilot Program

Our research indicated the use of UW-tips would lower campaign costs and would increase the effectiveness of annual campaigns. Based on the importance of this project, our team felt that it was critical to run a pilot test of the UW-tips software in an actual campaign environment to insure that the application was capable of delivering the described benefits. Criteria for an acceptable pilot organization was defined as follows:

- Moderately sized – more than 2000 people
- Multiple buildings – previous research indicated that campaign results vary across physical buildings within an organization.
- Multiple division, departments, and workgroups - previous research indicated that campaign results vary across departments and workgroups, driven largely by the enthusiasm of the United Way campaign volunteers.

- Adequate computer support – Computer support personnel are required to extract data from the corporate personnel database.
- Enthusiastic and willing campaign coordinator – The pilot required a campaign coordinator that was willing to investigate alternative campaign approaches capable of increasing the effectiveness of their campaign.

The Rochester Institute of Technology met all of these criteria, and was selected for the pilot investigation of UW-tips. RIT solicits UW donations from approximately 2400 faculty and staff, along with additional groups of retirees and special students. RIT's campaign solicitation is broken down into about 195 workgroups that are administered by approximately 125 "key captain" volunteers. RIT's annual UW campaign runs for 4 weeks, which was ideal for the pilot test.

UW-Tips was compared against an existing system that was used in previous years. The system consisted of a FileMaker Pro database installed on a PC. This database was developed by RIT's campaign coordinator who used the system to track and record contributions, generate basic reports, and generate final campaign results. Based on data from the previous campaigns, use of the previous system for pledge card data entry consumed approximately 60 hours of time. Additionally, the campaign coordinator was not able to generate a wide variety of reports required to positively impact the campaign while it was in progress.

6. Pilot Results

The original project plan called for running the RIT campaign with both UW-tips and their previous system. Upon setting up the UW-tips application, the RIT campaign coordinator quickly decided that she wanted to manage the campaign using only UW-tips.

Because we were unable to run a parallel pilot, it was not possible to provide an exact comparison of results achieved with UW-tips to the results achieved using the previous method. Results of the previous method are based on the campaign coordinator's recollection of last year's process. Results will be described in terms of improved efficiency to RIT, improved effectiveness to RIT, and benefits for UWGR.

Improved Efficiency – The data entry screens in UW-tips have been designed for maximum data throughput. RIT was able to enter 33 standard pledge cards in a 10-minute period, or approximately 3.3 cards per minute. This averages to approximately 18 seconds per standard

pledge card. The system is also capable of acquiring the optional "donor choice" data at the time the pledge card is entered. Because this step requires additional data entry, RIT was able to enter 23 pledge cards (containing donor choice forms) per minute, or 2.3 cards per minute. This averages to approximately 26 seconds per pledge card containing a donor choice option.

Based on an average of 2500 employees, of which 40% utilize the donor choice option, the required time to acquire the pledge card data would be approximately 14.9 hrs. The estimated data entry time in previous years was approximately 60. **Based on these estimates, <u>UW-tips</u> provided a 75% cost reduction on the data entry portion of the process.** The RIT campaign coordinator also commented that her assistant found the system extremely easy to use. An exhibit displaying the various timesavings can be found in Appendix 2.

<u>UW-tips</u> provides an electronic output file that contains payroll deduction information that can be directly imported into corporate payroll systems. This process eliminates the process of donation data re-keying by the payroll department. Unfortunately, RIT's payroll department will not utilize this electronic information for this year's campaign. There was not sufficient time for RIT's payroll staff to investigate and examine this process for this year's pilot program. If this time had been available, RIT would have saved several hours of additional data entry time.

In addition to data entry savings, the UW-Tips system automates routine reports that were previously generated by hand. RIT regularly utilized the Weekly Pledge Summary Report, the Contributor Listing by Donation Type Report, and the Employee Detail Reports (Cash, Credit, bill direct, etc.). These reports were generated in a format that was immediately useful to RIT and to UWGR.

<u>Improved Effectiveness</u> – In addition to the cost reductions provided by the system, additional functionality was provided to enhance the effectiveness of the campaign. Most notable is the function to easily identify current donors that have yet to submit a pledge card for the upcoming year. United Way studies have shown that the main reasons that current givers fail to continue to give is they did not receive a pledge card, or they misplaced their pledge card and forgot to return it.

The UW-Tips system provides a feature to immediately identify those employees that have contributed over the past year and have not submitted a pledge card for the upcoming year. RIT utilized this feature to identify 195 donors currently contributing $24,700 but that had yet to submit a pledge card. Another feature was utilized to automatically generate address labels for these employees in order to send them another pledge card and a reminder note.

RIT also utilized the system to analyze the use of donor choice options. The RIT campaign office concluded that donor choice remains a popular choice and should not be eliminated from the campaign. Approximately 40% of donors utilized the donor choice option at RIT.

Benefits to United Way – RIT's use of UW-tips also provided benefits to United Way. In addition to the improved effectiveness documented above, the entry of donor choice information at the time of pledge card entry eliminates a step at United Way headquarters. It is more efficient to enter the donor choice information as the pledge cards are entered rather than executing an entire reentry step. In addition, entry of donor choice data at the time of pledge card entry provides a mechanism to insure that the donation allocated to an agency is not more than the donor is contributing.

United Way also benefits from the names and addresses of donors that are submitted via an electronic file at the completion of the campaign. This information allows United Way to begin a data warehouse of their donors and to begin utilizing relationship-marketing techniques to improve the loyalty of their donors. Specific recommendations on marketing initiatives were beyond the scope of this project.

Feedback from RIT's United Way coordinator indicated that she was extremely pleased with the system. She felt that UW-tips was a significant improvement over her previous system and provided features that would be extremely difficult to implement via other mechanisms. She also recommended that RIT utilize UW-tips for future United Way campaigns. After achieving a **13% increase** over the previous years campaign, she was quoted as follows: "To let you know some of the statistics, so far we've raised $237,796 (112.2% of goal) and our participation rate is 60% (it was 56% last year). We are thrilled with the success of the campaign, and very happy with the efficiency we achieved through UW-tips in entering gifts and doing reports. It definitely saved us a lot of time."

7.   Summary

Based on an analysis of several systems and an actual campaign pilot of UW-tips, the RIT EMBA consulting team has determined that UW-tips is a viable corporate pledge-processing alternative. The correct use of UW-tips can substantially reduce UW pledge card data entry costs, increase the effectiveness of the campaign, and reduce costs of report generation. The

application was specifically designed to administer UW campaigns, and the numerous features have proven to reduce the administrative burden on the corporate UW coordinator.

In addition to these benefits, improved accuracy and further cost reductions are achieved through the data integration features of the system. The electronic transfer of employee information into the systems insures accurate employee data without manual re-entry. Although the timing of the pilot did not allow the RIT team to test the payroll data interface, other companies have experienced further cost savings by reducing redundant entry of the pledge cards at the payroll department.

Adoption of UW-tips by companies in the Greater Rochester area will allow UWGR to continue to improve their efficiency and lower campaign administration costs for participating companies. The results of this analysis help to explain the continued growth in the use of UW-tips across the US, as the value provided far exceeds its $500 cost.

APPENDIX 1: Summary of United Way campaign process at 5 participating organizations

	Ziff-Davis	RIT	Monro Muffler	JML	EK
Employees/Donor Base	400	3000	2800	85	28,000
Number of locations	5	1	550	1	1
Headquarters?	No, but	yes	yes	yes	yes
Existing system?	Excel	Filemaker Pro	dBaseIV	manual	IBM Main
Length of campaign	1 week	4 weeks	3 weeks		4 weeks?
Pledge cards	Standard	Custom	Standard, with sticker	manual	Custom
Card entry	Manual, by key capts	Manual, 30 sec/card	Manual,	manual	Manual
Payroll entry	Manual	Manual, 30 sec/card	Manual	manual	Autofeed
Source of employee Data	HR and Excel	RIT HR system	Local dBase records	Previous Year data	Autofeed
Automated reports during campaign?	No	Yes	No	No	Yes
Manual reports during campaign?	No	Yes	Yes	No	No
Monitor campaign progress ?	Highly Reactive	Reactive	Reactive	Reactive	Yes
Final Report ?	Yes	Yes	Yes	Yes	Yes
Individual dept. goals?	No	No	Yes		No
Final report by dept.	No	Yes	Yes	No	Yes
Track progress by dept.?	No	No, manual	No, manual	No	Yes
Data wanted/ available to area coordinator?	Yes/No	Yes/No	Yes/No	No	Yes/Yes
Monitor year to year response ?	Yes/Manual	Manual attempt	No	No	No
Participation trend	Increasing	decreasing	decreasing	100%	TBD
Total time involved with United Way	Unknown	250 hrs.	1376* hrs	unknown	unknown

* based on estimates of percentage of total time spend on UW activities

APPENDIX 2: RIT Pilot Time Savings using <u>UW-Tips</u>

Pledge Input	*Old System*	*UW-Tips*
Standard Card	87 seconds	18 seconds
Card w/ Donor Choice	Could not process both	26 seconds
Total	**60 hours**	**14.9 hours**