

HOW TO BUILD AND MAINTAIN A PROSPECT DATABASE

The Eight Key Questions You'll Need Answered

Getting Started: Your Prospect Database

Don't let the term confuse you. It's really as simple as a sophisticated phone book. Or, it can be much more. But the basics of setting up and maintaining a prospect database are fairly simple and straightforward. And, like many other tools, a little planning at the beginning can reap tremendous rewards later in the day!

1. Where and How Can We Find Likely Prospects?

Prospects can come from many sources. The best sources are personal. Here are the best ways to develop a list of prospects in roughly their order of overall effectiveness:

- **Member Referrals.** Without a doubt, the best way to find prospects is to reach out to your membership and ask for referrals. You can use many techniques ranging from a simple request to a formalized reward system—everything from giving away merchandise to sweepstakes. One organization for pilots actually raffled off an airplane to new prospects and referrals! Just remember that referrals are the very best way to find prospects for membership.
- **Business and Association Directories.** Based on what your organization's mission is, many business directories contain prospect names of non-members in the same field. Simply sort out the non-member names and use these as a source. Directories tend to be priced according to the quality of the list of names. Watch for out-of-date lists and inexpensive directories that over-promise and under-deliver.
- **Purchased Lists.** These can be obtained from *list brokers*, companies that specialize in lists of names based on many different criteria. If you do not have a direct marketing expert available, contact a direct marketing company and ask them for advice on prospecting through list brokers.
- **Trade Publications/Trade Shows.** These magazines, events, and newsletters are invaluable variants of directories and purchased lists. Almost all trade organizations offer their subscriber/participant lists for sale.
- **Related Professional Organizations.** Often, members of one organization also belong to another. Find out from your existing members what other organizations they belong to, and then seek out prospects from those organizations.
- **Public Lists.** There are many public lists and abstracts issued by cities, counties, licensing boards, commissions, and volunteer organizations that can be quite useful.

- **Web Searches.** Amazingly enough, the Web can be searched for names. Using a search engine's advanced features, you can find an incredible number of names of individuals who attended, worked, selected, or even e-mailed about events and issues your group represents. Although not efficient for large lists of names, Web searches can be an excellent source of pre-qualified names.

2. What Is a Prospect Database?

A database is simply organized information. It can be a list of names, places, actions, or even pictures. What is essential to understand is that data—the “stuff” that's in a database—is information. What turns information into a database is organization. A random collection of names and addresses in random order is just that, a collection; put it in alphabetical order by last name, and it becomes a phonebook—a simple form of database.

Most data is organized into lists. These lists are usually organized in grids with sets of *fields* (the boxes in the grid) running horizontally and sets of fields running vertically. Microsoft Excel is a simple database. It features a set of numbered fields running down the left-hand side of the page, and a set of alphabet-labeled fields running across the top of the page.

A collection of fields pertaining to the same central point of information is called a *record*. An example of a record would be a person's name, address, phone number, and e-mail—all the information about that particular member. A collection of your prospects' records is called a prospect database.

Sometimes, in a prospect database, records are organized around a person's last name; in others it may be organized around a prospect number. Whichever format you use, each prospect can be associated with many attributes and identifying information.

Whether name or number, the choice is yours as we shall soon see.

3. What Can We Do with a Prospect Database?

The possibilities of what you can do with a prospect database are virtually endless. But let's start with the basics. With a simple prospect database you can:

- Store, revise, and retrieve contact information
- Document prospect status, dates of contact, and the nature of those contacts
- Track sources, responses, purchases, participation, and interests of each prospect
- Maintain information about interest in committees and special events
- Develop mass mailings, interest-targeted mailings, e-mailings, and fax blasts mailings

This is just the start. Among the more powerful things you can do with a large prospect database are choosing likely prospects for events based on participation and interest; developing prospect profiles based on demographics; fundraising; or even storing pictures of individual prospects for use in mailings and other communications.

As we said before, the list is virtually endless.

4. What Should You Consider When Designing and Launching a Prospect Database?

The very first consideration should be planning: What does your group need from a prospect database? The best method for this is to poll your staff and some of your existing members; they will have many ideas about how a prospect database can serve your association while streamlining many of your everyday tasks. Here are some steps:

- **Design.** Decide how you are going to design, implement, and make decisions in the future that affect the database.
- **Team.** Determine who will take those steps now and in the future—select the database team for technical support, and content.
- **Research.** Review other associations' databases to see what sorts of role the database plays in other groups similar to your own.
- **Requirements.** Develop a set of detailed requirements for your database based on what you want it to do.
- **Phases.** Develop the plan in stages: where you will start and what your goals may be in two, three, or even five years out. This will be extremely important when you select the computer program your group will use.
- **Scope.** Know your limits. Start with a modest plan and work up in sophistication. There are database packages on the market that can promise anything you'll ever want, but they require resources and attention you may not be able to give.

Careful planning will make installing and using your database easier from the beginning, and it will help you discover and avoid a number of pitfalls.

5. What Software Should We Choose?

Easy answer: get the software you need based on your careful planning. However, leverage the long-range plan you developed to allow for growth. Choose software that will deliver those services without having to make a change in the future. Here are the considerations you'll want to review when selecting database software:

- **Searchability.** If you choose a simple package, make sure you can do custom searches that will give you the information you need. More complex software may give you more search options, but those options often require a complexity of knowledge and training you may not possess today.

- **Reporting.** Determine if the software you select can either publish outputs you want (reports, lists, graphs etc.); feed other programs like MS-Word, PowerPoint, and MS-Excel; or meet your suppliers' needs with the data they'll require.

- **Scalability.** This is the computer programmer's word for whether the program you select can grow with your organization. Here's an example:

ACT! is a popular contact management database, and can be used for association prospect. However, ACT! only delivers its full set of services to about 6000 records. If you have more than 6000 records, ACT! will start to malfunction, requiring much attention and difficulty. For this reason, if you plan to have more than 6,000 prospects, ACT! is not scalable.

Growth can also mean growth in services—like pictures, or special reporting, or other special functioning.

- **Compatibility.** When you buy a database software package, make sure the files are compatible with programs you use like such as MS-Word, MS Outlook, Lotus Notes, and other standard programs. Doing this may involve reviewing a number of data standards, but a good rule of thumb is to make sure the database is compatible with DB2 and/or MS-Access.

6. Should You Design, Buy or Rent?

This is a common question. The easiest answer is that, in the majority of cases, you should purchase a turnkey package. Renting or leasing a shared Internet application can be an economical and effective pathway as well. The reasons are fairly simple, yet every year many companies choose to design their own package—some successfully, and some not.

Typically, software package designers have studied and mimicked successful prospect management processes and programs used by successful companies and associations. By purchasing a turnkey package, you'll take advantage of these "best practices" without having to live through them yourself.

7. What Are Some Standard Software Packages?

These can be as simple or as complex as your needs dictate. One principal difference in databases is whether they are *flat field* (a single grid of connected records) or *relational* (a complex series of data points connected by matching through a unique numbering system). Relational databases offer search services and efficiency of storage and operation that flat-field databases cannot. Your specific needs will dictate which of these you will choose.

8. How Should We Get Started and Maintain Our Database?

Here are some tips for starting up:

- **Define the fields.** Set up the fields you are going to need for your prospect records and leave ample room to expand on them if changing business conditions call for it.

- **Develop keying standards.** What this means is determining in advance what each piece of data will look like.

Example: A field called <name>. It's a simple concept. But will you have a prefix (Mrs., Dr.), first name, middle name (or initial), last name, suffix (III or Jr.)? All these should be decided before you start entering names and addresses (number, street, second address line, suite, apartment, room, city, county, state (*abbreviation or USPS two-letter abbreviation*), ZIP (five digit), ZIP (*nine digit*), country, etc.).

These standards can be automatically embedded into your database in some cases (i.e., Excel can be set up to use auto spell-check to correct typing in a state abbreviation and turn it into the USPS two-letter abbreviation). Keying standards ensure that you don't suffer needlessly from the "garbage in, garbage out" syndrome that makes clean addressing and reporting so difficult with some databases.

- **Set permissions early.** Determine early on who may and who may not change data, change the database structure, write reports, or even import and export information into the database. By setting *permissions*, the rules for who can and cannot modify your database, you can better control the quality of the final prospect files you use to grow your organization.
- **Establish data standards.** Establish criteria for accuracy, ethical sourcing, and ethical use. Also, make sure the database is protected from theft or pilfering. No organization wants its data used inappropriately, particularly prospect data. Think of data as identity, and protect your organization's prospect database from massive identity theft.
- **Constantly monitor your database.** Make sure the prospect database is up to date. You'll avoid mishaps if you make a continuous improvement program and staff the database maintenance team with resources dedicated to keeping the data up to date.

This includes, but is not limited to:

1. Assuring the names and information are up to date
2. Retiring or deleting out-of-date records and fields
3. Actively "cleaning" your data by periodically contacting individuals to determine their information's accuracy
4. Develop an "aging" system—raise records to the top of the review list that have shown no activity for a specific period of time.

Of course, there's much more to consider when starting a prospect database. However, follow the advice given here, and you'll find that the rewards you can reap from your prospect database far outweigh any time or resources you have dedicated to the process.