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EFM Case Study



GUIDESTAR

GuideStar, the definitive source for information about nonprofit companies, leverages Vovici's Enterprise Feedback Management solution to optimize customer satisfaction and maintain their unique and powerful position within the nonprofit industry.



## The Challenge

GuideStar was founded in 1994 to create a central source of information on U.S. charities. Five years later, in response to new sunshine laws, GuideStar began posting IRS Forms 990, the annual information return that hundreds of thousands of nonprofits file with the IRS, on its website. Now the central source for nonprofit information, GuideStar was under pressure to maintain the momentum by understanding what their customers wanted and delivering it to them.

## The Solution

GuideStar initially selected Vovici's Enterprise Feedback Management to capture site visitor feedback in semi-annual user surveys. They have since broadened its use to drive monthly newsletter features, an industry leading Annual Nonprofit Economic Survey, customer input on specific products and many other customer-facing features and services.

## The Benefits

Vovici EFM enables GuideStar to remain the premier source of information on nonprofits and charitable giving. Benefits realized so far from Vovici include the ability to: gain real-time insights into the success of new products and offerings, stay ahead of ever-changing customer interests, and take the nonprofit sector's pulse on various issues.

**“With more than 1.2 million users registered with GuideStar, we have a lot of people asking us for new features,” said Bob Ottenhoff, GuideStar’s President and CEO. “We rely on Vovici to tell us where our priorities should be now, and where they should be pointed going forward.”**

**Background:**

“Before GuideStar, there was no single, independent source where a donor could get information on the charities they wanted to give to or that were asking them for money,” explained Ottenhoff. “GuideStar first met that need with a published *Directory of American Charities* and then with our website. We were well on our way to becoming the central source of nonprofit information when Congress enacted legislation allowing nonprofits to comply with public disclosure regulations by posting their Forms 990 on the Internet.”

IRS Form 990 highlights key information about nonprofits (e.g., mission, programs that carry out the mission, sources of income, executive pay and cost structure). Form 990 was always a public document, but now filing organizations could post it on the Internet to comply with disclosure requirements. The new sunshine rules went into effect in June 1999. GuideStar pounced on the opportunity and began posting 990s on their website four months later.

Traffic to GuideStar’s website exploded and demand soared. The challenge came as GuideStar attempted to digest the newfound demand for its offering. The president of GuideStar at the time issued a call to arms — “We need to find out what our customers want next, and how to continually optimize our customers’ experience,” he said. It became apparent that GuideStar required a solution able to capture user experiences and turn those insights into actionable improvements. GuideStar’s president called for the implementation of an enterprise feedback solution to address what GuideStar saw as their key challenges.

**Business Challenges**

**Challenge #1:**

Optimize user satisfaction for their website

**Challenge #2:**

Turn customer feedback into revenue generating tools, ideas, and operations

**How GuideStar is Used:**

- **Donors** use GuideStar to learn about nonprofit companies and to protect themselves from fraud
- **Nonprofits** use the site to benchmark other nonprofits, reach potential partners, and distribute information about their missions and programs to a broader audience
- **Grant makers** use GuideStar to verify nonprofits are in good standing and to get their 990 forms
- **Many others**, such as the media and service providers, use GuideStar to research nonprofits and find customers

**Delivering Transparent Information to the Nonprofit World**

The nonprofit sector is a far-reaching, high-impact industry. Ottenhoff notes, “Every person in the country is affected by nonprofits in some way—sometimes in huge ways. Nonprofits touch real lives in real ways.” GuideStar’s passion for the life-changing and world-changing work done by the many nonprofits nationwide inspired them to develop their central database of nonprofit information. “Our belief is that if information on nonprofits is shared openly and completely, donors, major funding partners, business partners and donors will be able to make better decisions about where to invest their time, money and resources.”

As GuideStar’s user base rapidly grew, so did their need for growth funding. Competition for donor dollars was intense, and like all nonprofits, GuideStar needed to find a way to grow that did not rely entirely on grants or donations. “We realized that we needed to get close to the users of our data, understand what they wanted, and deliver a value to them that we could charge money for to become more self-sufficient,” recalls Ottenhoff.

GuideStar set out to find a feedback solution that would allow them to develop a deep understanding of who their customers were, what customers were doing with GuideStar data, and what additional products and services they would like to see. After evaluating a number of top providers, GuideStar chose Vovici’s Enterprise Feedback Management solution.

**Reasons for Choosing Vovici:**

- EFM solution significantly collapses the time it takes to create surveys, capture real-time feedback, and implement improvements
- Quick and easy deployment of surveys
- Flat-rate pricing allows GuideStar to be unhindered by cost and to solicit feedback from many audiences
- Broad range of reporting capabilities and ability to capture real-time feedback allows GuideStar to release quantitative findings well before competitors
- Outstanding service and support

“We were so pleased with our early experiences with Vovici—with the power it put into our hands—that it has been an easy decision for us to continue to expand our use of Vovici into what has become a long-standing relationship,” said Ottenhoff.

**Vovici – Turning a Universe of Feedback into Clear Priorities**

GuideStar is the center of the universe for information relating to nonprofits in the United States. Donors, grant makers, other nonprofits, service providers and many others rely on GuideStar’s database to make good decisions concerning their donations, and learn about activities in the nonprofit sector. “It is hard to sum up in a few words what we do, because we are like an ecosystem. Vovici reporting and analytics help us take feedback from our diverse universe of users and set a clear path forward,” said Ottenhoff. Vovici’s Enterprise Feedback Management solution has played a critical role in GuideStar’s continuous growth and product enhancement.

**CHALLENGE #1: OPTIMIZE USER SATISFACTION FOR THEIR WEBSITE**

**Observed Benefits from Vovici Enterprise Feedback Management Solution**

**1. Reveals a Deep Understanding of Site User Interests to Continually Enhance the User Experience**

GuideStar’s database of information and their website are the core of the value they deliver. Twice per year, GuideStar conducts a User Satisfaction survey. Vovici’s scalability and cost effectiveness eliminates barriers to the number of surveys GuideStar can send out, so they also develop surveys specifically for different segments of their audience. “On top of the invaluable feedback, the analysis generated by our Vovici-powered surveys inspired us to create more granular profiles to capture the diversity of our user base,” explains Ottenhoff. As a result of their deepened understanding of their customers, GuideStar hired a full-time Product Manager to turn the feedback into enhanced services. “Vovici has allowed us to gather even more valuable data, and deliver increasingly valuable services.”

**2. Keeps a Finger on the Pulse of Users**

GuideStar realized that “checking-in” with users twice a year with the User Satisfaction survey, while valuable, was not enough to optimize the user experience. In response, they have created informal panels of users from whom they capture ongoing feedback. One recent example is the development of a new search engine. Instead of simply developing, testing and releasing the feature, GuideStar beta tested it with a small group of users and captured real-time user feedback. The ability to share immediate results with IT and across the GuideStar organization allowed them to remain agile and make quick changes. “Immediately, our users were much happier. By capturing actionable information during the beta test, we were able to avoid releasing features that might have negatively affected users,” said Ottenhoff.

**CHALLENGE #2: TURN CUSTOMER FEEDBACK INTO REVENUE GENERATING TOOLS, IDEAS, AND OPERATIONS**

**Observed Benefits from Vovici Enterprise Feedback Management Solution**

**1. Gives Paying Customers What They Want**

In the early days, 98% of GuideStar funding came from generous donations by various foundations. However, as competition for donations intensified over the years, GuideStar felt increasing pressure to support its model with more revenue-producing services and offerings to reduce its reliance on donations. Based on direct feedback from the semi-annual User Satisfaction survey, GuideStar launched a major upgrade of its GuideStar Premium service, which provides a number of features beyond what is available on the free site and which users must pay for access to. The result of this upgrade, and other similar efforts, has been a dramatic shift of GuideStar’s funding to more than 60% from revenue-producing activities and less than 40% from grants and donations. “Vovici has absolutely been one of the most valuable resources for user information and making our premium service successful,” claimed Ottenhoff. “You think you know what your users want, but you really don’t until you ask them and capture some feedback.”

**2. Delivers Feedback to the Marketplace**

GuideStar recognized years ago that their Vovici-powered feedback was valuable not only within their company, but it was also valuable to the public. Their unique view of nonprofit activity and charitable giving inspired GuideStar to create a nonprofit economic survey in 2002 to capture the impact of the 9/11 tragedy and economy on charitable giving. Since then, GuideStar has leveraged Vovici to release this survey annually, and the results are regularly published by such high profile media outlets as LA Times and Denver Post. Ottenhoff explains, “There are other surveys out there that report on charitable giving. However, backed by Vovici’s unique ability to provide real-time feedback and powerful analytics, we are able to release our findings DURING the end-of-year holiday giving season. Others aren’t able to get theirs out until months later. “The unique high-profile exposure the survey generates each year results in new users and new customers.

As they pursue their mission of “providing information that advances transparency, enables users to make better decisions and encourages charitable giving,” GuideStar leverages Vovici to ensure they stay ahead of evolving customer interests and release high-demand, high-quality products and services. Says Ottenhoff, “We deliver transparency to our customers, and we rely on Vovici to provide transparency into what our customers want from us.”

