

**BUILDING BLOCK**

# Continual Improvement Plan

## **THIS SECTION WILL COVER**

- The need for a Continual Improvement Plan
- Building a Continual Improvement Plan
- Methodologies for testing your improvements
- Suggestions for what to test

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# Continual Improvement Plan

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## WHAT IS CONTINUAL IMPROVEMENT AND WHY IS IT IMPORTANT?

Whatever your business objectives might be, a Continual Improvement Plan is a structured way to track the success of the strategies and tools you are using to reach your goals. It helps you understand whether you're investing your time, money and other resources as effectively as possible.

A Continual Improvement Plan is key for ensuring your CRM tactics are working to meet your needs. Customer behaviors and preferences change over time, and continual improvement can help remind you that just because something has worked in the past does not mean it will be relevant as contexts change.

Building a Continual Improvement Plan starts with setting the objective you want to achieve, and then

creating a methodology that outlines how you plan to meet that objective and what success looks like. Once you know this, you can identify what initiatives you think will help you reach your objective. By testing your approaches in a methodical way, you can understand exactly what impact each initiative has on your goals, maximizing your resources and making sure you're not spending time that could be better spent elsewhere.

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## HOW TO BUILD A CONTINUAL IMPROVEMENT PLAN

### Overview

A Continual Improvement Plan will generally include this four-step cycle:

- 1. Plan:** Is there an opportunity to make a change or try something new?
- 2. Implement:** Try this change out, possibly using one of the testing methods outlined below.
- 3. Evaluate:** Analyze the results of the change by using the data available to you.
- 4. Act:** If the change was successful, you can implement it on a larger scale with continual monitoring and data assessment to determine its success. If the change saw no improvement, begin the cycle again.

### Step 1: Plan

**1. Initial assessment:** Starting with your objective in mind, review if there is an opportunity to make a change or try something new.

**Example:** Increasing sales for *Family* events is an overarching objective for your organization. You determine that improving email open rates for your *Family* buyer segment might advance this goal.

**2. The baseline:** Before making a change, understand how well you are currently performing on the relevant metric, or Key Performance Indicator (KPI). For context, you may also want to review your baseline against industry metrics like those available in the [2019 Spektrix Insights Report](#).

**Example:** Finding your *Family* segment currently has a 20% open rate and your other emails average a 40% open rate, and that the industry benchmark is 27%.

**3. The target:** Once you know your baseline and any gap between that and your goal or industry-wide benchmark, set targets for improvement.

**Example:** Setting your *Family* segment email open rate target to 27% (the industry benchmark).

**4. Identify the change:** Decide on what change or initiative you think will help you achieve your target. You don't need to be certain, but you do need a theory to test. See [What to Test and How](#) for ideas.

**Example:** Split testing different email subject lines' impact on open rates for the *Family* segment.

**5. Record** your baseline, target and change to test. Having those top of mind will ensure you're focused on improvement.

## Step 2: Implement

**1. Allocate resources:** Make sure you have set aside the time, budget and expertise necessary to complete the test.

**Example:** Making sure your social media team has an extra half hour set aside each week to craft different subject lines.

**2. Decide a timeline:** Think about how long it will reasonably take to start seeing your KPI move. Give the change enough time to be successful, but a short enough timescale to respond if you notice your KPIs trending in the wrong direction.

**Example:** Deciding on a three-month testing period because you typically promote *Family* events starting three months in advance.

**3. Implement the change:** Put the new approach into practice and set up the reporting needed to track your progress throughout your testing period. See [What to Test and How](#) for ways to test your change's impact on your audience.

**Example:** Tracking open rates on each *Family* email in the three-month testing period against the open rates of other segments. This includes setting up new reports, agreeing to look at them weekly and planning to reassess in three months.

## Step 3: Evaluate

**1. Compare:** Now that you have collected data throughout your testing period, you can compare your results with your benchmark and your target to determine whether your test has been successful.

**Example:** After testing different subject lines, you have averaged a 30% email open rate over the three-month testing period. This exceeds your 27% target and you consider it successful.

**2. Check for unintended consequences:** While you were measuring your KPIs, notice whether something unexpected happened that you need to address.

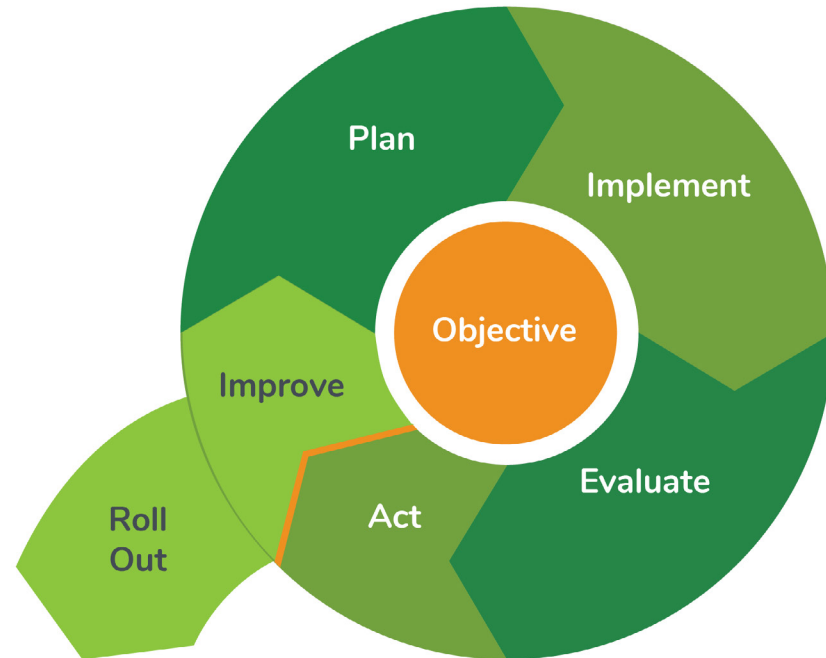
**Example:** While open rates have improved, you notice click-through rates and *Family* event sales have not improved and realize that hitting the KPIs has not met your objective to sell more tickets to family events.

## Step 4: Act

**1. Decide what's next:** With your analysis complete, you are in a position to determine the next step. Your options are:

- Continue with the change if your test has been successful and you're confident further testing will not yield better results.
- Try again if the test has not yielded the results you hoped for. Chances are you have learned something while testing that can help you make it better. Use that knowledge to start the cycle again at Step 1.

**Example:** Test whether sending emails twice a month rather than three times impacts *Family* click-through and conversion rates.



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## WHAT TO TEST AND HOW

When building a Continual Improvement Plan, measuring your content's effectiveness or trying to better understand your audience's motivations and behavior, consider testing some of the following metrics and approaches:

### Email open rates, click-through rates or ROI

- **Segmented A/B split testing:** Comparing how different audience segments respond to a campaign, or different versions of a campaign.

**Example:** Sending your standard email newsletter to half of your member segment, and sending a more personalized version to the other half.

**Example:** Measuring how different audience segments respond to parts of the same standard newsletter, e.g. if members tend to open it more than one-time buyers.

- **Random A/B split testing:** Comparing two or more versions of a campaign by sending them

to a random pool of recipients. On mass email platforms, you can often set a percentage of recipients you would like to test on, and the best performing version will be sent to the remainder of the mailing list.

**Example:** Sending three versions of your standard email newsletter, each with different subject lines, to a random sample of recipients.

### Impact of an offer on conversion rates

- **Tracking each audience segment's response** to an incentive and comparing their booking rates to those recorded before the offer.

**Example:** Noticing a 50% conversion rate for website visitors on an event page, implementing a buy-one-get-one-free offer and seeing a 65% conversion rate that has especially high uptake among your *Family* segment.

## Impact of donation asks on online giving rates

- **Comparing standard and targeted donation asks** in the online purchase path.

**Example:** Test a default \$10 general fund donation ask against a customized ask whose amount and fund are automatically calculated according to the patron's basket.



## Audience loyalty, motivations and sentiment

- **Surveying:** Collecting audience feedback and opinion via both quantitative and qualitative data.

**Example:** Survey how loyal your audience members think they are versus your Relationship-Based Segmentation Model.

## Impact of digital content on click rates, conversion rates or time spent on page

- **Content testing:** Trying out different layouts, design elements or calls-to-action within your communications or website over time, then assessing their impact on engagement.

**Example:** Adjust your website's event page layout every few months and evaluate whether the new layout is leading visitors to spend more time on the page or increasing sales conversions.



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## Continual improvement plan: additional resources



Use the [My KPIs Worksheet](#) to track the success of your organization's top KPIs.

Spektrix Users: Click this icon for a list of Support Center articles to help you implement this advice in your system.