

# Transparency in Analytics

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## Transparency in Analytics

By Alexander W. Oftelie, Managing Associate

In the past decade, analytics to support philanthropy has evolved from project curiosity to process mainstay for most nonprofits, regardless of mission or size. Organizations are leveraging data to better understand drivers of production (descriptive), create strategic focus for major gift pipeline management (predictive), and automate large, rote tasks like grateful patient screening (prescriptive). These are merely a sample of the functions in our employ, because the size of our constituencies, databases, and philanthropic goals have grown. Analytics offers simply, insight at scale.

### How Does Transparency Impact Analytics?

If we only had 40 total constituents, it would be easy to sort and identify the top names for individual solicitation. That task is rendered much more difficult with 40,000, and practically impossible with 400,000. With analytics simply offering insight into business challenges too large for normal human cognition or reasonably sized spreadsheet, it is important to consider its reach as merely an extension of what individuals could accomplish. This means analytics can help us execute tasks at scale and speed, and it also implies that we should be able to apply our natural cognition, and understanding, to these tasks. Fundamental to that understanding is transparency in analytics, regardless of mode and scale.

### Consumers Drive the Market

As analytics grew, it was largely driven by a narrow group of producers—those with a likely deep technical understanding who would promote the value of outcomes, which remains the best framework yet today. In other words, early consumers weren't as concerned with how it worked, they were focused on if it worked.

The respective roles of producer and consumer supported each other well. Then, as analytics evolved from projects to process, consumers became far more educated and discerning in what they wanted, and how much they needed to know.

The industry also saw a rise in DIY analytics, as consumers, through goals of greater customization, flexibility, and interest, became producers themselves. This has greatly expanded the depth of knowledge and desire for an understanding of how the data was used to arrive at a conclusion or solution.

As the industry has evolved in understanding and utilization from its early, fundamental days, there has been an exciting growth in demand from a leading edge of producers and consumers. Today I see non-profits employing everything from neural networks to systems of artificial intelligence to provide even more sophisticated and real time insights; innovations almost unimaginable in our space even five years ago. As these tools, common to for-profit analytics, introduce us to their benefits, they are also giving rise to the questions their complexity and sophistication also provide: “can we understand what is actually going on to arrive at this result?”

Many sectors in the for-profit space have limited these cutting edge resources in lieu of concerns over inherent bias (talent management, loans, and credit decisions) and issues with reproducibility (medical testing) which mask our ability to influence, or truly understand, the mechanisms of results. These issues are cresting in the for-profit space and will likely reach their peak over the next 5–10 years, giving the non-profit space a preview of some of the questions these approaches may pose.

## Two Principles of BWF Insight

While the Bentz Whaley Flessner (“BWF”) team has worked to employ the latest techniques and to challenge ourselves, clients, and industry needs with cutting-edge approaches, there are still two foundational principles that govern our work:

1. Can we explain this work to everyone?
2. Can we reproduce this work?

Goal 1 is plainly stated but is as important as ever. With the demand growth, and reach of analysis continuing to increase, the ability to develop analytics solutions that have concrete and clear explanations to allow others to “peek inside” has never been more important. Consumers no longer just consume, they are becoming selective and refined.

Goal 2 also relates to growth in analytics functions and is a core tenet of BWF’s work. We believe in analytics process, not projects, and we develop everything with that framework in mind. How does that translate into our methodology? We select data and methods that are transparent to everyone, which allows everyone to understand what happened. I have seen countless organizations have success with a “mysterious solution,” only to then find ongoing failure by their inability to repeat it. How can you repeat a recipe if you don’t entirely know what ingredients, in what proportion, in what stages, made the dish fantastic?

There has never been a more exciting time to use data to help us understand engagement, predict giving, and increase our effective analytical reach. As you continue to explore and innovate and grow as a consumer, be sure to focus on transparency, where we can truly understand what supports success, and why.

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