

# Donor IQ<sup>®</sup> Test Overview



## PRODUCT INFORMATION

### Overview

This document outlines the typical steps required for conducting a test of DonorIQ. The goal of a test of DonorIQ is to perform an analysis of a direct-mail company's data in order to determine the feasibility for predictive models as well as live tests to establish the monetary value of DonorIQ.

### Preliminaries

Prior to beginning a test, Equity Decision Systems (EQDS) and the company testing DonorIQ will agree upon and execute a testing agreement. This agreement will contain the terms of the test and a confidentiality and non-disclosure agreement.

### Data Collection

Data will be provided by the company testing DonorIQ as outlined in *Appendix A - Data Request for a DonorIQ Test*. This is meant to serve as a guideline for the data necessary to conduct a successful test of the product, but reasonable variations from these guidelines are usually acceptable. It is important to have a dialogue between the company and EQDS to discuss the specifics of the data requirements, data formats, and data transfer options. Typically, data is provided to EQDS via FTP. For added security, we recommend that all data transmitted to EQDS is encrypted.

### Model Construction and Preliminary (non-live) Tests

Once data is collected, custom predictive models will be constructed to optimize donations received (this process will take 4-6 weeks). PhD level modelers will construct the models using a variety of techniques such as neural networks, logistic regression, and additive regression applied to hundreds of variables derived from the data provided. The models will be built on a period of time (say 1/1/2017 to 6/1/2018) and evaluated on a separate period of time (say 6/1/2018 to 12/31/2018). When the models are completed, a preliminary test will be conducted by using the models to evaluate the latest few weeks of data, on which no donation data had been received (i.e the results of the mailing is not known to EQDS). The donation data will be appended on to the data after the models have predicted the results and evaluated.

### Live Test

Following model construction and preliminary testing, live tests will be conducted using DonorIQ on actual prospect and/or house mailings. For these tests, the Company will provide EQDS with live files that are to be mailed (typically several hundred thousand pieces of mail). EQDS will provide predictions for each individual in the mailing. After a majority of the donations have been received from test mailings, an evaluation will be done by EQDS to determine the value of DonorIQ. Sufficient information can be provided so that this evaluation can be audited by the company if so desired.

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## Appendix A • Data Request for a Donor IQ Test

The accuracy of Donor IQ depends heavily on the data provided. The more data provided the better results that will be achieved from a predictive model. The following outline provides a recommendation of the data required for a test which will provide a representative level of accuracy for Donor IQ. Providing more or less data than that recommended may change the accuracy of the models accordingly.

### Solicitation Files

Please provide all house (i.e. donor cultivation) and acquisition solicitation files for the past 2 or more years. This includes a single record for each piece of mail that was sent out. The following columns are requested.

- Codes which allow for the identification of a mail package
  - (e.g. Package Code, Package Phase, Mailcode)
- Mail date
- Internal ID Number for an individual on your house list (for house mailings)
- Recipient Name
  - Prefix/Title, First Name, Middle Name, Last Name, Suffix
- Recipient's Address
  - Company Name, Street Address, Address line 2, City, State, Zip + 4

### Donation Files

Please provide all donation records for the past 2 years. This table can be normalized to include donor information separately from donation data. This will include a single record for each donation made which includes the following columns:

- Donor Information
  - Internal ID Number for a donor
  - Donor's Name
    - Prefix/Title, First Name, Middle Name, Last Name, Suffix
  - Donor's Address
    - Company Name, Street Address, Address line 2, City, State, Zip+4
- Donation Information
  - Donation Date
  - Donation Amount
  - Codes which allow for the identification of a package of mail to which a donation is being made
    - (e.g. Package Code, Package Phase, Mailcode)

### Package Information

Additional data related to the mailings which may be useful in modeling and analysis is also requested. Such data may include, but is not limited to:

- Cost of a package per piece mailed
- Type of mailing (prospect, house, thank you, etc.)

## About Us

**Equity Decision Systems** is headquartered in Orange County, CA and specializes in designing, building, implementing, and monitoring machine learning and artificial intelligence models for companies of all sizes.

We are experts in handling complex data, building machine learning and artificial intelligence systems, and integrating the solution and analytics into your organization. Our data scientists have experience working with more than 100 Fortune 1000 companies and government agencies in various industries, including: retail, criminal justice, healthcare, fundraising, insurance, mortgage, financial services, and marketing.

We work closely with our customers to create end-to-end solutions which produce a positive return on investment.

Contact us by email

[sales@equitydecisions.com](mailto:sales@equitydecisions.com)

Contact us by phone

(714) 460-8628