



An ideal future for
one-to-one fundraising
2016



Contents

Contents	2
Introduction	3
Mapping out an ideal future operating model for the third sector	4
Putting the supporter at the heart of everything	5
Best practice	6
Managed Transparency	6
Messaging	7
Reporting	8
Access to skills and training	8
Sector governance, representation and support	9
Data	10
Charity role, structure and operations	11
Promoting the sector	11
Governance and accountability	12
Improved systems and capabilities	12
Future role of charities	13
Mission, ethics and values	14
Adapting to changing attitudes, technology and legislation	15
New fundraising models	15
Emerging technologies and me-tracking	16
Research and monitoring	17
Conclusion	18
About the DMA	19
Copyright and disclaimer	19

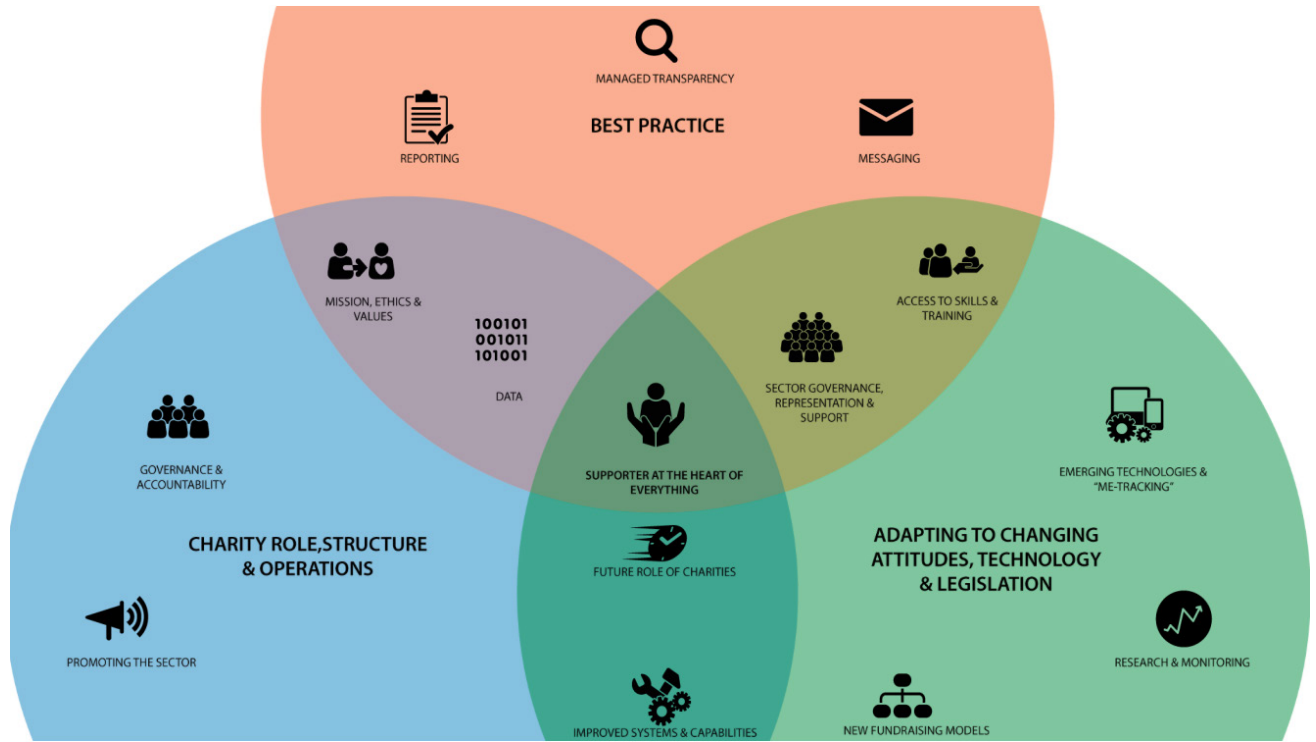


Introduction

The fundraising sector is faced with the need for real evolution to meet the needs of today's society. The explosion in data, technology and ease of one-to-one communication has given the sector huge power and reach; with this has come the requirement for a much greater mastery of one-to-one communications to ensure responsible, successful and future-proof practices.

The DMA's fundraising taskforce recently published a whitepaper and held a workshop to discuss how to lead the sector's response to some of these fundamental challenges. This document provides a follow-up, collating the vision and aims of a wide representation of sector stakeholders to outline what a future operating model for the industry could look like. This model and the key features outlined in this whitepaper are designed to be an ideal for the third sector to aspire to. However, they are also intended to be an attainable goal, with tangible actions included for each section to act as a guide for charities on the journey to a more sustainable fundraising future.

Mapping out an ideal future operating model for the third sector



Putting the supporter at the heart of everything

Goal:

The third sector works together towards fundraising and marketing activity that is driven by a lifetime single customer view. Enabling supporters to co-manage their charity preferences through a single point of contact, whether an online portal or preference service. Allowing for a higher level of understanding and empowerment among supporters that will driver higher long-term engagement.

“Whether you’re a public, private or third sector business, the principle of putting your ‘customer’ first should be a founding principle and essential for the long term health of the organisation. For the third sector in particular, the social importance of our underlying objects requires that we must take the long view and build goodwill by treating all stakeholders with fairness and respect at all points of contact. This will cultivate relationships that will benefit both the charity and its supporters and most importantly, the beneficiaries.”

– Melanie Howard, Co-Founder and Chair of the Future Foundation and Co-Chair of the DMA’s Fundraising Taskforce



Recommendation:

- Put supporters first and ensure any fundraising/marketing activity is being done responsibly at all times, something that is outlined in [the DMA Code](#)
- This customer-centred approach also frames all the other recommendations from the DMA’s fundraising taskforce, ensuring that supporters are always being treated correctly

Best practice

Managed Transparency

Goal:

Charities should be open and accountable about where the money they raise comes from and is ultimately spent. This transparency will aid in educating the general public about the realities of running a charity and the costs involved – from administrative fees and salaries, to fundraising and marketing campaigns.

“Charities and the third sector as a whole do great work, that’s what they are there to do. But to do that work they need to invest in the right people, skills and tools to do the job. As an industry, we must get better at telling this story of how and why we spend the money we get from our supporters.”

– Rachel Aldighieri, Managing Director at the DMA



Recommendation:

- Charities to work with regulators and/or associations to provide evidence-based research on the return on fundraising investment that charities deliver – with specific reference to key ‘hot topic’ issues like salary and campaign costs vs. the money that goes towards the specific charity’s cause or goal
- This evidence-based account will also help the sector to communicate the costs of hiring good people to do good work, as well as offering an opportunity to hire good talent

Messaging

Goal:

Industry best practice is upheld across all fundraising and marketing activities to ensure that supporters only receive relevant, timely, appropriate and coordinated messages from charities. By putting the supporters' interests first, charities will build a stronger long-term relationship with their supporters based on trust and transparency.

"Charities' fundraising communications, in particular, have come under scrutiny in recent years. Meaning it's even more important than ever that we ensure an ethical approach to fundraising and marketing contact. That's why, despite the short term financial impact, at the RNLI we are moving to an opt-in fundraising system. We understand not all charities are in the same position as us and that an opt-in system is not a simple or easy thing to adopt. That's why we're always keen to share our learnings with others and work with the sector to help those charities that are thinking about taking the plunge."

– Helen Hopkins, Product Marketing & Innovation Manager at RNLI



Recommendation:

- Ensure charities are up-to-date with the latest guidance and instilling best practice from across the sector, for example through the [case studies and guides the DMA has available](#)
- [Train](#) all fundraising and marketing staff on the latest best practice, guidance and skills necessary, such as for copywriting, customer engagement and responsible marketing
- Share and learn from successful case studies from both within the third sector and from the wider marketing industry – for example, [DMA Award winning campaigns](#)

Reporting

Goal:

Create a culture of rigorous reporting across the industry based on scrutiny, understanding and trust. This would be aided by agreement of a standard approach to charity reporting and accounts. Enabling charities to use common KPIs and measures to report anonymously to a third party, such as the industry regulator.

"We are in the midst of a period of change, both as a country and as a sector, but rather than seeing this as a challenge we should view it as an opportunity. An opportunity to rebuild, alongside the new regulator, a better way for us all to work. We need to work to the highest standards of practice and recognise that consumer expectations have shifted therefore to succeed we need to shift to respond to this new landscape."

– Tim Hunter, Director of Fundraising, Oxfam GB



Recommendation:

- The new Fundraising Regulator to continue working closely with the sector, independent bodies (such as the DMA and IoF) and government to agree a remit for sector-wide standards of reporting

Access to skills and training

Goal:

Charities must create a culture of learning and ensure easy access to appropriate training for all fundraising and marketing staff. This ability to readily improve skills and approaches will only benefit the industry, as well as allowing for increased networking and sharing of best practices. Individuals should also be encouraged to search out and collaborate with model organisations or personnel, including those from the commercial sector, to share skills and insight.

"The world of fundraising and marketing is constantly evolving, from the new tools on offer to the new legislation we have to be aware of. The only way many third sector organisations can keep up is through a mixture of sharing and training. There is an opportunity that many in the private sector simply don't have for us all to work together to share our knowledge."

– Ruth Grice, Marketing, Membership and Legacy Manager at Wildlife Trust



Recommendation:

- Run regular audits of the skills available within charities and source necessary training from recognised and respected industry bodies, such as [the IDM](#) or IoF
- Work with industry bodies to pro-actively set best practice on issues challenges the sector, for example by taking part in the recent discussions around [vulnerable consumers](#)
- Don't be afraid to learn from the commercial sector and actively seek out potential mentoring schemes or networking opportunities for charity staff

Sector governance, representation and support

Goal:

Continue to set strong guidance and governing principles in collaboration with industry groups like the DMA, IoF and the new regulator, negating the need for direct government regulation. Sector-wide collaboration also ensures a strong and agile self-governance that leaves the charities in control while ensuring the supporter is always put first.

“The Fundraising Regulator is now open for business. 45 charities have supported our set-up costs and we aim to work closely with the charitable sector and fundraising agencies to help ensure excellence in fundraising and tackle unacceptable practices. Our first priority is donors and potential donors – fundraising must be respectful, open, honest and accountable to the public.”

– Stephen Dunmore, Interim Chief Executive of the Fundraising Regulator



Recommendation:

- Continue to work together with industry bodies to ensure sustainable governance and best practices are implemented across the industry
- Use recognised sources of best practice from both the third and commercial sector to inform these recommendations, such as the [DMA](#), [IoF](#) and [new regulator](#)

Data

Goal:

Supporter's data is a charity's most valuable asset, as well as an opportunity to better inform all interactions with that supporter. Charities are already beginning to move to a wholly opt-in model for permissions collection, offering an even more transparent relationship with supporters when it comes to their personal information. In addition, an effective sector-wide suppression tool would ensure supporters' preferences are respected and fast become the cornerstone of all third sector fundraising activity in the future.

"Data plays an increasingly important role for all charities. Whether it's used for fundraising or broader marketing, the insight you can gain from the data you probably already have can be invaluable. However, many organisation will also have silos of data across the business with no real single customer view of it. Unifying this is a challenge in itself, but a worthwhile one. My advice would be that there's no one-size-fits-all when it comes to these systems and processes, so work with the business and sector to find out the best way forward. You may be surprised to find out that what you think you want isn't what you actually need!"

– Liz Curry, Business Process Manager at Comic Relief

100101
001011
101001

Recommendation:

- Treat supporter data as the valuable resource it is, as well as ensuring adherence to industry best practice and the new [GDPR](#) legislation coming into force in May 2018
- Engage with the advice, resources and workshops already available to the sector about [data issues and changes](#)

Charity role, structure and operations

Promoting the sector

Goal:

Promote the good that charities do every day, week and month of the year, both individually and collectively. By measuring and promoting the contribution the third sector makes to society as a whole, then the wider world will be better positioned to understand how the industry is a force for positive effective change.

"All third sector organisations have great values at their core, each one fighting for its cause, be it specific or broad. By working together we can better showcase both what individual charities are doing, but also what the industry as a whole is doing to create positive change for the world we live in. We need to start talking to the public not just about what we, as one or a few charities are doing, but what we have achieved as a sector."

– Emma Malcolm, Associate Director for Fundraising and Supporter Engagement at Rethink Mental Illness



Recommendation:

- Industry bodies must take a strong position in representing the third sector
- Identify and share success stories, both with the public and the wider marketing sector, for example through [the DMA Awards](#)
- Work with the new Fundraising Regulator and other industry bodies to run a public campaign to educate people about the sector's contribution to society as a whole. For example, by conducting an Economic Impact Assessment on the value of the third sector

Governance and accountability

Goal:

All charities are run effectively, nimbly and with a unified strategic vision across all functions. This is led by example, from the board members and trustees to the supporters with buckets outside the local supermarket. As such, it's integral that all necessary business, fundraising and marketing skillsets are represented at a senior level within charities, in order to set standardised best practices, define clear roles of responsibility and take real accountability as an organisation.

"The range of skills across a charities' fundraising and marketing campaigns has broadened greatly over the last 10 years and many trustees face a significant challenge to catch up. Whether it's through better understanding of fundraising fundamentals or improved reporting to the board of trustees, it's integral for the long-term health of any charity that the necessary skills are understood at every level of an organisation."

– Siobhan Handley, Senior Direct Marketing Manager
at Barnardos



Recommendation:

- Ensure awareness and understanding of existing government [guidance for trustees](#)
- Work with the DMA in the creation of its 'Charity Trustee Checklist' to ensure that all senior charity figures are able to answer the necessary questions about their organisation and its governance

Improved systems and capabilities

Goal:

New CRM systems and other utilities are developed specifically for third sector organisations to fit unique needs of these organisations and their supporters. Thus enabling greatly improved organisational control, efficiency and success.

"There are a wealth of different CRM, SCV and other data-management systems out there, but few that are truly adapted to the third sector and unique challenges we face when contacting our supporters. That's not to say there's a silver bullet solution that will work for everyone, but by working in collaboration with technology companies we can make sure the starting bricks are all in the right place for a charity to then build the system the want –and more importantly need."

– Michelle De Souza, Head of Customer Relationships and Insight
at Age UK and Co-Chair of the DMA's Fundraising Taskforce



Recommendation:

- Encourage technology companies, large charities and commercial industry leaders to share learnings, as well as promote access to and development of appropriate solutions

Future role of charities

Goal:

Charities take this opportunity to turn the necessary evolution of the industry to truly change its role within society. By working productively with social enterprises and corporate for good initiatives, for example, charities can align themselves with commercial organisations that are still aligned with goals that befit their own charitable aims. Organisations must also understand that some supporters are becoming increasingly individualistic and pro-active in their engagement with charities, which will mean a different level of interaction with that community.

“Fundraisers have a short window of opportunity to change their relationships with donors. The old model where we have constantly asked for money and ratcheted up the hard sell is no longer viable. Consumers have voted with their wallets and regulators have blown the whistle. The charities that thrive in this new world will be the organisations that engage with their donors and create sustainable value for them, as well as for the beneficiaries we all seek to serve. That means not asking for money every time we speak with them, but engaging in a conversation with them, and understanding their needs before we ask.”

– Mike Colling, CEO at MC & C



Recommendation:

- Demonstrate new ways of relating to supporters and the wider society through real world case studies, learning from successful new techniques highlighted through events like the [DMA Awards](#)

Mission, ethics and values

Goal:

There are a consistent set of goals, values, culture and practices throughout all departments within a charity, and that these extend to any third parties or suppliers. All must also be in-line with supporters' expectations of good practice, as well as the core purpose and principles of the organisation.

"The purpose of any charity is, of course, to do good work. However, the world has become a smaller place and specific fundraising and marketing skills may now involve teams physically far apart – some even being third parties. Therefore, it's more important than ever that the entire organisation understand the goals, values, culture and practices that represent that charity."

– John Mitchison, Head of Preference Services, Compliance and Legal at the DMA



Recommendation:

- Ensure a clear picture of the mission, ethics and values of the charity is agreed at a senior level within charities – and then disseminated throughout the wider business
- Trustees must interrogate the mission, ethics and values rigorously through questioning and ensuring consistency of approach throughout the organisation

Adapting to changing attitudes, technology and legislation

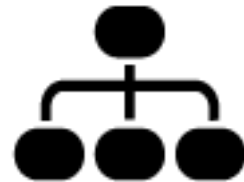
New fundraising models

Goal:

Charities evolve their own models to keep in-step with the shift from consumers towards support of specific charity campaigns and causes. The third sector as a whole must also learn to harness new supporter-driven fundraising models, such as the 'Challenge me' and 'Counter culture', as well as working with supporters to come up with new styles of sponsorship or support.

"So called 'traditional' methods like telephone are still the backbone of many fundraising campaigns. In the last couple of years though, we have seen the growth of social media spawn a range of new ways to promote and prompt donations. From the ice bucket challenge to simply telling your personal story, these new fundraising methods are something all charities should be actively exploring."

– Liz Barnsdale, Managing Director at Field Day,
(Charity Gold winner at DMA Awards 2015)



Recommendation:

- Listen to supporters to understand the models they want from the sector
- Identify and share successful new models through industry case studies, for example via the [DMA](#), [IoF](#) and [new regulator](#)

Emerging technologies and me-tracking

Goal:

Technology has fundamentally changed the way all brands interact with customers. Supporters are able to contribute and interact with a charity how, when, where and why they are motivated to do so. The commercial sector is already beginning to understand this and engaging customers in new ways. Likewise, charities will need to embrace the challenges and opportunities that new media offers to engage in effective, integrated and insight-driven fundraising campaigns.

“Most people have a desire to change the world, but historically there has no way to know where their money goes when they donate. Technology has already revolutionised how we interact, democratising the way we find and share information. So why not embrace this technological evolution across the third sector to allow your supporters to truly understand the power of their time and money to make a difference? Those charities that are bold enough to take that step, will reap the long-term rewards of the next generation of donors expecting this level of transparency.”

– Matt Kepple, CEO at Makerble / MakeWorldwide



Recommendation:

- Try new media or technologies as part of fundraising campaigns, the first charity to test something new is often the one to spark the next trend for the sector as a whole
- Share and learn from the latest innovations and successful campaigns from other charities and commercial companies – for example, the [winning campaigns from the DMA Awards](#)

Research and monitoring

Goal:

A consistent approach to the way the sector follows public attitudes towards charities is integral for the long-term sustainability of fundraising within the industry. A joined-up research and monitoring process led by an industry body, such as the new Fundraising Regulator, would allow for a sector-wide understanding of the attitudes and needs of the wider public.

“Understanding how people perceive charities and the work they do is fundamental to creating good communication and opportunities to engage. Our sources of information should be multi-faceted, just like the people we rely on to support our causes. Taking more responsibility as a sector to understand our audience is a really positive step on the journey to better relationships.”

– Annie Moreton, Strategy Director at Good Agency



Recommendation:

- Ensure sector-wide research and monitoring is put in place to be an ongoing process across both supporters and the general public – to track not only the current perception by changes over time
- Use available insight from independent bodies, such as the [DMA's Responsible Marketing Committee](#)
- Build on the previous reports created by the [FRSB](#) to keep track of both the current and future perception of the sector



Conclusion

Over the last year we have discussed the future of fundraising with many charities and key stakeholders across the third sector. Throughout this process it has become very clear that the sector understands that evolution is non-negotiable and very much underway.

There is still some concern and confusion that this will damage the industry permanently, but we argue that it is not doing anything that will leave a lasting impression. Every charity clearly sets out with the best of intentions and wants to put its recipients at the heart of everything it does. We want the third sector to take this passion and direct it towards their supporters too, which is why we believe that the idea of putting the customer at the centre of your organisation permeates through all of the points in this document.

We don't expect all charities to be able to achieve all the suggested aims of this model tomorrow, but in attempting to raise the bar each charity will contribute to a more sustainable future for the sector as a whole.

About the DMA

A DMA membership will grow your business. Our network of more than 1,000 UK companies is privy to research, free legal advice, political lobbying and industry guidance. Our members connect at regular events that inspire creativity, innovation, responsible marketing and more. Most of them are free.

A DMA membership is a badge of accreditation. We give the industry best-practice guidelines, legal updates and a code that puts the customer at the heart. We represent a data-driven industry that's leading the business sector in creativity and innovation.

One-to-one-to-millions marketing attracts the brightest minds; individuals that will shape the future. By sharing our knowledge, together, we'll make it vibrant.

Published by The Direct Marketing Association (UK) Ltd Copyright © Direct Marketing Association. All rights reserved.

Copyright and disclaimer

The *An ideal future for one-to-one fundraising* whitepaper is published by The Direct Marketing Association (UK) Ltd Copyright © Direct Marketing Association. All rights reserved. No part of this publication may be reproduced, copied or transmitted in any form or by any means, or stored in a retrieval system of any nature, without the prior permission of the DMA (UK) Ltd except as permitted by the provisions of the Copyright, Designs and Patents Act 1988 and related legislation. Application for permission to reproduce all or part of the Copyright material shall be made to the DMA (UK) Ltd, DMA House, 70 Margaret Street, London, W1W 8SS.

Although the greatest care has been taken in the preparation and compilation of the *An ideal future for one-to-one fundraising* whitepaper, no liability or responsibility of any kind (to extent permitted by law), including responsibility for negligence is accepted by the DMA, its servants or agents. All information gathered is believed correct at July 2016.

All corrections should be sent to the DMA for future editions.

