

## **IFC Explorer session**

# Relationship fundraising ten years after: how do we turn the promise into reality?

### **This isn't so much an article as a detailed record of the proceedings of a special workshop.**

The following material was produced for or came out of a seven-hour participative workshop held at Leeuwenhorst Congresscentrum in Holland on 15/16 October 2002, with the purpose of producing an answer or answers to the above question. The session was facilitated by Ken Burnett and the output, including the 55 pieces of 'breakthrough thinking', is the collective work of all participants.

Time was our main enemy so there is much here that is inevitably incomplete. Anything you can add to these pages will be sincerely appreciated. The notes and headings are in the form they were produced for and by the course. If amplification of any point is needed, please contact Ken Burnett at [ken@kenburnett.com](mailto:ken@kenburnett.com)

### **The participants**

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### **Whither relationship fundraising? A quick agenda**

- How do we feel about relationship fundraising? (Not the book, the concept.)
- Why is this subject important?
- What's working? What isn't?
- What are the problems?
- What could be done about them?
- Realistically, what recommendations could we make that will help encourage change?
- What else can we do, to ensure that in ten years time this'll seem a really silly question?

'Even with indisputable evidence that a donor-centred approach to communication (ie, better customer service) leads to huge increases in revenue, why do charities seem to be unable to adjust their practices in order to capitalise on this opportunity?'

*Penelope Burk, Burk and Associates, Toronto*

### **Specific objectives for this session**

1. Agree on what we want to see – a common way forward.
2. Identify barriers and road blocks to implementing true relationship fundraising.
3. Identify new thinking and best practice in donor relationship development.
4. Prepare a detailed, practical description of how fundraising organisations everywhere can amend their structures, practices and strategies so they and their donors can take advantage of the benefits of relationship fundraising.

## **Detailed structure (first afternoon)**

- Introductions.
- Why are we here and what do we think of the task ahead?
- SWOT for RF.
- Some definitions and another questionnaire.
- The difference between approach and technique.
- Some essential approaches.
- The art of saying ‘thank you’.
- Three short case histories of relationship fundraising in practice.
- For you – answering the big questions
  - What’s working and what isn’t?
  - Where’s the evidence/justification for RF?
  - What are the barriers to implementing RF?
- Overnight ‘strategies’ exercise.

## **Detailed structure (next morning)**

- Feedback on overnight strategies exercise.
- The big questions (continued)
  - How could we change our organisation’s approach to donors and fundraisers?
  - How can we build donors’ trust and confidence?
  - How could we incentivise relationship building, for management, staff and donors?
  - By what key performance indicators should fundraising be measured?
  - How could we involve donors/reinforce their sense of ‘belonging’?
  - How do we develop processes for donor recognition and reward?
  - How do we become irresistible story-tellers?
- Breakthrough thinking/a bunch of ideas to take home and to pass on to other fundraisers, via the Resource Alliance.

## **Why we came...**

*With thanks to all who answered the questions I sent pre-workshop (see below).*

- I believe in relationship fundraising – or more specifically, in a donor-based approach to the business of raising money.
- I want to keep up to date.
- I want to hear about failures too.
- I want to learn how to get the best from donors/improve how I deal with them.
- I want to challenge some of the ways relationship fundraising is thought about and practised.

- I want to find out how to really improve my fundraising and the way we deal with donors.

### **What I think now (KB's view at the start)**

- A donor-based approach is the only viable course for fundraisers in the future.
- More than ten years after I wrote my book, success has only been partial.
- Fundraisers talk the talk but generally don't walk the walk.
- Donors too often feel bruised by their interactions with fundraisers.
- Donors rarely feel inspired by their interactions with fundraisers.
- Donors' opinion of fundraisers isn't high, and may be slipping.
- Huge potential is being missed.
- At last, there are signs of change...but it's slow!

### **Are we heading for disaster?**

- The trends and omens for fundraisers are not encouraging.
- Donors now are much more discerning, more 'savvy'.
- In the UK the number of households giving to charities is declining (1.2% last year).
- Response to all public fundraising seems to decline over time.
- Fundraising costs rise continually. Particularly acquisition.
- Trust and confidence in non-profits generally may be in decline.
- The media are looking for stories.
- Pensions meltdown is coming. Legacies meltdown could follow.
- Some of our statistics are indefensible.
- A culture of short-term gain may be leading to long-term suicide.
- But maybe I'm just getting old and grumpy!

### **So, what does rest of the class think?**

*With thanks to all who answered the questions I sent pre-workshop. Here are those questions again.*

- Do we treat donors ok as it is? Does anything need to change?
- Have fundraisers noticeably changed their approach from the 'churn and burn' eighties into the supposedly more caring and sensitive nineties and beyond? Is that change sustained or superficial?
- Are donors getting the best that they could be getting from fundraisers? Is dealing with us generally a nice experience/sufficiently inspirational?
- Do we say 'thank you' and 'welcome' properly?

- Is trust and confidence in nonprofits declining or not? If it is, why and what can we do about it?
- Are we appropriately engaging the next generation of donors?
- Are fundraisers too reliant on the old, traditional, proved methods of communication?
- Are we sufficiently innovative/risk-taking pioneers?

### **With thanks also to some ‘experts’**

Including...

Gerard Gendre, Pierre-Bernard Le Bas (France); Chris Carnie (Spain); Mal Warwick, Kay Sprinkel Grace, Judith Nichols, Rich Fox, Jennie Thompson (USA); Penelope Burk, Ana White, Rosemary Oliver, David Love, Harvey McKinnon (Canada); Jason Potts, Ian Ventham, David Ford, Richard Radcliffe (UK); Beatrice Lentati (Italy) Kitty Hilton, Peter Dalton (Australia).

And especially to...

Giles Pegram of the NSPCC in the UK and his colleagues Tim Hunter (Head of Direct Donors), Stephen George (Director of Community Appeals –Branch & District F/R, Elaine Dodds (acting Head of Corporate F/R), Dominic Evers (Senior Development Manager, Trusts on behalf of Kate Hogg, Head of Core Donors), Alan Carter (Head of Supporter Services – transaction processing and response unit for direct donors and members of the public).

And particularly to Penelope Burk, for so much of the quoted material

### **What the class thought, pre-workshop**

A selection of responses to Ken’s pre-workshop questionnaire.

- Yes we sometimes treat donors ok – but ok isn’t good enough.
- Relationship fundraising is a personal approach and shouldn’t get too professional.
- RF is a much-abused term.
- RF is being applied now. ‘It’s the only way to go’.
- Fundraisers don’t like to take risks.
- No, we don’t say ‘thank you’ and ‘welcome’ properly.
- Media are on the lookout for scandals.
- RF can be too cosy.
- Do people really want a relationship? Do they care?
- Retention now is a huge problem. So we have to make RF work.
- Need to get better at listening to donors, sharing good and bad news.
- Reliable research is crucial. We depend too much on ‘gut feeling’.
- Difficult for most fundraisers to see link between treating donors better and more funds raised.

- Relationship fundraising promotes the unique value of committed giving schemes.
- Donors should feel they control the relationship.
- More understanding of and emphasis on lifetime values (LTV).
- Organisations lack budgets to understand/test LTV.
- RF improves accountability to donors.
- Donors will want to recruit others like them.
- We have a donor charter. It's a start...
- Donors now tell us how to spend our money.
- Fundraisers are not routinely good at customer service.
- Trust is something you must gain repeatedly.
- It's senior managers, not fundraisers that are the problem.

### **What the experts think**

*A further selection of responses to Ken's pre-workshop questionnaire.*

- We're not good at relationship fundraising (yet).
- Everyone agrees with it but few practise it.
- Things are changing but there's more to do.
- Move to regular giving really helps.
- We are learning to involve donors, particularly major donors.
- Need to change the whole culture, to realise we only exist because of donors.
- Donors expect the same service from charities as any other organisation.
- Donors can be owners.
- Increasingly sophisticated segmentation is possible/happening.
- Offering choices is difficult but possible.
- RF creates opportunities for support other than financial.
- We're trying to be efficient within an RF context.
- Should start by asking 'What kind of relationship does a donor want?'
- Ongoing inspiration is more important than efficient management.
- Need for fundraisers to be intuitive rather than to follow set guidelines.
- Fundraisers are routinely un-inventive at customer service.
- We need to think of this in terms of how we should engage the next generation of donors.
- We should simply be braver.
- Donor relationship managers can only nurture a certain number of donors.
- Thanking is a creative process.

- ‘We are pretty good at customer service’.
- Communication is the key.
- ‘A real respectful partnership is in place’.
- The more face-to-face fundraising is, the more support we get.
- ‘We have cracked the territory issue. It’s now unheard of for a local branch to complain of DM and other fundraising activity’, (NSPCC).
- Specialist training and systems are vital.
- Needs top-down endorsement.
- ‘Central and local fundraising are different worlds’. There isn’t one ‘fundraising’.
- Sector is much too risk averse.
- Organisational commitment to integrated customer service is rare.
- In NGOs customer service teams rarely make good advocates for their cause.
- Short term ROI still drives too many organisations.
- High staff turnover is a huge problem.
- Evidence of decline in trust and confidence is mixed.
- New media is a great RF opportunity.
- ‘We’re still struggling with new media’.
- Have to be realistic about additional costs.
- Need to be more honest with donors.
- ‘Segment of one’ communication is only really possible electronically. Donor control is more possible through electronic media.
- Donors are now being offered choices.
- Effect on giving levels and donor loyalty is too early to say.
- Incremental increases are happening and we shouldn’t be too unhappy with that.
- Most organisations find it really hard to change direction, particularly the big ones.
- We still need additional concrete proof that RF works.
- Should set up new courses in donor communications (AFP CFRE exam – 800 multiple choice questions not one on donor communication).
- Shortage of good people is a major issue.
- ‘We’re stuck on volume. Volume inhibits success’.
- Problems with RF are in the minds of fundraisers, not donors.
- We must wrest control of ‘thank yous’ from our admin colleagues.
- ‘We should celebrate our victories with our donors’.
- ‘Let’s try to bring respect back to “good” direct response. Done properly, it is

intimate, creative, engaging and transforming’.

- ‘As a donor I’m generally not sure how organisations use my gift and I don’t feel involved in their work’.
- ‘Why don’t more of the organisations I support try to switch me to monthly giving?’
- ‘Testing how much we should invest in developing a new donor is one of the untapped frontiers’.
- ‘I’m easy to inspire yet I’m rarely even engaged when I get stuff’.
- ‘Maybe consultants get to think about the next generation of donors, I’m worried about this fiscal year and the next one’.
- ‘If we are not able to say “thank you” and “welcome” properly, we should be kicked out of this profession’.
- ‘Relationship fundraising was and still is a breakthrough idea. The best thing about it is that it is a bit Utopian. You can never fully achieve it’.
- I suspect we’ve all had enough of this...

### **Consensus**

- Experts and delegates seem to think alike.
- There are no experts...
- All agree RF is important.
- Progress is certainly possible.
- There are many barriers.
- Fundraisers need practical help.
- Most believe it’s now clear that a true donor-based approach will be worth the trouble.

### **Strengths**

- RF will raise more money. Donor relevance to the cause plus increased involvement = more pounds, irrespective of giving bracket.
- Donors will stay longer.
- It won’t fail if you do it right.
- Can reduce costs.
- Proper thank you and welcome procedures dramatically increase percentage of donors giving second gift.
- Possibility of pivotal relationships with key donor groups who can influence lots of others, eg teachers.
- Staff feel more comfortable with it. ‘It feels right’. Can help keep staff longer.
- Can lead to appropriate and regular methods of supporting, ie automated monthly giving.

## **Weaknesses**

- The term ‘relationship fundraising’. Fundraising is all about relationships.
- Are we doing this for our own satisfaction?
- Can be costly at start/generally.
- RF might focus on feedback to the donors rather than in ‘selling’ (promoting) the organisation in a donor-friendly way.
- Fundraisers may try to do too much and dilute their fundraising.
- Some fundraisers believe RF only applies to large donors.
- Some fundraisers misunderstand the term: simply being nice to people is not the same as building relationships.
- Inappropriate database prevents most organisations from practising what they know they should do.
- Difficulty of calculating optimum relationship vis-à-vis fundraising costs.

## **Opportunities**

- Few are doing it properly.
- Donors now are more demanding.
- Honest approach.
- To make donors feel special.
- De-personalise the fundraiser so donor relationships are with the organisation.
- Create donor-friendly products that attract donors.
- It’s not just about treating donors well it’s about connecting them to the impact of their gifts.
- Make sure your database supports Donor Relationship Management.
- Turn your donors into your organisation’s best advocates.
- Recognise each donor is unique. Relate to them on their terms and offer flexible opportunities to support.
- For smaller organisations RF can be cost effective and easier to introduce.
- Link all the organisation’s databases so supporters see one seamless entity.
- Measure value of each donor segment then apply strategy to exceed expectations.

## **Threats**

- Failure to involve the whole organisation.
- If we see RF as an easy option.
- Complacency.
- Failure to keep good records.

- When good fundraisers leave an organisation they may take some relationships with them.
- Fundraisers might not be sufficiently discriminating and might apply 'relationship' initiatives across board without considering donors' wishes.
- RF is a means to an end not an end in itself.
- Direct marketing agencies will rubbish relationship fundraising in their selfish desire to keep up volumes and maintain their income.

### **Solid evidence that a donor-based approach works**

- The Botton Village story.
  - NSPCC 'donor banking' plus various other NSPCC initiatives including offering donors choices.
  - Rhode Island Foundation.
  - WWF Canada welcome pack.
- ...plus others too numerous to mention.

### **Practical justification that a donor-based approach will work**

- Saying 'thank you' promptly and personally raises money.
- Customers are more willing to do business with people they like.
- There's widespread evidence that giving donors choices increases their loyalty and their giving levels.
- Donors like it. Happy donors give more for longer and leave legacies (bequests).
- Staff like it.
- It feels right.
- Dealing with a nonprofit should be the most satisfying experience because nonprofits have more reasons to provide world-class service than anyone.

### **If it's obvious, why are fundraisers not better at it?**

The things fundraisers say.

- 'Well that's all fine, but my board want maximum income now'.
- 'If it doesn't produce income we can't invest in it. So forget anything like customer care'.
- 'Our donors are happy enough as it is'.
- 'Our fundraising staff only stay with us 18 months on average'.
- 'Our board is only interested in where we figure in the "funds raised" league table'.
- 'That seems a great idea but we'll never get it past our board'.

## **Outlaw killer phrases in your organisation**

For example...

- 'It won't work'.
- 'We can't afford it'.
- 'It's never been done before'.
- 'Let's form a committee'.
- 'Here we go again'.
- 'We're not ready'.
- 'There isn't time'.
- 'Our donors won't like it'.

## **Three definitions**

*What is relationship fundraising?*

'...an approach to the marketing of a cause that centres on the unique and special relationship that exists between a nonprofit and each supporter. Its overriding consideration is to care for and develop that bond and to do nothing that might damage or jeopardise it. Every activity is therefore geared towards making sure donors know they are important, valued and considered, which has the effect of maximising funds per donor in the long term'.

**Relationship Fundraising** *Ken Burnett, Jossey-Bass, San Francisco 2002*

A one-to-one learning relationship with each (willing) donor.

A highly structured, strategic, donor-centred and long-term approach to fundraising and communication.

## **Understanding the difference between *technique* and *approach***

- You have to master a range of techniques (but it's not rocket science).
- You won't succeed with those techniques unless you have the right approach.

## **Some techniques**

- Direct marketing.
- Direct mail.
- DRTV.
- Telephone.
- Communication.
- Face-to-face fundraising.
- Trading/selling.
- Public relations.
- Events organising.
- Bequest marketing.

## How we ask our donors for money

- Press advertising.
- Door drops.
- Inserts.
- Direct mail.
- Electronically.
- Reciprocal mailings.
- Telemarketing.
- DRTV.
- Street collections.
- Door-to-door.
- Face-to-face/direct dialogue.
- Sitting on a sofa sipping tea.

## Some useful approaches

- Fundraising isn't selling. It's about *inspiring*.
- *Plagiarise!* But don't adopt – adapt.
- Never think '*It won't work here*'.
- Make the 90-degree shift.

Try to be 15 minutes ahead.

## Great fundraising isn't just asking people to give. It's about *inspiring* people to give

### The 90-degree shift

*The Brand Manager's task*

To persuade you and 26.7 million other faceless consumers to buy all the boxes of Frosted Flakes that Kellogg hopes to sell this quarter.

*The Customer Service Manager's task.*

To figure out how to increase Kellogg's share of perhaps 1,800 or more boxes of dry cereal that you will buy in your lifetime.

### **The One-to-One Future *Don Peppers and Martha Rogers***

'You'll have more fun and success when you stop trying to get what you want, and start helping other people get what they want'.

***Dale Carnegie***

'When a customer buys a quarter-inch drill, what he really wants is a quarter-inch hole'.

***Professor Theodore Levitt***

We don't stop playing because we grow old...  
...we grow old because we stop playing.

**21st century Zen**

## **The art of saying 'thank you'**

'You can't fake sincerity'.

**Sir Laurence Olivier**

## **Why should we say 'thanks'?**

- Until really quite recently, thanking was considered an expensive administrative chore...
- ... now we know it is one of the most potent tools in fundraising.
- Relationship building begins the moment the donor's first gift is received. Thanking is the first step.
- It's a unique opportunity to show you care.
- There is firm evidence that donors really appreciate it.
- It can lead naturally to the second gift.
- First impressions last.
- It's a good way to involve your board/volunteers.
- Other organisations are not good at it (so you can be 15 minutes ahead).

## **The ideal 'thank you' letter**

- A real letter, not a preprinted card.
- Personally addressed.
- Personal salutation.
- Personally signed.
- Makes specific reference to the intended use of funds.
- Indicates when donor can expect update/feedback.
- Includes name/phone no of contact or invitation to contact the writer.
- *Does not* ask for another gift.
- Does not ask donor to do anything (eg survey).
- No spelling or grammatical errors.
- 'Can do' positive tone.
- Communicates excitement, gratitude, inner warmth.
- Does not continue to 'sell'.
- It is received by the donor *promptly*.

- It may be hand-written

*From Thanks! Penelope Burk, Burk and Associates, Toronto*

### **Barriers to saying ‘thank you’ personally**

- ‘I’m not sure whether donors actually want to hear from us’.
- ‘I feel awkward about speaking to people I don’t actually know’.
- ‘I’m afraid the donors will misinterpret the gesture; they’ve been giving a long time and we’ve never thanked them personally’.
- ‘I’ve no idea what will result from personally contacting my donors’.
- ‘Because we can’t contact everyone, we shouldn’t contact anyone’.
- ‘We may set up an expectation we can’t sustain’.
- ‘If I spend time doing this, everything else I have to do will suffer’.
- ‘I need others outside the fundraising office to co-operate, and they won’t’.
- ‘We need revenue now, so everything other than asking for money is low priority’.
- ‘We’re too busy fundraising and don’t have time or staff resources for this kind of thing’.

*From Thanks! Penelope Burk, Burk and Associates, Toronto*

### **Which is best?**

‘Just a quick note from our head of acquisition marketing’.

or

‘Just a quick note from our director of relationship development’.

or

‘Just a quick note from our director of thanking and welcoming...’

or ...

Who can come up with something better?

### **Key lessons about thanking properly**

- Speed is vital.
- Don’t combine with another ask.
- Personal is best.
- There are lots of reasons not to do it.
- Remember Myles, Agnes, Rebecca and Dora...

Who’d have thought there’d be so much to just saying ‘thank you’? But there’s more...

## **The three keys to obtaining that all-important second gift**

1. Prompt acknowledgement.
2. Reassurance that the gift will be used for a specific purpose.
3. Some time between acknowledgement and next ask, measurable results showing the donor's gift at work.

**Thanks!** *Penelope Burk, Burk and Associates, Toronto, Canada*

## **When asked whether charities tell individual donors how their gifts have been allocated...**

- 48% said never.
- 37% said occasionally.
- 15% said most of the time.

**Thanks!** *Penelope Burk, Burk and Associates, Toronto, Canada*

## **What are the main barriers to relationship fundraising?**

- 'Either you get it, or you don't' – With relationship fundraising, so many don't.
- Dependency on other departments, who won't co-operate.
- Lack of commitment, particularly from senior managers.
- Time – money– people.
- 'Our time, resources and attention are usually very limited so we have to focus on what's likely to generate the most revenue and that tends to be the usual forms of support and traditional donor bases'.
- Too many donors that cost the organisation money. We have either to grow their giving or say goodbye (in some organisations the top 20% of donors don't give just 80% of the funds, they give over 100%, even 140% in one case, because the rest just cost money).
- Fundraisers who don't really understand their donors.

## **What's working?**

- Honesty/openness/accountability.
- 'Thank you' strategies.
- Welcome programmes.
- Donors' visits to projects.
- Virtually all ways of increasing donors' sense of ownership and involvement.
- Setting up pivotal relationships with key donor groups who can influence lots of others, eg teachers.
- Offering donors choices.
- Better customer service.

- Incentivising/rewarding staff.

### **What's not working?**

- Lack of sincerity.
- Inappropriate job titles.
- The low regard many fundraisers feel for their donors.
- Free plastic pens as a recruitment incentive. At first it appeared otherwise, but now donors recruited in this way can be seen to have high attrition rates.
- Short-term thinking/short-term planning.
- Donor apathy.
- Not following through on offered choices.
- Multiple databases, so can't see all detail on a donor in one place.
- Integrated fundraising: it's a myth for most organisations (but accept it will work if it can be made possible).

### **At this point we looked in detail at a few case histories showing relationship fundraising in practice**

- Rhode Island Foundation.
- NSPCC donor banking.
- Botton Village.

#### **Rhode Island Foundation**

- Community foundation est. 1916.
- Big gift foundation fundraiser.
- Income from bequests and donor funds of \$10,000 plus.
- Donors take decades to cultivate.
- Previously used traditional direct mail prospecting.
- Inspired by Botton Village to change their approach, because 'it felt right'.
- Mailed list of millionaires with a special package giving choices/options and promise not to solicit.
- Response 6.5% (more than 10 times anticipated).
- Opt in to receive specific things.
- Newsletter/special cultivation programme.
- Examples of 'meaningful philanthropy'.
- Follow-up phone and visits with 'any questions?'
- 438 prospects have themselves come forward as potential donors.
- People ring to say they want to give NOW, not wait.

## **NSPCC's online banking**

- 780,000 donors can manage their accounts.
- Former donors too.
- Donors can change their direct debits...
- ...tell the charity how often they want to receive mailings.
- ...whether by phone, email, etc.
- ...if they want to order merchandise.
- ...gives them a statement of their giving.
- Former donors can reactivate themselves...

'We don't want donors to feel they are part of some big marketing machine and that once they have responded they will be bombarded with mailings for the rest of their lives'.

**Tim Hunter, head of direct donor marketing, NSPCC**

'This will allow them to control their relationship with us. We wouldn't use the term 'account' but it's exactly the same as with Egg or Virgin online banking'.

**Tim Hunter, head of direct donor marketing, NSPCC**

### *NSPCC fact*

- 15–20% of new donors respond to giving options. When asked, this group is *twice as likely to increase* their giving as those who don't choose the offered giving options.
- 15–20 % of new donors respond to giving options.

## **Botton Village – relationship fundraising in practice**

### *What is Botton Village?*

- A small working village community in rural North Yorkshire.
- People with special needs live with 'co-workers' and their families in extended family households .
- Everyone has a job that suits their abilities.
- No one receives a wage.
- Everyone contributes what they can.
- A rich family, working, social and cultural life.
- Everyone has the chance to thrive.
- Brand values – a happy, productive place.
- Fundraising at Botton started because the Village needed more funds.
- 20 years on, 73,000 supporters around the world.
- Unique continuity – still no professional fundraisers.
- £2.5 million net income raised in 2001 from four mailings (£1 million from the Christmas 2001 mailing alone).

- ... plus over £1 million in legacies last year.
- Average gifts of £35–£50, response rates of up to 34%, over 50% in some segments.
- A loyal and concerned group of real friends...

*The facts and figures sound impressive, but why is it so successful?*

- Building lasting friendships through good communication.
- Botton is a positive, warm and friendly place.
- The newsletter, *Botton Village Life*.
- Botton is about people, not projects.
- You get to know the people who live there.
- Real people, real voices, real lives.
- You share their pride, their humour, their achievements.
- Buildings are needed, but it's about what they will mean for real individuals' lives.
- Botton is trusting, open and honest.
- Botton shares its needs.
- It shares good and bad news.
- It is honest about mistakes.
- Botton sees its supporters as personal friends, and values each donor's friendship.
- Real, human letters to you from a real person donors feel they know.
- Keeping donors informed.
- Giving donors feedback.
- Giving donors choices.
- Botton treats donors with respect, cares what donors think.
- Botton asks donors how often, when and what they want to receive.
- Botton recognises each donor's giving.
- Prompt and sincere thank yous and welcomes.
- Every complaint is taken seriously.
- Botton makes donors welcome.
- 'Just give us a call'.
- 'This is who we are'.
- 'Come and visit if you're passing'.
- Everyone is invited to the annual Open Day.

*Now, a new direction...*

- Botton began to have enough to help other Camphill Village Trust communities too.
- Introducing other communities slowly: 'Botton's wider family'.
- Articles about life across Camphill, not just at Botton.
- Once a year, an appeal from Botton on behalf of another community.
- Shift from Botton Village to a group of communities, The Camphill Family.
- Staying true to principles of honesty, trusting in friendship.
- A new but friendly face.
- The same values, the same personality, the same integrity.

Participants were invited to form into four groups each with a specific task: to devise and present a detailed, RF-focused strategy for

- a) Donor development.
- b) Customer service department.
- c) Thank you and welcome department.
- d) Bequest/legacy department.

To help them the groups were given the following list of headings for strategic planning with the instruction that they could use as many or as few of these headings as they chose. What follows is a summary of the main points from their flip charts which in no way does justice to the creativity or content of their presentations.

### **Headings for strategy exercises**

- History/experience.
- Competitor activity.
- Market potential.
- Analysis of current situation.
- The case for support.
- Target audiences.
- Objectives.
- Financial targets.
- Cost/investment implications.
- Anticipated ROI.
- People issues.
- Staff.
- Training.

- Development strategies.
- SWOT, PEST, Ansoff, Boston, etc.
- Choices for donors.
- Opportunities for cultivation.
- Testing.
- Evaluation/review.
- Resources needed.
- Opportunities.
- Communications programme.
- Print.
- Broadcast.
- Electronic.
- Likely problems.
- Organisational structure.
- Anticipated outcomes.

### **Keys to donor development**

- A highly structured strategic approach to fundraising and communication.
- The right attitudes and approaches from all fundraisers.
- Enforceable codes of practice designed to appropriately protect donors.
- Appropriate use of fundraising techniques .
- Culture of donor-led service.
- Donor involvement (donors as owners).
- Appropriate donor incentives and rewards.
- Understanding and delivering what donors want.
- Effective and appropriate communication, including ongoing reporting back on success.
- Staff training.
- Staff incentives and rewards.
- Ongoing plan to build trust and confidence among key audiences.
- Brilliant ‘thank you’ and ‘welcome’ procedures.

### **Keys to customer service**

- Goal – to provide the best supporter and prospect experience in the world.
- Evidence – Ken Burnett’s books, case studies, organisational histories.
- What is customer service? – primarily reactive to customer needs, appropriate

response to any contact from a customer, can also be proactive (eg survey, take advantage of customer contacts etc. Should be holistic – website, reception area, opening hours, phonline availability, etc.

- Principles – prompt, accurate, honest, personal, welcoming, appreciative, encouraging, creative, generous.
- Commitment – to be integrated with Donor Development, IT, Campaigns and all other key departments.
- Tactics – appropriate level of response to all situations.
- Staffing – dedicated, well trained, well informed.
- Evaluation – testing, random sampling, benchmarking comparison with other organisations, tracking, recording information accurately.
- Using responses to guide/improve future service.

### **Golden rules**

- Every answer should be prompt and accurate...
- ...and personal.
- Every answer includes a thank you...
- ...and an invitation to contact us again.
- Devise a creative thank you strategy (see below).
- Make sure people have the information they need.
- Reception is your shop window/point of first contact.

### **Keys to thanking and welcoming**

See earlier section on the art of saying ‘thank you’.

- Elevate the process within the organisation. Make it sincere.
- This is not a finance function.
- Thank everyone, whatever size of gift. Respond within 48 hours.
- Survey competitor activity.
- Train staff appropriately.
- Start relationship/institute dialogue/ask questions/offer choices.
- Recruit volunteers to do the thanking.
- Appropriate responses to different types of first gift.
- Devise a policy for donors who say they don’t want to be thanked.
- Test collecting info with thank you or two-stage approach.
- Introduce ‘welcome back’ approach for returning former donors.
- Survey donors attitudes.
- Offer mail, email, phone call, or visits.

- Donor charter to include thank you policy.
- Offer breakdown of giving even if it's zero.
- Prepare a welcome kit for new donors.

### **Encouraging donor involvement in your organisation**

- Need to offer donors the chance to become actively involved in our organisations. It will pay.
- Need to provide quality donor experiences that show what their dollars are achieving.
- Different departments need to work together to make donor participation possible, eg campaigning/programme/communications departments.
- Donors taken on trips/project visits will contribute much more significantly to work they have seen. And will be more loyal/better advocates.
- Incentives to donors and staff should be mission-related.
- Allow donors to also interact with each other.
- Cultivation events and also celebration events, where there's no immediate ask for money.

### **How could we become irresistible story-tellers?**

- Realise we have the best stories in the world to tell – and tell them with power, passion and conviction.
- Ask your donors what they want to read about. Concentrate on that rather than that what you want them to hear.
- Try fresh rather than deep. Keep stories short on words and long on inspiration.
- Use only the best visuals.
- If it isn't great, don't send it.
- Talk to people where they are, not where you want them to be.
- Design for readability.
- Remember your organisation is a truck; its only purpose is to connect the donor with the cause.
- 'Our donors read everything we send them' (charity). 'I never read any of the stuff they send me' (one of the volunteers that charity asked us to interview).

### **Introducing the campaign for new standard measures for quantifying effective fundraising**

Is it time to introduce different methods of measuring fundraising performance?

x'People respond to incentives. The rest is just commentary'.

**The Armchair Economist *Stephen Landsberg***

## **There is only one real performance indicator used in fundraising today**

Net funds raised now!

## **What other key performance indicators (KPIs) should fundraisers report?**

- Increase in donor satisfaction.
- Increase in donor retention.
- No of visits with donors.
- Volume and quality of correspondence from donors.
- No of referrals from existing donors.
- Number of upgrades.
- Range of communications materials provided.
- Quality of contact throughout the year, by segment.
- Loyalty indicators eg donor years by category/segment.
- No of involvement programmes launched.

## **New measures for routinely quantifying effective fundraising**

- KPIs
  - Survey of satisfaction/indices.
  - Attrition rates.
  - Renewal rates.
  - Gift rates (increase/decrease/stay the same).
  - Satisfaction indices.
  - Attendance at recognition events.
  - Number of ‘no-ask’ contacts.
  - Bequest and major gift pledges .

## **Breakthrough thinking**

What seems to one individual just plain common sense or perhaps something that might lead to a small, incremental improvement can easily be seen as the key to an important breakthrough for another person. Here’s a selection of ideas generated during this workshop under the heading ‘Breakthrough Thinking’. To qualify, each was considered by someone as being potentially rather important.

As usual, what you will make of them is up to you. There may be nuggets of pure gold here for you, but first you have to find them and, more difficult, to recognise them not necessarily for what they are, but for what they could be.

- The vast majority of fundraisers interpret relationship fundraising as a technique, not as an approach that requires cultural change. This is a major threat to the future of relationship fundraising.

- Make ‘small’ donors feel like major donors. That way they will keep supporting your organisation rather than others.
- Increase time-frame to repay fundraising investments – three rather than one year goals.
- Talk with and listen to donors constantly.
- Understand your donors’ lifetime values. Test upping LTVs.
- Thank donors by phone quickly after first gift. They give much more.
- Dedicate enough resources to management of donor databases.
- Give donor’s choices. Ask donors their interests/when they’d like to hear/how/what about, etc.
- Send out a welcome letter within 24 hours.
- 90-degree shift must apply to all printed communications, particularly newsletters.
- Watch the language we use: suspects, prospects, lapsed, warm, SYBUNTS, etc. Think how donors might react to it!
- Treat donors as potential ambassador networks.
- Send out address-change confirmation letters (include autogiro). Big response!
- More relationship is not necessarily better. Don’t impose on donor, be donor-led.
- Don’t divorce fundraising from campaigning. Involve donors in campaigns.
- Give your campaigns and donors attributes that match each other.
- Offer communications preferences to donors. The value of those donors who opt for some communications preferences increases, irrespective of which preferences they have asked for/checked.
- Involve programme staff in periodic briefing of fundraisers, etc connect programme staff with donors on specific projects eg by holding phone conferences.
- To involve whole organisation in donor care invite representatives from each department to make up your customer care team.
- When donors inform you their address has changed that’s the ideal time to send them a set of address labels with your logo and their new address (particularly useful for organisations that have labels as part of their renewal or acquisition programme).
- ££s or donors? Many organisations would be better to focus on retention and have fewer donors giving the same or even more money.
- Don’t just focus on the rich donor. It’s a big mistake, particularly in the field of legacies (bequests).
- Set up a ‘thank you’ team or group to ensure you say ‘thanks’ as well as possible. Use volunteers, particularly board members to call and thank donors, or to write personal thank you letters and postcards by hand.

- Send ‘welcome back’ letters to former donors who have returned.
- Better to refer to lapsed donors as ‘sleeping’. ‘Lapsed donor’ sounds as archaic as ‘fallen woman’.
- Look at how Daewoo Cars look after their customers. And learn.
- Use your database and IT capacity to make donors feel important and part of the organisation.
- Train everyone in the organisation in donor care. Make it part of everyone’s job description.
- Train directors and CEOs in relationship fundraising.
- Treat donors as networks that can be ambassador.
- Use tax relief schemes (ie Gift Aid) to tell donors the good news of how much they have given – a polite nice reason to contact.
- Set up a donor charter, promising a range of things eg 48-hour response, keeping low admin costs, always being courteous, honest, etc.
- Connecting donors to the impact of their gift will increase retention, upgrade and referral rates more than anything.
- Speed of saying ‘thank you’ determines success in attracting the vital second gift. Create an immaculate ‘thank you’ system. Get ‘thank you’ letters out in 24 hours.
- There are literally hundreds of ways of being just a little bit ahead of other competing causes.
- Remember the three keys to the second gift – prompt thank you, details of what it’s been used for, evidence of what gift has achieved.
- Donors have changed. Nowadays people expect to be recognised and treated as individuals.
- Donors don’t like to be sold to.
- Trust and confidence are the keys to donor retention and development. So consider how you can enhance your reputation and the way you deal with donors.
- Relationship fundraising fails because nonprofits don’t invest sufficient of their time, money, or people.
- Great service leads to profit.
- Accountability leads to loyalty.
- Seek out and nurture your entrepreneurial donor.
- Move from monologue to dialogue.
- ‘The quality of communication is the strongest factor in building trust and confidence’ – Stephen Lee.
- You can give donors choices. This will allow you to send donors what they want to receive, not what you want to send.
- Design appropriate products that suit your donors.

- Integrate your brand values into all your communications.
- Integrate all your communications.
- Introduce incentives for staff and donors.
- Introduce new KPIs to measure success.
- Outlaw killer phrases (see below).
- Create a strategy to collect phone numbers, mobile numbers and email addresses.
- Set up a training course for fundraisers, in donor communication.
- We are only just beginning to see the true potential of relationship fundraising.

### **Barriers to donor recognition, reward and involvement**

- Fundraisers are shy and don't like to suggest rewarding/recognising donors.
- Fundraisers change jobs so often, so relationship building suffers.
- When the entire organisations is not involved in fundraising and relationship building.
- Lack of both oral and written research.
- Need to capture historical, institutional knowledge in the database.
- Fear that donors will get too involved in the organisation, with harmful effects, eg telling organisation to spend its funds inappropriately

'The flip-side of the current fundraising gap is the enormous fundraising potential waiting to happen'.

'Donors will be there, still waiting to fulfil their philanthropic ambitions, when the charitable sector decides that the time is now'.

### **What this workshop did *not* include**

Due to lack of time at this workshop we were unable to consider

- The incentives that might be provided to encourage management, staff and donors to get the most from their relationships.
- Whether or not our organisations do enough to encourage fundraisers and help them to be more effective at donor relationship management.
- Which aspects of fundraising are of high, medium, or low importance in terms of effective donor relationship management.
- What more can management, staff and donors do to help donors feel they 'belong'?

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