ROGARE
the fundraising think tank

RELATIONSHIP FUNDRAISING: WHERE DO WE GO FROM HERE?

BREAKING DOWN THE BARRIERS

Prepared by:

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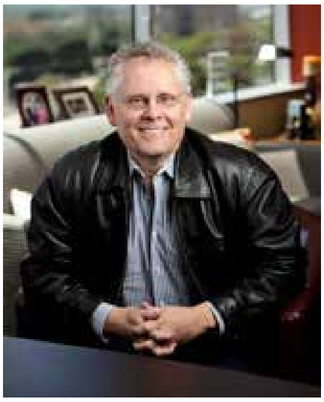
SUSTAINABLE PHILANTHROPY WITH PLYMOUTH UNIVERSITY

Rogare is part of the University of Plymouth Hartsook Centre for Sustainable Philanthropy

FOREWORD



My wife and I have three grown children. I recall through their teenage years as they navigated significant personal relationships, the occasional need for what they called a 'DTR' – 'define the relationship'. It was code for having an honest, focused, perhaps even uncomfortable conversation about exactly why they were in the relationship, where it stood, and where it was heading. Often, in the end, it was about making a change.

In many respects, this report is a DTR for our work in relationship fundraising…an invitation to an honest conversation regarding what relationship fundraising practices are and are not working, and what we need to do about it.

Few subjects are more important. If we hope to be exceptional at relationship fundraising, we must be adept at connecting with and engaging people, and we have to be skilled at raising money. But as this report points out, the pitfalls to achieving success are significant, but never more vital to our future financial health.

Why? Because the world is changing and the charitable sector is not keeping up. Generational differences in generosity have never been greater or more frustrating, especially to acquisition. The rate of growth of new charitable entities continues to outpace the rate of growth in charitable contributions. More organizations are doing a better job of communicating their message, leaving yesterday's tired message behind. Technology is less expensive and capable of so much more. Vast information bases are at our fingertips, but largely untouched and unanalyzed.

So how are you doing? How is your organization faring under these formidable headwinds? Perhaps it's time for a DTR, an evaluation of what we need to start doing, stop doing, and continue doing. If so, this report will support your efforts.

Where you go from there is up to you.

Curt Swindoll,
Executive VP Pursuant

MacQuillin, I., and Rogare International Advisory Panel (2017). *Relationship fundraising: where do we go from here? Breaking down the barriers*. Plymouth: Hartsook Centre for Sustainable Philanthropy

EXECUTIVE SUMMARY

Rogare recently held two workshops of its International Advisory Panel to discuss barriers to implementing relationship fundraising.

Panel members were split into breakout groups to discuss the following questions:

1. What are the barriers to implementing relationship fundraising?
2. What can be done generally to break down these barriers?
3. What can Rogare's Advisory Panel do specifically to help break down these barriers?

The barriers to relationship fundraising identified at the workshops can be grouped into five overarching categories:

a. Cultural issues

b. Knowledge – theories, evidence and measurement

c. Professional issues

d. Philosophical issues

e. Underlying issues

  o Fundraising as a profession

  o Organisational cultures of philanthropy.

Suggested solutions by Rogare include:

a. Develop a set of metrics that can be used to measure the success of relationship fundraising

b. Establish an award for best use of relationship fundraising.

c. Explore the current paradigms in the commercial world about customer experience and other concepts and suggest future directions for relationship fundraising.

d. Publish case studies of great relationship fundraising on Rogare website or a special website specially set up for the purpose.

e. Be advocates for relationship fundraising.

INTRODUCTION

At the start of 2016, Rogare published its first major project, a four-volume (including summary) review of the theory (drawing mainly from marketing and social psychology, but also a small amount from public relations) underpinning relationship fundraising, titled: *Relationship fundraising – where do we go from here?*

Jointly sponsored by American outfits Pursuant (also Rogare's lead Associate Member in North America) and Bloomerang, the review suggests many ideas and theories – such as Identity Theory and Self-verification Theory – that are now being tested in a two-year longitudinal study by Rogare's parent body, the Hartsook Centre for Sustainable Philanthropy.

We are now looking to extend our work on relationship fundraising beyond the original Pursuant/Bloomerang review by considering what are the barriers to implementing relationship fundraising and what can be done to break through those barriers.

To address these twin issues, Rogare held two meetings with members of its International Advisory Panel, one in Colorado Springs in the USA at an event hosted by Pusuant in November 2016, and a second in the UK in London in January 2017 (attendees are listed in the Appendix).

Panel members were split into breakout groups to discuss the following questions:

- What are the barriers to implementing relationship fundraising?
- What can be done generally to break down these barriers?
- What can Rogare's Advisory Panel do specifically to help break down these barriers?

This document provides a short summary of the discussions.

All four volumes of Rogare's relationship fundraising review can be downloaded from: https://www.pursuant.com/landing-page/relationshipfundraising/

Vol 1: Theory from relationship marketing

Vol 2: Theory from social psychology

Vol 3: Trends and challenges

Vol 4: Summary report.

1. BARRIERS TO IMPLEMENTING RELATIONSHIP FUNDRAISING

The barriers to relationship fundraising identified at the workshops can be grouped into five overarching categories:

a. Cultural issues

b. Knowledge – theories, evidence and measurement

c. Professional issues

d. Philosophical issues

e. Underlying issues.

a. Cultural issues

- Lack of support from board and senior management.
- Lack of an organisational 'philosophy' that encompasses relationship fundraising – i.e. the sense that 'everyone is a fundraiser', or the 'mission is the money'; effectively the lack of a 'culture of philanthropy'.
- Short-termism at senior levels focusing on short-term fundraising targets.
- Lack of finance/failure to invest – stemming from lack of board and SMT support and focus on short-term targets. Is this partly because service delivery is often planned in annual cycles?
- Much of this is driven by the limited understanding of fundraising among trustees and board members, while fundraising's lack of status and representation at senior levels, compared to departments such as brand and marketing, make it hard to provide this information.
- Reluctance to spend more on relationship fundraising because of the public pressure to keep admin and fundraising costs low.
- What is the imperative to do long-term relationship fundraising when short-term transactional fundraising works for so many organisations?

b. Knowledge – theories, evidence and measurement

- Lack of definition and unified understanding of what 'relationship fundraising' is.
  - Is relationship fundraising now an outdated term now that the vogue in the commercial sector is customer and/or brand 'experience' rather than 'relationship' marketing, or have concepts such as 'sticky marketing' also rendered it redundant?
  - If RF is seen as a bit passé, is that a barrier in itself to fundraisers looking to innovate and for the 'next big thing'?
- What works in relationship fundraising and why does it work – where can this stuff be found?
- Lack of awareness of evidence, theories and practices that already exist.
  - More evidence is already becoming available, for example:
    - Donorcentric practices (e.g. Agents for Good, Bluefrog, Pursuant, Tom Ahern etc)
    - Rogare RF review.
    - The project conducted by Adrian Sargeant with About Loyalty to assess donors' loyalty to the charities they support.
    - Hartsook Centre for Sustainable Philanthropy research into what ideas from the Rogare RF review work in practice – due 2018/19
    - Pursuant-sponsored HCSP research into what acknowledgement practices work best – due 2018.
    - HCSP research in Australia into characteristics of great fundraising board – due 2018.
  - Are fundraisers trying to apply RF to the wrong donor segments, perhaps where a more transactional approach might be more appropriate?
- Lack of measurement – what should fundraisers be measuring and how should they measure it – stemming from lack of theory development around relationship fundraising.
  - Main focus is on monetary KPIs and KISs
  - What other measures could there be that focus on the relationship: e.g. satisfaction, commitment
  - Ironically, is there too much of a focus on 'satisfaction' (when charities do step away from financial KPIs) – the commercial sector looks at measuring brand engagement, brand enthusiasm, brand love etc?

c. Professional issues

- Lack of belief by fundraisers that they can implement relationship fundraising.
- High staff turnover – transactional fundraising is better suited to a high staff turnover. To build relationships requires a fundraiser to stay longer with the relationship in order to develop it. Is this cause or effect?

d. Philosophical issues

- Do fundraisers want to practice relationship fundraising because they know it is the right thing to do (evidence based) or that they believe it is the best thing to do (conviction based)? Or is focusing on the donor inherently just the right thing to do? This is difference between consequentialist and deontological approaches to donorcentrism outlined in Rogare's ethics white paper.

e. Underlying issues

Many of these barriers actually reduce to two foundational ideas upon which efforts to develop relationship fundraising can be built:

- Is fundraising a profession? Many of the barriers may stem not just from a lack of status that comes with not being seen as a professional, but also because of fundraisers' own lack of professional self-confidence (e.g. lack of theoretical knowledge, leading to lack of respect from board, leading to high staff turnover).
- Culture of Philanthropy. Many organisations lack the culture of philanthropy that would lead them to strategically prioritise fundraising, while fundraising's lack of professional respect inhibits the development of such a culture.
- Any initiatives designed to break down the barriers to relationship fundraising will stand a better chance of success if these two issues can also be tackled. But this does not mean work on identifying and breaking down these barriers ought to wait until these two foundational issues are fixed.

2. WHAT CAN BE DONE TO BREAK DOWN BARRIERS?

a. Centralised clearing house of best practice ideas and/or research.

   o Adrian Sargeant's teaching website StudyFundraising.info may be able to act as the repository for research into relationship fundraising.

b. Combat the historic ways that charities communicate with donors.

c. Present information and ideas about relationship fundraising in a more 'exciting' way.

d. Network of people to validate thinking and ideas about relationship fundraising.

e. Advocate(s) for relationship fundraising in particular organisations, or a 'coaching group' of fundraisers to promote relationship fundraising, who would be those who would aim to generate the 'culture of philanthropy' that facilitated relationship fundraising and present theories and evidence about RF.

   o Advocates could be sympathetic board members but they could also be members of the Rogare Advisory Panel who take it upon themselves to advocate at their own organisations, including setting up and running coaching groups.

f. Raise awareness of existing research.

   o A role for advocates and coaching groups within organisations.

g. Encourage more testing and research.

   o Especially where organisations can compare the growth trajectories of having used a previous transactional approach against a new relational approach.

h. Collect and collate case studies of great relationship fundraising practice, particularly from university/cultural sectors, where more have been done with HNWIs.

i. Reward fundraisers according to relationship metrics, not just financial metrics, e.g.

   o How donors feel.

   o How satisfied donors are.

j. Recognise fundraisers for great relationship fundraising.

k. Be literally donorcentric by bringing donors to board meetings and strategy meetings as fundraising is being planned to help change the culture of philanthropy by literally focusing attention on donors – 'bring the donor into the room'.

3. WHAT CAN ROGARE DO TO HELP BREAK DOWN BARRIERS?

a. Develop a set of metrics that can be used to measure the success of relationship fundraising.

   o We will establish a task group from within the International Advisory Panel to work on this and propose a new set of metrics to explore factors such as commitment, satisfaction, brand engagement etc.

b. Establish an award for best use of relationship fundraising.

   o It was felt that recognizing good relationship fundraising – fundraising that also developed and measured the relationship, not just the amount of money raised – would raise awareness and encourage its use (everyone likes to get recognised for doing a good job).

   o Judging criteria would, in time, be based on the RF metrics developed by the task group.

   o Rogare will establish a task group of the AP to scope out how such awards might work.

c. After relationship fundraising?

   o Explore the current paradigms in the commercial world about customer experience, total relationship marketing and other concepts and ideas and suggest future directions for relationship fundraising.

d. Publish case studies of great relationship fundraising on Rogare website or a special website specially set up for the purpose.

e. Be advocates for relationship fundraising.

How might we do this?

It was also suggested that a five-stage change management process for relationship fundraising might be helpful.

1. Raise awareness of what relationship fundraising is.
2. Understand how RF is currently implemented.
3. Instill belief in fundraisers that they can implement relationship fundraising – ability.
4. Instill determination to implement relationship fundraising – will.
5. Sustain this ability and will over time.

APPENDIX

Participants at Colorado Springs workshop

Kyla Amrhein – University of Alberta

Ashley Belanger – Rhode Island Urban Debate League

Sterrin Bird – independent fundraiser

Jennifer Brake – St Louis Public Radio

Nathan Hand – Oaks Academy

Sandra Hijikata – JDRF International

Cherian Koshy – Des Moines Performing Arts

*Ian MacQuillin – Rogare

Hilary Noon – Pursuant

Barbara O'Reilly – Windmill Hill Consulting

Russell Pierce – Church World Service

Carole Richard – Modesto Symphony Orchestra

Dusty Rhodes – consultant

Beth Rose – Alaska Community Foundation

*Adrian Sargeant – Hartsook Centre for Sustainable Philanthropy

Becca Segovia – Pursuant

Curt Swindoll – Pursuant

Participants at London workshop

*Sam Butler – St John Ambulance

Lianne Howard Dace – Christian Aid

Craig Linton – Amnesty International

James Long – Overstand

*Ian MacQuillin – Rogare

David Mbaziira – HOME Fundraising

Adrian Salmon – Grenzebach, Glier and Associates

Amanda Shepard – consultant

Ruth Smyth – BoldLight

Katerina Steinkellner – Science Museum

Richard Turner – consultant

David Walwin – Ethicall

*Louise Wells – Mines Advisory Group

*Not a member of the Advisory Panel

Thanks due to Pursuant for hosting the US workshop and The Science Museum for the London one.

ROGARE ASSOCIATE MEMBERS

Rogare is supported in its work by a number of Associate Members – partners to the fundraising sector that share our critical fundraising ethos. Our Associate Members are:

Ask Direct – Irish creative agency (Global)

Bluefrog – creative agency (UK)

DTV Group – Direct response agency (Global)

Ethicall – telephone fundraising agency (UK)

HOME Fundraising – doorstep fundraising agency (UK)

Pursuant – strategic and creative fundraising agency (USA – lead associate member for North America)

Rapidata – regular giving specialist (UK).

Visit our website for more information on Associate Membership of Rogare.

The University is committed to providing information in accessible formats. If you require information from this prospectus in an alternative format please contact us.

GET IN TOUCH

For more information about Rogare's review of fundraising ethics, contact:

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