



Relationship Fundraising

Where do we go from here?
Breaking down the barriers

● Ian MacQuillin and Rogare International Advisory Panel

PURSUANT. 

ROGARE
THE FUNDRAISING THINK TANK

Relationship Fundraising: where do we go from here?

Volume 1 - review of theory from relationship marketing

Volume 2 - review of theory from social psychology

Volume 3 - trends and challenges identified by practitioners

Volume 4 - summary report

Breaking down the barriers

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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 unanalysed.

So how are you doing? How is your organization faring against 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

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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 International 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
 - Fundraising as a profession
 - 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. 🗣️

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About Rogare's relationship fundraising project

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?*

Vol 1: Theory from relationship marketing

Vol 2: Theory from social psychology

Vol 3: Trends and challenges

Vol 4: Summary report.

Jointly sponsored by American outfits Pursuant 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 the Institute for Sustainable Philanthropy.

We are now looking to extend our work on relationship fundraising beyond the original Pursuant/Bloomerang review by considering what might be 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 Pursuant in November 2016, and

a second in the UK in London in January 2017 (participants 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. 🗨️

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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 find 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's RF review
 - The project conducted by Adrian Sargeant with About Loyalty to assess donors' loyalty to the charities they support
 - Institute for Sustainable Philanthropy (ISP) research into what ideas from the Rogare

RF review work in practice – due 2018/19

- Pursuant-sponsored ISP research into what acknowledgement practices work best – due 2018
- ISP research in Australia into characteristics of great fundraising boards – 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 the lack of professional respect so often afforded to fundraising 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 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. 🍀

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What can be done to break down the barriers?

- a. Centralised clearing house of best practice ideas and/or research.
 - 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.
 - Advocates could be sympathetic board members but they could also be members of the Rogare International 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.
 - A role for advocates and coaching groups within organisations.
- g. Encourage more testing and research.
 - 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.
 - How donors feel
 - 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'. 🗨️

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What can Rogare do to help break down the barriers?

- a. Develop a set of metrics that can be used to measure the success of relationship fundraising.
 - 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.
 - 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).
 - Judging criteria would, in time, be based on the RF metrics developed by the task group.
 - Rogare will establish a task group of the IAP to scope out how such awards might work.
- c. Beyond relationship fundraising
 - 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 actually is.
2. Understand how RF is currently implemented.
3. Instil belief in fundraisers that they can implement relationship fundraising - ability.
4. Instil determination to implement relationship fundraising - will.
5. Sustain this ability and will over time. 

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Appendix – workshop participants

Participants at the 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
*Ilan 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 the London workshop

*Sam Butler - St John Ambulance
Lianne Howard Dace - Christian Aid
Craig Linton - Amnesty International
James Long - Overstand
*Ilan 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 to Pursuant for hosting the US workshop and The Science Museum for the London one.

Relationship Fundraising: Where do we go from here?

In this project - supported by Bloomerang and Pursuant - Rogare reviews the theory that underpins relationship fundraising and identifies possible directions for its future development.

There are four volumes to this project - <https://www.rogare.net/relationship-fundraising>:



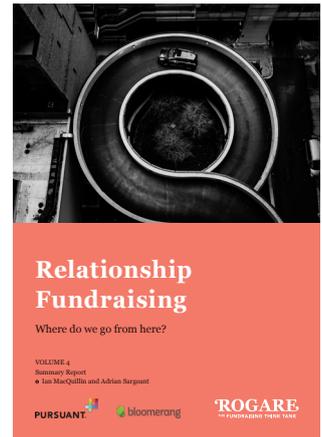
Volume 1
Review of theory from relationship marketing



Volume 2
Review of theory from social psychology



Volume 3
Trends and challenges identified by fundraisers



Volume 4
Summary report

Get in touch

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Rogare brand identity created by Rebecca Woodall at Bluefrog Fundraising.

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:

The logo for Ask Direct, featuring the word "ask" in a lowercase, orange, sans-serif font and "direct" in a lowercase, grey, sans-serif font.

Ask Direct
Creative agency (Ireland)

The logo for Bluefrog Fundraising, with "bluefrog" in a bold, blue, sans-serif font and "FUNDRAISING" in a smaller, blue, all-caps, sans-serif font below it.

Bluefrog
Creative agency (UK)

The logo for Stephen Thomas, with the name "Stephen Thomas" in a bold, black, sans-serif font, underlined with a thin red line.

Stephen Thomas
Full-service fundraising
agency (Canada)

The logo for Ethicall, with the word "ethicalll" in a bold, green, sans-serif font.

Ethicalll
Telephone fundraising
agency (UK)