

White paper addendum:  
Tele-Fundraising Edition

**We believe there is  
a better way forward for  
face-to-face fundraising.**

**Now, let's make it so.**

The **Irregular Giving** Project

Brought to you by  **Fundraising Partners**  
CONSULTANCY

# 1. Introduction:

## The Irregular Giving Project – Telephone Fundraising

**This report has been produced as an outcome of the “Irregular Giving Project”, which was begun by Fundraising Partners Consultancy during the pause in face to face fundraising which began in March 2020 due to the COVID19 pandemic.**

The Irregular Giving Project sprang from a realisation, based on the work of Fundraising Partners and consistent feedback from respected members of the non-profit sector, that face to face fundraising in Australia is in danger of becoming unviable within the foreseeable future.

Membership of the Project grew to include many fundraisers who raised questions and concerns regarding regular giver acquisition through telephone fundraising. This has included focus on the channel in both New Zealand and Australia.

As a result Fundraising Partners decided to expand the scope of the Project to include a specific focus on telephone fundraising. This report is the product of those discussions. Thanks to everyone who has contributed their time, knowledge, and energy to the Project so far!

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## 2. Purpose

The purpose of this report is to:

### Report back

Present the initial findings of the Irregular Giving Project.

### Further research

Identify areas where further research is needed.

### Recommend action

Make recommendations for immediate action at all levels of the sector.

### Prompt further debate

Suggest ways to continue the discussion.

### Launch the manifesto

Propose a short and powerful set of statements on values in face to face fundraising for adoption by the sector.

### Support change

Provide a template for change.

### 3. Key findings

**These are our major findings. A more detailed analysis has been included in subject specific sections in the body of the report.**

- 1. There are issues in telephone regular giving (RG) fundraising that seem to follow similar negative trends in face to face fundraising.** There is a risk to the viability of the channel.
- 2. Donor retention is decreasing at an alarming rate.** This is the major threat to the long-term viability of the channel and urgent steps are needed to address this issue.
- 3. Many fundraisers do not measure or act on donor retention rates.** A lack of focus on this issue increases the risk of poor net returns.
- 4. The number of partners in telephone fundraising makes accountability and action more complex.** Charities, digital agencies, lead suppliers and phone agencies share responsibility.
- 5. There is an increased risk of tighter data privacy regulation.** Sector bodies are responding but awareness from fundraising practitioners is too low.
- 6. Consent to use personal data is often implied not explicit.** This creates reputational and brand risks for charities which many are unaware of.
- 7. There is increasing market saturation in telephone lead generation.** This has been accelerated by the closedown of face to face during the COVID crisis.
- 8. There is a lack of skills and knowledge on regular giving within the sector.** Fundraising teams are expected to manage large programs without the proper skills and tools.
- 9. Some charities are not taking adequate responsibility for outsourcing.** There is a lack of knowledge and focus on ensuring high quality in fundraising supply chains.

## 4. Key recommendations

**This is a summary of highest priority recommendations drawn from the conversations with contributors.**

<b>Recommendation</b>
1. Convening a forum of charity fundraising directors to act as a permanent forum for discussion and education on sector wide issues
2. Adoption by the sector of the manifesto for the values of regular giving fundraising.
3. A review including a gap analysis of the training and professional development resources available to fundraisers working in regular giving and telephone fundraising
4. A research project to assess best practice in telephone fundraising in global markets and follow up to engage with Australian and New Zealand practitioners and share findings.
5. Establishment of minimum benchmarks for the quality of outsourcing due diligence to be incorporated into charity and agency accreditation to allow charities to make better outsourcing decisions in a changing market.
6. Sector-wide collaboration to develop a standard attrition reporting process and vocabulary. Noting the complexity of this task, this should be as simple as possible in providing a useful output for use by all members.
7. There should be a benchmarking process for reporting attrition rates in telephone RG fundraising to allow charities to better assess the role of difference providers in their supply chains.
8. Development of a regular forum for fundraisers, agencies, and other suppliers to discuss issues and ideas in the channel.

Fundraising Partners is prepared to support any sector, collaborative or organisational efforts to support the implementation of these and all other recommendations made in this report.

## 5. Thank you to the contributors

**The Irregular Giving Project and the contents of this report rely on the generous and expert participation of more than 200 people from the fundraising sector in Australia, New Zealand and globally.**

Individuals participated on an informal basis and not as representatives of their employers. As a result, where we have included statements or opinions from participants, we have not identified them by name, unless they have given us permission to do so.

We would like to thank everyone who has contributed so far and particularly to acknowledge FINZ and Michelle Berriman, the PFRA and Angela Norton, and the IVE Group and Fiona McPhee for their generous sharing of benchmarking data.

## 6. The manifesto

The heart of the fundraising profession is its values. This manifesto is a simple statement of the values that we heard expressed throughout the discussion by fundraisers in all roles. Let's adopt and live these values.

Some things need not return to 'normal' – some things were well and truly broken before.

**This is our chance to fix that.**

*Here is where we start...*

- **We are passionate fundraisers** who inspire donors to make long-term connections with causes they love.
- **We are proud advocates** of face to face fundraising.
- **Every donor has chosen** to make a personal connection with our cause – we will treat them as passionate individuals, not as numbers on a spreadsheet.
- **Honesty and integrity** are more important to us than expediency and profit.
- **Everyone involved in face-to-face** fundraising is responsible for upholding these values.

**We believe there is a better way forward for face-to-face fundraising.**

**Now, let's make it so.**

[www.irregulargiving.me](http://www.irregulargiving.me)

The  
**Irregular Giving**  
Project

## 7. The detail

**Our conversations included a webinar attended by more than 30 people, discussions one-to-one with fundraisers and a busy discussion on social media covering a wide range of issues. We have aimed here to provide a summary of the key issues raised which have led to our key recommendations.**

### 9.1 Boards, senior management, and strategy

- Boards need to buy in to regular giving and understand that there is a three to five year minimum commitment.
- Boards could be better educated about the realities of regular giving fundraising.
- A lack of trust and understanding at Board level can lead to unrealistic expectations and poor strategy setting.
- Strategies have too little focus on retention and too much focus on acquisition.

### 9.2 Outsourcing and charity / agency relationships

- The supply chain is complex and may include digital, lead generation and phone suppliers. Complex supply chains are inherently hard to manage and reduce charities' ability to track key indicators and assign accountability for outcomes.
- Face to face agencies are entering the market to diversify their businesses during the COVID crisis. Some agencies may not have the appropriate experience and knowledge to provide services to the required standard.



- Some charity fundraisers lack the knowledge to properly assess suppliers or to apply suitable due diligence processes to new suppliers – an increased risk given the increase in new entrants to the market.
- Charities lack standardised information about agency quality which undermines their ability to make good decisions about supplier engagement and contract terms.

### 9.3 Compliance and regulation

- There is an increasing regulatory trend towards higher standards in management and use of personal data. It is possible that Australian regulators may look to introduce regulations similar to the EU General Data Protection Regulation (GDPR).
- Charities place a relatively low importance on ensuring compliance within their supply chains in relation to the quality of consent provided by “leads”.
- Although fundraising data use and sharing practices may be legal, it is possible that they would be seen as unethical should they be exposed to public, media or regulatory scrutiny.
- Charity due diligence processes are not as well developed in telephone fundraising as face to face fundraising – there is also no reliable accreditation process comparable to the member accreditation provided by the PFRAs in Australia and New Zealand.
- Telephone fundraising agencies have generally been larger and more sophisticated businesses than face to face agencies, reducing the apparent risk to charities from supply chain issues, however the move by smaller and less experienced face to face agencies into telephone fundraising increases this risk.

## 9.4 Business and billing models

- There is some interest from charities in introducing a Cost Per Acquisition (CPA) and clawback model into telephone fundraising – a model which shifts more financial risk to the phone agency and increases agencies' financial accountability for poor retention.
- The CPA and clawback model has been identified as a model that has driven lower agency sustainability in other markets such as Australian face to face fundraising.
- The CPA and clawback model also do not take account of the contribution that data quality has on phone agency performance.
- There is a need to diversify away from Facebook as a lead source owing to saturation, ethical and price considerations.

## 9.5 Retention measurement, reporting and action

- There is a lack of expertise in data reporting and using data to properly manage outsourced programs.
- A lack of a standard vocabulary and definitions for measuring attrition makes it difficult for the sector to have well informed conversations about improving retention.
- There is potential for a sector wide common definition for key attrition measures to be developed and used in a benchmarking system that could provide regular reports for all sector participants.
- There is added complexity in measuring, reporting, and acting on donor retention in a more complex supply chain.
- Tests of providing the same lead source to different phone agencies have generated differing results and could indicate value in assessing agency and fundraiser performance as a driver of fundraising performance.

## 9.6 Knowledge and skills

- Fundraising teams lack knowledge and skills in data particularly in analysis and reporting.
- Fundraising teams lack knowledge and skills in management of regular giving programs, especially in optimising relationships with outsourced suppliers.
- There could be value in a sector wide basic education program in key areas where there are the biggest gaps in knowledge. This could be in the form of a “cheat sheet” or “RG 101” training program.
- There is potential for increased emphasis on training and skills in regular giving from sector bodies such as FINZ and the Australian and NZ PFRAs.