



Public Fundraising Symposium

**Getting it Right:
Regulation & Best Practice**

Processes & Procedures

The Engine Room of Effective Giving

THE ENGINE ROOM OF EFFECTIVE REGULAR GIVING

Trilby Benge
IHC Smile Club Coordinator
July 2023

SMILE CLUB OVERVIEW – EOFY 2023



24,300+
Active RG
Donors

\$31.24
Average Gift
per month

41.3%
monthly
donations
via DD

58%
monthly
donations
via CC

0.7%
monthly
donations
via AP

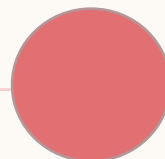
THE MONTHLY RG DONATION SCHEDULE

THE DONATION PAYMENTS WE ACTION ARE PROCESSED ON THE 1ST, 15TH OR 20TH OF EACH MONTH



CREDIT CARD

- Processed automatically via Flo2Cash & our database, with immediate outcomes available
- Failed payments are retried on 2nd, 3rd, 5th, 7th & 9th days following (six attempts total over 9 days)
- Broad retry range gives better opportunity to receive a successful payment & also allows for retention processes before the following month



DIRECT DEBIT

- We process our own automatic direct debits - IHC has signed authority to accept electronic direct debit donations
- Failed payments outcomes returned to us 2 days following
- Retries are processed 5 business days later (7 days after payment run)
- Adequate window of payment attempts & room for retention processes

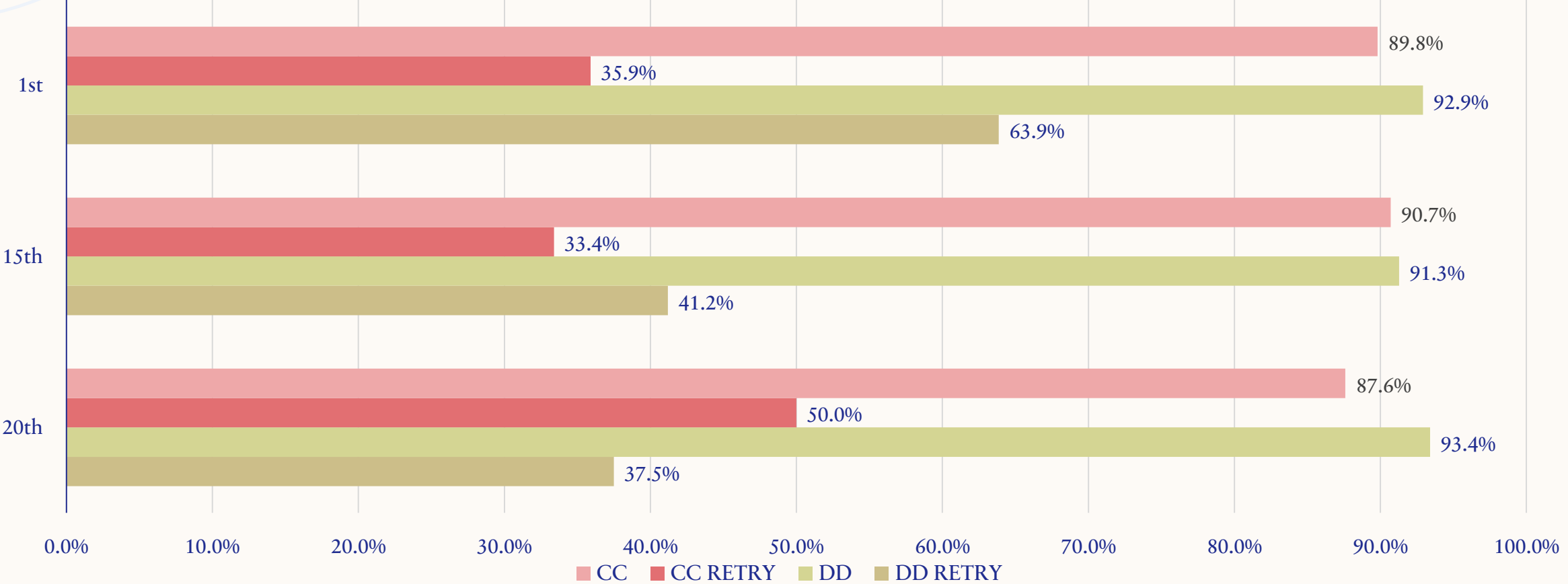


KEY TOOLS

- Mapped-out calendar with carefully considered retry periods & room for good retention processes
- Donation outcome data is returned to us quickly so failed payments can be retried & donors added to the retention pipeline
- Multiple checking systems to ensure everything is on track & there are no major issues (i.e., large groups of donors missed)

DEBITING OUTCOMES

% OF SUCCESSFUL OUTCOMES FOR EACH PAYMENT RUN OF JUNE 2023



THE RETENTION PIPELINE

Hard Fails CC & DD – Month 1 – 3

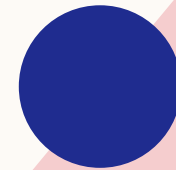
- Retries attempted (for CC only)
- Phone available - Sent for Telemarketing Retention
- No Phone – Letter or Email sent, with email reminder sent 7 days later if no action taken from donor
- Month 3 - if hard failed again, we automatically cancel donation and send thank you email or letter (with info to restart donation)

Soft Fails CC and DD – Month 1 – 3

- Retries attempted
- No communication

Soft Fails CC and DD – Month 4 – 6

- Retries attempted
- Phone available - Sent for Telemarketing Retention
- No Phone – Letter or Email sent, with email reminder sent 7 days later if no action taken from donor
- Month 6 - if soft failed again, we automatically cancel donation and send thank you email or letter (with info to restart donation)



RETRIES & RETENTION

- Strong retention processes ensure the value of investing in F2F and Telemarketing is much greater
- Working closely and utilising the Telemarketing specialist teams is important – don't overlook the skills and experience they can provide to your plan
- Contacting the donor more than once from different avenues and providing alternate ways they can update payment details gives the best chance of them continuing their donation
 - o We offer email, phone, post & the Smile Club 'My Impact' donor portal
 - Maximizing Retries!
 - Smile Club's retention in 2017 was 48.2%, this has increased to 59.7% retention in 2023, made possible with putting a focus on testing & improving processes

TRACKING, RUNNING CHECKS & AUTOMATING PROCESSES

Structured and methodical systems checks, and automated systems go hand-in-hand. These together allow us to smoothly manage a large and growing donor pool. This also ensures everything is on track, errors are found quickly & resolved to reduce impact on income.

Automated processes:

- Control of data quality
- Donation payment runs
- Donation receipts via the 'My Impact' portal & email
- Importable files from suppliers requiring no adjustments
- Comms to donors (welcome journey, retention, etc)

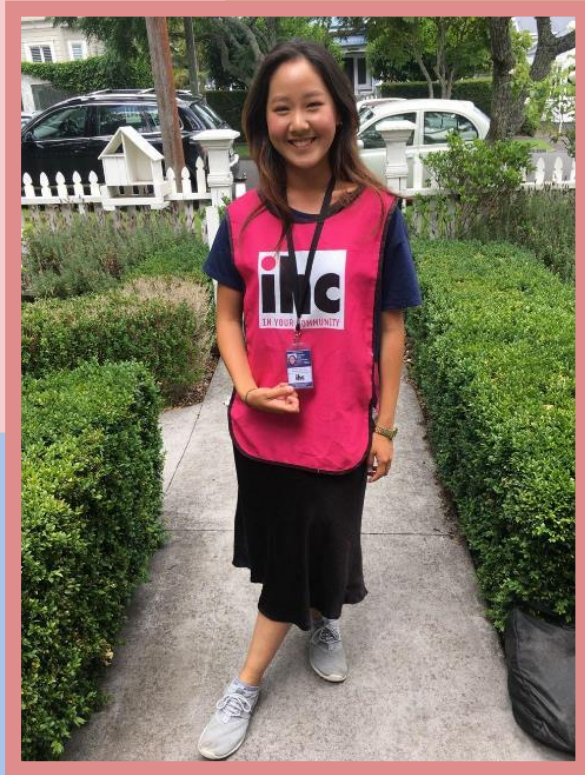
Daily checks include:

- Pre & day-of payment run
- Failed & error payments
- Supplier invoices balance against data
- Data errors and duplicate donor info
- Power BI Reports updates
- F2F Clawback reports (sent weekly to suppliers)

Talking with our suppliers, database provider & and brainstorming internally has helped tighten up our processes in this area.

RELATIONSHIP MANAGEMENT

- It takes a village to make the programme run – keeping regular communication with all key people, internal and external, is essential
- Regular meetings with F2F, Telemarketing & database suppliers covering;
 - Progress reports
 - Call monitoring sessions
 - Shared spreadsheets (territory reports, cancellations, progress reports, etc.)
 - In-person training of F2F Teams and video call refreshers (monthly)
- Regular internal Smile Club team meetings, bi-monthly for future planning, strategy & analysis
- Quick responses to all emails with external suppliers regarding updates, issues, territories, invoicing. **These are of high priority.**
- Donor's emails and calls are responded to within 24 hours (Mon- Fri)
- Ensuring PFRA is notified immediately if issues arise that require them being informed



EVOLVING SYSTEMS & FUTURE PLANNING

When things are working well, we have found this is the perfect time to evolve our systems further. We can try new ideas, with a measured analysis approach.

During this 5-year growth plan we are implementing:

- A more streamlined and personalized welcome journey & communications to the donors
- Setting up in-house Thank You calling from a team member with an intellectual disability
- Diversifying acquisition channels
- Introducing the 'My Impact' Donor Portal
- Moving Annual Tax receipts to digital

MY IMPACT – SMILE CLUB'S DONOR PORTAL

With the portal, Smile Club donors can....

- Make changes to their membership
- Seeing the impact of their support
- Access downloads of their annual receipts
- Change payment information
- Contacting us directly for additional support

The screenshot shows the 'My IHC Impact' donor portal. At the top, the 'ihc' logo is on the left, and navigation links for 'HOME', 'IMPACT REPORT', 'FAQ', 'CONTACT US', and 'MY ACCOUNT' are on the right. Below the navigation is a large banner image of two men, Trilby and David, smiling. The text 'My IHC Impact' is overlaid on the left, and 'The Smile Club' logo is on the right. Below the banner, there are two main sections: 'Thank You Trilby & David' and 'My supporter ID'. The 'Thank You' section includes buttons for 'MY CURRENT ANNUAL TAX RECEIPT' and 'PREVIOUS ANNUAL TAX RECEIPT'. The 'My Latest Impact Report' section shows a date of '31 March 2023' and a message from Janine Stewart, General Manager of IHC Programmes, thanking Trilby and David. A signature of Janine Stewart is also visible. At the bottom, there is a section titled 'More About My Impact Portal' with a brief description of the portal's purpose.

RUNNING THE SYSTEM SMARTER, NOT HARDER...

- Data and analysis should be at the core of day-to-day tracking and all future planning
- Maximising our failing payment retries supports investment, retention & income
- Streamlining processes via increasing automation, tracking and analysis
- Thinking outside the box – for example, implementation the Donor Portal
- Collaboration, relationship building & utilising the skills of each person on the team, internal & external, is key
- Don't stop working to evolve and improve systems, even when things are growing

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The Engine Room



The Agenda



01 Declines

02 Upgrade

03 Reactivations

04 Conversion

05 Data Selection



Declines Calling: Why do it?

- Cost effective way to reduce attrition.
 - Help supporters manage their commitment - reduce vs lose.
 - Protect your acquisition investment.
 - Arrears payments - increase gifts p.a.
 - Updates:
 - Supporter details
 - Communication preferences
 - Build loyalty:
 - Reiterate impact of their generosity
 - Say Thank You
-

Who to Include?

Hard Declines:

A hard decline (e.g. lost/stolen card, account closed) is unlikely to be successful at reattempt, although some organisations choose to do so before implementing SMS, email or calling follow-up. Be mindful of processing fees on re-attempts vs success rates.

Soft Declines: RG's who have failed 1-3 consecutive debits

Some charities opt to do this after a second consecutive failed payment (especially for DD payment type) or exclude them altogether, but you do miss out on:

- Arrears payments.
- Opportunity to change payment method or downgrade to increase success rate of future debits.

4th payment fail: optional inclusion to proactively downgrade

Declines Calling _____

Declines Results

Please note:

** Arrears payments % tends to be higher with greater % of hard declines.*

*** Only around 0.5-1.5% of DD payment type will make an arrears gift.*

Declines				
Cause Type	Local / Community	International	Local / Community	International
Main Acquisition Channel	F2F / D2D		Telemarketing	
Conversion Rate	61.28%	55.76%	62.00%	53.15%
Average Monthly Gift	\$28.83	\$30.36	\$35.51	\$27.42
Arrears Conversion Rate	30.29%	35.04%	41.01%	56.50%
Average Arrers Payment	\$31.47	\$32.75	\$39.80	\$28.32



Thank
Supporters



Build
Loyalty

U P G R A D E

Emphasise
Impact



Collect &
update



Key Benefits

Income

Depending on cause type & average value of your RG base, KPI's on upgrade will generally be:

- Conversion rate - 32% - 35%
- Value uplift - 30-35% of the monthly gift

In just 12 months, you can move the average monthly value of your entire RG base by 10%+

Upgrade			
Cause Type	Humanitarian / International	Children / Local	Health / Community
Conversion Rate	35.37%	34.38%	36.66%
Average Monthly Uplift	\$9.45	\$11.05	\$10.75
ROI	2.74	2.82	3.14

Lifetime Value

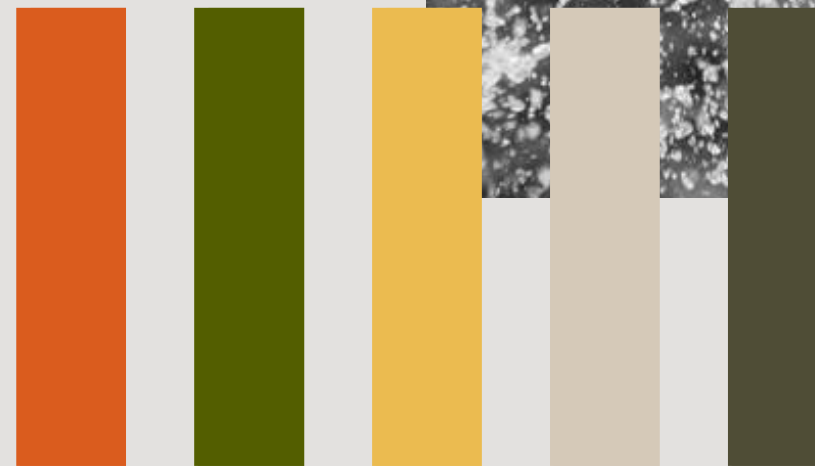
Regular Givers have a lifetime value 5 - 7 times that of one-off donors

Attrition Busting

RG's are up to 50% less likely to lapse in the 12 mths after an Upgrade call, even if they said 'no' to the upgrade.

Calling Strategy

- Include as many supporters as you can.
- First upgrade call 5 or 6 months from join date.
- Maintain a regular cycle of upgrading supporters
- Retry those who were not available
- Identify segments appropriate for mid value upgrade





Lapsed Regular Givers

Who to include?

Some organisations are going back to 128 months (almost 11 years) from last successful gift date.

Test carefully. Be adventurous!

How to compare:

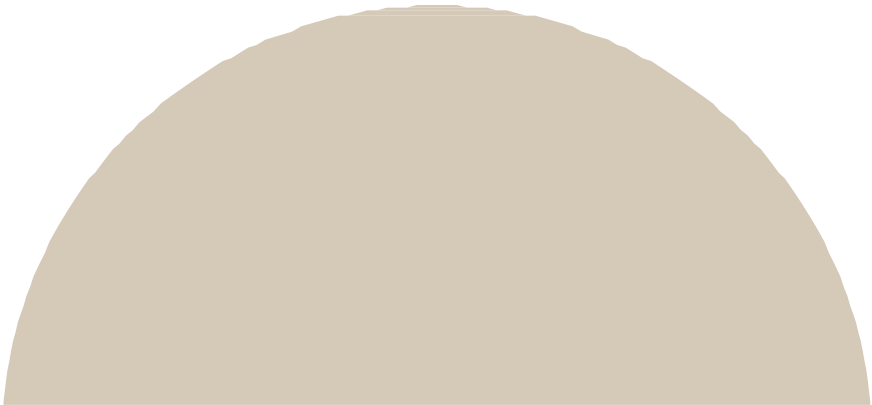
- CPS of other acquisition options (incl. lead costs)
- Y1 Attrition rates
- Average No. of gifts per year
- Break even point

Campaign Results

Lapsed RG				
Program Type	Reactivations	Long Lapsed	Deeply Lapsed	Super Lapsed
Conversion Rate	8% - 12%	7% - 11%	7% - 9%	5.5% - 7%
Average Monthly Gift	\$28 - \$30	\$27 - \$30	\$27 - \$30	\$26 - \$28
Cost per Supporter	\$137 - \$186	\$151 - \$253	\$187 - \$296	\$240 - \$292

Please Note:

- Includes a range of results from local & international charities with a mix of cause types.*
- Segmentation varies quite a bit to give a good idea of what is possible across different data profiles.*



Conversion

Who to include?

- Active Donors: made a gift 1-12 months ago.
- Lapsing Donors: last gift 13-24 months ago.
- Lapsed Donors: last gift 25-36 months ago.

Benefits

- Giving multiple ways = very committed supporters (great bequest prospects)
- Super low attrition
- Competitive CPS & strong average value.
- Blending donors into your acquisition program will help build team momentum.



Results

Donor Conversion			
Donor Type	Active	Emergency Appeal (Active Donors)	Lapsed (13-36mths)
Conversion Rate	7.19%	10.18%	4.83%
Average Monthly Gift	\$26.13	\$29.32	\$35.27
Cost per Supporter	\$221.52	\$177.20	\$331.33

You can also include just about any supporter who has had a financial interaction with you, in a donor conversion program.

Active & Lapsed supporters from events, merchandise, lottery/raffle will generate conversion rates of 6-11%+, average monthly gifts of \$25-28 and cost per supporter well south of \$300 (along with really low Y1 attrition).

Data Scoring / AI

Key Benefits

Data Selection: if your internal data resources are stretched, AI can help automate data selection & extraction.

Consistent Data Segmentation: ensures you are following a strategy that can be measured and compared YOY.

Limited Budgets: if you have a limited budget this can help you maximise your returns by selecting your top prospects.

Reduced Calling Costs: calling a target group of supporters will reduce your overall telemarketing expenditure.



The Outsiders

DEEPLY LAPSED	
Regular Givers	133
Average Monthly Gift	\$28
Cost per Supporter	\$296

Data scoring *excluded* these supporters from lapsed calling campaigns.
This organisation would have missed out on 133 new RG's who deliver \$40K+ annual income *and* who will have significantly lower attrition than newly acquired supporters.



Data Scoring Considerations

Scale: is it a scalable, repeatable result if you need / want to expand the program?

Savings: costs are reduced by calling fewer supporters, however you acquire, convert & upgrade fewer & make less income. How do you meet your growth/income target cost effectively?

Attrition: what does this look like for supporters you don't speak to?

Priorities: reducing work on internal RG prospects = more external acquisition. Is that your best option (costs & attrition)?

Causation: if you aren't calling supporters in upgrade, and they lapse, is it an accurate scoring prediction or lack of stewardship?

Attrition Prevention: are you using a control group to ensure that other activities did not make the difference?



Thank You!

If you would like more information or to chat all things Telefundraising, please give me a shout on

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