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## Building partnerships around the donor experience

### Project 21. Working with suppliers as partners

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## The original brief

Some of the public's interactions with fundraisers are not directly with charity staff but with people working for a commercial third party supplier. This project will aim to show fundraisers how to be an effective client and so to get the most for their donors from their prudent and well-managed investment in supplier services.

### For senior management and trustee boards, this project will:

- Show why treating suppliers as partners in your fundraising can improve performance and long term results.
- Help their understanding of how to assess the results of suppliers and look at how they motivate and incentivise suppliers.
- Explain the benefits of having clear professional standards and help define a shared view of quality that goes beyond mere compliance.
- Introduce them to a range of ideas to improve the relationship with suppliers.

### For donors, this project will:

- Reduce the chances of donors being made uncomfortable by approaches from suppliers who have unreachable targets.
- Reduce the number of complaints made by donors about fundraisers.
- Make it hard for donors to recognise the difference between an in-house team and supplier when interacting with a cause (apart from the required solicitation statements).

Fundraisers have many responsibilities. The first, and most obvious, is to our causes: those whose needs drive us in our work.

This commitment must not, however, be at the expense of our other responsibilities: to manage our fundraising programmes wisely, to respect the needs of our supporters and provide an excellent giving experience, and to ensure that the values of the organisations for which we work are present in the choices we make.

We make a critical choice when we ask commercial third-party suppliers to work with us to deliver our fundraising programmes. Fundraisers have been challenged to make sure that we focus as much on how we fundraise as on why we fundraise. For many charities, it would be impossible to deliver the right kind of donor experience without the support of suppliers, so it is imperative that we build genuine partnerships with the suppliers we employ and engage them in our mission.

## Suppliers or partners

Too often, suppliers are viewed not as genuine partners, but as service providers: the end of a supply chain. They represent the commercial decision of a charity to outsource a task that may be too difficult, too costly or too risky to deliver in-house. The commoditisation of supplier relationships and channels has in some cases led to an apparent commoditisation of the donor experience. In our drive for efficiency and our desire to ensure that we achieve the best possible return on our fundraising investments, we are in danger of forgetting that fundraising is about more than financial outcomes: long-term, sustainable success depends on emotional engagement and on building genuine relationships.

Short-term campaign-based supplier arrangements are not consistent with long-term supporter relationships. There is a tension between the long-term investment required to build the operational capacity that can deliver a high-quality supporter experience consistently and the short-term need to deliver immediate results without the financial risk of commitment to suppliers.

The more distance we put between ourselves and our suppliers, the more detached we become from our supporters. A poor understanding of the relationship and engagement that supporters have with our organisations leads to inappropriate targets and key performance indicators (KPIs) and unrealistic service-level agreements.

We know that focusing exclusively on financial measures will compromise the quality of the donor's experience, but often we struggle to articulate clearly what we are trying to achieve and how to measure it. The more closely we work with suppliers, the more effectively we will set the right goals, and the better we will understand the mechanics of the supplier services we commission.

If we are to ensure that our partnerships with suppliers are not just effective, but also reflect our values and benefit both our target populations and supporters, we must ask critical questions of ourselves and our ways of working.

How, then, should we work effectively with suppliers, our fundraising partners?

- How do we make sure that everyone is working toward clear, common goals?
- How do we manage the work that our partners do for us?
- How should we measure and reward the value that our partners bring us?
- How do we ensure that the public understands and supports our approach to working with fundraising suppliers?

## Guiding principles

Of course there are, many different types of suppliers: across our fundraising programmes, we will have different commercial relationships with organisations that are helping us with our efforts. In every case, our aim should be to create a genuine partnership where both parties are working towards common goals that match and promote the values and vision of our organisations.

Seven principles can guide us in pursuing that aim:

### 1. **Treat suppliers as partners**

Businesses we employ to work on our behalf are often the public faces of our organisations. It is common for suppliers to engage more with the public and donors than many charities themselves. We must invest time and resources in these relationships to ensure that they succeed. Critical suppliers should be treated as partners and as extensions of our organisation, with shared accountability for key outcomes: results, donor experience and compliance.

### 2. **Establish clear professional standards**

When commissioning any activity, we have a duty to ensure that we are operating to the highest professional standards and that those standards are delivered by our agency partners. We must exercise the necessary due diligence and evidence the capabilities of those we choose to work with. We also need to ensure that we have the necessary knowledge within our own teams to provide capable and effective management of the activity we ask our partners to carry out on our behalf.

### 3. Create a shared definition of quality

If we are to achieve genuinely high-quality engagement with the public in a way that reflects our values, we need to understand what donors expect when they come into contact with our fundraising partners. Focusing solely on compliance as a simple proxy for quality will not improve the relationship we have with supporters or raise quality standards to the level to which we aspire. All organisations need to define what quality means for them and how they will measure it.

### 4. Take a broader view of key performance indicators

Perhaps due to its very nature, fundraising has been largely or even entirely target-driven in the past. We need fundraising KPIs that go beyond income and return on investment. We must look to the long term, ensuring that we set the right targets for the long-term relationships we hope to build with our supporters. Our expectations need to be realistic if we are to avoid placing too much pressure on fundraiser performance.

### 5. Everyone should be aligned with a clear statement of goals

Everyone involved in fundraising, from trustees to fundraisers who engage with the public, must work to a consistent set of performance and quality measures. Senior managers need to understand the mechanics of what is being commissioned to be able to provide effective management, exercise due diligence and assume organisational accountability for that activity.

### 6. Commit to long-term supplier relationships, with appropriate incentives and rewards

In order for partners to make the right investment decisions to deliver high quality donor experiences, we should support them by building long-term supplier relationships that include long-term commitments. The importance of the quality of the donor experience over time must be reflected in the nature of our relationships with our partner suppliers.

### 7. Celebrate the contribution of supplier partners

Too often, the contribution of our suppliers towards our fundraising success is not publicly acknowledged. If we seek to change the public's perception of professional fundraising, then we must begin to credit our partners publicly for the success of our campaigns.

## Actions

What practical steps can you take towards implementing these principles into your ways of working?

### 1. Treat suppliers as partners

'Our suppliers are an extension of our team.' How do you make that concept meaningful? What practical steps can you take to create a genuine partnership approach?

- When you start working with a new supplier, agree on shared goals for the relationship: how do you want to work together, and what does each party need to make the working relationship successful?
- Ask what you can do to make your supplier feel part of your team. This might include providing materials to bring your brand into the agency or supplier's workplace, or inviting members of your programme's team or service users to talk to your supplier's team about your work.
- Immerse your supplier teams in the mission and work of your charity. If practical, let them visit your work in the field. Challenge them to be as passionate about and as committed to the cause as your own teams are.
- Don't just meet to plan campaigns or review performance: make time throughout the year to review the relationship with your supplier team.

## 1. Establish clear professional standards

For 'professional' to be more than a word, you need to take steps to ensure that you and your suppliers have a shared understanding of the standards that you expect as you work together:

- Make sure that you and your team are clear about what professional standards are relevant to the service that your supplier is delivering, and ensure that you have evidence of their accreditation.
- Review and observe the training and development programme of members of the supplier team who will be representing you or working on your campaigns.
- For every campaign or activity, seek evidence from your supplier that the members of their team who will represent you have been trained in relevant quality and compliance standards and in how to represent your brand.
- Make sure that supplier management is part of the learning and development programme for members of your staff who are responsible for managing supplier relationships. Your organisation is responsible for everything that your suppliers do in your name, and managing supplier relationships effectively and professionally is a critical part of the role of your fundraising team.

## 2. Create a shared definition of quality

A consistently high-quality donor experience is possible only if you have defined what quality means for your organisation. While compliance is important, it must not be the only measure of supporter experience. How should the experience delivered by your supplier make donors feel, and how should this be measured, monitored and reported? Depending on the service your supplier is providing, your definition of quality should include:

- The features of an effective conversation. Fundraisers represent your organization: what guidelines must be followed?
- How your brand should be reflected in the behaviour of the people who are representing you. What does a good conversation with your charity sound like? What tone of voice and language choices reflect your brand values?
- The service levels that will underpin the donor experience e.g. turnaround times for responding to supporter enquiries.
- How you will monitor the extent to which your partners consistently deliver the quality standard you have agreed with them. This may include site visits, mystery shopping, call listening and reviewing complaint logs.
- How you will understand how your supporters feel about their experience and what is important to them. This may take the form of regular supporter satisfaction surveys or follow up calls / emails to a sample of supporters after they have been contacted by a supplier on your behalf.

## 3. Take a broader view of key performance indicators

Fundraising KPIs should promote outcomes that drive donor experience quality and long-term supporter value, not just short-term results.

In practical terms this means:

- Secure a mandate from leadership to establish new KPIs that focus on quality of donor experience, compliance and supporter lifetime value, not just acquisition cost and immediate return.
- Take a more realistic, pragmatic view of short-term financial returns to enable investment in and testing on long-term goals, innovation and new approaches: work with finance colleagues to build a business case for a long-term approach.
- Seek the involvement of your supplier partners. Use their expertise to help define the measures of success.
- Make sure that everyone involved in managing the relationship, on both client and supplier teams, understands the agreed KPIs.

#### 4. **Everyone should be aligned with a clear statement of goals**

Genuine partnership requires a shared vision and a shared understanding of the donor experience aims. This means that you must:

- Ensure that your organisation's leadership understands and formally agrees to the more holistic, long-term definition of success: quality, compliance and lifetime value.
- Develop a management information framework that enables client and supplier managers to work together to explore the details behind headline reporting.
- Take time to share insights such as research and donor feedback and to discuss the implications for the delivery of the donor experience.
- Make sure that members of your senior team spend time with your suppliers. Don't just meet for big presentations, but to get to know them, their business and their role in helping you to deliver the donor experience.

#### 5. **Commit to long-term supplier relationships, with appropriate incentives and rewards**

"Long-term commitment" is easy to say, but requires concerted effort to bring about, from the agreement of the first contract through every step of the working relationship:

- Start by securing a mandate from your organisation's trustees and senior management team to invest in building quality, long-term partnerships.
- Talk with partners to understand what is involved in delivering your requirements: the risks and the investment involved from a supplier's perspective.
- Formalise mutual accountability in contracts. Define what each partner needs to deliver in order to make the programme a success.
- Ensure that ways of working are reflected in contracts and service level agreements.
- Be clear about what you expect from the relationship: if you are working with a supplier because of their expertise, don't pay them only on a cost per transaction or cost per acquisition. Structure performance rewards to reflect KPIs that focus on quality of donor experience, compliance and supporter lifetime value, in addition to financial metrics.

#### 7. **Celebrate the contribution of supplier partners**

Communicating the role of partners positively and proactively will help to increase the public's understanding of how fundraising works in practice and the important role that commercial suppliers play. Some practical steps you can take include:

- For fundraising campaigns, have your team and the fundraising agency work together during campaign set up to create a list of FAQs to encourage a consistent response to the public.
- When your PR team publish positive news stories, take the opportunity to promote the role of your suppliers / fundraising agencies in making the campaign possible.
- Even in the best-run partnerships, mistakes can happen. Work with your suppliers to agree on procedures to deal with problems if they occur and to make sure that public messages are both clear and consistent.
- Share success stories and lessons from campaigns and supplier relationships with colleagues in other organisations. Collaborating across the sector will help to improve ways of working for all.
- Celebrate together, with charity and suppliers on an equal footing.

## Conclusion

Fundraising partners have helped to transform our sector and the effectiveness of our work, both by innovating and by building the capacity to deliver successful and mutually beneficial fundraising and donor relationships.

By adopting the principles outlined above and taking action towards building genuine partnerships with our suppliers, we can build more positive relationships with supporters and increase public understanding and acceptance of the role that suppliers play in enabling us to achieve our mission.

## More guidance

More guidance on this topic can be found in the Institute of Fundraising's Guide: 'Successful Partnerships for Sustainable Fundraising: A Practical Guide for Charities Working With Agencies', which provides detailed advice on the following topics:

### Planning and preparation

- How to decide whether a third-party supplier relationship is the right option for you
- Defining the role of fundraising partners
- Benefits and risks
- Regulations and responsibilities

### Selecting, assessing and appointing a partner

- Identifying potential partners: what questions to ask
- Creating an RFP and running a tender process
- Evaluating responses and providing feedback

### Establishing the partnership

- Agreeing the contract: what to include
- Setting service levels and KPIs
- Planning a programme of work
- Briefing and training fundraisers

### Monitoring, reviewing and evaluating

- Monitoring: what to look for, what questions to ask
- Reviewing and evaluation
- Addressing issues

The guide also includes case studies from two charities, looking at:

- Establishing the foundations of a successful long-term partnership
- Reviewing and evaluating the work of fundraising partners

The guide can be downloaded at <http://www.institute-of-fundraising.org.uk/library/iof-successful-partnerships-for-sustainable-fundraising/>

## Additional reading

Find more ideas and perspectives on the relationships between charities and fundraising suppliers at SOFII:

Ken Burnett on how to be an effective client:

<http://sofii.org/article/how-to-be-an-effective-client>

Mark Astarita on the importance of recognising the role of suppliers:

<http://sofii.org/article/working-with-suppliers-building-partnerships-based-on-value-for-money>

Andrew Papworth on briefing consistently and comprehensively:

<http://sofii.org/article/its-hard-work-being-a-client-these-days-part-1>

George Smith on the role of suppliers and what questions to ask:

<http://sofii.org/article/working-with-suppliers-part-one>