Restore

Digital

A Commercial Strategy for a Non-Commercial Organisation

Using data to create a commercial strategy
How does data affect the charity sector?

Whitepaper

www.restore.co.uk/digital

Welcome to our Whitepaper helping Non-Commercial Organisations in a commercial world

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Introduction

Funding is still the reoccurring worry for most charity leaders. With years of austerity, as well as high profile charity scandals causing concern for the general public, maintaining and growing funding is crucial.

To increase funding, charities need to write a commercial strategy that focuses on raising money and this in turn means that data needs to be at its heart.

Charities are people based organisations, both with services, but also with donations and your crucial network of volunteers. You also have pressure from the general public for transparency and clear and accurate reporting.

SalesForce recently published a piece of research looking at the 2018 trends within the charity sector.

- 64% of non-profits have seen an increased demand for transparency of funds over the past year.
- 42% say that more programme and service visibility is one of their top three priorities.
- A third of charities say that gaining a full view of their programmes, data and finances is in their top three priorities.
- 53% of non-profits are easily collecting programme data but less than half know how to analyse it.
- 73% of non-profits struggle with tracking the impact of their efforts.
- Only 27% of non-profit leaders say improving their data management is a top priority.

Quotes from Charity Sector Strategic Plans

Our ambition is to icrease our sustainable income by £30m per year by 2020

Enhancing program quality through monitoring evaluation and learning is key to achieving greater impact... building our culture of accountability is funadamental to develop effectiveness

Develop 360-degree accountability tools for reporting to key stakeholders

In 2015 the Institute of Fundraising conducted a survey that showed that even when charities collect data, 82% didn't analyse or use that data to help strategic planning and decision making.

Figure 1: "We routinely collect, analyse and incorporate our data to be part of our strategic planning and decision making".
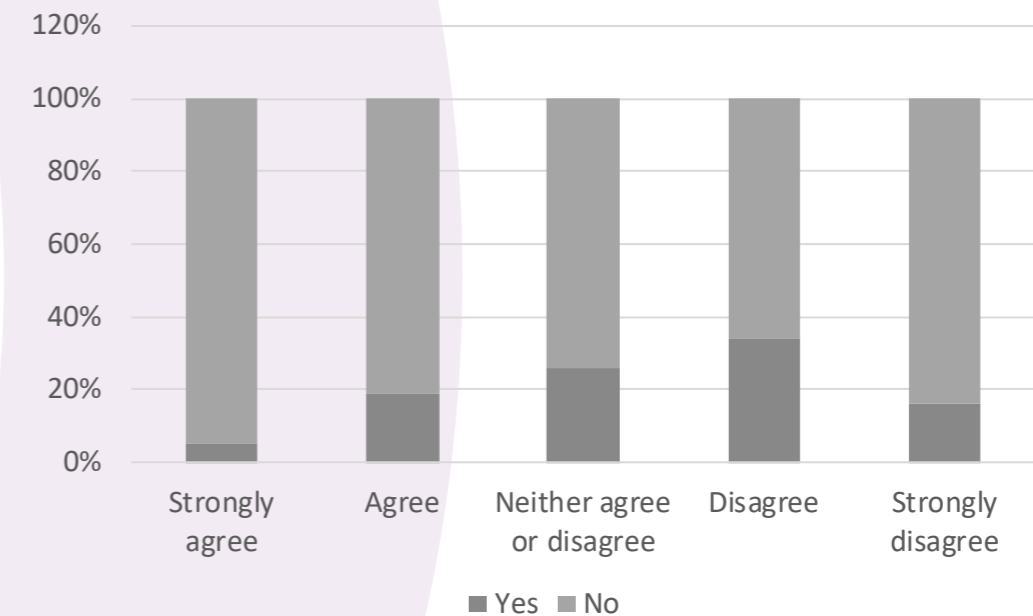
Where does your Data come from?

We find that most people automatically associate data with direct marketing campaigns. This is probably a combination of the sheer amount of direct marketing we as individuals encounter daily, but also the more high-profile data scandals of Facebook/Cambridge Analytica, which left everyone with the sense that their data was sneakily being harvested and used for other means than we thought. Whether this was cleverly constructed T&Cs, or a 'game' whose real purpose was unclear, it's become the default position that business data is, data collected from direct marketing.

All Fundraising Creates Data

Retail outlets and other trading activities (raffles, lotteries etc)
Details of donors, receipts, inventory, competition entries

Monetary donations
Donor's details, receipts

Direct marketing campaigns
Email address, postal addresses, UX data, cookies

Advertising
Click through information, advertising reach, demographics, effectiveness

Website
UX data, user journeys, donations, downloads, GDPR consent, lead forensics

Volunteer run events
Volunteer's details, event registrants, donations, purchases, sales

Legacy income
Donator's details

Philanthropy
Donator's details

Donated services and facilities
Donator's details, health and safety

Grant income
Donator's details, applications for grants, feedback on grants

But there is also Data Outside of Fundraising

Gift Aid forms
Traditionally these have been paper records, potentially held on various sites in archive boxes, and can be for monetary donations or even items donated for resale.

The management of staff
Staff and volunteers will need to provide certain information in order to be managed and employed, including payment details and line reporting contacts.

The management of volunteers
You will need to provide certain information and updates to staff and volunteers, ie, essential information about their working environment or your expectations of them (such as policies and procedures that they must adhere to).

The provision of services
Service users may need to provide certain details by way of an audit trail or to help you provide safe, efficient and secure services; or to check in or provide follow up help and support.

Market research
The ICO states "The direct marketing rules will not apply if an organisation contacts customers to conduct genuine market research...as this will not involve the communication of marketing material".

With all this data comes knowledge, but also responsibility, and this responsibility is given oversight by various bodies and rules which keep us on the right track.

Data oversight and regulation

GDPR

The first thing I think of when I hear "data" is GDPR, and I appreciate that there is a degree of GDPR fatigue, but it would be remiss of me not to mention it. However, this is just a very brief, high level summary of the EU directive.

- Clearly define which direct marketing activities you want the collected personal information for (PURPOSE).
- The lawful basis on which you plan to obtain and use the personal data, including by what channels of communication you wish to communicate with that person (LAWFULLNESS).
- Whether third party suppliers are used, and if so, that their relationships enable you to continue to meet legal and privacy obligations.
- How your charity will ensure individuals:
  - Are treated fairly.
  - Know about your proposed use (or uses) of their personal information.
  - Can use their rights to manage their personal information (FAIRNESS AND TRANSPARENCY).

The UK data protection act

The data protection act was rewritten to support the new EU GDPR regulation. The two acts are written in conjunction and revised to align them with the new online world of data capture.

The UK data protection act aims to deal with the parts that don't fall within EU law, for example, where it is related to immigration or national security. It applies GDPR standards but are adjusted to work on a national context.

It also has a part that transposes the EU Data Protection Directive 2016/680 into domestic UK law.

The Fundraising Regulator

The Fundraising Regulator defines key principals and behaviours, as well as more detailed guidance on various aspects such as working with volunteers and content of fundraising communications.

Below is a summary of the key principals and behaviours, to give a flavour of what they oversee.

- All funds raised for a cause must be used for that cause.
- Fundraisers must not denigrate other individuals or organisations.
- Organisations must not exaggerate facts relating to the potential beneficiary.
- Organisations must not take advantage of mistakes made by the donor.
- Fundraisers MUST take all reasonable steps to treat a donor fairly, enabling them to make an informed decision about any donation. This MUST include taking into account the needs of any potential donor who may be in a vulnerable circumstance or require additional care and support to make an informed decision.
- Fundraisers MUST NOT exploit the credulity, lack of knowledge, apparent need for care and support or vulnerable circumstance of any donor at any point in time.
- If a fundraiser knows or has reasonable grounds for believing that an individual lacks capacity to make a decision to donate, a donation MUST NOT be taken.
- A donation given by someone who lacked capacity at the time of donating MUST* be returned.
- Organisations MUST NOT engage in fundraising which:
  - Is an unreasonable intrusion on a person's privacy
  - Is unreasonably persistent
  - Or places undue pressure on a person to donate.
- Fundraisers MUST NOT continue to ask an individual for support if:
  - That person clearly indicates – by word or gesture – that they do not wish to continue to engage; or
  - They have reasonable grounds for believing, in the course of their engagement with the individual, that they are in vulnerable circumstances which mean they are unable to make an informed decision to donate.
- Charities that are legally required to have their accounts audited.

What happens when data is not compliant?

The reoccurring message from the ICO is that data management is a journey and if steps are being taken to comply with the various rules, then you should be OK. But there is quite understandably a fear around GDPR due to the significantly increased fines that can be handed out should data be mishandled.

Below are some examples of ICO issued fines within the charity sector that occurred prior to GDPR.

The International Fund for Animal Welfare £18,000

- Sharing data with other charities, no matter what cause
- Ranking you based on your wealth
- Finding information about you, that you didn't provide

The Guide Dogs for the Blind Association £15,000

- Ranking you based on your wealth
- Finding information about you, that you didn't provide

Macmillan Cancer Support £14,000

- Ranking you based on your wealth
- Finding information about you, that you didn't provide

The Royal British Legion £12,000

- Ranking you based on your wealth
- Finding information about you, that you didn't provide

The National Society for the Prevention of Cruelty to Children £12,000

- Ranking you based on your wealth

- Finding information about you, that you didn't provide

Great Ormond Street Hospital Children's Charity £11,000

- Sharing data with other charities, no matter what cause
- Ranking you based on your wealth
- Finding information about you, that you didn't provide

Cancer Support UK £16,000

- Sharing your data with other charities, no matter what the cause

Cancer Research UK £16,000

- Ranking you based on your wealth
- Finding information about you, that you didn't provide.

The British and Foreign Bible Society

Since the 2018 regulations we've seen the following fine by the ICO.

The British and Foreign Bible Society has been fined for putting personal data at risk and potentially revealing the religious identity of donors, after the UK data protection watchdog said hackers had accessed the information of 417,000 of its supporters. The charity, which uses donations to translate and distribute the Bible around the world, was fined £100,000.

It is the latest organisation to be fined by the Information Commissioner's Office. According to the ICO, the Bible Society saved details of donors on an "insufficiently secured internal network".
This is a massive increase in the amount fined, but shouldn't put you off data, just highlights the importance of a data strategy which not only maximizes the potential of your data, but supports your fundraising ambitions.

Insufficiently Secured Internal Network

What does a Data Strategy look like?

Most data governance projects start a bit like this…

Establishing the Case for Change: The starting point for any change is to be able to articulate the high-level issue or opportunity. This can be achieved through meetings, workshops, interviews or it may already be well understood. From this you can begin to scope out the strategy and the importance of data to your organisation and the case for change.

Form a Steering Committee: You will want to create a team who will take responsibility for progressing this initiative and agree some simple terms of reference.

Get Support: You need to decide who else needs to support you as you will want to get their attention, feedback and buy-in.

Scope the Project: Using the Data Governance Framework you can begin to assess the current situation and identify the 'gaps' or desired changes you'll want to make.

Then you'll need to collectively create the following

Data Strategy	What's the value of the data to your charity and how it will help you organise its mission?
Data Policy	What are the principles you'll use to govern how you capture and use data?
Data Procedures	How will you handle data to support these policies and achieve best practice and compliance?
Data Architecture	Where will your data reside (hard copy, electronic) and will this support your objectives?
Data Culture	Who will own your data and who will ensure the right people use your data?

A Data Strategy makes your Commercial Strategy a Success

Data isn't something to feared, it can still be a huge part of your business strategy. It just needs to be proactively managed and the individual whose data you hold to be respected.

As we've mentioned, increasing fundraising is a major component for any charity, and a data strategy is vital to its success. A data management strategy can make your business:

- Agile
- Compliant
- Have a clear audit trail
- Be cost effective
- Abolish dark boxes of unknown data
- Automate administrative processes.

Agility

All organisations strive to be agile: quick to react; lean and without unnecessary bureaucracy; constantly adapting to the needs of its stakeholders; a flexible hierarchy and cross functional teams.

By having all your data digital, even if it is a PDF with basic indexing, you can quickly find the information you need. And if it is stored in an internet-based database, you can access these files anywhere, from any device. This empowers individuals and allows you to know exactly what data you hold.

You can do this by digitalising archive records, but essential to success is creating ongoing digital workflows to prevent or minimise paper records going forwards. For example, Gift Aid forms don't need to be paper – there are many options for capturing signatures electronically now.

Compliance

GDPR has two main outputs that impact charities. The first is retention periods.

This is especially important with data held within HR departments, whether staff or volunteers. Individual records within each person's file will have their own retention period, ie the timeframe by which you must destroy this information. Proactively managing these are essential to holding and using useful information without falling foul of ICO rules.

If you digitalise these records, and use an appropriate database for holding these records, you can set retention periods automatically, moving files when they meet predefined rules and timeframes, into recycling bins, for someone to review.

Having files digitalised, centralised and linked, also allows you to respond promptly and easily to SARs, as you have no dark boxes of unknown information, paper in various boxes to scan and sort, or a mixture paper and electronic information to collate and standardise. Just perform a quick search request and press send!

Audit Trail

Another key pressure isn't just compliance to external rules but having a clear audit trail. If we take Gift Aid as an example, HMRC regularly selects several charities to audit to ensure that the Gift Aid Scheme is being used properly.

By having your Gift Aid forms electronic, HMRC can easily access the database and review your processes. They might even be able to do it from their own office rather than coming onsite. It shows you have rigour around missing or incorrect Gift Aid forms, as well as real evidence of all donations received both monetary and for retail resale.

All Gift Aid records need to be kept for four years from donation, and then most need to be destroyed, linking to the retention periods above.

Cost Effective

Digitalising data can be cost effective. If you automate (see below) you can reassign your team to tasks that add real value, rather than performing basic, repetitive administrative tasks.

You don't need to store paper records if the digitised version is of a good quality. Storage can be costly, especially if you are storing them in your own retail sites, whose space could be better used.

And you save time searching for information, as it's literally at your fingertips, making your teams more productive.

Understand and use the Data you have

Market research is essential to better target your marketing, raising awareness of your work and generating essential funding. Similarly, you might have a lot of internal data already that you could use to help direct your strategy and make your work more effective.

If you decide to do new research, make sure you think about the most effective format and the most appropriate way to ask the questions, to get the most accurate and useful data.

Similarly, making sure you analyse this information or the data you already hold, is key to the data's success. Interactive dashboards where you can keep changing and moving parameters helps you to really get to grips and understand the data, quickly and in an easily accessible and understandable format.

Automate

The key to successful data management once digitalised is to automate. With many RPA applications now available data doesn't need to remain confined within a PDF. The data contained within the PDF can be automatically pulled out and pushed into various databases, linking the data so if you update one database, all other databases will automatically be updated.

Even within databases themselves you can automate the processes, matching invoices against purchase orders, complaint letters against open files, or even start the process of a new complaint file.

You can automate time sensitive KPIs to ensure you meet your own internal deadlines, or those imposed from another organisation, for example an ombudsman, eg, you must acknowledge receipt within five working days.

Some charities have embraced automation by creating a fully integrated digital mailroom, where all incoming mail, emails or telephone messages are pushed through to a central hub, the data is extracted and through RPA recognised and pushed into the appropriate system, or to the appropriate person. Thus, making response times much quicker, and teams much more agile.

And if you really want to get 'on trend' Artificial Intelligence can breathe life into old systems, or ones that can't talk to each other, making them interoperable and compatible.
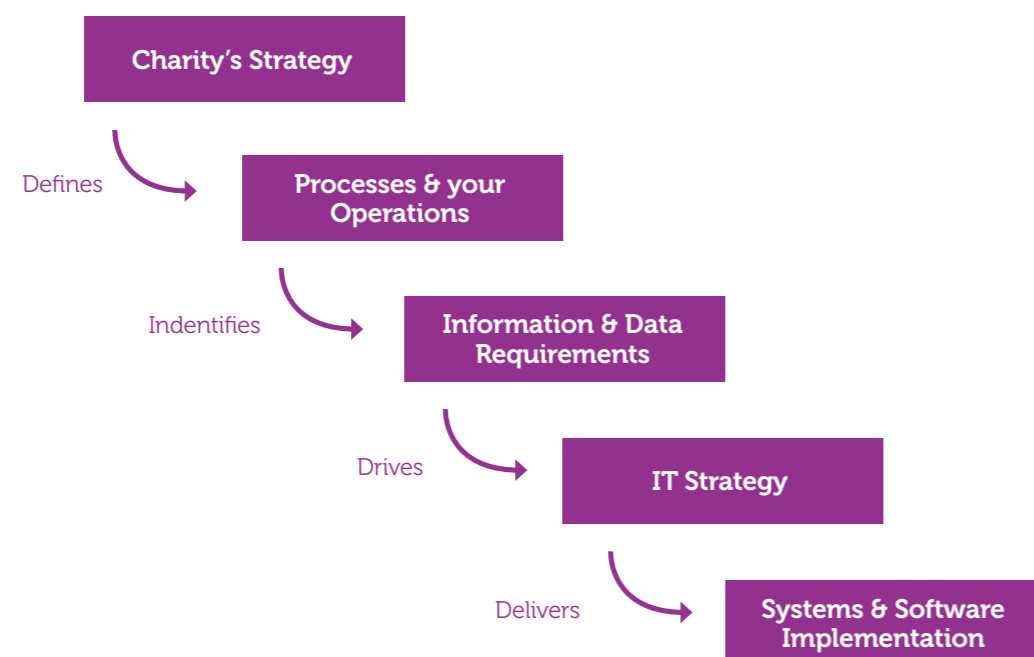
Conclusion

How to then start the process of a sucessful, commercial strategy

- Clearly articulate your focus.
- Understand the needs and context of those you are trying to help. Try and use data to get an up-to-date snapshot of the current situation.
- Structure time away from delivering services – look at the long-term, rethink priority lists and make sure you realise when you are implementing a 'quick fix'.
- Look at skills gap, make sure you are deploying your staff in the right places.
- Look at operational improvements. Can you analyse data to understand where donations tend to come from (postcode analysis) to tailor your marketing to different areas?
- Be data savvy and do evidence-based decision making.
- What steps need to happen to get from A to B, and what sequence should these steps take?
- Link strategy to a risk assessment and business continuity planning.
- Use data to promote transparency, and report on your activity easily.

The Strategy Roadmap

Charity's Strategy

Defines

Processes & your Operations

Indentifies

Information & Data Requirements

Drives

IT Strategy

Delivers

Systems & Software Implementation

Want to continue the conversation, or have any questions?

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