

DIGITAL connectivity

Our survey finds that CRM systems have been invaluable during lockdowns to keep in touch with donors. But charities are still not getting the most from them, finds **IAN ALLSOP**

The challenges brought since the pandemic hit over two years ago have been well documented. But what issues remain for charities, and what lessons have been learned about the importance of customer relationship management (CRM) systems?

Phil Hunt, senior manager, demand marketing at Blackbaud Europe, says that the fundraisers his organisation speaks to identify their biggest challenges as the general UK economic situation, and adapting to new ways of fundraising – driven in part by a move to online or digital-first methods. He cites statistics from Blackbaud's annual Status of UK Fundraising survey, which finds that 64% of respondents say that in-person events contribute less now than before the pandemic.

"However, organisations with the right tech perform better, with 45% of organisations with a CRM saying that their income increased year-over-year compared to a third without," Hunt says. "And organisations using CRM software are more likely to be gaining supporters – 43% compared to 38%."

Keith Collins, principal consultant at Adapta Consulting, says that as well as trying to plug gaps in events fundraising in come, many charities embraced digital innovation during the pandemic, either in terms of new ways of using digital for fundraising, or new ways of engaging with service users using digital tools. "The challenges now are in retaining the best of these innovations, and making them work

Methodology and market share

Fundraising Magazine, in partnership with Charity Finance, runs an annual survey of the UK charity CRM universe. The 2022 survey was completed by 610 charities, of which more than 450 identified as fundraising organisations, covering a wide range of incomes (see figure 1). Blackbaud continues to dominate the market, particularly for larger charities, with its long-established Raiser's Edge product, and it has started to introduce Blackbaud CRM for larger organisations. Beacon remains popular for medium-sized and smaller charities, while Donorfy has consolidated its already strong presence by picking up lots of new clients across all ranges (see figure 3).

alongside the approaches they had taken to fundraising, service delivery and internal collaboration before the pandemic. For CRM, the key lesson learned is that solutions need to work alongside these various other technologies and help support modern, often digital, customer experiences. Many organisations are finding that the challenge of integrating ageing CRM systems with the wider digital, data and tech estate is where things fall down. Therefore, many are now starting their search for their next CRM system in earnest."

or other gatherings, supporter relationships have had to be maintained at arm's length. CRMs have been an invaluable resource to achieve this."

Chris Houghton, CEO at Beacon, adds that the cloud is not an extra feature anymore; it is essential. "And that applies to every tool – from Microsoft Office to CRMs."

Ivan Wainwright, independent CRM consultant, thinks that those who have on-premise databases are still struggling to provide simple and fast enough access for most staff who work from

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home, whereas cloud CRM systems provide such access automatically. "Systems which enable better digital communications, and those which can quickly be configured for new requirements, are showing their benefits. Some organisations are still struggling with the non-centralised location of supporter services and income processing, but many have used technology well."

Tom Ellis, managing director at Hautequin, explains that like most people, its clients worked from home during the lockdowns but in recent months this has morphed into hybrid working. "People have become used to remotely accessing their systems using the cloud/web. With restrictions on traditional means of meeting up with supporters, such as at events



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Steve Cast, managing director at Redbourn, says that without doubt, those customers who were already based in the cloud had the advantage when lockdowns first started. "That agility in the working environment has come with its own set of issues, security being perhaps one of the most noticeable. For example, charities should ensure that they are running an encrypted connection, using strong, secure password phrases, or better still, using multi-factor authentication as the preferred route. Strengthening security for a disparate workforce is a valuable lesson that customers have had to learn and adapt to in a short space of time."

He continues: "CRM has never been more important. With a distributed workforce, working from home, it is vital that up-to-date records are maintained. Every telephone call, every email received or sent, every letter scanned, should be logged as communications against the supporter's record. That way, the entire team is aware of the ongoing discussion being had with the supporter. Accurate data has never been more important. We are seeing changes in the frequency of data cleaning. Ownership of data is shifting too, with a demand for online data to be captured direct into the CRM, and not captured (and eventually, shared) by third-party services."

Robin Fisk, founder and CEO at Donorfy, says that the pandemic emphasised the importance of CRM. "Whether that's pivoting from in-person events, running emergency appeals or simply keeping the CRM updated so that everyone can trust it when they log in, the pandemic increased dependence not only on the CRM itself but also on the CRM supplier to guide and advise charities on the best way to use their CRM given the changing circumstances."

All change?

Proposed legislative changes to the UK General Data Protection Regulation (GDPR) and to the Privacy and Electronic Communications Regulations (PECR) in the wake of

Figure 1: Income of respondents

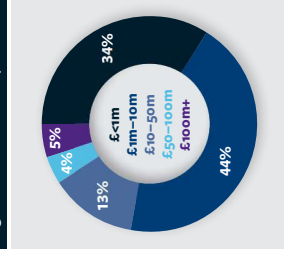


Figure 2: Years using package

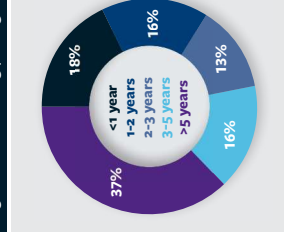


Figure 3: Packages by charity income

Charity Income	1	2	3
£10m+	Raiser's Edge (Blackbaud) 6%	Donorfy 13%	Blackbaud CRM 10%
£1m - £10m	Raiser's Edge (Blackbaud) 29%	Donorfy 24%	Beacon 11%
<£1m	Donorfy 40%	Beacon 22%	eTapestry (Blackbaud) 1%

Brexit are generally aimed at reducing certain compliance burdens that the law places on organisations. There is a mixed level of knowledge among respondents to our survey about these proposed changes with 57% saying they are aware of them. Of those, however, over 80% feel that they will make no difference (see figures 8 and 9 on page 17).

a fundraising campaign or makes a donation, a charity would no longer need to obtain explicit consent from the donor to send them related fundraising emails. "I would assume, therefore, that charities will need to prepare for accelerated growth in their supporter database and, via research, run targeted campaigns."

"The pandemic increased dependence not only on the CRM itself but also on the CRM supplier"

So, what are the main things charities need to potentially be prepared for? Ellis thinks that in essence the proposed changes are advantageous to charities, which were "previously tethered by the fear of breaching data regulations". He cites the proposed introduction of the soft opt-in policy, which will allow more freedom for a charity to contact previous supporters and send fundraising emails. For example, if a donor expresses interest in

Hunt says that another significant proposed change would allow organisations to use analytics cookies – tracking data such as the number of users on a site and duration of site visits, and similar technologies without obtaining the user's consent, which would only be required for cookies that track users and create profiles, as in online advertising. He also raises a proposed reform to remove the recordkeeping requirement under Article 30 of the UK GDPR, leaving it up



Figure 4: How do you rate your CRM software?*

Software	Number of responses	Functionality	Cost	Integration with other systems	Integration with website	Ease of use	Accessibility	Security	Ability to customise	Overall
Access thankQ	9	3.8	2.7	2.7	2.9	3.3	3.9	3.7	2.8	2.9
Advantage Fundraiser (Redbourn)	10	4.0	4.4	4.4	3.4	4.1	3.9	4.2	3.5	4.0
Beacon	61	4.9	4.6	4.6	4.7	5.0	4.8	4.9	4.8	5.0
Blackbaud CRM	10	4.1	3.5	3.6	3.2	3.8	3.7	4.2	4.1	3.9
Donorfy	125	4.4	4.3	4.1	4.0	4.4	4.4	4.4	4.0	4.4
eTapstry (Blackbaud)	38	3.3	3.2	3.0	3.1	3.4	3.4	3.6	3.1	3.2
Harlequin	11	3.6	4.4	2.6	2.4	3.6	3.5	4.3	4.1	3.5
Microsoft Dynamics	10	4.2	3.3	3.8	3.4	3.9	4.0	4.3	4.2	4.0
Raiser's Edge (Blackbaud)	131	3.6	3.1	2.6	2.6	3.4	3.4	3.5	2.9	3.2
Salesforce.com	15	4.6	4.3	4.1	3.6	3.3	3.6	4.4	4.3	4.2
Other	36	3.3	3.9	2.8	2.7	3.3	3.2	3.8	2.9	3.3
Overall	456	4.0	3.8	3.4	3.4	3.9	3.9	4.1	3.6	3.8

* Satisfaction ratings have been determined by assigning responses with values from "very poor" = 1, and then calculating an average.

Figure 5: How do you rate the ability of your CRM system to:

Software	Number of responses	Integrate with digital marketing tools	Help provide a single view of supporters/stakeholders	Help you automate your business processes
Access thankQ	9	3.1	3.0	2.9
Advantage Fundraiser (Redbourn)	10	3.3	4.3	3.8
Beacon	61	4.6	4.9	4.7
Blackbaud CRM	10	3.1	3.7	3.7
Donorfy	125	4.0	4.3	4.0
eTapstry (Blackbaud)	38	2.8	3.4	3.0
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Microsoft Dynamics	10	3.7	3.9	3.6
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Salesforce.com	15	3.5	3.9	3.7
Other	36	2.5	3.1	2.9
Overall	456	3.3	3.9	3.5

to organisations to determine how best to demonstrate compliance. "Under these proposed changes, organisations that can demonstrate a proactive approach to compliance and accountability would be able to provide the Information Commissioner's Office (ICO) with a remedial action plan in the event that fit their organisation's needs and goals."

Fisk adds that it will be important to check through vendors' data processing agreements to make sure they have the standard contractual clauses needed to protect charities when their data is transferred outside the EU and UK.

"Many charities seem to have taken their eye off the ball when it comes to data protection"

David Membrey, principal consultant at Adapra Consulting, thinks that most of the proposed changes are quite abstruse. "The one most likely to trip up some charities is that you now need to develop their own privacy and compliance programmes

Figure 6: How do you rate your CRM software supplier?

Supplier	Number of responses	Technical support/customer service	Provision of updates/ upgrades	Knowledge of charity sector	Corporate social responsibility	Investment in development	Engagement during the pandemic	Overall	% that would recommend supplier
Access (thankQ)	8	3.0	3.3	3.4	3.0	3.1	3.0	3.0	4.0
Beacon	61	5.0	4.9	4.9	4.7	4.8	4.8	4.9	10.0
Blackbaud (Blackbaud CRM, eTapstry & Raiser's Edge)	179	3.5	3.2	3.8	3.3	3.1	3.1	3.3	5.8
Donorfy	125	4.4	4.3	4.4	4.0	4.3	4.3	4.4	9.5
Harlequin	11	4.3	3.8	4.5	3.6	3.7	3.6	3.7	7.3
Microsoft (Access, Dynamics, Excel & Outlook)	17	3.2	3.6	2.9	2.9	3.3	3.1	3.2	5.0
Redbourn (Advantage Fundraiser)	10	5.0	4.5	4.4	3.7	3.7	4.1	4.3	9.0
Salesforce.com	14	3.9	4.1	3.8	4.0	4.0	3.8	3.9	8.6
Other	29	3.6	3.2	3.7	3.2	3.0	3.3	3.4	5.7
Overall	454	4.0	3.9	4.1	3.7	3.7	3.7	3.9	7.5

feels like almost constant change. But as every good Scout would say: 'Be prepared!'

Maximising use

A common theme in comments by survey respondents is one of getting the best out of their CRM system. One says: "Staff do not use the CRM properly - they find it cumbersome," although they concede that this is probably a training issue. Another bemoans the lack of time to upload historical data, and again, pinpoints a need for "skills training and consultancy for improvements in the way we use the CRM as no one had any experience prior to its installation". In general, while CRM systems have a huge benefit, a lot of charities do not have the time and expertise to optimise their usage.

"However intuitive CRM systems are, there is still no substitute for investing in focused training, delivered by experts"

Wainwright feels that contemporary CRM platforms have amazing capacity to offer more to charities work. "There are obvious

charities. "But I don't think that most charities are capitalising on such benefits. For example, very few I know of are creating automated, responsive supporter journeys, although they could do."

Fisk agrees that there is always more that you can do. "True scalability lies in knowing what works and doing more of it. The answer to what works, and what doesn't, is probably in your CRM. So charities could gain a lot by analysing their data, or asking their vendor to help if they don't have the skills or capacity in-house."

Ellis has noticed a trend for more



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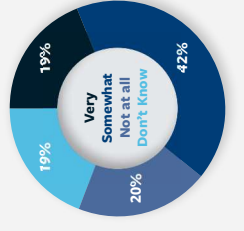
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Figure 7: How well does your CRM software interface with web-based fundraising platforms?



genuinely thinks that charities are now expecting more from their CRM system, and are less willing to put up with something inadequate. "For many, the problem actually is that their needs and requirements go beyond what their existing CRM system is capable of – in particular in terms of integrating with data and other tools to provide an excellent experience for supporters, and efficient business tools and processes."

"In today's society, where information is king, the CRM system is the crown jewel"

For Hunt, organisations that make the most of their CRM which everything flows. There is an ongoing onus on the CRM provider to create a channel of communication with clients to keep them updated on new features, and to take on board new ideas from them." Collins says that the

means organisations of all sizes can be effective users of technology infrastructure, if they have a culture that supports this. You don't need to be a large organisation to get the most from a CRM."

Houghton sums up by saying there's a risk of seeing a CRM project as finished once the fundraising processes are set up. "Over time, things can grow stale – and the system becomes less and less useful. Your CRM should grow

and adapt with your charity over time, so it's important to keep asking how your CRM can help you do things better."

Looking ahead

With regards to developments in CRM systems, Ellis says that

Fisk thinks that machine learning can offer charities with reasonably large databases real insights into supporters' propensity to respond to the various kinds of outreach that charities do.

Houghton says that without a doubt, CRMs will keep getting easier to use, and more automated. "No one wants to use a product that looks like Windows 98 any more. Charities want a system that's actually easy to use, where they don't have to spend hours a week on manual data entry. CRM systems that don't keep up will be left behind."

Figure 8: Are you aware of proposed changes to data protection legislation in the wake of Brexit?

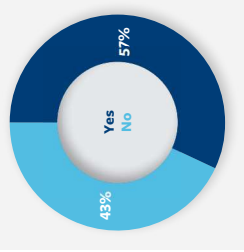
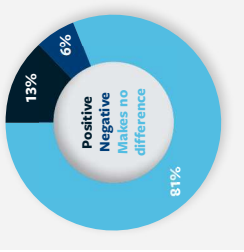


Figure 9: If yes, do you regard these changes as:



"Hoping that being a not-for-profit means you are immune to cyber crime is sadly misguided"

Collins thinks that the future will see CRM systems being seen as just one of a number of solutions that need to combine with other tools, such as RPA (robotic process automation), customer data platforms, digital marketing solutions, and discrete tools to support campaigning or volunteering – all supported by enhanced AI capabilities.

"To some extent the CRM system itself might become less mission critical, with less of a charity's activities, processes or engagement driven specifically from that technology solution. However, the selection of an appropriate CRM solution and implementation partner will still be vital – the CRM system will continue to play an important role as part of a wider data/tech/

security protocols and your business continuity model. Be vigilant, as it is a case of when you will be attacked, not if. Hoping that being a not-for-profit means you are immune to cyber crime is sadly misguided."

Wainwright concludes that the move to a CRM platform from a fundraising database is still a huge cultural shift and a massive programme of change for many organisations. "There needs to be a consideration of whether the history and reliance on direct marketing is still relevant compared to digital marketing, which it will be for some charities. But for others, it is the opportunity to embrace change and how CRM and technology can help improve communications, interactions, business processes and data analytics."



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