



International Fundraising  
Leadership

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# Presentation to IFC

October 14<sup>th</sup> 2014

act:onaid

AMNESTY  
INTERNATIONAL



ChildFund  
International




GREENPEACE



Operation Smile



 International Federation  
of Red Cross and Red Crescent Societies



 SOS CHILDREN'S  
VILLAGES



World Vision



# Why do we exist?

*We exist to drive*

*global fundraising excellence*

*for a better world.*

# Since 2009, our informal group has grown and formalized

2009

2014

**2009:** First joint project – *INGO Benchmarking* with 7 orgs + 6 countries

**2010:** Second joint project – *The Peer Review* with 7 orgs + 50 countries

**2012:** 1st meeting in an emerging fundraising market – Brazil

**2013:** 2nd meeting in an emerging fundraising market – India

**2013:** IFL Forum emerged

**2014:** Peer review with 18 org. + 188 countries

**2014:** INGO Benchmarking with 12 orgs + 14 countries

**2014:** Meeting in Amsterdam

# How do we operate today?

- As a committed group of international fundraising leaders who improve fundraising performance through collaboration, trust and leadership by sharing their experience, knowledge and best practice.
- As a membership organisation with membership fees and an elected Chairperson and Steering Group.
- Supported by a project manager and adviser.

# What do we do?

- We meet twice a year as a peer group of the most senior fundraisers in our organisations for discussions in a trusted and confidential Forum.
- We identify strategic issues and trends of common interest and decide on priority projects to focus and collaborate on.
- We aim to actively engage with external actors to the sector who are changing the world we work in.
- Through these initiatives, we aim to improve our decision-making both at international and national levels; to deliver improved returns on investment for our organisations; and to increase income for programmes with the beneficiaries of our organisations.

# Through collaboration on joint projects, we achieve outcomes and insights we cannot achieve alone

Our two flagship projects are

- **The Peer Review** - a comparison of our income by country and by channel across all markets in our international fundraising programmes with five-year trends. In 2014, 18 members compared private sector revenue of more than **\$41 billion** raised in 2013.
- **The INGO Benchmarking Initiative** - a comparison of the actual performance of individual donors by country with five-year trends. It started in 2009 and, in its sixth year in 2014, compared the performance of 14.5 million donors from 31 countries and combined revenue of US\$2.1 billion.

# The most important benefits







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# 2014 INGO Peer Review Topline Results

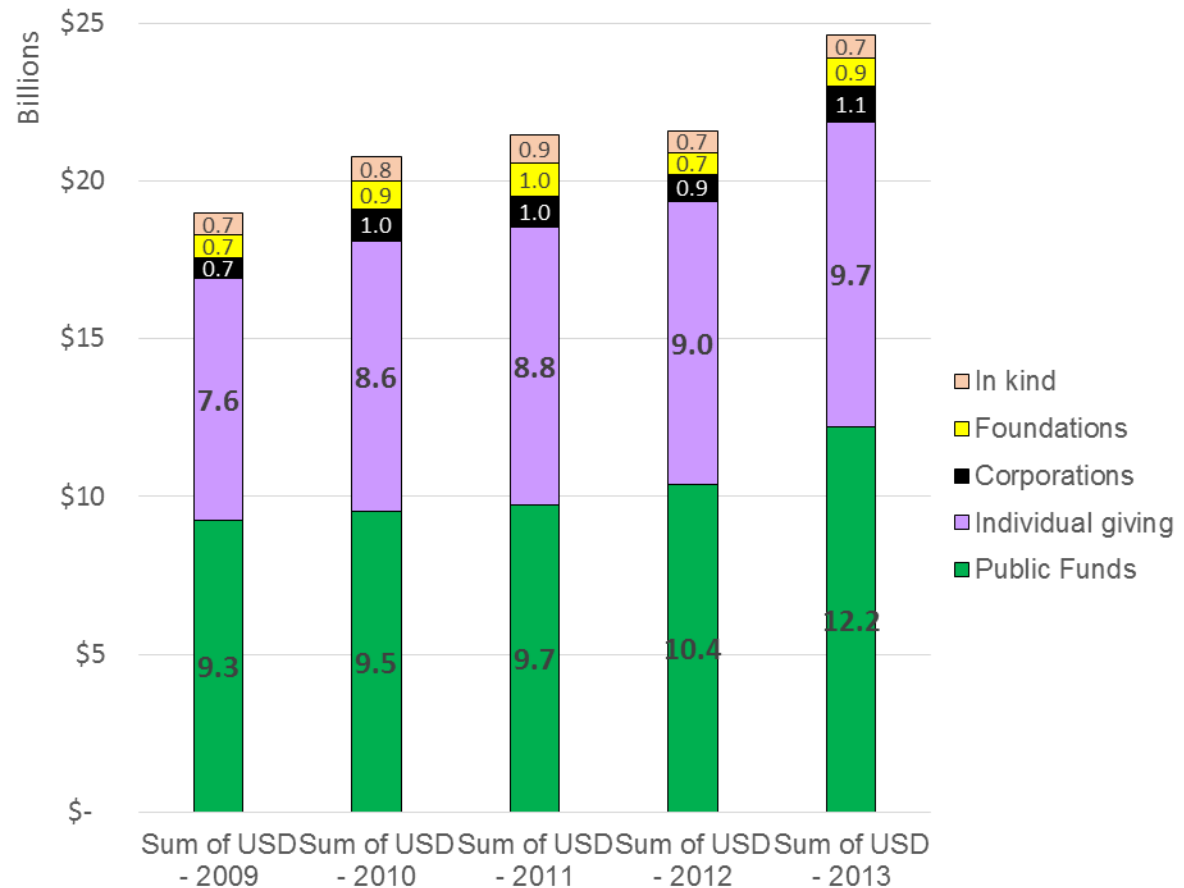
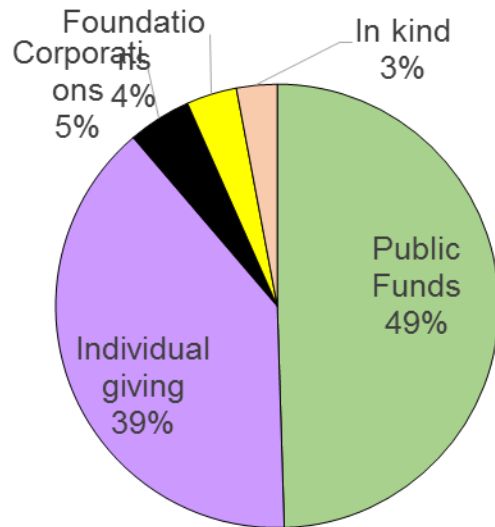
**Sotta Long, Market Knowledge, UNICEF**  
**Presentation for the IFC - October 2014**

# 2013 Peer Review Data

- INGO Peer Review 2014 , **2013 income data.**
- Data provided by 18 Organizations for every fundraising country between 2009 and 2013
- Analysis of **income trends by country, by organization and by income stream**
- Here Private Sector is all income excluding Public Funds, In-Kind and Other. **Private Sector includes Individual Giving, Corporation and Foundations.**
- **\$41 billion income**

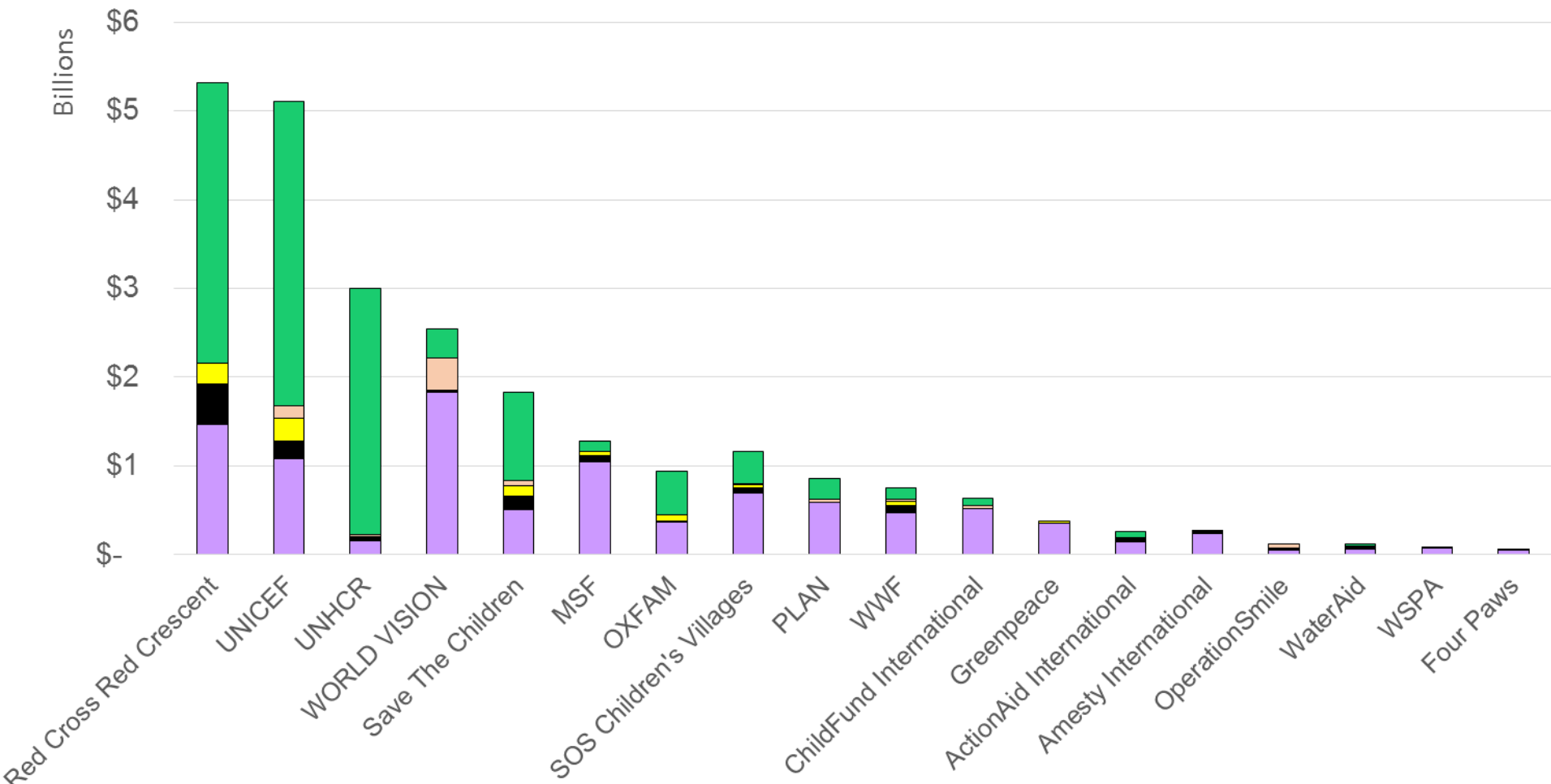
# The iNGO sector saw strong growth (8%) in 2013 with income split ~50/50 between private sector and public income

2013 results, all org.



# Globally, the income profile of participants varies greatly

Without "Other" category



Individual giving   Corporations   Foundations   In kind   Public Funds



# Part 1: Which income channels are delivering growth?

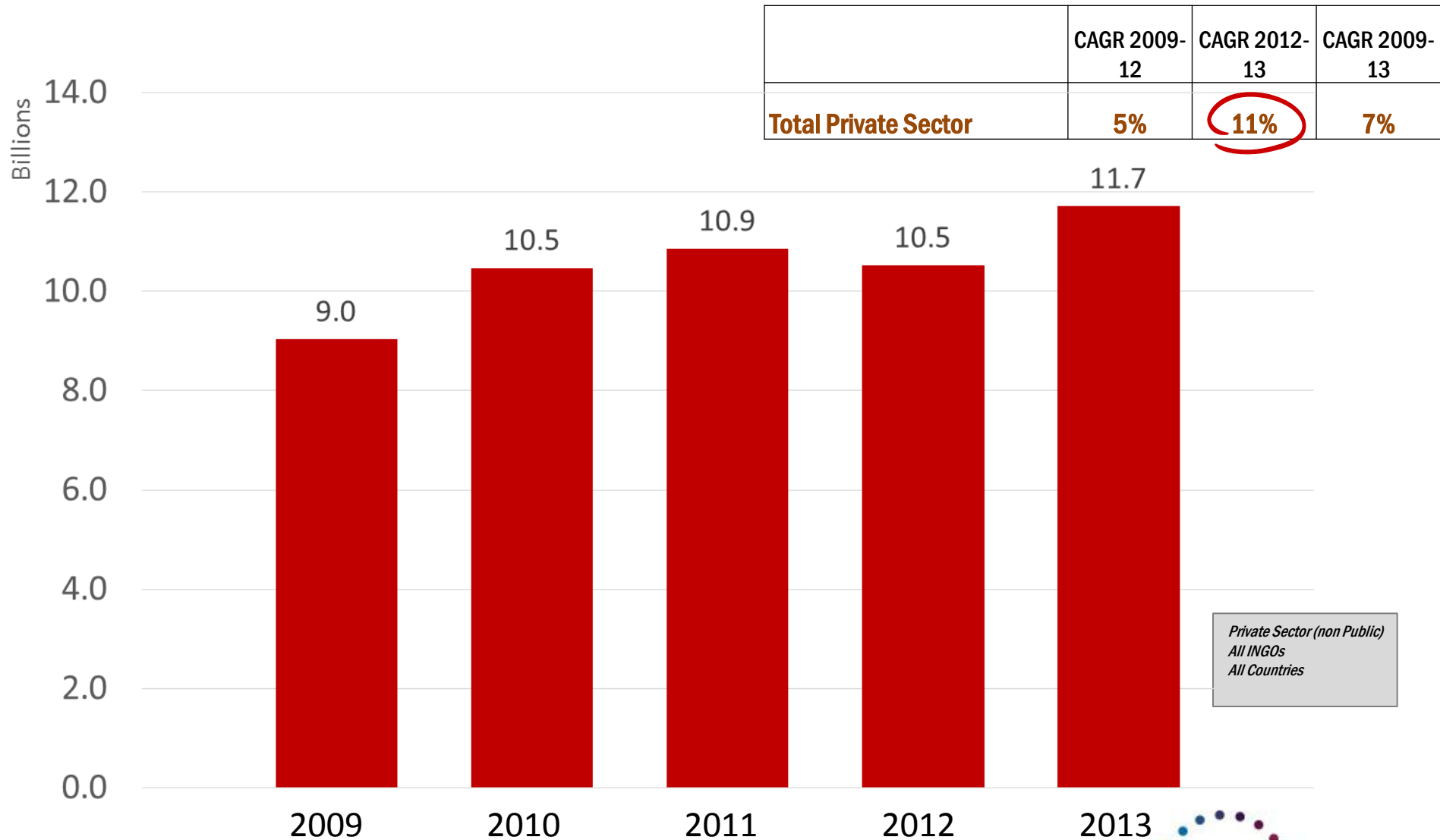


# In 2013, public funding surged, driven largely by emergencies

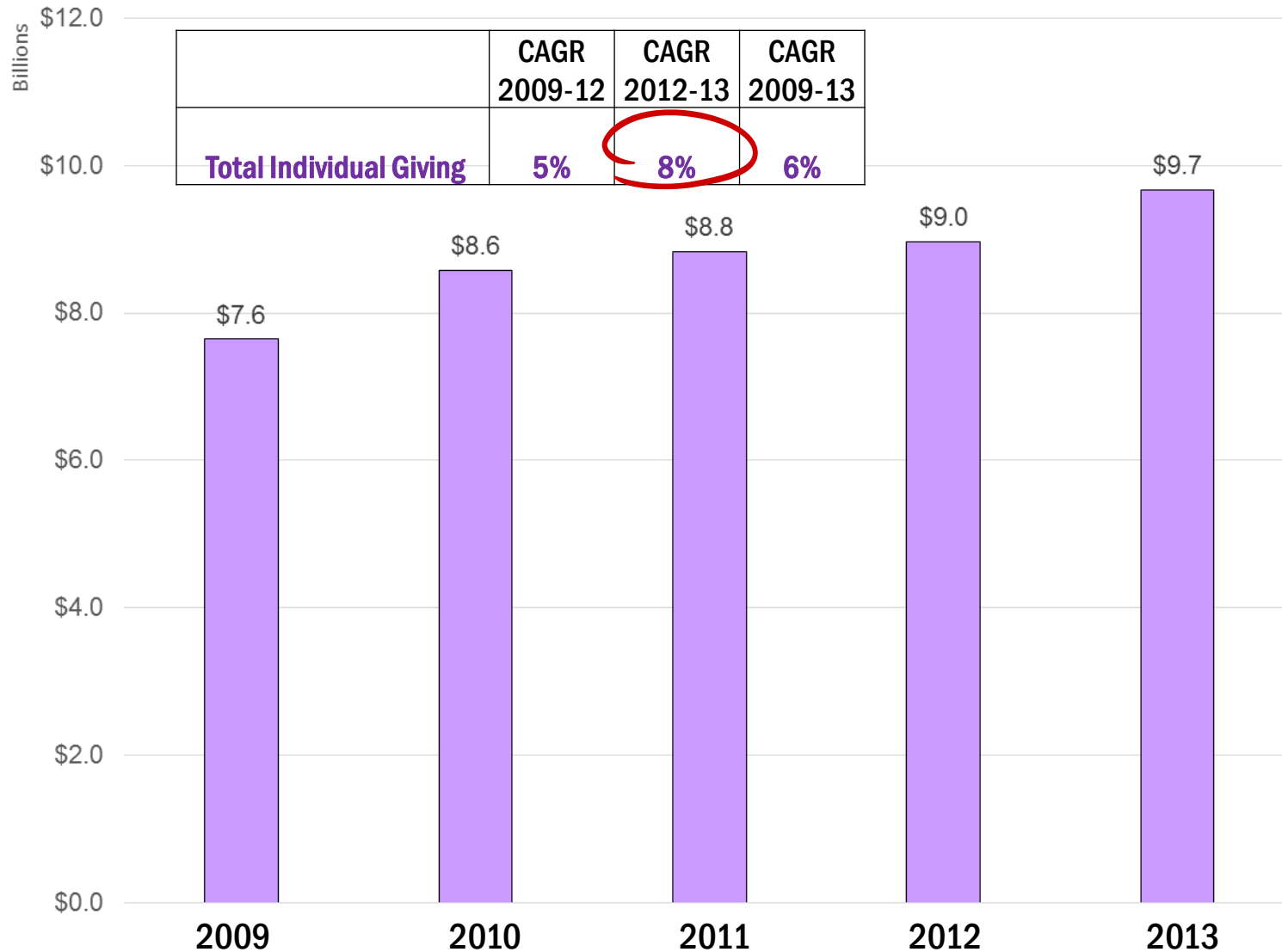
	1	2	1&2
	CAGR 2009-12	CAGR 2012-13	CAGR 2009-13
Total Public Funds	4%	17%	7%



# Private income growth also picked up after a few flat years

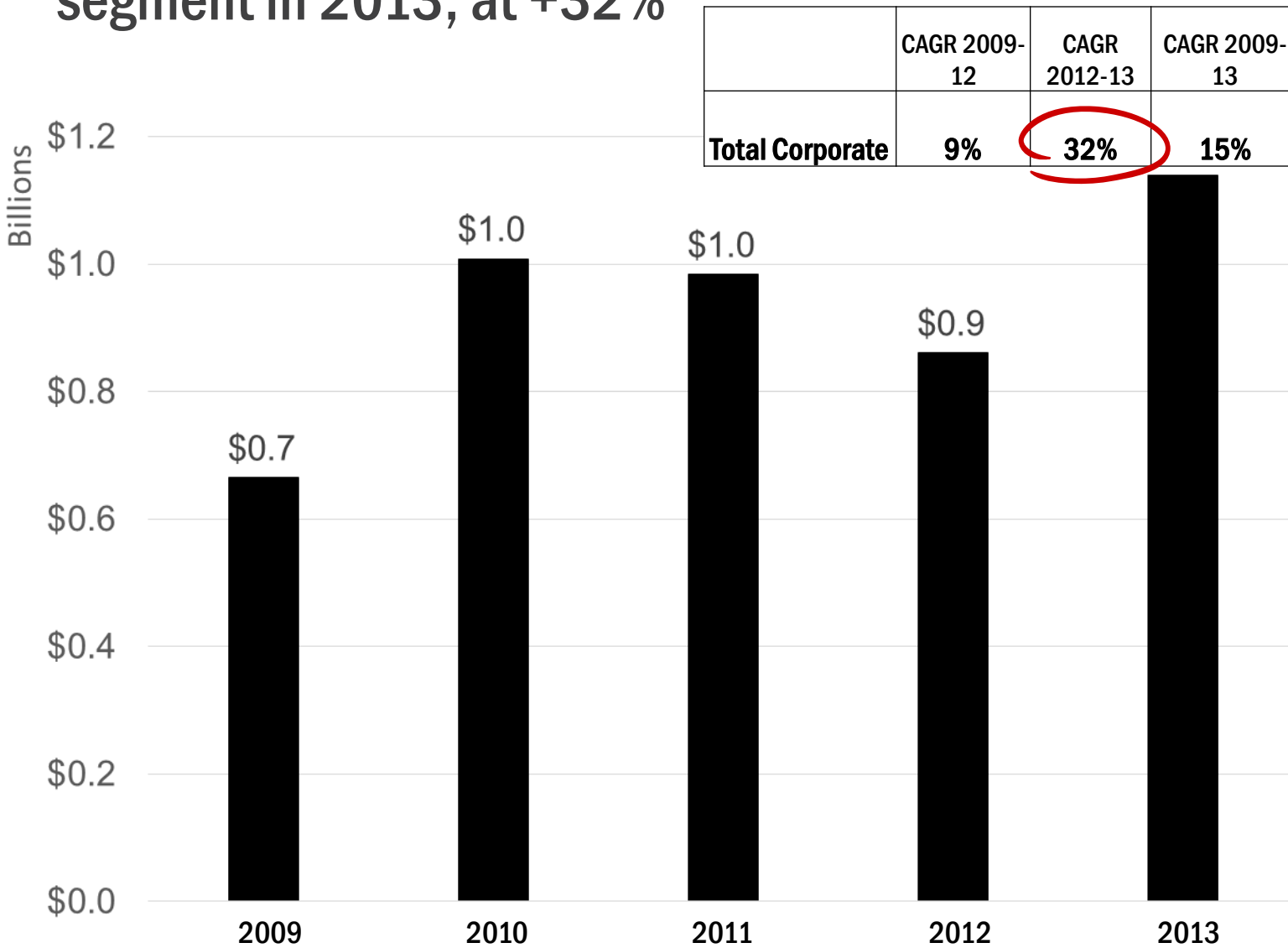


# Individual giving growth is up slightly but trajectory is steady





# Following decline in 2012, corporate income is the fastest growing segment in 2013, at +32%

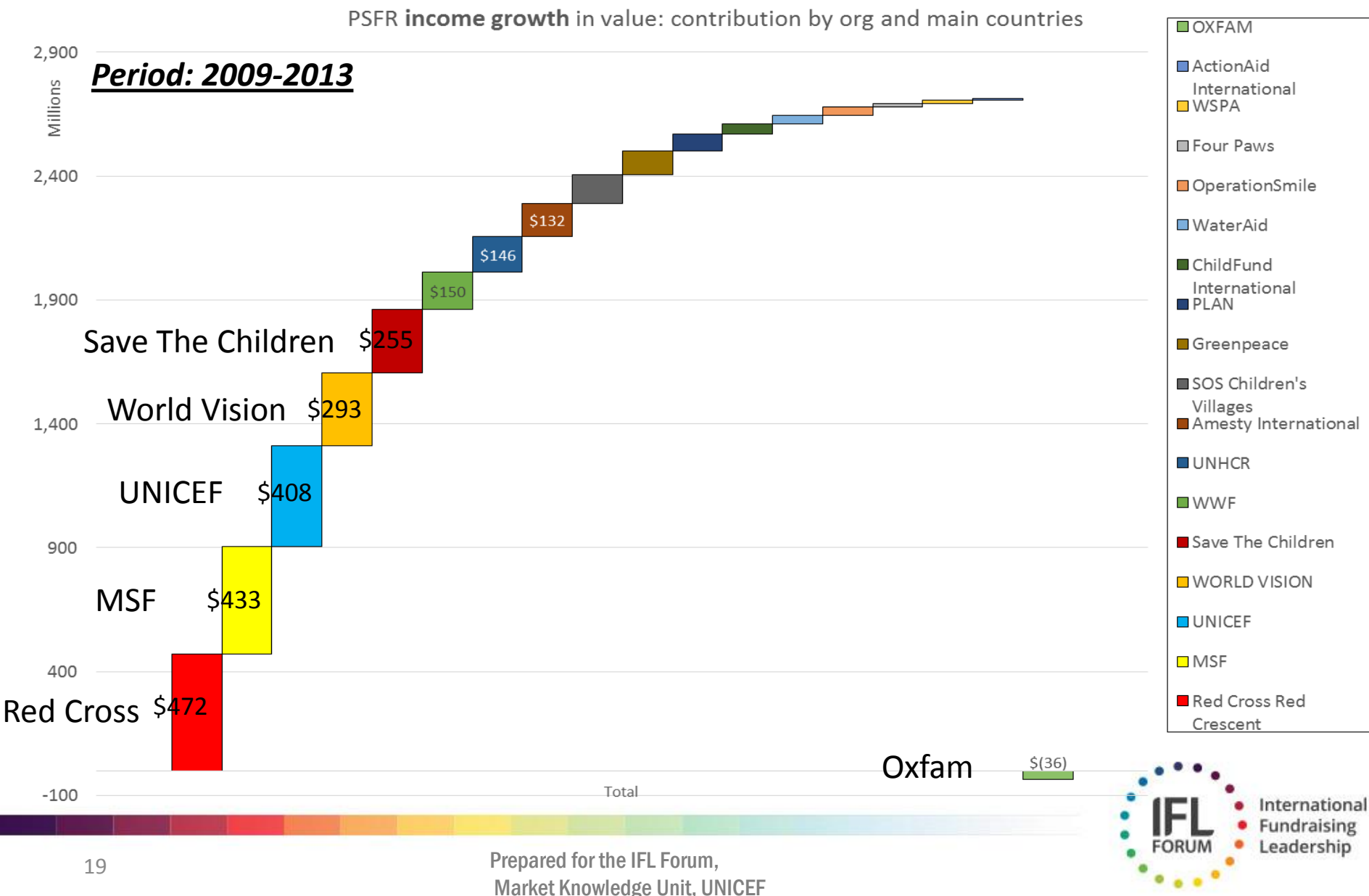


Corporate  
All INGOs  
All Countries

# Growth in value by income stream:

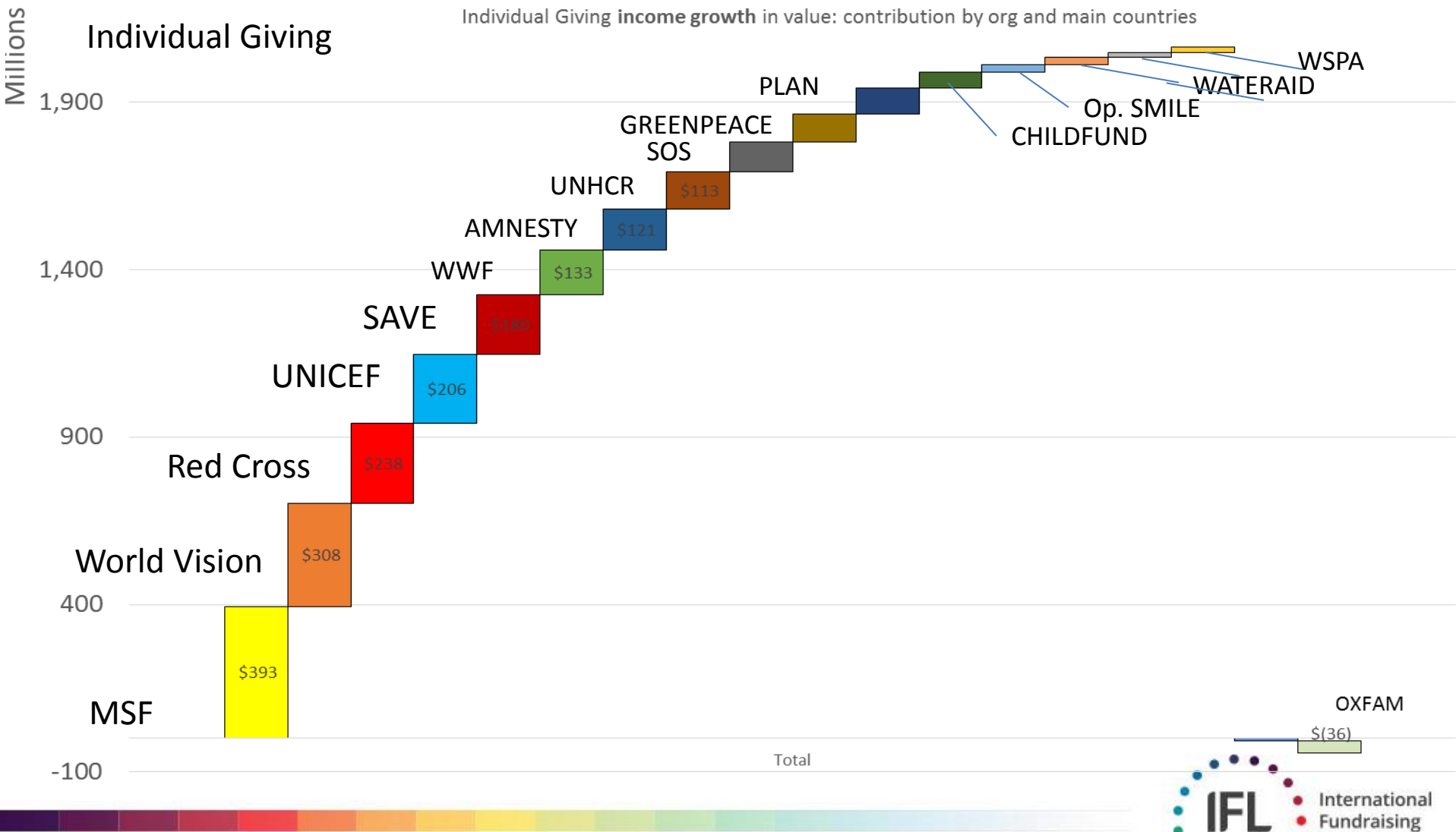
- 1) by organization, overall
- 2) by organizations, with key markets

# PSFR growth highly concentrated: 4 organizations accounting for more than 50% of 2009-2013 growth

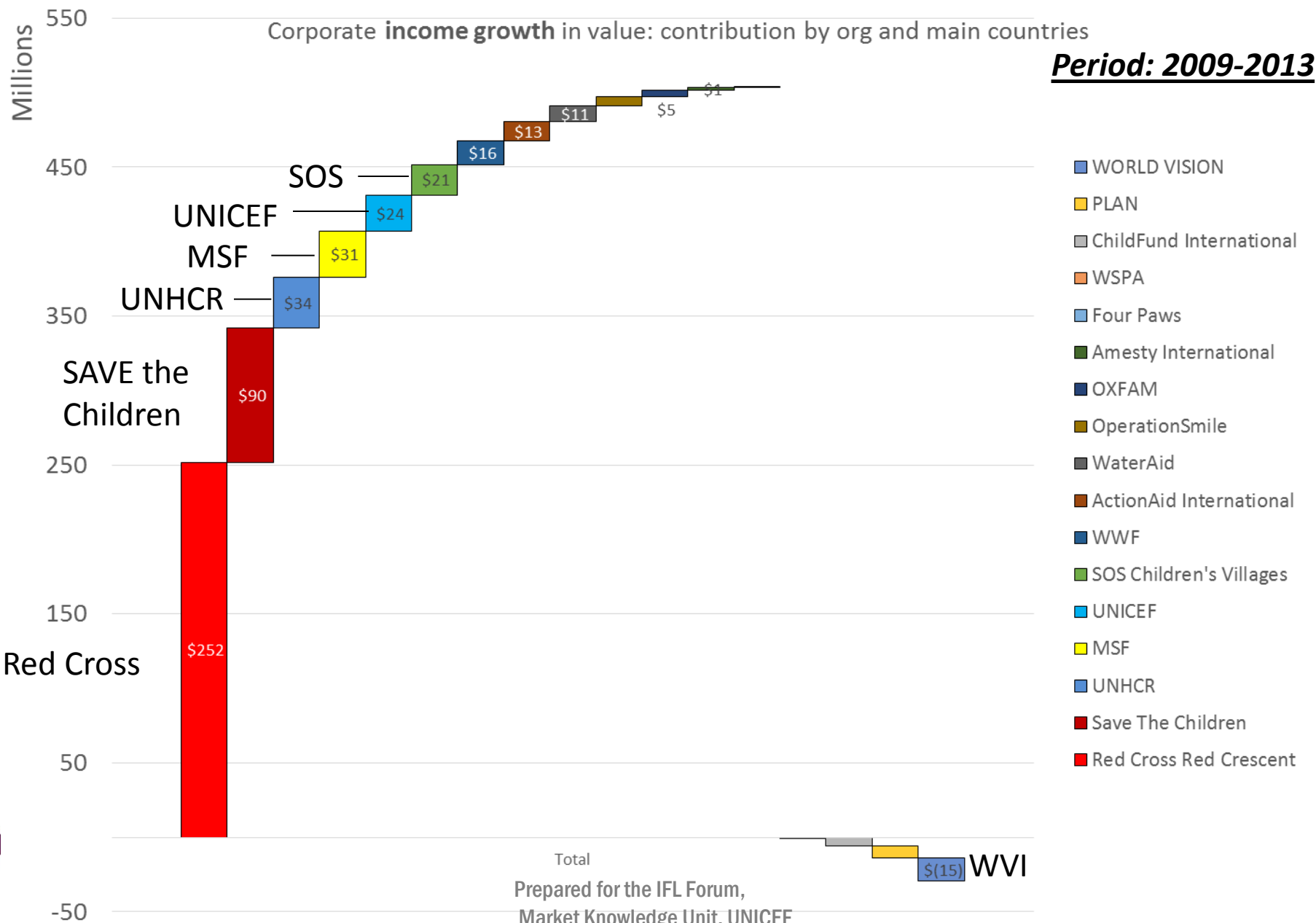


# Similarly, individual giving growth is concentrated, but more diversified than combined PSFR stream

***Period: 2009-2013***



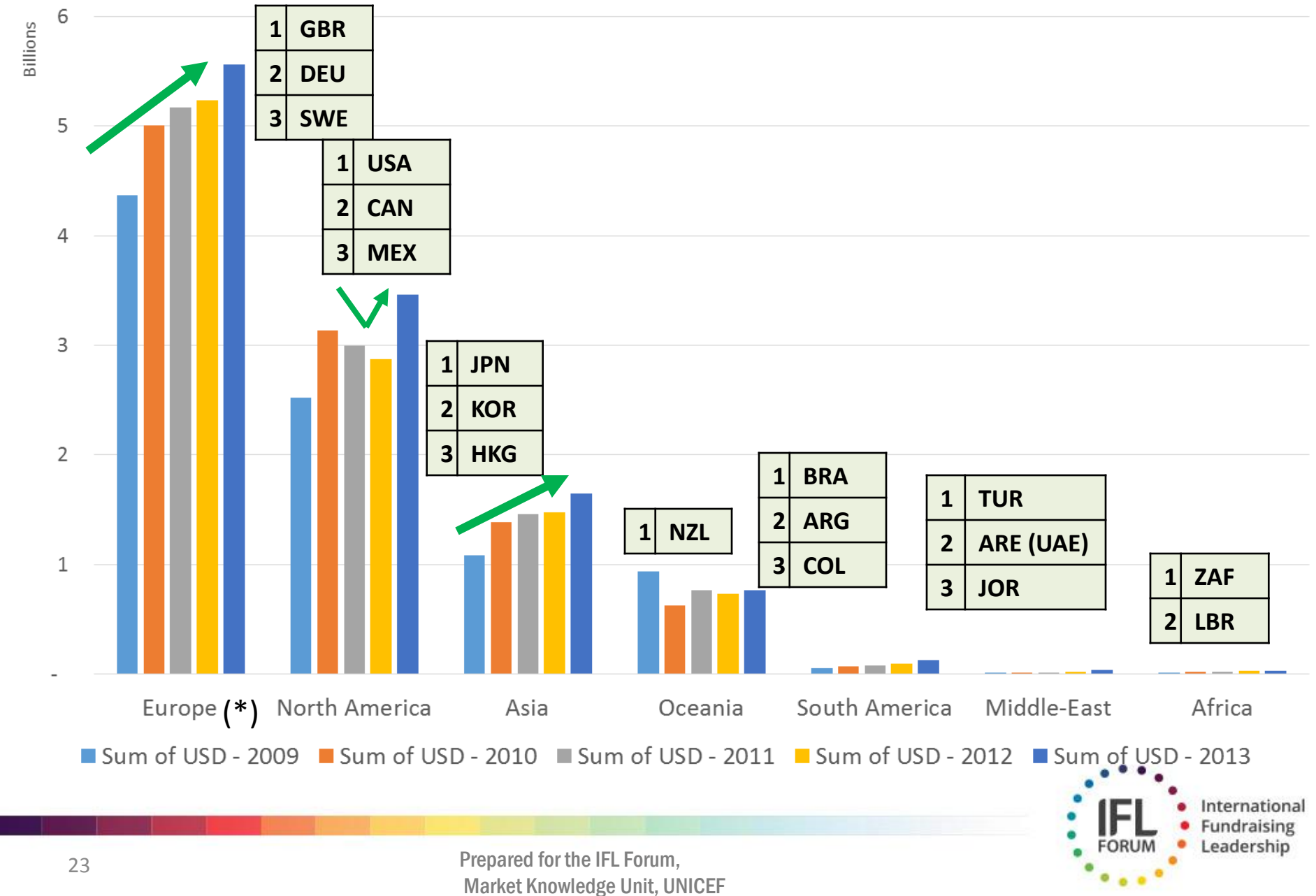
# Recent growth in corporate income largely driven by Red Cross and, to a lesser extent, Save the Children



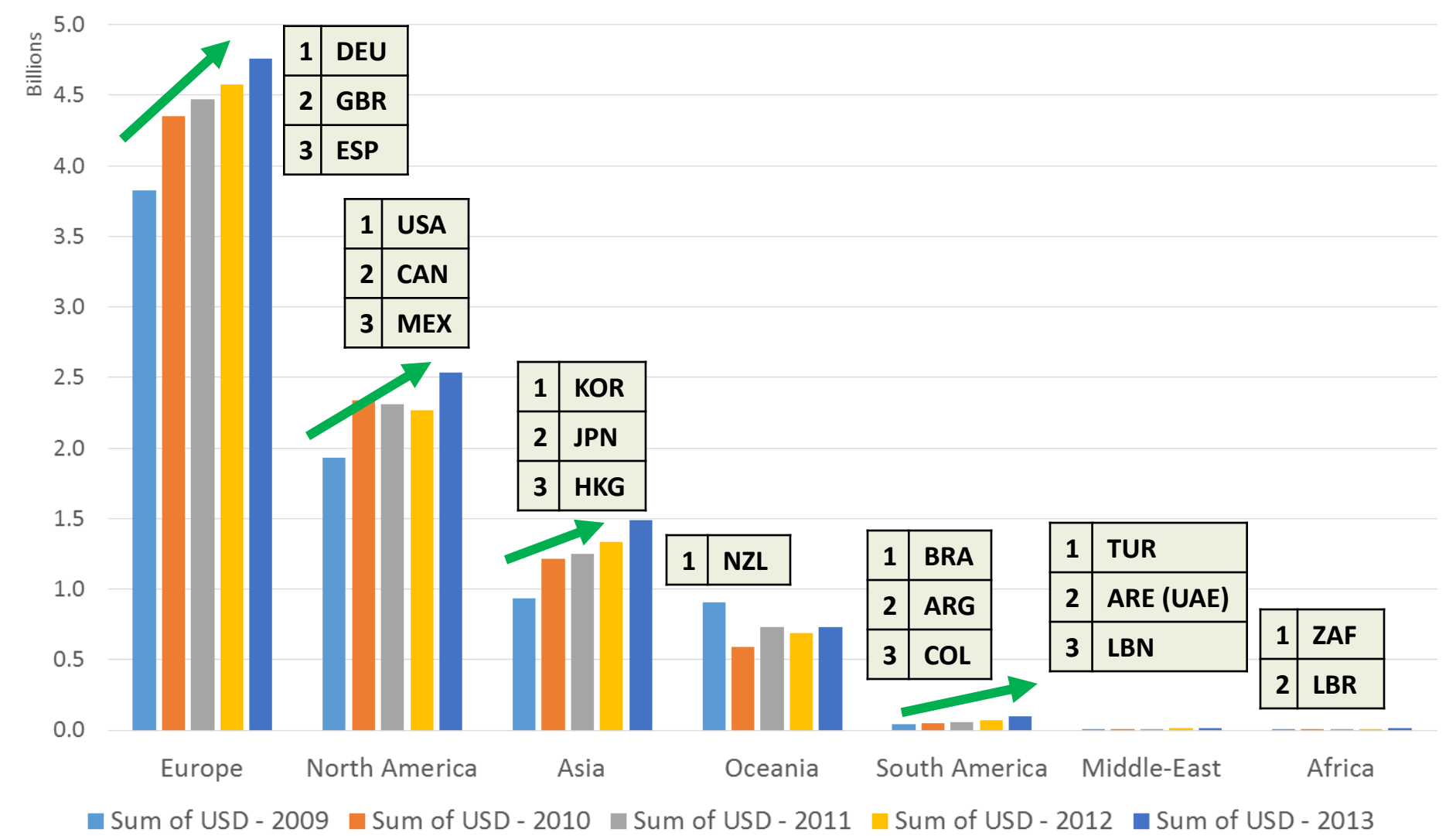
## Part 2: Where in the world do we see growth?



# Private fundraising continues to grow in Europe and Asia, turned around from recent decline in North America

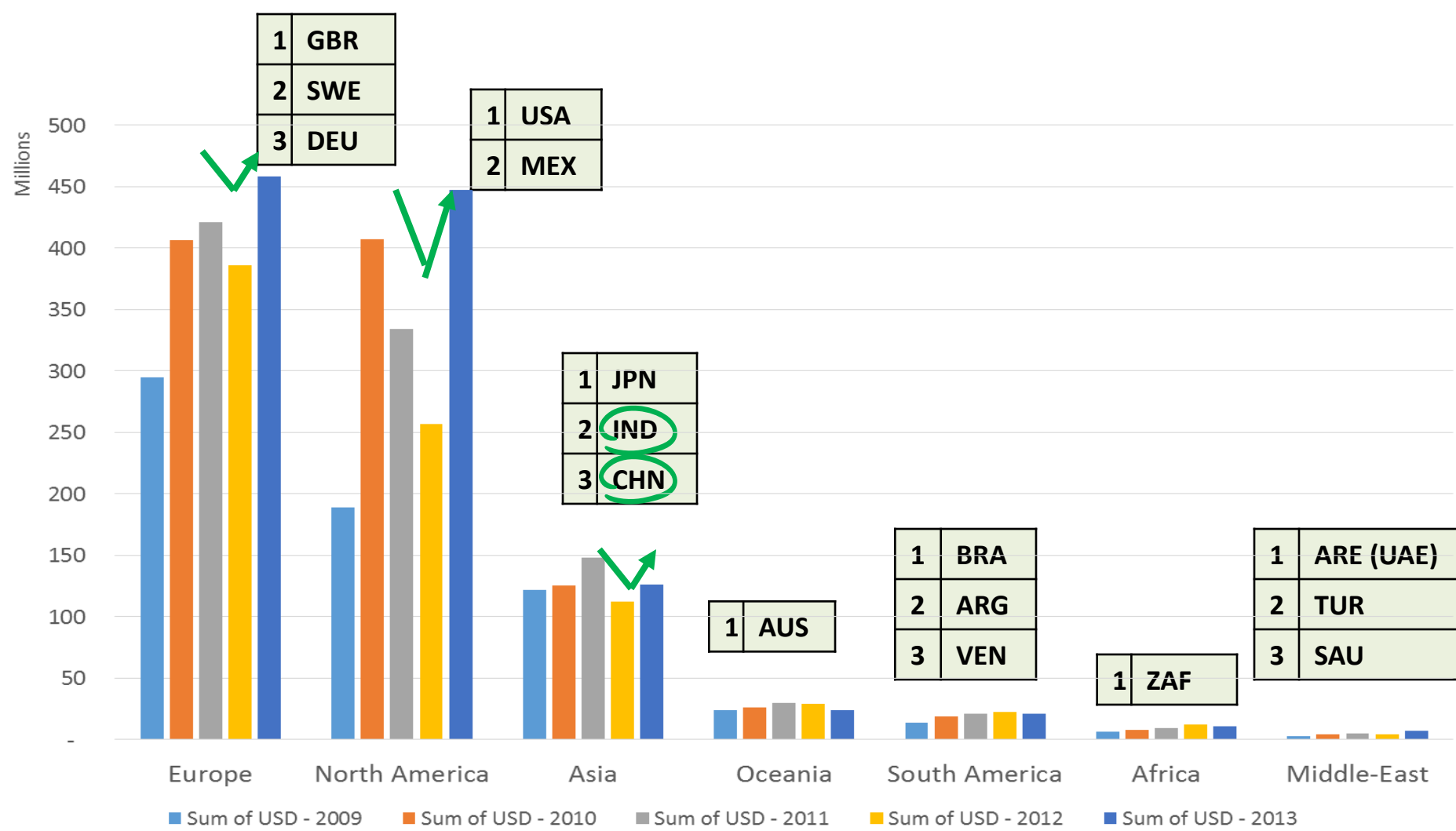


# Individual giving is growing in most regions; South American market remains small





# In each core region, corporate income increased in 2013 following 2012 drop





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# UNHCR – using IFL data and knowledge to drive strategic change

IFC, October 2014

# Some background on Fundraising at UNHCR:

Only began investing in PSFR in the 21st C

New High Commissioner 2005 who strongly committed

**ENORMOUS funding gap – 2015 Needs Based Budget USD6bn**

Period of proving the business case

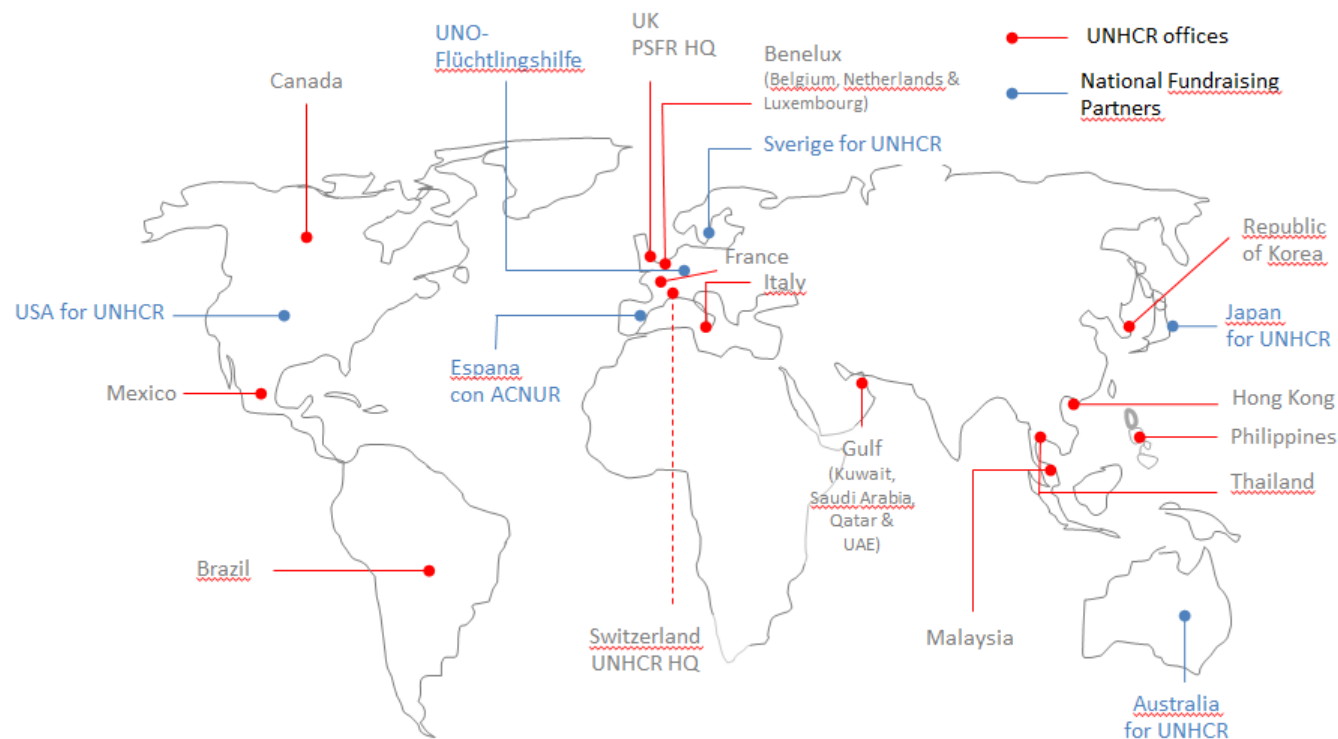
New to market

Con = low brand recognition, lack of institutional knowledge

Pro = chance to build modern fit for purpose team and strategy

# PSFR Global Network

Private sector fundraising efforts - through the Leadership Giving and Individual Giving programmes - are undertaken in 27 countries around the world, through a network of UNHCR country offices and 6 national fundraising partners.



## Critical role of the IFL:

### Sharing the Peer Review data at a senior level

Proves the case for growth and investment

Sets a competitive context for UNHCR (watch the other NGOs grow)  
plus 'fair/proportional share'

Creates a vision of possibility – punching above our weight

Benchmarks what performance is fair and reasonable (ROI, attrition,  
CPA etc)

Sets the pace for national programmes....

Become fast followers of trends...

**PSFR's purpose is to maximise private sector funds for UNHCR and amplify voices for refugees.**



## PSFR's USD1 Billion Vision

PSFR's vision is to raise USD1 billion from 5 million donors with a minimum of 50% as unrestricted income. 10 million supporters<sup>1</sup> in 100 countries will raise their collective voice for refugees.

PSFR will enable transformational change and support for actions that will protect and assist refugees, and allow UNHCR to implement multi-year strategies to provide solutions to problems faced by refugees and people of concern.

## PSFR's Competitive Advantage

The refugee cause elicits enormous compassion and generosity.

We are the fastest growing global PSFR programme in the world, in part because we have one of the highest levels of central investment in private sector fundraising of any

UN agency or INGO. Our aim is to maintain a high growth rate.

With UNHCR's new commitment to digital excellence, PSFR will look first – globally and locally – for digital opportunities in everything we do.

1 A supporter is a member of the public who donates, has donated in the past, acts (e.g. signs petition, signs up for newsletters, follows/likes on social media) or engages others on behalf of UNHCR (e.g. shares on social media).

# PSFR's Transformational Change by 2018

By end 2018 we will be halfway to achieving our USD1 billion vision:

We will be raising USD500 million from 2.5 million donors at a cost ratio of 30%.  
5 million supporters in 50 countries<sup>2</sup> will raise their collective voice for refugees.

## Our major markers of transformational change will be:

- Gross income has tripled since 2013
- PSFR has become the second largest donor to UNHCR<sup>3</sup>
- 1 million supporters in the USA and USD50 million income
- At least 50% of Individual Giving income (30% of total income) comes through digital channels<sup>4</sup>
- During an emergency we can reach 2 billion people through our digital and media partners and our social networks



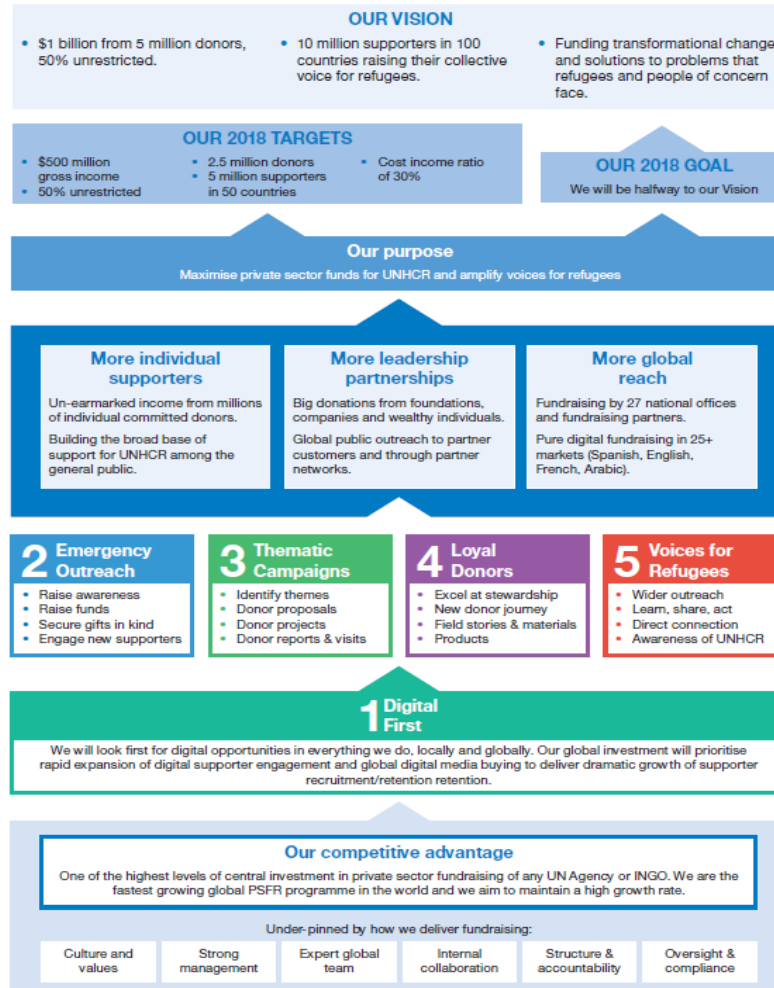
<sup>2</sup> To be included in the list of countries there must be a minimum of 1,000 supporters

<sup>3</sup> See definitions under Booster 1: Digital First

<sup>4</sup> The balance of expenditure (\$15m) not directly allocated to IG and LG programmes will fund PSFR support costs and PSFR Booster development.

# PSFR - In the next 4 years

## PSFR Global Strategy to 2018





# A systemic global investment structure: 5 PRINCIPLES



1. Strategy (+ Parameters)
2. Local/ Functional Context
3. ROI
4. Capacity (people, tools, systems)
5. Risk and Opportunity



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# Save the Children

## Data supporting strategic growth

IFC, October 2014

# Key insights from the IFL Forum projects are widely used internally, at several levels

## Peer review results used widely from board down to fundraising team

### Key output presented each year to international board and to CEOs

- Informs on the organisation's performance
- Supports strategic decision making
- Strong interest from the board and CEOs in general

### Fundraising directors are asked to comment on results

- Discussion held around budgeting period
- Key domestic peer data is added to further define local market

## IFL Forum benchmark results workshopped with fundraising teams

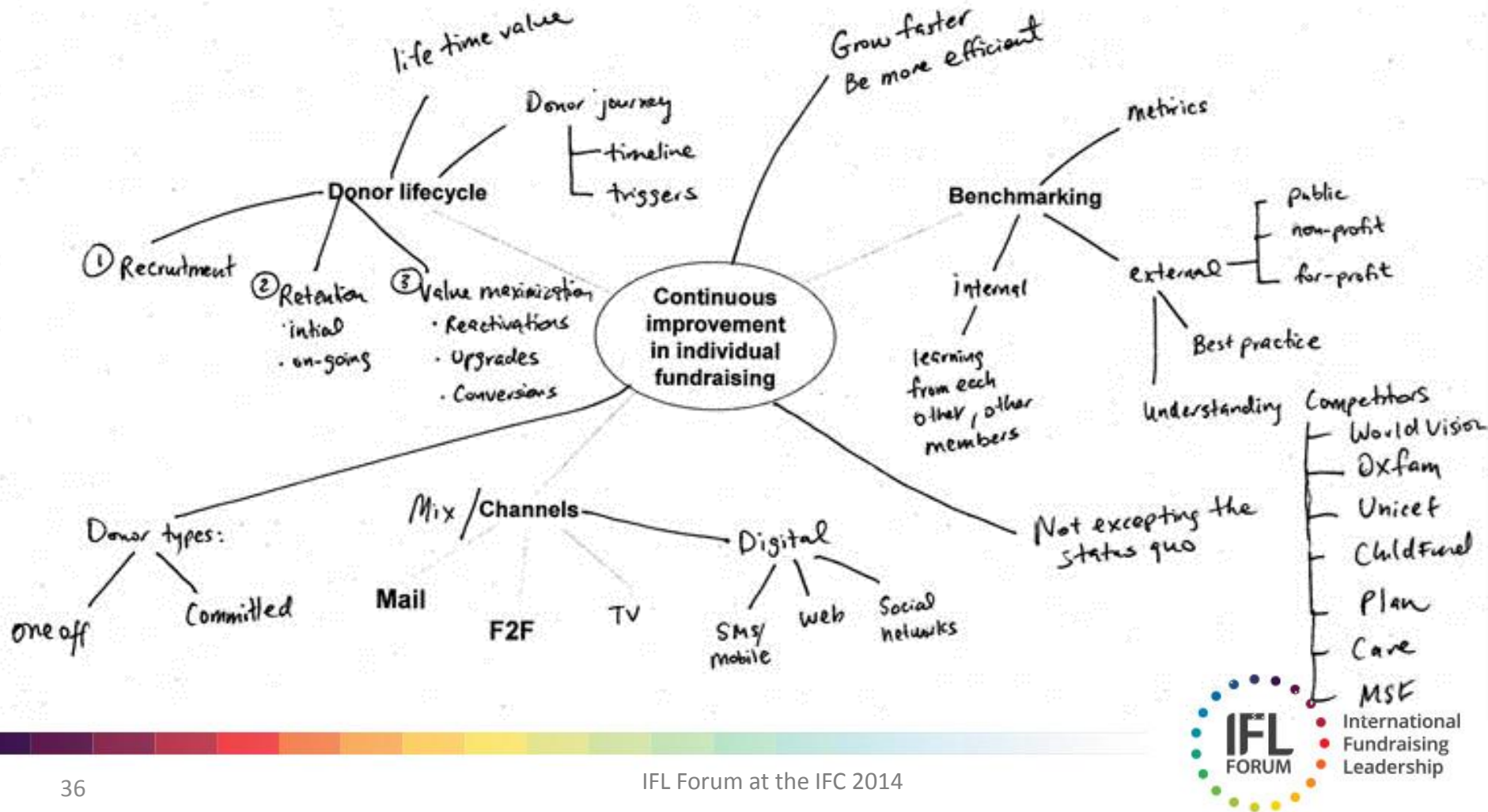
### Fundraising teams use the IFL Forum Benchmarking data to:

- Identify strengths and weaknesses in their programs
  - Highlight areas for improvement and opportunity
- Make the case for launching new fundraising channels and securing adequate testing budgets
- Identify local peers for additional knowledge sharing

### International team offers support by providing summary analysis and workshops

- Workshops involve wider fundraising team to get them to comment and act on results

# Workshop will involve group exercises to engage with the team...



...and will lead to a shared action plan which can involve support from international team or other members

	What's going well?	What could be explored?
1 Recruitment	<ul style="list-style-type: none"><li>• Leading donorbase growth</li><li>• Revenue per donor growth no longer flat</li></ul>	<ul style="list-style-type: none"><li>• Donorbase still only half size of market leader</li><li>• Possible to push further on web, explore DRTV, and Telemarketing?</li><li>• Unclear if strategy exists for low-level givers</li></ul>
2 Upgrades	<ul style="list-style-type: none"><li>• Share upgrading and size of increases in line with peers</li></ul>	<ul style="list-style-type: none"><li>• May be potential to push harder in recurring upgrades</li><li>• Small % converted from OO to recurring giving</li><li>• Very few giving recurring and OO</li></ul>
3 Reactivation	<ul style="list-style-type: none"><li>• Leading peers in OO rates</li></ul>	<ul style="list-style-type: none"><li>• Lagging peers slightly in recurring reactivations</li><li>• Small share of revenue from reactivations today</li></ul>
4 Downgrades	<ul style="list-style-type: none"><li>• Stable percentage, similar to SC participants and market peers</li></ul>	<ul style="list-style-type: none"><li>• Could more downgrades (e.g. skip a payment) be offered as an alternative to attrition?</li></ul>
5 Attrition	<ul style="list-style-type: none"><li>• Leading peers in recurring retention</li></ul>	<ul style="list-style-type: none"><li>• Peer X 11pts higher in OO retention – may be opportunities in Mail and Web</li></ul>

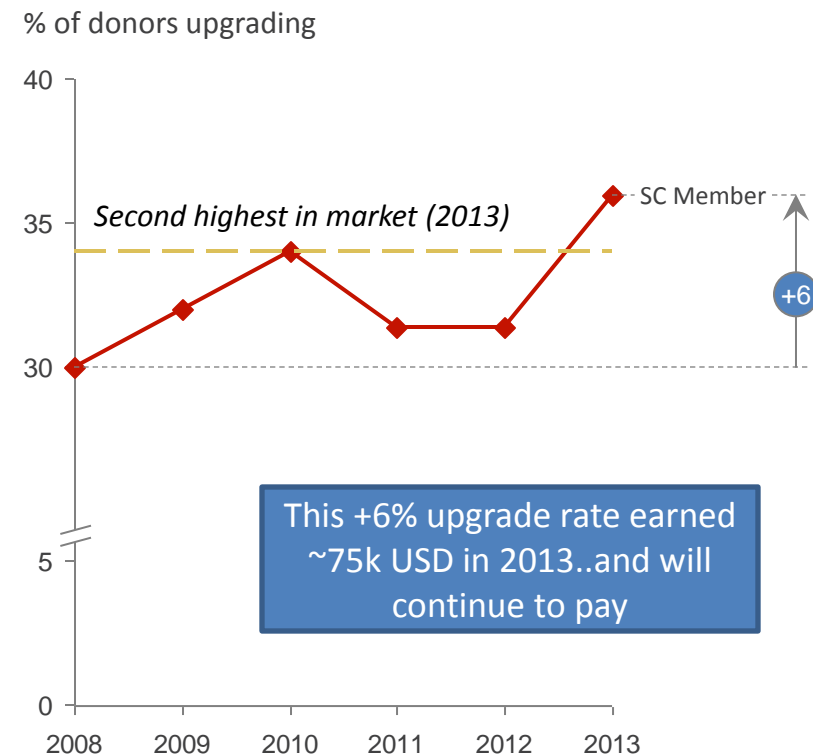
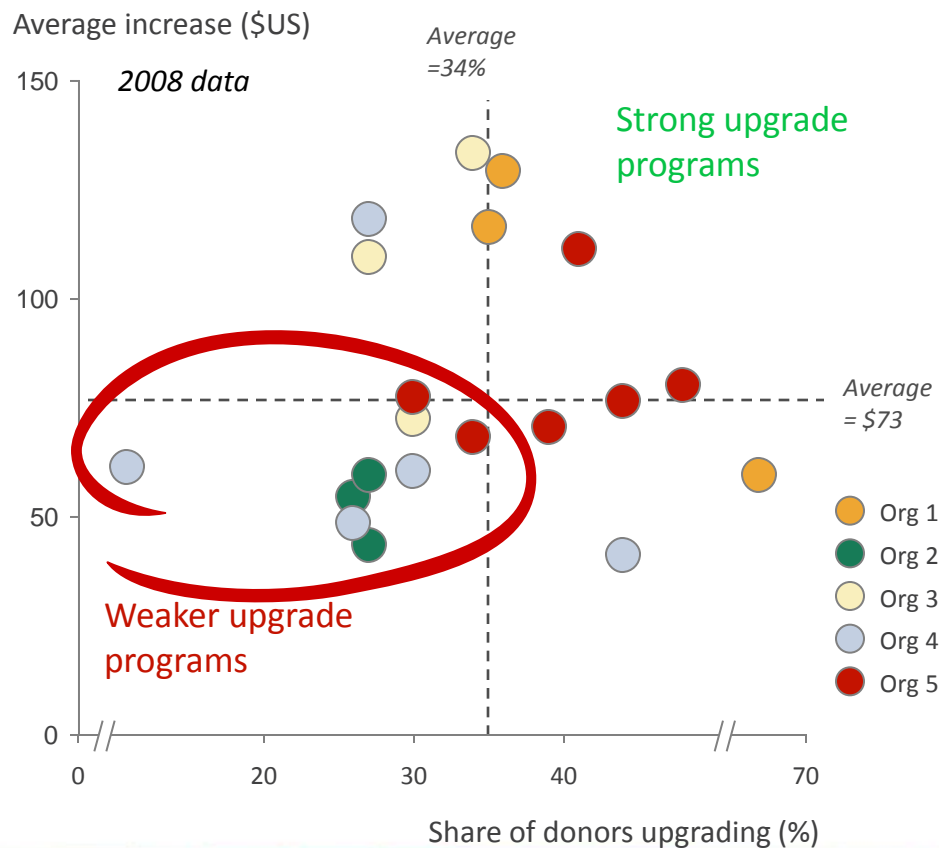
# Actions are then revisited the following year and progress (or lack of it!) can be reviewed and discussed

	Keep	Start	Stop
People	<ul style="list-style-type: none"><li>• Retaining staff</li><li>• Sharing knowledge and skills</li></ul>	<ul style="list-style-type: none"><li>• Working across teams in communications department and campaigns</li><li>• Building relationships with other SC offices/Member Growth</li></ul>	
Processes	<ul style="list-style-type: none"><li>• Testing, Testing, Testing</li><li>• Analyzing our progress, benchmarking</li></ul>	<ul style="list-style-type: none"><li>• Designing a donor loyalty program including activities, sequence and timing</li><li>• Tracking support activities beyond donations</li><li>• Giving donors ability to choose how we communicate with them</li></ul>	<ul style="list-style-type: none"><li>• Processing paper (where a more efficient approach can be found)</li></ul>
Technology	<ul style="list-style-type: none"><li>• Tracking historic data</li></ul>	<ul style="list-style-type: none"><li>• Exploring options for a new database / CRM solution</li></ul>	<ul style="list-style-type: none"><li>• Using bad technology, as quickly as possible</li></ul>

# For example, benchmarking learnings identified opportunity to improve an upgrade program, worth \$75K this year

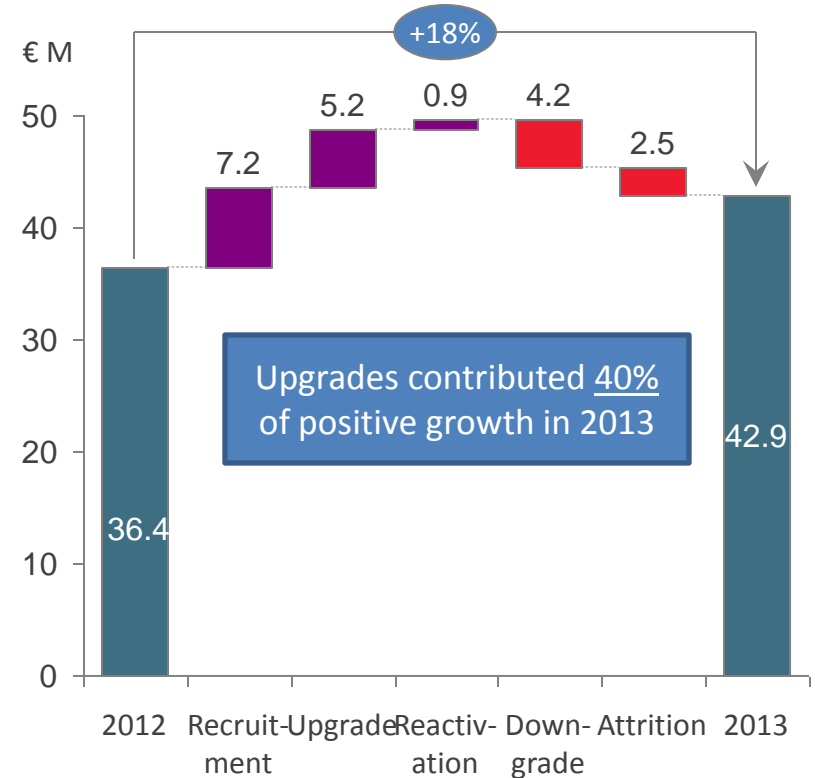
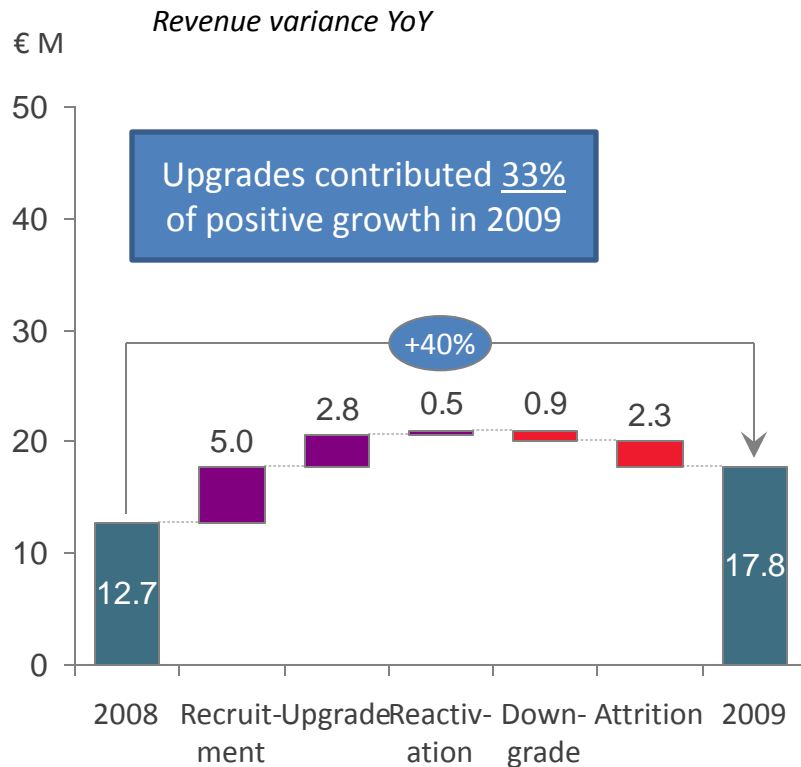
In a 2010 workshop, we targeted below-average upgrade performance as a priority for one member

...and this member is today the market leader in upgrade rates



# As our file grows, these upgrade improvements are increasingly important for driving new revenue

From 2009 to 2013, upgrades an increasingly important driver of revenue growth



Note: % of positive growth in upgrade is upgrade value / (recruitment + upgrade + reactivation)  
Source: target benchmarks 2009/2013



# What next for IFL Forum?

- Fundraising investments
- Emergencies
- The future of child sponsorship
- Sharing audience insight
- Sharing our expenditure data and benchmarking ROI?
- The big strategic questions facing our industry - including disruptive change - and our response: a shared innovation centre?

# Key Insights

- It's still a growth market
- Attrition and acquisition costs are up
- Investment is necessary to drive growth
- Digital is still a revolution waiting to happen
- Diversification has happened, but needs to continue
- There's a rush on good talent

# Thank you

# Any questions?