

# GET YOURSELF CONNECTED

Our annual CRM survey takes a look at how the right system can help charities integrate their data. IAN ALLSOP analyses the results

During February and March this year we ran our annual *Charity CRM Survey* in conjunction with *Charity Finance* magazine. The survey received well over 500 responses, from a wide range of organisations in terms of income (see Figure 1). The results presented here are from the 400 charities which identified as fundraising organisations.

it will work with the other technology systems and solutions they have. Only 10 per cent of respondents say that their CRM software interfaces with web-based fundraising platforms very well, although a third say that it does reasonably so (see Figure 3).

Gary Drew, divisional director of not-for-profit and venue attraction

are investing in new websites and in automation of manual processes and they want to know how a CRM system integrates with these investments.”

Casper Harratt, director of marketing at Blackbaud Europe, also identifies a distinct increase in the requirement to allow software to integrate with the organisation’s wider technology ecosystem. “We see non-profits wanting the very best system in each operational area, but to interact seamlessly with the rest of the tech stack.”

“A lot of charities are struggling with a myriad of different silos of data and disconnected systems”

While satisfaction levels are generally good across the board (see Figure 2), particularly with functionality and security, integration appears to be the main area of concern.

Keith Collins, senior consultant at Adapta Consulting, says that one of the biggest questions charities are asking when reviewing or selecting CRM software isn’t really about the software itself, but more about how

management at Access UK (provider of thankQ) says that generally organisations are looking for a joined-up approach.

“It surprises us how few organisations have data flowing from their own website into the CRM and transactions moving without rekeying from the CRM into the finance system, and from the CRM into the HMRC Gift Aid online portal. Increasingly charities

Figure 1: Income of respondents

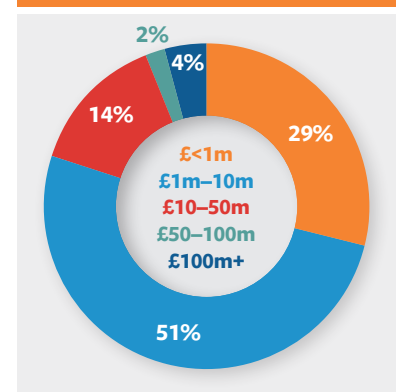


Figure 2: How do you rate your CRM software?

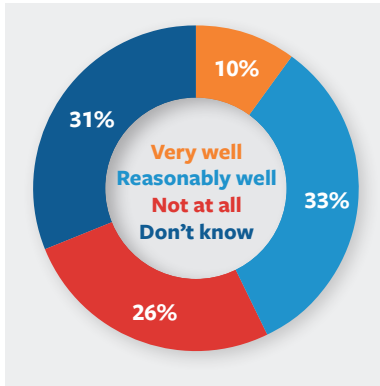
Software	Number of responses	Functionality	Cost	Integration with other systems	Integration with website	Ease of use	Accessibility	Security	Ability to customise	Overall
Advantage <sup>NFP</sup> Fundraiser	16	4.3	4.1	3.3	3.2	3.9	3.9	4	3.4	3.8
Donorflex	15	4.1	3.9	2.9	1.9	3.9	3.9	3.9	3.4	3.7
Donorfy	63	4.4	4.5	4.3	4.1	4.5	4.5	4.5	4.1	4.5
eTapestry (Blackbaud)	40	3.5	3.3	3	3.2	3.3	3.5	4	3.2	3.4
Harlequin	21	3.8	4.1	3	2.6	3.7	3.7	4	3.4	3.8
Raiser’s Edge (Blackbaud)	115	3.9	3.1	3	2.9	3.6	3.6	4	3.1	3.6
Salesforce.com	23	4.1	3.9	3.8	3.7	3.9	4.1	4.1	3.9	4
thankQ	36	3.6	3	2.8	2.6	3.4	3.4	3.7	2.9	3.4
Other	69	3.6	3.9	3	2.9	3.6	3.6	3.9	3.4	3.5
Overall	398	3.9	3.6	3.2	3.1	3.7	3.8	4.1	3.4	3.7

\* Satisfaction ratings have been calculated by assigning responses with values and then calculating an average: ‘very good’ = 5, ‘good’ = 4, ‘average’ = 3, ‘poor’ = 2, ‘very poor’ = 1 points

**Maximised capability**

So are charities making the most of the technology at their disposal? Collins says: “On the one hand, we have the processes that charities have been operating for many years, such as managing appeals, claiming

Figure 3: How well does your CRM software interface with web-based fundraising platforms?



Gift Aid and handling direct debits. These remain vitally important processes. However, the very latest CRM tools can help deliver the kind of digitally-led, personalised relationships with supporters – at scale – that enable organisations to communicate with campaigners, donors, events fundraisers and social media advocates in a way that nurtures a closer relationship.”

He argues that where digital fundraising and marketing overlaps with the use of CRM systems to support fundraising administration is where there is the most room for improvement. “A lot of charities are struggling with a myriad of different silos of data and disconnected systems, making it more difficult to communicate effectively with their supporters, and meaning that they need to spend more time managing data rather than raising funds, or supporting their beneficiaries.”

However, independent CRM consultant Ivan Wainwright says that there are some examples of charities successfully incorporating their CRM system into their digital fundraising, business intelligence and automation. “Those organisations have impressive staff, the right level of resourcing, supportive management, a relevant budget, and understand system and data integration. I suspect, however, that many charities are not making the most of their database.”

Tom Ellis, managing director at Harlequin, says that where a charity is engaged, particularly if it has a database manager or somebody who owns the system internally, the results and impact of the system are greatly increased. “Many are assessing far more about how they can best use the CRM to understand and develop their potential donor base, whilst also report and understand their

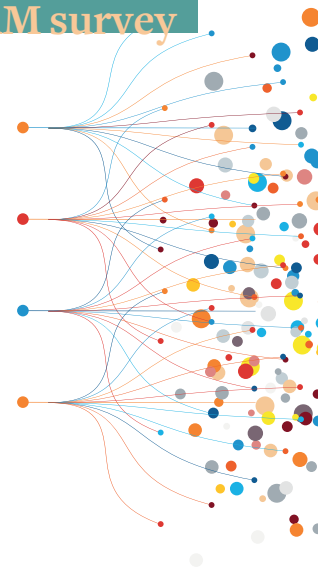


Figure 4: How do you rate your CRM software supplier?

Supplier	Number of responses	Technical support/customer service	Provision of updates/upgrades	Knowledge of charity sector	Commitment to charity sector	Investment in development	Overall	% that would recommend supplier
Advantage <sup>NFP</sup> Fundraiser	16	4.6	4.3	4.2	3.9	4	4.3	93
Blackbaud (eTapestry & Raiser's Edge)	153	4	3.7	4	3.5	3.4	3.7	73
Donorflex	15	4.5	3.9	4.2	3.3	3.7	3.9	80
Donorfy	63	4.6	4.4	4.6	4.3	4.4	4.6	95
Harlequin	21	3.7	3.6	4.2	3.5	3.5	3.7	76
Microsoft (Dynamics CRM, Access, Excel)	14	2.5	2.7	2.6	2.7	2.3	2.6	29
Salesforce.com	23	3.7	4	3.6	3.7	3.8	3.7	77
thankQ	36	3	2.9	3.5	3.2	3.2	3.2	46
Other	53	3.7	3.6	3.8	3.7	3.4	3.5	58
Overall	394	3.9	3.7	4	3.6	3.6	3.8	73

\* Satisfaction ratings have been calculated by assigning responses with values and then calculating an average: 'very good' = 5, 'good' = 4, 'average' = 3, 'poor' = 2, 'very poor' = 1 points

highly engaged donors. Gone are the days when a CRM system was for just inputting and processing donations.”

The capability of CRM systems reminds Drew of smart TVs or smartphones. “We all tend to use a fraction of their features. But the successful models are all about providing a good user experience and helping the user to realise when smarter features are available.”

According to Robin Fisk, CEO at Donorfy, the organisations that are making the most of their systems are the ones who invest time, not just money, in making it work for their organisation. “It doesn’t need to be much time, but enough to understand it and see the possibilities.”

For Harratt, this question is very broad. “There are plenty of great examples of tech-savvy organisations, but also plenty of examples where staff turnover or lack of training leaves an organisation unable to realise the full potential of what technology can do for them. In order to get the most out of their CRM system, organisations need to invest in the

staff using it.”

Steve Cast, managing director at Redbourn Business Systems (provider of Advantage<sup>NFP</sup> Fundraiser), agrees: “A lack of handover and ongoing training of new staff seems to be the Achilles heel, especially for smaller charities.”

**Review and select**

In terms of overall market share, Blackbaud continues to dominate (see Figure 7, page 14) for medium and large-sized organisations with its Raiser’s Edge and eTapestry solutions. However, Donorfy has enjoyed considerable success in the below £1m market and Access UK’s thankQ product has also gained ground.

Future-proofing and governance are also high in the minds of enquirers.”

**Trustee buy-in**

Given the strategic importance that a successfully implemented and functioning CRM system can have on an organisation, how closely do trustees understand and get involved with IT issues, and systems selection?

For Collins, while the level of engagement from trustees in IT issues and procurement varies from charity to charity, it is vital for senior staff to engage with trustees in order to maximise the benefits from any investment. “If a CRM project has a well-constructed business case, can demonstrate that a thorough

**“In order to get the most out of their CRM system, organisations need to invest in the staff using it”**

However, almost 40 per cent of respondents say that they will be reviewing their CRM software in the next 12 months, with almost half either using a full tender process or choosing from a shortlist of two or three suppliers.

So, other than integration, what are the main considerations for charities when reviewing and selecting their CRM software?

In Wainwright’s opinion, charities always see functionality as key and he encourages charities to base questions around specific cases. “Those charities that ask more about a supplier’s implementation approach, such as data migration, data integration, project management, change/prioritisation skills, are generally more successful. The larger charities in particular are more aware of the change management and prioritisation aspects of any implementation, and keen to find out from suppliers how they can help.”

Ellis agrees that these are the standard questions on the functionality of the system for operations and ease of use. “Additionally, we have seen more questions on reporting and analysis. There is also a definite upsurge in questions relating to cross-functional operations.

process has been done of reviewing appropriate systems and suppliers, and the right things have been put in place to govern and manage the implementation of a project, trustees will value this. In many cases they will be able to bring additional value, experience and expertise.”

Ellis considers that direct trustee involvement continues to be on the increase as charities hone in more on the importance of the quality of their data. “Many trustees come from the business world and bring invaluable experience to the decision-making process.”

Drew says that it is rare for trustees to be involved in selection meetings to review software, although they clearly need to support the case for investment and approve the spend.

Harratt says that he would love to see trustees getting more deeply involved earlier in the system selection process. “The most successful technology procurement processes that we see are when there is organisational buy-in from the very start: from the trustees right through to senior management and frontline staff. When trustees or other senior stakeholders are only engaged towards the end of the process, it frequently causes delays.”

Figure 5: Years using package

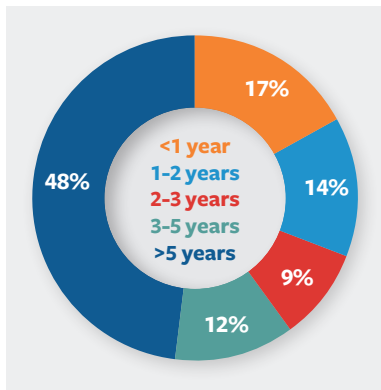


Figure 6: How often do you review your CRM software?

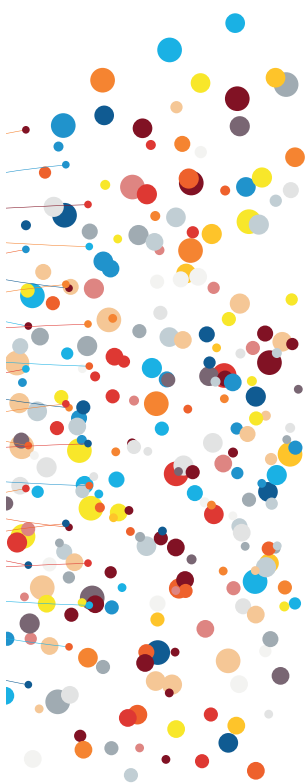
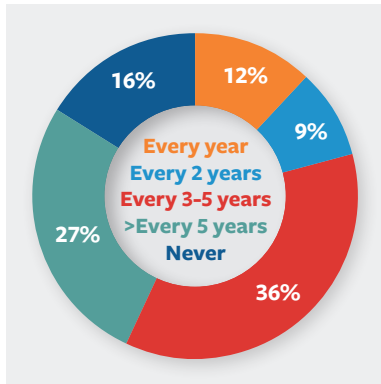


Figure 7: Packages by charity income

£10m+		
1	Raiser's Edge (Blackbaud)	56%
2	Salesforce.com	9%
3	thankQ	8%
£1m – £10m		
1	Raiser's Edge (Blackbaud)	30%
2	thankQ	12%
3	Donorfy	11%
<£1m		
1	Donorfy	33%
2	eTapestry (Blackbaud)	22%
3	Raiser's Edge (Blackbaud)	9%

### Data protection and compliance

The use and storage of data has been a hot topic in fundraising for a number of years now. While fewer than a third of organisations record whether a contact is on the Telephone Preference Service (TPS), 48 per cent record if a contact has registered a suppression with the Fundraising Preference Service (FPS). Over 40 per cent of respondents say that they have received zero suppressions through the FPS, and 17 per cent have had between one and five, although somewhat worryingly, over a third say they don't know how many they have had.

The last two CRM surveys have focused on what was the looming threat and challenge of EU General Data Protection Regulation (GDPR) requirements. Almost a year on from implementation, 63 per cent of respondents say that they are very satisfied that their CRM system enabled GDPR compliance, while a third are somewhat satisfied (see Figure 8).

Wainwright suggests that the toughest parts appear to have been understanding GDPR requirements, putting policies in place, and considering data retention. "A lot of charities are relying on legitimate interest. The CRM systems I have

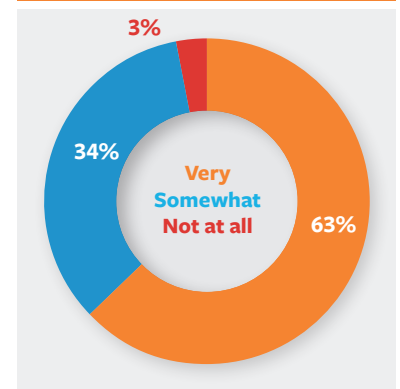
GDPR and said that it made them think more about security and data quality. "Many of the respondents in the research also reported that although their database contacts were seriously reduced, the quality of data that was left meant that revenue was not affected," says Ellis.

He continues: "It was clear from the beginning that we had to develop a flexible means of enabling charities to manage their data to be fully compliant."

Drew agrees that although GDPR consumed a huge amount of time and energy within the sector, now that most charities have their procedures in place, "the sector has certainly given itself a strong basis for the future, and more responsible management of data will benefit everyone".

Harratt also takes a positive line. "An understanding that internal knowledge needed to be rapidly advanced ahead of May 2018 when

Figure 8: How satisfied are you that your CRM software allowed you to be compliant with EU General Data Protection Regulation (GDPR)?



## “Although their database contacts were seriously reduced (because of GDPR), revenue was not affected”

Some 95 per cent of respondents say that its CRM system records consent and 84 per cent say it allows them to record the date when all contacts were added, not just new ones.

worked with can manage the key, core requirements which they need to address.”

Harlequin undertook research in 2018 in which 71 per cent of charities felt that they were prepared for

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GDPR came into force, coupled with making use of CRM systems to manage data privacy, has led to a far less significant negative impact than many may have feared.”

Collins says that most of the clients he has worked with have made most progress on the policies and procedures side of GDPR, including developing an information asset register, drafting a privacy notice, putting in place new procedures to manage subject access requests, and providing staff and volunteers with training about the new legislation.

“With some clients, the focus now appears to be on how to improve, integrate and automate some of their systems and processes to help them more easily comply with the new legislation,” he says. “For instance, how a supporter can update their contact preferences on a website, how that is then updated in the CRM system, and used to determine the communications

and mailings they get. With larger numbers of supporters and a greater number of possible touchpoints

## “With so many digital tools at their disposal, donors and supporters can interact with charities like never before”

such as web, email, social, post, phone, their use of their CRM and related digital tools may need to be improved.”

### Future developments

Looking forward, CRM systems will continue to evolve to meet the demands of changing work environments and the desire to have a more personalised supporter engagement.

“Modern working practices, team or cell-based operations, increased home working and mobile working are driving change. People expect to access systems and work with them when mobile,” says Drew.

At the heart of this, says Ellis, is an adaptable system. “CRMs are increasingly becoming the hub

around which all data is managed. AI (artificial intelligence) and machine learning will see more intelligent use of CRM data, enabling more sophisticated engagement with supporters.”

Ultimately though it comes back to integration and making sure there is seamless connectivity. “It’s all about automation and integration,” concludes Fisk. “A CRM cannot be an island, otherwise you might as well use spreadsheets. With so many digital tools at their disposal, donors and supporters can interact with charities like never before. The job of the CRM is to resolve all of that to provide a single version of the truth.” ■

