Ten strategic principles for fundraising growth: lessons learned at Cancer Research UK

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Cancer Research UK is the world's largest independent cancer research charity. It is the largest fundraising organization outside the USA —twice the size of its nearest competitor in the UK. Funding research into the prevention, diagnosis, treatment, and cures for all cancers, our work is implicated in over half of all lives saved from cancer in the UK and also has a dramatic impact in other countries. Cancer Research UK receives no financial support from the government, so its fight against cancer is totally dependent on fundraising. Over 4,000 scientists, doctors, and nurses depend on funds from our organization to carry out their research. To achieve our mission of defeating cancer, we need to continually increase income from fundraising. Between 2002 and 2014, net income from fundraising more than doubled, reaching a record-breaking £367M. Many factors have contributed to this success; what follows is a summary of 10 principles that have underpinned the growth we have achieved.

Diversification

To protect the organization from key income streams wearing out, changes in consumer behavior, vagaries of the economy, and competition from other causes, it is essential to build up a broad portfolio of products, propositions, and approaches. Cancer Research UK initially depended almost entirely on legacy giving, in other words, on bequests in donors' wills. However, when property values went down in a real estate recession in the 1990s, legacy income decreased to the point where some research activities had to be shut down. Now the organization uses a wide and ever-growing range of interrelated approaches to raise funds.

Long-term propositions

Raising money for charity is a long-term project. We need to invest money today to ensure income in the future. It is essential to realize that you need to spend money to make money. Through the years, our expenditures have increased, but the income we derive from those expenditures has increased much more. We work hard to drive the cost-ratio down, but rather than limiting our expenditures to strategies that provide an immediate return on investment, we also try to develop long-term income streams by investing in propositions that will provide reliable income in the future. This approach allows us to plan for our research funding, because we know that even if the economy crashed or some other calamity interrupted our short-term income flow, funds will continue to arrive for a very long time. Examples of long-term propositions include soliciting commitments to give relatively small donations on a regular basis, for example, two to ten pounds a month, legacy giving, where the payoff might be 30 years down the road, or our long-term *Stand up to Cancer* partnership.

Short-term propositions

We also need to find short-term income streams that provide good cash margins and cash-flow within a given year. Without these tactical measures, it would be difficult for our long-term investment strategy to thrive. One example of a

successful short-term fundraising project is our campaign to sell wrist bracelets in February 2015 for World Cancer Day. We always have a range of short-term return propositions underway to raise money in a given year.

Capability

'Capability' means first and foremost, but not only, the capability of our staff. Unlike companies that own factories, equipment, patents, etc., a charity does not really own anything. Our people are our most important asset. Because the quality of our fundraising team is essential, we invest heavily in attracting, developing, and retaining the best talent in the UK sector. We have been able to create an "employer brand" —Cancer Research UK is actually an organization that people want to work for. Our strategy is to take in the people with the greatest potential and providing them with everything they need to flourish in our organization. We focus on recruiting the right people and inducting them very well through onboarding, making sure they acquire the necessary knowledge, skills, and behaviors to become effective members of our organization. We manage their performance very tightly —if they are not meeting our standards, we may exit them from the business; if they are meeting our standards and show potential, we develop them. We think carefully about insourcing, outsourcing, and skills transfer. We also strive to keep in touch with those who have worked with us and moved on to other organizations. Many of these people eventually come back, bringing with them valuable experience and skills they have acquired elsewhere.

Our concept of capability is much wider than people capability alone. We developed a target operating model to help us bear in mind where we are starting from and where we want to go, so we know where we are with respect to our goals. Using this strategy, we developed capability roadmaps to follow. By building deeper relationships to realize the full potential of our supporters, continuing to invest in proven winners, nurturing our "rising stars", fostering innovation, and driving efficiencies to maximize contributions, we were able to transform the organization and accomplish what we had set out to do. Focusing on capabilities drives benefits.

Culture

We have actively managed our culture to deliver our strategy. Although many organizations stress the importance of having core values, these tend to be generalities that do not really drive anything. Values are personal —they come from inside each individual. Obviously, an organization can define its values, make them explicit to individuals inside and outside the organization, conduct training courses to try to ensure that employees have acquired them, etc. But in the end, people's values are those that have been instilled when they were growing up, and it is very difficult to change them. We have found it more useful to focus on brand beliefs, and it helps to keep these simple. Rather than lay out ten or more beliefs that cover everything, we chose to focus on just three beliefs that our staff need to share:

1) *Our stories change the world*. Our people need to believe that our work really makes a difference. We are saving lives, and we have masses of data to back up that claim.

2) *United we are stronger than cancer*. We are a really broad, diverse organization that includes thousands of people with different agendas. It is often difficult to get people to work together, but teamwork is essential. Cancer Research UK is not a democracy —each person has his or her role to play, and it is important that they understand their roles.

3) *Sharp minds and brave hearts win*. Our staff is made up of extremely intelligent, well-educated people —many people have a PhD, but being brave and doing something different can be much harder. We make sure that our employees understand that if they do not share these beliefs, they should not be in this organization.

Brand

Our brand underpins everything we do both internally and externally, helping staff, supporters

and the public understand and believe in the organization. So we manage our brand very carefully. Brand management involves bringing together brand architecture, brand identity, and brand values so that no matter what we are doing at whatever level in our pyramid, the public understands that this is a singular organization doing the same thing in myriad ways. Each part of the organization reflects on the others, creating a "halo effect". This effect means that when we do something good in one area, all the other areas benefit too. We were the first charity in the UK to start investing in our brand through advertising. A broadcast campaign to promote the brand can have amazing penetration. Commercials can be used with different purposes in mind or to target different groups, for example, wealthy middle-aged men. Some commercials are intended to drive mass fundraising; others might use a mass-market approach to driving high value giving.

Brand management at Cancer Research UK is complex. For example, we have a slightly different look and identity for our "scientific brand" and our "fundraising brand", but it is still clearly recognizable and similar enough so that it still benefits from and contributes to the "halo effect". In addition to our core brand, we have sub-brands, such as the *Race for Life*, that have been able to create strong identities of their own under the umbrella of the core brand. We also have stand-alone brands, such as *Stand up to Cancer*, which are different from sub-brands in that they represent partnerships that give money to us.

Brand growth needs to take place from the inside to the outside. Your brand comes from your organizational culture, from what you believe and what you do. Your brand beliefs permeate your culture and resonate throughout the organization. From there, your brand goes out into the external world through every touchpoint, where advertisements and logos are just the tip of the iceberg.

Innovation

We have continued to innovate, coming up with new ways to raise funds. To foster innovation, you need to allow people to fail along the way. We have created a culture of innovation by investing in innovation skills and capability. Innovation is so important to us that we have a dedicated innovation team. This works much better than asking busy people to innovate in addition to carrying out the other functions the organization has hired them to do. So we assign the task of innovating to a team of people that have the skills and capabilities necessary to innovate, and we encourage them to take risks. We know that many of the propositions they come up with will flop, but we also know that some of them will be truly successful and move the organization forward.

Data

Carefully managing our data has been key to growth. Data management might seem dull, and it can be hard to motivate people on this subject. But data is crucial to everything we do. You need to invest huge amounts of money and energy into exploiting your data to the fullest. If you have done everything else right —diversified, innovated, and invested heavily in branding— but you have not taken care of your data, you are setting yourself up for failure. Years ago, we had several, separate legacy databases, so in a sense one hand did not know what the other was doing. If someone comes in to talk to you and you are unaware that they have already talked to somebody else, you might start thanking them for a donation when they have made a complaint or soliciting a donation from them when they have just recently made a very large contribution. This is a disaster, because your relationship with your donors is the backbone of fundraising. We merged all of those databases into an operational customer relationship management system with a single-customer view. Setting that up and migrating the data from the legacy bases required a large investment, but it has helped us sort out our relationships with our supporters, the heart of everything we do, and it has paid off.

Portfolio management

If you have a diversified portfolio, you need to manage it carefully. While it is important to add new items and to grow your portfolio, the goal

is not to have more and more items on the list. The goal is to focus on the items that are going to raise the most money. This involves making difficult decisions all the time. Sometimes we need to discontinue an activity even when it is profitable. You need to really look closely at the markets that you are in and consider how you are serving those markets.

You have to manage your portfolio carefully to meet changing needs. There are many different ways to manage your portfolio. One way that we do it is to divide the different items into their stage of development, for example, pioneering, growth, mature, or declining, and then plot all of the income derived from a product versus the time it has been underway. Another approach is to divide items up according to their overall performance, for example, bronze, silver, gold, or platinum. Here you could plot the item's potential for growth against actual net income value or its cost ratio.

It does not matter what tools you use —the important thing is to actively examine your portfolio to understand how it is unfolding and how the different items are performing over time, so you can devise a plan to ensure that you maximize the potential of each item and of the portfolio as a whole. We have many different things in our portfolio, and they are all important, but managing them is also important.

Investment

Last, but definitely not least, you need to continually invest in all the above to ensure growth. Investing in growth can be difficult in charitable organizations. Unlike investors in commercial organizations, trustees in charities sometimes do not understand the need for investment; they can feel it is their duty to ensure that donors' contributions are spent toward helping the people they were intended to help. As a fundraiser, you need to help those who hold the purse strings to understand that you have to invest to grow. You need to make the case for investment. Everybody wants income, but you need to invest now so that you can spend later.

Sometimes we have overinvested. Sometimes we have invested badly. Sometimes we have failed at attempts to innovate. But, more often than not, we have gotten it right. Investing has enabled us to grow and to do many things to help many people. We could not have done any of that without investing.

Conclusion

These principles are all interrelated. Building the capabilities and fostering a culture of innovation can help you create and manage a diverse portfolio including both short-term and long-term propositions. Paying attention to your data can help ensure you make the best choices to adapt your activities to the changing times and help you take care of your donors. All these aspects are essential in establishing a strong brand. Strategically applying these principles to any fundraising operation, whether large or small, will underpin income growth over the long term.