A proposal to Habitat for Humanity

Individual Giving - Direct Marketing Strategy

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1. Our understanding of your needs

Habitat for Humanity GB is entering an exciting period. A new Chief Executive is being recruited and the parent organisation HFHI has committed to investing in serious income growth, in the UK marketplace, over the next five years. Income growth must be from sustainable, unrestricted sources such that it may be used to leverage grant funding e.g. from DfID.

Development of a plan to secure regular, committed gifts from individuals (mass market) has been rightly identified as the focus and priority for income growth. The organisation now needs help to develop (and possibly to deliver) a direct marketing strategy and model. The strategy needs to be presented to the Board, for approval, in June 2013.

Our understanding of the brief is that Habitat for Humanity needs help to:

- Build a realistic and achievable 5 year, individual giving model (DM), informed by extensive sector and market experience, knowledge and trends;
- Develop a plan/strategy of how Habitat for Humanity should set about delivering the model.

We understand that Habitat for Humanity currently generates in the region of £600k per annum from its programme of individual giving and has:

- Circa 15k active donors (last 24 months)
- Circa 10k active donors (last 12 months)
- Circa 1k regular givers at an average value of £9 exc. Gift Aid

We also understand that there has been little investment in acquisition over the past few years and that the supporter base is in decline as a result.

The aim is to grow income, from this source, to at least £3m pa over a 5 year period. For this to be achieved, there will need to be a greatly increased focus on acquisition, alongside a robust programme of retention and development to maximise value.

The organisation has in the region of $3m to invest in achieving this goal and may be able to invest additional funds (from UK budgets) especially in years 4 + 5.

The organisation has worked to develop its proposition over the past couple of years and this will be shared with the agency.

This proposal outlines Action Planning's approach to developing an individual giving plan and model for Habitat for Humanity. As much as time permits (in relation to the deadline) we will work alongside the Habitat for Humanity team, such that learning is retained in house and the model is 'owned' by those who will ultimately deliver it.

2. Why Action Planning

Action Planning works collaboratively with every client, tailoring our approach to suit your culture and your specific needs. We are a full service consultancy working to support the development needs of not for profit organisations through income generation, marketing, strategy, leadership and organisational effectiveness programmes. We use multi-disciplinary teams to approach a challenge from all angles, providing sector and market expertise through our extensive and expert consultant base. We have over 20 years of experience working across the not for profit sector, with a wide range of organisations including large and small charities, social enterprises, churches and Christian organisations.

We have worked to develop many income and fundraising strategies for a **range of international development and Christian organisations including Oxfam, Mercy Corps, Mercy Ships, World Vision, Mission Without Borders International, St John of Jerusalem Eye Hospital and Unicef**. In addition, the team who will work on this assignment have an outstanding track record of developing individual giving strategies for organisations as diverse as British Heart Foundation, Scope, Help the Aged, The Fostering Network and The Lymphoma Association. This means that we bring to the assignment outstandingly rich and in-depth knowledge and experience of direct marketing, trends in individual giving and market trends as they relate to international development and Christian organisations.

Action Planning's specialist in-house research and bid writing team provides market and prospect research services. The researchers who will work on this project have extensive experience of working with organisations similar to Habitat for Humanity. We offer a Wealth and Legacy screening services and this would be an inclusive part of our service to Habitat for Humanity.

2.1 Examples of our work

- We are currently supporting Oxfam to develop its value proposition, Case for Support and individuals prospect pool;
- We are supporting Mission Without Borders International to develop its international fundraising strategy, including its programme of individual giving;
- We are working with Mercy Ships to develop their programme of individual giving;
- We are supporting World Vision to develop its proposition and support from individuals;
- We conducted a review for The Lymphoma Association of their membership scheme and programme of individual giving. This included quantitative and qualitative research with members, data analysis, desk research and a mystery shopping exercise;
- We are currently supporting the Fostering Network to grow and diversify its membership and voluntary income streams. As part of this we delivered a research programme with members and stakeholders across the UK through online surveys, focus groups and stakeholder consultations;
- We developed the individual giving programme at the British Heart Foundation and increased individual giving from £8.5m p.a. to £13.7m in 4 years

2.2 Testimonials from our Clients

'We appointed Action Planning to carry out a fundraising audit and review of our programme of individual giving before embarking on a five year strategy. The in-depth research and the recommendations have really helped us to refocus in order to deliver the best return on the resource we have as a small fundraising team. It has also laid the ground for establishing new techniques which will help to maximise income in the current financial environment. The team at Action Planning was extremely easy to work with and did exactly what they said they would. We hope to work with them again in the future.'

Alice Strudwick, Director of Fundraising, Lymphoma Association

"I have been particularly impressed by the way Action Planning listens seriously to us, and responds in a sensitive and practical manner. I have felt able to ask for help on both large and complicated issues, as well as very small practical questions, and the response has always been prompt, practical and to the point."

Harry Graham, CEO, Mission Without Borders International

3. Outline of Our Approach

Our programme of work will combine a robust and in-depth internal and external analysis in order to develop a realistic and achievable individual giving model and plan for Habitat for Humanity.

Project Initiation	Initiation meeting to agree programme of activity and ways of working
Internal Review and Analysis	Review of value proposition Review of channel usage + mix Review of case for support and messaging Analysis of existing supporter base (transactional) Analysis of existing supporter base (demographics) Review of case for support and messaging Wealth and legacy screening Review of supporter journeys Review of resources to deliver step change e.g. people, systems
Supporter Insight	Review of existing supporter research to identify gaps Supporter online survey
External Review and Analysis	Review of position in the market-place Market and sector (International Development, Christian) analysis Giving trends by sub-sector Competitor analysis
Development of Model	Development of investment and pay-back scenario Development of channel mix Development of proposition (if necessary) Detailed model with annual volumes and values
Report & Recommendations	Final report with proposed model and strategy Recommendations and next steps

3.1 Step 1: Initiation Meeting

In order to ensure that the programme of work delivers the required outputs, it is vital that all key stakeholders are engaged from the start. We will begin work by holding a detailed briefing session with relevant team members. This will include defining how best to work with the Habitat for Humanity team, such that learning is retained in-house and the model is 'owned' by those who will deliver it.

In this meeting we will:

- Agree the aims and objectives, required outputs and deadlines;
- Understand the context for the review and strategy in more detail and the link to the wider fundraising plan and objectives as well as the new HFHI growth strategy;
- Agree the programme of work such that we work together in an iterative way in to share learning as we move through the development of the strategy and model.

Summary of this step:

Methodology:

- Briefing meeting with relevant Habitat for Humanity team member(s)
- Documentation review

Outputs:

- Agreed aims and objectives and outputs
- A clear understanding of Habitat for Humanity's current and future plans, strategy and vision

3.2 Step 2: Internal review and analysis

Our first activity will be to conduct a review and analysis of Habitat for Humanity's current programme of individual giving to ascertain what is and isn't working, what needs to be discarded, what can be developed and what needs to be created from scratch. We will look at both acquisition and retention/development activity.

3.2.1 Review of value proposition

We understand that a good deal of work has been done on the value proposition and we look forward to evaluating the proposition and using it to assess the organisations position and potential position in the market-place (in relation to both target audience and competitors).

3.2.2 Review of channel usage + mix

Albeit that acquisition has been limited for some time, we will review past performance by channel in order to assess:

- previous targeting strategies
- use of channels for R+D activity and effectiveness
- patterns in response
- CPA
- Current approach to segmentation
- Current approach to supporter journeys

3.2.3 Analysis of existing supporter base (transactional)

We will assess all existing transactional analysis to capture learnings and identify gaps. We will then seek to fill gaps such that we have *at least* a consistent view of:

- Recency, frequency and value
- Top decile
- Attrition rates

In addition we will screen data (against our wealth and legacy databases) for:

- Wealth indicators
- Legacy indicators

This means that we will uncover, for the organisation, supporters with the capacity and propensity to either make a major donation or pledge a legacy.

Whilst this activity was not mentioned in the brief, we do recommend segmenting the programme of individual giving in this way in order to maximise both short and longer term value.

3.2.4 Analysis of existing supporter base (demographics)

We will review any existing demographic analysis to capture learning, spot and fill gaps such that we can use to inform segmentation and targeting strategies.

3.2.5 Review of Case(s) for Support and messaging

We will review the current Case/s for Support and messaging in order to:

- Assess how clear and compelling it is
- How it fits with the value proposition
- How it resonates with supporters
- How it compares with competitor activity
- How it can be improved

3.2.6 Review of Supporter Journeys

We will also review how the organisation currently plans and delivers supporter journeys such that loyalty is developed and retention and value maximised. This will include consideration of:

- What is the current supporter journey from point of acquisition onwards
- How new recruits are welcomed
- How does Habitat for Humanity respond to supporters who weren't recruited directly via DM activity
- How is upgrade and conversion managed
- How many communications does a supporter receive each year and what are they
- Is there a re-activation programme?
- What mediums are currently used and what are best and the worst performers

Summary of this step:

Methodology:

- data review and analysis
- documentation review
- meetings with relevant Habitat for Humanity team member/s
- wealth screening
- legacy screening

Outputs:

- an analysis of the strengths and weaknesses of Habitat for Humanity's current programme of individual giving (for comparison with sector/competitor programmes)
- analysis of the value within the existing supporter pool (for comparison and for modelling)
- identification of 'best supporters' (such that more of these can be targeted)
- wealth Intelligence match summary report (for segmentation)
- legacy Intelligence match summary report 9for segmentation)

3.3 Step 3: Supporter Insight

We will review any previous research conducted by Habitat for Humanity with both supporter and non-supporter in order to assess and capture learning and to spot gaps in understanding of what the supporter wants/needs from the organisation.

We will then develop, manage and analyse an online survey in order to gain the necessary insight from a large sample of existing Habitat for Humanity base. This approach will also allow a cost effective 'compare and contrast' of responses across the different segments.

For existing supporters we will seek to understand:

- Perceptions of Habitat for Humanity
- Reasons for supporting Habitat for Humanity
- Triggers and messages
- Recency, frequency and value
- Other charities supported

For contacts who are currently not supporting Habitat for Humanity we will seek to understand:

- Perceptions of Habitat for Humanity
- Reasons for not supporting Habitat for Humanity
- How to encourage support
- Other charities supported

Summary of this step:

Methodology:

- Review of existing insight
- Online survey

Outputs:

- Detailed supporter (and non supporter) insight report 9for use in developing plan and model)

3.4 Step 4: External review and analysis

Whilst we are conducting the internal review our expert fundraising consultants (with a background in fundraising for international development and Christian organisations) will conduct an external mapping exercise in order to provide in depth sector and market context. We bring to this exercise many years of senior level experience of exactly this sort of work.

This will include the following:

- UK giving trends
- NFP sector trends
- Giving by market and sub sector (International Development, Christian)
- More granular info on individual giving (mass market and DM)

As part of this we will then conduct a competitor analysis and review of Habitat for Humanity's position in the market-place. The desk research will enable us a broad and deep 'outside-in' perspective from to enable Habitat for Humanity to better understand its position in a crowded market-place and to inform the development of the plan and model.

Summary of this step:

Methodology:

- Market review and analysis
- Sector review and analysis
- Competitor analysis
- Giving trend analysis

Outputs:

- Detailed market, sector, competitor insight report (for use in developing plan and model)

3.5 Step 5: Development of model + plan

Having carried out steps 1-4 we will have the insight and analysis needed to construct a robust and realistic model and plan. The model will include at least two, and possibly three, different value scenarios and will set out:

- Annual spend
- Annual acquisition volumes
- Annual acquisition values
- Channel mix
- Product mix
- Media
- Attrition
- Subsequent gifts/Values
- ROI
- LTV

The model will enable the organization to decide exactly how much it should invest and in which ways in order to achieve the best possible return on investment.

A plan that sets out how the model should be applied will also be provided.

Summary of this step:

Methodology:

- Correlation of all insight and analysis
- Modelling
- Plan development
- Iterative working with Habitat for Humanity team

Outputs:

- 5 year model and plan

3.6 Step 6: Report and Recommendations

Once our robust programme of review and analysis is complete, we will produce the final detailed report with the proposed model and strategy. We will also present a summary of the key findings and recommendations to key Habitat for Humanity contacts and would be delighted to also present to the Board.

4. Timeline

The project will be completed in order to provide the required report to the Board in June. We don't know the exact date of that meeting but for now we are assuming that work can commence by 15th May and that it will need to be complete by 15th June. Once we have start and end dates, we will produce a detailed timeline. Timing is very tight but the work is do-able within the timeframe we are assuming.

5. Costs

Item	Cost £ (excl. VAT)
Set-up meeting and strategic oversight of programme	**£2,500**
Step 1	
Internal review and analysis	**£4,200**
Step 2	
Supporter research analysis and online survey	**£3,000**
Step 3	
External review and analysis	**£3,000**
Step 4	
Desktop research	**£1,000**
Step 5	
Development of model	**£7,500**
Step 6	
Final report and recommendations + presentation of findings	**£2,500**
Total	**£23,700**

These costs exclude VAT and any travel expenses.

6. Team

6.1 Aneesha Moreira, CEO

Aneesha has enjoyed 20 successful and achievement packed years working in a wide range of roles across the not for profit sector. Most recently she worked as a Director of British Heart Foundation and before that held senior roles with Scope and Help the Aged. She therefore has broad and in depth experience of leading large and diverse teams to achieve outstanding results as well as a real track record in developing and implementing complex budgets and strategies. Aneesha has provided practical advice and support to hundreds of charities over the years (especially international and Christian) and always aims to leave organisations with an enhanced strategic vision as well as a practical plan of implementation and a shot of adrenaline! She has a BSc in psychology and is a qualified coach. **Aneesha will provide strategic counsel and overview to the assignment.**

6.2 Andrew Johnson – Director of Marketing & Digital Consultancy

Andrew joined Action Planning in 2012 after developing marketing and communications programmes at the British Heart Foundation, Cancer Research UK and The Central Office of Information (COI), the government's communications agency for over 15 years. At the BHF, Andrew led the planning and delivery of a number of sector-leading membership programmes for individuals (Heart Matters) and workplaces (Health at Work) to deliver true 'value exchange' for the BHF and its customers, driving long-term support. At CRUK, Andrew developed the campaign planning for a number of major new Appeals. He also has experience working within Government at COI where he delivered strategic partnerships, sponsorship and PR support for major government communication campaigns. Andrew is passionate about innovation and encouraging non-profit organisations to think differently about how their fundraising, communications and service teams work together to drive loyalty and support – led by customer insight and need. **Andrew will manage the assignment on a day to day basis.**

6.3 Alison Hemmingway – Fundraising Consultant

Alison has developed sector-leading individual giving programmes at Unicef and The British Heart Foundation. As Head of Individual Giving at the BHF, Alison led a team of 11 to increase individual giving from £8.5m p.a. to £13.7m in 4 years as well as developing new sector-leading regular giving campaigns such as 'Sponsor Hope' for the BHF's 50th anniversary Mending Broken Hearts Appeal which is breaking all targets. Alison also developed successful fundraising campaigns and initiatives to increase support from BHF beneficiaries and 'information seekers', proving the BHF's 'exchange-of-value' model. **Alison will conduct external analysis and will work with Aneesha on model and plan.**

6.4 Dr. David Wilson – Quantitative Research Consultant

David holds a research PhD and is an associate member of the Market Research Society (MRS) and a member of the Social Return on Investment Network. David has delivered large-scale quantitative surveys and qualitative research on behalf of a range of charities and not-for-profit organisations. David has been responsible for the entire process from sampling, survey design and methodology to analysing the data, making inferences and preparing action focused reports. **David will plan and manage research for the assignment.**

7. Quality Control

Quality Assurance is central to Action Planning’s project delivery and is embedded throughout each project. All proposals are peer reviewed to ensure that learning from other projects has been incorporated into the project structure from the outset, contributing to added value for clients. A designated project lead, reporting to a Director ensures:

- Specialist insight, drawing on experience from other projects to improve practice
- Clear lines of responsibility, to swiftly identify and rectify any issues
- Peer review of reports and recommendations
- Directorial oversight, providing strategic insight and guidance

Action Planning systematically collects feedback from clients, both on a project-by-project review basis, and across wider market segments. This allows us to understand how we can better tailor our services to clients’ needs.

Appendix 1 - Terms of Business

1. Fees, disbursements and all reasonable subsistence travelling and other expenses incurred by Action Planning in execution of its obligations under this Agreement (as varied) will be reimbursed in full within 14 days of issue of invoices by Action Planning to the client.
2. Car travel will be charged at the prevailing the current HMRC rate per mile. Rail travel will be charged at the second-class rate. Overnight accommodation and other out-of-pocket expenses will be charged at cost.
3. It is our normal practice to request a deposit prior to the commencement of a contract. The balance of charges shall be invoiced according to a schedule agreed between the client and Action Planning prior to commencement of any work. Contracts that are likely to extend over more than one month shall be invoiced on a monthly basis.
4. Ownership of all materials produced or purchased on behalf of the Client by Action Planning shall remain with Action Planning until payment for those materials has been made in full by the Client.
5. Unless otherwise specified in writing the copyright for all purposes in all artwork, copy and other work capable of being subject to copyright produced or created by Action Planning at the specific request of the Client shall vest in the Client. All such artwork, copy and other work held by Action Planning will be submitted to the Client upon request within 30 working days. Video recordings are specifically excluded from this category, and the copyright for all video material will remain the property of Action Planning.
6. In the event that Action Planning should directly solicit or receive funds on the Client's behalf Action Planning shall require all donors and prospective donors to draw cheques and other like promissory notes in favour of the Client.
7. All cash, cheques and donations of whatever kind received by Action Planning, its employees or Associates pursuant to this Agreement shall as soon as practicable be handed over to the Client which shall keep accurate records thereof (such records to be open to inspection by Action Planning on reasonable notice).
8. Either party may at any time determine the contract by giving the other reasonable notice in writing and the Client may, in the event of any breach by Action Planning of the contract or these Terms of Business, determine the same without notice. Such determination to be without prejudice to any right of action or remedy of either party against the other subsisting at the time of determination.
9. Any notice may be served by either party upon the other by sending it through the post in a pre-paid envelope addressed to such other party at its last known address and any such notice so sent shall be deemed to have been received within 7 days of posting.
10. Action Planning will not without the written consent of the Client during or after the currency of this Agreement disclose any confidential information relating to the Client which is acquired as a result of Action Planning's involvement with the Client, provided always that Action Planning shall be at liberty to use as it thinks fit any general marketing intelligence obtained in pursuance of this Agreement.
11. Action Planning agrees to abide by the Code of Conduct issued from time to time by the Institute of Fundraising, as set out below.
12. Action Planning agrees to abide by the Code of Ethics issued from time to time by EU Consult. Members agree to:
    - Maintain good professional standards and financial integrity,
    - Protect and promote the reputation of the not for profit sector,
    - Protect and promote client interests,
    - Provide good service for fair compensation and
    - Implement and enforce the EU Consult Code.
13. A copy of the full Code is available upon request from Action Planning or direct from EU Consult.
14. If any difference shall arise between the Client and Action Planning touching the meaning of this Agreement or any of the rights and liabilities hereunder the same shall be referred to a single person appointed in default of Agreement between the parties and on the application of either party by the President for the time being of the Law Society of England and Wales and the decision of such person (who shall act as an expert and not as an arbitrator) shall be final and binding on the parties.

Appendix 2 - Institute of Fundraising Code of Conduct

The Institute of Fundraising is the professional body that seeks to represent all fundraisers. Its purpose is to improve the highest standards of fundraising, and to support and develop the knowledge and standards of all those who undertake fundraising.

Members of the Institute champion and promote fundraising as a profession. They maintain the highest standards of fundraising, engage in the Institute's work, commit to its mission and are at all times fully representative of the fundraising community.

All categories of membership of the Institute are required, as a condition of their membership, to conform to the following Code of Conduct in every aspect of their professional life. It is the duty of all members to assist the Institute in implementing and enforcing the code, and they will be supported by the Institute for so doing. Violation of the Code may lead to disciplinary action including expulsion from the Institute.

Professional Conduct
All members of the Institute of Fundraising undertake to:

- conduct themselves at all times with complete integrity, honesty and trustfulness
- respect the dignity of their profession and ensure that their actions enhance the reputation of themselves and the Institute
- act according to the highest standards and visions of their organisation, profession and conscience
- advocate within their organisations adherence to all applicable laws and regulations
- avoid even the appearance of any criminal offence or professional misconduct
- bring credit to the fundraising profession by their public demeanour
- encourage colleagues to embrace and practise this Code of Conduct

They shall:

- not misuse their authority or office for personal gain
- comply with the laws of the United Kingdom which relate to their professional activities, both in letter and spirit
- advocate within their organisations compliance with the laws of the United Kingdom which relate to their professional activities, both in letter and spirit
- not exploit any relationship with a donor, prospect, volunteer or employee for personal benefit
- not knowingly, recklessly or maliciously injure the professional reputation or practice of other members of this profession
- at all times act honestly and in such a manner that donors are not misled
- not knowingly or recklessly disseminate false or misleading information in the course of their professional duties, nor permit their subordinates to do so
- not represent conflicting or competing interests without consent of the parties concerned after full disclosure of the facts
- not knowingly act in a manner inconsistent with this Code, or knowingly cause or permit others to do so

Professional Competence
All members of the Institute are expected to:

- strive to attain and apply a high level of competence to the efficient conduct of the work entrusted to them
- improve their professional knowledge and skills in order that their performance will better serve others
- recognise their individual boundaries of competence and be forthcoming and truthful about their professional experience and qualifications
- seek to ensure that all who work with them have appropriate levels of competence for the effective discharge of their duties
- endeavour always to work in harmony with their colleagues and to encourage less experienced colleagues to attain and apply their own levels of acceptable professional competence

Fundraising Competence

- Full and Certificated members are required to show competence in:
- establishing and communicating a case for support
- planning, organising and monitoring the allocation of resources
- research, analysis and strategy development
- coping with change and problem solving
- ability to work with colleagues, suppliers and others to achieve fundraising objectives

Confidentiality
Members shall:

- not disclose (except as may be required by statute or law) or make use of information given or obtained in confidence from their employers or clients, the donating public or any other source without prior express consent
- adhere to the principle that all information created by, or on behalf of, an organisation is the property of an organisation and shall not be transferred or utilised except on behalf of that organisation

Charity Donors' Charter
Members will promote and support the principles of the Charter during the course of their professional activities