



Being more radical: How to stay relevant and deliver the mission in our hyper connected digital world

A report by PwC and the Chartered Institute of Fundraising

February 2021



Chartered
Institute of
Fundraising

Introduction

Achieving a charitable mission means making things happen. Charities are a vehicle for change, and members of the public trust them with their donations to support and drive this change. To do this, charities need to have some form of power or influence – and power and influence are now being harnessed and distributed in new ways. We only need to look at our own lives, and the ways in which we are much more active with brands and organisations, to realise that our expectations of interacting and having a voice are far greater than they have ever been before. Our hyper-connected digital world creates new opportunities for collaboration and co-ownership, and we have seen how this

mobilises people to participate and make a greater societal impact; think of Black Lives Matter and #MeToo.

Just as the world was starting to recognise this new state of play, the pandemic arrived and drastically impacted all areas of society, including the charity sector. COVID-19 has exacerbated the existing challenges around funding pressures, increasing demand, technological disruption and changing behaviours, attitudes and expectations. The impact of the virus is estimated to result in a £10bn funding gap. This 'new normal' is anything but normal. In this report, we propose that the enormity of the short and medium-term challenges call for a radical

transformation of how charities seek to achieve their missions including the role that fundraising has. The opportunity exists to move from 'surviving' to 'thriving' if charities, and the sector as a whole, are able to:

- **Increase relevance:** Be clear on values and invite those with similar values to get involved
- **Increase differentiation:** Create active and more meaningful relationships with donors, trustees and beneficiaries
- **Increase effectiveness:** Adopt the 21st century ways of working that will maximise impact and efficiency

“The crisis presents opportunities for radical change that could secure the future of the sector.”



What this report is and isn't

Over the past year, it has become clear that few charities can stand still and deliver their mission through existing channels, values and ways of working. PwC and the Chartered Institute of Fundraising came together to convene a conversation around how charities and other organisations can be more radical whilst thinking through the need to stay relevant and deliver their missions in what is now a hyper-connected digital world. Both our organisations wanted to create a platform to share insights and discuss ideas about the future of the sector. So, at the end of last year we held a series of events focused on **staying relevant** and **delivering the mission**.

This report captures the thoughts of the events' participants and presents some actionable steps that will allow charities to address the key challenges of relevance, differentiation and effectiveness. This is just the start of the conversation about how to deliver the mission; it is not intended to be exhaustive. We have focused on three core areas of interest that came out of our initial event:



Pivoting



Alliances



Mass participation

Three areas of focus

Three key areas of focus emerged from the initial kick-off event. Across three follow-up roundtables, we focused on each of these discussion points in more detail. In all cases, the importance of fundraising in mobilising people, building alliances, connecting people to causes, and inspiring involvement proved fundamental. However, our focus areas went beyond fundraising. In this report, we will explain the importance of considering these themes, and also summarise the actionable takeaways. The themes are:



Pivoting

This refers to an organisation's ability to identify new opportunities and to respond quickly with decisive action. This ability has been highlighted during the pandemic, but its importance will not diminish in the coming months and years.



Alliances

Alliances have long been a strategy employed by charities. However, the participants in our events recognised that the purpose, nature and key success factors of alliances have shifted in the current context.



Mass participation

Consumption of services and brands is becoming increasingly participatory, and successful organisations are convening movements in which a large number of people act as a crowd to bring about change. This is the core concept of mass participation, a term which refers to much more than large-scale events.



Learn the power of pivoting

The capacity to identify opportunities and take decisive action has been essential during the ongoing pandemic. Its relevance will not diminish in the coming months and years. In order to respond to public needs and adapt to new trends, it is vital that charities can think fast, and act swiftly.

The members of the roundtable agreed that COVID-19 has shown that rapid change can happen when there is a necessity to do so, and that this can make people less risk-averse. Once the necessity is removed, and as things look a little more normal, there is a tendency to revert to legacy ways of working that are more familiar. You should now ask yourself "how do we recreate the sense of urgency that helps to drive impactful change?"

There was also an important discussion around change, in particular around what to change and the impact it has on those it affects. As the sector learns to identify new opportunities and act quickly, it must be comfortable with leaving things behind and stopping certain activities. At the same time, it is important to recognise that sudden pivots have the potential to be stressful, and in the current climate the human impact of change should not be overlooked. One method suggested by the roundtable to successfully roll out change was to "sense and respond", which involves gauging the reaction to a change and quickly moving forward if it is positive.

"In order to respond to public needs and adapt to new trends, it is vital that charities can think fast and act swiftly."

Some questions worth asking of your organisation include:

What mechanisms do we have in place to identify new opportunities? Have we acted fast enough in the past?

Are we capable of maintaining a level of urgency to bring about change?

Are we able to let go of what we are comfortable with in order to move forward?

How can our fundraising teams work with our supporters to increase our ability to pivot?



The future will be a battle over mobilisation.

New Power, Heimans & Timms.

Case study: The Big Issue – responding to the immediate challenge of COVID-19

Vendors have been unable to sell on the streets during the UK lockdowns. And, when they have been able to sell, footfall has been much reduced. The Big Issue has responded to this challenge by ensuring that vendors can sell both safely, via the use of PPE, and more effectively, delivering training to ensure that over 40% of vendors can now offer contactless payments. This focus on 'the digital vendor' is also evident on The Big Issue website where participating vendors can sell subscriptions to the magazine and its new app direct to customers and keep 50% of the proceeds.

Furthermore, The Big Issue has been quick to highlight the increase in the number of people affected by poverty and the threat of homelessness during this crisis. Ride Out Recession Alliance has brought together policymakers, civil society and individuals to focus on stopping evictions and creating new employment opportunities, leading to the launch of The Big Issue eBikes programme.



Amplify your impact with effective alliances

When executed successfully, an alliance can help an organisation to have more influence and greater impact. However, it has been estimated that over half of all alliances fail to realise this impact.

Some of the key determinants of a successful partnership suggested by the group were the importance of organisational fit, having a shared goal within the relationship, and being honest about what is achievable in order to identify where additional support is needed. The roundtable also recognised the value in starting small, and proving your value early on. By showing patience, a partnership is less likely to face struggles over ownership.

As well as touching on the obvious challenges of financial forecasting and navigating new risks in the current climate, there was a valuable discussion around stakeholder management, both internally and within the alliance. In particular, the group recognised that the different 'risk appetites' of stakeholders can limit an organisation's ability to pivot and embrace new opportunities.

When entering into a partnership, there is often a difficult balancing act around ownership, brand and governance. On the topic of 'letting go', the group agreed that there is sometimes an assumption that the charity knows best, and that moving away from that approach can be viewed as a loss of power and defeat. However, allies should be less focused on who owns the alliance, and more focused on what each party can contribute to the shared goal. This shift allows allies to re-frame discussions around ownership and control to be centred on the gain for beneficiaries and how to build a culture of opportunity.

“Allies should be less focused on who owns the alliance, and more focused on what each party can contribute to the shared goal.”

As a sector, alliances are not new. But, it is worth considering the following:

Are our existing alliances having a sufficient impact on our mission?

Have we got the right parts of our organisation engaged with the partnership?

Is ownership and control causing challenges for you to get the best out of a partnership?

What would change if we were to reframe our relationship with supporters as a partnership for change?

Case study: Breaking Barriers and IKEA – extending reach through an alliance

Breaking Barriers, a London-based charity that helps refugees find meaningful employment since 2015, was looking to form a partnership with a private sector organisation to extend its reach and impact. Breaking Barriers approached IKEA UK in 2017, which for a number of years have been committed to creating a fairer and more equal society, as part of their People and Planet Positive Strategy. Following a pilot study, together they have co-created and delivered a unique project within the business that is a first of its kind and has quickly developed to be a sector leading refugee hiring initiative. The programme includes customer service training delivered to Breaking Barriers clients by IKEA co-workers, and English classes delivered by trained teachers. So far, more than 150 refugees have completed the training and/or attended an IKEA assessment centre, with 29 gaining permanent jobs at IKEA. In late 2019 the IKEA global team took the learnings from this pilot and announced a commitment at the global refugee forum in Geneva to support 2,500 refugees through job training and language skills in 300 of its stores in 30 countries by 2023.

“

Alliances are often said to be like marriages. The partners have to understand each other's expectations, be sensitive to each other's changes of mood and not be too surprised if their partnership ends in divorce.

The Economist.





Make the most of mass participation

In an increasingly digital world, globalisation has taken mass participation to new heights, to the extent that the public feel that they could, and possibly should, be included whether invited or otherwise. As a result, it is vital that charities pay attention to, and focus on, the potential opportunities and threats that this participation presents.

To successfully harness mass participation, charities must first be clear on why mass participation will support achieving the mission and how it will be beneficial to participants. Where these two factors align, there is a clear case for mass participation. Without this alignment, it's likely that few will join and those that do will not necessarily support efforts to achieve the mission to any great extent.

Having established the rationale, you must be viewed as the credible, authentic and legitimate convener of the crowd. The example of Boaty McBoatface shows how control over your movement can be lost if sufficient effort isn't made to establish credibility. Furthermore, your organisation must be comfortable with the unintended consequences of the movement; giving up a certain level of control over the crowd is vital in order to successfully harness mass participation.

Finally, any organisational ego should be left at the door; the movement's benefits to your specific organisation should be secondary to its impact on achieving your mission. The recent #SecondHandSeptember campaign, launched by Oxfam but adopted by the sector, shows how non-branded movements can see increased participation across the sector as a whole.

One of our basic needs as humans is the need to belong, and a sense of community is often at the heart of every sustainable movement that relies on mass participation. To create a strong community, charities should seek to create an emotional connection with participants, as well as a sense of urgency that encourages people to take action. At the same time as recognising the importance of fostering community, crowd-like movements can often be affiliative in nature. This means that charities should expect varying extents of participation, and as is the case with all crowds, it will often be as easy to leave a movement as it is to join. This is not necessarily a sign of failure. In fact, the rapid turnover of members in the crowd can bring momentum and energy to your movement.

“Organisational ego should be left at the door; the movement's benefits to your specific organisation should be secondary to its impact on achieving your mission.”

Some questions to ask yourself:

If I were engaging with the organisation as a member of the public, on what level could I connect emotionally with the organisation?

How good are we at connecting with those who don't use our services?

On a scale of transactional to relational, how would our supporters define their relationship with us?

Case study: Oxfam – creating a sense of community with participants

One of the biggest mass participation activities that Oxfam coordinates is for their volunteers to attend festivals, such as Glastonbury, to help with checking wristbands, health and safety and other tasks. While this is initially coordinated by Oxfam, these groups of volunteers have gone on to develop their own social groups locally and on social media to stay in touch with new-found friends. The relationships that formed here were organic, and developed from the sense of community that came from their mass participation. This taps into the sense of belonging that everyone craves and helps to build the emotional connection and feeling of inclusivity that drives and sustains mass participation.



It's only really a movement if it moves without you.

New Power, Heimans & Timms.



What now?

We are no doubt living through challenging times, and the charity sector is facing undeniable pressure, but now is not the time to stand still. The coming months should be viewed as an opportunity to bring about radical change that can benefit the charity sector, and those who depend on its services. We have seen how rapid change can be brought about when there is the urgency to do so, and it is vital that this sense of urgency is maintained moving forward.

We have also seen consumers of goods and services demonstrate a huge amount of flexibility and readiness to try new things. From grandparents quizzing over Zoom, to exercise classes in our living room, there is a huge opportunity for creativity and innovation. Let's take the chance to reassess our assumptions about how things 'should' be done, and adopt a more diverse way of thinking.

So, what should charity leaders do now? We believe that all charities can make significant steps forward on the basis of the points contained within this report. Some key questions for each charity to consider are:

- Can you focus not just on surviving the here and now, but on creating the space to think about how changes made now can give your charity greater power and influence in the future?
- Could and should you be mobilising mass participation, finding new allies or changing how power works within your organisation to experiment and quickly embrace the 'things that work'?

- Put yourself in the radical mindset of someone who shares your mission but has no institution around them and so is minded to start a movement. What would you be doing in that case – and why aren't you doing that now?
- Now put yourself in the mindset of your current trustees, workforce, donors and beneficiaries. What do you need in each case to make all of this happen?

The Chartered Institute of Fundraising and PwC would like to thank all participants who contributed to the conversation for generously sharing their insights and ideas.

Contacts



Rachel Thursfield

Charities Consulting Lead –
Government and Health Industries

M: +44 (0)7595 610218
E: rachel.thursfield@pwc.com



Andy Theedom

Government and Health Industries

M: +44 (0)7561 789087
E: andy.theedom@pwc.com



Daniel Fluskey

Head of Policy and External Affairs at
the Chartered Institute of Fundraising

M: +44 (0)7903 557940
E: daniel@institute-of-fundraising.org.uk



Stewart Wilson

Local Public Services Lead Partner,
Government and Health Industries

M: +44 (0)7841 567089
E: stewart.wilson@pwc.com



Aidan Sutton

PwC Charity Sector Lead

M: +44 (0)7841 490881
E: aidan.j.sutton@pwc.com

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2021 PricewaterhouseCoopers LLP. All rights reserved. 'PwC' refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.