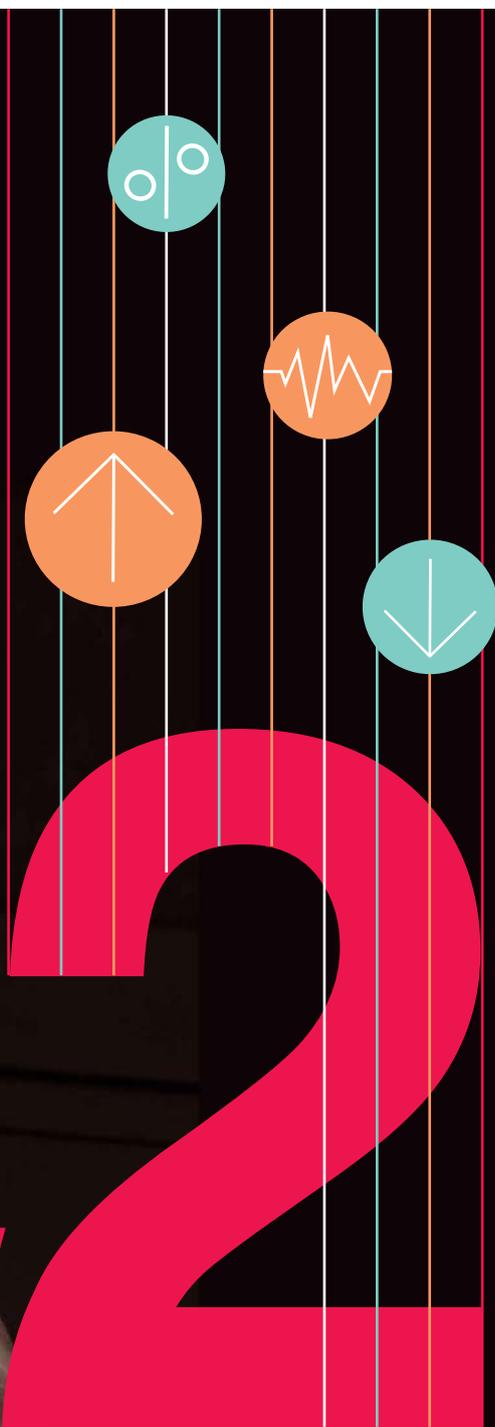


A new digital publication bringing you the essential learning, trends and statistics about fundraising in the arts and cultural sectors

**now/new/next**

MAGAZINE

**TRENDS, STATISTICS  
& EXPERTISE  
FOR  
ARTS & CULTURAL  
FUNDRAISERS**



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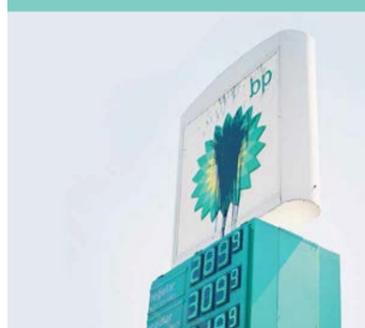
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# WELCOME TO ISSUE #2

We've had lots of great feedback on the first issue, and we know it's been widely read and shared across social media and other networks. My thanks to everyone who responded, and I hope you'll find this issue similarly stimulating.

Once again a range of expert voices offer their insight and expertise across some of the key fundraising topics of the moment. We look at the thorny issue of arts sponsorship and ethics; the Fundraising Preference Service; support for senior fundraisers and much more.

I'm grateful to all the contributors to this second issue. If you would be interested in contributing an article to a future issue, please send us an email to [artsfundraising@cause4.co.uk](mailto:artsfundraising@cause4.co.uk) and we'll be in touch.

Michelle Wright  
Programme Director  
Arts Fundraising &  
Philanthropy

@MWCause4





Image: cucchiaio via Visual Hunt

# WHAT'S SURPRISING IN ARTS FUNDRAISING?



Michelle Wright  
Programme Director  
Arts Fundraising &  
Philanthropy  
@MWCause4

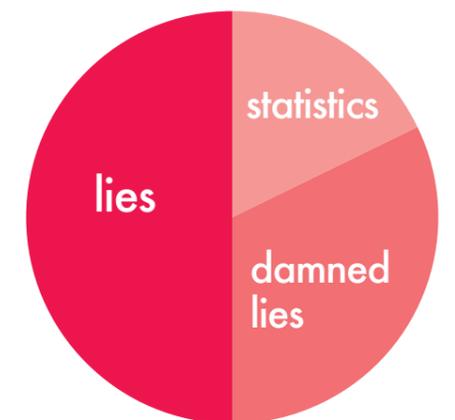
**Lies, damned lies and statistics... the trouble with the arts is that we don't have a lot of robust data to help us know how we're really doing in relation to arts fundraising.**

Unlike other sectors, such as Higher Education and the brilliant Ross-CASE survey, there is currently no resource that allows arts organisations to benchmark their performance, or more importantly to decide where efforts and resources should be expended.

Too often I see arts organisations feeling like they are failing if they are not developing fundraising on every front – trusts, individuals, corporates, crowd-funding and social investment – and too often this stretches already tiny resources so thin that nothing meaningful is achieved.

It's an obvious thing to say, but it's much better to focus on two key areas and to build the relationships and depth needed, than to over-promise across several fronts.

But how do we decide what to invest in? And what might be surprising in relation to our knowledge about arts fundraising? Are there any publically available statistics that we can rely on?





## Only 1% of charitable donations from individuals in the UK goes to the arts.

The estimated total amount donated to charity by UK adults in 2014 was £10.6 billion. But just 2% of donors give to the arts, accounting for just 1% of the total amount donated.

Of course, this statistic makes for depressing reading, and can make us all ready to give up and go home. How on earth do we position our causes against the 'big three' causes i.e. medicine that receives 13% of the total giving, children's causes which accounts for 12% and hospitals at 11%? The short answer is that we can't – but we can remember the competition, be mindful that arts organisations are charities too and seek to build a case for support that is as robust as possible.

And on the plus side, income from individual donations to ACE National Portfolio Organisations increased by 20% between 2012/13 and 2014/15. So there is light at the end of the tunnel.

If arts organisations work together, we can make a change in drawing the arts as a cause more into the public mainstream. We all have a responsibility to outline to the general public just how important work in the arts is to the economy, tourism and the local community and to build the collective case for support.



## Regular small donations to the arts are relatively high.

The typical monthly amount given by a donor in 2014 was £14. After religious causes, the arts achieve the next largest typical donation of £12.

So whilst we might be doing poorly in comparison to other sectors in terms of overall giving – there is definite mileage in a 'lots of little' approach. In the current psychology of the individual donor, the arts comes high up in the small regular donation stakes and therefore our strategies for securing flexible monthly donations, should come to the fore.



## Securing sponsorship income is getting harder.

Income from sponsorship to ACE National Portfolio Organisations fell by 2% between 2012/13 and 2014/15. It's well recognised that the area of corporate giving is getting harder. In the recent breakdown of contributed income by strands for the national average for ACE National Portfolio Organisations, sponsorship equated to just 16% of income, as opposed to 48% of income from major gifts and 36% from trusts and foundations.

Therefore investment in this area needs to proceed with caution. Many relationships will start in-kind and the savvy arts organisation will be targeting in-kind relationships that are genuinely budget relieving – for example helping with digital development, offsetting marketing costs etc.

Corporates are also shying away from old-fashioned brand and hospitality sponsorships with many looking for a highly creative approach, needing an arts organisation to curate activity that is bold and different on modest budgets. This needs a new type of mindset with many arts organisations drawing from their artistic resources to build these programmes, rather than the more traditional service and relationship building mindset of the traditional fundraising team.

Images from left:  
Nick Biancardi  
Fragments Pictosopiques  
Freefolouk  
via Visualhunt



AS STATUTORY FUNDING DECLINES, THERE WILL BE MORE COMPETITION FOR TRUSTS & FOUNDATIONS FUNDING

## Arts and cultural organisations are over-reliant on trusts and foundations.

In the latest Arts Quarter LLP survey it is estimated that 80% of cultural organisations feel that grants from trusts and foundations offer the greatest potential area for growth up to 2018.

Of course we know that Trusts and Foundations are an essential source of contributed income across the arts and cultural sectors. Arts Council England figures show that in 2014/15, National Portfolio Organisations collectively received £55.3 million from Trusts & Foundations, an average of 4% of their total combined income.

However, as statutory funding declines, there will be more competition for Trusts & Foundations funding, and as interest rates remain low, organisations reliant on interest from endowments will have less money available to distribute. In fact many long-standing Trusts are now looking at their own income generation strategies as their endowments perform poorly –

Trusts are therefore becoming ‘poacher turned game-keeper’ and may themselves start competing for funding!

Arts Council England statistics show that income from Trusts & Foundations in 2014/15 actually represented a fall compared to 2012/13 (£55.3m), whereas income from donations increased from £70.6m to £84.5m in the same period. We need to diversify strategies. A trust portfolio might comprise of between 30% – 40% of an arts organisation’s contributed income, and anything more might be considered too risky in a more competitive environment.

Arts Council England has re-commissioned the Private Investment in Culture Survey, and the survey results will be available soon. These will give us further intelligence on levels of fundraised income achieved across the cultural sector from individuals, corporates and Trusts & Foundations.

Image top right  
Funchye via Visualhunt



## Many Trustees still fail to recognise their responsibility for fundraising.

In the House of Commons PACAC report into the 2015 charity fundraising controversy, The Charity Commission’s guidance on fundraising is made clear.

Trustees are **“legally responsible for making sure that your charity’s fundraising is carried out in compliance with your legal Trustee duties”** and that **“your approach to fundraising and your fundraising plan reflect the charity’s values”**.

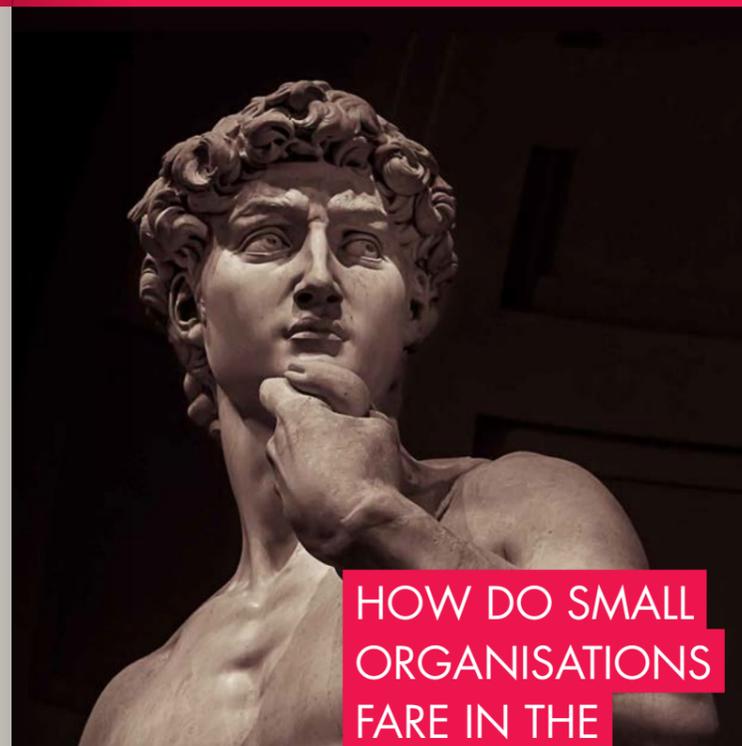
There has been much progress in Governance and Trustees recognising their role in fundraising, but there is still a long way to go. In my view, the first key role of a Trustee is in supporting strategy – to help the Executive Team shape strategy and to challenge thinking, particularly in organisations that are under-resourced, or with small numbers of staff.

The second key role is as an ambassador – somebody that can always talk positively and knowledgeably about an organisation, from its key message and purpose, to its financial needs. A good Trustee should provide support in every way they can: financial, time, and contacts (current as well as new ones), all essential roles of supporting the fundraising effort.

<sup>1</sup> Source: UK Giving 2014/ Charities Aid Foundation  
<sup>2</sup> Source: National Portfolio Organisations and Major Partner Museums submission 2014/15  
<sup>3</sup> Source: UK Giving 2014/ Charities Aid Foundation  
<sup>4</sup> Source: National Portfolio Organisations and Major Partner Museums submission 2014/15  
<sup>5</sup> Source: Revenue Generation in the Arts: 2015–16/Arts Quarter LLP  
<sup>6</sup> Source: National Portfolio Organisations and Major Partner Museums submission 2014/15  
<sup>7</sup> Source: National Portfolio Organisations and Major Partner Museums submission 2014/15  
<sup>8</sup> Source: The 2015 charity fundraising controversy: lessons for trustees, the Charity Commission, and regulators

# FORGET CUTTING EDGE

# HOW DO WE GET TO FIRST BASE?



HOW DO SMALL ORGANISATIONS FARE IN THE EDGES OF THE UK?



Richard Tynen  
Director of  
The Funding Centre  
@fundingcentre

**Operating outside London provides its own fundraising challenges for arts organisations. We know that the lion's share of public funding and private philanthropy is focused in London and the South East. So how do small organisations fare in the edges of the UK?**

So lets get the bad news out of the way. In the whole of the UK, only parts of Wales and Cornwall are classified as "Less Developed Regions" by the European Union. This puts great swathes of the Principality on a par with most of Romania and Bulgaria in terms of economic activity. Much of Wales hits the top of the league tables when it comes to poverty and deprivation. Not the greatest environment for philanthropic fundraising of any kind.

These challenging conditions also provide some unique opportunities. European Structural Funding is available to many in the third sector and a handful of arts organisations have been able to access this money.

The Welsh Government is highly accessible and creative organisations have been very successful at accessing funding via education, tourism and economic development pots.

For larger organisations the picture is pretty positive. Over recent years there has been a real injection of energy and enterprise in fundraising terms. Since Devolution kicked off in 1999, the fundraising landscape has been dominated by organisations in the capital city. Cardiff is home to the Welsh National Opera, Wales Millennium Centre, Artes Mundi and National Theatre of Wales, to name a few who are all generating significant levels of support from sources outside the public sector.

And for smaller organisations that's also where the problem lies – not in the capital, but in the sector's continued reliance on the public purse.

The Garfield Weston Foundation was so worried about the lack of applications coming from charities in Wales, it commissioned a study at the end of 2015, to understand the fundraising readiness of small charities in Wales. The findings echoed a long held view that the Welsh voluntary sector as a whole is overly dependent on Government funding and that organisations are just not fundraising-ready.

Since the onset of the economic crisis, cuts to public funding of the arts have been relatively delayed in Wales, compared to England. This has masked the fact that many organisations are not ready to generate philanthropic support. As those cuts have eventually played out into budgets of local authorities and other public funders, the cracks are really starting to show.

We are seeing that old habits die hard. Deeply routed instincts to batten-down the hatches and wait for the good times to return, have been hard to undo. But for those who have understood the scale of the challenge and have been willing to act, there are positive signs.



THE CHALLENGE IS NOT ONE OF FUNDRAISING BUT IS MORE TO DO WITH LEADERSHIP, CULTURE AND COMMUNICATION

**So how are small organisations going from dependency on grants to diversity in their fundraising?**

Those organisations that are investing in fundraising and trading are starting to create a stronger culture of philanthropy – creating a context for their customers to become donors and for the organisation to take fundraising seriously.

For many organisations that we work with, the challenge is not one of fundraising but is more to do with leadership, culture and communication.

**Leadership**

The Trustees of successful organisations understand that they need to have the skills to adapt to a new way of working and are recruiting fellow trustees that will “make the boat go faster” with experience, contacts and money. Business plans are now genuinely focused on investment in fundraising and diversification, not just written to please a single funder.

**Culture**

We are seeing the most successful organisations actively changing their practices to create a “project mentality” so they can present a clear case for support and can show real outcomes that will appeal to funders. They are also

starting to behave differently to customer data – collecting it and seeing it as something that should be nurtured and understood with a view to long-term returns.

**Communication**

Building a clear, authentic and compelling case for support that runs through all of their communications, creating a steady drum-beat of the need for support. Crucially, we are seeing organisations laying the foundations for individual giving by introducing very simple changes:

- Starting by telling customers that they are a charity and that the ticket price doesn’t reflect the full costs of production



Are you based outside London? How are you responding to these challenges? @artsfundraising #NowNewNext

Images from left: Changó, Thomas Hawk via Visual Hunt

- Putting in place simple response mechanisms such as donate buttons positioned prominently on websites, collection boxes and offering the opportunity to top-up the ticket price
- Showing the difference that they are making in the world by telling the stories of change that their education and outreach work is achieving

Fundraising & Philanthropy programme for Wales. In a part of the UK that is so defined by creativity and the arts that ability to innovate and create will be tested to its limits in the coming years.

Despite these positive signs, concrete results are few and far between. Government and the key institutions in Wales have been slow to wake up to the fact that most in the sector are far from ready to diversify their funding. There is no Arts

# USING DATA

## TO DEVELOP FUNDRAISING POTENTIAL



Image: Chhamben via VisualHunt



Have you been using data in new ways? We'd love to hear!

@artsfundraising  
#NowNewNext



Pamela Johnson  
Freelance consultant,  
formerly Senior  
Consultant at the  
Audience Agency  
@pfrodo  
@audienceagents

**Within the arts sector, there's been a paucity of knowledge about the behaviour of audiences who give at a low level to arts and cultural organisations. Challenges in this area are to do with the quality and quantity of data, how and what is collected and where data sits in the organisation.**

Even organisations that have member schemes and know a lot about their subscribers have gaps in their understanding of what else their supporters do, other memberships held and causes they give to.

We have subsequently developed a robust set of survey questions on cultural giving motivations and behaviours, published insights on our research findings and

developed a training course on the use of data for fundraising with Arts Fundraising and Philanthropy.

This course in particular has acted as a catalyst for fundraisers to enable them to think more strategically about managing and understanding data for specific purposes. Outcomes reported from attenders include better understanding of the challenges with CRM systems; the relevance of segmentation; being able to hear and share others' experiences (and solutions) of universal issues and the opportunity to practically apply theory to create a giving or membership campaign.

### Headline findings

Our research findings convey useful insights on giving behaviour and audience motivations for the sector as

a whole, of which some key headlines include:

- Regularity and length of engagement are indicators of propensity to give and also drives the decision making process.
- Low level givers are much more likely to be members or retained bookers who have visited over a period of time and who still visit frequently.
- The audience profile of givers, mainly in terms of age, education and their level of engagement with the arts/cultural organisation is a determining factor in their commitment to give.
- Low-level transactional "asks" work, however regular attenders could be encouraged to give further through more targeted asks.
- Transactional donations at point of purchase might yield less per booker but are not resource intensive, capture gift aid data and appeal to both new and longer term audiences.
- Many audiences who give also support a range of different non-arts charitable causes, in fact those highly engaged with the arts, are the most active givers across all charities.
- Competition for audiences' attention and donation is fierce; highlighting organisations' charitable status, and the difference donations make, could shift the balance of giving more towards cultural organisations.
- Attenders are attracted to friends or membership schemes purely for the benefits they receive in return. This has implications for the design of membership schemes, and the careful calculation and monitoring of net value.
- Once subscribed to a scheme, however, some

people continue to do this even if they don't attend, implying that membership provides a framework for philanthropic giving.

- Audience awareness of how to support either the organisation they attend or other organisations they visit is low; schemes need strong, consistent promotion – of how as well as why.

The insights from this research (funded by Arts Council England) have enabled us to develop some free tools to assist organisations' fundraising efforts. These address key aspects of low-level donor and member behaviour to help us understand who has propensity to give and under what circumstances. You can access these at [www.theaudienceagency.org/tools](http://www.theaudienceagency.org/tools).

<https://www.theaudienceagency.org/insight/donor-research-summary>

# THE FUNNY SIDE OF FUNDRAISING:

how comedians use relationship fundraising to bring their own art to the stage



Sanpreet Janjua  
Development Officer,  
Nottingham Playhouse  
@Sanpreetj

**The age of the internet means that all sorts of content is readily available for free. Our favourite news and blogs sites come ready armed with donate buttons and messages of why it's vital for their longevity that we support them.**

Working comedians are now also asking for donations – not to fund themselves, but to make their work more accessible. Donations are relied upon to ensure that the work they do can remain free for everyone else who cannot afford to donate.

There is a frank openness in the necessity to ask that free institutions like galleries and museums can be resistant to.

It means that Adam Buxton can be honest about his intentions to seek sponsorship to fund his new gloriously funny podcast and that Stuart Goldsmith can include a direct ask to his listeners in every episode of his Comedian's Comedian Podcast.

The first comedian who knew of who was actively fundraising is **Richard Herring**. He has recently had great success with his Kickstarter campaign and raised over £100,000 to create an online sketch show, As It Occurs To Me.

He graciously allowed me to interview him to gain an insight into why he fundraises and what he thinks the important principles are.



INTERVIEW WITH RICHARD HERRING, COMEDIAN

IF YOU GIVE PEOPLE SOMETHING GOOD, ESPECIALLY FOR FREE, ENOUGH OF THEM WILL WANT TO PAY SOMETHING BACK

**You were one of the first comedians who I knew of who was actively fundraising – I'm specifically thinking about asking people to donate to have their names in your programmes. What drew you to do this and what was the initial reaction like?**

I initially thought that doing this would be a nice way to give the whole audience a free programme (theatre programmes seem to be a rip-off) whilst raising money for charity and also, I suppose, promoting my other work. It seemed like a win for everyone. The first charity I offered the programme money to, Macmillan Cancer, did not want to be associated with the show I was doing at the time, Talking Cock (even though it was actually a perfect fit).

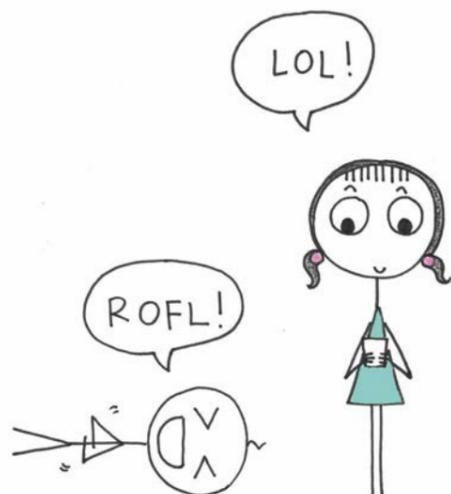
I sent them the money anyway. Then when I came to tour, with a raft of reviews about the show, demonstrating it was classier and more thoughtful than they had perhaps thought, I tried again and they still said no. So I asked Scope, who I was running a marathon for at the time and they were very happy to take the money. Macmillan have lost out on £300,000 and counting as a result of their sniffiness, but I am glad that SCOPE have benefited and I have become much closer to this cause as a result.

I didn't really think about raising money for myself until recently. I hoped that the free content would encourage people to see my shows and buy my DVDs which have worked to a good

extent I think. But as I have become more ambitious I can't afford to pay out tens of thousands of pounds a year, so have hoped that my audience would give a small amount each in order to get loads more content.

So a couple of thousand people are giving me a pound or more a month on our website and when I need to raise larger sums I have tried Kickstarter, which has worked well. If you give people something good, especially for free, enough of them will want to pay something back. But if all my listeners gave a pound a month for my 100 or so podcasts a year then I could afford to make my own feature films.

Images clockwise from left: thedailyenglishshow, Soaste via VisualHunt



IT IS IMPORTANT  
THAT WE MAKE  
ANY PROSPECTIVE  
DONORS  
FEEL GOOD



**Crowdfunding websites like Kickstarter have worked successfully for you and many other established acts. But it's also true that most on-line crowd funding campaigns fail. What methods would you recommend to newer acts that don't already have the audience to pledge?**

I would say keep giving stuff away for free for as long as possible. Lots of podcasting is essentially free to do, only your time is taken up, which can be an investment. Or find people at a similar level to you who are prepared to work for nothing in order to learn. If your free stuff is good, then after time people will want to start paying you to make more. You need to build up an audience to make this model work and I still think only about 2-5% of your audience will donate, so you need a good few thousand before you can

fund yourself this way. I have been podcasting for 8 years, but only started making any requests for donations about three years ago and still put out almost everything for free because I don't want lack of money to mean someone misses out. In an ideal world those who can afford a tiny amount to keep something going will be paying for those who can't.

**Many arts organisations are fearful of future cuts and the impact they will have on their work. Does this sense of fear of austerity measures exist in the comedy scene too - especially when in conjunction with threats to the BBC who will presumably be unable to fund innovative comedy?**

I think this is why it pays to be self-sufficient. If you can get funding from someone then great, but if you can't then you

just have to get on with it yourself. For me it's always been about the work and not the money. You sometimes need money to do the work, but there is always work you can do without money. The best way forward is the autonomy of working for yourself and within your means. And if you're good I believe that money will follow anyway.

**What would you say is the most important thing to do when asking for money?**

Make sure you are giving good value. The people who pay me a pound a month get access to a channel of extras, offers, advance info on podcast guests and chance to win prizes. I think that's worth a lot more than a pound in itself, but their money will go towards giving them more content too.

**So what can we in arts organisations learn from sole comedian fundraisers? My five take away points from Richard are:**

1.

**Give to get.**

We need to ensure that we are giving our donors something – whether it be a theatrical experience or laughter – before we can expect to get anything.

2.

**Give good value.**

What we give has to be valuable to our donors if we want something valuable in return. Whether it's the rewards in your crowd funding campaign, the benefits in your membership scheme or the art you present – they need to be wanted and valued by your donors.

3.

**Make people laugh.**

Even if we're not all as funny as Richard Herring, it is important to that we make any prospective donors feel good

4.

**Prove your worth.**

A harsh truth is that no-one will donate to an idea. Before asking for money you have to prove that you are able to do what you want, even if that means doing something for free

5.

**Be self-sufficient.**

You may not always get the funding you need so it pays to have a plan B. If you don't get the full funds what parts of the project can you complete?

If we make something valuable, in whatever form, our audiences will want to donate to make sure it can continue to happen. By extension, the idea of providing our art for free for those who can't afford to pay can become more of a reality. As fundraising starts to become a normalised practise for all forms of arts, culture, and entertainment, making 'the ask' will become easier – as long as we always make a donor feel good. Time to start practising your jokes...

**What has worked well for you?**  
**@artsfundraising**  
**#NowNewNext**



# ORGANISATIONAL RESILIENCE

it's all about the culture



Images from left: The Justified Sinner via VisualHunt



Michelle Wright  
Director of  
Arts Fundraising  
and Philanthropy  
Programme  
@MWCause4

**In July I joined participants at the annual Arts Fundraising University of Leeds Summer School to discuss what we really mean by a resilient arts organisation.**

Resilience is the buzzword at the moment. As we strive to ensure that our arts organisations have a sustainable future, management teams up and down the country are focusing on income and diversifying business models as key drivers for resilience. But this session in Leeds reminded me that we often forget the softer areas that are really at the heart of creating great organisations – its commitment to vision and purpose, our ability to collaborate, the way we

treat our people and overall the culture we create that are the hallmarks of the organisations with staying power.

Putting organisational culture at the heart of the resilience agenda, and of the training for our arts leaders therefore seems a no brainer. I can already feel people recoiling in horror at the thought of this, but if we look to some of the world's fastest growing and sustainable organisations, what singles them out is their unrelenting focus on culture – and I mean unrelenting – it's a daily focus on creating, reviewing and reflecting on culture.

For organisations such as Facebook and Amazon, when you get under the skin of their leadership agenda, the area



THE KEY POINT FOR LEADERS TO REALISE IS THAT A CULTURE EXISTS IN THEIR WORKPLACE WHETHER THEY LIKE IT OR NOT

that takes the most management time is the focus on creating culture – and by culture we mean skills, behaviours, how we treat people and how our audiences and partners experience our artistic offer.

However, rather depressingly, and perhaps not surprisingly, within this group of participants at the Summer School, the majority didn't feel that the leadership of their arts organisation gave time to create culture or to reflect on what was going right and what needed improving. Perhaps worse still, some felt that the leaders of their organisations did take time to 'consult' but as a mere tick box exercise and that often such sessions were used to push through change from the top despite feedback from staff.



But then it's very easy to bash our Artistic Directors and CEOs. They already have an impossible role being chief artistic planner, fundraiser, operations director and strategist, with not enough hours in the day. In this economic environment those roles can be utterly thankless. And it's also all too easy for junior members of staff to lay blame at management, to moan and to get into a 'no before yes' mindset which just exacerbates cultures that are less than ideal and protects the status quo.

The key point for leaders to realize is that a culture exists in your workplace whether you like it or not. And that's the point - to develop and co-create a culture you need to be 'intentional' about it. If you don't think about it, it's going to emerge anyway, and in that scenario more often than not, you might not like what you find.

These more accidental cultures are determined by what employees do and how management react – they can be both fragile and fluid, and they certainly aren't sustainable.

From my perspective, creating an effective and intentional culture requires one key ingredient – and that's 'time'. Our arts organisations have some of the most creative employees in the world, but ironically often we don't take time to harness those skills. And whilst communication and vision are important, we can't short cut the fact that creating culture takes both time and investment and you have to work at it every day. We also have to remember that existing cultures are very hard to break, that takes a massive amount of effort and energy.

So what emerged as our top tips for creating a culture that can support organisational resilience?

IT'S PEOPLE AND IDEAS THAT ARE AT THE HEART OF FUNDRAISING

## CREATE SPACE

Leadership needs to make space to think about culture. To identify the core values of the organisation and then to make sure that there is time for employees to engage with them, bring their ideas to the table and to reflect. There needs to be a regular period of 'check and adjust' to make sure that organisational purpose and culture are aligned.

## WRITE IT DOWN

Developing effective communications around culture is an obvious point but in our fast-growth companies, evidence of culture appears throughout the building and wherever employees engage with the organisation. It needs to be visible and constant and tailored to the key elements of success for your organisation. So if growing audiences is essential, then your measures of culture needs to put that at the heart of your employee experience.

## TRAIN YOUR STAFF

Investing in staff is important of course but a savvy culture plan will make best use of skills that already exist in the organisation, sharing knowledge and bringing training back into the building. Its not a cliché to recognize that staff can mentor and coach each other and if you happen to have a skilled facilitator or yoga teacher in your midst then using the skills that are already exist is a great start. Great cultures maximize their internal assets; they don't often buy in 'experts'.

## BE A ROLE MODEL

All staff need to walk the talk but we also need to be much more rewarding of good culture when we see it, and to showcase those organisations that do it well. Many participants were flummoxed when asked the question 'which arts organisations will be flourishing in 10 years time and why?' So that's a great question to start with – and getting under the skin of the 'why' is at the heart of any organisation's culture plan.

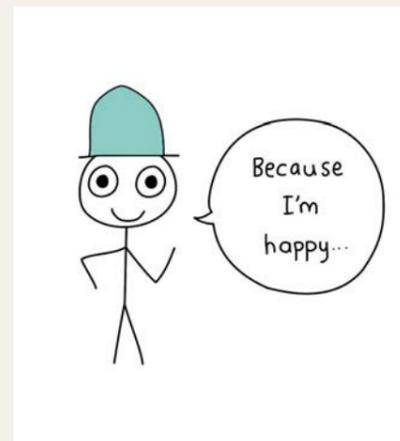
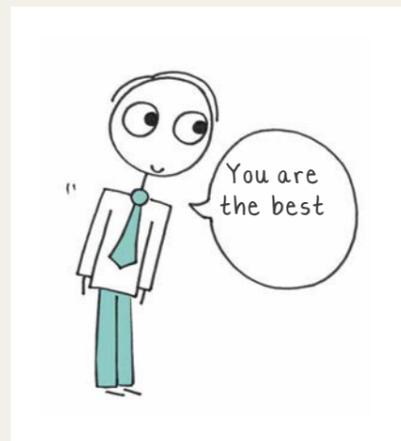
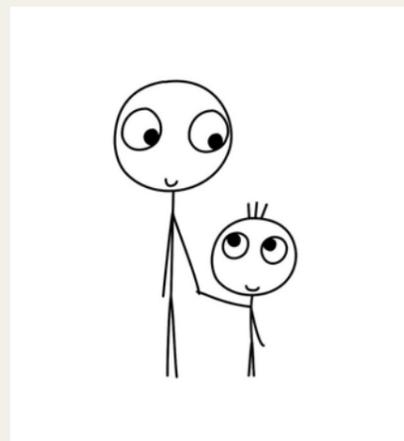
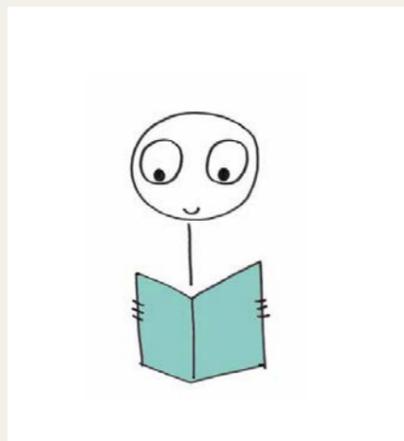
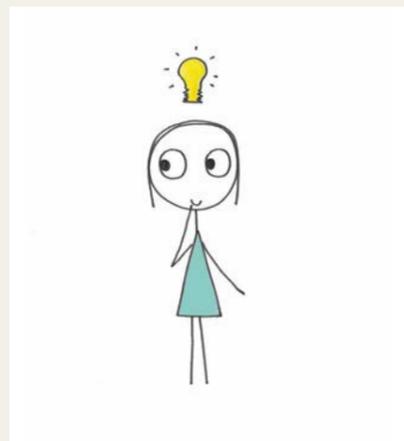
## BE POSITIVE

As more junior members of staff, it's no good falling into the trap of moaning about what is less than ideal; we have to get into a mindset of taking positive action about what we can influence. So it might not be possible to change organisational policy, but we can impact our own team's behaviours or ways of working, we can be a positive ambassador, and we can always be positive in putting forward new ideas. After all, it's people and ideas that are at the heart of resilient organisations.

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This article is part of a series of articles on the theme Fundraising for the future, sponsored and contributed by Arts Fundraising and Philanthropy.

Arts Fundraising and Philanthropy runs essential fundraising skills one-day training courses, trustee leadership half-day courses, bespoke/tailored training, and a number of one-day courses being offered on demand.



# CORPORATE SPONSORSHIP & THE ARTS: THE NEW FAUSTIAN PACT?



Georgina Wadham  
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**Who owns a public institution? In an ideal world, the answer to this question would be everyone: you, me, our next-door neighbours, our children's children.**

As a society, we are becoming increasingly interested in cultural ownership, an idea that can be seen throughout the arts sector: with the Arts Council's vision of Great Art and Culture for Everyone seeping into the national consciousness, we are increasingly attached to the idea that art belongs to the public.

As a cultural principle, this is laudable: it means that galleries and museums are open for free, orchestras play concerts in parks, you can buy a ticket to the theatre for £5. However, it also creates one of the most contentious issues in fundraising: that the public should have a say in where organisations get their money. Scandals in the past year have cast a spotlight on fundraising practise and, in the cultural sector, this has focused on corporate sponsorship of the arts.

Those of us who are artistically minded are prone to taking poetic licence when we talk about this. It's all too tempting to cast companies like BP as the Svengali leading the innocent Tate/British Museum/Royal Opera House astray, the wolf pretending to be grandma. It's satisfying to moralise like this, but it's not always useful, and can lead to oversimplification of complicated, genuine problems. Rather than pointing fingers, what we should do is ask ourselves a question: what good does distrust of big business do to the sector?

It is often tempting to think of the cultural and corporate sectors as existing in a dichotomy, as polar opposites. This is due to a pervasive, but outdated, understanding of how arts organisations are and should be funded. The popular idea of projects and institutions being bankrolled by single,



IT'S IMPORTANT FOR ARTS ORGANISATIONS TO DEFINE THEIR ETHICAL FUNDRAISING POLICIES USING A WELL-CONSIDERED RATIONALE

wealthy patrons is long-gone, replaced by layers of Trusts and Foundations, individual gifts and corporate sponsors. In its romanticising of cultural institutions as inhabiting a non-business space, the public holds its galleries, theatres and museums to a higher standard than almost any other industry.

Arts companies are not morally superior to the need to fundraise, but because they are supposed to belong to us all, they are held to unique standards. What good does this do? What say should the public have in how its institutions fundraise? And – because the concerns underlying some sponsorship arrangements are completely valid – how can arts companies fundraise ethically?

A fundamental principle underlying the answers to these questions is that sponsorship is not philanthropic: it is transactional. It must be understood that both parties enter into the agreement as willing and equal participants: each stakes risks and each stands to gain. This is no one-way street: cultural institutions should never be so beholden to their sponsors that they allow them to dictate their activities.

Additionally, the value of holding cultural institutions to high standards is clear: it helps to ensure that they are acting in the public benefit as far as possible. However, the more complicated problem here is that of trying to establish where the public benefit lies.

Is it in demonising morally dubious industries like oil, tobacco and arms? Or is it in providing beautiful art, music and theatre to the public at an affordable cost? What is difficult is striking a balance between the two: organisations must take responsibility for deciding where on this spectrum their fundraising policy lies.

When it comes to the level of involvement the public should have in defining public institutions' fundraising policies, there is again an issue of public benefit versus institutional discretion. Whilst, on the one hand, it is important that protest groups like Art Not Oil are given platforms to air their (legitimate) complaints, on the other when they threaten the



Image this page left: Kris Kraug via Visual Hunt



Where do you stand on ethical fundraising? Tell us at: @artsfundraising #NowNewNext



ability of institutions to remain open to the public (as happened recently at the British Museum), they run the risk of making victims out of the same organisations they hope to protect. If we cannot place trust in our most highly valued cultural institutions to make their own decisions, we should surely question why we value them so highly anyway.

So, how can institutions fundraise ethically? The answer can be found, somewhat anticlimactically, in the guidelines established by the Museums Association, which uses as one of its three pillars 'individual and institutional integrity'. Independence is vital to arts organisations: a flourishing society rests on the shoulders of diverse, honest art.

In order to ensure the independence of thought, we must protect our cultural institutions from becoming so beholden to funders that they can no longer produce this, but the same is true of the public's involvement.

What is important is for arts organisations to own themselves: to define their own ethical fundraising policies, using a well-considered rationale, and to take responsibility for their own integrity.

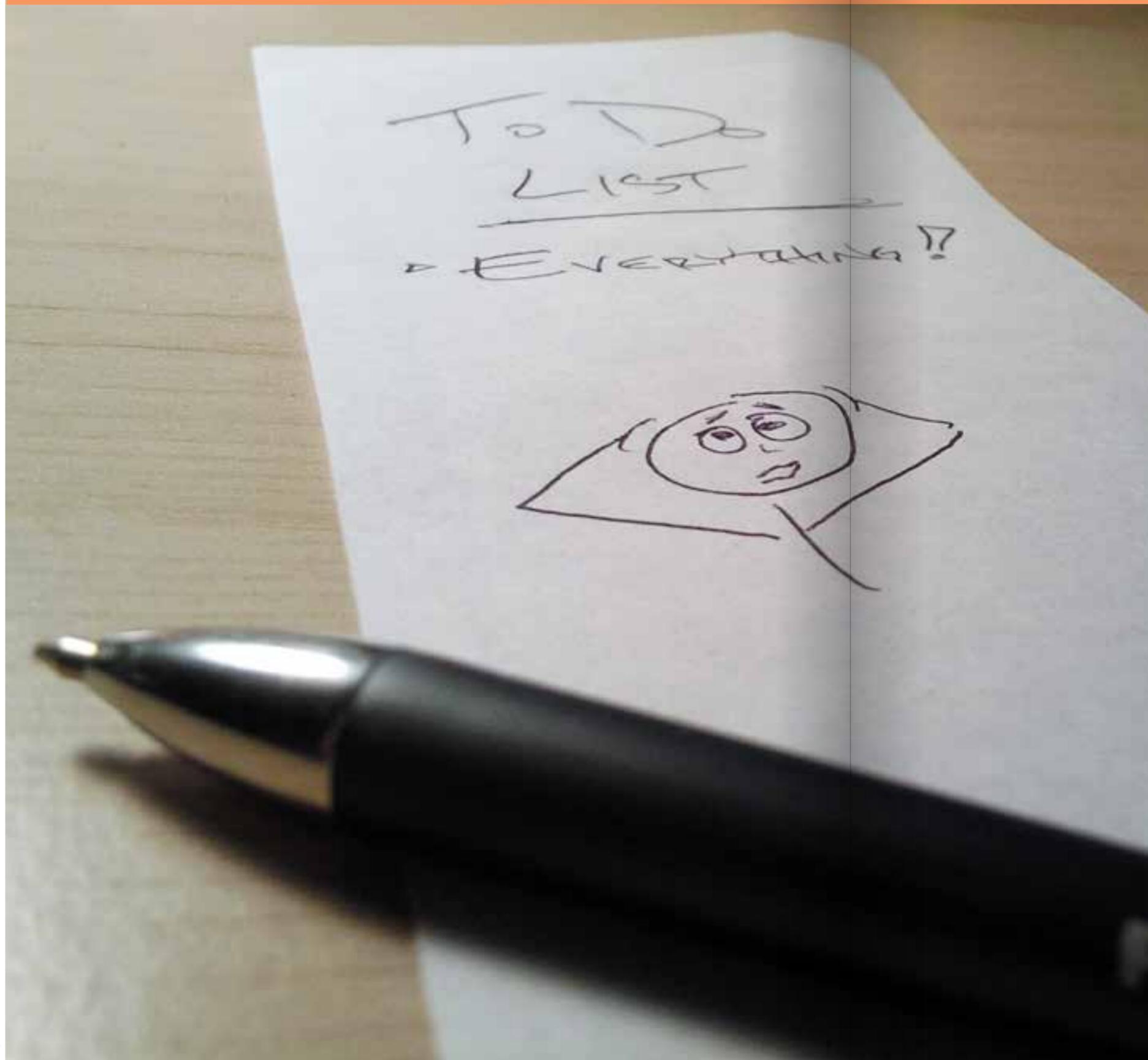


Image: John Schultz via Visual Hunt



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Director of Strategic  
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## HOW CAN WE BEST SUPPORT **SENIOR FUNDRAISERS?**

**The fundraising environment has changed immeasurably in recent years, and the complex portfolio of skills that our senior fundraisers need is not for the fainthearted. They now need to be experts in strategy, business planning, entrepreneurship and social investment, while also making sure that their core skills in major gifts and corporate philanthropy are up to date in a complex and fast-changing regulatory environment.**

I asked a range of experienced permanent and freelance development specialists for their Top Five 'wish list' of training. This is what CEOs and Trustees need to consider to support their senior development staff to succeed and thrive.

1.

**Don't tell us what to do, tell us how to get the senior buy-in and resources we need to get it done.**

Senior staff either know the mechanics or have a team of staff to do the implementation. What they want to know is how to 'influence up and across' to ensure that development is given the senior leader attention and resources necessary for it to be a success.

It really can be lonely at the top in fundraising. A head or director of development may in fact only have a small team or no staff at all. They are under pressure from trustees and executive teams to do every kind of fundraising (corporate, individuals, trusts and foundations), but need to make the case for adequate resources and proper long-term strategic planning rather than constant short-term firefighting.

Effective and sustainable fundraising is a marathon not a sprint, and senior staff want the skills and confidence to argue for their own internal case for support to give them the best chance of meeting fundraising targets.

2.

**Show us how to coach and motivate fundraising staff to get the best out of them.**

People working in different development specialisms can be quite distinct in terms of character and work styles. So what's the best way to manage and motivate a team of diverse staff to meet shared organisational goals and to be generalists as well as specialists?

Senior staff are also aware that there is an increasing need for all staff to be flexible in their approach to fundraising. Gone are the days when trusts and foundations experts could spend all of their time finessing applications. They now need to be cultivating relationships, organising special events for trustees and grants managers, and generally working far more collaboratively with colleagues. This creates exciting opportunities for staff development, but can also be a source of tension and unease that requires sensitive management.

3.

**Let us learn from, and with, our peers.**

Senior staff appreciate learning from people who have not only done it, but are currently doing it. Equally, it's so important to learn with peers who are facing the same challenges of implementing what they've learnt in their less-than-perfect organisations.

We all know that senior staff are time-poor, but everyone we spoke to would still prefer to undertake training away from their office with peers. This is partly about taking some thinking time away from the office, and partly in order to network with peers. This way, they have more traction if everyone involved has had a chance to meet and bond through face-to-face sessions first.

A number of senior staff would welcome follow-up group sessions (Skype or conference calls) that provide an opportunity to discuss their progress. This could help motivate participants to implement actions after training, rather than just being immediately sucked back into business as usual. As with any leadership role, not prioritising time for learning is only going to be detrimental for the future both for the individual and their organisation.

4.

**Give us the tools to use our data to make better decisions.**

Senior staff often have access to a considerable body of fundraising intelligence including marketing and ticketing data. They have sweated through the problems of systems development and implementation, established efficient processes, but now they want to take their use of data to the next level. They are just not sure what that is, and most importantly, they want the 'So what?' question to be answered.

It's not enough to demonstrate whizzy data segmentation and wealth screening tools. They need to understand how to apply the results of these analyses to their donor cultivation and stewardship strategies.

At present, senior staff can feel they are offered data reports as a solution, when in fact they are just opening up more questions. And there's then that influencing issue: even if we know the solution can we convince other senior managers that we need to change?

5.

**Let's measure return on investment in training through its impact on staff rather than on additional funds raised.**

All senior development staff want to be able to demonstrate a return on investment for their training. This can relate to financial targets through skills development (e.g. improving their success with corporate sponsorship). However, staff are also keen to demonstrate how it has strengthened their own personal capacity to do their job.

There is tremendous pressure to meet ambitious targets. Senior staff devote considerable time to supporting their own teams and 'influencing up' to executive teams and trustees, yet often feel that no one is really supporting them. Whatever else it sets out to do, all training for senior staff should increase their confidence and basic ability to cope with their demanding roles. Burnout and job-hopping can be high, so if we can increase resilience and the time spent in senior roles, it can only be positive for the sector as a whole.



**What else might be important as we support the development of these essential roles? Tell us at [@artsfundraising](https://twitter.com/artsfundraising) [#NowNewNext](https://twitter.com/NowNewNext)**

# MARKETING + FUNDRAISING

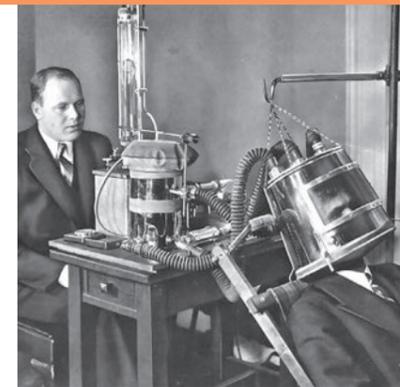
a joint mission



Sara Lock  
Associate Editor  
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**Not so long ago conversations about marketing challenges revolved around reaching specific audiences or keeping up to date with digital. Now talk of fundraising is never far behind.**

The need to contribute to fundraising efforts is playing on marketers' minds. While some embrace dual marketing and development titles, others feel far from their comfort zone supporting fundraising teams. But are marketing and fundraising really so different? In her guide to conducting a fundraising audit, Wendy Smithers suggests that while skills sets may differ the endgame is the same: 'to get as many people as possible interested in and connected to what the organisation is all about'. So what can we learn from each other and how can we work harmoniously together to smash engagement goals?



## Learning

In a recent interview with Cancer Research UK, Regional Legacy Manager Ros Fry said that building rapport with supporters was instinctive for her after a career in arts marketing. Her experience as a marketer had given her knowledge of the region, its demographics and its communities. While the roles are different, marketing and fundraising are both about understanding and building relationships with people.

While digital and design demands are increasingly positioning marketers at their desks building relationships online, fundraisers are often focused on face-to-face networking. Across marketing and development teams the likelihood is you will find excellent analysts, writers, speakers and networkers. Working together provides greater flexibility for individuals to play to their strengths and to learn from each other's insights from data analysis, digital analytics and face-to-face conversations.

## Trust

Key to building relationships, both internal and external, is consistent and transparent communication. To achieve that all staff must have a shared understanding of 'what the organisation is all about' and trust each other to express that consistently. The moment internal trust breaks down silos emerge, communications become disjointed, and we risk alienating supporters.

Strong mission and vision go a long way to avoiding such conflict. However the scenario in which a request for more prominent fundraising messaging is met with fears that it will put off audiences may sound all too familiar. At this point it's useful to communicate in terms of the joint endgame. Increased fundraising prominence could be interpreted as a 'fundraising ask' in every communication. However it may simply mean articulating the organisation's purpose to encourage buy-in and recognition of charitable status.

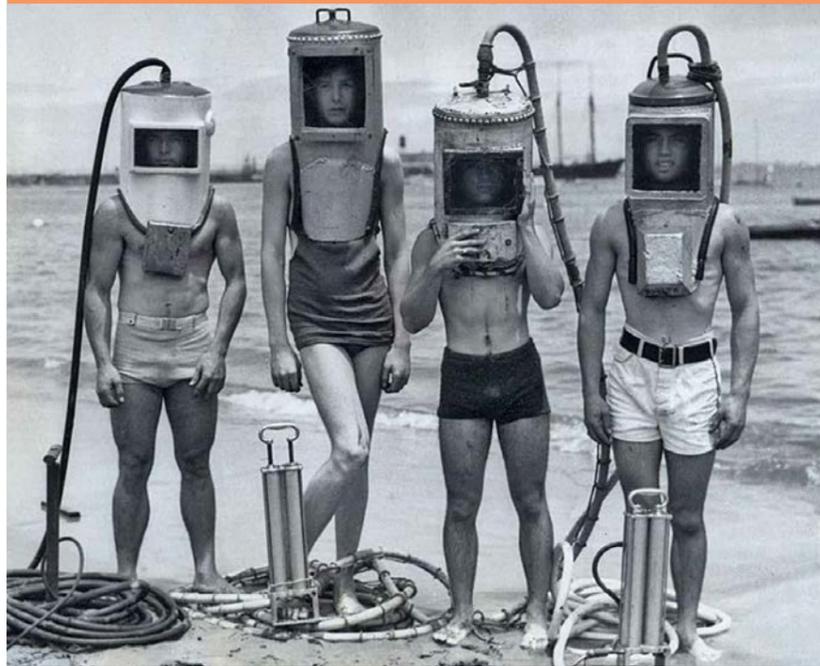
## Communications

AMA members who have transitioned from marketing to marketing and development roles have reflected on a shift of focus from event marketing to institutional marketing. On taking on fundraising, they have become more concerned with clearly articulating the organisation's vision and purpose.

Many arts organisations are already communicating more like cause-led charities but perhaps there are still more ideas to adapt. The RNLI, for example, frames every job description with 'my job saves lives at sea by...'. Their brand purpose is clear for everyone who encounters their adverts and engrained in the minds of staff as they work together towards a shared goal.

Are there routes through which people might encounter your organisation where key messages could be reinforced?

Images this page: x-ray della one via VisualHunt



### Joint initiatives

Many organisations that are achieving fundraising success talk about marketing and fundraising working together. The Ministry of Stories, for example, has embraced institutional marketing to help them build enthusiasm and engagement. By inviting supporters into their existing artistic activities they have proved you don't have to run yourselves ragged with separate fundraising events. They've drawn donors into their work and built closer and more authentic relationships as a result.

As marketing and development are increasingly connected by dual roles, embracing joint campaigns that focus on the endgame seems a natural progression. Following the launch of its crowdfunding platform Art Happens,

The Art Fund reflected that 'the audience development potential of crowdfunding is huge but you need to have a plan of what to do with those audiences beyond the campaign'.

A joint marketing and fundraising approach would increase staff capacity and ensure campaigns are planned strategically and evaluated more holistically in line with financial and audience development targets.

### The future

While the effort to embrace both disciplines may feel huge, the dividends are great. Any individual that is able to master the skills of marketing and fundraising must surely be a hot prospect for any leadership role.

In the hands of the marketing and development hybrid, the future of the arts feels exciting and the growth of audience-focused and resilient organisations seems almost inevitable.

Philip Flood, Director of Sound Connections  
[https://twitter.com/Philip\\_Flood/status/723112254070231040](https://twitter.com/Philip_Flood/status/723112254070231040)

Orchestras Canada  
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Ellen O'Hara, freelance creative and cultural strategist, coach and facilitator  
<https://twitter.com/EllenMaryO/status/723053680446984192>

## ISSUE #01 TWEETS



**Philip Flood** @Philip\_Flood 

This from @artsfundraising is well worth reading if you work for an arts or cultural organisation.

**Orchestras Canada** @OrchCanada 

Great new e-magazine from @artsfundraising bringing together lots of insights on fund development! Link here:

**Ellen O'Hara** @EllenMaryO 

Great read - Now, New & Next

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# BREXIT

## & THE FATE OF THE FUNDRAISING PREFERENCE SERVICE



Tom Hoyle, Senior Associate for Philanthropy & Governance Cause4 @OfficialCause4

### The UK has voted to leave the EU. So what effect could this have on the lifespan of the new Fundraising Preference Service?

The impact of the UK's departure from the EU was a tantalising dimension presented by Sir Stuart Etherington, architect of the new system of fundraising regulation, to charity leaders at a conference held on 3 June 2016 at Skinners' Hall in London.

In a typically convivial mood but suggestive of the complexity of rehauling fundraising regulation, Sir Stuart began by advising delegates to the Association of Charitable Organisations **"if a Government minister calls you at the start of the summer asking you to conduct an inquiry, tell him you've booked a holiday and will be uncontactable for several weeks..."**

Sir Stuart went on to say that, in the event that the UK voted to leave the EU, he did not know whether that meant that the European General Regulation on Data Protection, a major reform of data protection law that is expected to apply to most types of fundraising, would apply, be suspended or phased out.

### What are the EU data directives and the Fundraising Preference Service?

The proposed EU data directives are extensive and are expected to be introduced in 2017 – so, even though the public has voted out, the UK will only stop being an EU member after they have been introduced and therefore will likely adopt them in some way. (Whether the UK retains these regulations when it does leave the EU is of course another question!)

But putting Brexit to one side for a moment, what Sir Stuart's aside revealed was a lack of



SOME OF THE CHANGES THAT WILL FOLLOW ARE LIKELY TO HAVE A PROFOUND EFFECT ON FUNDRAISING PRACTICES...

situational awareness and regulatory logic that is hampering the new regulator, and specifically its biggest tool, the Fundraising Preference Service.

What is proposed now is a hybrid Telephone Preference Service and Mail Preference Service fitted out to filter 21st century fundraising. Yet it is hard to conceive of a riskier IT project and a customer-base (around 5,000 large charities) less suited to handling it.

It is a self-confessed duplicate to existing services, and as we said in the last edition of Now, New and Next, the EU regulations represent strong alternative medicine to the Fundraising Preference Service, most notably, data users will need to ensure:

- explicit consent is given for the collection, storage and processing of personal data

- an individual has the right 'to object to profiling'
- an individual has the right 'to be forgotten'

These duties are also spelled out in the original Etherington Review. But having greeted these **"welcome steps in the light of long-standing concerns about fundraising tactics and behaviours"** and recommended time for adjustment, Etherington still insisted a new regulator build its own instrument, the Fundraising Preference Service – imposed even before the EU's changes come in to effect.

### What is happening on consultation?

The Fundraising Preference Service Working Group, under George Kidd, the Chief Commissioner at the Direct Marketing Commission, has begun consulting on implementation. An NCVO discussion paper for the

Fundraising Preference Service working group establishes that whilst all charities are expected to fall within the Fundraising Preference Service remit, it is charities with a turnover above £1m that will be expected to check datasets against Fundraising Preference Service resets for fundraising campaigns.

So imagine this...during the EU referendum campaign the online voter registration system crashed on deadline day, so what on earth will happen in November 2016 when 5,000 charities try to get their Christmas mailouts approved at once...

### What is likely to emerge?

But back to Brexit, we now have two possibilities: If the UK opts (at least) to remain a member of the Single Market, the Fundraising Regulator could still navigate

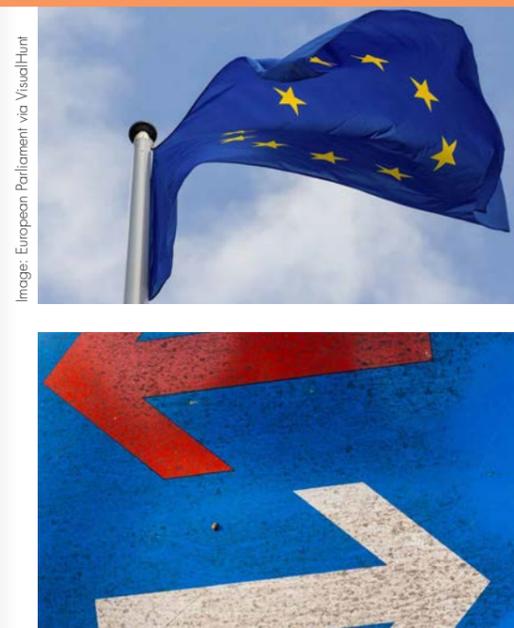


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the complexity, expense and technical barriers to deliver the Fundraising Preference Service in 2016/17 – only to be superseded by the higher demands of the EU data directive later in 2017. Alternatively, given the leave vote, the UK could choose to mothball the EU data directive for all UK companies, which would secure the primacy of the Fundraising Regulator. Bizarrely this would mean direct mail, mobile SMS and online communications from charities are more strictly regulated than any by commercial marketers. And perversely, unaddressed mail will not have additional regulations, which opens up the prospect of a rise in junk mail through our letter boxes. What do the major arts organisations and charities think?

### With so much up in the air, who would invest in such a system?

Arts Council England has expressed multiple reservations about the proposal's capacity to offer protection for the public without adversely affecting arts organisations and particularly smaller ones. It has sought opportunities to discuss its concerns in detail to the working group hosted by NCVO. 38 large charities are understood to have committed to begin funding the new regulator.

Other charities, with no such constitutional get-out clause, have queried value-for-money and the propriety of paying £300 per diem to the Fundraising Regulator's board members. Indeed, Disaster Emergency Committee members have lobbied for an exemption from the whole scheme for its fundraising mobilisation on officially

declared emergencies. Like EU withdrawal, the Fundraising Regulator was presented as an irreversible long term decision but Sir Stuart seems to suggest that its central plank, the Fundraising Preference Service, could be ephemeral. Surely that's crazy considering the high costs and the disruption caused – and not just to summer holiday plans... for the arts this is likely to be a long haul.

Terms of reference: [blogs.ncvo.org.uk/wp-content/uploads/2015/12/FPS-Working-Group-ToRs1.pdf](https://blogs.ncvo.org.uk/wp-content/uploads/2015/12/FPS-Working-Group-ToRs1.pdf)

Etherington Review: [www.ncvo.org.uk/images/documents/policy\\_and\\_research/giving\\_and\\_philanthropy/fundraising-review-report-2015.pdf](http://www.ncvo.org.uk/images/documents/policy_and_research/giving_and_philanthropy/fundraising-review-report-2015.pdf)

Discussion paper (on implementation of FPS): [www.ncvo.org.uk/images/documents/about\\_us/media-centre/FPS%20key%20proposals%20and%20questions%20paper.pdf](http://www.ncvo.org.uk/images/documents/about_us/media-centre/FPS%20key%20proposals%20and%20questions%20paper.pdf)



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