



The Third Sector reset

A complete guide to thriving
in a post-Covid world 🌍

At Fish, we're passionate about helping membership and charity organisations succeed.

Every year, many thousands of organisations settle for second best, often owing to their small scale and even smaller budgets. But, at Fish, we're changing all that. We're here to help you achieve more with less, to ensure you remain competitive, relevant and effective.

We understand that the battle to innovate and modernise is constant and real. That's why we've **democratised access to premium marketing services.**

Whether you're looking to build and communicate your reputation or find fresh revenue streams, strengthen relationships with current members or develop strategies to attract new customers, our expertise and resources will revolutionise the way that you do business.

Throughout history, the greatest challenges have often inspired the greatest responses. Despite the untold global havoc wreaked by pandemics throughout history, they have also proved to be a positive force for change.

In the **1300s**, the Black Death led to better workers' rights and improved conditions for the poor. The Spanish flu pandemic of **1918** led to transformed healthcare systems and greater diversity in medicine around the world.

One such unexpected positive force to emerge from the **Covid-19** pandemic is happening right now, says Fish – the revolution among the thousands of charities that help make the world a better place.

For the Third Sector, **Covid-19** has acted as an undeniable catalyst for change. In particular, it's forced a growth mindset. Without it, many charities would have remained behind the curve in their strategic and innovative thinking. Now, as a result, the sector must continue to transform.

It's an industry that, in many cases, has been revolutionised. One that requires new skill sets, structures, leadership and mindsets. This report explores what the new world looks like, where further change is needed, and provides a model that hundreds more throughout the sector can emulate.

Top industry leaders discuss the lessons they have learned while steering their organisations through the pandemic, and their significance for the sector as a whole. Fish, in turn, has identified several areas of opportunity to ensure that the Third Sector continues to thrive in a post-pandemic landscape. We will explore these areas in more depth, giving you practical guidance on where and how to start making the shifts that you will need to succeed in our post-Covid world.

Fish interviewed 27 senior leaders across the charity and membership sector to get a candid, first-hand view of the post-pandemic landscape that the UK Third Sector now inhabits. Their views have helped shape this guide to how your organisation can thrive in a post-pandemic world.



Tanya Curry, *Interim CEO, Ramblers*

www.ramblers.org.uk

**Sue Killen, *Chair, Pharmaceutical Services
Negotiating Committee and Katie Piper Foundation***

www.katiepiperfoundation.org.uk

Bruce Cartwright, *CEO, ICAS*

www.icas.com

Owen Meredith, *Former CEO, PPA*

www.ppa.org.uk

James Hewes, *President and CEO, FIPP*

www.fipp.com

Tommy Cawston, *CEO, Matt Hampson Foundation*

www.matthampsonfoundation.org

Stephen Robertson, *CEO, The Big Issue*

www.bigissue.org.uk

Mathew van Lierop, *CEO, Malaria No More UK*

www.malarianomore.org.uk

David D'Souza, *Membership Director, CIPD*

www.cipd.co.uk



Anne Godfrey, *CEO, GS1 UK*

www.gs1uk.org

Tim Lowe, *Head of Procurement, WWF*

www.wwf.org.uk

Nick Parker, *Global Head of Development, IAPB,*

www.iapb.org

Russell Blackman, *Managing Director, The Big Issue*

www.bigissue.org.uk

Lewis Butcher, *Head of Membership,*

Royal Television Society

www.rts.org.uk

Helen Hardy, *Director of Membership & Engagement,*

The Chartered Institute of Logistics and Transport

www.ciltuk.org.uk

James Banks, *Membership Director, Chartered*

Institute of Architectural Technologists

www.architecturaltechnology.com

Ana Barco, *Former Group Director, Membership and Marketing, CIPS*

www.cips.org

Damian Hopley, *Group CEO, Rugby Players Association*

www.therpa.co.uk



Robbie Turner, *Director of Pharmacy & Member Experience, Royal Pharmaceutical Society*
www.rpharms.com

Rob Music, *CEO, The Migraine Trust*
www.migrainetrust.org

Lara King, *Head of Communications, Marketing and Membership, Rethink Mental Illness*
www.rethink.org

Will Cook, *CEO, Cure Parkinson's*
www.cureparkinsons.org.uk

Mark Haworth, *Brand & Marketing Executive, IOP*
www.iop.org

Jessica Carter, *Director of Membership and Communications, The British Dietetic Association*
www.bda.uk.com

Tim Sainty, *Membership Director, Chartered Institute of Plumbing and Heating Engineering*
www.ciphe.org.uk

Sarah Poulter, *CEO, Chartered Institution of Wastes Management*
www.ciwm.co.uk

Alix Popham, *Founder, Hub XV*
www.hubxv.com



Introduction: The post-pandemic industry backdrop

Chapter 1: What it's taken to emerge unscathed

Who's struggled, who's survived, who's thrived, and why?

Chapter 2: A value proposition for a post-Covid world

What value looks like in today's world, and how to demonstrate it

Chapter 3: Reviewing commercial cultures

Why and how to change the Third Sector mindset

Chapter 4: A post-pandemic talent acquisition and retention strategy

A new world of people priorities

Chapter 5: Digital transformation in a sector that's behind the curve

All eyes on a game of catch-up

Chapter 6: A new world of effective engagement

The revolution in communication

Conclusion: The sector's role in building back better

And how Fish can help you



The fundamental questions we explore in this guide:

1. Where has the pandemic highlighted weaknesses in the Third Sector?
2. How has it acted as an inadvertent force for good as it drives organisational change?
3. What does the sector need to do to thrive, post-pandemic?

Key questions put to industry leaders:

- What has been the impact of Covid-19 on your organisation over the last 12 months?
- How is it likely to shape your organisation as well as the wider industry?
- How do you think this will affect current working practices?
- How will stakeholder communications change?
- What are your upcoming priorities, challenges and milestones?
- In an increasingly complex market – and with so many organisations chasing the same corporate and consumer pockets, many of whom are tightening their purse strings – how do you stand out and prove ROI for membership and sponsorship?

'Coming out of the pandemic and saying, "Well, we lost x amount" isn't an answer, it's an indictment. We need to be discussing what you've been doing and what you are doing, not just how it's going. If 100-year-old veteran Captain Tom Moore could raise £33 million for the NHS from his back garden, how can the industry take inspiration?'

Allan Moffat,
Strategy Director, Fish

A revolution in the Third Sector

Leaders say **Covid-19** has acted as a catalyst for change within the Third Sector – those who aren't already adapting face precarious futures.

There is optimism around financial stability

Nearly half of leaders interviewed state that their finances are stable.

However, there is a lack of growth

Pre-pandemic, **68%** of membership organisations were struggling to grow in **2019**, and the **£10.1 billion** funding gap in the charity sector continues in **2021**.

The Third Sector state of the nation

The state of giving

- Sponsorship levels have fallen and remain low. In **August 2020** only **4%** of people sponsored someone else for charity – just half the usual levels seen for this time of year.
- The overall proportion of people who donated money to charity has remained broadly in line with previous years, despite the pandemic.
- People aged over **75** were the age group most likely to give to charity in England and Wales in **2020** at **84%**. Those aged between **16 and 24** were the least likely to give, at **55%**.
Source: Statista
- Unprompted giving, or being asked by a friend or family member, accounted for roughly **44%** of giving.
Source: YouGov poll, December 2020
- An international appeal or email request accounted for a mere **4%**
Source: YouGov poll, December 2020

The state of membership

- Being referred by a friend is the most effective membership growth tactic.
- Going into the pandemic, **68%** of organisations were struggling to grow membership. **25%** didn't grow at all in **2019** and **11%** shrank.
Source: Wild Apricot, 2020 Membership Growth Report
- **20%** of people will reduce regular financial commitments by cancelling subscriptions and memberships because of **Covid-19** financial pressures.
Source: GlobalWebIndex, April 2020
- **81%** of associations with membership increases in the last year were significantly more likely to have a culture that supports innovation.
Source: Marketing General

The state of voluntary organisations

- **68%** of respondents expect coronavirus to continue to have a moderate or significant negative impact on delivering their objectives next year.
Source: NCVO survey, April 2021
- The **£10.1 billion** 'funding gap' suffered by the charity sector is showing few signs of shrinking in **2021**.
Source: Pro Bono Economics

Going into the pandemic, **68%** of organisations were struggling to grow membership. **25%** didn't grow at all in **2019** and **11%** shrank.

Source: Wild Apricot, 2020 Membership Growth Report

What makes Britons donate to charity?

Respondents were asked: 'Thinking about the last time you donated money directly to charity, how were you asked to support the cause? If you were asked in different ways, please choose the method by which you were first asked.' Percentage excludes people who have never donated to charity.

Source: YouGov poll, December 2020

11

I was asked by a friend or member of my family

9

I was approached on the street or a shopping centre by a fundraiser on behalf of the charity

8

Other

6

I was asked by a colleague at work, school or college

5

I was prompted by someone collecting through a bucket or box collection

3

I responded to an annual event

3

I responded to a national TV charity event

3

I saw an advert for the charity on the TV, radio or in a newspaper

3

I received a mailshot through the post

2

I saw representatives of the charity at an event

2

I received an email asking for a donation

2

I responded to an international appeal

33

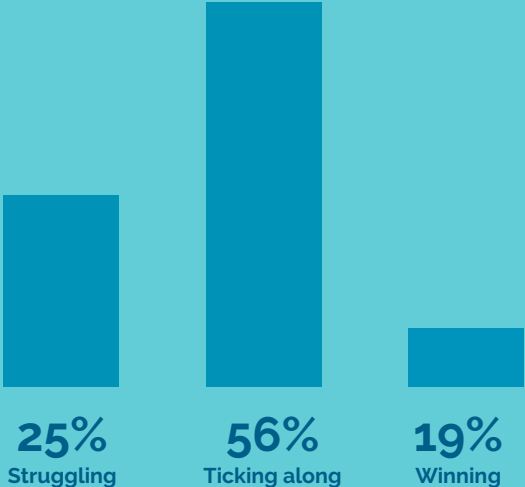
I wasn't prompted

Who's struggled, who's survived, who's thrived, and why?

- An 'innovate and adapt' mindset has been central to survival.
- A strong focus on digital transformation – often woefully lacking and still not prioritised by many leaders in the Third Sector – has set many organisations on the path to thriving.
- Those that found new commercial opportunities and increased member engagement attribute this to bringing new skills into the organisation.

Pre-Covid organisation performance

Fish asked: How would you rate your organisation's performance pre-Covid?



Characteristics of struggling organisations pre-pandemic

- Felt a lost connection to the industry they serve.
- Knowledge that change was needed, but lacking impetus, skills, resources or support to progress.
- Stuck in existing organisational structures and processes that no longer serve them.
- Understood change was needed, but there was a lack of knowledge about how or where to start.

Characteristics of those organisations ticking along pre-pandemic

- They recognised the need to progress, slowly adapting and trying new things.
- In the midst of reviewing strategies.
- Making changes, but taking time to embed or see results.

Characteristics of winning organisations pre-pandemic

- Likely to be larger, well-recognised organisations with deeper pockets.
- Change was already in progress.
- Ahead of the curve with digital transformation future-proofing and were reaping rewards.
- Had a process-driven approach to innovation.
- When Covid-19 arrived, leaders believed it provided an opportunity for their business.



'We made a conscious effort to challenge ourselves. We thought, "We've either got to step up, or accept the wave of all this and eye health might become irrelevant." So, we took a clear decision to really step up. And we took our members on that journey with us.'

Nick Parker,

Global Head of Development,

International Agency for the Prevention of Blindness

Agility was one of the most important leadership attributes of **2020**. For those that embraced the chaos and pivoted quickly, the rewards were large.

Nick Parker, Global Head of Development at the International Agency for the Prevention of Blindness, says his organisation's ability to adapt quickly during the pandemic made it more accessible to its members.

Parker describes how, as the agency's events and content pivoted to digital, it simultaneously brought in new digital skills, and engaged with networks that offered new ways of thinking, including those covering political campaigning, marketing and branding. This, in turn, opened up a raft of commercial and engagement opportunities. 'Today, there are more global opportunities for us to reach a much bigger audience than there were before,' says Parker.

'We're now looking to try and reach beyond our core audiences, particularly at the links to sustainable development goals (SDGs) and how eye health impacts productivity, education and healthy living. We want to reach businesses from across all sectors in a way that gets them involved.'

Stepping out of safety zones in this way has been a key attribute of those businesses that have not just survived, but thrived.

What leaders of winning organisations told us:

'I would say that it's been a real opportunity for us to prove our worth to members. And I think members would, by and large, say that as an organisation we were quick out of the gate, reacting speedily, gauging their views, understanding the issues and concerns that were affecting them (specifically Covid-related), relaying those into government, and getting effective policy changes.'

Owen Meredith, former CEO of the PPA

'In one sense, Covid has been the best thing possible because it's forced us to rationalise the business down to the core of what we do, to rethink what we do and to refocus, which we've done very, very quickly... This is a real chance for us to reset the way we've done things.'

James Hewes, President and CEO of FIPP

'You can look at it and say, "It's all negative, negative, negative," or you can say, "Right, this is an opportunity, these things are happening, we'll do what we can. And we'll make the best of it." And actually, as time goes on, what we've done will give us more tools to support even more people.'

Tommy Cawston, CEO of the Matt Hampson Foundation

The Big Issue's pandemic story of success

Pre-pandemic, the company fell into the 'winning' category, but **Covid-19** 'wiped out **85%** of our turnover overnight,' says Russell Blackman, MD of The Big Issue Foundation.

'More importantly, the ability for our vendors to earn and have a livelihood vanished. We had to make a seismic shift in the way we operated, so we could not only support our vendors through this crisis, but also try to save the organisation. We had to be very open-minded about that in terms of how we adapted and how we pivoted the organisation in order to come up with new ways to win.'

'**85%** of our turnover was wiped out overnight.'

Russell Blackman, MD, The Big Issue, and Stephen Robertson, CEO, of The Big Issue Foundation



Accelerated change, revenue diversification

'I think what Covid has done is accelerate the trends that we were facing anyway,' says Blackman. 'We cannot be so reliant on one core revenue stream. So, as for many other businesses, it's very much about diversification, creating that financial capability through other means and exploiting digital, not only as a means for us to drive income to The Big Issue, but to enhance and extend the opportunities that we can create for vendors.'

The team got to work. They quickly launched a subscription service, which grew to **10,000** subscribers in the space of a month. They went into retail, working to get The Big Issue into major high-street newsagents and supermarkets, convincing them to waive fees. Then they launched an app and created Big Issue TV.

This enabled them to create a vendor impact fund – **50%** of everything they generated through these efforts went into the fund, so they could disperse cash, food vouchers and other critical support to their vendors. At the time of our interview, they had recently hit the **£1 million** mark for the fund. As a result, they are now widening their social impact remit to extend beyond the homeless, including a jobs and training programme to keep people in work and homes, and an e-bike scheme that will employ Big Issue vendors and other vulnerable people. The leadership team now insists that the organisation won't be going back to the old ways of relying on one particular operating model. Instead, central to its long-term success will be continuing to evolve beyond even those innovations of the last **12 months**.

What does true value look like in today's world, and how do you demonstrate it?

- Defining a true purpose and demonstrating value in this new world was highlighted as a key challenge for many of those interviewed, and one continuing to adversely impact membership and revenue.
- In-depth community and member research has been surprisingly lacking. Defining a truly customer-centric strategy is the route to transforming value perception.
- Tech investment and digital marketing and communication are central to demonstrating value, yet often still overlooked within the Third Sector.

One of the most prevalent debates running throughout the Fish research involved the subject of defining a value proposition, communicating it, and making sure the message lands. The last is as much a challenge within an organisation as it is to the outside world.

Defining your true purpose and the brand story you want to convey will become of increasing importance to future Gen Z consumers. This is a challenge which is unlikely to plateau or fade away – it will only continue to come to the fore and be one that continually evolves.



One individual interviewed put it starkly when considering younger members:

'If you asked them to make a choice between paying for Sky TV or paying for their membership, which would it be?'

Another highlighted the scale of the digital transformation journey in the sector. Their membership was built pre-internet, and now with more resources out there and more information readily available, they were struggling with how to differentiate their value – and thus their membership – proposition.



Gen Z is more ethnically and racially diverse than any other generation – and it matters to them that their leaders and employers reflect this.

The Third Sector's future – a Gen Z mindset to understand

- Gen Z is more ethnically and racially diverse than any other generation – and it matters to them that their leaders and employers reflect this.
- **\$150 billion** estimated global buying power.
- Already account for **40%** of global consumers and have an indirect spending power of **\$600 billion**.
- **95%** have access to a smartphone.
- **45%** of teens say they are online 'almost constantly'.
- Engaging Gen Z with entertaining content, and video in particular, across different channels, is one of the most effective ways to get and keep their attention.
- Marketers should leverage Gen Z's willingness to share and co-create content.
- **41%** of Gen Z say they will leave a website if it doesn't predict what they like, want or need.

1. Focus on the end-user

Put yourself in the position of those using your service at every touchpoint.

- **What problem are you solving for them?**
- **What benefits do they get?**
- **Why is it important?**
- **How is it different from another organisation?**
- **Is your message clear?**

'In a really customer-focused way, akin to a retailer, we started shaping what we're offering with a clear focus on what people need from us and what they value, rather than the approach before which was, "We're improving the list of stuff that we have, therefore we must be doing a good job." I think that's been a massive, massive shift for us.'

David D'Souza, Membership Director, CIPD

2. Implement a consultation

Talk to those using your service. Basic? Yes. Surprisingly uncommon in pockets of the Third Sector? Yes.

- **Who's using your service and why?**
- **Who's not using your service and why not?**
- **If you're a membership organisation, why do people join?**
- **Why do they stay or leave?**
- **Does this differ according to demographics?**
- **Use the resulting insights to create a more targeted offer and refined value propositions.**

3. Streamline

The consultative approach taken by many organisations during the pandemic has led to a commonplace reduction in services, but increases in engagement. The pandemic has provided a unique opportunity to assess the value of every part of an organisation's offering, with surprising findings on the usefulness, or lack thereof, of many products and services, identifying any wasted resources and productivity. Several organisations Fish spoke to referenced the transformative effects of trimming down their offer.

4. Introduce a data strategy to demonstrate digital value

Several interviewees referenced the challenge of communicating their value in the sudden shift to a lockdown world with digital services, when members and sponsors were used to pre-lockdown physical services, products and events. One charity CEO, who joined the business in lockdown, recalls how its systems weren't synced; the company runs wellbeing services which witnessed a huge spike in demand. However, because its engagement system wasn't properly linked to its CRM system, it wasn't properly able to demonstrate the increase in services. This subsequently lost it its biggest client. The problem has since been rectified, but demonstrates just how archaic some Third Sector systems are in terms of technology and data, and just how important this can be for financial success.

'In our case, one of the first things we did was put in Salesforce as a CRM tool. It meant that we were able to go back and show member companies that in return for some of the ticketing that they bought, they were getting 10 or sometimes 20 times as much interaction with us as they would have done in the physical world, and therefore 10 or 20 times the value.'

James Hewes, President and CEO, FIPP

5. Re-evaluate your PR and marcomms strategy

You must be more visible to show value in today's digital world. It's loud and busy out there – how are you making people take note?

One interviewee recalls joining their organisation as its new leader and being struck by the lack of noise. 'We scratch our heads and go, "We haven't got enough members, and we haven't got enough support." And I'm sitting there thinking, "We don't really tell them what we do, and then we don't really ask them for support once we've told them so."

Another notes how difficult it is to demonstrate value to members. Constant yet strategic communications are vital in today's crowded digital world. One thing is to talk about what you're doing. Too many organisations make assumptions that people both understand and remember your purpose and value. The only route to doing that is having a proper structured narrative and comms strategy in place, planned 12 months at a time.

Why and how to change the Third Sector workforce mindset

- Driving a greater understanding of an organisation's finances throughout the workforce will shift agility, innovation and resilience.
- Recruit those with a more commercial mindset. No matter the role, it's just as important in the Third Sector as in any other organisation, and will separate those who thrive.
- The shift to digital has driven a need to review commercial models amid increased demand for services, and to look for levers to pull to drive revenue and efficiency.

The pandemic has disproportionately hit a sector whose viability, in some cases, often hinges on volunteering and is structured around limited budgets.

For membership organisations, there's been an increase in competition. As one leader interviewed warns:

**'The feeling of
"Well, nobody else
can do what we do"
is blatantly untrue
today, and even more
so moving forward.'**

While there's hope for many organisations, as outlined in **Chapter 1**, many have suffered and will continue doing so unless they implement some radical changes. Building back better means doing things differently. In this chapter, we outline areas where you can boost your economic viability.

Fostering a commercial environment

For many who are attracted to working in the charitable sector, the notion of commerciality is often at odds with their personal drivers and motivations. After all, the core purpose of the Third Sector is to assist, help and make a difference. But to survive, greater commercial awareness must be driven down throughout the organisation, and leaders need to address this head-on as pressure for services builds. The NCVO's latest **August 2021** survey showed that **57%** of those in the Third Sector reported an increase in demand for their services over the past month.

To demonstrate this within a specific organisation, the retail charity Retail Trust saw a **231%** increase in counselling support, a **209%** increase in calls relating to anxiety, stress and depression and a **63%** increase in financial aid enquiries.

As services expand, so must budgets and creative commercial solutions, and that cannot be achieved without ensuring an understanding of the economic fragility and viability of organisations by everyone who works in them.

'You can't, as an association, expect a free ride any more. You've got to stand on your own two feet, both as a business and as an entity that is valuable to members. The crucial bit of that, though, is just not closing your mind to any new opportunity to do business... If there's value in it for us, when we think we can make a difference, we'll do it.'

James Hewes, President and CEO, FIPP

'I've always said that we have to have a charity heart, but a commercial mind. I never want our beneficiaries to feel that they are part of a commercial operation, but, of course, we need income and must achieve that in the right way. As charity leaders, behind the scenes we absolutely have to run the organisation as a business... We have to make these numbers stack up, allowing more people to benefit from our great work.'

Tanya Curry, Interim CEO, the Ramblers

Review your commercial model

Covid has provided the perfect opportunity to upgrade your commercial model. The forced onset of digital to facilitate content, events and creative fundraising drives can all be monetised. The value may be slightly different from print publishing, a physical conference or a marathon fundraiser, but value remains.

One interviewee discussed new revenue models for sponsorship and members (and non-members) in their newly digital events. They introduced corporate membership as well as individual ones. Another introduced a consulting arm based on their deep industry network and knowledge. A third explored the value of commercial partnerships to boost the value of membership, leveraging sponsors' areas of expertise to build a whole new workshop range for its members.

Publications, digital or still physical, are ripe for placing advertisements. One leader we spoke to admits that despite keeping their physical magazine due to member demand, they hadn't ever considered adverts and weren't exactly sure why. This is clearly a missed commercial opportunity – fundamentally, missed pounds in your pocket. Digital events are also easy sponsorship targets. Including advertisement and branding options as well as paid thought leadership slots should all be options on the table.



Now is the time to audit your proposition to see where there are further commercial opportunities that deliver for both sponsors and your end-users.

Set your vision

'It's easy to get limited when you're in an organisation for a long time. A trick to a clear vision is to set a year in the near future and say, "This is what we look like," then build towards that.'

Bruce Cartwright, CEO of ICAS

'First, agree your purpose, then align your brand to that purpose. Then you identify your strategic objectives, usually in strategic pillars, and then you have KPIs that are measurable and SMART. That's what we delivered. And my board member said, "You do realise this makes it really easy for us to hold you to account?" And I went, "Well, isn't that my job?"'

Anonymous CEO in the Third Sector

Why and how to change the Third Sector workforce mindset

- Post-pandemic, many employees want change, they want to find a greater purpose within their work and they want to give back. This offers a host of talent opportunities for the Third Sector.
- However, the Third Sector no longer has a monopoly on doing good – and competition for talent remains fierce.
- It's time to hire differently, with diverse thinking and skills.

- A diversity and inclusion (D&I) strategy is increasingly important to people at their place of work. If you don't implement one soon, you risk missing out on top talent.

- Career development and training was surprisingly lacking throughout those organisations involved in this research. We highlight quick wins to drive skills and retention.

Up until three years ago, charities in particular had been haemorrhaging talent to the private sector for quite some time. But with a newly found need for change and the overarching sentiment of building back better, the pandemic promises hope in terms of a shift in thinking. With that comes an opportunity to bring in top talent.

2018 perceptions of working in the charity sector:



Nearly half of participants had heard **negative reviews** of charities' working cultures.

53% said they felt they could make a bigger difference by working for a business, as opposed to **35%** for a charity.

Source: Kin&Co

This report has highlighted the opportunity and need for innovation and creativity post-pandemic, but this is futile without the right people to drive it forward. As the pressure to modernise continues, the need for talent will only increase, so how does the sector up its talent game and take full advantage of potential talent opportunity?

You won't grow if you aren't **actively challenging yourself** to think differently about how and why you do things and the types of people who can help your organisation **move forward.**

Think differently, hire differently

When it comes to accessing and incorporating the best people and ideas, the first step is thinking differently about recruitment. In our interviews, we spoke to many leaders who were proud of their high retention rate and the fact that their people had been there for years. And yes, not having a revolving door of staff is definitely something to shout about. However, the flip side is: where is the diversity of thought and newness in thinking? Fresh voices are key to ongoing success.

Key questions to ask

- *How are you inspiring innovation and change within your organisation?*
- *Who's challenging the status quo?*
- *Are you surrounded by 'yes' people?*
- *Who's pushing to try something different, and do you truly encourage them to do so?*
- *How are you – and your team – staying current with new thinking?*



As Tanya Curry, Interim CEO of the Ramblers, explains: 'I don't believe that you have to have been a charity chief executive or director for years in one organisation, or indeed the sector. People have amazing transferable skills and diversity of thinking, and that's great. We can't pigeonhole ourselves and recruit to our image.'

She went on to say, 'When I'm recruiting people, I am always thinking, "If I take a step back, what does the business really need? And how do I get the best person I possibly can for this organisation to deliver what it needs to over the next few years?" If you don't experience different people and mindsets, how do you ever continue to evolve the organisation as a leader? You won't grow if you aren't actively challenging yourself to think differently about how and why you do things and the types of people who can help your organisation move forward.'

Foster creativity

Creative individuals want to work in a creative culture. It's that simple. How are you facilitating that? This isn't something that takes a ton of cash or is limited to bigger organisations. It's about creating an environment that is transparent, that tries new things, fails fast and encourages collaboration. This starts from the top.

One of our interviewees spoke to us about the culture shift they were in the process of implementing. "The more I looked at it, the more I thought, "No, this requires a complete overhaul," because the culture was terrible. The culture from the leadership team was, "We've always done it this way." And if there were junior or middle ranks coming through asking questions, it was, "Don't ask me that, just do what you're told." This led to a lack of innovation, as employees felt slapped down for suggesting new ideas.

A subsequent new business plan followed but, says the respondent, the most significant part of that strategy was culture change.

Another outlined how, about three years ago, the organisation was having a problem finding and keeping the right people. "Talent attracts talent. We had to go through a lot of change, really hire the right managers to ensure we could get the right people in.'

Self-reflection as an organisation is central to change. Is this a groove or a rut? As one interviewee remarks, 'It's trying to get people to stop and question, rather than just going through the motions of what they do; questioning why they do what they do in the way they do it and then analysing how we can change and improve it.'

“The more I looked at it, the more I thought, “No, this requires a complete overhaul,” because the culture was terrible. The culture from the leadership team was, “We’ve always done it this way.” And if there were junior or middle ranks coming through asking questions, it was, “Don’t ask me that, just do what you’re told.””

Typical skills being sought within membership organisations (2021)



Commercial

- Head of Commercial Partnerships
- Membership Commercial Manager
- Commercial Sales Executive



CRM Management

- CRM Manager
- Communications Executive



Digital

- Head of Digital
- Digital Marketing Manager
- Community Manager



Membership & Sales Support

- Head of Membership Engagement
- Membership Coordinator
 - Membership Engagement Manager
 - Membership Development Officer



Only 6% of companies say they are not focusing on D&I in their organisation in 2021.

Diversity and inclusion

For a sector that exists to help others, no recruitment and retention strategy would be complete without D&I at its heart. No one needs reminding how D&I has leapt up the boardroom agenda since the Black Lives Matter protests of **2020**. Since then, all eyes have turned to diversity on a wider level. Understanding the importance of gender diversity, racial diversity and diversity of sexual orientation is becoming more prevalent, as well as diversity of ability, social background, neurodiversity and religious diversity. Unless organisations make every effort to ensure D&I is central to their recruitment strategies, their culture will be questioned and they will become obsolete to future talent.

Progress has gathered pace during the pandemic. Fast Company reported that only **6%** of companies they surveyed are not focusing on D&I in **2021**, down from **25%** last year.

According to Gartner, **'74%** of employees expect their employer to become more actively involved in current cultural debates. CEOs have to respond with action to retain and attract the best talent.'

This trend isn't reserved for the leadership of **FTSE 100** companies – it applies to every leader of every type of organisation. Yet in a survey by TPP Recruitment, **36%** of non-profit organisations did not report or even measure diversity and inclusion.

We won't detail the countless studies and statistics underlining how diverse teams and boards have above-average profitability, engagement, collaboration and commitment (they're also **70%** more likely to capture new markets). However, how does your stance on D&I impact your ability to hire?

Workers are drawing a line in the sand

90% of job seekers say that a company's concrete commitment to workplace diversity impacts their decision to work there – giving those employers an edge.

Source: ZipRecruiter, 2019

Millennials (the largest generation in the workforce) stay twice as long as their average tenure at an employer that fosters diversity and inclusion.

Source: ZipRecruiter, 2019

69% of Gen Z workers stated that they would 'absolutely' be more likely to apply for a job at a company that emphasised a racially and ethnically diverse workplace in recruitment materials. Seeing is critical to being.

Source: Forbes, 2021



Despite the positive noise made about progress with D&I, it's nonetheless an area that some believe is behind the curve within the Third Sector. As one leader admits: 'Certainly, the sector in a British sense does have a challenge in terms of a lack of representation, particularly at senior levels.'

Another said, 'We are not diverse at all, in terms of people from black, Asian and minority ethnic backgrounds. And I think that's a problem for us. Because I am sure that people from those communities would look at a picture of our board and think, "It's a bunch of middle-class white people, why should I engage with it?" We've just started a huge programme to try to ensure that we are moving up people from ethnic minorities and supporting them, because there aren't enough of them at director level.'

‘We are not diverse at all, in terms of people from black, Asian and minority ethnic backgrounds. And I think that’s a problem for us. Because I am sure that people from those communities would look at a picture of our board and think, “It’s a bunch of middle-class white people, why should I engage with it?”’

Anonymous leader



Of the 100 largest charities in the UK:

8.1% of senior positions were held by ethnic minorities.

More than 30% had no ethnic minorities on their senior leadership team.

Only 0.3% of the sample size of leaders were Chinese or of other Asian ethno-cultural backgrounds.

Source: Third Sector Leadership 2,000, Green Park (report analysing 1,866 senior individuals working in the largest 100 UK charities)

'It does fascinate me that everyone on the board will go, "Yes, we need a diverse organisation and diversity of decision making." Then add, "Oh, actually, none of us are going to stand down and we're all going to come back again for another three years."'

A culture shift is needed from the top. As Stephen Robertson, CEO of The Big Issue Foundation, highlights: "There needs to be an audit from the top down to see what's reflected in the mission of the business plan. Because if it's not articulated, then it's all talk. Some trustees come from a world where that is not top of the priority list, they see it as a bit PC and have a mild distaste for it.' Another is equally

candid: 'We've got a few trustees at the moment that need to either step down or stand for re-election, and lots of them are choosing to stand again. It does fascinate me that everyone on the board will go, "Yes, we need a diverse organisation and diversity of decision making. Oh, actually, none of us are going to stand down and we're all going to come back again for another three years.'"

How to embed D&I in your business strategy

Start from your talent pipeline

- Make your job postings more inclusive by thinking carefully about the terminology that you use. Is it gender and age neutral? Is it packed with male-coded words such as 'assertive' and 'driven'?
- Look at ways of implementing development programmes to ensure career progression for diverse groups.
- Ensure you track diversity through data.
- Consider how to recruit without the use of CVs and make applications task-based without personal details.

- Consider apprenticeship programmes to drive social mobility.

- Create and nurture employee networks. HR leaders are twice as likely to report improved inclusion and 1.3 times more likely to report increases in diverse employee engagement.

Source: Diversity DNA: Building a D&I Strategy That Works, Retail Week, 2021

Taking out the (highly important) moral imperative, the lack of attention spent on diversifying leadership and teams within membership organisations and charities is impacting your ability to onboard the best people in the business – fundamentally affecting your chances of survival.

Incentives and development

Not all membership organisations can compete with the private sector on pay packages – in fact, most can't. But that shouldn't get in the way of attracting (and keeping) amazing talent. How are you selling yourselves? Exceptional pay packets aren't the only factor in joining a company: purpose, personal fulfilment, career development and flexibility are all key factors.

The 4 rules of attraction

1. Reassess requisite 'qualifications'

As one of our interviewees pointed out, do you really need someone who's been in membership organisations for a decade? Or do you need someone with digital skills and a passion for helping others? Don't overlook an unusual candidate – as long as you're prepared to nurture them.

2. Training and upskilling

More than a quarter of those we interviewed discuss their approach to people development as 'ad hoc' or 'do-it-yourself', with staff relying on their own personal networks to learn what they need. Your team will never be able to effectively upskill in the areas you need to win in today's landscape by leaning on those they know in their spare time. Having a plan for how you develop your people can be a key incentive in recruiting and retaining. Is regular training and upskilling available? What does that look like? Do you genuinely have senior leaders who can coach their teams and bring out their potential by focusing on strengths-based leadership?

3. Flexibility is now your friend

Flexible working is the new normal and this is a massive opportunity for the Third Sector. Post-pandemic, you have a much better chance of attracting a diverse candidate pool or talent you previously thought of as untenable (thank you, Zoom).

4. Transparency

- Where are you on your journey? Are you at the beginning of a culture shift and do you need people who can move that forward?
- Where are you investing? Is it tech? Is it people?
- What does the organisational structure look like? Do you need independent go-getters that want to work in a start-up type environment?



As one leader states:

'When you're growing and not always seen as stable, the areas you are investing in, such as tech and people development, can be an advantage in recruiting. Be transparent about future opportunities and the structure.'

Only 17% of charities rate themselves as good at digital service delivery.

- **More than half** of all charities didn't have a digital strategy in **2020**.
- **66%** of charity employees rated their board's digital skills as low in **2020**.
- **Only 32%** of those working for charities possess the skills necessary to develop digital strategies.
- Consumers will not wait for you to catch up. There is no grace period.
- Investing in the right infrastructure is vital to accommodate individuals still impacted by Covid and now firmly entrenched in digital habits exacerbated by the pandemic.

However you slice it, the voluntary sector is behind on digital. The first edition of the Charity Digital Skills Reports in 2017 reported that half of all charities didn't have a digital strategy. This number barely moved in the 2020 update. In 2017, 71% rated their board's digital skills as low – in 2020, this number was still in need of vast improvement, with 66% saying skills were under par. Nearly half hadn't accessed any available digital funding to help boost skills.

The true state of digital in the charity sector

91%

Rated themselves as fair (52%) to poor (39%) at understanding their users.

83%

Rated themselves as fair (43%) to poor (40%) at digital service delivery.

67%

Respondents that want their leadership team to offer a clear vision of what digital could help them achieve.

45%

Rated themselves as poor at digital fundraising.

27%

Cancelled services because they or their users don't have the skills or tech to deliver them.

Towards the end of **2020**, charities were asked by the Charities Aid Foundation whether the pandemic was accelerating a drive towards online fundraising. **53%** agreed that there was a need to shift to an online fundraising approach, **46%** agreed that donors are likely to be open to online giving and **47%** said they had already changed their fundraising methods. But when asked if they actually conduct any online fundraising at the moment, **62%** replied that they did not. According to a **June 2020** survey by YouGov, **25%** of British adults say they would be willing to attend a digital fundraiser, jumping to nearly **40%** for those aged **18 to 24**.



Assessment of 12 marketing competencies

In **2020**, training body Target Internet, in conjunction with the Chartered Institute of Marketing, carried out a benchmarking test of more than **9,000** marketing professionals across industries, including **500+** in the charity sector. The test required participants to complete a series of tasks aimed at testing their knowledge in **12** areas of marketing, with a particular focus on digital.

Topic	Charity sector % change from 2018 to 2020
Analytics and data	-5
Content marketing	+1
Digital strategy	+10
Ecommerce	+6
Email marketing	+2
General marketing	-1
Mobile marketing	-3
Online advertising	+7
PPC	-1
SEO	+5
Social media	+9
Usability	+7

While digital strategy and social media capabilities increased, charities scored below average in 10 out of 12 core digital marketing competencies, and when comparing skill sets across professions. The sector was also behind industries in the private sector. Only 32% of those working for charities possess the skills necessary to develop digital strategies.

These statistics pose a huge risk to the Third Sector in what is a solidly digital-first world, exacerbated by consumer habits shaped by the pandemic. Even in **2019, 71%** of all measured time spent online was on smartphones, and **35%** of internet users only accessed the internet on mobile devices. In **April 2020**, just a month into the first government-mandated lockdown, internet users in the UK spent an average of **4 hours 2 minutes** online each day – **37 minutes** more each day per online adult compared with January that same year. Only **13%** of adults in the UK do not use the internet – leaving **44 million** people aged **18-plus** who do. How are you connecting with them?

Digital first

Every leader we spoke to highlighted the importance of digital during the last **15 months**. The vast majority admitted that they had a long way to go in terms of utilising digital to its maximum impact; for many, it was a wake-up call. As one interviewee stated, ‘We knew we needed to do this now. If we didn’t do it, would we lose members? Probably not next week, but in time we would.’

It’s no secret that the Third Sector has been behind in digital transformation. But it’s still at times shocking to hear that, in some cases, organisations we spoke to didn’t even have a marketing strategy pre-pandemic, never mind a digital marketing strategy. One of those we interviewed conceded: ‘We have had to be honest with ourselves and say our digital marketing is not good enough. So, we’re getting some help. And we’re doing that with people outside the organisation. It’s viewed as a necessity.’

If you haven’t made digital transformation a priority, it’s time to start. And you have to start somewhere. Sometimes that means diving in. As Bruce Cartwright, CEO of ICAS, told us, ‘We went online overnight. We put our exams online, which was unheard of for us. We had no time for trials, it was a live but controlled experiment... and we accelerated three years last year. So much so that I looked at our five-year business plan to **2023** and we’ve already achieved a great deal of the digital aspiration.’

Consumers, your members, those that utilise your charity, donate, volunteer or fundraise – they will not wait for you to catch up. They want to interact digitally, and they want to be able to see your content and services whenever they like, wherever they like.

What leaders had to say:

'Prospective members don't see membership organisations as any different to another company or business that they may interact with. Everybody's used to interacting with Amazon, Apple and Google. When I look at the people we've talked to, they don't differentiate between us and somebody else who has billions of pounds worth of digital budget.'

Sarah Poulter, CEO at CIWM

'We are going on a journey of really having to professionalise our communications and outputs. People expect to see much more relevant, quality content delivered on time.'

Nick Parker, Global Head of Development at The International Agency for the Prevention of Blindness

'There's been a lot of goodwill given over to organisations, commercial and non-commercial, in the current climate, and everyone's doing their best. But moving forward, I think levels of expectation around events will increase. Everyone will have to have a better programme and/or more content available.'

Lara King, Head of Communications, Marketing and Membership at Rethink Mental Illness

Key organisation analysis

- 1. How am I measuring engagement? If you're not, how do you know if the time and resources you are spending are effective? Could you be spending them more wisely elsewhere?**
- 2. Is my data clean and easily segmented? If it's not, how are you able to understand your community's wants and needs, and build a better service for them?**
- 3. Is my website clear and does it help my community find what they need? Is it fast? Is it SEO- and mobile-optimised? If not, how are you communicating benefits and helping your community access necessary resources? How are people finding you online? Are they able to reach you easily via any device?**

If the answer to any of the above is a 'no' or 'not sure', your organisation requires a complete infrastructure audit.

Investing in the right infrastructure

The first step toward digital transformation is investment in the right infrastructure. This can be time-consuming and will take a significant amount of focus. You may need to engage outside help to ensure you're getting the right technology for your organisation. However, it's vital if you want to grow your membership, stay commercially viable and measure your impact.

The Third Sector is not known for its cutting-edge technological reputation, primarily because this level of investment can seem like a luxury. It isn't.

As David D'Souza, Membership Director of CIPD, says, lots of infrastructure has poor integration that provides, ultimately, a poor customer experience. 'We do important stuff in people's lives. So, if you are expecting to take an exam and you can't get on the platform, that will be one of the most stressful things that you go through. If you're trying to pay us, and the payment platform isn't working, that is frustrating. But also, you're liable to think, "Well, this is ridiculous..." and make a different decision about your membership or product.'

Only 26% of charities and membership organisations surveyed **planned to invest in digital communications in the next six months.**

- Attention spans are shorter than ever and there's more content out there than ever – how do you cut through the noise? The answer is with a combination of listening, segmentation and personalisation.
- Utilising digital and engagement strategies will help you diversify your proposition – this is a must to survive in a post-Covid world.
- The physical world is still important. We analyse the benefits of following a hybrid approach.

How we communicate has fundamentally changed. We are now comfortable talking to complete strangers in our pyjama bottoms in our bedrooms via Google Hangouts. However, we are also bombarded with more content and more online meetings than ever, which means we are less likely to engage with things we don't find relevant, personalised or that are presented awkwardly or inconveniently. A one-size-fits-all proposition has never been more irrelevant.

The path to effective engagement

A coherent data strategy

Segment your data so you can understand who you are talking to – and then build a strategy to talk to them differently depending on their wants and needs. This is integral when considering how to build new revenue streams, target new audiences, clarify your value in a competitive landscape and shout louder and more effectively in a world full of noise.

One CEO outlined the path forward: ‘How many membership bodies don’t even do the basics? They have a one-size-fits-all mag. It’s time to move from old-fashioned magazines and newsletters into targeted member communications. Who are you trying to talk to? How do you segment them? What methods do you use?’

Engage your audiences

Once you have clean data, a CRM system that allows you to easily segment and understand who you are talking to, build an engagement strategy for your existing community as well as those you would like to bring into the fold.

Many of those we spoke to underscored their lack of expertise in this area, with one stating, ‘We’ve got our bit that we know, but what we don’t know is where these people are, how to reach them and the message to reach them in an appropriate way that gets their interest.’

Customer journeys are key in a digital world. And campaigns must be built, not one-off pieces of content. Tech provider Oracle estimates that it takes roughly six touchpoints before people buy into a product or service – across a variety of different channels.

Find people where they are

Part of this strategy is to investigate how your audience likes to communicate. Are they Twitter fiends? Video junkies? What method of communication do they prefer? Go where they are, don’t expect them to come to you.

One of our interviewees realised that their members (sports players) weren’t really on email – social media was their channel. Another said that their members (students) weren’t interested in a magazine, especially a print one, but even a digital one was too time-consuming for them – they needed bite-sized pieces of content they could read at will.

Listen and analyse

Once you’ve figured out who they are and where they are, it’s time to talk to them – and more importantly, listen. Are you giving them what they really need? Or are you doing something because you’ve always done it?

One leader we spoke to, who recently joined their organisation, discussed their regular newsletter. ‘There hasn’t been a lot of thinking about who we’re sending it to and why. Is it a fundraising thing? Is it an education thing? Is it for our major donors? Is it a product we need? That review is going to be happening, so we can understand whether we should scrap it or do something else to care for our people.’

We know that digital communications, both internal and external, went through the roof for every industry during Covid, but particularly for those in the voluntary sector committed to sharing swiftly changing government guidance with their communities. However, according to data by Synergy, Gordon Glenister and Pelican Communications, only **26%** of the charities and membership organisations they surveyed planned to invest in this area in the next six months. **Future audiences will increasingly live their lives online and this is how they communicate. Longevity depends on going where they are and speaking their language on the platforms they love.**

The future: To diversify is to drive

Prioritising digital, investing in it and understanding your audience will enable you to thrive within a digital-first world. It allows for diversification of your offer, so you can remain relevant and reach a wider range of individuals. More than half of those leaders we spoke to specifically outlined how utilising digital enabled them to evolve their value proposition, grow/retain membership and engagement, and attract new demographics through DJ sets, quizzes, webinars, apps and more. Lara King, Head of Communications, Marketing and Membership at Rethink Mental Illness, spoke of bringing a younger generation into the fold, with podcasts the tool they used to test this. Damian Hopley, Group CEO of the Rugby Players Association, discussed launching a celebrity

podcast in lieu of physical events, leading to even more engagement. One organisation we spoke to simply didn't run their events in **2020** instead of taking them virtual, citing lack of expertise and digital know-how. Another went digital and saw a massive surge in audience size, but didn't charge for their services as they were unsure how to monetise this new product and communicate its value if people were accessing it from their homes instead of physically being there.

The rewards were clear for those we spoke to who had been brave with digital experimentation. One leader told us how the **3,000** people who normally attended their smaller, local events turned into **30,000** online.



Of charities and member organisations that ran online events during lockdown, **27%** charged while **71%** did not.



Going hybrid

Utilising the pandemic to go digital and diversify has led to entirely new business models and propositions based on a hybrid strategy moving forward. Over a third of those we spoke to specifically discussed the future of a viable hybrid model, where they combined their physical events and content with digital opportunities. This can present unexpected benefits.

'Events in the virtual world are live TV, basically. That's the big lesson we've learned. Live TV can also be recorded, and ends up as a really useful library of video content. So, for us, there's enormous longevity in that – it lives on in the Vimeo channel we created for people who have attended, snippets that we put onto our YouTube channel. And it lives on as a reference tool for us to go back and look at, and see what people said about different aspects. That's incredibly valuable.'

James Hewes,
President and CEO, FIPP

Live content can be reutilized in a variety of formats, allowing for more of those valuable, flexible touchpoints. If you aren't considering a hybrid strategy moving forward, we suggest you do.

The worst is over. Membership organisations and charities have a bright future, and this is the opportunity the sector has been waiting for. **Covid-19** has served as an anti-hero to transform the voluntary sector. We've interviewed and listened to some of the best in the industry and analysed what it takes to win, and what inaction will mean for the future of the industry.

Much of this will be familiar, but transformation across the board has, to date, been piecemeal and slow. Rarely has there been an opportunity to reset like there is now, as the world looks to build back better. The pandemic has demonstrated demand for Third Sector services like never before. Now is the time to make the most of new ways of thinking and new resources to help even more.

How Fish can help you

With the right support, you can move quickly towards a better, more successful model. We're committed to this sector, and it's our aim to provide you with the connections, information, skills and resources you need to fast-forward your growth trajectory and flourish in a new post-pandemic world. We look forward to joining you on this journey and welcoming you to the community.

