

*Difficult things we do quickly. The impossible takes a little longer.*

David Ben-Gurion

## CHAPTER 12

### IT'S ALL ABOUT RETENTION

Once you bring in monthly givers, it's crucial to treat them with the utmost professionalism and courtesy, since you hope to maintain this relationship for a very long time. Treat them well and they'll become your most loyal supporters.

#### **Become Best Buddies with your IT and Donor Services Staff**

You cannot go this alone! You'll need to 'befriend' a lot of people (and departments) within your organization to make it happen. The fulfillment and back-end procedures are probably the most difficult part of setting up any monthly giving program, but in my opinion, this can be a really fun experience and it's certainly the most rewarding.

Depending upon how you manage the ongoing charging of credit cards or EFTs through the banks – whether in-house or externally – it's crucial to realize that you'll need to get the full support of your computer systems (IT) staff and your donor support staff. And if you have outsourced your caging and data-entry process, make sure to involve your colleagues there, as well. (Caging means sorting, opening response mail and process payments.) Finally, and a lot of people forget this, do sit down with your designer and agency to make sure that the monthly giving ask is included the right way, consistently, in everything that's produced and in every medium being used.

A lot of larger organizations have multiple departments and sometimes the person in charge of the monthly giving program is not always included in initial discussions, which means that the monthly giving ask becomes an afterthought. That approach is not going to work as well!

Your IT staff are crucial too, especially if you're working with a proprietary database, where you have to come up with some special reports for monthly giving or you're introducing a new program. Your IT people may view their role in the organization differently and may not readily wear 'marketing hats,' but they still want to help. It's up to us to share the importance of the monthly program with them and show how their work can help the program look even better.

So, in my experience, the Monthly Giving Fundraiser probably touches most other departments

within the organization and sometimes even on the outside, And it's absolutely essential to involve as many people as possible from the get-go, so the campaign will go the way you want it to go.

The organizations which are most successful with monthly giving, are all **totally committed** to their program. They're willing to communicate with all levels and all departments across the organization to make it the best program it can be!

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### Here's a little anecdote:

I learned very early on in my direct mail career at Reader's Digest that all departments are important. Before any mailing went even into design phase, we sat down with design, production, customer service and data-entry to screen each package we were considering. Then, after a mailing dropped, we were required to help out in the data-entry department for several days, to help sort the mail, open the mail and work with the data-entry staff to make sure everything was easily scannable, etc.

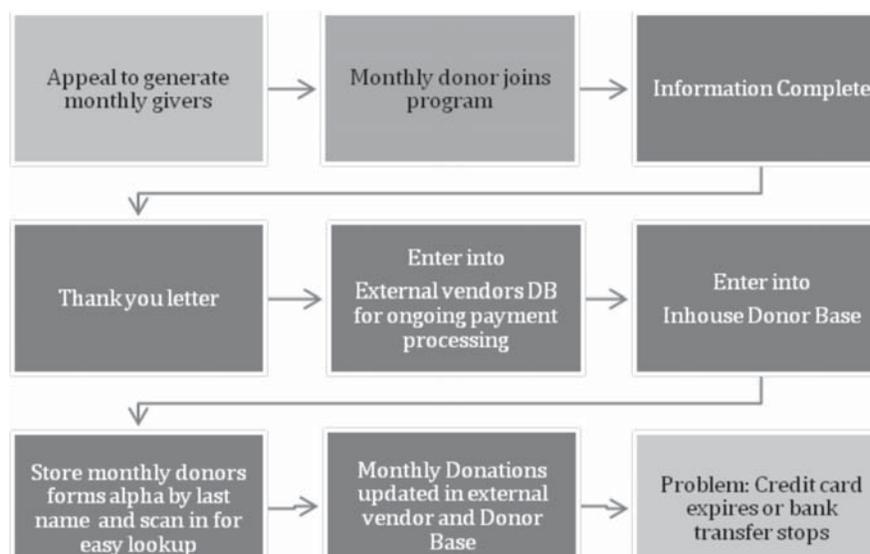
I thoroughly enjoyed that process and it made it so much easier later to just walk in and ask questions and they knew where to find you, too, if they had questions. It's a two-way street. We can come up with the best mailings, but if they're not able to enter the data or if there are a lot of complaints, or something else goes wrong, then where would we be?

I've always instituted that process afterwards and it especially helped me in the Monthly Giving programs I ran and continue to manage. It's a great way to prevent unpleasant 'surprises' from happening, especially if you're in charge of monthly donors, worth millions of dollars to your organization!

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(Erica Waasdorp)

The following chart shows the process, from start to finish, of acquiring a monthly donor. This particular organization has decided to outsource the payment processing, but the basic process is the same if you do it in-house. It shows the different fulfillment and back-end procedures after a new monthly donor joins.



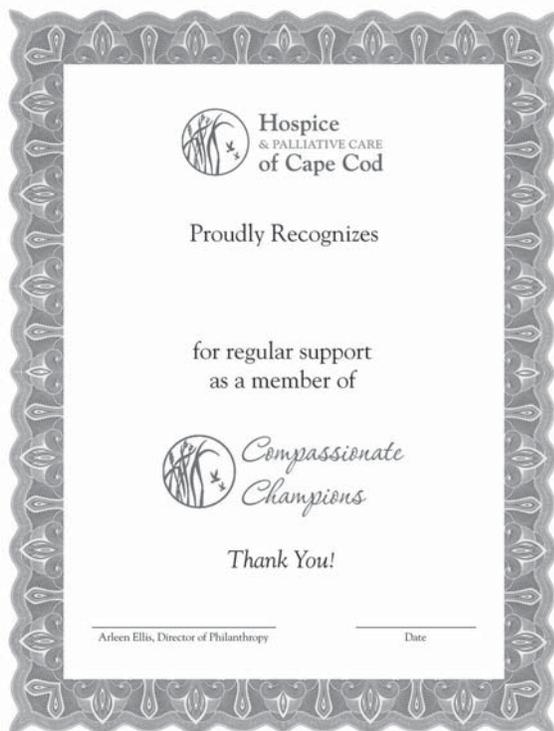
### 1. “Thank you” letters for joining the monthly program

It all starts with a “thank you” letter for a new monthly giver, welcoming him or her into the program. Ideally, you include a special phone number and email address to contact if the person has any questions or would like to make changes. The letter can really be very simple. Also, if you promised to send a special gift for joining the program, include that if possible. Some organizations include a little informational flyer about the program as well.

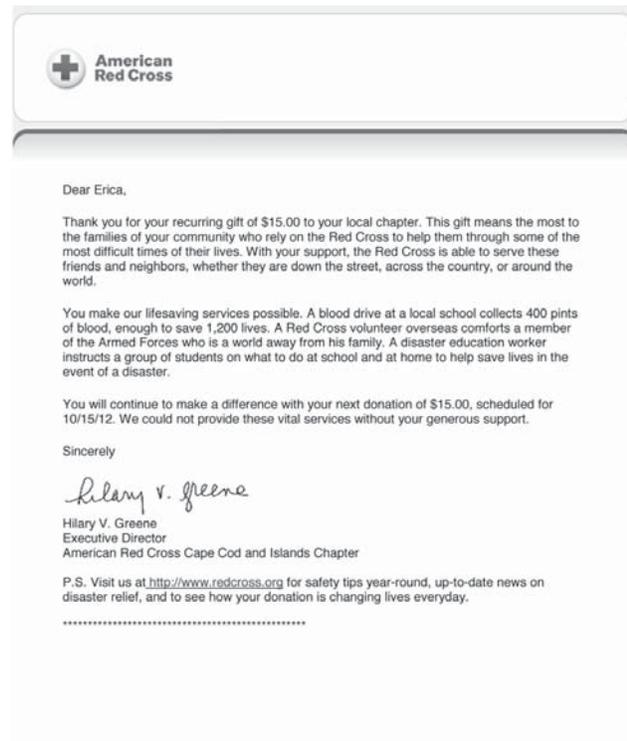
If the donor joins the monthly giving program online, he or she should immediately receive a thank you via email. I suggest you still send them a thank you letter via snail mail and add a little personal note. Remember, just because they joined as a monthly donor does not mean you should not cultivate them.

Some organizations use premiums as a thank you for joining and they work. In my opinion, the absolute minimum you should send a donor who makes a commitment for many years to come is a personal thank you letter or card and ideally a special certificate with the monthly giving program’s name on it (and the logo if you have one.) It costs virtually nothing, but it makes the donor feel really special. And I would do the same for those donors joining your program online.

Below, left, is an example of a simple Thank You certificate to send out to someone who just joined your monthly giving program. Below, on the right, is an example of an email sent every month for an internet monthly gift.



(Hospice & Palliative Care of Cape Cod)



(American Red Cross)

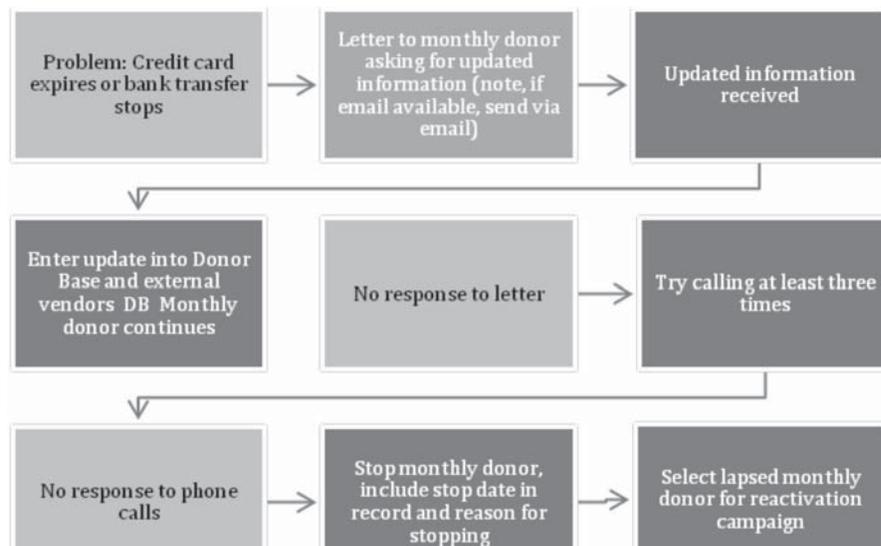
And, here’s an example of a full welcome package as St.. Jude sent it out. It’s much more elaborate as you can see. It includes a patient story and really confirms why the donor should feel good about joining the Partner in Hope program.



(DMA Non-profit Federation Conference, Washington, 2006, St.. Jude)

## 2. What if there is a problem with credit card or bank?

Here is an example of a procedure to follow when there's a problem. If you have a donor services department and you know your donor's email, by all means, send an email. Call, write, do whatever it takes!!!



The more monthly donors you can keep, the better it is. Just remember, even if it's a monthly donor who gives you \$12 a month, that's \$144 a year. You do not want to lose that donor!

You already know how important the relationships are with your regular donors, not only to cultivate them and upgrade them, but also to keep them giving to your organization.

Just because you have now brought someone in as a monthly donor does not mean that he or she will stay with you forever. This does still take a little bit of work, especially in the “thank you” arena and in following up.

When you start a monthly giving program, make sure you think through the whole process. What happens if someone joins the program?

What do they receive in terms of house file appeals, upgrades, special newsletters? Do you offer a premium and how soon will that be sent? How about a special certificate? Any other recognition tools that you need to put in place, like recognition walls at your headquarters, and the like?

### **Let’s put the whole process together**

You offer a sustainer program for a hospice organization and you’ve all agreed to call it Compassionate Champions. You promise a special pin and a certificate for amounts of \$5 or more a month. The sustainer can join through his/her credit card, through a pledge reminder program and through EFT via his/her bank.

You’ll want to make sure to send out the pin, certificate and the “thank you” letter as soon as possible, preferably within a week of joining the program. Also, make sure to manage the credit card payment as quickly as possible so the donor is “committed.” If you manage the process through your online system, make sure that the email letter is also up-to-date, shows the special logo and every month recognizes the donor as a Compassionate Champion.

Some organizations think that a sustainer has to be renewed every year, just like a member. That is NOT the case. Once the donor says that he or she authorizes you to take a certain amount out through his credit card, you can keep going. So, if someone in the organization tries to talk you into putting a stop date into the database, don’t. That’s the neat part about sustainers, *they keep on giving*.

Fast-forward a few months. All of a sudden, the credit card does not go through. Perhaps the donor changed cards and forgot to pass on the new information? Perhaps the card was declined for some reason? I recommend sending a letter right away, asking for the updated information, followed by a phone call to verify that the donor received it. The letter/phone call seems to be the best combination in getting the information as quickly as possible. You’ll have to correct the donor’s record because this month’s sustainer payment did not happen but hopefully, next month, everything will be fine again.

Fast-forward two years: the donor’s credit card is about to expire. If you wait until this happens, you may lose the sustainer and it becomes harder to get him back. Rather, work up a system that gives you a list of those donors whose credit cards are about to expire and send a special letter one or two months before the credit card expires. It is a simple thank you letter with a request for updated information. Depending upon the type of organization, you can consider a letter first with a phone call follow up to verify the information. A lot of people are not comfortable giving their information over the phone, so the written request is usually better. The great news is that this may even be a good time to ask the donor to reconsider the amount. Often, sustainers upgrade at this time.

Some organizations will independently extend the credit card expiration date in their database by two or three years, depending upon the type of credit card. I experienced that this is not always appreciated. You’re better off getting authorization from the donor in writing or over the phone that they’d like to continue with that card. It’s better to check than to assume.

In essence, what you put in place for the credit card sustainer can be simply adjusted to accommodate bank or Electronic Funds Transfer (EFT) problems. The donor can contact the bank and stop the monthly gift without having to tell you, the organization. You will not find out until you get the reject information back from the bank. I'd still recommend a letter and phone call if you can or at least try sending two letters. There may be a simple reason why the payment did not occur and an easy fix in your database.

It's still easier and more cost effective to retain a sustainer than to have to generate a new one. A little donor relations goes a long way. Make sure that everybody realizes the tremendous value of a sustainer over the long run – they'll stay with you for years and years. If the relationship is handled well, they may leave your organization in their will. All of a sudden, this \$5-a-month donor has become a major donor. So, do treat him or her as such!

This chart shows you how important it is to prevent drop offs if you can help it. While it may seem small on a monthly basis, it adds up quickly. There is research that shows the longer time elapses since someone has dropped off, the more difficult it becomes to bring them back into the fold.

drop off month 1	drop off month 2	drop off month 3	drop offs after 3 months	
40	40	40	120	monthly donors
\$12.00	\$12.00	\$12.00	\$12.00	average gift per sustainer
\$144.00	\$144.00	\$144.00	\$144.00	a year
<b>\$5,760.00</b>	<b>\$5,760.00</b>	<b>\$5,760.00</b>	<b>\$17,280.00</b>	total money lost

Here is an example of a letter to ask for updated credit card information. And there's also a version to send out in case the credit card is declined.

**on Hospice letterhead declined letter**

date \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, state, zip \_\_\_\_\_

Dear personalized,

Thank you for your continued support of Hospice & Palliative Care of Cape Cod as a member of our loyal group of Compassionate Champions.

We have tried to process your monthly charge donation of \$xx with the card ending with # xxx for the month of xxxx, but it appears the card was declined. Perhaps the expiration date has changed?

Would you please send us your updated credit/debit card information to continue your very special support of H&PCCC. It really goes a long way towards helping provide dignity and comfort to those facing a serious illness.

Simply complete the information below. I've enclosed a special reply envelope for your convenience. Or you can call me at (508) 957-0255. If you have any questions, please don't hesitate to call or email me at [jplesa@hospicecapecod.org](mailto:jplesa@hospicecapecod.org).

Thank you so much,

Yours sincerely,

Juan Plesa  
Administrator Compassionate Champions

Please complete the following information so we can update your records. Thank you!

name \_\_\_\_\_  
address \_\_\_\_\_  
city, state, zip \_\_\_\_\_  
Amount \$ \_\_\_\_\_  
Name on card \_\_\_\_\_  
Type of card Visa MasterCard Amex \_\_\_\_\_  
Card # \_\_\_\_\_  
Expiration date \_\_\_\_\_ Security code \_\_\_\_\_

**on Hospice letterhead upcoming expiry date letter**

date \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, state, zip \_\_\_\_\_

Dear personalized,

Thank you for your continued support of Hospice & Palliative Care of Cape Cod as a member of our loyal group of Compassionate Champions.

We have noticed that your credit card is about to expire.

Would you please send us your updated credit/debit card information to continue your very special support of H&PCCC. It really goes a long way towards helping provide dignity and comfort to those facing a serious illness.

Simply complete the information below. I've enclosed a special reply envelope for your convenience. Or you can call me at (508) 957-0255. If you have any questions, please don't hesitate to call or email me at [jplesa@hospicecapecod.org](mailto:jplesa@hospicecapecod.org).

Thank you so much,

Yours sincerely,

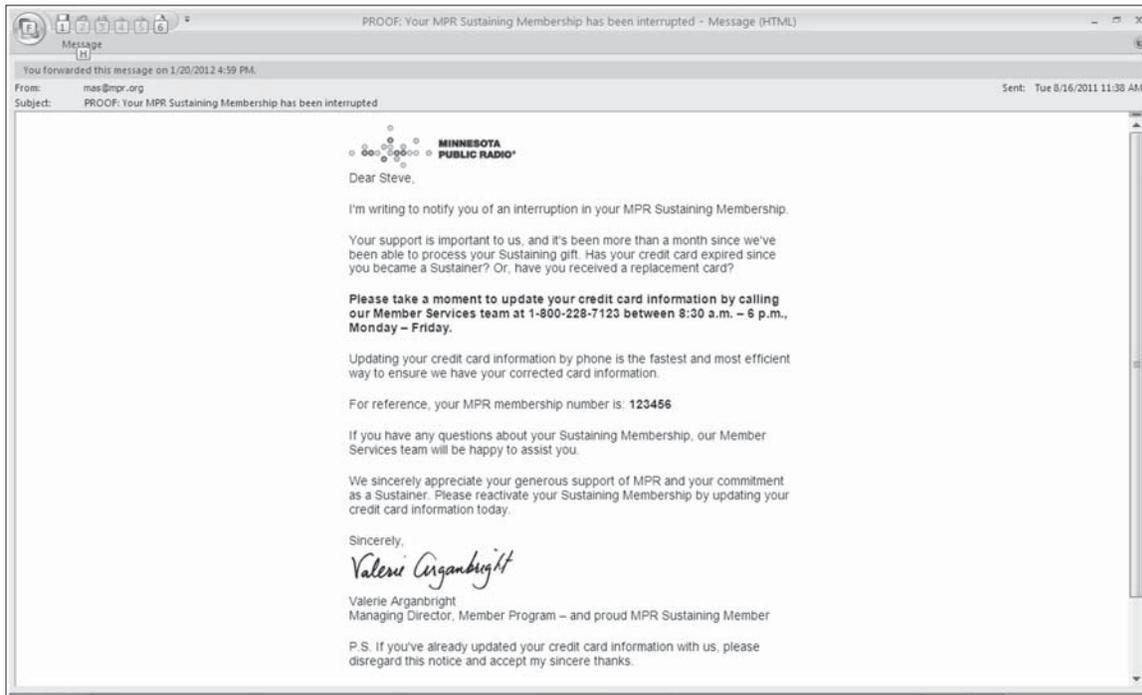
Juan Plesa  
Administrator Compassionate Champions

Please complete the following information so we can update your records. Thank you!

name \_\_\_\_\_  
address \_\_\_\_\_  
city, state, zip \_\_\_\_\_  
Amount \$ \_\_\_\_\_  
Name on card \_\_\_\_\_  
Type of card Visa MasterCard Amex \_\_\_\_\_  
Card # \_\_\_\_\_  
Expiration date \_\_\_\_\_ Security code \_\_\_\_\_

(Hospice and Palliative Care of Cape Cod)

And, for those who joined your program online, it's important to have an email message handy, so here is an example of a so-called Sustainer interruption email.



You can make this process as simple or as elaborate as you'd like, as long as you get the letter or message out as soon as you can and follow up. It's worth it!

### 3. Maintaining your monthly donors in your database and preventing drop-offs

Donor base systems are all different and that typically means that processes to start, stop, change, upgrade a monthly donor are also different.

I recommend that if monthly donors send you their renewed credit card or bank information and continue their commitment without a break, then there's no need to stop and restart their listing in the donor base. It's simply an update of their payment information. But the minute there is a break in service, you'd want to be able to explain what happened with the donor and without the right process, you're not able to do that. You think you may remember today, but believe me, you'll not remember a year from now. What happened with this donor? Why are there only five payments this year?

As indicated earlier, it's really important to try to get the revised information *before* the sustainer credit card expires so you don't have a break in service.

From a recent study, it appears that close to 30 percent of US credit card holders change cards each year. This can be because of a card expiring, a card switching banks, losing a card, or a variety of other reasons. There are some automatic programs in place now that can help 'recycle' credit cards, Convio Luminate Online™ and Account Updater, just to name a few. These programs will help you retry failed cards and allow you to process expired cards. Some programs even disregard the expiration date altogether. This is especially relevant for online donors.

(Sally Heaven and David Glass, the Convio Summit and The Sustainer Imperative, Convio, October 2011)

Use a program to send emails to the credit card donor, when their card is about to expire to get their most relevant card. It's a good time to reach out and tell the donor the difference they make. And, believe it or not, this is often a great time to ask for an upgrade!

**Bank** rules are different. A donor can either call the organization to stop the transaction or they can call the bank. The organization will only find out by reviewing the reject report they receive after the EFTs have been run. In some cases, however, the bank is just not able to draw the money because there's not enough in the account. They will often retry in a few days but the payment may still fail. Your organization will need to develop a procedure. Will you send the donor a reminder to request the missed payment or will you just let it go and hope that there will be enough money next time? Bank rules vary from organization to organization, country by country. In some cases, the donor has 30-60 days to cancel their monthly donation, so sometimes your organization will not find out until much later.

An increasingly common scenario faced by organizations is that the children of elderly donors claim their mom or dad never agreed to an EFT. This illustrates why it's important to have ready access to a copy of the signed EFT form, so you can produce that when requested. I recommend scanning each authorization form for easy lookup, accessible for anybody dealing with monthly donors.

Unfortunately, in the case of credit card monthly donors acquired by Telemarketing, there is no written confirmation, so it's harder to 'prove.' In some states, telemarketing calls are recorded and proof could be derived from that. Unfortunately, in other states, calls cannot be recorded.

I recommend telling the son or daughter (or other legal guardian) that it appears that the donor signed up for the program through telemarketing and that a confirmation letter was sent, but that you're happy to send back the money. It's typically not a huge amount. In many cases, I've found that the caller says that their mom or dad was/is a great supporter of your organization and that you can keep the money. Do make sure you enter a stop date and stop reason in the database for that donor right away though, so the donor does not get selected for next month's payment transfer file.

When it appears that the donation was rejected for an unknown reason, I recommend sending out a so-called bank reject letter followed up by a phone call. This can be a simple variation of the credit card letter shown earlier. That way, the donor has the chance to respond. Here's an example.

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As you currently send us your gifts via AutoGiving through your bank, we wanted to let you know that it appears that your bank was not able to complete your membership withdrawal for the following reason: (fill in description)

I have enclosed a special reply form for you to give us your updated information. Please return it in the reply envelope provided. I hope you enjoy the way AutoGiving works for you, knowing that every penny goes toward carrying out our mission. Thank you again.

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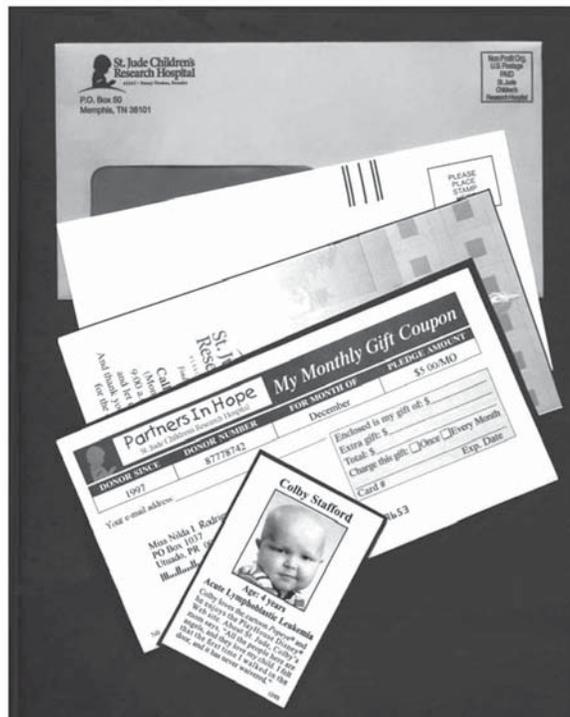
Ideally, follow up the letter by phone and perhaps by email if you have the email address. You may find that a lot of donors are not comfortable providing you with the information over the phone or by email. Unfortunately, there are too many 'scams' going on. You may even wish to give donors your phone number and ask them to call you back, so they know you're a real person with a legitimate organization.

#### 4. Monthly Pledge/Check Reminders

What if someone joins as a **monthly pledge reminder sustainer**? You'll have to send monthly reminders and make sure they drop every month at the same time so you're optimizing the retention rate.

Most organizations do not have the infrastructure to do this in-house and outsource the process. It's crucial that these reminders go out on time. The letters can be very simple as long as they recognize the donor as a sustainer and as long as it says how the donor's support continues to help.

Look at the attached example of a simple pledge reminder package. It confirms the donors support with a short patient story.

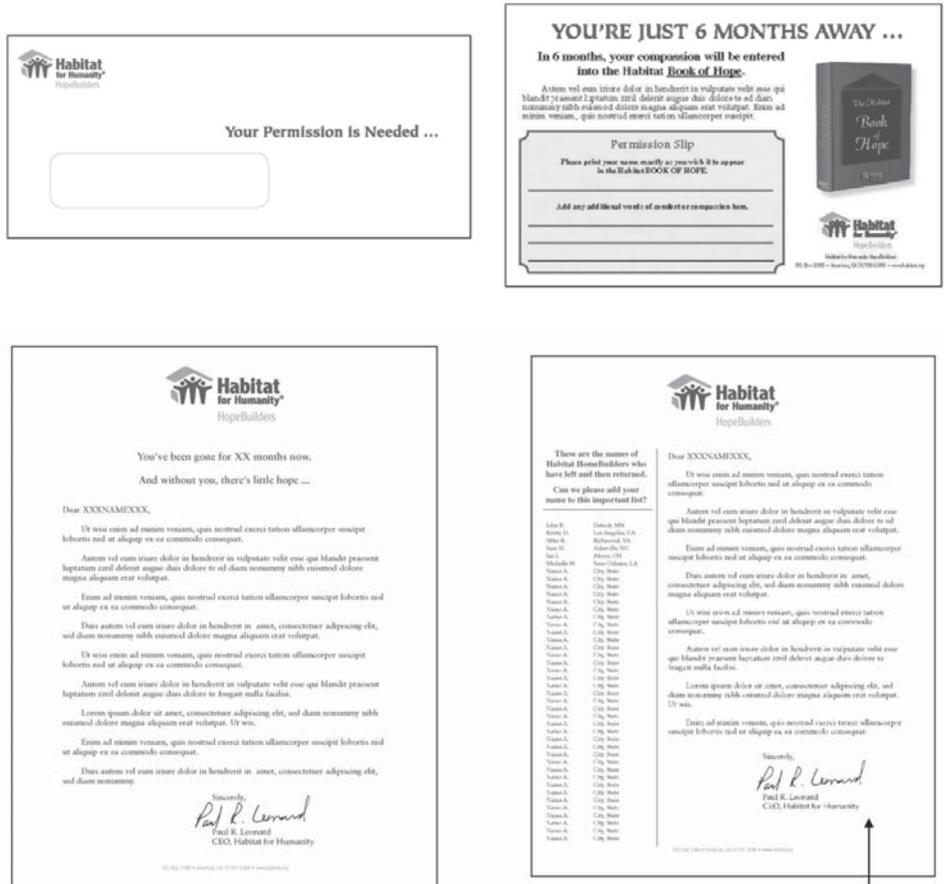


(DMA Non-profit Federation Conference, Washington, 2006, St.. Jude)

I have found it's very effective to try to use every reminder to **convert** donors into automatic sustainers via credit card or bank, as long as you use the right arguments for the donor to do so.

If you can calculate how much it would save the organization if every pledge reminder sustainer became an automatic gift, that's a great argument. What can you do with the money saved and how does this positively impact the program? Answering these questions provides a persuasive reason to be a sustainer. More about this later.

Here is an interesting approach, Habitat for Humanity tries preventing pledge reminder drop-offs, well ahead of time. Other organizations may use surveys and special letters.



Winning package based on performance analysis

(DMA Non-profit Federation Conference, Washington, 2007, Habitat for Humanity International)

### 5. Convert Pledge Reminders to Automatic Givers

If you already have an automatic giving program in place, congratulations! But, if you've started your program by offering a monthly reminder, it's key to try to convert the donors to automatic donors as soon as possible. I recommend a little insert in every reminder, thanking the donor for their continued support but also demonstrating the extra savings and what they could do for the organization, if you could stop sending them these reminders.

I've seen this work so well that every month, 1 to 2 percent of the pledge donors convert to automatic credit card or bank drafts, which will only increase the donor's retention rates further. The more specific you can be the better it is. At this stage, you've already convinced the donor that monthly giving is convenient, now you may need to use some financial advantage of converting to the automatic option. If you have them, make use of as many testimonials from donors who have already converted as possible.