

RNLI – the journey to an Opted In database – Scenario planning

As a result our early deliberations following the initial stories in the press and the government's early stance we started to debate potential outcomes and options for the RNLI. These discussions led us to an initial paper that identified some scenarios. In order to understand the impact of the scenarios and to assess viability we pulled together a team to further analyse each scenario.

Should we

The initial project team consisted of our Insight Managers and direct marketing Senior Product Managers.

The team focussed on understanding the potential impact to our "planned giving" income streams over the next four years. Planned giving was identified as the most significant area of our fundraising that would be affected and therefore a good proxy to measure impact.

Four top line scenarios were examined along with a number of variants within each:

1. Continue business as normal until legislation forces us to change.
2. Cease all direct financial asks via mass direct marketing channels.
3. Continue with our direct marketing channels but limit the number of direct financial asks per supporter each year (we defined direct financial asks as any communication that expressly asked someone to make a financial contribution as the call to action).
4. Obtain Opt In consent from all supporters to continue direct marketing to them.

The team concluded that we should further explore a combination of acquiring Opt In consent and limiting direct financial asks.

Could we

Once the team had decided on the viability of the scenarios and had settled on a final solution they built a model to examine the impact of different scenarios of Opt In response rates and limited financial asks. The model was flexible enough for us to adjust some key variables to explore different scenarios of response and income.

We categorised current direct marketing derived income streams into different categories of risk based on method of acquisition, nature of the financial giving, type of supporters, frequency of asks.

In the absence of robust Opt In response rates for charitable direct marketing we used best estimates (10-25%) from sources that we could find and then individually tailored these to different supporter groups to reflect their perceived level of engagement with us. The impact was that we uplifted some groups to achieve a range of 10-40%.

The model forecast a 4 year projection against our Business Plan of income that would be "secure", dependent on Opt In response rates and future asks, and income that was at risk of not being realised.

Using the model assumptions we reviewed all current direct marketing activity and drafted an 18month plan to show:

- Impact on Income & Spend of changing or cutting activities.
- Timeline to acquire Opt In consent from existing supporters and change acquisition activities.
- Key milestones to implement changes to our database systems.

In parallel to this modelling process we started to consider other operational elements of any implementation to ensure that we could deliver any final solution.

- Our Database Manager began to explore systems requirements to accommodate proposed scenarios working with IS dept.
- We engaged key suppliers to assist us:

- In acquiring feedback from the wider public and our in-house Supporter Panel about their views on any proposed approach and their likelihood to Opt In. This was a key stage to support our estimated opt in ratios.
- By enhancing our knowledge of Opt In response rates and influencing factors that would gain the best chances of a positive action by supporters.

The model identified a probable shortfall in our income projections for the next 5 years (c.£63M), to address this a wider Project Team was formed with representatives from across all of our fundraising teams to develop mitigations to address this.

As part of this process we undertook more detailed analysis of our income projections across all of our fundraising

- Using current Management Information reports and 5-year income pipelines from across all fundraising teams we:
 - Reviewed and updated the potential impact on Direct Marketing Income as newer data became available – this led to us improving the forecasted impact
 - Identified all income streams that could be at risk – irrespective of their reliance on direct marketing
 - Identified all positive & negative impacts on spend from the actions that we were proposing to take.

The output of this work by the mitigations project team produced a projection with a Low, Middle and High impact on our Net Income over the next 5 years.

All of the mitigation ideas that were proposed included a business case outlining projected gross income with confidence levels, investment and resource implications and timeframes to implement.

Each Mitigation idea was ranked based on financial impact, ability to engage audiences and fit with strategic objectives. This ranking allowed us to make some assessment about the value of each mitigation on a strategic level and therefore decide at this early stage which we would implement if we decided to go ahead as well as a reasonable likelihood of results. These mitigations were forecasted to generate mitigating income and savings of c.£27.4M.

With a final view of the financial “gap” that implementing these plans might create (c.£35.6M) we engaged with our Corporate Strategy team to outline the thinking and proposals and discuss whether the RNLI could support changes to this degree of impact. It was agreed that through a combination of accessing reserves, business planning and additional operational savings we could manage the projected drops in income over the coming years.

Should we

We collated all of this information and wrote a paper for both our Executive team and Trustees to approve. Importantly it was identified that through this approach we would achieve some of our longer term goals such as creating a smaller but more valuable and viable database. This paper outlined the overall impact of adopting an Opt In approach to our direct marketing. It included recommendations on the mitigations that would be adopted across the business to compensate for anticipated reductions in direct marketing derived income.

We also had the discussion about sharing our experiences with the sector and gained approval to do so.

If you would like to receive further information about the RNLI’s experiences of moving to an opted in database please contact:

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