

The REaD Group plc

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MACMILLAN.
CANCER SUPPORT**

Case Study: Macmillan Cancer Support

Cost neutral data processing using INLINE



Glenn Cook, Head of Supporter Services and Database Marketing at Macmillan Cancer Support, describes their unique and forward thinking approach to saving money and improving performance.

At Macmillan, we realise the importance of maintaining the integrity of our supporter database and have made some dramatic changes to the way we manage our supporter data over the last 16 months to retain our position as the UK's number one charity brand.

At present, we use quite a sophisticated system for managing our supporter data. Soft data is held in a Microsoft Dynamics CRM while our AS400 server captures transactional data and data from outside sources such as telemarketing agencies, fulfilment houses and our fundraisers. Both the CRM and AS400 server share the core data, which feeds into our marketing analysis software for analysis, profiling and segmentation. We undertake multiple campaigns each month with individual campaign mailing volumes ranging from 1000 to 2,000,000.

To help us achieve our aims we outsource our data cleansing and processing activities to meta-morphix Ltd, a leading data bureau. Meta-morphix provides us with excellent customer service and an innovative time saving solution that has helped us to take our data strategy to the next level and increase the efficiency of our marketing.

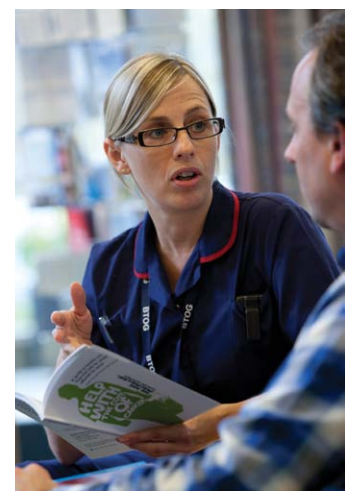
We worked closely with Meta to build INLINE, a unique automated data processing solution built around our specific needs. INLINE takes our campaign data from a secure ftp site and undertakes routine tasks such as de-duping, flagging deceased records and address tracking with no human intervention.

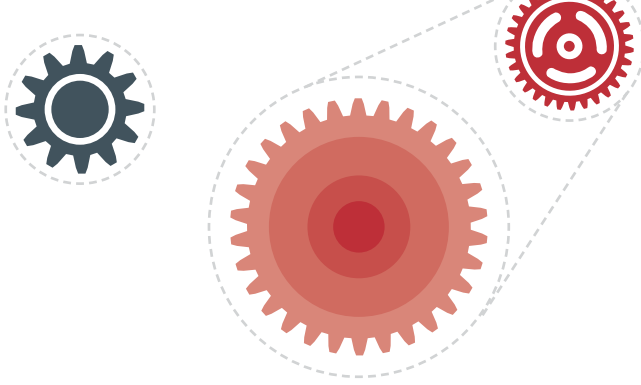
Because INLINE automates the routine tasks according to our specifications, a clean mailing file is returned to us automatically within hours of submitting the original campaign file. In addition, meta-morphix returns all flagged and newly identified addresses to us at the end of the month so that we can update our database quickly and easily.

In order to support INLINE we keep our data in tiptop condition and have adopted a consistent and systematic approach to the way we capture our data and communicate across the whole organisation so that our fundraisers and data specialists are all singing from the same hymn sheet. Similarly, it is no use if our external support systems are working disparately; everyone needs to speak the same language.

By putting unified data systems in place, we are able to target our campaigns more efficiently and effectively than ever before. These simple adaptations in our working practices are encouraging long-term engagement, reducing lapsed supporter rates and increasing campaign response rates with our supporters and we are aiming to connect with up to 10% of our 'lost' supporter base.

In order to maximise our efficiencies, we made the decision to undertake a thorough cleaning of our entire database of approximately 2,000,000 records at the start of the project. Despite requiring an upfront investment, this decision has certainly paid off and since INLINE has been up and running our file losses are down to a bare minimum. We routinely clean our





data selections immediately prior to a campaign going out to the fulfilment house, which occurs roughly twice a week. Typically, less than 1% of our file is stripped out so if we are asked to reach 20,000 supporters we know we are going to get 20,000 and we do not waste man-hours going back and forth trying to make up numbers.

Overall, our internal processes have become much quicker because of using INLINE and we get a report every month that helps us to make further efficiencies. An unexpected benefit of using the system has been that every month we are creating our own suppression file. So, if a person gets pulled out of a data selection and is selected again in the same month we can remove them straight away, which has an obvious cost saving benefit as we're not using a third part file to make the suppression. Once we've archived the suppression file we can create flags in our database to indicate gone-aways or deceased records and with relocations we just update the details and put them back through the system in a matter of minutes.

The main benefits of using INLINE is we have greater uplift from our supporters and potential supporters because we can target better and we're not getting half as many gone-aways. Percentage wise every address we're mailing is a good addresses and the savings are tangible. Prior to using INLINE we were losing between 4% and 5% of every campaign on waste materials and postage at a cost of up to 50p per mailing. With an annual mailing volume of around 4,000,000, this equates to an annual saving of £80,000. The simple fact that we are not sending stuff to people who don't exist means that our data processing is effectively cost neutral. It's how it's meant to be.

The great thing about working with meta-morphix is that we have a real partnership and we both want INLINE to perform as well as it can. In terms of making improvements, there are a few minimal tweaks that we'd like to make in time but nothing too serious. For example, when we go for multiple selections in a file we lose the ability to generate a visual PDF report of the campaign stats. Clearly, this is not a major issue but as you can imagine it's highly effective to be able to show colleagues in other departments a visual representation of data losses compared to a spreadsheet full of numeric values.

Another possible tweak would be to have some kind of email and telephone validation process in place – and also potentially mobile as charities are increasingly using SMS to raise funds. At present we send our telephone or email data to an external agency to fulfil and there's a charge if the call or email doesn't go through so this is something to think about for the future. The only other thing I can think



of is that we receive updates once a month and eventually I'd like to close this gap so we don't need to run intermediate suppression file.

With our automated processing in place we're really making headway. It has been an intense process for both parties but it has been worthwhile. INLINE is paying for itself, driving service and the net effect is that it's cost neutral as I have mentioned. You can of course do these things in house, in fact QAS wanted to set it up for us, but it would have required more staff resources and we just couldn't make the numbers work.

For smaller charities, the cost of running INLINE is minimal and the set up costs are also negligible – it's so simple to use and requires only secure ftp access. We make huge savings based on the fact that our database is squeaky-clean and if you're currently losing 10% on every mailing INLINE will work for you. There's also the added benefit that you're not going to alienate potential customers or existing customers. The value of this cannot be underestimated as it reflects your integrity as a brand, which is vital when it comes to supporter marketing. If you get it wrong supporters will just take their money elsewhere.

The main decision for any charity thinking of using INLINE is going to be whether they invest in cleaning all of their data up front as we did, or they could segment the database and clean only the selections they use most regularly. Either way their data will get cleaner and cleaner as they go through the process. It all comes down to having a good strategy and different cost models.

We're now in a position where we have the breathing space to add important insight to our database like whether a supporter has a personal or family connection to our brand or if they like to take part in fundraising event. Ultimately, it's all about how and when you ask for a donation and if you are thoughtful – nothing works in isolation.

