

# Clients, not just customers

A foundational distinction most charities overlook

## The construction company that taught me this

I owned a construction company for eighteen years before I founded Goodfinity. It was the economic engine that funded my own donations to charities. It was also where I learned the distinction this whole conversation hinges on.

Picture this: a homeowner's basement floods. Insurance covers the repair. We come in, pull up the ruined hardwood, repaint the drywall. The homeowner wants the work done well, on time, with care. They are our **customer**.

But who are we working for, really? The insurance company. They're the one paying us. They want timely reporting, photographs, accurate scope, no scope creep. They are our **client**.

Both matter. Make either one unhappy and the relationship breaks. But they need different things. The homeowner wants their house fixed. The insurance company wants their money's worth, well documented.

The mistake we used to make in construction was treating customer satisfaction as the only thing. The homeowner was happy, but the insurance company — the one paying — quietly stopped sending us work.

## Where this lives in your charity

Your charity has the same dynamic, and most charities don't see it.

Your **customers** are the people receiving your services. Food bank visitors. Shelter residents. Mental health service users. The community members your mission exists to serve.

Your **clients** are the people paying for your work. Individual donors. Corporate sponsors. Foundations. Grant funders. Recurring monthly givers. They're the financial engine that lets you serve customers.

*"Charities are excellent at customer service. Most are bad at client service. That's why donors are drifting."*

The whole sector is mission-driven, and that's a strength. But it tilts every conversation toward customers. Programs are designed for customers. Outcome reports are written about customers. The charity's whole emotional vocabulary — *"the people we serve," "those we walk alongside"* — centers the customer.

Meanwhile, the clients — donors and funders — get the form letter, the tax receipt, and a hope that they remember to give again next year.

## What clients need that customers don't

These are the things charity clients (donors and funders) ask for, explicitly or implicitly, that charity customers don't:

**Timely reporting.** Customers don't need a report. They received your service; they know what they got. Clients gave you money and need to know what you did with it — soon.

**Justification.** A client (especially a corporate or foundation client) is accountable to other people for the gift. They need defensible reasons.

**Proof of impact.** A customer experiences the impact directly. A client needs you to prove it for them in a way they can carry back to their stakeholders.

**Personalization.** Customers may receive the same standardized service the org built. Clients are individuals making individual choices about where to give — and they want their choice acknowledged as a choice.

## The thriving food bank

I talked to a food bank director recently in a smaller community. I assumed the conversation would go the way most do: *"yes, donations are flat, we're stretched, we'd love help."*

He surprised me. *"No, we're good. We have so much donor support, we end up giving cash to other food banks. Our community is engaged."*

I asked him what was different. He didn't have a tidy answer right away, but as we talked it through one thing was clear: this charity had figured out how to serve their clients without taking energy away from their customers.

Their thank-you's were personal. Their reports were timely. Their communication felt like a partnership rather than a series of asks. The donors stayed.

That charity is the bright spot. Most aren't. Not because the people running them don't care — they care more than almost any sector — but because nobody told them their donors are clients with different needs from their customers.

## The fix

- **Name the distinction internally.** Use the words "client" and "customer" with your team. The vocabulary clarifies thinking. Most charities don't have this language and so they don't notice when one is being neglected.
- **Audit your client-facing communication.** What do your donors actually receive between gifts? If the answer is *"a tax receipt and a year-end appeal,"* you have a client-service problem.
- **Ask clients what they need.** Talk to your donors. What information would help them feel confident in their gift? What questions do they get from *their* stakeholders that they need answers for?
- **Build internal capacity for client service.** Just as you've built expertise in serving customers, you need expertise in serving clients. That's a distinct skillset and often a distinct role.
- **Don't trade off — integrate.** Serving clients well doesn't pull energy from customers. The information that satisfies a client is the same information that documents your customer impact. Done right, client service is a byproduct of customer service done well.

Your charity exists because of two distinct groups: the ones who need your work, and the ones who fund it. Both deserve a strategy. Most charities only have one.

Brandon Farr is the founder of Goodfinity ([www.goodfinity.ca](http://www.goodfinity.ca), [www.goodfinity.com](http://www.goodfinity.com)), software that helps charities stop losing donors by automating personalized impact reports. After 18 years as a charity donor through his construction company, Brandon built the tool he wished his charities had used with him.