MARKETING TRANSFORMATION



Nonprofit CMOs Call for a Transformation of Marketing

A White Paper of the **2010 Senior Nonprofit Marketers' Summit**

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FOREWORD

The American Marketing Association Foundation (AMAF) is pleased to present *Marketing Transformation: Nonprofit CMOs Call for a Transformation of Marketing,* compiled by 18 thought leaders in nonprofit marketing. As part of operationalizing the AMAF vision of being the motivating force for advancing marketing for the betterment of society, the AMAF Trustees formed a coalition of nonprofit marketing thought leaders consisting of practitioners, academics and nonprofit marketing consultants to discuss key marketing issues facing nonprofit organizations and develop this paper.



"This white paper is aimed at providing practical advice to nonprofit marketers in becoming 'transformational' marketers during these challenging economic times."

This white paper is aimed at providing practical advice to nonprofit marketers in becoming 'transformational' marketers during these challenging economic times. It also provides a roadmap for c-suite executives on how to integrate marketing discipline into overall organizational strategy.

Marketing Transformation provides recommendations for addressing key marketing issues as well as providing tools for implementation. The recommendations are grouped into four topic areas: Leadership, Stakeholder Alignment, Technology and Measurement. Each recommendation is illustrated with at least one recent case study from a nonprofit organization, most of which have been provided as a result of personal experience by our thought leaders. There are many practical marketing tools that can be easily implemented, including: cost effective ways to obtain constituent insights, a brand scorecard, effective ways to use technology – current and new, and tips and examples on developing measurement systems.

This paper provides each nonprofit marketer with the opportunity to begin immediately to transform their organization through marketing implementation as a result of the sage and practical knowledge provided.

In these times of unprecedented pressure on nonprofits, *Marketing Transformation* is a must read for every nonprofit executive.

A. Dawn Lesh
Chairperson, American Marketing Association Foundation

EXECUTIVE SUMMARY

Nonprofits are facing unprecedented challenges. Huge changes to the economic condition of the country have reduced portfolios of traditional individual, foundation and corporate sources of revenue for nonprofits. Double-digit reduction in revenues for nonprofits is not uncommon. The financial crisis in combination with changes in governmental policy as well as the always evolving trends in new media, technology, demographics, and continuing globalization equate to a magnitude of change that has never been seen before in this sector.



"Properly defined, structured and engaged, true marketing can transform struggling organizations into thriving ones."

Charities must use all their resources in optimal ways in order to survive and thrive through these times and beyond. Marketing is a powerful lever and a significantly underutilized one in the nonprofit sector. Marketing is more than just an opportunity; it is a responsibility. Properly defined, structured and engaged, true marketing can transform struggling organizations into thriving ones. Many of the barriers to powerful marketing engagements are not unique to the nonprofit sector and in fact are the subject of several books including Scott Davis' recent release, *The Shift*, which encourages for-profit companies to view marketers as "growth leaders."

This paper, co-authored by 18 senior marketing executives in the nonprofit sector, extends a call to action to the leadership of nonprofits to rethink how they define and use marketing. It unveils several myths and misperceptions of nonprofit marketing and includes a brief diagnostic tool (page 36) to help CEOs take critical steps toward optimizing their marketing efforts with measurable impact on mission, volunteerism, and fundraising. The paper presents a first ever, joint opinion from nonprofit marketing leaders on marketing strategy, talent, and structures as well as suggested remedies for barriers to change. These recommendations are intended to help nonprofits survive current challenges and thrive in the years to come.

Senior Nonprofit Marketing Summit Participants



Cynthia Currence
Chair and Facilitator; President & CEO, Currence & Associates; AMAF Board of Trustees



Andy Ferrin
Senior Vice President and Chief Marketing Officer, National 4-H Council



Debra Neuman
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Chief Strategist, Social Capital Partnerships; (Formerly CMO & CCO, US Fund for UNICEF)



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Alan Andreasen, Ph.D
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Candace Hanau
Chief Marketing Officer, Save the Children



Vickie Peters
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Kathy Compton
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Kirsten Seckler
Vice President, Branding and Communications, Special Olympics International

Nonprofit Myths and Misperceptions

There are many myths and misperceptions about marketing. Marketing means different things to different people depending on their background and experience. These differences have created assumptions and beliefs that can dramatically dampen an organization's ability to maximize its marketing investments. Some of the most common myths/misperceptions are noted here, along with comments about associated risks and information related to dispelling the myths.

Myth 1: Marketing is Just Tactical

This myth is based on the belief that, once your strategic plan is in place, marketing's sole purpose is to support the strategic plan. By definition, this myth prompts leadership to leave marketing perspective out of senior-level, strategic planning sessions with staff or volunteers.

Risks:
This may be the most costly of all myths. If strategic marketing questions are not integrated within the strategic planning process, the resulting plan will lack constituent perspective and will be flawed.

Solution:
Marketing considerations that are typically left out of traditional strategic planning processes include: brand development strategy, competitive analyses, constituent research with regard to overall positioning and satisfaction with flagship programs, calculations of return on investment or return on mission, lifetime value calculations and strategic alliances. The execution of a plan that does not have marketing perspectives can be extremely costly. It is critical that nonprofits understand marketing involves both strategic and tactical aspects.

Myth 2: Good Fundraisers Don't Need Marketing

This myth looks at fundraising as being based on trusted, cultivated relationships. The misperception is that marketing is "cold" and involves the science of influencing and manipulating people. The reality is that successful fundraisers tend to be instinctive marketers, but not necessarily intentional marketers.

Risks:
Successful fundraisers generally employ effective marketing strategies and demonstrate good marketing sensibilities. They know a lot about their prospects and build trust and loyalty with their prospects which leads to long-term relationships. The danger is that sometimes the relationship is based on the individual rather than the cause. If this is the case, donors can drift away from the cause if the fundraiser leaves.

Solution:
A strong and institutionalized marketing perspective can be leveraged by successful fundraisers and also offset the risk of donor loss from fundraiser turnover.

Myth 3: Good Marketing Can Fix Everything

In organizations where marketing has been embraced, it can become a "catch-all" for why something is or isn't working as it should. Too often, within these organizations, marketing is regarded as the answer to improving any and all situations, especially those that involve the constituent (program participant-donor-volunteer) experience.

Risks:
While marketing can, indeed, improve many situations, marketing alone can't "fix" everything. It is but one of many good business practices critical to success.

Solution:
A goal of marketing is to create loyal relationships with key constituents who influence behavior. This change in behavior can be mission related such as "wearing seatbelts", advocacy related or funding related. Marketing provides a "compass" for organizations to ensure they are honoring their brand promise and standing for the values of the brand. Some "course corrections" can be identified when returning to these statements along with the mission and vision of the organization.

Myth 4: You Can't Measure Marketing

The perception that marketing is an intangible and can't be effectively measured is a very common myth. People may not think you can measure the impact of a promotional campaign or of an investment in understanding the brand impact or brand values.

Risks: Not measuring marketing outcomes robs leadership of the knowledge of true value and impact and, when dollars get tight, it becomes harder to justify the marketing budget.

Solution: While some things may be difficult to measure, outcomes or drivers of desired outcomes can be measured. All marketing efforts should be judged by the return on mission and/or return on investment.

Myth 5: Marketing Segmentation is not Practical for Most Nonprofits

This myth is based in the belief that it is too cost-prohibitive to create unique programs and campaigns for special market segments. While it can be expensive, it can also be far more costly to fail to honor the unique differences between market segments.

Risks:
Failing to develop and implement marketing strategies that take into consideration multiple segments can be costly to a nonprofit's overall mission. Making sure that messages and programs are designed to meet the needs of distinct segments with different needs is a critical part of good stewardship of funds.

Solution:
People of different incomes, social backgrounds, and ethnicities can often have different barriers to the behaviors we're seeking. Dissolving these barriers can involve using different messages, spokespeople, venues, and tones. Greater results will be achieved if money is spent to develop and impact the greater potential segments first with the intent of expanding as resources allow.

Myth 6: Competition Doesn't Apply to Charities

Many believe that nonprofits should all work together for a common good and that true competition is unbecoming of the sector. The reality is that there is room for both true collaboration and competition in the sector.

Risks:
With over a million charities asking for support, there is certainly competition for resources. To ignore this fact can create naïve approaches to important constituents and loss of revenue.

Solution:
The term "coopetition" was made popular some years ago to express the paradox of charities who both compete and collaborate depending on the circumstances. When mission activities draw common charities together, they can collaborate, for example, on advocacy and awareness objectives. That said, when donations and grants are the goal, there is a natural competition that arises. It is vitally important to identify areas for collaboration, but you must protect your brand in the process and consciously identify areas where you will compete.

Myth 7: If the Board Likes the Advertising, It must be Good Marketing

It is not uncommon for Boards to regard advertising as the summation of marketing or for them to want to approve of the advertising their nonprofit creates.

Risks:
Advertising is only one element of the marketing mix. There is much more to a robust marketing strategy. Board pleasure with an advertising campaign may be relevant if your Board has the demographic and psychographic profile matching the intended audience for your advertising. If not, it can be very dangerous to assume that creative that works for the Board will work for your intended target.

Solution:
There is no substitute for research with the target audience to inform and validate advertising creative.

Myth 8: Good Marketing Takes Money…and Lots of It.

This myth is based in the belief that there has always been and will always be a scarcity of funds plaguing most nonprofits. This leads to a view that marketing is a luxury as opposed to a necessity for nonprofits. The reality is there are expensive and inexpensive marketing activities.

Risks:
The belief that you don't have enough resources to conduct good marketing can lead to anemic marketing which then produces little to no impact on mission.

Solution:
Good marketing can be high, low or no cost. It takes creativity and at least some investment of dollars to make and sustain impact. Many nonprofits use the gift of time and talent from area consultants, agencies and universities to help create strategies and implement them at little to no cost. While volunteerism can certainly help in this regard, sustained impact will require some funding. Volunteers and employees can be a huge marketing channel. Marketing grounded in the behavior of your employees and volunteers can have great impact which means some elements of a marketing plan can cost no more than you currently invest in human resources. Marketing research need not involve expensive studies. Valid information can be obtained through simple tasks like capturing constituent satisfaction while they register for events or observing behaviors in the normal course of work.

Marketing's Role at the Leadership Table



Too often, the role of marketing is narrowly defined as focusing on advertising, brand guideline, and market research. While those remain important functions, the influence of marketing must broaden in order to be seen as a key contributor to organizational growth.

The June 2010 GuideStar study, *"The Effect of the Economy on the Nonprofit Sector,"* reports that donations to many charities have been sluggish in the first five months of 2010. Forty percent of charities reported a decline in giving from January through May, compared with the same period in 2009. Eight percent of organizations said that they were "in imminent danger of closing due to financial reasons." Despite these sobering statistics, the demand for services and programs from these nonprofits are greater than ever before with 63% of nonprofits indicating demand had increased in the first five months of 2010.

With this increasing competition for share of mind, share of donations, and share of volunteer time, many nonprofit organizations have recognized a greater need for marketing to make an impact.

While the marketing role will always be very dependent on the CEO's priorities and management style, it is not a requirement that the CEO has held a marketing position in order to understand the value of the function. GE's Jack Welch and Intel's Andy Grove are both examples of CEOs with engineering backgrounds who embraced and built strong marketing-centric cultures. A marketer's ability to build credibility and earn a 'seat at the table' is based on communicating the benefit of the function as it relates to fulfilling the mission of the organization.

In *Spanning Silos: The New CMO Imperative*, David Aaker states that you must "change the way marketing is perceived in the organization by aligning its role with that of the priority agenda. Focus on growth objectives instead of brand extensions, on efficiency and cost objectives instead of marketing synergy or scale, and on building assets to support strategic initiatives instead of brand image campaigns." The goal is to reposition marketing as a key to the strategic growth of the organization, not a tactical management function. Changing the way marketing is perceived within an organization requires a shift from being a provider of niche information to developing strategies to generate and sustain the passion people have for our mission and connecting them with our organization.

With an increasing competition for share of mind, share of donations and share of volunteer time, many nonprofit organizations have recognized a greater need for the marketing discipline.

The path to creating this level of influence involves a focus on three key areas: Developing insights based in truth; having the resources required to implement the insights; and showing value for the investment. As those three are achieved, other requirements such as additional budge, and alignment, begin to fall in place.

DEVELOP INSIGHTS

Know Your Constituents: Donor/buyer behavior continually changes and constituents are ignoring the push strategies that traditionally dominate marketing. Additionally, the proliferation in distribution options creates greater power in the hands of the decision maker. By focusing on the donor or key constituent, organizations must put the donor or constituent at the center and reach him/her from multiple channels, including new channels. CMOs are in the perfect position to understand the shifts in consumer behavior and to lobby for changes within the organization to better meet those needs.

Understand the Competition:
Organizations do not operate in a vacuum and decisions are often made without taking into consideration

potential reactions from competitors. Marketers are often in the best position to understand the driving forces of other organizations. This knowledge can help predict potential decisions competitors may make regarding distribution channels, service offerings, customer targeting and messaging, etc.

Innovate: Use insight from the consumer, competition and marketplace to develop innovations that can effect true change within the headquarters (marketing and development, employees, and volunteers). Even when alignment is reached officially through a marketing plan document or established organizational priorities, actions afterwards are often contradictory, leaving both internal and external constituents confused.

Define the Value Proposition: The role of marketing continues to cultivate a strong and dominant brand that creates actual value in the marketplace. Part of that cultivation is defining the organization's value proposition and communicating that value to the market. If the organization can't provide clarity regarding its reason for existence, it will be difficult for the end customers/donors to do so. Once the direction is agreed upon, it can influence other management functions by working to ensure that the infrastructure of the organization has the capabilities to deliver on that promise.

The easiest way to build credibility within the management team is to show success. Seek out opportunities with high visibility and feasibility. Limited resources may be a challenge, but use that to help focus on efforts that have a short time horizon and the ability to generate a quick win. This will begin to provide the foundation that can allow you to move from hitting a series of `singles' to eventually going for the `home run.'

BUILD RESOURCES

Build Marketing Infrastructure: Too often, the marketing function is sacrificed as revenues decline. Marketing should be viewed as an engine of ideas and growth that is vital to the ongoing success of the organization. With that foundation, you must find ways to build capabilities in terms of distribution, segmentation, branding, research, advertising, etc. The development of the infrastructure must keep in mind the overlap that often exists between communications and fundraising.

Collaborate: Find allies within the `C-suite' that can help to advocate for the marketing function. The benefit of marketing is understood by many of the others in leadership positions: CFO—generating revenues that improve the bottom line; HR—creating a brand that people want to work for; Program Development—providing input on creating programs, services and initiatives that all relate to other functions; and fundraising—supporting the philanthropy function. Working with others for mutually beneficial solutions can make it even easier for marketing to have a larger role.

Leverage Connections: With limited budgets it is essential to fully leverage connections that may lead to pro-bono resources. The presence of a board member with a marketing background can often help to expedite this opportunity. Other scenarios could include partnering with organizations that may share a passion with the mission of your organization. These could include an advertising agency or a local university.

SHOW VALUE

Embrace the Desire for Metrics: Metrics and analytics have often been conspicuously absent from the marketing function and this lack of information can damage the credibility of marketing. Whether the expenditure is $10,000 or $10 million, management wants to see a linkage to results. Fortunately, the ability to track the impact of marketing has become more effective and a number of approaches have proven successful. Use these metrics to show both the success and failure of marketing efforts—the result will be greater confidence from the `C-suite'.

BUILD UNDERSTANDING AND ALIGNMENT

Once the role of marketing is defined, it is essential to ensure that the function is understood within the organization and activities are integrated and aligned. This will help ensure marketers will not be relegated to being copy editors, brand logo police, or jugglers of conflicting objectives and mixed messages. These situations are all symptomatic of a lack of understanding of the role of marketing around marketing objectives, strategies, and plans.

The internal education problem is further compounded by a lack of clarity on roles, responsibilities, and accountabilities within an organization--who does what, what outcomes are expected and who is ultimately responsible for achieving those marketing outcomes. Without clear roles and processes, internal "fiefdoms" and individual relationships can make marketing unevenly impactful within an organization.



Once the role of marketing is defined, it is essential to ensure that the function is understood within the organization and activities are integrated and aligned.

In addition, marketing objectives, strategies and plans may be poorly defined, without specific outcomes. This can result in a disagreement or misunderstanding of priorities within the organization. For example, there can be a lack of alignment between national headquarters and local entities/affiliates, as well as a lack of alignment between functional groups within headquarters (marketing and development, employees and volunteers). Even when alignment is reached officially through a marketing plan document or established organizational priorities, actions afterwards are often contradictory, leaving both internal and external constituents confused.

American Red Cross: Lessons in Organizational Alignment

Aligning the organization's strategic objectives with marketing objectives is critical to achieving both return on investment and return on mission. The American Red Cross offers two examples of organizational alignment. The organization's recent "March is Red Cross Month" campaign involved more than 2,000 local events but it lacked a singular focus. Objectives ranged from media exposure and visibility to volunteer appreciation and fundraising to public education and mission outreach. The organization, in its entirety, implemented hundreds of different grassroots activities, each with a different objective and outcome. Individually each of these local activities is very worthwhile, but collectively the impact represented a marginal gain across multiple dimensions, at best. These local events could have achieved powerful results had they been focused around a common theme or activity such as the Susan G. Komen Race for the Cure program.

March Is Red Cross Month
American Red Cross
Together, we can save a life

A contrasting example that demonstrates strong alignment was the American Red Cross Haiti Relief efforts in January and February, 2010. Here, the entire organization was completely focused on helping the people of Haiti, honoring donor intent and communicating how a donor's financial contribution – small or large – was hard at work in Haiti. The organization operated in "disaster" mode with clear roles, responsibilities, and accountabilities. There was strong, consistent communication throughout the organization with key constituents – regular updates (including key message points) with leadership and field; integrated online, offline, corporate support, telethons, email and text communications; progress reports with key constituents; and regular press briefings.

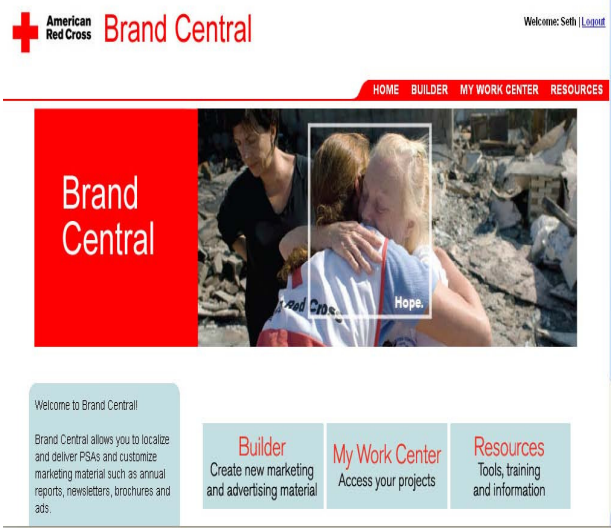
The result? The American Red Cross raised over $450 million in financial donations, more than any other humanitarian or relief organization. This represents the power of focus and alignment to make a major impact, not just for marketing efforts but, more importantly, to further the organization's mission and outreach.



How the Lack of Alignment Can Inhibit the Impact of Marketing

Poor Delivery of Value Proposition: The lack of alignment around marketing sub-optimizes an organization's current and future potential because of poor delivery of the value proposition. The larger and more dispersed the organization, the harder it is to deliver integrated, aligned marketing plans. With mixed messaging to external constituents and a lack of a singular brand voice, marketing efforts are less than optimal. Today, most nonprofit organizations have limited funds to invest in marketing and brand building efforts, so fragmentation makes the much needed marketing investment less impactful than it could be.

Technology can assist in the process of implementing the desired marketing, communication and advertising priorities. The American Red Cross "Brand Central" platform is one example. While the American Red Cross has hundreds of local chapters, most of them do not have dedicated communication or marketing staff which makes it difficult to customize national materials to be relevant to the local market. These challenges often lead to efforts that are inconsistently implemented or ignored.



To overcome this challenge, the Red Cross developed a system often used by for-profit franchise and dealer organizations. The "Brand Central" tool provides a web-based portal that allows chapters to create, localize and deliver marketing, advertising and communication materials. Chapter representatives can use template ads that simply need minor customizing or can develop material from scratch. They can also email the created document directly to the media outlet. The result has been material that is easier to localize, more efficient with time, less costly to implement and more consistent with the national brand standards and marketing objectives.

Too Many Priorities: Regardless of size, the lack of alignment results in too many priorities and a lack of focus. Which segments or key constituents should the organization focus on? Should the marketing strategy be primarily an acquisition strategy or retention and loyalty? These are examples of the strategic choices that need to be made to drive greater alignment, focus and prioritization within an organization. When resources are scarce and already stretched, clarity and alignment of the marketing strategy is critically important.

There are a number of ways to address understanding marketing's role and gaining alignment within an organization. Here are a few that have emerged as most successful:

- **Educate Internal Audiences:** Help all key internal constituents understand the full breadth of marketing. Clearly articulate what marketing is and isn't, with examples that other functions can understand. Create a marketing scorecard or dashboard that focuses on outcomes. Build early wins as examples of marketing success against outcomes with metrics.

- **Develop Fact-Based Marketing Objectives and Strategies:** Create a framework (e.g., lifetime value, segment value, brand equity measurement) for fact-based decision-making and strategic direction. Debate the objectives and strategies before tactics are developed so resources–and opportunities–

- **Create Integration Processes:** Employing marketing processes for planning or program development helps others to understand marketing as a disciplined function. Establish integration teams to gain alignment and understanding.

- **Communicate, Communicate, Communicate:** Communicate before, during and after a decision to all constituents and functions. Provide rationale and context for marketing decisions. Use every opportunity as a "teachable" moment to help others understand marketing. Avoid using marketing lingo and acronyms.

- **Implement Consistent Brand Definitions and Shared Priorities:** Use a consistent brand definition in all messaging and actions that is rooted in the organization's mission, linking all internal and external activity. It is important to ensure that all stakeholders are working on the same priorities.

- **Clarify Roles:** Use the RACI Model for roles and responsibilities (Responsible, Accountable, Consulted, Informed) with one individual accountable for decisions. Start with a small project to clarify roles and responsibilities and have working teams become accustomed to both the method and the process for decision making on a small scale.

Organizational Structure

As part of the planning process, it is critical to develop an integrated plan that commits to accountabilities that deliver organizational value, both short- and long-term. Clarity in the organizational structure is essential to effective implementation.

While communications and fundraising are roles that have significant overlaps with marketing, pure marketing is a more recent introduction in a nonprofit. Often, the three functions struggle to set defined roles that may be present in a for-profit company. One might wonder why there is a need for marketing when communications and fundraising are so well established and, in many cases, successful.

Marketing allows an organization to create, link, protect, prioritize and value its actions to engage its constituents with a consistent and motivating voice and products that deliver clear value.

Communications tends to focus in limited channels and among stakeholders that may not provide clear metrics. Fundraising is clearly focused on building the brand and has clear metrics, but concentrates on the donor constituents. The challenge is to build the marketing function and then link it with the other functions. In a recent *Ad Age* article, Bruce Robertson, managing partner at recruiting firm RSR Partners, noted that chief marketing officers are increasingly assuming duties overseeing all communications and marketing because there is no longer a logical way of separating the paid from the unpaid or the traditional from the nontraditional.

The commitment to marketing requires fresh approaches to structure, resource allocation and measurement.

In terms of the specific organizational structure, it is not required to have a centralized marketing department. Several different options exist for organizing to achieve greater alignment. Many organizations have centralized the marketing function and created a CMO position. Others succeed with matrix models or strong field associations. What is critical is to ensure that there is ongoing coordination and management on essential elements that impact the brand value. At the American Heart Association, there is a Chief Mission Officer. Many organizations have simplified, streamlined and rationalized their field organizational structures. For example, with the American

Lung Association, the national organization sets the brand strategy, but the implementation is often managed at the local level. The commitment to marketing requires fresh approaches to structure, resource allocation and measurement. Such commitment requires vision and leadership, with milestones set to monitor and manage expectations for progress. While marketing leadership is essential, there are stakeholders who can enable and advance the process:

The **President/CEO** plays an essential role in the adoption of any marketing or organizational transformation. It can take an organization three years to see the fruits of the labors of marketing. Changing attitudes and behaviors, with a limited budget, in a crowded, competitive environment is very challenging. It takes courage, tenacity and an 'executive order' to see it through.

The **Board of Directors** is often populated with great marketing minds. Partner with them. They will become an invaluable resource for marketing plan development and measurement. Many of them built their businesses and brands through great marketing.

While they may practice in different categories, many of the fundamentals persist. Feeding America has benefitted greatly from asking its board members to tap their resources for the organization's consumer segmentation study, brand positioning study, tracking analysis and market mix model. Likewise, engaging board members in this way helps build confidence in the board room.

The **front line staff** has great insight into the brand and how to connect with stakeholders. At Feeding America, there is a network of 200+ food banks that are integral parts of their communities. Many of these are founders of food banking. They helped to define the Feeding America brand and serve as critical partners and resources in marketing efforts. Local staff members are the heart and soul of the brand and bring the organization's commitment and mission to life.

Corporate alliances can provide the resources to demonstrate the power of marketing. However, it is important to work with the right companies, in the right ways. The biggest asset a nonprofit has is the trust of its constituents.

The wrong alliance could damage the trust which is at the core of an organization's brand –its mission, its commitments, its values. Leveraged in the right way, alliances can add the financial wherewithal to provide significant visibility and resources to engage the public in the issue.

It is critical that you can assure your strategic alliances that you are following best practices and honoring regulations related to relationships with corporations. You should be well versed in the Better Business Bureaus Wise Giving Alliance standards and insure that your organization complies with all elements.

Leveraged in the right way, alliances can add the financial wherewithal to provide significant visibility and resources to engage the public in the issue.

A nonprofit's **financial and legal team** are, of course, integral to making sure an organization is being mindful of its fiduciary responsibilities. Like a publicly traded company that is beholden to its shareholders, a nonprofit must be mindful that their funding is coming from donors. Marketers represent the business mindset behind marketing innovations and approaches. The financial and legal perspectives related to marketing executions are critical components to success. All three voices should be strong and clear to guide the organization on the path to growth. Marketing should not be seen as "selling" a concept to our financial and legal team.

All lawyers are not the same and the organization needs specific kinds of legal advice for certain situations. A lawyer on your board or a lawyer friend of a friend may not have the depth of understanding needed for developing standards around nonprofit marketing or for crafting language for a cause marketing relationship. For example, having a real estate lawyer help you draft the right agreement for a cause marketing relationship is likely to be a challenge. Your organization needs sufficient protection.

Nonprofits also need equal voices for business, legal, and financial issues. If a financial or legal advisor questions or rejects a marketing proposition, a dialog should ensue that will protect the organization and future innovation. The question back should be, "How can we modify the idea or effort to honor the legal or financial concerns while maintaining the power of the idea to impact mission?"

Data can be a useful tool to address legal or financial risks. For example, a test market approach with limited risk and measurable results can help clarify and reconcile issues. Be sure to understand the concerns. Clarifying objections will make it easier to develop acceptable solutions.

One of the key areas that a nonprofit's legal team must always focus is helping to protect its charter and comply with regulations required to maintain tax exempt status. The smallest of nonprofit groups need to be aware of and in compliance with federal laws governing tax exempt status. A recent change in federal law is putting some 325,000 of these small nonprofit groups at risk of having their tax-exempt status revoked by the Internal Revenue Service.

Before 2006, nonprofits with annual income of less than $25,000 did not have to file returns. But the Pension Protection Act, which went into effect the following year, changed the rules, making 2010 the do-or-die deadline. The IRS gave these small organizations three years to comply, requiring them to file returns in 2007, 2008 and 2009. GuideStar, the national organization that gathers information on nonprofits, estimates that the nonprofit sector could shrink by 25 percent as a result.

As nonprofits continue to explore the marketing discipline, they must do so in alignment with protecting their charters. When designing marketing initiatives, it is important to build in time for legal review to ensure activities will not jeopardize their nonprofit status.

Measuring Your Organization's Health

Evaluation of a nonprofit's success in moving its mission is tied directly to the overall health of an organization rather than growth just for the sake of growth. An organization's strategy and philosophy about growth has a direct connection to marketing. Those performing the marketing function are well positioned to serve as champions of the mission by contributing proactively to defining the organization's health as well as devising programs that will result in the nonprofit's growth.



Measurement and ROI should be cast in terms of the nonprofit's overall organizational health. Nonprofits should not only be measuring the output of their mission but also the growth and revenue that fuels that mission.

Also integral to the overall health of the organization is reputation management. The reputation of your organization impacts fundraising effectiveness, donations, and level of constituent engagement. Marketers are well positioned to not only help mitigate reputation management issues but also help define and enhance the organization's reputation in the broader marketplace.

One key way marketing can help organizations transform their reputation is by focusing on using the right language for the right constituent base. Language which is relevant to the mission and to the constituents targeted is critical to the success of any campaign or promotional initiative. For example, in the health care sector, language used to discuss aging has changed considerably and marketing can be a key driver in the education process.

Building Strong Engagement with Stakeholder Insights


Stakeholders

In his book *The Shift*, Scott Davis talks about the value marketing can bring to the leadership table by owning customer insights and using them to identify economic opportunities for the organization. He notes that marketing need not own a P&L to have a P&L mindset. A P&L mindset will enable marketers to join in the board level growth agenda discussion because they will have something of value to contribute.

By connecting to and contributing to the growth agenda for mission outcomes and revenues, marketers can help reshape their CEO's understanding of the role and value of marketing. They will begin a transformation of marketing from tactical to more strategic; from marketing with a small "m" to marketing with a big "M". Armed with stakeholder insights and an understanding of their needs and values, marketers can champion a customer-centric focus that guides organizational strategies, positions, activities and deliverables.

A basic tenet of marketing is to know your target audiences. Marketers must endeavor to learn as much as they can about their audiences: what media they consume, their attitudes, interests, potential hot buttons, unmet needs, values and opinions. With this knowledge, a marketer can derive insights and craft offers that will be compelling to each audience. The more you can tailor your offer, the greater the expected marketing and economic impact.

Yet a frequent challenge for non-profit marketers in resource-constrained environments is the lack of funding for marketing activities, including market research. This forces many marketers to operate in the dark. While greater success is achieved in the direct response area, where offers can be tested to determine what works, often only incremental gains are obtained over time (testing against control packages) as opposed to real breakthroughs.

Armed with stakeholder insights and an understanding of their needs and values, marketers can champion a customer-centric focus that guides organizational strategies, positions, activities and deliverables.

Moreover, not all nonprofits are in a position to invest in expensive psychographic and demographic overlays to donor lists, so marketers don't know enough about the current donor base – the people already favorably disposed to the organization -- to know how to attract new donors like them.

New segments are an additional challenge. Today's marketers find themselves relying on aging donors. They're eager to attract a new generation of supporters but are unsure how to go about it. As a result, they risk wasting precious unrestricted dollars on misdirected strategies.

While social media holds great promise, many organizations only have enough resources to broadcast their messages on these platforms, not engage in real interactive dialogue. The flood of content marketers must manage daily makes it difficult to shift from reactive to proactive mode -- to actively listen to their constituents, much less derive insights to inform and drive marketing impact.

In sum, since marketers are challenged today to collect information needed to derive stakeholder insights in resource-constrained environments it is increasingly important that they devise creative ways to make the most of their resources. One such strategy is partnering with the Ad Council on a public service advertising (PSA) campaign, allowing the nonprofit to leverage a relatively small budget to obtain millions of dollars of donated media that creates awareness and preference for the brand. The following two case studies are examples of nonprofits which effectively implemented this strategy.

Case Study: Save the Children

Save the Children recently launched a campaign with the Ad Council to educate Americans on solutions to the almost 9 million preventable and treatable newborn and child deaths that occur every year in the developing world. The challenge the team faced, along with the pro-bono agency, BBDO, was to identify insights and a creative strategy which would motivate Americans to take action on behalf of people a world away, at a time when Americans themselves were suffering in the worst economic crisis since the Great Depression.

The budget included funding for several focus groups and a nationally representative quantitative survey. Key insights included: 1) Americans felt no direct connection to the issue; 2) they were concerned about a lack of transparency in supporting a charity whose actions they could not see; 3) they wanted to help people in developing countries in a way that was sustainable ("Teach them to fish"); 4) they wanted to feel that their support would make a difference, so a positive approach would be more motivating than a negative one; and 5) they wanted more ways to get involved other than donating.

These insights led to a creative strategy articulated as "one person away"-- the idea that you are just one person away from saving a child's life and that one person is a local health worker trained by Save the Children to provide basic health care to children and guidance to mothers. Focusing on and creating a link to the local health worker, who is chosen by his or her community to be trained, addressed the need for a direct connection to the issue. BBDO developed the campaign taglines "See where the good goes™" which speaks to the need for transparency and "Help one. Save many." to convey the sustainability of the health worker solution.

Research also indicated the need for a trusted brand to be associated with the solution, so Save the Children's brand became prominent in the campaign. A campaign microsite, www.GoodGoes.org, features the images and

Save the Children: "See Where the Good Goes™"

Objective: Educate Americans on solutions to preventable and treatable newborn and child deaths in the developing world.

Challenges: Motivate Americans to take action during economic crisis on an issue affecting people a world away

Research:
- Secondary research analysis
- Focus groups
- Quantitative survey

Key Customer Insights:
- Lack of connection to the issue
- Concern about lack of transparency
- Desire for sustainable solutions
- Interest in making a difference
- Seeking non-donation options for involvement

Tactics:
- Branded micro website: GoodGoes.org
- PSAs featuring actual health workers: TV, radio, print, online, outdoor
- Robust social media strategy: Facebook app, Twitter, blogger outreach

Campaign:
- "One person away" concept tied to the value of a single trained health worker
- Taglines: "See where the good goes™" and "Help one. Save many."



GOOD GOES .ORG

stories of local health workers and the children they have helped save. TV spots were filmed of actual health workers in Ethiopia and Bangladesh using light humor in comparing people Americans typically idolize—athletes, actors, models—to health workers, who are portrayed as true heroes.

The PSAs and micro site offer multiple ways to get involved, such as learning about the issue, sharing news about the campaign through social media, donating to help train local health workers, advocating, or knitting a cap for a newborn.

The campaign launched on Mothers' Day 2010 and initial results are very encouraging, but it was no easy task to convince internal stakeholders and Board members this was the correct approach to an issue many would find overwhelming and unsolvable. Some questioned featuring health workers instead of children. Others noted that using stronger images of need had proven effective in fundraising and that a positive approach might not motivate Americans to act. At the end of the day, the research and insights held the most power at the leadership table.



A benchmark survey conducted prior to launch to assess attitudes and awareness will be repeated annually and a battery of additional metrics will be tracked over the three-year campaign.

Case Study: Arthritis Foundation and the Centers for Disease Control and Prevention (CDC)

As America's baby boomers age, the prevalence of arthritis is expected to rise by 40 percent (67 million people) by 2030, making arthritis – the nation's leading cause of workplace disability – a looming public health crisis. With an estimated $128 billion spent annually, the direct and indirect medical costs of this chronic disease are mounting at an alarming rate.

In 2009, the Arthritis Foundation and the Centers for Disease Control and Prevention (CDC) announced "The National Public Health Agenda for Osteoarthritis," to dramatically reduce the impact of the most prevalent form of arthritis on Americans.

A critical component of the national agenda is to raise public awareness of arthritis. The Arthritis Foundation developed an integrated campaign targeted at the 27 million Americans 55 and older living with osteoarthritis.

A robust, but modestly budgeted, research plan was developed and incorporated into the campaign. Focus groups and online journaling exercises among people with arthritis were conducted in four markets, yielding key consumer insights to build the message and creative platform.

The team learned that: 1) many people with osteoarthritis do not feel confident they know the best way to manage the disease; 2) many are not proactive because they believe that arthritis is an inevitable part of aging and the pain is simply something they must live with every day; 3) they need encouragement and 4) despite the fact that many people believe that movement may help manage their arthritis, 70 percent say they don't exercise regularly. That's because those with arthritis often experience pain associated with movement—so, the thought of getting more physically active is daunting. Ironically, it's also one of the best ways to feel better.

Working with pro bono ad agency, Y&R New York, the "Fight Arthritis Pain" campaign was designed to allay the fears associated with movement and encourage those with arthritis to fight the pain and get active. The light-hearted creative approach playfully demonstrates that "moving is the best medicine." The TV, radio, print, outdoor and web PSAs weave in messages about the importance of physical activity and weight reduction in preventing and managing the

pain. The ads direct audiences to visit www.fightarthritispain.org where visitors can find a tool for assessing their risk of osteoarthritis; access a movement tracker; participate in a live twitter feed to get great tips and news updates; find local programs and events and receive support from online community forums and blogs.



The Arthritis Foundation created a series of TV spots to demonstrate that "moving is the best medicine."

Board interest in the campaign has been strong and the research-based approach to gathering consumer insights, coupled with a clear plan to measure impact, has been critical to gaining support.

The campaign launched in January 2010 and in its first three months the value of donated media placements had surpassed the first year's investment. Impact will be evaluated over a two-year period with a number of tools, including a pre-campaign benchmark survey and post-wave survey to be conducted at the end of the first year.

Develop Internal Stakeholder Communications

Knowing your audience applies to internal stakeholders as well as external. Many marketers, however, fall into the "shoemaker's children" trap. They focus maximum time, attention and resources on developing and executing the external marketing plan, while neglecting the critical job of "merchandising" the program, its objectives, value and results to the stakeholders who are closest to the organization. This failure to communicate clearly with the constituents who are most invested in the organization's mission and impact, can seriously derail the program's success.

Every effort must be made to avoid the trap by developing strong internal communication plans to support major marketing and other organization-wide strategic initiatives.

Creating communications channels that speak to your core stakeholders – employees, donors, volunteers, board members -- will keep them apprised of activities and help build buy-in and understanding. Internal newsletters, letters from leadership, town hall meetings (real and virtual) and internal focus groups play a vital role in breaking down the internal barriers to effective adoption of major organization initiatives.

Case Study: Special Olympics

The Special Olympics, a global non-profit operating in more than 170 countries, employed this approach as it invited the movement's stakeholders to develop a unified strategic plan for the next five years. The strategic planning process began in 2009 to align all levels of the organization. With branding, marketing and fundraising as major pillars of the plan, it was important to Special Olympics leadership that from headquarters in Washington D.C. to the local program in Namibia, everyone was working from the same plan and that they understood and felt ownership.

Never in the history of Special Olympics has there been a more *critical time* for the family of program leaders, supporters, volunteers, families and athlete leaders to unite together. In the wake of the passing of the Founder, Eunice Kennedy Shriver and at the culmination of the most amazing decade our movement had seen it was important that stakeholders think, feel and act together moving forward.

Whether rolling out a major marketing program, contributing to a global strategic plan, or introducing a customer-centric approach to their organization, marketing leaders can gain buy-in by building a stakeholder communications plan into every key initiative.

Stakeholders of Special Olympics were asked to make up working teams to help create the plan, gather input from peers and provide the headquarters the direction needed to best understand the needs of the local programs—the most grassroots part of the movement. The working groups met on a regular basis and their contributions were presented at a global strategic planning meeting.

With the support of a major donor, Special Olympics brought together more than 600 leaders of all levels of the movement to a four-day meeting where significant issues were tackled and global understanding was created.

Through plenary sessions and breakout discussions, participants devoted substantial attention to each key facet of the plan, whose substance was reinforced by dynamic keynote speeches, thoughtful panel discussions and inspirational stories. But most importantly, movement leaders from throughout the world engaged in a critical assessment and ratification of the strategic plan, so that together, they formed a global movement that builds communities for everyone. With this common understanding, it is Special Olympics' goal that stakeholders at all levels will comprehend and embrace the need for focused marketing.



Special Olympics President and COO Brady Lum (center) with Special Olympics athletes as together they present the 2010 – 2015 Plan to the stakeholders of the movement.

The stakeholder ideas and input gathered at the meeting will be added to the plan and a revised version will be shared with the Board of Directors for approval and implementation beginning in 2011.

Whether rolling out a major marketing program, contributing to a global strategic plan, or introducing a customer-centric approach to their organization, marketing leaders can gain buy-in by building a stakeholder communications plan into every key initiative. By maintaining close ties to a group of trusted advisors— donors, volunteers, board members, employees and colleagues in related organizations— marketers can gain multi-faceted feedback on their plans.

Living Healthy & Green: Rebranding Radon from the Ground Up

How do you convince the American public they should be concerned about something they can't see, smell, hear, touch or taste? That's exactly the problem **PlowShare** had to overcome when it began working on the EPA's Radon awareness campaign.

Radon is the second leading cause of lung cancer in America behind smoking, claiming about 20,000 lives annually – but the only way to know if you have unsafe levels of the gas in your home is to test for it. Radon is created from the decay of naturally occurring uranium in soil and water and enters homes through cracks in the foundation. It is colorless, odorless and completely undetectable without a test kit.

With such serious subject matter, it's natural that Radon's public service advertising would take on a grave, foreboding tone. And indeed, for years, that was the case. PlowShare produced several successful campaigns such as "Surgeon General's Warning" and "Man on the Street" alerting the public of the dangers of Radon. But after a while, PSA placement for this message of warning and danger began to stagnate.

Despite the importance of knowing the risks of Radon, PSA directors and consumers simply didn't want to hear commercials about deadly gasses and lung cancer. Important as the message was, the tone was turning people off. As a result, PlowShare decided to try something entirely different.

Goals/Objectives

As with previous advertising, the goal of the new Radon campaign was to increase awareness of the gas and to see an increase in the number of citizens that have their homes tested for dangerous Radon levels.

Target Audience

The new Radon campaign has been targeted to a number of different groups. It has been targeted to homeowners, encouraging individual household Radon testing. It has been targeted to builders, asking them to build Radon resistant homes. And finally, it has been targeted to realtors, encouraging them to make sure the homes they were showing were Radon-resistant.

Solution

This time around, PlowShare decided the best way to appeal to PSA directors and magazines was to completely rebrand the Radon campaign, making the tone of the advertising lighter and friendlier.

With its new "Living Healthy & Green" campaign, PlowShare made Radon testing part of the green movement, just like recycling or driving fuel-efficient vehicles. Rather than telling people they were going to die from Radon, testing was positioned as a healthy, positive lifestyle change. A multi-platform, comprehensive campaign was created with print and TV, a radio campaign featuring seven unique original songs, out-of-home, even cell-phone ringtones and a puppet show.



To give the campaign a visual identity, all of the visual elements of the campaign featured families wearing green socks. The Green Socks portray Radon reduction as part of the green movement and symbolize the feelings of safety, assuredness and happiness that come with knowing your home is healthy, clean and free of Radon. The Green Socks are used as a badge of honor; you've got to "earn your socks" by testing for Radon.

Ads were created featuring ex-NFL kicker Fuad Reveiz, who works as a builder ensuring that the houses he builds are Radon resistant. Similar ads were created for real estate agents, asking them to test the properties they show. In both cases, Radon testing was presented as a sales advantage; noting that people are more likely to buy a house knowing that it's safe from Radon.

Measuring and Evaluating Success

Some of the metrics used to evaluate the success of the Living Healthy & Green campaign include website hits, calls to the Radon hotline, changes in awareness levels of Radon, and the amount of donated media the campaign generated.

- **Average Website Hits**: Traffic on the EPA's Radon site increased 13% from 33,000 a day in 2008 to 40,000 in 2009.
- **Average Hotline Calls:** Increase from 25 daily calls in 2008 to 37 in 2009.
- **Awareness of Radon**: Increase from 83% in 2005 to 92% in 2009.
- **Donated Media:** The Living Healthy & Green Radon campaign has generated $41M, a significant increase from previous campaigns.

BIG INSIGHTS WITHOUT BIG BUDGETS

Nonprofit organizations can gain big insights without blowing their research budgets. Challenging staff to adopt a customer-centric mindset can launch a whole host of new market-based behaviors on a modest budget. Here are some suggestions:

• **Start small**. Fund at least some primary research. Identify a potentially promising market/constituent segment to research, create a plan and run some measurable test activities. Use results to make your case to expand a research-based approach to increasing marketing impact.

• **Conduct periodic studies.** Demographic and/or psychographic overlays of your donor database can lead to valuable insights.



• **Create a formal insights position within the marketing department.** The designated individual should own the tasks of collecting insights and data and understanding constituents' needs and values. If a new position isn't in the budget, identify a promising staff member and reshape his or her position to include this responsibility.

The Arthritis Foundation created a Consumer Health function inside its existing Consumer Publishing unit and reconfigured staff responsibilities to create a consumer insights capacity. One of the first steps taken was an extensive secondary research analysis of 36 consumer surveys or research projects conducted in the past three to five years. Sources included original research commissioned by the Arthritis Foundation or the CDC, as well as population-based quantitative and qualitative research of relevant audience segments. This analysis yielded eight key trends that will drive future message and program development.

• **Create listening posts.** Monitor activity and design feedback loops within your organization and constituent groups including: social media, website, volunteer councils, advisory boards, trustees, partners and donors. Evaluate all constituent touch points including Customer Relationship Management feedback and call center monitoring. Listen to your fundraisers!

• **Integrate findings across your organization.** So many organizations have silos; marketing activities may not be connected and integrated. A chief marketing officer can help bridge those silos. Create a marketing council including marketers across the agency; pooling resources may allow you to do more research and connect the dots.

• **Leverage your board.** Take advantage of the marketing expertise of board members by creating a marketing committee. Utilize their marketing contacts to the fullest extent.

• **Seek out pro bono work from research firms**. Consider asking firms to add questions to an already existing omnibus survey to help provide some marketing insights.

• **Reach out to corporate sponsors.** Take advantage of research opportunities that will be mutually beneficial.

Defining Organizational Value in Embracing Technological Change


Technology

Like their for-profit counter-parts, nonprofit organizations are turning to technology both to obtain and manage constituent insights. In doing so, nonprofit are traversing the technology track at varying speeds. Some are decidedly cutting edge while others are happily early adopters. Still others are forward-looking non-adopters of now obsolete technology. Some nonprofits can own all these labels at the same time.

But like any other initiative, nonprofits need to look at their technology decisions through a marketing lens. Are all technology decisions categorized by the same standards? What barriers does the technology present? The classic variables of cost, knowledge and return on investment must be considered, but nonprofits also need to weigh the perception of their funders and supporters to determine whether a technology decision is the right one.

The speed at which new technology and social media applications have come on the scene has skyrocketed. Facebook, YouTube, Twitter, LinkedIn, and text messaging each present its own requirements, user audience, and complexities. MySpace, once the darling of all social media, is now a Mecca for music but is half the size of Facebook. "There's an app for that" has become a more ubiquitous tagline for iPhones than "Can you hear me now?" once was despite far lower adoption levels of other phones.

While choosing not to be a cutting-edge adopter may often be the appropriate decision for organizations with limited resources, nonprofits may risk losing out by not paying attention at the right time. For example, at the time the Uniform Resource Locators (URL) were being claimed, Big Brothers Big Sisters of America didn't take action to register for the domain names that would later be desirable for the national organization.

When it became apparent that a website was a basic element of the marketing mix, Big Brothers Big Sisters of America (BBBSA) had to buy the name for the ".org" domain from someone who had claimed it initially. It was a lesson well learned. This year when Facebook allowed people to claim specific names, the decision was easy—not having a specific plan on how to use the name was no reason not to register when there was no out of pocket expense.

At the end of the day the key to appropriate adoption of technology is a definition of what value it provides the organization and how it fits within the nonprofit's overall marketing strategy.



Many organizations view technology decisions in terms of taking one small step at a time—starting simply with a spreadsheet before investing in more sophisticated software. In today's economic environment does that mean nonprofits will never make the transition to using the right technology in order to be competitive?

For example, nonprofit marketers understand that constituent relationship management (or even well-designed fundraising technology) is a basic necessity in being able to properly raise the funds to support their mission by identifying and stewarding donors properly. The balance between caution and the need for the right tools can be a barrier. Organizations need to properly educate stakeholders so they understand the value of significant investments in technology.

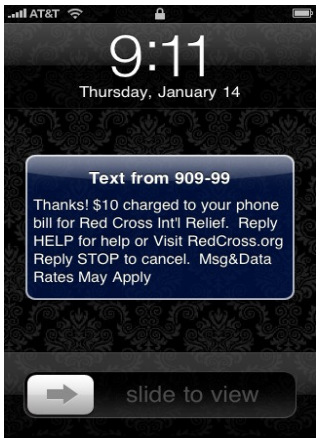
The American Red Cross offers a unique case study in fundraising technology. The nonprofit recently garnered much success with its "Text HAITI" campaign as consumers sought ways to respond to the devastating earthquake in Haiti. According to Nielsen Mobile, more consumers use their mobile phone to text than to make calls.

Taking advantage of this consumer behavior, the American Red Cross translated it to benefit its fundraising efforts by integrating the "Text HAITI to 90999" call to action across all marketing channels, including social media. When the consumer responded by texting the keyword "HAITI" to the short code 90999, a $10 pledge was made to the American Red Cross.

While the appeal is simple and easy for the public to understand, implementing text fundraising is anything but simple. In order to establish a charitable giving program, a charity needs to select an Application Service Provider (ASP) to implement the text program and work with one of the two foundations (the Mobile Giving Foundation or the mGive Foundation) that qualify nonprofits for mobile giving.

Mobile charitable giving is governed by a lengthy set of guidelines published by the Mobile Marketing Association. Mobile giving programs and all marketing materials must maintain compliance with these guidelines or risk audit violations and possible program suspension. The process is still new and rules are changed regularly. It is important to find an ASP that understands these rules and keeps abreast of the industry.

Although the American Red Cross was able to raise millions of dollars to assist with relief and recovery in Haiti after the earthquake, non-urgent fundraising campaigns have not performed as well. In-venue promotions at concerts or sporting events have been tried by several charities with limited financial results. Individual organizations must carefully define their success metrics when considering mobile giving programs or risk disappointment.



How Can Nonprofit Organizations Overcome the Technology Barrier?

Nonprofits need to get beyond the buzz of the latest app and view technology both as a brand window and as a mechanism for communicating more effectively with their constituents.
How can nonprofit organizations overcome the technology barriers?

1. Don't be afraid to fail. Establish an advisory task force of experts in the specific field (both Big Brothers Big Sisters and the Alzheimer's Association have Social Media Advisory Task Forces). Make sure it's a mix of new technology zealots and later adopters. Test and measure, refine and measure, start again. Do more of what works. Stay the course for what must work.

2. Define your best benchmarks. Figure out your "best for today" benchmarks – and use them. So what if there aren't known industry costs to acquire best practices for email? You know what it costs you to do it in the mail and what your last e-attempts cost you.

3. Focus on the technology that moves your objectives. This may mean investing in a meaningful CRM system, a new app or multivariate testing of email subject lines.

4. Remain hyper-vigilant for any media where you need to own your name or key phrases. The cost is rarely prohibitive at the front end. This preventive measure will provide you added security, whether or not your organization is ready or plans to utilize the technology.

5. Use technology to inspire your constituent base.
Technology can and should be utilized to create a better constituent experience which begins by understanding what kind of information constituents are looking for and how they want to consume it. Only then can an organization's online initiatives serve to inspire constituents. An engaging website should not only create excitement around your mission but also serve to generate a sense of community and facilitate constituent connections. In that way, constituents will not only be more likely to increase engagement with your mission but will also inspire each other.

6. Build a diverse team.
Design a marketing team comprised of individuals who are digital citizens with diverse, talents that didn't necessarily originate either in the traditional marketing agency, fundraising or program development departments. Think in terms of "engagement team members" (those with digital skill sets responsible for engaging and inspiring constituents), "analysis team members" (those who use insights to make better decisions) and "getting found team members" (those who are natural-born content creators). Develop a collaborative environment which encourages all team members to engage constituents with multichannel tools that touch all components of the organization including advocacy, fundraising, volunteerism, measurement and program development.

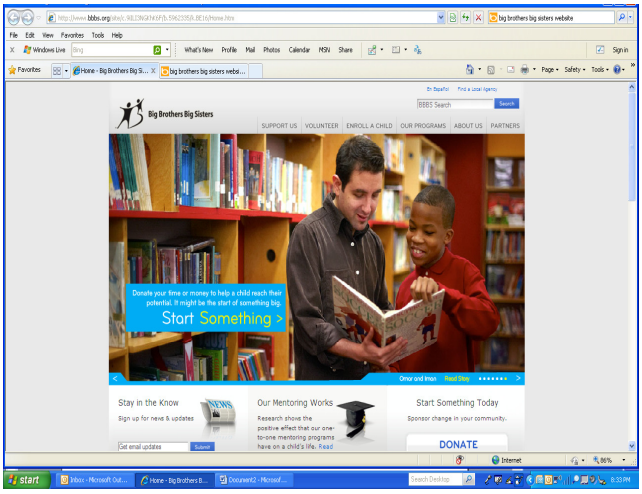
Big Brothers Big Sisters Turns to the Web to Fine Tune Donation Message

Big Brothers Big Sisters boasts more than 250,000 volunteers supporting the organization, especially by donating their time to the benefit of young boys and girls. While there was a high awareness of these volunteer activities, constituents were unaware that financial donations were also needed by the organization. Research determined that BBBS had never made asking for financial donations in constituent communication a priority.

To rectify this situation, BBBS redesigned its website in 2010 to clarify the donation message. With online messaging and other features, BBBS highlighted its "Donate your time or money to help a child reach their potential" message.

The website redesign included the following tactics:

- Prominently displayed the "ask" for both time and money on the home page with a Donate button
- Personalized the volunteer experience with photos of volunteers and children
- Integrated Facebook updates and Tweets (based on screening process)
- Posted the latest BBBS press releases and news



The BBBS team realized that website design would not be enough to change constituent behavior. It would be necessary to engage its more than 400 "501(c)(3)s" to help implement the program at the local level. BBBS created a pilot group of 10 agencies representing all geographic sizes and situations to serve as early adopters and participate in the effort. Pilot group members were charged with shaping the program for their own market so that they could get comfortable about talking about donating to their volunteers. The program is in the process of rolling out but early indications show there is excitement and support for the initiative.

7. Turn Data into Knowledge.
A paradigm shift is occurring in organizations today that focuses on moving data from knowledge to action. In order to use technology to move their mission and drive outcomes, nonprofits must endeavor to better understand the constituent data they already have in their current inventory. Take stock of the data you have on your constituents today to identify what passion it reveals. For example, a donor who moves and asks to have their address updated has obvious engagement with the organization. Cull through your data to find other nuggets of information on constituents. Look for hidden connections or information in your database that could be part of a benchmark or segmentation strategy that goes beyond the typical measurement model.

8. Develop Constituent Databases that Support CRM Strategy.
Database management and constituent relationship management strategy must work together. It's critical to have the right data and CRM solution to make constituent data actionable using a multichannel approach that includes face-to-face, social media, direct mail and e-mail components.

9. Think Strategy First, Tactics Second.
An organization's website and other online initiatives can play an important role in engaging constituents to become champions for its cause or mission. But it all starts with a well thought out strategy. Armed with constituent insights and a well-defined strategy, you can then choose the online channels that best match the needs of your constituent personas.

10. Craft a Workable Content Plan.
A content strategy is an important element of any online strategy, regardless of which channels you choose to use to engage your constituents. From Facebook updates to daily Tweets to your organization's own website, developing engaging content, refreshing it and creating the infrastructure to support the content strategy is essential.

Technology Helps Transform Christmas Seals Brand



How do you make something old something new again? The American Lung Association addressed that creative challenge head-on in 2009 when it re-branded its more than 100-year-old Christmas Seals® Campaign which remains its most successful direct mail fundraising campaign of the year.

The Christmas Seals program played an iconic role in the history of the American Lung Association. However, it was determined that while awareness of Christmas Seals was strong at 60%, the connection between the Association and Christmas Seals among consumers was weak.

To address those issues, the American Lung Association sought to increase direct mail revenue and acquire new donors. In addition, the American Lung Association wanted to build a campaign that would not only appeal to older Americans who remember "licking and sticking" their first Christmas Seal, but also to a younger demographic, who may never have heard of Christmas Seals but nevertheless appreciate all things vintage.



The Association turned to emerging technologies including social media to communicate its message. The following tactics were incorporated into the campaign:

- Redesign of ChristmasSeals.org including a virtual gallery of Christmas Seals
- Developed Facebook functionality including:
  -----Ability to send Christmas Seals E-Cards
  ------Ability for fans to Share a Seal with a friend
- Designed online banners/e-signatures
- Created E-communications with fundraising and sales messages

The 2009 campaign generated noteworthy results:

- 31.65% increase in unique visitors to site
- 76.55% increase in page views
- 12% increase in time spent on site.
- 18% average increase in mail donations among 6 target markets: 3% increase in online giving
- Earned a $2.7M in donated media over a 2.5 month period
- News coverage of new vintage campaign

Case Study:
Alzheimer's Association's "Early Detection Matters" Campaign

In 2008, the Alzheimer's Association's "Early Detection Matters" campaign was selected as the top campaign in the Members Project from American Express, a program designed to let the public nominate and American Express members choose projects to fund.

The Alzheimer's Association earned the $1.5 million grant from American Express after receiving 24,101 votes from American Express card members as the project they'd most like to see funded. The Association carefully considered projects that would resonate with the public and then worked with Jay Smith, whose wife, Patty, was diagnosed with Alzheimer's disease at the age of 51 after two years of uncertainty, to submit the project. Patty was also a member of the Early Stage Advisory Group.

The Association was able to successfully earn the Members Project honor by approaching it as a constituent engagement activity. The Association analyzed different constituent segments in its database and identified specific personas in order to determine what kind of social message should be crafted for each group including online donors, advocates, event participants and caregivers. Specific messages and schedules were created for groups.

Following the first round of voting in which American Express whittled down the list of cause candidates to 25 and closed voting to American Express members only, the Alzheimer's Association identified those constituents in their database who had used an American Express card for some Association-related activity and who had an e-mail address. Utilizing this segmented list, the Alzheimer's Association further revised their messaging to engage these targeted constituents. Other segments were then emailed less often and included a primarily "forward a friend" message.

The results were not only a $1.5 million win but also engaged constituents who truly knew they contributed to the cause.

NONPROFIT SOCIAL MEDIA TACTICS

Constituents = Objectives + Strategy + Tools = Social Media Success

Strategy

- Design a formal social media plan identifying your target audiences, objectives, tools and resources
- Create guidelines governing social media usage for staff and supporters
- Develop and implement a formal social media listening strategy including a dashboard to monitor all activity

Twitter

- Create a custom background for your Twitter account reflecting your nonprofit's mission and brand
- Identify staff contributing to your Twitter feed with appropriate handles
- Engage your followers by creating lists such as partners, donors, supporters and staff
- Build relationships with your followers by re-tweeting, replaying and participating in discussions
- Utilize hashtags to promote an event or campaign
- Integrate a Re-Tweet button on your website pages to build engagement
- Write a brand-oriented profile and description for your Twitter account
- Track and benchmark key twitter statistics
- Use short URLs (such as bit.ly) to track link performance

Facebook

- Create a Facebook landing page reflecting your mission and brand for fans and non-fans
- Add your blog to your Facebook feeds
- Integrate a Facebook "Like" button on your website pages to build engagement
- Add your events to your Facebook fan page
- Encourage fans to upload videos and photos to your Facebook page in support of your mission
- Integrate your CRM channel with your Facebook fan activity
- Utilize the Facebook Insights tool to track demographic information

YouTube

- Integrate your fundraising or advocacy campaigns within the YouTube Nonprofit channel
- Develop a video series and encourage supporters to upload video responses

Content Marketing

- Devise a content marketing plan that includes the creation of blog posts, articles, podcasts, videos and photos to distribute via all channels identified in social media plan
- Submit significant blog posts to social news sites such as StumbleUpon
- Comment on and reply to relevant blog and forum posts
- Include your social media channel icons on your website, in emails and other communications

LinkedIn

- Create a LinkedIn group in support of your cause and engage followers with news, announcements and questions
- Ask a question related to your cause or campaign using LinkedIn Answers
- Join other groups related to your cause and post questions or information related to your nonprofit



The Challenge of Measuring Performance and Demonstrating ROI



Whether it's an investment in an emerging technology, a new campaign or fundraising event, marketers are increasingly being called upon to measure their performance and demonstrate real return on investment.

Nonprofit marketers are fast becoming acquainted with a language traditionally left to the "for-profit world". Metrics, dashboards, outputs/outcomes, positioning data, performance analytics, evidence-based research, revenue models, mission impact, brand valuation, ROI.

Today these terms represent critical ideas and tools integral to the success of nonprofit brand management and marketing, and ultimately, the performance of every organization in the nonprofit sector.

Today's leaders face the challenging task of growing and retaining market share and improving go-to-market efficiencies at a time when many organizations have reduced staff and employee-related expenses as well as overall budgets. Organizations have imported know-how from the for-profit sector to help understand, establish and utilize performance measurement.

As nonprofits continue to face competition from cause marketing-minded for-profits, adopting a greater sense of accountability and a business approach to the marketing discipline will be essential. This is especially important as today's constituents are much more discerning in terms of where they're spending their time and money. With so much information easily available to them on the Internet, nonprofit marketers need to take a cue from for-profit marketers to engage and educate prospective constituents.

Reporting Return on Mission

Yet, marketers are still struggling to demonstrate that the marketing function should be viewed as one of the most critical points of strategic leverage within an organization. Too few organizations today view

Best of breed organizations link marketing to measurable mission impact

Internal: Management and Planning

When an organization sets its strategic priorities, based on constituent values and needs, is marketing at the management table, reporting to the CEO? Are plans, budgets and performance evaluations structured so that marketing's role is clearly defined and contributions valued and adequately resourced? Are boards of directors or governors populated with leaders who understand and advocate for the proper role of marketing? What are the best practices for nonprofit organizations to follow?

External: Fundraising

Today, funders are interested in making an investment, not a donation. Foundation and corporate philanthropy officers are held accountable for how their support of a nonprofit complements the funder's business objectives, and, in many cases, impacts their bottom line. Equally important is the social impact of their investment. ROI has become a critical component of every philanthropic and cause marketing partnership. How nonprofit organizations navigate this landscape will determine their operational success, as well as reputation in the funding community.

United Way
Brand Scorecard

DIFFERENTIATION	REACH	RELATIONSHIP
Brand Value: $ Billions	**# Investor/Donors:** Millions	**Trust United Way:** %
Effective in Advancing the Common Good: %	**# Volunteers:** Millions	**Net Promoter Score:** NPS
Makes a Difference in: **Education:** % **Income:** % **Health:** %	**% Asked to give:**	**Thanked:** %
Enables Me to Make Difference: %	**Top of Mind Awareness:** %	**Informed/Received Information:** %
LIVE UNITED Awareness: %	**% Giving:**	**Lets Me Know Value of My Contribution:** %
LIVE UNITED Attribution to United Way: %	**# Reached in Workplace Campaigns:** Millions	**Churn:** % Lapsed donors
	Total Media Awareness: % **Advertising:** **Traditional Media:** **Online Media:**	
	Total Donated Media: $ Millions	
	Earned Media Value/PR: $ Millions	
	Public Web Site: Total "touchpoints" **Web Visits:** **Flickr:** **YouTube Video Views:** **Twitter Connections:** **Facebook:** **Total Donated Online:** $ Millions **Total Online Supporters/Emails:** Millions	

Source of Data on Scorecard:

1. United Way Brand Value calculated by Interbrand and by Forbes.com/WPP's Mindshare (World's Most Valuable Brands)
2. Net Promoter Score calculation: See Page 32.
3. Ratings from United Way annual public opinion tracking study

marketing as a critical investment rather than a cost center. As a result, marketers are left without the necessary financial and human resources to implement the data collection, analysis and outcome measures that objectively demonstrate return on investment (ROI) and return on mission (ROM).

In addition to reporting on the organization's overall financial picture, marketers are challenged with demonstrating a return on investment of marketing expenditures. When executing an advertising campaign, for example, marketers need to track a variety of behavior including web hits, call volume as well as "softer" metrics such as changes in perception and recall of messages.

Nonprofit marketers must think creatively when seeking to demonstrate and justify marketing ROI. Measuring the value of strategic alliances, for example, requires tracking research on consumer behavior. The American Cancer Society did just that in a nutritional campaign executed in conjunction with the Florida Department of Citrus. The campaign resulted in positive ROI and the FDOC's 2000 annual report credited it as having significant impact. Indeed, the campaign contributed to the Department's best net sales increase ever. From the ACS perspective, there was a 66% recall of the health message (which was to encourage consumers to drink more juice because it reduced the odds of getting cancer) and the program generated funds for the mission.

Too often, marketing initiatives are mistakenly perceived as not being easily measured and thus are among the first things to get cut. However, many marketing activities can and should be measured. Marketers need to be concerned about not only moving the mission externally to the general public but also making sure marketing is being effectively integrated in the bloodstream of the entire organization. They need to make sure every department understands the importance of segmenting targeted constituents and stakeholders, being creative when it comes to tracking behavior and measurement and communicating the results back to the leadership team.

Prioritizing Accountability Demands

Historically, many organizations have been content measuring brand awareness and key attributes and then benchmarking with other organizations both within its competitive set and more broadly. However, this approach fails to fully calibrate the effect of marketing on key metrics such as revenue generation and mission impact. Approaches that better link investments in brand to stated organizational priorities (revenue, member recruitment, desired actions from the public, advocacy) are required.

The United Way Brand Scorecard on page 30 is an example of balancing hard and soft metrics, short- and long-term returns. United Way brand health is measured in three general areas of building Differentiation, expanding Reach, and strengthening Relationships. Objective, external financial assessments – such as Brand Valuation by Interbrand and ranking by MindShare – sit along side public awareness and attitudes on mission performance and marketing-driven behavior (sign-up, donate, volunteer, recommend). Brand experience is assessed by public and donor/investor ratings as is strength of relationship from foundational (Trust) to loyalty (Net Promoter Score). Metrics are tracked overall against annual targets as well as applied to individual marketing initiatives to measure ROI in terms of contributions beyond dollars raised.

Return on Mission (ROM) is linked to these same scorecard metrics. United Way announced bold goals in Education, Income and Health in the 2008 "Goals for the Common Good: the United Way Challenge to America". Research shows that the public perception of United Way's impact (making a difference) in Education/Income/Health drives trust and nearly doubles the likelihood of giving and volunteering. Marketing effectiveness can be evaluated in terms of these attitudes as well as the number of investors, dollars, volunteers, and advocates to further the mission in Education, Income and Health.

Balancing the need to measure both long-term and short-term returns is at the heart of the ROI challenge. Marketers must navigate a delicate path as they need to develop programs that result in long-term relationships which take time to nurture and measure, while achieving results on short-term initiatives in order to justify spend.

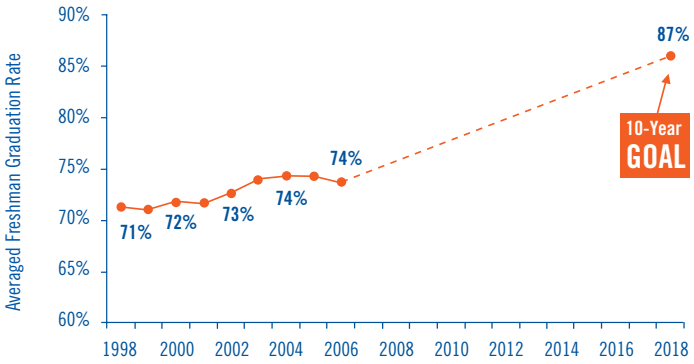
Moreover, today's nonprofits are challenged to think in terms of long-term measurements when current practice is to evaluate charities based on their financial performance in a single year. Yet, it's important to not only measure those initiatives that bring in money to the organization in the short term but also to consider the implications those tactics have on building relationships and awareness in the long term. Marketing is all about changing behaviors and developing trust with constituents. It involves not

Education, Income & Health 2018 Goals

Education

Every year, more than 1 million students drop out of high school. As a result, fewer young Americans are likely to earn a diploma than their parents, a distinction not shared by any other industrialized country. That's why United Way has put a stake in the ground on education. United Way is working to ensure that children and youth are: (1) ready for school, starting with the skills they need to succeed; (2) reading on track by 4th grade; (3) transitioning successfully to and from middle school; (4) graduating high school on time and (5) working or in school by 21.

EDUCATION 10-YEAR GOAL: Raise the Graduation Rate

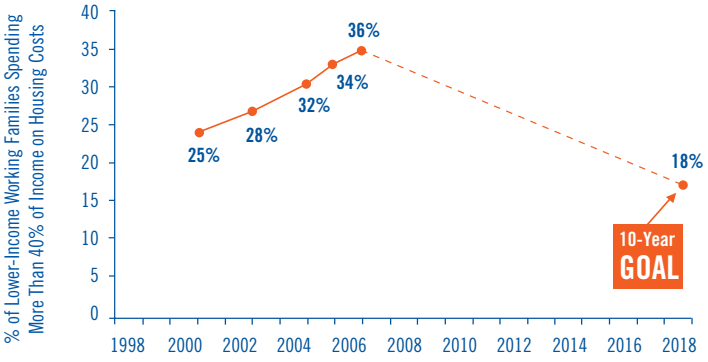


SOURCE: COMMON CORE OF DATA, NATIONAL CENTER FOR EDUCATION STATISTICS

Income

Over the past 20 years, the cost of living in the United States has increased by almost 90 percent, drastically outpacing income growth. To make ends meet, families are borrowing heavily and relying on high-cost alternatives to cover their daily living expenses. That's why United Way launched the Financial Stability Partnership™. United Way's work focuses on five building blocks of financial stability: (1) family-sustaining employment; (2) income supports; (3) savings and assets; (4) manageable expenses and (5) affordable housing.

INCOME 10-YEAR GOAL: Reduce the Number of Lower-Income Working Families Who Are Financially Unstable

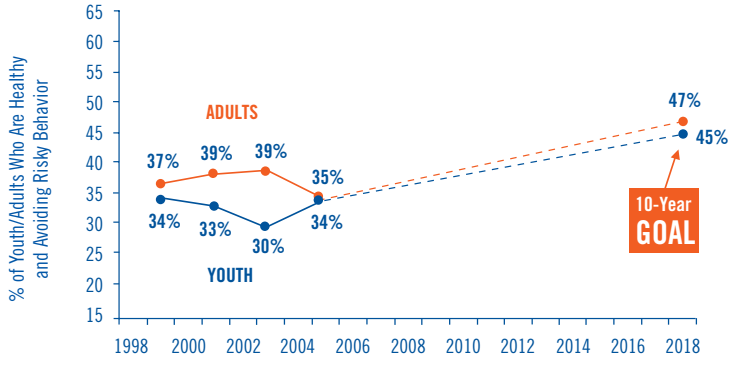


SOURCE: AMERICAN COMMUNITY SURVEY

Health

U.S. businesses lose more than $1 trillion a year in productivity due to chronic illness. The federal government estimates that over 45 million individuals lack health insurance coverage of any kind (2008) and of this number, 80 % of the non-elderly are from working families. That's why United Way developed a health initiative. United Way is focused on the following key components that impact the overall health goal: (1) safe home and community; (2) healthy beginning; (3) healthy eating and physical activity; (4) supporting healthy choices and (5) access to health care.

HEALTH 10-YEAR GOAL: Increase Youth/Adults Who Are Healthy and Avoiding Risky Behavior



SOURCE: YOUTH RISK BEHAVIOR SURVEY AND BEHAVIOR RISK FACTOR STUDY, CENTERS FOR DISEASE CONTROL AND PREVENTION

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only crafting the right messages for the right segment but also making choices that will benefit the organization in both the short term and long term.

Marketers can also play an important role in nudging nonprofits to maintain a long-term view by conducting trending research and tracking perceptions and behavior. They can and should look out for the organization by focusing on innovations and trends.

Formalized measurement programs are invaluable to organizations as they help provide direction on where to spend both time and financial resources. For example, Feeding America recently re-evaluated their approach to measurement and began to focus again simply on the number of people being served by their programs. The result was that resource allocation decisions became easier. In renewing their focus on their primary mission, the organization could make allocation decisions that aligned with what proved to be most effective.

Tracking Trust

As organizations define their measurement programs, it's important that nonprofits begin to move away from just measuring buzz metrics and focus on those measurements that matter most such as the level to which the nonprofit is instilling trust and loyalty in its targeted constituent base.

Marketers can demonstrate value by being accountable for both hard and soft metrics, including trust and loyalty. This includes measuring engagement and the extent to which constituents perceive the organization as being effective in delivering its mission. Are they aware of the organization? Do they trust it? Would they recommend and promote the organization to others? Did the marketing activity prompt the constituent to volunteer? The answers to these questions can help marketers deliver on the long-term mission of the organization.

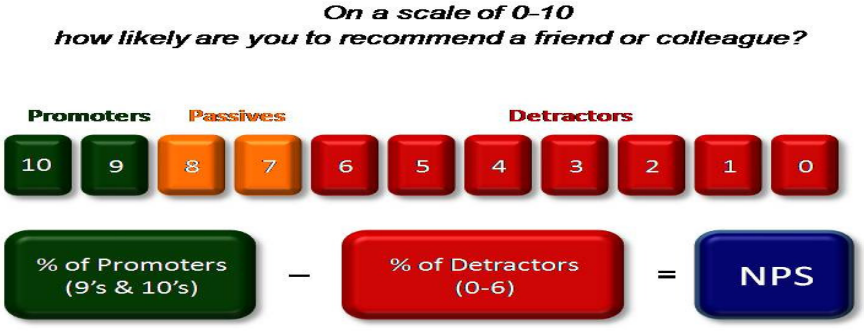
One way to track these behaviors is through the use of the Net Promoter Score (NPS), a measurement that holds organizations accountable for how they treat constituents by tracking whether they would recommend the organization to a friend or colleague.

How to Calculate Your Net Promoter Score

NPS is based on the fundamental perspective that every organization's constituents can be divided into three categories: Promoters, Passives, and Detractors. By asking one simple question — How likely is it that you would recommend [Organization X] to a friend or colleague? — you can track these groups and get a clear measure of your organization's performance through its constituents' eyes. They respond on a 0-to-10 point rating scale and are categorized as follows:

Promoters (score 9-10) are loyal enthusiasts who will keep investing and referring others, fueling growth.
Passives (score 7-8) are satisfied but unenthusiastic constituents who are vulnerable to competitive offerings.
Detractors (score 0-6) are unhappy constituents who can damage your brand and impede growth through negative word-of-mouth.

To calculate your organization's Net Promoter Score (NPS), take the percentage of constituents who are Promoters and subtract the percentage who are Detractors.



Net Promoter, NPS, and Net Promoter Score are trademarks of Satmetrix Systems, Inc., Bain & Company, and Fred Reichheld.

Tips for Implementing an Effective Measurement Program

Ensure you have a laser focus on the value proposition for your stakeholders. Know and understand what your constituents need and translate them into implications for goals, strategies, positions and deliverables. Measure what is actionable and what ties most closely to the drivers of your mission. Measuring the number of Facebook fans or e-mail click-throughs is of little value if the results don't impact the delivery of the mission in a meaningful way.

It's important to keep in mind how measurements relate to the mission's impact. For example, rather than simply measuring the number of tweets and re-tweets you're receiving from your Twitter account, dig deeper to relate the measurement to your mission. Are your tweeters also volunteers? How many people are served by their volunteer activities? If tweeters are also donors, are they donating at a higher level than the average donor?

Be Resourceful. Look for a mix of pro bono and paid resources to drive the marketing agenda. This is particularly valuable in cultures where marketing measurement is a new concept or practice. Few groups can afford all the services needed for optimal results; leveraging relationships can open doors and lead to surprising results that would simply be out of reach otherwise. Partnering with local universities or using inexpensive online survey tools are two inexpensive ways nonprofits can obtain some valuable insights.

Craft the ROM Story. Effective measurement programs don't stop at the scorecard. Interpreting results and crafting the measurement story is a critical responsibility for marketers. Over the next decade, donors and stakeholders will increasingly be seeking information on precisely what social change has occurred or how the world is different because of their engagement and the initiatives the organization has implemented. This change in constituent behavior will serve to reframe how and what nonprofits monitor and evaluate and what language they use when communicating results to all stakeholders.

Find a champion (or a group of them) at the board level. Having influential advocates, who know the terrain and can push for the correct strategic alignment and needed resources, can make all the difference. They know that an investment in marketing goes hand-in-hand with sustainability and weathering the tough times. Ideally, the board should have a marketing committee that is active and engaged (and distinct from the resource development committee), with the group meeting at least quarterly, and reporting to the full board at every meeting.

Hire and train talented people. Seek individuals who grasp the new realities and possess the skills, experiences and psychological capital to infuse the organizational culture with a mindset of performance, accountability and measurement. This can be a tricky proposition in some organizations, even for the most skilled and experienced professionals.

Get Creative and Experiment. When it comes to formalized measurement programs, today's nonprofit environment is a new frontier characterized by experimentation and creativity. Nonprofits of all sizes are conducting research, monitoring a number of variables, testing the results and learning about what is working and what isn't. When executing public campaigns with 1-800 numbers, why not add another dedicated number and attach it to your social media campaign? If you're holding a volunteer activity like a charity run or walk, take the opportunity to ask event registrants a few questions with an eye on potential sponsors.

RECOMMENDATIONS

Leadership

☑ **Adopt a Business Mindset to the Marketing Discipline.** Become accountable for results of marketing activities. Demonstrate the value of the marketing function with actionable research and strategy that serves to move the mission**.**

☑ **Educate Internal Audiences**. Clearly articulate what marketing is and isn't, with examples that other functions can understand. Create a marketing scorecard that focuses on outcomes**.**

☑ **Innovate, Test and Act.** Try something new; experiment and innovate internal marketing practices and processes. Anticipate and interpret constituent needs as a basis for development of short-term initiatives and long-term strategies with concrete measures for impact.

Stakeholder Alignment

☑ **Listen.** Monitor activity and design feedback loops within your organization and constituent groups. Evaluate all constituent touch points including Customer Relationship Management feedback and call center monitoring.

☑ **Craft Compelling Stories.** Stories get listened to by stakeholders. Use the right language for the right constituent base and focus on the change your organization is driving and the great work it is doing. Create a pool of impact stories you can draw upon that focus on outcomes and impact, not processes.

☑ **Engage Alliances with a Persuasive Value Proposition.** Evaluate your organization's assets and create an attractive value proposition when seeking co-branded campaigns with for-profits and prospective sponsors.

Technology

☑ **Devise an Engaging Social Media Content Strategy**. Engage constituents with compelling content including website content, blog posts, Facebook updates and tweets. Create a social media team to create original content that ties directly to mission objectives.

☑ **Inspire Internal and External Constituents**. Use technology to provide constituents ways to connect with and inspire each other. Create a relevant, personalized website experience for constituents to keep them engaged.

☑ **Leverage the Buzz Metrics**. Track constituent engagement by measuring trust, loyalty and the level to which targeted segments evaluate your effectiveness in delivering on your mission. Create a dashboard that specifically addresses sentiment and engagement metrics.

☑ **Focus on Turning Data into Actionable Knowledge**. Dig deep into your own database to discover useful data you have already collected on your constituents. Utilize the data to better segment communications and campaigns.

Measurement

☑ **Align With Your Organization's Top Three Key Mission Drivers and Measure Impact**. Use these drivers as a baseline for all scorecards and measurement programs. Include both long-term and short-term measurements as well as measurements that monitor intermediate outcomes leading to the organization's impact.

☑ **Measure the Value of Strategic Alliances**. Get creative in developing measurements that demonstrate the value of alliances and the ROI impact for all parties.

☑ **Be Resourceful**. Monitor marketing effectiveness by conducting pre- and post-research. Seek out pro bono or inexpensive sources of research including local research firms, universities and online research tools.

A Nonprofit Self-Assessment Diagnostic Tool

The following categories and list of questions are not intended to be a comprehensive tool for assessing the power of an organization's marketing orientation. However, they can point to some important strengths and weaknesses which can impact an organization's potential for growth. The questions are not in any specific order nor are they equally weighted with regard to importance. However, any "no" answer may be an opportunity for the organization to improve its marketing efforts. If more than five questions are marked with a "no," there is likely significant optimization available with regard to achieving the growth rewards associated with full marketing engagement.

Defining the Brand

1. Can you summarize your brand promise in two sentences? 2. Can your staff summarize it in two sentences?

Brand Development

1. Do you have brand metrics in place and have you thought about what your brand is worth to potential corporate alliances?
2. Do you have a clear and measurable strategy for protecting and growing your brand?
3. Is someone at the senior leadership level responsible for brand strategy?
4. Does everyone in your organization believe that they have responsibility for the brand experience?

Authority, Alignment and Accountability

1. Is your lead marketing person a member of your senior staff/volunteer decision-making bodies and do they have responsibility for customer satisfaction at all customer touch points?
2. Are a majority of headquarter initiatives implemented by the field?
3. Over the past two years, has the organization's investment in marketing, research and branding increased or decreased?
4. Is it difficult for the field to implement initiatives generated by the headquarters?
5. Are the functions in your marketing department broader than PR and advertising?

Outcome Measurements/ROI

1. Do you have a clear method to determine the financial return on your marketing investment? What is the typical threshold you require for each $1 invested?
2. Are your marketing efforts measured by tangible impact on mission/business outcomes that drive mission results?
3. Do you know the lifetime value of your donors?
4. Do you know, through tangible research, how satisfied your major stakeholders and constituent groups are with your organization?
5. Should the process you have in place to determine if a marketing program be continued?

Structure and Talent

1. Do you have access to external experts in marketing and branding (paid or pro bono)?
2. Is your marketing department equipped to address the challenges and opportunities facing your organization?
3. Do you have performance objectives for all staff related to achieving a common stakeholder experience?
4. Do your marketing staff/volunteers have responsibilities for program development, marketing innovation? Are they involved in deciding how programs or fundraising activities will be delivered?
5. Does your organization support ongoing updating of marketing knowledge and skills among staff through training, attendance at conferences, and encouragement of networking with other marketers?

Leadership and Integration

1. Does your Board and CEO consider marketing to be an important element of strategic leadership?
2. Do you have marketing talent on your Board?
3. Do all departments in the organization include marketing elements in their decision process? Are the marketing outcomes "owned" by the departments?
4. Do you have strategic alliances with profit and nonprofit organizations that can enable you to overcome key barriers?

Stakeholder Insights

1. Has your organization identified priority stakeholder groups and primary/secondary markets?
2. Do you understand the needs and expectations of these groups?
3. Does your organization have different programs and communication strategies for different types of program participants and donors?
4. Do priority markets have measurable outcome goals?
5. Do key market groups have budgets based on driving key outcomes from these markets?

Critical Market Intelligence

1. Do you have a process in place to identify trends that may impact your donors and other stakeholders?
2. Do you and your key staff/volunteers know what strategies and tactics your key competitors employ?
3. Do you have a dashboard that provides you and your management staff the ability to track the current impact of marketing efforts?
4. Do you receive quarterly marketing intelligence reports detailing the implications and recommendations from marketing research?
5. Does your market intelligence include competitive analyses, reputation studies, trend tracking, and stakeholder satisfaction studies?
6. Have you audited your customer touch points (program participants, donors, staff, and volunteers)?

SPONSORS

Blackbaud®	Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 24,000 organizations use one or more Blackbaud products and services for fundraising, constituent relationship management, financial management, website management, direct marketing, education administration, ticketing, business intelligence, prospect research, consulting, and analytics. For more information, visit www.blackbaud.com.
Grizzard	Grizzard Communications Group is a leading digital, interactive, and direct response marketing firm specializing in designing campaigns for charities, fund raisers, and other nonprofit groups. It offers creative development and list management services, as well as mailing and fulfillment. The firm is part of the Diversified Agency Services division of advertising giant Omnicom Group. For more information, visit www.grizzard.com.
PlowShare Group Inc harnessing the power of communication for social good	Founded in July 1994, the PlowShare Group has committed itself to working exclusively with nonprofit organizations and government agencies. Its core expertise as a full-service advertising agency is Creative Development, PSA Distribution Services, PSA Monitoring and Online Reporting. It works with a roster of blue chip clients to develop sound strategies based on advertising research and evaluation methodologies. For more information, visit www.plowsharegroup.com.
xerox	Xerox Corporation is a $22 billion leading global enterprise for business process and document management. Headquartered in Norwalk, CT., Xerox provides leading-edge document technology, services, software and genuine Xerox supplies for graphic communication and office printing environments of any size. For more information, visit www.xerox.com.

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  AMA Director of Online Content

For more information about the American Marketing Association Foundation, visit www.themarketingfoundation.org.