



SIX THINGS NONPROFITS CAN LEARN FROM PROFITS

NOTE FROM VisABILITY FOUNDER John Burke: Perhaps 35 years ago, Dick Taft, an acquaintance of mine, was a leading thinker in the newly emerged profession of nonprofit fundraising. He may have been the first national figure to understand that most aspects of nonprofit management – membership and PR and volunteer oversight and fundraising and media relations and service delivery and board support – *are either marketing functions or are rooted in marketing principles*. Seven Things Nonprofits Can Learn From Profits is an essay Dick wrote and then printed as a poster, a copy of which has been above my desk for several decades. Wanting to share it with VisABILITY clients, but feeling it would benefit from some updating, I tried to contact Dick for permission and couldn't locate him. So, with apologies for editing his work and recognizing that all of us who built careers in nonprofit marketing owe Dick a professional debt, we offer a 2007 version of Dick's original injunction to the nonprofit world – yesterday's heresies and today's common sense for the professional nonprofit manager. (Note: Dick wrote about 7 things, but because of issues - like UBIT tax - which really weren't factors a couple of decades ago, I cut back to 6.)

1. GET DOWN TO REALITY. (*It's no. 1*)

In approaching a fund-raising, membership, student recruitment or communications issue, the first rule is to shed your cloak of virtue. Look at yourself clearly and coldly. Business does it in unambiguous, analytical terms. So should you.

Your organization is a *product*. Learn to think of it that way.

Your donors, alumni, members or students are *consumers* of that product. Your organization fits into a *product category*. Colleges and conservation organizations and youth services are examples of *product categories*, just as soap and hotels are. Other organizations in your product category are your *competitors*. They compete with you for money, for visibility, for volunteers, for constituents, for media coverage – and more.

Get used to applying these concepts to your nonprofit. Then ask yourself some hard questions.

How good is your product? How is it perceived by its consumers? Is it filling a meaningful gap in its product category? What is your competition doing? How well are they doing it? How does your organization stack up against the competition?

Answer these questions carefully. It is the beginning of a process called marketing.

2. MAKE MARKETING A WAY OF LIFE. (Don't just do something. Sit there and think.)

Marketing is not a mystical term. It is neither a luxury, nor jargon. It is a disciplined approach to problem solving – a process that requires you to think through a problem logically from point A to point B.

Hard Questions need hard answers. Hard answers come from facts. Look in the old files, talk to your staff people, chat with former board members, ask the people you service, Google your competition. You operate in a context. Define it. Keep refining your frame of reference. That will help you deal realistically with problems. Identify opportunities. Develop better options. Evaluate them objectively.

No matter how urgent the issue, if you are analytical and quantitative, your response will always be better. *So sit there. Think it through.*

3. LOOK AT THINGS THROUGH THE EYES OF OTHERS. (You may be a little near-sighted.)

Marketing research is essential to the process – an insurance policy against the risk of assumption. You've seen the college that spends \$350,000 annually on recruitment materials, but not one dollar to find out which brochures, catalogues, posters and messages do – or do not – bring new students into the enrollment pipeline. *By contrast, you won't see Procter & Gamble distribute a new product until it's been thoroughly concept tested, lab tested and market tested.*

A market study does several things. It produces *numbers* to validate (or invalidate) your hypotheses. Those numbers reflect your organization – not as you see it – but as it is seen through the eyes of others. *Those are the eyes that count!*

Planning a communications or fundraising program? Research will tell you what themes to use, what visuals are persuasive, who your best targets are, what information is most or least important to them, and how to most effectively get the message delivered. These nuances make all the difference. The difference between a successful program versus one that fails or is marginal often is the difference between fact and assumption. You can improve your chances for success if you look at things through the eyes of others.

4. NO ONE CAN BE ALL THINGS TO ALL PEOPLE. (No product can be all things to all people either. Find a need and fill it.)

For instance, marketing for Ivory Soap is consistently directed at one market segment – people who want a pure, natural, utilitarian soap. Imagine Ivory trying to appeal to those who want a creamy soap, who want a soap that makes them smell like jasmine, who want a soap that removes mechanic's grease and grime,...ad infinitum.

If a product tries to appeal to everyone, then it is likely to appeal to no one very much. Ivory has insured its place in the soap market by recognizing a consumer segment it can serve well. And, because that segment is satisfied, it continues to buy. Once you shed your cloak of virtue and research your market, the lesson for nonprofits becomes simple: *define your market, evaluate its needs, design your product or service to meet its needs – and then deliver and communicate that product or service.*

5. FIND YOUR POSITION IN LIFE. (And communicate it.)

Let's explore this a little more. You've located your market. So you've found your position in life. Now control that position!

Positioning is the way you present your organization to the public. In speeches, in brochures, in films and slide shows. In your logos and graphics, in your case statement, in your curriculum. In your organization's policies and solicitation letters, at your conventions and meetings, on your letterhead and webpage and press releases.

All those elements of brand equity communicate what you offer that your competitors don't. They position your organization in a competitive marketplace.

While soap is mundane compared to the mission of a worthy nonprofit, the soap business does demonstrate a lesson nonprofits must keep learning - the effectiveness of repeated themes. For example – nearly all soap advertisements use worldly female models. But Ivory, positioned for the segment mentioned earlier, uses babies, children and fresh faced "girl next door" adults. And of course, that line — *99 and 44/100% pure* — who can beat that?

Basing its strategy on research, each product — whether soap or your nonprofit — must define its market. Then it must reinforce its position in that market through well-targeted communications that consistently repeat persuasive positioning themes.

6. YOU MUST COMPETE. (Because even if you don't, your competition will.)

There's no getting around it. Nonprofit institutions must share a finite amount of philanthropic dollars, competent board members, effective volunteers, responsive constituents and worthy clients.

So here's another place to shed your cloak of virtue. *Recognize that you compete for resources and you compete for relevance. If you don't compete willingly and intentionally, then your organization will suffer.*

In the business world, people recognize the competition. They analyze its strengths and weaknesses. They develop responses which enable them to compete effectively. Sometimes they may offer a "cents-off" coupon as a premium. Or they may reposition their product as Bromo Seltzer did in vying with the giant, Alka Seltzer. Bromo Seltzer

spotlighted the one aspect that the competition could not: a speedier dissolve. Totally irrelevant medicinal characteristic. Enormously effective positioning message.

Oddly, many nonprofits believe they are too pure to think about market analysis, self-evaluation, positioning statements and similar techniques. They believe the virtue of their mission immunizes them from dealing with marketplace realities.

Yet these same organizations may offer *a reduced membership fee for seniors...or periodically introduce a new brochure...or offer a short-term free non-member's subscription to their newsletter...or publish strong new mission statement...or bus high school seniors to their special event...or sponsor a community award...or offer a coffee mug with their logo as a contributor incentive...or open their rehearsals as a behind-the-scenes introduction for potential supporters!*

Get the point? You are already in the game. You may not do something as crass as Bromo Seltzer did when it established its position in the market, but you are surely doing things to establish your organization in a competitive marketplace. Your competitors are doing the same. Now's the time for you to compete a little harder. Take the advantage by thinking of your nonprofit as a competitive marketing organization that is prepared to defend its position in the market as it fights for resources so it can better fulfill its mission.

***A little profit thinking in the nonprofit world? You bet!
It's a business way of life.***

(All credit to Dick Taft, whose original groundbreaking essay is updated above with respect and, hopefully, without distorting his original concepts as they apply to the digital world nearly four decades later.)