

A STRATEGIC APPROACH TO COST-EFFECTIVE MARKETING FOR NONPROFITS

Dina Wolfman Baker Vice President of Communications, Public Health Management Corporation August 2009

Many nonprofit organizations are taking a renewed look at their marketing and communications efforts in response to the economic downturn, in an effort to get more for less. However, if they were already executing on a well-developed strategic plan, they probably have been achieving an excellent return on their marketing investment (and that's the definition of getting more for less). And, they are well positioned to find where they can cut their investment further without destroying their returns. If, on the other hand – like many organizations – they have been taking a scatter-shot or reactive approach to their marketing and communication efforts, they have likely never been getting a sufficient return on their investment of time, money and creativity. No matter what the economy, that should be unacceptable.

INTEGRATION

In other words, the key to building cost-effective marketing and communication is no different from the key to building effective marketing and communication. It depends upon building an effective *strategy*. And the key to that is integration.

Marketing is not simply about good, creative ideas. A good idea that fails to integrate with the rest of your campaign, message, mission and any other organizational or marketing goals will not yield sufficient return on investment (ROI). When everything is integrated, each element helps the others perform better.

Think of it this way: a thumb is a great idea, but the opposable digit does not give much return without a hand to oppose it ... and that works best with an arm to connect it ... and so on right to the brain function that maps it all out to work together.

Last year, Public Health Management Corporation (PHMC) developed and executed on a comprehensive rebranding strategy. Thus far, we have indicators of success. PHMC's average number of monthly media stories increased nearly 28% since the hard launch of the new brand, or more than 45% if we exclude an outlier month (when a PHMC program made national news just before the launch). Aside from the outlier period, in the one-month period immediately following the hard launch, PHMC experienced its highest ever number of media impressions. The day PHMC sent its initial e-vite to its launch event, web visits jumped from 192/day to 760/day and then remained high with an average of 465/day for the month. Key reporters have stated that the rebranding effort and associated media activities helped them to understand the depth and breadth of PHMC as a news resource, and we have various anecdotal stories of the brand campaign's success. Full stakeholder research will occur in the fall of 2009, one year after the hard launch. But thus far the indicators suggest that we have met many of our goals.

The campaign involved many elements, from renaming the organization to developing a new logo and colors; issuing news releases to pitching related business stories; planning an event to developing a brochure; and much more. This is what is crucial to understand: we could have executed on many of the very same tactics, yet failed. For example, sending the news release would have been far less effective – and possibly even harmful – had we not prepared our employees by training them to understand, live and communicate the brand and purpose.

So, rule number one is integration. It's generally believed in marketing circles that it takes 5 to 7 impressions to be remembered. Let's make that 5 to 7 integrated, strategically related impressions.

STRUCTURE

If integration is rule number one, then it is important to understand how we achieve integration. That comes from rule number two: structure.

The structure leads you through the development of your strategy and helps ensure integration. It dictates both how you go through the strategic process and how you write the strategic plan. We use a structure that includes six levels:

- 1 Background / context
- 2 Audiences / stakeholders
- 3 Key messages
- 4 Objectives
- 5 Strategies
- 6 Tactics

With these six steps, you will move from the high level to execution. And you will develop a logical flow. Your tactics will reflect your strategies, which will allow you to meet your objectives, which will serve your audiences, all of which will support the organizational context and strategy. The key messages fall in the middle – as something of a centerpiece – and we will discuss later why they appear here, rather than just before or after the tactics in which you will incorporate them.

You should not develop these six elements entirely on your own. Plan a facilitated strategy discussion – with an outside facilitator who will both lead the discussion and use the findings from it to draft the comprehensive plan – to focus on the context, identify the audience and discuss the marketing objectives. The facilitator should be an expert in marketing and communications strategy development. Attendees should include key stakeholder representatives: certainly some staff and board members, a member or two from the marketing or communications committee if you have one, and perhaps a funder and/or some client representation if available. Though you want broad stakeholder representation, you also want a manageable group of only 5 to 8 people. This session will focus almost entirely on Levels 1 and 2. The facilitator will use what he or she learns to build levels 3 through 6, then reflect it back to the group for further refinement.

Level 1: Background / context

The strategy session begins with a discussion that reveals the organizational context for your marketing and communications. You will go through a situational analysis that encompasses the organization-level mission and goals, the positive position of the organization as well as its challenges, the aspirations (a marketing strategy should help you get where you want to be, so it has an aspirational element), and the market context (your competition, and how you stand up to it). You will use this as the basis for accruing further information and insight during the facilitated session. The facilitator also may gather information from independent research. The first part of the strategic plan document will capture these findings in a background/context section.

Level 2: Audiences / stakeholders

Based on the context developed in level 1, the group identifies all of the organization's audiences and stakeholders. Depending upon time limitations and the readiness of the group, the facilitator may wish to begin audience segmentation with the group and refine it later, or the facilitator may handle the segmentation entirely independently. For example,

below you'll find an audience segmentation for which the group brainstormed to develop the list of audiences, and the facilitator – based upon knowledge gained before and during the session – added the segmentation later. The results of this discussion will form the basis for the second section of the strategic plan document.

Customers: funding streams and partnerships

- Government entities
- Foundations
- Individual funders (existing & potential)
- Corporate funders (existing & potential)
- Consulting clients and potential clients

Communication / marketing channels:

- Policy Makers
- Media
- Professional organizations with which the organization has relationships
- Internal audiences
 - Board members
 - Senior staff
 - Employees

Opportunities for direct impact

- Direct service clients
- Other nonprofit organizations in the region, as interested parties

Level 3: Key messages

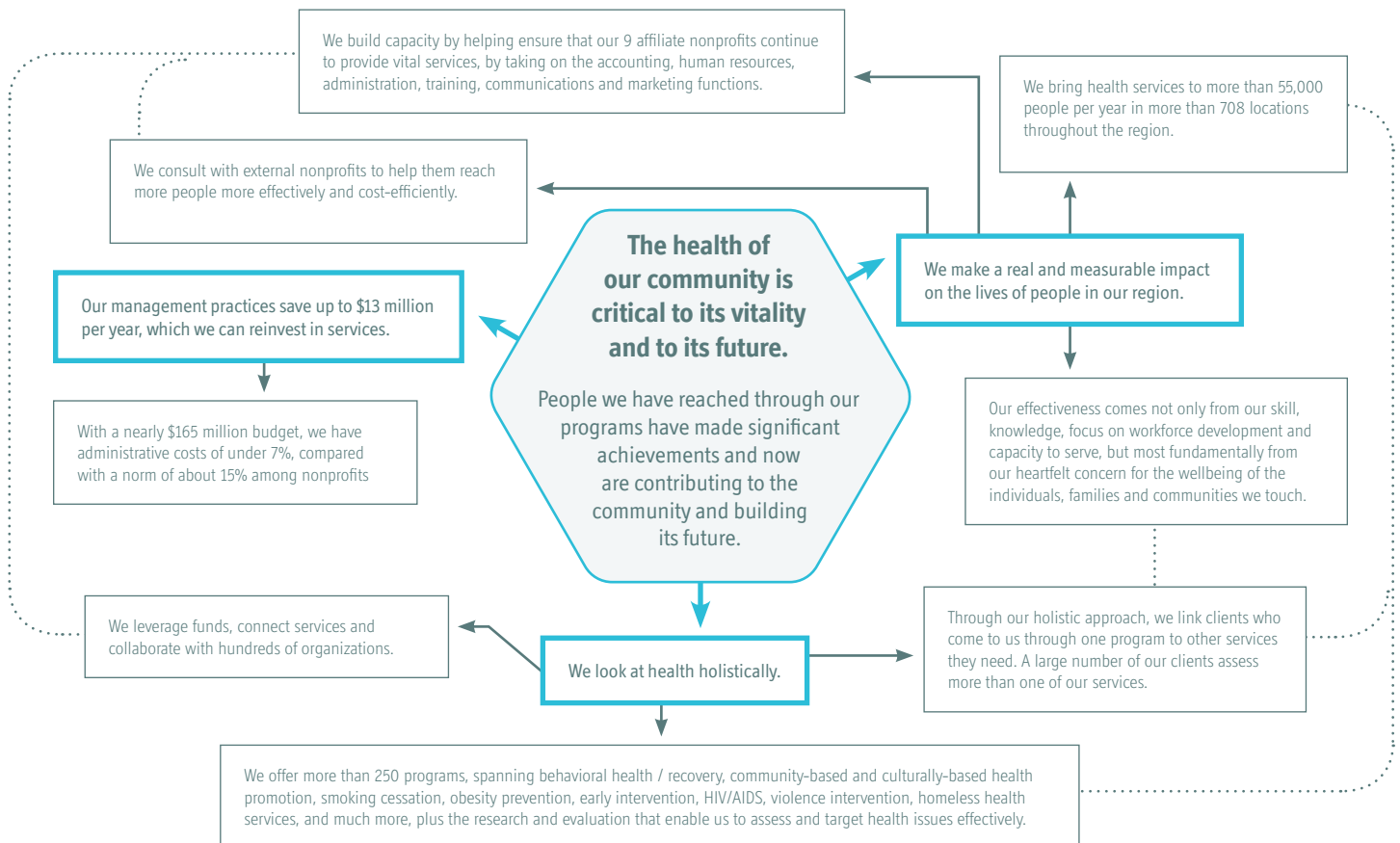
As stated earlier, the messaging forms the centerpiece of the strategy. The discussion and information from the group session inform the messages, but the facilitator develops them independently, while drafting the strategy. What's critical is that he or she crafts the messages after drafting only the context and audience sections of the document. They should be based in that context and directed to those audiences, but be otherwise unfettered by the proposed marketing approach. You want your messages to offer a thorough set of building blocks for communication, rather than be reactive to – and thus limited by – how you might use them, as defined by your objectives, strategies and tactics. Putting it another way, your messages are about the organization – not about the marketing plan. In this way they will serve not only the marketing plan but also many other possible applications, such as internal and external speeches, funding proposals, and so forth.

There are many formats for key messages, from bulleted lists to the summary statements popularly known as “elevator speeches.” Our preference is a set of statements that the communicator can mix and match (it's non-linear) and tailor to the situation. Its central point is the overarching message, a statement *with which anyone can agree* and that gets at the heart of the organization in a very broad way. This offers the communicator a starting point for engagement or a place to go to re-engage ... a common ground. While it is non-linear, it can be depicted in a linear – or narrative – fashion. Alternatively, it can be depicted as a mind map. We offer examples of both below.

Segment of key messages presented in a narrative format:

Overarching message – the organization:	
The health of our community is critical to its vitality and to its future.	
Proof point:	People we have reached through our programs have made significant achievements and are now contributing to the community and building its future.
Supporting message:	
Our management practices save up to \$13 million per year, which we can reinvest in services.	
Proof point:	With a nearly \$165 million budget, we have administrative costs of under 7%, compared with a norm of about 15% among nonprofits
Supporting Message:	
We make a real and measurable impact on the lives of people in our region.	
Proof points:	We bring health services to more than 55,000 people per year in more than 70

Key messages presented as a mind map:



The key messages offer a range of content, from mission to vision to hard facts and data. Different communicators will find themselves more comfortable with different aspects, and they will use what works for them, in their situations, with their audiences, for their purposes. They also will embellish. The key messages do not include the heartwarming anecdotes. They provide a superstructure, and the communicator will build on them. They will keep everyone on message and consistent, but not sounding like automatons. There is room for individual expression, and that will make the messages hit home. The best stories combine data that tells why (establish the need), stories that tell how (evoke emotion) and outcomes that prove results (show value). The key messages should give you much of what you require for the first and last of these; for the middle one – the emotion – the communicators need an always-refreshing armory of stories that they can connect to the key messages to give them firing power. Either they draw from their own stories in their own day-to-day work or, if you have the resources, you can separately initiate an ongoing project to build and disseminate the anecdotal stories so your communication troops are always well supplied with new ammunition.

Once the messages appear in the plan, they require ongoing stewardship in two critical respects. First, they require dissemination to key communicators – usually employees, volunteers and board members – through training, role playing and modeling. Second, they require vigilant updating to ensure that the statistics and any other changing facts remain accurate.

Level 4: Objectives

Quite simply, the objectives state *what* you want your marketing and communications *to achieve for the organization*. There is no consideration at this stage of how to meet the objectives. What is critical is that every objective makes sense for the context you have established and can reach at least one of the identified audiences. **For example, some objectives might read:**

- Communicate that we are a nonprofit that does XYZ, and the benefit that this brings.
- Highlight the strength and value of our management role and capabilities.
- Build cohesion across the organization (remember that if you have internal audiences, then you need to market and communicate to them as well).

There may be some discussion in the strategy session about the group's goals, but the facilitator will not simply recount them in this section of the plan. He or she will draw from the context and audiences to establish the most appropriate objectives.

Level 5: Strategies

The strategies state *how* you want to use marketing and communications to *meet your objectives*. The flow remains critical: you should be able explicitly to trace every strategy as a means to achieve at least one objective for at least one audience (preferably more). **Some strategies might be:**

- Develop visual representations that aid in communicating our messages to prospective funders.
- Engage the workforce as organizational advocates.

Level 6: Tactics

This is where you state the specific tactics you will implement in order to operationalize the strategy. Every tactic must serve as a tool to achieve at least one strategy, in support of at least one objective, for at least one audience (preferably more). But beyond this, the tactics must reflect *all* your constraints. The context, audiences, objectives and strategies are among the constraints, and so are your budget and your available internal and external personnel. All are valid, and your challenge – with the help of your facilitator – is to find the integrated group of tactics that allows you to work within all your constraints.

You may find it helpful to view the tactics in a table where you can demonstrate the relationship to objectives and audiences, as well as the timelines and responsible parties.

For example:

Tactic	Develop interactive website, directed to funders, that guides them visually through the story of the organization's services and benefits as a valuable funder investment.
Strategies Primarily Served	# 3, 5
Objectives Primarily Served	#1, 2
Audiences Primarily Served	Funders
Time Frame	March through May
Responsible Parties	Internal: communications manager, development manager, development coordinator External: interactive designer
Cost	\$7,500

This visual device serves several purposes:

- 1 It allows you to be sure that your tactics fully reflect the parameters set out in the audience, objective and strategy sections of the plan while conforming to your budget and personnel resources constraints as well.
- 2 It provides a clear picture of your plan to help you present it to key decision-makers.
- 3 It gives you a blueprint for moving forward, avoiding missteps, saving time and money, and keeping the team on track. Many people say they have difficulty implementing their marketing plans because they are not concrete enough. With this blueprint, you should be able to overcome that obstacle.
- 4 When parameters change – a funding gap, a new priority that steals away a key resource for 3 months – you can check your plan and determine how best to adjust without leaving behind any of your goals or audiences.

CONCLUSION

If you want your marketing and communications to achieve the greatest effect, you need an integrated strategy. If you worry about limited resources, you need an integrated strategy. If you want to make the case for marketing to decision-makers, you need an integrated strategy. The good news is that it's not as difficult as some fear. You require a marketing and communication strategy expert to facilitate your strategy session and draft your plan, a group of stakeholders who will give several hours of their time, and the dedication to follow through once the blueprint is in place.

Dina Wolfman Baker serves as Vice President of Communications at Public Health Management Corporation, a nonprofit institute for public health. In addition to serving on the organization's strategic leadership team, she oversees a marketing, communications and PR group that provides marketing and communication strategy and professional agency services to PHMC's internal programs, affiliate organizations and external consulting clients. Dina brings to her role 26 years of communications and marketing experience and a unique blend of strategic, leadership and business development skills from the nonprofit and corporate sectors. Her expertise includes public/media relations, advertising, branding, public affairs, internal communications, change management, funding and development, eMarketing and eBusiness, strategic planning and client services. She has spoken and published widely on topics related to marketing and communications. Dina serves actively on nonprofit boards, taking on numerous leadership roles. She holds a bachelor degree from Cornell University and is a member of the American Marketing Association.

Public Health Management Corporation (PHMC) is a nonprofit public health institute that builds healthier communities through partnerships with governments, foundations, businesses and other community-based organizations. It fulfills its mission to improve the health of the community by providing outreach, health promotion, education, research, planning, technical assistance and direct services

Targeted Solutions, the consulting practice of PHMC, helps nonprofit organizations in the region address many of the challenges of today's changing health and human services environment. From improving communications with funders and donors to increasing operating efficiencies, PHMC's Targeted Solutions are practical, strategic and proactive services and products tailored to meet the needs of client organizations.