FOR-PROFIT STRATEGIES FOR NONPROFIT FUNDRAISING SUCCESS

iMissionInstitute

NONPROFIT FUNDRAISING ADVOCACY
& MARKETING FOR THE DIGITAL AGE

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Introduction

Online businesses are some of the most successful businesses in the world. They are changing the very face of business in America with effective and proven online tactics. Traditional "brick and mortar" businesses have adopted these methods to fuel their own success. From the big guys like Google and Facebook all the way down to small mom and pop shops, businesses large and small are using the power of online engagement to drive their success.

These tactics involve finding the right customers, creating a relationship with them, bringing in as many potential customers as possible, building a strong brand, and making a compelling case for a sale.

I've used these exact same tactics to quickly grow my businesses and others'. Now I want to help nonprofit organizations, just like yours, use them to help make the world a better place.

iMission Institute was founded in order to give nonprofits access to the same tools and methods the for-profit guys have been using for over a decade to find prospects, convert customers, and make billions.

I understand why you might be skeptical. Politicians love to talk about "running government like a business," only to discover government doesn't work that way.

Nonprofits are also very different from for-profit businesses.

But the online processes for finding, engaging, and converting new customers are *very* similar to the online processes for finding, engaging and converting new donors.

We need to simply adapt these same for-profit online tactics to find, engage, and convert new donors so that funding increases and becomes more sustainable and reliable.

It's important to understand that these methods aren't evil, dishonest, or manipulative, and that the businesses using these methods aren't doing anything wrong.

What *is* wrong is that too few nonprofit organizations — which are working hard every day to make our world better a better place — are using these same tactics and tools.

These methods have been tested, refined, and proven to work time and time again.

I created this report, *For-Profit Secrets for Nonprofit Fundraising Success*, to show how the same ways that super successful brands and leading online companies are fueling their record-breaking results can be quickly, easily, and inexpensively adopted by nonprofit organizations just like yours.

Targeting Customers

> "If your customer base is aging with you, then eventually you are going to become obsolete or irrelevant. You need to be constantly figuring out who are your new customers and what are you doing to stay forever young." - Jeff Bezos, Amazon.com

Companies like Amazon know they constantly need to find new customers. They also know it isn't just about finding more people to come to their site or look at their products; it's about finding the right type of customer and matching them with the right product, at the right time. Not everyone is going to be a customer, and not all customers are going to spend equal amounts.

Successful for-profit online companies know the key is figuring out who their best potential customers are and how to specifically reach them. They have a clear picture of their ideal customer.

What would a profile of your perfect donor look like? When it comes to targeting, there is no real difference between a for-profit customer and a nonprofit donor. If you don't know what you're looking for, how are you going to find it?

TIP: It's easy to imagine your perfect donor is one rich billionaire whose massive gift will fund your organization forever. If that happens, good for you! But let's be honest. It probably isn't a solid plan, and a successful business wouldn't wait for one perfect customer to walk in and buy out the store. Your ideal donor profile should be ambitious but also reasonable.

Creating a Perfect Donor Profile

In truth, there is no one perfect profile. Your nonprofit must draw resources from a range of different types of supporters.

Some people are interested in your big mission. Others are interested in specific programs. Some may give year after year. Others may only give to big capital campaigns. They are men and women, Democrats, Independents, and Republicans, interested in a single issue or a wide range of causes.

Targeting starts by creating donor profiles. Profiles group people together based on several common traits. Profiles also have been called personas, niches, and segments. Start by creating a list of traits for the people who are already supporting your organization.

4 Categories of Donor Profiling

Interest is what the person cares about.

Demographics are who they are.

Geography is where they are.

Behaviors are what they do.

Today, an incredible wealth of information about people is available to businesses and nonprofits alike. This data comes not from surveys or market tests but from people's online activities, tracked by companies like Google and Facebook. The good news is that these companies make much of information easy to use and available to nonprofits for free.

Secret #1 Successful for-profit online companies know the key is figuring out who their best potential customers are and how to specifically reach them. They have a clear picture of their ideal customer.

Engage First ... at No Cost

> "Make your marketing so useful people would pay you for it." - Jay Baer, marketing consultant, speaker, and author

Successful brands and businesses know they have to create customer engagement *before* the try to sell them something. Their goal is to start a relationship with their customers before asking for a sale.

For-profit companies understand the secret to building customer relationships is by helping customers solve a problem or providing valuable information — for free — before ever asking for a sale.

Food companies like Betty Crocker offer recipes to home bakers.

Amazon offers free customer reviews for to help people make purchasing decisions, whether or not they're buying on Amazon.com.

Free online mortgage or retirement calculators are often provided by mortgage companies and financial planners.

These reviews, recipes, and online calculators are designed to provide something useful to target customers. They are all "marketing material," but these companies aren't trying to sell anything yet — they're simply providing value and starting a relationship with potential customers. The new online world makes it easy for businesses to provide these valuable services for little or no cost, and businesses get a chance to ask a potential customer for an email address so the relationship can continue.

The same situation and opportunities exist for nonprofits. The key is to find content that fits well with the interests of your target donors and the mission of your organization.

TIP: A great way to get started with online donor engagement is with *No-Cost Action Items*. The "Action" is the potential donor providing their email address. "No-Cost" applies to both the organization and the donor. The "Items" are things the potential donor will find valuable in some way.

No-Cost Action Items work for nonprofits of all sizes, missions, and types of service. Three of the best No-Cost Action Items are e-books or reports (like this one right here), online petitions, and webinars.

Examples of No-Cost Action Items:

▶ A "How to Reduce Toxins in Your Life" e-book from a small environmental health organization added hundreds of thousands of emails to its prospect list.

▶ An online petition that ran for just three weeks enabled an alliance of after-school programs to double their email list and Facebook following.

▶ Adding an online webinar component to their seminar allowed a statewide child advocacy nonprofit to increase event registration seven-fold, with most of the webinar registrants connecting with the organization for the first time.

<u>Secret #2</u> For-profit companies understand the secret to building customer relationships is by helping customers solve a problem or providing valuable information — for free — before ever asking for a sale.

Filling The Funnel

> "Build it, and they will come only works in the movies" - Seth Godin, marketing guru and author

Customers have to come from somewhere, even potential customers for free engagement content.

Big business has always spent heavily on traditional old-world advertising. Television spots, newspaper advertising. and mailers have been essential in attracting potential customers. These methods were, and still are, incredibly effective, but they are also expensive and inefficient.

The need for cheaper, faster, and more efficient ways of reaching customers has driven a technological revolution. Companies like Google, Facebook, and Microsoft have innovated new platforms, tools, and tactics to help companies of all sizes (and themselves) better understand, target, and reach new customers.

Successful for-profit companies understand the sales process as a funnel. They understand the funnel won't fill itself. Because most targeted potential customers won't become actual customers, companies know to reach out to many more customers than they need.

The same is true for nonprofits — you have to think about new donor acquisition as a numbers game. It's no longer enough to simply create a website or have a Facebook page. Even the best No-Cost-Action Item or donation appeal won't work if two few people are seeing it. The good news is that nonprofits now not only have access to the same online tools once available only to Fortune 500 companies, but these platforms actually offer advantages specific to nonprofit organizations.

TIP: Use the 3 Pillars of online donor outreach to fill your nonprofit funnel. The first, Attracting Online Searchers. The second, Lighting Up Social Media. Third, Connecting Offline and Online Networks.

Filling Your Funnel with The 3 Pillars of Online Donor Outreach

Attracting Online Searchers - Every day, people are searching online for information relevant to your nonprofit's mission, programs, or issues. Search engines like Google, Bing, and Yahoo are channeling people to the answers, responding to billions of searches per day. Google in particular provides extensive search traffic support to nonprofits. Through the Google Grants program, eligible nonprofits can receive $10,000 in ad credits to attract searchers to their site.

Lighting Up Social Media - Remember the "social" in "social networks." Your organization and its staff need to actively engage online both with your supporters and around the issues your organization cares about.

Connecting Offline and Online Networks - Bring your offline, real world relationships to your online efforts. Building your engagement funnel is not about online versus offline. It's about how both can be used together to connect with people and build relationships.

Secret #3 Successful for-profit companies understand the sales process as a funnel. They understand the funnel won't fill itself. Because most targeted potential customers won't become actual customers, companies know to reach out to many more customers than they need.

Build the Brand ... Compel the Sale

"In this ever-changing society, the most powerful and enduring brands are built from the heart. They are real and sustainable. Their foundations are stronger because they are built with the strength of the human spirit, not an ad campaign. The companies that are lasting are those that are authentic." - Howard Schultz, CEO, Starbucks

Companies like Apple, Starbucks, and Ford know that they are selling something bigger than a tech product, beverage, or vehicle. They are selling the chance to connect with their brand and everything it represents.

The most successful for-profit companies know that they are more than just the product or service they sell. They need a brand that reflects a bigger idea of what they stand for, a brand their target customers want to connect with to represent themselves.

"Brand" is a big - and often misunderstood - word, but big brands are reflected in our everyday lives in so many ways.

Reflect on the differences that come to mind when you think of Apple and Microsoft. Or Starbucks and Dunkin Donuts. Ford trucks conjure a very different "Brand" than Tesla Motors. These successful brands want to set themselves apart from their competition and make it very clear which customers they're for and which they aren't. Apple and Microsoft are competitors, but their brands tell very different stories for very different customers.

Tip: "Branding" is about building emotional connection and loyalty. Brand packaging, like logos, tag lines and graphics, don't make the brand, but they make the brand more memorable and recognizable.

Your nonprofit brand is the set of expectations, memories, stories, and relationships that, taken together, inform a person's decision to support your organization. It is the reason why they choose your nonprofit over another, why they promote your organization, and why they come back again and again. Ultimately, your brand is what your organization stands for. It is what you say, how you say it, and the actions taken by your organization.

Building Your Brand with "The 5 Questions of Nonprofit Branding"

A strong nonprofit brand answers 5 key questions in people's minds:

1. "Is this interesting to me?"

Your mission has to be something your target donor really cares about. A strong brand should immediately make clear to a visitor whether or not the visitor and the nonprofit are a good match. It's OK if your brand isn't interesting to people who don't care about what you do as long as it is immediately interesting to those who *do* care.

2. "Does the organization seem credible?"

A strong brand will help communicate that you are a real and functioning organization with actual programs, staff, and services.

3. "Do they make the world a better place?"

This is about showing how your organization is making a real impact. No matter how great the brand and the packaging, nobody wants to buy something and find out the package is empty. Show your organization's real results to let donors know you're more than just ideals. Rather, you're ideals in action.

4. "How will they use my money?"

Americans are suspicious of how nonprofit organizations, even ones they support, spend their money. Customers rarely care about a company's profits, what they spend on rent, or how much the CEO makes, but when it comes to nonprofits, this can be the deciding factor in whether someone supports you or not. Make sure your brand communicates how your prospective donor's money will be spent.

5. "Have they made a memorable impression?"

Nobody will support an organization whose name, details, or very existence is hard to remember. A strong brand needs to stay in the forefront of a donor's mind.

Secret #4 The most successful for-profit companies know that they are more than just the product or service they sell. They need a brand that reflects a bigger idea of what they stand for, a brand their target customers want to connect with to represent themselves.

Making The Appeal

Every successful company understands that no matter how much time and money they spend targeting customers, building relationships with No-Cost Action Items, filling their funnel with prospective customers, and building their brand, the most important thing they do is *sell* their product. Successful businesses never lose sight of making the bottom line sale. It's a concept just as important as branding.

Every successful company knows that to make a sale you have to ask for it. They understand they can't beat around the bush, wait for the customer to ask, or expect it to happen magically. They make clear exactly how the customer can exchange money for something of value — and why it's valuable — when they ask for the sale.

When it comes to for-profit companies, they are selling their product and by extension everything their brand represents. As a nonprofit, you are primarily selling the brand, but you still need to provide value to your donor.

TIP: An "Irresistible Appeal" is more than just a general request for the donor to give. It needs to be a specific appeal with clear impact that satisfies a specific donor desire.

Nonprofits often resist coming right out and making the ask for a donation. But if you've done everything else right and built a strong nonprofit brand, your targeted potential donors are likely waiting to be asked. If you want them to say yes, to have to ask correctly.

Driving Donor Desires With Your Irresistible Appeal

The key to making an Irresistible Appeal is to satisfy at least one, but preferably more, of the following donor desires:

Altruism - Connect with your target donor's desire to make the world a better place.

Impact - Satisfy the donor's desire for *their specific donation* to have a particular impact.

Self-Interest - Appeal to the donor's personal interest for social benefits such as connectedness, self-identification, or status.

When it comes to making a First Appeal to a new donor, the next desire is critical...

Ease - Make the decision to give as simple as possible by asking for a low amount (you can always ask for more later) and by having a method of giving that makes the process as easy as it can be.

Secret #5 Every successful company knows that to make a sale you have to ask for it. They understand they can't beat around the bush, wait for the customer to ask, or expect it to happen magically. They make clear exactly how the customer can exchange money for something of value — and why it's valuable — when they ask for the sale.

Adopting an Optimization Mindset

> "Sometimes when you innovate you make mistakes. It is best to admit them quickly and get on with improving your other innovations." - Steve Jobs, Apple

The world moves quickly, especially online. Successful for-profit companies know it's not enough for them to target the right customers, fill their funnel with these customers, engage them with something of value, build a connection from customer to brand, and then make a successful ask. This is only the start.

Successful businesses understand that this process never ends, and that they need to get better at it all the time. Their approach drives them to constantly take chances and look for ways to make improvements, large and small, in everything they do.

Optimization is the process of continually trying to improve. For-profit businesses understand the marketing and sales processes can always be made more efficient and successful. They aren't afraid to try new things and move on if something doesn't work, and most importantly, they aren't afraid to take a good hard look at the numbers to understand what is really happening with their marketing and sales.

TIP: The Optimization Mindset - Truly profitable companies believe that every failure is a chance to improve and every success is a chance to improve.

Organizations often struggle with a Fixed Mindset. This is best summed up as: "We do things the way we've always done them. Why? Because it's the way we've always done them."

Overcoming The 5 Fears that Fuel Fixed Mindset

This Fixed Mindset is based around a few particular fears that hold nonprofits and their staff back from becoming truly successful at attracting more donors and better fulfilling their mission.

The 5 Fears are...

Fear of Failure

Fear of Change

Fear of Knowing

Fear of Numbers

And the strangest, but truest, of them all...

Fear of Success

One question I ask at nonprofit seminars around the country produces the highest amount of confusion and fear. It is the question very few nonprofit staff or leaders are prepared to answer, because it's not an easy one.

"What does wild success look like for your organization?"

What would it really mean for your organization, its staff, its mission, the people it serves, and the world in general if you suddenly had the 1,000 new donors you were dreaming of, and more coming in all the time?

The idea of small successes can be exciting. The thought of medium successes can be intoxicating, but even entertaining the idea of massive donor success can be truly frightening.

The best for-profit companies, the one's who are changing the world, aren't afraid of wild success. They eat, breathe, dream, and work towards it every single day.

They innovate and try new things instead of fearing failure. They constantly asks why and looks to improve instead of doing the same thing over and over again, for reasons nobody remembers or understands.

They look at every process and program in an attempt to become more efficient and competitive rather than fearing something might not be working and trying to ignore the problem.

The smart for-profits track their core business numbers because numbers never lie. They don't operate by habit, and they don't go on feel or intuition to measure success.

I wish every nonprofit would embrace the tactics in this report, along with the many other tools and methods we teach at iMission Institute. But if you only take one thing from what I've written here, I hope you will adopt and help bring an Optimization Mindset to your organization.

I know that your wild success will help make the world a better place.

To your wild success,

Robert Leighton

President, iMission Institute