

Friends of Winneshiek County

Tippie College of Business



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Winneshiek County Conservation Board - Creation of Friends Group and Marketing Tactics

May 10, 2016

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Business Problem Statement

Funding to the Winneshiek County Conservation Board has been dwindling due to a decrease in governmental funding. The WCCB would like to create a nonprofit Friends Group to raise funds for upcoming projects and to create a stable donor pyramid.

Presentation Outline

Mistakes Nonprofits Make

Strategy and Best Practices for Creating a Friends Group

Membership to the Friends Group

Common Mistakes Nonprofits Make

- There is no competition.
- They view their cause as inherently good.
- They do not focus and allocate enough money on market research.
- They often view all donors as the same and do not utilize a variety of marketing methods to appeal to different segments.
- They view marketing as intrusive.
- Failure to aggressively seek out their target audience leads many nonprofits to not reach their full potential. Utilizing targeted marketing gives nonprofits more potential to obtain higher capital gain.

Dave Collins, Introduction to Marketing Lecture

Jean Kruse, Mistakes to Avoid with Nonprofit Orgs.

Strategy - Creation of Friends Group

The proper creation of your Friends Group and building of its board is the first step in the success of the Group and in future endeavors. By utilizing the steps to creating a Friend's Group and the Friends Group best practices, the Friends Group of the Winneshiek County Conservation Board should thrive and grow for years to come.

Building the Friends Group - an overview

1. Recruit a sounding board of 3 or 4 people and draft a plan for your Friends Group.
2. Build the board needed to accomplish goals and solidify support between WCCB and the Friends Group.
3. Determine Friends Group Board responsibilities and duties.
4. Negotiate a three to five year Friends Group Agreement.
5. Agree on realistic projects and time frames, then build a strategic plan.
6. Create a financial plan to be utilized from the very start.

https://www.nps.gov/partnerships/best_practices_rpt.pdf

Building of the Friends Group:

1. Recruit a sounding board of 3 or 4 people and draft a plan for your Friends Group.

Involve potential Friends Group members to discuss vision, mission, goals, and create a plan draft for the Group.

Realistic vision and goals from the beginning the building of the board will be both efficient and timely.

Now is also the time to decide on a name for your friends group as it will be the brand and identity of your group, as well as the first impression to donors. It's recommended to include the park or entity name along with Friends of, Trust, Fund, ect.

2. Build the board needed to accomplish goals and solidify support between WCCB and the Friends Group.

You've already created and utilized a few individuals for a sounding board, but now it's time to build the actual Friends Group Board itself.

There is a limited number of Board slots; it's important to select members based on their skills. Skills include marketing, fundraising, finance/accounting, as well as connections the Board members may have in the community, such as donors, businesses, key influencers, and the like.

It's important to recruit for skills, but also keep in mind that other members or community members can also donate their time or pro bono work for certain needed skills.

Your board members must be willing to serve in the roles of President/ Chairperson, Vice President, Secretary, or Treasurer.

A liaison between the Friends Group and WCCB is important for keeping both entities up-to-date and working together.

3. Determine Friends Group Board responsibilities and duties.

As the Winneshiek County Friends Group will be used primarily as a fundraising entity, it's important to set strategic goals, benchmarks, and assign responsibilities.

The Board members within the Friends Group need to be able to both give funds of their own, and connect with members of the community to raise, and ask face-to-face, for funds. On average, the first 20 to 25 percent of funds raised for any capital campaign are contributed by the Board members.

Committees should be mapped out as well in areas such as recruitment, fundraising, evaluation, and other areas you deem fitting. Committees can be with two to five board members and accomplish basic functions amongst themselves and report back at full Board meetings. This makes for more efficient use of time and skills of everyone on the Board.

4. Negotiate a Friends Group Agreement.

It's important to be up front with the board members of the Friends Group about their duties and obligations, and creating an agreement upfront that can be periodically reviewed creates a clear understanding of responsibilities and guidelines for the Board members.

The Friends Group Agreement defines the duties and obligations of the Friends Group Board as well as explains how the WCCB and Friends Group will partner in the future.

Examples of key pieces to include are: mission and reasons for working together, roles, protocols and conditions. This is typically a 3-5 year agreement signed by each board member.

5. Agree on realistic projects and time frames, then build a strategic plan.

It's important to select realistic projects and timeframes to go along with them. Members and donors will want to know how what is slated for the future and how current projects are progressing; realistic and attainable goals are important.

The plan and goals should be focused and carefully defined as they are the foundation for the next steps and the Group.

It's the job of the Winneshiek County Conservation Board to express the county's needs while the Friends Group uses connections and creativity to help meet those needs, specifically through fundraising. The strategic plan will help accomplish them.

A strategic plan is important towards tracking progress and success. Benchmarks are important, as is yearly review of your plan and it's successes and failures.

6. Create a financial plan and utilize it from the beginning.

Fundraising requires up front funds and the group must be willing to spend some money from the start. The startup costs can be pricey, but the end return on investment is worth it.

An important way to save on costs is to seek pro bono professional services and donations of supplies and equipment based on needs.

It's crucial to use an accountant that is familiar with nonprofit accounting practices as they differ from regular business accounting. Mistakes in accounting can cost the Friends Group the trust and support of their donors.

“Most fundraising requires some up front funds...there are start up, inventory, management and marketing costs associated with product development but the rewards can be great...invest to succeed.”

Mission Statement and Fundraising Levels

Mission Statement

The Friends Group is the fundraising and conservation education partner of the Winneshiek County Conservation Board. The Friends Group of Winneshiek County strives to better the natural resources and outdoor recreation of the community for the enjoyment, education, and use of the public.

In order to improve education and conservation of natural resources, the Friends Group of WCCB will need to target the individual donor and business donor segments.

Individual Donor Segment

5 Fundraising Levels:

**Each receives an electronic copy of the Friends Group newsletter*

Goldfinch - \$25 donation receives a personalized thank you letter

Bluebird - \$50 donation receives Friends Group sticker

Pheasant - \$100 donation

Red-tailed Hawk - \$250 donation

Bald Eagle - \$500 donates receives guided canoe tour of Upper Iowa River

Business Donor Segment

3 Fundraising Levels:

**Each receives a copy of the Friends Group newsletter*

Bronze - \$500 has company name listed in newsletter

Silver - \$1,000 has company name listed on website as a sponsor

Gold- \$5,000 has company name on plaque of newest project

Donor Relations

In order to ensure that your donors continue to donate each year, the Friends Group should make each renewal request as personalized as possible.

This is made easier by keeping notes on each donor, such as how or why they joined or their hobbies and interests, to make them feel included by the organization.

Phone calls, personalized notes, and building relationships with your donors will build donor loyalty.

It is important to conduct constant and consistent measurement of the donations on a per donor basis. This includes response rates, renewal rates, and donor feedback.

Tactics – Direct Marketing Campaign

Outline of Marketing Strategy

Identification of direct marketing strategies and objectives

Identification of target market

Development of list strategy and data acquisition

Creation of communication strategy

Development of financial forecast and effective measurement metrics

Dave Collins, Direct Marketing Strategies Lecture

Direct Marketing Strategy/Objectives

- Introduce the Friends Group.
- Raise funds for the Friends Group through our multi-channel, communication campaign and fundraising strategy centered on direct mail, local radio and print advertisements, and member dues.

Direct Marketing Strategies

We considered using various list services, including Reference USA, WS Ponton, and a list of previously provided donors, but ultimately went with Reference USA because the names of individuals and businesses were free through the University of Iowa.

For print sources we originally were going to advertise the Friend's Group on a larger state scale, but we decided to stay within the Winneshiek County resources for the time being.

Radio was brought to our attention later on in the research process, and we decided to use the two local stations based in Decorah area, rather than all stations that broadcast in Winneshiek County and that may be based farther away in LaCrosse or Rochester.

Why Direct Mail Works

Direct-mail offers the most control and personalization over the message you want potential donors to receive.

- Measurable
- Testable
- Stealthy
- Easily personalized
- Specific
- Right message at the right time
- Can be multi-step

“81% of recipients read or scan their mail daily.”

-United States Postal Service²

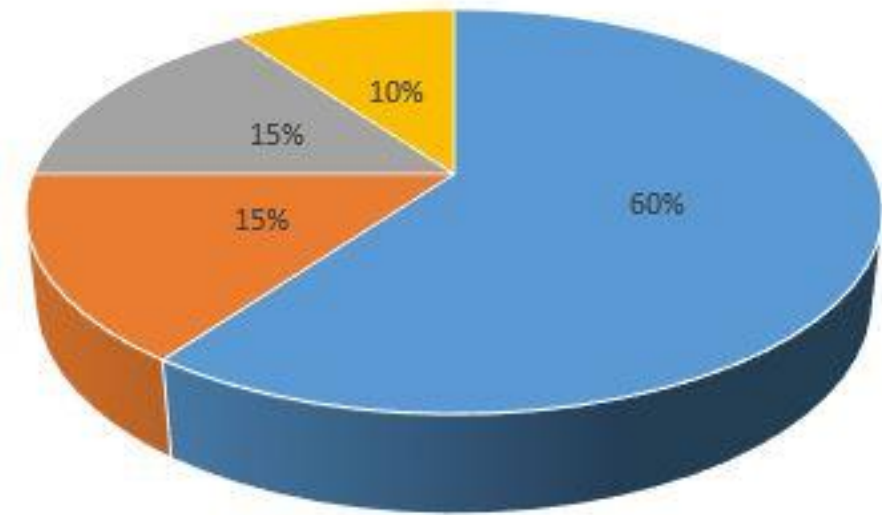
¹Dave Collins, Direct Marketing Strategies Lecture

²A Marketer’s How-To (and Why-To) Guide to Using Direct Mail

Components of Successful Direct Marketing Campaigns

- 60% - getting the right list of names
- 15% - having the right timing
- 15% - establishing the right offer
- 10% - creativity

Effectiveness of Direct Marketing



■ List ■ Timing ■ Offer ■ Creative

Why Membership Fees

It is impossible to monitor membership for the use of the recreational areas in general, but if members are provided with some incentive to pay the fee to join the Friends Group, however modest it may be, it creates buy in for the members and can aid in enhancing the Group's mission.

Members may be interested in paying the fee because of:

- Special perks for members
- Gifts
- Optional committee involvement
- A sense of giving back

<https://nonprofitquarterly.org/2004/06/21/to-fee-or-not-to-fee-and-related-questions/>

What WCCB Will Gain

Through the multichannel approach the Friends Group can expect to gain valuable resources in terms of financial, volunteers, and community attention.

Target Markets

Considered Target Markets

We considered marketing to the entire state of Iowa, especially people with previous donation histories and outdoor and wildlife interests and hobbies. Ultimately, we decided to target Winneshiek County to start, and in the future efforts could expand to Northeast Iowa and beyond.

Chosen Target Markets

Individual Donor Segment

- Population estimates for Winneshiek County as of July 2015: 20,709.¹
- Best reached through mail with some available via email and phone.

Description of target markets for:

Individuals: broad age range and both men and women located in Winneshiek county interested in outdoor recreation or being a charitable donor to a cause related to conservation.

¹United States Census Bureau

Business Donor Segment

- Number of businesses in Winneshiek County: 1,379 entities, sufficient to fit your needs.²
- Best reached through mail with some available via email and phone.

Description of target markets:

Businesses: Active businesses located in Winneshiek county, ideally with employees of all ages interested in supporting your cause and with sales revenue of \$500,000+.

²Reference USA

Target Market Vignette – Business Donor Segment

John Roberts, a business owner of a mid-sized business in Winneshiek County is committed to the future growth of his company and the area. One day John receives a letter in the mail from the Winneshiek County Conservation Board explaining their new Friends Group. “Wow,” he thinks, “I don’t usually get letters like this in the mail, but this is clearly a tremendous cause and I would like to support it”. He instantly writes a check and places the envelope back in the mail.

Target Market – Individual Donor Segment

Sally Smith loves to support local nonprofit organizations in Winneshiek County, specifically nonprofits related to Wildlife & Environmental causes. As a Winneshiek County native, she wants the area to continue to prosper for years to come.

One day she receives a letter from the Winneshiek County Conservation Board informing her about its new Friends Board. After reading the letter, she decides to become a member to the Friends Group to give back to her community, as well as writes a check with her first donation.

List Strategy

The two lists come from Reference USA, an online reference source that compiles information on businesses from over 5,000 public sources and consumers from over 5,200 telephone directories.

- The Business list includes 456 business entities in Winneshiek County. We selected businesses with at least \$500,000 in sales revenue.
- The Consumers list includes the names of 2,885 individuals living in Winneshiek County that have donated to charitable organizations in the past or have lifestyle interests involving the outdoors and wildlife. We chose to only select one member from each household to receive the letters.

Each list contains a person's name, address, and telephone number. The business list also includes the name of the business entity. For the individual donor list it may display some phone numbers from the Do-Not-Call list and should not be used for solicitation.

Communication Strategy

Friends Group Communication Strategy

Inform the community that the Friends Group is a resource for them to protect the environment and increase conservation education in their area.

The Friends Group should also share the benefits of membership within the Friends Group.

Brand Essence

Winneshiek County Conservation Board provides the public with wide-ranging opportunities for quality outdoor recreation while wisely managing natural resources and encouraging land stewardship through natural history and environmental education programming.

Winneshiek County Conservation Board enables people to get the most out of their experience enjoying the outdoor activities they love in Winneshiek County.

Without the board, there would not be as many outdoor activities in Winneshiek County and the recreational resources would not be as enjoyable or sustainable.

WCCB Services

Over 20 public areas available for use including:

- Parks
- Biking and running trails
- Campsites
- Nature center
- Upper Iowa River

Activities include:

- Canoeing and kayaking
- Biking
- Hunting and fishing
- Bird watching
- Other forms of recreational activities

Events and programs

- Most events and programs are free. Some programs may require materials fees or suggested donations.

Advertising Communication Objective

Through direct mail and print and radio advertising we want your target audience to experience an emotional response and connection to Winneshiek County Conservation and feel inclined to donate, become a member, and/or volunteer.

The communication and advertising objectives can only be achieved by investing financial resources and through community education.

Response Objective

We want your audience donate to your Friends Group, become a member of your friends group, sign up to volunteer, and actively participate in WCCB and Friends Group activities.

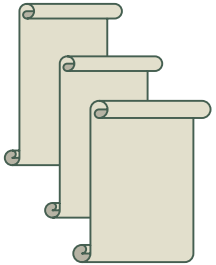
These response objectives are ideal for your Friends to raise funds and gain membership and volunteers.

Key Value Proposition

By donating to WCCB Friends Group, not only are you bettering the community and the natural resources in it, you are also laying the foundation for future improvements for more expansive recreational activities and county wide wellbeing.

Donations to the Friends Group protect valuable natural and human capital resources for the future.

Communication Strategy - Business Donor Segment



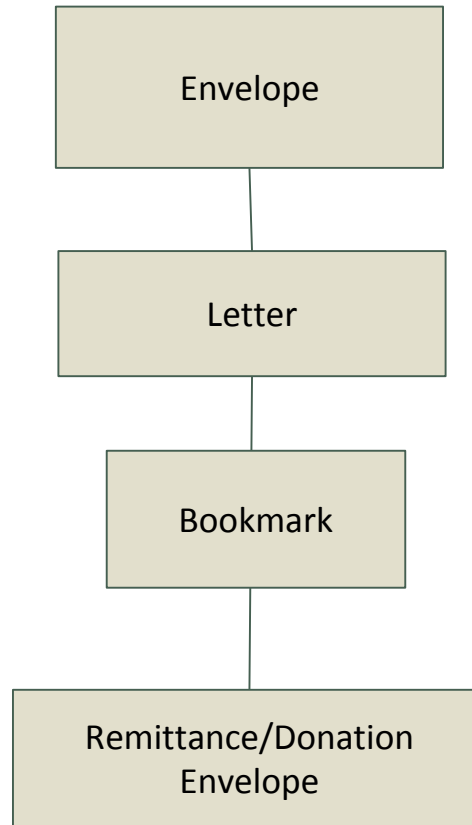
Magazines/various publications

Decorah Public Opinion
Decorah Journal
DecorahNews.com
Ossian Bee
Calmar Courier
Inspire(d) Media/Inspire(d)
Driftless Magazine
DecorahNow.com

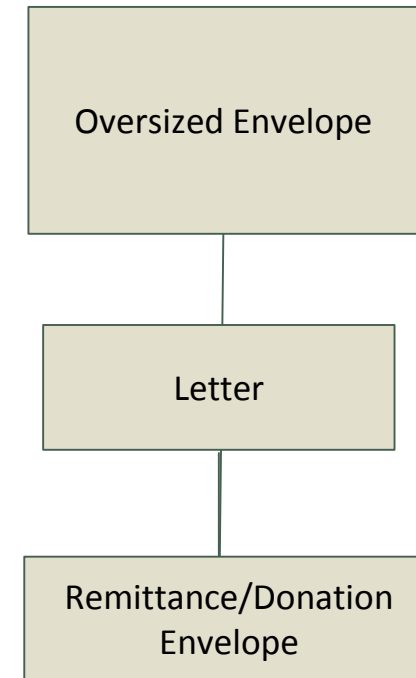
Local Radio Stations

KDEC: FM 100.5 and AM 1240
KVIK: FM 104.7

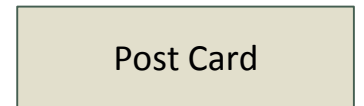
1st Effort



2nd Effort



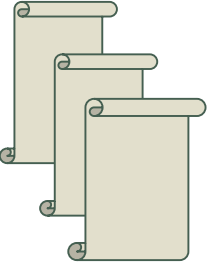
3rd Effort



<http://www.crmtrends.com/directmarketing.html>

<http://under30ceo.com/7-secrets-successful-direct-mail-campaign/>

Communication Strategy – Individual Donor Campaign



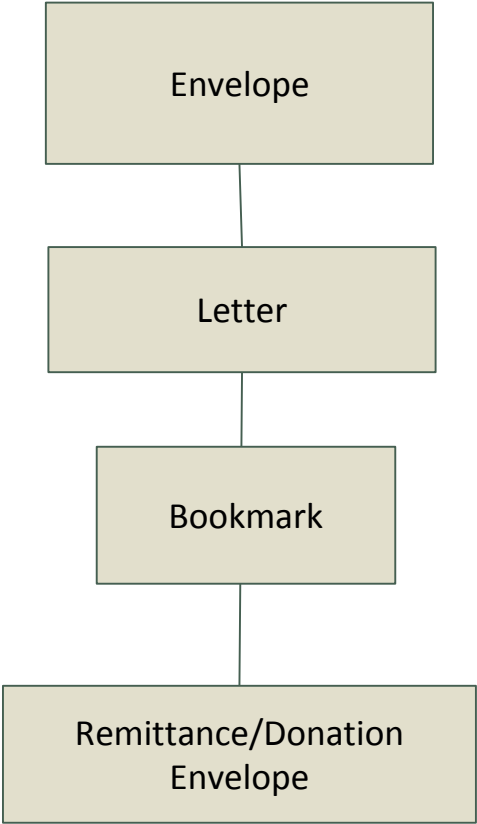
Magazines/various publications

Decorah Public Opinion
Decorah Journal
DecorahNews.com
Ossian Bee
Calmar Courier
Inspire(d) Media/Inspire(d)
Driftless Magazine
DecorahNow.com

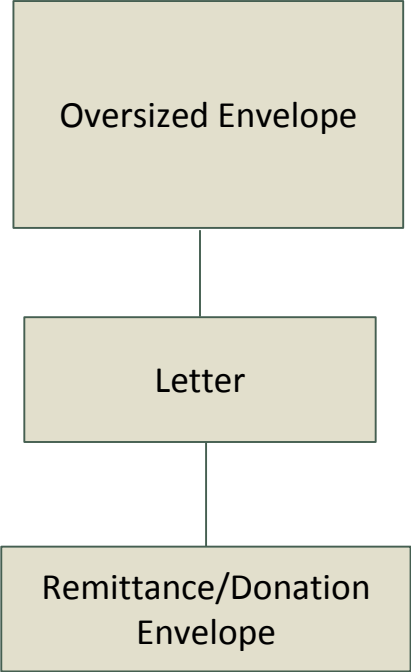
Local Radio Stations

KDEC: FM 100.5 and AM 1240
KVIK: FM 104.7

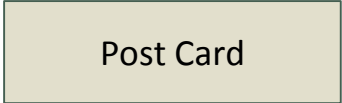
1st Effort



2nd Effort



3rd Effort



<http://www.crmtrends.com/directmarketing.html>
<http://under30ceo.com/7-secrets-successful-direct-mail-campaign/>

Response Forecast – Individual Donors

- The average response rate for non-profit direct mail in 2015 was 11%
- The second mailing in a campaign typically receives half the response rate as the first and that trend continues throughout the campaign in the later mailings

	Individual Donors											
	Effort 1			Effort 2			Effort 3			Total		
	<u>Sent</u>	<u>Response</u>	<u>% Rate</u>	<u>Sent</u>	<u>Response</u>	<u>% Rate</u>	<u>Sent</u>	<u>Response</u>	<u>% Rate</u>	<u>Sent</u>	<u>Response</u>	<u>% Rate</u>
Responses	2,875	288	10%	2,588	129	5%	2,458	82	3%	7,921	499	6.30%
Revenue* (\$55 Average)		\$15,813			\$7,116			\$4,507			\$27,435	
Cost		\$1,894			\$1,505			\$ 1,313			\$4,712	
Marketing Return on Investment		\$13,918			\$5,611			\$3,194			\$22,723	

Response Forecast – Business Donors

- The average response rate for non-profit direct mail in 2015 was 11%
- The second mailing in a campaign typically receives half the response rate as the first and that trend continues throughout the campaign in the later mailings

	<u>Business Donors</u>											
	<u>Effort 1</u>			<u>Effort 2</u>			<u>Effort 3</u>			<u>Total</u>		
	<u>Sent</u>	<u>Response</u>	<u>% Rate</u>	<u>Sent</u>	<u>Response</u>	<u>% Rate</u>	<u>Sent</u>	<u>Response</u>	<u>% Rate</u>	<u>Sent</u>	<u>Response</u>	<u>% Rate</u>
Responses	456	46	10%	410	21	5%	390	13	3%	1256	79	6%
Revenue* (\$600 Average)		\$27,360			\$12,312			\$7,798			\$39,558	
Cost		\$471			\$265			\$190			\$926	
Marketing Return on Investment		\$26,889			\$12,047			\$7,608			\$38,632	

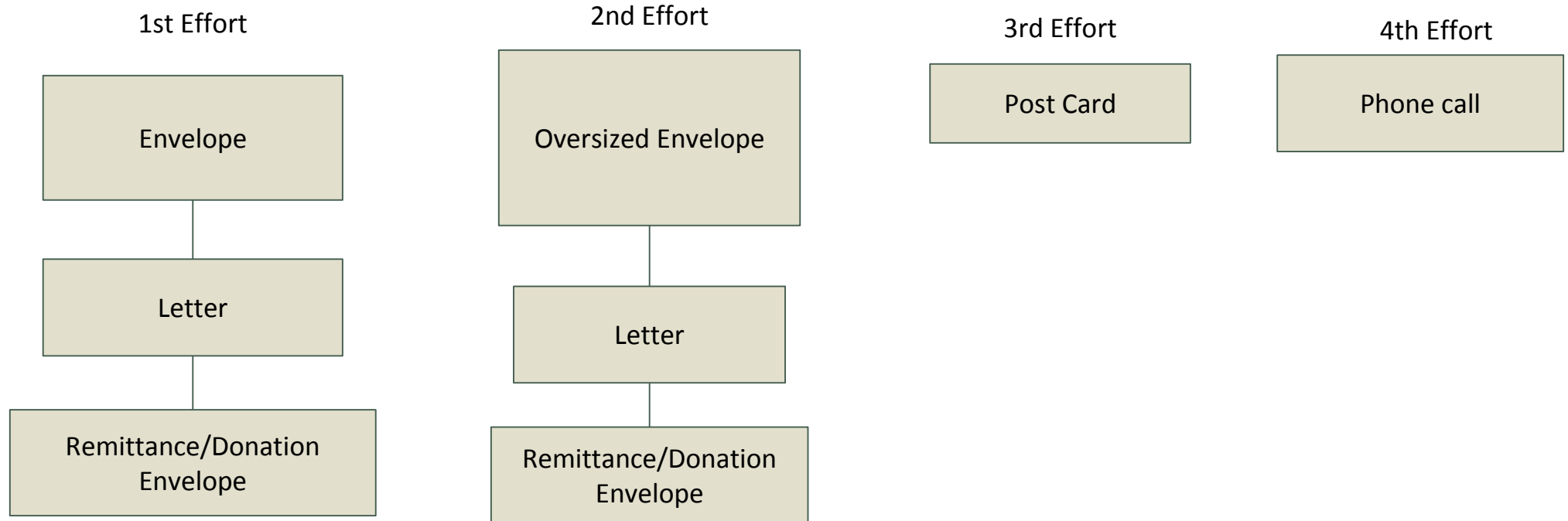
Renewal Strategy

Organizations should make three serious efforts to get donors to renew before giving up on them.

Donors that have made large contributions should be personally reached out to by phone and reminded how important their membership is to the organization, and asked if they would consider rejoining.

https://www.nps.gov/partnerships/membership_programs.htm

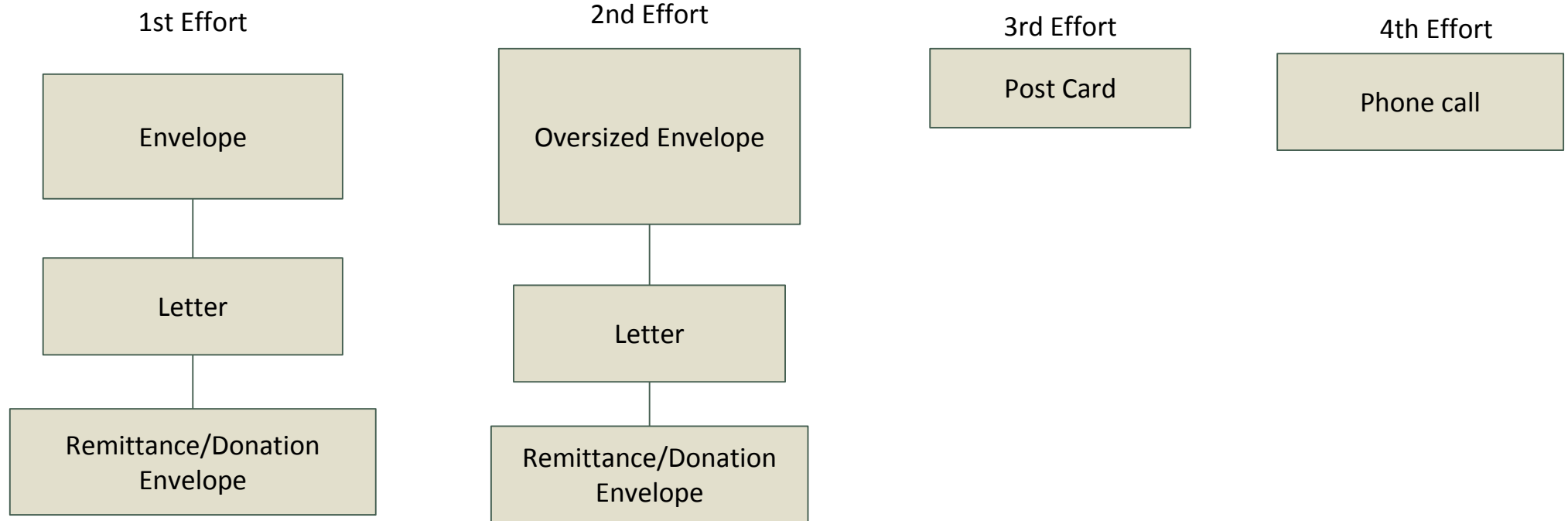
Communication Strategy – Business Donor Renewal Strategy



<http://www.crm trends.com/directmarketing.html>

<http://under30ceo.com/7-secrets-successful-direct-mail-campaign/>

Communication Strategy - Individual Donor Renewal Strategy



<http://www.crm-trends.com/directmarketing.html>

<http://under30ceo.com/7-secrets-successful-direct-mail-campaign/>

Important Information to Note

Stacey Orsted, former Yellowstone Association Director of Development, said that 65% of people who become members donate in the lowest pay bracket the first time.

$$\frac{\textit{Individual segment pay bracket amounts}}{\textit{Number of pay brackets}} = \textit{average donation of \$55*}$$

$$\frac{\textit{Business segment pay bracket amounts}}{\textit{Number of pay brackets}} = \textit{average donation of \$600*}$$

We adjusted our conservative average donation for individuals and for business down to \$55 and \$600, respectively, for the first year to incorporate this statistic.

**If donors are spread out evenly amongst the pay brackets*

Revenue Calculations

- About 80% of members renew their membership for the next 2 to 3 years. After this point it is more difficult to maintain member loyalty.
- An average of 15% of renewing members will upgrade their level of contribution.
- Profits are not made through member acquisition, but rather through renewals.

Total Revenue	\$66,993
Total Cost	\$5,638
MRI	\$61,354

https://www.nps.gov/partnerships/membership_programs.htm

Sources

A Marketer's How-To (and Why-To) Guide to Using Direct Mail

Dave Collins, Direct Marketing Strategies Lecture

Dave Collins, Introduction to Marketing Lecture

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Jean Kruse, Mistakes to Avoid with Nonprofit Orgs

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http://www.universalsky.com/Articles/Animals/list_of_birds.htm

<https://nonprofitquarterly.org/2004/06/21/to-fee-or-not-to-fee-and-related-questions/>

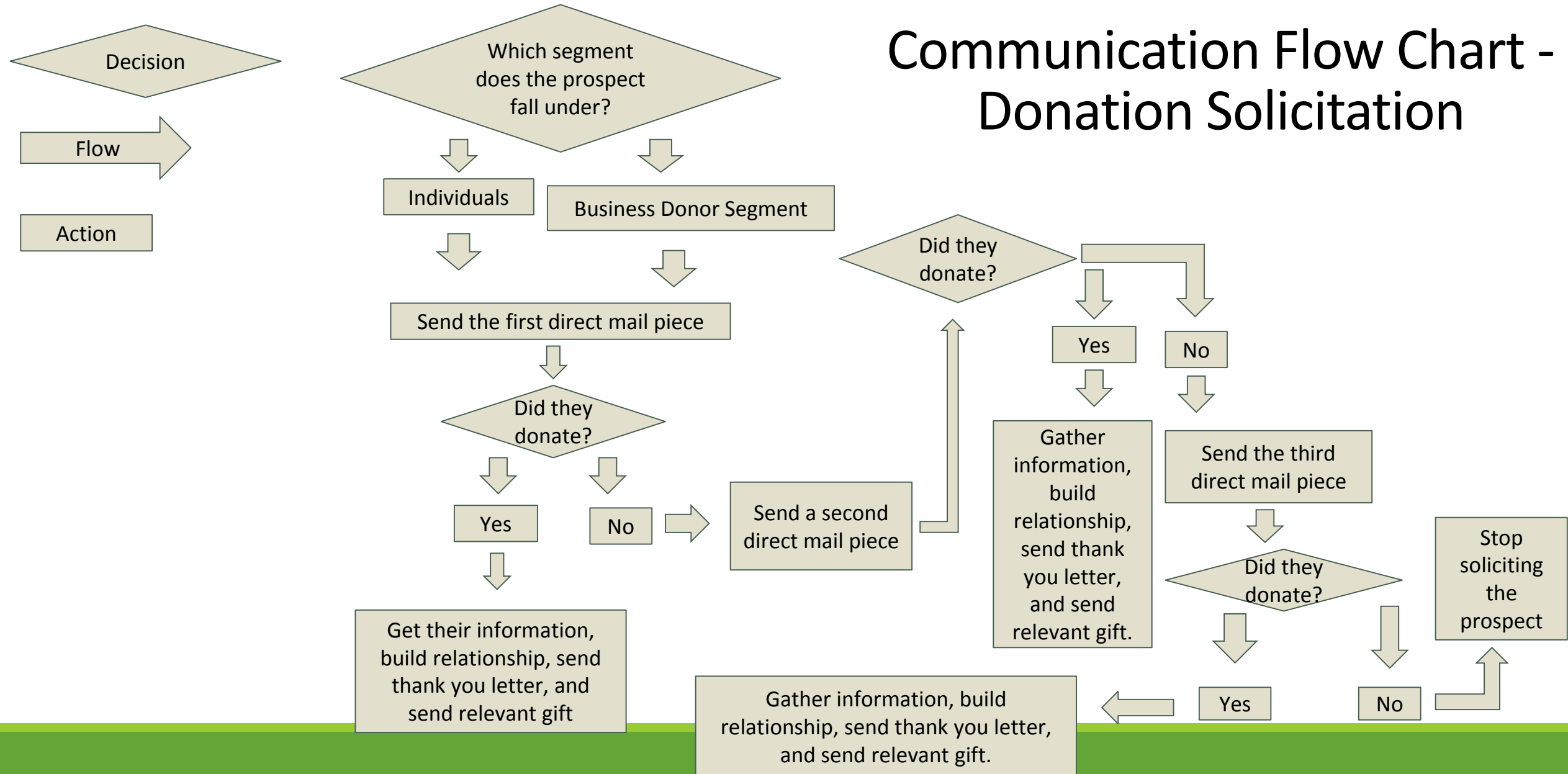
<http://www.crm-trends.com/directmarketing.html>

<http://under30ceo.com/7-secrets-successful-direct-mail-campaign/>

Appendix



Communication Flow Chart - Donation Solicitation



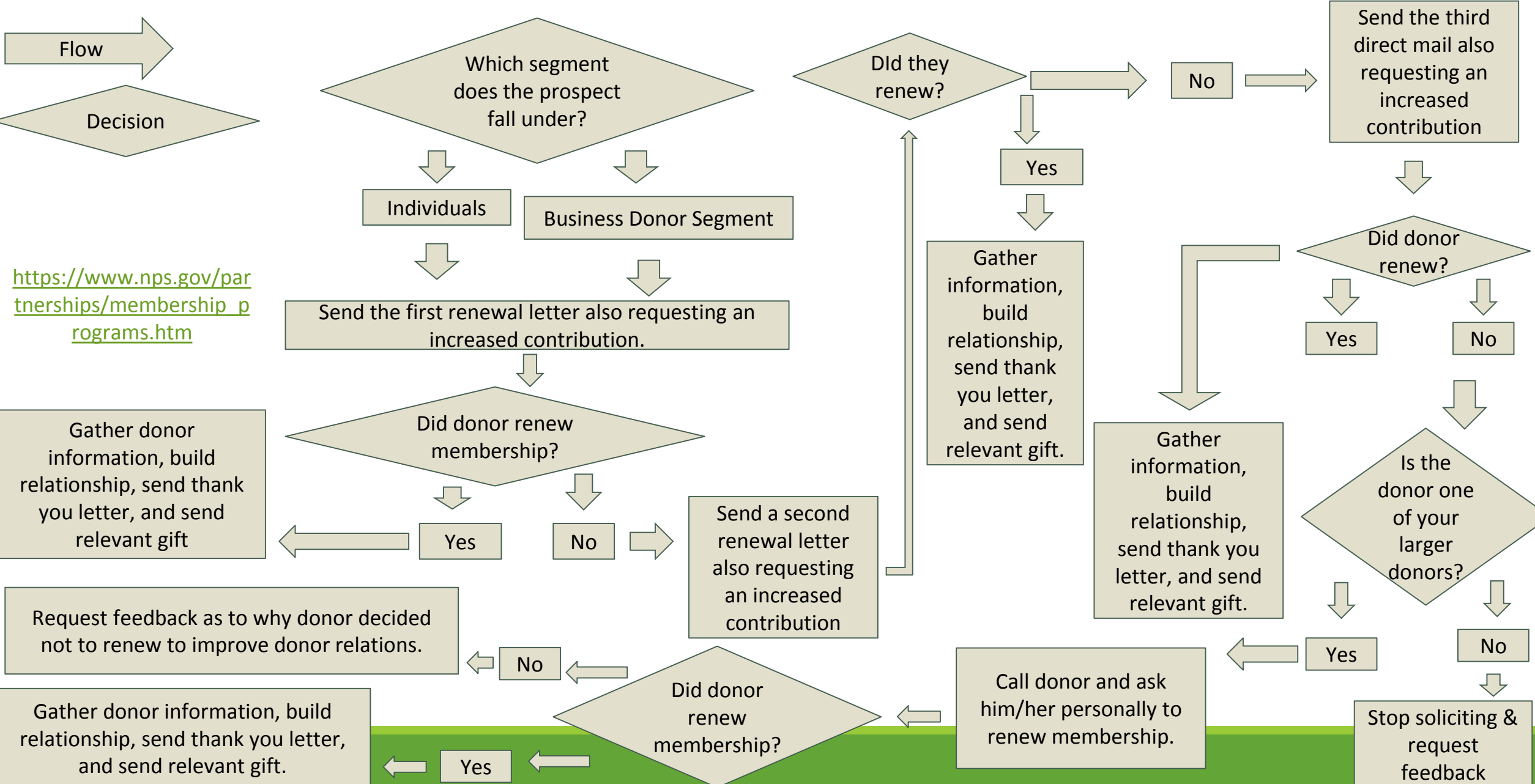
Communication Flow Chart - Renewal

Action

Flow

Decision

https://www.nps.gov/partnerships/membership_programs.htm



Expenses – Individual Donor Campaign

Year 1	
Creative (Pro Bono)	\$0
Individual donor lists from ReferenceUSA	\$0
2900 Green #10 Envelopes (Effort 1)	\$185.53
Standard shipping of Green #10 Envelopes (Effort 1)	\$22.43
2,800 Booklet Envelopes (Effort 2)	\$690.13
Standard shipping (Effort 2)	\$69.89
2,600 postcards (Effort 3)	\$102.98
500 Customized Bookmarks	\$109.85
Shipping	\$6.75
500 Customized stickers (3" x 3")	\$210
500 Green #10 Envelopes	\$42.95
Standing shipping	\$9.91
9,000 remittance envelopes "Budget Black Ink"	\$831.71
Boise X-9 Paper, Letter Size Paper, 20lb, Bright White, 500 Sheets Per Ream, Case of 10 Reams (Paper covers all letters for both campaigns)	\$56
Sending the envelopes through the mail Presorted	\$467.00
Sending the postcards through the mail Presorted	\$650.00
Sending the booklet envelopes Presorted	\$744.80
Sending 500 thank yous through the mail	\$296.97
Indicia for mailing	\$215.00
Total Expenses	\$4,711.89
Effort 1	\$1,894.26
Effort 2	\$1,504.82
Effort 3	\$1,313

Expenses – Business Donor Campaign

Year 1	
Creative (Pro Bono)	\$0
Business donor lists from ReferenceUSA	\$0
500 Green #10 Envelopes (Effort 1)	\$42.95
Standard shipping of Green #10 Envelopes (Effort 1)	\$9.91
500 Booklet Envelopes (Effort 2)	\$131.95
Standard shipping (Effort 2)	\$14.67
500 postcards (Effort 3)	\$34.99
500 Customized Bookmarks	\$109.85
Shipping	\$6.75
100 Green #10 Envelopes	\$19.90
Standard shipping	\$10.07
1,500 remittance envelopes "Budget Black Ink"	\$217.63
Sending the envelopes through the mail Presorted	\$84.00
Sending the postcards through the mail Presorted	\$125.00
Sending the booklet envelopes Presorted	\$118.50
Sending 80 thank yous through the mail	\$42.00
Total Expenses	\$968.17
Effort 1	\$513.09
Effort 2	\$265.12
Effort 3	\$189.96