Philanthropy Club
The End of Fundraising: Selling Your Impact

January 2012
Introductions

1. Name and Role

2. What is the organization’s greatest asset?
Mission Measurement Overview

Mission

MM helps corporations, nonprofits and governments to measure and improve social impact.

Corporate

- Asset building
- College access
- Corporate social responsibility
- Early childhood education
- Emerging markets
- Environmental strategy
- Health care access/delivery
- HIV/AIDS prevention

Nonprofit

- International development
- Nutrition and physical fitness
- Policy change
- Scientific research
- School reform/transformation
- Sustainability Initiatives
- Workers' rights
- Youth development

Public Sector

Thought Capital

Areas of expertise

- Corporate
- Nonprofit
- Public Sector

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Mission Measurement Overview: Our Clients

[Logos of various organizations]
Today’s Agenda

1. Selling Your Impact Overview
2. Case Examples
3. Apply Core Concepts to Your Organization
Selling Your Impact: Overview

Fundraising is expensive

We have no leverage with psychic donors

Typical sources of support are declining

Reset economy; Social outcomes now have economic value

Focus on value creation; Connect to the engine of the economy
We little leverage
### The Independent Sector

$200 Billion

$100 Billion carve-out for churches

### The Social Capital Market

$6 Trillion

What does this mean for us?
New sources of funding
What does this mean for us?
A new set of stakeholders

**Independent Sector: Philanthropists**
- Foundations
- Beneficiaries
- Board
- Donors
- Government

**Social Benefit**

**Social Capital Market: Impact Buyers**
- Corporate Partners
- Upstream “Consumers”
- Beneficiaries that can pay
- Service Providers
- Social Investors

**Shared Value**

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## What does this mean for us?

### Impact Buyers

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Investors</strong></td>
<td>An outcomes-driven funder who has allocated a specified amount of funding specifically to &quot;purchase&quot; a specific set of results.</td>
<td><img src="image" alt="ROBIN+HOOD" /> <img src="image" alt="GIIN" /></td>
</tr>
<tr>
<td><strong>Beneficiaries that can pay</strong></td>
<td>An individual or organization who consumes your products or services and is able to pay for benefits received.</td>
<td><img src="image" alt="Kiva" /> <img src="image" alt="loans that change lives" /></td>
</tr>
<tr>
<td><strong>Service Providers</strong></td>
<td>An organization that relies on your outcomes to enhance its service offering or achieve its own business objectives.</td>
<td><img src="image" alt="First Book" /> <img src="image" alt="Easter Seals" /></td>
</tr>
<tr>
<td><strong>Upstream “Consumers”</strong></td>
<td>An individual or organization that relies on social outcomes produced earlier in the value chain to generate desired outcomes or income.</td>
<td><img src="image" alt="CHIarts" /></td>
</tr>
<tr>
<td><strong>Corporate Partners</strong></td>
<td>Companies that require certain social change in order to create direct economic value for the business.</td>
<td><img src="image" alt="Kraft Foods" /></td>
</tr>
</tbody>
</table>
What does this mean for us?
Change the conversation

OUR NEED TO SELL
Case for Support

• Our approach, program and services
• Our impact
• Our accomplishments

THEIR NEED TO BUY
Business Case

• Their need or pain
• The value you can offer them
• Evidence that you can meet their need

It’s not about telling our story, it’s about showing our value
Case Example
Ronald McDonald House Charities

Owner/Operators
McDonald’s Corporation

Children & Families

RMHC Chapters

Suppliers

Hospitals

Donors

Grantees
Case Example
Value Propositions

Non Profit → Outcome or Value → Shared Value → Need/Pain → Impact Buyer

Enable family centered care

Improved patient results and shorter hospital stays

Increase bed turnover improves revenue

Improve brand trust

Increase customer revisit intent

Drive sales

Ronald McDonald House Charities

McDonald’s

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Case Example
Free the Children
Case Example
Value Propositions

Non Profit → Outcome or Value → Shared Value → Need/Pain → Impact Buyer

Free the Children

- Improve student engagement and deliver character education
- Improve student engagement and success through social action
- Character education curriculum mandates & student engagement
- Activate youth and their families through social action
- Increase employee engagement & connection with youth market
- Employee engagement and access to new markets

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The Formula

Capture Your Impact
- Identify outcomes, assets and capabilities

Market Your Impact
- Identify impact buyers

Sell Your Impact
- Build the business case for current and new investors
Capture Your Impact
What are our outcomes?

![Graph showing Impact Strategies over Time and Level of Impact]

- Impact
- Strategies
- Time
- Level of Impact
### Capture Your Impact

**Success Equation**

<table>
<thead>
<tr>
<th><strong>Priority Outcomes</strong></th>
<th><strong>Impact</strong></th>
</tr>
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<tbody>
<tr>
<td>What changes in behavior or condition are required?</td>
<td>What are you ultimately trying to accomplish?</td>
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</table>

\[
A + B + C = D
\]

- A
- B
- C
- D

**Performance Measures**

How do we measure progress toward our outcomes?

**Key Strategies**

Which programs or activities will drive results?
## Sample Inventory

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Assets &amp; Capabilities</th>
</tr>
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<tbody>
<tr>
<td>• Increase youth engagement in school</td>
<td>• National network and reach</td>
</tr>
<tr>
<td>• Build critical life skills and job skills</td>
<td>• Innovative service model and approach</td>
</tr>
<tr>
<td>• Improve relationships and connectedness</td>
<td>• High quality, engaged staff</td>
</tr>
<tr>
<td>• Improve access to durable networks of support</td>
<td>• Ability to mobilize new approaches across network</td>
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</tbody>
</table>
## Inventory

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>What are the changes in status, condition or behavior that our organization produces?</th>
</tr>
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<tbody>
<tr>
<td>Assets &amp; Capabilities</td>
<td>What are our key assets and capabilities?</td>
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</table>
Market Your Impact
Who are our Impact Buyers?

1. Who **directly or indirectly benefits** from the outcomes we produce?

2. What if our organization did not exist? **Who would care?**

3. Who is **willing to pay** for our outcomes?

4. Who is **in pain** because they’re not getting what we produce?

5. Who has a **financial incentive** to help us?
Sell Your Impact

Who are our Impact Buyers?

<table>
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<tr>
<th>Stakeholder</th>
<th>What they need/What they value</th>
<th>Examples</th>
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Sell Your Impact
What is your value proposition?

- What does this stakeholder care about?
- What is the stakeholder’s pain point or need?

- How does your organization solve their problem?
- What outcomes, assets or capabilities address their needs?

- Why should the stakeholder believe you?
- What is your track record?
The 7 Immutable Laws of Selling Your Impact

1. Go through the front door, not the back door.

2. Always use value pricing, not cost-plus.

3. Know your customer (and speak their language).

4. Sell painkillers, not vitamins.

5. Sell outcomes, not programs.

6. Don’t oversell.

7. Don’t waste time on idiosyncratic funders.
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