Overcome your fear:

marketing audits can help you do your job better

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Agenda

- 1. Why research?
- 2. What we learned
- 3. 4/15 audit questions
- 4. How did it feel to be audited (Jessica)
- 5. Where to find an auditor
- 6. How to get started

About MAS

Management Advisory Service

- charity since 1993
- match volunteers Canada-wide
- pro bono advice in
 - Governance
 - Strategic planning
 - HR
 - Marketing and fundraising
 - IT, finance, facilitation, startups

Small nonprofits

Mid-size nonprofits ???

Small nonprofits

Mid-size nonprofits ???

- Problem ??
- Solution ??



Small nonprofits

Mid-size nonprofits ???

- Problem ??
- Solution ??





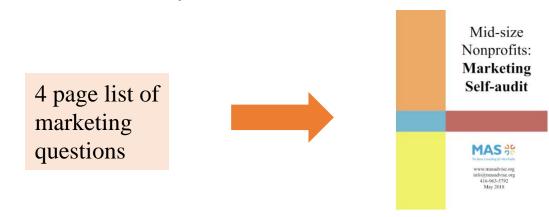
one year journey

- 10 Ontario, 1 Quebec, 1BC
- 8 social services, 2 international aid, 2 environment

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- 5 full audits, 7 partial audits
- 18 hours/audit

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- CRA fundraising expense:
 - \$80,000-150,000/year 5 audits
 - \$150,000+/year 7 audits

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- CRA fundraising expense:
 - \$80,000-150,000/year 5 audits
 - \$150,000+/year 7 audits



What did we learn?

What we learned

1. Strategic marketing help

1. No tactical help (unlike small nonprofits)

What we learned

1. Strategic marketing help

1. No tactical help (unlike small nonprofits)

- What are the questions?
 - → Audit

What 1 we learned

1. Strategic marketing help

- 1. No tactical help (unlike small nonprofits)
- 2. What are the questions?
 - → Audit
- 3. You can figure out the answers
 - →Self-audit
 - →no need for consultants

wnat we learned

What 2. Drowning in marketing data



What 3. 15 patterns we learned \rightarrow 15 audit questions

we learned





we learned

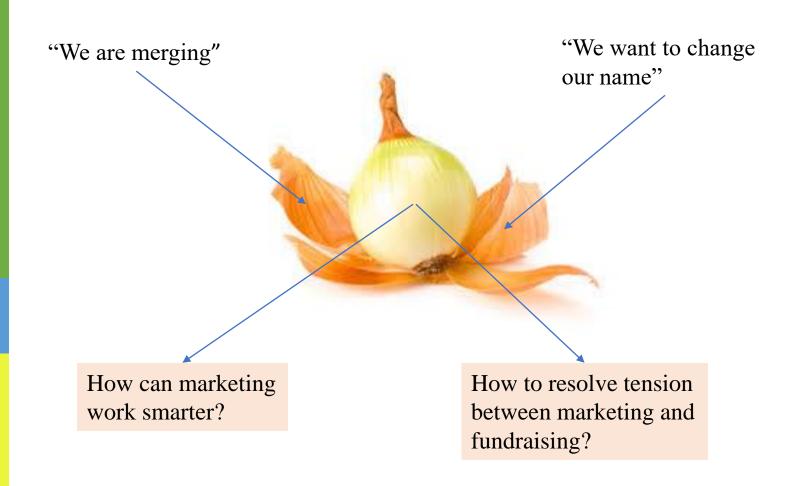
What 4. 2 worries



What we

4. 2 worries

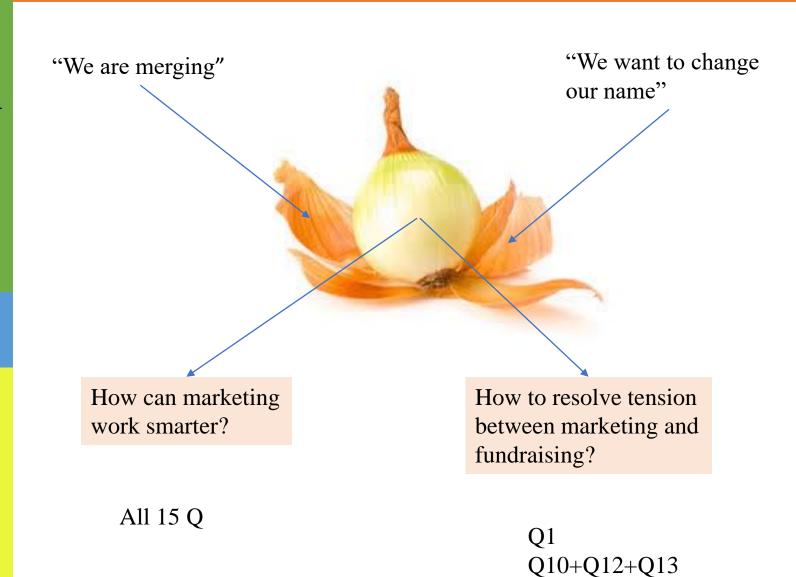
we learned



What

4. 2 worries

we learned



What we learned

What 5. Small vs midsize vs large

Nonprofits needs vary based on annual CRA expenses on marketing and fundraising

\$0 \$100,000 \$millions

(Donor database

+ 1 FTE)

What we learned

What 5. Small vs midsize vs large

Nonprofits needs vary based on annual CRA expenses on marketing and fundraising

\$0	\$100,000		\$millions
	(Donor database + 1 FTE)		
Small		Midsize	Large
2 questions		15 questions	





What we learned

What 5. Small vs midsize vs large

Nonprofits needs vary based on annual CRA expenses on marketing and fundraising

\$0	\$100,000	CNA expenses on marketing and	\$millions
	(Donor database + 1 FTE)		
Small		Midsize	Large
2 questions		15 questions	15 questions
Town of the			

we learned

What 5. Small vs midsize vs large

•		RA expenses on marketing	and fundraising	
\$0	\$100,000 (Donor database			\$millions
Small	+ 1 FTE)	Midsize	La	rge
2 questions		15 questions	15 qu	estions
			HR:	Governance: Federated model
			More staff Bigger database Silos + empires	

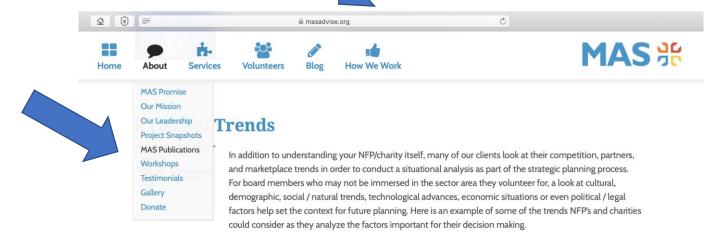
What we learned

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Nonprofits needs vary based on annual CRA expenses on marketing and fundraising

\$0	\$100,000	\$millions
3 0	(Donor database + 1 FTE)	Şiriilions
Small	Midsize	Large
2 questions	15 questions	15 questions
Control S		
	Sweet spot	HR: More staff Bigger database Silos + empires Governance: Federated model

You can do your own self-audit



Marketing Self-Audit for Mid-sized Charities



How can your marketing department work smarter? Is there a way to work more cost-efficiently? Do a marketing audit. You can analyze the art, the science and the people of your marketing. You can perform the audit yourself, or ask MAS to audit you.



See how you can improve your Revenue Efficiency Report with this useful short video.

The 15 questions

The Art of Marketing

#1

#2

#3

#4

#5

The People of Marketing

#6

#7

#8

#9

The Science of Marketing

#10

#11

#12

#13

#14

#15

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The Art of Marketing
#1 Is your brand clear, concise and consistent?
#2
#3
#4
#5
The People of Marketing
#6
#7
#8
#9
The Science of Marketing
#10 Do you track which are your most cost-effective revenue sources?
#11
#12 Do you track the churn in your donor portfolio?
#13 Do you connect marketing results to your marketing activities?
#14
#15
```

The Art of Marketing

- #1 Is your brand clear, concise and consistent?
- #2 Does the time staff spend on activities reflect your non-profit's priorities?
- #3 Does the marketing department have a culture of creative experimentation?
- #4 Do you have a range of acquisition and retention activities per donor type?
- #5 Have you reviewed the risks to your brand?

The People of Marketing

- #6 Do you have a combination of marketing generalists and specialists?
- #7 How is marketing's interaction with other departments?
- #8 How do you offer professional development?
- #9 How do you ensure your marketers thrive?

The Science of Marketing

- #10 Do you track which are your most cost-effective revenue sources?
- #11 Do you track how concentrated each revenue source is?
- #12 Do you track the churn in your donor portfolio?
- #13 Do you connect marketing results to your marketing activities?
- #14 Have you customized your own nonprofit's Rules of Thumb?
- #15 Membership-based nonprofits: additional analysis for you.

#1 - Is your brand clear, concise and consistent?



Clear website?

- Does your main webpage answer who/what/where/when/why?
- Do you have pages that address the 3 donor questions? (Why should I donate to you? What was your impact last year? What will my donation buy, at different price points?)
- Does your navigation bar self-explain the work you do?
- How transparent is your website? (PDF financial reports, staff names, CRA#)
- Does your website portray the look you want? (established, youthful, caring)

Concise website?

- Can each page be understood in 8 seconds (lots of subheads, bolds, bullets)
- Does each page have a Readability Score at grade 9 level?

Are marketing tools consistent with website?

- Are the key messages in the text consistent across all marketing tools?
- Are the visuals consistent? Do you have a Brand Guide on fonts/colours?
- How do you ensure consistency between departments?



Lelia

Do you have webpages that address the 3 donor questions?

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1. Why should I donate to you? → "Why unique" webpage

Do you have webpages that address the 3 donor questions?

- Why should I donate to you? → "Why unique" webpage
- 2. What was your impact last year? → "Our impact" webpage

Do you have webpages that address the 3 donor questions?

- 1. Why should I donate to you? → "Why unique" webpage
- 2. What was your impact last year? → "Our impact" webpage
- 3. What will my donation buy? → different price points on Donate webpage

The Art of Marketing

#1

#2

#3

#4

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The People of Marketing

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The Science of Marketing

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The Art of Marketing

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The People of Marketing

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The Science of Marketing

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Fundraising Self-Audit

The Art of Marketing

#1

#2

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The People of Marketing

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The Science of Marketing

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#14

#15

The Art of Fundraising

#1

#2

#3

#4

Fundraising Self-Audit

The Art of Marketing

#1

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The People of Marketing

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The Science of Marketing

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The Art of Fundraising

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The People of Fundraising

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The People of Marketing #6 #7 #8 #9

The Art of Fundraising

#1 #2 #3 #4 #5

The People of Fundraising

#6 #7 #8 #9

The Science of Marketing AND Fundraising

#10 #11 #12 #13 #14 #15

Question #10

Question #12

Question #13

Last year end

Revenue Efficiency Report

Compare both. Plan next year.

Donor Churn Report Last year end

Revenue Efficiency Report This year end

Revenue Efficiency Report

Donor Churn Report Donor Churn Report Revenue Efficiency Report

- √ what
- X how

Revenue Efficiency Report Donor Churn Report

√ what

X what

X how

√ how



Elephant Alert: Do both reports.

Revenue Efficiency Report Donor Churn Report

√ what

X what

X how

√ how

Question #10 - Revenue Efficiency Report

Revenue Efficiency Report Marketing+ Marketing fundraising +Fundraising Efficiency Revenue staff time costs Revenue sources Mission activities Awareness activities Total

Revenue Efficiency Report								
	Revenue	Marketing+ fundraising costs	Marketing +Fundraising staff time	Efficiency				
Revenue sources								
)(
			1/4					
			- 54					
Mission activities								
		_	ert: Compare all -					
A			evenue so that					
Awareness activities		-	singling out (or ne department.					
		enedsing)						
Total								

			Revenue Efficie (year ending Ma				
Revenue Source	(Activity) Marketing +		Staff + volunteer	Staff + volunteer time		Next year : Staff + volunteer time	
		Fundraising	Marketing	Fundraising		Marketing	Fundraising
Corporations 20@\$1,500							
Foundations							
Major donors 10@\$2,000							
Regular donors: 50@\$200							
Events: Walk							
In-kind							
Govt grants							
Operating rev							
SUBTOTAL	1,700,000	\$50,000	50%	100%		60%	100%
Mission Activities (recru	it and retain volu	nteers)					
Recruit new							
Volunteer Apprec dinner							
SUBTOTAL			5%	0%		10%	0%
Awareness Activities (ta	rget: donors, reci	ruit new members)		•			
Social media /week							
Website maintenance							
Story creation + photos							
AGM+ Ann Report							
SUBTOTAL			45%	0%		30%	0%
Total	1,700,000	\$60,000	1FTE	1FTE		1FTE	1FTE

			Revenue Effici (year ending Ma				
Revenue Source	(Activity) Marketing +		Staff + volunteer	Staff + volunteer time		Next year : Staff + volunteer time	
		Fundraising	Marketing	Fundraising		Marketing	Fundraising
Corporations 20@\$1,500				- 5	and the second	-/60	
Foundations				7	617	ALC: NO.	
Major donors 10@\$2,000			Š.		A Ca		
Regular donors: 50@\$200				_		1 5 Ac.	
Events: Walk			ái.	The Contract of the Contract o		ME	
In-kind			1		II.		
Govt grants)on't tall	naanla sk	oow proof	
Operating rev				Jon t ten	people, si	now proof	
SUBTOTAL	1,700,000	\$50,000	50%	100%		60%	100%
Mission Activities (recru	iit and retain volu	inteers)		-		•	
Recruit new							
Volunteer Apprec dinner							
SUBTOTAL			5%	0%		10%	0%
Awareness Activities (ta	rget: donors, reci	ruit new members)		•		•	•
Social media /week							
Website maintenance							
Story creation + photos							
AGM+ Ann Report							
SUBTOTAL			45%	0%		30%	0%
Total	1,700,000	\$60,000	1FTE	1FTE		1FTE	1FTE

			Revenue Effic (year ending M				
Revenue Source	Revenue Costs: (Activity) Marketing +		Staff + volunteer time		Efficiency or Impact	Next year : Staff + volunteer time	
		Fundraising	Marketing	Fundraising		Marketing	Fundraising
Corporations 20@\$1,500						-//0	
Foundations			1	7	AW A	ACT ACT	
Major donors 10@\$2,000			į,	11-1	A Cal	11 11.	
Regular donors: 50@\$200						1 64	
Events: Walk			(A)	MIL.		AL AL	
In-kind			1		Har Con	Contract of	
Govt grants				n'+ +all	اء ماممم	how proof	
Operating rev				De l'uten	people, si	how proof	
SUBTOTAL	1,700,000	\$50,000	50%	100%		60%	100%
Mission Activities (recru	uit and retain volu	inteers)				•	
Recruit new							
Volunteer Apprec dinner							
SUBTOTAL			5%	0%		10%	0%
Awareness Activities (ta	rget: donors, reci	ruit new members				•	
Social media /week							
Website maintenance							
Story creation + photos							
AGM+ Ann Report							
SUBTOTAL			45%	0%		30%	0%
Total	1,700,000	\$60,000	1ETF	1FTE		1FTE	1FTE

			Revenue Efficie (year ending Ma					
Revenue Source	Revenue (Activity)	Costs: Marketing + Fundraising	Staff + volunteer	time	Efficiency or Impact	Next year : Staff + volunteer	Next year : Staff + volunteer time	
		i unuraising	Marketing	Fundraising		Marketing	Fundraising	
Corporations 20@\$1,500	\$30,000			20%	ok		10%	
Foundations	200,000		10%	80%	great	10%	50%	
Major donors 10@\$2,000	20,000		5%		great	25%	40%	
Regular donors: 50@\$200	10,000	\$5,000	5%		poor	5%		
Events: \	A LIEBS	-	20%		Poor - cancel			
In-kind			10%		ok	20%		
Govt gra								
Operatir		EBR	- 85					
SUBTOT.		16	50%	100%		60%	100%	
Mission				•		•		
Recruit r	Commercial	100	M C		declining	5%		
Volunte Apprec	A 1	2 (1 1	5%		50% retained volunteers	5%		
_{вивтот.} Elepha	nt Alert:	2 flashpo	oints:	0%		10%	0%	
Awarene Story C	reation, a	annual rep	oort		•	•		
Social m/week	tweets				# likes #retweets	5%		
Website maintenance	Refreshed 9 pages		5%		na	5%		
Story creation + photos	15 stories 15 photos		20%		3 days work/ story	10% (7 stories)		
AGM+ Ann Report	na		15%		40 attendees	10%		
SUBTOTAL			45%	0%		30%	0%	
Total	1,700,000	\$60,000	1FTE	1FTE		1FTE	1FTE	



Question #12 – **Donor Churn Report**

Donor Churn Report

(year ending June 2018)

	Corporations	Foundations	Individuals \$1,000+	Individuals <\$1,000
Donors - last year				
- not renewed #				
= renewed #				
+ returned lapsed				
+ new donors #				
Donors - this year				
Retention				
Acquisition				

Donor Churn Report

(year ending June 2018)

	Corporations	Foundations	Individuals \$1,000+	Individuals <\$1,000
Donors - last year	20			
- not renewed #	15			
= renewed #	5			
+ returned lapsed				
+ new donors #	15			
Donors - this year	20			
Retention	poor			
Acquisition	great			

Donor Churn Report (year ending June 2018) Foundations Individuals Individuals **Corporations <\$1,000** 20 50 Donors - last year 15 45 - not renewed # Aggregate report = renewed # 5 vs individual reports (B1-annual) 4 + returned lapsed 15 5 55 + new donors # 20 20 10 Donors - this year 60 Retention ok poor great poor Acquisition great ok great great

Question #13 – Compare and plan next year

Fundraising and marketing strategies for next year

and the marketing strategies for next year							
	Efficiency		Retention		cquisition		
Source	Revenue Efficiency Report	Donor Churn Report	Action required	Donor Churn Report	Action required		
Corporations							
Foundations							
Individuals \$1000+							
Individuals <\$1000							
Fall event							
In-kind							

Fundraising and marketing strategies for next year

and the marketing strategies for next year							
	Efficiency		Retention		cquisition		
Source	Revenue Efficiency Report	Donor Churn Action required Report		Donor Churn Report	Action required		
Corporations							
Foundations							
Individuals \$1000+							
Individuals <\$1000							
Fall event							
In-kind							





F	Fundraising and marketing strategies for next year							
	Efficiency		Retention	Acquisition				
Source	Revenue Efficiency Report	Donor Churn Report	Action required	Donor Churn Report	Action required			
Corporations								
Foundations								
Individuals \$1000+								
Individuals <\$1000								
Fall event								
In-kind								

F	Fundraising and marketing strategies for next year							
	Efficiency		Retention	Acquisition				
Source	Revenue Efficiency Report	Donor Churn Action required Report		Donor Churn Report	Action required			
Corporations	great	poor	Introduce a mid-term report. Create videos for their staff.	great	Status quo			
Foundations								
Individuals \$1000+								
Individuals <\$1000								
Fall event								
In-kind								



F	undraisin	g and m	arketing strategie	es for nex	xt year
	Efficiency		Retention	Acquisition	
Source	Revenue Efficiency Report	Donor Churn Report	Action required	Donor Churn Report	Action required
Corporations	great	poor	Introduce a mid-term report. Create videos for their staff.	great	Status quo
Foundations					
Individuals \$1000+					
Individuals <\$1000					
Fall event	poor	na	Make an annual plan for post-event followup	na	Review cost/benefit. Perhaps scale back.
In-kind					



Fundraising and marketing strategies for next year					
	Efficiency	Retention Acquisition		cquisition	
Source	Revenue Efficiency Report	Donor Churn Report	Action required	Donor Churn Report	Action required
Corporations	great	poor	Introduce a mid-term report. Create videos for their staff.	great	Status quo
Foundations					
Individuals \$1000+					
Individuals <\$1000					
Fall event	poor	na	Make an annual plan for post-event followup	na	view cost/benefit. Perhaps scale back.
In-kind					

#13 - Do you connect marketing results to your marketing activities?

Fundraising and marketing strategies for next year						
Source	Efficiency		Retenti			
	Revenue Efficiency Report	Donor Churn Report	Acti	7	- 5	
Corporations	great	poor	Introdureport.	g hety	ween silees	
Foundations	great	great	Shifting between siloes			
Individuals \$1000+	great	ok	Create annual Gratitude Report with stories and infographics	great	Status quo	
Individuals <\$1000	poor	poor	Create annual Gratitude Report with stories and infographics	great	Status quo	
Fall event	poor	na	Make an annual plan for post-event followup	na	Review cost/benefit. Perhaps scale back.	
In-kind	ok	na	Create annual Gratitude Report with stories and infographics	na	E-blast list of items needed in spring	

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The Art of Marketing
#1 (clarify brand)
#2
#3
#4
#5
The People of Marketing
#6
#7
#8
#9
The Science of Marketing
#10 (Revenue Efficiency Report)
#11
    (Donor Churn Report)
#12
     (compare and plan next year)
#14
#15
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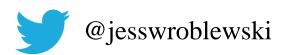
2 principles for success:

- Everyone gets audited
- Auditor is senior

Marketing Audit Participant



Jessica Wroblewski, MPNL, CFRE





Join a research project and get a free marketing audit

MAS is searching for 10 mid-sized charities who are willing to receive a free marketing audit. Each charity will receive a confidential marketing audit that will give them an outside perspective on their internal processes and suggest new marketing ideas. Once 10 marketing audits are complete, MAS will write a white paper summarizing the patterns that emerge. The white paper will be promoted to all charities across Canada through free educational webinars and articles. To qualify, your charity must:

- expense more than \$70,000/year in fundraising or marketing costs
- be willing to allocate 15 staff hours (anywhere in Canada via Skype/Facetime)

For more information, contact MAS at info@masadvise.org. MAS is a volunteer-run charity that offers pro bono consulting for nonprofits in Toronto since 1993.

Why did I apply?

4 reasons:

- Support non-profit research
- No cost
- External audit
- In the hope the marketing and communications issues I suspected were affecting our fundraising would be revealed

How did I feel?



How did others feel?



What happened post-audit?

- Acceptance that our main problem was marketing and communications, not fundraising
- Approval of a \$10,000 budget for a new website and digital advertising
- Approval of a \$10,000 budget for a case for support and client stories
- Creation of a social media marketing strategy
- Communications staffer now reporting to the Director of Philanthropy, not the CEO

Would I do the audit again?



Could I have done the audit without MAS?



Where to find your auditor

Skill needed?

• B Comm or MBA

Skill needed?

B Comm or MBA

Why?

- Marketing, HR and accounting courses
- case study method of teaching

Available?

• 18-25 hours over 2 months

Who?

- Your CFO (or direct report)
- A Board member

Who?

- Your CFO (or direct report)
- A Board member
- A volunteer
- New employee/recent grad

How to get started

- Pick your timing
- Next steps

When?

Prior to a strategic planning review

- All 15 Q contribute to SWOT
- Q13 is your marketing action plan for next year

When?

Prior to a strategic planning review

- All 15 Q contribute to SWOT
- Q13 is your marketing action plan for next year

After fiscal year end (Q10,12,13 every fiscal year end)

When?

Prior to a strategic planning review

- All 15 Q contribute to SWOT
- Q13 is your marketing action plan for next year

After fiscal year end (Q10,12,13 every fiscal year end)

Staff turnover

Next steps

1. Find an auditor

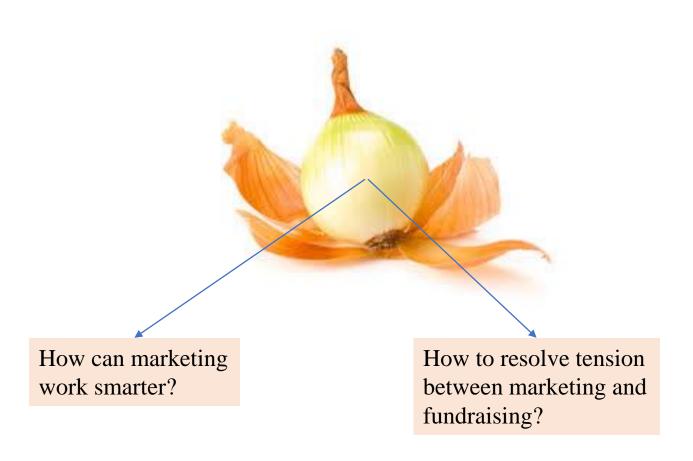
2. Auditor to read 21pager

3. Book initial 1 hour meeting with each interviewee.

Circulate one-pager

4. 8 hours of database admin

Summary: WHY?



Best wishes!

Any questions?

Lelia MacDonald www.masadvise.org

Jessica Wroblewski jessicawroblewski@gmail.com