



Next Steps in Mission-Driven Business Planning

Introduction to Market Analysis and Strategy

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Session Objectives

- To revisit the definition and purpose of mission-based business planning
- To explore the concept of “market” from a mission-driven perspective
- To explore tools with which to conduct a market analysis and gauge supply and demand
- To review the components of a mission-driven market strategy

Four Core Capacities

The ability of all organizational leaders to create & sustain the vision, inspire, model, prioritize, make decisions, provide direction, & innovate, all in an effort to achieve the organizational mission.

Leadership

The ability of a nonprofit organization to monitor, assess, respond to and create internal and external changes.

Adaptive

Management

The ability of a nonprofit organization to ensure the effective and efficient use of organizational resources.

Technical

The ability of a nonprofit organization to implement all of the key organizational and programmatic functions.

Mission-Based Business Plan: What is it?

Business Plan

A plan for how a business (typically a specific line of the business) is going to achieve its goals, including details on its planned model (or its fit within a broader model), implementation strategy, and profitability

Mission-Based Business Plan

An application of the above, typically in a nonprofit or NGO context, wherein planned impact is tied to a social mission, and represents a double bottom line (financial and social)

Ways to Use the Business Plan

STAGES

Planning
or
Launching

- **Viability:** new ventures (earned income)
- **Prospectus:** communicating a compelling case for investors/funders to support

Assessing
or
Refining

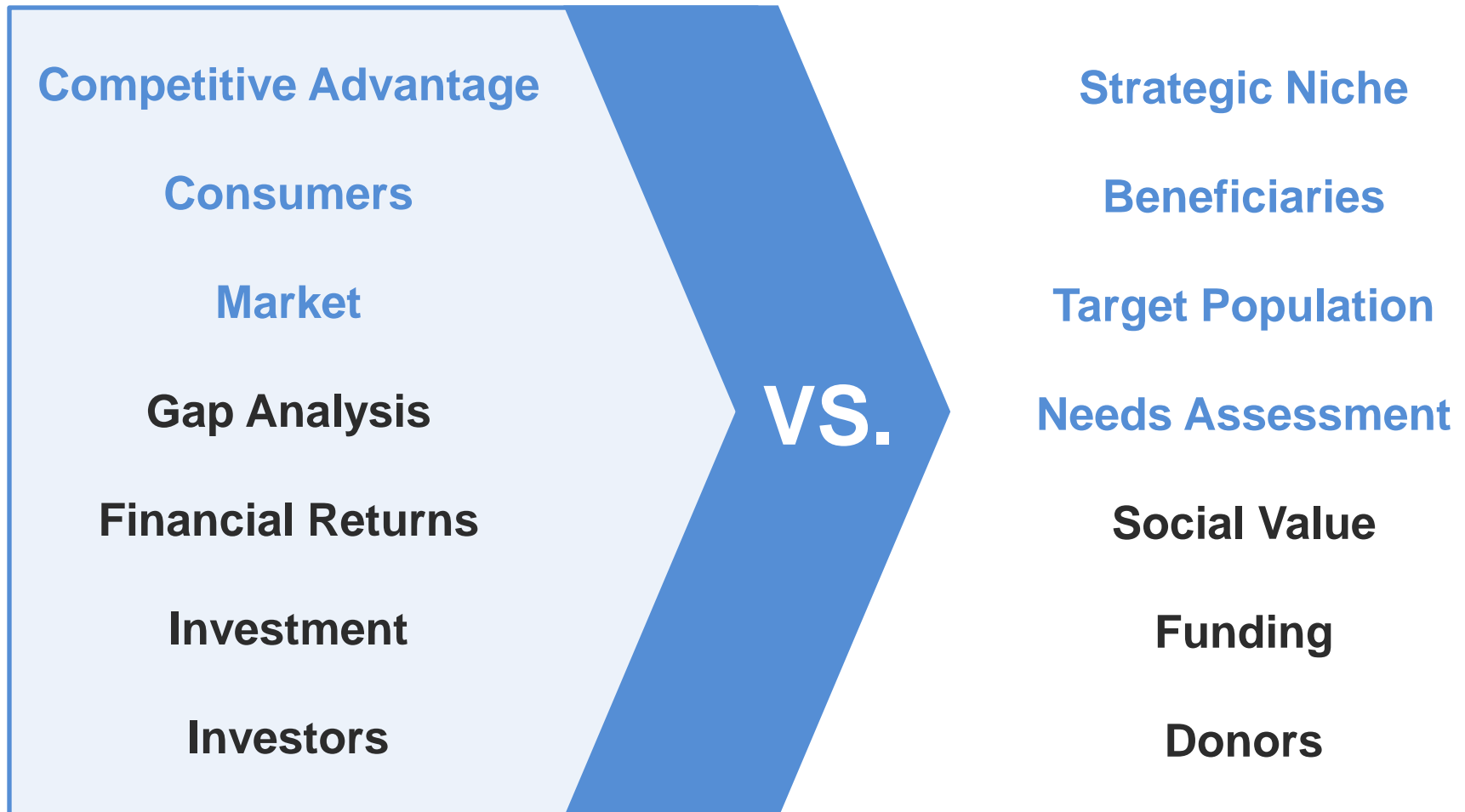
- **Management:** monitoring and evaluating your progress
- **Sustainability:** of programs, departments, or the organization
- **Communications:** getting internal and, sometimes, external stakeholders on the same page

Growing
or
Scaling

- **Planning:** growth or scale
- **Hiring:** “selling” your organization to potential recruits
- **Collaboration:** persuading partners to collaborate

A Change in Lexicon: Relevance in Marketing

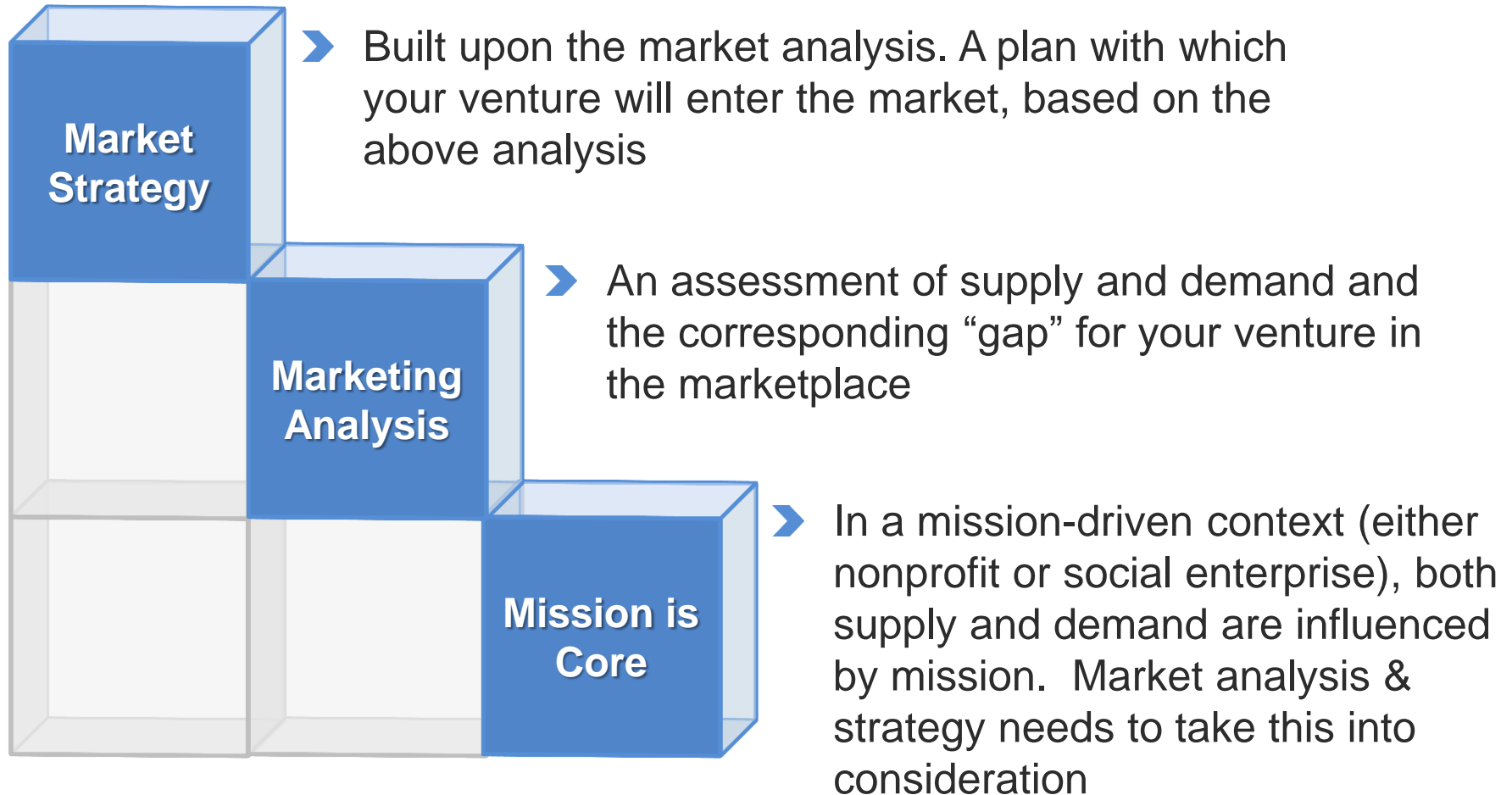
Mission-based values are reflected in the language used:



The Process of Building a Mission-Based Business Plan

1. Market Analysis Relative to Mission
2. Marketing Strategy
3. Operations Strategy: Program Plan, People, Culture
4. Growth or Scaling Strategy
5. Finances & Financial Projections
6. Risk Analysis & Contingency Plan
7. Description of Organization or Program/Service and Its Link to Mission
8. Executive Summary

Market Analysis Forms the Platform for the Plan & Mission is Core



The Value of the Market Analysis

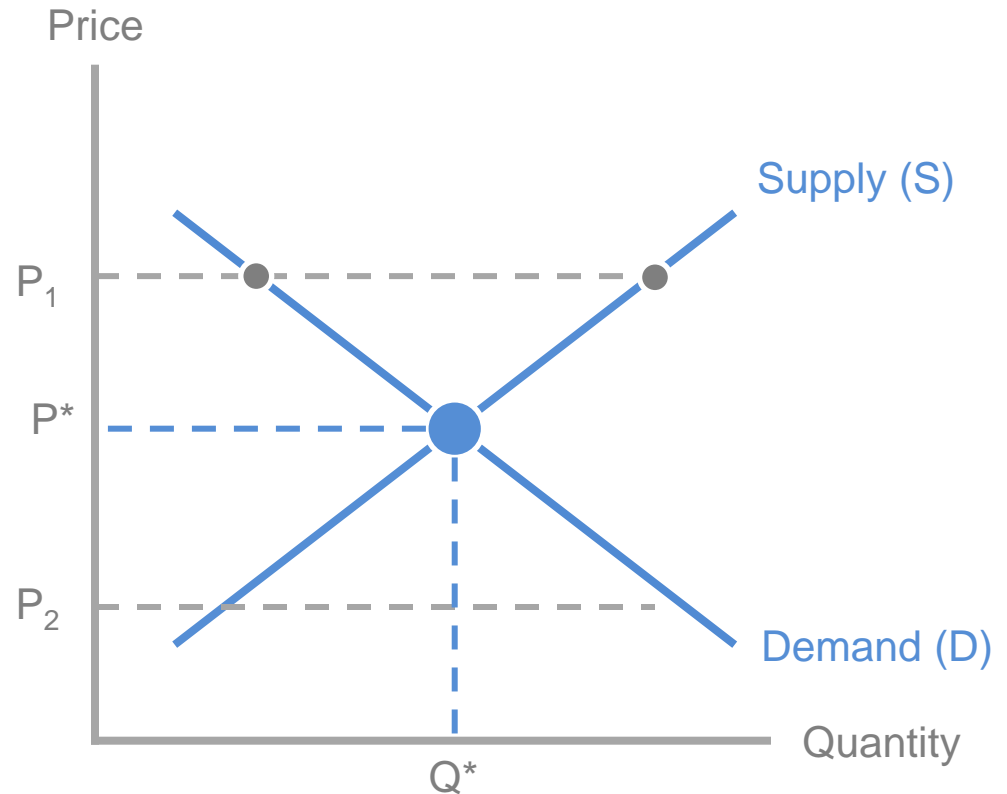
- Realistic picture of external environment
- Identifies competition
- Recognizes niche audiences
- Suggests resource opportunities and in the case of earned income - potential price points
- Provides insights on differentiation and competitive advantage
- Alerts you to changing trends
- Validates or rectifies assumptions



Defining A Mission-Driven “Market”

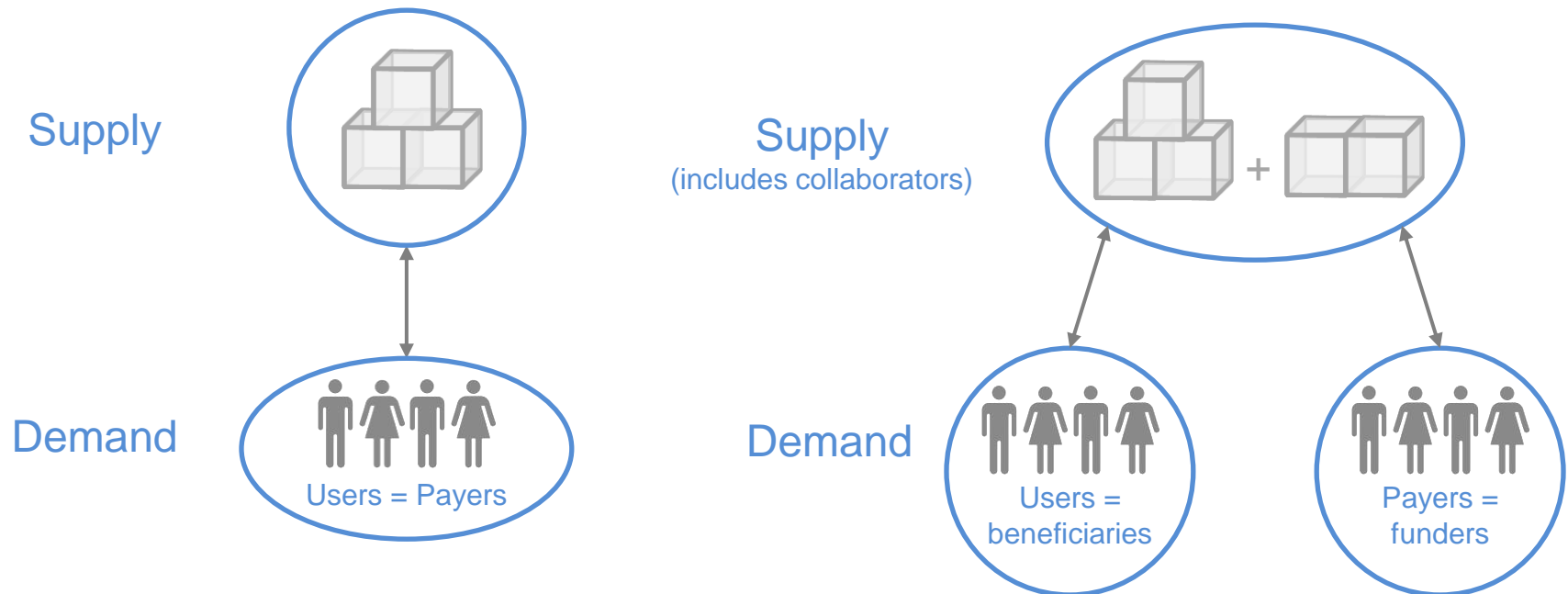
“Market”: Traditional Definition

- An **exchange** for buying and selling
- Place where forces of demand and supply operate, where **buyers and sellers interact** to trade goods, services, or contracts for money or barter
- Includes prices, information flow, deal structures, distribution, current and potential customers, and degree of need, and ability and willingness to pay



A Mission-Driven Market

- On the surface, an earned income market assessment is similar to that of a for-profit operation (with caveat to be mindful of mission)
- Nuances arise more so in a venture aimed at contributed income



Market Forces Driven by a Different Rationale

Demand

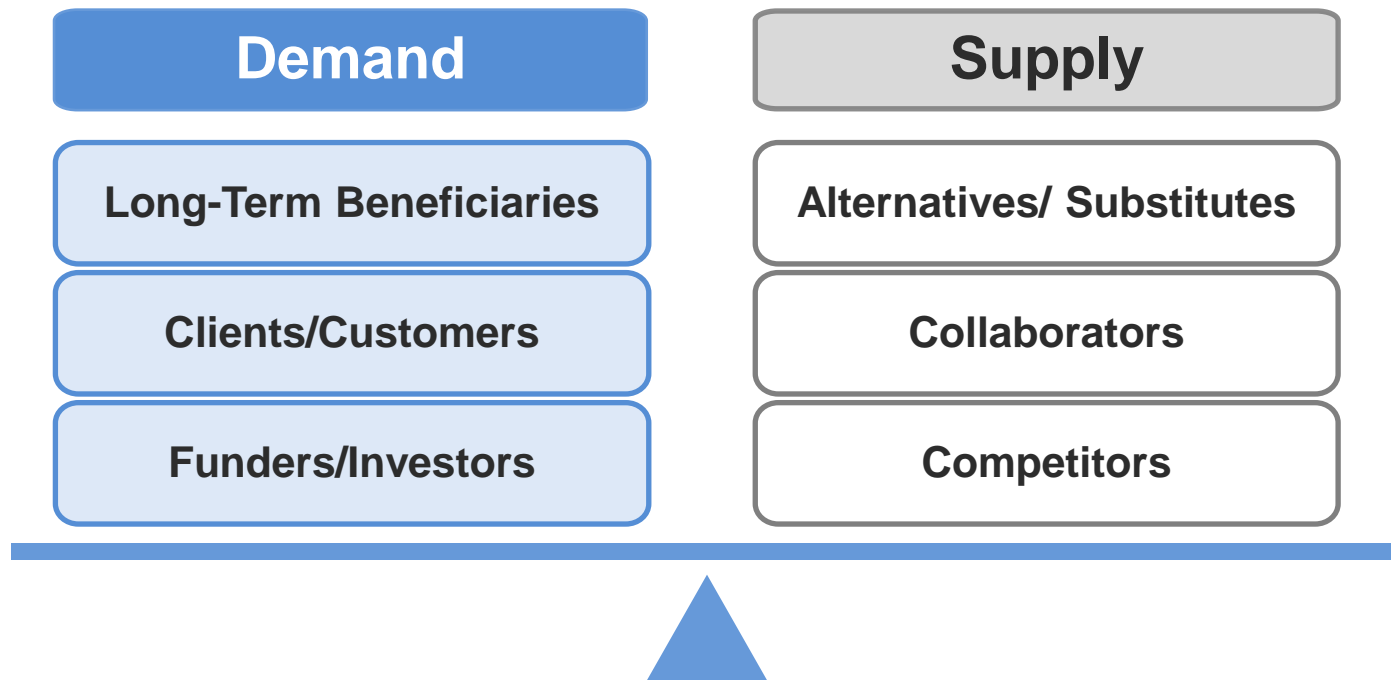
Buyers/users can be driven by mission and influenced by factors other than mere need or want

Supply

Market entry may occur beyond a point of efficiency in order to provide a mission-driven purpose (social)

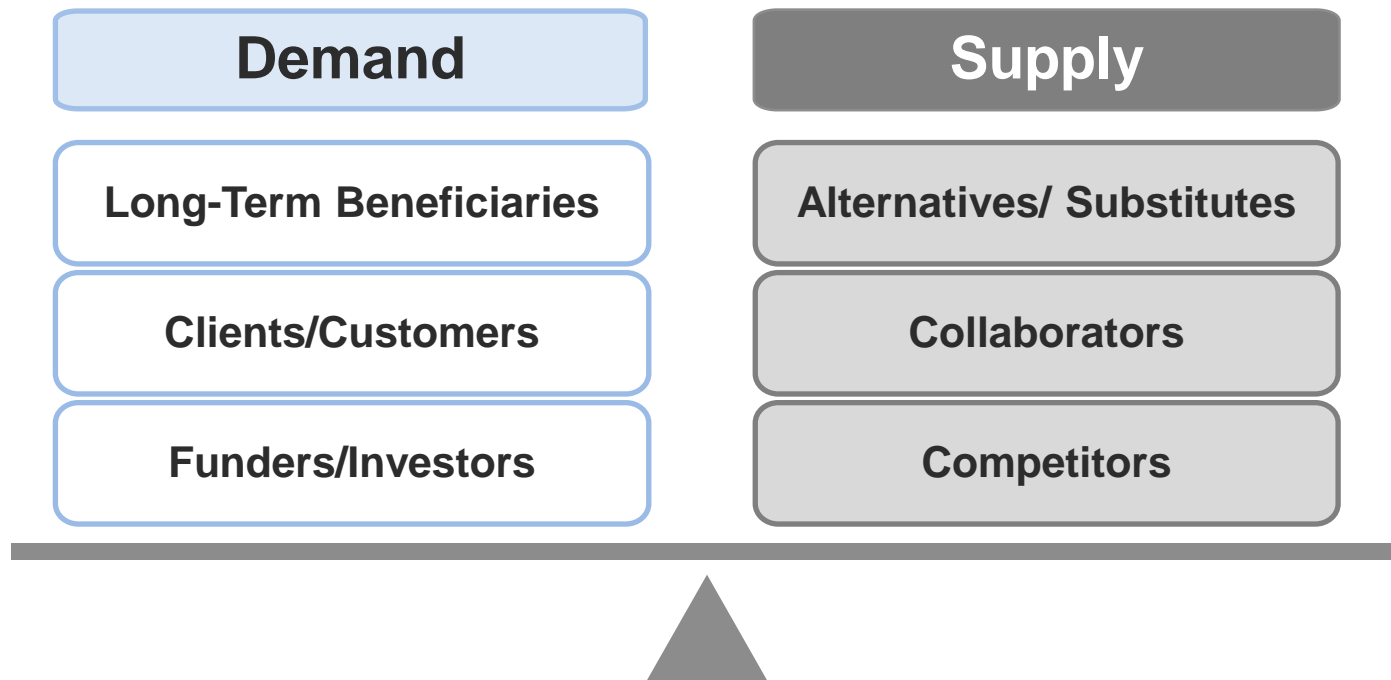
“Demand” from a Mission-Based Perspective

- **Nature of “demanders”**: Segments within the market can have entirely different characteristics (beneficiaries vs. funders); all must be assessed
- **Nature of “demand”**: The motivation to use/buy/pay for the service may (or may not) be driven by mission in addition to typical need/want



“Supply” from a Mission-Based Perspective

- **Additional players to assess:** Collaborators can impact the assessment of the supply sphere





Assessing The Market: Market Analysis, Supply and Demand

Tools for Gauging Demand

Beneficiary Demand

- Government agency data/research sites
- Research articles
- Government agency fact sheets
- Internal organization information systems
- Interviews, surveys, and focus groups
- Pilot testing programs

Funder Demand

- Individual foundation and other related websites (e.g., the Foundation Center)
- Interviewing foundations
- Assess government mandates and policies
- Donor databases

Assessing Demand with Social Media

Business planners must listen to:

- Twitter, facebook, linkedin, etc.
- What clients are saying about you.
- What potential funders are saying about your field.
- What funders are saying about you.

Tools for Gauging Supply

- National, state, and local association websites
- Open communication with funders
- National, state, and local conferences
- Government agency websites often list their service provider partners
- Learn from competing provider websites
- Find research on provider practices
- Survey providers
- Identify evidence-based practices in the field (EBP)

Projecting & Measuring Impact For Funders

We have learned in our national CCAT database that growing nonprofit organizations use the following strategies to measure, communicate, and project client impact and differentiate their business plans:

- Develop an outcome-focused information system
- Analyze and package the outcome information for marketing and business planning
- Leverage evidence-based practices
- Engage in research and development process
- Use pilot program evaluation data collected in the information system to project impact



Building a Marketing Strategy

Marketing Strategy: The Five Ps

Goal: to encourage increased participation and/or investment. The goal can also be to change the relationship you have with your clients/customers and investors/funders.

5Ps

Position

Programs/Services

Pricing

Promotion

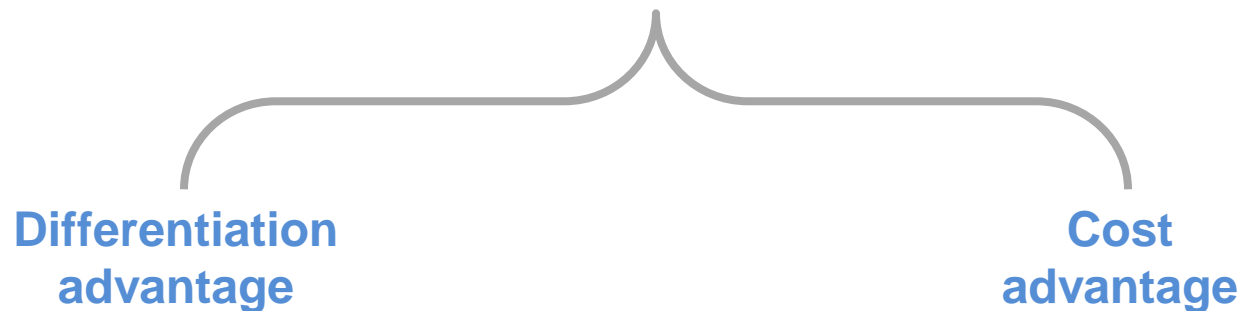
Placement

The 5Ps: A Data-Driven Approach

- **Position:** What is your compelling value proposition? Based on data collected through your market analysis, should you be high quality? Reliable? A volume supplier? Something else?
 - **Programs/Services:** What job does your program/service help customers/clients do?
 - **Pricing:** What does it cost for customers/clients and for funders/investors?
 - **Pricing:** Willingness/psychology vs. ability. How do you influence these things?
 - **Promotion:** How will customers/clients learn about your program/service?
 - **Placement:** Where can your customer/client conveniently access your program/service?
- Beneficiary demand
 - Funder demand
 - Market segmentation
 - Demographic assessment
 - Income and wealth measurements
 - Social and cultural trends and projections
 - Geographic patterns
 - And more...

A Common Thread Through the 5Ps: Brand & Competitive Advantage

- **Brand** refers to the image that identifies a product/service and differentiates it from other suppliers through unique design, symbols, words, imagery, attributes, or a combination thereof
- **Competitive advantage** enables a nonprofit to create superior value for its customers/clients and a superior return on investment for funders/investors relative to other suppliers



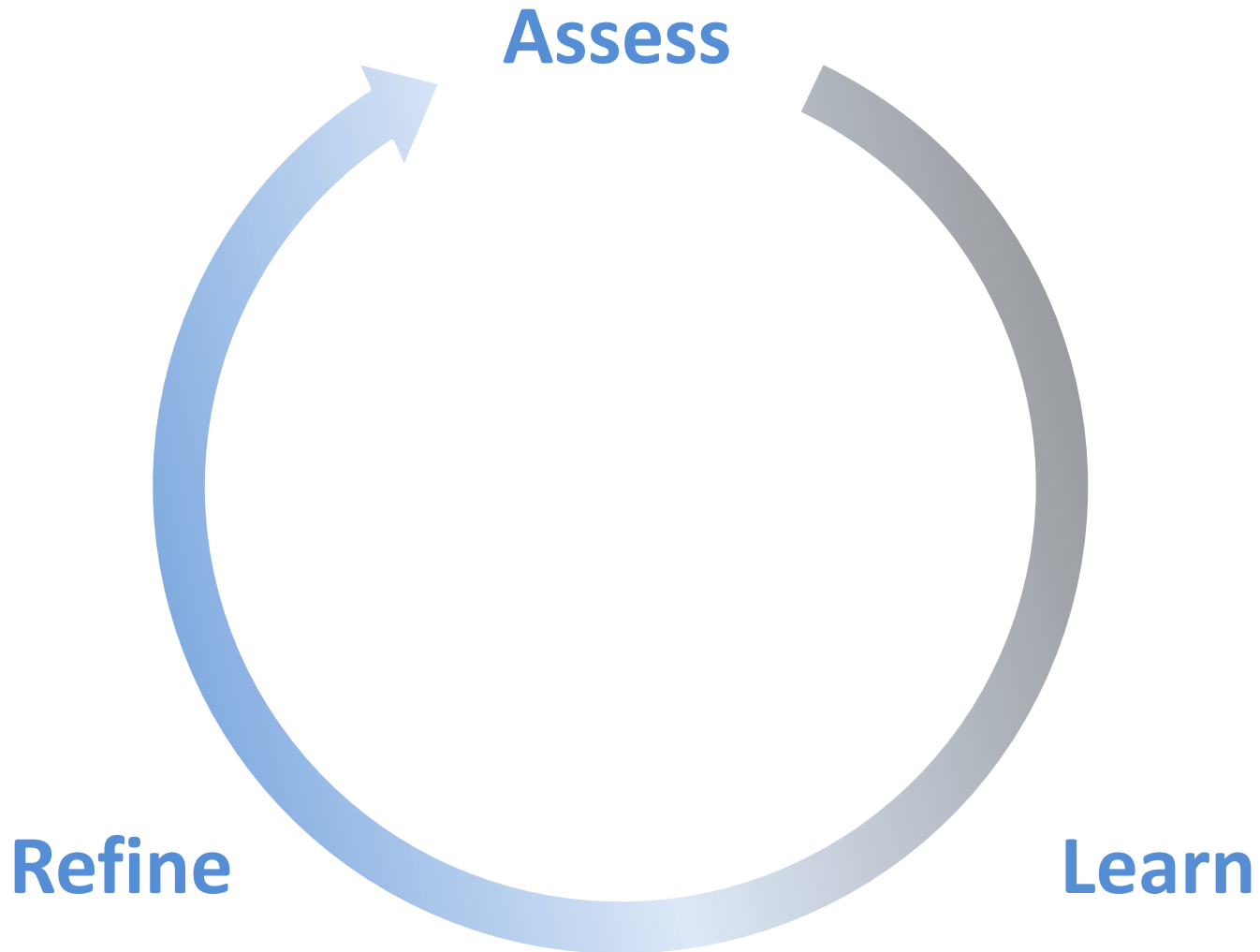
Value Proposition Statement

- A brief, evidence-based statement about the value of your services
- Why would your customer/client use, and investor/funder fund, your services?
- Why would they use or fund your services as opposed to another's?

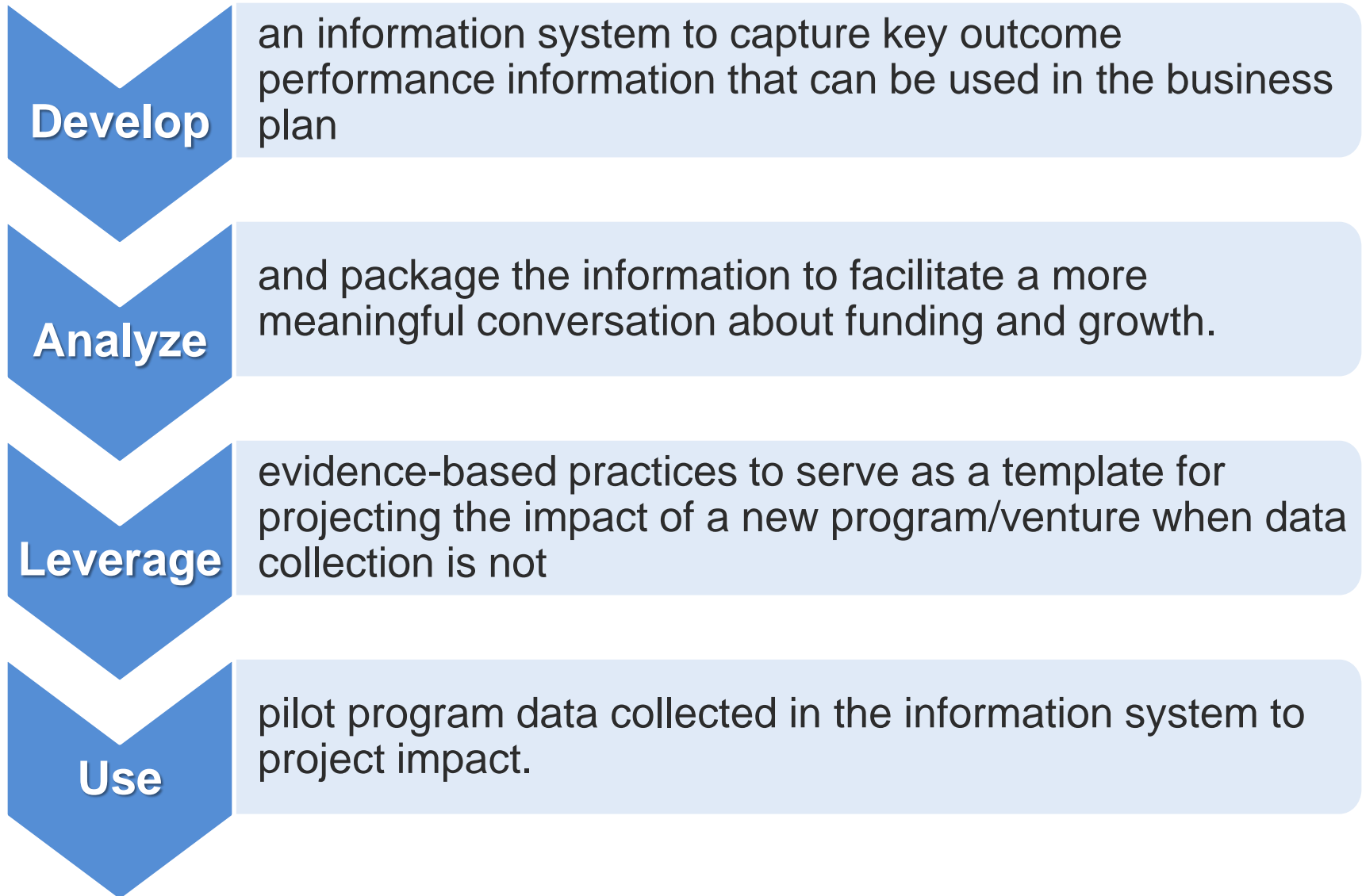
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The Backbone of a Market Analysis

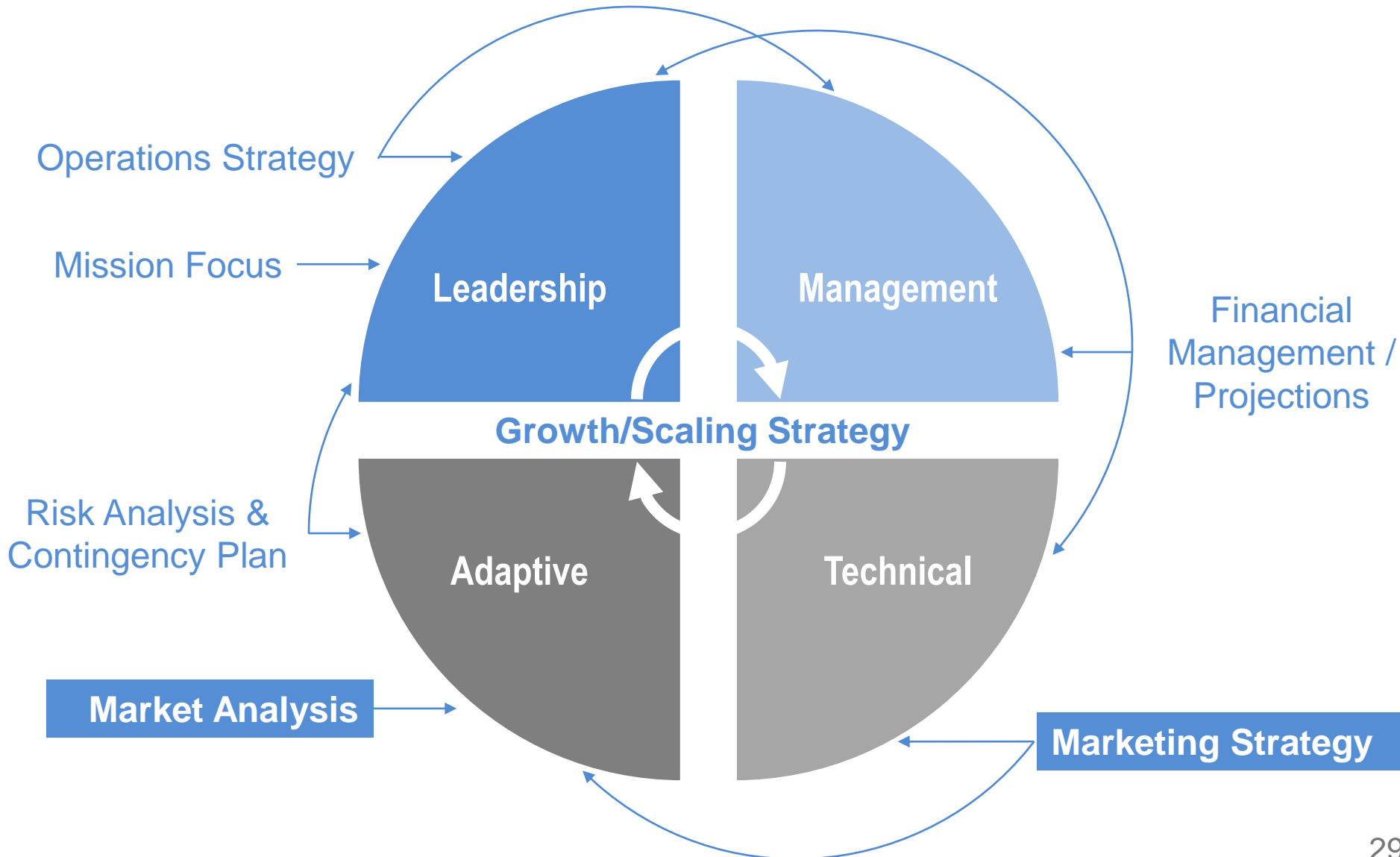
Data-Driven Decision-Making as a Key to Successful Planning



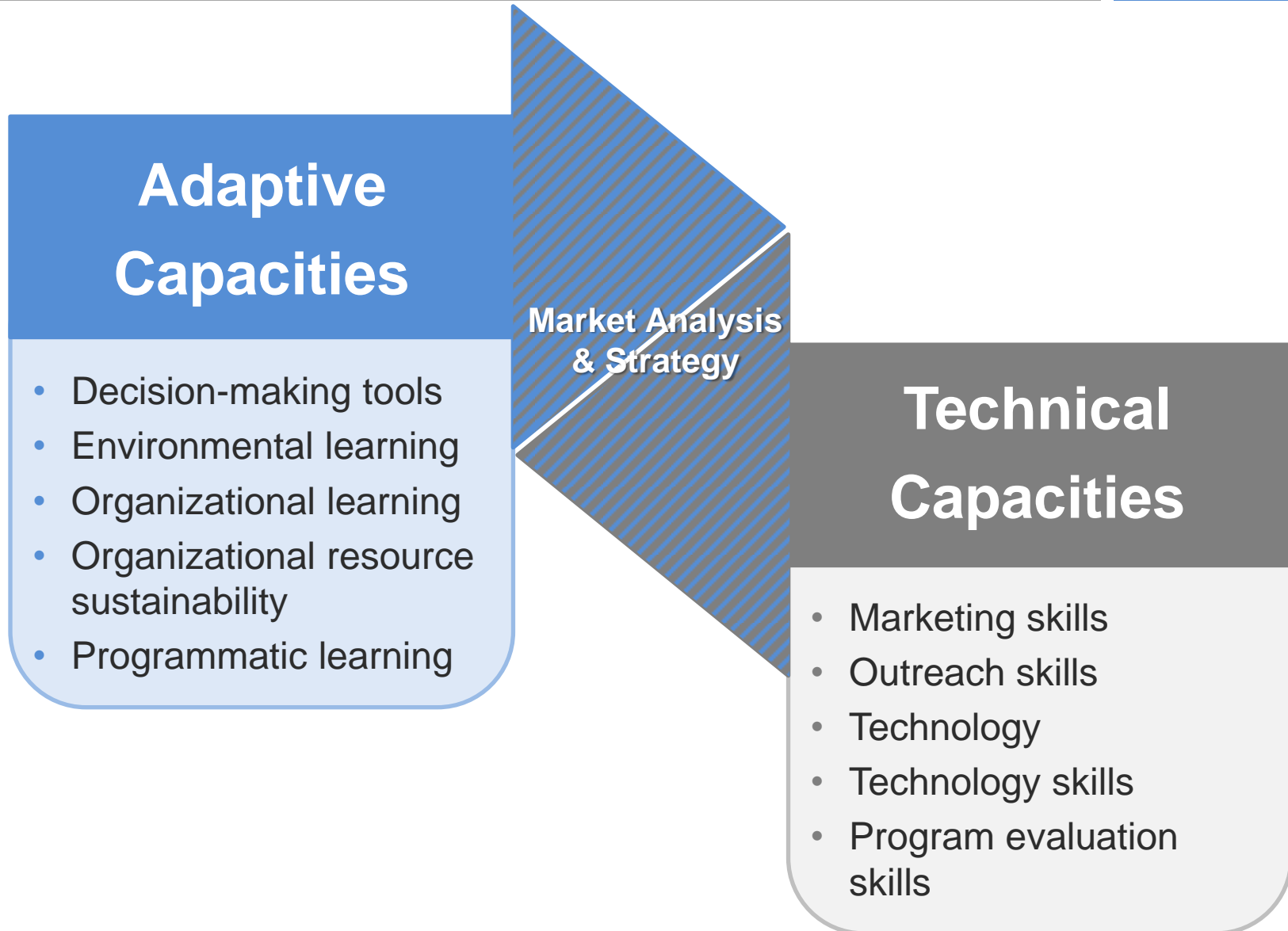
Projecting & Measuring Impact For Funders



Market Analysis & Strategy Span Several Sub-Capacities of Organizational Effectiveness



A Blend of Various Organizational Sub-Capacities





Final Concepts to Keep in Mind

A Summary of Key Concepts

- What do you know, and NOT know, about your target market?
 - Beneficiary/user demand
 - Funder demand
 - Supply

- What tools will you use to collect the necessary data?
- How will you assess the collected data?
- Who will be involved in the process?
- What metrics and indicators will you use for decision-making?



Questions and Answers



Thank You

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