

# Tracking organizational performance

[Business](#), [Marketing](#)



Tracking Organizational Performance Control: monitor the organizations environment, competitors, publics, strengths, weaknesses and performance (strategic planning). Day-to-Day performance for the purpose of fine-tuning current efforts (feedback) Evaluation: Final outcome — did it work, did it achieve behavioural influence goals? Major drivers of success? What didn't work? Monitoring (measurement): Keeps marketers on schedule, to know if all segments are being reached, what is working/not working, is desired impact happening, who are we missing? Has competition/social environment changed? Are partners responding well? What about stakeholders? NFP typically communicate their message to stakeholders? (TV, radiom print, web, WOM, direct mail, brochures, events, email, annual reports, posters, POS, catalogues, placement, packaging, PSA's, blogs, endorsements, spokespeople...) Communication Process Strategic Implications \* Less steps = clearer message, more steps = distortion \* Never assume what they receive is what you THINK you sent \* Understand what is received is crucial \* Find out how/where message was distorted 6 steps to effective messages: 1. Set communication objective 2. Generate possible messages 3. Overcome selective attention 4. Overcome perceptual distortion 5. Choose medium 6. Message evaluate/select Rational messages — aim to pass info, show functional benefits Emotional messages — stir up emotion, negative/positive, motivate desired behaviour Moral messages — directed at sense of right/wrong Barriers to Communications include: Stereotypes — superstition — stubbornness — indifference — distortion — timing — censorship — limitation of knowledge (receiver) — limitation of vocab — fear of new — complexity — difficult demo — opposition — lack awareness — lack

repetition — inattention — condensed message — nature of medium — attitude of receiver

Selective Attention — notice only what interests them, ignore/avoid other information. Style, tone, working, ordering of message can address selection — fear and emotion can catch attention but also alienate

Perceptual Distortion — Do you hear what I think I'm saying? Past experiences, prejudices, associations, needs, wants, fears all distort a message

People will remember things that relate to what they already know

Volunteers Volunteerism — participate in activities that they perceive to promote common good, without financial gain. NFP's rely heavily on volunteers — benefit of helping must outweigh the cost.

5. 7% increase in total volunteers — 11. 8 million in 2004 to 12. 5 million in 2007

46% of Canadians volunteer — up from 31% in 2000.

2. 1 billion hours were volunteered in 2007, up 4. 2% from 2004.

25% of volunteers contribute 78% total hours — 10% of volunteers contributed 52% of total hours.

Majority of hours contributed by small minority

10% contribute 52% of hours — they put in over 400 hours or more per year

Together 25% of volunteers contribute 77% of total hours

Managing Volunteers \* Difficult and can conflict with paid staff \* Some work hard, some barely at all \* Respond well when skills are matched to tasks, with clear goals and praised for achieving goals

Volunteer Structures Provide oversight, decision making, expertise, fundraising links to community.

Marketing used to recruit board members ensuring experience delivers the material, social, development and ideological incentives they seek.

\* Carver's Governance Board — focus on ends, leaves means to staff \* Administrative board — retains the execution function \* Working board — all volunteer model \* Transition through these stages can be difficult...

Recruiting is a marketing task, involves — selecting target market segments, determining the organizations positioning, implementing though marketing mix Advertising Ontario Gov't increase utilization of organ/tissue donation — launch campaign to target residents, using moral message. Consider: Target audience, barriers to communication, overcoming selective attention, perceptual distortion. Stages of Change and Advertising Pre-Contemplation — inform Contemplation — educate Preparation and Action — persuade Maintenance — remind BCOS — Benefits Cost Others Self Efficacy  $B > C$ , value proposition Others — family, peers, media Self-efficacy — belief in ability to succeed 7 Advertising/Communications Tools 1. Paid Advertising (you pay) 2. Joint Advertising/Sponsorships (partner pays) 3. Direct Mail/Internet promotions (short term incentives) 4. Personal Persuasion (oral presentation) 5. Unpaid (space/time of placement is free — public service) 6. Publicity — Earned 7. Blogging/Social Media (controlled by target) Develop Advertising Plan 1. Set Advertising Objectives — target market, target response, reach and frequency 2. Determine Budget — affordable, percentage of sales, competitive parity, objective/task 3. Decide on Message — options, evaluation/selection, execute 4. Select media — major media categories, specific media vehicles, media timing 5. Evaluate Advertising — copy testing, media testing, advertising expenditure — level testing When selecting media for NFP — Several options, each have advantages and disadvantages — effective marketing mix utilizes variety of ad options including new media (social) Public Relations Reputation — what you do and say and what others say about you. Control reputation, aim of earning understanding and support, while influencing opinion/behaviour. Well

established in NFP — maintain and enhance reputation — focus on relationship management, esp with media — manage reputation

Earned Media — publicity, any form of communication not paid for/under control of non-profit marketing organization

Advertising — paid, control.

Earned/Publicity — non paid, no control. Media relations — meet needs of media you wish to work with. Public Relations Process — dictated by the situation

Proactive vs Reactive - carefully set out plan, implemented with precision vs undertaken because unforeseen circumstance

Proactive Process (press release, press conference, publications, posters/displays, websites, blogs, social media)

1. Identify relevant publics
2. Measure/understand the images/attitudes they hold
3. Establish image/attitude goals for key publics
4. Develop cost-effective PR strategies
5. Prep for PR crisis
6. Develop strategic approaches to challenges
7. Choose PR tools (print, web, radio, etc) — new media opportunities
8. Implement/evaluate

Reactive Process

1. "For Immediate Release" — press release, reacting to a problem

Press Release — promote events, promote mission based activities, and generate "earned media" through various media outlets.

Key Components — contact, headline, body paragraph who/what/when/where/why — benefits of product/service

Owned media — brand controlled, cost efficient, longevity, versatile, niche audiences (no guarantees, company community not trusted, takes time to scale)

Paid media — brand pays to leverage, in demand, immediate, large scale, control (clutter, declining response rates, poor credibility)

Earned media — credible, key role in sales, transparent and lives on (no control, can be negative, scale, hard to measure)

Crisis Management Prevent or lessen damage to organization and stakeholders.

1. Pre-crisis: reduce known risks

that could lead to crisis, have plan ready and test it 2. Crisis response: what management does once the crisis hits, be quick within first hour response, accurate and fact check, public safety number 1, use all communications channels, express sympathy, provide counselling \* Attack the accuser: confront person/group claiming something wrong with organization \* Denial: assert there is no crisis \* Scapegoat: blames some person/group outside the organization \* Justification: minimize perceived damage \* Reminder: tells stakeholders about past good work \* Ingratiation: praises stakeholders for their actions \* Compensation: offers money/gifts to victims \* Apology: organization takes full responsibility, asks stakeholders to forgive \* Excuse: denying intent to do harm, inability to control crisis triggered events \* Provocation — response to someone else's actions \* Defeasibility — lack of info about events leading to crisis \* Accidental — lack of control over events \* Good intentions — meant to do well 3. Post crisis: Return to business as usual, difficult but necessary. Focus to manage and repair reputation — deliver info to stakeholders as soon as it's known, keep them updated on progression of recovery and corrective measures, analyze crisis management Advocacy — arguing in favour of, or supporting something. Easy to get caught up in supporting noble cause and switch to unethical "Selling" — MAJOR PR mistake. Always be audience centered — let them know this certain position is in THEIR benefit. In NFP: public education, framing issues, creating events, producing influential books, lobbying, grassroots to support lobbying, setting agenda through media advocacy Human Resources in NPO's HR Different in Charity/NFP's \* Committed to the cause (85% attracted/committed to organization cause) \* High organizational satisfaction

(98% of NFP report high satisfaction) \* Led/directed by volunteer board \*

Reliance on volunteers Compensation in NFP's 350k+ - Sick Kids, St. Michael's, York University, Princess Margaret, Montreal generation hospital 300k+ - Mount Sinai, Plan International, Heart and Stroke Ontario, YMCA GTA 250k+ - Toronto General, Western Hospital, BC Childrens Hospital, VGH and UBC Foundation 200k+ - Canadian Cancer society, Heart and stroke of Canada, WWF Canada, Salvation Army HQ, Hockey Hall of Fame/Museum, Canada Red Cross

How is compensation determined? CRA says " fair and reasonable" , based on market value

Setting exec salaries

1. Board must understand current compensation of Chief Exec, compensation is more than salary
2. Chief Exec compensation plan to support mission/goals of organization
3. Up to date job description/title for position
4. Organization compensation philosophy
5. Comparable organizations/what they are paying — salary surveys
6. Compensation not higher than market value
7. Cannot provide undue private benefit
8. Establish compensation level/plan
9. Identify basic contractual points, lawyer draft contract
10. Formal review of chief exec every year or 2

Charity Vs. NPO Differences

Garnering Donations: Big Gifts

The right volunteer asks the right donor for the right amount at the right time to support the right project with the right approach

Face to Face — how to get BIGGER donations from generous people

- 4 C's of Branding: Clarity — clear what you are trying to convey
- Congruency — everything reinforces expectations the brand creates, friendly brand = friendly when answering phone
- Consistency — build brand identity, everyone in the organization commitment to using the brand
- Coverage — leverage partnerships, gain media attention

Compensation in NFP Gender Gap —

Benefits — Bonus Plans — wages increasing slowly — pay for top talent CRM — Cause Related Marketing Co-operative efforts of for profit and NFP for mutual benefit — any type of marketing effort do social/charitable causes, communicate shared values of both organizations (American express penny donation to Statue Foundation every time card was used by consumer) CRM increases sales, gives back to community, builds brand loyalty, boosts employee morale, improves company reputation

7 Golden Rules of CRM

1. True to mission/values
2. Focused, marketing oriented, proactive
3. Choose carefully who to align
4. Combine assets/strengths, mutually beneficial program
5. Build relationship: respect, trust and open communication
6. Structure, framework and legal requirements must be in place
7. Disciplined in planning, action, execution and evaluating

7 Deadline Sins of CRM

1. One sided, self-serving
2. Insincere advertising, gives perception of non-profit endorsement to insincere ads
3. Not managing both sides expectations
4. Not protecting integrity of brand mission/values
5. Not recognizing NFP's have valuable assets to contribute and receive compensation that reflects that value
6. Not doing risk assessment
7. Not working with corporation that walks the talk

Marketing Management - influence behaviour of target audience by creating/maintaining beneficial exchanges satisfying objectives

Product orientation (build better) — sales orientation (persuade more) — target audience (centred orientation BEST for NFP determine needs, perceptions, wants of target)

Centred orientation — focus on behaviour as bottom line, customer centred, strong research, segment market effectively, define competition broadly, use all elements of marketing mix and communication

Strategic Planning: 1. Analysis — organization, environment



2. Strategy — set objectives, segment, target, position, marketing mix 3. Implement - design, tactics, benchmark performance, implement, assess

Types of competition — desire (immediate target want to satisfy), generic (other ways to satisfy), service, (other service to satisfy desire), enterprise (offering same service form) Macroenvironmental = PEST Core Marketing Strategy = specific target markets, defined competitive position, marketing mix (visionary, differentiate, sustainable, easily communicated, motivating, flexible) Decision Making 1. Pre contemplation — create awareness 2. Contemplation — gather info, prove cost benefit ( $B > C$ , BCOS) 3. Prep and Action — “ask” 4. Maintenance — thanks, loyalty programs Segmentation — dividing market into smaller markets based on common needs/lifestyle Demographic Segmentation — Objective Behaviour Specific (occasion, usage rate, loyalty status) — Complex General Objective (social class, Family life cycle, status change, lifestyle, geocustering), psychological measure (personality, values, benefit segmentation, sacrifice segmentation, knowledge and attitudes) Target Marketing — most potential Undifferentiated (mass) Differentiated (several) Concentrated (one) Mass Customization (individual) Positioning — understand current, understand competition position, why/how to differentiate, make position known Alternatives — build upon what you have, search for niche, reposition the competition as inferior Brand — collection of perceptions in the mind of consumers, be remembered! different views = different loyalty levels Built through total experience NFP Brand Reflect social contribution Comprise promise to target/stakeholders Reflect organizations missions/goals Develop TOMA (TOP OF MIND AWARENESS) Build a brand (name, logo, slogan, look,

brand promise, spokesperson, symbols, live the brand) 1. What you want brand to do and key audience 2. Research on your brand and competitors brand perceptions (qualitative analysis) 3. Research to find where you/targets stand in minds of consumers (quantitative) 4. Where you want and should be 5. Future direction 6. Pre-test brand strategy 7. Monitor impact Value Proposition — most important element of marketing mix the OFFER. Offer attractive value proposition — benefits and minimal costs in exchange for desired behaviour Exchanges with organization itself — donors, foundations, corporations, volunteers Exchanges south by client/target audience with focus on organizations mission (cancer patient respond to awareness campaign) Challenges for NFP 1. Extravagant expectations 2. Influence non-existent demand 3. Influence negative demand 4. Target non-literate audiences 5. Address sensitive issues 6. Behaviours to be influenced have invisible benefits, not tangible 7. Behaviour benefits 3rd party 8. Require self-reward 9. Intangible difficult to portray 10. Can take time 11. Public scrutiny 12. Influence on social behaviour hard to detect Product Marketing — anything that can be offered in tangible form to market to offer value Core Product — Value Prop Tangible Offer — features, styling, quality, packaging, branding Augmented — additional services/benefits Services Marketing — value prop offering to target that is intangible, does not result in ownership Intangible — Inseparable — variable — perishable — target audience involvement Behaviour Marketing — induce behaviours/change in target (Value prop = intellectual prop) Pointing out water waste, kids dealing with abuse, hero for autism Developing/Launching new Offerings in NFP Environment — aggressive competition, survival requires new offerings

regularly Reasons for failure — 1. lack of admin foresight 2. poor organizational systems for evaluating/implementing ideas 3. poor market size research 4. poor marketing planning (position, segments, budget, overpricing) 5. Distinctiveness of offer not clear 6. Value prop poorly designed 7. High development costs 8. Competitive response intense 9. Inadequate promotion 10. Mission Creep — must be within organizations goals/objectives/mission statement Stages New Product Development: Idea Generation Idea Screening Concept Development/Testing Marketing Strategy Formulation Business Analysis Offer Development Market Testing

INTRODUCTION PLC: Introduction Growth Maturity Decline 5 Adopter Groups Innovators: risk takers Early Adopters: balanced risk takers Early Majority Late Majority (followers) Laggards — conservative, non-risk New Behaviour tasks: knowledge persuasion decision Confirmation New Behaviour change: Pre contemplation contemplation prep/action Maintenance Rate of Adoption: 1. Relative advantage, perception of superiority 2. Compatibility, consistent with values of target 3. Complexity, user friendly 4. Divisibility, used on trial basis 5. Communicability, results are observable/desirable to others Sources of Revenue NFP Donations/Grants (foundations, corporations, gov't and individuals) Earned Revenue (product sales, services) Investment Income (endowments, special purpose funds) 80-20 rule, 80% of revenue coming from 20% of donors (big gifts/big names) Better to attract big donations from few, then small donations from many Characteristics of a Mature Program Diversified donors Continious program Use of specialists Use of extensive database Creativity Solicitation for donation: People prefer being asked direct mail, during a charity event or receiving flyers NOT by telephone,

email or public space \*Health related causes receive most donations, then hospitals \*Social services, educational organizations, religious organizations, Salvation army all around the same for donations \*Least = law/political \*Not all donations are good donations, avoid mission creep, never want to “ owe” a funder Reasons to give: Personal belief, Community contribution, compassion towards needy Perceived Costs — Expected NEGATIVE consequence of proposed behaviour/exchange considered by target audience member. Managing perceived costs is more important than managing perceived benefits. Costs prevent people from behaving as marketer’s desire. Costs = monetary, non-monetary, mixed, physical pain, time and energy (Fear that a disease will be found, failure when trying to quit smoking) Duality of Costs: Benefit for one side = cost to the other Pricing Objectives Surpluse Maximization — price setting to yield largest surplus Cost Recovery — goal to recover “ Reasonable” part of costs Market size Maximization — max usage of those participating in desired behaviour Social Equity — price to allow for social equity Marketing Disincentivization — price to discourage people from certain behaviour Price Strategies Cost-Oriented — based on costs, ex cost plus pricing (markup) Value-Based-based on demand Competition Oriented — based on competition