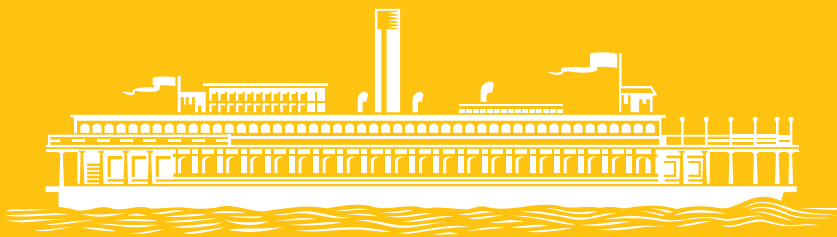


Nonprofits in jeopardy
Can better branding help?
by Hayes Roth
October 2009



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“Financial crisis will kill nonprofits.”

So read a headline during the memorable fall of 2008—just one more piece of bad news underscoring the domino effect of a global market meltdown. Paul Light, professor of public service at New York University, predicted in this same article that “at least 100,000 nonprofits will be forced to close their doors in the next two years.”¹

The shock waves in the nonprofit world are now in abundant evidence as charitable giving becomes an easy target for cost-saving measures. And the bad news continues: In August 2009, another *Crain's* headline declared: “Drops in corporate giving exceed forecasts.”² The sad irony, of course, is that bad economic climates create the most urgent need for the very services many nonprofits provide.

Yet, as in the for-profit world, tough economic periods also present unique opportunities. Painful as downsizing and layoffs can be, market downturns inevitably clean out bloat in organizations, enabling them to become leaner and more effective. The challenge and reward for nonprofits should be no different.

Rethinking the nonprofit brand

With less money forthcoming from corporate, government, and individual donors, the basic rules of good branding weigh more heavily than ever. A nonprofit with a clearly differentiated brand promise (UNCF's *A mind is a terrible thing to waste*), a track record for executing it (measurable results in lives saved and people educated), and a culture with a well-defined sense of purpose is better placed to survive economic turmoil than one that has given little thought to its branding.

If Professor Light is even partly correct, the nonprofit landscape will change in the months and years ahead and many organizations will emerge with new partners, new names, and even new missions. But let's not forget that in the last hundred years strong consumer brands have survived numerous financial crises, including the Great Depression: Coca-Cola, Disney, IBM, GE, Ivory, Colgate-Palmolive, Nabisco, John Deere, AT&T... and the list goes on. Plenty of nonprofit organizations have also stood the test of time: the Red Cross, the Council on Foreign Relations, the United Way, the American Heart Association, and the American Cancer Society, to name but a few. It is here where brand can play a crucial role.

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1. *Crain's New York Business* (19 November 2008).

2. *Crain's New York Business* (28 August 2009).



UNCF has one of the most recognized brand promises in advertising history.

Yet the “b” word is too often misunderstood and even feared by those who lead and support nonprofit organizations. Some see branding as a sellout to commercialism, cheapening the sincere effort of tireless volunteers. Others imagine it to be nothing more than a quest for the perfect logo—the sweet, engaging-but-iconic trademark that reflects yet another hopeful child or healthy body part.

But real branding—strategically and professionally conceived and executed—can make a dramatic difference to organizations that approach the challenge with foresight and a willingness to learn and adapt. For such nonprofits, their brand is their banner—the symbol of all that is good and effective in their organizations and a promise to be kept. Far from being a sellout, it’s a recognition that the best way to help others is from a platform of strength.

What are the major barriers to successful branding for nonprofits?

Resources. Budgets as well as staff are nearly always stretched to the limit already in nonprofit organizations.

Responsibility. Successful branding requires ownership—a leader who can identify a need and then be prepared to effect change. Despite the importance of engaging volunteers and frontline staff in the process, the usual nonprofit model of rule by committee can be a liability here.

Resistance. Nonprofits face even more resistance to change than other entities. When people devote heart, time, and cash to an organization, they come to see it as their own (a good thing) and a sacred

trust to be preserved (a mostly good thing) that should never be tampered with (a potentially not-so-good thing).

Leveraging inherent brand strength

What follows is a pragmatic primer on how to prepare, engage, and execute an effective branding program in the nonprofit world, in good times or bad. The basic rules of branding still apply, but there are certain adjustments that can make the experience both more productive and less contentious for all involved.

Define objectives clearly. Knowing where you want to go is the first step in getting there. What does your nonprofit organization hope to achieve through branding? The nebulous “more recognition” is a frequently cited goal but good brand design doesn’t assure more awareness, and heavy marketing spending can elevate awareness for even a mediocre brand. Think clearly about the metrics for a successful branding program. How would your organization define a “win” a year or two from now? More donations? Larger membership? Improved access to government grants?

Great branding begins with a simple idea that is highly relevant to a specific audience. This means being rigorous in defining priority targets. Who are your organization’s biggest and most consistent supporters now, and why? What excites and motivates their charity or service? What are your supporters’ other areas of interest? Thoughtful surveys through a newsletter or website, for example, will usually elicit a good response. After all, this core audience already likes you!



Even in the for-profit world, branding by committee is a recipe for failure.

Tougher to find are potential supporters who could be converted. What audience must be solicited over the next five to ten years to ensure an ongoing support base? Even small organizations can employ some simple research techniques (focus groups, online surveys, questionnaires included with solicitations) to reveal both perception barriers and opportunities to engage these people.

And don't forget ancillary targets, including government entities and your volunteers and service recipients. These are powerful voices on behalf of your brand, and they should be marketed to with equal vigor.

Focus on the brand idea. Once priority targets have been established and clearly tiered, it's time to work on messaging. Nonprofits often find themselves struggling to be all things to all potential donors, but the best brands are based on a crisp, well-defined promise. This is where outside help is invaluable to bypass crippling internal politics.

A good branding agency can bring wide experience to bear on directional issues within an organization. Very often the "insurmountable" problem turns out to be virtually identical to one resolved by another group in related circumstances. Applying proven techniques implemented successfully elsewhere can almost always help organizations navigate to a clearer, less partisan path.

These brand discovery techniques are designed to capture disparate thinking from unaligned groups and distill it into an ownable, distinct brand purpose that becomes the foundation of future programs, messaging, and even the organization's identity. Handled properly, the techniques build toward general agreement based on a rational process.

A word of caution, however. "General agreement" does not mean universal consensus. Most nonprofit organizations strive mightily to be collegial and inclusive in their decision making. CEOs can be reluctant to offend or disenfranchise any constituents through tough decisions. While this is understandable in groups where people genuinely strive to do good for mankind, even in the for-profit world, branding by committee is a recipe for failure. The process should be inclusive, but not democratic. Your CEO will be called on to determine final positioning and make brand architecture, naming, and identity decisions. CEOs of nonprofits must be aware of what is at stake and what will be required before undertaking a branding initiative.

Execute with intent. Whatever the right solution turns out to be, it must be implemented with the full commitment of the organization, starting from the top down. Too often nonprofits go through the taxing process of defining a brand idea, executing a new brand identity, and even launching with some fanfare, only to sit back and hope the rest will take care of itself. But the real work begins postlaunch. All branding requires active evangelism, especially in organizations with limited budgets.

This means not only creating brand guidelines but also implementing and enforcing them. It means communicating the brand idea internally through engagement processes that help employees, volunteers, donors, and partners align behind a common, clearly articulated purpose. It requires high-level leadership and a committed, enthusiastic team to carry the brand story throughout the organization.



CureSearch is a successful name because it aligns with the organization's mission to cure childhood and adolescent cancer by helping to fund research.

Finding a branding partner

Experienced brand consultants not only bring knowledge and process to the challenge, they can often serve as the official bearer of unwelcome news to well-meaning but entrenched constituents, deflecting blows from the reluctant minority and carrying the flag for the new brand champions. Good branding professionals are change agents; they help organizations large and small transform themselves in a structured, meaningful way while avoiding common mistakes and overly cautious decisions.

But successful brand change does not come cheap. When nonprofits approach a branding firm for help, the discussion typically begins with some variation on the “we have no money” theme, followed by a laundry list of branding challenges they nevertheless face.

When there is literally no money for branding and marketing help, most serious branding firms will—and should—walk away. A nonprofit that has no “skin in the game” is far less likely to take a rebranding effort seriously and tends to have less respect for the agency's time when it's offered for free. The agency, in turn, will be inclined to minimize its involvement, doing the work only after other projects are completed, using the most junior staff, and generally worrying that every minute spent working pro bono is a minute lost.

But when an organization invests even enough money to cover the core costs of the branding partner, it makes for a very different dynamic. The agency is motivated and devotes a strong team to the case. The nonprofit client feels engaged and knows it can expect a high level of service at a cost-efficient rate. Timetables are more likely to be met and the results can be dramatic and exciting. It's a win-win situation.

Forging an effective branding program

Such happy outcomes are not achieved without significant thought, planning, skill, and perseverance, and the commitment of all involved to true, brand-led transformation. As in most undertakings, there are paths that generally lead to success and others that foster missed opportunities and disappointment.

Formulas for success

- Identify a small, representative leadership committee within your organization to oversee the project. These individuals must be prepared to make the necessary decisions and to champion the process and results.
- Agree to some form of compensation, even if relatively nominal, so the nonprofit has a vested interest in the project and the branding firm feels valued.
- Be open to innovative ideas. If the fees are small, the opportunity to showcase great thinking and creative work should be big!
- Expect that more junior people in the agency will be assigned to your nonprofit's project—it is an excellent way to train and inspire them while keeping costs down—but be sure there is senior oversight.
- Let the branding agency address board members directly. Branding professionals are usually adept at articulating and selling complex initiatives to senior executives, social leaders, and major donors. Getting buy-in up front saves headaches and dissension later.
- Although limited budgets are a given, be aware that branding will require an investment of time and money to effect significant transformation.





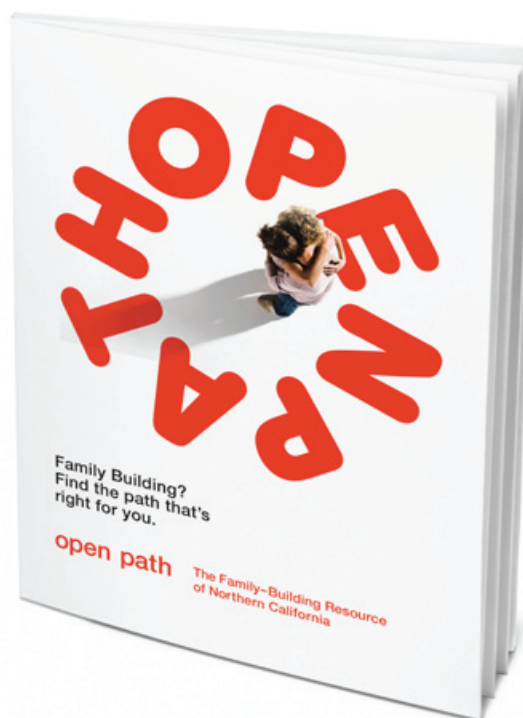
The name Open Path evokes its mission: to provide one place where people can access many resources to meet diverse needs.

Factors for failure

- A weak chain of command. Lack of clear leadership within your organizational structure will result in indecision and wasted time.
- Well-meaning but inexperienced influencers who seek to impose personal taste on strategically driven branding and design decisions.
- Excessive compromise to keep all constituents happy. This inevitably leads to an undifferentiated brand idea and trite design, and sometimes, abandonment of a project.
- Lack of follow-through. Strong, consistent branding requires committed maintenance and support.

Perhaps the most critical ingredient of all is courage—having the confidence to listen to different points of view and then make and stick with tough, far-reaching decisions. Successful branding is ultimately about effecting significant change, and change inevitably invites criticism. Great design, like art, is easy to disparage but hard to create.

If, however, your homework has been done, your partners are experienced and talented, and your internal team is committed, you are ready to be your own best brand champion. Nonprofits who use this time of global misfortune to focus on good branding will emerge stronger, more effective, and better positioned to serve the greater good. That's a metric anyone would be proud to claim. ■



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