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# **Developing a Marketing Plan for the Environmental Fund for Michigan**

by

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A research paper submitted in fulfillment of the requirements for 15 credits, GRADUATE INDEPENDENT RESEARCH PROJECT Winter Term 1997, Professor Michael Johnson and Professor Michaela Zint, Faculty Supervisors.

Faculty Comments

Martha + Todd have done an excellent job of laying the foundation for the future development of a full marketing plan for EFM.

They make excellent use of secondary data sources to identify the key problems + opportunities facing the organization.



Signature of Faculty Advisor

Prof. of marketing

Title

## **Introduction**

This report profiles and summarizes a Marketing 750 Independent Study performed by first year Michigan Business School students Martha Masterman (joint degree candidate with Southeast Asian Studies) and Todd Ongaro (joint degree candidate with Natural Resources and Environment - CEMP). The study took place from January through April of 1997, and focused on developing a marketing plan for the Environmental Fund for Michigan, a nonprofit charitable federation based in East Lansing. This report contains the following sections:

- Background
- Goals
- Objectives
- Methods
- Findings
- Conclusions

## **Background**

The Environmental Fund for Michigan (henceforth referred to as EFM) was founded in 1990 by Tom Woiwode, Executive Director of The Nature Conservancy's Michigan Chapter. EFM's mission is to raise money for its member agencies, which consist of twenty of Michigan's most prominent nonprofit environmental organizations. The primary means by which EFM currently pursues this objective is through the administration of workplace giving campaigns. To this extent, EFM is what is known as a charitable federation and, more specifically, an alternative fund.

Nonprofit organizations, like their for-profit counterparts, face difficult marketing challenges. However, unlike most businesses in the private sector, many nonprofit organizations lack the "marketing mindset" that is a critical component of any successful organization's general operating strategy. Recognizing the importance of having an explicit marketing strategy, in the autumn of 1996 EFM was considering contracting a management consulting firm to assist in the development of a marketing plan. At the behest of Tom Woiwode, Jill Lewis, EFM's Executive Director, contacted the University of Michigan's Corporate Environmental Management Program (CEMP), which is the graduate joint degree program offered between the School of Natural Resources and Environment and the Business School, to discuss the possibility of having students develop the marketing plan for academic credit. Our study resulted from that discussion, and was performed with oversight from faculty advisors Michael Johnson, Professor of Marketing at the Business School, and Michaela Zint, Professor of Environmental Education and Communications at the School of Natural Resources and Environment.

## **Goals**

We established the following goals for our study:

- To have a hands-on marketing experience in a nonprofit context
- To apply the framework, concepts, and tools we learned in M501, the marketing class in the Michigan Business School's core curriculum, to a real world situation
- To present our "findings-to-date" at EFM's Strategic Planning Retreat in Harbor Springs, Michigan on February 15, 1997

- To provide EFM with marketing focus, including a framework and working documents for developing a marketing strategy
- To generate the basis for a comprehensive marketing plan, with a (current) focus on workplace giving and gaining access

### **Objectives**

To help us accomplish these goals we established the following objectives:

- Perform a Situation Analysis
- Perform a Segmenting, Targeting, Positioning (STP) Analysis

Situation and STP Analyses are the first and second of four phases in the M501 marketing framework. The third and fourth phases, respectively, are the Marketing Mix/4 P's (Product, Price, Place, and Promotion) phase and the Implement, Monitor, Control, and Adapt (IMCA) phase. The M501 framework provides a concise, yet comprehensive foundation on which an organization can define its approach to marketing, develop a marketing plan, and carry out a marketing strategy.

The Situation Analysis is divided into two sub-components; the External Analysis and the Internal Analysis. We limited the scope of our project to Situation and STP Analyses in order for the project to fit into the seven-week semester schedule of the Business School. Given our limited time frame, we performed a comprehensive Situation Analysis and a cursory STP Analysis.

### **Methods**

Our methods for gathering data and information consisted of performing both primary and secondary research. Primary research included conducting interviews with key individuals working in EFM's operating environment, such as EFM's executive director, several of the directors of EFM's member agencies, several campaign coordinators, individuals working for other environmental funds, and individuals working for related or supporting organizations. Primary research also included reviewing literature, promotional material, and other documentation from other charitable federations and alternative funds.

Secondary research included reviewing newsletters, journals, and reports published by organizations involved with philanthropic giving; reviewing focus group videos on workplace giving; and performing database and Internet searches.

Our methods for analyzing and summarizing data and information included several marketing frameworks. Chief among these was the aforementioned M501 marketing framework. We also used various textbooks and workbooks, including *Marketing Planning for Nonprofit Organizations* and *Strategic Planning for Nonprofit Organizations*, two workbooks published by the Wilder Foundation; *Strategic Marketing for Nonprofit Organizations* by Alan Andreason and Philip Kotler; and *Successful Marketing Strategies for Nonprofit Organizations* by Barry McLeish.

### **Findings; Situation Analysis**

The Situation Analysis is the starting point for undertaking the development of a marketing plan. It provides background and context on which to build an understanding

of an organization's environment, and of that organization's capability to operate successfully in its environment. The Situation Analysis can be divided up in a number of possible ways. As stated above, the M501 framework divides it into two sub-analyses; *the External Analysis* and the *Internal Analysis*.

### **External Analysis**

The External Analysis examines the *external* environment in which an organization exists and operates. The External Analysis is further divided into three sub-areas; *Customers*, *Competitors*, and *PEST*, the latter referring to Political, Economic/Environmental, Social, and Technological trends affecting an organization's external environment.

### **Publics**

In adapting the M501 framework to a nonprofit context, we substituted the term *Publics* for that of *Customers*. While most nonprofit organizations have *constituents* and *members*, they tend not to have customers in the traditional sense of the word. Rather, they serve, and rely on, a number of different *publics*. Each different public with which a nonprofit organization interacts influences that organization's ability to carry out its mission. To optimize these interactions in a way that they will have maximum impact on the nonprofit organization's performance, nonprofits should treat each of their publics with a strong customer-satisfaction approach. In the case of EFM, we identified four



primary publics with whom it interacts; the general public, employee donors, key decision makers, and member agencies.

### General Public

The General Public is the biggest of EFM's publics. As is the case with most environmental nonprofit organizations, the higher the level of public awareness about an organization, the better. It is no different for EFM. As an organization trying to reach as many of the employee-citizens of Michigan as possible, awareness among the public at large is critical to the EFM's success. However, as is also the case for many burgeoning environmental organizations, our study revealed that public awareness of EFM is scant at best. According to Jill Lewis and other individuals involved in Michigan's environmental movement, the citizens of Michigan generally are not aware of EFM and its mission. This fact only increases the operational challenges faced by EFM, and illustrates the importance of having an effective marketing strategy.

In addition to being largely unaware of EFM, our research found a general public with skeptical and divergent perceptions of charities, workplace giving, and philanthropy in general. We reviewed videos of focus groups conducted by the National Alliance for Choice in Giving (NACG) which depicted a number of sentiments and points of view toward charities and the practice of workplace giving. One theme that was evident, and that is echoed by many in the alternative fund movement, is that people prefer for "choice in giving," which is to say, the ability to designate the beneficiary (charity) of one's donation. Many workplace giving campaigns are not comprised of a representative mix

of the charities that serve a community. Rather, they often are served primarily by a local United Way and a few select affiliates, to the exclusion of other local charities. This exclusion has been at the heart of an evolving public controversy about the past, present, and future of workplace giving, a controversy that continues today.

### Employee Donors

Employee donors, EFM's second largest public, is a broad subset of the general public. This is perhaps EFM's most critical public, as employee donors and their giving levels in large part determine EFM's success. The focus group videos also featured employee donors among the participants, and so the videos again provided some valuable insight. While focus group participants indicated that they appreciate choice in giving, they also indicated that too much choice can be overwhelming. A number of federal government employees spoke of being confused and put off by the literally hundreds of charities that are listed in some CFC books. (CFC stands for Combined Federal Campaign, which is the long-standing and apparently lucrative workplace giving campaign conducted in all federal government agencies and offices. They have traditionally been controlled by the United Way). Focus group participants also indicated that, when possible, they prefer to see the impacts of their donations on local issues.

Among the themes conveyed by employee donors was that they generally have a favorable attitude toward charities. They have made contributing to charitable causes an important part of their of self-actualization, and thus they have high perceptions of, and expectations for, their preferred charities. To this extent, many individuals spoke of screening charities for their administrative costs, as this measure seems to play in

important role in shaping peoples' opinions about the overall performance (or "return on contribution") of different charities.

Like the general public, employee donors also prefer choice in giving, as well as seeing the local impacts of their donations. However, like most people, they also resent being pressured to give, which has been known to occur in some workplace giving campaigns. Employee donors often give to the same charity(s) year after year. They cite employee morale as a factor influencing individuals' propensity to give, as well as prevailing economic conditions. Some employee donors indicated that they derive satisfaction from tangible forms of giving, such as volunteering personal time or skills, and that they appreciate being informed about the impacts their dollars are having, such as receiving a newsletter.

### **Key Decision Makers**

We divided EFM's third public, Key Decision Makers, into two sub-groups: *Campaign Coordinators* and *Management Decision Makers*. Campaign Coordinators are the employees charged with administering and coordinating workplace giving campaigns. They play a critical role in the successful running of workplace giving campaign, as they are responsible not only for carrying out the administrative duties associated with running a campaign, but also with promoting the campaign to fellow employees. We spoke with five different campaign coordinators and found a variety of opinions about workplace giving campaigns. Essentially, there appears to be no "typical" workplace campaign, as each is characterized by a number of different variables, including the history of the campaign, the culture of the workplace in which the campaign is run, and the

commitment of employees to workplace giving. However, two perceptions seemed prominent among the campaign coordinators we spoke with. The first is the notion that combined campaigns lead to increased administrative costs. This may or may not be the case, depending on a number of variables, but it does indicate the importance of trying to keep campaigns simple. The second common perception is that those campaigns run by the United Way actually belong to the United Way. This is in fact a misperception, as campaigns belong to the company in which they are held, not to any administering federation.

Management Decision Makers are those individuals in an organization with the authority to approve or deny workplace giving campaigns as part of an organization's philanthropic efforts. These are typically upper-level managers who are involved with more strategic-oriented issues. Our research found that, increasingly, these individuals relate charitable giving to their organization's business needs. The Conference Board, a NYC-based think-tank that monitors, studies, and publishes reports on trends in corporate philanthropy, has found that more and more companies are pursuing "strategic alignments" with local charities and other community-service organizations.<sup>1</sup>

Management decision makers play a crucial role in this trend, as they are often charged with identifying the appropriate organization(s) with which to partner, and with developing relationships with those organizations. In this respect they perceive these partnerships and the associated contributions as investments (versus donations) that

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<sup>1</sup> Alperson, Myra; "That Old-Time Community;" *Strategic Opportunities in Corporate Community Activity*; The Conference Board, 1996; Report # 1144-96-CH; p.11.

should provide value-added. Like the general public and employee donors, management decision makers prefer their alliances to be with local groups.

### Member Agencies

EFM's fourth public is its member agencies. This important constituency serves in the dual capacity of being a beneficiary to EFM's fund-raising efforts on the one hand, and a form of operational support and assistance on the other. As the beneficiaries of EFM's fund-raising efforts, the member agencies provide the benefits and the value that EFM markets to workplaces and to employee donors. At the same time, however, as part of their membership responsibility, each member agency serves on EFM's *Board of Directors*, and each *Board Member* is expected to contribute ten hours a month in EFM's behalf. This "expectation" is not insignificant, including attendance at quarterly board meetings, participation on one of EFM's working Committees, and the active pursuit of gaining access to new campaigns (by submitting access "claims"). However, our interviews with several Board Members revealed varying levels of commitment to, and availability for, the expectations associated with being on the Board. Thus it appears that board development and board management issues will continue to pose challenges for EFM and should be factored into marketing considerations.

### Competitors/Allies

In the case of the *Competitors* component of the External Analysis, we added to it the concept of *Allies*. Since many of the organizations with which EFM comes into contact are themselves other federations and charities, they represent partnership opportunities and thus the potential to gain "market share" on the one hand, and

competitive threats and thus the potential to lose market share on the other. Ideally, they serve as "cooperative competitors," acknowledging the different interests and issues they each represent and hopefully spurring each other on to present themselves in the most professional and effective manner possible.

The workplace giving arena in the U.S. is dominated by a few large players at the national level - the United Way and the Council of Federations dominate - and otherwise is highly fragmented at the state, regional, and local levels - there are literally thousands of charities across the country represented by several hundred charitable federations operating at the state, regional, and local levels.

### United Way

This long-standing institution has gained what is essentially a "sole-supplier monopoly" in workplace giving. United Way's virtual lock on the federal government's "Combined Federal Campaign" (CFC) in the 1970's precipitated the emergence of a movement committed to opening CFC's to charities that previously had been excluded due to restrictive eligibility criteria. The movement saw the passage of legislation in 1987 that relaxed the eligibility criteria, and it spawned several organizations committed to equitable and "responsive" philanthropy in all workplaces and in the philanthropic sector at large. Although the United Way still dominates the workplace giving arena, there is consensus among many in the alternative fund movement that this charitable federation behemoth is slowly, if not begrudgingly, acknowledging and accepting the popularity of, and the demand for, alternative funds. In fact, EFM is itself currently

involved in what is nothing short of a ground-breaking partnership with the County of Washtenaw United Way. This is one of only a handful of instances in which a local United Way has opened its campaigns to alternative funds. It is an exception to the rule, but hopefully it represents the beginning of a turnabout in the United Way's established practice of restricting access.

### **Council of Federations (COF)**

The Council of Federations is national-level association of 3 of the country's largest alternative charitable federations - America's Charities, Combined Health Appeal of America, and Earthshare, and two charitable associations - International Service Agencies and Local Choice NACG Members.

### **Combined Health Appeal of Michigan (CHA)**

CHA of Michigan is an alternative federation representing health and human services charities not affiliated with the United Way. CHA's are active members of the alternative fund movement, as they support the many charities whose interests might not otherwise be represented in workplace giving. Moreover, CHA's are potential partners for environmental and other alternative funds seeking to expand their campaign bases.

### **Earthshare**

Earthshare is a charitable federation representing many of this country's environmental organizations at the national level. Earthshare poses an interesting

dilemma for the environmental fund movement because several state environmental funds are affiliates of Earthshare while others are not. A debate has emerged over whether state environmental funds should coalesce under the Earthshare banner, or whether they should form their own, separate association at the national level. At the NACG's annual conference held this past February (1997) the twenty-three existing state environmental funds decided to pursue an association, tentatively termed *The National Coalition of Environmental Federations*, distinct from Earthshare. As the environmental fund movement is still in its formative stages this decision will have significant implications whose effects have yet to be determined.

#### **National Alliance for Choice in Giving (NACG)**

NACG is a Washington, D.C.-based association for alternative funds. Its mission is to provide technical assistance and support to alternative funds, including local, state and regional social action, environmental, women's, Latino and other constituency federations that conduct workplace giving campaigns.<sup>2</sup> Among other operational tools and tactics for alternative funds, NACG developed and continues to promote the concept of "access committees" to help alternative funds gain access to more workplaces. These committees are usually comprised of a few of a fund's board members or volunteers, and by helping a fund hold access training workshops for its members these committees are

<sup>2</sup> Richards, Ann; "Alliance for Choice in Giving Offers Technical Assistance;" Mott Exchange, 1994; Volume 9, Number 3; p. 13.



intended to improve a fund's ability to generate new workplace campaigns. As an active advocate for the alternative fund movement, NACG is an important resource for EFM.

**National Committee for Responsive Philanthropy (NCRP)**

The NCRP is a self-described watchdog of the philanthropic sector. This organization was instrumental, along with the Black United Fund, in forcing the legislation that (finally) loosened CFC eligibility criteria in 1987. The NCRP continues to play an active, if not aggressive role in lobbying for social equity in corporate philanthropic practices. It conducts extensive research on trends in philanthropic giving, and it publishes its findings in a regular newsletter and in numerous reports. It, too, is a strong advocate of, and resource for EFM.

**Environmental Support Center (ESC)**

The Environmental Support Center was created to help found and start up state-level environmental federations like EFM. While it also assists other types of nonprofit environmental groups get off the ground, essentially ESC's mission is to see the establishment of an environmental federation in every state. To this end it provides technical assistance and funding for the inception and start-up stage of an environmental fund's growth. At this point the ESC's value to EFM is limited, as EFM is entering its fifth year of existence and is significantly past the start-up phase.

### **The C.S. Mott Foundation**

This Flint, Mi-based grantmaking foundation has the environment as one its four major areas of interest. The Mott Foundation has made significant grants to EFM over the past several years, as this foundation continues to advocate for and support the alternative fund movement.

### **PEST Analysis**

#### **Political**

In recent years, particularly since the Clinton/Gore administration, politics has influenced public opinion about the relative importance of environmental issues. Al Gore's environmental agenda has made more people aware of environmental issues, and whether they be in a positive or negative light, people have developed opinions about action and policy which should be made regarding issues such as corporate polluting, waste management, recycling, and myriad other environmental issues. This political trend has had a positive impact on EFM. Since people are more aware of environmental issues and their long-term implications, they may be more likely to recognize EFM as a viable choice for their workplace donations.

Additionally, the public tends to be skeptical of charities which have a political agenda. Several organizations which have been formed in the past decade aim to influence policy to impose tighter restrictions to protect the environment. Several participants in the focus group videos stated that they do not view organizations which have a political agenda as charities, and believe these organizations do not belong as a

choice in workplace giving campaigns. Since some of EFM's member organizations do work to change policy, this may be a limiting factor in gaining access to such campaigns.

### **Economic/Environmental**

It is a generally accepted fact that levels of charitable giving are influenced by prevailing economic conditions. However, despite a positive economic outlook, corporate budgets are tighter and more must be done with fewer resources. Businesses are expecting returns on investments, including personal and corporate philanthropy. Workplace giving campaigns are facing a business environment which must respond to new conditions, be more cost effective, and yet be more productive. This has meant fewer resources, greater expectations, and new management styles. Thus, alternative funds must frame their campaigns with this in mind, and must communicate year round about how employees' donations are being used. Alternative funds must also demonstrate that they are adding value to the process of charitable giving. EFM can achieve this by regularly informing employees about the community projects and tangible improvements that its member agencies are involved with.

### **Social**

One of the largest obstacles that EFM faces is limited public awareness. Clement E. Hanrahan, Executive Director of the United Parcel Service's UPS Foundation, commented that UPS chose United Way as its only choice in workplace giving because it wanted to support a single, charitable organization with an established reputation for

being effective. According to Hanrahan, United Way is a "name people could identify with,"<sup>3</sup> and it fits with UPS' corporate structure because it serves every community in the country, just as UPS does. Clearly, name recognition is important both to get companies on board with a workplace giving campaign, and ultimately, to attract contributions from employees.

A positive social trend affecting workplace giving is that businesses and organizations are increasingly concerned about community and employee relations. Thus, alternative funds seeking access to workplaces need to inform businesses that workplace giving is one of the greatest resources a business can offer to address the concerns of employees and their communities. Through one of their largest resources - employees - businesses can affect positive social change in the communities in which they operate. EFM can capitalize on this fact by positioning itself as a means by which businesses and their employees can make positive contributions to local environmental issues.

### **Technological**

The prevalence of on-line development and capabilities could have a significant impact on the workplace giving arena if employees are given an option to contribute over a computerized network. There is currently such a system, called Benefice, on the Internet. Benefice has the goal of providing on-line access to nonprofit organizations so that people can give to a vehicle of their choice through the Internet. The benefits of this

<sup>3</sup> Hanrahan, Clement E.; "A Corporate Perspective;" The Future of Workplace Giving; The Conference Board, 1994; Report # 1073-94-CR; p. 9.

development include ease of use, elimination of administrative work, (i.e. paperwork and data entry, because the system could be linked to a company's payroll), and expanded choice. This system, however, has limitations, because it could only be implemented in companies which have the technological capability. It also would require a different kind of campaign. Initially, employees must adapt to a new vehicle by which to donate. After that, they need to be convinced to support a given organization. We have only touched on this issue briefly because the concept is still in its formative stages. Still, it is worth mentioning that technological developments may significantly impact not only who employees give to, but how they give as well.

## **Internal Analysis**

### **Goals and Capabilities**

The internal analysis involves exploring the *goals* and *capabilities* of the organization. EFM's goals include developing a strategic plan, developing a marketing plan, growing the organization (in terms of revenues, membership, support, recognition, and staff), and adding more workplace campaigns. The first two goals are currently being pursued by EFM, as these goals will provide the structure and the methods by which the latter two goals are achieved.

The capabilities of EFM include both the strengths and weaknesses of the current organization. EFM's primary strength is its Executive Director, Jill Lewis, who brings experience and expertise in workplace giving administration (formerly, Jill worked for the Combined Health Appeal of Michigan). Jill is committed to EFM and its mission,

and she recognizes the importance of taking an aggressive, if not progressive, approach to managing the organization. Another strength of EFM is its existing operations. It currently has the systems in place to conduct workplace campaigns and to disperse funds to its members. Finally, EFM's member agencies, as embodied in the Board of Directors, provide EFM with the support to operate effectively. By bringing to bear a range of talent, experience, contacts, and perspectives, which all increase EFM's ability to pursue its mission, EFM's Board Members play a crucial role in the organization's success.

The primary weaknesses, or liabilities, faced by EFM are that it has only one staff member and that it operates on a limited budget. Both of these factors constrain the extent of the marketing activities that can be undertaken. Additionally, the lack of a clear strategic plan or explicit marketing strategies also hinders EFM in terms of focus and direction. Finally, board members have a limited amount of time to devote to EFM and to gaining new campaigns. Since this is currently the primary resource used to gain access to workplaces, EFM and individual board members need to establish realistic and mutually agreed upon expectations regarding the time and effort that members can put towards gaining access to new campaigns. This will help EFM determine its growth potential, and help it manage expectations to provide positive and productive working relationships with its Board Members.

### **Findings- Segmenting, Targeting, and Positioning**

The STP Analysis is a three-step process. In EFM's case it involves segmenting the workplace giving market - i.e., identifying unique populations of potential donors;

targeting certain segments - i.e., selecting segments which represent the most viable base of donors; and positioning the organization - i.e., deciding how EFM wants to be perceived by the targeted segments. Although we cover targeting and positioning, we give most attention to segmenting and leave targeting and positioning to EFM's future marketing efforts.

### **Segmenting**

The workplace giving market can be segmented in several ways. The Environmental Fund of North Carolina, for example, has segmented the market by industry and has decided to target the banking industry for its Fall 1997 campaign. Some other possible segmentation schemes include: companies that have an industry link to the environment; geographic location; blue collar/ white collar industries; private / public companies; companies who have closed campaigns (only United Way) / companies with open campaigns (offer choice in giving); and number of employees.

### **Targeting**

When targeting a segment, EFM should identify segments with the strongest giving potential, and those to which gaining access is easiest. Some suggestions include:

**Industry type:** Some industries may demonstrate a higher affinity for giving. We have hypothesized that high-tech companies may have more potential for giving, and this hypothesis could be tested.

**Industry link to the environment:** Companies which have either a positive involvement with the environment (i.e., environmental consulting firms), or those which have a negative impact on the environment (i.e., chemical companies), may be potential donors. Crystal Flash Petroleum, for example, indicated that they chose EFM as a workplace giving choice because they wanted to acknowledge that the industry they are in has an impact on the environment, and they wanted to take positive environmental action to help mitigate that impact.

**Geography:** Targeting a group of companies which are geographically close to one another may make gaining access more feasible from a logistical perspective. With only one staff member, it may be easier to visit and facilitate campaigns in companies that are relatively close to one another.

**Number of employees:** Targeting a segment of larger companies could generate more donations by reaching a larger population of employees.

### Positioning

After selecting a segment to target, EFM needs to position itself to gain a competitive advantage over other choices in giving. It needs to differentiate itself from other choices in giving, and should customize its positioning statement according to the targeted industry segments.



When positioning itself generally, EFM should bear in mind that it has a niche as a local environmental choice in giving, that it permits employees to spread out the effects of their contributions across all of EFM's member agencies, and that employees can designate funds to go to a particular member group. These are important competitive attributes that need to be clearly communicated to existing and potential campaigns. Additionally, EFM can differentiate itself through its role as an authoritative body. The focus group videos revealed that some employees prefer to trust a "clearing house" to disperse funds in the most effective way. EFM can serve this function for environmental giving in Michigan.

We have listed some underlying characteristics of EFM which could be incorporated into a positioning statement. However, when positioning itself more specifically to targeted segments, EFM should consider features and characteristics unique to those segments.

## **Conclusions**

Because this study was intended to form the basis of a marketing plan, not a plan itself, it does not include explicit recommendations other than one: that EFM should continue the marketing planning process. However, we would like to summarize what we feel are the key issues we learned from our study so that they can be incorporated into EFM's future marketing considerations. In so doing we have made some suggestions regarding possible future courses of action.

### **United Way Monopoly**

The first is regarding the United Way's position in the workplace giving arena. The United Way monopoly represents a significant "barrier-to-entry" in this market, and there are several ways to address this barrier. One option is to circumvent the barrier by approaching companies which do not currently include the United Way as a choice in workplace giving, or that do not have a workplace giving program in place at all. Companies in this segment are often younger companies, with younger employees. They do not have the United Way as a part of their history and may be more open to alternative funds like EFM. Another option would be to partner with the United Way in order to enter companies where United Way is established. The United Way's supposed strategy is to offer employers every option that their employees desire for workplace giving, and EFM could fill this need in some cases. Entry would be made easier through partnering because of United Way's connections and dominant position in the market. As mentioned earlier, such a partnership exists between EFM and the Washtenaw United Way, representing a significant breakthrough in the United Way's historical practice of limiting access to alternative funds. This campaign contributed nearly 1/3 of total 1996 pledges to EFM. Clearly, partnering can be beneficial. However, as Jim Abernathy of the Environmental Support Center in Washington D.C. points out (pers. comm.), this is not a good long-term strategy. Partnering will be "to United Way's advantage somehow," asserts Abernathy. He claims it is a vulnerable move to make because the United Way will try "to prevent you from establishing relations within campaigns." If relationships

aren't established within companies, the likelihood of a campaign remaining in a company decreases over time, as awareness of the alternative fund, and thus giving, declines.

### **Relationship-Building**

Along these lines, "relationship-building" is a longer-term strategy gaining increasing popularity in the alternative fund movement. We spoke with Deb Furry, Executive Director of the NACG, who indicated that it is important for alternative funds to cultivate and nurture strategic relationships with and among their various publics. As an access strategy, she said that relationship-building is a softer approach than more direct methods, but that it probably has higher likelihood for success and longevity. In this setting the fund works to facilitate and foster relationships between its member agencies and different workplaces well in advance (i.e., 2-3 years) of trying to gain formal access. Relationship-building seeks to ally the interests and needs of different community-based workplaces to the benefits and services provided by a fund's different member agencies. It is an attempt to form mutually beneficial partnerships between member agencies and workplaces. This can happen by a member agency sponsoring events in a company, by distributing literature about the fund and its members to companies, by inviting employees to events in which the fund is taking part (i.e. Earth Day events, Arbor Day events, etc.), and by initiating informal contacts between employees and the fund's member agencies. The Earthshare of Washington, for example, participates in a

community event called *Day in the Park*, which attracts volunteers and demonstrates the expertise of Earthshare's members to citizens and employees.

In addition, once a campaign is established, it is important for alternative funds to maintain a relationship with the workplace in order to boost giving, and thus justify maintenance of the campaign in the company. One way Earthshare of Washington does this is through in-company workshops (i.e. home gardening, pollution detection, etc.) that are put on by its members. These events have increased employee awareness of member agencies, as well as volunteerism.

Another key to successful relationship-building is identifying companies with the potential for strategic alignment. For EFM, this would mean looking at companies that have a link and/or interest in environmental issues. For example, Gerber Foods, located in Fremont, MI, is entering the organic baby food market, and thus might be a good workplace to target. Another example is General Motors, which had a workplace campaign that focused on raising money for environmental concerns. Companies that are members of Businesses for Social Responsibility (BSR) may be ideal candidates to target.

### **Grassroots Demand**

Another important issue to consider is developing grassroots (employee) demand for choice in giving. If employees support an alternative fund and recommend it to the campaign coordinator in their organizations, access becomes an employee-generated issue and is gained much more easily. An example of this is Compuware. One of Compuware's employees learned about EFM and suggested that the company provide it

as an option for workplace giving. Ultimately, as stated by the campaign coordinator, this led to inclusion of EFM in Compuware's workplace giving campaign. Last year, nearly \$7,700 was pledged to EFM from Compuware, a sizable portion for one company to give. While grassroots support is probably one of the more difficult methods of gaining access to campaigns, as it involves widespread, awareness-generating, "mass" marketing, it is nonetheless very effective. All of the campaign coordinators we spoke with stated that they are very interested in employees' needs and desires in terms of what options they want to see in their campaigns. Thus grassroots demand can be influential.

#### Simplified Promotional Literature

A tactical issue to consider is the way in which materials are presented to campaign coordinators and to employees. We have ascertained from the focus group videos and from interviewing campaign coordinators that donors and campaign coordinators alike prefer the campaign, and all of the materials that accompany it, to be as simple as possible. Literature should not be crowded with information, yet it should inform people of the basic issues that EFM and member organizations are trying to address. Some campaign coordinators suggested that the employees in their organization would not bother to read something that was too "busy." This finding warrants an audit of EFM's marketing literature, which would occur as part of the Marketing Mix/4 P's phase of the M501 framework.

### Local Impacts

In addition to simplification, the information that EFM distributes should communicate the local impacts that its member organizations are making in their communities. We found that employees are more inclined to give to an organization if they know their donations are going to local causes. Since workplace giving is by design a continual giving process, employees feel that they should be regularly updated (perhaps quarterly) about the work of the organization(s) to which they are contributing. This could be communicated in the form of a newsletter, an e-mail message, or simply a postcard. The important point is that it should be personalized and it should concisely describe the results that EFM's member agencies are achieving. Employees, as well as employers, are demanding a return on what they perceive as an investment, albeit a charitable one.

### Learning From Other Funds

A point that should not be overlooked is the value of learning from the experiences and strategies of other environmental funds. While EFM can no longer be considered a new organization, in this its fourth year of conducting campaigns it is still young. There are other environmental funds which have been around longer than EFM, and which can provide valuable of insight and information about their own marketing experiences and strategies. EFM has begun on-line communication with other environmental funds around the country, however there is still little sharing of marketing

strategies. The outcome of environmental funds' effort to form a national association will determine in large part what kind of inter-fund cooperation takes place in the future.

### A Systematic Approach

In concluding we would like to suggest that a systematic approach to marketing is likely to be more effective than ad hoc, piecemeal efforts. EFM has clearly indicated its intention to adopt the former approach. To this end we hope that our study can serve as the foundation on which to carry out an active, organized and effective marketing planning process. We suggest that EFM, through the work of its Marketing Committee, should continue to use the M501 framework. The Committee should take up with the Targeting stage of the STP Analysis and move eventually through the Marketing Mix/4 P's phase to the Implement, Monitor, Control, & Adapt (IMCA) phase.

In an effort to further contribute to EFM's marketing efforts, and as an agreed upon part of this project, we are providing to EFM a copy of this report, an expanded version of our "findings-to-date" Powerpoint presentation, a copy of the Wilder workbook SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis we performed, a summary outline of the M501 framework, a list of references and resources uncovered in our research, and a "working document" marketing plan (modeled after the Greater Cleveland Community Shares Marketing Plan we obtained from NACG).

## **References:**

### **Textbooks**

Andreason, A.; Kotler, P. Strategic Marketing for Nonprofit Organizations, 3<sup>rd</sup> Edition Prentice-Hall, Inc., 1987.

McLeish, B. Successful Marketing Strategies for Nonprofit Organizations: John Wiley and Sons, Inc., 1995.

### **Workbooks**

Marketing Workbook for Nonprofit Organizations; The Amherst H. Wilder Foundation Publishing Center, 1994.

Strategic Planning Workbook for Nonprofit Organizations; The Amherst H. Wilder Foundation Publishing Center, 1995.

### **Publications, Reports, and Documents**

*The Mott Exchange*, a semi-annual magazine published by The C.S. Mott Foundation, which profiles topics and issues related to the Foundation's current areas of focus: Civil Society; Environment; Flint, MI; and Poverty.

*Responsive Philanthropy*, the newsletter of the National Committee for Responsive Philanthropy.

*Research, Council, and Conference Reports* by The Conference Board, a NYC-based survey and statistical research institute which monitors the corporate philanthropy and community service.

*Greater Cleveland Community Shares Marketing Plan*, a working document provided for reference by the NACG.

### **Videos**

Reviewed 6 NACG-sponsored focus group videos profiling the attitudes toward charities and workplace giving of CFC Contributors, CFC Non-contributors, and the General Public.

### **Internet, Lexis-Nexis, and ABI Inform**

Performed numerous searches on these databases.

### **Personal Communication**

Held interviews and conversations related to marketing an environmental fund with over twenty individuals experienced or involved in the workplace giving arena.