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VIRTUAL CONFERENCE  
*FOR NON-PROFITS***



Translating Corporate Success for the Nonprofit Sector:  
Creating a Balanced Scorecard for Integrated Fundraising Success  
January 30, 2014 | 4:15-5:15pm Eastern

Speakers:

Mark Lukowski, CEO, Christian Children's Fund of Canada  
Heather McLean, Senior Integrated Fundraising Consultant, hjc

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Heather McLean, Strategic Consultant, **hjc**

Mark Lukowski, CEO, Christian Children's Fund of Canada

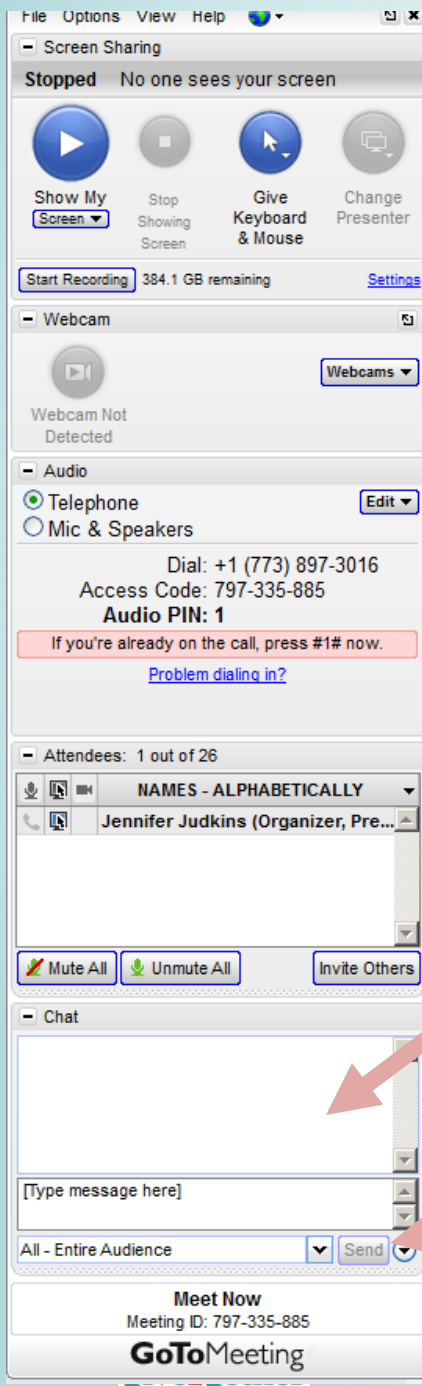
## SPEAKERS

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# Agenda

- What is a Balanced Scorecard?
- Why have a Balanced Scorecard for Integrated Marketing?
- Basic Building Blocks of a Balanced Scorecard
- Case Study: Christian Children's Fund Canada



# Key Take Aways

1. Basic concepts of the balanced scorecard and why it is becoming the leading strategic management tool of the 21st century.
2. How it is being used to transform organizations, achieve strategic alignment and improve performance.
3. How to identify and create more meaningful performance measures.
4. See a real-world, non-profit example of balanced scorecards at work



# What's the problem?



- **95%** of a typical workforce don't understand their organisation's strategy
- **90%** of organisations fail to execute their strategies successfully
- **86%** of executive teams spend less than one hour per month discussing strategy
- **70%** of organisations don't link middle management incentives to strategy
- **60%** of organisations don't link strategy to budgeting

# Why have a Balanced Scorecard?



# How does the Scorecard help?

- ✓ Creates stronger staff alignment
- ✓ Drives change and improvement
- ✓ Focus improves decisions
- ✓ Scalable up and down
- ✓ Improves transparency and accountability
- ✓ Donors and funders like it





# BSC is used by...



- 50% of all Fortune 500 companies
- Christian Children's Fund of Canada, Geneva Centre for Autism, IFRC, UICEF internationally, AED Brazil, Farm Africa, Sight Savers International, Dian Fossey Gorilla Fund, National Trust for Scotland, CRUK, NSPCC, Amnesty International
- The US and UK Army

# What is a Balanced Scorecard?



# The Balanced Scorecard is...



“The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals.”

## FINANCIAL

To succeed financially, how should we appear to our shareholders?

Objectives	Measures	Targets	Initiatives

## CUSTOMER

To achieve our vision, how should we appear to our customers?

Objectives	Measures	Targets	Initiatives

## VISION AND STRATEGY

## INTERNAL BUSINESS PROCESS

To satisfy our shareholders and customers, what business processes must we excel at?

Objectives	Measures	Targets	Initiatives

## LEARNING AND GROWTH

To achieve our vision, how will we sustain our ability to change and improve?

Objectives	Measures	Targets	Initiatives



# BSCs for nonprofits

- Help by clarifying strategies
- Communicate strategic objectives
- Help with planning
- Promote learning and growth

# How to build a Balanced Scorecard?



# Financial Perspective

Objectives	Measures	Targets	Initiatives	Person Responsible for Driving Initiative
Growth	Gross Revenue	Increase revenue by 20% over 2 years	<ul style="list-style-type: none"> <li>• Grow donor base</li> <li>• Increase average gift</li> <li>• Upgrade existing donor</li> <li>• Develop new product</li> </ul>	Chief Development Officer
Efficiency	ROI			

# Stakeholder Perspective

Objectives	Measures	Targets	Initiatives	Person Responsible for Drive Initiative
Acquisition				
Retention	<ul style="list-style-type: none"> <li>Retention rate</li> <li>Renewal rate</li> <li>2<sup>nd</sup> gift</li> </ul>	<ul style="list-style-type: none"> <li>Increase retention rate by 3%</li> </ul>	<ul style="list-style-type: none"> <li>Develop stewardship plan</li> <li>Improve customer service</li> </ul>	<ul style="list-style-type: none"> <li>Manager, Direct Marketing</li> <li>Manager, Donor Service</li> </ul>
Upgrading				

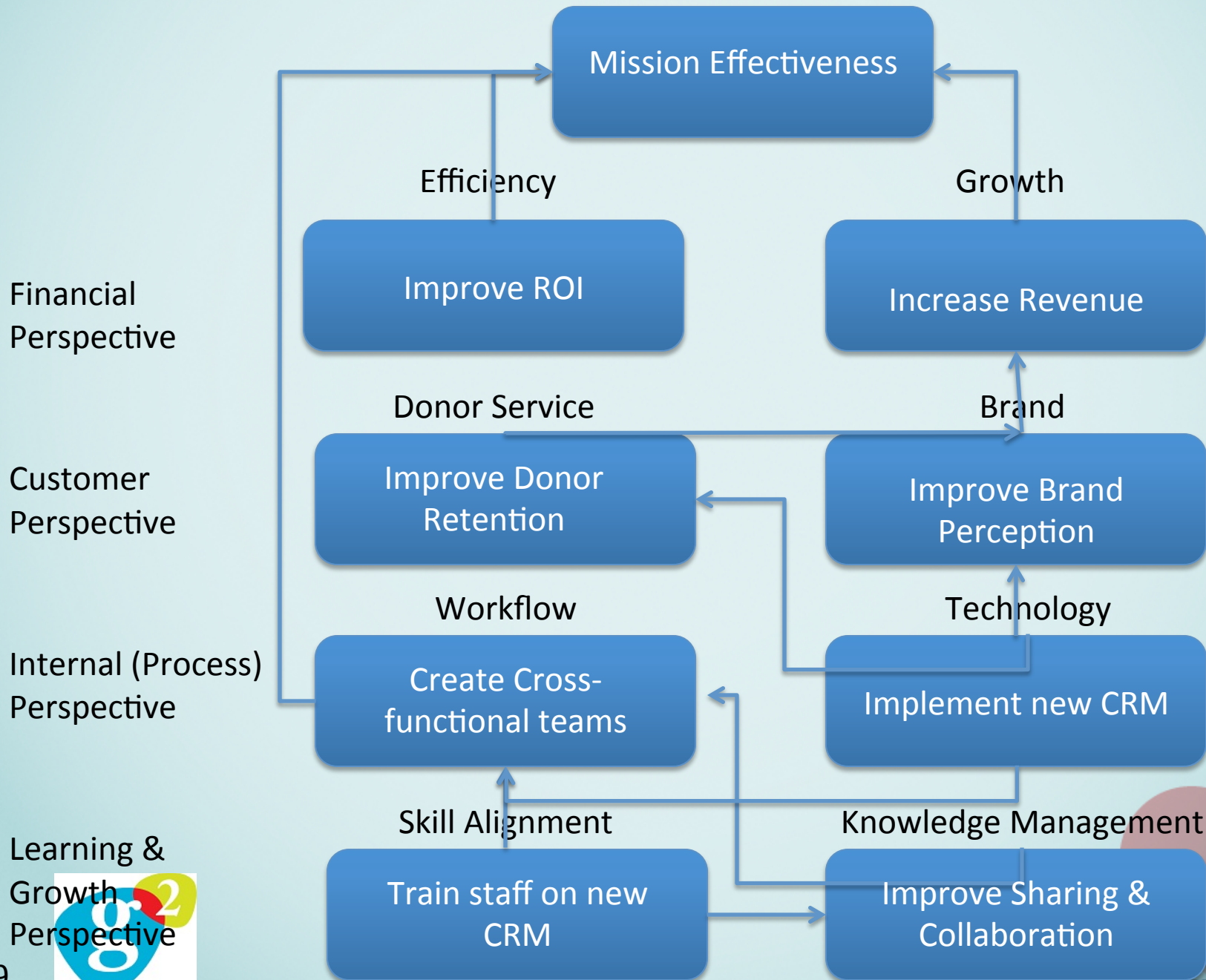


# Internal Processes

Objectives	Measures	Targets	Initiatives	Personal Responsible for Driving Initiative
Workflows				
Data Processes	<ul style="list-style-type: none"> <li>Time between gift and fulfillment</li> </ul>	<ul style="list-style-type: none"> <li>Decrease gift receipt fulfillment by from 7 days to 5 days</li> </ul>	<ul style="list-style-type: none"> <li>Hire new staff</li> <li>Investigate and implement gift barcode scanning</li> </ul>	<ul style="list-style-type: none"> <li>Director, Finance &amp; IT</li> </ul>
Integration				

# Learning

Objectives	Measures	Targets	Initiatives	Person Responsible for Driving Initiative
Succession				
Culture	<ul style="list-style-type: none"> <li>Employee Donors</li> <li>Volunteerism at Special Events</li> <li>Collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Increase percentage of staff participating in employee giving programs by 10% in year 1</li> </ul>	<ul style="list-style-type: none"> <li>Implement employee giving month</li> <li>Implement monthly communication from CEO to staff, recognize an employee</li> </ul>	<ul style="list-style-type: none"> <li>Director, Human Resources</li> </ul>
Skill Alignment				

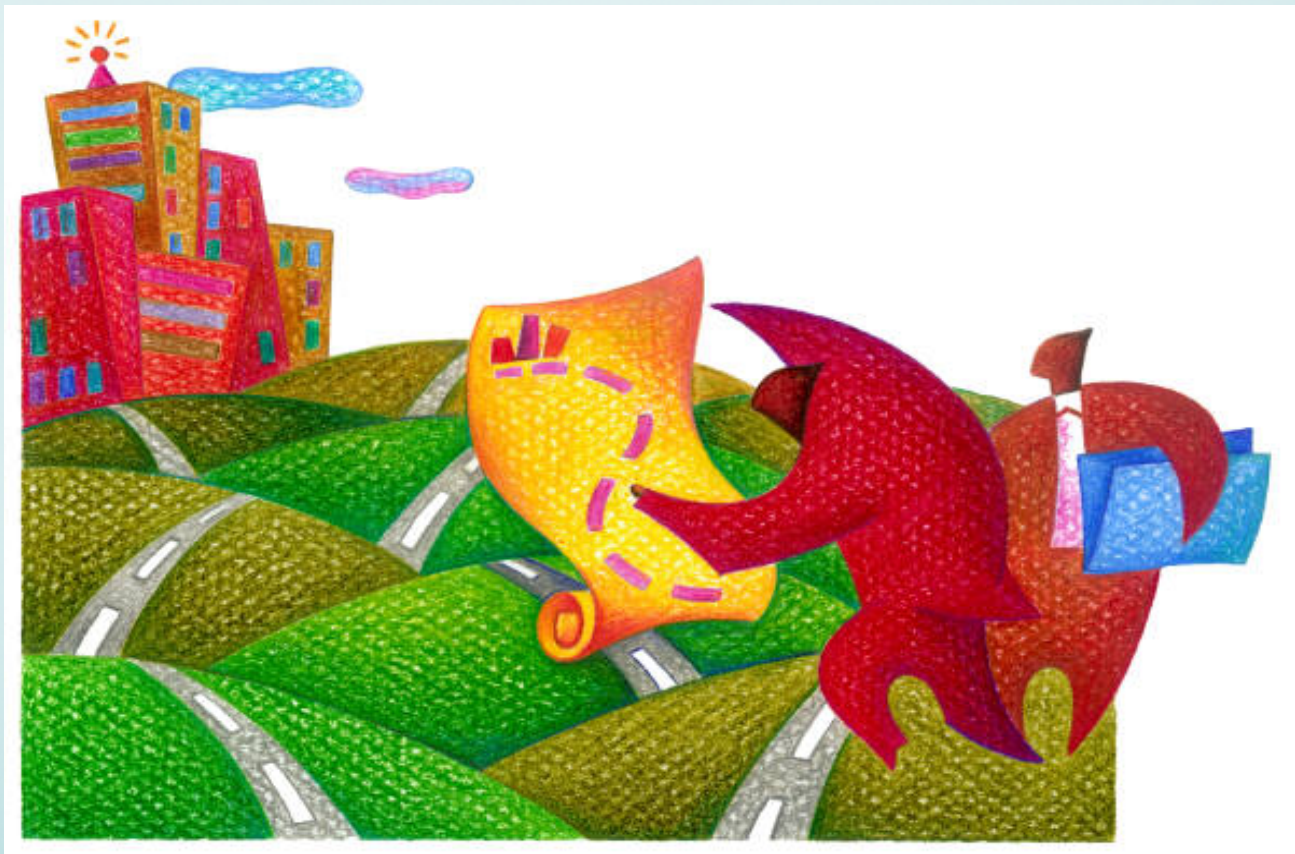


# Implementing a BSC

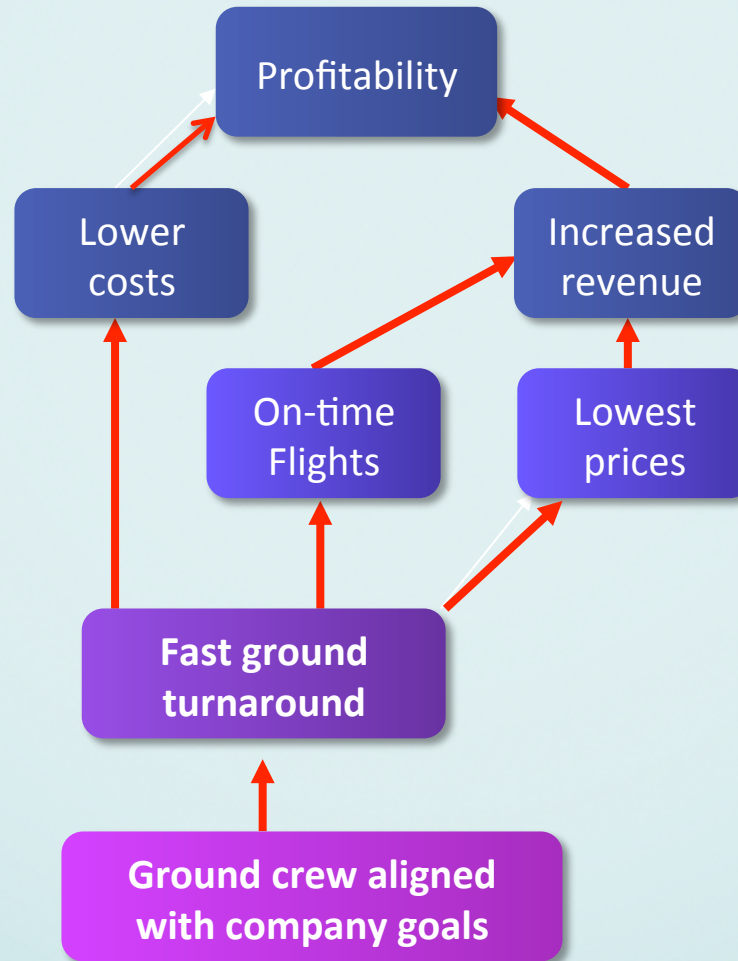
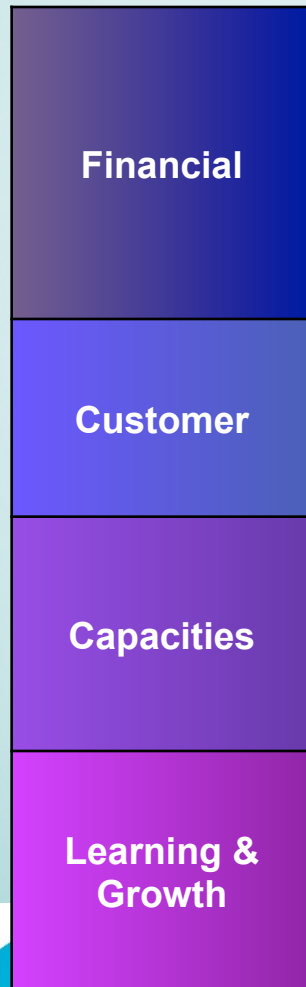
1. Clearly communicate the mission and vision of the organization
2. Translate the vision into achievable operational goals
3. Link the vision to individual performance by establishing specific tasks for each person involved
4. Identify the objectives and performance indicators to measure success
5. Provide a way to interpret the metrics and to adjust the organization's strategy based on the feedback



# Southwest Airlines case



# Southwest Airlines BSC Strategy Map



	OBJECTIVES	INDICATORS	TARGETS	INITIATIVES
Finance	<p>Profitability</p> <p>Increased revenue</p> <p>Lower costs</p>	Market value	30% CAGR	Stockholder communications
		Seat revenue	20% CAGR	Price check comparison
		Plane lease cost	5% CAGR	Preferred supplier
Customers	<p>On-time flights</p> <p>Lowest prices</p>	FAA on-time arrival rating	No. 1	Quality management
		Customer ranking (market survey)	No. 1	Customer-loyalty programme
Capacities	<p>Fast ground turnaround</p>	Time on ground	30 minutes	Cycle-time optimisation program
		On-time departure	90%	
L and G	<p>Ground crew aligned with company goals</p>	% ground crew shareholders	Year 1: 70% Year 3: 90% Year 5: 100%	Employee stock option plan
		% ground crew trained		Ground crew training





**LET'S PAUSE HERE FOR SOME  
QUESTIONS BEFORE AN EXPERT SHOWS  
YOU HOW TO PUT THIS INTO PRACTICE**



# **Christian Children's Fund of Canada Six Year Plan with Annual Balance Scorecard**



# This is who is driving the Balanced Scorecard in the NGO sector



# The New Normal

- Mark Lukowski, CEO, Christian Children's Fund of Canada
- **Motorola, Hewlett Packard, Clarke Transport**
- New Normal: Having a strategy map and balanced scorecard



# Translating Corporate to Nonprofit

Strategic Feature	Private Sector	Nonprofit Sector
General Strategic Goal	competitiveness	mission effectiveness
General Financial Goals	profit; growth; market share	cost reduction; efficiency
Values	innovation; creativity; good will; recognition	accountability to public; integrity; fairness
Desired Outcome	Customer satisfaction	Donor satisfaction
Stakeholders	stockholders; owners; market; employees	donors; partners; legislators; employees; beneficiaries
Budget Priorities Defined by:	customer demand	mission
Key Success Factors	growth rate; earnings; market share	best management practices; social impact (mission)



# View of the Strategy Map and Balanced Scorecard

- Hard work but worth it
- Take the time to educate EVERYONE on what the map and scorecard are
- EVERYONE to understand what the plan is

# View of the Strategy Map and Balanced Scorecard

- Layered from top to bottom
- Key motivation, focus, and ownership for ALL staff
- “Focus on results and NOT on activities

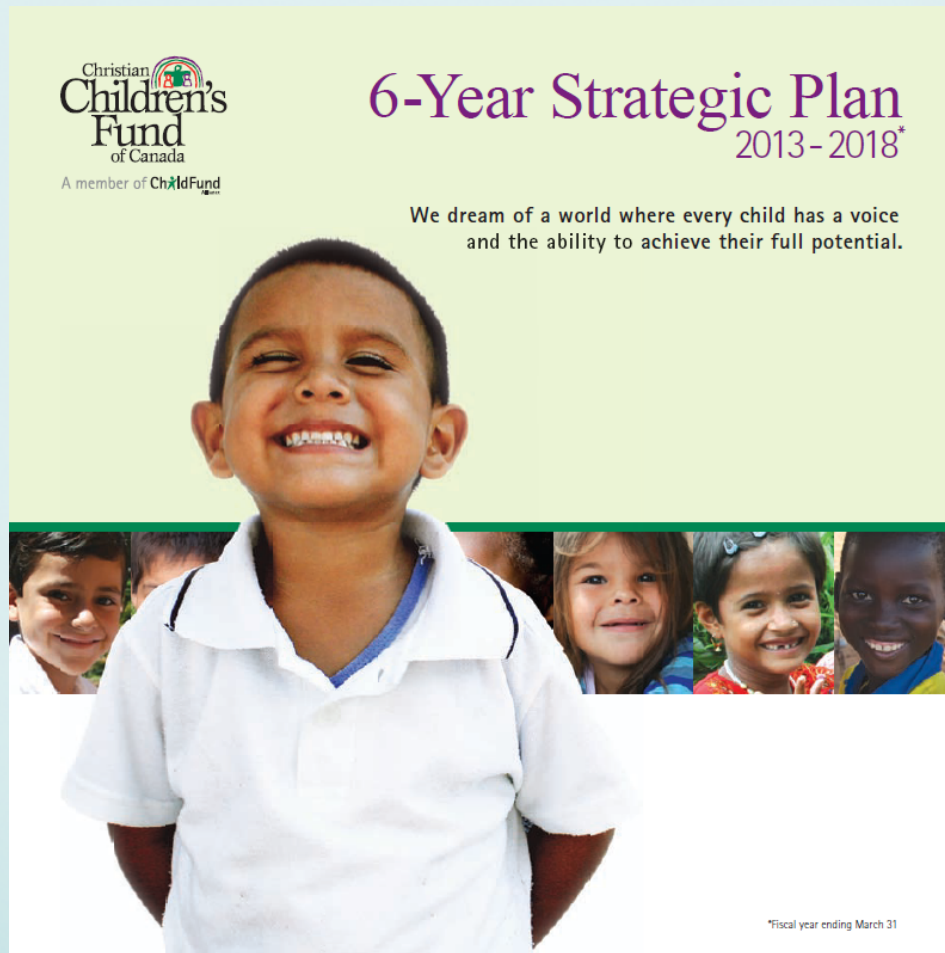


# View of the Strategy Map and Balanced Scorecard

- Opportunity for staff to innovate
- New staff expectation:  
see where organization  
is going and where they  
fit in



# View of the Strategy Map and Balanced Scorecard





STRATEGY FOCUS (Sound bite)	STRATEGY
1. Achieve Social Impact	To achieve improved quality of life for children and youth in impoverishment communities.
2. Build resources and support to achieve social impact	Between 2013 and 2018 we will grow our revenue by a minimum compound annual growth rate of X% for a total revenue growth of Y%.
3. Evolve or CCFC identity into a distinctive and experiential brand	To build a strong brand, which uniquely reflects our mission in support of social impact and growth strategies.
4. Embed Innovation	To evolve and increased focus, competence and valued success through innovation.
5. Leverage the use of technology as a competitive advantage	To take advantage of technology that is applicable to achieving our mission and to maximize social impact.
6. Higher Performing Culture	Design and implement a higher performance culture framework that will align our mission and organizational values with shared accountability.
7. Improve efficiency and effectiveness	To deliver maximum stewardship of supporter provided resources by operating efficiently and effectively in all activities.
8. Active alliance member to assist in building global footprint for CCFC	CCFC will actively participate as a ChildFund Alliance member to increase global footprint and to achieve its mission of increasing social impact of reducing poverty among children in developing countries.

# View of the Strategy Map and Balanced Scorecard

- A scorecard can work for fundraising and non-fundraising metrics



# FY14 Key Performance Indicators of Results - Corporate

Key Indicators of Results	FY14 - Q		Comments	Strategy
	Actual	Expected		
Beneficiaries Reached – Social Impact				1
Fundraising				
Grants				2
Recurring Supporter Performance				2 & 3
# Innovation				4
Technology <ul style="list-style-type: none"> <li>Automatic manual process</li> </ul>				5
Employee Engagement				6
Minimum 5 new efficiencies				7

# Fund Development & Communications

Key Indicators of Results	FY14 – Q		Comments	Strategy
	Actual	Expected		
Total NEW paid recurring gifts				2
Total Single Gift Revenue				2
Total recurring gifts				2
Cost/Acquisition				2
Average Single gift \$				2

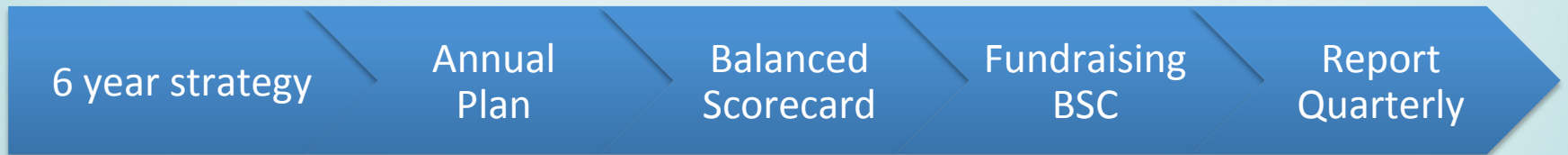


# View of the Strategy Map and Balanced Scorecard

- Any strategy map or scorecard must, and should, change and adapt to new opportunities and threats...
- You can tie new initiatives to both the strategy map and into a scorecard

# Final Comments

**Everyone engaged from Board to Staff!**





**ANY QUESTIONS FOR MARK  
BEFORE WE WRAP UP?**

# Key Take Aways

1. Basic concepts of the balanced scorecard and why it is becoming the leading strategic management tool of the 21st century.
2. How it is being used to transform organizations, achieve strategic alignment and improve performance.
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# Continue the discussion!



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### Part 1: Mapping Your Mix -- Is Your Nonprofit Providing the Right Mix of Content?

Posted by [Guest Blogger](#) at Dec 23, 2013 07:02 AM CST

This article was written by guest author [Laura Quinn](#), founder and executive director of [Idealware](#), a nonprofit that helps other nonprofits make smart decisions about software. For more information about your organization's communications mix, download [Idealware's free Practical Guide to Integrated Communications](#), which provides a series of workbooks to walk you step-by-step through the process of integrating all your channels into cohesive messaging. This article originally ran in [NTEN:Change](#).

Odds are good that your organization is using multiple communications channels to reach people, from social media to direct mail and email to websites and blogs. Because each can attract a different audience, and may be better-suited for certain types and lengths of content, coordinating among them all can be difficult. You want to provide useful, interesting, mission-related information to use each channel successfully and meet the expectations of the people who follow you—but how do you keep each channel different enough to be interesting on its own without turning content-creation into a full-time job?



Last year, we surveyed readers of the [NTEN:Change](#) journal, published quarterly by the [Nonprofit Technology Network](#), about their own balance of content types across their different communications channels and learned that organizations are using an average of almost four different channels as part of their communications mix.

Using each to its fullest potential takes work—it's time-consuming to write a lot of new content for your blog, but it starts to feel redundant if you post the same information there as on your Facebook page or Twitter feed. A little forethought can help you maintain the balance of information you're posting, or feel you should be, and ultimately save time. To start sharing your content-related efforts among each of your channels requires strategic thinking in four areas: Creating, Curating, Promoting, and Community-Building. Let's look at them one at a time.

**Creating**

Are you creating new, original, informational content for each channel you're using? You may not have to. People

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