

Brilliant on the Basics Newsletter

Volume 1
Number 5
May, 1998

A Project of
The Station Resource Group

Written by
Mark Fuerst, Public Radio Management, Inc.

In this Issue: BoB Meeting #4 in San Diego Creating the time to create a plan for FY99

Most CPB "Future Fund" projects face the same dilemma: how do you bridge the gap between theory and practice, between planning and implementation? It's one thing to hold a seminar on "How to do this." It is much harder to actually do it.

This is the central issue for Brilliant on the Basics, as it passes the half way point in its life. The project needs to move from discussion to action.

The initial meetings of the BoB group, held in May, June and November, 1997 established a high level of interest among the 18 participating stations. Almost every GM and Development Director expressed satisfaction with the quality of discussion in the meetings. At BoB meetings, they could explore topics that would never appear on conference agendas. Discussions had more depth than one could ever hear in a conference panel. The collective knowledge and experience of the group provided an extraordinary environment in which participants could analyze their problems. Although the participants seemed

Membership Planning

Just as a pledge drive is a series of breaks, each with its own specific goal, a good membership program is a series of hundreds of small acts. A good planning process takes the whole ball of membership dollars and divides the program into small transaction units. Adjustments at the unit level can make an enormous difference, as the changes compound over thousands of transactions.

to enjoy the quality of the *discussion*, the project still lacked an actionable focus. After all, BoB was not funded to be a seminar. It was funded to help stations raise money.

The need to move toward practical applications surfaced at each meeting. It led to a decision to have all 18 BOB stations participate in the CPB-sponsored Target Analysis (TA) Project. TA reports, some hoped, would provide the basis for action, and

Brilliant on the Basics is financed by participating SRG Licensees
with support from the Radio Future Fund at
The Corporation for Public Broadcasting

the participants were hesitant to make changes in their membership plans without the kind of information provided by TA.

The shift toward *application* shaped the content of the BoB meeting in November, 1997, which featured

- Mark Miller, of Talmey-Drake Research in Boulder Colorado, who presented the the Colorado Public Radio “subscription” research findings;
- Charles Cardillo, Marketing Director for Target Analysis, who discussed “Target Tags”, “Revenue Source Projections,” and other analytical tools;
- David Giovannoni, who invited stations to delve into *Audience 98*; and
- John Sutton, who briefed the BoB stations on his “More Programming/ Less Fund Raising” approach to drives.

By January, BoB had accomplished two things: First, BoB stations were armed with the most important contemporary research on public radio membership practices. Second, the group itself became a resource of shared knowledge and mutual assistance. When participants brought questions to a meeting, they could expect good answers.

No Time to Plan

Still, even the highly motivated participants in the BoB Project faced barriers to changing their daily practice. The most important barrier was (and is) the annual fund raising cycle of public radio. Staff cannot think about change almost one-third of the working year. Those are the months spent preparing for, conducting, or cleaning up on-air drives. Another part of the year is lost to conferences and vacations. That leaves the development staff with a relatively small planning window in which

to consider and implement major changes. For many stations that planning window opens in the winter, as stations begin to think about the next fiscal year, and closes with the “end of year” push in May or June.

Prior to joining BoB, most of the participants found that this demanding cycle of fund raising activity left almost no time for planning. The lack of planning first surfaced during the months when the BoB proposal was being drafted (Oct. 1996 through Jan.1997). Each station was asked to provide multi-year plans for membership revenue. As it turned out, only a few stations had projections against which they could measure progress. Most were on a one-year-at-a-time planning cycle. Each year they scrambled to make ends meet. Each spring, they would start to think about next fiscal year.

This concentration on immediate tasks is in part a by-product of success. As a station increases its membership, it has more checks to process, more mailings to prepare, more premiums to send, and more calls to field explaining why premiums have not arrived. For many stations the pace of activity is (almost) overwhelming. Under this pressure, urgent tasks displace important activities, including advance planning.

To change this pattern, Public Radio Management (PRM), which is coordinating the project, recommended that the February BoB meeting be organized as a “planning retreat.” It would be a time for directors to get away from the office and focus on the future. Target Analysis reports would be sent to each station a few weeks before the meeting. Then, armed with their TA, the entire group of directors could identify weaknesses, discuss common problems, and share solutions.

<p>To make the meeting even more attractive, PRM invited Barbara Appleby (VP at the Development Exchange) and Jim Lewis (of the consulting firm Lewis/Kennedy) to make presentations and provide individual station advice. With Jim and Barbara on board, stations would have immediate access to the best consulting skill available. To add a sense of urgency, PRM asked each participant to present his/her action plans to the whole group for a “peer review” at the end of the two-day meeting. This would create a deadline for the planning process.</p> <p>Planning and Preparation Forms</p> <p>To help stations prepare for the meeting, PRM developed a 17-page membership planning guide, based on the excellent material contained in PBS “Membership Academy” workbook. These forms encouraged participants to look at every detail of their membership program. So, for example, instead of thinking about on-air revenue as a single gross number, the forms encouraged stations to break that number down into its component parts (as shown at the bottom of this page).</p>	<p>Pledge income is more than a mass of dollars. It is a complex stream involving</p> <ul style="list-style-type: none"> • New members • Renewing members • Specific gifts levels and packages • Checks, credit charges, EFTs and other methods of payment; • Challenge gifts <p>Creating a good membership plan involves planning for each, inter-connected element.</p> <p>⇒ Setting a new member target will affect the way staff pitch during a drive.</p> <p>⇒ Setting new/renewal targets will affect the kind of challenges that are offered and when those challenges are used.</p> <p>⇒ Setting an average gift target encourages staff to consider pricing changes or new pledge categories.</p> <p>Just as the pledge drive is a long series of breaks, each with a specific goal, membership plans are an accumulation of hundreds of small decisions. The aim of the planning forms was to take the whole ball of membership dollars and divide it into small transaction units. The right change at the unit level could make an enormous difference when that change is compounded over hundreds of thousands of transactions.</p>
--	--

A Sample of the Planning Sheets Used for the February BoB Meeting

	NEW MEMBERS	RENEWAL MEMBERS	AVERAGE GIFT	TOTAL PLEDGED	FULLFILL RATE	GROSS	CHALLENGE GIFTS	OTHER GIFTS	TOTAL
[(New + Renewal) x Avg Gift = Total P] [Total P x Ful. Rate = Gross] [Gross + Challenge + Other = Total]									
Drive 1 ¹	425	375	72.00	57,600	93.5%	53,856	12,500	4,500	70,856
Installments	50	50	137.00	13,700	100.0%	13,700	4,000	-	17,700
Drive 2	325	250	72.00	41,400	93.5%	38,709	12,500	4,500	55,709
Installments	60	60	137.00	16,440	100.0%	16,440	3,000	-	19,440
Drive 3	120	80	72.00	14,400	93.5%	13,464	12,500	4,500	30,464
Installments	30	30	137.00	8,220	100.0%	8,220	4,000	-	12,220
TOTAL	1,010	845	81.81	151,760	95.1%	144,389	48,500	13,500	206,389

Sample of the Planning Prep Sheets Used for the February BoB Meeting

ON-AIR SOURCES

Have you developed specific plans for each element of your On-Air Membership Revenue Program?

- New Members
- Renewals
- Additional Gifts
- Lapse/Rejoin
- Challenge Gifts

THINKING ABOUT YOUR ON-AIR PLANS

- How many On-Air drives do you intend to conduct annually?
- What is the *length of* each On-Air drive?
- *When* will each On-Air drive be held?
- Do you intend to use *national fund-raising* weeks?
- What is your *targeted average gift*?
- Do you intend to *change your membership pricing* to achieve that target?
- Will you promote *monthly and/or quarterly installment programs*?
- Do you intend to *increase* the use of *installment payments*?
- Will you *change your premium selection*?
- Do you intend to *coordinate* On-Air drives with other fund-raising efforts such as direct mail, telemarketing, etc.?

For copies of the complete set of planning sheets used for the BoB meeting, see page 5.

To assist the participants in thinking about their activities, the planning papers included numerical worksheets (like the one on the prior page) and structured questions that would help managers analyze the major components of membership income,

including on-air drives, direct mail, telemarketing and major donors. A portion of the prep sheet for On-Air Drives appears in abbreviated form below.

Sample of Activity Calendars*Used for the February BoB Meeting

Plan the timing of your activities. For each month, check off those activities that will occur in that month.

ACTIVITY	JUL.	AUG.	SEPT.	...	APR.	MAY	JUNE
On-Air Pledge Activity							
• Pledge Drives							
• Quiet Campaigns							
...							
Direct Mail Activity							
• Acquisition Mailing							
• Pledge Reminders Mailing							
• Renewal Mailing							
• Lapsed Mailing							
• Additional Gifts Mailing							
• Upgrade Mailing							
• Cultivation Mail							
• Planned Giving Mail							

*Adapted from PBS Membership Academy Workbook)

Another aspect of planning is *coordination*. If stations could identify an opportunity, they could only take advantage of that opportunity if they have adequate resources — especially staff resources — to devote to the new activities. To help stations analyze their capacity to take on new activities, PRM provided an “activity planning calendar,” like the one on the prior page. By using this type of device managers can quickly see when their staff may be overextended.

Throughout the conference, Jim Lewis met with stations, either individually or two at a time, to go over their individual Target Analysis reports. Simultaneously, Barbara Appleby led small group discussions on “best practice” methods of off-air fund raising. Under the guidance of Jim Lewis and Barbara Appleby stations identified specific weaknesses and discussed specific solutions. The work was intense and, by general agreement, productive.

Wrap up and Evaluation

At the end of two days, every station had some kind of action plan. Some were almost-completed workplans for FY99, others were proposals for change. [Several plans will appear in future Newsletters.]

On the final afternoon each station presented its plan and asked for group comment. Almost all of the stations proposed significant changes in their mailing practices. With only a few exceptions, stations found that their current renewal practices needed to change. The most common changes were:

- Reorganizing the renewal mail cycle, moving the first renewal letter into the ninth month after the initial gift;
- Increasing the number of “hits” in the cycle;
- Inserting telemarketing earlier in the cycle;
- Increasing the number of add-gift mailings;
- Increasing segmentation in mailings at all levels to better target donor motivation and capacity to give;
- Initiating direct mail acquisition practices.

Despite a few minutes of disorganization, for the most part, the meeting structure worked. Busy development staff, who rarely have time to think about tomorrow, were able to discuss ambitious, well-documented plans for the next few years. GMs and Development staff talked about how membership programs could and should evolve into mid-level and major giving. Whenever participants had questions, answers were only few minutes away. Getting out of the office made a big difference. Being in the presence of capable peers was also a plus. But two individuals made an enormous difference: Jim Lewis and Barbara Appleby. Their influence was well documented by the written conference evaluations. Here are just a few of the verbatim comments:

- Barb is excellent.
- Can Barbara be here all of the time?
- Jim is an invaluable resource.
- Individual consultations helped, and more time with Jim might have been better.
- This was the most productive meeting so far. I enjoyed having real numbers to work with and plug into equations.
- I love to accomplish so much in two days, but I think at times it gets so intense without a break.

Copies of the full set of planning documents can be obtained by calling the Station Resource Group at 301-270-2617.