

# Brilliant on the Basics Newsletter

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A Project of  
The Station Resource Group

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## Two Plans for Change: WSHU and Wisconsin Public Radio

When Brilliant on the Basics held its first meeting in May 1997, one thing was certain. If the project was going to produce measurable results, the results would be generated by the participating stations. Like a number of other CPB Future Fund initiatives, BoB is a collective effort among independent entities. Although SRG coordinates and supports the project, the success of the project rests squarely on the shoulders of individual stations.

Thus, when it came time for the BoB Project to move from general discussions of fund raising theory to specific actions that could improve performance, the project became 18 coordinated but separate projects in which individual managers and development directors wrote plans for their stations.

As reported in the last issues of this Newsletter, some of the planning work occurred at a BoB meeting held in San Diego, February 23-25, 1998. A few weeks before that meeting, each station got a copy of its station Target Analysis (TA)

and a group TA report, showing how participants compared in various categories of fund raising productivity and efficiency. Using the TA reports, and guidance from fund raising consultants Jim Lewis and Barbara Appleby, the BoB stations spent two working days drafting action plans for membership revenue improvement. This issue of the BoB Newsletter presents two of the draft plans that came out of the San Diego meeting, one from WSHU in Fairfield, Connecticut and one from Wisconsin Public Radio.

Both plans are in a draft stage. Eight weeks after the San Diego meeting, they are still works in progress that need to be adjusted for available resources and revised in discussions among staff at the individual stations. As working documents, the planning papers provide insight into what took place in San Diego, and they illustrate solutions that many of the BoB stations proposed at the end of that meeting.

I want to thank George Lombardi and Gillian Anderson at WSHU and Peter Wallace at Wisconsin Public Radio for making this material available for this publication.

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## Changes in the Membership Development Process at Wisconsin Public Radio

Prepared February, 1998 for the WPR Listener Development Staff

As a part of the BoB conference in San Diego, each station had to commit to making some changes to deal with weaknesses exposed by the Target Analysis reports. Although Wisconsin Public Radio had an overall positive evaluation, we do have a couple of weak points. Strengthening these areas will allow us to raise more money, more cost-effectively than we do now.

The key areas for improvement are:

- average contribution from acquisition mail respondents
- average pledge donation
- average dollars per contributor

In general, Jim Lewis of Lewis-Kennedy Consulting, felt that we could improve our member retention rate by starting our renewal cycle in the 9th month. He also felt that our under-dependence on pledge, while excellent, means that we have some “upside potential” in pledge income.

Barbara Appleby, formerly of Minnesota Public Radio, and now at the Development Exchange, discouraged the use of monthly installments. She was of the opinion (and experience) that upon analysis, installment pledges aren't as likely to get paid off on time, if at all -- unless they're electronic fund transfers (EFT).

According to the Target report we actually have below standard saturation on additional gifts with our contributors.

## Proposed Changes/Actions

### Average gift size:

- Strengthen the message in all mailings and pledge pitches
- Minimize mentions of “any amount is appreciated”
- Make \$10/mo. EFT really easy (see below)
- Inflation message: “your \$50 pledge in 1990 is worth less than \$30 in '98 dollars.”
- Better follow-up: pledge reminders, telemarketing reminders, installment police
- Continue monthly upgrade mailings to really small contributors

### Pledge:

- Raise the floor: accept anything, but don't talk about really small amounts -- this is a training issue.
- Add a day of on-air pledging. Maybe do three days in October, five in November, five in February, and two in May.
- Maximize pitching time on shows that under-perform. Match Average Quarter Hour audience with pitching more closely.
- Have a professional trainer do “up-selling” training of key pledge volunteers.

### Renewals:

- Re-evaluate renewal cycle. Consider starting the renewal process in the 9th month after the initial gift with a “pre-renewal” mailing inviting members to renew early, and “get it out of the way.”
- Add a seventh renewal hit at the end, after merging telemarketing back into the cycle.
- Improve graphics on renewal form, and improve the quality of renewal letters.

### Additional Gifts:

Create an additional gift cycle to parallel the renewal cycle.

- Continue with larger ask amounts for additional gifts letters.
- Make a more compelling ad gift letter.

To maintain an aggressive schedule of additional gift and sweepstakes mailings, without mailing ad-gift pieces within an individual's renewal cycle, we will be mailing two versions of each sweepstakes and additional gift mailing.

- The first will be a conventional additional gift appeal.
- The second, mailed only to people in their renewal cycle, will echo the general appeal of the sweepstakes or additional gift mailing, but will ask for a renewal, at renewal levels, and cite the previous year's renewal gift amount.

In those months, that second mailing will be sent in lieu of the appropriate hit in the renewal cycle.

#### **Proposed schedule of additional gifts and other mailings:**

- ⇒ September 1: Sweepstakes #1
- ⇒ November 15: Additional Gift #1
- ⇒ December 15: Additional Gift #2 (End of Tax Year)
- ⇒ January 30: Additional Gift #3 (Enclosed with IRS tax statement)
- ⇒ March 15: Sweepstakes #2
- ⇒ May 1: Additional Gift #4 (End of Fiscal Year)
- ⇒ June 15: Sweepstakes #3 (Mini-sweeps to former respondents)

#### **EFT:**

- Prepare an easy-to-use EFT authorization form. Insert it in *all* renewal mail.
- Offer an "Inflation-guard" option for EFT, increasing amounts automatically by 5% on Jan 1.
- Re-mail EFT materials to all installment people.
- Push EFTs in telemarketing. The hook: "we won't bother you by phone again."

## **Suggested Mailing/List Management Processes**

### **A Plan**

- There should be a coherent plan of *what* will be mailed and *when* it will be mailed.
- Copy, list specifications, vendors should be pre-determined.
- Tests of different variables should be pre-planned.

### **Work-flow**

- Peter Wallace will draft the plans, with input from the staff.
- As a team, we will decide who is best suited to prepare each task list.
- Kathy will work with printers and mail-house for production issues
- Karen will work with with mail-house only for list-related issues
- Kathy is responsible for keeping mailing projects on track
- Weekly meetings will be held to monitor the scheduled mailings

### **Renewals**

- Coordination of entry status and renewals
- Re-affirm importance of mail dates with mail-house.
- Major donor manager and assistants will handle all major donor renewals.

### **Installments/Pledge Reminders**

- Either collect on or zero out installments beyond 16 months.
- Pledge reminders need to be sent for 8 weeks after pledge drives.
- We should consider quarterly telemarketing reminders.
- Installment people should be asked again to convert to EFT. Maybe an incentive?

Samples of the Station Plans Created at the February BoB Meeting

**Membership Development Plan for WSHU, Fairfield, CT**

Prepared February, 1998

In the material below WSHU has outlined a plan that will increase individual giving by 67.5% over three years. WSHU has long recognized the need to strengthen its membership revenues, which account for 69% of its operating budget. The station must:

- 1 Establish a regular system for requesting supplemental gifts;
- 2 Institute a planned giving program;
- 3 Establish benefits for membership and higher gift levels;
- 4 Offer incentives (no or low cost premiums) to increase amount and frequency of members' contributions; and
- 5 Increase the effectiveness of pledge drives.

In order to accomplish these goals, WSHU management has:

- Contracted with Robert Stein, a major giving consultant;
- Joined BoB (Brilliant on Basics), a CPB funded membership project of the SRG,
- Joined in the Development Exchange's Precision Membership program; and
- accepted the CPB challenge for two years of Target Analysis.

Through our participation in BoB, Precision Membership, and Target Analysis, we will reduce WSHU's dependence on on-air drives by increasing direct mail, telemarketing, cold mail, contests and other creative methods to obtain renewals and new members off-air. In addition, we will expand the Broadcast Society, our major givers, to increase the average gift and to lay the foundation for a planned giving campaign. We will also work with the Broadcast Society and our corporate supporters to increase the pool of challenge grants for on-air drives.

**SOURCES OF MEMBERSHIP REVENUE**

**On-air fundraising:** Pledge drives have always produced the lion's share of WSHU's membership revenue. That level of dependence will decline in the future, although pledge drives will remain the most valuable means of securing new prospects. WSHU Management is projecting a modest decrease in pledge drive income in each of the next 3 years, for two reasons. We are concerned that we may be reaching a point of diminishing returns, as we shift to more aggressive mail renewals and additional giving requests. Target Analysis shows that most public stations use only half as many pledge days as WSHU. From what we see, there is room to make each hour of on-air pledge more efficient. The efficiency will come primarily from inspiring challenges. However, we must avoid over-inflating expectations from pledge drives. This can inhibit our ability to reach goals and could alienate listeners over the long term.

Goals for On-Air:

- \$410,000 in FY '99; \$425,000 in '00; and \$445,000 in '01

**Renewals:**

The second-largest source of support for WSHU's membership revenue is ongoing renewals from current members via mail. This is our least expensive way to raise money. We will continue with our aggressive and consistent renewal cycle. Letters will be re-written in consultation with DEI's Precision Membership Project. We will begin our renewal cycle one month earlier and add one additional request in the cycle. We will also begin to seek the recommitment of lapsed members.

Goals for Renewals :

- \$550,000 in FY '99; \$650,000 in '00; and \$750,000 in '01

Goals for Renewal Rates:

- 63% in FY '99; 66% in '00; and 70% in '01.

<p><b><u>Major individual donors:</u></b>                  One immediate source of growth will be major individual donors. With over a decade of NPR affiliation, community recognition and strong on-air fundraising, WSHU has attracted a contingent of reliable supporters at all levels of financial potential. Some of them could make significant charitable gifts. With the proper cultivation and recognition, the pool of donors has significant potential for giving in the future.</p> <p>Goal for Major Gifts: Working with Bob Stein we set a goal of \$75,000 in new Major Giving in each of the next 3 years.</p> <p><b><u>Telemarketing:</u></b>                  Telemarketing for lapsed members has become a standard part of WSHU's fundraising. In coming years, telemarketing will occur in batches of four/five times per year, as members slide from current to lapsed status. As we work to increase our renewal rate to 70% (currently it is 58%), telemarketing will play an important role in our renewal cycle.                  Goals for Telemarketing:</p> <ul style="list-style-type: none"> <li>• \$50,000 in FY '99; \$50,000 in '00; and \$55,000 in '01.</li> </ul> <p>(N.B.: The increased renewal rate is reflected in Telemarketing, Renewals and Major donors.)</p>	<p><b><u>Prospecting &amp; Cold Mail:</u></b>                  Prospecting for new members in ways other than on the air continues to be a sideline venture. The BoB Project and Target Analysis have shown that we need to develop alternatives. WSHU will begin cold acquisition mail, starting in FY99, by purchasing commercially available mailing lists. This program is not expected to produce a net cash benefit in the first year but we are budgeting to mail 100,000 pieces of cold mail and 20,000 of warm mail (lapsed, and contest winner) in FY '99, '00 and '01.</p> <p>Goals for Acquisition Mail:</p> <ul style="list-style-type: none"> <li>• \$18,000 in '99; \$60,000 in '00 and \$110,000 in '01.</li> </ul> <p><b><u>Corporate matching:</u></b>                  Corporate matching dollars reflect membership contributions. The only effective direction we can take is to publicize them. We will increase references to corporate match-dollars during pledge drives. We will continue to track individual donors to find people who may fail one year, when they have done so in the past. Our goal is to increase the ratio of matching dollars to member dollars to 5% over the next three years. It is currently 4%.</p> <p>Goals for Corporate Matching:</p> <ul style="list-style-type: none"> <li>• \$47,000 in '99; \$61,000 in '00; and \$78,000 in '01.</li> </ul>
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**A Summary of WSHU's Financial Targets for Membership Revenue**

Source of Revenue	FY '96	FY '97	FY '98	FY '99	FY '00	FY '01
Pledge drives	383,625	417,788	450,000	410,000	425,000	445,000
Renewals by mail	298,763	341,756	400,000	550,000	650,000	750,000
Major donors	56,862	90,890	135,000	210,000	285,000	365,000
Telemarketing	34,965	39,665	40,000	50,000	50,000	55,000
Prospecting	9,980	12,550	13,000	18,000	60,000	110,000
Corp. Matching	27,095	31,790	39,000	46,800	61,200	78,000
<b>TOTAL</b>	<b>811,290</b>	<b>934,439</b>	<b>1,077,000</b>	<b>1,284,800</b>	<b>1,531,200</b>	<b>1,803,000</b>
<b>Yr. To Yr. Change</b>		<b>15.18%</b>	<b>15.26%</b>	<b>19.29%</b>	<b>19.18%</b>	<b>17.75%</b>