



Futurethink

# Branding Down to the Core: Branding Not-For-Profits

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## INTRODUCTION

Many not-for-profits do not view their organization as a brand. After all, the reason for being lies in the purpose. Branding is something corporate businesses do to justify their existence. But what is an organization's purpose? And what if everyone in the organization does not agree on that purpose over time or across departments? How can an organization formalize a strategy if it isn't sure what the mission is?

### **Not-For-Profits: Powerful Brand Potential**

Many not-for-profit organizations are reluctant to think of themselves as "brands" or "potential brands." As Roxanne Greenstein, Development Director of the Arts and Business Council, says, "They are happy to exercise what value they may enjoy as brands when marketing their activities," but maintain that their main reason for being resides in their art, their cause, their specific commitment to society or their intellectual direction. This reluctance stems from a narrow understanding of "brand" as a marketing tool rather than as a core organizational principle.

In fact, not-for-profit organizations are well-placed to become powerful brands. Be their focus the arts, culture, education, the environment, community services or research, people working in these organizations are driven by the conviction of their work and the importance of the views they express and generate. This passion is a fine basis on which to build a brand.

More than a single message, logo or catchphrase, the brand is the platform on which the motivation behind the organization's work may be articulated, and the significance of its work may be appreciated.

Of course, the brand's utility as a powerful marketing tool cannot, and should not, be dismissed. The parallels between businesses and the not-for-profit sector are clearest when an organization's brand is employed in selling tickets or a poster. Constrained to these purposes, however, the organization's brand cannot develop to its fullest potential. A not-for-profit organization's brand is its mission come alive on an artistic, humanitarian, intellectual or political basis. But how can a not-for-profit organization arrive at the mission?

## MISSION STATEMENT

In the United States, a mission statement is a prerequisite for qualifying for 501(c) 3 (tax-free) status. The mission statement is a key step in setting brand direction, even if many organizations do not recognize it as such. Traditionally, a mission statement not only defines the goals of the organization, but also sets the parameters within which it will operate. In fulfilling this dual purpose, however, many mission statements tend to be category focused (e.g., dance, emergency relief), but overly expansive in long-term aims ("nurture creativity," "restore human dignity").

Many organizations pad their mission statement with lofty, but overused words. In the same way that corporate missions expressing “professionalism” and “trustworthiness” fail to inspire, the broad concepts of “peace,” “dignity,” “creativity” or “awareness” have been drained of their potency. These broad terms barely help an organization differentiate itself from the next.

The result? The mission statement loses its motivational force and relevance quickly, as modes of expression, activism or exploration evolve beyond the scope of the original wording. These are also the statements that fall out of relevance, as the people within the organization embrace new opportunities and challenges in the community they serve. There is a school of thought that recommends revising an organization’s mission statement once every three to five years. Rather than trying to help the mission statement keep up with the organization, however, shouldn’t the mission statement set the strategic direction for the organization?

### Strategic Planning

Difficulty in strategic planning is often attributed to the nature of how these organizations are funded. Speaking specifically about arts-based organizations, Julie Peeler, director of marketing of the Arts and Business Council, suggests that many organizations “live hand-to-mouth from one budget to the next.” This, in turn, induces tactical, rather than strategic planning. The result is that the mission gets lost behind the day-to-day activities, which react to present circumstances rather than heed a long-term plan.

Aligning the organization to its core mission, however, need not be at odds with the need to be nimble. To succeed, the mission must be succinct and substantive. Sound Portraits, an American organization “dedicated to telling stories that bring neglected American voices to a national audience,” is one example. Its commitment to give voice to individuals living at the margins of society is specific, but not restrictive. As a result, Sound Portraits has maintained focus while extending its scope of work. In fact, its strong mission has helped the organization grow. As Karen Callahan from Sound Portraits says, “Being vision driven gives us the freedom to do anything we dream up. It is the reason we’ve received awards, been given editorial freedom by public radio distributors, attracted publicity, and received funding.” To date, the organization has completed investigative documentaries, mined sound archives and equipped others to produce their own oral histories. The output of the organization spans books, radio documentaries and educational packs for teachers and students.

A mission statement acts as a crucial building block of the organization’s brand, which in turn underpins an invaluable asset of the organization: its institutional identity. The brand is the “big idea” that illuminates the organization’s long-term goals, driving the organization internally and in its relations with all

its constituents. Raising funds, for example, is an area where the organization’s brand should be leveraged.

### BRAND MANAGEMENT

In development, be it endowment building, a capital campaign or year-to-year fundraising, assiduous brand management helps an organization make a compelling case for itself. Few organizations rely on earned income alone; some arts-based organizations may earn up to 50% of their operating budget, but the proportion is far lower for most not-for-profit organizations. In rare cases, there is an endowment that provides some income, but the balance is usually made up through contributions, either from individuals (memberships, subscriptions, pledges or ad hoc giving) or from institutional funders such as states, foundations, corporations or other grant-making bodies.

All these sources want to see clarity of purpose in the programs and organizations they support. A strong brand is useful in development because it provides the context within which the entire enterprise of the organization is understood. It demonstrates how an organization’s various activities follow a definable strategic trajectory. Clear brand architecture also establishes ownership of past and future programs so that the organization is able to nurture success and support new endeavors. (A common complaint from not-for-profit organizations is that the programs are sometimes better known than the organization).

All funders would be happier with certainty than ambiguity. They need to know that grants are carefully managed and employed in the name of causes they support. Institutional funders, the newer private foundations in particular, are keen to see their money go exactly where they want. Building institutional credibility through the brand is thus in the interest of the organization, especially with the marked downward trend in unrestricted gifts. A strong, consistent brand suggests that an organization has the commitment and capacity to work as a sustainable enterprise, even as board members, executive directors and program directors come and go. Even if earmarking of gifts continues, an organization that crystallizes its identity functionally and strategically will find it easier to persuade funders to “take the leap” with the organization as it embarks on new ventures.

A strong brand, moreover, can save an organization time, resources and effort. As stated in a recent *BusinessWeek* article, “Most non-profits use their limited resources to market themselves to the same donors and foundations year after year” (December 2, 2002). If consistently managed, the brand is a useful symbol of historical credibility and future strategic direction, to coherent ends that are specific and compelling enough to inspire the confidence of funders.

Despite the multiple benefits of a strong institutional identity, of which effective development is but one, many not-for-profit organizations shy from brand building. The average

not-for-profit organization is wary of the terminology, concepts and techniques of branding as practised in the for-profit sectors. The goals of business are often regarded as antithetical to those of the not-for-profit sector. The lack of resources is another major reason cited. Most small- and medium-sized organizations do not even have designated development professionals on staff; oftentimes one person will multi-task along a range of support activities including marketing, audience development, communications, development and education. Another perennial reason offered by not-for-profits is the difficulty in justifying expenditure on building the brand to funders.

These concerns are valid, though misdirected. A designated brand manager is not a pre-requisite to effective brand building. Institutional identity should be the concern of every member of the organization, starting from the top. Board directors need to contribute their personal insight and influence toward building an intellectually and ethically sound organization. The executive director should ensure that all programs and activities deliver on the organization's mission in form as well as in content. This coherence would also help him or her better represent the organization to key constituents.

Moreover, successful brand management does not necessarily rely on the creation of new roles, but in the coordination of functions across the organization to meet strategic ends. The artistic director and development director, for example, need to view each other as partners in the growth of the organization, rather than as colleagues responsible for separate and distinct jobs. The lobbyist, analyst and outreach coordinator must stay cognizant of how the work of each supports the other. The researcher's cogent remarks at a conference, when accompanied by a paper acknowledging funder support, help the development director build relationships.

In addition to ideological, budgetary or personnel constraints, the usefulness of branding often encounters a mindset barrier in the not-for-profit world. Branding is sometimes regarded as a suspect tool for management seeking to "enforce the party line" in the fashion of large corporations. In this regard, many not-for-profit organizations are similar to entrepreneurial companies. Their approach to problems and the drive that motivates them are rooted in personalities, passion and the spark of ideas. Growing pains emerge when the organization expands beyond the founding few, or when figureheads are replaced. As Sorrel Osborne, development director of the International Peace Academy, says, "there is chronic underinvestment in institutional management in [the not-for-profit] sector." Speaking in relation to research-based organizations, which include many non-governmental organizations, Osborne observes, "corporate best practice is a concept foreign to many not-for-profits. Everything is done on an ad hoc manner, and is strongly driven by the personality of whomever may be currently at the helm of the organization." This is particularly true of the



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small- to medium-sized organizations that constitute the majority of this sector. In order to remain effective in the long run, however, all organizations need to institutionalize values, goals and good practice.

In the above mentioned *BusinessWeek* article, Jeffrey L. Bradach, managing partner at Bridgespan Group Advisors Inc, a consultant to not-for-profits and philanthropists, said, "Compared to the for-profit sector, the non-profit world is back in the late 1970s and early 1980s, when Japan was beating up American businesses. It's only beginning to understand that if you want good outcomes, you have to invest in building strong organizations."

Investing in brand building should not be regarded as cosmetic. An initial investment of time and expertise in aligning the organization to a well-articulated brand is akin to sound resource management. It lays the foundation for collaboration; it streamlines organizational goals; it directs effort towards institutional credibility and distinction.

To this end, not-for-profit organizations should view the brand as a symbolic and strategic guide for organizational growth. Conscientious brand management, like fiscal prudence, good governance, transparency and accountability, is a principle relevant to all organizations that care about the impact, importance and sustainability of their endeavors. **K**

### About the Author

**Patricia Tan** recently contributed a chapter to Interbrand's latest book on branding in the pharmaceutical industry, *Brand Medicine* (2001). Reprinted by permission of brandchannel.com.