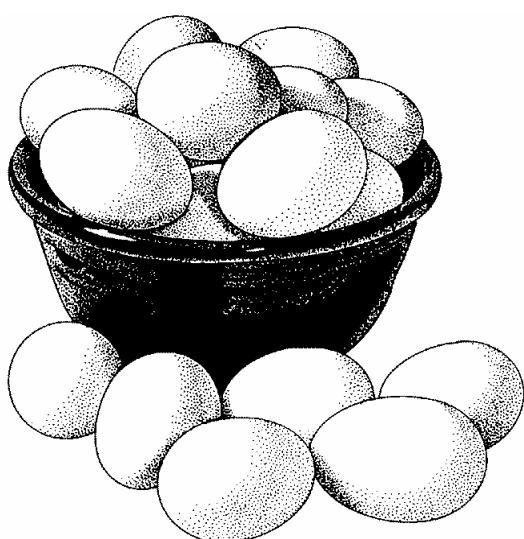


More Eggs, More Baskets

A process for generating,
screening and selecting new
non-dues revenue-generating ideas



**Jim Thalhuber
March 2003
Nonprofit Solutions, Inc.**

Contents

Introduction.....	1
Component I: Before You Begin	1
Component II: Idea Generation.....	5
Component III: Quick Feasibility Check	9
Final Words.....	11
Exhibit 1	12
Exhibit 2	12
Exhibit 3	14
Exhibit 4	15
Exhibit 5	17
Exhibit 6	20
About the Author	21
About Nonprofit Solutions, Inc.....	22

More Eggs, More Baskets

A process for generating, screening and selecting new non-dues revenue-generating ideas

Jim Thalhuber
March 2003

“Don’t put all your eggs in one basket” may be a cliché, but it’s also a smart business strategy for nonprofit associations. Most associations live and die by the membership dollar. Developing diverse and reliable non-dues revenue streams can help your association weather difficult economic times, fuel growth and position you to better fulfill your organization’s mission—in other words, getting more eggs into more baskets.

For the great majority of associations, a lack of ideas for new sources of revenue is not the problem. In fact, most associations have all the ideas they will ever need in the collective wisdom and experience of staff, members of the Board of Directors and volunteers. What most associations do lack, however, is a smart process to effectively elicit, evaluate and select the best ideas.

There are three key components to an effective process—*Before You Begin, Idea Generation* and *Quick Feasibility Check*.



Component I: Before You Begin

Before jumping with both feet into trying to find new non-dues revenue-generating activities, it is essential to set in place a solid foundation for planning within the association. Successful associations do the following before they start:

1. Get the Board on board.

These days, the typical association is seemingly besieged by one crisis after another. Unless the Board of Directors declares new revenue generation a priority, it will be swept away by the flood of daily demands. Therefore, the Board should approve a statement that declares new non-dues revenue generation a priority activity and that establishes the manner and level of support, including:

- Who will be responsible.
- How key players will be involved and informed.
- When and at what level resources will be committed.
- What will be accomplished over time.



2. Establish an Enterprise Team.

The Enterprise Team will provide the guidance and direction for new revenue generating activities. The team should report directly to the Board (it should ideally be structured as an ad hoc or standing committee) and consist of between eight and 12 individuals, with the following composition:

- Two or three members of the current Board of Directors.
- Two or three association volunteers.
- One paid staff/management person.
- A couple of outside “business mentors” (successful business people who have built and run their own businesses, at least one of whom should have a strong accounting/financial background).
- A couple of outside “wild cards” (people who know nothing about your association or its services, but who can ask the right questions).

Designate a “Devil’s Advocate” (someone to challenge every decision) and a “Mission Advocate” (someone who will always ask, “But what does the client/ customer need?”).

Team members should be willing and able (and expected) to:

- Attend scheduled meetings and be available for occasional special meetings and individual discussions.
- Offer advice and guidance based on their own experiences in business (i.e. share their intellectual capital).
- Serve as a sounding board as information and research findings are presented.
- Provide contacts and information that will be helpful in data gathering and research.
- Assist in analyzing results and formulating recommendations for the Board.
- Keep ideas, proprietary research, discussions and other activities confidential.

3. Assign a Project Leader.

When everyone is responsible, no one is responsible. It is essential to appoint an individual to be responsible for day-to-day implementation. Some suggested responsibilities to include in a Project Leader job description are to:

- Become familiar and fluent with the process.
- Schedule meetings, develop and distribute agendas and other materials, and coordinate follow-up activities after meetings.
- Involve association members (as appropriate).
- Coordinate/conduct any research activities.
- Prepare reports and recommendations for the team and the Board.
- Keep key stakeholders informed of progress.
- Ensure that progress is being made and that activities are completed within agreed upon timeframes.



- Be the head cheerleader and eternal champion of change.

The Project Leader is usually *not* the President or Chair of the Board. Most often, the leader comes from within the Board ranks, is a person with a “big picture” view of the association, has a solid reputation among the membership and, most importantly, has the time to devote to the project. (Some organizations use former Board members or outside management consultants for the Project Leader role. Organizations will also often use graduate students to assist with research.) How much time the Project Leader must devote to the team is a function of the number and complexity of the ideas to be pursued.

4. Confirm core values.

As part of their strategic plans, many associations have a clear set of core values that provide a clear code of conduct for the organization. If you don’t have them, identify core values before you start looking for new revenue-generating activities. Why? You may be tempted by things you’ve never been tempted by before, and you’ll need internal guideposts to help you resist them. Some examples of core values include:

- All inquiries from prospective members will be responded to within 24 hours.
- We will offer only the highest quality programs with high quality presenters.
- All financial transactions will be transparent to our membership.

5. Define driving forces.

Why are you looking at new revenue-generating activities? What is driving this shift in direction? It’s important to reach consensus on this issue because you will be intensely scrutinized once you begin, and you will need to have consistent, compelling answers ready for your critics. Some examples of driving forces include:

- Replace revenue from lost memberships.
- Reduce dependence on membership dues.
- Fund a growing demand for services.
- Add programs that will enable the association to serve existing members more comprehensively and effectively.

6. Describe desired outcomes.

What will success look like? It’s vital to define long-term goals before you begin. If you don’t, you’ll never be able to demonstrate success to anybody. Some examples of desired outcomes are:

- Contribute an additional 10 percent net to the bottom line within three years.
- Build the level of non-dues income from 25 percent to 50 percent of the annual operating budget by 2005.
- Serve at least 25 percent more people through our programs.



7. Identify core competencies.

If asked to describe their associations, most members would probably recite a litany of programs and services. That's defining the world in your terms, not necessarily in terms of what the marketplace wants and needs.

Instead of defining the world in your terms, start thinking in terms of core competencies. Core competencies are what your customers would list if asked what you are known for or what has value to them. Seeing the world through the lens of core competencies can reveal entirely new perspectives.

- McDonald's might say that its product is a hamburger, but its success is really defined by two core competencies—consistency and convenience.
- A Meals-on-Wheels nonprofit might claim that its service is to provide nutritious, home-delivered food—very limiting. But this same organization might discover that a core competency is really to help people stay at home and avoid institutionalization. This is a transformational competency, opening up new possibilities for service and revenue!

Industry image/positioning studies, focus groups, client/customer feedback systems and other research approaches will capture the data you need to define core competencies.

8. Communicate, communicate, communicate!

Take time early in your planning to list your key stakeholders and develop appropriate communications strategies to bring them along on your journey. A thoughtful communications program will:

- Focus your message.
- Create a clear picture for stakeholder groups.
- Create understanding.
- Build loyalty and trust.
- Safeguard/strengthen your reputation.
- Help you listen... to correct misconceptions.

Stakeholder communications is an opportunity to tap the interest and creativity of groups already committed to you and your future. Use existing channels for your communications, such as your Web site, newsletter, Board meetings, special events, etc.





Component II: Idea Generation

Anybody can come up with a money-making idea. The challenge is to know whether an idea is worth pursuing. You simply do not have the time and resources for wild goose chases.

So what is a good idea? Characteristics of a good money-making idea are that it must:

- Fit the mission of the organization.
- Fill a gap (i.e. meet a need) in the marketplace.
- Build on the core competencies of the organization.
- Start with a foot in the familiar.
- Be able to make enough money to achieve financial goals.
- Energize the organization.

The best way to find one good idea is to consider a wide variety of ideas and then rule out most of them. Many organizations that start out by looking at just one idea to the exclusion of others are not doing so because they have to—they’re simply infatuated with the idea at hand or are being pushed to develop a “pet” idea of an influential stakeholder.

The goal of idea generation is to elicit as many ideas for new revenue as possible, and to build consensus on which ideas look most promising and should be further explored—and to accomplish all this with a minimal investment of time and money.

How is this done? Idea generation can be managed by the Enterprise Team in four distinct steps:

Step 1. Develop and weight idea screening criteria.

- Develop a list of selection criteria that you can use to differentiate those ideas with more practical potential from those with less.
 - Criteria should help you assess whether an idea is feasible in the marketplace and whether it fits the organization.
 - Criteria should be easily understood and easily applied.
 - Keep the list short—five to eight criteria are usually adequate.
- Assign weights to each criterion.
 - Use paired comparisons or other means to develop weights



Examples of possible screening criteria include:

- Add value to existing services/for current customers.
- Adequate profit margin/return on investment.
- Customer ability to pay.
- Enhance image of organization.
- Evidence of need.
- Low barriers to entry.
- Non-capital intensive.
- Potential for quick market entry.
- Readily available expertise.
- Serve new customers.

It is important to develop screening criteria *prior to* brainstorming ideas instead of after to ensure that criteria don't become self-fulfilling.

Step 2. Brainstorm lots of ideas.

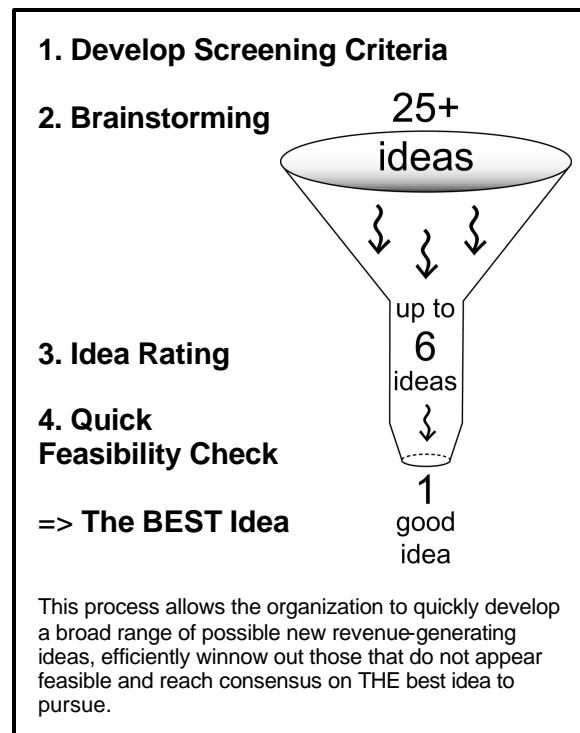
With criteria in place, the team can move on to a formal brainstorming session.

A group of up to 20 people should be invited to the brainstorming session. Included should be members of the Enterprise Team, current customers, potential customers, former Board members and so forth.

The rules for the brainstorming session are straightforward:

- The objective is to generate at least 25 money-making ideas.
- Time is limited—no more than three hours (two is better).
- *All* ideas are welcome, whether they're fully-cooked or half-baked.
- Keep it positive—no criticisms or discussion of drawbacks.
- Nothing is sacred or out of bounds—encourage the pushing of the envelope.
- Nobody is accountable for his/her idea (how ideas get investigated is a separate issue).
- Start with market needs, not the organization's experience.

Secure a comfortable room for the session and bring refreshments, several flip charts, markers and tape.



A facilitator should be appointed to lead the session (preferably the Project Leader or a member of the Enterprise Team). This individual should start the session by reviewing with the group the reason for the session (driving forces and desired outcomes), the process that is being used, and the objective of and the rules for brainstorming.

The facilitator can then open the floor for discussion. Have team members prepared to offer the first few ideas to break the ice. Also, ask team members to help capture ideas on flip chart pages taped to the walls. Stop promptly at the designated time.

Step 3. Screen ideas against established criteria.

With criteria in place and lots of ideas on hand, the next step is to have the Enterprise Team rate each idea against each criterion.

This is done by having the Project Leader transcribe all of the ideas generated during the brainstorming session, edit the ideas for clarity and aggregate the ideas into similar clusters.

One method for clustering ideas is to use the following categories:

- Market penetration: Current product/service – current customer/client.
- Market development: Current product/service – new customer/client.
- Product/service development: New product/service – existing customer/client.
- Diversification: New product/service – new customer/client.

Place the clustered ideas down the left hand column of a matrix and the criteria across the top (see Exhibit 1 – Idea Rating Form).

The Project Leader should distribute the Idea Rating Form to each member of the Enterprise Team with the following instructions:

Consider each idea, one at a time, evaluating the potential of each idea to meet each criterion. Rate each idea on a scale of 1 to 5 where 5 = “definitely meets the criterion” and 1 = “definitely does not meet the criterion.” Please complete and return the form to _____ by _____.

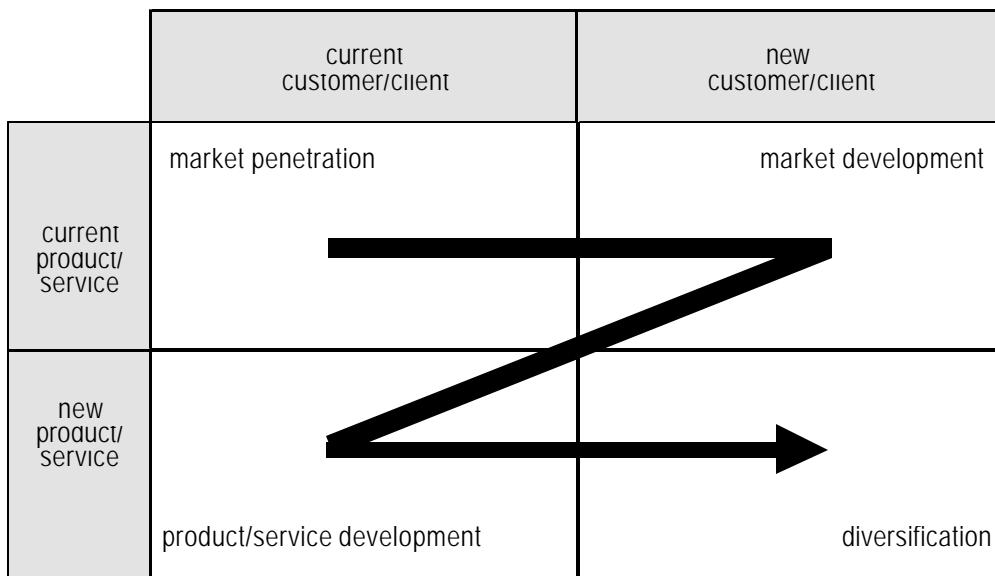
When the individual forms are completed and returned (see Exhibit 2), the Project Leader can then do the math. Multiply each individual’s scores by each criterion’s weight, adding the results and entering them in the far right-hand column of the Idea Rating Form. A team average or ranking for each idea can then be compiled. (See Exhibit 3.)



Step 4. Identify the ideas to pursue further.

When the math is done, the Project Leader can re-convene the team to review and discuss the results. The group should agree in advance to select no more than a half-dozen ideas to pursue (there simply isn't the time or money to pursue more). In deciding which ideas to pursue, consider the overall rankings, risk and any other factors that are unique for the organization.

A note on risk: Most nonprofit organizations have a low tolerance for risk, as they operate in the public domain with limited resources. Therefore, the organization should first explore new revenue-generating activities that start with a foot in the familiar before moving into areas they know nothing about. The following diagram illustrates the point.



The arrow illustrates an increasing degree of risk as decisions follow the Z-shaped path. Starting with existing products/services, there is increased risk in attempting to cultivate new customers/clients; even greater risk in attempting to develop new products or services; and greatest risk in trying to develop new products/services for new customers/clients.





Component III: Quick Feasibility Check

A “quick feasibility check” enables you to identify the best possible idea(s) to pursue—and to do so at minimal cost, risk and investment of time and energy.

The purpose of quick feasibility checks is to obtain sufficient additional outside information on new revenue-generating ideas to indicate either that the idea is not practical and ought to be abandoned, or that it appears to have promise and merits further investigation. These checks should not involve great detail or require much time or money to investigate. You should be able to conduct several checks within a couple of weeks.

This part of the process is incremental. You want to eliminate impractical ideas quickly (you don’t want to do any more work on an idea than it merits). You need to focus limited resources and energy on opportunities with the greatest chance for success.

At this point, it is assumed that you have a short list of new revenue-generating ideas for consideration (about half a dozen). The task now is to apply increasingly rigorous criteria until you can decide that each idea is either (1) not feasible or (2) worth pursuing.

First, briefly describe the idea you are considering. Then, answer the following:

1. Concerning the product/service:

- *Do we have, or could we develop, the ability to produce and distribute it?*
- *Can we produce and distribute it at a reasonable cost?*
- *Will our Board of Directors be willing to commit the required resources?*

2. Concerning the market:

- *Who needs it? What is the size and direction of the market?*
- *Is there someone willing and able to pay for it?*
- *How easy or difficult is it to penetrate this market? What about competition?*
- *Can we sell it at a price that will exceed our costs?*
- *Can we sell sufficient volume to meet our revenue goals?*

3. Concerning our organization:

- *Is it compatible with our mission and based on our core competencies?*
- *Is it compatible with the way we organize and carry out our activities?*
- *Will it jeopardize current revenue streams or relationships with key stakeholders?*



Some of the information you need to answer these questions may be obvious and readily at hand. For other information, you may have to dig around a bit and actually conduct some of your own research.

The research required for quick feasibility checks often involves nothing more complicated than talking to a number of knowledgeable people whose views or experiences you have reason to trust and/or respect. Putting together a simple interview protocol will ensure that you get consistent, useful information.

Let's say you're trying to determine if there is adequate demand for your new idea. Prepare a brief description of the product or service you are thinking of offering, as well as its potential attributes and price. Then interview a dozen people who represent what you perceive to be your target buyers and ask them the following:

- Do you understand what we're selling? (Is the concept described clearly?)
- Does our idea meet a real need? (Do we *understand* that need?)
- What competition comes to mind? What's most appealing about the m?
- Who would be involved in making your "buy" decision?
- What would you be willing to pay?
- Would you buy it?

When you are finished gathering your data, summarize and analyze the results. Bring your results to the Enterprise Team to make one of the following decisions for each idea:

1. The idea is impractical and should be dropped from consideration.
2. The idea should be modified and re-checked.
3. The idea should be developed and marketed.

Use Exhibit 4 (Quick Feasibility Check Worksheet) to help you organize your thoughts and the information you collect. Customize and tailor the worksheet to meet your particular situation and organization. Exhibit 5 shows an example of a Quick Feasibility Check summary, and Exhibit 6 shows a timeline of the entire idea generation process.





Final Words

It is inevitable that most of the ideas that seemed so exciting or full of promise during brainstorming will die an ignominious death by the end of your process. This is normal—perhaps one idea in 100 should make the cut. Don't get personally attached to any one idea and don't let a powerful or persuasive member of the team drive the outcome. Let the process do the work. Keep in mind that sometimes the best outcome is to decide NOT to do anything.

If, by chance, two or three ideas are still standing after the quick feasibility checks, you probably have the energy to develop only one at a time. If the other ideas are so great, they'll have a long enough shelf life to be pursued at a later time. And build on your success... doing one thing at a time well will build trust, support and resources.

“Go/no-go” decisions at the end of your quick feasibility checks may be the end of your process, or just the beginning of your work. Simple, low-cost ideas can be brought right to the marketplace. You may need additional research or even a formal business plan for more complex ideas that require significant investment. Decisions on how to proceed from quick feasibility checks should be based on a balance of risk and reward.

Whether this process is a new starting point or a terminus, remember that success is not guaranteed. The marketplace can be cruel and unforgiving. But by using a disciplined and structured process that capitalizes on the collective wisdom and experience of key individuals, you can greatly shift in the odds of success in your favor.



Exhibit 1 – Idea Rating Form

Rate each idea on its potential to meet each criterion, using the scale:
5 = Definitely, 4 = Probably, 3 = Maybe, 2 = Probably not, 1 = Definitely not

Exhibit 2 – Idea Rating Form (individual response)

CRITERIA (weight)	Criterion #1	Criterion #2	Criterion #3	Criterion #4	Criterion #5	Criterion #6	TOTAL
IDEAS	(15%)	(10%)	(25%)	(25%)	(20%)	(5%)	(100%)
Cluster 1							
Idea a	3	3	2	2	2	1	13
Idea b	4	3	2	3	3	2	17
Idea c	4	4	1	3	3	2	17
Cluster 2							
Idea d	4	3	3	3	3	1	17
Idea e	3	1	3	3	3	1	14
Idea f	1	2	2	2	3	1	11
Idea g	2	3	3	4	3	2	17
Cluster 3							
Idea h	3	2	3	2	3	1	14
Idea j	4	4	3	3	4	4	22
Idea k	2	2	1	3	3	3	14
Idea l	4	4	4	4	4	3	23
Idea m	3	2	2	3	3	3	16
Idea n	1	2	1	3	1	3	11
Cluster 4							
Idea o	4	4	4	4	3	4	23
Idea p	4	2	1	3	3	2	15
Idea q	2	2	2	2	2	1	11

Rate each idea on its potential to meet each criterion, using the scale:
 5 = Definitely, 4 = Probably, 3 = Maybe, 2 = Probably not, 1 = Definitely not



Exhibit 3 – Idea Rating Form (team totals)

CRITERIA (weight)	Criterion #1 (15%)	Criterion #2 (10%)	Criterion #3 (25%)	Criterion #4 (25%)	Criterion #5 (20%)	Criterion #6 (5%)	TOTAL (100%)
IDEAS							
Cluster 1							
Idea a	3.27	4.02	2.09	2.64	2.78	1.84	16.64
Idea b	4.42	3.50	2.31	3.19	3.51	2.32	19.25
Idea c	4.10	4.06	1.87	3.08	3.51	2.32	18.94
Cluster 2							
Idea d	4.25	3.50	3.19	3.41	3.60	1.52	19.47
Idea e	3.08	1.85	3.30	3.30	3.69	1.92	17.14
Idea f	1.25	2.80	2.97	2.52	3.60	1.08	14.22
Idea g	2.76	3.20	3.64	4.52	3.42	2.08	19.62
Cluster 3							
Idea h	3.91	2.94	3.08	2.53	3.24	1.92	17.62
Idea j	4.44	4.20	3.63	3.85	4.60	4.36	25.08
Idea k	2.78	2.48	1.52	3.96	3.60	3.20	17.54
Idea l	4.74	4.86	4.63	4.86	4.60	3.20	26.89
Idea m	3.42	2.92	2.63	3.96	3.15	3.04	19.12
Idea n	1.95	2.48	1.96	3.18	1.51	3.04	14.12
Cluster 4							
Idea o	4.71	4.34	4.41	4.07	3.69	4.32	25.54
Idea p	4.42	2.64	1.41	3.74	3.60	2.40	18.21
Idea q	2.40	2.66	2.31	2.08	2.51	1.16	13.12



Exhibit 4 – Quick Feasibility Check Worksheet

I. Briefly describe the idea. This will ensure that everyone is talking about the same concept, and may raise some important issues that need to be addressed.

A. What is the product/service we propose to provide? _____

B. Who would buy or use the product/service? _____

C. How large is the market for this product/service? _____

D. Is this a market we already serve? _____

F. Who else provides similar products/services? _____

G. What is involved in conducting this business after it is up and running? _____



II. Using the 5-point scale below, indicate the extent to which you believe each of the following statements is correct.

	Statement Correct?
A. Product/service feasibility	
The product/service will actually work	_____
We have or can develop the ability to produce and distribute it	_____
We can produce it at a reasonable cost	_____
Our Board is willing and able to commit the required resources	_____
B. Market feasibility	
We know who needs this product/service	_____
Demand exists; those who need it will be willing to pay for it	_____
We can readily get into the market	_____
The risk of failure is due to competition from others is low	_____
We can sell it at a price that will exceed our costs	_____
We can sell enough to meet our revenue and profit goals	_____
C. Organization impacts	
The product/service is consistent with our mission	_____
It is consistent with our core competencies (skills, capabilities, etc.)	_____
It is compatible with how we organize and carry out our activities	_____
It will not jeopardize our existing major sources of revenue	_____
It will not jeopardize our relationships with our key stakeholders	_____

5 = yes, 4 = probably, 3 = maybe, 2 = probably not, 1 = no/don't know

III. Other considerations...

IV. Recommendation

- The idea is impractical and should be dropped from consideration.**
- The idea should be modified and re-checked.**
- The idea warrants development.**



Exhibit 5 – Quick Feasibility Check Example

(Example from a nonprofit with the idea of producing and selling instructional videotapes.)

I. Briefly describe the idea. This will ensure that everyone is talking about the same concept and may raise some important issues that need to be addressed.

A. What is the product/service we propose to provide?

The idea is to produce and sell instructional videos in retail stores. A buyer of an instructional video would be able to gain knowledge and insight on the video topic. Many people wish to improve their knowledge of certain subjects and instructional videos provide a relatively inexpensive way to acquire this knowledge. Most instructional videos are related to one of the following subjects: academic studies, art/graphic design, beauty/wardrobe, biography, boating/sailing, business skills, child care/parenting, children's learning, computers, cooking and entertainment, crafts/hobbies, dance, documentary, exercise/fitness, gambling, gardening, health/medicine, home improvement, martial arts/self-defense, music, nature and wildlife, personal growth, pets, sports, theology, transportation, and travel.

B. Who would use or buy the product/service?

The target market is anyone wanting to improve his or her knowledge of certain subjects.

C. How large is the market for this product/service?

Millions of instructional videos are sold each year. Most of the top-selling instructional videos are heavily marketed through commercials and infomercials. Gross sales from infomercials worldwide exceed \$2.5 billion annually and are expected to top \$4 billion by 2005. Entertainment, self-improvement and health and beauty products account for close to 35% of these sales; fitness is responsible for another 27%. An average of 98% of viewers of infomercials do not buy directly, although many are much likelier to buy a given product or service if it is later seen in a store or advertised through other media. The customer base is expanding as the population base in this country is expanding.

D. Is this a market we already serve?

We currently do not sell videos.

E. How would we get paid to deliver this product/service?

Revenues for the instructional videos would come directly from the buyers.

F. Who else provides similar products/services?

Competition is fierce in the instructional video market. Many videos end up in the discount or trash bins of retailers. Market share of each competitor depends upon the subjects of the instructional videos. There is always room for a niche competitor.



G. What is involved in conducting this business after it is up and running?

Obviously, a video could be produced very cheaply with only a camcorder, a few volunteers and minimal supplies. However, most videos cost many thousands of dollars to produce. Marketing the videos would represent other substantial costs. If the infomercial approach were used, successful infomercial ad agencies charge a minimum of \$100,000—and an average of \$200,000—to produce a 30-minute product. A telemarketing agency would have to be retained and would have to prepare its operators to handle each call; each qualified lead or order would cost \$2.50 to \$30.00. A two-week test run would be needed in order to test multiple time slots and markets to confirm sales projections and the effectiveness of the message; this run could cost a minimum of \$10,000 and an average of \$25,000. If the test run went well, the most profitable times to run the infomercial would be late nights, mornings and daytimes during Saturday and Sunday; the cost of the infomercial funds would be a minimum of \$50,000 per month and could possibly reach \$500,000 per month.

Once the instructional videos were produced and the marketing schedule was selected, we would have to make certain that the videos remained in stock at the retail stores and that there was a good distribution system.

H. Other information:

What is our competitive advantage? Our videos would feature world-renowned experts discussing their fields of expertise. Our brand name on the videos would also be a feature. Our name alone could serve as a competitive advantage.

How does the business operate? What are the critical variables to be successful and to make money? The business model would be patterned after that of any successful instructional video.

Can we offer it at a quality level at or above what currently exists? Can we distribute it at the level of quality and pricing necessary to satisfy both us and our customers? We definitely have the potential to sell instructional videos with a quality level at or above what currently exists. The pricing would be competitive.

Can we sell it at a price that will exceed our costs? Can we sell sufficient volume to meet our revenue/profit goals? Instructional videos are typically priced in the \$12 to \$25 range, meaning we would probably have to sell tens of thousands of videos to reach our profit goal.



II. Using the 5-point scale below, indicate the extent to which you believe each of the following statements is correct.

A. Product/service feasibility

The product/service will actually work	5
We have or can develop the ability to produce and distribute it	3
We can produce it at a reasonable cost	2
Our Board is willing and able to commit the required resources	3

B. Market feasibility

We know who needs this product/service	2
Demand exists; those who need it will be willing to pay for it	4
We can readily get into the market	3
The risk of failure due to competition from others is low	2
We can sell it at a price that will exceed our costs	3
We can sell enough to meet our revenue and profit goals	3

C. Organization impacts

The product/service is consistent with our mission	5
It is consistent with our core competencies (skills, capabilities, etc.)	2
It is compatible with how we organize and carry out our activities	3
It will not jeopardize our existing major sources of revenue	5
It will not jeopardize our relationships with our key stakeholders	4

5 = Yes; 4 = Probably; 3 = Maybe; 2 = Probably Not; 1 = No/Don't Know

III. Other considerations...

Even though this was the second highest-rated idea to come out of our brainstorming session, we (as a service provider) have never tried to produce and distribute a product before. The market is so large and so scattered, we aren't sure how we would even approach it. We don't know this business model and we're not sure if the margins would be high enough for us.

IV. Recommendation

- The idea is impractical and should be dropped from consideration.
- The idea should be modified and re-checked.
- The idea warrants development.



Exhibit 6 – Process Timeline

PLAYERS	WEEKS 1-2	WEEK 3	WEEK 4	WEEK 5
BOARD OF DIRECTORS	<ul style="list-style-type: none"> • Declare new revenue generation a priority • Recruit members of Enterprise Team • Draft Enterprise Team charge 			
ENTERPRISE TEAM		1st meeting: <ul style="list-style-type: none"> • Select Project Leader • Review team charge • Review/discuss process • Discuss driving forces & desired outcomes • Identify core competencies • Set communication plan • Develop/weigh idea screening criteria • Set date for brainstorming session • Set date for next meeting 		<ul style="list-style-type: none"> • Attend brainstorming session
PROJECT LEADER			<ul style="list-style-type: none"> • Recruit additional people for brainstorming session • Secure meeting space 	<ul style="list-style-type: none"> • Facilitate brainstorming session
OUTSIDERS				<ul style="list-style-type: none"> • Attend brainstorming session

PLAYERS	WEEKS 6-7	WEEK 8	WEEKS 9-14	WEEK 15	WEEK 16
BOARD OF DIRECTORS					<ul style="list-style-type: none"> • Approve/reject recommendation(s)
ENTERPRISE TEAM	<ul style="list-style-type: none"> • Rate each idea against each criterion using the Idea Rating Form • Return completed Form to Project Leader 	2nd meeting: <ul style="list-style-type: none"> • Review/discuss ranked ideas • Select no more than 6 to pursue further 		3rd meeting: <ul style="list-style-type: none"> • Review Quick Feasibility Checks • Select THE best idea to pursue 	<ul style="list-style-type: none"> • Attend Board meeting
PROJECT LEADER	<ul style="list-style-type: none"> • Transcribe, edit, cluster ideas from brainstorming session • Send Idea Rating Form to Enterprise Team • Compile results 		<ul style="list-style-type: none"> • Conduct Quick Feasibility Checks for selected ideas • Schedule 3rd Enterprise Team meeting 	<ul style="list-style-type: none"> • Prepare recommendation(s) for Board 	<ul style="list-style-type: none"> • Attend Board meeting
OUTSIDERS					





About the Author

Jim Thalhuber is the President of Nonprofit Solutions, Inc. He was named to his current position in the fall of 2002.

From 1994 to 2002, Mr. Thalhuber served as Vice President/Chief Operating Officer and then President/Chief Executive Officer of the National Center for Social Entrepreneurs, a Minneapolis-based nonprofit consulting company that helps nonprofits across the country improve their business and marketing practices in order to generate more revenue to fuel their mission-related activities.

Mr. Thalhuber has nearly 30 years of experience with nonprofit health, social and financial services organizations, holding senior management positions responsible for marketing, strategic planning and new business development. He has designed and marketed a number of new programs and services, and has grown and launched several small business ventures.

Mr. Thalhuber is an adjunct professor at the University of St. Thomas Graduate School of Business in St. Paul, a senior reviewer for the *Journal of Healthcare Marketing*, and a member of the Retail Services Committee for Goodwill/Easter Seals of Minnesota. He is a past president of the Board of Directors of the Academy for Health Services Marketing, and has been a member of the American Marketing Association Board of Directors and a member of the national advisory council for the Alliance for Healthcare Strategy and Marketing.

Mr. Thalhuber holds Bachelor of Arts and Master of Business Administration degrees from the University of St. Thomas in St. Paul.





NONPROFIT SOLUTIONS INK is a series of monographs published by Nonprofit Solutions, Inc. designed to provide insights on important concepts and principles, as well as practical information and guidance on current topics of concern to nonprofit associations and organizations.

Information in this publication has been developed with the intent that it be readily available for personal and public non-commercial use. It can be reproduced, in part or in whole and by any means, without charge or further permission from Nonprofit Solutions, Inc. We ask only that users exercise due diligence in ensuring the accuracy of the materials reproduced and that Nonprofit Solutions, Inc. be identified as the source of the material.



Nonprofit Solutions, Inc. is a team of professionals dedicated to meeting the management needs of nonprofit organizations by providing a full range of cost-effective services. We endeavor to provide leadership, vision and a level of service that exceeds our clients' expectations.

Our clients represent a variety of fields, including philanthropy, business services, health care, education, hospitality, marketing and communications. Each year, Nonprofit Solutions assists organizations that help thousands of people build their communities, enhance their careers, develop their leadership skills, and educate themselves and others by developing effective programs and services for the members of client organizations.

Nonprofit Solutions, Inc.
1821 University Ave W, Ste S256
St. Paul, MN 55104-2897
(651) 917-6240
(651) 917-1835 fax
office@nonprofitsolutions.com
www.nonprofitsolutions.com



NONPROFIT SOLUTIONS INK

More Eggs, More Baskets
©2003 Nonprofit Solutions, Inc.

page 22