

How Marketing Savvy Can Help a Start-Up Succeed



Logo design by Karen Gerhardt, sisterstudio@tm.net

A colorful lizard helped one nonprofit stand out in a competitive market.

The key is to carve out a unique niche, as this case study makes clear.

By Mimi Bell

In response to a *No Child Left Behind (NCLB)* federal mandate, Bay-Arenac ISD, a Michigan educational agency serving seven K-12 public school districts, set aside general-fund dollars for developing supplemental services (those in addition to classroom instruction) to boost student reading and math scores. Students in grades 1-5 in Title I schools, identified by limited family income, who hadn't met the Department of Education's *AYP* (adequate yearly progress) classification would be eligible to participate in the program.

As a result of school improvement initiatives launched by the federal government, tutoring chains throughout the nation are earning great profits. A recent story broadcast on NPR's *Morning Edition* noted that tutoring in the United States is now a \$4 billion business — and rapidly growing. Tutoring is benefitting from federal monies, and the profile of the tutored children is changing. In the past, upper-class children had access to private tutoring. With government mandates, children from low-income families are now targeted for tutoring.

Identifying the Challenge

As for-profit tutoring has grown, critics have questioned the quality of these programs. One such critic was Bay-Arenac ISD. It believed it was best qualified to provide academic assistance, yet parents of students in its local school districts were free to choose tutoring programs — at no cost to them — offered by for-profit tutoring chains.

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Schools in districts not meeting *AYP* were required to set aside 5% of supplemental service funds to boost student achievement. If parents wanted to send their children to a for-profit tutoring chain, an account would be set up with that tutoring organization in the name of that Title I school — and the bill for services would be sent to that school.

For Bay-Arenac ISD, the program start-up it dreamed of launching was a risky endeavor. If the agency couldn't enroll the required number of students, its own investment — scarce and precious start-up

funds — would be spent, and the program would be discontinued.

The challenge was this: How could the educational agency position itself as the preferred service vendor and demonstrate its product value — while raising self-esteem in students already singled out as “low achievers”?

Creating the Value Proposition

The answer to the challenge came after Bay-Arenac ISD engaged advisors with Rehmann Consulting. Their marketing team first pinpointed the audience for the new start-up — all Title I students, identified by low scores on standardized state tests, in the two school districts that hadn't met *AYP*.

Recognizing that most students — especially those burdened by low self-esteem — wouldn't be keen on participating in a remedial program, the marketing team knew it needed to change students' and parents' perceptions. What if the program became an exclusive “club” and membership was by invitation only? What if students received club benefits that rewarded them for attendance and progress in achieving preset academic goals? The result was *Club Leaping*

Marketing Plan Checklist

Before launching any new product or service, a marketing plan can put you on the path to success. Here are the steps to take:

Clarify how your organization's mission and vision relate to the services you plan to market.

Pinpoint your market. Research current market conditions.

- **Identify** potential customers using geographic, demographic, and psychographic indicators.
- **Understand** the competition.
- **Estimate** present and future market share potential.

Examine the economics of a profitable business model.

- **Establish** cost. Develop wholesale and retail pricing scenarios.
- **Define** initial sales or outcome goals and objectives.

Formulate a marketing strategy.

- **Determine** features and benefits.
- **Choose** distribution methods.
- **Decide** on a mix of promotional activities (including advertising, literature, identity and branding development, public relations, events and trade shows, and direct mail).

Integrate sales tactics and incentives.

Develop a customer management database system.

Prepare outcome measures to evaluate the success of your marketing strategy.

Create a timeline to implement your plan.

Lizard, where being a member means loads of fun while leaping ahead in math and reading.

Differentiating, Naming, & Positioning in the Marketplace

The marketing team developed an identity package, featuring a colorful lizard that appealed to both students and parents. Next came a series of tactical elements — club invitations (with versions for parents, “Why parents like Club Leaping Lizard” and versions for students, “Why children like Club Leaping Lizard”), parent information brochures and events, Web page, curricular-enhancement materials — to establish Club Leaping Lizard as the place to be.

Because Club Leaping Lizard sessions were conveniently offered before or after school in familiar neighborhood school buildings, transportation concerns were reduced for parents. The curriculum aligned with what children were being taught during regular school

hours. The custom approach to instruction, the emphasis on raising both self-esteem and academic achievement, and the innovative “club” concept set Club Leaping Lizard far apart from tutoring-chain competitors.

Evaluating Success

When the start-up launched, parents responded enthusiastically, enrolling students in all available program spots. No eligible student was enrolled in competing for-profit tutoring chains or in private instruction.

Student attendance was an essential evaluation metric. If Bay-Arenac ISD wanted to be compensated for its service, kids had to attend. Because children earned Club Leaping Lizard incentive items (such as baseball caps, backpacks, and rulers) for meeting math and reading improvement goals and for outstanding attendance, program satisfaction and attendance ran high.

In addition, Bay-Arenac ISD was recognized for its ability to promote and deliver meaningful instruction. Funding was continued to allow more students to par-

ticipate. A summer program was added, and the academic-year program was expanded. The most heart-warming measure, of course, was how a club about a lizard helped kids feel good as they leaped ahead in math and reading.

Because Bay-Arenac ISD tested students before and after they were tutored, it knew exactly how much each student advanced. Improvement ranged from 6% to 94%.

The most important measure of the start-up's success? The program is now out of business because all eligible schools have met AYP two years in a row. ■

Resources

Brinckerhoff, Peter, “The Non-profit Marketing Disability—How to Overcome It,” *Nonprofit World*, Vol. 15, No. 3.

Minnis, William, “Four Steps to Evaluation Success,” *Nonprofit World*, Vol. 23, No. 2.

These resources are available at www.snpo.org/members. Also see Learning Institute programs online: Marketing, Mission-Based Management, Social Entrepreneurship, and Outcome Measurement (www.snpo.org/li).



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