

Sustaining Your Nonprofit Into the Future: A Curriculum for Home and Community Based Service Providers

Part II Strategic Positioning: Maximizing Your Strengths for the Future

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Chapter 1: Introduction

The Strategic Positioning module will help you identify your core strengths and develop a Positioning Statement that accentuates those strengths in order to best serve your constituents' needs into the future. A carefully considered positioning statement can be the key to sustaining your organization.

Strategic positioning helps answer the following questions:

- What makes your organization unique?
- What services do you provide that are different from other similar organizations?
- What distinguishes you from your competitor?

Through careful self examination, your staff and board – along with community leaders – will define your organization's specific niche and then turn that niche into a focused strategic position.

Your positioning reflects not only what your constituents expect, but also what the environment demands. The goal of strategic positioning is to match the unique strengths of your organization with the specific needs of your community.

Objectives

After completing this section, you will achieve these objectives:

- Describe the difference between Strategic Positioning and Strategic Planning.
- Explain the “Several P” framework for effective Strategic Positioning.
- Explain the six steps leading up to creating a Positioning Statement.
- Explain how to create a Positioning Statement for your agency.

Chapter 2: Clarifying Strategic Positioning

First, we need to clarify the difference between Strategic Planning and Strategic Positioning.

Strategic Planning focuses on broad organizational development that shapes and guides what the organization does and where it is going. This includes board development, financial goals and processes, personnel policies and development of mission, vision, values and goals.

The Strategic Plan's goal is to gather together your organizational resources to achieve your overall goals. In today's complex and competitive market, however, strategic planning is not enough.

Strategic Positioning is a more specialized tool and focuses on your direct services. Strategic Positioning balances the external needs of your community against your internal strengths, thus **defining your specific niche**. It assesses the strengths of your organization and determines if and how the strengths of your direct services meet current consumer priorities.

Areas to consider as you look for your strategic position include: current (and projected) need for your services, the users you serve, your specific geography, your competitors or alternatives, your sources of funding, the labor force, and your specific assets.

“Positioning is not what you do to a product. Positioning is what you do to the mind of the prospect.” – Jack Trout

Positioning is your organization's **identity** – what makes you distinct. As the above quote says, it isn't about the product; it is how the product is perceived by your constituents.

Well-positioned organizations are “bigger than life.” They command attention, seem to be everywhere, and are always at the right table. How do they do this? By identifying their strengths, differentiating themselves from their competitors, and engaging with the community.

Organizations that are clear about their mission and vision usually can identify a few key assets – specific things they do particularly well. These assets will be at the core of your positioning statement.

Example: Habitat for Humanity. When people think of this organization, most can immediately recall what sets them apart. They build houses for those in need. Their mission statement- “Eradicate rural housing poverty.”

As the aging population increases in numbers, nothing is static. For this reason, creating a strategic position is a long-term process, or a continual “work in progress.” It must

clearly identify your strengths and core competencies, allowing for the fact these strengths will need to adapt to a constantly-changing environment in order to remain competitive.

Creating a Strategic Positioning statement will involve the board, staff leaders and managers, partnered with service providers, consumers and community stakeholders. The task is to make certain your services are fully aligned with community needs – now and into a projected future.

Strategic positioning means you will think about your business differently by evaluating your internal strengths, as well as what the public needs. Evaluating your strengths and needs is called **positioning**. Changes in your community will prompt refocusing, or **repositioning**. Remaining flexible and open to change (repositioning) is an important characteristic of a sustainable organization.

Chapter 3: The P's of Positioning

Gary Stern identifies the six P's of positioning in his book, *Marketing Workbook for Nonprofit Organizations*, published by Fieldstone Alliance, Copyright 2001, all rights reserved. Adapted with permission, www.FieldstoneAlliance.org.

The Six P's are: Product, Public, Price, Place, Production, and Promotion

The Department of Human Services adds a seventh P –People

All of these will need to be taken into consideration as you learn how to position your services.

Product

Product is another word for the “services” you offer your clients. Because it is important that you offer a service that consumers want and value, you need to assess your environment for several factors: the need for your service, the users you serve, your competition, funding sources, and your unique assets.

If your organization went away tomorrow, what organization would likely fill its niche? This is your competition. Defining your product in such a way that distinguishes you from this competition is a way to increase your appeal to customers.

If you discover a lack of interest in using your product or service, it may be a sign that new needs are replacing old needs. You may need to re-design in order to bring your product in line with consumer preferences. It is important to constantly be looking at trends and patterns in society and in your service segment as you try to position yourself for the future.

Case Study

An older adult service agency began to receive telephone calls and public inquiries about household chore assistance. Callers were inquiring whether persons with physical disabilities or other physical limitations of any age could receive chore assistance.

After conducting a community assessment with individual and family interviews, the agency determined that serving this new audience would increase sustainability through additional revenues. The agency decided to promote their services throughout the community in newspaper ads, flyers, and radio Public Service Announcements (PSAs).

The advertising was effective. As the campaign progressed, a new target audience began to call the older adult agency for pricing and scheduling options. Within months, this new sector began purchasing home chores on a fee-for-service basis. This market segment continues to provide substantial revenues that support agency services.

Public

The “public” are the users of your product or service. These include consumers of various ages, economic abilities, and geographic locations. Other kinds of “publics” include service providers, community organizations, foundations, and potential funders.

A good way to expand your definition of “public” is to make a list of all the people who need to know about your services. For example, ask yourself:

- Who are the current and potential users of your service(s)?
- Are there new public niches to uncover (such as family members of current consumers)?
- Who are other service providers in your community? Are they potential referral sources? Are they in direct competition with you?
- Who are potential partners to help promote your service(s)?
- Who are your current and potential funders? Do they know about the scope of your services and the populations that may value the benefits you offer?

In particular, to sustain and grow your organization, you will want to focus on the groups, or “publics,” that are not familiar with your scope of services.

Case Study

An older adult service provider, Caring for Elders, received a three-year grant from a local foundation. At the awards ceremony, the service coordinator had the opportunity to meet agencies that also received a foundation grant award. Introductions and business cards were exchanged.

After the ceremony, the coordinator contacted the director of each agency that also received funding. Many were unaware of the changes in scope of service that Caring for Elders now offered. After additional follow-up conversations, the other agencies began referring new clients to the service coordinator. In one month, twelve new clients were referred and began to purchase agency services. This is an example of an agency that understood the importance of reaching out to a new group, or “public,” and expanding its customer base.

Price

At a basic level, price refers to the dollar amount that customers pay to receive a service. Price may also refer to other business costs, such as how much time it takes to complete an action or provide your product or service. Pricing is a significant factor in the positioning process.

When thinking about price, you need to consider the following:

- Have you factored accurate administrative expenses into what you intend to charge for your services?
- Does your pricing convey the value of your services? Are you over-pricing or under-pricing your fees-for-service?
- Does your pricing have flexibility to offer services to customers in a range of income levels?
- Have you compared your prices to those of your competitors?

Many people believe that price and value reflect each other. Charging too little often devalues a service/product in the eyes of others. Conversely, charging a reasonable price encourages consumer commitment. Be aware of what pricing messages you give your clients. (Note: For a more thorough discussion of setting service rates, see the *Financial Stability* course.)

Case Study

One respite provider decided to institute a sliding fee scale after years of offering the service at “no charge.”

The provider worked with its finance staff to calculate the full cost of the service before establishing the sliding fee scale. Staff and volunteers were educated about the full costs of providing the service, and why discussing the true cost with clients helps establish “service value” in the mind of the consumer.

Staff now discusses the service cost and sliding fee options during each intake conversation. A fee is established, and clients receive a monthly statement. Though the program lost some volunteers and a few clients during the initial transition, it has more than doubled its annual income from sliding fees in just three years.

Place

The place for your services is anywhere people interact with you. Ask yourself the following questions:

- Where can consumers access your services? How accessible are these locations to them?
- Are there any groups that are not able to access your services? What groups are these and what are the barriers?
- Are you clearly visible to all of your “publics”?
- What would make you more visible?
- What are the benefits and challenges of your locations?

It is also important to recognize what your place (“space”) says about you and your willingness to work with people. Is your location sending out a message of eagerness to serve, as well as including diverse customers? What do your inside/outside colors, photographs, artwork, signage, language, and design tell your consumers?

Case Study

An older adult’s service agency was located in an attractive, quiet location of a small Minnesota city. Rent was reasonable. The location was convenient for its staff. However, the agency had no broader public visibility.

The board discussed the lack of visibility at this location. After six months of investigating other locations, a space for rent opened up in large building with government and social service agencies. After careful discussion and consideration, the agency decided to move.

Within months, the agency found that being physically located near other social service and city government offices increased referrals. During lunch and break times, government and business employees in the building would stop by for a brief welcome and learned more about the agency. Many individuals had specific, challenging questions on caring for elders.

The agency learned that while their valued service benefits were central to their success, a visible space – shared with other public, private and social service agencies – was responsible for a huge boost in business. This agency’s story illustrates the importance of “place.”

Production

Production refers to the ways you deliver your product. In order to develop an outstanding reputation, your agency must focus on providing excellent customer service in a timely manner, communicating regularly with your constituents, and showing genuine care and concern for those you serve.

Critical production questions to consider include:

- How effectively do you meet consumer demand? Do people wait long before receiving needed services? Can consumers receive prompt attention in their preferred location?
- Are your services consistently given high marks in customer service quality?
- Are you consistently delivering high consumer value in all your services?
- Are you able to meet the changing needs of customers with enthusiasm and flexibility?
- Do you use your staff resources and volunteers to their fullest capacity?

Delivering effective and needed services to consumers in a timely manner is an excellent way to conduct business. Make certain your methods for producing and delivering services are of the highest quality, as well as convenient, friendly and professional.

Case Study

The executive director of a direct service agency decided to implement a review process of the agency's "production." The agency answers these questions on an ongoing basis:

What is going well for our clients, and what needs improving or changing?

What do we need to do differently? What are we learning?

The agency then uses the feedback they get from consumers to adjust the way they provide services.

Promotion

In this increasingly complex world, a variety of promotional strategies are needed. These range from hard copy announcements, e-newsletters, personal meetings, presentations, articles/features and building signage to webinars and blogs.

Your first impression to your consumer should convey constant commitment to quality and service. Whether this takes place in a phone conversation, a greeting to consumers

when they arrive in your office, or the public appearance of your website, professionalism and respect are essential.

Whether you are considering paid advertising, inserting flyers in a community bulletin or a promotional partnership, your focus must always be on building relationships of trust. Trust building involves genuine listening, thoughtful responsiveness and following up. Word-of-mouth recommendations are one of the strongest and most effective promotional strategies.

Your board and staff play an important role. Their presence and visibility at public meetings, community presentations, trainings and other service opportunities will have a positive impact on the “face” of your organization. If financial resources allow, consider contracting with a promotional consultant to gain the expertise you need for effective multiple media strategies.

Attend workshops on all aspects of promotion – producing e-newsletters, creating direct mail announcements, copy writing and more. Community colleges, adult education and technical schools offer ongoing promotion courses. Sometimes the selling point is in the aesthetics. The work of a good graphic designer also says “professionalism” to your consumers.

Case Study

An agency serving adults with disabilities produced a caregiving guide for family members. After the guide was completed, it was then reviewed by individuals in the community who were carefully chosen based on their diverse education, economic, and social backgrounds. A young graphic designer donated her services to add a compelling graphic layout. The guide was transformed into a colorful, highly professional agency promotion.

This resource is now given to all clients and is used in public marketing strategies. This attractive and well-used caregiver guide sends the message that this agency’s specialty is working with people with disabilities and their families. Sharing this guide provides public recognition of the agency’s quality, care and professionalism.

People

While the Six P’s are an excellent guide for Strategic Positioning, we believe a “Seventh P” – “People” – is essential to positioning success.

To determine your strategic position, and then to design a strategy for success, you must attract and cultivate effective people on your staff, your board, and in volunteer positions.

The people you choose must have a wide range of skills and talents, depending on the positions they will fill.

Your board, staff and volunteers must have strong relationships with businesses and community organizations of all shapes and sizes - for-profit corporations, leading non-profits, trade and professional organizations, faith communities, athletic associations, and education organizations. Whether they are colleagues, community leaders, or business people, the **key ingredient** is their **passion** about what they do and their **dedication** to the success of your service. **Finding these people requires focused planning.**

Your Board

Recruit board members who are active in the community and committed to their individual professions. Choose people from diverse backgrounds including finance, marketing, promotion, legal affairs, health, education, or any other professions that complement your service. Your board must truly care about your service and be engaged in it on a personal level.

Consumers of your service and volunteers should also be an integral part of your board. They are either the end users of your service or the individuals who volunteer to provide the service. They are the ultimate source of information about how effective you are and what improvements might be needed to keep you sustainable. Think carefully and identify two or three key consumers and volunteers who are most actively involved and invite them to sit on the board.

Your Staff

Recruit and hire staff members who represent the demographics of your community. You need a broad network of diverse persons who understand your mission, values, goals and services. This network will include persons of many races, ethnicities, religions, education levels, economic levels, and professional abilities.

Your Volunteers

Even though recruiting and training high-quality volunteers takes money and effort, it is well worth it. In most cases, your best volunteers are people who have personally benefited from your services (and their family and friends). The next most important subset is people who have worked in your field and are dedicated to the mission. As the population ages, more and more people will be looking for meaningful volunteer work. Identify areas where you need the most volunteers (phones, receptionist, webmaster, etc.) and recruit those most suited for the job.

Chapter 4: Creating a Positioning Statement

The first section of this course has defined strategic positioning and has differentiated it from strategic planning. This section will walk you through the process of developing a well-thought-out positioning statement.

Remember, a carefully considered positioning statement can be the key to sustaining your organization. An effective positioning statement will match the unique strengths of your organization with the specific needs of your community.

Before you start to develop a positioning statement, it is important to distinguish the differences among a **mission statement, a vision statement, and a positioning statement.**

Your **mission statement** defines who you are and why you exist. Your **vision statement** highlights what you wish to accomplish over time. Your **positioning statement** describes how you want to be perceived by your constituents, and how you intend to create and maintain that perception as reality. The customer's perception is, in fact, their reality. You may be the best in the community – but if your customers do not perceive you as such, you will have no impact.

Preparing to Write a Positioning Statement

To prepare for writing your positioning statement, carefully consider the answers to the following eight questions. Each one will help you **focus** on your specific niche.

1. Who are you?
2. What do you do?
3. What is the specific need or problem of the market (community) you serve?
4. How do you satisfy that need or solve that problem?
5. Who is your preferred customer?
6. What is your value to that customer?
7. Who is your competition?
8. What unique benefit sets you apart from the competition such that your desired customer will choose you?

Your **mission statement** should answer the first two questions. By clearly answering these questions, you will either create or reaffirm your mission. Remember, the clearer the mission, the easier it is to write the positioning statement.

In answering questions 3 and 4, you begin to balance the needs of your community against your specific and unique strengths. Most communities have an abundance of needs; your goal is to articulate one to three specific and unique ways you can satisfy a need or solve a problem. Here, your goal is to narrow your focus. Perhaps this means identifying a market small enough where you are “the big fish in the small pond.”

A **positioning statement** describes how you want to be perceived by your constituents. Questions 5 and 6 ask you to identify your preferred customer and what your perceived value is to that customer. Once you zero in on the “who” you want to serve and “what” your value is to that person, you can begin to see yourself through the eyes of that customer. How do you want them to think about you? Give reasons why they would choose you.

Finally, questions 7 and 8 identify your competition (everyone has some) and how you are uniquely positioned to overcome that competition - and be the first choice of your preferred customer. Again, try to look at your organization through their eyes. Give one overarching reason why they might choose you. Craft your positioning statement around that reason. The **key to creative positioning** is to identify your key differentiator - that “one thing” that sets you apart. Now, after you have answered all eight questions, it is time to take those answers and create a draft positioning statement.

Writing a Sample Positioning Statement

“Welcome Home” – A Paraprofessional Home Care Service

To help you through the process, let’s establish a hypothetical non-profit attempting to establish itself in Anytown, USA. Anticipating the burgeoning needs of baby boomers into their aging years, **Welcome Home** has received a two-year grant to set up a unique home care service in Anytown.

Welcome Home’s idea is a little different, however, from typical home health care services. Rather than providing highly-specialized services (skilled nursing, OT, PT, etc.) their target market are “sandwich generation” families with adults working full time while caring for young children and aging parents who are finding it difficult to stay in their home as they age.

Let’s answer the eight questions in anticipation of creating a positioning statement for **Welcome Home**.

1. **Who are you?** Welcome Home – a paraprofessional home care service
2. **What do you do?** We meet the personal and health care needs of the community by offering quality care to individuals of all ages with our well-trained, dedicated direct-care paraprofessionals. We provide paraprofessional home care services to clients who are elderly, chronically ill, or living with disabilities.
3. **What is the specific need or problem of the market (community) you serve?** With the aging of baby boomers, many families (children of the boomers) are finding themselves part of the “sandwich generation” – taking care of both young children and aging parents. Without adequate assistance, people who wish to remain in their homes may be unable to do so.

4. **How do you satisfy the need or solve that problem?** We use paraprofessionals, under the guidance of a director who is a registered nurse, to provide our clients with personal care assistance, housekeeping, household chores, meal preparation, transportation, and (sometimes most important of all) companionship. If more skilled care is required, our RN provides instructions and/or referrals.
5. **Who is your preferred customer?** We are reaching out to the “sandwich generation” families who are starting to assume responsibility for aging parents. Our key customer now is the sandwich generation. Our future customers will be baby boomer homeowners as they age.
6. **What is your value to that customer?** Our value to the caregivers is the time they are saved by relying on our services. The value to the aging parents is the opportunity to stay in their own home despite failing physical and/or mental health. We also are a potential “referral” agency if and when this aging population will require more skilled care. We also see ourselves eventually also involved in hospice care.
7. **Who is your competition?** Our competition would be other full-service home health care agencies. As time goes on, our competition would be assisted living facilities and nursing homes.
8. **What unique benefit sets you apart from the competition such that your desired customer will choose you?** We focus on caring, along with three other C’s – cooking, cleaning, companionship. We are not skilled nursing, we are skilled caregivers.

After answering the eight questions, the next step in creating the Positioning Statement is to write one descriptive sentence or slogan that describes how you want your potential customer to perceive your agency. **Genius is in simplicity and specificity.**

Welcome Home’s Positioning Statement

The mission of Welcome Home is to keep people in their homes, so they discussed using one of the following slogans:

We make your house feel like home again OR

We keep your house feeling like home.

With the questions answered and the descriptive sentence in place, you are ready to write your positioning statement. One idea might be:

Welcome Home is a paraprofessional home care agency that helps adults of all ages stay in their homes. We provide caregiving assistance that offloads the responsibilities of the

homeowner and the primary caregivers. Our focus is on caring – and three other C’s – cooking, cleaning, and companionship. Our goal is for the client’s house to feel like home again – so they can continue to live independently.

Not only does the Positioning Statement capture how you want to be perceived, but creating the statement has other benefits for you. First, it **rejuvenates** your mission by causing you to see yourself through your customer’s eyes. It also **strengthens your identity** by zeroing in on the “one thing” that sets you apart.

Here are three other examples of positioning statements that get right to the point of the organization’s special qualities:

- “The United Negro College Fund – dedicated to opening doors to advanced education for African Americans. A mind is a terrible thing to waste.”
- “Planned Parenthood – frontline advocates for choice and committed providers of reproductive health services.”
- “Mothers Against Drunk Driving (MADD) – crusaders for aggressive drunken-driving policy and action. National leaders in prevention and victim assistance.”

Creating a positioning statement is a collaborative effort on the part of a multidisciplinary team composed of the board, staff and community members. They should all work together to answer the eight questions and come up with the “one thing” that differentiates you from your competition.

A skilled facilitator might help expedite this process of integrating new ideas with traditional values. One person should be assigned the task of record keeper to document the process and the group’s ideas and decisions.

You will need to test your statement to make certain others understand it in terms of how you wish to be known to the greater community. Many agencies arrange a short presentation of their statement and the rationale behind it to carefully identified groups of 8-10 persons. Participants should include individuals whose support is most crucial to your future success.

You may want to test your statement before several groups of:

- Consumers and their families.
- Community opinion leaders.
- Funders and policymakers.
- Key board members, staff and volunteers.
- Marketing and other professionals.

After a presentation of the statement, you might ask these individuals if your positioning statement passes this check list:

- Is it true?
- Is it easy to understand?
- Does it differentiate our agency from the competition?
- Does it reflect the way people will express it in their own minds, their own words?

Test your statement with people whose experience you highly respect. Several layers of refining may be needed to develop a well-crafted positioning statement. Be patient and open to the process.

Chapter 5: Summary

This course described the importance of Strategic Positioning as a way of sustaining your work in older adult services. It identified the differences between Strategic Positioning and Strategic Planning, and it provided a step-by-step process of determining your own position in the community, as well as how to craft a Positioning Statement.

The Six P's – Product, Public, Price, Place, Production and Promotion – described how services can be better positioned for sustainability. A seventh P – People – was introduced since having the right human resources is essential to building new business relationships, human service partnerships, family communications, and client trust.

Guidance on crafting a Positioning Statement was given so that providers understand the benefits of a powerful statement, how to develop one, and how to test it among multiple audiences. Once you have developed your Positioning Statement, you need to get this message out in to the community. With a powerful statement, you can communicate one message – in one voice.

By using the ideas presented in this course, you will begin to reach the right audience, at the right time, in the right place, and with the right people. These are the instruments for true service sustainability.