

Minnesota Nonprofit Media

Draft Business Outline

Statement of Purpose

The purpose of this document is to describe at a high level what Minnesota Nonprofit Media (MNM) is, its goals and services, and how it will accomplish its goals.

The company (MNM) will be a Minnesota based enterprise whose client base will also be (but not restricted to) Minnesota companies. MNM will work primarily (but not restricted to) companies in the nonprofit sector (as opposed to for profit companies). These nonprofits may be officially recognized 503(c)(3) NPOs or may be some form of social or common good organization. MNM will provide media services to these organizations in the form of web, print, photography or videography.

The mission of MNM is to provide its services in the most cost effective manner possible to organizations performing a common good; to act as enablers of that common good; and to harness the general good will of others to further the common good.

MNM is not simply a media services company. MNM seeks to use both conventional and new media (web 2 and the rise of internet based social networking) to connect a desire for good with the means to do good. MNM employees work to create the conduits to bring desire and means together, and all staff members are dedicated to do so at the lowest cost possible as a social service.

Executive Summary

Minnesota Nonprofit Media is a multimedia service company whose goal is to provide greater access to professional quality media services for nonprofit and socially focused organizations which have limited resources. MNM will assist smaller organizations meet their fund raising, advertising, or social awareness goals by providing professional media services at the lowest possible cost.

In order to support this effort MNM's own funding will consist of a multi source approach composed of both typical and atypical approaches to securing capital.

The typical sources of income are:

- Grants, foundation gifts, and private donations.
- Sale of media services to larger nonprofit foundations having budgets specifically dedicated for media services.
- *MNM Partner Program* which focuses on paid advertising on the MNM web site, and a referral fee revenue stream.

The atypical approaches are:

- Use of new social media marketing techniques (twitter, facebook, blogs, and others) to raise funds both for MNM generally, and for fund raising directed specifically at client projects which MNM plans to work on.
- *Gifts for Giving Program* will focus on larger donation levels which are rewarded with significant gifts of artwork and other items which in turn have been donated to MNM for use in the Gifts for Giving Program. Significant gifts have already been arranged for.

The key to success of MNM both in service delivery and its fiscal foundation is social networking. The motto or operational slogan of MNM is *Your Message is Our Mission*. In order to complete this mission MNM's core competencies in media creation and delivery through to fund raising and awareness raising must focus on social networking as the means to harness and bond a will for good with the means to do good.

The long term goal of MNM would be to establish itself as the preferred vendor of media services for all nonprofit and socially benevolent organizations with and without large operating budgets.

Services

MNM will provide internet sites or pages, layout and design for print, photography, and videography services. Initially the service levels will be limited to small scale projects such as limited printing runs, noncommercial web sites, and video limited to web-based production quality.

In addition to these technical services MNM will provide consulting services in the areas of: internet search engine optimization; the fundamentals of fund raising and promotional campaigns; the use of media in campaigns; and general advertising advice. The initial offerings of these consulting services, like the technical services, will address basic needs of smaller nonprofit entities that do not have the operating budgets of large foundations.

Initially MNM will spend significant time in portfolio building and augmenting skills where needed. Once several projects are completed a process of self promotion will begin to align MNM with other nonprofit entities. These successes will be critical in future efforts in establishing MNM as a NPO itself.

Organization

MNM will be governed by a board of directors and comply with all the rules and by-laws and principles and practices as laid out by the Minnesota Council of Nonprofits. It will likely take several years before MNM is granted official NPO status since initial efforts will concentrate more on establishing working business processes.

The board will be composed of volunteer members with a broad range of knowledge in both nonprofit and for profit business practices, marketing and advertising, media services, and involvement in social services.

The initial duties of the board will be to guide MNM towards a nonprofit status; assist in the search for qualified technical staff; create strategic guidelines and milestones, and secure a substantial financial plan and legal footing.

Staffing

The principle objective of MNM is to provide professional quality media at minimal cost. In order to accomplish this salaried staff will be limited and compensation levels will be far below market averages.

It is not the intention of MNM to provide professional full time employment, benefits, and other forms of compensation typically needed by a person starting or in mid career.

One scenario of an ideal employee would be a retired (or nearing retirement) individual who has professionally worked in one of the key service areas; requires little to no training and supervision; has the facilities to work from their home; and has 20-40 hours per week to dedicate to MNM projects.

Another possible scenario however is a person starting their career, having significant skills, but as of yet do not have extensive financial responsibilities of a family, mortgage and other such expenses.

It is critical to any company to retain highly skilled staff, and relying on volunteers may not result optimum performance and quality. Consequently, creating a balance between staff compensation and the principle objectives of MNM will require constant care.

Volunteers may form a significant part of the MNM staff, however key positions should be paid positions. It is possible that student internship opportunities may be provided by MNM several years after it has become established. Both volunteers and interns will be under the direct management of one of the senior managers outlined below.

Management Team

Each core competency (media area) will have its own management oversight. There will be a need for senior managers in the following areas:

- Marketing and Advertisement, Account Management
- Web development and Systems Integration
- Photography and Videography
- Print Production and Layout & Design
- Legal issues, and establishment and administration of NPO status and reporting requirements.
- Customer Care, Back Office Administration, and Book keeping

There will likely be a need to have an overlap of skills as is typical in smaller organizations.

Financial & Developmental Plan

A multi-channel income model was outlined above. At the onset however not all income channels will be available. Initially, MNM will rely on low overhead and strictly volunteer efforts. Grants could be an early source of income within the first few years. Smaller startup grants are typically available from local and national sources to growing organizations whose focus is on providing a social service.

MNM's operating overhead will be minimal by design, reducing the need for large amounts of capital. This will be accomplished through the use of telecommuting (no office space costs); the selection of employees with reduce income needs (as explained above); and shared privately held resources such studio space and equipment.

A few of the key initial milestones will be developmental goals such as proper staffing, portfolio building, definition of technical and creative standards, and adhering to standards in business practices and processes with the goal of becoming a NPO.

Early in the development phases of MNM an exciting potential funding source is the use of *Web 2* technologies which will be heavily researched and must become a core competency of MNM. Social networking tools were used effectively by the Obama campaign to raise record levels of funds. Specific tactics will be designed to garner funds via social media outlets in the early phases of each project MNM takes on.

In this scenario the general public will effectively subsidize projects by donating when one of MNM's clients is an organization they choose to support. Donors will also be given the opportunity to give directly to MNM itself.

MNM's own web site will be used as a fund raising platform. The *MNM Partner Program* will be designed to provide advertising revenue from partner companies who either pay for space on the site or pay MNM referral fees when business is referred to them through the MNM site.

A major milestone in the developmental progress of MNM would be to become a preferred vendor recognized and recommended by organizations who act as a clearing house for the nonprofit sector such as: MN Council of Nonprofits, the local chapter of the Association of Fundraising Professionals, and MN Council on Foundations. These types of groups have significant influence in the nonprofit community and establishing MNM within that network will be a significant developmental achievement.

Once MNM has a several year track record another source of substantial and ongoing income will be in the form of larger private donations and/or substantial gifts from philanthropic foundations. Many larger private philanthropic organizations are increasingly focused on results oriented programs where accomplishment of measurable goals is a key component of their evaluation process. MNM will be in a

unique position to have their projects very visible (since they are media services provider) and easily measured as successful by the quality of media produced.

A longer term goal will be for NMN itself to complete the process of qualifying as an official 501 (c)(3) nonprofit organization (NPO). This status will enable MNM to more deeply align itself with all NPOs as a preferred vendor and ongoing NPO associate. These alliances will become crucial in establishing a consistent flow of fiscally qualified clients having yearly budgeted media service needs. This income source and the others mentioned above will help in funding other MNM projects where the client has minimal or no budget for media service, and thereby enabling MNM to service a range of large to small organizations whose goal is performing a social good.