

INNOvation Fund Application Round 4 - Dec. 8, 2015

Submission Date	2015-12-04 17:16:57
Organization Name	inewsourc
Tax-exempt status	501(c)(3) organization
EIN of organization (or of fiscal sponsor's organization)	27-0732786
Website address	www.inewsourc.org
Phone Number	(619) 5945100
Applicant's name	Lorie Hearn
Title:	Executive Director
Contact email	loriehearn@inewsourc.org
Proposed Project Start Date	01-04-2016
Anticipated Project End Date	06-30-2016
Total estimated budget for the proposed project	10,687
Request amount from the INNOvation Fund:	10,687
What is the total annual budget for your organization or, if you are a fiscally-sponsored project of another organization, the total annual budget for your fiscally-sponsored project.	\$940,000
In two or three sentences, describe your organization's purpose and audience.	inewsourc uniquely fills a void in credible, in-depth journalism caused by the downsizing of traditional media. It distinguishes itself in the San Diego region by focusing solely on data-driven investigative journalism, which means 100 percent of what we do is investigative, grounded in data or both. Unlike most news organizations, inewsourc is collaborative not competitive, making its reports available to the largest audiences possible. This includes our primary partner, KPBS public TV and radio, and PBS NewsHour, as well as commercial TV stations and some community news outlets. In addition to investigations, inewsourc has a dual mission of mentoring and teaching journalism's next generation. Based on the campus of San Diego State University, inewsourc hires interns and teaches in the School of Journalism & Media Studies.

Describe in detail the business experiment for which you are requesting funds. How does it fit with your sustainability plans? Explain the need for this project, and how you expect it to increase revenue and/or audience engagement.

The business experiment is called "Strengthening Donor Affinity." It's a program to increase the number of "donor touches" by ramping up our communication with current and lapsed donors, as well as prospects. Our goal would be to communicate and/or interact with each donor or prospect at least seven times throughout the year. This includes electronic and paper communication, holding small "behind the story" roundtable discussions for donors exclusively and a series of issue-specific salons for current and prospective donors. This tactic is part of an overall strategy to increase the number of \$1,000-plus donors annually. The inewsource board of directors and its development committee directed this tactic, realizing that investigative journalism is important but also controversial, and therefore, needs to have a bedrock of donors who can give at the \$1,000-plus level. (We accept and encourage smaller gifts, but we don't have the resources yet to develop and support a membership program for those smaller donors.)

Increasing the numbers of donors to inewsource is urgent and essential. Some of our largest donors have emphasized this; one committed this year to three more years of funding but cut back on the amount of his annual support to make the point that he wanted to see less reliance on the same large donors. We know this diversification is crucial to our long-term health and viability.

The "Donor Affinity" program is aimed at detailing and organizing the communications with recent donors and prospects, and creating a routine schedule for those communications going forward. The program would be developed by the director of development (DOD) and our executive assistant and carried out by a development assistant 15 hours a week. Tasks for that position would include: preparing, printing and sending out thank you letters, renewal solicitations, invitations to events, as well as securing credit card update information and keeping our CRM current. The person in this position would also assist at donor events, pull together collateral for donors, help schedule meetings, book meeting rooms and arrange parking. Instead of performing these time-consuming tasks, our DOD would supervise them. With this boost in focus and resources, we are confident our numbers of large gifts -- those \$1,000 and more -- will not only grow rapidly but our retention rate will also improve. Our DOD can then devote full time to in-person meetings, follow-ups and managing this communication program.

Background: In March 2015, inewsource hired a full-time development director, a major step in our business strategy. She has, however, been working full-time with minimal assistance. We pay our DOD \$90,000 a year and have given her a goal of increasing the number and amount of gifts from individuals, but because she was the first in this role, she's had to spend a lot of time organizing our CRM and communications with donors. Everything she does needs to be done, and we have experienced a modest uptick in donor renewals. I have observed and am convinced that donor communications -- "touches" as they say in the fundraising world -- make all the difference. Our DOD needs help to maintain these important basic tasks in order to focus more squarely on cultivating and securing large gifts.

(It should be noted that our executive assistant, who was hired little more than a year ago to assist the executive director and perform administrative tasks, has taken on more office management. She keeps the books, which we previously outsourced, and is training in Quickbooks and accounting practices. She is currently working with a board committee on inewsource's first audit, for which she prepared RFPs. She also has taken over communication with our payroll vendor and insurance broker and performs many human resource functions. In other words, our executive assistant is being trained and groomed to become our first business manager. She is in a solid position to help put together the manual for development assistance and to provide some training, but she does not have the bandwidth to provide the actual assistance.)

We request funding to develop this program of intensifying donor communications over the first six months of 2016. This will give us time to implement the program, get feedback on its effectiveness and make refinements.

Success would be measured in increased numbers of newsletter signups, new donors, retention rates and contributions. We are dealing with a pretty clean slate because most of our donors are first-time contributors. A priority would be working with that list to secure a second gift, which, according to fundraising research, is one of the most difficult but most important to achieve.

Significantly, we have at least five "salons" scheduled in the first few months of 2016 that will guarantee our introduction to as many as 200 prospects with capacity. It is imperative that we have the resources to communicate with them effectively and efficiently. (Salons are events supporters host for us, usually in their homes. The supporters pay the costs of the event and invite their contacts.) One supporter will be inviting 80 people to her salon on Jan. 28, 2016. Another has promised 40 guests. Five board members have pledged to hold at least three salons with dozens of new supporters, as well as donors who are capable of increasing the size of past gifts.

This proposal may not sound like a "business experiment" in the general nonprofit world, but it is an experiment for us, and we suspect, for many INN members. We would be happy to share the program details in the hopes it can help others in the INN community to better organize donor outreach and ongoing communication.

Which of the following statements best describes your proposed business experiment?

Principally a revenue-generating project that is part of a larger revenue-generation plan

Is this a new project?

New project. We have not done this before.

Who will help carry out the project? Describe the key staff and capabilities. If you plan to use outside partners, consultants, or vendors, tell us why you chose them (or how you will select them). Will you need to hire additional fulltime or part-time help to complete your proposed project?

Our director of development, Paula Isley, and our executive assistant, Victoria Mendiola, will develop the program and supervise the project. Executive Director Lorie Hearn will be responsible ultimately for seeing that the program is carried out well and on schedule and that our donor numbers increase. We plan to hire a development assistant at \$10/hour, to perform the tasks mentioned above that will be delineated daily and weekly. A manual will be created by our executive assistant. A workflow program, which would likely be a subscription service, may also be used to track progress.

How will you measure progress? Please be specific and concrete about the metrics you will use? Suggestion: Keep the number of suggested metrics limited and make sure that they are actually measuring the results of the proposed business experiment.

1. Sheer volume of communication. We will track numbers of communications to and from different kinds of donors and prospects. This will include, for example, making sure all new contacts have signed up for our newsletter, which is our primary tool for building and measuring affinity. We will track open rates to gauge level of affinity and plan next steps. We can generate reports easily from Salesforce if information is kept updated. This will be a priority in the new program.
2. Task completion. A structure would be put into place to assure that the duties mentioned above (letters, scanning, mailing) would be completed by certain deadlines. To keep our donor database updated, for example, tasks such as mail-merging acknowledgement letters, uploading scanned documents into the database, and adding the donors to our website within seven days of receiving contributions. A workflow program may be used to track the progress and completion of duties assigned to the assistant. As the number of subscribers and donors grows, our database will constantly be updated.
3. Increase in \$1,000-plus contributions. Success will not only be measured in what the development assistant accomplishes. It will be measured in \$1,000-plus contributions that the DOD has been able to secure with more time to focus on the personal interaction and outreach that it takes to build affinity between a larger donor and the organization. The increase in these donations should at least cover the \$10,000 grant we are seeking to build and implement the program.

Using those metrics, how will you know you have succeeded in meeting the objectives for the business experiment. Please be as specific as possible.

We will know we have succeeded if we have at least 14 new donors of \$1,000 or more during the six-month trial period. Using Jan. 1 numbers of newsletter subscribers and donors as a benchmark, we will be able to track increases in newsletter signups and numbers and kinds of communications -- donor "touches" -- during the six-month period.

How will INN be able to validate the metrics and how the project did using those metrics?

We will share our benchmark numbers, as described above, and our final numbers of donors and communications. If required, we will provide names and amounts given.

What do you hope to learn from this project, and how do you hope to apply what you've learned over the long term?

We hope to prove that it is possible to increase a base of donors who give \$1,000 or more by developing and implementing a very specific program of development assistance. As we put the program into action, we will troubleshoot problems, hopefully fix them and improve the system. If we can show success, our plan is to continue funding the program and building the donor bedrock. This experience should also help us identify ways to improve communication among the development staff, the executive director and the board to increase efficiency around donor cultivation.

Why are you the right organization and team to do this project?

inewsourc has reached a pivotal time in its business development. We are going into our seventh year and have finally been able to hire full time development muscle to help secure financial stability today and to carry out strategies our board has developed for the future. We have the plans in place and the supervisor. We know what we need to do, which is reflected in our proposal, to build our foundation of loyal supporters. If this tactic is successful, it should pay for itself over and over.

How is this project similar/different than other projects you've researched ahead of this proposal? What can you learn that is different from what others have already tried?

One INN grant winner used money to add a CRM to its programming, but I did not see other projects along these lines. Other projects appeared to be geared to specific kinds of fundraising events and/or brand awareness, but none appeared to focus on building affinity through consistent communication.

Why is this project timely? Why is now a good time to undertake this project?

This project is timely because of the opportunities inewsourc will have in the next few months to introduce its organization and work to at least 200 potential donors with capacity. As mentioned above, supporters and board members have pledged to host at least five salon events for us in the first months of 2016 alone. We need to be prepared to greet those potential supporters with well-organized and compelling collateral and to follow up with a specific plan for seven "touches" during the year, including face-to-face meetings and tours of our work space and studios.

Upload your project budget

[inewsourc budget Round 4.xlsx](#)