GNI-INN SPONSORSHIP LAB

A partnership of

Google News Initiative

Institute for Nonprofit News

The Nonprofit News Guide to Earned Revenue:

How you can build advertising, sponsored content, event sponsorship dollars and more into major and sustainable sources of revenue

Prepared by Blue Engine Collaborative

Interactive Tip! Click on any title below to jump directly to that section.

TABLE OF CONTENTS

ABOUT THIS PLAYBOOK

The Institute for Nonprofit News has launched a pilot program in partnership with the Google News Initiative (GNI) to help nonprofit news increase their earned revenue from sponsorships. As part of this GNI-supported program, a cohort of eight INN news outlets will have the opportunity to work with Blue Engine Collaborative, a new consortium of independent consultants and advisers with deep experience in driving audience and revenue at for-profits and nonprofits.

This playbook was written by Steve Shalit and Emily Roseman on behalf of Blue Engine Collaborative, with contributions from Agnes Varnum, deputy director of the Texas Tribune's Revenue Lab, and operations and growth consultant Chloe Kizer. It follows a case study on the San Antonio Report and a case study on Madison365 published earlier in 2020.

For more information about INN and the GNI-INN Sponsorship Lab, please contact: news@inn.org.

INTRODUCTION

In a world in which news organizations' finances are increasingly vulnerable, we have some good news to share: Right now, nonprofit news organizations have an enormous, largely untapped opportunity to dramatically grow their earned revenue.

For too long, earned revenue has been a drastically underutilized source of financial support for nonprofit news. The Institute for Nonprofit News (INN) reported in its 2020 Index that, on average, earned revenue makes up just 11% of reporting members' total revenue. Last year, in INN's 2019 Index, revenue from earned sources made up on average 12% of the 108 reporting organizations' total revenue.

We know many publishers who've bucked this trend, building out earned revenue machines through relationships with businesses. By embracing a test-and-learn culture, making strategic hires, and sticking with commitments to build relationships with businesses, statewide outlets like the Texas Tribune and NJ Spotlight have grown earned revenue to 37% and 33% of their overall revenue year-over-year in FY2019, respectively. City-wide outlets like Madison365 and the San Antonio Report are other notable success stories: in 2019, Madison365 earned nearly $200,000 in earned revenue (53% of the organization's total revenue), and the San Antonio Report brought in nearly $700,000 (~25% of total revenue) from more than 200 relationships with businesses.

This playbook combines:

1. Best practices and advice from leaders of the earned revenue teams at the Texas Tribune, NJ Spotlight and elsewhere.
2. Learnings from two deep-dive cases we wrote on the San Antonio Report and Madison365's earned revenue strategies.
3. Existing earned revenue-related resources.

One thing to note before going any further: This playbook is focused on earned revenue, so a definition is in order. We're focused exclusively on funds a nonprofit organization generates by providing value to businesses and related goods and services. So, think sponsorship, advertising and events. This contrasts with funds received from philanthropic sources, such as grants and major gifts. One could argue membership, subscriptions and individual donations — smaller dollar contributions — could also be considered earned. But the distinction we're making for the purposes of this playbook is earned revenue from businesses and other institutions rather than revenue from individuals.

There's a lot in this playbook. But if you remember one thing, make it this list of the foundations for earned revenue success:

- **Don't sell widgets, sell solutions.** In other words: Use a consultative selling approach that focuses on clients' and prospects' needs— and offer them solutions.
- **View local businesses as partners and allies.** Treat sponsors and prospects as relationships not transactions — and connect them as intimately as possible to your mission, and you. This service-centered approach should start before you even make your first contact — and extend long after any sale.
- **Make decisions based on data and insights**, and constantly experiment with what you do based on what those past insights tell you. Remember to prioritize quick and agile over drawn-out planning.
- **Get the digital sponsorship tech stack right**, and remember that even the best people and strategies will fall short if you have a bad technical foundation and poorly constructed, and managed, systems.
- **Develop and continually improve an efficient workflow**. Whether you are a one person or a 10 person team, you want to be focused on creating as much time as possible to do what you do best: make and execute on sales. *And that also means, there are no "sides" in your organization! Everyone should be focused on how you are working together whether you are selling, pitching foundation funders, or working in the newsroom!*

HOW TO USE THIS PLAYBOOK

Don't view this playbook as a prerequisite to action or an all-encompassing document. **It's important to get started, so let this document help you prioritize and guide your actions.** Then, come back to this document if and when you get stuck or need a second opinion. It's also important to note that we wrote this playbook to particularly help the vast majority of nonprofit newsrooms, who are just getting started with earned revenue programs or looking to build more than just a small percentage of recurring revenue from relationships with businesses.

SECTION 1: SETTING UP YOUR BASIC OPERATIONS

In almost all cases, generating earned revenue is important and strategically necessary for nonprofit news organizations to find true sustainability. Although vulnerable to economic downturns (like those caused by a global pandemic), earned revenue is a critical lever that too many organizations have left untapped. As with other revenue levers, this one **can and should align with existing and more well-tread revenue-generating operations for, say, large gifts and foundation support**. So, the question is: How do we, efficiently and effectively, generate revenue from business relationships? What are the basic, organizational prerequisites before any nonprofit news enterprise can build out a robust earned revenue approach? Let's start with the basics, from setting goals to hiring/staffing and finding the right technology base.

Are you starting from scratch? It is tough to define the precise time required to start an earned revenue enterprise for the first time due to the specific talent resources of individual organizations and the market dynamics and cultures they operate in. But we can say with confidence that all of the below recommendations are feasible for any organization to take on, at any stage of earned revenue experience, and will yield results. For instance, with NJ Spotlight and its revenue from events (live and virtual), one person (yes, one person in Steve Shalit!) simply works through the checklist *(more detail in Section 3)* to lead planning from concept to execution in a couple weeks. It can be done!

In this first section, we'll discuss how to set up, and optimize, the following foundational elements of a stable earned revenue program:

1. Determining your earned revenue strategy and setting goals
2. Setting and maintaining your ethical practices
3. Understanding (and mastering) the tax implications of earned revenue
4. Hiring and staffing
5. Finding the optimal mix of technology and tools

DETERMINING YOUR EARNED REVENUE STRATEGY AND SETTING GOALS

What are the ways in which we want to generate money from businesses? How do we define what we want from earned revenue as a mix of total revenue? How do we set meaningful goals? How do we communicate those goals around the organization and involve the newsroom, in particular?

In short, in a budgetary and a strategic sense: You need a set of goals for your earned revenue operations. You need a north star (or a set of them).

To set clear, measurable goals you need a couple of basic ingredients:

- Past performance/budgets.
- Any changes in expenses and costs (i.e., personnel, technology).
- In-market comparators (i.e., the performance of similarly oriented organizations).
- Industry benchmarks or comparables (i.e., the INN Index and the 11-12% revenue averages from the last two years). See the TIP below for a breakdown of averages across events, advertising and sponsorship.

Tip: **If you don't have past performance (because you are starting from scratch), do not despair. Lean on in-market comparators and industry comparables.** To get a sense of the potential targets for earned revenue from events, advertising and sponsorship, consider the below averages and medians collected from a set of over 30 INN news outlets in 2019.

REVENUE FROM EVENTS: (37 respondents)		OVERALL REVENUE (37 respondents)
AVERAGE	$92,660.14	$1,989,808.86
MEDIAN	$14,490.00	$1,008,920.00
MAX	$2,175,084.00	$15,883,881.00
MIN	$590.00	$8,518.00

ADVERTISING REVENUE: (38 respondents)		OVERALL REVENUE (38 respondents)
AVERAGE	$155,659.77	$2,684,106.09
MEDIAN	$30,000.00	$969,264.88
MAX	$1,990,273.00	$37,302,000.00
MIN	$500.00	$34,663.00

SPONSORSHIP REVENUE: (30 respondents)		OVERALL REVENUE (30 respondents)
AVERAGE	$102,255.68	$2,206,954.79
MEDIAN	$30,980.19	$551,348.00
MAX	$1,656,354.00	$15,883,881.00
MIN	$1,800.00	$34,663.00

Then you need to get SMART. That is, you need to develop goals that are:

- Specific
- Measurable
- Aggressive yet achievable
- Relevant
- Time-bound

And in setting the A in SMART, especially, you need to remember the *two* "A"s: *aggressive* but achievable. As a very simplistic example: If you set a goal to walk 100 feet tomorrow, you may, but will you feel good about achieving it? If you set a goal to walk 100 miles, you likely won't and you'll feel bad if you walked 50 miles (which may and likely is a big deal!). If you set a goal to walk 2 miles, that is something that is achievable but that will take more effort.

Again: The earlier you are in your earned revenue program, the more "approximate" your SMART goals will be. And that is OK. Use all the industry and in-market comparables that are relevant, and of course use any/all past performance that you have. If you were at 5% of overall revenue last year from three clients, can you get to 10% from five clients? The advice in this playbook can help you achieve any lift, but *how much* lift to set as a goal starts with your own "gut check" and your honest assessment of past obstacles and where you have new opportunities.

***Tip:* Above all, know this about strategy and goal setting: Once you select your strategy and goals, it's important to communicate them clearly and consistently across your organization** (not just those focused on earned revenue). And when you reach a goal, celebrate it!

Start with your news organization's mission. Mission is at the heart of all nonprofit news operations. So in order to set effective goals for your earned revenue infrastructure, you'll need to go back to the mission of your news organization, writ large.

One excellent example of this is The Texas Tribune's Strategic Plan, where they draw a roadmap for their organization's major goals. As the authors state: "That roadmap begins with our mission. Our editorial north star remains unchanged: to produce original journalism of consequence on politics and public policy in Texas, in service to the state's diverse population."

The plan spells out the Tribune's four key goals to reach by 2025, one of which is to "Rev up Revenue," including to: "Grow our operating revenue ambitiously year over year, with a greater emphasis on untapped major philanthropy and new and creative sponsor and events opportunities, and generate additional funds for innovation, for capacity-building and to shore up our reserves." The report goes on to break down the major sources of revenue the team intends to focus on, including increasing revenue from events and expanding sponsorship opportunities across platforms.

Translate your organization's mission into questions related to earned revenue. To set detailed objectives for your earned revenue work, turn your mission into questions that you can answer. Let's go back to The Texas Tribune's mission: "To produce original journalism of consequence on politics and public policy in Texas, in service to the state's diverse population." Here are some questions about earned revenue that are in direct service of the mission:

- How much revenue does our news organization need, in total, in order to uphold and support a robust staff of reporters to cover politics and public policy in Texas?

- How much of that revenue do we expect to be covered by other, non-earned revenue sources (e.g., foundations, major gifts, membership)? And how much of that revenue from other sources is expected to rise or fall in the upcoming few years?
- How much does earned revenue need to make up out of our total revenue pie each year for us to keep the lights on?
- How much does earned revenue need to make up out of our total revenue pie each year for us to be able to [hire one more reporter / hire an engagement editor / hire another salesperson / buy that fancy CRM] to build and grow our work and impact?
- How much money can we expect to receive per client or business partner?
- How many business partners do we need to reach this earned revenue goal to [keep the lights on / grow]?
- How many sales does our team make in [3 months / 6 months / 1 year]?
- How many clients and business partners do we need to renew next year to enable us to reach our revenue goal?
- How many new clients or business partners do we need to bring on in order to reach our revenue goal?
- What do our salespeople and finance teams need in order to succeed at reaching the above goals, and how much does that cost?

Decide on the *good-enough* indicators you need to answer your questions. To illustrate this, here is how you might translate your questions into indicators and measurement strategies.
For example, from The Texas Tribune exercise and the question: How many clients and business partners do we need to renew next year to enable us to reach our revenue goal?

- **Indicator needed:** A measurement of how many clients are staying on as clients from one year to the next.
- **How to measure it:** The annual retention of your current clients, and/or a survey to your client-base to assess how you're doing.
- **How it can be used:** To project how much revenue you can expect to bring in again in the following year(s), based on your current client relationships. To help you understand how many new clients you need to fill in any gaps.

Articulate your objectives using your indicators. Now you have a list of success indicators and a plan for how to measure each. Next, you will articulate those into SMART goals.

Going through this process should help you:

- Answer the overall question of "what does success look like".
- Establish a set of specific metrics to track.
- Establish a set of measurement practices to put in place.

Again: You will use your own historical performance in combination with industry benchmarks to determine a range of metrics or markers that would be reasonable. Remember,

though: Industry benchmarks and historical performance can only take you so far and as far as they are *truly* comparable to your current situation. You need to know how to set reasonable objectives for yourself and your staff, and most of all to adapt them through testing and iteration.

Based on the example above, here is what a series of measurable objectives might look like.

Question: How many clients and business partners do we need to renew next year to enable us to reach our revenue goal?

SMART goal: By Dec. 31, we need to renew at least 85% of our clients.
Metric: 85% of our current 15 clients will renew, which means: 12-13 clients will renew their contracts with us for next year.

Tip: **There is no "perfect" set of metrics to track and we recommend honing the right one for your organization through exercises like the above.** That said, we recommend tracking and reporting on the following metrics or key performance indicators (KPIs), which are foundational to any successful earned revenue operation:

- Monthly revenue (in amounts and averages).
- Average revenue per client.
- Annual retention of clients.
- Number of clients overall
- Number of new clients contacted each month (as an assessment of prospecting effort).

Here's why this all matters: Your metics should inform your team's strategy. In the example above, if your organization only retained 10 of your current clients, for example, your team would then need to recruit at least two more new clients (depending on the size of the contract) than initially planned to make up for the resulting revenue gap. Of course, you'd also need to look more deeply than just the bare retention and at the amounts of each renewed contact (e.g., are your clients renewing at the same exact price they did last year (in which case this is a slight loss, because of inflation), are your clients renewing at a new and higher price, or did you succeed in adding several new campaigns to your client's package this year, which means you now only need to recruit one more client instead of two)?

Example: We see this play out in the case of the San Antonio Report. Katy Silva, the development director there, sees a good chunk of her work as retaining their existing set of clients, which makes up about 50% of their overall clients. Another part of her work is sourcing new client ideas and pitching to new clients. Katy has monthly goals for advertising revenue, so if and when she notices she hasn't been invoicing at her usual rate, she'll start actively sourcing new leads.

A final word on those just starting: For those organizations just tiptoeing into earned revenue, remember the two components of the "A" in SMART goals — *aggressive yet achievable* — and consider what you want to see — or need to see — from earned revenue sources within your overall gap-to-goal revenue projections. More, you likely

will be diverting some percentage of existing staff time to develop and execute your earned revenue operations, so what do you need to earn to justify that expense (and others you will incur)? We'll discuss how to consider necessary investments in hiring and technology, especially as you ramp up your operations, but at the outset have an end point in mind where your *experiment* into earned revenue can transition to an earned revenue *operation*. Ultimately, though, forecasting precise goals for a nascent earned revenue business could be a low value exercise; it may be better to simply say, "Let's sell however much we can in year one," then refine as you're looking at year two, and perhaps even arbitrarily say, "Let's try to sell 10% more." The most important thing is to not be paralyzed by trying to envision what you *should* be achieving. Don't overthink it: go with readiness and you can start *simply*!

For example, if an organization believes it can capture some display ad dollars because they've noticed competitive websites have ads, then they could assign a single person (maybe someone in a COO role) to make a cold call to one of those advertisers and tell them why their readers would care about what that advertiser is offering. If the advertiser said, "Sign me up," the COO could direct their site admin/designer to manually code in a display ad and the earned revenue business would be born. Of course, among the next steps would be to vet ad server solutions, but the point is that it's not hard to get started even with the slightest staffing.

SETTING AND MAINTAINING YOUR ETHICAL PRACTICES

Some nonprofit news organizations might hesitate to work with businesses altogether because of ethical concerns. Indeed, a few nonprofit news sites have made the decision to not sell any kind of advertising out of fear of conflicts of interest or the perception of conflicts with their mission or journalism practices. These potential conflicts are especially strong with small and strongly mission-oriented news organizations.

But when carefully considering risks and guardrails, nonprofits can generate sponsorship revenue while maintaining ethical and journalistic standards. Here are some strategies to make this possible.

Be unapologetic and up front with prospective clients about your mission. A major benefit of a nonprofit news outlet is the ability to lead mission-first. This benefit extends to how you work with clients and advertisers. We recommend making your organization's mission painstakingly clear on your website and in your communications with potential and current clients. For example, Madison365's mission is to authentically serve people of color. The organization makes this clear to its business clients by reminding them of this: *You might not agree with the way we cover stories, but if you want to reach people of color in a more authentic way, then we are the platform for you.*

Post any advertising and/or sponsored content policies clearly on your site. Ensure your ethical guidelines and policies are clear, concise and

visible. For example, the San Antonio Report posts its policy on sponsored content on its website and reminds clients of this right at the outset. At Madison365, they clearly state on their website: "We accept submissions, subject to the editorial policies listed above. We reserve the right to refuse to publish any submission, and further reserve the right to edit any submission for grammar, spelling, accuracy or any other reason, before publication."

Always *explicitly and clearly* maintain the right to review and the right to refuse. Tell your clients and advertisers that you will need to review their ad's language and graphics before anything is published. Make this a condition for doing business with you. For example, the San Antonio Report runs all sponsored content submissions through its editorial team before they publish on the website. For all campaign-related advertising, the team insists on seeing any creative elements prior to accepting them to make sure they're in line with their policies. If the content doesn't align with the San Antonio Report's policies and the client won't budge, the team will cancel their contract. If you are clear about this right to review, then you need to be sure to exercise that right carefully with your mission and audiences in mind — and to be prepared for any criticism that might come if you publish something, from someone, that strikes a nerve. All of your staff members also should be clear about how to communicate to prospects and clients about your standards and how to respond in the instances where something they submit runs afoul of them.

Consider the following simple language for a contract or policy to this end: "Our editorial mission requires that all content we publish be factual and not misleading to readers. We will review all content accordingly. On occasion we receive third party content (i.e., prose, ad copy and/or ad images) that, although well-intentioned, may not be consistent with our editorial standards. In such instances we must reserve the right to request revised copy or decline to publish the submitted materials."

Be explicit with your newsroom that they should not hesitate to cover any of your clients, advertisers or sponsors. And be clear with your clients that supporting your organization's work does not exclude them from your investigative reporters' watch! Earned revenue folks should, in fact, have a rapport with their newsrooms that enables them to reach out whenever an item of import arises — for instance, when a published story suggests an event idea or when clarity around a news topic might help with sales efforts. However, salespersons should not attempt to influence editorial judgment (or appear as if they are!). The goal of regular dialog between the news and earned revenue teams is to foster awareness of the most important work that each are doing and especially about upcoming events or happenings on both calendars. After all, you are part of the same organization. You need to observe these ethical boundaries, but: there are no *sides* here, in an adversarial sense.

Understand that some clients may walk away over your coverage. Be comfortable with this possibility and understand that it comes with

the territory. Do be ready to ask your client about their reaction, attempt to mollify their concerns, and to apply good relationship-building practices. But ultimately this will happen and sometimes there is no saving the sale. Move onto other opportunities.

Continually improve based on your experience and that of your peers. For example, see how The Texas Tribune discloses their sponsors with this donor wall that's linked to Salesforce. See how Madison365 leads with its ethics and mission in meetings with potential and current clients. See how the San Antonio Report codified its ethics policy with advertisers and sponsors. And see how The Devil Strip defines their advertising standards and how they maintain the right of refusal. Always be willing to listen (inside and outside the building) and to adapt.

A deep dive on political and campaign advertising

Navigating these ethical lines is especially important as you approach campaign and political advertising. Depending on their mission, some outlets decide to turn down all political and campaign advertising, whereas others accept this kind of advertising with conditions attached. The bottom line: if handled properly, there is a lot of revenue in this advertising even if it is, by definition, cyclical. You should at least consider how your organization might ethically handle it *and be prepared to navigate the unique tax-related considerations for nonprofit publishers in accepting political advertising of any kind.* Take, for example, the San Antonio Report.

For a long time, the San Antonio Report didn't accept campaign ads at all. Today, its policy has evolved to accept campaign ads *only if they promote their subjects (and do not denigrate their opponents), and there is enough remaining ad inventory available that they can accommodate the opponent as well.* Sometimes, the team will even reach out to the opponent to see if they want to buy other open ad space. And ultimately, the San Antonio Report team maintains the right to refuse any ad that doesn't fit with its standards. A lot of this is resolved on a case-by-case basis. The San Antonio Report has turned down advertising dollars from elected officials and campaigns that didn't fit its standards (and sometimes refer the advertiser to the editorial team to see if there are coverage options). Overall, however, keeping the sponsored content policy clear for all to see on its site has minimized the number of submissions the team has to reject.

The San Antonio Report's political advertising policy

"The San Antonio Report accepts affirmative advertising from candidates, campaigns and issues that are in sync with its mission of promoting civic engagement and civil, informed discourse. Such advertisements cannot be used to attack or fundraise; they must be clearly labeled as advertisements; and the person or group who paid for them must be clearly identified. Direct comparisons with other candidates and/or the unauthorized use of another person's likeness are not permitted. The San Antonio Report reserves the right to refuse a campaign or issue advertisement for any reason."

Depending on your outlet's mission, come up with your own set of guidelines for how you'll handle this kind of advertising (if at all), whether it be maintaining the right of first refusal, offering ad space to the candidate's opponent, or making clear next to the ad that your newsroom does not endorse candidates or parties.

Tip: **It is important to understand the IRS' rules on nonprofit publishers taking partisan or campaign positions and how this affects what advertising you solicit and accept.** In sum, according to the IRS, all 501(c)(3) organizations are prohibited from participating in any political campaign on behalf of (or in opposition to) any candidate for elective public office, but certain voter education activities are not prohibited. See here for more. Legal interpretation of these rules varies, and we recommend seeking more-specific counsel. Many nonprofit news organizations only take political advertising if it comes from all sides of the aisle in an effort to navigate this code. The IRS also has rules for political issue advertising. For more information on this, see this memo prepared for INN by law firm Sheppard Mullin about political balance and IRS policy: Political perspective EXTRACT - Sheppard Mullin May 2019

A note on sponsored content: Ethical concerns between mission and business needs tend to come to a head around sponsored or custom content, or a piece of content that a business writes (or pays to be written) and is placed on your website or on another platform (like within newsletters). Regardless of your process for selling and posting sponsored content, here's one piece of advice that can be applied to all situations: *always maintain the right to review and refuse content before it is published.*

There are a few additional questions we recommend considering when offering sponsored or custom content, and see Section 3 for much more on this important category of earned revenue.

- On which platforms will you offer sponsored content?
- Will you have a cap on how many sponsored articles you'll publish in a week?
- Who on your team will review and approve/reject sponsored content submissions?
- If you offer the *production* of sponsored content as a service, how will you staff for this work?
- How will you differentiate the sponsored content from your journalistic content?

A note on definitions: In this playbook, as we detail much more in Section 3, we define "sponsored content" generally as third party material an organization would publish for a fee. A distinct but similarly important category of potential revenue for nonprofit news organizations is "content *underwriting*" or "content *sponsorship*",

which is when an external party funds an editorial product or content (i.e., an election guide or newsletter or podcast). Underwriting offers tantalizing opportunities for news organizations, but we don't cover it in detail within this report because it relates more to development funding processes (much as if a foundation funded a particular beat reporter) than earned revenue. The prospecting and cultivation processes are different with these types of opportunities, but please be clear: this is indeed an important and largely untapped category of revenue, especially with large institutions and even businesses in your market who have a deep interest in supporting your mission (particularly as it relates to causes such as ensuring underserved audiences or topics get covered). Consistent with our advice to end "sides-ism", you should consider your prospects to recruit for both types of revenue whether you are an "earned revenue" seller or large gifts/foundation recruiter.

As we'll discuss more below, what really matters is the distinction between sponsorship/underwriting and advertising for tax purposes.

Other resources

- Practical ethical guidelines for accepting outside funds (Better News)
- An example of a code of ethics for native advertising (Better News)
- How do I navigate the ethics of live events? (Better News)

UNDERSTANDING (AND MASTERING) THE TAX IMPLICATIONS OF EARNED REVENUE

Like any other income source, generating earned revenue within a nonprofit comes with important tax considerations and implications.

Remember: "Nonprofit" isn't a business model. But a nonprofit operates with a fundamentally different legal and social contract between the organization and its community than a for-profit, and that is reflected in its tax status. Here's more on why that tax status matters.

One of the core requirements for Section 501(c)(3) tax-exempt status is that the organization must be operated primarily for tax-exempt purposes (educational, charitable, etc.). Under this requirement, a 501(c)(3) organization may conduct business activities that are "unrelated" to its tax-exempt mission *only if those activities are no more than an "insubstantial part" of the organization's activities overall.* **Critically: any income that a 501(c)(3) earns that is "unrelated" to their tax-exempt mission is taxable**. So within a 501(c)(3) nonprofit, the IRS differentiates income into two categories: **1) business income**, and **2) unrelated business income (UBI)**. UBI is taxable if it meets certain requirements; business income is not.

Here's why this all matters for your outlet's earned revenue strategy: These earned dollars generally can fall into either "contributions" or "advertising." "Advertising" is often deemed UBI and therefore is taxable. For more on how the IRS defines

advertising, see here (which also includes mores on why the distinction between "sponsorship" vs. "advertising" matters for nonprofits).

For your organization's earned revenue to count as business income and not UBI, it must be in line with your nonprofit's mission and related to its tax-exempt status. See more here for how to walk this line. In essence, that means: You'll need to structure your advertising and sponsorship revenues to show that this support from businesses is a "contribution" to your mission.

> **Example 1:** The San Antonio Report does not consider any of its advertising or event sponsorship efforts as unrelated business income and thus subject to tax. The San Antonio Report clarifies in its policies and with all clients that advertising and event sponsorship dollars go directly toward supporting the organization's mission to create and amplify quality journalism for San Antonio.
>
> **Example 2:** Madison365 considers a small percentage of its business membership income as unrelated business income and thus subject to tax. But it treats the majority of its revenue from businesses – most of the business membership revenue and other advertising and sponsorship dollars – as business income and thus not taxable. Madison365 makes clear in its policies and in conversations with clients that sponsorship dollars go directly toward supporting the organization's mission.

USE THIS RESOURCE: INN previously hosted a webinar with law firm Sheppard Mullin to dig into the nuances of these tax and legal guardrails and why this all matters for nonprofits. See here for the webinar recording, and here for the full slide deck. Below, we've summarized the firm's major tips to nonprofit new organizations in this space:

- While there are sometimes planning opportunities to avoid UBI, it's ok to earn taxable income, as long as your organization stays within the overall IRS limits to avoid jeopardizing its tax exemption.
- Evaluate the ways you will frame revenues, and the possible tax impact, when considering new revenue-generating activities.
- Work with your lawyers and accountants/ tax return preparers in advance to be sure you're set up to minimize your tax liability, within the law.
- Clearly identify what you consider taxable income.
- Keep detailed records.
- Utilize Form 990-T (tax return separate from Form 990).

HIRING AND STAFFING

There isn't a one-size fits all approach to how to staff for earned revenue within a news organization. It depends on your existing org chart, team, budget and any skill set gaps you might have on your team. However, we do believe that you need someone dedicated to this work — at least for a part of their time. In small and scrappy organizations, the CEO or founder might be the person to handle earned revenue, especially when they are just getting started. But a clear, and substantial, percentage of someone's time should be dedicated to this function. We recommend that you consider the following tasks and responsibilities when staffing, which of these responsibilities (if any) could be fulfilled by a current member of your team, and which of these responsibilities will need a new person to handle them effectively.

Here are some of the tasks and responsibilities you will need to succeed in generating earned revenue:

- Someone to persistently and diligently source for prospects, reach out to new leads, and make the initial contacts to make a sale (including the production of collateral and other promotional materials).
- Someone to manage relationships with your clients, both the high-level and existing clients, and the mid to lower level clients. (Oftentimes, and in the case of both the San Antonio Report and Madison365, the higher level clients are handled directly by the president or CEO.)
- Someone to draw up the memorandum of understanding (MOU) or proposal with your client and get the sale finalized (this often is and should be custom).
- Someone to execute the sale and to fulfill the agreement — for instance, uploading the ad to your website, adding the sponsored content into the newsletter, and printing the brochures for your event with the right logos.
- Someone to track and manage all assets on your website or other platforms.
- Someone to track performance of assets and to put together analytics reports for clients.
- If you host events (in-person or virtual), in addition to sales and client management, you often need an events manager or coordinator to handle the many to-dos that come with executing on events and event sponsorship opportunities.

For nascent client work, the point person should ideally **not** be a journalist or editor — it is best to keep them out of the hands-on sales practices. Almost anyone else in an organization can be that earned revenue person if it's just about transacting "bluebirds" (that is, sales opportunities that call in rather than those resulting from direct sales outreach): anyone who can speak to the publisher's brand, knows the architecture of your products, is a people-person, listens well, has attention to detail, and can efficiently manage a to-do list. The dividing line between basic client talent and true sales talent is the former might not feel comfortable making outbound cold calls whereas for the latter it's second nature. But in the beginning, especially, you may just need the basics.

As the organization grows, we certainly recommend hiring at least one mid-level sales or business development person to start taking on:

- The mid to low-level relationships with clients.
- Sourcing new ideas for clients.
- The documentation part of sales (MOUs, analytics reports, etc).
- The execution of your contracts (i.e., uploading the ad).
- The follow-up and retention (thank you notes, tracking everything in a CRM).

Another model that also is for more-mature operations: splitting up the work across multiple mid to entry level FTEs and reporting up to the COO or another senior leader (like in the case of the San Antonio Report, where one person coordinates business membership, one handles advertising, and another person handles events, and they all report to the COO).

Tip: **Once your organization grows past a team of three or four, we recommend that you hire a sales director or business development director who can spend the bulk of their time thinking about managing and executing on the work required to build out a successful earned revenue enterprise.** This dedicated sales role would typically report to the COO or other senior leader, carry assigned revenue goals, and be charged with coordinating the efforts of any junior staffers charged with earned revenue activities.

Here are the attributes we recommend you look for when hiring:

- Someone who is a people person. Someone who is able to speak to and — importantly — listen to anyone. The salesperson must be able to reflect the cultural tone of their organization.
- Someone who is a quick learner and verbally fluent; someone who is well-spoken both about their own organization's offerings and their market, but also about industry and marketing landscapes.
- Someone who is customer service-centric and responsive. Success in this space requires timely attention to the needs and expectations of clients/prospects.
- Someone who is detail-oriented. The salesperson must be able to ensure the accuracy of financial figures, monitor marketing program deliverables and campaign implementation, and have impeccable writing skills.
- Someone who is a self-starter. The candidate should be curious and proactive about identifying sales opportunities (and being creative!), as well as focused and organized in orchestrating wide-ranging outreach. The candidate should also be adept at recognizing immediately viable sales opportunities and acting promptly, and have the judgment to understand where you may have to play a longer game.
- Someone who is accountable. The salesperson's personal mantra should be: "Hold yourself to a higher standard than your employer does." They should always be able to instantly give an account of their activities and prospects.

They should be obsessive about managing their pipeline of opportunities as they mature, and according to a tiering of potential. A simple 90-50-10 prospect schema is effective enough (more on this later), but they should know these rankings backwards and forwards at any given time.

- Someone who is able to force the issue. In sales, acceptable outcomes are "yes" and "no," but a perpetual "maybe" is decidedly not. A salesperson must be able to differentiate between viable opportunity vs. "tire-kicking."
- Someone who is able to ask for the deal. This skill, which whether innate or learned is among the most important, can and should be done at various junctures in the sales curve. Ultimately, this is about determining whether the process is viably moving toward closure. The practical outcome of an effective sales effort is to either land a sale or know with precision why it has not occurred. Even non-sales yield valuable information that can inform future sales efforts — and a news organization's mission.
- Someone who is creative, yet also practical. The salesperson's ability to both credibly pose and entertain the phrase, "What if we...?" is key to cultivating any given client's interest and to maturing the sales curve. But this approach must be balanced with the reality of selling what you have vs. developing custom opportunities.

Recruiting, and how to broaden your network

Recruiting and hiring for business and sales talent can be challenging — especially when you might be looking to hire a single person or two to handle a wide variety of tasks, as well as to work in a mission-driven and often lean nonprofit news environment.

When recruiting for your open position, we encourage everyone to challenge any pre-existing assumptions or stereotypes you might have when thinking of a good "salesperson." This matters enormously when you start to recruit and interview potential candidates. But this openness especially matters at the "searching" phase and in particular means: Look outside of candidates with news backgrounds or experience working in nonprofits, though both and especially the latter can be assets.

An old-school approach to hiring sales talent is looking for people who have an existing rolodex, or an existing set of clients or contacts in the area. This can help, but overly limiting your search in this way will result in a small and limited pool of predominantly white candidates. Instead, adjust your approach to look for: who has shown evidence of driving sales by connecting to their community (wherever and whatever that community is)? Who wants to deepen their roots in different parts of your city and/or state? And if you find someone who has lived in the area and already cares about your community, great! But it shouldn't be a prerequisite to success — even if there may be a longer on-ramp for those who are new to your area.

Tip: **Don't be afraid to try to persuade talent from other news outlets, businesses or nonprofits in the area to join you.** Get to know your field and your industry colleagues, and try to identify people who might be interested in learning more about your news outlet. The approach to winning competing talent doesn't have to be explicit at first (in other words, avoid a cold email or LinkedIn message asking if your contact is on the lookout for jobs). It can and should be a process of building connections and friendships with your peers.

Recruiting a diverse pool of job candidates

A truly comprehensive guide to recruiting for diversity is beyond the scope of this playbook, but let us be clear: it should be a priority for any organization. And there are several useful points of view emerging that can inform equitable hiring practices that also increase the quality of your candidate pools.

John Rice, founder of the non-profit Management Leadership for Tomorrow advocates for embracing a longer talent development tack where an organization seeks talented people of color and fits the jobs to them. This would not only be a decidedly anti-racist position, it would allow an organization to find far more talent overall.

For nonprofit news organizations that don't have enough depth in their ranks to implement a meaningful mentoring program, they should seek sales/business development talent from other news organizations and/or non-news industries (particularly nonprofits) where sales talent may be abundant. For option 1, word of mouth networking with colleagues in the news field is essential, however could limit diverse candidates given the industry's well-chronicled problems with representation. You'll have to be more targeted, working with advocacy groups and/or even young professional or university partners to identify diverse talent. For option 2, consider this: Sales talent in the employee recruitment world tends to be a category unto itself, so if you are open to evaluating candidates whose background isn't directly related to news, then a local/regional pool should be readily available. This is especially true with the disruptive effects of COVID-19 on the economy.

USE THIS RESOURCE: Consider this list of interview questions to ask your job candidates, which includes advice on what to look for in the interviewee's responses.

Tip: **How can you succeed in recruiting, hiring and retaining a diverse team? Here are Madison365's tips for hiring for an open reporter or freelancer position that also apply to recruiting and developing diverse talent for sales positions:**

- **Look outside of the traditional "J-School" or "journalism" spaces.** For instance, look to community colleges that might offer a journalism certificate as a recruiting opportunity, because those schools have a lower cost and barrier to entry than more formal journalism school programs and could open your recruiting pool to folks with more non-traditional career paths or people making a mid-career change.
- **Pay well (and communicate pay information clearly)**.
- **Recruit from other industries.** Look at people with sales or business backgrounds. At Madison365, their first real intern reporter had been a teacher and then pivoted careers, wrote for about a year, and then went to grad school for journalism.
- **Be a good manager and see your employee's growth and new job prospects as a metric of success.** Madison365 is never upset when a reporter announces they are leaving for graduate school, The Chicago Tribune, or, say, The New York Times. This is a sign of success. Central to their mission is creating the next generation of diverse reporters and business talent – therefore, someone moving on to a venerable organization is viewed as a win and a key metric to report to foundations and sponsors alike.

More resources on hiring:

- Interview Guide: Director of Development (INN)
- Achieving Diversity, Equity, and Inclusion: a Curated Guide to Help Nonprofits (The Chronicle of Philanthropy)
- Revenue Roles in Local News: Case Studies from Exemplary Civic News Organizations (American Journalism Project)
- Managing a 21st-century Newsroom Workforce: A case study of NYC news media (CJR)
- Want to Create a More Digital Newsroom? Find your inner startup (Nieman Lab)
- In 20 years I'm going to run your newsroom. Here's how to help me get there (Poynter)
- The Best Ways to Hire Salespeople (HBR)
- Sales Staff Hiring: A Trailblazing Approach to Hire Top Talent (Salesforce)
- Diversity and Inclusivity in Journalism (API)
- How to Diversify your Newsroom (Emma Carew Grovum on Medium)
- 4 Ways Newsrooms can Address a Lack of Diversity (CJR)

Managing success

The key to measuring success for sales talent is to carefully and completely detail expectations. This should not only include their individual revenue goals, but also a viable assessment of your organization's potential revenue sources. A news organization should require its sales talent to identify where revenue could come from and to develop different modes of attack (e.g., approaching major corporate marketers vs. local businesses vs. philanthropies vs. advocacy groups). It should also be clear whether/how they should approach ad agencies.

This all starts with deciding how to set up compensation structures for your sales staff. See below for the major options for how to do so.

Compensation structures

- **Salary-only:** This is uncommon in the for-profit world, but fairly prevalent in the nonprofit world especially when there may be restrictions on the kinds or amounts of advertising an organization can accept. In the absence of a commission component a salesperson's salary should be on the higher end of an organization's salary range.
- **Salary plus commission:** This is the most common sales compensation structure. Here a base salary might be in the middle to upper range of your organization's salary range with the commission component providing a strong incentive for high sales performance.
- **Commission level setting concepts:** Your leadership should determine in advance the amount of revenue a salesperson will be expected to generate. Then you can reverse engineer the on-performance package you will offer.

USE THIS RESOURCE: For more advice on setting compensation structures, examples of how to calculate them, and when to deliver payouts, use this tipsheet.

Setting staff and revenue goals

You should evaluate sales efforts not only on revenue progress, but also on the volume of client and prospect outreach. In challenging economic climates, a shortfall in sales revenue does not necessarily indicate poor performance on the part of a salesperson. A good practical expectation of salespeople is they are either landing sales or providing accurate, actionable intelligence as to why they are not.

Revenue goals per salesperson should be aligned with your organization's fiscal year and budgeted projections, not the calendar year (unless fiscal and calendar years are identical). Revenue goals should be based on the following:

- Previous years' sales revenues.
- Degree of your organization's revenue growth ambition based on your roadmap overall (increased audience size and reach, product developments or improvements, increased client needs and relationship improvements).
- Salesperson abilities (strongest talent should have the most ambitious goals coupled with the

most remunerative commission structure for on-goal performance).

- Understanding the annual revenue goal as a combination of existing client growth plus new accounts.

A final note: When using the "graduated" commission structure mentioned above, annual revenue goals can be broken into quarterly or monthly goals to strengthen near-term performance incentives and to factor in seasonal effects on revenue generation (i.e., January through May might have higher revenue goals than June through August or an organization might want to account for a sponsorable flagship event in a particular month).

FINDING THE OPTIMAL MIX OF TECHNOLOGY AND TOOLS

Of course, you'll need a basic technology stack to get started with earned revenue and sales.

The most barebones version of this could be your simple WordPress website, and an Excel sheet to track your prospects, sales and display ad schedule (e.g., when to post ad A, when to take it down and replace it with ad B). The most advanced version of this could look like paying $12,000 per month for the Arc CMS — coupled with a CRM ("customer relationship management") and 15 other platforms to help your news organization monetize its content.

Somewhere in the middle lies the vast majority of what nonprofit news organizations can use to pull together a successful earned revenue enterprise.

Tip: **You should look to invest smartly in a quality tech stack — the key word being: invest. But keep in mind how to absorb longer-term costs if you purchase a "cheaper" CRM or largely forego your tech stack in the short-term.** Scrappiness is fine, and we commend "getting going", but down the line when you upgrade platforms or tools, you will have to go through a process of data harmonization (e.g., uploading your existing data into a new CRM that is structured in a very specific way). So if you choose a scrappier tech stack, we still recommend talking to a developer now to make sure you are setting up your data in a way that can be more easily uploaded to a platform later. In short: consider data harmonization and data alignment now to save a lot of time, money and energy later.

Here's one thing to know before you dig in: We are platform agnostic. You will not find our recommendation for any specific tool or technology below. Instead, we have focused on the components you should have in your stack and how to think about what you'll need and how to optimize. In addition, you should be warned that all vendors have salespersons who will try to sell you, particularly on upgrades or tools that you may not need. We recommend talking to peers, using advocacy groups and networks like INN (or LION Publishers), and using comparison and review websites like G2.com to evaluate potential vendors. Also check out this resource on choosing technology for nonprofits. An "out-of-the-box" solution may and likely is enough for you when you are just getting started, but you should look for

vendors and developers with reputations for good, responsive customer service. And talking to your peers *will* help.

A second fundamental to consider: Your team needs some basic digital and technical literacy to process and manage advertising units, in particular, and to maintain a good user experience in the process. Luckily, this is all learnable. (In Blue Engine's case study on the San Antonio Report, we learn that director of development Katy Silva didn't know how to do any of the more technical pieces of advertising work prior to starting her job, including how to use Google Ad Manager. Katy isn't alone — many folks who find themselves in sales and development roles have to learn technical tricks on the fly.) We recommend that anyone unfamiliar with CMS platforms and ad servers watch a few video tutorials, like this one on how to put ads on a WordPress site. Also check out this Guide to Advertising Technology (CJR) and for organizations with membership programs, read this piece on What to Know When Choosing Your Membership Tech Stack (Membership Puzzle Project).

Here are the major tools and technology you should use or consider when managing earned revenue processes, sales and systems. And know this: There are often free options for all of these.

- **CMS (content management system)**: A familiarity with your CMS is essential for ad and sponsored content placement. We recommend choosing a CMS that is within your organization's budget, is easy to use by your team (not to mention the newsroom and other stakeholders), and can easily be integrated with other components like your ad server, especially. Replacing a CMS is a gargantuan task, so first "kick the tires" on the CMS your organization has and consider using third-party integrations (like Zapier) to better work with whatever gaps or pain points you may be experiencing with your earned revenue operations.

More resources for choosing a CMS:

- How Digital Publishers Can Choose the Best CMS Platform (NP Group)
- Is it Finally Time for Media Companies to Adopt a Common Publishing Platform? (Nieman Lab)
- List Of Top Commercial CMS For Publishers And Why WordPress is Still Our Hero! (Pixelmattic)
- All you need to know about Newspack - the "News Site in a Box" with Steve Beatty (MobiLoud)

- **CRM (customer relationship management):** A CRM is your tool for tracking potential and current clients. Many nonprofit news outlets (including the San Antonio Report) use Salesforce. Madison365 uses Pipedrive. For early stage organizations with earned revenue, you could also manage prospect lists, account details, and keep track of invoices in a well-organized Excel or Google spreadsheet (and use any free project management-type software like Trello or Miro). See here for Blue Engine's CRM-in-a-spreadsheet, which we explain how to use

in Section 2. In addition to considering budget, we recommend choosing a CRM that is easy to use for your existing team, can ideally provide actionable reports that don't require too much intervention on your part to customize and use, and can sync with your ESP, billing, and other software (and remember that third-party integrations like Zapier can help with this if it's not out of the box).

Choosing your CRM is a vital example of what we mentioned in the tip above about considering tradeoffs. For instance, Salesforce is free for nonprofits, but requires someone with expertise in customizing databases. It's set up to drive the standard sales process, but requires a lot of tweaking to work for membership, events and other revenue-generating operations for nonprofit news organizations.

More resources for choosing a CRM:

- CRM for Media & Publishing (Workbooks)
- Pico Wants to Inject CRM Smarts into News Sites Hungry for Reader Relationships (NiemanLab)
- The Best CRM Software for 2020 (PC mag)

- **ESP (email service provider):** Particularly for publishers looking to directly monetize their email newsletters, it's important to have a quality ESP. Many publishers sell ad space, sponsored content or classifieds within their email newsletters. See the Newsletter Guide's Email Monetization section and Section 3 of this playbook for a lot more on strategies for email monetization. So your ESP should be able to flexibly handle the assets you sell, and we recommend choosing an ESP that is easy to use for your team and that can sync with your CRM. See What to Look for When Choosing an Email Service Provider (CIO) and A Letter to Myself, pre-ESP Migration (Melanie Kinney).
- **Ad server:** This is the technology and service that places advertisements on your websites and social media platforms. For display advertising, San Antonio Report uses Google Ad Manager to upload the ad, include a tracking link, and define the timeframe for how long the ad should remain on the site. We recommend choosing an ad server that is user friendly with an intuitive interface. You'll want to have the flexibility to assign a current staffer to pick up the administrative responsibility of executing these sold advertisements, instead of hiring an ad operations specialist. So the server should be easy to use. An ad server should also allow for easy, customizable reports — to send to clients on their ad performance. The ad server should have intuitive help modules to guide you through any tutorial needs and, ideally, have support folks you can readily call in case of any emergencies. Check out sites like Best Ad Servers for Publishers, Reviewed (AdPushup) for more considerations and options.
- **Virtual event technology:** Especially in COVID-times, understanding your options for virtual events is more important than ever. We discuss hosting events in much more detail in Section 2, but here are some resources related to just virtual event technology. Similar advice applies

here: look for something that is integratable with the rest of your technology stack (especially how you handle registration or sign-ups if you also have a registration component on your core website — you want the first-party data that you collect to be available not just for event-related follow-ups, but for your overall website and outreach).

More resources for online events:

- Workshop: How to organise online events? (Outriders Mixer)
- 13 Key Features to Look for in a Virtual Event Platform (Aventri)
- Get More From Your Virtual Platform: Confessions of an Accidental Platform Expert (Duarte)
- A Guide to Platforms (Picture Motion)
- Getting Started with Virtual Events: section on "Decide on your tools" (Texas Tribune's RevLab)

***Tip:* When choosing pieces for your tech stack, always make sure (1) your tech stack pieces work together (or could via simple enough, and frequently free, third-party integrations like Zapier) and (2) that you're investing enough in your tech stack.** On the first point: consider requiring that all vendors submit requests for proposals (RFPs) that fully address what they will and will not include to make a new setup or system integrate with your existing stack. Failure to address that in RFPs leads to a lot of unanticipated costs, inefficiency and/or "orphaned systems" — not to mention frustration. In addition, before contracting to work with specific developers, use resources like UpWork as well as peer recommendations to find the right skill sets with, say, developing APIs or third-party integrations like Zapier. On the second point about investment: all of the right sales skills on Earth will not help you if you don't have the tech stack to support your operations AND your clients and audiences. Events are a great example of this: if you don't have the analytics to give to sponsors for the numbers of people who attended or the engagement that you saw with the event (or the ability to follow through on leads), then your customer satisfaction and renewals/retention are going to torpedo downward.

SECTION 2: ESTABLISHING YOUR BUSINESS TACTICS AND PROCESSES

Setting your goals and setting up your operations is one thing (see Section 1). The next, and *perennial step*, to creating a sustainable earned revenue program? Optimizing your organization's tactics and processes to achieve your earned revenue goals — particularly, to find viable clients, make enough sales, and retain relationships. And it's time to start repeating one of our favorite mantras for how to do that: test and learn. Consider this section a crash course in consistently "making the sale" and finding a sustainable base to survive any boom-or-bust cycle.

In this section we also introduce a major concept and cornerstone practice of any successful earned revenue approach: "consultative selling" or the process of emphasizing relationships and open communication to create packages that provide direct solutions to a client's needs. We also detail:

1. Getting the pricing right
2. Prospecting for new clients
3. Mastering the art of consultative selling
4. Making the sale
5. Executing the sale
6. Retaining your clients for the long-haul

GETTING THE PRICING RIGHT

When employing consultative selling tactics, the process of pricing your platforms and services means personalizing packages based on client needs, above all.

After all, consultative selling means choosing flexibility and personalization over CPM, or "cost per thousand", models of advertising. (CPM models are, generally speaking, not ideal advertising pricing structures for nonprofit news organizations.)

How this translates to your practice of pricing: You'll need to come up with rate cards and prices as starting points, but generally speaking these should be for internal use only and in negotiations you'll build more off of external-facing product definitions. Ultimately, you will adapt prices and work to build custom packages while working with a potential or current client. Many times, you should be pitching and pricing packages that will include components of multiple products.

Above all, don't view your prices as static.

But to get started with pricing for your products and market, you need to consider the following core factors in addition to your organizational and individual goals:

1. Willingness to pay (or your client's budget).
2. Competitive market value.

Willingness to pay

Assets are generally worth as much as people are willing to pay. That means:

1. **You need to know the budget resources of your target customers.** Adjust based on whether you're pursuing national advertisers with large budgets, local businesses with limited funds, advocacy interests that rely on

fundraising themselves, or corporate public affairs divisions that can have a wide range of available budgets. You must tailor your products to the budget of your prospects, both for pricing and to fulfill the consultative or solutions-centered selling approach.

The quickest and most direct way to get a sense of the budget resources of advertisers/sponsors is simply to ask them what pricing ranges they're accustomed to with their other spending outlets. The likelihood is an advertiser/sponsor will respond with an honest answer because they want to find new spending outlets that don't challenge their norms (even though they might not be ready to buy immediately). This relates to the maxim, "Something is easy to sell if it's easy to buy." Of course, an advertiser/sponsor could respond to such an inquiry in a cagey way seeking to find an ultra bargain, but if you ask multiple spenders, you're likely to quickly arrive at an accurate composite assessment of viable pricing. You can also check out competitors yourself, and in some markets those may be non-news nonprofits. Look for the sales kits to their event sponsorships, their program guides, etc.

2. **But you also must have offerings that are easy to buy.** Again, a product that is easy to buy is one that's easy to sell. To state the obvious, your prices should never seem unreasonable to anyone in your target market, especially when getting your earned revenue business off the ground when it's more important to get an initial client roster. After all, your goal is to make sales; you can - and constantly should - look to revise your prices later to challenge the upper threshold of your client's spending tolerance.

Tip: **Every independent news organization should have one or more "standard" earned revenue offerings such as a basic event sponsorship or core advertising package recommendation.** (Where to set the number for this core offering? We think $5,000 works in many markets. This price point needs to be high enough so that it "pops their eyebrows", but doesn't scare off too many potential clients by setting too high a bar. This is also a price you should set based on your average-revenue-per-client goal. And, as we'll discuss more next, your competitive landscape.) Having a well-priced standard offering means you have a real product worth someone's legitimate consideration. You can discount if needed, but always be prepared to put the $5,000 core offering out there. Almost all prospects should consider buying it. If there's hesitation about $5,000 then that prospect may not be worth pursuing.

Competitive market value

Remember, to launch commercially viable earned revenue products you don't need to have perfectly optimized pricing. In fact, your ideal pricing can and should evolve *quickly* over time — and always relate to your specific client. But along with willingness to pay, your pricing strategy should reflect the characteristics of your market and comparable offerings. So:

- **Remember that things are worth as much as someone is willing to pay**: This means you can begin to gauge the upper and lower range of your pricing simply by asking clients, publishing peers and competitors about their in-market spending and pricing.

- **Rate your offering against a competitor's:** Be sure to understand your competition's products, both from the standpoints of par-level rate comparisons, and in consideration of how your products differ (e.g., does their product reach a larger audience? Does yours have a technical feature advantage? Does their product have high sell-through thus creating scarcity that drives up their rates?) And remember that in your market, your competitors may not be news organizations! In any events, look for any sales kits to their event sponsorships, program guides, etc.
- **Trial and error with pricing:** Once you've begun making sales you should carefully assess your client's reaction to your process (e.g., if you're not getting any pushback on your rates, then you should consider increasing them. The inverse is obviously true as well: If clients consistently say they cannot buy at your rates, you may need to lower them).

Product currency

OK, so you have the beginning of a basis for pricing. But know this as a follow-up to your competitive analysis: **Earned revenue products must have currency.** In other words, to gain immediate relevance your products must have features and pricing that resemble those of other earned revenue products being bought and sold in your marketplace. So make sure you prepare, and always have ready, basic specifications about your products that ad agencies and other communications companies will require (such as required ad file sizes and formats, animation looping limits, amount of ad copy, etc.).

Earned revenue products with currency enable relationship-building with clients. Your first pricing schema should land all your products within a viable market range. In order to build a relationship with the client their investment needs to be significant enough to command the attention of the client's leadership, otherwise without enough skin in the game, the client's leadership will be compelled to direct their attention elsewhere. To state the obvious: Money commands attention in all aspects of business.

Product definitions

So you have a strategy for pricing, but you will define your rates for internal use only. So what do you promote externally? It's vital to lay out precisely your product definitions, that is: What it is you're selling and accurate, descriptive information about your offerings. Marketing and ad agency contacts, among other leads, will need this information in order to transact with you. You will want to have this information on your website and other marketing channels as a point of first contact with potential leads and clients. Then you will follow up with this material, and more, when you start to make your outreach.

To repeat: Product descriptions that are public facing *generally shouldn't include even minimum estimates on price*.

Tip: **It is vital to know the difference between creating a rate card (which organizations familiar with publisher advertising will want to do) vs. setting rates that are starting points for pulling together packages.** The latter rate cards should read as a way to fundamentally understand your organization's prices on an internal basis only. Then you can set external pricing that you take to clients.

The following are non-exhaustive but illustrative lists of what you need to detail for common earned revenue product definitions:

1. For an event sponsorship, details on:
   a. The event topic/theme.
   b. The programming/special features and talent (including speaker bios).
   c. The event format (moderated roundtable, one-on-one "fireside chat," etc.).
   d. The target audiences (projected size, industry/job descriptions).
   e. The potential sponsor "activations" or the mix of assets and strategies your organization can offer for specific clients. This is especially critical because it's the actual "product" people are buying from you — activation components can be assembled into packages at various spend level options. Be prepared to come with some options, but always be flexible to your client's stated needs.
2. For direct sold display advertising, details on:
   a. Your audience size and page view volume.
   b. Your audiences' qualities/interests.
   c. The ad unit sizes and formats you offer.
   d. Where the ad placements will appear and for how long.
3. For email newsletter sponsorships, details on:
   a. Whether the sponsor will appear as a graphical ad or as copy only.
   b. How you will designate and locate a "sponsored by/presented by" slug or label in the email.
   c. The size of the ***active*** email distribution list *(some advertisers may want to know your total reach, but those with good email hygiene should know the recipients who are actively reading emails and more: what percentage are consistently reading, which may be a higher-premium target for businesses).*
   d. When the email will be sent.
   e. The average total unique open rate and/or unique click-through rate.
4. For sponsored content, details on:
   a. The headline or title.
   b. Byline.
   c. Copy length.
   d. Image incorporation, if any.
   e. Abbreviated/abstracted copy and how it will appear in your various products and feeds. *As discussed earlier, you'll want to be clear about your policies for reviewing this type of content as well.*

Internal rate cards

To repeat one more time: You should have an **internal** rate card for all your earned revenue products. This will allow your salespersons to not only create a strong foundation for organizing your product offerings, but to help your organization quantify the value of your entire assets, assist in revenue goal-setting, account for sell-through, and ultimately to adjust rates that you pitch to clients. The rate card should establish the unit price for all earned revenue products. For example it might look like this:

1. 1 week advertising on your website = $1,000
2. 1 month advertising on your website = $3,500
3. Exclusive newsletter sponsorship per email send (e.g., $500 per send) or frequency schedule (e.g., $475 per send for 3x purchased)
4. Sponsored content rate per post (e.g., $500 per post)

The internal rate card, in addition to including unit prices of your offerings, should include the known/estimated costs associated with your earned revenue products (such as event sponsor activations) so everything can be priced with a clear sense of profit margin.

How to best optimize and negotiate

Once you've rolled out your earned revenue product definitions and have a significant number of sales under your belt, it's time to focus on optimizing your rates. Consider the following strategies in this ongoing effort:

1. **Schedule regular intervals in your fiscal year to review pricing results:** If your organization hasn't frequently been negotiating the rates down with clients, you should always consider a rate increase. When you have enough data and results from previous sales processes, you'll have a better basis for packaging, pricing and selling your earned revenue products! We recommend considering pricing and rates every ~six months, and implementing raises in rates across the board (for inflation alone) at least once a year.
2. **Increase the volume/size of your products:** This is the simplest rate revision. If you are offering more of a good thing, go ahead and charge commensurately more.
3. **Have higher spending asks that correspond to larger packages:** Say, for example, your team does well with selling a core $5,000 package, but you want to expand that package by adding more and different activations. To build on a basic $5,000 package, consider adding levels of $7,500, $10,000, $20,000 and $50,000. The first three levels comprise your "basic packages" (ones economical enough to break new accounts), while the second two comprise your "partner packages" (more aggressive packages where a client can derive more comprehensive impact from their investment).
4. **"Consultative" selling will typically involve subtle negotiations:** When speaking with a prospective client about larger commitments always, if possible, avoid offering the "first number" (whether an ad rate, event sponsorship cost, newsletter sponsorship rate, sponsored

content cost). You should ask what their budget is and aim to get them talking first. If they divulge their number, you'll know where to aim.

So what about when a prospect asks: "How much is your event sponsorship?" We still recommend: Don't reply with a specific figure. Instead say: "Our events have various package levels depending how extensive the sponsor presence is — did you have a sponsorship budget or amount in mind?" If you get a number, you'll easily be able to recommend the right mix of your earned revenue product assets. If the client doesn't offer a number, then you'll be obliged to pitch a rate or better: a package. This is where you must offer a package and rate you're certain will resonate and offer enough value for your organization's goals. Again, look for that pricing sweet spot that is not outside the known spend ranges of similar offerings in the market and not so low as to be trivial. Your internal rate card should offer a solid starting place if you've already done your homework.

Example: The San Antonio Report charges for display advertising on a weekly or monthly stretch at a flat rate. There are a few reasons San Antonio, and many other nonprofit news organizations, prefer this to CPM-based advertising:

- It's guaranteed and reliable income that isn't affected by how many people come to the site in any given time period. And it is hard, and inefficient, for most nonprofit outlets to compete in the "scale" game.
- It makes news organizations less likely to be influenced by non-editorial influences (by clients or by "clickbait" tactics) if they are not focused on pageviews. Charging a flat fee also lets them charge at the rate they set for the core value they've created, which is delivering a highly engaged community of well-informed people in San Antonio.
- It sets the tone on how they prefer to work with businesses *(if you want to support us, please care about our mission and be a part of our larger community)*.

As another example of flat-rate pricing, email advertising can be sold in packages based on the timeframe the ad will be on the platform. Here's how it works at the San Antonio Report:

- Email ads in the daily newsletter (with 14,000 subscribers, an average open rate of 15% and average click-to-open rate of 6%) cost $800 for a month or up to $7,680 for a full year.
- Email ads in the weekly email (with 18,000 subscribers, an average open rate of 18% and click-to-open rate of 5%) cost $400 for a month or up to $3,300 for a full year.
- Email ads can also be included in a package that includes advertising products across other platforms.

Examples of rate cards and media kits:

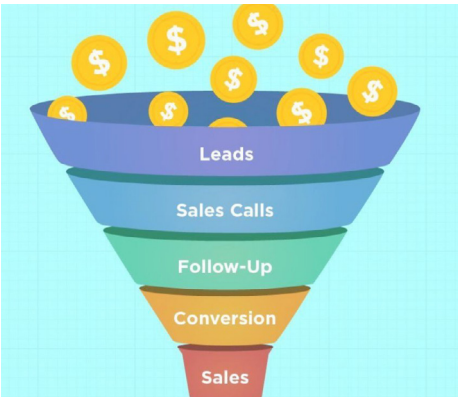
- US News' Media Kit
- High Country News' Media Kit
- Voice of San Diego's rate cards for:
  - Corporate & community partners
  - Sponsorships
- San Antonio Report's 2020 Rate Sheet
- The Devil Strip's Media Kit
- Grist's Advertising Page

PROSPECTING FOR NEW CLIENTS (INCLUDING CRM BEST PRACTICES)

Prospecting for clients, or searching for viable leads on clients, requires a persistently proactive and relationship-centered process. It requires tremendous discipline. In short: You cannot wait for clients to come to you — or to follow up. You must be intentional about researching and reaching out to potential clients, and make this the core of you and your team's workflow.

Much like audience-building or general marketing funnels, you should think about your earned revenue or sales efforts along the view of a funnel. See below for an example framework (*from Refunnel*). You will need to focus on optimizing each stage of the funnel below to move enough people to where you want them, which is: sales (and especially to recurring or retained sales).

This subsection on prospecting for new clients starts at the top of the funnel — within the "Leads" and "Sales Calls" rungs. The remainder of this Section 2 walks you through how to move down the funnel with discipline and rigor.



How to Build a High Converting Sales Funnel For Your Business

Starting your outreach

Above all else, keep three fundamentals in mind when looking for companies or agencies to reach out to:

1. **Know what your audiences can offer clients:** Think about who would want to get in front of your audiences. And when we say "*audiences*" here, we really mean all the segments of highly engaged people who read or interact with your news products regularly — that *quality* of your audiences is what you can offer these businesses compared with chasing quantity or scale. For example, if you are an organization that reports mostly on education news in your state, think about the companies and organizations that would want to reach the education policy makers, teachers and administrators among your audiences (perhaps an education tech or services company? Amazon's education unit? Private schools looking for an increased enrollment?). If you are a statewide or citywide organization, consider your state or city's major industries, respectively — or national companies headquartered in your area. In sum: Emphasize your loyal audiences as the core of what you are selling. This is consistent with the mission-centered sales approach that we advise and helps you avoid the scale trap.
2. **Consider the pros and cons of pitching agencies vs. independent companies:** As a rule of thumb: If you have a specific client prospect in mind, you'll always want to develop a direct conversation with the client company rather than with an agency. The fewer folks between you and the client's decision maker, the better.

Remember you are trying to develop a direct relationship with the client so you can create a package that best aligns with their needs. Agencies by definition are intermediaries and thus can add a layer of complexity (and potentially challenge) to conveying the value of your proposal.

However, sometimes you'll have no choice in the matter. If a client has engaged an agency for the express purpose of evaluating media opportunities, you'll be obliged to work through the agency. As you work with an agency, you can also offer to the client a "service-level channel of communication," which would be a simple offer to "feel free to reach out to us directly if we can help."

If you do find yourself working with an agency, keep in mind that if your offering resonates with an agency they can become a powerful advocate for your proposal — and not just with the one prospective client.

It can often be useful to approach agencies directly in an unsolicited manner if you know they have a roster of clients to whom you don't have direct access yourself or if the agency has a reputation for landing new accounts. Agencies derive much of their value from being experts on market opportunities, so they have an incentive to be aware of your offerings. If an agency identifies value in a product of yours, they will often bring it to one or more clients to make good on their role of "having an ear to the ground." You can broaden your reach considerably, then, in working with agencies in the right way.

3. **Think about which department to pitch:** One of the most difficult parts of prospecting is knowing which department within the company to pitch. Sometimes you'll want to pitch the company's marketing or community engagement team, whereas other times you'll want to pitch the company's government relations or other departments. This all comes down to your organization's mission, audiences and expertise. Take, for example, NJ Spotlight — a nonprofit newsroom that covers mainly politics, policy and government in New Jersey. Steve Shalit, business development director of NJ Spotlight, often will pitch the government relations departments of some companies because he knows the NJ Spotlight audiences (and events) largely involve policy wonks and political people who his potential clients want to reach.

As for where to search for leads consider the following pointers:

- Look at lists of sponsors that support other initiatives and publications that are in service of your mission. For example, if you are a newsroom that reports on environmental issues, look at the companies sponsoring environmental initiatives in your city or state.
- Look at who advertises with peer organizations in your market, including other news outlets and civic organizations.
- Engage your leadership team. Ask them to be on the lookout for potential clients when they attend conferences or other meetings with city, state or business leaders. This is another reason

to not have business and other "sides." It's likely that others in your organization know of good prospects, especially team members seeking major gift/foundation/philanthropic revenue sources.

- Reach out directly to ad agencies and ask if they have any clients that would like to target the demographics your organization serves.
- Attend local American Marketing Association chapter lunches or similar marketing and business networking events (and go with your business cards in hand)!
- Look at your list of current sponsors and advertisers and ask others in your organization: "Who is someone, or a business that we interact with regularly in our lives, who isn't on this list?"
- Comb through any local business journals.

How to track clients and leads, and CRM best practices

Once you've made contact with a prospect, it is important to fastidiously log your interactions in your CRM (customer relationship management) or a similar tracking system. If you don't have a CRM, an excel spreadsheet can suffice.

USE THIS RESOURCE:
See here for what a simplified "CRM" should look like in a Google Sheet. Importantly, you should use this template especially if you hope to invest in a CRM because it tracks the formatting of common CRMs like Salesforce, which will help with a potential integration in the future. Here's a section of what it looks like:

Client	% Likelihood (100/90/50/10/0)	Total proposed revenue	Total projected revenue	Oct. 2020 proposed	Oct. 2020 projected	Nov. 2020 proposed	Nov. 2020 projected
"Real Leaders for Congress" PAC campaign	100%	$7,000	$7,000	$5,000	$5,000	$2,000	$2,000
Big Screen Cinemas	90%	$2,500	$2,250	$750	$675	$750	$675
Good Health Medical Center	90%	$10,500	$9,450	$2,000	$1,800	$2,000	$1,800
"Generic National Advertiser"	90%	$15,000	$13,500	$5,000	$4,500	$5,000	$4,500
PBJ Plumbing	50%	$3,000	$1,500	$0	$0	$1,000	$500

Salespeople should be responsible for regular updates via direct reports to management and/or through consistent data entry into a CRM or analogous system. By consistently accounting for outreach activity (i.e., last time contacted, what has been proposed, specific feedback from the client), the salesperson will have an organizing record that enables them to gauge at any time where their effort should next be applied. Again, this is about discipline. Without it, you will not only be inefficient and lose leads, but you likely will become personally overwhelmed!

Effective accounting like this will show where your next sales are likely to come from, how long-to-mature opportunities are progressing, and everything in between. A simple, yet highly effective and widely used sales opportunity management schema is the 90-50-10 system. This simultaneously provides a rough ranking of leads in progress and provides a snapshot of overall projected revenue. This is how it works:

- All leads are designated (either in a spreadsheet like the above template or in a CRM) with a proposed revenue figure and a 90%, 50% or 10% likelihood of closing.
- The leads must be consistently updated according to likelihood, moved off the list as sold, or moved off the list if they become not viable.
- At any moment the total revenue in play — which is weighted according to percentage likelihood to close — will offer a dynamically accurate revenue forecast.
- This schema will also indicate prospecting progress. There should be at any time a short 90% list — because the expectation is that nine of every 10 on the list will close, and the same with 50% (five of 10 on this list will close).
- The 10% list reflects the success of a salesperson's prospecting. As soon as a salesperson has initiated contact, that prospect should be added to the 10% list with an associated potential revenue figure. Make this list, in some ways, the total volume of initiated prospect dialogs. This will be the longest list, but you will work to get many on this list to move.

How to know which leads are worth it

A primary obstacle for many salespersons is knowing which leads are worth prioritizing. It is rare for any salesperson to hear an immediate "yes, sign me up!" on their first interaction. You'll be unable to reach the vast majority of your leads initially, or they'll ask for more information, or they'll say "maybe later." **But again: log *all* of these interactions, even the folks with a firm "no," and categorize them from 90-50-10, so you know how to focus your time and resources going forward.** Here's more on what to look for when making these rankings:

Of the people who say "yes!" — high priority: Congratulations — you've just discovered a gem! Savor this moment because it is rare. Prioritize this relationship going forward and never take it for granted. Put in the time and energy to educate this client even more about your organization's mission and work. When it's time to create a package for this client, be sure to present all of the different ways your organization can help

your client get in front of the right audiences, and don't be afraid to ask for more in the negotiation process. This is one of those instances where you should put together a package that is at or even slightly above your client's budget, and see if they can go to their board or leadership to meet you at your price. Above all, though, remember the cardinal rule of sales: drop everything you're doing to close this sale.

Of the people who say "can you give me more information?" — high priority: This is also an exciting response because it shows your potential client is curious about your organization and its mission! Consider this the starting point of an active education process with your client. In addition to sending them your pricing options, send them your organization's best and latest work, including any recent events, initiatives or awards. Start to show your client how their contribution will help further your mission and give your client the "halo effect" of your brand. Show this potential client successful examples of other sponsorship or advertising campaigns.

Note: It is possible that they will come back and say, "not now" (see to the right). If that's the case, do not lose hope and continue to prioritize this relationship. It is also possible that a client that is not interested will ask for more information in order to avoid objection-handling by the seller. If a conversation is progressing in a way that is too good to be true, the seller should pause and attempt a "trial close." Use language like: ""Glad the opportunity is sounding good to you. Do you think after you take a look at the additional materials I've sent that we'll be able to move ahead with starting the program?" This will help weed out false positives while prospecting. All throughout this process remember the cardinal rule of sales: drop everything you're doing to close this sale.

Of the people who say "not right now" — medium to high priority: Yes, we consider the "not right now" folks almost as high of a priority as the folks who asked for more information. "Not right now" can very well mean "soon" and good customer service and follow-up can ensure that it does. We recommend learning as much as you can about why this contact can't commit now (Is it a budget issue? Are they really busy? Are they sick and out of the office?), and keeping this potential client closely updated on your organization and its work. For example, if your organization has an upcoming virtual event, let this contact know about it, and share how other companies are getting involved (consider other ways you might make them feel catered to even if they are not a direct client yet, for example: do they get a VIP-type invitation). If your organization wins an award or publishes a story that gains a lot of traction, reach out and share the update with your contact. For your more-friendly contacts in this bucket, it is worth explicitly asking again if they are interested in an official advertising or sponsorship deal. In the meantime, work to keep this contact "warm." If the prospect is more averse to hearing ideas from you, use your judgement and opt to call them back more infrequently. The weakest of your viable prospects here should hear from you at least quarterly.

Of the people who say "no" — low priority, but

track and follow-up: This is completely normal and you shouldn't let a "no" discourage you (and shouldn't let it faze you "in the room"). To the extent possible, try to figure out *why* they said no. Is it something as simple as they just don't have the budget right now? If so, recommend that they write you into their next grant, or ask if there's a chance they could write your organization in as a line item in the next quarter or next year's budget, or ask if your request would be better suited for a different department. At the very least, we still recommend sharing your organization's major updates and developments with this client going forward and keeping them warm in the event that the company's financial situation improves.

Is it a "no" because they don't ever fund news organizations, or they don't believe in your mission or work, or your contact just decided they don't want to do business with you? If the "no" comes from a place that is a bit more existential like this, still mark down this organization or contact in your CRM, but do not feel like you have to keep them as warm. It might be worth logging this organization only to remind yourself that you've already tried, and to check in with the organization every year or so to make sure the individual that was previously your contact still works there (if not, try again!), and the company is still under the same leadership (if not, try again!).

MASTERING THE ART OF CONSULTATIVE SELLING

"Consultative selling" (sometimes called solutions selling) is the process of leveraging relationships and open communication to hone in on solutions to a client's needs. A key component of this sales process is prioritizing relationships with clients. Consultative selling is fundamental to sustained earned revenue success.

The outputs of consultative selling — or the final sales package — predictably can take a number of different forms. For example, at the San Antonio Report the team creates custom, hybrid partnership packages for *and with* its clients (these hybrid partnership packages are distinct from their business membership program). At Madison365, the team creates personalized membership packages based on the individual client's needs, and all clients who purchase over a certain advertising threshold automatically become members.

But they all have this in common: The output of the sale is a tailored solution designed to address the client's needs and to connect with the news organization's mission.

A key component of consultative selling is choosing flexibility and personalization over CPM, or "cost per thousand' models of advertising. In short, CPM buys can leave lots — if not most — of the ad value unaccounted for, especially at nonprofit news organizations that cannot compete at the scale required to maximize value.

To get really good at consultative selling, consider the following core process with all outreach:

- **Open a dialogue to learn about the prospect's or client's goals:** Get them talking about their ultimate objectives and needs. Many times, a

client will say something like: "I just want to run this banner ad!" Ask them to clarify who they are trying to reach and why they are wanting to advertise to them. This will help you determine the right combination of media elements for their campaign.

- **Come prepared with many options and be ready to pivot:** Consultative selling means being able to speak fluently about the range of different options you have to offer — from display advertising and newsletter ads, to event sponsorships and sponsored content. Make sure you come prepared with a few guesses about the approach a client might want, and be ready to pivot the conversation depending on where they show interest. This is among the reasons why you shouldn't have public-facing fixed prices — or to allow prospects to view standalone prices in the abstract.
- **Ask for more:** Don't be afraid to put together a package that exceeds the prospect's or client's stated budget. Put together the package you think would best address their needs, then walk them through your rationale and why it isn't the result of craven capitalism. Ask your point of contact to take the package back to their team or board to review and see if they can approve it.
- **Approach interactions with clients with humility:** Consultative selling also involves humility and a service-centered mindset. Consider this insight from our case on Madison365: Director of business development Jill Gade told us a key part of keeping clients' trust is admitting when you make a mistake, such as when you mix up ad campaign content or publication times. Even if it is a misunderstanding that isn't "your fault," it's important to know when to fall on your sword. Her recommended language for an apology, even when a customer might have mixed up something, looks like this: "I am so sorry. I learned something today, I will be sure to clarify this in the future."

More resources on consultative selling:

- Essential Guide to Sponsorship Valuation: Learn How to Price Sponsorships Like a Pro (Sponsorship Collective)
- Cold Calling Alternative: Learn How to an Inbound Lead Strategy (Local Media Association)
- Training Archives (Local Media Association)
- The 6 Principles of a Consultative Sales Process (HubSpot)
- Consultative Selling & Sales: Definition, Approach & Steps (Pipedrive)

MAKING THE SALE

Your work with clients will fall into two general, and equally important, camps: retaining an existing set of clients and pitching new clients, which we address first.

Here's an ideal workflow for communicating with potential clients for the first time:

- **Preparation and due diligence:** Before you have any interaction, research the potential client and company, if possible (sometimes, a company might call you out of the blue, so you'll have to respond on the fly!). Find out

what the company or potential client cares about, where they are located, and what they do. Prepare a folder of information (either a print-out, PDF portfolio or PPT deck) about your organization and your mission. This might include a history page, a page that summarizes your product definitions and services, and a brochure about any upcoming events. The more personal this feels, the better, even if it's just the cover note or email you send along with it.

See an example from the San Antonio Report.

***Tip:* Know the difference between working with an ad agency and working independently with a business.** An exchange with an ad agency might be a bit more quicker and more transactional because they are more "versed" in the market and in this process, whereas working with a local business should involve more time spent on educating the business on your mission, platform options, audience composition, and process. Agencies also tend to be more familiar and comfortable with CPM (or CPC, "cost per click") transactional advertising rather than flat-rate models, so emphasizing your mission, overall reach, and brand value is critical to selling them on your non-CPM approach.

- **Make contact:** The way you do this depends largely on your resources, sales style and comfort, and the state of the COVID-19 pandemic in your market. Prior to COVID, many sales people, like Jill Gade at Madison365, would dedicate regular time to just walk right into an organization's office and ask to see her contact. (In most instances, Jill wouldn't get an in-person meeting right then, so she'd use the visit as a chance to drop off some of the physical materials she had prepared.) At the time of writing this, we would recommend calling or emailing your contacts (or both) and asking them for a video or phone call, and then assessing your contact's comfort level with in-person communication. At this stage in the process, no matter the forum, you should be on a mission to learn as much as possible about your contact and the company writ large. What are the company's goals for the upcoming quarter or year? What are your contact's professional goals? Who are they trying to reach?

USE THIS RESOURCE:
When cold emailing, remember that the subject line is the only thing you're sure they will see, so make sure everything the addressee needs to know is contained in an open-inspiring 65 characters or less. See more cold emailing tips here. And see here for a subject line calculator for most of the major email applications.

- **Follow up with options or more information:** A week or so after you've made your initial contact with a potential client, follow up. If you haven't heard from them at all, you can remind your potential client about any materials you've previously sent over. If you have heard from them, offer to hop on a phone or video call to continue the conversation. If the conversation was moving and you feel like your client understands your news organization and its mission (they're in that 50 or 90% category), this would be the appropriate time to send over a personalized package. Many publishers, like the San Antonio Report, will also send over a packet containing more detailed audience demographics at this stage of the process.

See sample partnership proposal

See sample reader demographics packet

- **Finalize the terms:** Typically, your soon-to-be client won't immediately sign off on the first memorandum of understanding (MOU) or proposal you send over. They'll have follow-up questions. Go back and forth with your client and don't forget about all of your options to get them to sign — like all the options we outline in Section 3. At this stage, don't be afraid to be persistent, especially if they've indicated curiosity or interest previously (e.g., a client in the "greenlight" groups above).

See sample advertising proposal from the San Antonio Report

See sample sponsorship agreement from NJ Spotlight

- **Send an invoice:** It is best to send an invoice as soon as possible after the client signs an agreement (i.e., insertion order, MOU). The agreement should contain all the billing information such as contact details for the responsible client party, specifics about the deliverables, and remittance instructions.When sending invoices, it's best to keep the language simple and process-oriented. For example: "Thank you for your order — we appreciate it! Attached is an invoice containing all the details. Please send payment within 30 days. Let us know of any questions. Thanks again!"

See sample invoice from WNET

***Tip:* Some invoice terms will state that remittance is due upon receipt, while others will indicate that payment is due in 30 days. However, many buyers will not be able to pay until the deliverable is completed (i.e., the event has taken place or the advertising term is complete).** If the agreement covers many deliverables over an extended period of time, then it can be useful to issue multiple invoices each covering incremental time periods so the buyer can remit in stages as the deliverable commitments are completed.

***Tip:* Remember to log each step of your outreach process in your CRM!** You want to track every prospect as they move through the funnel, even if they become a hard no!

EXECUTING THE SALE

Once you execute the sale (congratulations!), log it in your CRM, and then outline all that you need to do to make sure the client's terms are executed on time. This includes asking the following questions:

- Have both parties signed the MOU or proposal? Have you stored the fully signed MOU or proposal in the right place?
- Do all of the appropriate people on your team (including the editorial department) know about what you've sold and how it will appear (e.g., the upcoming display ad, newsletter blast, sponsored content or event sponsorship)?
- If it is a display ad or an ad that contains graphics, have you received the graphic and text from your client? If so, or with other assets that need review like sponsored content, have you sent it to your editorial team for approval (or whoever needs to approve it)? Did they have any edits or suggestions that you need to run back through the client?
- If it is for event sponsorship, do you have your client's final logo or any other materials you might need from them to print on your signage or other event materials, as decided in the MOU? Have you told your event's team or person that the client will be in attendance, if applicable? Does this affect the seating arrangement or ticketing?

The way this all pans out into a news organization's workflow will vary. But here are a few examples:

- Madison365 tracks all display advertising sales on a shared, digital calendar. That way the whole team can see when it is time to set up or take down a client's ad from their website. Rob Chappell, one of Madison365's co-founders and now the associate publisher, has access to this calendar and is the person responsible for tracking the ad schedules and uploading ads to the website. Business development director Jill will send over any material Rob will need to upload the ad (such as the ad graphic and click-through URL) about a week in advance, so he can review and make any edits before publication.
- The San Antonio Report uses a separate clv document to track ad schedules, which includes advertising for their email newsletter, podcast and social channels. For example, for display advertising, the team logs the client's ad schedule into the appropriate leaderboard website banner or medium rectangle website banner section so they can easily see blocked and available ad space on their website. See their template advertising schedule 2020.

See Section 3 of this playbook for more specific tips and tactics on executing the sale depending on the type of earned revenue asset.

RETAINING YOUR CLIENTS FOR THE LONG-HAUL

Retaining clients is an art form that starts and ends with good customer service and personal touches. Being good at retention requires keeping up a close relationship with clients, helping them interpret analytics reports, keeping them connected to your mission, and, critically,

monitoring contract expiration dates and reaching out well ahead of renewal time.

Before we dig into retention best practices, keep this in mind: You should focus as much of your energies on retaining existing clients versus gaining new ones. The cost of retention is generally much less than the cost of acquisition. Especially if you are on a small and scrappy team with a small number of clients, retention is the key differentiator between a blip of earned revenue and sustained success!

The percent of clients you are retaining (or your retention rate) is one of your key metrics. And along with average revenue per client, it is a critical number to have when calculating another number you want to know for your earned revenue program: customer lifetime value. Here's a brief word on how to calculate these metrics:

1. Average revenue per client: Divide total monthly earned revenue by the total number of clients over a 6-or-12-month period, depending on how you're budgeting.
2. Retention or churn rate: Of the clients who began the time period (annual or quarterly or monthly), how many are still active.
3. Customer lifetime value: CLV is a metric that comes from subscription management and is a key way to capture the monetary value of your relationships with clients over time.

Here's a simple way to calculate CLV:

CLV = Average monthly revenue per client * expected lifetime of the client relationship

The easiest way to calculate the average lifetime of a client relationship is through a simple calculation, which will tell you the average number of months a client relationship will last:

1 ÷ Monthly Churn Rate

To truly capture CLV, you will need to capture your acquisition and your incremental operational expenses (such as customer service, invoicing/processing/billing-related fees, and other major tech stack investments (like your CRM)). But this will give you a good start and should help you more accurately budget for your investments.

As a reminder from Section 1: You should have a goal for retention and a goal for average revenue per client. We recommend focusing on retaining at least 80% of your clients year to year. (Year to year retention goals are easier to set because you can take into account the seasonality of many clients' marketing activities.)

To set an annual per-client revenue goal, first make sure you have the product inventory available to equal their prior year's revenue with a repeat of their current program. This is your starting point. Then determine what, if any, part of their prior year's program is at risk of not

repeating. A dollar value should be set for any projected loss. Take your new starting place and assemble a strategized list of offerings you may bring the client during the next 12 months along with projected revenue for each. Do the simple math to figure out how much you need to sell to realize a target revenue percentage increase per client in the upcoming year and what products/programs you will sell to reach the goal. *Your annual revenue percentage increase goal for an account — whether it's 5% or 25% — should be based on plausible paths forward, taking into account what you will seek to sell them in the coming year.*

A note on COVID: it affects everything. Despite your best efforts, you've likely lost clients due to COVID-19 and the economic downturn. We recommend using that service-centered mindset and doing whatever it takes to keep your client from outright cancelling their contract with you, even if it means giving them free advertising for some period of time, adapting a temporary "pay what you can" model, or freezing their payments for a certain term (and checking in with them at a later date to see if their budgets have widened). It is more important for you to maintain your relationships with your clients and see if you can help them hang on until they are able to start paying full-price again. They will remember that investment in customer service when their businesses, and the economy, approaches normalcy. Again, retaining is almost always cheaper than acquiring for the first time!

Here are some tips for how to approach retention generally:

- **Throughout the term of your deal:** You should be keeping close touch with your clients throughout their contract and not just toward the renewal date (and you should be logging all of this in your CRM). Consider the ways that automated email campaigns can alleviate some of that pressure, especially as your client size grows. For instance, you should be continually reminding the client about your organization's latest developments and successes; such communiques can be done via a templated email that still has personal touches (or appears to). On the more personalized end of the spectrum, send regular updates and reports about how the client's ads/assets are performing. Again, your outreach shouldn't wait for near the end of a contract. It should be heavy especially in the beginning, then regular but more spaced out, and then pick back up toward renewal time.

  Regarding the basic analytics reports: Many of your advertising clients will ask for reports on impressions and clicks, and some agencies with sophisticated marketing departments will also ask for things like time spent per article or referral sources on sponsored articles.

USE THIS RESOURCE:
See here for the San Antonio Report's template Advertising Analytics Report.

- **One month out from contract renewal rate:** You should send a message to your point of contact to let them know their current contract is nearing expiration. We recommend setting up phone calls with clients at this point so you can reflect on the performance to date and get a sense of your client's marketing goals and budget for the upcoming time period. If you haven't already, and if appropriate, remind your client about your raising rates (many new organizations raise rates by at least 5% each year). Also this is the time to talk about new opportunities or assets you may have!
- **One month to a few weeks from contract renewal rate:** This is the timeframe when you should lock in your clients to another package for the quarter or year. Think about how you can upgrade your client's package by offering bulk discounts or additional in-kind social media posts. It's still about consultative selling: What are their needs and what are all the ways you might meet them?
- **One to two weeks after the contract expires:** If you haven't already re-signed your client for another term, reach out. Remind them about performance reports you have sent and all of the ways you've helped your client reach your audiences and their goals during the contract. Offer to get on the phone with them to hear about their upcoming needs.

Keep in mind: the power of relationships

Ultimately, the most important building block for effective retention is building and improving your relationships with your clients. All of the skills and customer service that went into the sale are even more important in retaining the client because retention relies on the client being satisfied. That contentment will come mostly from performance, how well did you help them achieve their goals, but also: how they feel about you and your organization. Here are a few tips on building and maintaining your business relationships to improve your retention:

- **Approach relationships with individuals and companies as a long-term commitment.** Always take the time to educate or remind them about your mission and why it matters.
- **Take the time to really understand your client's objectives and how they change over time.** If they say they only want display advertising, ask why, but ultimately focus on their end objective(s) and matching them with the right options (not your preconceived notions or goals). Understand that your client's objectives will change, and commit yourself to adapting to their changing needs.
- **Always say thank you and show gratitude, no matter how large or small the contribution — from in kind donations of chairs, to larger multi-year financial commitments.** Much like with individual audience members, business members and clients fall along a "funnel" of support. And all of it matters to your business. With the right tactics, you can convert someone "down the funnel" if they feel taken care of on top of seeing your value. That may take time, but personal touches and treating people well are important building blocks for any kind of conversion and to retaining them. They will not

stay "bought in," in any sense of those words, without you making the effort.

- **When we're on the other side of COVID, turn those phone calls into coffee meetings so you can see your client face-to-face.** Again, those personal touches go a long way and they're easier to do in personal, direct meetings. In the meantime, use email/Slack/Zoom and anything else to still keep as personal, and consistent, a touch as possible.
- **Referrals from individuals, ad agencies or companies are gold.** As a matter of formalizing any sales process, finish the conversation with a client/potential client by asking: "Do you know or can you suggest any other organization that might have an interest in this kind of opportunity?" Referrals can be your single most powerful and effective prospecting tool.

SECTION 3: SELLING AND STRATEGIZING ACROSS PLATFORMS

Nonprofit news organizations have a breadth of earned revenue assets to offer clients trying to reach new audiences — across a range of platforms. In this section, we dive deep into how organizations should leverage the most common and important earned revenue asset categories. We will discuss how to optimize each of the below:

1. Selling sponsorships for events
2. Tracking and selling direct-sold display advertising
3. Optimizing sponsored content
4. Leveraging your email newsletters
5. Setting up "next-level" tactics and platforms (including remnant advertising, social platforms and podcasts)

Before we dig in, let's review the key concept of consultative selling, that is: the process of leveraging relationships and open communication to hone in on solutions to a client's needs. That means you may offer some or many of the earned revenue categories we discuss in this section, depending on the client and their needs. And the output from your consultative selling — or the final sales package — will vary in name and structure across publishers. Some organizations call sales packages "business memberships" (like in the case of Madison365), whereas others call them "hybrid partnership packages" (like in the case of San Antonio Report).

What makes sense for your outlet will largely depend on your existing terminology, structure and relationships, but we tend to think the term "partnership packages" works well for most.

Here's why:

- Keep in mind here the lessons we learned in Section 1 — call your sales packages something that makes it clear to clients that they are supporting your organization's mission, above all, so the revenue is "business income" and not taxable.
- When determining what to name your sales packages with clients, consider this: Will you refer to them by the same name internally and externally with clients? Will this name confuse people already supporting your work in another way? For example, if your organization offers a membership program for individuals (to generate reader revenue), we recommend staying away from calling your business clients "members" unless you have very clearly defined how this membership differs in value proposition and benefits from the individual membership program.
- A "partnerships package" also implies a few important values. First, your client is your partner, or is a stakeholder of your outlet and its mission. Second, it implies an exchange that comes with a unique set of offerings.

No matter what you call your overall sales packages, however, the most important thing is this: **The output of the sale should be a tailored solution to fit the client's needs that is aligned with your organization's mission.** And that tailored solution will generally include a mix of the platforms and offerings we review below.

Also keep in mind,not all of the categories mentioned in this section will make sense for each of your clients. They can and should be viewed as assets, or building blocks, to layer and interchange depending on your client's needs. This is all a part of the consultative selling approach — being flexible and crafting personalized packages based on the audiences your client would like to reach (for instance, a younger, audiophile segment that consumes podcasts voraciously, or the email list you have that mostly caters to middle-age women). In sum: You shouldn't be selling all your potential prospects on things like podcasts and events. All your assets and platforms are not right for everyone. The most important thing: Be aware of all of your platform options, have clear product definitions, and adapt and position them to make your pitch as appealing as possible to your client's specific needs.

One final note: Perhaps the most expedient way to think about what specific sources of advertising and sponsorship might be available is to start with the publishing maxim that "editorial defines readership." That means your earned revenue prospects will be a mirror of your content. With your mission-centered and consultative approach, you will help your prospects for advertising and sponsorship to easily grasp how your organization's content translates into a specific audience opportunity. For instance, if your news organization only covers public policy then your prospects will be public issue/cause advertising because policy-interested folks would be your core audience set. Alternatively, if you have a robust local entertainment report, then your prospects may be in-market companies because you could reliably claim your audiences would have an interest in their advertising.

Defining terms and best practices

One final note before we dive in: A lot of folks get tripped up on definitions and varying terms when talking about earned revenue categories and asset types. Here are some of the most common terms and an explanation of how we are going to use them in this playbook:

- **Native advertising:** This is an advertising format that resembles the editorial format in which it appears, i.e., a native ad in an editorial or social feed may be indistinguishable from journalist-written or user posts in the same feed. Native advertising can exist on all platforms but is most seen as a style of sponsored content. *(Note: The terms "native advertising," "branded content," and even "sponsored content" are sometimes used interchangeably. But for this playbook, when we use "native advertising" we mean a format of advertising that contains content in the same tone as the publication.)*
- **Branded content:** Material that is produced by or funded by a brand. Branded content is usually informational or entertainment-oriented in nature (i.e., not promoting specific products or services). Very often branded content is housed in a dedicated content hub or microsite owned and operated by the brand itself. However, sometimes a brand will seek to have a publisher append their branded content microsite to the publisher's website to take

advantage of the publisher's qualified traffic; it can be difficult for brands to otherwise attract enough traffic to their microsites. In situations like this, the branded content could be served via the publisher's CMS or the publisher could simply feature links to the third party-hosted branded content microsite. Branded content tends to be produced in-house by the brand (versus sponsored content, which is typically a more collaborative effort between the publisher's editorial staff and the brand.) In this playbook, we do not focus on branded content but the Local Media Association has a lot of great tips and resources here.

- **Sponsored content:** Material that is similar to branded content in that it resembles editorial content, in its form and how it's delivered, and is often produced by non-editorial staff (i.e., third-party communications firms or a brand itself). But it's distinct from branded content because it generally seeks to address topics within a publisher's editorial purview. Sponsored content is typically served via a publisher's CMS or within a publisher's owned and operated products (like newsletters).
- **Underwriting:** A type of contribution that is often used interchangeably with "sponsorship." This is when an external party funds an editorial product or content (i.e., an election guide or newsletter or podcast). In general, you've probably heard "underwriting" in connection with foundations, and "sponsorship" in connection with companies and support from businesses. For the purpose of this playbook, we use the term "sponsorship" consistently and do not refer to "underwriting," but know this: It's up to you what you want to call this contribution internally and externally, and *largely depends on what your clients want to be known as*. The word *sponsor* connotes a higher level of participation and higher visibility than *underwriter*. In low visibility situations (such as the funding of something that you won't promote at an event or online) calling it "underwriting" might make more sense.
- **Sponsorships:** A type of contribution that is often used interchangeably with "underwriting." For the purpose of this playbook, we use the term "sponsorship" consistently and do not refer to "underwriting." As we say above, feel free to call it whatever you want. When we say "sponsorship" in this playbook, we most frequently mean event sponsorship, or the companies who pay your organization money in exchange for putting their logo and name on your event materials. (There's more to event sponsorship than this, of course, and we'll discuss all of it more).

What really matters is the distinction between sponsorship/underwriting and advertising. Remember why: Per IRS rules, a payment qualifies as a sponsorship (and not taxable *advertising*) as long as the sponsor does not receive any substantial benefits in return. So nonprofits can acknowledge sponsors by mentioning or displaying the company name, logo, product lines and contact information (among other things), *but cannot provide the sponsor with substantial benefits that would take the form of advertising (and be taxable).*

- **Advertising:** A type of transactional exchange and a product to be sold. The word "advertising" is tricky, because it's both a category of revenue that matters for tax reasons, and it's used as a short-hand to talk about various products your outlet might be selling. First, on the product front, when we say "advertising" in this playbook we are most commonly referring to display advertising (or the advertising positions sold on the homepage and within story pages), newsletter advertising and social media and podcast advertising.

On the use of "advertising" as a tax classification, take it directly from the IRS:

> "Advertising is defined...as any message or other programming material which is broadcast or otherwise transmitted, published, displayed or distributed and **which promotes or markets any trade or business or any service, facility or product**. Advertising includes messages containing qualitative or comparative language, price information or other indications of savings or value associated with a product or service, an endorsement or an inducement to purchase, sell or use the sponsor's company, service, facility or product.
>
> **Distribution of a sponsor's product by the sponsor or the exempt organization to the general public at the sponsored event, whether for free or for remuneration is not considered an inducement to buy, sell or use.**
>
> **Advertising does not include acknowledgements.**
>
> Acknowledgements are the mere recognition of sponsorship payments and may include sponsor logos and slogans (that do not contain comparative or qualitative descriptions), sponsor locations and telephone numbers, value-neutral descriptions (including displays or visual depictions) of a sponsor's product-line or services and sponsor brand or trade names, and product service listing. The effect of an acknowledgement is identification of the sponsor rather than the promotion of the sponsor's products, services or facilities. Logos or slogans alone are considered acknowledgements as they do not contain comparative or qualitative descriptions."

SELLING SPONSORSHIPS FOR EVENTS

Before COVID-19 disrupted the economy and live gatherings in particular, event sponsorship was a major part of many news organizations' earned revenue streams. Take, for example, Madison365: The bulk of their earned revenue comes from its annual event, the Wisconsin Leadership Summit. In 2018, the first year of the event, they had about 350 attendees, 15 sponsors, and brought in around $80,000 in revenue from sponsors. Last year, the event had more than 600 attendees, 30 sponsors, and brought in $100,000 in revenue. (See our case study on Madison365 for more.) The Texas Tribune makes millions of dollars, and 18% of its overall revenue, from events — and especially its annual Texas Tribune Festival, which they just converted to virtual this year.

In-market reactions to COVID-19 are all over the place, but since March most in-person events have been canceled — and are vulnerable or unlikely to happen for the foreseeable future, threatening this revenue line. Nevertheless, we believe that event sponsorship remains a core strategy for all nonprofit news organizations because smaller in-person events are becoming viable again, especially in certain states, and there are big opportunities to gain audience and revenue from virtual events — even after the global pandemic, one day, fades away.

Regardless of global pandemics, events are unique in your earned revenue toolbox for two reasons. First, they have expiration dates, which gives the salesperson a great talking point and sense of urgency to convey to the client. Second, they allow for meaningful and topical ways of engaging with particular clients — who in turn want to reach particular, and attentive, audiences. For example, if you have an upcoming event focused on healthcare (*say: the best ways to navigate COVID-19*), it would be wise to consider the nearby hospitals, healthcare tech firms, medical research centers and other healthcare organizations or companies that would want to get involved and to reach people with their services.

Where to start with events

The sentence "let's host an event!" can cause many in the nonprofit news field to break out in a sweat. And it's no mystery why: events *do* take time, energy, resources and effort from you and your team to produce. On top of that, in today's time folks are often hesitant to use technology like Zoom webinars or Google hangouts to host larger-scale events that are a bit more high-stakes than your regular Monday internal check-in (you might be thinking: What if my audio suddenly stops working? What if an attendee can't figure out the technology? What if we have a Zoom-bomber?!)

But it doesn't have to be this way. One way to get past these anxieties is to create a culture where you prioritize experimentation and accept you're not going to get it 100% right the first time.

It's more important for you to just get started with particularly virtual events than to try and knock it out of the park on your first try. As Jay Allred, from Richland Source, described his approach in a great webinar he did for the Texas Tribune RevLab: Aim to consistently deliver "good, solid 'B' work ... in a

trustworthy manner." That will set "the table for A+ work later."

Event planning and staffing

All steps in creating and executing a good event, either in-person or virtual, will fall into one of these five categories: product development, sponsorship sales, marketing, event production and talent management. Bottom line, again: It does take time and resources, and most of all, clearly defined roles and responsibilities.

Depending on your staff size and setup, we see this panning out into one of two configurations. Either your event producer can wear multiple hats and handle all of the below items, or your team (mainly business staffers) will divide and conquer all of the tasks. If your team has the capacity, we recommend option one (assigning all of the below to a single person on your team) in order to minimize the extra time and coordination for a cross-team planning process. It will put a lot on this one person, sure. But it can be done effectively and successfully. Take it from Steve Shalit of NJ Spotlight: "It's definitely best to build out a team to handle the various logistical components for getting events from concept to monetized outcome, but it's totally possible for a single dedicated person to make it all happen. With the exception of some tech support for virtual events and venue scouting for live events, I handle NJ Spotlight's roundtable production, marketing and sponsorship sales by diligently chipping away at the to-do list offered in this playbook. Here's an example of a recent such roundtable that brought in $17,000 with less than $2,000 in incremental costs — that was spun up from concept to delivery in under two weeks. Give it a try and good luck!"

OK, so here's what your team needs to do:

1. **Product development:** Everything pertaining to defining and creating the event product (the definition work that we described in earlier sections, to grease the wheels for your sales efforts and to start your conversations with prospects).
2. **Sponsorship sales:** The work that goes into driving sponsorship revenue. In the below example we walk through a sponsored event that is free to attend, but also consider ticket sales as another way to make money from events, as well as ways to use events to drive member or subscriber retention.
3. **Marketing:** Attracting event attendees and everything that prompts audience interaction with an event "product".
4. **Event production:** All the details on the event logistics, venues, technology, designs and collateral materials, and the other hands-on work that goes into putting on an event.
5. **Talent management:** Speaker recruitment and all the "hand-holding" that makes sure your speakers are prepared to fulfill their role in the event.For virtual events, this includes a walk-through of your virtual event technology and being sure they can screen-share, as needed, know how to participate in chat, etc.

The complete production cycle for a live event can take 3-8 weeks or longer while a virtual event can be spun up in two weeks or less. Typically, you'll want to allow at least 3-4 weeks for event planning.

USE THESE RESOURCES:
Here's a more detailed and sequential to-do list for you and your team to use to get your event off the ground and rolling toward successful completion. This step-by-step guide is broken down by the five major categories of work we've defined above.

There are a lot of moving pieces to every event, especially with a wide array of stakeholders, sponsors and business members involved. Laura Lopez, events manager at the San Antonio Report, creates individual event playbooks for each event to track all major action items and record the results. See here for a template of Laura's event playbook.

One sensitive issue: putting sponsors or clients on panels

Your news outlet will need to decide whether you will put sponsors or clients on event panels. This is directly connected to the ethical guidelines you should have clearly outlined for your organization, as we discussed in Section 1. Some organizations take a hard stance here and don't allow any sponsors or clients to appear on panels. Others work in this "grey area" to figure out a way to align event revenue objectives with their overall ethics and mission.

For example, the San Antonio Report decided to have a firm line against the "pay to play" model or, in other words, a client can't give any amount of money to guarantee a seat on an event panel. Yet, they do allow someone on a panel that decided to become a sponsor of the event after they were recruited to the panel. The important thing here is that the newsroom works with San Antonoio's event producer, Laura, to design the programming and content of the event and individual panels, and sponsors don't have *any* say in the event's direction.

Pivoting to virtual

There are a lot of ways to experiment cheaply — and successfully — with virtual events. If for no other reason (and if the money isn't enough of an incentive) consider this: Virtual events are a way to make your offerings more accessible than any in-person event. So consider all of the communities, and people, who may be able to attend a virtual event that you may have never reliably reached before. We also recommend approaching your planning for virtual events through the following questions:

- Which platform will you use? (Consider Zoom vs. Google Hangouts vs. other distributed platforms, such as Facebook Live or YouTube). Here are some good resources to help you make this critical decision:
  - 13 Key Features to Look for in a Virtual Event Platform (Aventri)
  - Get More From Your Virtual Platform: Confessions of an Accidental Platform Expert (Duarte)
  - A Guide to Platforms (Picture Motion)
- How long will your event be? (One hour? Multiple hours? A whole day? Multiple days?) If you're new to virtual events, we recommend

getting started with an ~hour-long, non-recorded event. Remember that "Zoom fatigue" is very real and your approach to your virtual programming shouldn't be any different from your in-person programming in that you should think about people's attention spans and how to keep them engaged. In many ways, attention spans are even worse online, when more work/distractions are right at your attendees' fingertips.

- How will you structure breaks? We recommend giving a ~15 minute break, at least, for every 90 minutes of programming Don't forget longer breaks for lunch. Also think about how to break up sessions (Zoom has a very nice "breakout room" function that you should explore). It's hard for anyone to stay attentive for too long when by themselves staring at a computer screen.
- Will your event be recorded, not recorded, or off-the-record?
- Will you ask people to pay to attend your event? Here's an example from Madison365: The team decided to charge for their virtual summit, but to adjust ticket prices to make it cheaper for individuals to attend (they're charging $79 for the virtual summit whereas last year's tickets ran $249 for the in-person summit). As with previous years, they also offered discounted spots for nonprofits and students.
- How will you position your sponsors (i.e., title cards, interstitial slides/videos or just spoken promotions during the event)? Important here to remember: Be creative and experiment with what you can offer without tying yourself in knots while you master new technologies. With virtual events, that also means you should be prioritizing the prospects you contact based on their experimentalism and their "tech savviness," in addition to the subject matter of the event and how related to their business it is. In other words, do they want to be known as first movers or someone who is quick to adapt to new technologies? If so, then being positioned with your new, adaptive event format may be a great fit. Also, to Jay Allred's great advice, remember to start with at least a solid B that you can turn to an A+ later. And look for the types of prospects who may be compatible with that approach, those who want to experiment and evolve quickly.
- How can you convince your event sponsors (perhaps for previous, in-person events) to sign on to a virtual event? We recommend reaching out to your sponsors and clients and fully engaging them in your process of converting to virtual events or launching new virtual events, keeping in mind the "long game" approach. Ask them: How have their marketing budgets been affected? How have their objectives changed? Try to understand how you can continue to help them reach their intended audiences with a virtual event with a range of sponsorship or advertising options, such as a shoutout at the beginning of your event, logo recognition or a visual on screen. We recommend also considering reducing the price, adding in other assets to a larger package (i.e., email sponsorship), and emphasizing the better metrics and likely larger audiences that come out of virtual events. Many newsrooms are

seeing an audience turnout for virtual events that is 2 - 3 times the size of in-person events — and importantly, there is an easy way to follow up if you register people and collect sign-ups in the right way.

- Apart from considering the above, also look to examples of other news outlets hosting virtual events for tips and inspiration, like The Texas Tribune (whose RevLab offers training and resources for building event revenue, now with virtual events). In particular, check out: How The Texas Tribune Pivoted a Flagship Fundraising Event to Virtual, "Hosting virtual town hall meetings with WBUR", and creative and fun events like Billy Penn's trivia and Scalawag's dance parties.

***Tip:* All news outlets should consider virtual events for these reasons.** They are low in cost compared to in-person events, they're more accessible to certain communities (those who have a hard time getting to an in-person event, especially during work days), and they are great for driving retention and deep audience engagement. Virtual events also offer better metrics than live events and easy follow-up opportunities for sponsors (think of all the email addresses you collected while marketing the event).

More resources for virtual events:

- Getting Started with Virtual Events (Texas Tribune's RevLab)
- How a Local Newsroom Quickly (and boldly) Pivoted to Online Events with Richland Source
- COVID-19 Content Monetization Webinar (Local Media Consortium)
- The Best Strategies for Generating Revenue through Events (American Press Institute)
- How to Up Your Events Game: 6 Case Studies (Local Media Association)
- Events Marketing: Creating a Great Social Strategy (Local Media Association)
- Events are extremely difficult. You should do them anyway (Better News)

TRACKING AND SELLING DIRECT-SOLD DISPLAY ADVERTISING

Direct-sold display advertising is the most important type of advertising asset for nonprofit news organizations, and should be your focus. These advertising units differ from other display ads you might think of in relation to a news website like programmatic ads, or ads that use automated technology for media buying (we'll mention those last in this section, but those should not be your focus point). Focus first on direct-sold display advertising, which you should sell at a flat-rate price (that you set in section 2) and sell as part of your consultative approach, which means to be flexible and customized in the advertising assets that you offer and position to each client.

We recommend that nonprofit news moves away from the CPM-based model of advertising in favor of this direct-sold and flat-rate approach. This means that your organization sets its own rates and has more control over the content that appears on your website — and is focused on the quality of that content, not chasing clicks. We see the move toward direct-sold advertising in both the nonprofit field and in larger, for-profit news organizations — like how Group Nine (parent company of NowThis and The Dodo) brings in seven-figure deals with clients based on this flat-rate approach.

How to sell display ads

Display advertising is a unique asset to sell in that it allows a client creative control of messaging and design within a prescribed graphical space. Other earned revenue products such as event sponsorship and sponsored content will offer the client less creative control.

With display advertising, clients are seeking to present their precisely controlled visual design and copy for the reader. A common strategy is "adjacency," that is to place the client's message and design next to the publisher content that's commanding the reader's attention.

If your organization has desirable audiences, reasonable scale or reach, prominent display advertising locations on its pages and products (i.e., "adjacencies"), and offers commonly-used unit sizes (300x250, 728x90, etc.), then the seller has all the basics in place to make a credible sales call.

To retain your display advertisers, it's vital to make sure they're aligned with your mission, have a clear understanding of your audiences, and have reasonable expectations for performance (based on what you have framed with them).

Speaking of performance, here we're talking about the actual results of a program a client runs with you. A client may ask "how many clicks will we get" or "how many sign ups will we receive" or "what kind of sales can we expect."

While you should help guide their expectations by offering them ranges of past performance, you'll want to be careful not to make any guarantees or even to suggest their results will necessarily land within your other clients' ranges.

You should suggest that even though their campaign will be well-matched with your audience, their campaign performance will rely in large part on the timeliness and import of what they're offering, the allure of their creative messaging and design, the strength of the call-to-action, and other factors intrinsic to the campaign itself. Results could, and do, vary widely.

It's also vitally important that they actually receive what's been transacted: that's the *performance* you can guarantee! For instance, if you've said that their ad will appear with exclusivity in a certain position, do not rotate in other ads during their campaign!

Workflows to execute on display advertising

There are a lot of moving pieces to track when uploading new direct-sold display ads and monitoring your available ad space, especially for those advertising units where the process is all manual.

Here's an example of what happens in practice at Madison365: Once the director of development finalizes a sale, she'll put a timeline on a shared, digital calendar for when the client's ads should run. Then, the associate publisher has access to this calendar and is the person responsible for tracking the ad schedules and uploading the ads to the website. About a week in advance of the campaign date, the director of development will send over any material the associate publisher will need to upload the ads (such as the ad graphic and click-through URL), so he can review and make any edits before publication.

USE THIS RESOURCE:

The team at the San Antonio Report has a solution for tracking all of these moving parts. See here for a template ad space tracker: Template Advertising Schedule 2020.

How to upload ads to an ad server

How exactly are ads loaded into an ad server like Google AdWords? Ads can be hard-coded into a page HTML, which is a very old school and laborious method that we do not recommend. Or more commonly a page's HTML or page layout template will include a piece of code that functions as a "just-in-time" call to a third-party ad server, such as Google Ad Manager or a programmatic ad server, that will dynamically render the ad into the pageview.

The administrative process of loading ads and setting up an ad server such as Google Ad Manager is pretty simple. It typically entails the following steps:

1. For static or rich media display ads (e.g., JPEG, GIF or HTML5 files), units can easily be uploaded along with a click-through URL.
2. Then delivery parameters — such as campaign duration, ad location(s) on the site, and prioritization of creatives in rotation — can be set. Instructions within the ad server are simple to follow. For ads served by a third party (e.g., Atlas or Mediaplex), an advertiser/agency-supplied snippet of code (commonly known as "ad tags") can be uploaded into the ad server. Setting up delivery parameters would be similar to locally served ad creatives as above. Note: Large operations will typically have a dedicated ad operations staffer to handle ad trafficking, but most smaller organizations will add this duty to a salesperson or other administrative personnel's responsibilities.

OPTIMIZING SPONSORED CONTENT

As a reminder, sponsored content is an umbrella term. In most cases, and in the way we'll talk about it here, it refers to an article that a client pays for to promote their business or event. The custom content can either be submitted by the

client, written by the newsroom, a newsroom freelancer, or an in-house marketing department. But no matter the system or terminology you use, follow this one piece of advice above all else: Make sure you review and edit all sponsored content prior to posting it on your products. This is another major benefit of your consultative selling, client-centric approach — because everything is in service of your mission, you have the full right to reject (or recommend edits) on any content you produce or post on your products.

How to sell sponsored content

The consultative process of selling sponsored content is similar to the approaches for advertising and events in that the focus is on characterizing the value of your audiences and how the client can tap into that value to solve its needs. The addition to the sales conversation for sponsored content is how this content must align with your organization's content overall in style and form, which of course is in the businesses' interest because it will make the messaging more accessible. Sponsored content should add informational value within the scope of the publisher's editorial purview and avoid being overly promotional of the client's products and/or services.

Tip: **A savvy packaging option is to bundle sponsored content into a newsletter sponsorship package** — that is, simply publish the sponsored content piece on your website (with no itemized price) and feature it in a paid frequency in your email newsletters. This will allow the sponsored content to be seen more than if it appeared solely on the site, and you can continue to monetize the piece of sponsored content by increasing the frequency with which it appears in your newsletters. We'll talk more about monetizing your newsletters below.

Here's a couple of examples for how to effectively sell, and handle, sponsored content:

Example 1: The San Antonio Report offers sponsored content as a service — that is, a piece of content that a business or freelancer writes to be placed on its website. Sponsored content is typically published Monday through Friday and is capped at three articles per week to avoid oversaturation. A client will submit a piece of content in the submission form here, complete with a headline, article text, photos and requested publish date. All sponsored content receives editorial review prior to being published, and the newsroom makes it clear in the guidelines linked on the website that they may refuse publication of any content "that undermines the integrity of its brand." (Development director Katy Silva said this rarely happens.) Once posted, the content is tagged as "sponsored."

Of course, they've run into a few ethical questions in this space, which has helped them further

refine their sponsored content policy. For example, if something comes across as an "infomercial" or uses a very over-the-top tone that claims something like "we are the best!" they will ask the client to change it. If the client needs help with writing in an appropriate tone or style, they'll refer them to a freelancer at an additional cost. This freelancer doesn't provide any editorial coverage for the San Antonio Report, and the team is hellbent on separating the two types of freelancers they use.

Example 2: NJ Spotlight will publish up to one piece of sponsored content daily. It typically resembles an op-ed in form and content; it's of similar length and style, and comments on topics within NJ Spotlight's editorial scope. Submissions directly promoting products or services are generally not permitted. Sponsored content pieces are produced either by the client's internal communications team or a third party engaged by the client. All sponsored content is reviewed by an NJ Spotlight editorial team member and — being public media — the legal team for clarity, veracity and editorial alignment.

Once it's approved, the sponsored content will be queued to publish simultaneously on the site and in the morning daily email newsletter, Today's Spotlight. On the site it will be published permanently in the Sponsor Content section and shown on the home page for one day along with the editorial stories that also appeared in that day's Today's Spotlight. The sponsored content placement on the site does not have an itemized cost. Instead, the client buys a number of dates sponsoring Today's Spotlight, each including a link to the sponsored content piece on the NJ Spotlight website. This allows the sponsored content to be sold on a frequency model rather than as a one-time fee or timed placement on the site, which allows for the sponsored content to receive strong distribution and visibility.

Ethics and sponsored content

We mentioned ethical guardrails in section 1 and how to navigate them, but these conflicts between editorial mission and business needs tend to come to a head around sponsored or custom content.

Here are a few things we recommend you consider to navigate the ethical guardrails that surround this space:

- **On which platforms will you offer sponsored content?** Can advertisers send you sponsored content for your website, email newsletter and/or social media posts? That should depend on your team's bandwidth, workflow and intent for each platform. Each platform comes with a distinct need to price the service, set up a workflow, and define how you'll differentiate the content as sponsored.
- **Will you have a cap on how many sponsored articles you'll publish in a week?** Many newsrooms cap the number of sponsored posts at a few articles per week to avoid oversaturation (and to create more of a premium for the business), but you can adjust this number depending on what makes sense for your products and story production schedule.

- **Who on your team will review and approve sponsored content submissions?** Many outlets run all sponsored content submissions through their editorial team — either the editor-in-chief or an editor. Make sure that the reviewer knows clearly what to look out for and to flag as needed. Consider the role of the reviewer carefully: top editors and non-reporters are the safest picks.
- **What happens if the tone or content of the sponsored content is completely off-base?** Inevitably, you'll get a client who submits a piece of content that is in conflict with the tone of your overall brand. For example, a client might submit something with an "infomercial" tone, or use an over-the-top claim like "we are the best!" If this happens at the San Antonio Report, they will ask the client to change the tone to a more appropriate style. If the client needs help with writing in an appropriate tone or style, they'll refer them to a freelancer at an additional cost. Of course, if the client submits something that is totally inconsistent with your mission, or your stated policy, that should be handled differently — and rejected altogether
- **If you offer sponsored content as a service, how will you staff this work?** Many outlets now write and produce sponsored content as a service for their clients. This means a client will hire your newsroom or in-house marketing team to create a piece of content about the product, service or event they want to advertise. We recommend you assign this sort of in-kind or for-hire work to a non-editorial freelancer (or a freelancer in your newsroom's network that does not also write editorial coverage for your newsroom). This way, readers don't get confused with seeing a byline or credit line that they recognize for editorial coverage in relation to sponsored content.
- **How will you differentiate the sponsored content from journalistic content on your website or other platforms?** Again, this varies by organization and the type of content you produce. To clearly mark paid posts as non-editorial content, we recommend that you use the term "Sponsored Content" as the meta tag in your CMS, so it will simultaneously alert the reader that it's not editorial while allowing it to be automatically assigned to a dedicated Sponsored Content section or destination on your products. If you don't use an organizational meta tag like this, then use the term "Sponsored Content" as the subtitle of the article or post. An additional feature often used to differentiate sponsored content is to have it live in a "paint box," that is, the content sits on a colored matte to immediately allow it to be set apart visually from editorial content in a feed (in addition to displaying a "Sponsored Content" slug in its subtitle field or from its meta tag).

Other resources on sponsored content:

- The Definition of 'Sponsored Content' (The American Press Institute)
- How Top Publishers Handle 'Sponsored Content' (Digiday)
- The Ultimate Guide to Sponsored Content (Hubspot)
- What It Means to Get Branded Content Right (The Content Marketing Institute)
- Practical Ethical Guidelines for Accepting Outside Funds (Better News)
- An Example of a Code of Ethics for Native Advertising (Better News)
- How Do I Navigate the Ethics of Live Events? (Better News)

LEVERAGING YOUR EMAIL NEWSLETTERS

Publishers have a huge opportunity in selling advertising and sponsorship in their newsletter products.

Below, we've summarized the major options you have when selling advertising and sponsorship within email newsletters. These best practices are adapted from the Newsletter Guide produced by the Shorenstein Center on Media, Politics and Public Policy at Harvard University, the Lenfest Institute for Journalism and Yellow Brim.

- **Newsletter display ads:** These ads are usually image-heavy ads that traditionally take up the banner space in an email newsletter. Consider here: Do you want to use programmatic ads or sell them yourself? Working with an ad tech provider means they will sell and insert programmatic ads into your newsletter based on the reader's interests and browsing history, which is an easier lift from a staffing perspective. But you do have to add extra code into your newsletters, and the ads aren't always the best quality. Selling the ads yourself requires additional work on your end, but it gives you more flexibility with what the ads look like and with which sponsors appear in your newsletter.

  We recommend the latter, direct-sold route. Follow the guidelines in this playbook, and we believe you can find many advertisers who are the right fit for your organization and this format.

- **Native ads:** These are advertisements that look like editorial content, but are labeled explicitly as sponsored posts. Consider here: Do they fit into your newsletters? Ideally, native ads shouldn't look that dissimilar from your editorial content, but you'll want to make sure that they're clearly labeled as ads. In Axios's newsletters, for example, the sponsored content looks like the rest of the content blocks, except it has a header that says its "A MESSAGE FROM" the advertisers."
- **Sponsorship:** This is when publishers sell sponsorship of an entire email to an advertiser. In these cases, the advertiser's logo or name will appear next to the email's title and will often say that the email is "brought to you by . . . " or "supported by . . . " the advertiser. Some publishers will also include native or banner ads to accompany the sponsorship throughout the newsletter.

Consider here: How much real estate are you willing to give over? Would you put a sponsor's name in a subject line? Would you turn your newsletter list over to a sponsor so they could send a message to your readers? This isn't right for every newsletter and every prospective business. But if you find the right fit, this can be very lucrative if handled the right way. We would recommend starting with a lighter approach, or package, if you do this, that is: prominent placement in the name and in the position types. We would be reluctant to insert the name into the subject lines of particularly well-established newsletters. There will be great impact to your emails' deliverability and inbox placement when you start tinkering with this.

- **Classifieds:** Classified ads are a largely overlooked revenue stream for email — partly because classifieds are perceived as out of fashion, and partly because operationalizing digital classifieds may seem like more effort than the expected return. Digital classifieds, however, can feel nostalgic and higher value than a cube ad. Newsletter readers are accustomed to reading copy, and even when set in a different font, the classifieds can fit in nicely with the rest of the email design. Most importantly, classifieds can bring in very real revenue. Below, please find words of advice and encouragement from journalist and newsletter-writer Ann Friedman:

"I make about as much from classified ads as I do from subscriptions. But they are so much easier to manage than recurring payments from subscribers. And they allow me to be much more nimble. If they're selling quickly (as they tend to in the fall), I can increase prices. If sales are slow (as they tend to be in summer), I can drop prices or run a sale. I love that they are an affordable rate for micro-businesses like mine (as low as $70 for 140 characters of text), but also that bigger companies can buy a bunch of them in bulk and cut me a big check."

Tip: **Like with display advertising, you'll be expected to report back on performance — and your clients will want to see the impact of their buys. But the emphasis here, for them and internally, should be on metrics that matter (and not those that are about scale).** In other words, you're not trying to reach 100,000 email addresses for the sake of that number (like page views). You'll lose that game, as a nonprofit news publisher, most of the time. It's about reaching the right email addresses and seeing that they're actively engaged. In short: It is better to reach 10,000 people (80% of whom open the email every week) then to reach 100,000 (10% of whom open it). The former is much more valuable to a would-be sponsor.

For more email newsletter resources, see Not a Newsletter, a curated Google Doc about email newsletter best practices by Dan Oshinsky of Inbox Collective, which contains several tips and case studies on newsletter advertising. See here for Dan's archive of all past Not a Newsletter editions. For an example of an excellent newsletter workflow process, see Mary Willson's breakdown on what 6AM City does in its growing newsletter-based media business. For a resource to troubleshoot technical issues and questions with email newsletters, see Annemarie Dooling's Newsletter Knowledge Share.

SETTING UP NEXT-LEVEL TACTICS AND PLATFORMS (INCLUDING REMNANT ADVERTISING, SOCIAL PLATFORMS AND PODCASTS)

We recommend largely focusing your advertising efforts on the above categories in event sponsorship, direct-sold display advertising, sponsored content and email newsletter advertising. So far, we've seen the largest payoff across these categories at especially lean, just-starting earned revenue teams, mainly because your newsletters and websites are your "owned" platforms where you can largely control what appears and what doesn't appear.This is critically important for mission-driven organizations.

But keep in mind there are other, creative ways you can meet your client's needs by offering them new and different platforms and earned revenue options — like advertising on your podcast(s) and social media accounts, as well as offering your own branding and marketing services for businesses. The below suggestions should be reviewed, though, mostly as options for your back pocket as your earned revenue operation grows.

Leftover space and remnant advertising

You might not sell all of the advertising space on your website or within your newsletters.

There are two ways to leverage these unsold positions: for your own promotional and marketing needs, or via remnant advertising. For the former tactic, you can use these open assets to promote an upcoming event, editorial series or exciting audience engagement opportunity, or even your advertising and sponsored content opportunities.

If you don't have a need to self-promote, you might consider remnant advertising but we think this should be a second option to using these spaces for your own promotional purposes. Remnant advertising is a simple concept — it essentially means the leftover ad space that your news organization was unable to sell on time. (For example, say this week, your team didn't sell the banner ad spot on your website so now the banner ad space is empty for the week.)

We recommend trying to sell remnant advertising at a discounted price to your ***existing clients***. Some salespeople prefer selling remnant advertising because it comes with a steep deadline (e.g., "we have this spot empty until Thursday!"). We do not recommend using remnant advertising

as a way to entice non-clients to sign on to a package, however, because it sets a bad precedent (your client might then judge your organization's offerings based on your leftovers versus your prime packages). This race to the bottom is not a habit you or your salespeople want to set as an early impression!

Keep this in mind as a metric: Your news organization should be selling a maximum of 5-10% or less of your display advertising as remnant advertising. Try not to let this sales tactic become a habit — it should largely be an afterthought and not a core selling strategy.

Social media advertising

Social media platforms like Facebook, Instagram and Twitter each offer their own services for publishers. Keep in mind, however, outside of these tools and programs we mention below, many publishers work directly with their clients to sell marketing and advertising services on social platforms, in a variety of ways that align with their own unique needs and ethical standards. For example, the San Antonio Report sells organic posts on Facebook and Twitter to clients, or they offer to boost a client's social media ads for the cost of the boost plus a 15% management fee.

Tip: You should be aware of the potential blurring of lines between advertising and editorial when you offer social media advertising, similar to the guardrails we discussed with sponsored content and newsletter sponsorship. Some organizations, like The Texas Tribune, decide to keep social channels strictly editorial and do not offer social media advertising to clients. Other organizations have a separate channel entirely for social media advertising, like a PR-only Twitter channel. We wouldn't recommend that publishers with immature, nascent social media accounts lean too heavily on this type of advertising.

Here are some other resources to consider:

- Twitter offers Amplify Pre-roll to publishers, or a tool that "automatically pairs pre-roll from advertisers with premium, brand-safe video content on Twitter using the tags you've chosen for each video. It's an easy and effective way to drive additional revenue for publishers."
- Facebook has a unique pagethat reviews monetization options for publishers. See Facebook News Publisher Resources and their page on in-stream ads.
- In June 2019, Instagram started allowing brands to boost organic posts as ads, meaning accounts that create posts with the "paid partnership" tool can allow their business partners to boost posts. This opened the door for many publishers, including the San Antonio Report, to offer a "boost" as a service for their clients' ads. For more on Instagram advertising tips, see Instagram for Publishers: Harnessing the Platform's Full Potential by GetSocial (a social analytics company) and this piece by Digiday: Publishing on Instagram.

Podcast advertising

The podcast advertising industry is a growing one. Certain nonprofit outlets, like the San Antonio Report, offer voiceover ads recorded in-house or can insert a 15 or 30-second ad provided by their advertisers. That form of direct-sold advertising is an enticing line of potential earned revenue within podcasts, if your organization has any that have established audiences (or a compelling new one about to debut). The other major opportunity here is more outright sponsorship (i.e., the ___ podcast sponsored or brought to you by ___ .See The Gladiator podcast by the Boston Globe, which although a for-profit media company is a model for how to monetize this platform).

Selling podcasting ads effectively relies on prospecting intentionally for certain types of businesses, namely: those who aim to reach audiences who are typical podcast users (think younger, commuters, audiophiles), and businesses who are on the "early adopter" end of the spectrum or who want to teach early adopters.

Tip: **Take the same "smart metrics" and consultative approach with a platform that is still evolving like podcasts** (especially because consumption metrics are still finicky and harder to track than other mediums). Remember: It's still not about scale and you should emphasize that with your prospective and existing clients. It's about reaching the right kinds of targeted audiences and showing loyalty/high engagement.

Marketing and branding services

How might you offer your services and skill sets in-house to other businesses? Many publishers offer their top-notch writing, production and marketing talent for businesses as a paid service. As a small example, when purchasing a sponsored content spot, a business might want help actually writing, branding and positioning the sponsored content piece. But this can go much deeper, where you are producing marketing and other creative services, or boosting and running social media accounts, on behalf of businesses. Here are a few things to keep in mind if you're considering this as an earned revenue option:

- Remember the difference between UBI vs. non-UBI because you will want to make sure this work relates to your mission and tax-exempt status (and that may be tough to show).
- Acknowledge the ethical lines at tension here. You can choose to work with the discomfort. We recommend keeping a clear distinction between your freelancers who work on editorial products vs. freelancers who might be hired to work on sponsored content for a client, for example.
- Some geographies work better at this than others. Consider, are you in a market where there isn't a robust industry around writing, marketing and branding (e.g., someplace *unlike* New York City)? If so, your organization might be ideally positioned to offer this as a service.

CONCLUSION

If you've made it here, congratulations (thank you!).We hope that you've already tried, and tried again, a lot of the tips mentioned here! Bottom line: We hope you feel more than empowered to kickstart your earned revenue program and are excited about the tremendous opportunity that you have to grow this line of revenue. Remember your fundamentals which are:

- **Don't sell widgets, sell solutions.** In other words: Use a consultative selling approach that focuses on clients' and prospects's needs — and offering them solutions.
- **View local businesses as partners and allies.** Treat sponsors and prospects as relationships not transactions — and connect them as intimately as possible to your mission, and you. This service-centered approach should start before you even make your first contact — and extend long after any sale.
- **Make decisions based on data and insights**, and constantly experiment with what you do based on what past insights tell you. Remember to prioritize quick and agile, over drawn-out planning.
- **Get the digital sponsorship tech stack right**, and remember that even the best people and strategies will fall short if you have a bad technical foundation and poorly constructed, and managed, systems.
- **Develop and continually improve an efficient workflow.** Whether you are a one person or a 10 person team, you want to be focused on creating as much time as possible to do what you do best: make and execute on sales.
- Adopt and maintain an agile, nimble culture that prioritizes experimentation and fast learning.

Above all, remember to connect your earned revenue work, like everything else in your organization, to your mission. And know that by developing this line of revenue, you will be supporting the sustainability of that mission and your organization. So come back often to the resources in this playbook, and to quote the inimitable Dr. Seuss: "Will you succeed? Yes! You will indeed! 98 and 3/4 percent guaranteed. ... Today is your day. Your mountain is waiting. So ... get on your way!"

ADDENDUM: TEMPLATES TO USE

In addition to many of the templates and reports already linked throughout, here is a short list of resources that we think you might want to use and adapt for your organization.

Templates for proposals

- Sponsorship Collective, a paid course, has a sample proposal, prewritten pitch email, a sales checklist and a fulfillment report available as free downloads. You have to put in your email address to download.

Examples of pitch decks and brochures

- Voice of San Diego's Sponsorship and Advertising 2020
- San Antonio Report's Overview Brochure
  - Business Membership Brochure: San Antonio Report Membership 2019

Examples of event specific brochures

- The Texas Tribune's Information Overview for Sponsors
- San Antonio Report's Event Sponsor Guide
- NJ Spotlight's Virtual Roundtable Series

Examples of MOUs and sales packages

- San Antonio Report's Template Hybrid Partnership Proposal 2020
- San Antonio Report's Advertising Proposal Template
- NJ Spotlight's Event Sponsorship Agreement
- NJ Spotlight's Sponsorship Agreement

Examples of rate cards

- Voice of San Diego's rate cards for:
  - Corporate & Community Partners
  - Sponsorships
- San Antonio Report's 2020 Rate Sheet
- The Devil Strip's Media Kit

Examples of analytics reports

- San Antonio Report's Advertising Analytics Report

Examples of sponsored content

- Here is an example of sponsored content distributed via NJ Spotlight's newsletter.

Other

- San Antonio Report's Template Advertising Tracker
- Voice of San Diego's Advertising Campaign Announcement Email
- San Antonio Report's Event Playbook Template