




How To Create \$10K Products For Your Nonprofit



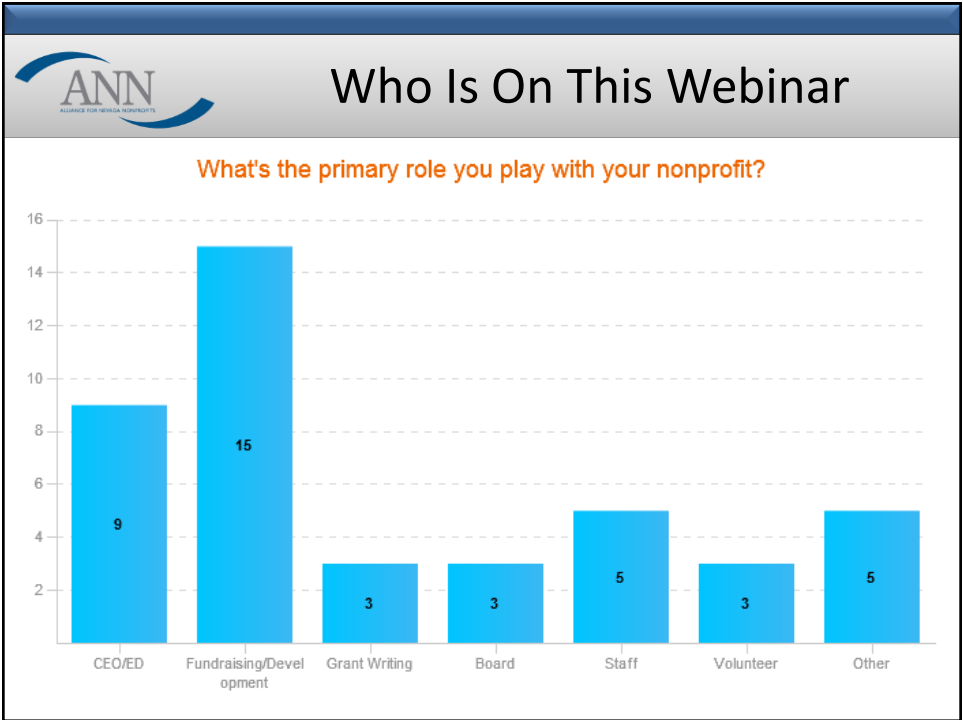
Grant Writing Certification Program


Facilitator:
Phil Johncock



Agenda

- Who Is On This Webinar?
- What are \$10k “Fee-For-Service” Products & why are they not only important but absolutely necessary for nonprofits?
- Successful \$10k products (best practices)
- Why & how to create \$10k Products
- How to ensure you don’t lose your 501.c.3. status
- Differences between products & enterprises
- 3 proven ways to get “buy in” from board & leadership
- Sneak peek into \$10k Products Boot Camp June 7-8





What Are “Fee For Services” Products That Earn \$10k?

FEE-FOR-SERVICE

Synonyms: earned income; social enterprise; social entrepreneurship; services, goods, products sold

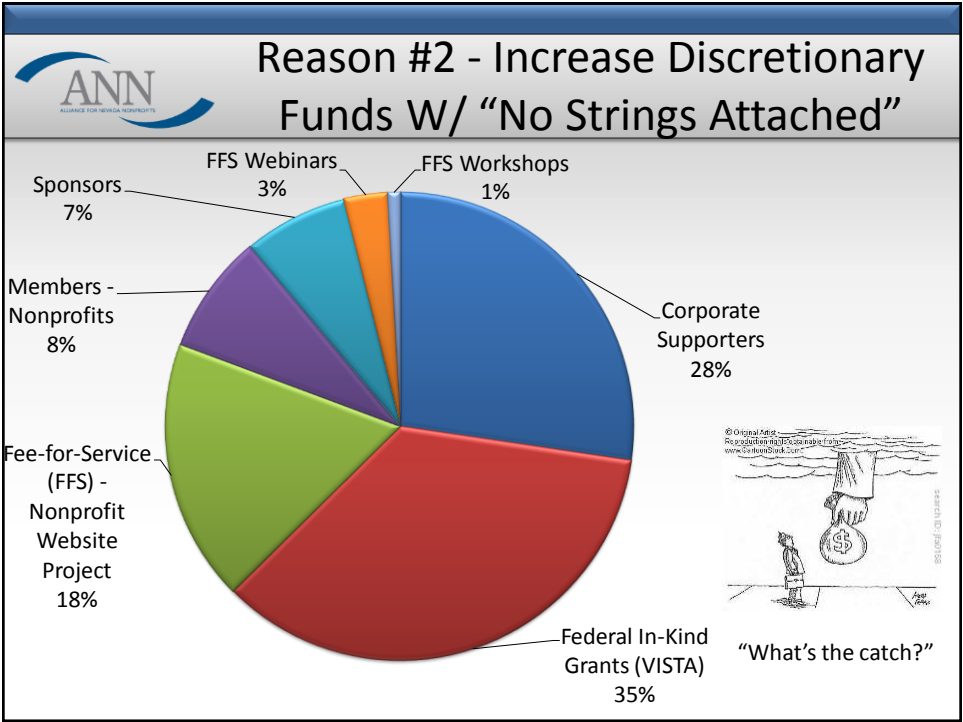
Definition: Tax-free discretionary income from products or services sold



\$10K Threshold = Generate at least \$10,000 per year

The model works best when ...

- A nonprofit has a valuable product or enterprise.
- The buyer has discretionary income to pay.
- Some of the mission is education, job training or skill-building.





Reason #3 – Bring Market-Sensitive
Products to Market Quickly



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FFS Best Practice – Girl Scouts

- Girl Scouts had their earliest beginnings ...
- The earliest mention of a cookie sale ...
- In July 1922, *The American Girl* magazine ...
- Miss Neil provided a cookie recipe that was ...
- Estimate:
 - 6-7 dozen cookies ingredients cost \$.26-\$.36
 - Could be sold for \$.25-\$.30 per dozen







FFS Best Practices – Foundation Center

Briefly describe the organization's mission or most significant activities:

THE FOUNDATION CENTER'S MISSION IS TO STRENGTHEN THE SOCIAL SECTOR BY ADVANCING KNOWLEDGE ABOUT PHILANTHROPY IN THE UNITED STATES AND AROUND THE WORLD.


Program Service Revenue		Business Code	
2a	PUBLICATION REVENUE	611710	11,253,355.
b	EDUCATIONAL PROGRAM REVENUE	611710	768,429.
c	ASSOCIATES PROGRAM MEMBERSHIP FEES	611710	121,115.
d	DATABASE SEARCH REVENUE	611710	79,274.
e	COOPERATING COLLECTION MEMBERSHIP FEES	611710	461,929.
f	All other program service revenue	611710	565,227.
g	Total. Add lines 2a-2f		13,249,329.






FFS Best Practice - Kiwani's Bikes for Burning Man

- Most bikes are \$40 - \$50 ...
- They have over 400 bikes to select from.
- All proceeds go to support Kiwani's Bike and Pedestrian Safety Programs and ...







FFS Best Practices – What’s Hot? Certifications

- Certifications:
 - Grant Writing Certification
 - GPC Exam Prep Course Online
 - Webinar Facilitator Certification
 - Child Care Certification











Why A \$10K Threshold?











How To Create \$10K Products: Reverse Engineering w/ Price Points

_____ x _____ = \$10K

\$

10 x \$1,000

20 x \$ 500

_____ x _____ = \$10K


26 x \$397

_____ x _____ = \$10K

115 x \$87

213 x \$47

500 x \$20



10K PRODUCTS BOOT CAMP

Earn Over \$10,000/Year With Market-Sensitive Products

- Be on track to earn at least \$10,000/year tax-free with minimum effort.
- Leave with a specific action plan to launch and re-launch 10k products for your nonprofit.
- Have built your nonprofit's capacity to design and deliver relevant and market-sensitive, mission-specific products and services with little to no capital outlay.
- Have developed your nonprofit's capacity to earn discretionary income (unrestricted funds) that does not jeopardize your tax-exempt status.

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June 7 & 8 | 9 am - 5 pm | UNLV Student Union, InfoRegister: June7and8.eventbrite.com

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How To Create \$10K Products: “Add Value” = Fee X 10

- Fee \$397 = Earn up to \$480,000/year in free advertising (an average of \$10,000/year)
- Fee \$286 = Most get a grant within a year and an average of \$5,000 in 1st grant
- Fee \$500 = Earn \$10,000


Google grants



10k Product BOOT CAMP


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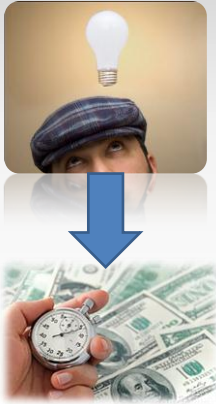
How To Create \$10K Products: 3 Proven Approaches


1. Use staff expertise
 - Example: \$10k Products Webinar & Boot Camp
 - You: ??
2. Look for market inefficiency or ineffectiveness
 - Example: ANN's Social Media Audit
 - You: ??
3. Market needs & is willing to pay for
 - Example: Blog Creation Workshop (with WordPress) ...
ANN's Nonprofit Website Project
 - You: ??



How To Create \$10K Products: Start Where You Are


- **No idea ...**
 - Brainstorm
 - Market research (Google, Amazon, competition ... 990 IRS forms)
- **An idea incubating ...**
 - Flush it out & put down on paper (like a business plan)
 - Brainstorm & market research
- **Existing product ...**
 - Analyze sales data
 - Ask for feedback/revise
 - Repackage & relaunch






How To Protect Your 501.c.3. Status:
Substantially-Related To Mission


- To maintain tax-exempt status, earned income must be “substantially-related” to your nonprofit’s mission.
- “Substantially-related” means that the business has to specifically accomplish its goals.
- Say a women’s shelter ...
- That would likely be considered unrelated ...
- The question is so subjective ...




Important Differences Between
Products & Enterprises

PRODUCT	ENTERPRISE
<ul style="list-style-type: none">• Part-time staff• Short-term• No-to-low initial cost• Goal: At least \$10,000 generated yearly• Project-like• Opportunity to “test the waters” with little outlay	<ul style="list-style-type: none">• Full-time staff• Long-term• May require start up costs• Goal: At least \$100,000 generated annually• Business-like• Build on what has been proven with business plan








3 Proven Ways to Get “Buy In”

- First, by including \$10k product creation activities in “job descriptions” from this point forward.
- Second, tailor your message to the audience ...
 - Board ... stress benefits most important to them (i.e., great discretionary source, short-term source, governance, etc.)
 - CEO/ED ... stress benefits most important to them (i.e., funding, diversify revenue streams, team, etc.)
 - Staff ... stress benefits most important to them (i.e., make their jobs easier, save time, etc.)
- Third, use a “closer”.





INTRODUCING June 7 & 8 \$10K Products Boot Camp Las Vegas

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CO-HOSTS

June 7 & 8 | 9 am - 5 pm | UNLV Student Union, Info/Register: June7and8.eventbrite.com



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Why So Soon (June 7 & 8)?

- Phil's contract with ANN ends December 31 ...
- ANN has 3 new AmeriCorps VISTAs who need training right away in \$10k Product design ...
 - Fathey – Social Media Audit
 - Kyle – Google Grants Class
 - Jim – Grant Readiness Binders
- In this tough economy, Nevada nonprofits need all the help they can get now ... not later!
- The Lincy Institute UNLV has agreed to co-host ...
- The sooner everyone learns this ...



June 7 & 8 - \$10K Products Boot Camp – What You Get Is ...

- 2 full days of boot camp (June 7 and 8)
- 2 seats for up to 2 individuals from your nonprofit
- 1 training manual
- 1 free parking pass (6/7 and 6/8)
- Follow up technical assistance for 6 months
- Lots of small group and one-on-one time
- Being part of a squad/team
- Inside view of ANN's 3 new \$10k Products
- *Note: Lunch is on your own.*



June 7 & 8 - \$10K Products Boot Camp – Costs & Registration Info

- Regular Cost = \$1,000
- 1-Time Special 50% Off = \$ 500
- You can bring a 2nd person from your agency for no additional cost (2 people only per nonprofit).
- You get everything you need!

REGISTER: **june7and8.eventbrite.com**

Because of the short time line to register, if you need help...

Contact Phil at**775-626-6634** or **info@alliancefornevadanonprofits.com**

Call Fathey at **702-582-6681** or **ANNfundraising@gmail.com**



June 7 & 8 - \$10K Products Boot Camp – What You Can Expect Is ...

Eight 75-90 Minute Sessions

Session 1 – Analyze Your Strengths & Weaknesses & Budgets

Session 2 – Reverse Engineering, Price Points & Time Lines

Session 3 – Market Analysis, Competition & Community Needs


Session 4 – Market Analysis, Opportunities & Gap Analyses

Session 5 – Marketing, Sales, Copyrights, Financing

Session 6 – Creating FAQ's, Packaging & Receiving Payments


Session 7 – Feedback, Endorsements & Quality Improvement

Session 8 – Presentations & Action Plans



Your Top Questions

- How do we register?
june7and8.eventbrite.com
- What the initial outlay and maximum return?
- How do we accommodate people with few or no resources to pay?
- What's the right product for us?
- How can fee-for-service products help a new nonprofit?
- How can fee-for-service products help us get our 501.c.3. status?



More Questions

- How can I get the handouts? Who do we contact if we have questions?
Contact Phil at **775-626-6634** or
info@alliancefornevadanonprofits.com
Call Fathey at **702-582-6681** or
ANNfundraising@gmail.com
- How do we create products with limited people and resources?
- Where do we begin?
- Others Questions?



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