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Final assignment:

“Not-for Profit Stakeholders Management– where are our customers?”

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Abstract:

Cystic Fibrosis (CF) is a life-threatening disorder that causes severe damage to the lungs and digestive system. In France, one new-born on 4.200 is affected by Cystic Fibrosis, with about 200 babies diagnosed with Cystic Fibrosis each year. “Vaincre la Mucoviscidose” (the French leading national association against CF) is a non-profit organization created in 1965 by parents of children with CF which organizes once a year, its main event throughout France “Les Virades de l’Espoir” to collect money. In 2013, all 430 “Virades” occurring on the same day in France have helped gathering about €5.2 million nationally, which represents about 50 percent of the resources made available to the association, in its fight against CF.

Among them, the one taking place in Bourgoin-Jallieu, was initiated in the year 2000 and has in the 13 years of its running gathered about €448.500 for the entire profit of the national VLM association. Yet since 2007, and especially since 2009, gains have been on the decline and reached their lowest level ever, in the year 2013. On my own, my direct involvement with the “Virades de Bourgoin-Jallieu” is linked to several factors among them all, the fact that I have a niece who is suffering CF. Concordantly, my willingness to engage socially and locally with the VLM association, coincided with the “Virades” founder’s desire to pass the reigns of the local association, and engage it into the future.

Indeed, the many stakeholders involved with CF and its eradication (patients, relatives, members, volunteers, head-quarter staff, private individuals, local “authorities” and corporate sponsors), should ideally be nurtured and managed as individual “customers”. Finding how “best practices” and methodologies from the corporate world, can best be transferred and successfully applied into the volunteer one, without hurting and damaging the currently working situation, shall help sustain the current “momentum” and awareness gathered nationally and locally by the “Virades”, while lowering the “distribution trap” represented by the very nature of its main event, which is happening in one sole location, on one single day.

On the base of it, a renewed strategy of direct marketing, aimed at key (identified) individual markets to target, shall be drawn, for which a 12-step direct marketing process will be used, as a backbone for the implementation of a sound and sustainable direct marketing strategy for the years to come. The expected results from such a strategy will be two fold; an increase and spreading of the level of gains gathered for the association and the providing, for each audience, of “attractive” projects allowing for their full appropriation by the “targets”, within their frames of references.

Transferring “best practices” from the corporate world into the local associative one, shall lead to higher sustainability and lower traps.

Foreword

The following CRMT assignment will aim at understanding how, in a non-for profit national organization (humanitarian) such as “Vaincre la Mucoviscidose” (VLM), acting locally in the preparation and running of a once-a-year event “Les Virades de l’Espoir” (the “Virades”), can the many stakeholders (patients, relatives, members, volunteers, head-quarter staff, private individuals, local “authorities” and corporate sponsors) be nurtured and managed as “customers” shall be in the (more) “corporate world”. Is there for instance, any similitudes, key differences, “best practices” and methodologies to be transferred and successfully applied, from the corporate world to the volunteer one, without hurting and damaging any current working relationships? Is there any practices in the need for an “upgrading” to a “world 2.0” kind? How do we “compete” against other associations, for communication budget allocations, and how to sustain the current “momentum” and awareness gathered nationally and locally by the “Virades”?

The document will start by defining the context in which the case is to be found, and will for that purpose follow the CRM framework presented by Andrew R. Thomas during the ISM – 726 CRMT seminar (adapted to the specificities of the “Virades” and VLM association), of May 2014, so for the author to gather facts and perspectives, and establish an strategic marketing roadmap for the running of the association, locally, for the years to come.

Context

“Cystic Fibrosis (CF) is a life-threatening disorder that causes severe damage to the lungs and digestive system. An inherited condition, Cystic Fibrosis affects the cells that produce mucus, sweat and digestive juices. These secreted fluids are normally thin and slippery. But in Cystic Fibrosis, a defective gene causes the secretions to become thick and sticky. Instead of acting as a lubricant, the secretions plug up tubes, ducts and passageways, especially in the lungs and pancreas.

Cystic Fibrosis is most common in white people of Northern European ancestry, but also occurs in Hispanics, African-Americans and some Native Americans. It is rare in people of Asian and Middle Eastern origin. In France, one new-born on 4.200 is affected by Cystic Fibrosis, with about 200 babies diagnosed with Cystic Fibrosis each year. All in all 2 million people carry the defective gene (but do not have the disease itself) and can pass it on to their children¹.

¹ Retrieved July 09th, 2014 from http://www.vaincrelamuco.org/ewb_pages/e/english-version.php?lang=en

Although Cystic Fibrosis requires daily care, most people with the condition are able to attend school and work, and have a better quality of life than in previous decades. Recent improvements in screening and treatments mean most people with Cystic Fibrosis now live into their 20s and 30s, and some are living into their 40s and 50s”². Kidney transplant do represent the sole surgical solution to this day to alter the disorder, yet do only occur at a rate of 100 transplants a year in France, while therapeutic developments, treating for the time being specific gene mutations are only in their initial testing phases. In families with many siblings, it can be that only one child is affected by the defective gene, while the other children may be passive carrier of it, or not bearer at all.

“Vaincre la Mucoviscidose” (the French leading national association against CF) is a non-profit organization created in 1965 by parents of children with CF. The foundation follows 4 goals, as illustrated in **Figure 1**. Today, VLM under the leadership of Patrick Tejedor (Président of “Vaincre la Mucoviscidose” since 2012) employs 42 permanent staff at HQ (Paris), while “managing” 400+ volunteers all year long, and more than 30.000 on the week-end of the “Virades”. VLM is state approved and as such is authorized to receive legacies, donations and life insurance “gifts”, through solicitors and lawyers, allowing for (income/corporate/inheritance) tax reductions.

VLM is one of the 78 members³ of the “Dons en Confiance” (donations in trust), a non-for profit association looking for transparency and efficiency in the use of the publicly collected funds.

“Vaincre la Mucoviscidose” main goals
- Cure CF by helping and financing research in France and all around Europe. The foundation finances around 80 research projects every year and organize CF meeting for French and European CF investigators.
- Treat the CF patients by improving health care. More than 90 medical positions are financed each year in 50 specialized CF centers. Conferences and formations are organized to inform and exchange knowledge among medical staff (physical therapist, nurses...). Accordingly, constant information about French CF patients is collected to ensure an efficient knowledge of the disease.
- Improve quality of life in order to make a life with CF more acceptable and bearable. “Vaincre la Mucoviscidose” offers a continuous help to CF patients and their family by being attentive to their needs and difficulties. It also provides assistance to cover some inevitable expenses a CF patient might have, due to his disease.
- Alert on the gravity of CF by communicating toward the public in general and towards parents and family affected with CF. Every year, the foundation edits several leaflets to help Cystic Fibrosis patients with social, medical and school difficulties. The foundation also develops information campaign in order to raise awareness information about CF.

Figure 1: 4 main goals of the “Vaincre la Mucoviscidose” foundation

² Retrieved July 09th, 2014 from <http://www.mayoclinic.org/diseases-conditions/cystic-fibrosis/basics/definition/con-20013731>

³ Retrieved July 09th, 2014 from <http://www.comitecharte.org/organisations-agreees?page=7>

Once a year, the last Sunday of September, and since 1984, “Vaincre la Mucoviscidose” organizes its main event throughout France “Les Virades de l’Espoir” (that is “the walks of hope” in French). This day is based on the idea that people who can, should give their breath for those who cannot. Sport activities and games are organized everywhere in France to collect money. On the last count, 430 “Virades” were organized in 2013 and planned for 2014 (September 28th), knowing that they represent about 50 percent of the resources gathered for the “Vaincre la Mucoviscidose” (VLM) association, and that year on, year off, about 17 “Virades” are stopped and as many are initiated nationwide. The “Virades” are locally organized and managed solely by volunteers, who are responsible for their local handling, under one name, one identity and within a strong financial scrutiny from “Head Quarter” and watchdogs.

In 2013, all the “Virades” have helped gathering about €5.2 million for VLM, which is about 7 percent less in volume than the year before. Their “cost of organizing” having been lowered to about €1 Million that is 15 percent less than the previous year, allowing for a slightly increasing net budget. The remaining budget allowed for VLM is through ongoing donations, whether private individuals, associations or corporations, sponsorships, and funds gathered at State level (e.g. Minister of Health).

“Virades” of Bourgoin-Jallieu

Among the 430 yearly “Virades”, and the six ones taking place in the Isère Department, the one taking place in Bourgoin-Jallieu⁴, in “Northern-Isère” (about 60km from Lyon & Grenoble) was initiated in the year 2000 by Mrs. Marie-Martine Marin (aunt of a young (at that time) CF patient), and her husband, a very well-known and active family of shopkeepers (opticians), owners of seven successful franchises in the city and surrounding villages.

For 13 years, the main activity has evolved around the organization of 2 “Virades” (one main and one sub), until 2014 (where decision has been taken to handle only one), the last Sunday of September, as well as coordinating with 5 primary schools (“Virades Scolaires”), which sees about 750+ children run, mid October, and for a couple of hours to gather funds on the behalf of the VLM. In the 13 years of their running, the “Virades” have gathered about €448.500 for the entire profit of the national VLM association. As shown on **Figure 2 and 3**, total gains gathered along the years have varied between €26.000+ (2013) and €41.600+ (2007), while expenses have been limited around €1.800 (2006) and €9.200 (2004) to average 17 percent (**Figure 4**). The main

⁴ Retrieved July 09th, 2014 from <http://www.bourgoinjallieu.fr/welcome-to-the-city-of-bourgoin-jallieu>

“sources” of revenues being made almost exclusively during the day of the “Virades” (e.g. sales of gimmicks, sponsored leaflet, “Virades Scolaires”), as shown on **Figure 5** for the year 2013. Expenses being limited to purchase of “gimmicks” (for sales), printing out the leaflet, posters, and for diverse expenses (e.g. material renting). Since 2007, and especially since 2009, gains have been on the decline, for many reasons, but mainly linked to the overall economic situation to be met since 2008 in many parts of the World.

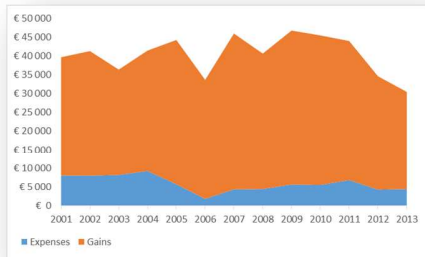


Figure 2: Revenues & expenses – 2001-2013

	Gains	Expenses
Average	€ 34 497	€ 5 862
Mini	€ 26 051	€ 1 806
Maxi	€ 41 646	€ 9 208
Std Dev	€ 4 515	€ 2 086

Figure 3: Averaged data – 2001-2013

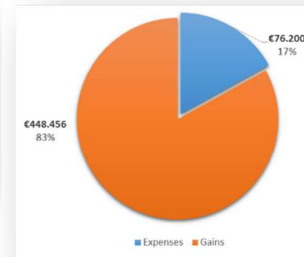


Figure 4: Expenses/gains – 2001-2013

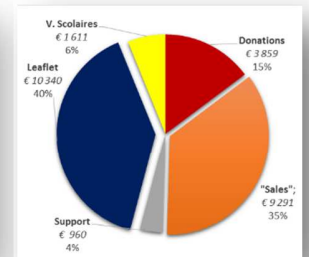


Figure 5: Sources of income – 2013

The volunteer team is made of about 20+ members, who have been implicated since the beginning, for the most of them, and who are mainly retired people, involved in many (post active life) activities. They are to be found among close friends, acquaintances or neighbors to Mrs and Mr. Marin. Very few, one or two, are to be found among the direct sibling of a CF patient. The team gathers about once a month, for a 2-hours preparation meeting, from March to June, and then twice in September prior to the “Virades”, which gathers on the specific date an extended team of 200+ volunteers to help in the local running of the event.

On my own, my direct involvement with the “Virades de Bourgoin-Jallieu” is linked to my recent moving to the area, my establishment as a business owner (allowing to free the necessary ad-hoc time during the preparation phase) and above all the fact that I have a niece (aged 19) who is suffering CF. Concordantly, my willingness to engage socially with VLM, coincided with Mrs. Marin desire to pass over the reigns of the local association and the responsibility of the “Virades”, which is progressively occurring, already in the year 2014.

“Typologies of customers” in a not-for profit association

When assessing who are the “customers” (and how to manage them) for such an association, comes in mind two main definitions to help clarify the ensuing discussion. As CRM is a key component of Marketing⁵; (A) What is marketing? (in a not-for profit association) and (B) Where are our customers?

- (A) *Marketing is thus the process of maximizing stakeholders⁶’ commitment to the association’s requirements,*
- (B) *while customers⁷ are anyone involved in the optimization of the “business” transaction and financial success of the “Virades”.*

Indeed all of the beforehand mentioned stakeholders do have a weight (or a say) in the success of the event, such as in its organization, national and local coordination, funding, visibility and sustainability. Its revised marketing mix (Magrath, 1986) can be illustrated as in **Figure 6** below.



Figure 6: Service Marketing (7Ps) – the “Virades”

⁵ Andrew R. Thomas, University of Akron. ISM – 726 CRMT. Retrieved May 2014.

⁶ Noun: *A person, group or organization that has interest or concern in an organization. Stakeholders can affect or be affected by the organization's actions, objectives and policies. Some examples of key stakeholders are creditors, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, and the community from which the business draws its resources. Not all stakeholders are equal. A company's customers are entitled to fair trading practices but they are not entitled to the same consideration as the company's employees.* Retrieved July 09th, 2014 from www.businessdictionary.com/definition/stakeholder.html#ixzz36z8xbszS

⁷ Noun: *A party that receives or consumes products (goods or services) and has the ability to choose between different products and suppliers.* Retrieved July 09th, 2014 from www.businessdictionary.com/definition/customer.html#ixzz36z9vglT6

Below, and based on the “typologies of customers and need assessment” matrix (Thomas & Wilkinson, 2007), I will aim at defining among the different kind of customers/stakeholders which one/s belong/s to the transactional, preferred and strategic kinds. For that purpose, an adaptation of the above mentioned matrix has been made and is presented in **Figure 7**.

	Primary interest	Time Frame	Focus	Demands	Relationship Approach	Loyalty	Profitability	Typology
Patients	Cure	Medium term	Research Funding	Enhance common possibilities	Together	The most loyal	Little profitability	<i>Strategic</i>
Relatives	Eradication	Longer term	Research Funding	Enhance common possibilities	Together	The most loyal	Little profitability	<i>Strategic</i>
Members	Social commitment, tax relief	Medium term	Good cause	Provide learning opportunity	You and I	Moderately loyal	The most profitable	<i>Preferred</i>
Volunteers	Societal commitment	Medium term	Make a difference	Provide learning opportunity	Together	The most loyal	The most profitable	<i>Strategic</i>
Head-quarter staff	Sustainability of their actions	Medium term	Moral and career commitment	Enhance common possibilities	You and I	Moderately loyal	Moderately profitable	<i>Preferred</i>
Local Authorities	Political gain	Short term	Endorse a good cause	Demands are not justifiable	You and I	Moderately loyal	Moderately profitable	<i>Transactional</i>
Corporate Sponsors	Visibility	Short term	Communication	Demands are not justifiable	Us versus Them	Little or no loyalty	The most profitable	<i>Preferred</i>
Private individuals	On the spot purchase & enjoyment	Short term	Spend an enjoyable day for a good cause	Demands are not justifiable	Us versus Them	Little or no loyalty	Moderately profitable	<i>Transactional</i>

Figure 7: Typologies of customers and need assessment – the “Virades”

Indeed while the patient and their families are directly involved (internal customers) in the results at stakes (funding and cure), their loyalty to the cause is by nature medium to long term oriented, with more immediate steps (e.g. therapy, drug tests, kidney transplant) envisioned along the “way”. Their expectations are for “solutions” to be made available, yet through a thorough medical process which can be spanned over decades. We shall give them the fact that whenever the disorder will be cured, patients and relatives will consequently disappear. However, due to the nature of the disorder, and direct financial consequences on the patients, and their families, profitability (in their involvement) cannot be an aim in itself, them being the direct recipients of the raised money.

Members (external) and volunteers (internal), differs in the deepness of their involvement and are often led to the cause, through their familial or social/friendly networks. Now in the running of such an event, optimizing the involvement of the volunteers (e.g. time, energy, ideas, networks...) in its preparation, running, immediate post phases and so on, while keeping them committed along the year, shall compete against other center of interest (e.g. family, other associations, travelling, sports and leisure, declining health...) they may have. That is where, without any direct financial incentive, nor any formal contractual framework (as in a work related relation), their active presence is linked to their trust for a social belonging and set of shared values, while being subject to their “non-contractual” freedom. As such, for the volunteers, having a sense of “togetherness” as well as being truly committed, that is staying for the medium term, is tantamount and shall be nurtured. Given their involvement, at no cost, their “net” profitability is large.

Head-Quarter staff (external), corporate sponsors (external) and local authorities (external) are involved in the cause for professional reasons, whether to orientate their career, or brand, in match with their values or to advance their own agenda, using the cause as a legitimate backbone for their involvement. Their loyalty to the cause is thus linked to the afore-mentioned agenda and can be interrupted for diverse reasons (e.g. non reelection, better job opportunities, other means of corporate communication) while not profoundly altering their belief to the cause. Representing a cost structure and/or bringing intangible values to the event, their profitability can be assessed as moderate or low, except for the corporate sponsors which may bring more immediate net values (e.g. funds, goods) to the cause.

Lastly, private individuals (external) while being targeted as the main source of the revenue stream, are indeed the less involved and more short-term oriented of all stakeholders. Competing against all kind of odds (e.g. other causes and events, weather, private and economic situation), experience had shown that since 2009, the lasting tough economic climate is also having a huge impact on the “gains” gathered locally (and nationally) by the “Virades”, with its low reached in 2013. On a more national level, survey from “Recherches & Solidarités⁸” (2013), and as illustrated on **Figure 8**, has shown that “in 2011, 16 percent of givers, were telling that they will give more during the year. They were solely 11 percent in 2012. This prognosis came true as the amount of donations declared simultaneously with their Income Tax (tax incentive) in 2012 was twice less than in 2011 (4 percent against 8 percent). Collect of funds dipped from 5 percent in 2011 to about

⁸ Recherches & Solidarités. Cécile Bazin & Jacques Malet « *La générosité des français* », 18ème édition édition - Novembre 2013. Retrieved July 09th, 2014 from http://www.recherches-solidarites.org/media/uploads/lagenerositedesfrancais_2013.pdf

1 percent in 2012”.

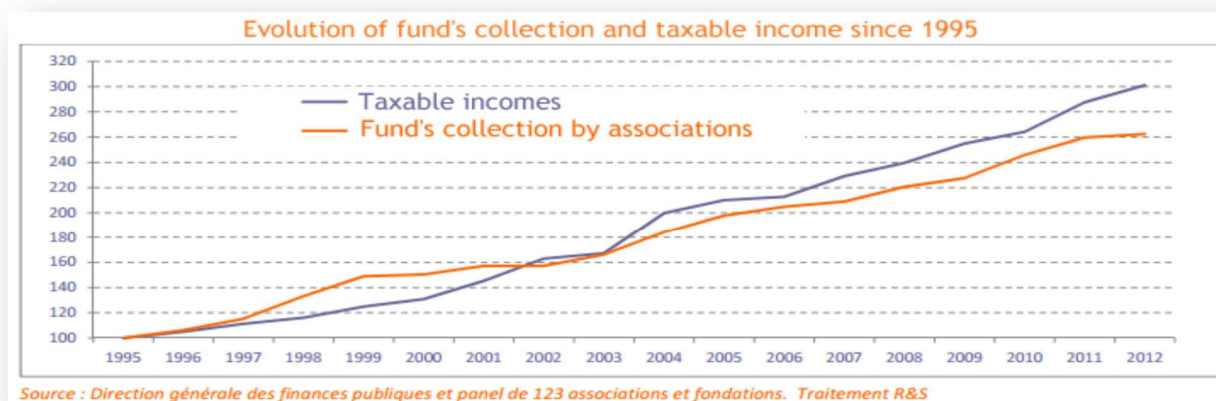


Figure 8: Recherches & Solidarité annual survey - 2013

Consequently, and in a medium to long term profitability perspective, corporate sponsorship, memberships and volunteers are to be nurtured and specifically addressed. Among the offered possibilities, longer-term tax and “human resources” incentived partnerships (e.g. corporate projects involving HR and Marketing departments, tax deductible corporate donations), involving local corporations and volunteers, can be systematically implemented. On the other side, private individuals and local authorities will have to be managed differently in the future, so to bring more funds to the event, independent of the day of the “Virades”. Indeed in the last couple of years, the volatile weather conditions had affected the event and, having it all focused on a single day, impacted (negatively) the results (dependency trap). Further to that, a younger generation of individuals (customers) may be more easily reachable through other communication means (i.e. electronic and online means), than on such an event. Getting their attention shall be spread along the year, with a lesser (in extent) event on the D Day. Lastly, as for the public authorities, a higher share of parliamentary funds available to such a cause shall be systematically gotten, while enhanced support (e.g. material, logistics, human resources) from the surrounding cities and municipalities will have to be better leveraged, so to increase the profitability from the authorities.

“Target Market” - Market Factors

When looking at the main two categories of “givers”, emerge (A) the “Private individuals” (providing about 35 percent of last year gains, as shown in **Figure 5**) and (B) the “Corporate sponsors” (providing about 40 percent of last year gains, as shown in **Figure 5**). When looking into details (even though precise data may be missing), the demographic⁹ profile of the main donors, can be described as follows:

- (A) during the day of the event, mainly families with young children (consumers) and older relatives (spenders) are attending, aware of the manifestation, whether by chance, by word of mouth (recurrence), by national and local communication, or by interest. A pre-teenage age group (prescribers) can be first identified (and targeted) seconded by a 40+ group of relatives, usually parents, grand-parents, and/or uncles/aunts (customers), with a relatively stable discretionary income.
 - Are missing the “self-sufficient” consumers (aged 15-40) who can participate into the financial success of the “Virades” while not being automatically attracted to such an event, and/or in phase with the event’s setup (“charity fair”). As mentioned before, this target group shall be reached through other means (i.e. electronic), incentives (e.g. tax deduction) and “worked at” within a longer time span (i.e. all year long).
- (B) during the preparation phase of the event, a sponsored leaflet is prepared with the purpose of presenting the CF, the VLM association and the local “Virades”, while being given/sent away to a large public (6.000+ copies), in a radius of up to 50km away from the event’s city. An average sponsorship of €450 per company is brought in, while about 40 percent of sponsors are to be labelled either as “shop owners” and/or “brands associated with retail”, whereas 25 percent are directly linked with the activities of Mr. and Mrs. Marin (founders of the local “Virades”). A couple of “corporate” sponsors (that is companies) in the size 20-49 employees do represent the remaining bulk of the sponsorship.
 - Highly dependable on the economic climate, and utterly solicited, local shop owners and small companies are a difficult group to rely on, as their commitment to the cause will be relatively short-termism and cannot be increased as such. Higher profile local corporations (that is larger) shall be aimed at, to which to propose an

⁹ Adjective: Relating to the structure of populations. Retrieved July 09th, 2014 from www.oxforddictionaries.com/definition/english/demographic?q=demographic

ongoing association with the cause (e.g. combining a marketing, communication and human resource based project), whereas the “Virades” shall represent the “tantamount day” (D day), of the year round collaboration.

On the psychographic¹⁰ dimension, our two main categories of “givers” are pursuing converging and diverging goals, as per their above mentioned specific demography. Indeed both groups will aim at sustaining a good cause, directing spare money to fund research against CF, and may proudly advertise their supports, while bearing CF goods and/or telling other business partners, or consumers, of their partnering in the cause. On the other side, hedonism¹¹ will characterize the first group (prescribers and customers), spending a nice family day, in a nice (weather depending) surrounding, for a good cause. Alternatively self-interest¹² will lead the shop or business owners to communicate his/her support to the cause, in the hope of bringing more customers, and revenues, to his/her outlet. In both cases, depicting a true, yet not dramatic, picture of the cause and the fight against CF shall be combined with a “what’s in it for me” message content. The cause and the event occurrence shall provide a combination of enhanced satisfaction (soft values) for the consumers, customers and sponsors and for the association (sustainable funding).

Finally on the geographic dimension, the location of the event in the city of Bourgoin-Jallieu (ca. 22.900 inhabitants), for historical and logistic reasons, is synonymous with a relative vicinity to three of the seven largest cities in the Rhone-Alpes Region¹³, that is Lyon (42km apart, 445.000 inhabitants), Grenoble (64km away, 153.500 inhabitants) and Chambéry (59km distance, 57.700 inhabitants), allowing for a forecast net migration of +38 percent¹⁴ within the coming 6 years. Optimistic expectations, as for the “customer catchment area” can be forecast, as further demographic data are predicting a growth of +80 percent of the population aged 60 and over, with a strong progression as well of the below 20 population in the years to come.

Consequently, our “native” primary audience (i.e. prescribers and customers) can be expected to raise while remaining at reach during the day of the “Virades” for a foreseeable future. Yet a finer marketing mix, taking into consideration the fact that our newer “target groups” (i.e. generation “Y” customers and larger corporate sponsors) are by nature relatively versatile and

¹⁰ Noun: *The study and classification of people according to their attitudes, aspirations, and other psychological criteria, especially in market research.* Retrieved July 09th, 2014, from www.oxforddictionaries.com/definition/english/psychographics

¹¹ Noun: The pursuit of pleasure; sensual self-indulgence. Retrieved July 09th, 2014, from www.oxforddictionaries.com/definition/english/hedonism?q=hedonism

¹² Noun: One’s personal interest or advantage, especially when pursued without regard for others. Retrieved July 09th, 2014, from www.oxforddictionaries.com/definition/english/self-interest?q=self-interest

¹³ Retrieved July 09th, 2014 from www.toutes-les-villes.com/villes-regions/82-rhone-alpes.html

¹⁴ Retrieved July 09th, 2014 from www.insee.fr/fr/themes/document.asp?reg_id=8&ref_id=14187

“hard to get” (initially), is to be envisioned. It will require a further market segmentation of the “Virades” offer to advance specific propositions to distinctive groups, thus avoiding the “distribution trap” currently encountered, with the use of a sole “channel” of distribution (one day “charity fair”). Indeed, spreading the reach (risks dependency) on more than two “event-linked” categories of “givers”, and on more than a single occurrence (place) shall give further flexibility to the “Virades” for a more (reliable) successful running. It will furthermore provide a better suitable answer to the overall current situation and era in which we are all to be found.

“Target Market” - Environmental Factors

Political factors can be seen as very supportive of such a cause, in the way that the funds collected, whether through consumers, customers or sponsors, are gathered at limited cost for the State (tax incentive for some, which in the case of the local “Virades” represented less than 15 percent of the total gains, as shared in **Figure 5**) and are funneled directly into the VLM association (which then spends it through public and private research laboratories). Along the 29 years of the “Virades”, more than €103 million has been brought to help fighting against CF, which is as much money as the State did not have to directly provide, besides not having to “pay” for thousands of volunteers working all year long around the event. Now the economic situation being dire in France, as for in many countries, politicians may want to reduce tax exemptions (and loopholes) to a larger extent than previously, yet valuable associations such as VLM, and its somehow untarnished reputation, makes it among the causes the political system will not need (want, nor dare) going after, hopefully.

- It is worth remembering that in the 90s, a shattering scandal erupted in France with the “Association de Recherche contre le Cancer - ARC” (association for research against cancer) and its president (Jacques Crozemarie), who went to jail for having for years smuggled public donated money to sustain his lavish lifestyle. At one point it has been shown that more than 75 percent of the collected money did not reach its purpose and went directly into the private coffers of its president. As for many years the ARC and its president were broadcasted on TV and perceived as doing a tremendous job for the association, the scandal eroded massively the public confidence into this kind of cause, and for VLM as for many others, it forced all the players to renew totally their pledge for transparency. It was to take years and tremendous efforts to reach today’s level of (renewed) public confidence and can

only be sustained throughout a very close scrutiny from the authorities (with the help of other “watchdogs” NGOs).

As such, the political commitment for ensuring the right funneling and use of funds, had translated into extremely tight rules and controls, for the good of the public and the “reliable” associations.

As for social factors, the organization of such an event often takes the use of personal and professional networks which can facilitate access to authorities, sponsors, animations and ease the overall process, especially in small sized town such as Bourgoin-Jallieu. As seen before, it is also true that the current team of volunteers and majority of sponsors are closely related to the founders of the “Virades” and are usually well introduced in the proper local circles and networks. As such, nothing (related to social origin and status) must predetermine adhesion and volunteering for such an association, yet the National Center for Statistic (INSEE) in its 2008 survey¹⁵ indicated that “members (or humanitarian associations) are usually well educated (with less than 18 percent without any diploma), with a high proportion (46.9 percent) of high level education and elevated social status (45 percent of them belonging to “executives” and/or “community leaders” levels) and are to be found (36.9 percent) between the age of 60 and 74”. In France between eight and twelve million people are volunteering, providing associations (of all kinds and beliefs) with time, energy and resources. Now, as for consumers and customers, the national “Virades” are organized and promoted for the general public, at all age levels (“charity fair”). Quantities (that is attendance) is tantamount to the success of the overall day, as sales of gimmicks, tombola’s tickets and affordable leisurely animations are representing the bulk of the offer, and are targeted at a large spectrum of audience. Their gains shall be optimized (revenue wise) on a sole day. The event is relatively well covered nationally on TV, Internet and the main (local and national) radios, with associated hosts and forefront “godmothers/fathers” whom, together with the collaboration with other associations, ensure awareness, communication and recognition of the event, throughout, prior or during the day.

- It is also worth mentioning that a CF patient, Grégory Lemarchal rose to fame by winning the fourth series of the reality TV program Star Academy France in 2004 and has in the following years sold over one million albums, becoming the second highest-selling album of Star Academy France winner. His death, aged 24, of CF, had left a footprint and shed some light on this life-threatening disorder, allowing it to be slightly better understood by a larger and younger public. His parents, while

¹⁵ Retrieved July 09th, 2014 from www.insee.fr/fr/themes/document.asp?ref_id=ip1327

not competing against the VLM association, have started on their own a foundation (“association Grégory Lemarchal¹⁶, en finir avec la Mucoviscidose”), capitalizing on Grégory’s legacy, and raising regularly a remarkable amount of funds.

On the economic dimension, the “Virades”, memberships, donations and associated support material (e.g. leaflet) do represent 96 percent of the gathered revenues in a given year, as shared in **Figure 5** (2013). The business model is split between sponsorships (beforehand), sales of gimmicks (on D Day) and donations (on D Day or along the year), with the additional “Virades Scolaires”, few weeks later, for the last revenue stream. Given its focus on a single day, and highly reliance on the weather, and given the economic turmoil witnessed the world over, gains have been on the lower side for the last many years (-37 percent locally in 2013), especially since their peak of 2007. Efforts have been encouraged nationally and locally to lower the costs of operation, that is to review all expenses made necessary to run the event locally, so to increase the overall net gains. In Bourgoin-Jallieu, the rate of expense (2013) is assessed at 16.95 percent, for a national rate estimated at 19 percent (in the decrease by 15 percent in 2013).

- Special focus has also been given nationally to find ways to expand the reach and stream of revenues and dissociate it from the sole “Virades”. On the local level, work has been initiated online with a “crowd funding” site, as well as the major social and professional networks, without yet a clear strategy as to what and where to put the efforts and successfully reach a larger, younger, audience. Benchmarking with other associations could be undertaken as well, as for instance the World Wide Fund¹⁷ (WWF) which is offering quite a comprehensive portfolio of online WWF-labelled goods (gifts) to be bought, in a well-constructed web shop. Previously mentioned collaboration with corporations should as well enlarge the sources of revenues and render them more sustainable in the long term.

Given the current economic situation the world over, and knowing that about one million associations do exist in France (representing 3.5 percent of France GDP and 5 percent of public/private employment¹⁸), competing against other “humanitarian” associations (about 60.000 of them are listed in France only) do require new ways of thinking and acting. It will mean draining further (younger and broader) resources, and may at time come at odds with the currently

¹⁶ See www.association-gregorylemarchal.org

¹⁷ See wwf.shop.panda.org

¹⁸ Retrieved July 09th, 2014 from www.cPCA.asso.fr/wp-content/uploads/2012/05/les-associations-en-france-aujourd'hui.pdf

“workable” situation (status quo) to be currently, nationally and locally met. Yet, evolutions (rather than revolutions) have to be planned for, already now.

Consequently, a more mature phase of running locally the “Virades” is to be envisioned, whereas capitalizing on the tremendous work already achieved either locally (14th year and going) or nationally (trust and awareness) should be seen as the base for a further, more professional, approach in dealing with the beforehand mentioned environmental factors. As for any “corporate business”, lowering of operating costs shall be prioritized (e.g. through online communication, (ethic) offshoring of some (material) productions...), while new resources should also be brought in (e.g. traineeships) and paid for by the public authorities to allow for a continuous, and more structured, framing of the overall processes, aiming at a more formalized, actualized, and less people dependent, knowledge sharing (idiosyncratic) and capitalizing. A window of opportunity is open to collaborate with a newer generation (generation “Y”¹⁹), eager to “make a difference” and bring newer attitudes and (renewed) communication skills, in the reach of their peers (customers). Their identification, nurturing and management shall be framed into a “community work” kind of approach, and must be endorsed by the local political authorities, as a part of their local and longer lasting (more profitable) support.

“Target Market” - Distribution Factors

Being one of the 430 “Virades” to be held nationwide on the very same day, the choice of the type of distributors is relatively limited, due to the necessary “coordinated (national) coherence” and the legal frame within which it shall be run. Indeed, by law²⁰, and due to a fiscal incentive, an association in France shall not run more than five events during the year to see the gains gathered being exempted from taxations. The local “Virades” being solely an “emanation” of the national association, all of their local activities shall be undergoing under the VLM association’s umbrella. Being mainly held as a “charity fair”, with associated sales and sponsorship, the key distribution factor remains the availability of all the goods and services (e.g. gimmicks, donations, animations...) in one single location, during one single day. Run locally, while being publicly promoted nationwide (and locally) through online and off line communication means, national support helps though optimize the flow of information to the private “customers”, and allows for a

¹⁹ Born after 1979, in the USA, the generation Y (also called “digital native”) is perceiving the world (as a corporation or as a continent) as in continuation of their own reach. Able to connect and digitally interact with everyone, everywhere, anytime, their expectations of the corporation is to be a place where they can fully (and quickly) express and value themselves (multi-tasking, instant gratification), aiming at mixing their own and their company’s goals, in holistic ways (flexible, socially responsible). Retrieved, July 09th, 2014 from www.laurentdorey.com/media/711-dbic-managing-human-capital-in-asia-2.0-laurent-dorey.pdf

²⁰ Retrieved July 09th, 2014, from <http://vosdroits.service-public.fr/associations/F1813.xhtml>

relatively high private individuals awareness and (rate of) decision to attend the fair. As such, the primary distribution factor has shown along the years its success, yet given its very nature (i.e. outdoors “charity fair”) it has also encountered some inner limits and issues of (longer term) sustainability.

Now having said that, and in the perspective of enlarging the reach and broadening of the audience of the “Virades”, it shall be assessed that higher investments and risks (e.g. in resources, communication channels, partnerships) shall be met, so to increase at the end the profitability of the “Virades”. **Figure 9** (“distribution factors map”, from Andrew R. Thomas, as shared during the last ISM – 726 CRMT seminar of May 2014), and freely adapted, aims at devising new strategies (toward generation “Y” and the “corporate world), while keeping the current (historical) one going.

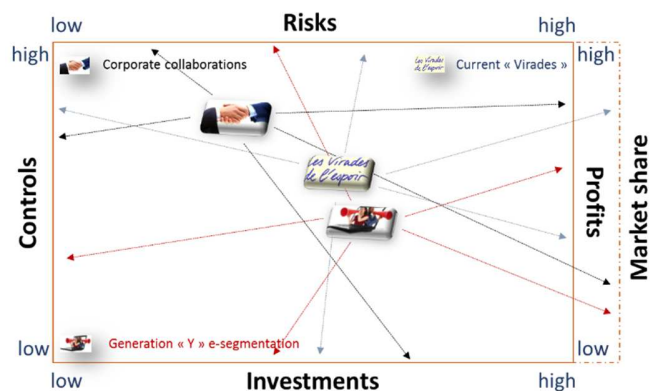


Figure 9: Risks-Controls-Investments-Profits map - the «Virades»

On the current setup for the “Virades”, and on the “inputs” dimension, local investments are averaged as for the commensurate investment in (free) time, energy and network use from (especially) the volunteers. It has to be correlated with the relatively medium to high tolerance to risks met, due to the nationally and permanently determined date (last Sunday of September) of the event and yearly occurrence, which makes it highly weather conditions depending. Control is assessed as being high, for the beforehand mentioned reasons of central planning and communication. On the “output” side, profits are low to medium due to the dependence on a single location and date, and the overall economic situation, while the overall (national) “market share” of the event is assessed as being relatively high, for reasons of seniority, and broad national awareness of the event and the CF disorder.

For the enlargement of the “Virades” reach toward the generation “Y”, and especially through the building of appropriate e-communication tools, “inputs” such as controls and investments are deemed to be low to medium (support and centralized tools from HQ may be made available). Risk tolerance from the targeted group may be low to medium, knowing that the

generation “Y” expectations for online communication media and contents are relatively high, them being an “e-native” generation. On the “output” dimension, profits can be high, due to the “large span reach” of such a set of electronic media (volume), while the expected market share (that is the “visibility” on those platforms) will remain quite low, the e-communication “market” being relatively crowded.

Lastly, when aiming at targeting the “corporate business”, “inputs” such as controls and investments linked to the involvement of professional interlocutors who are spending expensive company time and resources to associate their name (brand) and organization (human resources) with the cause, will be under constant assessment and scrutiny. Indeed, corporation’s attitudes to “new” collaborative communication programs require sufficient credibility and sustainability “at first try” from the partner association, the corporation’s aim being to optimize as quickly as possible its outcome. That is where risk tolerance can be estimated as being low, within the partnering organization (e.g. staff, management), as well as outside of it (e.g. business partners, consumers). On the “output” side, profits can be assessed as relatively high, combining (if successful) quality and quantity in the targeted audience, whether internal (“captive”) or external (“branding”), with financial means beyond current reach. Now, as money, time and commitment in today’s global economic situation can be assessed as being dire, the “Virades” project will have to compete against other communication projects and use of funds, translating for the “Virades” into fighting for a place on the targeted corporations’ communication roadmaps.

Consequently, the right use of appropriate distribution channels will require new skills, unavailable locally (for the time being), especially as for targeting rightly the (e-native) generation “Y”. It will then have to be combined in the “hiring” process within the previously mentioned “community work” framework, and shall be back upped by financial means outside current reach as well, through political connections (public funding) especially. On the corporate collaborative initiative, a professional “win-win” approach shall be built and careful preparation done, so to present corporations with contents, outcomes and references they will understand easily, and abide by, so to lower the potentially negative perception of the associations (usually naïve) “idea” for a collaboration. More than just providing tax-free funds to an association, the corporate distribution channel shall ensure sustainability and constant reach toward a new (indirect) audience (e.g. employees, customers, communities...) for the “Virades”, while representing a “social investment” from the corporation. Resources to carry such a project are nowadays available locally, through my own background, commitment and current professional set of activities.

“Direct marketing strategy” – 12 steps

On the base of what has been described so far, a renewed strategy (for the years to come) of direct marketing, “aimed at the individual market” (Thomas & Wilkinson, 2010) shall be drawn, for which the “12-step direct marketing process” will be used as a backbone. **Figure 10** illustrates the key (three) individual markets to target, while drawing a tailored “roadmap” (12 steps) allowing for the implementation of a sound and sustainable direct marketing strategy.

	Private individuals	Generation “Y”	Corporate Businesses
Customer Analysis	Good cause, hedonistic purchase	Good cause, hedonistic donation	Human Resources and marcom social project
Environmental Analysis	Newer epidemic disease/catastrophe	Newer “great cause” buzz	Communication and HR budget restrictions
Competitive Analysis	“Brick and mortar” humanitarian outlets	Convenient web shop and e-banners	First mover advantage and prior start of other associations
Data-mining & Profiling	Get access to past “donators” files for follow-up	e-tracking, cookies and incentives for gathering local communities data	Professional repertory within a matching size, business segment & location
Targeting	Prescribers aged < 14, and customers aged > 40	Customers aged between 15-50 years old	Mid-sized (50-250), locally HQ based with a Regional/National reach and strong identity
Positioning & Differentiating	<i>“Smart gimmicks, nice animation, for a good cause”</i>	<i>“Feels good”</i> social attitude online	<i>“Combo project”</i> combining HRM, Marketing, Communication and Social Responsibility
Unique Selling Proposition	<i>“Give your breath for those who are short of it”</i>	<i>“A click away from a breathtaking future”</i>	<i>“Combining our responsibilities within a breathing community”</i>
Creative Marketing Communications	Avoid dramatic pictures, yet remind people of the lethality of the disorder	Avoid dramatic pictures, yet remind people of their peers lethal disorder	Avoid dramatic pictures, yet make clear that everyone can help make a long term difference finding a cure
Direct Marketing Channels	Charity fair, leaflet, posters, gimmicks	Social communities, dedicated web pages, e-mailing, blogs, banners	Social communities (intra), dedicated web page (intranet) and leaflet, “coffee room” information
Fulfillment & Service	Sufficient and dedicated volunteers during the event	Full contacts (peers) available for more information, further links toward “officials” pages and data	Full contacts available for more information, further links toward “officials” pages and data, regular onsite visits and company specific animations
Measurement & Assessment	Track “average baskets” level of expenses, number of attendees, profiles, and run small onsite surveys	Make available online tracking systems, satisfaction and “profiling” surveys, tracking of “average baskets”, number of leads	Onsite satisfaction and “profiling” surveys, questionnaires, benchmarking of average level of commitments and rates of attendees (with other corporations)
Adaptation and Innovation	Assess what “2014” kids and relatives are looking for (trends).	Make “attractive” (ludic) pages, with a competitive edge in it (outbid others) while keeping the message genuine	Allow for relays of opinions (leaders) to carry on the momentum, associate upper management to the outcome whether internally or externally (e.g. with key donors)

Figure 10: 12-step direct marketing strategy – the “Virades”

The expected results from such a direct marketing strategy are two fold; (A) increasing (and spreading over a longer timespan) the level of gains gathered for the association, (B) providing each audience with “attractive” projects allowing for their full appropriation within their (social)

frames of references. To be successful though, will require a renewal of the volunteer team (which will occur naturally) within the same “perimeters” (that is retired, networked, people, eager to make a difference) to keep on running the “Virades”, while rendering the association attractive to a younger generation of helpers, able to efficiently implement the generation “Y” direct marketing strategy. As for the “corporate” audience, a thorough analysis of the “ideal” corporations is to be undergone and support (prospection) material developed accordingly.

Conclusion

Taking over a relatively successful local association do have for me many similitudes with overtaking a small corporation. Stakeholders have to be nurtured, as per their past success, commitment, dedication, and eagerness, while existing customers shall be kept “attracted” to what is in the offer. However, given current economic conditions, changing time and the somehow “ageing” process, an association (as a corporation) shall see its resources renewed, its offer enlarged, its customers base enlarged, and its attractiveness made up to date.

Indeed what has been obvious for me since my initial contacts with the local “Virades”, was the risk (“distribution trap”) of seeing all year long efforts focused on a single day event (make or break) and running the further risk of linking (and narrowing) the other revenue streams to a single (a bit outdated to my taste) approach (i.e. leaflet), by far too dependent on outside economic factors, difficult if not impossible, to master.

The main purposes of this assignment was to draw a factual map of the current situation met by the “Virades”, enlarge the base of reflection to broader perspectives and frameworks, while assessing how best to translate them into a pragmatic, yet tactical and focused, direct marketing strategy aimed at internal, as well as external, stakeholders and customers.

Competition for customers, staffs, euro money, time, energy, and market shares do exist in our intertwined world, where associations are not seen (nor shall they be managed) nowadays any differently than (some) small corporations. Their optimal seizing of a larger share of the market, requires very similar tools that is a mix of “togetherness” (mission), commitment and dedication to the cause (vision), with the ultimate purposes and inner convictions of making a difference.

Transferring (yet adapting) “best practices” from the corporate world into the local associative one, can lead to higher sustainability and lower “traps”.

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