



## **The Case for the Value of a Purpose-driven Brand in the Nonprofit Sector**

Back in the old days, let's say a decade or more ago, the primary goal of a brand in the nonprofit sector centered on communication for a single purpose – fundraising. Nonprofit leaders believed that a greater share of visibility and favorable positioning relative to competitors would equate to successful fundraising. Branding, therefore, was a kind of bolt-on tool for managing the external perception of an organization.

Today, the enlightened nonprofit sees the transformative effect of a brand, especially a Purpose-driven brand, when it is at the core of an organization, expressing its Purpose, Mission, relevance to its stakeholders, methods of Engagement and its values.

In the for-profit world, marketing professionals speak of creating “an immersive brand experience.” In the nonprofit world, our lingua franca begins with the “Why,” the “What,” the “Who” and the “How.”

Sound squishy? Let's put it in commercial terms:

1. A Purpose-driven brand engenders trust. This allows organizations to harness more and better resources. Trust provides credibility – the authority to have more freedom and flexibility for how these resources are deployed. Because nonprofit organizations rely on establishing trust with many external audiences, doing what you say you do and being who you say you are, is essential
2. Thus, a Purpose-driven brand helps organizations acquire financial, human and social resources, and build key partnerships
3. A Purpose-driven brand helps attract partners – potential collaborators, investors, acquisitions – because a strong brand brings greater credibility and trust – two irreplaceable values that act as irresistible magnets. It acts as a catalyst for the best people to want to come to the table
4. A Purpose-driven brand is better able to withstand the vagaries of an increasingly volatile, unpredictable marketplace because it is grounded in a long-term Vision and Strategic Plan. Key stakeholders are all-in. You can flex easily to immediate needs and opportunities. If you don't know where you're going and why you are relevant, you are wasting time and money and you don't have a brand

5. The result of alignment in Purpose, Mission, Stakeholder Engagement and Values is a clear brand positioning and increased buy-in among diverse constituencies. When an organization's network of employees, volunteers, members, donors all embrace a common brand identity, it creates Organizational Cohesion, concentrates its Mission and shared values. A Purpose-driven brand is the single greatest asset an organization has because it keeps everyone together while moving forward

Strong cohesion and high levels of trust contribute mightily to greater organizational capacity (the ability to get things done) and societal impact. A cohesive organization is able to make more efficient and focused use of existing resources. High external trust attracts additional talent, financing and authority. This increase in organizational capacity enhances an organization's social impact. By leveraging the trust of partners, beneficiaries, and policymakers, an organization can make greater strides in achieving its mission.

On the flip side, those organizations that face challenges in terms of internal organizational coherence, or the erosion of trust (because of mismanagement, scandal, misperceptions) struggle across the board.

### **In Summary:**

The rise of the Purpose-driven brand suggests a new role for directors and trustees of nonprofit organizations in the stewardship of their brand. Rather than asking how brand management is contributing to revenue-generating activities such as fundraising, Boards and potential donors alike are beginning to question, rightfully, how the brand is aligned with the Mission, Values and Strategy of an organization. They are asking about the alignment of image and identity, and they are asking about the contribution of brand to internal alignment and buy-in as well as to external trust.

Perhaps more importantly, Boards and potential donors are asking about the role of the brand in enhancing operational capacity, related efficiencies and, ultimately, driving social impact. They are asking for proof of effectiveness i.e. how brand management at these organizations measure increases in commitment and pride among staff and other key stakeholders, for example. Alert leaders of nonprofits are vigilant about regularly checking for alignment with its Vision, probing for signs that mission drift has been reduced and that choices about which projects, resources, and partnerships to pursue are aligned with Purpose and have been easier to make. A strong brand should increase both the speed and breadth of consensus decisions.

A strong Purpose-driven brand creates sustainable organizational cohesion. In today's increasingly complicated and complex world, that's a good thing.