

## Case Study: The Search Institute

### Snapshot

<b>Name of Organization:</b>	<a href="#">The Search Institute</a>
<b>Type of Organization:</b>	Youth Development
<b>Type of Engagement:</b>	Organizational Assessment and Business Plan
<b>Social Impact Area:</b>	Growth

### Background

The Search Institute is an independent, \$7M nonprofit organization whose mission is to provide leadership, knowledge, and resources to promote healthy children, youth, and communities. Founded fifty years ago as a research institute, the Search Institute has since grown to offer educational tools, resources, and services to equip parents and youth-serving organizations to help young people lead successful lives. Most notably, it is renowned as the creator of the “40 Developmental Assets,” a framework of qualities, experiences, and relationships youth need to succeed.

While the Search Institute has been very successful as a research institution, the institution’s leadership wanted to increase the sale of programs and services. Ultimately, they wanted to increase the organization’s sustainability through their earned income programs.

*“We wanted to learn how to leverage our programs and services to generate more revenue and growth opportunities, while simultaneously decreasing our reliance on grants and foundation giving.” –Lynette Ward, Director, Marketing, Sales & Services*

With this goal in mind, Lynette Ward, Director of Marketing, Sales & Services for the Search Institute, sought strategic analysis and assistance in the development of a growth strategy that would yield both revenue and mission-based results from their current programs. Search Institute hired CWV to reevaluate its infrastructure and create a business plan. Initially, Lynette saw the value of an engagement with CWV to help the organization increase its earned income. However, over time, Search Institute’s leadership understood how CWV’s consultants led the staff to think about their organization in a more sustainable way.

### CWV’s Solution

CWV approached the Search Institute engagement in two phases: an organizational assessment and a business plan. In the first phase, CWV consultants conducted an intensive assessment of the Search Institute’s existing programs and services and analyzed opportunities to increase earned income that would improve overall financial sustainability. This included:

- Analyzing the Search Institute’s existing products and services
- Assessing the marketplace for trends, competition, and best practices
- Conducting an internal assessment of capacity and operational efficiencies
- Developing financial models for existing products and services

A key takeaway from this assessment was that four percent of the Search Institute’s customers generated nearly sixty percent of the earned income from publication sales, conferences and training programs. This finding caused a fundamental shift for Lynette and the Search Institute

in terms of how they perceive their customers and how they conceive of their sales process. Thus, CWV's recommendations and final report focused on strategies to earn more revenue from the organization's existing customer base by refining sales operations.

In the second phase of the engagement, CWV developed a five-year business plan with recommendations for growth, operations and staffing. The plan also included an in-depth financial analysis, which projected five-year organizational revenues and expenses and the amount of investment capital needed for growth. In addition to the business plan, CWV crafted a presentation for potential funders to help the organization raise capital for capacity building and growth.

## Results

As a result of its engagements with CWV, the Search Institute realized that it has enormous value and potential within its existing customer base to up-sell, cross-sell and leverage underutilized relationships for more word-of-mouth sales. The Search Institute staff now recognizes the importance of analyzing customer purchase patterns across lines of business, which has aided in the understanding of their high-value customers.

Search Institute is in the process of implementing CWV's recommendations and to date has:

- Launched a new interactive website that enables Search Institute to have a closer relationship with customers.
- Implemented an account management function to focus on high-value customers and retooled customer data collection efforts to track and analyze customers across business units.
- Reorganized internal staffing to increase efficiencies and created teams to develop customer-centric strategies based on different audiences and markets.
- Used recommendations to raise \$500,000 of start-up capital through business plan and PowerPoint pitch documents.

*"Recommendations were very action-oriented and I could start implementing things right away without having to wait for funding to come in. Becoming customer-centric and understanding our current customers could easily be integrated to start building our infrastructure." – Lynette Ward*

## Lessons Learned

The engagement with the Search Institute highlighted the fact that the biggest opportunity for nonprofit growth can often come from leveraging existing customers. Thus, customer segmentation and analysis can yield results that lead to breakthrough performance for a nonprofit organization.

*"The recommendations were powerful. The plan is the engine that will drive us for the next three years. CWV created our roadmap." – Peter Benson, President*

For more information, please contact Amy Celep at: [acelep@communitywealth.com](mailto:acelep@communitywealth.com)