



REASONS

(to insource your direct mail program)

Introduction

If you do a quick Google search on reasons to insource your direct mail program, you'll find page after page of results for *outsourcing* your campaigns to an agency. Oddly enough, next to nothing comes up about bringing the programs in house... yet in our decades of agency life, the topic comes up time and time again as we have watched organizations discuss it, ponder it, desire to do it, and often times attempt it (admittedly sometimes with mixed results). The reality is that agencies are extremely expensive, direct mail packages are also increasingly more and more expensive, and results are often just "ok" at best.

There's no doubt that owning and executing your own direct mail program could save your organization a considerable amount of money, and this is likely the most compelling reason to take the leap (it made our list of reasons as well, I'm looking at you #2) – but we believe there are a handful of other reasons that round out the argument to make the move and we've compiled them here for you. With that said, we also recognize that there may also be a list of reasons why taking things in house seems difficult or insurmountable, so we will address some of those as well. There are pros and cons to every big move, so the discussion wouldn't be complete without looking at it from every angle.

This is what makes Mile19 different from any other agency you've worked with. We know the conversation about insourcing is happening, and we aren't afraid of it. We're not shying away from it or arguing with you not to do it. In fact, if it can be done *well* and still maintain or grow results for your org, we think you should do it, and we want to help you do it. This is what makes us the un-agency of agencies – we're trying to put money back in your pocket so you can spend it on other worthwhile avenues of generating revenue for your mission. While this may be an unpopular statement in the agency world, the truth is – insourcing *may* be better for your organization. If it is – we believe the truth will set you free.



- Prepare For The Future -

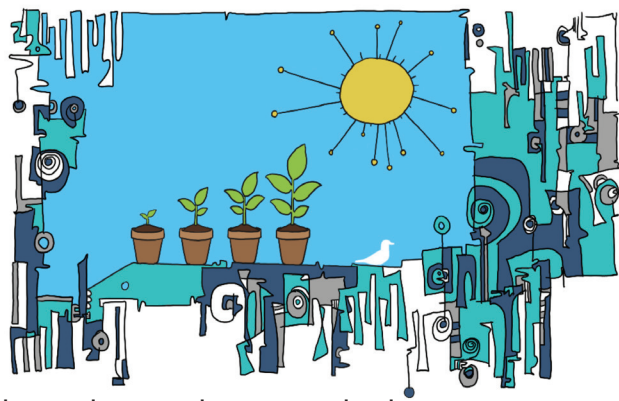
def: to make ready beforehand for some purpose, use, or activity,
to put in a proper state of mind : to work out the details of

25 years ago marketing programs were built around direct mail – this was true for both nonprofits and for-profit businesses alike. No matter what you were selling, it was showing up in mailboxes everywhere – and the rule was, you must send 7 pieces of mail before the consumer would finally open what you sent on the 7th envelope. This was a time when people went to their mailbox with anticipation of receiving a hand written letter from a long lost friend or loved one, but direct mail marketing took some of the joy away from that walk to the end of the driveway - as 9 out of 10 pieces of mail were considered “junk.” It was difficult to stand out among the competition and paper and postage steadily increased in expense at an alarming rate. Unfortunately, here were few other options to try to get your product, service or org in front of people for their consideration. The internet had yet to explode, phone books were still a thing, and “text messages” were limited to smoke signals and morse code. Then things changed...

With the internet boom people were more excited to check their computer inbox than their driveway mailbox. For-profit businesses were the first to

capitalize on e-blasts and banner ads, and the amount of “junk” coming through the mail decreased. Although many non-profits have been somewhat late to the game of digital advertising, their effectiveness through direct mail has remained steady, as they are some of the last to use paper to reach their audience and there isn’t as much competition in the mailbox.

The argument can be made that direct mail marketing is still an effective fundraising method for non-profits, and we don’t want to dismiss its validity. With that said, we would be remiss to ignore that the future is likely digital. Paper, postage, and production costs are sky high and climbing, and the generation of letter-lovers are moving on to retirement while the gens X, Y, Z and beyond are embracing technology at warp speed.



Knowing that the future of non-profit marketing will not predominantly utilize paper and stamps, insourcing your direct mail program now allows you to prepare for the future. As those programs wind down, you will have the funds and staff in place to be poised to embrace all the new marketing avenues that continue to emerge and grow. We aren’t saying direct mail is dying, but we are saying it’s in the sunset of its life, so pulling it in-house allows you the space, time and money to embrace what’s next.



- Flexibility -

def: the quality of bending easily without breaking,
the ability to be easily modified

If you Google “yoga” or “is yoga popular?” you’ll find a variety of information, one of which is: “Yoga is not an exercise; it is an ancient technology towards well-being and ultimate liberation.” If you ask anyone who does yoga (I believe the correct term here is “practices yoga”) why they do it, they will educate you on the physical and emotional strength that comes from purposeful movements and concentrated thought which in turn build your core and give you more flexibility. Who doesn’t want “well-being”, “liberation” and “flexibility”?

I personally have only done yoga a handful of times, but the times I have, I did in fact walk away feeling lighter on my feet and somewhat amazed at what my body accomplished that I otherwise would have thought impossible. There’s something about growing in physical flexibility that really does bring about a certain sense of well-being and permeates its way through the activities my body faces each day. I feel more limber, my muscles feel less tight, etc.

You may wonder how does being flexible relate to insourcing your direct mail program? I'm glad you asked...

Here's a somewhat unspoken truth: there's something about that agency contract that acts a bit like a shackle on your ankle. As well-intentioned as they may be, long standing contracts have a way of preventing you from making decisions on new ideas or programs because your agency either doesn't agree, can't make it happen fast enough, or it conflicts with their core service offerings. New ideas or initiatives that come along, are often sidelined to accommodate your agencies plans and ideas. Additionally, you've built a calendar and budget with them at the beginning of the year that's now hard to back out of or make changes to, and at a minimum you've got to give them 90+ days notice if you want to end the contract. You're trying to do the downward dog or warrior pose, and that shackle is making it impossible.



Insourcing your direct mail fundraising program gives you the ability to practice core strength and be more flexible. You're not tied to anyone or anything that slows down your ability to make decisions, try new things, reallocate funds, or change directions – which sounds a lot like “ultimate liberation” to me. And just like in yoga, bringing things in-house may take a little practice to reach your most limber state, but I'm confident you'll feel a sense of wellbeing almost immediately.



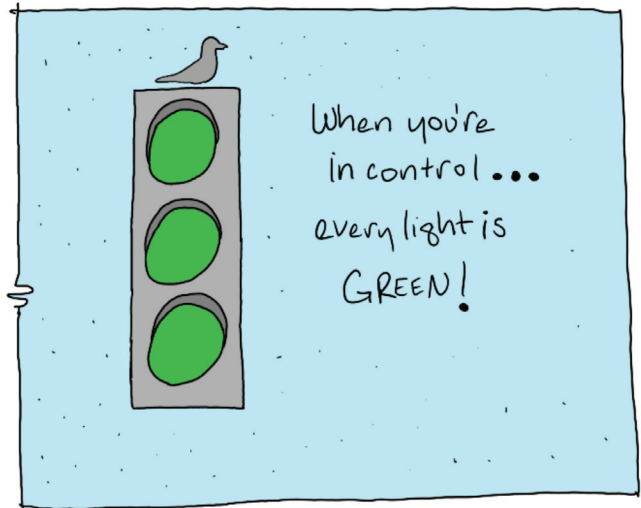
- Control -

def: determine the behavior or supervise the running of,
the power to influence or direct people's behavior or the course of events.

Most times there are several people on your account team at the agency you use – in fact, there's a high probability that there are multiple people assigned to your account, that you've never met or even heard their name. From the data team to the digital team, the strategy team and the slew of people working in the creative department, to the print buyers and project managers – if you could peek behind the curtains there's likely a dozen or more people who touch your account on a daily basis – at least half of which have never met you and may know very little about your org. Of course you've given them your brand guide and over the course of months (maybe sometimes years) they've been able to replicate your voice and your message *for the most part*. But you do catch yourself saying the same things over and over again (ie: “don't forget we like our logo used this way” and “remember not to refer to this story or person just yet”, or whatever the case may be), because it's unfortunately a game of telephone. You may articulate it to your Account Manager with specificity, but by the time it reaches team member #12, it's as clear as mud.

Outsourcing your program to an agency means you're no longer in the drivers seat. You've outsourced your message, your brand, and your voice to another driver – and just like a “backseat driver”, you can yell and make comments or jam your foot in the floor board to try to brake for them, but you just don't have the control you had when the steering wheel was in your hands.

Bringing your program in-house means taking back control. You have full ownership over your message and voice because you understand your mission and can relay it to your donors exactly how its meant to be conveyed. You're back in the drivers seat with the windows down, going where you want, at the speed you want.



5

- Be Nimble -

def: quick and light in movement or action; agile : quick to comprehend

A few years back there was a show on TNT called “The Last Ship”. Apart from the stellar cast of good looking people and a post apocalyptic storyline that kept you on the edge of your seat, the biggest stars of the show were the Navy ships that did the hard work of keeping world peace. I remember watching each episode and lamenting that I had never gone into the Navy – these ships are amazing to watch in action and it makes you want to be onboard and part of their mission. They are so powerful and are equipped with some of the most mind-blowing technology and capabilities our enemies surely cant fully comprehend.

But inevitably, the ship and crew would be in some sort of peril on every show. Whether it was missiles heading their way or enemies hiding in small coves they had no visibility into, the Captain would have to make split second decisions to avoid certain death for himself and his crew. Although this giant ship could beautifully clip through the water on a steady course, being nimble is something these war machines are not – and often that was to their demise. They cannot zig or zag, and they can’t slow down as quickly as needed or speed up fast enough to evade their enemy. And so, the captain would

have to deploy smaller boats or the helo (which is cool military speak for 'helicopter') to try to save the ship.

Your agency is like a giant ship. As big and shiny and beautiful as it may be – with a crew of hundreds of crisply dressed soldiers who each specialize in their particular task, there is one thing agencies struggle with: being nimble. And I would argue, the world of direct mail marketing does not require a 10 million dollar war ship with 20 people on the bridge pushing buttons and calling out orders. Direct mail is important to fundraising and it does require some art and science, but I think we can agree it isn't overly difficult to execute. Yet when you want to make a last minute change to your campaign, your agency war ship can't zig fast enough. When you have a data problem and need to find the issue before the next mailing goes out, your agency can't zag in time to get it done. When you want to insert a new mailing into the calendar to cover an urgent need or crisis; your agency ship can't speed up like it needs to, because it isn't *nimble*.



You need a small boat of your own, with just a few good crew who know how to handle the waters of direct mail and man the boat. You can get where you need to go quickly, easily dodge and avoid danger, slow down and course correct or change direction when needed, and simply navigate to your destination.

4

- Efficiency -

def: achieving maximum productivity with minimum wasted effort, working in a well-organized/competent way, preventing the wasteful use of a particular resource

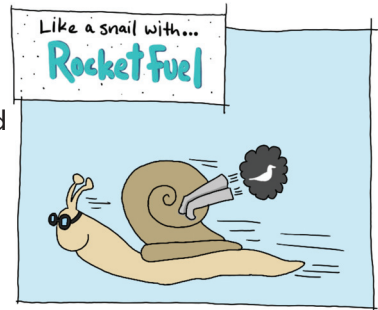
The key to efficiency is the ratio of productivity to the effort or expense. Its called “lean manufacturing” and means creating more value for customers with fewer resources, but its not limited to manufacturing – it applies to your direct mail program as well. Here’s a look at what the “manufacturing” process looks like (It should be noted, this doesn’t include all the steps the data team and production team take, this is strictly the creative process) with your current agency:

- Step 1: Internal theme discussion
- Step 2: Theme discussion with agency
- Step 3: Agency drafts package and sends for first review
- Step 4: Internal review of draft #1
- Step 5: Provide feedback to agency
- Step 6: Agency creates 2nd draft of package and sends for review
- Step 7: Internal review of draft #2
- Step 8: Provide feedback to agency
- Step 9: Agency creates “final” draft of package
- Step 10: Internal review of final draft

- Step 11: Ask for last minute change
- Step 12: Account manager passes on change to creative director, who provides the feedback to the designer who makes the change, who sends it back to the creative director, who sends it back to the account manager, who relays the change to the strategist, who asks several questions about the change which the account manager relays back to you, which you answer, so the strategist gives final recommendations which you agree to, which the account manager relays to the creative director who passes it to the designer who implements it and sends it back to the creative director who passes it to the account manager who sends it to you for final review.
- Step 13: you give your approve
- Step 14: package goes to print

Here's what the manufacturing process looks like when your direct mail fundraising is produced in-house:

- Step 1: internal theme discussion
- Step 2: design team creates a 1st draft
- Step 3: internal review with changes requested
- Step 4: design team creates a final draft
- Step 5: last minute change requested
- Step 6: design team makes final change
- Step 7: package is sent to print



It doesn't take a rocket scientist to see from the above examples the difference in the level of efficiency. Its basic math: more productivity + less expense = higher value for your donors, your team, and your mission.



- Avoid the Upsell -

def: a sales technique where a seller induces the customer to purchase more expensive items, upgrades or other add-ons in an attempt to make a more profitable sale.

To my new and old friends in the nonprofit space – I owe it to you to be honest. Fact: agencies create lists of items, projects and services that they are actively trying to sell you. It's not a general list, it's a very specific list with your org named, what you're likely to purchase, and includes deadlines when they will sell them to you.

To be fair, some or even many of the products/services they have slated with your name next to it are legitimately things you *may* benefit from. I'm not trying to insinuate that they are trying to sell you things completely unethically, but I am saying you do not need all of them – or maybe even any of them. Even more than that, I'm confident you're tired of trying to wade through which ones you should or shouldn't consider, tired of saying "no" when you don't have the budget (and they probably know that) and tired of navigating the internal conversations that inevitably follow to discuss all the "offers" on the table.

Bringing your direct mail fundraising program in-house means you are free to explore any and all opportunities you wish, without the pressure of your agency strongly suggesting things you aren't sure about on a repeated basis.

You can put out the “no soliciting” sign!



2

- Save Money -

def: keep and store up (something, especially money) for future use,
to be economical in expenditure

I'm not sure this one requires a lot of explanation – we all know that saving money is a good thing – but lets explore for just a minute a few of the ways that saving some money on your direct mail program could really benefit your organization.

a) The most obvious: it puts cash back in your pocket. Having extra cash in your pocket means you can pursue other avenues of marketing and fundraising you haven't been able to fully dive into in the past (eh-em like digital, cough cough). If there have been things you've been wanting to try, initiatives you've had to pass on for lack of budget, or needed upgrades to your current program you haven't been able to execute – having more money helps you accomplish them.

b) Extra greenbacks means more money for your mission. If you provide food for the homeless, more money means more food. If you help shelter animals get adopted, more money means more adoptions. If you dig wells for people without clean water, more money means more wells. You get the point.

c) Your donors appreciate your fiscal responsibility. One of the biggest

nonprofit organizations in the world pays their CEO over \$1 million dollars per year in salary. I'm not here to judge whether that's good or bad, but I can say that donors pay attention to how your org spends their money – and streamlining and adopting “lean manufacturing” is a testament to your commitment to making every one of their dollars count.

At Mile19, we've run the numbers every which way – we've looked at proformas up and down and inside and out. When an org chooses to take their direct mail program in-house rather than use an agency of record to do the work – we consistently see a savings of up to 40% on their spending. Let that sink in for just a minute.... 40%. If you're spending \$1 million with your agency, that's 400,000 bucks back in the bank. If you're spending \$500,000 on your agency – that's 200,000 smackers back in the budget.



Dinero, dough, bacon... it doesn't matter what you call it, more savings are better for your org and better for your mission.



- You Can Do It! -

Fact: its bad for agency business if you take your direct mail program in-house. Running your program is their bread and butter, and you taking things in-house is very scary for them. If you do it, and you're successful – other orgs will do it. If everyone does it, where will they be left?

I've seen orgs take their programs in-house and here's what goes on in the agency boardroom when they leave: "They'll be back. Once they realize they can't get the results they are getting with us, they'll come back. They think they can pull it off, but its harder than they think."

I'm hear to tell you, YOU CAN DO IT. There is an art and science to executing a campaign and driving results – but it is not *rocket* science. It is an art and science that can be taught and learned, and agencies do not want you to know or believe that.

Look at it this way: Lets say you needed to lose 100 pounds. Losing the weight would provide you with significant health benefits, you would be more capable and have more stamina, you'd have more chance at a longer life,

along with a variety of other positive outcomes. Although losing 100 pounds is a lot of work and can seem like a really daunting endeavor, it doesn't change the fact that you can and should do it.

So you have a couple of options.

1) You can work at it on your own: do a lot of research, choose an eating program that seems like it may work for you, head to the gym and find your way through the machines and weights, track your calories and exercise, etc – and steadily you will lose the weight.

2) You can hire a trainer/coach: someone who comes along side you and helps you create a plan that works for your body, shows you all the right moves and exercises, teaches you everything you need to know about food and cardio and strength training, etc – and steadily (likely a bit more rapidly) you will lose the weight.

No matter if you choose to do it on your own or hire a trainer – if you are committed to the process, you will lose weight!

Now lets apply this analogy to your direct mail fundraising program. I think you have 3 options:

1) Stay with your agency: Your agency's position is that you should not do direct mail without them. They will attest that they are the only real solution and you will experience the best results by outsourcing to them.

This belief stems from the idea that you are not able to fully comprehend or adhere to good strategy, and do not have the know-how or big picture understanding of fundraising. You lack the systems needed to execute campaigns. So option 1 is to stay with your agency and trust their expertise.

2) Go it alone: Recognizing the benefits of taking things in-house, make the decision to do it. Start by researching the how's and why's, see what you think fits for you, find your way through the tests and results and data, and you'll get it done. There may be some bumps in the road, but you'll get there.

3) Hire a trainer: Find someone (like Mile19) to show you the ropes and teach you all the ins and outs. You'll learn from an expert what works, what doesn't, what fits your org and will be most effective, who to hire, how to execute, and will be there to answer your questions and encourage you when you need it the most. In no time, you'll be sailing along – pumping out campaigns that are targeted and strategic – and most importantly, will drive results while saving you money.

Since this booklet is titled “8 Reasons To Insource Your Direct Mail Program”, it may be obvious that we would tend to recommend you not choose to stay with your agency. With that said, there may be a few programs that are extremely complex to execute and an agency is the only real answer. But for most everyone else, I think the reasons mentioned throughout these pages are compelling and I believe you will be happier and healthier if you take things in-house. This means options 2 and 3 are your choices. And if I'm totally

honest, *I don't mind at all if you decide to try it alone.* I'll bet you've not heard that before from an agency?! Of course we *want* to be your trainer and help you get from A to B quickly and with as little headache as possible, but in my heart I want you to know that you hiring us is not what this book is about. We truly want what is best for you and believe wholeheartedly that **YOU CAN DO IT** and should do it.

The following pages share a little bit about who we are and how we go about helping (like a personal trainer) our clients insource their direct mail, and we're glad to answer any questions you may have. But in the meantime – start the dialogue now with your internal team.... What would it look like to “lose 100 pounds”? How would that benefit us? What are the next steps we should take to begin that process? Once you've had that conversation with your team, let us know if you want to chat!





Mile19 is an experienced marketing partner for nonprofit organizations who desire a change from the “agency of record” model. If you find yourself part of the industry-wide movement away from big contracts with big overhead, you’ll be relieved to know we’re the un-agency of agencies. We’re raising questions about what can and can’t be done, birthing a new way of thinking: *empower our clients to grow their fundraising program without outsourcing the work to an agency. More revenue, less spending.*

Our mission is simple: Equip our clients with the right tools to raise more for their cause, while spending less on fees and contracts... and have fun together doing it. Because at the end of the day, we’re all working toward the same goal: **people helping people.**

Because large agencies come with large contracts, nonprofit organizations are searching for an alternative to the “agency of record” model for direct mail fundraising at an increasing rate. Taking operations in-house is appealing, but can also be overwhelming and present more questions than it does answers. The idea, although full of merit, stalls out and stays on the back burner for months or even years. **Mile19 provides a new solution.**

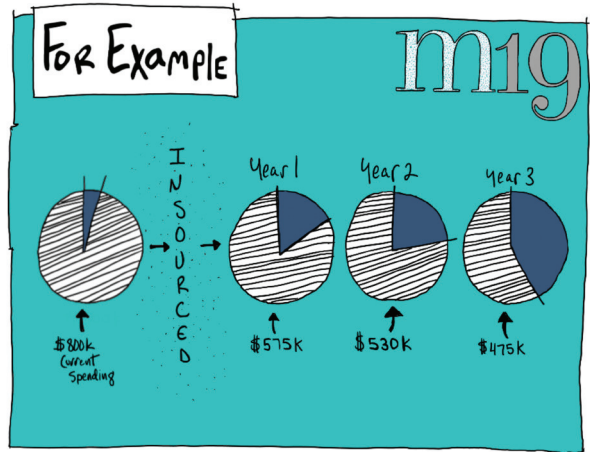
Mile19’s **Crawl | Walk | Run** method was developed to equip and empower nonprofit organizations to move their fundraising out of the agency, and

bring operations in-house. Our process alleviates the pain of learning by trial and error, and together we can reduce program costs by up to 40% in just 24 months.

Taking things in-house not only saves you money that you can then put back into your mission and other marketing channels, but it frees up funds for you to use in new initiatives that may have been sidelined for lack of budget. Additionally, our model is unique in the way that after a few short years you no longer need our agency

on a daily basis. By the time we are in the “Run” phase (at 24 months) we simply run along side you coaching and helping as needed.

It’s likely you’ve got some burning questions... to find out more about us, our program and the really important things like: “what does Mile19 stand for?” and “why is there a seagull in your logo?”, be sure to meet up with us on our website mile19marketing.com or give us a call!



mile19



Partners Karen Burman and Tracy Howard have over 40 years of combined experience in the marketing agency world specifically helping nonprofit organizations with their direct mail fundraising programs.

We pride ourselves on being your partner - not your vendor, lending you our experience and expertise without any ego, and being serious about what we do - but not stuffy (we're pretty fun to work with). Learn more on our website mile19marketing.com or call us at 312-566-7153.