



"Practical Problem-Solving Advice for Publishers"

New-Product Development in Nonprofits: Best Practices for Building a Brighter Future

By

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Perhaps the most challenging publishing issue for nonprofits is identifying effective ways to encourage and support new-product development. This paper shows how nonprofit culture tends to thwart this essential creative process—and outlines practices that will help you overcome such counter-productive tendencies. It is written for publishing professionals and their nonprofit peers, including executive directors, communications staff, financial officers, even HR. It is also appropriate for leaders who produce other original content for associations—including conferences and courses.

In this paper, we want to accomplish three objectives:

- Highlight inherent advantages that nonprofits possess when it comes to new-product development.
- Identify a “Dirty Dozen” mortal threats to successful new-product development.
- Offer practical suggestions about how to counter these threats.

Why Should You Care?

Simply put: New-product development is the lifeblood of the publishing business and, in fact, has the same value for *all* content-based nonprofit efforts.

- Members and other customers are always looking for the latest information.
- Markets change—as does the technology needed to deliver content to your customers.
- New competition constantly appears--outshining your older, weaker offerings.
- Demographics change, which means buying habits also change. And keeping up requires time and especially attentiveness. Case in point: If you indiscriminately label all young people as “Millennials,” consider that the oldest members of that cohort are now pushing 40. Don’t be over-confident that your knowledge and assumptions are up-to-date.

- Product lines mature—and grow stale in the eyes of readers and other buyers. This is particularly true in book publishing. With few exceptions, readers tend to think that only the newest publishing products best serve their needs.

For these reasons and many more, top executives in nonprofits neglect new-product development at their peril.

Nonprofits' Advantages

Nonprofits enjoy priceless advantages over their commercial competitors in developing new products: direct and free access to well-grounded content ideas, plus uniquely qualified authors, reviewers, and editors. Not to mention—for the best associations—an unrivalled reputation for quality and trustworthiness in a marketplace virtually all your own.

These advantages arise directly out of your group's mission as an educational or professional association. Your members typically include well-known experts and respected practitioners in clearly-defined disciplines. Moreover, your staff has near-constant opportunities to tap into the knowledge and expertise of these thought leaders.

So it's no surprise that most nonprofits are—by definition—in the information and content business. In many ways, nonprofits best serve their members by providing specialized information—packaged as publications, no matter the delivery format. Add to this your direct access to the market via members and other professionals influential in your field. Taken together, these factors equip nonprofits to become formidable publishing entities, easily on par with commercial specialty publishers.

12 Major Ways Associations and Nonprofits Squander These Advantages

1. Associations underestimate their value and potential—often defining both their actual impact and their mission too narrowly.
No matter how small your organization, it may well be the dominant player in your field. Further, your members want to hear from you—they signed up precisely *because* they hoped to engage as fully as possible with your group's people, knowledge, and experience. And they will evangelize on behalf of your content if you develop resources that genuinely help them succeed.
2. Nonprofits tend to be risk-averse.
Nonprofits are not in business to make money, *per se*. Factor in thin resources and small staff, and it's no wonder that caution is the default response of many association executives. But this can be overdone. In fact, it usually is.
3. Nonprofits are rarely known for their entrepreneurial nature.
Stability is essential, no question. But so is innovation. Think of your group both as a service organization *and* as a creator of new products. Just because few staff members come from the for-profit world doesn't mean they can't develop the mindset that new products drive revenue and create opportunity.
4. The overall atmosphere powerfully communicates: "Why even try anything new?"
If you fail to incentivize new-product development, it won't happen. Generous praise (early on) and a consistently applied program of even modest bonuses (if and when positive results materialize) will pay broad organizational dividends for years.
5. Top executives create roadblocks to new-product development

Don't place too many barriers in the path of creative and ambitious people. Instead, put yourself in the position of a junior staffer with a bright idea. Figure out (better yet, have him or her simply tell you) how many hurdles have to be jumped before getting a real hearing and a "go for it" decision. Then strip away as many value-draining steps as you can.

6. Decision-making tends to be bureaucratic.

Most initiatives do not merit the time and attention of your Board of Directors. Which means that it's your job to run interference for your staff when volunteer leaders unreasonably interfere in the organization's day-to-day work. You have a deep responsibility to allow all stakeholders a voice, obviously. Nevertheless, participants properly regarded as helpful observers, at most, hardly deserve an actual vote in every single decision.

7. Job descriptions for volunteers are vague or nonexistent.

Your organization must be explicit in outlining the very different responsibilities of staff and volunteers. That's the only way to avoid the all-too-typical confusion reported by one publishing manager: "We have a new chairman who has become involved in every facet of our organization, from setting print runs to determining vacation policy, which he believes, needs to be cut in half." If you don't have written descriptions of roles and responsibilities for your volunteers in place, heading off such time-wasting (and morale-draining) interference will prove impossible.

8. New-products' contributions to revenues are not rigorously tracked.

Short-term costs are often accounted *to the penny*. On the income side, however, CFOs have been known to morph into the haziest of reporters—deferring revenue against unlikely future costs, spreading it around to cover expenses of groups tangentially related to the new product, even totally hiding the new dollars—like hoarders stacking up newspapers, they squirrel away income "because I might need it someday... for something." Allowing such practices to go uncorrected dooms any hopes for a brighter future for your group.

9. Publishing units are often resource-starved simply because most executives and volunteer leaders haven't yet learned to see their organizations as being *primarily* in the information/knowledge business.

Nonprofit leaders tend to think in terms of individual programs and products, membership, certification, education, and conferences, absent a broader analysis of their organization's strategic strengths, which are nearly always knowledge-based. This generally means that publishing has an essential role to play.

10. No individual or group is specifically charged with new-product development.

If new-product development is not the responsibility of a single executive, then no one owns the success of new initiatives. This is folly, as new products require enthusiastic, persuasive, and persistent champions.

11. Organizational structure and the sheer pressure of time on task inhibit internal communication.

Departmental barriers naturally reduce the information-sharing vital to the new-product development process. To overcome this, set up a new-product incubator—whether an individual or a cross-departmental team—specifically charged with advancing X number of (your choice) new-product concepts each year.

12. Overall, a collective “culture of poverty” often contributes to an organization-wide sense of stasis, resignation, even hopelessness.

Most nonprofits perennially plead poverty, not without reason. Even conceding that, many nonprofit groups actually squander substantial amounts of money year after year on moribund legacy programs, Board pet projects, unneeded travel—that could be more prudently directed to conceiving, creating, testing, and disseminating new offerings that build for the future.

In Sum

Intelligence and creativity must be actively stimulated in order to produce successful new products. Executives should encourage creative staff to fully engage in new-product development. Risk-taking, within reason, should be rewarded rather than stymied. Make sure that one individual on your team has ultimate responsibility for new-product development and will be held accountable for outcomes. Educate your board about why their involvement in day-to-day creative decisions is both inappropriate and downright risky to the overall health of your organization. Above all, come to view yourself as the consummate enabler of innovation, removing obstacles and providing consistent encouragement and support.

Final hint: Quite often an empowered staff member and an enthusiastic volunteer member form the best team to drive new-product development through organizational resistance and skepticism.

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