Nonprofit Event Management- Business Models

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Nonprofit sector in USA

- 1.58 million nonprofits were registered with the Internal Revenue Service (IRS) in 2011, an increase of 21.5 percent from 2001.
- An estimated $836.9 billion was contributed to the U.S. economy by the nonprofit sector in 2011(Excluding nonpro?t institutions serving government or business), which made up 5.6 percent of the country?s gross domestic product (GDP).
- In 2012, total private giving from individuals, foundations, and businesses was around $316.23 billion for the first time since the recession started, an increase of nearly 4 percent from 2011.
- In 2011, almost 1 million organizations were classified as public charities, which represents three-fifths of all registered nonprofits.
- Close to 56.8 percent of reporting organizations were public charities in 2011.Accounting for more than three-quarters of revenues and expenses for the nonprofit sector, public charities reported $1.59 trillion in revenues and $1.50 trillion in expenses. Assets held by public charities account for more than three-fifths of the sector total.

Source:The Urban Institute

Number and Finances of Reporting Public Charities by Subsector, 2011

			$ Billion			Percent (%)		
	Number	%	Revenues	Expenses	Assets	Revenues	Expenses	Assets
All public charities	335,037	100	1,593.6	1,498.2	2,856.0	100	100	100
Arts, culture, and humanities	35,164	10.5	30.8	28.1	101.7	1.9	1.9	3.6
Education	58,568	17.5	269.2	243.8	851.4	16.9	16.3	29.8
Higher educatior	2,094	0.6	174.8	158.8	548.8	11	10.6	19.2
Other educatior	56,474	16.9	94.4	85	302.6	5.9	5.7	10.6
Environment and animals	15,110	4.5	14.9	13.4	36.3	0.9	0.9	1.3
Health	41,619	12.4	942.4	895.3	1,202.6	59.1	59.8	42.1
Hospitals and primary care facilities	7,308	2.2	798.5	758.4	973.3	50.1	50.6	34.1
Other healthcare	34,311	10.2	143.8	136.9	229.3	9.0	9.1	8.0
Human services	116,643	34.8	202.4	195.8	303.7	12.7	13.1	10.6
International and foreign affairs	7,007	2.1	28.9	28.1	30	1.8	1.9	1.1
Public and social benefits	39,415	11.8	91.4	81	300.1	5.7	5.4	10.5
Religion-related	21,511	6.4	13.8	12.6	30.2	0.9	0.8	1.1

Source:The Urban Institute

Steps in event management

Before the event

1. Fundraising - which may involve one or more of the following types:
    1. Merchandising - Selling goods to raise fund.Organizations involved : Cafepress, SmartCause Digital
    2. Donation - Donations for the events could also be raised through certain online sources like Crowdrise
2. Payment processing etc. - Certain bodies are present who work exclusively for non-profit organisation payment processing like Blackbaud, Moolah and BluePay
3. Handling registration for the event
4. Accounts book-keeping
5. Creating event website and keeping it up-to-date like nonprofitCMS and Dot Org Web Works
6. Recruitment of volunteers - companies like Bridgespan and Volunteer Match
7. Marketing for the event - companies like Cvent and Coulter Companies

During the event

1. Logistical support like food, accommodation, lighting, generators etc.
2. Timekeeers - companies like Chronotrack

After the event

1. Accounting and auditing of records
2. Managing mailing list
3. Communication with participants
4. Communication with institution for which event was organized

Mind map: Nonprofit Event Management

Companies

Before the event								
S.No	**Category**	**Companies**						
1	Fundraising (Online fundraising software)	Kickstarter	Gofundme	Indiegogo	YouCaring	Crowdrise	Causes	Donors Choose
		Razoo	Buzzbnk	Start Some Good	Causevox	Dojiggy	Return on Change	
2	Fundraising (Merchandizing)	Zazzle	Cafepress	Spreadshirt	Printfection	Win-Win Sportswear	Charity-merchandise	
3	Payment processing	Paypal	WePay	Bluepay	GiftTool	Click & Pledge	Qgiv	MemberClicks
		IATS	Contribute	Nonprofit Business Solutions	Moolah	Greater Giving		
4	Handling registration for the event	Eventbrite	Active Network, LLC	Avectra	Aptean	Tendenci	Fluitt Solutions	
5	Accounts book-keeping	EisnerAmper	Nonprofit Suite	Renner & Company	Susan Matlack Jones & Associates			
6	Creating event website and keeping it up-to-date	Non-profit CMS	Web Start Today	Dot Org Webworks				
7	Recruitment of volunteers	Volunteermatch	Bridgespan	The Data Bank				
8	Marketing for the event	Constant Contact	Cvent	Coulter Companies				
9	Donor management (CRM)	Zoho	NationBuilder	Salsa Labs	SugarCRM	vtiger	Blackbaud	Wild Apricot
		NeonCRM	CivicCRM	Salesforce Foundation	Donor Perfect	Bloomerang	Sumac	Donor Tools
		OrangeLeap	A good Cloud					

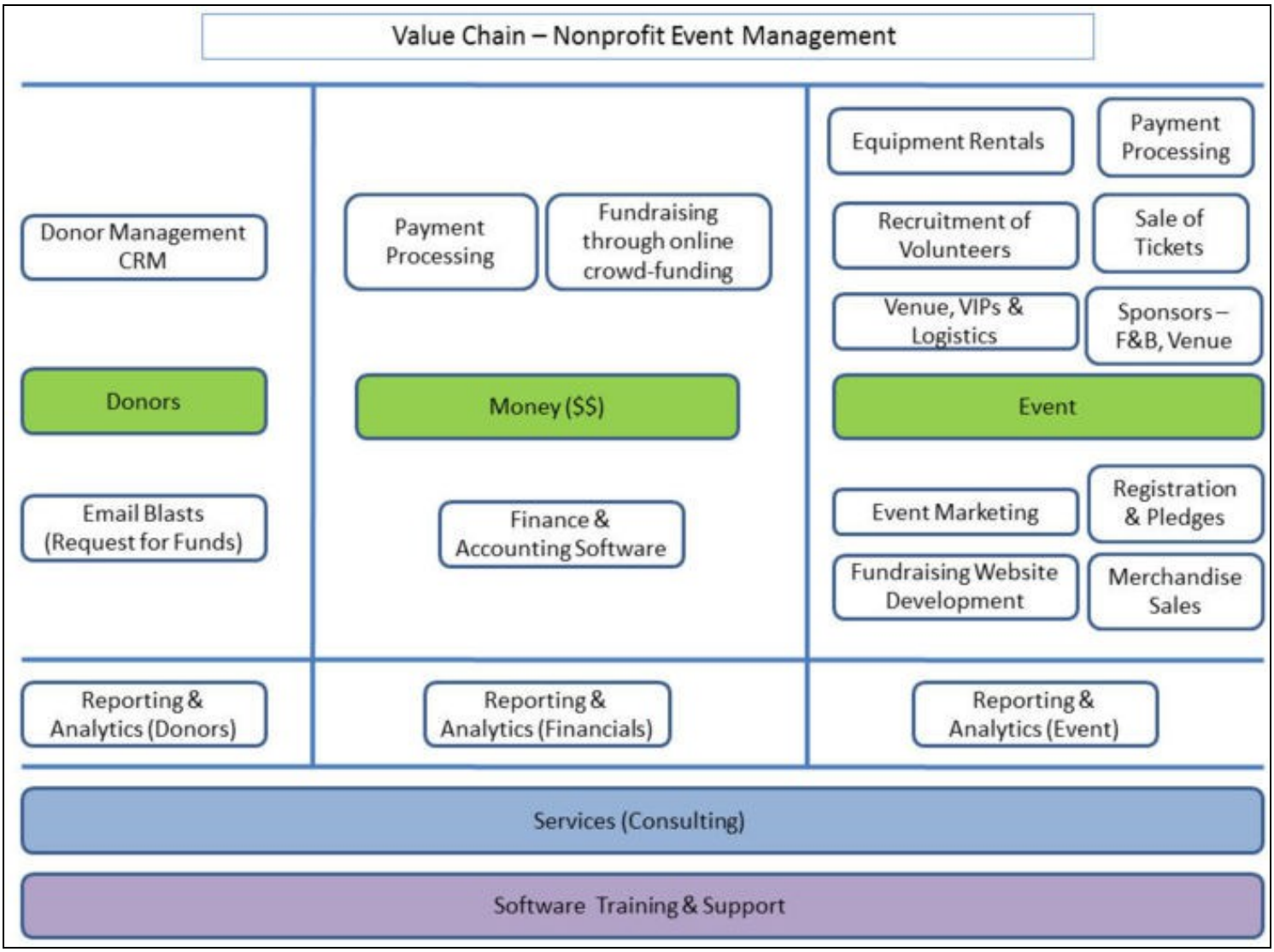
Event					
S.No	**Category**	**Companies**			
1	Logistical support like food, accommodation	Axis Global Systems	OpenSpark	Events Logistics Management	MicroTek
2	Timekeepers	Chronotrack	RFID Timing		

3	Event management companies	Constant Contact	Event Brite	Cvent	Brown Paper Tickets	RegOnline	eTouches	Ticketbud
		Double Knot	VolunteerHub	Arts People	Ungerboeck	Your Membership	Rotunda Software, LLC	Memberclicks
		Active Endurance	Acteva	Greatergiving	Vision Event Management	Pacific Sports LLC	Indra PR	
4	Event equipment rentals	Vision Event Management						

After the event				
S.No	**Category**	**Companies**		
1	Accounting and auditing of records	Intacct	AccuFund	Abila
2	Event results	SofTrek Corporation		
3	Managing mailing list & Communication with participants	Nonprofit Business Solutions	Ahern Donor Communications	

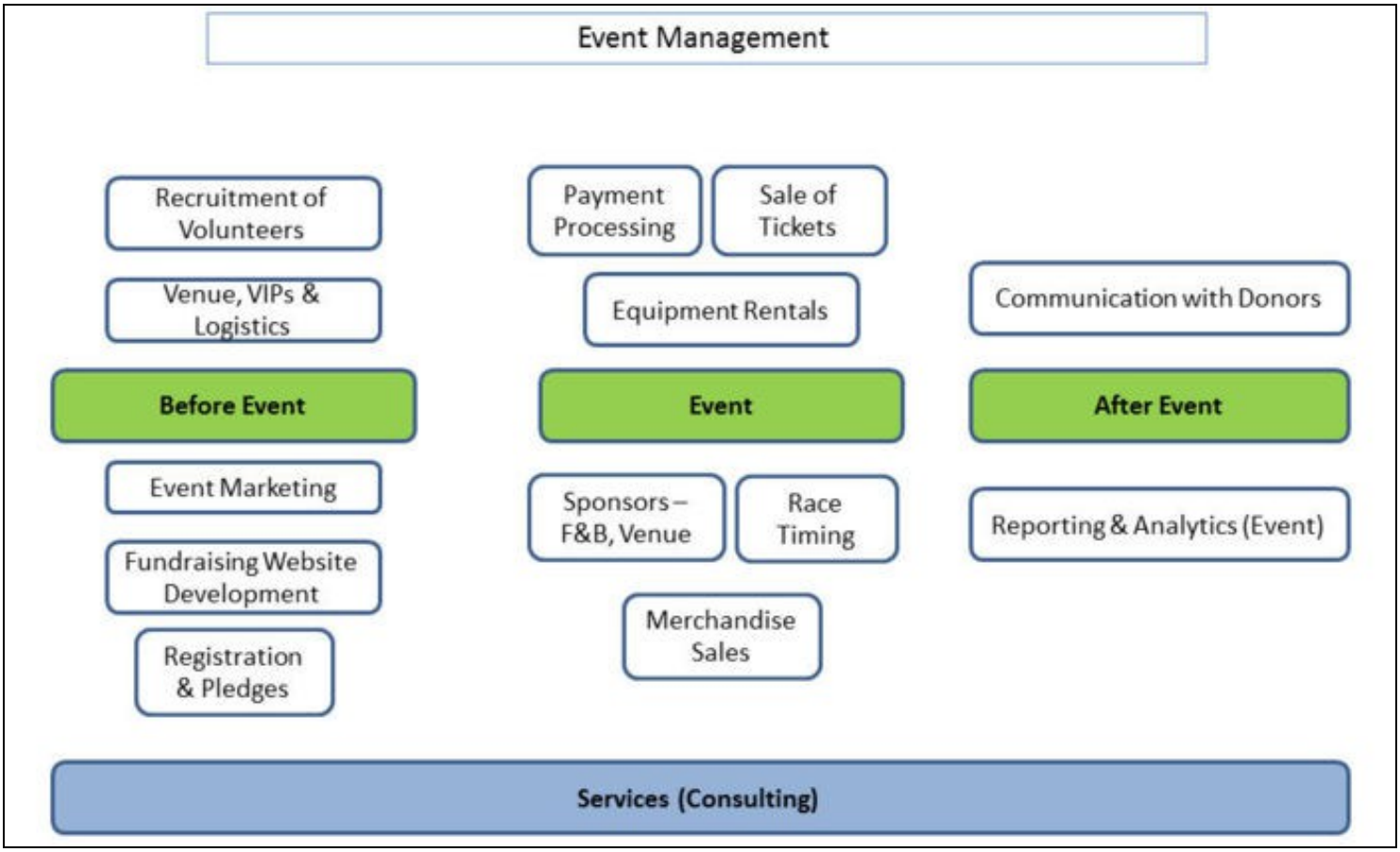
Business Models

Value chain for nonprofit companies



Value chain for nonprofit companies

Value chain for event management



Value chain for event management

Fee structure

Fundraising management software					
S.No	Company	Fee for using the software	Percentage of the fundraising dollars and transcation fees	Technical support and training	Custom Website Development
1	Dojiggy	DoJiggy Pledge is a complete web-based registration and fundraising management system. $449 annually for up to 100 event participants. This is a single event license. 100 Additional Registrant -$169	No	No	Yes ($100/hour)

Fundraising through crowdfunding					
S.No	Company	Platform Fees are deducted from each donation	Payment processing charges	Monthly fees or setup costs	Custom Web page design
1	Gofundme	Gofundme 5%	Wepay 2.9% +$0.30 per donation	No	No
2	Indiegogo	For nonprofit, reach your goal -3% don't reach your goal -6.75%	3-5% for credit card or PayPal processing	No	No
3	Giveforward	5% per transaction	2.9% + $0.50	No	No
4	Youcaring	0%. Supported by thousands of contributors.	2.9% + $.30 per transaction (+ 5% automatic "tip" for donors)	No	No
5	Razoo	4.9% transaction fee	2.0% + 30¢ payment processing fee	No	No
6	Stayclassy	4% Transaction Fee	2.2% + $0.30 /transaction +1% for AMEX and +1% for International Transactions	$99/Month Subscription fee	No
7	Network for Good	3% Transaction Fee	2.9% + $0.30	$69.95/Month. No Set-Up Fees	Custom webpage Design Fee: $299

8	Crowdrise	Fee of 3%-5% of the funds	2.9%+$0.30 fee from each donation	$49/month	No

Donor CRM software					
S.No	**Company**	**Software modules subscription**	**Additional fee for users**	**Transaction fees (Payment processing)**	
1	NeonCRM	Up to two modules are included with the Standard NeonCRM monthly fee: Under 15,000 contituent records $149/month. Each Additional Module: (Under 15,000 constituents) +$40/month	10 users can use at the same time. Additional users: $50/month per 5 users.		
2	SugarCRM	Sugar Enterprise Edition - $60 user/month			
3	Zoho	ENTERPRISE: $35 /user /month			
4	Salesforce Foundation	Enterprise Edition: $30 per user/per month * (billed annually) first 10 EE licenses are FREE			
5	Blackbaud	Fund Accounting Software (Financial Edge ESSENTIALS) -$550/MONTH	Unlimited users		
		Fundraising CRM (eTapestry ESSENTIALS) - $199 /month 5,000 Records	Unlimited users		
		The Raiser's Edge (online fundraising) - Unlimited records	Unlimited users	4.95% and $0.30 per transaction	

Crowdfunding platform business models

- **Commissions on funds raised:**

  This is by far the most common of all in the crowdfunding space. It's easy to understand for fund raisers and is also risk-free for them. In fact it's risk-free because you're the one bearing the risk, as you need to pay for software and support without the certainty of earning anything back. In addition, commissions require high volumes to make any good amount of money. Whether it is a crowdfunding or crowdinvesting platform, both have commission-based business models where they take a percentage of the profits (typically 4 ? 7.5%) from every successfully funded campaign on their platform.

- **Listing fees:**

  This one is more common on equity crowdfunding platforms, simply because the structure of the investment doesn't allow for commissions. They can be one-off or monthly. Their advantage is that you're guaranteed to earn these fees whatever happens. On the flip side, you won't benefit from a project's potential success.

- **Transaction fees:**

  This is a middle-ground between commissions and listing fees. Every time someone makes an investment or a donation, you can add a non-refundable, fixed or variable transaction fee, paying for using the service. It's a little less popular but can prove effective in building sustainable revenues.

- **Additional services:**

  Most fundraisers will need videos, pictures and marketing. Some will also need more specific services like order management and fulfillment. By offering such added-value services you can make your users' lives much easier and earn more money.

Source:Towema