

# Expanding CDFI Coverage in Underserved Areas

## Marketing Strategy, Tactics, and the Power of Storytelling

Logo for Create Jobs for USA

Expansion by Existing CDFIs  
Kansas City, MO

August 19, 2015



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## Overview

- Marketing Goals and Tactics
- Value of Collaboration
- Six Steps of Marketing for CDFIs
- Power of Story Telling



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## Goals of Marketing to Support Expansion

- Amplify Visibility
  - Highlight issues that CDFIs address
  - Introduce your CDFI as a solution to the issues
- Activate Key Audiences
  - Sources of Capital
  - Policymakers
  - Media
  - Borrowers
- Generate Referrals
  - Drive Capital
  - Boost Impact

*Developing marketing strategies and tactics supports your CDFI's*  
**product,**  
**customer segment,**  
**geographic market, and/or**  
**network**  
*expansion.*



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## CDFIs Can Reach Bigger Audiences When They Work Together

- Role of Collaboration
  - Amplification
  - Awareness
  - Reach
- CDFI Services
  - Expertise
  - Credibility
  - On the Ground Stories & Solutions



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## Who/What/What: Exercise

- Whose attention are we trying to get?
- What do they think of us now?
- What do we want them to think of us?
- What do we want them to do?

The point of this exercise is to develop a customer-focused perspective.



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## Create a Marketing Plan and Tactics

1. Communications audit to understand current state
2. Identify key customer segments and referral sources
3. Create a communications toolkit and tactics
4. Launch campaigns to reach these segments
5. Evaluate the effectiveness of campaigns
6. Build a library of stories and impact metrics



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## Communications Audit

- Inventory all the ways that you communicate with your audiences
- Evaluate them for:
  - Clarity of audience
  - Call to action
  - Brand consistency
  - Effectiveness
  - Cost



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## Customer Segmentation

- Identify all audiences
  - Group them by type
  - Prioritize as primary and secondary
- Value proposition for primary audiences
  - May need different materials for different audiences
- Align current communication messages and channels for each audience
- Identify what's working and priority areas for improvement



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## Create a Communication Toolkit

- Marketing Strategy
  - Message Deck
  - Marketing & PR Plan, Calendar, & Budget
- Toolkit
  - Key messages for each audience
  - Storytelling template
  - PR template
  - Opportunity calendar
  - Logos/visuals/print material



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## And Communications Tactics

- Many tactics
  - Flyers
  - Social media
  - Email
  - PR
  - Partnerships
- Before you choose them, consider:
  - Staffing
  - Cost
  - Time allocation
- Cost/benefit analysis



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# Launch Campaigns

- Website
  - Different audience views; links to/from other sites; SEO
- Social media and email campaigns
  - Facebook, LinkedIn, Twitter
- Print media
  - Collateral, leave behinds
- Awareness – brand building
  - Conferences, Articles, Blogs, OpEd pieces



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## Example 1 – Direct to Borrower

**Grow your small business with us**

**Business Loans**  
\$5,000 - \$50,000

**No prepayment penalties**  
**1 week turnaround**  
**8.5 - 15% interest rate**

📞

 E. San Jose / Fremont (408) 886-0104  
 San Jose / San Mateo (408) 266-0784  
 Alameda County (510) 522-0818  
 San Francisco (415) 848-7143  
 Santa Cruz / Seaside (831) 234-9253

[opportunityfund.org/loans](http://opportunityfund.org/loans)

www.opportunityfund.org is a grant provided by Department of Corporations, California Lending License

### Easy Requirements

- ✓ Business owner for 1 year
  - ✓ Photo ID, licenses & corporate documents
  - ✓ Copy of last 3 months bank statements (business / personal)
  - ✓ Copy of last year's taxes (business / personal)
  - ✓ Collateral (vehicle title if available)
- \*Not all documents may be applicable

Loan Amount	Monthly Payments	Term (months)	Total Payments	Interest Rate	APR	Average Monthly Finance Charges
\$5,000	\$238	48	\$5,904	15%	21.53% APR	\$50
\$10,000	\$494	24	\$11,916	12%	18.09% APR	\$77
\$20,000	\$919	36	\$22,408	10%	15.4% APR	\$122
\$30,000	\$1,196 - \$1,199	48	\$30,218 - \$30,968	8.5% - 9.5%	11% - 12.7% APR	\$101 - \$166
\$50,000	\$1,077 - \$1,109	60	\$64,620 - \$66,180	8.5% - 9.5%	10.6% - 11.6% APR	\$144 - \$270

\*Examples of repayment terms for selected loan amounts include a 2% loan origination fee

### OFFICE LOCATIONS:

111 W. Saint John St., Suite 800  
 San Jose, CA 95113


6606 Pacific Blvd., Suite 214  
 Huntington Park, CA 90255

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## Example 2 - Intermediary



**Do you have a client who is unable to obtain bank financing?**  
CRAFT can help you help your client.

**WHO WE ARE**  
CRAFT is a non-profit Community Development Financial Institution (CDFI) lender with \$166 million in assets. As a CDFI, we serve low-income, and other disadvantaged communities. We provide loans to entrepreneurs, non-profits, and individuals who don't normally have access to financing. Over the past 18 years, CRAFT has invested more than \$243 million in people and communities of the Pacific Northwest.


**WHO WE'RE NOT**  
CRAFT is not a bank. We do not take deposits or hold accounts. We are not FDIC regulated. Because we work with higher-risk businesses unable to obtain traditional financing, we do not compete with banks. We actually complement a banks' effort to retain business relationships.

**WHY CRAFT'S CAN HELP**  
We may be able to finance your client because CRAFT is an unregulated CDFI, not a depository. This allows our specialized staff to craft flexible loan structures and manage higher-risk loans.

**Contact us** to talk about how CRAFT can help you help your client. We look forward to hearing from you.

**Scott Hubbertson, Vice President**  
Business Loans  
Phone: 509-485-0400 ext. 200  
Cell: 509-749-8217  
Email: shubbert@crafft.org

**CRAFT**  
CRAFT is a non-profit lender strengthening economic, ecological and family resilience in Pacific Northwest communities.  
info@crafft.org or www.crafft.org



**Do you have a client who is unable to obtain bank financing?**  
CRAFT can help you help your client.

**Can you finance this client?**

**CONGRATULATIONS!**  
This client can access conventional bank financing.

**We are excited to help your client.** We will:

- Let you know we can help.
- Provide ongoing advocacy for their business.
- Stay involved with them and offer our expertise whenever we can, throughout the life of the loan.
- Help them build their business into one that you can lend.

**In your client:**

- Located in Oregon or Washington?
- Locally owned?
- A bank says you cannot fully or partially fund your bank's credit portfolio?

**Refer your client to CRAFT. If:**

- You can only fund a portion of the loan. CRAFT often structures loans to fill in gaps in financing or can provide financing your client requires.
- You have your credit.
- The business is a start-up or early.
- The business has little or no collateral.

Your loan can maintain deposit and fee-bearing relationships with the bank while they grow to fund from CRAFT. After the client reaches that financial strength, the client can restructure their loan relationship back to your bank and provides you CRAFT.

**Can CRAFT finance your client?**

**Refer client to resources in our network.** The more options:

- Another lender with expertise that meets the needs of the client.
- Small Business Development Center.
- SCORE consultant/mentor.
- Technical Assistance provider.

**Sorry, we can't help your client. We will:**

- Let you know we are unable to help.
- Let the client know why we are unable to finance their business and suggest what they can do to become eligible for a CRAFT loan, and
- Refer the client, as appropriate.

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## Campaign Evaluation

- What gets measured, gets done!
- Identify **goals**, set targets, and measure
- Examples of measurement
  - Inquiries
  - Applications
  - Media mentions
  - Web views
  - Referral sources
  - Social impressions/engagement (Likes, RTs)
- Do more of what's working; revamp underperforming tactics

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## Power of Stories

- Humanize
  - Bring emotion and empathy into the mix
- Memorable
  - Show success and the transformation that is possible
  - Unforgettable
- Attention-getting
  - Media
  - Policymakers
  - Investors
  - Funders
  - Borrowers



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## Best Practices for Stories

- Remember creative writing class?
  - Heroes, villains, conflict, tension, redemption
- Go beyond numbers and facts
  - Seek to create an emotional connection—what made you angry, shocked, laugh, cry, tear up, surprised?
  - Get descriptive
    - “Unemployed electrician” is good. “Unemployed military veteran who served almost two decades as an electrician in the U.S. Navy Construction Battalion” is better.
  - Use clients’ own words



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## How to Leverage Stories

- Collect stories all the time to be ready for any opportunities: get photos, permissions
- Pitch media—use the story as a door opener
- Include in press releases
- Post online and via social media
- Include in investor and funder reports
- Produce videos
- Useful for print material and displays
- Include in PPT presentations
- Have stories ready for any and all formal and informal speeches and conversations



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## City Arts Project Baltimore, MD



[Play the video](#)

- For decades Baltimore's Greenmount neighborhood suffered from urban decay and housing abandonment, but redevelopments are ushering in a resurgence.
- The City Arts development project is a \$17MM, three-phased project led by TRF.
- The developments address the need for affordable housing stock for the underground arts community.
- TRF co-developed the first phase of City Arts with Homes for America and Jubilee Baltimore, to create the 69-unit City Arts Apartments building.
- By redeveloping larger pockets of housing, TRF works to stabilize the neighborhood and makes an impact on the quality of life.



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# Questions?



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