

Expanding CDFI Coverage in Underserved Areas

Marketing Strategy, Tactics, and the Power of Storytelling

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December 8, 2015

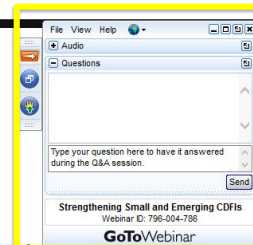


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GoToWebinar

CDFI Fund's Capacity Building Initiative

- The Capacity Building Initiative will greatly expand technical assistance and training opportunities for Community Development Financial Institutions (CDFIs) nationwide and significantly boost the ability of CDFIs to deliver financial products and services to underserved communities.
- Industry-wide training will target key issues currently affecting CDFIs and the communities they serve.



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What is the *Expanding CDFI Coverage in Underserved Areas Initiative*?

- The series will provide specialized training and technical assistance to certified and emerging Community Development Financial Institutions (CDFIs) seeking to expand their reach into underserved communities that currently lack a CDFI presence.
- The workshops include content that is applicable to all CDFI organizational structures, including loan funds, credit unions, banks, and venture capital funds.



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Training Partners



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About the Training Partners

- **Community Development Bankers Association (CDBA)** is a national trade association of the community development bank sector. CDBA is the voice and champion of banks and thrifts with a mission of serving low and moderate income communities.
- **Community Development Venture Capital Alliance (CDVCA)** is a network of community development venture capital funds, which provide equity capital to growth businesses in low-income communities to create good jobs, productive wealth, and entrepreneurial capacity.
- **National Federation of Community Development Credit Unions (NFCDU)** is a national association for community development credit unions providing capital, advocacy, technical assistance, training to support innovative services for low-income consumers.
- **Opportunity Finance Network (OFN)** is a leading national network of community development financial institutions (CDFIs) investing in opportunities that benefit low-income, low-wealth, and other disadvantaged communities across America.



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Presenters



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Overview

- Marketing Goals and Tactics
- Six Steps of Marketing for CDFIs
- Power of Storytelling



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Marketing Goals and Tactics



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Goals of Marketing to Support Expansion

- Amplify Visibility
 - Highlight community and economic development 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

*Marketing strategies and tactics support **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



- Present Broader CDFI Services
 - Many types of financing
 - Credibility through association
 - On the ground stories and solutions



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Exercise: Who/What/What

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



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Six Steps to Create Marketing Strategy and Tactics for CDFIs



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Six Steps to Create Marketing Strategy and Tactics

1. Conduct a 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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#1: 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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#2: 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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#3: Communications Toolkit

- Marketing Plan: Marketing and public relations calendars and budgets
- Toolkit
 - Key messages for each audience
 - Storytelling template
 - Public relations template
 - Opportunity calendar
 - Logos/visuals/print material



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#3: Communications Tactics

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



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#4: Integrated Campaign Launch

- Align all tactics for greatest impact
- Website updates
 - Different audience views or landing pages; links to/from other sites; Search Engine Optimization
- Social media and email campaigns
 - Prepare social media content, e.g., Facebook, LinkedIn, Twitter
- Print media
 - Create collateral and leave behinds
- Awareness – brand building
 - Create Articles, Blogs, OpEd pieces



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Example 1 – Direct Marketing 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
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E. San Jose / Fremont (408) 886-4094
 San Jose / San Mateo (408) 960-5284
 Alameda County (510) 834-0188
 San Francisco (415) 808-9142
 Santa Cruz / Salinas (831) 234-4993

opportunityfund.org/loans

Loans will be made as a direct loan to the Department of California's Lenders Licensee

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	\$328	18	\$5,904	15%	21.53% APR	\$50
\$10,000	\$494	24	\$11,856	12%	16.92% APR	\$77
\$20,000	\$678	36	\$24,408	10%	13.4% APR	\$122
\$30,000	\$776 - \$793	48	\$37,248 - 37,968	8.5% - 9.5%	11% - 12.1% APR	\$193 - \$166
\$50,000	\$1,077 - \$1,103	60	\$64,620 - \$66,180	8.5% - 9.5%	10.6% - 11.6% APR	\$244 - \$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 95133
 6606 Pacific Blvd., Suite 214
 Huntington Park, CA 90255

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Example 2 – Marketing to an Intermediary/Referral Partner

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 \$242 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 borrowers unable to obtain traditional financing, we do not compete with banks. We actually complement a bank's 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 Lender
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hubbertson@craft3.org

CRAFT is a non-profit lender strengthening economic, ecological and family resilience in Pacific Northwest communities.
info@craft3.org >>> www.craft3.org

Can you finance this client?

NO

CONGRATULATIONS!
This client can access conventional bank financing.

YES

Is your client:

- Located in Oregon or Washington?
- Locally owned and
- A business you believe in?

NO

Can CRAFT finance your client?

NO

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 explain what they can do to become eligible for a CRAFT loan and refer the client, as appropriate.

YES

Refer your client to CRAFT. If:

- You can't find a partner in the bank, CRAFT often works better with banks to get on financing or you are unable to finance your client because:
- They have poor credit.
- The business is start-up and/or
- The business has little or no collateral.

Your bank can maintain deposit and the interest relationship with the client while they have a loan from CRAFT. After the client rebuilds their financial strength, the client can re-apply their non-relationship back to your bank and graduate from CRAFT.

Refer client to resources in our network. This may include:

- Small Business Development Centers.
- SCORE counselor and/or
- Technical assistance provider.

We are excited to help your client! We will:

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

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#5: 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 is working; revamp underperforming tactics



#6: Power of Storytelling



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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
 - Good: “Unemployed electrician”
 - Better: “Unemployed military veteran who served two decades as an electrician in the U.S. Navy Construction Battalion”
 - 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 PowerPoint presentations
- Have stories ready for any and all formal and informal speeches and conversations



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Examples of Borrower Stories

A grid of six borrower stories, each with a small image and a text overlay. The stories are:

- FCAP HITS A HOMERUN WITH OHIO SMALL BUSINESS** (Image: A hand holding a baseball bat)
- CEI BREWS SMALL BUSINESS GROWTH IN MAINE** (Image: A man in a plaid shirt in a brewery)
- HOMEWISER HOME BUYING PROGRAM MAKES DREAMS COME TRUE** (Image: A woman wearing a hat)
- SELF-HELP FEDERAL CREDIT UNION MEMBER FINDS SOLID GROUND POST-KATRINA** (Image: A close-up of a metal dome)
- RCAC CHEERS CALIFORNIA SMALL BUSINESS TOWARD FINISH LINE** (Image: A man smiling)
- CCLF AND NOTED ARTIST BRING CHICAGO BLOCK BACK TO LIFE** (Image: A classical building facade)

At the bottom of the grid, there is a copyright notice: "COPYRIGHT © 2013 OPPORTUNITY FINANCE NETWORK. ALL RIGHTS RESERVED." and social media icons for LinkedIn, Facebook, Twitter, YouTube, and Instagram.



<http://ofn.org/borrower-stories>

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Questions?



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Expanding CDFI Coverage in Underserved Areas Webinar Series

- Upcoming topics include:
 - Understanding CDFI Impact
 - *Tuesday, January 12th at 2pm ET*

An additional ten webinars will be offered starting in January 2016.



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