



12-9-2015

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Marshall, Josie, "For the Fund\$ of it: Product Development" (2015). *Honors Theses*. Paper 2704.

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Josie Marshall

Honors Thesis

23 December 2015

For the FuNd\$ of It: Product Development

For my thesis, I chose to work on my business, For the FuNd\$ of It; we are an online program designed to help schools and non-profits create successful fundraising events. While this is a vague, one-sentence description, I set out to actually figure out what this means. I transferred to WMU in 2014, and was admitted into the Starting Gate incubator at school. This was a great step to ponder on my business and get a feel for what I wanted to do; however, with school and work on the side, starting a business became a challenge. To continue my research, learn my customer market, and develop my product, I made the executive decision to use the Honors Thesis as a great business opportunity.

I started my thesis in May 2015 with my independent study, with John Mueller as my mentor. Going into this, my deliverables were to develop and sell my minimal viable product (MVP), create a more elaborate business model canvas, and create a pitch deck. For the summer months, I set out to solidify my assumptions and tweak the business model canvas, as well as change my MVP accordingly and document everything I completed. John and I set the goals of talking with at least seven potential customers each week, and we met every Friday to discuss the week's accomplishments.

With schools and non-profits being my target market, I began contacting schools. As school was winding down, and summer began, getting feedback from this group became a challenge. I walked into several schools, emailed principals, called schools and principals, and

simply had minimal luck. I branched out and started contacting non-profits and others in the community with event experience, and I had much better success with that. Over the two-month course, I was able to chat with 20 people to further develop my research. When the independent study was finished in July, I took a bit of time off from the business; however, I still made a few appointments here and there.

A bit discouraged from the success or lack thereof in my summer work, I stepped into the fall semester with my 'A' game. John gave me the wisdom to focus specifically on schools for the coming months so that I could really solidify that market segment. With my schedule, and public school hours, I was able to venture out on Mondays and Wednesdays each week. With my previous bad luck contacting schools, I knew that physically walking into schools would be the best system. So, I drove to 42 schools in the area, and I learned to ask for parent teacher organization (PTO) members' contact information, not the principal's, as I previously thought. With the contact information, I was able to email or call them directly in the early morning on Tuesdays and Thursdays. I also figured out that the best way to send an email is with the subject being "WMU Class Project Question"; that way people knew that I was not selling anything! By the time I presented my thesis, I had in depth interviews with 19 PTO members and principals.

Over the course of my research, I tested different assumptions that I had for my business, and I altered my business model canvas accordingly. I also worked with Wordpress and Just in Mind to create a prototype, which I constantly changed to match the research I conducted.

From when I first had this business idea in the summer of 2014, the business has changed immensely, and that is certainly due to the research I have done and what I have learned over time. The business started as a 'one-stop shop', but as I have talked to several PTO members and others at schools, I have found that my company needs to be more of a gap-filler than a one-stop

shop. With that being said, as I went into this for my thesis, I set out to ask specifically what fundraisers (those being the individuals who fundraise) need help with. The three most challenging aspects that I found are: finding volunteers, growing sponsorships and connections, and the lack of organization/lack of the PTO. Other areas PTOs struggle with are creating awareness for the event and coming up with creative event ideas. With this information, I was able to create different versions of my MVP in order to receive feedback on the prototypes I have created.

Originally, I thought that my competitors were websites such as Eventbrite, SignUpGenius, and Smartcrowdz. All are great online registration platforms for event coordinators. These sites also cover general information on how to have successful events, so I pinpointed them as direct competitors. Over time, I have found that many schools use these systems for their fundraising events, but these websites do not run the events. These can be great tools for me to incorporate into my business, as I would like to use online registration. With that, the real competitors are other fundraising companies such as those that encourage cookie dough and wrapping paper sales. I have found that the lower income demographic schools tend to have a smaller or no PTO group, meaning that the fundraisers are less elaborate, hence the cookie dough sales. Any other fundraising businesses are my direct competitors, however, a great PTO staff can be considered a substitute. There are schools in the area that have great parent involvement, and therefore, would not need to use my system. This is a bummer for me, but has allowed me to narrow down my target market.

All schools and non-profits and even individual people are my target market, right? Wrong! If I had not stopped in to all the schools and talked to the people I did, I would have no idea who would actually purchase my product and for how much. With all the elementary

schools that I met with (13 schools), all of them had a fun run fundraiser. This is the new rave for schools because if it is done correctly, the event makes 100% of the profit. Many of the Portage schools have the fun run system down, which from my research seems to be because Portage is generally a wealthier area than Kalamazoo (based upon the school demographics). This means that more parents tend to be involved with the schools and PTO groups consist of great parent leadership. While the Portage schools are not typically my target market at this point, later on down the road, they may want to change the event type and will come to me for some guidance.

I had someone tell me at the Kalamazoo Public School (KPS) administration building that the Portage schools would be my target group because KPS do not have any money. What I have found, though, is that in reality, Kalamazoo schools are doing fundraisers regardless, and with the cookie dough sales, they are only making 40-50% of the proceeds. With my system, they will make 80%. This is terrible compared to the 100% profit events some of the schools are producing with the fun run, so those groups will probably not need my help. That is why my target market at this point in time is public elementary and middle schools that have a lower income demographic and a lack of a PTO.

Throughout working on For the FuNd\$ of It, I have learned the different ways of making connections. On the very first business model canvas that I created, I put that the channels of reaching my clients would solely be online through my website. I have seen that online is not the best way to reach people, so that has altered quite a bit. It is evident that physically walking in to schools and introducing myself was the best way to get information. It also helped that I am a student doing research. Now that I have made those PTO connections, it is easier for me to follow up with them and let them know how the project has gone; many of them were interested in hearing back from me, too. Other than walking in to schools, it is crucial for me to do events

to get my company name out there. I had the privilege of working with a local non-profit, FOCUS Kalamazoo, to help organize a benefit dinner. With this, I was able to get hands-on experience so I know what I can improve, what my clients need from me, as well as a great way to advertise my services (my name and logo were on the brochure!).

For the FuNd\$ of It is a unique business because each organized event will vary quite a bit. As a start up company, I knew that there would be a lot of work involved to get started and establish a brand. Later on down the road, I anticipated that my business would be a system that would practically run on its own due to the website set up. When helping FOCUS Kalamazoo organize its benefit dinner this fall, assumptions I had about my business altered. Going into this, I did not think that a group would need me to stay for the entire event and essentially 'run the show'. While I enjoy doing this, it is not what I anticipated! The FOCUS Kalamazoo group had not run an event before, so it was crucial that I was there. As I thought about this, I realized that there are many other groups out there that will need me to be on site for the events. This brought up the issue of too many events and only one Josie. There will be many groups that will not need me to be the event coordinator as I was for this one instance, but one out of one was different that what I originally thought.

Another crucial aspect that I learned is the price the school market will pay for my services. I went in believing that customers would pay an upfront fee of around \$50, and then after the event was complete, would pay me 10% of the proceeds; I thought it was a pretty good deal. As I asked school members, no one was keen on paying an upfront fee. Schools do not have a large budget, so that was hard for them to swallow. Because most fundraising companies take a percentage, that is what most schools are comfortable with. Some schools were hesitant on me taking 15% because they currently make 100% with the fun run; however, those schools are not

my target market. My targeted group at this point is those that are unable to create a successful fun run or those that tend to do cookie dough sales. These groups do not typically see 100% profits as stressed earlier; they are receiving only 50% of the proceeds. Because of this, For the FuNd\$ of It taking 20% of proceeds is what seemed logical for me as a business to stay afloat, and is exceptionally reasonable for schools that are currently receiving minimal profit.

My tagline is 'making fundraising fun and easy'. When I asked PTO members for their reaction to this, several laughed or found it was simple and is exactly what they need. Out of the twelve people that I asked, nine do not think fundraising is fun. They find that it is a necessary evil, and they want to do the least amount of fundraisers as possible. Some of them are even turning to alternative fundraisers, in which parents donate x amount at the beginning of the school year so no fundraising events have to occur. With that, I found that less stress on the PTO members, volunteers, and school members is the best way to solve this issue. For the FuNd\$ of It can make this happen by creating an easy program that allows less work on the school's end. This will also make it so that more parents can participate in the event rather than working the event. Ultimately, if the process is easier, it tends to be more fun. And, the easiness comes from the services For the FuNd\$ of It provides such as finding volunteers, web page creation, and templates for various aspects.

The summer posed to be a crazy time for me because I was working full time, but was also doing my independent study. If I had to do this all over again, there would be a few areas I would change to be more efficient. The number one aspect would be to work less and spend more time on my business. The struggle was that I would take my lunch breaks and contact schools and non-profits, which was the only time I made for this important section of my research. As I worked until 5pm every day, most people do the same, which made it challenging

for me to reach out to as many people as possible. Another area that I would have changed is the time that I devoted to working on a prototype and website. As my website was intended to be my prototype, I would get home from work and be exhausted, plus I wanted to enjoy my summer. I could have spent more time learning about Wordpress and how to create a website. Instead, I spent most of my business time talking with potential clients, which is great; however, showing more of the research that I did with a prototype could have been very beneficial.

I also would have liked to spend more time on the financial side of the business. John and I spent the last week or so before my presentation cranking on financials, and John helped me understand how to think this area through. This was not a deliverable for my thesis, but it was included in the pitch deck. For every presentation I have done so far for this business, I have struggled with the financials because no one has walked me through it, and it really is just a bunch of made up, some how logical numbers. I feel that spending more time on this aspect would have made me see the business from a different perspective. The good news is that since I have dabbled in it a little bit, I can continue to learn and as I do more research, create more logical numbers.

I cannot express how much I have learned through this project and how much it will help me with my future endeavors. John pushed me in wonderful ways and helped me step out of my comfort zone. Throughout this process I have learned how much that I enjoy talking to people, but I have also learned how to talk to people. The process of finding my target market came from initially believing that I needed to talk to principals of schools, but I found out I need to talk to PTO members. After figuring that out, I started emailing PTO members, but it was at the end of the school year, so I had terrible luck. A little bit of trial and error, and I finally figured out the

best way to communicate with PTO members. This will be beneficial as I take on life and learn how to communicate with different groups of people.

Another great life skill I learned was how to research and how to ask questions. When I started, I was asking very basic and vague questions, partly because I did not know much about what I was doing, and partly because I did not know what to ask! As I progressed, I started diving deeper and began to understand how to research and how to ask questions. I had a set of interview questions that I would go through, and those altered over time, but I also could come up with questions on the fly. These questions often became another part of my research as I continued to ask them to the others I interviewed. This is so important for any job or business that I partake in down the road. Understanding what to research and why I am researching, along with the correct questions to ask to further the research is crucial. This was definitely a learning curve for me, but it was fun and will be helpful later on.

Through all of my meetings, research, and business development, I have been enlightened on the fact that I am unable to do this on my own. It is evident that I have not made it this far by myself, and going forward I need even more help. I have found that I am not exceptionally tech-savvy, and with my program being mostly online, that is an issue. I really need to find a web-developer or a partner who would like to help me with that area of the business. I also need to find someone that is able to be a 'FunSultant'; which is an individual who will be gaining clients and running different events. In order for For the FuNd\$ of It to develop, it is crucial for me to gain team members to take the company to the next level.

All in all, my thesis, For the FuNd\$ of It: Product Development, was a wonderful learning experience, and was great fun for me. I am so grateful for the Lee Honors College for giving me this opportunity, and for my committee: Lara Hobson, John Mueller, and Laurel

Ofstein for giving me guidance along the way. I know that I have been challenged in such wonderful ways, and the skills I have learned have only bettered me, and will help me be successful moving forward.