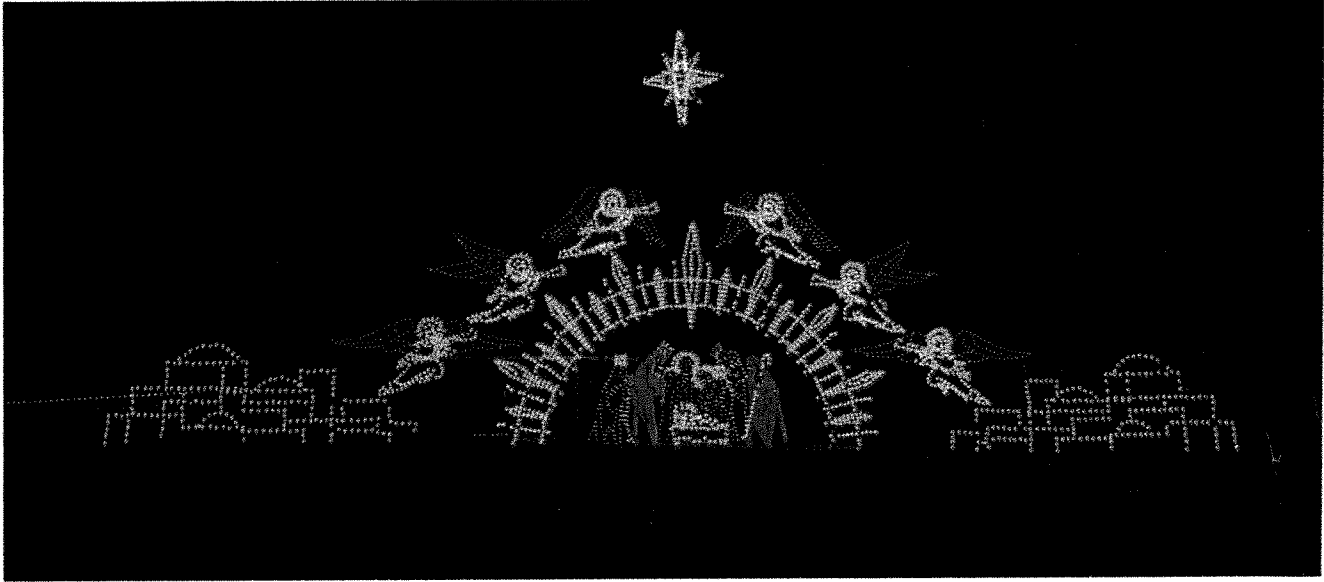


SPECIAL EVENTS



Let There Be Light

Domino's Pizza turned a public-relations nightmare into a fund-raising success, raising \$110,000 for 132 metropolitan Detroit charities.

By John Lore, president/CEO
Sisters of St. Joseph Health Systems, Inc.

What had been a liability for a major pizza corporation has been transformed into a successful fund raiser. Benefiting are more than 130 charities and human service providers who were awarded allocations through a creative process that has caught the attention of professional money raisers throughout the United States.

This transformation began in the minds of two young executives of the Hospitality Division of Domino's Pizza Corporation, Ann Arbor, Michigan. The impetus generating more than \$100,000 to be distributed among 132 charities its first year out of the chute was a creative force fueled by several business needs and personal convictions. The efforts of Haithem K. Sarafa and R. Scott Lorenz not only set several examples

in fund raising, but tell a story which will really seem quite amazing for those readers who take a few moments to look behind the scenes.

A few years ago, Domino's Pizza would set up a Christmas Lights Display at its corporate headquarters in Ann Arbor Township. The electrical display was so spectacular and so unique that people from throughout the state would drive to Domino's Farms during the weeks leading up to Christmas and view the extravagant display.

While it might seem like the holiday lights were a tremendous public-

relations asset for owner Tom Monaghan, in reality they quickly became PR nightmare producing negative press, angry calls from residents and frustrated reactions from the county sheriff and road departments. The traffic generated was so large that the surface roads could not handle the volume. Traffic gridlock was created night after night. People living nearby were delayed hours getting home. What was intended by Monaghan to be a gift to the community ended up being a community relations fiasco.

The Christmas display also was financial liability. Admission was free and so the corporation absorbed the entire cost for this "gift" to the region and state. Not counting the initial investment in the lights, it cost about \$500,000 in utility expense, labor setting up and taking down the light

Some 40,000 vehicles showed up to see Domino's Farms Christmas Lights Display, generating \$110,000 for 132 charities.

and manpower in directing traffic and securing the site, etc. And for this \$500,000 investment the company was getting nothing but grief. When the economy tumbled and Domino's Pizza began selling off properties, restructuring and laying off personnel, the idea of continuing to offer the Christmas Lights Display seemed ridiculous. And so the lights and related equipment were put into storage.

Now that the history is known, the reader might agree that what got the lights out of storage and into use was, indeed, a miracle. For those who believe in Christmas miracles, an important ingredient that gave birth to this miracle (or near miracle) is that most charities in Washtenaw County were in serious need of new money, as donations were way down from previous years. In the several counties surrounding Detroit in 1992, the United Way, Salvation Army, Goodfellows and almost every other major money raiser was falling short of its goal. The recession initially hit the Motor City hard and its prolonged continuation was drying up many other sources these organizations and several other charities relied upon. Lorenz and Sarafa both were not only keenly aware of the financial shortages facing charities, but also that the usually generous Domino's Pizza allocations for charity were shrinking each year.

Sarafa and Lorenz both are active in the community and with charitable organizations, so they did not have to be sold on the need for more to be done at a time when sound financial control and planning for the future created short-term business decisions aimed at survival. As executives in the Hospitality Division, both were

Top: The Christmas Lights Display has become a welcome event at the holidays for residents throughout the state. Middle: Haithem K. Sarafa, executive director (left); Kaye Lani Rae Rafko, co-chair and former Miss America and Miss Michigan; and R. Scott Lorenz, director, played key roles in the Christmas Lights Display. Bottom: The Christmas Lights Display featured more than 220,000 lights forming 12 different scenes on the grounds at Domino's Farms.



Lore

motivated to get the lights out of storage.

Lorenz and Sarafa also decided that the former budgets written for the light display might not be relevant for 1992. So, they started from scratch to build a new budget. They came up with a budget of \$100,000 in revenue by charging \$5 a car and cut expenses by using volunteers. The plan included relying heavily on volunteers and on sponsors.

Sarafa used his legal background to help organize and obtain tax-exempt status for a charitable foundation, Christmas Celebration, with Sarafa as executive director and Lorenz as director. The sole purpose of the foundation, a non-profit 501 (c)3 organization, was to arrange the light show and donate the proceeds to charities.

The first step in the process was to get Domino's Pizza to donate the use of the lights. With the problems of the past, there was a lot of uncertainty as to whether they would allow the event to occur. "We went and talked to Mr. Monaghan, told him of our plan and asked him for the use of the lights," said Sarafa. "He didn't have to, but he believed in us and I have to give him much of the credit because it couldn't have been done without this commitment."

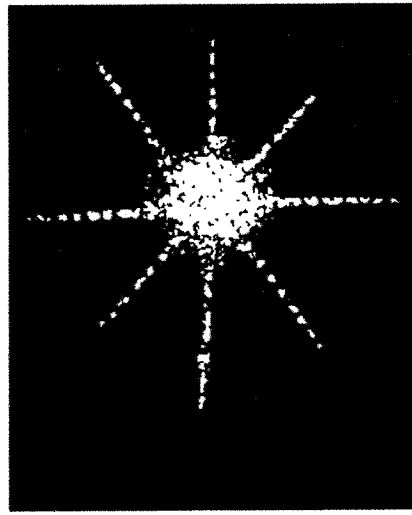
The next step taken was to invite charitable organizations to offer volunteers to donate their labor on the 1992 Christmas Lights Display. Letters went out to hundreds of charitable organizations soliciting their help. The agencies were told of the plan to use all monies raised after expenses from the Christmas Lights Display to distribute to qualifying charities. No promises were made, however, that providing volunteer labor would result in a grant being made. "We wanted no misunderstanding on this point," stressed Lorenz. "The volunteers would help hold down expenses and make more money available for charity, but we had no way of knowing whether we'd cover expenses and made that clear as crystal to everyone."

Instead, the foundation agreed to offer "bonus points" to agencies helping to reduce overhead expenses by volunteering labor. All qualifying agencies would receive grants to the extent money raised allowed, whether or not they provided volunteers.

Agencies providing volunteers would receive points for doing so in the rating system and, as a result, were likely to receive a higher monetary grant. The judging committee commended the foundation for this approach, not only for "keeping its skirts clean," but for being innovative in the distribution process.

Everyone Kept Informed

In September 1992 the foundation sent out press releases announcing the return of the Christmas Lights Display and publicly pledging to distribute to charities all monies raised once expenses were met. Two press releases followed in October announcing the selection of the Honorary Committee and encouraging charities to apply for their share of the proceeds. Another press



Christmas Lights Display logo

announcement revealed the growing list of business sponsors, giving recognition to those who signed up. More press releases were issued in November giving specific details on the event itself. This aggressive publicity campaign assured that residents of southeast Michigan knew the display was returning, that charities would benefit and that admission would be charged. There would be no surprises in 1992.

Neighbors were invited to serve on the board of Christmas Celebration, Inc. The residents who would be inconvenienced were not only kept informed, but through their representatives, were made part of the process. In September, a meeting was held with neighbors to discuss traffic flow and other concerns. The county road commission, county sheriff's depart-

ment and Ann Arbor Township officials were tuned in and kept up-to-date. Plymouth Road, the thoroughfare connecting Domino's Farms to the freeways, was widened to four and five lanes. All bases were covered to not only avoid bad public relations, but to actually build positive community relations that would pay off in years to come.

The day after Thanksgiving was the date selected for the opening of Christmas Lights at Domino's Farms. Some 15 hot air balloons were on the site from 6 p.m. to 8 p.m., Friday, November 27, for a "Balloon Glow." Lit by flames from propane burners, the 15 balloons took on the form of large Christmas luminaries. Also lighting up the night were more than 220,000 lights forming 12 different scenes on the grounds—that night and for the next 31 nights from 6 p.m. to 10 p.m. The last time the show was held in 1990 some 80,000 vehicles were clocked in at Domino's Farms. With a \$5 admission charge, Lorenz estimated 40,000 vehicles. The income side of the ledger seemed in order.

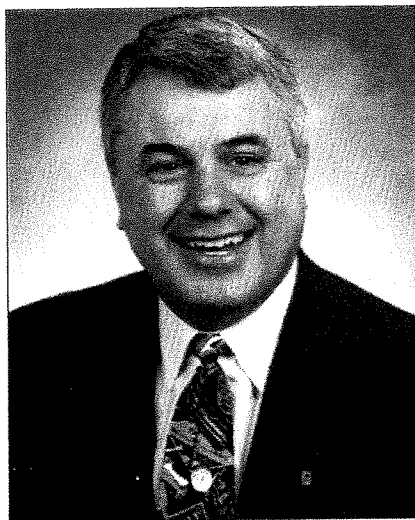
Besides volunteers, Sarafa and Lorenz planned to trim expenses by soliciting help from business sponsors—a source that could be tapped now that the display was a community activity as opposed to a Domino's Pizza activity. Because business was struggling with cash flow in the same way as Domino's Pizza, almost all the sponsors gave in-kind contributions rather than cash.

The end of the story is that 35 agencies donated more than 7,500 man hours to the project which, when added to in-kind contributions from business sponsors, cut operating expenses by 80 percent to less than \$100,000. Instead of allowing spectators to view the display free, a minimum of \$5 per car was charged. Some 40,000 vehicles were budgeted and 40,898 vehicles actually came generating receipts of \$207,257. Expenses of \$98,500 were on target leaving some \$108,757 to be distributed to 132 charities who applied for grants.

The Honorary Committee of 21 persons was charged with deciding the amount each organization would receive. Each member received copies of the 132 application forms scoring instructions and two score sheets—one to keep and one to mail in a week before the January 11, 1992

decision meeting. Members were told which 39 organizations volunteered time and the hours each provided. They were asked to rank each agency from 1 to 5: Very highly recommended (1), highly recommended (2), recommended (3), neutral (4) and not recommended (5). Each judge could suggest changing the dollar amount each agency requested. Each member identified their favorite charity and \$200 was sent to that charity in their name. The score sheets were then entered onto a computer spreadsheet program which did the calculations and produced weighted scores so priorities could be assigned each agency. Each charity was then ranked in order of preference before the January 11 meeting.

Each agency was limited to filling out a one-page application form with the organization's name, a contact name, mission statement, descriptions of what the funds would be used for,



John S. Lore was recently named president/CEO of the Sisters of St. Joseph Health Systems, Inc., Ann Arbor, Michigan. Prior to that he had served as senior vice president of St. John Health Corporation and St. John Hospital and Health Center in Detroit. Lore began his career as director and vice president of development of Western Michigan University and Nazareth College and then served as an intern for the W.K. Kellogg Foundation before returning to Nazareth College as president from 1975-1980. He was appointed president of the Michigan Colleges Foundation in 1980 and remained there until he joined St. John in 1986. He is currently chair-elect of the National Society of Fund Raising Executives.

affirmation that the applicant was a 501(c)3 organization, whether the agency provided benefits to Washtenaw County and whether it wanted to offer volunteers.

At the January 11 decision meeting, committee members had grid sheets in front of them, listing all 132 charities with seven categories of information arranged horizontally. The agencies were listed alphabetically on the left. The first column on the right categorized each agency in one of three ways:

1. volunteer organizations, 2. organizations based in or benefiting Washtenaw County and 3. organizations based in or benefiting Michigan. The next column listed the volunteer hours worked, the next the amount of funds requested and the third the numerical rating given by the committee member. The fourth column was to fill in the amount of money the committee member recommended and the final column was for additional comments. The grants ranged from \$500 to \$10,000.

The event worked so well, organizers plan to do it again this year. ♦

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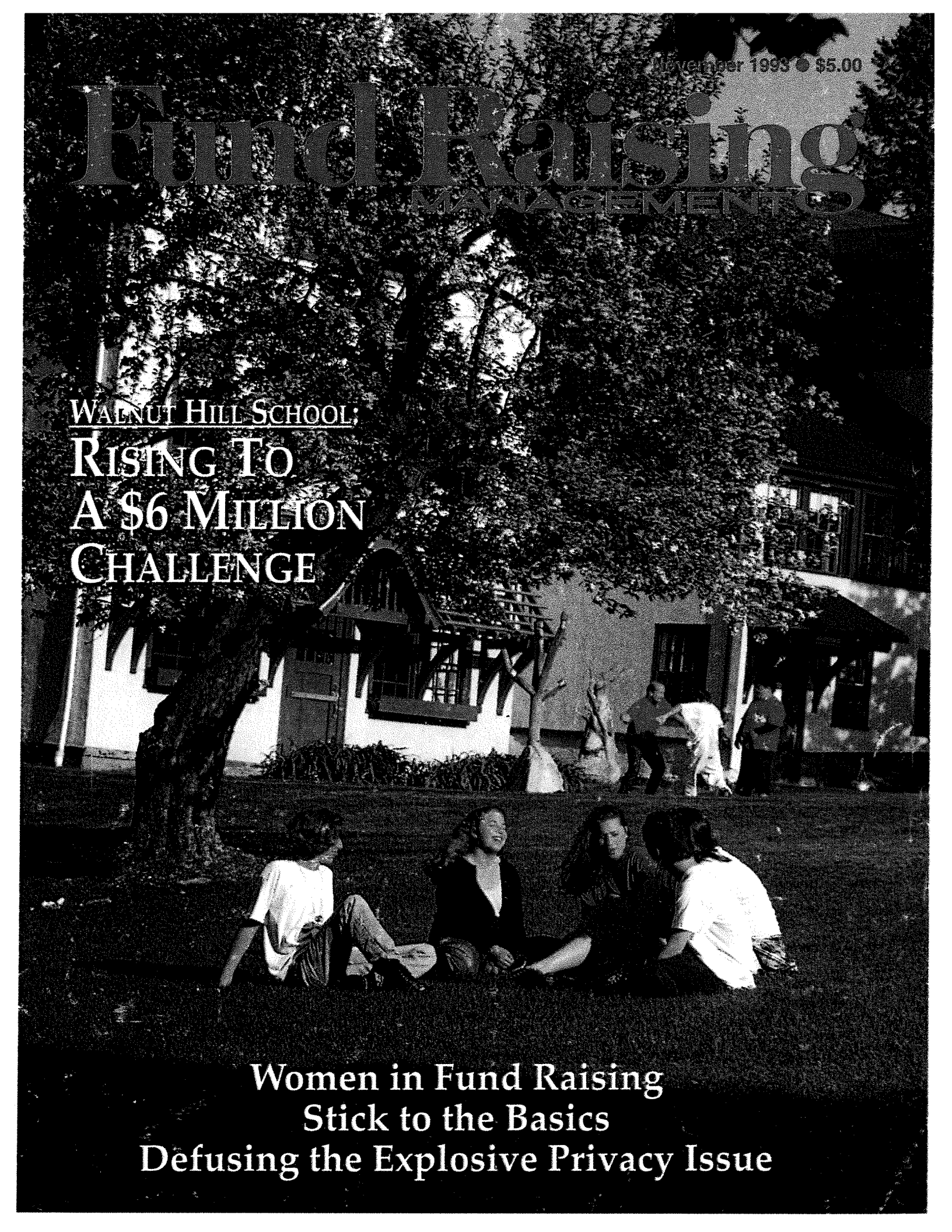
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