

I - OUTLINE STRATEGIC MARKET PLAN 2020-2024

MERCY SHIPS HOLLAND

1. Executive Summary

1.1. Money Summary & Material summary (if applicable)

MSH has the renewed ambition of € 10 MNL in 2024 this in relation to the GLM arrival and expected GLM Visit in Europe (2021). To realize this ambition 2020 will be the year to develop new/renewed strategies. We aim to double our donor database in the coming 5 years from 30.000 to 60.000 donors. This to create sustainable income growth. New manager fundraising will be hired in 2020 to help realize this ambition. Data management could be great opportunity. In 2020 we will create a data strategy to explore the possibilities and benefits. In the company KVL (bringing analytics to the people) we have great partner to help us develop our strategy. Making better use of our data will give us competitive advantage and will help us to get more revenue out of our existing database. This could potentially benefit; income, number of donors, awareness and our HR targets.

1.2. Manpower summary (related to local paid, local volunteer, alumni and crew)

Renew HR Strategy. We have the application target from 155 in 2019 to 340 in 2022. Due to this challenging HR objectives MSH will renew the HR strategy in 2020. Together with 2 HR business experts we review the current MSH HR strategy and come with new a plan to reach our goals.

1.3. Media (awareness / recognition) summary (main areas of focus to build name recognition in your nation over the coming years)

Media awareness is an important part of our communication strategy. It gives us the opportunity to get the attention of a large audience in a short period of time. We focus on different areas: Christian media, maritime media and local media. Through the year we build relationships with different media. Every year we have different pitch points to involve the media with events (like the chocolate world record).

2. Overview history and current situation

2.1. Brief description history and main developments

a) Money & Material

In the past, we were very dependent on Direct Mail revenues. We were also not forced to grow and this was a great source of income and new donors. Since 2019 we are using more fundraising channels to build our donor base.

b) Manpower for development of our human resource in terms of local paid, local volunteer, alumni and crew (application targets).

Before our focus was on the existing initiatives; introduction evenings, newsletters.

c) Media/Awareness

Together with the Global Brand team we create different campaigns. When there is a special moment (like the 100.000th surgery of the start of the public phase). We chose the right persons in our team to participate in this campaigns. We also use Prezly to create attention.

2.2. Current Strategy

a) Money & Material

In 2020 we will renew our strategies in order to reach our goal of € 10 MNL in 2024. Last year we are focusing on growth within the Major Donors group. It is a promising group. We started with the existing contacts from the database. Donors from an amount of 1,000 euros or more are approached personally. In the coming years we also want to strengthen our online presence. We have seen that by advertising online we have gained an enormous amount of (new) income.

b) Manpower – where you focus your effort.

Renew our HR strategy. Work with alumni approach their current employers and churches, proactive communication plan (social media, magazines, radio/tv)

c) Media/Awareness

We organize different events for different target group (companies, donors, major donors). For example: the chocolate event was one to create attention for Mercy Ships. We facilitate different target groups at different times.

2.3. Key Figures last 4 years (2016–2019) (See: Templates

Money/Manpower/Media)

a) Money & Material

See Template

b) Manpower - Applications and local HR

More growth in technical applications and shipyard.

c) Media/Awareness

In our communication team we have three key figures: Barend Visser (Online), Alinda Lenting (media) and Janno Kamphorst (manager).

2.4. Current Strengths & Weaknesses

a) Money & Material

Strengths: we see many opportunities to increase our support to the organization in terms of e.g. raising income. The challenge will be to choose right focus points and opportunities (e.g. legacies, corporates, individuals) as we are limited in people and budget.

b) Manpower Around the development of people (Manpower) in your nation.

Weakness, technical recruiting how and where to appeal to potential volunteers. Strength, alumni collaboration. Unity and consistency in social media, magazines, radio/tv (communication plan).

c) Media/Awareness

Strength: Mercy Ships has a great story who inspires people with different backgrounds. It 'fits' in a lot of different media.

Weakness: In Holland we don't have a great name awareness. So sometimes it's difficult to get the attention.

3. Market Situation

3.1. Brief description current market - Has your market undergone any major changes that would affect your SMP?

In the coming years we want to focus more on the 'spirituals' and non-believers. These are people who are not unwilling towards Christian work, but are no longer

Christians. We see an increasing social involvement of companies and organizations. More and more strategic partnerships are being set up.

3.2. Estimation market volume

Our primary target group is Christians. They give by far the most to charities (on average 10 times more). There are about 1 million Christians in the Netherlands. A secondary group are the spirituals (two million). The third focus group is the rest of the Netherlands.

3.3. Main market segments and developments

See 3.2

3.4. Main Players and Peers (please list the 5 main)

Primary target group: Woord en Daad, ZOA, Compassion, Dorcas en Open Doors.
Secondary target group: KWF, Hartstichting, Unicef, Cordaid, Kika.

3.5. Opportunities and Threats

Opportunities:

- Create brand awareness in the different focus groups
- Grow in volume of donors

Threats:

- Protection personal data donor makes it more difficult to raise funds

3.6. Future Trends

- Professionalization of charity market
- More willingness to give people to charities. More willingness to donate among the population.
- More legacies (till 2030)

4. Impact Strategic Options (all M's)

4.1. Continuation Current Strategy in 2020

Continuation in fundraising areas of individuals, corporates and churches. On top of the major donors, strong focus on legacies and foundations (long term strategy)

4.2. Alternative Strategies for 2021

Will be developed in 2020.

4.3. Impact of the PPCC on the P&SO income streams (short-term and long-term)

High ambition is related to the GLM arrival and expected GLM Visit in Europe (2021)

5. Main Objectives & Strategy next 5 years (2019-2023)

5.1. Objectives (optimistic, pessimistic and realistic)

a) Money & Material

- Optimistic: income from those outside the Christian target group will help exceed our targets. Major Donor Giving exceeds our expectations.
- Realistic: with the current plans outlined in this document, we'll reach our targets.
- Pessimistic: If economy is going down (e.g. as a result of the corona-virus), we will not reach our targets.

b) Manpower (related to Staff, local volunteer, alumni & crew/application goals)

How to do technical recruitment in a rather maritime country.
How to work with hospitals which have their own need for medical employees.

c) Media/Awareness (long range targets)

- Create a better donor experience.
- Create more attention for our volunteers in the media
- Create more partnerships with great donors
- Grow by the income of legacies

5.2. Strategy to achieve these objectives

a) Money & Material

Beside the current strategies as outlined in this document, we will develop further initiatives in 2020.

b) Manpower (all areas of "people" development)

Work with through and with alumni (employer, network and knowledge).
Communication plan.

c) Media/Awareness

- We create donor journeys with a clear 'welcome' and 'thank you'
- We try to arrange interviews in different magazines with our volunteers
- We make more appointments with older donors or Major Donors.

5.3. Key Success Factors - What factors are critical to ensuring your office goals?

a) Money & Material

- blessings from above
- the right human resources
- satisfying programmatic answers
- customer relationship management
- software tools (SalesForce)

b) Manpower (all areas of "people" development)

Technical recruiter focused on Holland.

Optimal support Communication department MSNL and MSO.

c) Media/Awareness

- The right qualities and people in our team (manpower)
- Good Customer relationship management

5.4. Priorities, Risks and Opportunities

a) Money & Material

- Priority: increase of brand awareness in The Netherlands and no. of donors
- Risk: Investing in name recognition without return on investment
- Opportunity: with the budget we have, try to have the biggest reach (for example: Fundraising on national TV, online awareness).

b) Manpower (all areas of "people" development)

- Priority: Technical and medical recruitment.
- Risk: planning GLM
- Opportunities: collaboration with alumni

c) Media/Awareness

- Priority: putting together the team of communication
- Risk: focus on local media instead of national

- Opportunities: Raising awareness of Mercy ships in national media

5.5. Opportunities - Based on your data, what area(s) would be best for your office to grow in?

In line with prior year, among the 'ordinary' donors we want to grow more online. We also want to create more brand awareness within our target groups. We want to reach more people through more integrated campaigns.

By deploying hundreds of alumni, we want to increase our market share. As a result, we also gain more access to churches. They each receive a speaker training.

We have our 200 major donors in the picture and through moves management we want to meet this group. Here lies a major growth plan for the coming years.

Because we have many 'old donors' there is an opportunity in the recruitment of legacies.

5.6. What resources will you use to develop growth in these areas?

We are hiring a new Manager Fundraising and Relationship Management. Last year we have hired someone on online marketing. (someone from the competitor of the big five main players).

We have extra manpower through several trainees. We follow specific courses on fundraising or donor policy.

In areas where we have no expertise, we hire it in (inheritances).

We ask the help of hundreds of alumni (people who have been on board for years) and give them speaker training. For this project we also use an old volunteer. So she comes from the target group.

We have an agency that helps us to increase brand awareness.

We want to perform a Wealth Overlay soon, should a donation be found for it. This will allow us to get our millionaires out of the database.

5.7. Potential Obstacles - What obstacles do you foresee (i.e. lack of resources, etc.)?

Lack of resources, Economic crises, etc.

5.8. What could be done to mitigate this risk?

6. Marketing Plans

6.1. Per Segment (Individuals/Families/Private Donors- Foundations, Institutions, Corporations, Legacies, Events, Merchandising, Churches, etc)

Target audience	Current state	Development
Regular donors	We have a small database of 30,000 and want to expand this to 45,000 in the coming years.	We organize more events and facilitate donors who want raise funds for us. We implement the Donor Journeys. We look at our newsletters policy. More focus on lead recruitment.
Major Donors	A list 100 people. There is a lot of contact with them.	Personal contact with each group. Moves management. Contact with 100 top donors.
Churches / schools	Good facilitation of existing group (growing part). We've got a big group of 'speakers' (alumni).	Expand speaker network and train alumni
Businesses	We have one volunteer for this group. But the group is stable every year.	Growing with different events.
Funds / organisations	At the moment we are sending out some requests, but this can be more structured.	Moves management will help us. We hired one person for one day in a week to send proposals to foundations.
Alumni	We are working on a plan to expand this group of people and make them active.	We want to activate them by bringing them all personally into contact with Mercy Ships with a speakers training.

6.2. *Per Functions (i.e. Communications, Donor Cultivation, Donor acquisition, Database, Support, Fundraising, Recruiting, Web & Digital)*

Function	Current state	Development
Communication	We have a small team, but we are well matched.	In the future we want to expand for specific parts such as organizing events or maintaining webcare.
Donor Services	Also a small team, but works very detailed.	Expanding the team and implementing a new CRM.
customer relations	Every target group (companies, churches etc.) has a relationship manager.	More cooperation with other departments (communication, donor services) to get more results from the different target groups.

7. Development Key Figures 2019-2023 (See: II – Money Template)

Please see template for objectives and information.

- 7.1. Financials
- 7.2. Expense
- 7.3. Investments
- 7.4. Donors & Donor Pyramid
- 7.5. Please fill in the number of new donors as well as the attritions.
- 7.6. Please evaluate and explain the changes in each tier of your donor pyramid.

8. People Development (See: II - Templates SMP Manpower)

SITUATIONAL ANALYSIS – Recruiting

8.1. *Were your 2019 goals for the following categories met? If not, why?*

- General Recruitment: no
- Medical Recruitment: no
- Technical Recruitment: no
- Strategic Actions

Strategy/initiatives in 2019 were rather the same as 2018. Assumed was a natural growth of number of applicants based on 2016 -2018 which did not occur.

8.2. *What obstacles do you foresee within your own nation (i.e. lack of resources, etc.) and what could be done to mitigate them?*

Technical recruitment: how to approach, appeal potential volunteers.
 Medical recruitment: how to keep (new) volunteers motivated to serve which are not accepted yet/are in the Talent Pool

8.3. *What success factors are critical to ensuring your office meets its goals?*

The right approach, managing expectations.

8.4. *Has your 2020 recruitment budget increased, stayed the same, or decreased since 2019?*

Increased.

8.5. What changes are you planning for your 2021 tactical MANPOWER plan and budget (that will be developed in the fall?)

A HR assistant will start in a few month. Member Care can be developed more and will create more time for the team to focus on recruitment (Eric) and tactical (Inge). Extern strategist will spent time with the team to explore more opportunities in recruitment.

SITUATIONAL ANALYSIS – Local HR

8.6. National HR staff development plan

Strategy for collaboration with and through alumni
Communication plan.

8.7. What have been the challenges and success in your national HR structure?

The number of alumni is growing, how to keep them all ‘warm’. Therefor we will need the HR assistant.

Introduction evenings keep being a success.

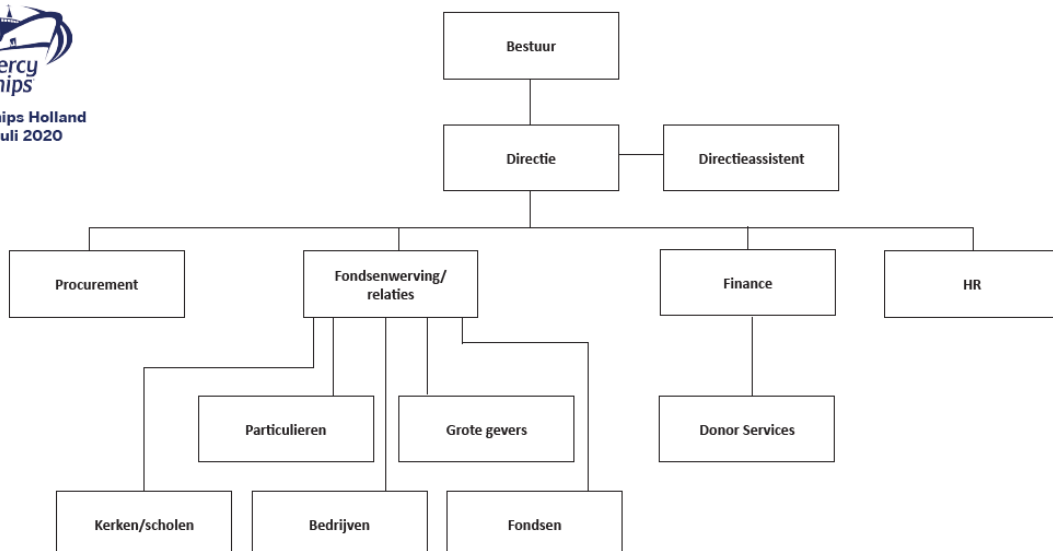
8.8. National volunteer plan - How have you been able to mobilize local volunteers to help with in country efforts to promote Mercy Ships nationally?

See 8.7

8.9. Plan of leveraging and engaging alumni in promoting Mercy Ships in your nation.

Develop and focus on Member Care for alumni.

8.10. Please add your national Org Chart and an example of what you would like your org chart to look like in 2021 and 2022 (what areas do you want to grow your local human resource.



SITUATIONAL ANALYSIS – National Alumni

8.11. *Please explain your strategy for Alumni engagement in your nation*
Twice a year organizing an event, develop and focus on Member Care, private Facebook group and newsletters.

8.12. *Please explain how your local national alumni initiatives, and our International alumni support work together, and where you can use additional support of help from MSO.*
Newsletters from MSO are translated and well received by Dutch alumni.

8.13. *Plan of leveraging and engaging alumni in promoting Mercy Ships in your nation.*
Alumni give presentations, work with office on events, introduce MS with employer.

9. MERCY SHIPS: THE BRAND & MEDIA COVERAGE (See: IV – Templates SMP Media)

9.1. *Please explain the main areas of focus or change in strategy to achieve your long range goals in National Name Recognition.*

In the coming years, we need to double our income. That is why we need to invest in the relationship with major and minor donors. The major ones in order to be able to make the financial growth as well, with the small donors in order to remain stable. That is why we want to invest in recruiting large donors and legacies. Also in offering a donor experience.

9.2. *What are the biggest changes you see for the next 5 years in the way you will apply different media channels in order to obtain media coverage that leads to more resources and more trust?*

A major focus is on serving the various target groups in a tailor-made manner. We will make more use of events to let people become part of the Mercy Ships story. More traditional methods like telemarketing and direct mail will be used less.

9.3. *Please explain in headline what you are currently doing to measure name recognition and perception of the Brand Mercy Ships in your country. If you measure, please give a brief summary of the results. (line 5 on the template)*

Right now, we don't have a research firm to help us with that. Once every few years we participate in a study by the CCP. The last time was 3 years ago. For now we mainly use our own data: website visit, number of donors and the use of Google Trends. 3 years ago we had a brand awareness of less than 10 percent within the Christian target group - which is very low.

9.4. *What are your communication target audiences, please list them. With what audience did you have the biggest breakthrough from a media perspective? What audience is giving you headaches and why?*

It is difficult to reach younger target groups in particular. They are less easily attracted, also in traditional ways. At the same time, they are interested in going on board. This is also what we are aiming for with this group.

9.5. *What initiatives does your country undertake to understand your communication target groups even better and if required, adapt messaging?*

We try to appear in many more different media: Maritime, medical and Christian. For example: at the moment we are working on a project to get through all hospitals with our own fully sponsored publication.

9.6. *What is the Media balance today, in terms of owned, earned and bought? How will this evolve in the next 5 years? What would you like to stop, start, built in terms of Media coverage?*

We're going to make more of a movement to non-Christian media. Also, through the collaboration with the Global Brand team we will be able to approach more focused media through the good facilities that are offered.

9.7. *List (on template tab 2) and explain your national market strategy for developing campaigns (Mother's day, End of Year, Matching, etc.).*

These are the most important moments:

- The May Campaign (holiday money)
- Arrival Campaign
- Own event (for a minimum of 1,000 visitors), usually in September, October
- End of year campaign

9.8. *Please describe how you think that might change the need for capacity and skills of your office and/or engagement with external agencies.*

Please describe how you think that might change the need for capacity and skills of your office and/or engagement with external agencies.

9.9. *Please explain ideas you might have related to the Public Phase of the Global Mercy Launch. Where can you leverage the existing support of the GLM Public Phase team and tools and what other areas do you plan to develop to support this opportunity?*

It is essential that we have good videos and that there is opportunity for donors to participate in small actions. It is such a big project that we need everyone's commitment.

10. MATERIAL (GIK) ANALYSIS Local and International.

There is a tab on the money template for targets. Please use this outline to explain your involvement and projections for involvement with GIK. Please, use in the Money Template (Tab 2; line 49) the separate line Capital Campaign GIK/GIS for outfitting the new ship. If you are not involved in providing GIK/GIS or in the supply chain for providing regular MATERIAL for the Africa Mercy, then leave this section blank.

10.1. *Please explain what you are currently doing in your nation in supplying our ships with needed gifts in kind.*

Now the procurement department is getting more mature e.g. by the hiring of the corporate relations manager the focus on GIK has been increased. This has resulted in € 187.000 GIK and € 159.000 discounts vs € 91.000 GIK in 2018.

10.2. (if applicable for your nation) Please explain your strategy for the development of GIK, Procurement and/or Supply chain support.

We have more focus in creating partnerships models. Making use of less suppliers by consolidation of spend. So doing more with these less suppliers which makes us an more serious partners in vendor buyer relations. With these suppliers we try to create win-win situation by exploring CSR opportunities vs good pricing / GIK products. This is beneficial for both parties.

10.3. Please list the cost saving initiatives that could help the ratios in your nation through gift or services in kind within your nation.

We are continuing the initiatives of last year and are focusing on the below cost saving opportunities:

- Reduction of suppliers
- Reduction of purchase price
- Reduction in administration
- Standardization of products

Currently we have many suppliers which a low average order value per year. For technical items around USD 500 per year per supplier. Consolidation of suppliers, bundling of volume and working with preferred suppliers will help us in cost reduction and standardization of items. More importantly besides the savings on purchase price we will gain from reduction in; administration, invoices and maintaining supplier relations. This will help us to free our time to focus on more complex purchasing projects where more value can be added.

- Exploring possibilities in reduction of process steps
Besides the above mentioned initiatives we would like to explore the possibility to reduce the process steps for standard (technical) items. Making use of an agreed and price fixed vendor catalog will be beneficial in efficient operation.