



Jeffrey Himmel

EDITORS' NOTE Jeffrey Himmel is the Chairman and Chief Executive Officer of The Himmel Group (himmelgroup.com), a marketer of non-prescription pharmaceuticals and health and nutrition products. Himmel was renowned for revitalizing brands with a rich heritage that had withstood the test of time, and then fell out of favor due to benign neglect or by becoming non-core to their owners. One such brand was Ovaltine, a brand that languished for decades. Developed in 1904, Himmel took over the brand, tripled sales and market share, and then the brand was sold to Nestle.

Himmel also acquired Gold Bond Medicated Powder when it was sold only in New England and had sales of less than \$1 million. When he sold the brand, it was the market leader in medicated skin care in the United States. Today, Gold Bond has sales in excess of \$250 million, and is owned by Sanofi S.A., a French multinational and leader in global healthcare.

Building Brands to Promote Philanthropy

An Interview with Jeffrey Himmel,
Chairman and Chief Executive Officer, The Himmel Group

Himmel is a graduate of the Wharton School of the University of Pennsylvania (B.S. Economics) and Bentley College (MS Taxation). In addition to having been a member of the Undergraduate Executive Board of the Wharton School, and the Board of Directors of the Consumer Healthcare Products Association, the trade organization for the non-prescription medicine and dietary supplements industry, Himmel was a member of the national board of directors of the American Diabetes Association and Chair of its Strategic Plan Oversight Group, tasked with the responsibility of guiding the organization in the development of its Long Term Strategic Business Plan (2017-2020) (<http://main.diabetes.org/dorg/PDFs/american-diabetes-association-strategic-plan-2017-2020.pdf>).

Jeffrey Himmel is now embarking upon a new business venture, combining the skills and know-how he acquired in business and working as a volunteer for and student of not-for-profits, by building an organization dedicated to improving the lives of Latinos in the United States, donating half of the profits to a new not-for-profit foundation to support initiatives benefiting U.S. Hispanics.

Will you explain how you plan to use your experience in building brands to promote philanthropy?

I have spent a career devoted to building brands, the majority of which we acquired at a moment when they were neglected, mismanaged, underdeveloped, in a state of major decline, hovering over the graveyard but, most importantly, they still had a heartbeat, and all had one thing in common; they were relevant with a point of difference that was meaningful to the consumer. That remaining vitality, with nurturing, could be restored to its former days of glory.

While no longer top of mind, there was this latent brand equity that was worth so much more than the revenue they generated at the time.

Within days of taking over a brand, we were investing in marketing, talking to our consumer, and that began the process of breathing new life into the brands and restoring them to their rightful position in the market.

How is this relevant to not-for-profits?

What sustains charitable organizations is the funding that they receive. It's

■

Not-for-profits have a tremendous sense of urgency around their mission and vision.

■

■

**Organizations need to make themselves stand out and grab attention.
Otherwise, they end up falling down in the differentiation department.**

■

important for them to understand what funders are looking for, and what's important to them. That means seeing themselves as a brand, because what they have is a brand, and the market is as competitive as building a brand. They are competing for share of mind and share of donor dollars in the same way that P&G and Colgate compete for shelf space and share of market.

Donors and other not-for-profit stakeholders have choices, just like consumers do, with others competing for their attention, time, and support, willing to offer a similar product or service for a penny less. It's the same dynamic in the world of philanthropy.

Are you suggesting that there is an opportunity for not-for-profits to do it better?

Not-for-profits have a tremendous sense of urgency around their mission and vision. They have a great story to tell, whether it's to support advances in science, providing for an indigent population or other underserved community, or other important causes. They face the same sorts of pressure on revenue that their for-profit counterparts experience.

Yet by virtue of not seeing themselves as a brand, they don't compete for donor dollars and share of mind in the same way that for-profits do and, in the process, can fall short of achieving their true potential.

Charitable organizations rarely fully understand their brand, its level of awareness in the market, their donors and other stakeholders' perceptions of who they are, what they stand for, and how they are differentiated from their brethren not-for-profits.

They need to drive, rather than assume, demand, and make sure that their unique selling point is meaningful and constantly resonates with their target customer.

If they don't stand out in a differentiated way, they can't build engagement.

There is a major focus today on "building customer engagement." What does that mean?

It means answering that one, key question for a potential customer, in this case, a donor or other stakeholder:

"What's in it for me?"

That's all they're interested in – talking to their needs and wants. Most organizations don't. Most messaging doesn't. Oftentimes they are more mindful of what they are going to say than in listening to what might be said to them.

Organizations need to make themselves stand out and grab attention. Otherwise, they end up falling down in the differentiation department.

A former CEO of Campbell Soup once said, "Either differentiate or die."

What is needed is not just "content" but to directly engage with the target audience, to build a passionate, emotional connection with the consumer/stakeholder/donor.

In today's digital age, marketing sometimes is subordinated to technology delivery. Frequently, the customer is relegated to a metric to be counted, rather than a consumer to be listened to, learned from, cultivated, and followed and, in the process, marketers end up alienating consumers rather than bonding with them, starting out with the call to action of "Please give" before they have even begun to engage.

■

**In today's digital age, marketing sometimes
is subordinated to technology delivery.**

■

■

**There is nothing more beautiful than the passion of a consumer –
to hear their likes, dislikes, issues, what they want from us
in the future, how and when they use our products.**

■

If the data at the small donor level demonstrates a poor ROI, it's strategically time to develop the mid-level donor, ascribing the highest value to major donors. Yet this is not always clear, for all donors' stories can inspire and engage other potential donors.

I will never forget what a legend in the ad business once said to me. We were on a plane discussing what constitutes good creative advertising and he said, "If you want to know how to sell a consumer, ask him." That stuck with me forever.

Over my career, I would receive 500 consumer letters each week, and I would read every one of them. I couldn't wait to read them because there is nothing more beautiful than the passion of a consumer – to hear their likes, dislikes, issues, what they want from us in the future, how and when they use our products. It wasn't rocket science, and I am certainly no marketing genius. I just listen and take my direction from them.

That's all I do, I listen to my consumer, and then, listen more closely.

The best part was that we would follow up with those with passion and conduct interviews with them after reading their letters.

We would sit back and listen to their stories. Those stories provided the underpinning of new product development, and we used their stories in our advertising and messaging, letting those consumers tell our other consumers about their experiences with our products.

Did you use actors and actresses in your commercials?

Never. We believed that the brand message would end up being subordinated to celebrity, and the cost of the celebrity would consume too much of our resources, leaving an inadequate level of funding to build the brand. Most importantly, there is nothing more credible to a consumer than the testimony of a fellow consumer. Testimonials say to the viewer, listener, or reader, "This is the truth." The authenticity of "real people," unlike that of an actor or actress, is never questioned. They weren't necessarily beautiful people like actors and actresses, but they told it like it is. Our consumers connected on an emotional level with other consumers.

I recall one Gold Bond user speaking of his serious foot itch, "...that itching, itching, itching, in between the toes," and our consumers would say, "That's me!"

In all due respect to the best copywriters, if they have never suffered the pain and discomfort of severe foot itch, how can they possibly describe foot itch, how can they develop that emotional connection with a consumer?

That's customer engagement, and the same is needed in the not-for-profit world.

Are you saying that selling a product is the same as selling a donor?

Not exactly, but if not-for-profits see themselves as marketers vying and competing for donors' attention, understanding the needs of their constituencies, how to satisfy their needs, answering that key question for the donor "what's in it for me," then they have a greater likelihood of ensuring that a donor's dollar doesn't go someplace else.

I always ask myself this, "Would you buy from you?"

It's a matter of seeing things from the other person's point of view and talking in terms of their needs and wants.

Simply having a marketing and communications department is not sufficient.

■

**Most importantly, there is nothing more credible to a
consumer than the testimony of a fellow consumer.**

■

■

Even within the for-profit world, the role of marketing is often misunderstood by many otherwise savvy CEOs.

■

David Packard of Hewlett Packard once said, “Marketing is way too important for the marketing department.”

Even within the for-profit world, the role of marketing is often misunderstood by many otherwise savvy CEOs. It is consigned to essentially a tactical role (advertising, media, PR) instead of the strategic, consumer-focused approach needed to have real business impact.

It requires conducting the market research to understand the competitive landscape, looking at their peers, to see how other organizations with missions that overlap and those that don't, accomplish their goals, how they stand out with messaging that is differentiated, so that they can strike a responsive, emotional chord with their donors. Those that engage donors emotionally, that capture their hearts and minds, will improve loyalty and build a more sustainable operating model. Just as I would have to satisfy an unmet need of a consumer, charitable organizations have to tell their stories and demonstrate the efficacy of their programs if they are to build donor empathy and support, and cultivate a strong bond with them. That's how you improve donor

retention rates. The rules are no different from the small individual donor to the mid-level donor, to the major donor to private family foundations, directors of corporate grants, high-net worth individuals, and those targeted for major, transformative gifts.

What is your next, new brand?

Our vision is to build a sustainable social operating model dedicated to improving the lives of Latinos in the United States, made up of a for-profit operation and a foundation. The not-for-profit will be the social expression of the enterprise, which will donate half of its profits back into the foundation to benefit the U.S. Latino community.

Our plan is to create a brand built on trust, one that delivers scale, in this case, more than 50 million Hispanics in the United States, expected to double in the next 25 to 30 years, and to undertake long-term, socially responsible initiatives in order to make a positive impact on the lives of U.S. Hispanics in the areas of health, education, and employment.

Seeing ourselves as a brand, we will listen to those we serve, “What are their

challenges in life?” and “What would make these challenges just a little bit easier?” and in the process, remain steadfast in maintaining and building top-of-mind awareness, an emotional connection with our stakeholders, and loyalty.

We anticipate being able to leverage the reputation and scale of the organization to monetize products and services in a self-sustainable way to generate profits. While profit is often considered a bad word in the social sector, we will donate half of our profits back into the Hispanic community in educational scholarships, healthcare programs for underserved communities, youth development programs, social services for low-income Hispanics, and social initiatives for new immigrants. We also anticipate finding a new class of funder to our foundation, the venture philanthropist, because a socially sustainable model takes steady support from funders who are willing to shift into that role, who are willing to make grants year after year to achieve specific outcomes.

This is the next new, exciting chapter, to build a legacy of caring to positively impact the lives of Latinos living in the United States. ●

■

We anticipate being able to leverage the reputation and scale of the organization to monetize products and services in a self-sustainable way to generate profits.

■
