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Executive Summary

America suffers from a crisis of civic participation. Countless studies have highlighted our shrinking voter turnout and our decreasing involvement in public life. On issues from military policy to health care to poverty—the majority of Americans have ceded control to the loudest voices on the left and the right.

In contrast, by 2002, more than 500,000 Americans had participated in national service programs, ranging from the Peace Corps to VISTA to AmeriCorps. Yet despite their pledge of a “lifetime of service,” there is no mechanism for most national service alumni to stay in touch or to help each other continue to make a difference.

National service alumni can become the catalyst for a renewed sense of civic engagement and citizen activism in this country. NSAN will build a powerful and modern network of people committed to changing the world for the better. ***When national service alumni are empowered for a lifetime of service, our communities grow stronger.***

The Problem

The Crisis in Civic Engagement

Americans are less involved with each other, with our government, and with social issues than at any time in recent history. Since the earliest days of this republic, civic participation—voting, doing service, starting a nonprofit, running for office—has been held up as an ideal in its own right.

Yet civic engagement is not just an abstract goal. Common sense, supported by recent scholarship, suggests that communities composed of people who get involved have less violent crime, better-educated children, and a less disparate distribution of wealth. America cannot hope to solve our most difficult social, economic, and political problems without broad democratic participation.

The Opportunity

“First, let me start off by saying that the basic concept struck me when I first read it, and now, as brilliant-- the idea that one can identify and unify those most committed to social service through their participation in national service organizations, and in that process, galvanize them to continue their work, makes tons of sense.” -- Teach For America Alum

For the past 40 years, America has benefited from the modern national service movement, made up of such programs as the ***Peace Corps, VISTA, Teach for America,*** and ***Jesuit Volunteer Corps.*** Today, there are more than 500,000 national service alumni. While this cadre of alumni has always been held up as one of the great benefits of the service movement, to date, there has been no network to help them leverage their power to make change.

Alumni are a diverse and passionate group, with valuable “street-level” experience and a demonstrated commitment to social change. Alumni are ready to fulfill their pledge of a lifetime of service.

The Solution – The National Service Alumni Network

Vision

National service alumni make the world a better place by maintaining high levels of civic engagement throughout their lives.

Mission

NSAN promotes civic activism for the common good by coordinating and supporting some of America’s most dedicated citizens—national service alumni.

- ***Inspiration*** - The NSAN community reinforces the ideals of a lifetime of service.
- ***Skill Building*** - Tools and resources that increase our members’ ability to make positive change.

Theory of Change

1. The biggest obstacle to systemic change in our communities—whether in the fields of health care, education, civic engagement, etc.—is not lack of resources or good ideas, but lack of political will and skepticism that fundamental change is possible.
2. Graduates of national service programs are a core constituency of citizens who give a damn.
3. These graduates can continue to make the world a better place, in truly significant ways.
4. A firm that offers inspiration and civic strength training to this group will allow them to define an agenda for change and leverage their power immensely.

Services and Products

NSAN is a comprehensive nonprofit network designed exclusively for national service alumni. With headquarters in the Northeast, we will maintain satellite cities in key regions throughout the United States. Most national service alumni will live and work within 50 miles of an NSAN City.

NSAN will fulfill its mission of ***skill building*** and ***inspiration*** by pairing the efficiency of ***online services*** with the power of ***in-person experiences***.

Online Services

Alumni news
National Service News
Issues
Member Benefits
Action Center
Community Calendar
Member Network
Email Forwarding

In-Person Experiences

Social Events
Reunions
Issues Forums
Action Sessions
Guest Speakers
National Summit
Mentor Program

A Proven Business Model – The Membership Association

A key to success in the nonprofit arena is financial sustainability. During the start-up phase, NSAN will be funded by foundations, angel investors, and venture philanthropists. Upon reaching a critical number of members, NSAN will become entirely self-financed through membership dues.

The Rollout

Because so much of NSAN’s value comes via in-person experiences, the organization must have a local presence. A national office will manage online activities, member communications, organizational partnerships, and general administration. Starting initially in a single location, NSAN will launch nine additional NSAN Cities by the end of Year Five.

Measuring Results

Leading Indicators (Short-Term): Membership level and growth rate, market penetration, revenue growth rate, number of corporate partnerships, geographic expansion.

Inspiration and Skill/Education (Mid-Term): Controlled surveys measuring commitment to social change, awareness of social issues, and understanding of social change mechanisms.

Civic Engagement (Long-Term): Extent to which NSAN members are more likely to run for office, attend a town hall meeting, launch a non-profit, volunteer, vote, etc.

The Problem - A Crisis of Civic Engagement

The root of many of our nation's most intractable social and political problems is a silent and creeping evil—the death of civic engagement. At a time of unparalleled wealth, knowledge, and power, too many people feel the pain of hunger, the shame of homelessness, or the fear of ill health. At home and abroad, millions of people are denied the basic rights affirmed by America's founders nearly 200 years ago—life, liberty, and the pursuit of happiness.

Americans cannot claim to lack the resources to ameliorate these problems. With a gross national product beyond \$8 trillion and a per capita GDP of more than \$30,000, it seems ludicrous that one in six children (and one in three black and Hispanic children) live below the poverty line.

Lack of expertise is also not the problem. At both the national and local levels, Americans have the knowledge to fix the problems that confront us. When faced with the challenge of placing a man on the moon, we did it. Our thriving private sector pharmaceutical companies routinely develop new medicines that extend and improve our lives.

Instead, in our hometowns and in Washington DC, Americans are facing a crisis of political will. In the field of education, for example, while a small minority of activists press at the margins for everything from market reforms to union protection, the sad reality is that the majority of Americans do not feel sufficiently empowered to get involved at all.

We cannot even begin to improve things in this country until:

- 1) Americans agree that change is necessary.
- 2) Americans believe that change is possible.
- 3) Americans understand that we can all be agents of change.

Civic engagement is a necessary precursor to community improvement.

Robert Putnam, of Harvard University, has been one of the most influential writers on the subject of "social capital"—the notion that America's strength relies upon our level of engagement with our communities. Putnam notes that by many measures, social capital is in decline.

| Trends in Social Capital (Civic Engagement) | |
|---|----------------------------|
| Description of the Measurement | The Trend [1965-1997] |
| Voted for President (among those eligible) | Down 25% (From 63% to 49%) |
| Attended a public meeting | Down 39% |
| Belong to a major association (PTA, Elks) | Down 40% |
| Charitable Giving (as % of income) | Down 23% |

Politics is perceived as a process where well-funded interest groups, representing a small minority of people, battle to control the public agenda. Civic engagement reverses that dynamic. NSAN supports a world where regular people, distinguished only by their commitment to make our communities better, take the initiative to define our foreign policy, improve our schools, and tear down the walls that divide Americans.

Civic engagement is, above all else, a tool—not the goal. We can take no pride in a society where everyone votes, yet children remain hungry; where all young people volunteer, while people die from ill health. But civic engagement can get us there—it is the difficult, messy, and necessary way that Americans solve problems.

The Opportunity - The Power of National Service Alumni

The key to the NSAN model for social change is the untapped power of national service alumni, and the unmet demand of those alumni to remain engaged in their communities. Original research from primary sources has helped us understand the history of previous efforts to organize alumni, as well as the current fragmented status of such efforts.

History of National Service

National service has seen more publicity, promotion, and expansion in the past 20 years than at any other time in modern history. [See **Exhibit 1** for a more comprehensive history of national service in America] The earliest modern service programs were the Civilian Conservation Corps (CCC) and other jobs programs established by Franklin Roosevelt during the depths of the Great Depression.

In 1961 President John F. Kennedy established the Peace Corps with three specific goals: providing social services to countries in need, educating other countries about Americans, and educating Americans about other countries. In 1965 President Lyndon Johnson launched Volunteers In Service To America (VISTA) as a domestic service program modeled on the Peace Corps. A few years later the Retired and Senior Volunteer Program (RSVP), Foster Grandparent Program, and the Senior Companion Program were launched to bring the elderly into the service fold.

In late 1993 President Bill Clinton created AmeriCorps and the Corporation for National Service. AmeriCorps was a major policy initiative supporting the work of 20,000 members in the very first year. It was also a serious compromise among leaders who alternately desired a national service program as a way for poor students to pay for college (service came with an education voucher), those who felt volunteerism was the best way to heal social ills, and those who believed that our republic depended on a generation of young people that paid a "blood-tax" in service.

Most recently, in the aftermath of September 11, President George W. Bush issued a public call to service by asking that every American perform 2 years, or 4,000 hours, of service in their lifetime.

Table A- National Service Programs

| Name | Issue Area | Founded | Members/Year | Total Alumni | Budget (\$000) |
|--------------------------|-------------------|---------|--------------|--------------|----------------|
| AmeriCorps | Service | 1993 | 50,000 | 250,000 | 525,000 |
| -TFA | Education | 1989 | 1,500 | 8,000 | 27,000 |
| -City Year | Service | 1988 | 1,000 | 6,000 | 33,000 |
| VISTA | Poverty | 1965 | 6,000 | 140,000 | N/A |
| Peace Corps | International aid | 1961 | 7,000 | 165,000 | 275,000 |
| Coro | Policy | 1942 | 60 | ~4,000 | 5,400 |
| Urban Fellows | Policy | 1969 | 25 | 703 | 750 |
| Jesuit Volunteer Corps | Poverty | 1956 | 500 | 7000 | 2,800 |
| Lutheran Volunteer Corps | Poverty | 1979 | 100 | 1000 | ? |

National Service Alumni

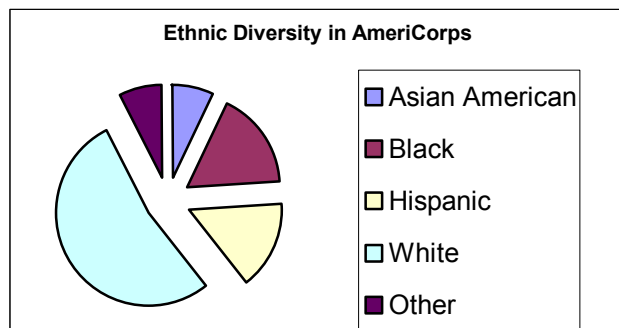
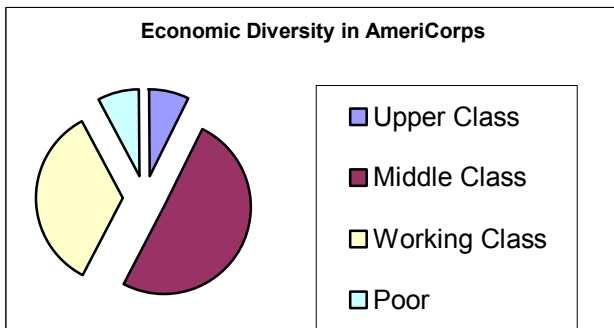
More than 500,000 national service alumni live and work in the United States. Their passion, experience, diversity, and commitment to social change make them the perfect constituency for a social action network.

Demographic Profile

Alumni are passionate - National service alumni have self-identified as some of the most caring, committed, and compassionate citizens in this country.

Alumni are experienced - With at least a year of "street-level" experience, national service alums know how to fight forest fires, teach English in Senegal, build playgrounds, start community businesses, and offer health counseling.

Alumni are fantastically diverse - Unlike many Americans, national service alums spend time working side-by-side with people from different ethnic, religious, and economic backgrounds. History has shown that even the best-intentioned social reforms, when implemented by an homogenous group of the elite, are not sustainable. For change to truly take hold in this country, Americans of every political orientation, ethnic background, geographic location, and socioeconomic class must support it. National service alums represent that rare group of Americans who really do reflect us all.



Peace Corps Alumni

There are 6,678 Peace Corps Volunteers currently serving in 70 countries around the world. Since the Peace Corps' founding, more than 168,000 men and women have joined the Peace Corps and served in 136 countries. Volunteers manage projects in the fields of education, business, environment, agriculture, health, and community development. – From the Peace Corps Web Site

Despite a mandate to "bring the world home," the Peace Corps itself has never been able to dedicate resources to alumni programming. Almost immediately, therefore, alumni (or RPCVs—Returned Peace Corps Volunteers) began forming their own affinity groups. There are more than 140 such groups throughout the country, each with a slightly different mission. Most are organized by current residence or country of service.

In 1981 the National Peace Corps Association (NPCA) was incorporated in Washington DC to help coordinate the efforts of the smaller groups. Current goals of the NPCA include: educating Americans about the underdeveloped world, supporting the network of RPCV alumni groups, supporting the Peace Corps program, and working for world peace.

The NPCA operates in a variety of relationships with the smaller alumni groups. An RPCV might be a member of any of the various permutations of their local group, their country of service group, their issue

group, and the national group. The NPCA counts 17,000 members of approximately 170,000 total Peace Corps alumni. At \$40/year NPCA membership is usually more expensive than membership in a smaller group, but includes the membership in any of the smaller groups. For example, a member of a local group charging \$25/dollars per year can “upgrade” to local and national membership for \$15 more.

The NPCA operates with a staff of 10 and a budget of \$1.1 million. Funding comes largely from memberships and conference registration fees.

The organization’s principal programs are two quarterly printed publications and periodic alumni conferences. Conferences, including the recent conference in honor of the 40th Anniversary of the Peace Corps, bring thousands of RPCVs together to hear powerful speakers, reminisce, and learn about current initiatives.

Spotlight - Boston Area Returned Peace Corps Volunteers (BARPCV)

Launched in 1978, BARPCV is one of the largest Peace Corps groups with more than 600 dues-paying members. BARPCV identifies its mission as supporting members, supporting the Peace Corps, and advocating for social or political change in a few specific areas.

The organization exists with a budget of approximately \$12,000 and an entirely voluntary staff. While some board members have expressed a desire for the organization to grow, the current volunteers have resisted a move to hire a professional staff. Approximately 10% of Boston-area alumni are involved with BARPCV.

NPCA also operates three programs designed to utilize the power of the alumni network—The Advocacy Network, The Emergency Response Network, and GlobalTeachNet. Though the effectiveness of these programs is not directly measured, their existence does indicate interest on behalf of some RPCVs to get involved in political issues through their alumni network.

AmeriCorps Alumni

*AmeriCorps is a network of national service programs that engage more than 50,000 Americans each year in intensive service to meet critical needs in education, public safety, health, and the environment. AmeriCorps members serve through more than 2,100 nonprofits, public agencies, and faith-based organizations. They tutor and mentor youth, build affordable housing, teach computer skills, clean parks and streams, run after-school programs, and help communities respond to disasters. AmeriCorps is made up of three programs: AmeriCorps*State and National, AmeriCorps*VISTA, and AmeriCorps*National Civilian Community Corps (NCCC).*

–From the AmeriCorps Web Site

Unlike the Peace Corps, AmeriCorps members do not work directly for the federal government. All AmeriCorps members serve individual nonprofit organizations, which are, in turn, funded by AmeriCorps. The largest AmeriCorps grantees, such as City Year and Teach for America, are “multi-local” organizations with a major presence in several areas around the country. Those two programs, though very influential in the national service movement, host only 3,000 AmeriCorps members each year. The remaining 47,000 AmeriCorps members are spread out among hundreds of smaller nonprofits around the country. Due to the decentralized model, AmeriCorps, too, has highly fragmented alumni initiatives.

Federal AmeriCorps Alumni Efforts

Throughout most of its history, AmeriCorps has not had any dedicated capacity for alumni. In 2000, AmeriCorps hired a single coordinator on the 35th anniversary of the VISTA sub-program. The AmeriCorps alumni program has focused principally in three areas: recruiting new members, providing housing options for current members, and building a modest online capacity for alumni networking.

National AmeriCorps Association (NAA)

Shortly after the launch of AmeriCorps, a group of influential leaders within the national service movement helped create NAA, a private nonprofit, to “encourage alumni of the AmeriCorps programs to continue to support volunteerism and to form a strong national network to leverage AmeriCorps potential.” The founders wanted to build an independent constituency to politically defend AmeriCorps from funding cuts.

Recently, a new executive director has attempted to refocus the organization around the dual purpose of member services and support for AmeriCorps. For the year 2000, the latest year for which such records are available, NAA spent \$85,265 on salaries and program expenses. Funding comes from a few foundations as well as individual contributions from members and friends.

For a time, NAA published a weekly e-newsletter with job opportunities. NAA, too, has launched an online community with message boards and a directory of its members. Recent funding difficulties have curtailed this activity. The future of the organization is not clear.

Teach For America Alumni Association

From the outset, TFA has pledged that it is their alumni who will fulfill the organization’s purpose of changing education in America. As a young organization plagued by vicissitudes in funding, however, TFA found it more important to focus on their core programs. Within the past 2 years TFA has significantly ratcheted up alumni programming, with an estimated budget of close to \$500,000 per year.

The TFA Alumni Association is a wholly subsidiary program of TFA and is charged with the dual mission of supporting TFA programs and supporting alumni in their current activities.

In addition to policy-focused events such as alumni roundtables on education issues, TFA provides the familiar online services—a member directory and message boards. The directory provides contact and employment information on over 90% of the 6,500 TFA alumni. TFA also runs their Office of Career and Civic Opportunities through its alumni program. Alumni have come to see the TFA alumni association as one of the first places they look for employment. TFA has formed partnerships with such firms as Bain & Co. and Goldman Sachs to “look favorably” upon TFA alums seeking employment. Dozens of graduate schools offer deferrals for TFA corps members, removing one obstacle to joining for college graduates who have been accepted to masters degree programs.

Teach for America is the “gold standard” of national service alumni programs. They have collected the best data, mobilized the largest staff, and spent the most money to make their alumni powerful. Alumni accomplishments are among the most prized metrics in the entire organization.

City Year Alumni Association

City Year, too, describes its ultimate success as resting upon the success of its alumni. The organization would like to see its alumni continue their civic engagement as leaders and social entrepreneurs. They hope alums will help realize the vision of national service opportunities for every young American who so chooses. Some staff members are also eager for alumni to become a funding stream for City Year.

City Year has had difficulty finding sustainable financing for alumni activities. In recent years it has sought to build a database of alumni, maintain relationships where possible, and coordinate alumni involvement in City Year events. Alumni may look to the City Year website for links to online job sites,

and can always walk in to the local office for general help. Total current spending on alumni programming is estimated to be around \$50,000 per year.

Other AmeriCorps Alumni Programs

Alumni want programming and structure. There are dozens of examples of organizations, such as Oregon Friends of VISTA, that continually spring up to help alumni stay in contact and maintain activism. Without a sustainable model, these associations usually become defunct within 5 years.

The Time is NOW - The 10th Anniversary of AmeriCorps in 2004-2005

The legislation enabling the creation of AmeriCorps was signed in 1993. The first group of AmeriCorps members started work in September of 1994, becoming alumni around May of 1995.

September 2004 to May 2005, therefore, represents an important symbolic and historic moment in which to launch a meaningful alumni initiative. Thousands of AmeriCorps Alumni –**and national service funders**–will be energized by the 10th anniversary and can be recruited to the NSAN cause.

Other Service Programs Alumni

In addition to the Peace Corps and various AmeriCorps programs, there are dozens of smaller service programs throughout the country.

In 1989 alumni of **Coro**, a year-long public-service fellowship, established the Coro National Alumni Association (CNAA). Though Coro has existed since 1942, only recently have the alumni been organized for mutual and organizational support. Alumni receive a bi-annual newsletter, and can receive regular jobs and news updates by email.

Other service programs include **Jesuit Volunteer Corps, Lutheran Volunteer Corps**, Princeton University’s **Project 55, Northwest Youth Corps, New York City’s Urban Fellows**, and many more. Every one of these programs is interested in building alumni capacity, but faces resource constraints and the obstacles of small scale.

Table B – Alumni Programs

| Name | Alumni Program Start | Status | % Alumni Enrolled | Alumni Budget | Staff |
|--|----------------------|--------------------|-------------------|---------------|-------|
| Corporation for National And Community Service | 2000 | Department | n/a | \$60,000 | 1 |
| National AmeriCorps Association | 1995 | Ind. Nonprofit | 10% | \$100,000 | 3 |
| TFA Alumni Association | 1997 | Department | n/a | \$500,000 | 7 |
| City Year Alumni Association | 1997 | Department | n/a | \$50,000 | 1 |
| Friends of VISTA | ? | Ind. Nonprofit | n/a | \$0 | 0 |
| Oregon Friends of VISTA | 2001 | Private Initiative | n/a | \$0 | 0 |
| National Peace Corps Association | 1981 | Ind. Nonprofit | 10% | \$1,200,000 | 10 |
| Boston Area Returned Peace Corps Volunteers | 1978 | Ind. Nonprofit | 10% | \$14,000 | 0 |
| Coro National Alumni | 1989 | Ind. Nonprofit | n/a | \$26,000 | 0 |

The Solution – The National Service Alumni Network (NSAN)

Vision/Mission/Theory of Change

Vision

National service alumni make the world a better place by maintaining high levels of civic engagement throughout their lives.

The vision of the National Service Alumni Network is of civic engagement as a means to an end. There is no glory to voting, running for office, or starting a nonprofit if we do not improve people's lives.

We imagine NSAN as vibrant community of citizen activists. The catalyst for change in any number of important issues—from health care to education to foreign policy. Members will seek each other out online and in-person as they look for jobs, learn about policy, or start their own initiatives.

Just picture it—hundreds of thousands of Americans, diverse in every imaginable way, yet united by the commitment to positive social change. How can we fail?

Mission

NSAN promotes civic activism for the common good by coordinating and supporting some of America's most dedicated citizens—national service alumni.

- ***Inspiration- NSAN builds a community to reinforce the ideals of civic engagement and a lifetime of service.***
- ***Skill Building- NSAN provides tools and resources that increase our members' ability to make positive change.***

Inspiration is the idea that even the best of us need a periodic reminder of the world outside. One of the most compelling images of national service is that of the Ivy League graduate, working side by side with a high school dropout. National service bridges the divides of race, wealth, gender, and geography.

National service is an apathy-killer. Liberal or conservative, it becomes impossible to ignore the problem of poverty, for example, after working in an inner-city classroom. National service alumni are more educated and more passionate because of their first-hand experience.

Yet passion fades. After two years teaching English in a poor African country, the Peace Corps volunteer returns home, and looks for a "regular" job. Many will work as teachers or in the nonprofit sector, but the immediacy of the lessons learned in that foreign land grows fainter.

For alumni, NSAN is an "apathy prevention program." We do not let you forget. You constantly meet with, read about, and even mentor young Americans who are just getting involved in national service. You receive email alerts about the issues that are important to you. And because you stay energized, you are more active and more engaged.

Skill Building is a commitment to lifetime learning. Just as a weight lifter will go to the gym to build muscles for the next competition, NSAN members leverage their passion, energy, and knowledge to become more powerful citizens. A powerful citizen understands all sides of a policy debate. A powerful citizen stays informed of the latest developments. A powerful citizen knows how to engage other citizens in "deliberative democracy." And a powerful citizen understands the mechanisms of making real change—on their street, across our country, and around the world.

"Those of us who care need support and need to be encouraged to think beyond our daily domains. In my work, I need to be forced to step outside my daily demands and dream a little. I need to be supported in this dreaming process and reminded of why it's OK. I'm terrified that someday soon, I'll lose the passion and the fire." – NYC Urban Fellow Alum

Theory of Change

Underlying every basic social movement is a theory of change—our conviction that the work we do will change the world.

- 1. The biggest obstacle to systemic change in our communities—whether in the fields of health care, education, civic engagement, etc.—is not lack of resources or good ideas, but lack of political will and skepticism that fundamental change is possible.***
- 2. Graduates of national service programs represent a core constituency of citizens who give a damn.***
- 3. These graduates can continue to make the world a better place, in significant ways.***
- 4. A firm that offers inspiration and civic strength training to this group will allow them to define an agenda for change and leverage their power immensely.***

Put quite simply, NSAN is a catalyst to kick-start the work of 500,000 change-makers.

Value Proposition to Stakeholders

NSAN provides a tremendous value to members through our online and in-person services. But NSAN must also work with a number of partners in order to fulfill our mission. Our value proposition to all stakeholders is outlined below. Due to the efficiencies inherent in providing services to tens of thousands of members, ***NSAN is uniquely positioned to provide a top quality alumni experience to all national service alumni.***

Value to Members

Over one hundred national service alumni were interviewed to learn about our constituency's needs and desires. Alumni primarily express a feeling of separation and isolation from the important work they did. NSAN's products and services solve this problem by providing the following:

- **Connection to friends** – In many ways, NSAN acts as a typical alumni organization. Members want to know how to contact their old friends, who got married, where they are now. This sense of connection also helps them to normalize their "re-entry" into a world where everyone isn't working full-time to make change. A sense of connection and community is one of the strongest tools for preserving inspiration and passion.
- **Connection to service program / non-profit host** – Alumni also crave information about the service program (such as AmeriCorps or Jesuit Volunteer Corps) and the specific site (health clinic, forest, homeless shelter) where they served. Currently, most programs do not have the capacity to contact alumni and keep them up to date.
- **Connection to the social change movement** – Regardless of location or type of service, most corps members feel that they are part of a group of people who are trying to change the world. One of the most powerful things NSAN can do is preserve and strengthen this sense of community. Remaining active also means having access to **opportunities to have an impact** and **tools to enhance impact**. NSAN's products and services allow members to tackle a broad range of issues in a variety of ways.

Value to National Service Organizations

The cooperation of national service programs is a vital element of the NSAN member acquisition strategy. These organizations control access to the current corps and possess information on existing alumni. While there are hundreds of organizations utilizing corps members, they exist within three main categories.

Direct-run Government Programs – Including VISTA and the Peace Corps, these programs represent approximately 50% of the existing pool of alumni, but only 15% or so of today's corps members. These programs have traditionally worked with alumni organizations by allowing graduating corps members to opt-in to a contact information sharing program. These government programs also maintain offices in every state, providing local knowledge. These programs will get value from NSAN in two ways:

- *Common mission* – Both the Peace Corps and VISTA were created explicitly with the notion that alumni would continue to make a difference in the world. Though neither organization has had the capacity to support this goal, they continue to be extremely mission driven organizations and will appreciate NSAN's alignment with their goals.
- *Constituency for national service funding* – National service programs have been politically fragile. NSAN will represent an independent constituency of hundreds of thousands of voting Americans who can testify to the power of national service.

Independent National Service Programs – From Coro to the Jesuit Volunteer Corps to the New York City Urban Fellows, whether funded by government, religious, or other philanthropic sources, these programs can only gain from NSAN. Benefits include:

- *Stronger value to prospective corps members* – In addition to all the intrinsic reasons a person would want to serve their community, service programs will now be able to offer admission to an exclusive membership organization that creates a lifetime of value.
- *Strategic value of organized alumni* – Alumni can be a resource for recruiting, expansion, and board governance. When alumni stay in contact with their service organization, that organization can realize all the benefits that directly support their missions.
- *Funding support* – Independent service programs have never been able to realize the potential financial support from alumni. NSAN will increase the number of active alumni, increase contact with active alumni, and thus increase contributions.

The "Majors" – Teach for America, City Year, and Public Allies – These three, though representing only 5% of current national service corps members, are the ground-breaking organizations that essentially created the modern national service community. Each of these three has made substantial investments in alumni programming, and each has tremendous benefits to gain from NSAN. In addition to all the benefits listed above, the Majors will get:

- *Help with data management* – NSAN will take on the time and resource intensive task of managing databases of names and addresses
- *Co-branding* – TFA, City Year, and Public Allies have built important brands that will be enhanced and highlighted by NSAN products.
- *Huge alumni investment* – With a budget of more than \$1 million, NSAN can dedicate much greater resources to building a quality alumni program.
- *Strength in numbers* – NSAN is a mechanism to "spread the word" to hundreds of thousands of potential spokespeople.
- *Revenue sharing* – NSAN will deliver a portion of the annual dues from these alumni directly to the service organization.

Services and Products

NSAN is a network, first and foremost. To that end, NSAN seeks always to find a content partner to supply information or activities for our members. For example, service organizations will be responsible for contributing alumni news, national nonprofits will supply content on political issues, and local educational organizations may help with our skill-building initiatives. NSAN will also seek to outsource

technology development to the extent possible. [See **Exhibit 3** for a matrix comparing NSAN products to those of other alumni groups.]

Online Products: "MyNSAN" Web site

The MyNSAN Web site will leverage the power of the NSAN network by enabling NSAN members to communicate with other NSAN members, to learn about national service news, and to receive timely updates on local events that are relevant to the NSAN community. The major components of MyNSAN are listed below. [**See Exhibit 2 for a mock-up of the web site.**]

My Alumni News: This component will enable members to stay up to date on what is going on with their service organization (e.g. Teach for America, AmeriCorps, etc.) and the alums of that organization. Functionality will include:

- *Alumni Happenings:* alerts members about news related to their fellow alums.
- *Alumni Profile of the Month:* profiles an alum from the service organization about his/her recent service contributions.
- *Latest News:* covers the latest news about the organization itself and topics such as the organization's recent accomplishments.
- *Donate Now:* enables members to donate directly to their service organization.

National Service News: This component will rotate "My Alumni News" content from the various member organizations to give members a sense for what is going on in service organizations other than their own member organization. Furthermore, the component will contain the same pieces of functionality as "My Alumni News." The Donate Now button will allow members to donate to NSAN as opposed to their member organization.

My Issues: This component will allow members to select news feeds they want to receive on various service topics. For example, a member might choose to see news on public education and homelessness. The news associated with this component will be fed from third party organizations.

NSAN Benefits: This component will alert members about benefits that are available to them as NSAN members. NSAN will negotiate a host of deals and programs to allow NSAN members to make their hard-earned dollars go further. From travel to insurance to education-related discounts, NSAN Benefits will be a compelling reason for corps members to want to join NSAN. NSAN alumni will receive an "I Serve" card that they can use with participating vendors. Vendors will want to partner with NSAN for both the public relations value of supporting our nation's heroes and ultimately, for the business value of tapping into our membership base.

Action Center: This component will provide a set of resources to help members get involved in service and interact with fellow NSAN members. Functionality will include:

- *NSAN Mentors:* members will be able to sign up to become or to find a mentor that matches his/her interests. Members looking to serve as a mentor will be able to submit profiles on their backgrounds. Members looking to find a mentor will then be able to search on this information to find a mentor.
- *Training Opportunities:* members will find links to information on various training needs. For example, a member might find links to information on writing grants, developing strategic plans, developing budgets, how to start a community program from scratch, etc. This information will largely remain static and will link off to other Web sites.
- *Get Involved:* members will be able to search for service opportunities from a service such as volunteermatch.org.
- *Influence Legislation/Lobby Government:* members will be able to find resources on how to influence legislation and lobby various government bodies. For example, a member might find links to information on writing letters to senators or how to stay up to date on current legislation. This information will largely remain static and will link off to other Web sites.

- *Run for Office*: contains links to a variety of Web sites that contain information on running for both local and national positions.

Community Calendar: This component will contain information on events going on in a particular member's community. Content will encompass NSAN sponsored events, events being run or promoted by NSAN member organizations, as well as relevant date in the history of national service. For example, event listings might include:

- National 10th Anniversary Conference- 2 days of networking, high profile speakers, workshops, and Congressional lobbying on behalf of national service.
- Networking Happy Hour – Meet new people! Renew old friendships!
- Panel Discussion- Starting a nonprofit
- Day of Service with City Year—Plant a community garden.

The Network: This component will allow members to leverage the NSAN network by finding people with common interests and by submitting information on their own interests. Functionality will include:

- *My Profile*: members will be able to input information on themselves that they want other members to be able to see. Information will include service experience, work experience, contact information, service interests, and NSAN mentor status (i.e. whether they are currently a mentor, whether they are willing to be a mentor, etc.).
- *Search the Network*: members will be able to search on attributes associated with members to find people they are interested in. For example, a member might conduct a search for "members in my city, with an interest in education, and experience in educational policy."
- *Message Boards*: members will be able to post messages to the NSAN community on any area of interest or concern of relevance to the NSAN community. An NSAN editor will monitor the message boards periodically to ensure that relevant conversations are being had. NSAN will use a third party service for the message board functionality.
- *NSAN Member Statistics*: NSAN will record statistics regarding its member population so that members can gain insight into NSAN's progress as an organization. Listings might include: # of total NSAN members, # of new members this month, # of new members this year to date, etc.

Email Forwarding: Through this component, members will be able to sign up for an email forwarding address at ___@NSAN.org. When a member changes primary email addresses, they can come to My NSAN and change their email address; their NSANmember.org email address will then forward their email to their new address. This feature will enable NSAN members to easily keep track of one another without having to retain contact information. Members will be able to view members' email forwarding addresses when they search for members in the Network section of the My NSAN Web site.

Email Newsletters: Through this component, members will be able to sign up for the NSAN email newsletter. Initially, the organization will support a single monthly newsletter that contains timely information on NSAN and its member organizations. Over time, as the organization grows, NSAN will support newsletters that contain local service information in addition to national content. At first, NSAN may be able to support this functionality internally; as the number of newsletters grows, NSAN may have to outsource the delivery of newsletters to a third party.

In-Person Services

"From the people I know who have done any extended sort of service, they have often talked about how they wish they could integrate their service experience into their day-to-day lives more. They also seem to make instant connections with other people who have done similar service work." – City Year Alum

Online activities are cost-effective and geographically broad. However, the heart of a true community is the face-to-face interactions. After all, such experiences were what created a community of national

service alumni in the first place. The heart of NSAN, therefore, is a robust variety of events and gatherings that support our dual mission of **inspiration** and **skill building**.

Social Events include happy hours, potluck dinners and other small, intimate events through which alumni can network and socialize. These events will take place at least once per month and will serve as the foundation for building community among the alumni.

All-Corps Reunions will be staggered throughout the year. For example, in a single year NSAN will host 1, 5-10, 11-20, 21-30, and 30+ year reunions in a given geographical region to encourage people to re-connect with old friends and with the national service movement.

NSAN University is the mechanism by which members stay informed, connected to action, and gain the skills necessary to make big change. "NSAN U" will include:

- **Issue Forums** are local, issue-specific panel discussions that will offer the opportunity to learn about different perspectives on controversial issues in an intimate and non-confrontational setting. Issues might include the death penalty, education reform, or international trade.
- **Making Change** are our skill building offerings, ranging from the more general "How to Make a Difference in your Community," and "The Transition from a Year of Service to a Lifetime of Service" to the specific "Starting a Nonprofit" or "Running for School Board."
- **Action Sessions** are specific days set aside for members to discuss how to take action on a particular issue facing the local, national, or international community. While NSAN takes no official position on particular issues, the organization makes it possible for members to act directly for change.
- **Guest Speakers** such as prominent alumni or active community members will be available to members in an exclusive environment.

National Summit is a two-day conference that will take place annually, beginning in year three. The theme of the summit will revolve around issues of service and civic engagement, with subjects such as "The Value of National Service," or "Civic Engagement in the 21st Century." Alumni will participate in a service project and will receive training on the most current and effective tools of civic activism. This will also be a key opportunity to identify and prepare the most qualified alumni to run for political office.

Mentor Program will pair each new member with a mentor who has been a national service alum for at least four years. Pairs will be matched based on their interest area and location. The younger alumni will benefit from the experience and awareness of their mentors; the older alumni will be refreshed by the idealism and energy of their mentees.

Rollout and Expansion Plans

Nationwide NSAN Services

NSAN will launch its national web site on day one, and will offer all alumni the opportunity to become members through its site.

NSAN Cities

Ultimately, we believe that to achieve the mission of maintaining high levels of civic engagement among national service alumni, in-person interactions will be necessary. To this end, we plan to develop satellite city sites across the country.

We will begin with a pilot in Boston, a city that has been selected for its high concentration of existing national service corps members, alumni, and service organizations. We will offer our In-Person Services described earlier for one full year in Boston to refine the model and prepare for the regional launch in year two. Boston will also serve as the national headquarters for Nation-wide NSAN services.

In year two, from our Boston office, we will launch our In-Person NSAN program in two additional satellite cities. Part-time event and recruitment managers will be hired in each NSAN City to organize the NSAN events and meet city-specific recruiting goals. To leverage resources, NSAN will not maintain physical offices in these satellite cities.

In year three, we will launch two additional NSAN Cities, bringing us to five total cities. At the end of year three, we will have reached a critical mass of membership for us to hold our first annual national NSAN Summit.

By year five, we will have completed the initial rollout of our field operations, with ten satellite cities in place, and the remaining membership served by our online presence.

Member Recruitment and Retention

Member Segmentation

The universe of potential NSAN members can be divided into four discrete groups:

- **Graduating Corps: In an NSAN City** – These are current national service participants residing in one of our satellite cities. We will seek to enlist this constituency at the completion of their program through efforts described below. 70% of graduating corps members live in the ten NSAN Cities where we will offer In-Person services.
- **Graduating Corps: Nationwide NSAN** – These are the current national service participants who will have the complete array of online services available to them. We expect to achieve a small penetration rate at first, through email marketing and direct mail efforts, and to grow that penetration over time as a result of network effects.
- **Existing Alumni: In an NSAN City** -- These are alumni who reside within an NSAN City. We will recruit a critical mass of this base as we enter each new city so that they can serve in the NSAN Mentor Program and assist NSAN with future recruitment of graduating corps members. Tactics will include phone banking and partnering with local alumni organizations. 60% of existing alumni reside in the ten satellite cities.
- **Existing Alumni: Nationwide NSAN** – These are alumni who will have NSAN’s online services available to them, and will also be able to attend the national summit beginning in year three.

The financial models show conservative assumptions about penetration rates over the first five years in each one of these four groups.

Recruitment Tools

NSAN will recruit members through outreach to service organizations. Our goal is to develop partnerships with five large service organizations in year one. These service organizations will distribute marketing material to corps members that highlight the education and career networking benefits of becoming a member of NSAN. The aim is for service organizations to invite their members, upon completing their exit interviews, to opt-in to the NSAN membership and to have the organization withhold the membership fee from their final paycheck.

Two recruitment tools are highlighted below:

Service Organization Partnerships – The most effective way to recruit graduating corps members will be through partnerships with local service organizations. The challenge organizations like the National AmeriCorps Association has faced in developing a membership base, coupled with the clear demand for an alumni organization at the local level, indicates that local partnerships, or a “bottom-up” recruitment strategy, is key.

Direct Marketing to Corps Members – Each year, NSAN will conduct a grassroots marketing campaign to promote the benefits of membership in the alumni association. As part of its satellite city development efforts, NSAN will host events for existing national service participants that help to prepare them for “life after service.” These events will feature national service alumni who offer career advice, networking workshops, and information about all of the services they can tap into as alumni. They will be asked to become members of the alumni organization at that time by advance paying their annual membership fee.

These local recruitment events will coincide with other NSAN member events to best leverage the assets of the organization. At these events, member alumni will enjoy serving on panels and offering advice to the current corps members. Current corps members will come to understand the benefits of membership with NSAN.

Pricing Strategy

Member associations that offer comparable products and levels of service (like AARP to AMA) charge annual dues between \$10 and \$120 per year. Our pricing strategy is simply to cover all program costs at a price that is affordable to all members.

Members will be charged \$15 per year. In subsequent years, members of longer tenure will be encouraged to contribute at higher levels, according to their longevity. This strategy is frequently seen in charitable appeals, where a targeted level qualifies for membership, but a note asks “Won’t you please consider contributing at *this* amount.”

Retention

Research data suggests that once a member has committed to join a membership association, defection is rare. Our membership growth rate was estimated with a conservative 20% / year attrition rate.

Staffing Plan

National Headquarters

Executive Director (Full-Time)

Management responsibilities include strategic direction, fundraising and reporting, partnerships and alliances with other civic engagement programs, service organizations, government agencies, and the private sector, human resource management, geographic expansion to 10 cities in 5 years.

Membership Director (Full-Time)

The Membership Director is the “face” of the organization to the membership. S/he visits current corps members and alumni to tell them about NSAN. S/he also plans and executes all in-person events, as well as communicates with members to gather content for online and other products.

Infrastructure Director (Full-Time)

The Infrastructure Director owns the “back-end” of NSAN. S/he resolves technology issues, works with IT contractors, and manages relationships with content partners.

Satellite NSAN City

Membership Manager (Half-Time) See above

Contracted Tasks

- Accounting
- Legal
- Web Design

A Proven Business Model – The Membership Association

Building a broad-based, subscription-funded activist network for national service alumni has never been tried before. But membership associations have a long and proven history around college alumni, professionals, and issue-focused political constituencies. These organizations demonstrate the effectiveness and sustainability of the membership model. Here are some examples:

- College-based Alumni Associations
 - Harvard Alumni Association
 - University of Texas “Exes”
- For-profit Alumni Groups
 - Classmates.com
 - The Square
- Issue-based Membership Associations
 - Sierra Club
 - AARP

College-based Alumni Associations

Associations of college graduates are among the oldest and most established organizations in the United States. While all such alumni associations provide a forum for students to remain connected to their school, the primary focus and organizational structure depends on the charter of the school.

Private schools, such as Harvard University, tend to run their alumni programs in-house, with the express purpose of generating revenue for the school. Harvard provides comprehensive career services via an online alumni network, several high-quality publications, and access to nearly 200 Harvard clubs.

Public schools, such as the University of Texas, tend to have independent nonprofit alumni associations. UT has the Texas Exes, with a 40-person staff and \$9 million / year in program revenue. Because UT is publicly funded, the Texas Exes focus on social events, career networking, and legislative advocacy to increase the school’s annual budget.

For-profit Online Alumni Groups

A relative newcomer to the world of alumni associations, alumni websites have been among the few survivors of the dot-com crash. Classmates.com provides tools for school alumni, military veterans, and even company employees to stay in touch. Classmates provides a free limited membership, but charges an annual fee of \$36 for more comprehensive services such as the ability to access contact information on classmates or chat with them online. 31 million Americans have registered, and 1.7 million are purportedly paying the annual fee, providing more than \$7 million per month in revenues. Classmates' principal benefit is the opportunity to contact lost friends, though some limited membership discounts—5% off a vacation planner or 40% of mail-order steaks—do exist.

Issue-based Membership Organizations

Unlike college alumni associations, which can exist solely to funnel funds to the school, national service alumni associations often are intended to serve a broader social purpose. In this regard they are similar to political membership organizations such as the National Rifle Association or National Organization for Women.

AARP is the “800 lb Gorilla” of these organizations. Representing 35 million people, fully 50% of American seniors, AARP makes lists of most politically influential organizations every year. The mission is to address “the needs and interests of persons 50 and older. Through information and education, advocacy and service, we seek to enhance the quality of life for all by promoting independence, dignity and purpose.” AARP is a highly centralized bureaucracy, with half a dozen monthly publications, including

Modern Maturity, the widest circulating magazine in America. AARP derives revenues of \$500 million in part from annual dues and publication subscriptions.

Members receive substantial discounts at movie theaters, car rental agencies, and hotels nation-wide. Members also have exclusive access to insurance and financial products provided under license by AARP partners. AARP derives substantial revenue from these licensing agreements.

Thousands of volunteers administer AARP’s driver safety, grief & loss, and tax consulting programs. AARP has recently launched a series of senior athletic events, including mini-triathlons.

In mobilizing millions, in identifying a revenue stream, and in building a powerful advocacy force around a common agenda, AARP is a model for any membership organization.

Financial Analysis

[See **Exhibit 4** for detailed financial statements]

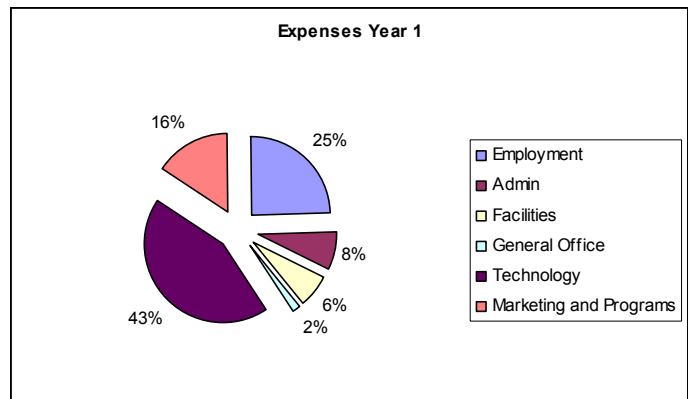
Revenue Sources

NSAN derives operating revenues from membership dues. Our intention is to rely on these streams as the sole source of funds used to operate the business. As a result, adoption rates and the dues schedule are critical assumptions within the model that will be validated during early operations.

Additional revenue streams will likely be generated as the business matures. These may include fees for services (e.g. premium services, conference fees) and partnership fees from travel, retail, or financial services partners. NSAN may also engage in revenue sharing with major national service organizations.

Major Expenses

Staffing, Programs, and Technology make up the bulk of expenses for NSAN in Year 1. NSAN must make a significant initial investment in information technology—including databases, web site, and servers—in order to deliver quality online services. Marketing and Program expenses are the costs of recruiting new members and delivering a meaningful and fun in-person experience in NSAN cities.



Start-up Capital

NSAN’s growth will be funded through operations and via donations, foundations, and venture philanthropy. Significant investments are likely to include IT infrastructure and possibly additional facilities. Founders will leverage extensive connections within the national service community.

Early stage funders are likely to come from three groups:

Venture Philanthropists / Foundations for Social Entrepreneurship

Organizations such as New Profit, Inc., Ashoka, and Echoing Green focus on providing early stage capital to nonprofit and other social sector initiatives.

Traditional Foundations

Several American foundations, including the Pew Charitable Trusts, the Wallace-Readers Digest Foundation, and the W.K. Kellogg Foundation, have dedicated funding pools set aside for civic engagement.

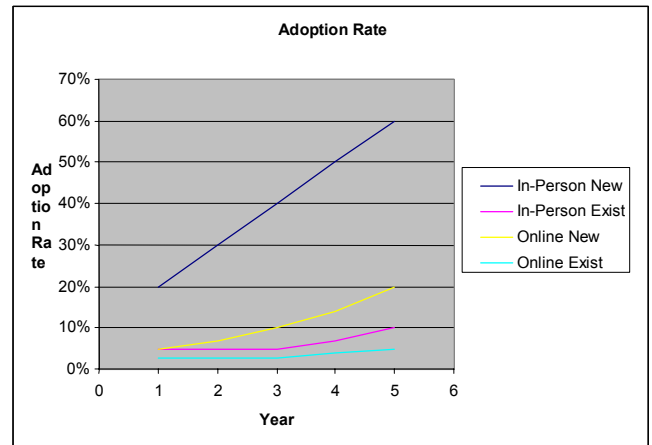
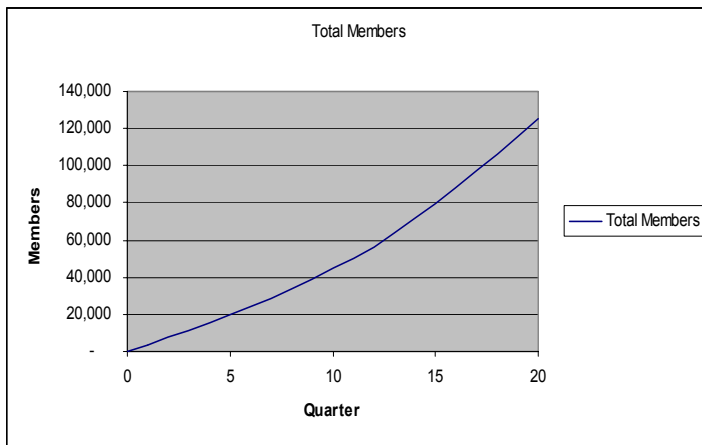
"Friends" of National Service / Angel Investors

There exists a small pool of individual donors who have historically supported the goals of national service. These individuals can provide necessary start-up funding, as well as entrée into more traditional funding sources.

Subscriber Model

Members are divided into two groups for the purpose of estimating adoption rates. Existing graduates are those who took part in a national service program before NSAN is launched. New graduates are those who graduate after the launch of the program.

There are approximately 520,000 prospective members currently targeted as well as an estimated 60,000 new prospective members graduating annually. The following market penetration profile is expected:

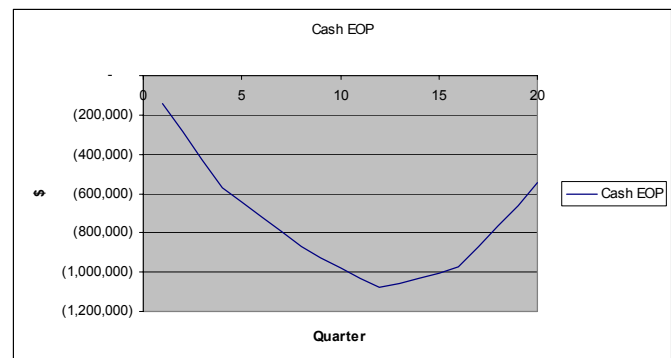


Revenue and Expenses

Revenue is generated entirely via membership dues of \$15 per year. Major expenses are personnel and technology. Personnel expenses scale considerably with the geographic scope of the business. The technology platform is generally extensible across a large number of users, but will be supplemented as additional products are added. A detailed expense breakdown is included in the appendix.

Cash Flow

The minimum cash position for the organization is expected to be (\$1150k) with positive cash during year 4. Excess cash is spun off beginning in year 5 as seed grants for aligned projects. The following chart shows the cash burn (yield) profile for the business over the first five years.



Summary Financials

| Year | 1 | 2 | 3 | 4 | 5 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Income Statement | | | | | |
| Membership Revenue | \$ 143,123 | \$ 393,675 | \$ 672,976 | \$ 1,054,925 | \$ 1,528,590 |
| Costs and Expenses | | | | | |
| Employment | \$ 200,000 | \$ 240,000 | \$ 392,000 | \$ 411,600 | \$ 432,180 |
| Admin | \$ 61,500 | \$ 61,500 | \$ 61,500 | \$ 61,500 | \$ 61,500 |
| Facilities | \$ 51,500 | \$ 51,500 | \$ 51,500 | \$ 51,500 | \$ 51,500 |
| General Office | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 |
| Technology | \$ 352,000 | \$ 224,600 | \$ 157,100 | \$ 127,100 | \$ 127,100 |
| Marketing and Programs | \$ 127,000 | \$ 200,500 | \$ 323,250 | \$ 447,375 | \$ 603,563 |
| Expenses | \$ 804,500 | \$ 790,600 | \$ 997,850 | \$ 1,111,575 | \$ 1,288,343 |
| Income (Loss) from Operations | \$ (661,377) | \$ (396,925) | \$ (324,874) | \$ (56,650) | \$ 240,248 |
| Interest Expense | | | | | |
| Net Income (Loss) | \$ (661,377) | \$ (396,925) | \$ (324,874) | \$ (56,650) | \$ 240,248 |
| Cash Flow Statement | | | | | |
| Membership Dues | \$ 234,464 | \$ 490,930 | \$ 789,148 | \$ 1,218,370 | \$ 1,714,635 |
| Expenses | \$ 804,500 | \$ 790,600 | \$ 997,850 | \$ 1,111,575 | \$ 1,288,343 |
| Cash Flow From Operations | \$ (570,036) | \$ (299,670) | \$ (208,702) | \$ 106,795 | \$ 426,293 |
| IT Investment | | | | | |
| Seed Investments | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash Flow From Investing | \$ - | \$ - | \$ - | \$ - | \$ - |
| Angel Donations | | | | | |
| Cash Flow From Financing | - | (570,036) | (299,670) | 106,795 | 426,293 |
| Free Cash Flow | - | (570,036) | (299,670) | 106,795 | 426,293 |
| Cash BOP | - | (570,036) | (869,706) | (1,078,408) | (971,614) |
| Cash EOP | - | (570,036) | (869,706) | (971,614) | (545,321) |
| Total Cities | 2 | 4 | 6 | 8 | 10 |
| Total Members | 15,631 | 33,855 | 56,316 | 88,107 | 125,441 |

Measurement and Evaluation

NSAN was developed with the firm belief that an inspired and well-trained group of national service alumni can change the world. Though more difficult to measure than “revenue generated” or even “number of homeless people served,” it is vital that we continuously monitor our progress. What gets measured, gets done. NSAN is committed to real, measurable goals and outcomes.

Our constant measurement and evaluation processes will serve two purposes:

1) Feedback to major stakeholders

NSAN will provide regular reports to start-up funders, members, and partner organizations. Covering a number of measures, these reports will allow our stakeholders to evaluate our growth. We believe that when the status of a nonprofit is truly transparent, stakeholders can become our greatest resource.

2) Management tool to adjust our member acquisition and programming strategy

It is quite likely that our start-up mix of online and in-person services will not be the perfect model for national service alumni. As we expand into NSAN Satellite Cities, it will be vital to have a clear understanding of what works and what does not.

Programs and services, however, will be evaluated along several dimensions:

- Contribution to revenues
- Popularity with members
- Effectiveness in terms of our overall vision—that national service alumni make the world a better place.

(For example, a social event that draws 1,000 members is not necessarily better than a panel discussion that brings in 15 members who want to run for office.)

Leading Indicators (Short-term)

- Membership level
- Membership growth rate
- Market penetration rates
- Revenue growth rate
- Partnerships

Inspiration and Skill/Education (Mid-term)

Survey feedback comparing NSAN members to control groups on measures of commitment to social change, awareness of social issues, and understanding of social change mechanisms.

Civic Engagement (Long-term)

Survey research will determine the extent to which NSAN members more likely to run for office, attend a town hall meeting, launch a non-profit, volunteer, vote, etc.

Key Risks

Though there are risks associated with any new venture, NSAN has identified some unique risks that pertain to our business model. We have designed a strategy to mitigate each one.

Collection of Prospective Member Names and Addresses

NSAN will seek to enroll members through direct marketing and word-of-mouth. Mass media strategies such as print or TV advertising are not cost effective for our target audience. It is vital that NSAN develop a quality list of alumni corps members for marketing purposes. Without access to these names and addresses, recruitment is limited to current corps members and word-of-mouth.

Our data collection strategy will emphasize a “bottom-up” approach. Though government agencies do, in theory, possess large databases with the last known address for alumni, we do not anticipate significant participation. Instead, using public sources we will painstakingly build a list of thousands of individual service programs and state service agencies. As we expand to new NSAN Cities, we will reach out to each agency for contact information on their alumni.

Rate of Member Acquisition

Predictions of member acquisition rates are based on interview information from alumni, as well as estimates of the success of marketing programs. Member take-up could be faster or slower than our

predictions. For this reason, NSAN has chosen to grow in stages, rather than launching in multiple cities. As we learn more about why members join, we will modify our marketing strategies.

Link Between NSAN Membership and True Civic Engagement

Our founding proposition is that in the National Service Alumni Network will encourage higher levels of civic engagement among our members. Our online and in-person products and services have been designed using the latest research. But no one has ever built a network like this before. From our mentorship program to our online directory, every product should be viewed as an experiment in civic engagement. We anticipate that our product mix may change significantly as our indicators provide feedback on effectiveness.

Shared Identity Among Different Service Experiences

To realize the benefits of a broad network, an NSAN member who worked in a health clinic in Africa must feel a sense of kinship with a member who fought forest fires in Montana. Currently, alumni certainly have a stronger sense of allegiance to their particular program than to a "national service movement." In reality, however, the power of each individual service program's identity is one of the strengths of the NSAN model. The co-branding features of our online products, for example, allow an individual to participate in a nation-wide community, while preserving the sense of a tight group of fellow alumni.

One alum, who is also an armed forces veteran, suggested the following metaphor: Within the US Army, tank commanders rarely spend time with infantry. Yet at an Army-Navy football game, all Army soldiers feel like part of one big family. And in another context, Army soldiers feel much more in common with Navy sailors than with civilians. The many similarities, which unite our members vastly, outweigh the differences.

Appendices

Exhibit 1 – A Brief History of National Service

1910

American philosopher William James envisions national service in his essay "The Moral Equivalent of War": "instead of military conscription, a conscription of the whole youthful population to form for a number of years a part of the army enlisted against Nature, the injustice would tend to be evened out."

1933-1942

Through the Civilian Conservation Corps (CCC), created by Franklin D. Roosevelt, millions of young people serve terms of 6 to 18 months to help restore the nation's parks, revitalize the economy, and support their families and themselves.

1961

President John F. Kennedy establishes the Peace Corps, with authorizing legislation approved by Congress on September 22, 1961. President Kennedy says, "The wisdom of this idea is that someday we'll bring it home to America."

1964

As part of the "War on Poverty," President Lyndon B. Johnson creates VISTA (Volunteers in Service to America), a National Teacher Corps, the Job Corps, and University Year of Action. VISTA provides opportunities for Americans to serve full-time in low-income communities.

1976

California Governor Jerry Brown establishes the California Conservation Corps, the first non-federal youth corps at the state level.

1989-1990

President George Bush creates the Office of National Service in the White House and the Points of Light Foundation to foster volunteering.

1993

President Bill Clinton signs the National and Community Service Trust Act of 1993, creating AmeriCorps and the Corporation for National and Community Service to expand opportunities for Americans to serve their communities. VISTA becomes part of AmeriCorps.

September 1994

The first class of AmeriCorps members - 20,000 strong - begin serving in more than 1,000 communities. In swearing in these Americans, President Clinton says: "Service is a spark to rekindle the spirit of democracy in an age of uncertainty....When it is all said and done, it comes down to three simple questions: What is right? What is wrong? And what are we going to do about it? Today you are doing what is right - turning your words into deeds."

October 2000

AmeriCorps*VISTA commemorates 35 years of fighting poverty in America. Since 1965, more than 130,000 VISTA members have used a hands-on, grassroots approach to empower individuals and communities throughout the country.

January 2002

President George W. Bush calls for every American to serve 4,000 hours, or two full years, of service in their lifetime. He creates the USA Freedom Corps to aggregate the Peace Corps, AmeriCorps, and new homeland security corps into a single department.

Exhibit 2 – Screen Shot

Exhibit 3 – Matrix of Alumni Program Services

| Program | Career Support | Educational Services | Social Events | Support for program | Service Opportunities | Issue Education | Political Activism | Member Discounts | Member Directory |
|--|----------------|----------------------|---------------|---------------------|-----------------------|-----------------|--------------------|------------------|------------------|
| Corporation for National And Community Service | | | | X | | | | | X |
| National AmeriCorps Association | X | X | | | | X | X | X | X |
| TFA Alumni Association | X | X | X | X | | | X | | X |
| City Year Alumni Association | X | | X | | X | | | | |
| Friends of VISTA | | | | | | | X | | |
| Oregon Friends of VISTA | X | | X | X | | | | | |
| National Peace Corps Association | | | | | | X | X | | |
| Boston Area Returned Peace Corps Volunteers | X | | X | | X | X | | | X |
| Coro National Alumni Association | X | | | X | | | | | |
| NSAN | X | X | X | X | X | X | X | X | X |

Exhibit 4 – Quarterly Income Statement, Cash Flow, and Expense Detail

| Quarter | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
|----------------------------------|---|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--|
| Income Statement | Revenue Recognized evenly over 4 quarters | | | | | | | | |
| Membership Revenue | \$ 13,730 | \$ 27,742 | \$ 43,035 | \$ 58,616 | \$ 74,195 | \$ 90,473 | \$ 106,274 | \$ 122,733 | |
| Costs and Expenses | | | | | | | | | |
| Employment | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 | |
| Admin | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 | |
| Facilities | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 | |
| General Office | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | |
| Technology | 88,000 | 88,000 | 88,000 | 88,000 | 56,150 | 56,150 | 56,150 | 56,150 | |
| Marketing and Programs | 28,000 | 28,000 | 35,500 | 35,500 | 42,625 | 50,125 | 50,125 | 57,625 | |
| Expenses | \$ 197,375 | \$ 197,375 | \$ 204,875 | \$ 204,875 | \$ 190,150 | \$ 197,650 | \$ 197,650 | \$ 205,150 | |
| Income (Loss) from Operations | \$ (183,645) | \$ (169,633) | \$ (161,840) | \$ (146,259) | \$ (115,955) | \$ (107,177) | \$ (91,376) | \$ (82,417) | |
| Interest Expense | | | | | | | | | |
| Net Income (Loss) | \$ (183,645) | \$ (169,633) | \$ (161,840) | \$ (146,259) | \$ (115,955) | \$ (107,177) | \$ (91,376) | \$ (82,417) | |
| Cash Flow Statement | | | | | | | | | |
| Membership Dues | \$ 54,922 | \$ 56,047 | \$ 61,170 | \$ 62,324 | \$ 117,238 | \$ 121,158 | \$ 124,376 | \$ 128,158 | |
| Expenses | \$ 197,375 | \$ 197,375 | \$ 204,875 | \$ 204,875 | \$ 190,150 | \$ 197,650 | \$ 197,650 | \$ 205,150 | |
| Cash Flow From Operations | \$ (142,453) | \$ (141,328) | \$ (143,705) | \$ (142,551) | \$ (72,912) | \$ (76,492) | \$ (73,274) | \$ (76,992) | |
| IT Investment | | | | | | | | | |
| Seed Investments | | | | | | | | | |
| Cash Flow From Investing | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Angel Donations | | | | | | | | | |
| Cash Flow From Financing | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Free Cash Flow | - | (142,453) | (141,328) | (143,705) | (142,551) | (72,912) | (76,492) | (73,274) | |
| Cash BOP | - | - | (142,453) | (283,781) | (427,486) | (570,036) | (642,948) | (719,440) | |
| Cash EOP | - | (142,453) | (283,781) | (427,486) | (570,036) | (642,948) | (719,440) | (869,706) | |
| Total Cities | 1 | 1 | 2 | 2 | 2 | 3 | 3 | 4 | |
| Total Members | 3,661 | 7,398 | 11,476 | 15,631 | 19,785 | 24,309 | 28,893 | 33,855 | |

| Quarter | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Salaries | | | | | | | | | | |
| Executive Director | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 26,250 | \$ 26,250 | \$ 26,250 | \$ 26,250 | \$ 27,563 |
| Marketing/Content Director | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 13,125 | \$ 13,125 | \$ 13,125 | \$ 13,125 | \$ 13,781 |
| Product Manager (Web site) | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 13,125 | \$ 13,125 | \$ 13,125 | \$ 13,125 | \$ 13,781 |
| Content Manager | | | | | | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,875 |
| Recruitment Manager | | | | | | | | | | \$ 15,000 |
| Event Planning Manager | | | | | | | | | | \$ 12,500 |
| Office Manager | | | | | | | | | | \$ 7,500 |
| Total Salary Expense | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 98,000 |
| Admin | | | | | | | | | | |
| Accounting fees | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Legal fees | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Outside payroll processing | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| Licenses and fees | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 |
| Insurance (Officers and Directors) | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 |
| Company outing | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 |
| Total Admin | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 | 15,375 |
| Facilities | | | | | | | | | | |
| Rent | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Electricity | \$ 875 | \$ 875 | \$ 875 | \$ 875 | \$ 875 | \$ 875 | \$ 875 | \$ 875 | \$ 875 | \$ 875 |
| Telephone | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 |
| Cleaning | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 | \$ 750 |
| Furniture/Equipment Rent/Lease | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 3,750 | \$ 3,750 |
| Total Facilities | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 | 12,875 |
| General Office | | | | | | | | | | |
| Office supplies | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 |
| Office postage | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 |
| Overnight delivery | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 625 |
| Total General Office | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 | 3,125 |
| Technology | | | | | | | | | | |
| Prof fees - web site dev | \$ 18,750 | \$ 18,750 | \$ 18,750 | \$ 18,750 | \$ 18,750 | \$ 18,750 | \$ 18,750 | \$ 18,750 | \$ 18,750 | \$ 12,500 |
| Prof fees - IT infrastructure | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 3,750 |
| Software licenses (SQL, etc.) | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 12,500 |
| Other org. software | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 |
| Tech partnerships | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 |
| Web hosting | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 | \$ 1,250 |
| PCs | \$ 1,875 | \$ 1,875 | \$ 1,875 | \$ 1,875 | \$ 1,875 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 1,250 |
| Printers | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Phones | \$ 125 | \$ 125 | \$ 125 | \$ 125 | \$ 125 | \$ 25 | \$ 25 | \$ 25 | \$ 25 | \$ 25 |
| Misc. | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 6,250 | \$ 6,250 | \$ 6,250 | \$ 6,250 | \$ 6,250 |
| Total Technology | 88,000 | 88,000 | 88,000 | 88,000 | 88,000 | 56,150 | 56,150 | 56,150 | 56,150 | 39,275 |
| Marketing and Programs | | | | | | | | | | |
| Events/conferences | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 7,500 |
| Recruitment | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 |
| National T&E budget | \$ 14,250 | \$ 14,250 | \$ 14,250 | \$ 14,250 | \$ 14,250 | \$ 21,375 | \$ 21,375 | \$ 21,375 | \$ 21,375 | \$ 32,063 |
| Marketing material | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 |
| Satellite Cities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,500 | \$ 7,500 | \$ 15,000 | \$ 15,000 | \$ 22,500 |
| National brand marketing | \$ 6,250 | \$ 6,250 | \$ 6,250 | \$ 6,250 | \$ 6,250 | \$ 6,250 | \$ 6,250 | \$ 6,250 | \$ 6,250 | \$ 6,250 |
| Total Marketing and Programs | \$ 28,000 | \$ 28,000 | \$ 28,000 | \$ 35,500 | \$ 35,500 | \$ 42,625 | \$ 50,125 | \$ 50,125 | \$ 57,625 | \$ 73,313 |
| Total Expenses | \$ 197,375 | \$ 197,375 | \$ 197,375 | \$ 204,875 | \$ 204,875 | \$ 190,150 | \$ 197,650 | \$ 197,650 | \$ 205,150 | \$ 241,963 |

Exhibit 5 – The Founding Team

Rich Leimsider, Founder and Executive Director

- MBA 2003, **Harvard Business School**; First Year Honors, Class of 1964 Fellowship for Public Service, Horace Goldsmith Fellowship for Nonprofit Achievement; MSW (pending) **University of Texas at Austin**; BA 1998, **Williams College**
- Special Projects Manager, **City Year Boston**
- Fellow, **New York City Urban Fellowship for Public Service**
- Marketing Director, **Rio Grande Valley Habitat for Humanity**

Rich has been immersed in issues of national service ever since he was selected for the New York City Urban Fellowship for Public Service. In New York, Rich worked in the City's homeless shelter system, and had the opportunity to see first hand the power of national service. Both his fiancée and sister are alums of the Teach for America Program. Some of his best friends have done VISTA, the Peace Corps, and the National Civilian Conservation Corps.

In April of 2002 Rich was first consumed with the notion of the latent power in national service alumni. He took a job at City Year, and was even more impressed by the passion and talent of national service corps members. Industry research in the Fall of 2002, including over 100 alumni interviews and dozens of organizational profiles, identified the strengths and opportunities in the existing field of alumni programming. By Spring of 2002 the National Service Alumni Network had been entered into the Harvard Business School Business Plan Contest.

Mora Segal, Membership and Marketing

- MBA 2003, **Harvard Business School**; Trustee, The Harbus Foundation; BA 1995, **Yale University**
- Venture Capital Associate, **Commons Capital**
- Founder and VP, **School Sports, Inc.**
- Public Affairs Fellow, **Coro Foundation**
- Member, **AmeriCorps**

An experienced national service alum with two programs under her belt, Mora brings her experience as the founder of a successful start-up, as well as her insider perspective on philanthropic funding. She built the In-Person products, organizational rollout strategy, and membership and marketing content.

Rich Stendardo, Cost and Revenue Models

- MBA 2003, **Harvard Business School**; BS/BA 1997, **Boston University**
- Instructor, **Junior Achievement**
- Product Manager, **General Electric Corporation**

Rich S. focuses his engineering perspective on all the numbers, including membership acquisition and retention, organizational costs, and revenue.

Tracey Strauss, Information Technology and Web Management

- MBA 2003, **Harvard Business School**; BA 1997, **Stanford University**
- Product Manager, **Microsoft Corporation**, **ticketmaster.com**, **citysearch.com**
- Intern, **Who Cares Magazine**

Tracey built our web site design, planned online products and services, and identified IT and Web-based expenses.