

**When Life Hands You Lemons...
Make Millions of Dollars to Cure Cancer
“One Cup at a Time”**

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The phrase ‘lemonade stand’ conjures up all kinds of images... warm, watered down lemonade, cheap plastic cups, folding tables, sticky fingers, hand drawn posters, a jar of change and eager smiles. It is a childhood rite of passage; a child’s first experience with economics. What would probably not come to mind is a multi-million dollar charitable organization started by a young 8-year-old girl robbed of her youthful innocence by a death sentence of cancer.

The loss of Alexandra “Alex” Scott’s life is a tragedy, but the legacy she left behind through the movement she started, is nothing short of astounding. Alex came from an affluent family who could provide her with the best care and doctors money could provide, but it wasn’t enough to save her. Knowing there were children who couldn’t get the care afforded to her, Alex wanted to do something to help. She told her parents she was going to host a lemonade stand to raise money to cure cancer and help others who couldn’t afford treatment. Her parents told her it would be a huge challenge to make a real impact with \$.50 cups of lemonade, but she said “I don’t care; I’ll do it anyway.” To everyone’s surprise (except maybe Alex herself) her first stand earned \$2,000. After the success of that lemonade stand, she had a new goal: \$1,000,000, but this time she knew she would need help and help she got. She reached her goal shortly before she passed away.

Alex’s Lemonade Stand Foundation (ALSF) has now raised over \$150 million dollars in the fight against childhood cancer (ALSF, 2017).

Why ALSF is Successful

Alex’s story and determination is at the very heart of what drives this organization on through her parents. Her determination continues to inspire other boys and girls around the world, giving rise to the notion that even though you may be small, you can make a difference

and the world a little better place. “Fighting childhood cancer, one cup at a time”, ALSF’s motto echoes this sentiment. Gillian Kocher, director of public relations at ALSF, says their success is due to “ the fact that holding a lemonade stand was simple, fun, and accessible to anyone. It’s something anyone could do and, thus, was appealing to people from age four to retirement; it simply translated well to so many lives (Leslie et al, 2010).” When Alex passed away her parents Jay and Liz Scott needed to decide if they could find the strength to carry on what she started and if so, what it would even look like without her.

Diversification

As the foundation grew, they knew they would need to diversify. While lemonade stands accounted for nearly \$3 million in 2016, ALSF has added multiple sources of revenue since their inception. Other areas include government grants, crowdsourcing pages, other events (such as races and a dance), licensing royalties, and merchandise sales account for the approximately \$22 million dollars in revenue in 2016 (Amper, 2017).

According to Laurence Pagnoni, author of *The Nonprofit Funding Solution*, diversification makes sense for an organization the size of ALSF because they are a mid-sized nonprofit, having enough resources to handle the extra expenses and effort it takes to balance so many--as he refers to a--teacups. He says it’s good to diversify at this stage because if one source of funding dries up, you have others to compensate. While ALSF continues to grow, they may need to focus efforts a even more:

Research on the merits of diversification shows that large nonprofits (those with annual revenues of more than \$50 million) that were able to grow revenue concentrated their fundraising on one dominant funding source rather than on diverse sources.... As practiced by larger nonprofits, a focus on a single funding source neither decreased revenue nor increased the risk of lost revenue sources (Pagnoni, 2014).

So according to Pagnoni, as they grow ALSF may want to “think deeper, rather than wider”. For the most part they are doing well with this concept, but as they grow, they may want to hone in even more.

Media/Social Media

Media has always been a critical fundraising partner for ALSF. Being featured on local and national news, and shows such as *Oprah and The Today Show*, has driven in the dollars and brand awareness. Now they are using social media as a way to bring in revenue with little effort on their part. Melissa Jones is ALSF’s social media strategist, she has said they are constantly trying to navigate the ever changing social media world and get their message out there:

It’s very hard to predict where we will be in a year because a new tool may come out. We just try to continue to be very active and consistently explore new media. Our biggest story has been Alex and what she did in a short time and at such a young age. We are focused on engaging kids, stand hosts, people, cancer-fighters, medical researchers, nurses—really everybody who is involved with us has a story to tell. It’s just finding the angle that resonates with people and the amazing things that they’re doing in fighting childhood cancer (Leslie et al, 2010).

Back in 2009, the popular group known as “Twilight Fandom” started a virtual lemonade stand on behalf of ALSF in conjunction with the release of *Twilight: New Moon*. The end result was \$82,000 raised with no effort on the part of the foundation (Leslie et al, 2010).

Jones says they pay close to analytics to determine what is working and what is not. For example, they used analytics to determine the length of a promotional video for their 5k Lemon Run. When they first released the video it was six minutes long, but determined, based on their research, it needed to be a minute thirty seconds. They seem to really understand the importance of timing and frequency and have used the same kind of research to determine when, how often and what to post to their 228,000+ Facebook followers and their 72,000+ Twitter followers.

Challenges

Unfortunately, it can't all be sunshine and rainbows and even as good as they are doing the foundation has run into a few issues. In a recent article featured in the National Review entitled *The Lemonade Menace*, the author Kevin Williamson points out the bureaucracy is posing some challenges for little boys and girls who want to support the cancer fighting cause: lemonade stands across the country are being shut down because they have not pulled the proper permits. The police are literally showing up the lemonade stands and shutting them down. Children were fined \$500 in Montgomery County Maryland for operating a stand without a permit (Williamson, 2016).

On the one hand the government is there to protect the public from foodborne illness, but on the other, most people understand when they stop at a roadside lemonade stand they are buying a product most likely prepared by a 6 or 7 year old. It is less about the lemonade and more about supporting the spirit of the child. Oftentimes people pay for a glass of lemonade only to dump it out later (out of the sight of the child, of course).

But if children (parents) are worried about getting slapped with fines or other penalties, this could impact a significant portion of their funds raised. In fact, it could explain the discrepancy in lemonade stand based earnings from 2015 to 2016. In 2015 they earned just shy of \$3 million from stands in contrast to around \$2.3 million for 2016 (Amper, 2017).

The End Result

Even with the lemonade mafia trying to take out the wee lemonade peddlers, overall ALSF still made a \$600,000 increase in 2016 over the previous year. The Charity Navigator gives them a high four star rating with a score of 94% (Charity Navigator, 2017).

Alex Scott's short life built a legacy that continues on. With 530 flights, 3,400 nights of lodging, and 18,000 gas cards and counting distributed to families of other kids with cancer, her vision to help others financially is being realized. Finally, with 800 research projects at 135 institutes funded in the fight against childhood cancer, ALSF gave over \$16 million in grants in 2016 alone, so even though a cure has yet to be found, Alex's desire to fight this devastating disease blazes on (ALSF, 2017). One thing is for certain, Alex Scott gave new meaning to the well known saying, "when life hands you lemons, make lemonade."

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