

Mission Heart meets Business Mind

Sustaining Good Work

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Principles of Sustainability

- ◆ **Financial** – generating resources to meet the needs of the present without compromising the future
- ◆ **Programmatic** – ability to develop, mature and cycle out programs to be responsive to constituencies over time
- ◆ **Orientation not a destination**
- ◆ **Develop an explicit business model**
 - ◆ Leverage and braid and revenue strategies – identify goals and management requirements of different income streams
 - ◆ Continuous decision-making – define compass to support

Starting with Why

Value Proposition

- ◆ What value do we deliver to the customer?
- ◆ Which one of our customer's problems are we helping to solve?
- ◆ What bundles of products and services are we offering to each Customer Segment?
- ◆ Which customer needs are we satisfying?

Characteristics

- ◆ Newness
- ◆ Performance
- ◆ Customization
- ◆ "Getting the Job Done"
- ◆ Design
- ◆ Brand/Status
- ◆ Price
- ◆ Cost Reduction
- ◆ Risk Reduction
- ◆ Accessibility
- ◆ Convenience/Usability

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- ◆ What **Key Activities** do our Value Propositions require?
 - ◆ Our Distribution Channels?
 - ◆ Customer Relationships?
 - ◆ Revenue streams?
- ◆ Who are our **Key Partners**?
 - ◆ Who are our key suppliers?
 - ◆ Which Key Resources are we acquiring from partners?
 - ◆ Which Key Activities do partners perform?
- ◆ What **Key Resources** do our Value Propositions require?
 - ◆ Our Distribution Channels? Customer Relationships?
- ◆ What type of **relationship** does each of our **Customer segments** expect us to establish and maintain?
 - ◆ Which ones have we established?
 - ◆ How are they integrated with the rest of our business model?
 - ◆ How costly are they?

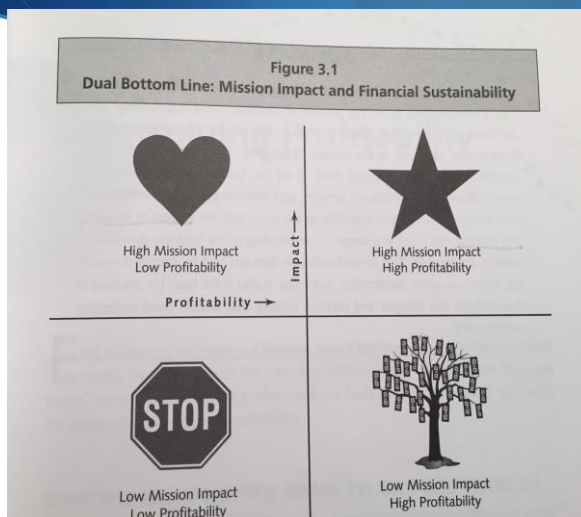
Mapping Your Business Model

- ◆ Identify core business lines
 - ◆ List major activities, including both programs and fundraising
 - ◆ Group by program type, age group sites, sites ...
- ◆ Identify impact and revenue streams
 - ◆ External effects and how financed
 - ◆ Dual bottom line
- ◆ Determine full costs
 - ◆ Direct + fair share of shared and administrative costs

Criteria for Impact

- ◆ Alignment with core mission
- ◆ Scale or volume
- ◆ Depth
- ◆ Excellence in execution
- ◆ Filling an important gap
- ◆ Community building
- ◆ Leverage
- ◆ Can add other criteria

Sustainability Matrix Map



- ◆ **Stars** – Invest and Grow
- ◆ **Hearts** – Keep but contain costs
- ◆ **Money Trees** – Water and harvest
- ◆ **Stop Signs** – Close or hand off

Sample Business Model Statements

Latino Theater: We produce Spanish and English plays supported by ticket sales and foundation grants, and supplemented by net income from youth workshops and an annual gala.

Health Clinic: We are a fee-for-service health clinic supporting by government contracts and supplemented by individuals and a variety of other small revenue streams, including patient fees and corporate in-kind donations.

Soccer League: We are an all-volunteer youth athletics organization supported financially by dues from parents and sales of candy bars.

<http://www.blueavocado.org/content/nonprofit-business-model-statements>

Resources

- ◆ **Nonprofit Sustainability:** *Making Strategic Decisions for Financial Viability*, Jeanne Bell, et al. Jossey-Bass, 2010.
- ◆ **+Acumen** offers world-class online courses that empower you to think differently, learn collaboratively and join a global community of learners and doers with a burning desire to change the world.
<https://www.plusacumen.org/courses>
- ◆ **Nonprofit Finance Fund** provides consulting and resources for sustainability planning, including business models.
<https://nff.org/learn/fundamentals-nonprofits>