
Nonprofit Sustainability Clinic



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session overview

Today will be a learning lab where real work gets done.

1. Define sustainability and nonprofit business model
2. Introduce the Matrix Map as a tool to support strategic decision making
3. Name your current portfolio of programs
4. Articulate your intended impact and key elements of the current landscape
5. Identify impact criteria for your organization
6. Create initial list of potential strategic decisions to be made
7. Determine next steps for your organization



What is sustainability?



1 – unsustainable

2 – *facing* unsustainable

3 – *facing* sustainable

4 – sustainable

Where are you today? Why?

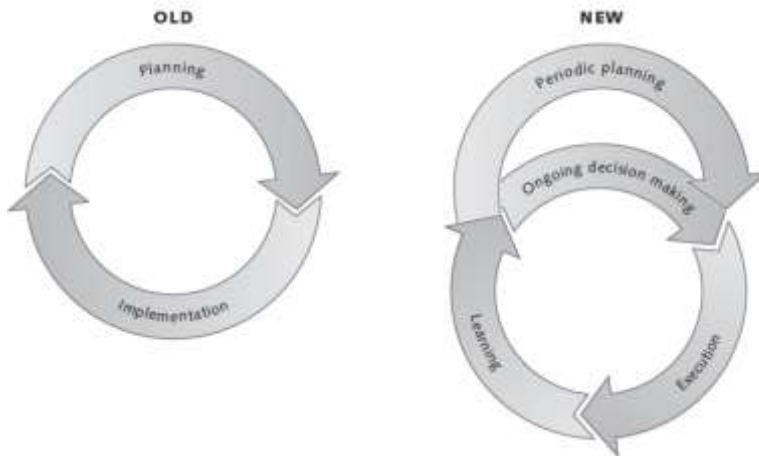


system-wide

SUSTAINABILITY is a orientation
not a destination.



execution creates learning



-Nonprofit Sustainability: Making Strategic Decisions for Financial Viability



defining sustainability

“Sustainability encompasses both

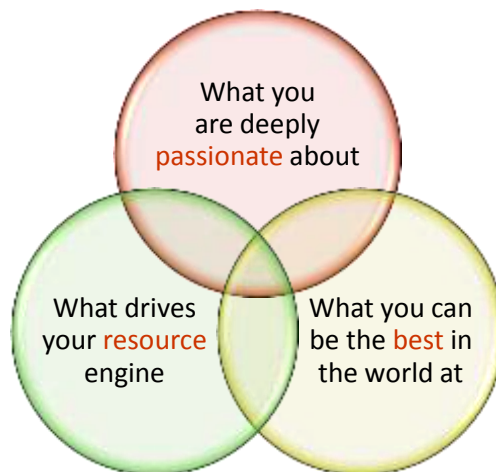
financial sustainability (the ability to generate resources to meet the needs of the present without jeopardizing the future) and

programmatic sustainability (the ability to develop, mature, and cycle out programs to be responsive to constituencies over time).”

- [Nonprofit Sustainability: Making Strategic Decisions for Financial Viability](#)



your unique value



- [Good to Great and the Social Sectors](#) by Jim Collins



what's a nonprofit business model?

A nonprofit organization's chosen set of **mission-specific** and **fund development** programs that work together to achieve its mission

- ✓ Every organization's set of activities is unique and represents management's current thinking about how to resolve a social problem
- ✓ Every activity both contributes to mission impact and has a financial result



mission statement

CompassPoint intensifies the impact of fellow nonprofit leaders, organizations, and networks as we achieve social equity together.



business model statement

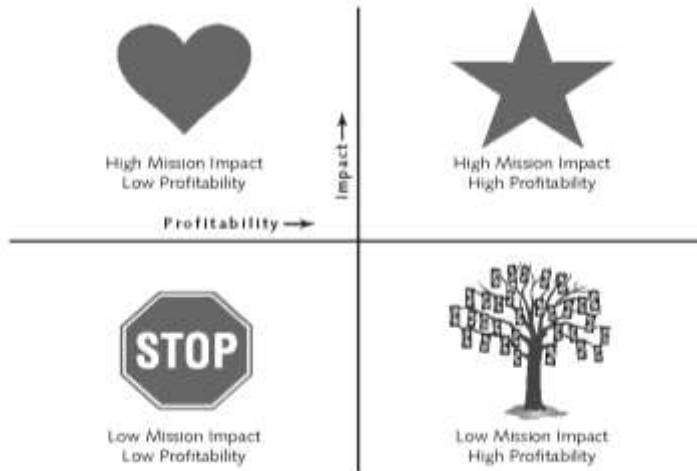
CompassPoint retails training and consulting services directly to nonprofit organizations and partners with foundations to subsidize intensive, cohort leadership development programs.



What is your business model statement?

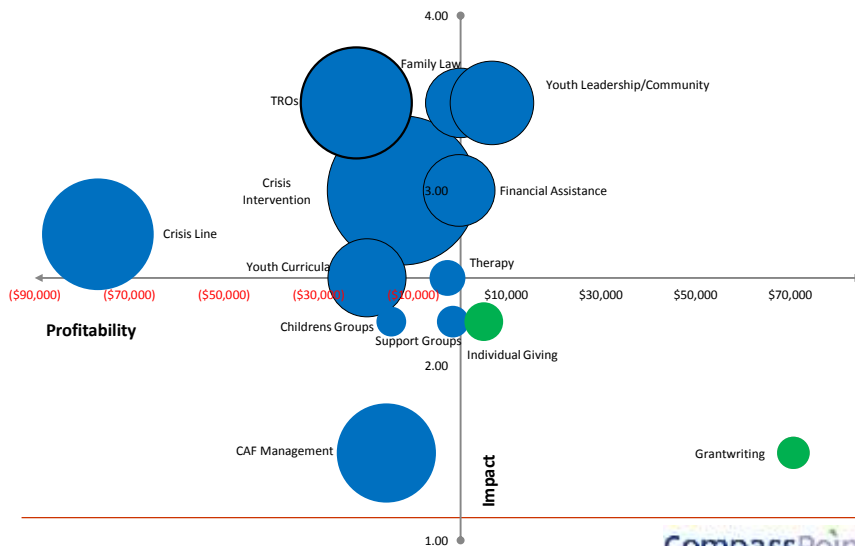


seeing the nonprofit business model



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matrix map example

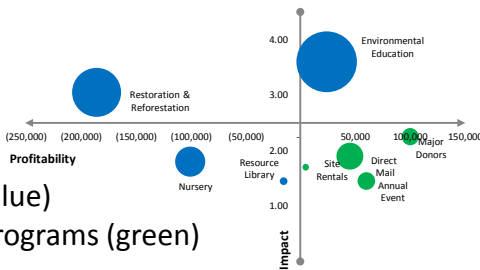


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matrix map overview

What information do we see on a matrix map:

- ✓ What we do (bubbles)
- ✓ Mix of mission-specific (blue) and fund development programs (green) (color of bubbles)
- ✓ Where we are investing our resources (size of bubbles)
- ✓ The net financial results of each activity (horizontal axis)
- ✓ Relative mission impact of each activity (vertical axis)

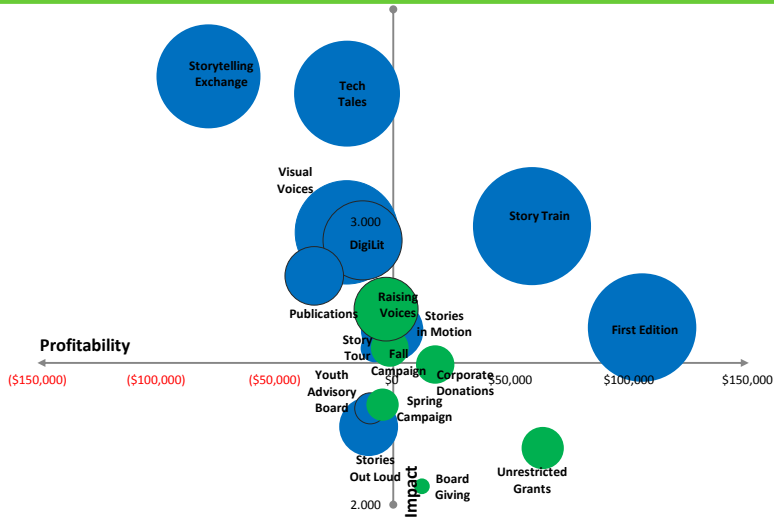


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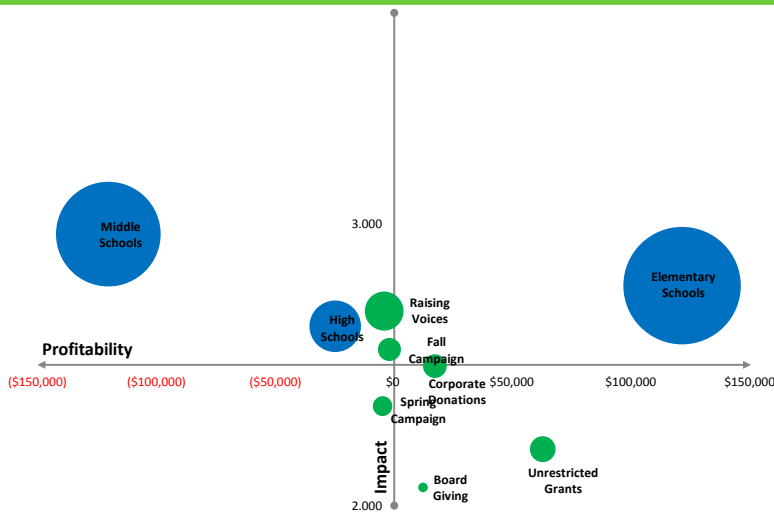
What is your current portfolio of programs?

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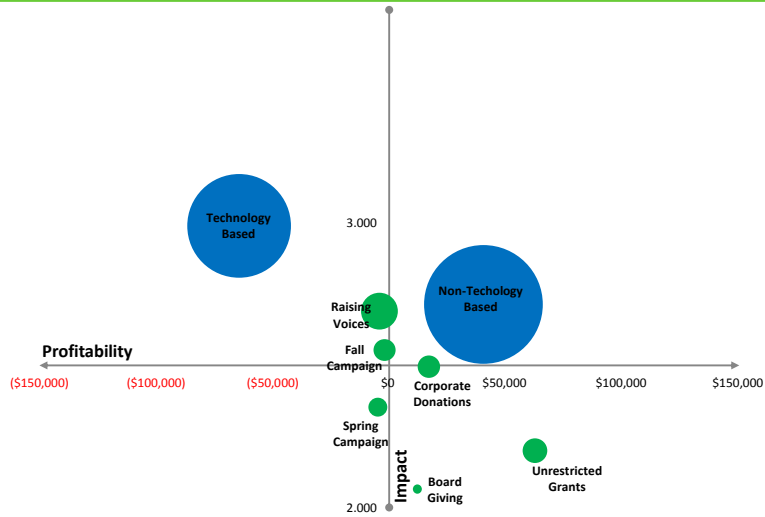
matrix map example: all programs



matrix map example: by site

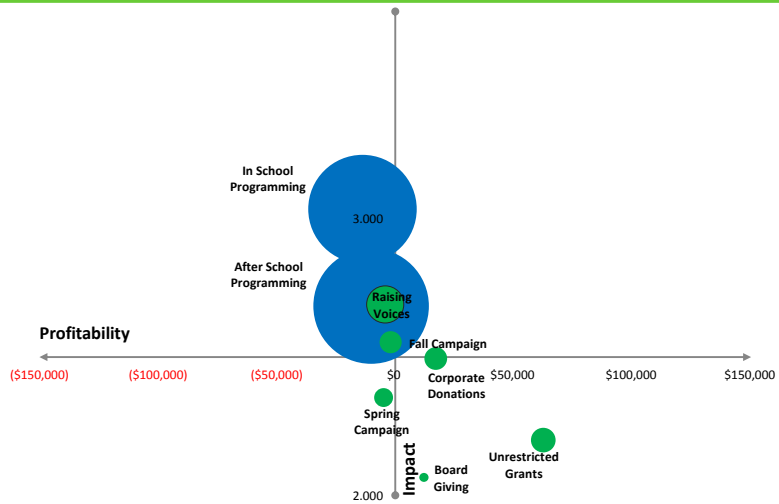


matrix map example: by method



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matrix map example: by approach



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What is your current portfolio of programs?



profitability

As of June 15, 2012

	Program Activities		Supporting Activities		Common Costs	Total 2012-13
	Shelter Services	Support Groups	Admin-istration	Fund-raising		
Contributed support	-	-	-	340,000	-	340,000
Earned revenue	815,009	-	10,000	-	-	825,009
Released from restriction	-	445,000	-	5,000	-	450,000
Total income	815,009	445,000	10,000	345,000	-	1,615,009
Personnel expenses	329,852	214,881	117,365	127,339	179,161	968,598
Non-personnel expenses	291,750	54,300	28,100	19,750	224,113	618,013
Total specific costs	621,602	269,181	145,465	147,089	403,274	1,586,611
Allocation of common costs	181,473	125,015	44,360	52,426	(403,274)	-
Allocation of admin costs	109,139	53,572	(189,825)	-27,114	-	-
Total expenses	912,215	447,768	-	226,629	-	1,586,611
Change in net assets	(97,206)	(2,768)	10,000	118,371	-	28,398



What is your intended impact?



intended impact statement

“A statement or series of statements about what the organization is trying to achieve and will hold itself accountable for within some manageable period of time. It identifies both the benefits the organization seeks to provide and the beneficiaries.”

-- “Zeroing in on Impact,”
Stanford Social Innovation Review
(Colby, Stone, Carttar)



intended impact statement

CompassPoint contributes to building a more powerful and resilient critical mass of diverse leaders who are actively contributing to advancing social justice.

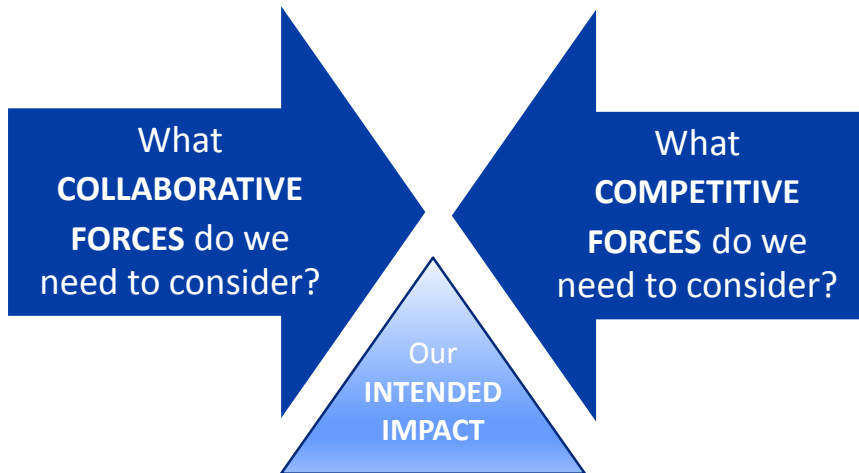


intended impact: questions to consider

- ✓ What is the issue or problem the organization is trying to address?
- ✓ If we went away today, who would it matter to and why?
- ✓ Who are the primary direct beneficiaries of our work?
- ✓ What is the geographic region of our impact?
- ✓ What does success look like, and how can it be measured or observed?



markets and momentum



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impact assessment

- ✓ Not the same as evaluation – this is an internal assessment
- ✓ Does not eliminate individual judgment but rather *harnesses* individual judgment that has been *informed by data*
- ✓ Reveals the relative impact of each activity – acknowledges that some activities have higher impact than others

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impact criteria

Contribution to Intended Impact (required): contributes to the specific impact the organization currently pursues

impact criteria

Excellence in Execution (required): outstanding execution (quality, systems, efficiency, etc.)

impact criteria

Scale or Volume: reaches a lot of people, constituents, geographic area, etc.

impact criteria

Depth: creates enduring change for people, constituents, or communities

impact criteria

Significant Unmet Need (SUN): meets a significant community need that would otherwise remain unmet



impact criteria

Community Building: brings people together around the organization, the cause, or the community



impact criteria

Leverage: actively increases the impact or contributes to the success of another program; or, ensures access to a critical funder or partner

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Choose the 4 most relevant criteria for your organization.

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tailoring criteria

DEPTH for a racial justice organization became:
“create lasting, attitudinal shifts about racism”

DEPTH for a domestic violence agency became:
“support survivors in making substantive life
changes that help heal the trauma of abuse”

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Tailor your 4 impact criteria.

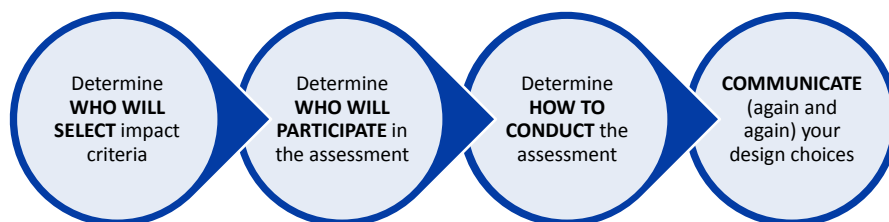
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tailor impact criteria

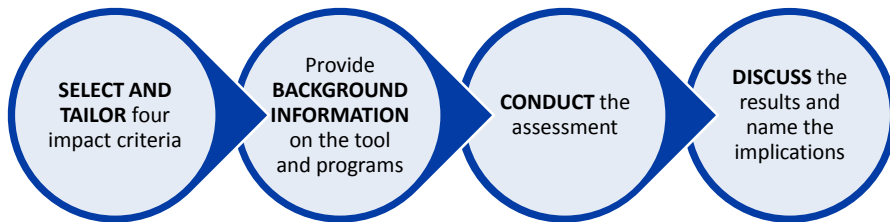
To what extent, as currently executed, does this program **create lasting, attitudinal shifts about racism among our participants and donors?**

To what extent, as currently executed, does this program **support survivors in making substantive life changes that help heal the trauma of abuse?**

designing the impact assessment



executing the impact assessment



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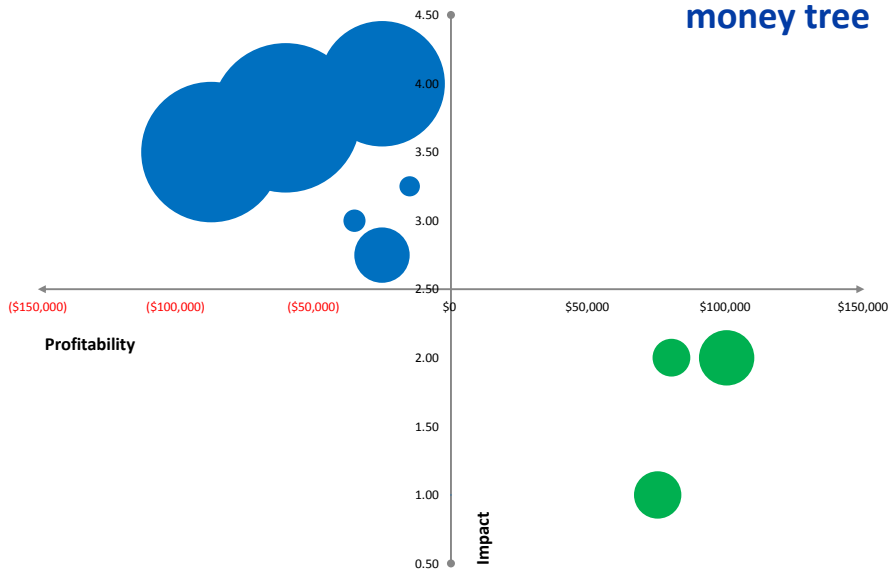
What will you take back
to your organization after
today's discussions?

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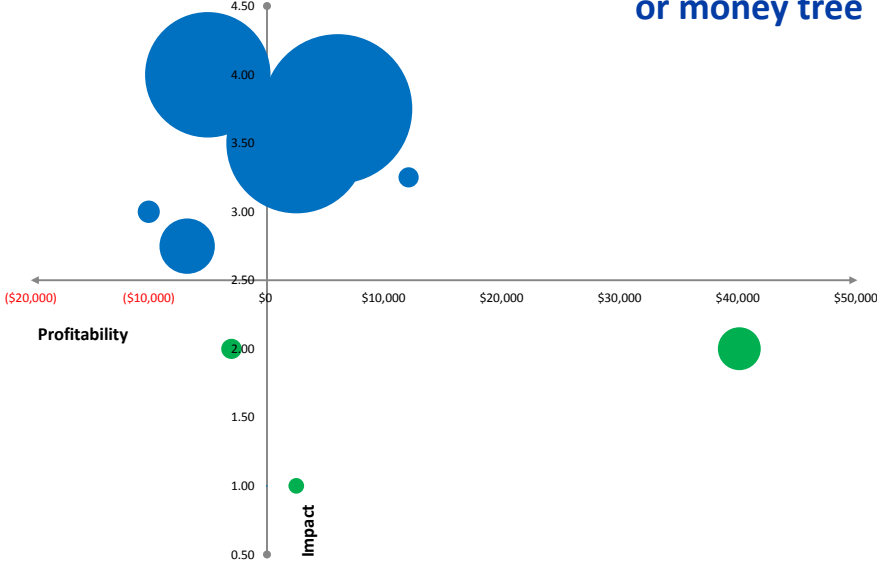
What's the story within your matrix map?



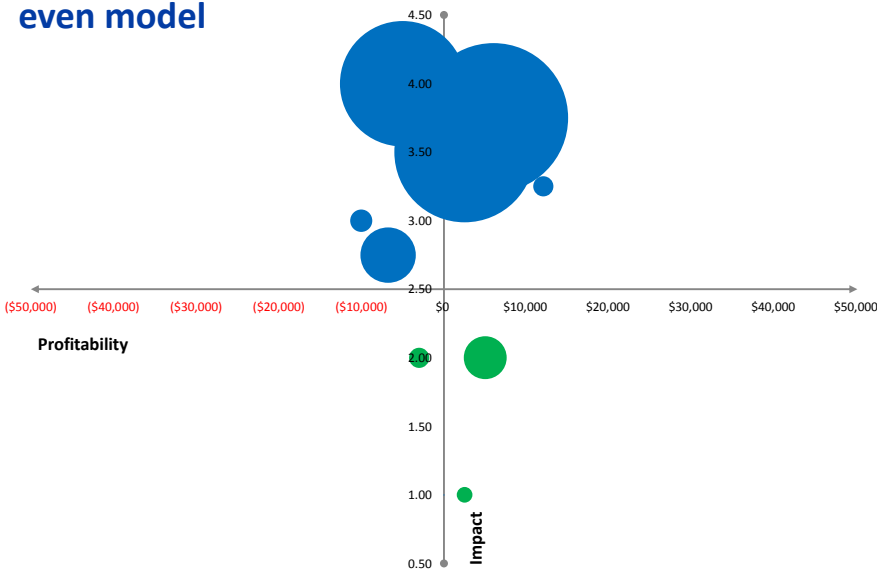
the heart-money tree



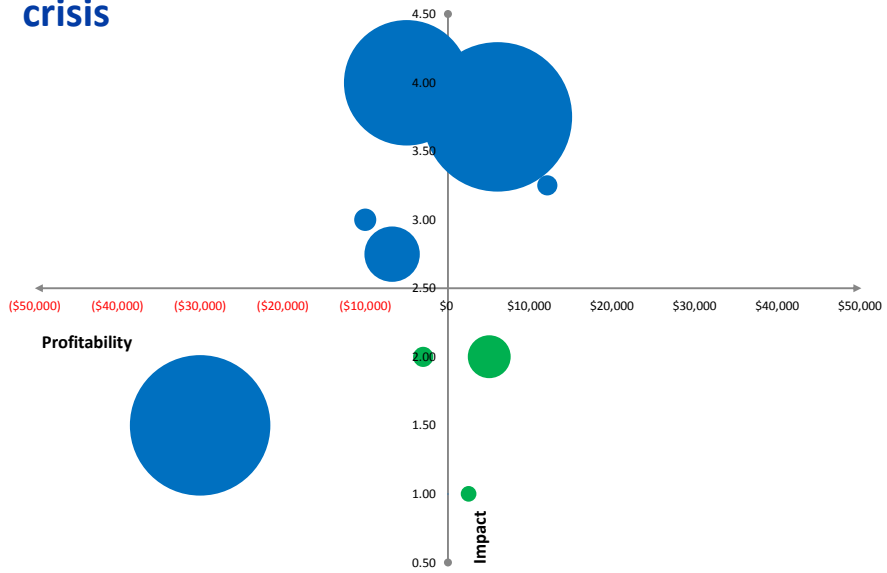
the shining star or money tree



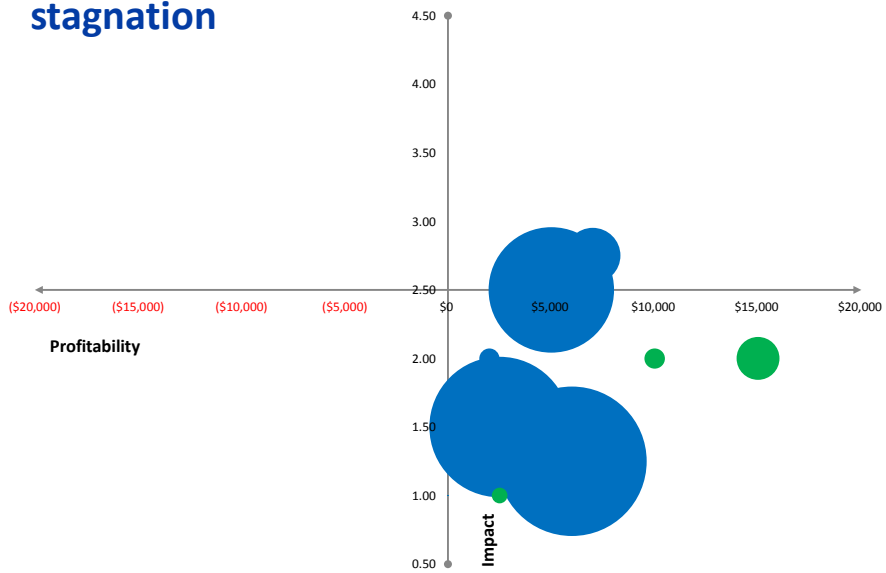
the break even model



crisis



stagnation



analyze your map

✓ What is the overall narrative?

•Example:

Our government funded programs are growing in expense and total net loss to our organization faster than we are increasing the net return on fund development programs.

✓ What are the program-level implications?

•Example:

Others in our field effectively use graduate-level interns. We will analyze the potential cost savings in our adult and family programs.

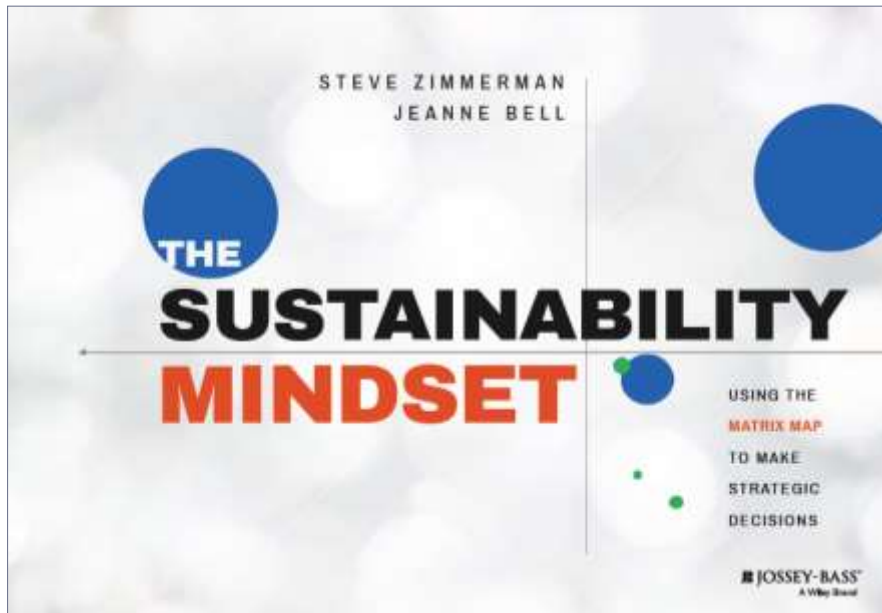


What are some decisions you may need to make to increase your organization's sustainability?



What's the quality
of decision-making
at your organization today?

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