Building Competencies for Sustainability: New Ways to Think About Impact, Leadership & Money

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What is Sustainability?
Financial Strategy
Impact Strategy  Financial Strategy
Trends in the sector

- Increased calls for accountability
- Collective Impact
- Disruptions
- Collaboration!
- Shift toward a focus on outcomes
Demand for services stayed consistent or went up

Estimate this demand will continue for 3 years

Financial health would improve
(53% stay the same)

Most nonprofits funding sources: Foundations, Corporations and Government grants

National Center for Charitable Statistics
Approx. 200 nonprofits with revenue ‘recorded’
34 Private Foundations
Nonprofits said that top challenges were….

1. Achieving long-term sustainability (32%)
2. The ability to offer competitive pay and/or retain staff (25%)
3. Raising funding that covers full costs (19%)

STATE OF THE NONPROFIT SECTOR

2015 SURVEY
Six Questions to Ask Yourself When Building Organizational Competencies for Sustainability

6 Questions!
What do your constituents need?
Key Questions

How do you define impact?
Intended Impact: 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.

--- Susan Colby, Nance Stone & Paul Cartter
Bridgespan Group
Key Questions

How does each of your programs contribute to impact?

MISSION

IMPACT
MISSION

Identifying your core programs

Means

END

IMPACT
What are the true costs of your programs?

Key Questions

- Specific Program Costs
- Shared Costs *(allocation)*
- Administrative Costs *(allocation)*

True Program Expense
Specific Program Costs

Shared Costs

Administrative Costs
Key Questions

Have you fully invested in your success?
All too frequently heard . . .

Look what they are doing! We should do that!

Yeah!

Social media
Product sales
Benefit Concert
Online auction
Fees-for-service
Walk-a-thon
The Matrix Map

- High Mission Impact, Low Profitability
- High Mission Impact, High Profitability
- Low Mission Impact, Low Profitability
- Low Mission Impact, High Profitability
Do you know who else is serving in your space?
Different strategies, same mission
1. What do your constituents need?

2. How do you define impact?

3. How does each of your programs contribute to impact?

4. What are the true costs of your programs?

5. Have you fully invested in your success?

6. Who else is serving in your space?
Sustainability involves ongoing decision making about your business model.
It is not a one-time thing, not an episodic thing, not a senior management thing or a board of directors thing. It’s really a mindset and way of organizational being.”
The Matrix Map

- High Mission Impact
  - Low Profitability

- High Mission Impact
  - High Profitability

- Low Mission Impact
  - Low Profitability

- Low Mission Impact
  - High Profitability
"Is the nonprofit sector in permanent financial stress, or is this an entrenched message that we tell ourselves and each other?"

Kate Barr
Nonprofit Assistance Fund
SUSTAINABILITY is an orientation, *not* a destination.