

# United Way of Greater St. Louis

## STRATEGIC TRANSITION PLANNING SERIES

### 2018-2019

9.13.18



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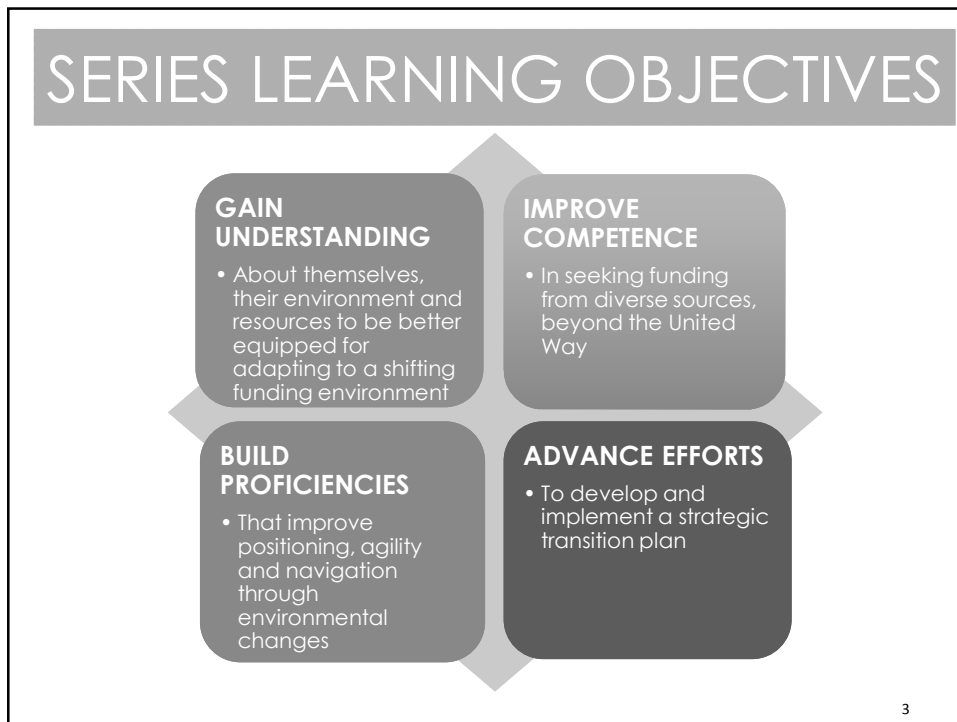
## TRANSITION SERIES GOAL



Help member agencies gain competence in: navigating through environmental changes, better securing diverse & sustainable funding streams, and exploring/pursuing options, all of which enhance the fulfillment of community needs-based missions

2

## KNOWING WHAT ARE YOUR REAL COSTS



### RACIAL EQUITY LENS CONTEXT

- Different communities (and individuals within communities) situated differently relative to each other
- Differences due to many factors, including history, education, language, access to community assets...
- While intent of policies & programs is to create access for all people (lifting all boats), in practice, universal policies create access to opportunity differently
- A rising tide brings less benefit or possibly hazard if one's boat is leaky or if one does not have a boat.
- Series sessions will provide an opportunity to apply a racial equity lens to topics in hopes of getting all members in our community a boat that floats so that all boats can be lifted.

4

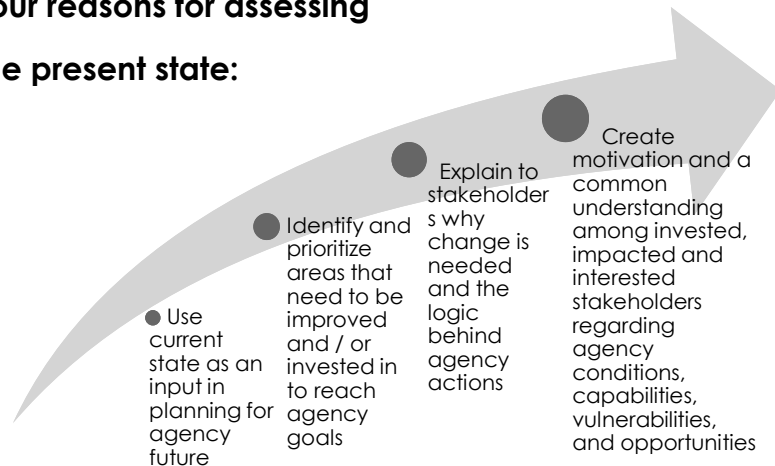
## KNOWING WHAT ARE YOUR REAL COSTS

Member Agency Strategic Transition Planning Series				
Stages progressively build toward culmination of helping agencies formulate a viable plan for better positioning in the current changing funding environment				
Stages:	Assessing an Agency's Current Position	Creating Vision & Setting Strategic Direction	Exploring Resources	Operationalizing the Plan
<b>Intent:</b>	Identifies/refines critical factors that outline agency overall environmental standing, affects current success & future viability. Informs decision-making in subsequent stages	Builds understanding and approaches to change management and consider possibilities, aligned with agency position, to shape future vision & strategic direction	Uncovers resources to be utilized to leverage agency's position amidst change and augment its ability to plan for reaching vision	Aligns vision, priorities & agency position with resources to develop a strategic workplan, outlining actions helping agency better adapt to changing landscape
<b>Sessions:</b>	#1. Series Overview & SWOT #2. Financial Health #3. Fund Devp Tools/Techniques #4. Prgm Financial Sustainability #5. Contingency Planning	#6. Change Management #7. Innovation #8. Vision/Strategic Direction	#9. Board Engagement & Role in Fund Devp #10. Dive into Fund Development #11. Strategic Alliances - P1 #12. Strategic Alliances - P2	#13. Creating an Actionable Transition Plan
<b>Learning Objectives:</b>	Participants will improve understanding about agency condition, including capabilities & vulnerabilities overall and in finance & fund development areas	Participants will shape their agency's future vision, leveraging position, in context of change, utilizing innovation, all to pursue improved mission fulfillment	Participants will identify resources (focusing on revenue generation & program/operational effectiveness) to help further mission fulfillment	Participants will utilize understanding & insight gained to frame strategic transition plan, better positioning agencies in the shifting environment
<b>Correlating Quality Standards:</b>	G: Board drives direction P: Effective program design G: Board financial oversight F: Financial stability F: Financial planning/oversight	G: Board drives direction G: Program effectiveness P: Program positive impact G: Community accountability A: Structure facilitates operations	G: Board meets strategic needs F: Financial stability F: Effective financial planning G: Board accountable to community	G: Board drives direction F: Financial stability P: Program positive impact G: Board accountable to community 5.11.18

5

## STAGE 1: ASSESSING AN AGENCY'S CURRENT STATE

**Four reasons for assessing the present state:**



6

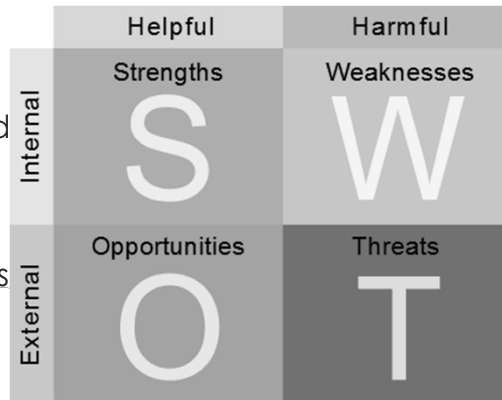
## KNOWING WHAT ARE YOUR REAL COSTS

### SESSION 1: SWOT Analysis

5.17.18

Presented by: Rebecca Bennett  
Emerging Wisdom

- Grounds plan
- Provides realistic view of agency's capabilities and vulnerabilities
- Identifies internal strengths and weaknesses
- Examines external opportunities and threats



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7

### SESSION 2: Financial Health

6.14.18

Presenters: Judy Murphy & Amy Altholz  
RubinBrown

Common financial sustainability benchmarks include:

- Operating reserves
- Liquidity evaluation
  - Days of Cash on Hand to Pay Expenses
  - Current Liquid Assets/Current Liabilities
- Funding gap analysis
- Diversified funding streams
- Budget vs. actual analysis



8

## KNOWING WHAT ARE YOUR REAL COSTS

### SESSION 3: Fund Development Tools & Techniques

7.12.18

Presented by: Wendy Dyer,  
Wendy Dyer Fund Development Consultants

#### Where Is Your Program?



## SERIES ROLES & RULES

### Roles

#### Facilitators

- Guides learning and sharing
- Conducts exercises
- Maintains schedule

#### Participants

- Are open to learning
- Share knowledge & insight
- Check for understanding

### Rules

- Manage your comfort
- Listen actively
- Ask questions and encourage others to share
- Minimize distractions
- Respect all views and opinions
- Enjoy yourself!

10

## Member Agency Strategic Transition Planning Series

Please contact Julie Simon at [Julie.simon@stl.unitedway.org](mailto:Julie.simon@stl.unitedway.org)  
with questions, comments or concerns

11

## United Way of Greater St. Louis STRATEGIC TRANSITION PLANNING SERIES Session #4: Determining Program Financial Sustainability & Unit Service Costs

September 13, 2018



12

## SESSION PURPOSE

- Continue “Assessing Current Position” stage with a focus on Program Sustainability
- Gain insight about utilizing functional accounting methods as a management, fundraising and contracting tool



13

## LEARNING OBJECTIVES



Participants will:

- Build knowledge about how to allocate revenue, direct and indirect costs of agency operations
- Better understand options for calculating program unit costs and how to decide among options
- Improve their ability to determine program sustainability relative to agency mission

14

## KNOWING WHAT ARE YOUR REAL COSTS

# DETERMINING & ASSESSING the FINANCIAL SUSTAINABILITY of AGENCY PROGRAMS/ SERVICES

(Understanding The Real Cost of Services)

September 13, 2018

Presented by:

Richard I Goldbaum, Ph. D.  
**TRANSITIONS IN LEADERSHIP, LLC**  
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15

**“We Are Out of Money,  
We Are Going To Have To Use  
Our Heads.”**

Winston Churchill



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## KNOWING WHAT ARE YOUR REAL COSTS

Giving Up Your Queen To Win The Game!



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**KNOW WHEN TO  
HOLD THEM!**



**KNOW WHEN TO  
FOLD THEM!**

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## DEMING ADVISES...

**"You don't have to  
change.**

**Survival is Not  
Mandatory."**



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## DRUCKER SAYS . . .

**To Be A Change Leader  
We Must Test Every  
Product,  
Service, Process And  
Market  
For Effectiveness.**



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## KNOWING WHAT ARE YOUR REAL COSTS



**For A Change Process To Begin, There Must Be Creative Tension Between The Current Reality And Future Alternatives.**

Sage & Burrello (1994)

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## DRIVERS OF CHANGE IN TODAY'S NONPROFIT ENVIRONMENT

- ❑ **Risk-Based Reimbursement aka Managed Care**
  - ❑ Outcome Based Reimbursement
  - ❑ Value Based Reimbursement
  - ❑ Performance Based Reimbursement
  - ❑ Unit Cost Reimbursement
  - ❑ Capitated Rates
- ❑ **Networking**
  - ❑ Cooperation
  - ❑ Coordination
  - ❑ Collaboration
- ❑ **Partnerships – Mergers**

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## IMPORTANCE OF GOOD FISCAL MANAGEMENT

- ☐ Reflects The Overall Ability Of Management And The Board To Fulfill Their Joint Fiduciary Responsibilities To The Community
- ☐ Enhances The Organization's Efforts To Attract:
  - ☐ Contributions
  - ☐ New Board Members
  - ☐ Competent Staff
  - ☐ Government Contracts
  - ☐ Clients with its Quality Services
- ☐ Impacts Ability To Attract Potential Strategic Alliances/Partners
- ☐ Provides Opportunities To Identify and Address Inefficiencies & Service Weaknesses, Which Can Lead To Enhancing Program Quality
- ☐ Facilitates Informed Strategic Decision-Making

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## SUSTAINABILITY

**Meeting Needs Today  
Without Putting In Jeopardy  
Your (Agency's) Ability  
to Meet  
Needs in the Future.**

NONPROFIT SUSTAINABILITY: Making Strategic Decisions for Financial Viability  
Bell, Masaoka & Zimmerman

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## SUSTAINABILITY

### **Financial Sustainability:**

**The Ability to Generate Resources To Meet  
Needs of Today Without Compromising Needs of  
the Future.**

**HOW DO WE MEASURE FINANCIAL  
SUSTAINABILITY?**

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## PROFITABILITY

**Generating a PROFIT or SURPLUS is a critical  
goal when strategically planning for an  
agency's Financial Sustainability.**

**Assessing the PROFITABILITY of each core  
Program or Service helps to inform and  
enhance the decision-making process.**

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## FINANCIAL TERMINOLOGY

- ❑ Fund Accounting: The appropriation of revenue and expenses associated with specific services
- ❑ Cost Centers: A function that represents either a specific program or supporting service
- ❑ Direct Services: Programs that fulfill the organization's mission
- ❑ Indirect Services: Revenue generating activities that support the overall operation of the organization
- ❑ Restricted Revenue: Revenue designated (and thus, Allocated/Used) by donor/granter for a specific purpose

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## FINANCIAL TERMINOLOGY

- ❑ Direct Costs: Expenses clearly attributable to a specific program or service
- ❑ Indirect Costs: Expenses vital to overall operation but directly tied to any one program, including:
  - ~ Facility costs (rent, utilities, phone, repairs, insurance)
  - ~ Office supplies, printing, postage
  - ~ General equipment rental & maintenance
  - ~ Some salaries, payroll taxes and benefits
- ❑ Allocation of Expenses: The method of distributing direct and indirect costs across cost centers
- ❑ Indirect Cost Allocation: The systematic distribution of overall administrative and other indirect costs

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## KNOWING WHAT ARE YOUR REAL COSTS

### FUND ACCOUNTING

Appropriating revenue & expenses associated with specific services

#### Essential for Determining:

- ☐ The real cost of a unit of service
- ☐ The financial success of each service  
(whether self-sustaining or not)
- ☐ Direct and indirect costs
- ☐ Allocation of administration costs
- ☐ Efficiencies versus inefficiencies

Direct Costs associated with a Service  
Plus an Allocated Percentage of Indirect Costs =  
TOTAL ACTUAL SERVICE COST

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First we have to organize...



"And so you just threw everything together? ... Mathews,  
a posse is something you have to organize."

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## KNOWING WHAT ARE YOUR REAL COSTS

### EXPENSE ALLOCATION MODEL

Direct Services					Support Services			Total Expenses
Chart of Accounts Expenses	Program A	Program B	Program C	Total Program Expenses	Admin (Mgmt. & General)	Fundraising	Facility A 1,000 sq. ft.	

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### STAFF TIME ALLOCATION

Employees provide best estimate of percentage of time they spend in each cost center; data is used to allocate employee expenses (salary, FICA, benefits)

Employee	Program A	Program B	Program C	Administration	Fundraising	Facility A	Total
ED/CEO	15%	10%	15%	40%	10%	10%	100%
CFO				75%		25%	100%
Director of Program A	100%						100%
Director of Program B		100%					100%
Administrative Assistant to CEO	15%	10%	15%	40%	10%	10%	100%
Teachers in Program A	100%						
Counselors Program B		100%					100%
Therapists Program C			100%				
Director of Development					100%		100%
Administrative Assistant to Programs	33%	33%	34%				100%

32



## KNOWING WHAT ARE YOUR REAL COSTS

DIRECT COST ALLOCATION								
Chart of Accounts Expenses	Program A	Program B	Program C	Total Program Expenses	Admin	Fundraising	Facility A 1,000 sq. ft.	Total Expenses
Personnel	\$75,000	\$150,000	\$200,000	\$425,000	\$40,000	\$15,000	\$10,000	\$490,000
Program	\$10,000	\$50,000	\$50,000	\$110,000				\$110,000
Supplies	\$10,000	\$35,000	\$45,000	\$90,000	\$10,000	\$5,000	\$20,000	\$125,000
Food	\$5,000	\$15,000	\$5,000	\$25,000				\$ 25,000
Sub-Total Direct Expenses	\$100,000	\$250,000	\$300,000	\$650,000	\$50,000	\$20,000	\$30,000 \$30 per Sq Ft	\$750,000

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SPACE ALLOCATION						
Percentage of time each room is used by each cost center						
Room Facility A	Program A	Program B	Program C	Administration	Fundraising	Total Percentages
Office 100 sq. ft.	(100 sq ft) 100 %					(100 sq ft) 100%
Office 100 sq. ft.		(100 sq ft) 100 %				(100 sq ft) 100%
Classroom 300 sq. ft.	(75 sq ft) 25%	(75 sq ft) 25%	(150sq ft) 50%			(300 sq ft) 100%
Classroom 300 sq. ft.	(75 sq ft) 25%	(150 sq ft) 50%	(75 sq ft) 25%			(300 sq ft) 100%
Office 100 sq. ft.			(50 sq ft) 50%		(50 sq ft) 50%	(100 sq ft) 100%
Office 100 sq. ft.				(100 sq ft) 100%		(100 sq ft) 100%
Total Number of Sq. Ft	250	325	275	100	50	1000sq ft
@ \$30 per sq ft	\$7,500	\$9,750	\$8,250	\$3,000	\$1,500	\$30,000

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## KNOWING WHAT ARE YOUR REAL COSTS

FACILITY COST ALLOCATION								
Chart of Accounts Expenses	Program A	Program B	Program C	Total Program Expenses	Admin	Fundraising	Facility A 1,000 sq ft	Total Expenses
Personnel	\$75,000	\$150,000	\$200,000	\$425,000	\$40,000	\$15,000	\$10,000	\$490,000
Program	\$10,000	\$50,000	\$50,000	\$110,000				\$110,000
Supplies	\$10,000	\$35,000	\$45,000	\$90,000	\$10,000	\$5,000	\$20,000	\$125,000
Food	\$5,000	\$15,000	\$5,000	\$25,000				\$25,000
Sub-Total Direct Expenses	\$100,000	\$250,000	\$300,000	\$650,000	\$50,000	\$20,000	\$30,000 \$30 per sq ft	\$750,000
Allocation of Facility Expenses	\$7,500	\$9,750	\$8,250	\$25,500	\$3,000	\$1,500	(\$30,000)	
Total Direct Expenses	\$107,500	\$259,750	\$308,250	\$675,500	\$53,000	\$21,500	0	\$750,000

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ADMINISTRATIVE COST ALLOCATION								
Individual Service Costs as a Percentage of Total Cost of all Services								
Chart of Accounts Expenses	Program A	Program B	Program C	Total Program Expenses	Admin	Fundraising	Facility A 1,000 sq ft	Total Expenses
Personnel	\$75,000	\$150,000	\$200,000	\$425,000	\$40,000	\$15,000	\$10,000	\$490,000
Program	\$10,000	\$50,000	\$50,000	\$110,000				\$110,000
Supplies	\$10,000	\$35,000	\$45,000	\$90,000	\$10,000	\$5,000	\$20,000	\$125,000
Food	\$5,000	\$15,000	\$5,000	\$25,000				\$25,000
Sub-Total Direct Expenses	\$100,000	\$250,000	\$300,000	\$650,000	\$50,000	\$20,000	\$30,000 \$30 per sq. ft	\$750,000
Allocation of Facility Expenses	\$7,500	\$9,750	\$8,250	\$25,500	\$3,000	\$1,500	(\$30,000)	
Total Direct Expenses	\$107,500	\$259,750	\$308,250	\$675,000	\$53,000	\$21,500		\$750,000
% of Total Program Expenses	16%	38%	46%	100%				
Allocate admin cost based on %	\$7,950	\$20,670	\$24,380	\$53,000	(\$53,000)			
Total Expenses	\$115,450	\$280,420	\$332,630	\$728,500		\$21,500		\$750,000

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## KNOWING WHAT ARE YOUR REAL COSTS

ADMINISTRATIVE COST ALLOCATION -2								
Service Personnel Costs as Percent of Total Personnel Costs of all Services								
Chart of Accounts Expenses	Program A	Program B	Program C	Total Program Expenses	Admin	Fundraising	Facility A 1,000 sq. ft.	Total Expenses
Personnel	\$75,000	\$150,000	\$200,000	\$425,000	\$40,000	\$15,000	\$10,000	\$490,000
Program	\$10,000	\$50,000	\$50,000	\$110,000				\$110,000
Supplies	\$10,000	\$35,000	\$45,000	\$90,000	\$10,000	\$5,000	\$20,000	\$125,000
Food	\$5,000	\$15,000	\$5,000	\$25,000				\$25,000
Sub-Total Direct Expenses	\$100,000	\$250,000	\$300,000	\$650,000	\$50,000	\$20,000	\$30,000 \$30 per sq. ft.	\$750,000
Allocate Facility Expenses	\$7,500	\$9,750	\$8,250	\$25,500	\$3,000	\$1,500	(\$30,000)	
Total Direct Expenses	\$107,500	\$259,750	\$308,250	\$675,000	\$53,000	\$21,000		\$750,000
% of Total Program Expenses	18%	35%	47%	100%				
	16%	38%	46%	100%				
Allocation of Admin Costs Based on %	\$9,540	\$18,550	\$24,910	\$53,000	(\$53,000)			
Total	\$117,040	\$278,300	\$333,160	\$728,500		\$21,500		\$750,000

## OTHER METHODS FOR ALLOCATING ADMIN COSTS

### Percentage of Service Full Time Equivalents (FTEs) to Total FTEs of all Services

NOT Recommended:  
Using a Percentage of Revenue to Allocate Administrative Costs

## DISTRIBUTION OF REVENUE

- ❑ **Restricted Revenue: Program-Specific**
  - ~ Fee For Services
  - ~ Designated Grants
  - ~ Designated Donations
  
- ❑ **Unrestricted Revenue: Non Program-Specific**
  - ~ Undesignated Grants & Donations
  - ~ Fundraising Efforts often including Special Events

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## FISCAL SUSTAINABILITY

Ability of agency to meet its current program financial needs and ensure it can meet its future needs as well

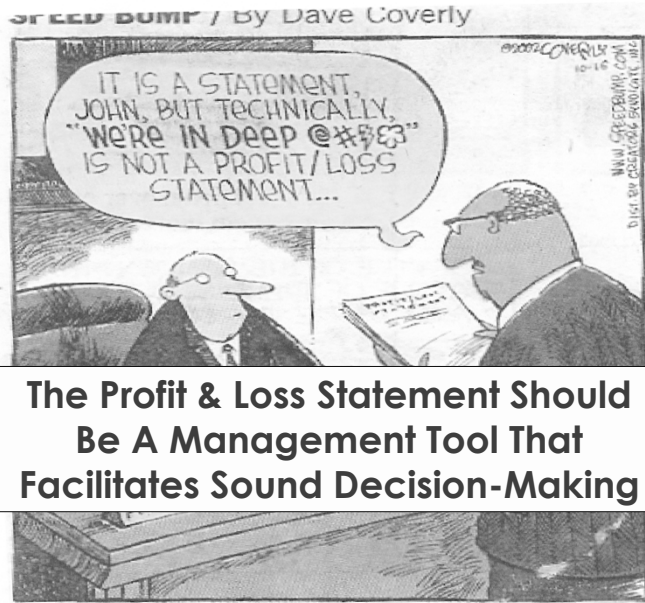
**Equates to how well a Program operates financially:**

**At a Surplus: Revenue exceeds Expenses**

**At a Deficit: Expenses exceed Revenue**

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## KNOWING WHAT ARE YOUR REAL COSTS



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## REAL COST OF A SERVICE

**Knowing the “REAL COST” or “UNIT COST” of a Service is Critical to the Survival of an Agency in the Current Risk-Based Reimbursement Environment.**

**An Agency that is Unable to Accurately Determine The Real Cost of Each of its Services is Unlikely to make informed Service Decisions.**

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## PRIMARY REASONS FOR DETERMINING UNIT SERVICE COST

- ☐ Improves Ability to Price Services Accurately; and to Report the True Cost of Program, when Requesting Govt. Reimbursements
- ☐ Enhances Fundraising Success for Donor Support
- ☐ Provides Data for Priority Setting
- ☐ Assists in Setting Revenue Goals and Strategies; and in Identifying and Prioritizing Cost-Savings Opportunities
- ☐ Provides a Tool that Assists in Allocating Discretionary Resources
- ☐ Requires the Systematic, Logical, and Data-Based Allocation of Expenses to Each Service – thereby improving the Accuracy and Measurability of Budgetary Development & Management Processes

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## UNIT OF SERVICE

- ❑ **Describes the Numeric Focus (Output) of a Service by the number of:**
  - ❑ Hours Provided
  - ❑ Days Provided
  - ❑ Nights Provided
  - ❑ Individuals Served
  - ❑ Organizations Involved
  - ❑ Presentations Made
  - ❑ Legislative Bills Influenced
  - ❑ Brochures Distributed
- ❑ **Provides an accurate tracking mechanism for designated service units**

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## ACTUAL UNIT SERVICE COST CALCULATION

- ❑ **Capacity:** The maximum Number of Units of Service that can be provided (based on current space, staffing, funding restrictions)
- ❑ **Vacancy Factor:** Include the Rate of Absenteeism, Vacancy or Days Service Not Provided (Holidays) When Determining Capacity
- ❑ **Utilization:** The Actual Number of Units of Services Provided or Best Estimate of Services Provided
- ❑ **Utilization Rate:** The Percentage Result of Dividing Utilization by Capacity
- ❑ **Unit Cost:** The Result of Dividing the Total Cost of the Service by the Actual Number of Units Provided

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## EXERCISE: CALCULATING UNIT COST

- **Total Annual Budgeted Expense of Program A** = \$115,450
- **Capacity of Program A**  
25 clients participate in each of 4 classes = 100 clients served per week;  
100 clients served for 2 hours/class = 200 participation hours per week
- **Utilization Rate**  
Historical data indicates a rate of 80%, equating to:  
100 clients x 80% = 80 served per week x 2 hours = 160 hours per week - OR  
200 hours per week x 80% rate = 160 hours per week
- **Program Duration**  
4.3 weeks per month from September through May, with one week Holiday in November, two weeks in December and two weeks in the Spring

**WHAT IS THE HOURLY COST  
OF THE PROGRAM?**

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## CALCULATING THE UNIT COST OF PROGRAM A

**4.3 weeks x 9 months = 38.7 weeks**  
**38.7 weeks - 5 weeks (Holidays) = 33.7 weeks annually**  
**33.7 weeks x 160 client hours per week =**  
**5,392 annual program hours**

**\$115,450 Program A budget ÷**  
**5,392 annual program hours of service =**  
**\$21.41 per hour unit service cost**

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## UNIT COSTS CAN BE USED TO:

- ☐ Strengthen Position When Negotiating Contract Fees
- ☐ Seek Multiple Funders to Cost Share
- ☐ Assist in Identifying Why Services are Operating at a Surplus, Break-Even, or Deficit Level
- ☐ Enhance Decision-Making in Allocating Unrestricted Donations
- ☐ Validate the Efficiency or Inefficiency of Services
- ☐ Stimulate a Culture of Collecting Accurate Data

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## USING UNIT COSTS TO INCREASE FUNDRAISING SUCCESS

### Fundraise for Supplemental Donor Support

#### EXAMPLE: Program A

- $\$21.41 \text{ unit cost} \times 5,392 \text{ service hour units} = \$115,450 \text{ total expenses}$
- Funder A awards \$60,000 or 52% of total expenses, covering 2,804 service hours
- Agency needs to secure an additional \$55,450 to cover the unfunded 2,590 service hours
- Agency solicits other funders/donors to contribute the remaining 2,590 service hours at \$21.41 per unit, using marketing techniques such as covering costs of:
  - ~ delivering services for one week at \$856 ( $\$21.41 \times 40 \text{ hours/week}$ )
  - ~ sponsoring one client in program at \$1,154 ( $\$115,450 \div 100 \text{ clients}$ )

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## USING UNIT COSTS TO INCREASE FUNDRAISING SUCCESS

Funders/donors are more likely to give when they know:

- ☐ How their contributions will be utilized (serving a specific need);
- ☐ The number of hours of service (units) their contribution covers;
- ☐ The cost of delivering service; and
- ☐ That they are not alone in funding the program.

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## SUSTAINABILITY

- ☐ **Programmatic Sustainability:** The ability to develop, enhance, mature, and cycle out (or transition) programs to maintain responsiveness to constituents over time.
- ☐ **Mission Impact:** Extent to which a service is relevant and compatible with an agency's core reason for existing, vision, values and key performance indicators

HOW DO WE MEASURE  
PROGRAMMATIC SUSTAINABILITY?

52

## KNOWING WHAT ARE YOUR REAL COSTS



## CRITERIA FOR ASSESSING MISSION IMPACT

- ☐ Alignment to Core Mission
- ☐ Recognized for its Exceptional Execution
- ☐ Utilization Versus Capacity
- ☐ Impact on Participation
- ☐ Meeting Significant Need
- ☐ Contributes to Strengthening the Community at Large
- ☐ Secondary Positive Impact

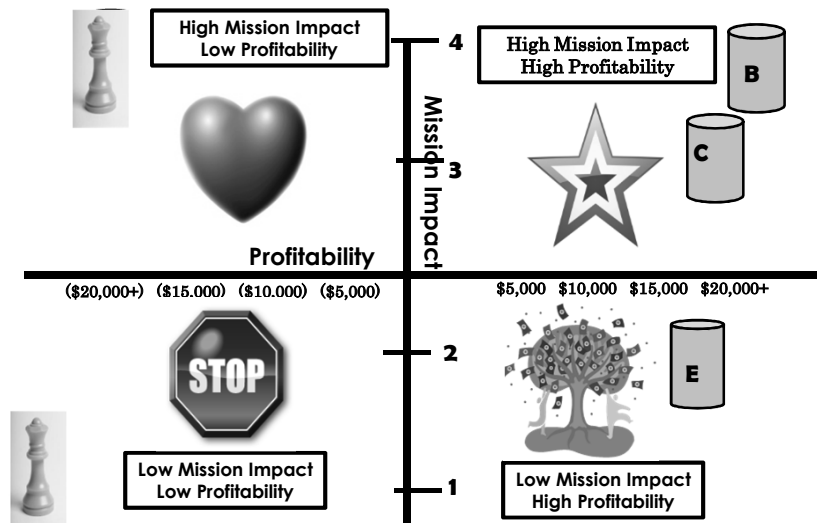
## MISSION IMPACT MATRIX

**Mission Impact: the extent to which each service relates to the fulfillment of an agency's core reason for existence**

**A Matrix can help determine level of impact, by using ratings:**

1. Exceptional Impact
2. Strong Impact
3. Moderate Impact
4. Minimal Impact

## FINANCIAL SUSTAINABILITY BUSINESS MATRIX



## MISSION IMPACT EXERCISE

### Start by Identifying 3 Agency Services/Programs

- ☐ How Well does each Fulfill the Agency's Core Mission?
- ☐ How Well is each Executed?
- ☐ What is the Utilization Rate of each (utilization vs capacity)?
- ☐ How much Impact does each have on its Participants?
- ☐ To What Extent does each Meet a Significant Need?
- ☐ How well does each Contribute to Strengthening the Community at Large?
- ☐ What is the extent of Secondary Positive Impact related to each?

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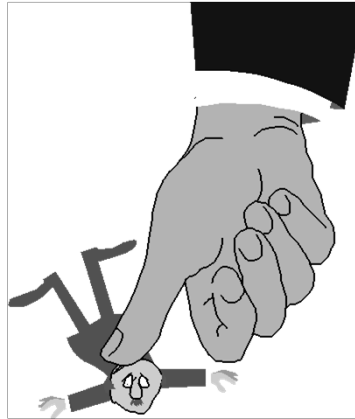
## THE VALUE OF KNOWING HOW PROGRAMS CONTRIBUTE TO MISSION & FINANCIAL HEALTH

- ☐ Assist with prioritizing core programs that need to be protected
- ☐ Identify peripheral and financially unhealthy programs for elimination or scale-down
- ☐ Help to allocate human and financial resources more effectively
- ☐ Enhance focus on designing smarter growth strategies
- ☐ Prioritize the financial health and mission alignment of the agency as a whole

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## DRUCKER SAYS . . .

**“ IN THE ABSENCE OF  
STRATEGY,  
  
PERSONALITIES  
WILL PREVAIL.”**



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## RECOMMENDED RESOURCES

**NONPROFIT SUSTAINABILITY: Making Strategic Decisions  
for Financial Viability**

Jeanne Bell, Jan Masaoka, Steve Zimmerman  
Jossey-Bass

**Streetsmart: FINANCIAL BASICS for NONPROFIT MANAGERS**

Thomas A. McLaughlin  
John Wiley & Sons, Inc

**OPEN MINDS:** [www.openminds.com/membership/](http://www.openminds.com/membership/)

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## KNOWING WHAT ARE YOUR REAL COSTS



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