United Way of Greater St. Louis

STRATEGIC TRANSITION PLANNING SERIES

2018-2019

5.10.19

1

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

SERIES LEARNING OBJECTIVES

GAIN UNDERSTANDING

- About themselves, their environment & resources to be better equipped for adapting to a shifting funding environment

IMPROVE COMPETENCE

- In seeking funding from diverse sources, beyond the United Way

BUILD PROFICIENCIES

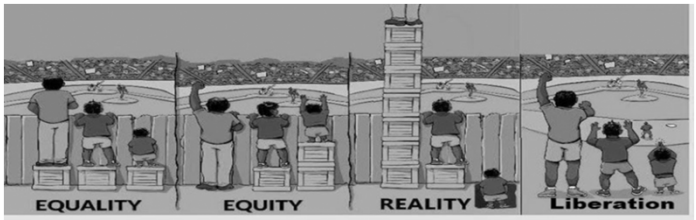
- That improve positioning, agility and navigation through environmental changes

ADVANCE EFFORTS

- To develop and implement a strategic transition plan

3

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

Member Agency Strategic Transition Planning Series 2018 – 2019 Schedule

TOPIC	CODE*	DATE/TIME	DESCRIPTION	FACILITATORS
#1: Series Overview/SWOT Analysis (lunch provided)	B	May 17, 2018 9am – 1:30pm	Part 1: capacity building blocks for helping agencies adapt to new funding model; Part 2: SWOT analysis	Julie Simon & Rebeccah Bennett, Emerging Wisdom
#2: Financial Health	B	Thurs, June 14 9am – 12pm	Evaluating financial performance, cash flow & budgeting in alignment with Board fiduciary responsibilities	Judy Murphy & Amy Altholz, RubinBrown
#3: Fund Development		Thurs, July 12 9am – 12pm	Basic components of fund development/planning; data analysis; strategies for building on what works	Wendy Dyer, Wendy Dyer Fund Devp Consultants
#4: Program Financial Sustainability		Thurs, Sept 13 9am – 12pm	Functional expense allocation; assessing financial sustainability; mission alignment; calculating unit costs	Dick Goldbaum, Transitions in Leadership
#5: Contingency Planning	B	Thurs, Oct 11 9am – 12pm	Assessing risk; contributing factors & gravity of impact; developing action plans to mitigate/address risks	Pat Knoerle-Jordan, Experience On Demand
#6: Change Management		Thurs, Nov 8 9am – 12pm	Outlining indicators, pathways & impacts of change; deter-mining how, what, when & who changes, how to adapt	Marissa Paine, Painefree Coaching & Consulting
#7: Innovation		Fri, Nov 30, 2018 9am – 12pm	Exploring methods, ideas & approaches to process work more effectively, increase agility/responsiveness & advance impact	Joseph Steensma, Washington University
#8: Racial Equity Lens Application	B	Fri, Jan 11, 2019 9am – 12pm	Assessing agency infrastructure, culture and programs for fairness/justness & exploring how to apply a racial equity lens	Kira Hudson Banks, St. Louis University
#9: Board Engagement in Fund Development (lunch provided)	B	Fri, Feb 8 9am – 2pm	Framing Board member fundraising roles/responsibilities & support required for effectiveness; crafting compelling messages	Pete Werner, Consultant, & Wendy Dyer
#10: Optimizing Board Effectiveness	B	Fri, Mar 8 9am – 12pm	Optimizing Board effectiveness via proper recruitment, engagement, expectation-setting, accountability & facilitated decision-making	Laurna Godwin, Vector Communications
#11: Fund Development Deeper Dive		Fri, Apr 12 9am – 12pm	Expanding/improving development efforts to diversify and increase funding streams	Wendy Dyer & Rachel D'Souza-Siebert
#12: Strategic Alliances: Part I	B	Fri, May 10 9am – 12pm	Exploring the spectrum of collaboration; rationale for pursuit; phases of discovery, due diligence, negotiation & assimilation; defining success	Allie Chang Ray, Mutare Network
#13: Strategic Alliances: Part II	B	Fri, Jun 21 9am – 12pm		
#14: Succession Planning	B	Fri, Aug 2 9am – 12pm	Framing a pro-active process & techniques for effectively managing & developing talent for future needs and organizational sustainability	tbd
#15: Envisioning/Driving Direction (lunch provided)	B	Fri, Sep 13 9am – 2pm	Creating future vision & defining strategic priorities/direction to position, strive for and move toward that vision	Rebeccah Bennett, Emerging Wisdom
#16: Creating a Transition Plan: Part 1 (lunch provided)	B	Thurs, Oct 10 9am – 2pm	Operationalizing the transition for guiding toward better positioning & adapting to a changing environment	Rebeccah Bennett, Emerging Wisdom
#17: Creating a Transition Plan: Part 2 (lunch provided)	B	Fri, Nov 1, 2019 9am – 2pm		

*** KEY: B = Board-Focused | Stage 1 = Assessing Position | 2 = Preparing for Change/ Innovation | 3 = Exploring Resources | 4 = Creating Plans**

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STAGE 1: ASSESSING AN AGENCY'S CURRENT STATE

Four reasons for assessing the present state:

- Use current state as an input in planning for agency future
- Identify and prioritize areas that need to be improved and/or invested in to reach agency goals
- Explain to stakeholders why change is needed and the logic behind agency actions
- Create motivation and a common understanding among invested, impacted and interested stakeholders regarding agency conditions, capabilities, vulnerabilities, and opportunities

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SESSION 1: SWOT Analysis

5.17.18

Presented by: Rebeccah Bennett
Emerging Wisdom

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

	Helpful	Harmful
Internal	Strengths S	Weaknesses W
External	Opportunities O	Threats T

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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

RubinBrown

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SESSION 3: Fund Development Tools & Techniques

7.12.18

Presented by: Wendy Dyer,
Wendy Dyer Fund Development Consultants

Where Is Your Program?

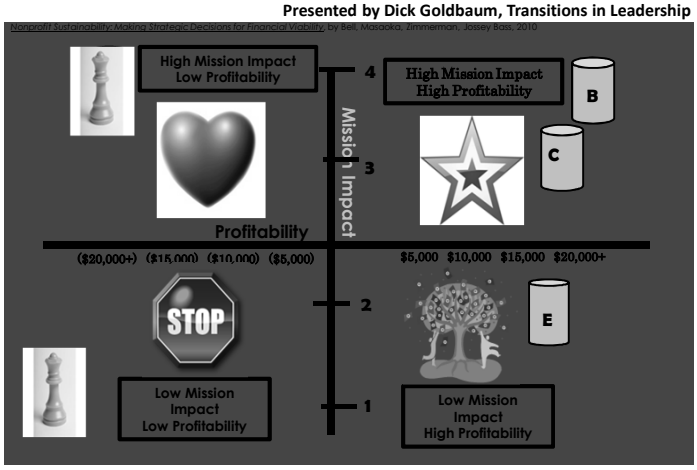
9

FINANCIAL SUSTAINABILITY BUSINESS MATRIX

9.13.18

Presented by Dick Goldbaum, Transitions in Leadership

Nonprofit Sustainability: Making Strategic Decisions for Financial Viability, by Bell, Masaoka, Zimmerman, Jossey Bass, 2010



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SESSION 5: Contingency Planning

10.11.18

Presented by: Pat Knoerle-Jordan
Experience on Demand

Definition: Risk mitigation process preparing an agency for potential challenges by navigating through worst-case scenarios to help ready itself for best responses if needed

Contingency Planning is used to:

- Achieve higher degree of shared experience and organizational learning
- Raise/challenge widely held beliefs & assumptions about agency and its direction
- Identify key levers to influence future course; incorporate change management into strategic analysis; & intentionally mitigate future negative impacts

Contingency Planning Model:

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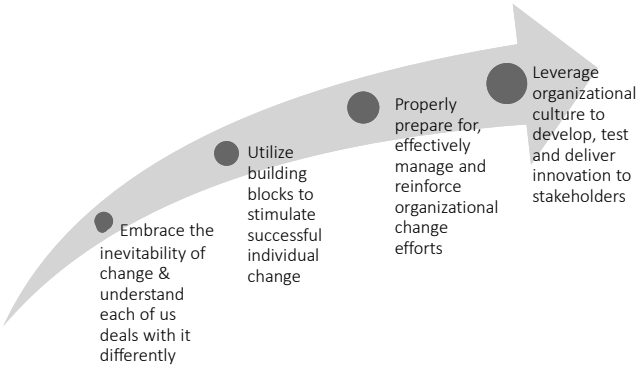
STAGE #2: PREPARING FOR CHANGE AND INNOVATION



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SESSION 6: Change Management

11.8.18

11.8.18

Presented by: Marissa Q. Paine
Painefree Coaching & Consulting

Phase 1 – Preparing for Change

- Define your change management strategy
- Prepare your change management team
- Develop your sponsorship model

Phase 2 – Managing Change

- Develop change management plans
- Take action and implement plans

Phase 3 – Reinforcing Change

- Collect and analyze feedback
- Diagnose gaps and manage resistance
- Implement corrective actions and celebrate successes

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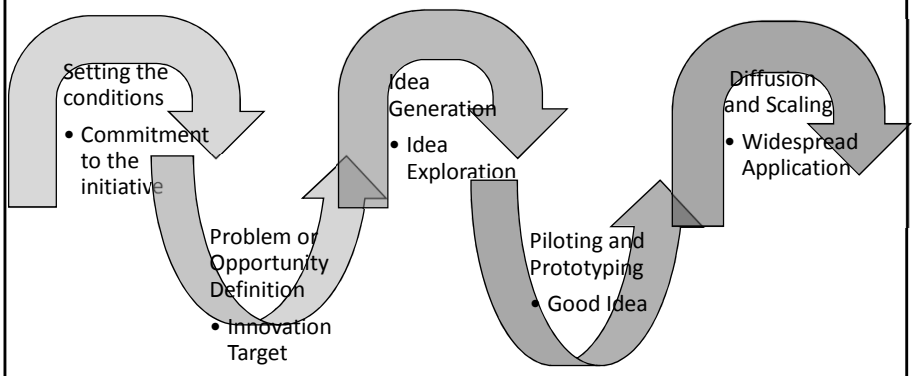
SESSION 7: Developing a Culture of Innovation

11.30.18

Presented by: Joseph T. Steensma
Washington University

Start With A Conceptual Framework:



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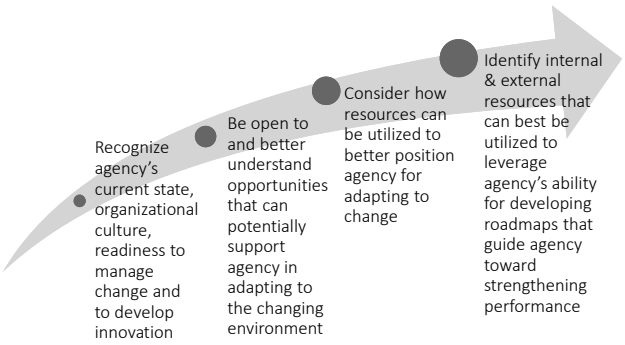
STAGE 3: EXPLORING RESOURCES



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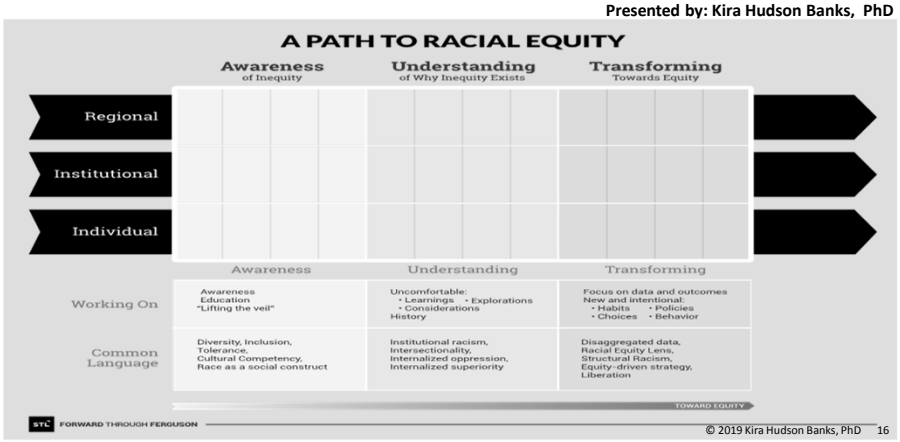
SESSION 8: Applying a Racial Equity Lens – Exploring Ways to Advance Equity

1.11.19

Presented by: Kira Hudson Banks, PhD



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SESSION 9:
Board Engagement in Fund Development

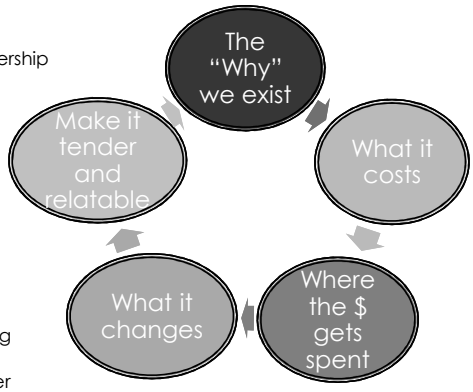
2.8.19

Presented by: Pete Werner, Nonprofit Consultant (P1) and
Wendy Dyer, Wendy Dyer Fund Development Consultants (P2)

P1/ Board Engagement in F/R requires:

- A partnership structure
- Potential tough decisions re: current board membership
- Recruiting & onboarding new members in a strategic and intentional manner
- Members understand the business model
- Members always ask questions & evaluate progress/results
- Strategy in how to ask the Board to fundraise
- Focus on mission, passion & program understanding
- A compelling case statement members can deliver

P2/ Crafting Compelling Messages



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© 2019 Wendy Dyer, wendy dyer fund development consultants

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Session #10: Optimizing Board Effectiveness

3.8.19

Gold Standard Boards:

Presented by: Laurna Godwin
Vector Communications

- Meet regularly with majority of members attending
- Understand/perform legal & fiduciary responsibilities
- Set policy & direction; provide financial oversight; monitor organizational performance (programs & services); hire, evaluate, guide and support CEO
- Utilize Committee structure to reflect agency strategic priorities & change as needed
- Strong Board Chair-Chief Executive partnership
- Board meetings focus on problem solving, inquiry, exploring root causes/new ideas
- Strategically select Board candidates to advance agency's work
- Conduct ongoing training about agency, its programs, field & landscape
- Participate in fundraising; advocate for agency; serve as ambassador
- Complete annual individual member self-assessment; and periodic board assessment

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Session #11: Deeper Dive into Fund Development

4.12.19

Presented by: Wendy Dyer, Wendy Dyer Fund Development Consultants & Rachel D'Souza1Siebert, Gladiator Consulting

Utilizing latest Technologies:

Best Practices related to different Types of Fundraising:

Using a Racial Equity Lens:

- How do we use data captured from existing online giving platforms?
- What do we hope to gain from including technology & digital strategies in our FD plan?
- Who are our donors? How do they give? Who is not giving?
- What platforms have we not tested? What are we waiting for?
- What is an acceptable ROI to get started?

Including .. Know Your Return on Investment

- Grants = .20/$1.00 = 400%
- Mail appeals = .20/$1.00 = 400%
- Major Gifts = .10/$1.00 = 900%
- Events = .50/$1.00 = 100%
- Donor acquisition = 1.25/$1.00 = (-)200%

Change can happen at every level of an organization

- Check our Bias(es)
- Consider who supports agency's Culture of Philanthropy
- Check our Fund Development structure & process
- Think about Communication

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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!

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Member Agency
Strategic Transition Planning Series

Please contact Julie Simon at
Julie.simon@stl.unitedway.org
with questions, comments or concerns

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United Way of Greater St. Louis
STRATEGIC TRANSITION PLANNING SERIES
Session #12:
Strategic Alliances – Part 1
May 10, 2019

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SESSION PURPOSE

Outlines the spectrum, theory, models and examples of collaboration, along with driving forces, that can help (stimulate) agencies stay relevant and increase impact.

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LEARNING OBJECTIVES

Participants will:

- Gain insight about nonprofit developmental stages and the current lifecycle stage of their agency.
- Advance learning about the spectrum of collaboration and how it can help agencies stay relevant.
- Increase access to resources that can support strategic alliance consideration & exploration.
- Prime thought and consideration for their agency's strategic alliance potential.

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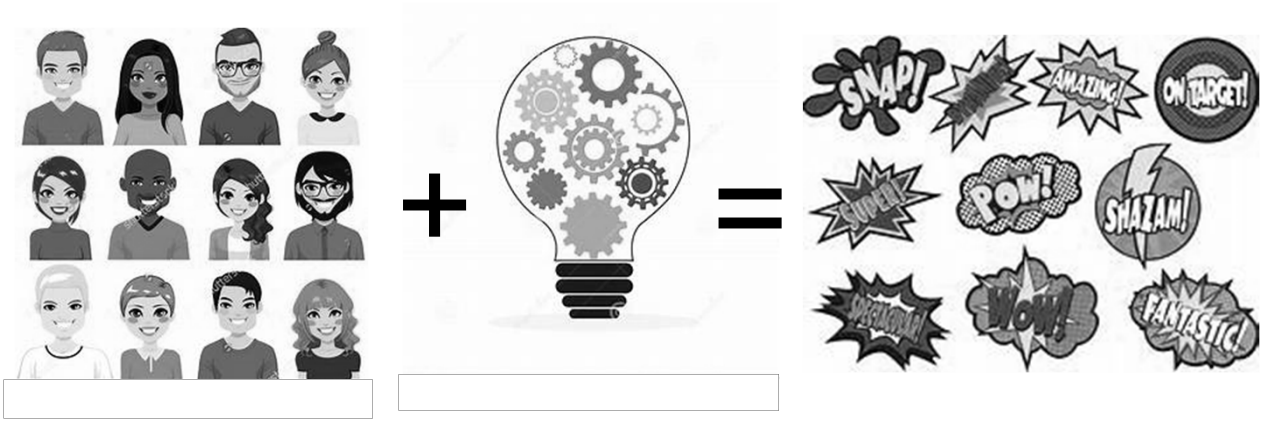

UWGSL Member Agency Strategic Transition Series

Session #12: Strategic Alliances - Part 1

May 10, 2019

Presented by Allie Chang Ray
Principal & Independent Consultant
MUTARENetwork

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Premise

A nonprofit organization will experience
a variety of stages during its lifetime.

No matter the stage, it has opportunities
to increase mission impact through strategic alliance.

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Workshop Overview

1. understand how the spectrum of collaboration can help agencies stay relevant regardless of its age or lifecycle stage; and

2. prime thought and consideration for strategic alliance potential.

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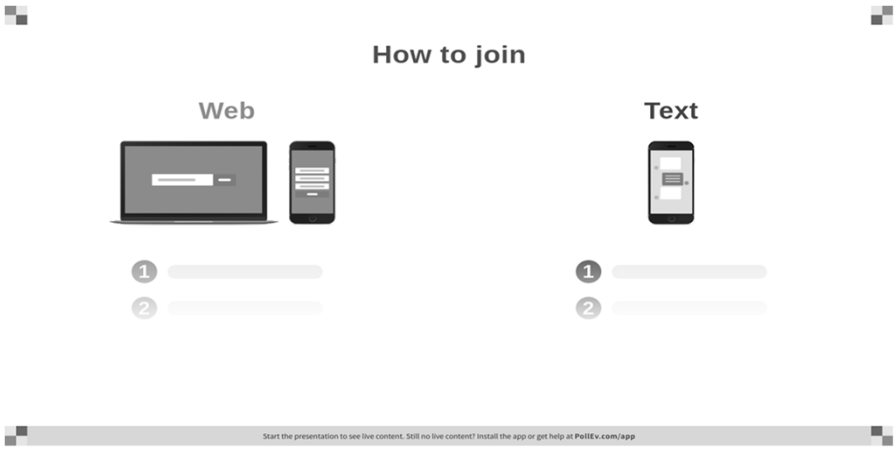
Who's in the Room Today?



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Learning Approach

During today's session
- concept
- example
- analysis
- Application

On your own
- capacity & skill development
- competency
- effectiveness

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Lifecycle Theory

Used by nonprofit organizations to
- identify stages that exist in the lives of nonprofit organizations;
- provide patterns and predictability;
- build common understanding and buy-in;
- de-personalize issues and challenges;
- measure capacity improvements over time;
- normalize the difficulties inherent in growth/change; and
- set a trajectory toward organizational improvement and effectiveness.

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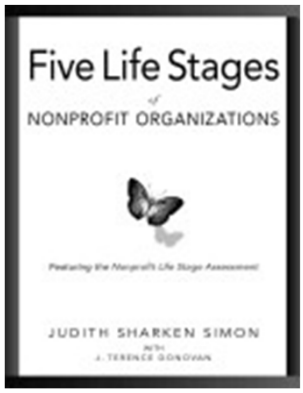
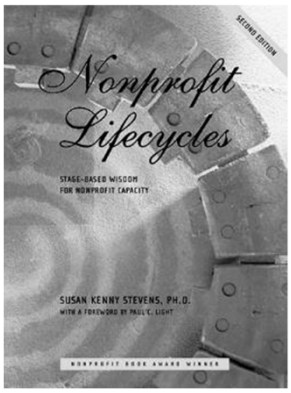
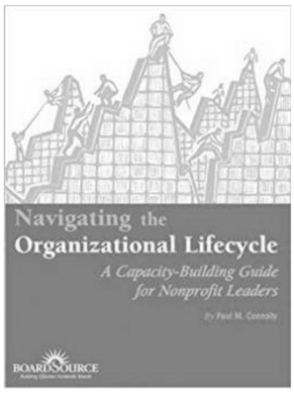
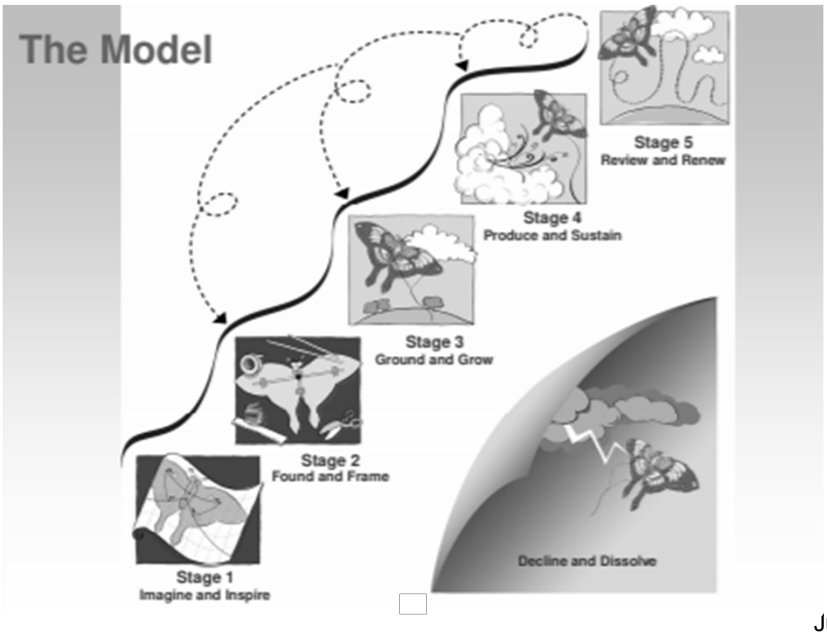
Sample of Lifecycle Theories

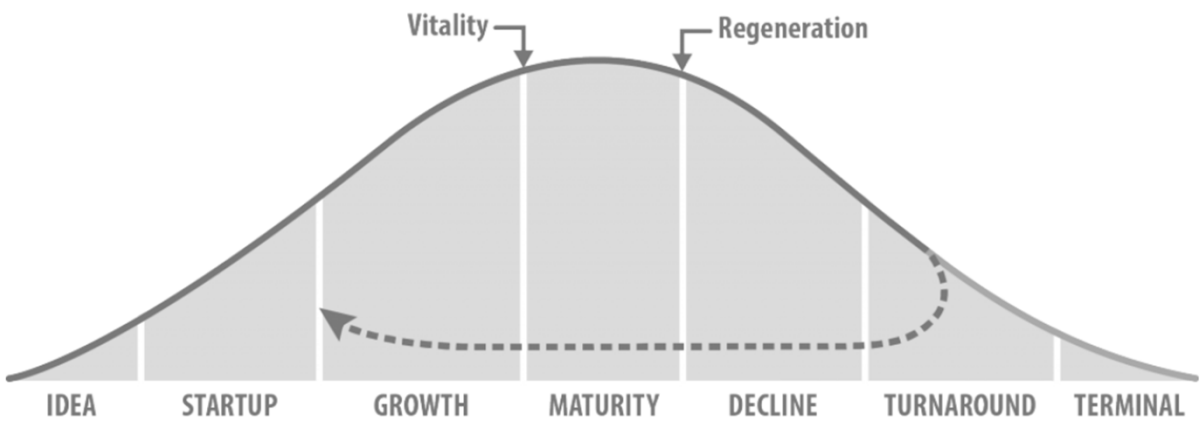








Judith Sharken Simon



Susan Kenny Stevens

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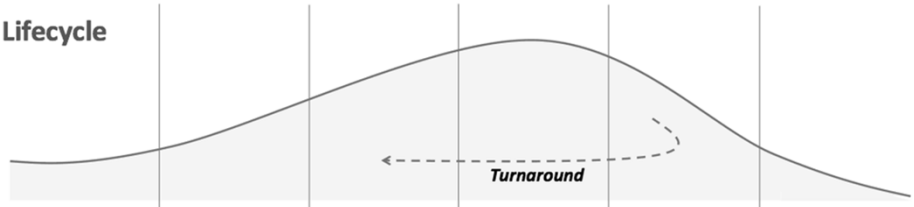
Nonprofit Lifecycle



	Idea	Start-up	Growth	Maturity	Decline	Crisis
Programs	Informal; need established & programs are started	Simple programmatic approach; strong commitment to service delivery	Established in marketplace; more consistent & focused delivery	Programs are well developed; focused on results & relevancy	Losing relevance in marketplace; market saturation or duplication	Demand for services is near zero; competition is fierce or has moved on to other needed services
Human Resources	Entrepreneurial founder	Flat organization; decisions are likely made by founder	Increased division of labor & accountability; executive director is key decision maker with Board guidance	Clear division of labor & accountability; leadership is often second or third generation from founder	Increasing turnover; decreased ability to attract top talent; decreased transparency	High contention & division between staff; mistrust of leadership; inability to fill key roles
Board	Not yet developed	Formal governance in place; homogeneous group	Board expansion – more outsiders; more focus on planning & oversight	Board is more policy & strategy focused; delegates management to executive director	Board membership is waning; awareness of operational issues is low	Board not fulfilling fiduciary responsibilities
Financials	Most are in-kind	Limited financial resources; hand-to-mouth	Established relationships with funders, but still unpredictable	Established relationships with multiple funders; higher degree of predictability	Funders are not renewing contracts; donor retention & loyalty decreasing	Cash-on-hand insufficient to cover operating expenses; current donors tapped out
Marketing	Not utilized	Limited communications & PR – most is word-of-mouth	First official PR materials; primary method of marketing is still word-of-mouth	Increased sophistication in marketing & communications using multiple channels	Decreased public interest	Unable to attract media or public attention; messaging does not resonate with public

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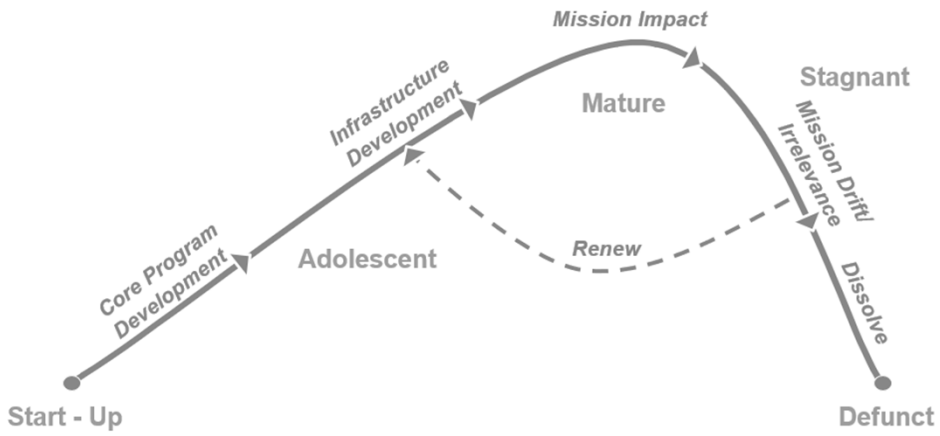

This model is adapted from Susan K. Stevens' *Nonprofit Lifecycles: Staged-Based Wisdom for Nonprofit Capacity* (Stagewise Enterprises, 2002.)

Paul Connolly & Susan Kenny Stevens

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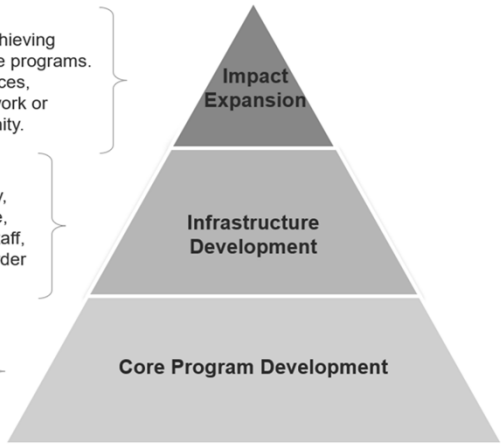
Lifecycle Dimensions

Broadening your approach to achieving mission impact beyond your core programs. This may include strategic alliances, partnerships, policy/ advocacy work or further outreach in your community.

The systems needed for an organization to operate smoothly, including having policies in place, good communication between staff, and initial evaluation efforts in order to improve programs.

Close alignment between your programs and your mission/vision – and clarity in your organization as to how they relate.



tcc group

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Strategic Alliance Theory

Used by nonprofit organizations to

- increase their influence;
- scale their efforts;
- strengthen and expand their programs and services; and/or
- streamline operations to gain efficiencies.

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Strategic Alliance Thought Leadership

Karen Ray

Michael Winer

The Bridgespan Group

THE LODESTAR FOUNDATION
Seeking happiness in philanthropy

FSG
REIMAGINING SOCIAL CHANGE

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CONSULTING
Collaborate. Create. Accelerate.

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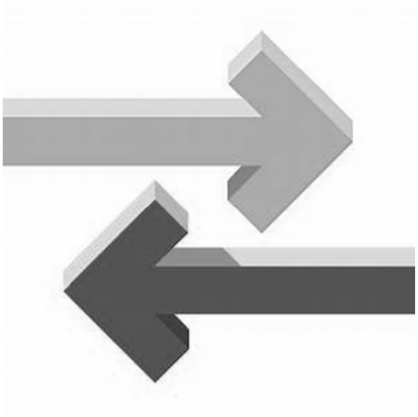
Driving Forces

- external factors
- internal factors



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Frameworks to Consider

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Partnerships and Collaboration

The Collaborative Map

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Collaborate. Create. Accelerate

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PARTNERSHIP CONTINUUM

Cooperation	Coordination	Collaboration
Lower Intensity → → → → *Higher Intensity*		
Shorter-term, informal relationships	Longer-term effort around specific project or task	More durable and pervasive relationships
Shared information	Some planning and division of roles	New structure with a commitment to common goals
Separate goals, resources, and structures	Some shared resources, rewards, and risks	All partners contribute resources and share rewards, leadership, and risks

Source: Winer and Ray 1994.

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Spectrum of collaboration

Associations (Includes coalitions, collaboratives, communities of practice)	Joint Programming	Shared Services	Merger (Includes affiliate and subsidiary structures)
Definition: A group of organizations that voluntarily combine forces to accomplish a purpose over time	Definition: Contractual programmatic undertaking of two or more entities without actual legal incorporation	Definition: Jointly hiring a third party or agreeing to share an existing resource to provide services such as accounting, marketing, IT or office space to consolidate administrative functions	Definition: A combining of two organizations into one. This can be accomplished through legal affiliate or subsidiary structures, integrating one organization into another or the creation of a new entity.

Less ← Level of integration → More

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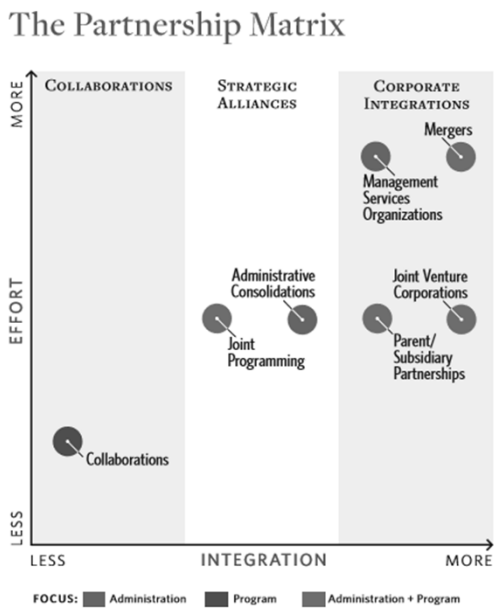

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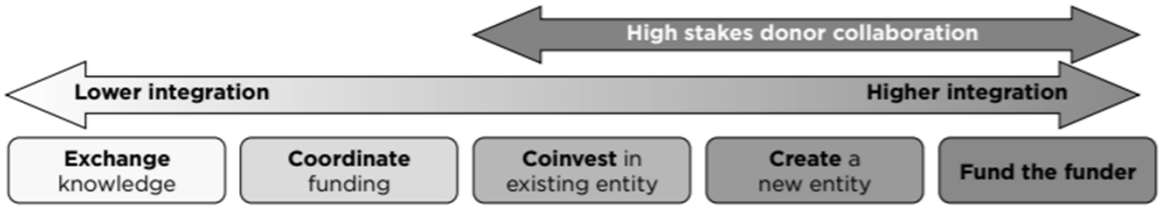
Funder Collaboration Models



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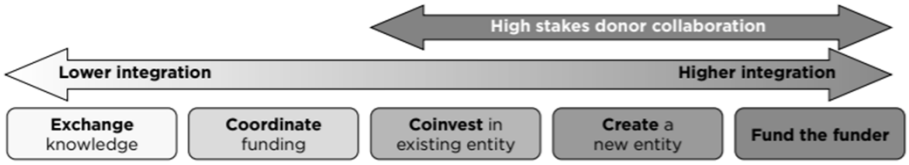
Funder Collaboration Models (cont'd)



Funder collaborations magnify impact and facilitate learning by

- possibly shifting from one category to another;
- creating an integrated process where the stakes are high (typically multiyear efforts, more resource-intensive in time and money); and
- accessing others' expertise, having enough clout to pursue system-level change, and aggregating the capital needed to take a successful project to the next level.

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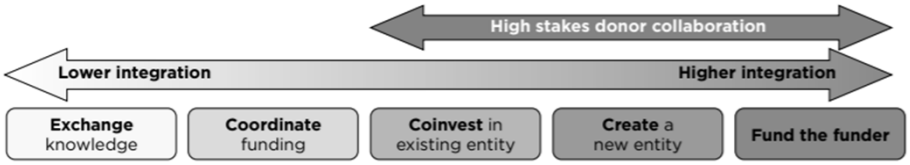
Funder Collaboration Models (cont'd)



Note: Before coinvesting or creating a new entity, many funders often have already worked together on less complex projects and established a level of mutual confidence.

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Primers of Strategic Alliance Conditions

There are many reasons why a strategic alliance makes sense for two or more entities. Some of them include:

- achieve greater leverage among stakeholders (e.g. build awareness or advocacy);
- address complex issues that require coordinating multiple stakeholders;
- provide an integrated continuum of services to meet beneficiaries' needs;
- strengthen or expand program or service quality and performance;
- gain back-office or administrative efficiencies;
- achieve greater economies of program scale; and
- enter new geographies, provide new services, or reach new beneficiaries

Examples of Local Strategic Alliances

Helping people.
United Way
Greater St. Louis

RUNG FOR WOMEN

Equity Applications

- Race
- Gender
- Sexual orientation
- Age
- Geography
- Social determinants of health, such as
  - socioeconomic status,
  - education,
  - neighborhood and physical environment,
  - employment, and
  - social support networks

Common Themes

1. Weigh the cost-benefits, including the opportunity cost, of collaboration, especially if it is not strategic to the ~~foundation~~ or the program area.
2. Align on clear goals ~~before investing~~. Otherwise, preserve decision-making flexibility.
3. Use a taxonomy to apply rigor to decision making regarding the collaborative's structure.
4. Be clear about the roles the various ~~funding~~ partners will play, as well as the investment required.
5. Set the exit strategy upfront and establish milestones along the way.
6. Put in place evaluation mechanisms and ~~grantee~~ feedback loops; adapt based on this information.
7. Engage the board in key discussions about collaboration when it is central to the ~~foundation's~~ work.

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Resources

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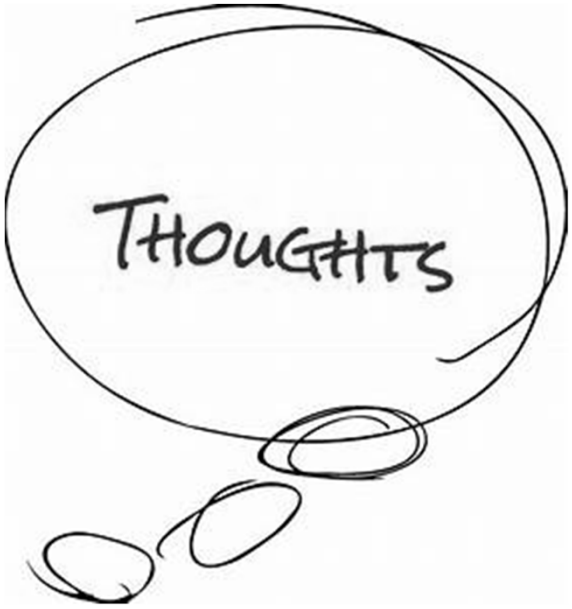

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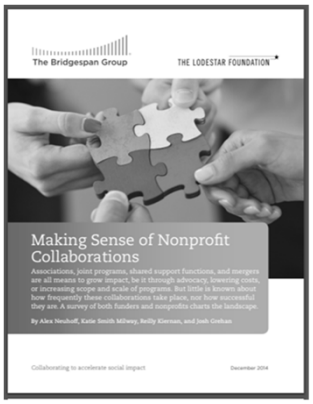
To Be Continued in June

The Power of Possibility



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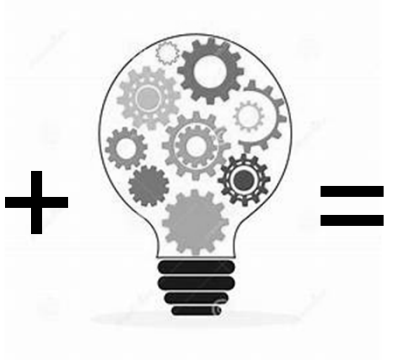

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THANK YOU!

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