United Way of Greater St. Louis

STRATEGIC TRANSITION PLANNING SERIES 2018-2019

Summary of Previous Sessions (#1 - #15)

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SESSION 1: Part 1 - Series Overview

STRATEGIC TRANSITION SERIES GOAL

5.17.18

Presented by: Julie Simon
United Way of Greater St. Louis

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

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SERIES LEARNING OBJECTIVES

GAIN UNDERSTANDING

- About themselves, their environment and 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

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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.

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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	Lauma 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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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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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: Part 2 - SWOT Analysis

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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SWOT COMPONENTS

STRENGTHS
- Core competencies that give the agency an advantage in executing its mission

FUTURE

WEAKNESSES
- Internal limitations that constrain the agency's ability to advance its mission and vision

OPPORTUNITIES
- External circumstances or situations that if leveraged could help the agency achieve its goals / objectives

THREATS
- External conditions that if not considered or planned around could undermine the agency's efforts and well-being

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Internal Considerations

PEOPLE
- Leadership (executive and board), staff, volunteers
- Performance & productivity
- Capabilities / gaps

PROGRAMS
- Services and supports
- Outcomes / impacts
- Clients

PROCESSES
- Administration
- Communications
- Operations
- Policies and procedures

CLIMATE / CULTURE
- Practice of core values
- Levels of engagement
- Motivation

FINANCIAL POSITION
- Financial management / stewardship
- Financial sustainability
  - Resource development

TECHNOLOGY
- Infrastructure
- Operating systems
- Gaps / unmet needs

FUTURE

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External Considerations

DEFINITION: Environmental scanning systematically surveys and interprets data to identify external opportunities and threats. Agencies gather info about the external world, their competitors and themselves.

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Sample SWOT Analysis

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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

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Budget vs. Actual Analysis – Types of Budgets

- Strategic Plan Budget - Complements Strategic Plan & its goals & objectives; relates to agency Mission Statement; assists Board in long-term planning, providing different scenarios, estimates and assumptions
- Operating Budget - Provides annual plan for goals & objectives & operating activities, with fewer scenarios, estimates & assumptions

- Capital Budget - Accounts for major capital expenditures to be capitalized; includes how expenditures will be acquired & funding source; prepared annually & longer term
- Cash Flow Budget - Provides plan for annual cash inflows & outflows; identifies surpluses & deficits for additional planning; functions as monthly or weekly report; cash balance matches cash on statement of financial position

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Financial Statement Analysis: Warning Signs

- Statement of Financial Position
  - Concentration of a single or few donors; collectability of pledges
  - Inadequate liquid assets to cover current obligations; sufficient reserves
  - Reliance on one or relatively few assets (i.e. significant promises to give)
  - Inability/no plan to service long-term debt obligation
- Statement of Activities
  - Low percentage of expenses associated with program activities
  - Lack of consistency in generating increases in unrestricted net assets
  - Mix of revenue sources is not diverse
- Statement of Cash Flows
  - Inconsistency in generating sufficient cash to cover on-going operations
  - Lack of cash being reinvested for agency's future benefit

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Internal Financial Controls

- Areas of Potential Concern
  - Too much trust in certain individuals
  - Insufficient management oversight
  - Lack of financial audit
  - No background checks
  - Lack of independent checks - bank/investment/credit card statements
  - Failure to use bank's fraud prevention tools
- Safeguards
  - Segregation of Duties including cash disbursements, cash receipts, payroll, financial reporting
  - Whistle Blower's Policy

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Financial Risk Management Best Practices

	Done	Not Done	Plan to Implement
Establish a formal risk management policy, encompassing elements listed below.	❑	❑	❑
Financial Policies			
Prepare a formal policies & procedures manual encompassing finance and accounting functions.	❑	❑	❑
Establish an investment policy and an endowment spending policy.	❑	❑	❑
Establish a policy governing what types of gifts and gift instruments the organization will accept.	❑	❑	❑
Fraud Prevention and Mitigation			
Maintain insurance for directors and officers, worker's compensation, general liability, employee dishonesty, automobile, business interruption, and umbrella errors and omission, as applicable.	❑	❑	❑
Ensure all employees handling cash are bonded.	❑	❑	❑
Establish a bank lockbox account for revenue receipts; consider "positive pay" service for disbursements and other fraud-prevention tools. Monitor account activity daily.	❑	❑	❑
Have a copy of the monthly bank statement mailed directly to the chief executive.	❑	❑	❑
Pay all employees via direct deposit.	❑	❑	❑
Require approval from two senior members of management for wire transfers.	❑	❑	❑
Establish a process for tagging all fixed assets and performing an annual fixed assets inventory.	❑	❑	❑
Establish a fraud hotline & whistleblower protection policy. Develop a fraud response plan.	❑	❑	❑
Protection of Records			
Have accessible articles of incorporation, by-laws, recent IRS determination letter, state registrations.	❑	❑	❑
Maintain significant organizational documents in a safe deposit box or fireproof safe.	❑	❑	❑
Ensure that buildings are adequately protected from fire and theft.	❑	❑	❑
Establish a records retention & destruction policy encompassing paper & electronic records.	❑	❑	❑

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Nonprofit Financial Dashboards

- Concisely shows performance relative to goals; snapshot at point in time & trends; highlights unexpected & unusual variances
- Includes key performance metrics in context of Budget, Prior Year and Benchmarks
  - Days of cash on hand
  - Total revenue
  - Total expenses
  - Number of months of operating reserve
  - Overhead percentages
  - Revenues / Expenses within 10% of budget

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Dashboard Example - Board of Directors

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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?

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Stanford Innovation Review – 10 Nonprofit Funding Models

- **Heavily Individually Funded**
  - Heartfelt Connector
  - Beneficiary Builder
  - Member Motivator
- **Funded by Single or Few Individuals/ Foundations**
  - Big Bettor
- **Heavily Government Funded**
  - Public Provider
  - Policy
  - Beneficiary Broker
- **Funded by Companies**
  - Resource Recycler
- **Mix of Funding**
  - Market Maker
  - Local Nationalizer

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What do Donors want

To be known and valued

To know where their money went

To know their gift made a difference

Make sure you have an attitude of gratitude

Thank-before-you-bank

In 30 days tell them how their gift was used

In several months, tell them what their gift accomplished

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Key Elements of Development Plans

- Vision for the year
- Sources by bucket
- Each bucket – previous year giving, goal, specific tasks, people responsible & timeframe
- Measures to stay on task & accountable - dashboards

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Study Behaviors – Not Demographics

Repayer	Casual Giver	High Impact
Faith Based	See the Difference	Personal Ties

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Gift Tables
Excellent Planning and Execution Tools

Gift	Quantity	Prospects Needed	Cumulative Categories
$20,000	2	8	$40,000
$10,000	4	16	$80,000
$5,000	8	24	$120,000
$2,500	12	36	$150,000
$1,000	20	60	$170,000
$500	30	90	$185,000
$250	40	80	$195,000
<$100	many	many	$200,000

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Potential Fundraising Dashboards

	Total	Youth	Literacy	Legal	Advocacy	M&G	Fundraising
Total Expense Budget	$ 2,155,683	$ 561,912	$ 350,036	$ 477,986	$ 296,436	$ 467,141	$ 87,630
Total Raised by Program	$ 1,617,695	$ 506,257	$ 235,188	$ 417,840	$ 160,731	$ 297,679	$ -
To be Raised, before prospects	**$ (537,988)**	**$ (55,655)**	**$ (114,848)**	**$ (60,146)**	**$ (135,705)**	**$ (169,462)**	**$ (87,630)**
Prospects (over 75% probability)	**$ 471,000**	$ 98,000	$ 45,000	$ 105,000	$ 48,000	$ 175,000	$ -
Total potential revenue (with prospects)	**$ 2,088,695**	$ 604,257	$ 280,188	$ 522,840	$ 208,731	$ 472,679	$ -
Excess Raised/(Remaining to be Raised)	$ (152,445)	**$ 42,345**	$ (69,848)	**$ 44,854**	$ (87,705)	**$ 5,538**	$ (87,630)

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SESSION 4: Determining Program Financial Sustainable

9.13.18

Presented by Dick Goldbaum,
Transitions in Leadership

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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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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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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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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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?

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FINANCIAL SUSTAINABILITY BUSINESS MATRIX

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

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SESSION 5: Contingency Planning – Critical Planning for All Agencies

October 11, 2018

Presented by: Pat Knoerle-Jordan
Experience on Demand

Contingency Planning:

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

Use planning to:

- Achieve higher degree of organizational learning
- Raise/challenge widely held beliefs & assumptions about agency and its direction
- Identify key levers that can influence agency's future course; intentionally mitigate future negative impacts
- Turn long-range planning into vital, shared experience
- Incorporate change management into strategic analysis

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Contingency Planning Model

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Source: Modified from The Bridgespan Group 36

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1. Identify Key Factors:

Uncertain, unpredictable factors that are critical to the agency's ability to fulfill its mission and reach its goals

Factors include:

- Financial/Structural Resources: Facilities or other assets; technology; data; revenue (funding stream)
- Relational Resources: Funders, partners, clients, vendors
- Human Resources (know-how): Service delivery, leadership succession

2. Determine Possible Outcome Scenarios & Implications

For each key factor, identify likely range of outcome scenarios and assign probabilities of occurrence

Systematically think through how each outcome scenario (future negative consequence) would affect the agency

Consider affects to:

✓ Operations – service / mission delivery; program outcomes
✓ Growth; Finances
✓ Reputation; Leadership; Partnerships

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Tool: Key Factors/Probability Chart

For each key factor, assign realistic probability and plot on chart

Tool: Risk Assessment Matrix

RISK RATING KEY	LOW	MEDIUM	HIGH	EXTREME
	0 ACCEPTABLE	1 ALARP (as low as reasonably practicable)	2 GENERALLY UNACCEPTABLE	3 INTOLERABLE
	OK TO PROCEED	TAKE MITIGATION EFFORTS	SEEK SUPPORT	PLACE EVENT ON HOLD

LIKELIHOOD	SEVERITY: ACCEPTABLE – LITTLE TO NO EFFECT ON EVENT	TOLERABLE – EFFECTS ARE FELT, BUT NOT CRITICAL TO OUTCOME	UNDESIRABLE – SERIOUS IMPACT TO THE COURSE OF ACTION AND OUTCOME	INTOLERABLE – COULD RESULT IN DISASTER
IMPROBABLE – RISK IS UNLIKELY TO OCCUR	LOW – 1 –	MEDIUM – 4 –	MEDIUM – 6 –	HIGH – 10 –
POSSIBLE – RISK WILL LIKELY OCCUR	LOW – 2 –	MEDIUM – 5 –	HIGH – 8 –	EXTREME – 11 –
PROBABLE – RISK WILL OCCUR	MEDIUM – 3 –	HIGH – 7 –	HIGH – 9 –	EXTREME – 12 –

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3. Analyze & Identify Best Response Options

- Determine agency's best options for responding to various scenarios, adjusting strategies and approaches, to further mission and mitigate future negative consequences
- Weigh pros & cons of each response, based on which will most likely achieve agency's mission and goals
- For each program (including investment or initiative), determine its value to the agency:

✓ Prioritized ✓Protected ✓Postponed ✓ Consolidated/Reduced ✓ Eliminated

→ Tool to Identify Best Responses & Resulting Impacts

Issue ("What If" statement):

Best Response	Agency	Clients	Staff	Community	Other Stakeholders
Option 1					
Option 2					

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→ Tool to Identify Key Factor Evaluation Decisions

Key Factor	Prioritize	Protect	Postpone	Reduce	Eliminate
Program growth trend outpaces current budget And, funding reduction forecasted in two years	Program Component Service A Service B Service C Service D	Service A Service B Seen as top core services with highest need, impact & outcomes	Service D	Service B by 20%	Service C

4. Identify Events that Trigger Appropriate Responses

- Events (set of circumstances, benchmarks) that can occur which justify/trigger an appropriate response

  Examples: ✓If revenue falls 10%, agency will do X; if it falls 20%, agency will do Y & Z
  ✓If the board succession plan dissolves, agency will do A & B
- Determine key indicators to track for determining when an event justifies taking appropriate response

  Examples: ✓Financial performance; ✓Cash position; Cash days on hand, ✓Reserves
  ✓Revenue source changes; ✓Prgm utilization, impact & client feedback;
  ✓Board membership, staff turnover; ✓Facilities maintenance schedules

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5. Monitor Environment for Events & Implement Responses

Test key indicators regularly, so that warning of an event triggers agency to implement appropriate response, generating best possible resulting impact

→Tool: Risk Response Matrix

Name:	Objective:

Risk/Factor	Risk Impact	Risk Likelihood	Response	Contingency Plan	Trigger	Owner

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→ Tool: Key Factors, Probabilities, Outcomes, Implications and Response Options

Factors	Probabilities	Scenario Outcome	Implications/ Response Options	Timing
Demand for services increases 25%	High; similar agency closed & service utilization grew 18% annually past 2 years	Need for 30 - 40% more funding over next 2 years, if we accept all client requests. What do we prioritize, protect, postpone, reduce & eliminate?	Need exceeds capacity. Creates opportunity to evaluate service menu/ Priorities must be established to grow fundraising by 5-6%; build new campaigns	Q 1 & 2, 2019
Funder changes process and priorities	High – known fact	$225K funding in jeopardy. Opportunity to apply, new grants limited to 3-year cycle	New application, metrics & qualification/ Learn new process & qualifiers; tailor application to agency programs; seek alternative funding; reduce program/staff	
Need to find new strategic partner to take on program component	Medium – partner needed if no funding secured	Service continues until funding determined. Need to evaluate options this year	Time to plan & explore/ Begin dialogue with prospective partners; research plan B while continuing plan A; establish program options.	

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Financial Worksheet

FMA
FISCAL STRENGTH FOR NONPROFITS

Revenue Analysis Worksheet

Enter input to yellow cells only

	Best	Moderate	Worst
Variable Revenue Assumption:	100%	80%	60%

Program/ Department/ Function	Funding Source		Total Possible Revenues (Current Year Portion *only*)	Likelihood of Receipt (%)	Revenue Scenarios: Best Case	Moderate Case	Worst Case	Notes
Pre-Kindergarten Program	Government Contract A		$ 275,000	100%	275,000	275,000	275,000	
	Government Contract B		$ 75,000	75%	75,000	75,000		
	Grant from Foundation A		$ 40,000	50%	40,000			
	VARIABLE:	Earned program revenue	$ 75,000	n/a	75,000	60,000	45,000	
	VARIABLE:				-	-	-	
FY Expense Budget for Pre-Kindergarten Program	$ 400,000			**Revenue Subtotal**	**$465,000**	**$410,000**	**$320,000**	
				Expense Budget	**$400,000**	**$400,000**	**$400,000**	
				Surplus /Deficit	$65,000	$10,000	($80,000)	
After-School Program	Grant from foundation B		$ 100,000	75%	100,000	100,000		
	Grant from foundation C		$ 35,000	50%	35,000			
	VARIABLE:	Participant fees	$ 20,000	n/a	20,000	16,000	12,000	
	VARIABLE:				-	-	-	
FY Expense Budget for After-School Program	$ 150,000			**Revenue Subtotal**	**$155,000**	**$116,000**	**$12,000**	
				Expense Budget	**$150,000**	**$150,000**	**$150,000**	
				Surplus /Deficit	$5,000	($34,000)	($138,000)	
Unrestricted Revenue	Foundation X general operating support grant		$ 50,000	75%	50,000	50,000		
	VARIABLE:	Annual appeal	$ 100,000	n/a	100,000	80,000	60,000	
	VARIABLE:	Special event income	$ 40,000		40,000	32,000	24,000	
	VARIABLE:	Board donations	$ 10,000		10,000	8,000	6,000	
	VARIABLE:	Investment income	$ 2,500		2,500	2,000	1,500	
	VARIABLE:				-	-	-	
FY Expense Budget for non-programmatic functions (fundraising, M&G):	$ 150,000			**Unrestricted Revenue Subtotal**	**$202,500**	**$172,000**	**$91,500**	
				Expense Budget	**$150,000**	**$150,000**	**$150,000**	
				Surplus /Deficit	$52,500	$22,000	($58,500)	
Total Organization				**Total Revenue**	**$822,500**	**$698,000**	**$423,500**	
				Total Expenses	**$700,000**	**$700,000**	**$700,000**	
				Total Surplus / Deficit	$122,500	($2,000)	($276,500)	

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SESSION 6: Change Management

11.8.18

Presented by: Marissa Q. Paine
Painefree Coaching & Consulting

Change Management Definition:

The set of tools, resources, processes, skills and principles for managing the people side of change in order to achieve the desired business results

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Key Elements Needed for Successful Change

- **Leadership / Sponsorship** authorizes the change and provides guidance, governance and support
- **Project Management** gives structure to the technical side of the change
- **Change Management** supports the people side of the change

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Why Feelings & Emotions Matter

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ADKAR – A Linear Model for Accelerating Individual Change

- **Awareness** of the need for the change
- **Desire** to participate and support the change
- **Knowledge** about how to execute the change
- **Ability** to implement new skills and behavior
- **Reinforcement** to keep the change in place

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Managing Resistance & Creating Desire

- Listen to Understand Objections
- Focus on the What & Let Go of the How
- Remove Barriers
- Provide Simple, Clear Choices and Consequences
- Create Hope
- Show Benefits in Real, Tangible Way(s)
- Make a Personal Appeal
- Convert the Strongest Dissenter(s)
- Demonstrate Consequences
- Use Incentives

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Change Management Plans: Putting It All Together

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

November 30, 2018

Presented by: Joseph T. Steensma
Washington University

Start With A Conceptual Framework:

Setting the conditions
- Commitment to the initiative

Problem or Opportunity Definition
- Innovation Target

Idea Generation
- Idea Exploration

Piloting and Prototyping
- Good Idea

Diffusion and Scaling
- Widespread Application

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Signal commitment from top leadership

- Conditions:
  - Democratize Innovation
  - Experiment and learn
    - Think about your chemistry class
  - Collaborate and network
  - Measure and be accountable
    - How?
  - Communicate

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What are you trying to innovate around?

- Offerings:
  - Core offerings
  - Synergy of offerings
  - Supporting services
- Processes
  - Core Processes
  - Enabling Processes

What type of change are you interested in producing?

- Incremental Innovation
  - Improves on existing products/services
- Radical Innovation
  - Overturn existing paradigms
  - Create new markets

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Use the Value Stream Mapping tool
to understand where there is Value and Waste

1- Identify what adds value to clients;

2 – Understand the current process;
3 – Identify wastes;

4 – Find the root cause of wastes;

5 – Draw a high performance process with proposed innovations;

6 – Implement actions and manage to perfection

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9 WASTES IN OFFICES

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Use DMAIC Tools to innovate around an opportunity

- Define, Measure, Analyze, Improve and Control -

BRAINSTORMING
CHARTS
PARETTO CHART
CHECK-LIST
ISHIKAWA
PRIORITY MATRIX

5W 1H 5Ws / 1HOW

WHAT FOR?	HOW TO USE?
• TO DEFINE A PROBLEM	• TO FIND FEATURES OF THE PROBLEM

HOW DOES IT WORK?

WHAT WHERE
WHEN WHO
WHY HOW

WHAT HAPPENS?
WHERE IT HAPPENS?
WHEN IT HAPPENS?
WHY IS IT DONE?
HOW IS THE TENDENCY?

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What approach to innovation should we take?

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What is the pace of innovation?

- Rapid Prototyping
  - Great in small organizations
  - Not so great in society writ large
- Slow Prototyping
  - Best for large "system" or "society changing" innovations

How should we spread innovation?

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The Innovation Genome

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What are the Key Approaches to Innovation?

Collaborate	Create
Social Approaches	*Generative Approaches*
▪ Knowledge management ▪ Collaborative communities of practice ▪ Search and reapply ▪ Culture and competency development ▪ Collaborating with customers ▪ Open source	▪ Futuring and scenario planning ▪ New market speculation ▪ Diversified radical experiments ▪ Early technology adaptation ▪ Innovation societies and fellows ▪ Corporate venturing and spin-offs ▪ Greenhouse funds
Control	**Compete**
Technological Approaches	*Business Approaches*
▪ Continuous process improvement ▪ Lean systems ▪ Total quality management ▪ Simulations ▪ Platform innovation ▪ End to end IT systems ▪ Supply chain innovation	▪ Mergers and acquisitions ▪ Portfolio management ▪ Rapid action problem solving teams ▪ Revenue insight processes ▪ Branding ▪ Business solutions

www.competingvalues.com *59*

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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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A PATH TO RACIAL EQUITY

	Awareness of Inequity	Understanding of Why Inequity Exists	Transforming Towards Equity
Regional			
Institutional			
Individual			

	Awareness	Understanding	Transforming
Working On	Awareness Education "Lifting the veil"	Uncomfortable: • Learnings • Explorations • Considerations History	Focus on data and outcomes New and intentional: • Habits • Policies • Choices • Behavior
Common Language	Diversity, Inclusion, Tolerance, Cultural Competency, Race as a social construct	Institutional racism, Intersectionality, Internalized oppression, Internalized superiority	Disaggregated data, Racial Equity Lens, Structural Racism, Equity-driven strategy, Liberation

TOWARD EQUITY

STC FORWARD THROUGH FERGUSON

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RACIAL EQUITY:
"A state in which a person's life outcomes cannot be predicted by race. When our regional systems (education, housing, healthcare, jobs, transportation, and more) work well for all people so that disparities are closed and all residents, regardless of their race and zip code, have justice and the opportunity to thrive."

Forward Through Ferguson

EQUALITY EQUITY

www.culturalorganizing.org

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+ What does it mean to use a Racial Equity Lens?

- Racial justice framing puts a discussion of race and racism in the foreground of the public debate. We need to *illuminate* racism in order to *eliminate* racism. When we are not consciously addressing racial equity, we are often *subconsciously* replicating racism. Silence equals complicity.
- Racial justice framing includes challenging racism (anti-racism) and advocating for equitable alternatives (advancing equity). It reveals problems of racial injustice and points towards equitable solutions. It is not enough to be *reactive*; a racial justice frame needs to be *proactive*.
- Racial justice framing addresses racism *explicitly*, but not necessarily *exclusively*. If there are other significant dynamics at play (e.g. gender, economic inequality) these should also be articulated and addressed.
- Racial justice can be a complimentary frame with other frames and can help you address problems and the solutions more completely. When addressing race along with other dynamics, it's still important to address each dynamic with "dedicated, specific, and sufficient" attention.
- Racial equity framing (one that focuses specifically on remedying racism) can be coupled with a universal frame (one that seeks to benefit everyone). These can be compatible, rather than competitive, ways to frame an issue.

http://racialequitytools.org/

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+ Why Use a Racial Equity Lens?

- It reveals a reality that often goes unnamed. Ignoring racism helps perpetuates racism.
- It offers evidence of racism by documenting unequal impacts and disparate outcomes.
- It challenges prevailing cultural norms and myths.
- It emphasizes the need for institutional and policy change.
- It points to equitable solutions that address *systems* rather than *symptoms*.

http://racialequitytools.org/

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+ Path to Racial Equity:
6-Month Foundation

- PHASE 1: Know where you stand

  What do your documents tell you about where your agency is on the path?
  - Common language? Institutional mandate? Disaggregated data?
  - If you agency fully adopted a racial equity lens, how would SWOT analysis be impacted?
- PHASE 2: Reach out to others
- PHASE 3: Plan your steps
- PHASE 4: Take action

Metrics Considerations:

- What metrics are currently being analyzed?
- What is your capacity to disaggregate metrics by race?
- What is agency's tolerance to being transparent with metrics -- internally and externally?

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+ Implications of a Racial Equity Lens on a Personal Level

Privilege

- Unearned
- Conferred
- Intersecting
- Not equal to easy or perfect

Unconscious Bias

A rigid belief, positive or negative, about a group of people that is based on limited evidence.

Microaggressions

"Brief and commonplace daily verbal, behavioral, or environmental indignities, whether intentional or unintentional, that communicate hostile, derogatory, or negative racial slights and insults toward people [in marginalized groups]."

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Status Dynamics in Organizations

Elephant	Mouse
• Set and fit the norms	• Aware of identity and associated stereotypes
• Often don't see their group-ness	• May 'cover' parts of identity to fit in/assimilate into the norm
• Given the benefit of the doubt; contributions are heard	• May fear being seen as 'the exception' and having contributions overlooked

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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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Roles & Responsibilities of the Board in Fundraising

Board members engage in fundraising:

1. As individuals
   a. Making a personal gift – generous and annually
   b. Supporting special events – buying table, bringing people, securing sponsors
   c. Finding new donors and stewarding current ones
   d. Being an ambassador – champion the agency throughout the community

2. Collectively - part of the governance function
   a. Being strategic and intentional
   b. Having staff capacity to support fundraising
   c. Aligning Board with fundraising priorities
   d. Creating a development plan; having strong Board Development Ctte

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Barriers to Effective Board Fundraising

- Lack of:
  - Desire
  - Passion
  - Direction
  - Commitment
  - The basic tools
  - Knowledge
  - Confidence
  - Engagement
  - Accountability
  - Staff support

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Solutions and Strategies

- Perform a self-assessment of agency's need & appetite for increasing fundraising efforts
  - Why does agency need the board to engage more in raising money?
  - What is level of confidence & support (from Board and staff) in agency's ability to increase its fundraising efforts
  - How differently (if any) does the Board operate currently?
- Board engagement in fundraising starts with recruitment
  - How clearly are expectations stated when talking with prospect?
  - Does agency ask prospect about her/his expectations?
  - How consistent is agency in its expectation conversations?
  - How well does agency communicate its ideas re: committee or project assignment?
  - Is agency recruiting people with a passion for its mission?

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Solutions and Strategies

- Have a strong Board orientation/onboarding process
- Have an engagement plan for each board member
  - Board members engage at different times and for different reasons
  - Consider plan similar to major gift donor plan
  - Include intro to Committees, projects, panels, conferences, tours, interaction with clients, regular coffees with CEO
- Ensure members understand agency programs
  - Strengthen knowledge of member to help them: 1) identify contacts who may connect with mission; and 2) tell the story
  - Include program staff in Board meetings to facilitate learning

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Solutions and Strategies

- Make a strong board appeal
  - Be strategic on timing; discuss at board meetings
  - Use letter (with compelling ask & stretch goal) under board chair & development committee chair signature
  - Make customized asks; encourage leadership giving
  - Follow-up with calls from board chair/DC chair to members delayed in giving
  - 100% participation non-negotiable
  - Report out results
- Help members tell an effective story
  - Have each member create a personal case for support (based on need, outcome, stories, and in their own voice)
  - Practice – role play in small groups as part of Board retreat

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Solutions and Strategies

- Have each member build a personal development plan
  - Includes a personal gift; special events
  - Includes nurturing new donors/prospects & current donors; prospect strategizing; and hosting friend-raisers;
- Update plan annually, as part of board retreat in conversation with CEO/board chair
- Encourage members to be intentional & strategic about fundraising
  - Building trust takes time - develop relationships with prospects
  - Make the experience donor-centric; ask questions
  - Work with staff; work the plan
- Consider inviting members to major gift donor meetings

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Solutions and Strategies

- Ensure staff commitment to supporting Board's efforts in fundraising
  - Help position Board members for success; provide information
  - Meet one on one; identify action items for members to perform
  - Be accessible; prompt, cajole, ask, ask again; follow-up
  - CEO should be leadership giver; all staff are fundraisers
- Ensure Board chair is "on board"
  - The most important leader and cheerleader
  - Resource development committee chair cannot be only voice in the room
  - Willing to meet with over and under-achievers
  - Leads by example - annual leadership gift
    - → ambassador-in-chief, strong supporter at special events
- Track progress of execution & results
  - Report out progress on agency's development plan at every meeting
  - Use a dashboard to track leading indicators; celebrate successes
    - → Board driven introductions, sponsorships, asks; increased gifts, etc.

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Board Engagement in Fund Development

Part 2

Crafting Compelling Messages

REMINDER - NO SILVER BULLETS!

PUT SOME SIZZLE INTO YOUR MESSAGE

RECOGNIZE DIFFERENT AUDIENCES NEED DIFFERENT MESSAGE

TIPTOE INTO THAT SCARY ZONE OF ASKING FOR MONEY!

Wendy Dyer
Wendy Dyer Fund Development Consultants

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It's Very Simple: What Do Donors Want?

- To be known and valued
- To know where their money went
- To know their gift made a difference

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All We Have is What We Share – Make it Sizzle!

Share something that would SURPRISE us!

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Tricky Part is…

….need a multi-channel approach

AUDIENCE	DESIRED BEHAVIOR	MESSAGE TO MOTIVATE	HOW OFTEN	BY WHOM

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Put Relationship Into Context

You've been part of our family here for 18 years

You've been one of our most committed volunteers for more than a decade

When you served on the board, you helped us get through some really tough times that put us on a solid path

Discuss: think of some special relationships you/your agency has with your donors

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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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High-Performing Board Members

- Know agency mission, vision, purpose, goals, policies, programs, strengths & needs
- Serve in leadership positions and undertake special assignments willingly/enthusiastically
- Be a lifelong learner as its relates to agency and issues it addresses
- Keep abreast of organization's finances, policies, services, and developments
- Come to meetings, having read board packet, willing to speak, ask probing questions & decision-making ready
- Help fundraise: make annual meaningful financial gift, promote/attend agency signature events, serve as ambassador; leverage connections, networks & resources; ensure annual fundraising plan in place, track progress toward results, rely on staff to educate & inform thinking, coordinate planning & support ability to raise funds
- Ensure commitment to diversity
- Play role in board development, suggest potential board members
- Keep confidential information confidential, i.e. executive sessions
- Complete board meeting evaluation; participate in improving board functions
- Understand and adhere to differences between governance and operations

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Governance Committee Tasks

- Set yearly Committee goals and meeting schedule in advance
- Identify, cultivate and recruit new board members
- Design and oversee board orientation/onboarding process
- Offer advice to CEO and other board leaders to enhance board effectiveness
- Review/update board & committee member roles, qualifications and expectations
- Take lead in developing, reviewing and updating succession planning
- Prepare annual board officer slate
- Annually conduct board member individual self-assessment; and periodically administer board self-assessment

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Governance Vs. Operations

- Governing board leads organization
- CEO is employed by & accountable to board
- CEO leads staff and manages all operational work
- Operational staff provides direct services to agency's clients

Role	Governance	Operations	Shared
Provide input into strategic plan			X
Approve strategic plan	X		
Build a competent board	X		
Set policy	X		
Recruit and develop staff, conduct performance evaluation		X	
Lead a staff meeting		X	
Give staff members directives		X	
Ensure agency's financial health	X		
Determine staff salaries		X	
Determine mission	X		
Commit to mission		X	

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Consent Agendas

- Tool that focuses board time on important discussions rather than reports
- Board chair and CEO set board meeting agenda, determining what is and not consent agenda, based on nature: self-explanatory, controversial, warranting board discussion
- Consent agenda, included at top of board agenda, might include previous Board minutes, Committee reports, informational materials, previously discussed items requiring approval, routine documents and actions and CEO report
- Board packet includes consent agenda documents, to be read prior to board meeting
- Board chair asks at beginning if consent agenda item/s should be removed and discussed separately
- Consent items voted upon, **without discussion**, as a single package
- Non Consent Agenda items include mission moment, education, dashboards, board chair report, executive session, annual budget/financial reports

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Executive Session

- Valuable to routinely include on board meeting agendas to not raise staff tension/suspicions
- Peer-to-peer meeting without staff present; allows Board to develop sense of itself as body rather than group of individuals – encourages more open dialogue
- Members ask questions they otherwise feel uncomfortable asking with staff present
- Often occurs at end of board meeting, with CEO staying for first part
- Board chair shares topic if known with CEO prior to executive session and shares natures w/in 24 hours after
- Minutes should indicate board met in executive session and give discussion topic.

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Board Matrix Considerations

Diversity:

- Know why diversity is needed
- Be clear about what is needed; agree to these needs
- Do not succumb to tokenism
- Understand diversity provides varying viewpoints and can make discussions & decision making more challenging
- Involve new board members right away
- Ask for feedback (recruitment, board meetings, their participation and expectations, etc.)

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Board Recruitment Process

- Identify
  - Governance Committee (GC) determines needs, reviewing strategic plan goals & board matrix results; shares present skills/attributes needed with full board;
  - Candidates identified by board members, volunteers, CEO, local leadership programs, organizations representing various racial and ethnic groups, major donors, LinkedIn, etc.
- Cultivate (prospects and candidates):
  - Perform as year round activity; identify most appropriate person to initiate conversation to gain interest in agency
  - If prospect interested, invite to agency event or join committee or task force
  - Manage expectations upfront
- Solicit:
  - GC Chair, Board Chair meet prospect for two-way discussion, then summarize what was learned about prospect
  - CEO meets prospect, gives facility tour; invites prospect to sit in on board meeting
  - Shares materials with prospect: board member & Committee job descriptions, last Audit, brochures & newsletters, board/Committee meeting schedule; board roster
  - If interested, GC Chair gets committee to vote and if passes, send to full board for vote
- Implement: after elected, conduct orientation, onboard, including mentoring new member

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Board Assessment

Governance Committee administers assessment upon:

- Board chair change
- Before capital campaign
- Before updating strategic plan

Intent:

- Provides baseline of board's strengths
- Indicates areas of improvement
- Allows reflection on board as whole, providing opportunity for discussing areas to strengthen
- Demonstrates to staff, new board members and potential funders that board takes its role seriously

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Next Steps

- Prioritize 3-5 "Opportunities for Improvement"
- Assign tasks to board members with required skills; if no skills available, get assistance
- Create a plan to address each opportunity
- Determine resources available to make change happen (human & financial capital)

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Session #11: Deeper Dive into Fund Development

4.12.19

Presented by: Laurna Godwin
Vector Communications

Gold Standard Boards:

- 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:

- How do we use data captured from online giving platforms?
- What do we hope to gain from including technology & digital strategies in our fund development 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?

Best Practices related to different Types of Fundraising:

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%

Using a Racial Equity Lens:

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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Technology & Fund Development

Setting the Stage: Shared Language

- **Digital Fundraising**: All online/electronic ways to raise charitable dollars
- **Social Media Network:** Websites and applications that enable users to create and share content or to participate in social networking.
- **Micro-Giving:** Charitable donation of small increments of money from a single donor to a specific recipient.
- **Crowdfunding:** A method of raising capital through the collective effort of donors through a particular platform
- **Predictive Analytics:** A branch of advanced analytics that uses many data techniques to make predictions about future behavior
- **Persuasive Technology:** Technology that is designed to change attitudes or behaviors of the users through persuasion and social influence
- **Marketing Automation:** Technology that helps organizations streamline their prospecting, donor acquisition and retention, and ROI measurement.

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What We Know Now

Breaking It Down:

➢Digital Fundraising growth

- ❖ In 2017, online revenue grew by 23%, up from 2016's 15%.
- ❖ One-time online gifts increased 19%.
- ❖ Online monthly giving increased 40%, accounting for 16% of total online revenue, up from 2016's 14%.
- ❖ Email messaging drove 28% of all online revenue.

Takeaways: Ability to craft educational & entertaining experience, engaging donors via THEIR consumption habits
With nonprofit driving donor behavior, deeper engagement beyond single campaign is possible

➢Emails and Website

- ❖ In 2017, nonprofits raised $1.13 per website visitor.
- ❖ Nonprofit website traffic included 40% mobile, 10% tablet users & 50% desktop users.
- ❖ Email revenue increased 24% (with increased list size & number of emails sent by nonprofits), accounting for 28% of all online giving.
- ❖ Despite increases, fundraising email response rate declined 6% to .06%

Takeaways: Functionality & Mobile Platform Matter
Website + Email Functions ARE NOT ENOUGH
Money still comes from Desktop Users

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Breaking It Down:

➢Social Media Channels

- ❖ Nonprofit Facebook posts reached average 7% of Facebook page fans, with 38% of audience not following nonprofit.
- ❖ Engagement Score (engaged users divided by total page fans) for average Facebook post totaled .44%.
- ❖ Facebook is enhancing Commerce Features, with charitable f/r fees.
- ❖ Instagram grew 44% (Twitter – 15%) in number of followers.

Takeaways: Facebook needs to be strategic part of one's Fund Devp. Plan & Communications/Marketing Strategy
Test Digital Advertising
Retention! (Generosity is a Habit)

➢Crowdfunding & Peer-to-Peer

- ❖ Among most popular ways for individuals to raise money for cause, project, or event; success rate averages 50%.
- ❖ Industry projected to grow to $300B (< 1% is Charitable) by 2025; now $17.2B in North America.
- ❖ Huge potential for Emergent Opportunity + Facebook + Crowdfunding.
- ❖ Donors average 24-35 years old ("Millennial" Generation).

Takeaway: Many options - research fees structure & state laws
Gen Z, entering workforce now, grew up with this norm

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Breaking It Down:

- **Micro-Giving**
  - Consider this part of small gifts program, known to provide major funding for nonprofits, including disaster relief fundraising
  - Impulse giving goes with micro-giving, with people tending to give multiple times, when asked to support initiative A, then B, & C vs 3 separate gifts to one initiative.

  Takeaways: Tie requests to specific need & defined outcome from gift
  Offer potential higher levels of donor engagement over time

- **Predictive Analytics, Persuasive Technology & Marketing Automation**
  - Predictive analytics, providing best assessment of future circum-stances, can help solve difficult problems & uncover opportunities.
  - Website and app designers are using insights from psychology/ behavioral economics on why people make certain choices, along w/ digital resources, to create sophisticated persuasive technologies.
  - Marketing automation software, creating personalized appeals & leading potential donors on individualized pathways into an agency, will drive deeper engagement with its mission or specific program.

  Takeaway: Keep an eye on evolving technology!
  Marketing Automation is a cost- effective way for agencies to test newer technology

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Where do we start?

(Hint: with the end in mind!)

- How does our agency use data captured from existing online giving platforms?
  - What is working? Email? Social Media?
  - What does our data tell us about donor behavior?
- What do we hope to gain from including technology and digital strategies in our fund development plan/efforts?
- Who are our donors? How do they give?
- Generally, who's not giving to us?
- What platforms have we not tested?
- What are we scared of/waiting for?
- What is an acceptable ROI to get started?

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When Choosing Amongst Types of Fundraising Activities to Pursue – Know Your Return on Investment

- Grants = .20/$1.00 = 400%
- Events = .50/$1.00 = 100%
- Major Gifts = .10/$1.00 = 900%
- Mail appeals = .20/$1.00 = 400%
- Donor acquisition = 1.25/$1.00 = (-)200%
- Costs more to secure new donors – yet we look for new donors rather than seeing what we can do with the ones we have!
- 3 out of 4 donors NEVER COME BACK!

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Corporations

- Make sure their mission aligns with yours
- Identify the demographics you serve that the corporation wants to support
- With competition and less funding available, it has become more difficult to 'make the case'

Foundations

- Should be treated like major donors
- Make sure you are requesting the right amount – new applicants should not shoot low
- Invite them in at least once a year; send them updates without their asking
- Invest time to research new angles; refresh your outcomes when they become stale
- Keep an eye on DAFs (Donor Advised Funds); not yet regulated; seeing big increases

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Individuals

Anticipated to always represent the largest bucket
- Individual giving is steady over time
- Foundation giving has fallen most

There is no blueprint like a grant or event
- Takes intention, strategy, determination

Changing our behavior will change our donor's behavior
- Move past "cultivating low-hanging fruit; these are PEOPLE – nurture relationships & be donor-centric

When is best to make the Ask?

When they give you permission to ask

Start with Discovery Conversations
- Provide a context for the funding and need
- Make message relatable to the potential donor

Follow up as promised
- Answer their questions/concerns; ask for permission to follow up again

Ask when they are ready

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Individual Giving

particularly major gifts – is the best return on investment

Annual Fund/Major Gift Planning

Gift	Quantity	Prospects Needed	Identified/ Secured	Cumulative Categories
$20,000	2	8	J. Doe; etc.	$40,000
$10,000	4	16		$80,000
$5,000	8	24		$120,000
$2,500	12	36		$150,000
$1,000	20	60		$170,000
$500	30	90		$185,000
$250	40	80		$195,000
<$100	many	many		$200,000

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Potential Ways to Make The Ask

We need $_____ to make _____ possible. A donor just came in with $_____ and we were thrilled! What do you want me to ask you for?

I'd like to ask you for $_____ but the reality is I don't know how this fits into your philanthropy so let's talk about that a bit.

I may be out in left field but I do know that in order to _____, we need $_____ - can you see yourself doing something like that?

Stewardship

- You can NEVER thank someone enough – it is impossible
- Devote considerable time to stewardship
- Build it into your healthy habits & Development Plan
- Consider new ways to show appreciation

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What is Racial Equity? (A Recap)

Lens	Process	Outcome(s)
The questions we ask of and to ourselves and our organizations in preparation for the work.	We apply racial equity when those most impacted by structural racial inequity are meaningfully involved in the creation and implementation of the institutional policies and practices that impact their lives.	Intentional evaluation of project, proposal or process examines how its implementation will sustain, narrow or expand racial inequities in the region. Racial Equity is a state where outcomes can no longer be predicted by someone's race

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Consider an IDEA – is it relevant or valuable to my agency?

Where do we start?

Who supports the agency's Culture of Philanthropy?

Decide an Idea is Important → Make it Formal → Make it Informal → Manage, Measure & Tweak

- **Change can happen at every level in an organization**
  - Is the idea important?
  - Who says, do they matter; who agrees and do they need to?
  - How does it look (or not look)?
- **Check Your Bias(es)** Tool: Harvard Implicit Bias Test
  - What do I believe about my role & activities as a Development Professional?
  - Where do I bring unconscious bias into the way I prospect, build relationships and make an ask?
  - What systems & power structures do I/my activities enforce?
  - What is one small change I can make to combat my own bias?
- **Consider the Board, other Key Devp Volunteers, Staff?**
  - What is their Composition/Matrix?
  - What are the "Peer to Peer" Opportunities?
  - What is their Personal Capacity vs Fundraising Effectiveness?
  - What Professional Development opportunities are provided?

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Development Activities & Operations

Corporate & Foundation Giving

Donor & Other Stakeholder Communication

- **Check our Internal Structure and Process**
  - How do we identify/attract prospects?
  - What criteria do we use for qualifying prospects?
  - Who asks for gifts; How do we thank & celebrate people?
  - How do we use feedback from donors & staff to inform our fund development program?
- **Consider the Complicated Power Structure**
  - What could change look like?
  - How do we build transformative relationships w/ funders?
  - How can we Reduce Harm vs. Achieve Vision?
  - What words/language do we use in our grant applications? Code Words about Race; Avoid "Poverty Porn"
  - What about Outcomes and Outputs?
- **Think about What & How we Communicate**
  - How do we communicate with stakeholders?
  - What data exists on who receives & responds to our appeals?
  - Do Generational Labels & other Stereotypes hold us back from raising more money?

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SESSION 12:
Strategic Alliances – Part 1

5.10.19

Presented by: Allie Chang Ray, MUTARE Network

In any stage of its lifecycle, an agency has opportunities to increase mission impact through strategic alliance

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

Paul Connolly & Susan Kenny Stevens

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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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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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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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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Primers of Strategic Alliance Conditions

Key reasons for a strategic alliance:

- 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
- Extend reach with new services, or geographic areas

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Funder Collaboration Models

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.

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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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 central to the ~~foundation's~~ work.

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SESSION 13: Strategic Alliances – Part 2

6.21.19

Presented by: Allie Chang Ray, MUTARE Network

Reasons for Strategic Alliances:

- Gain leverage among stakeholders
- Address complex issues
- Better integrate continuum of services
- Strengthen program quality and performance
- Gain administrative efficiencies
- Create economies of program scale
- Extend reach with new services/clients

The Collaborative Map

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Internal Drivers

- Leadership
- Programming
- Capacity
- Others?

External Drivers

- Competitive landscape
- Funding environment
- Policy and regulations
- Population and demographics

Define Strong Partnership Criterion

Potential guiding questions:

- What do we hope to accomplish?
- What are our organizational strengths and challenges?
- What would make a strong potential partner?
- Are there forms of strategic alliances or restructuring we are (or are not) open to considering?

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Preconditions for Success

- Need
- Trust/Comfort Level
- Communications
- Equality
- Respect

Strategies for Sustainability

- Understand community
- Charter document
- MOU
- Evaluation plan
- Internal communication protocols
- External communication protocols
- Sustainability plan
- Share leadership
- Exit and/or dissolution criterion

Readiness & Decision Inputs

- board attitudes
- strategic goals
- past experience

correlate with the type of opportunities that are pursued.

Starting Point

- Identify potential partners
- Make introductions & connections (with proper authority)

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The Bridgespan Group's 2014 survey of 237 nonprofit and 101 Foundation leaders on participation in collaborations revealed:

- 91% of respondents were engaged in some form of collaboration.
- 75% viewed the range of collaborations as largely successful.
- All wanted more collaboration, particularly in shared support functions & mergers.

Identified inhibitors:

Lack of funder support for collaboration

Nonprofits say they receive little support; funders say nonprofits do not ask for support

Difficulty finding the right partner

Nonprofits rate this their highest barrier; funders rate it lowest

Well-intentioned funder influence re: joint programs can be taxing

Nonprofits say joint programs have highest failure rate, driven by funder requests; funders say joint programs do not fail

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Learning from Failure

Conditions that most often cause collaborations to fail:

- Loss of direction or focus;
- Lack of leadership, loss of leadership, or struggles for leadership; "Founder Syndrome" – founders gain too much power & block the growth of collaboration; new members excluded from decision-making & founders unwilling to change as collaboration grows or community needs change;
- Unequal involvement & recognition of members; burn out or unrealistic demands on members;
- Poor planning efforts; negative publicity;
- Some well-planned projects fail and their lack of success may be attributed to the collaboration, damaging morale & incentive to continue;
- Unwillingness of members to contribute resources needed to succeed;
- Turf battles and competition; historical disagreements between group members; substantial ideological differences and misunderstandings; and
- Bureaucratic structure.

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Moving toward Racial Equity Using Choice-Points to Counter Implicit Bias

Focus on Understanding Community & Identifying/Using Choice-Points to:

- Create equal power through a community development approach;
- Set an agenda;
- Determine how resources are allocated;
- Take action through policies, systems and structural change;
- Employ community organizing strategies;
- Develop resident leadership; and
- Apply scholarship and research to inform the work, including evaluation.

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Takeaways for High Impact Agencies

1. Together: Agencies work with and through others to create more impact than they can achieve in isolation.
2. Potential: A powerful strategy to leverage collaboration potential is to form durable strategic alliances or restructuring partnerships.
3. Discovery: Strategic partnerships can generate opportunities to strengthen mission - broadening reach, expanding programs & finding more efficient ways to support one's work.
4. Opportunity: A powerful opportunity exists in thinking big about strategic partnerships – we can serve our core purpose well by finding creative ways to collaborate & partner through strategic alliances & restructuring.
5. Power: There is power in the possibility of working together, aligning complementary strengths & resources and going beyond organizational boundaries to do together what we can not do alone.

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SESSION 14:
Executive Succession Planning

8.2.19

Presented by: Dick Goldbaum, Transitions in Leadership;
Allie Chang Ray, MUTARE Network

Succession Planning:

A systematic approach for creating continuity of leadership in an organization

Components of Executive Succession Plan

- ❑ Sudden loss
- ❑ Planned departure
- ❑ Talent/Leadership development

Board Succession Planning

- ❑ View holistically & align w/ current & future goals
- ❑ Consider Board's overall composition
- ❑ Focus on key leadership roles needed for the Board
- ❑ Define skills, expertise & traits
- ❑ Build Board knowledge on the nominating process

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EXECUTIVE SUCCESSION PLANNING DELIVERABLES

- Prepares organization for planned or unplanned leadership change by providing well thought out guidelines and information needed to respond to a leader's departure
- Fulfills a critical responsibility of the Board - assuring qualified capable leadership
- Provides structure for decision-making when faced with leadership transition
- Assures stakeholders a level of sustainability during time of leadership change
- Creates an organizational culture of leadership development

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TRANSITION PLANNING
Opportunity to Consider
A Strategic Alliance

Alliances can help to:

- 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, service quality and/or performance;
- gain back-office or administrative efficiencies;
- achieve greater economies of program scale; and
- enter new geographies, provide new services, or reach new beneficiaries

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ELEMENTS OF A SUCCESSION PLAN

1. **Operational Manual for each position**
   organized by month, including:
   - ❑ Activities essential to fulfilling position's responsibilities
   - ❑ Important stakeholders (contact/personal info)
   - ❑ Funding requirements (e.g. projected outcomes/ deliverables, reporting dates & deliverables)

2. **Interim management options**
   when faced w/ executive transition

3. **List of potential internal candidates**
   for "temporary short-term acting" positions

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SUCCESSION PLAN ELEMENTS cont.

4. **Cross-training system**
   - Gives potential "acting" candidates and opportunity for leadership experiences
   - Source for sharing vital information
5. **Strategies for adjusting responsibilities** when assigning duties for "acting" capacity
6. **List "acting" role compensation options**
7. **Communication Plan**
   - Retaining internal & external stakeholders
   - Informed throughout transition process

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SUCCESSION PLAN ELEMENTS cont.

8. **Departure Plan**
   - Especially for executives/long timers
   - Plan ways of thanking/recognizing their legacy
9. **Plan to prepare for & implement search**
   - Options for who conducts the search process
   - Include Leadership Skill Assessment
10. **Prepare interim/search process budget**
11. **Create on-boarding new hire guidelines**

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LEADERSHIP DEVELOPMENT

- Make it agency-wide
- Develop an organizational culture committed to leadership enhancement
  - Dedicate necessary resources
  - Tie to performance evaluations
- Conduct a skill set assessment process to establish baselines for each management position

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BOARD SUCCESSION PLANNING

Step #1: Assess

- Identify critical positions & highlight potential vacancies
- Select key competencies, skills & traits for continuity
- Focus development of individuals to meet future needs

Step #2: Evaluate

- Consider high potential volunteers already involved
- Select key competencies, skills & traits for future success
- Identify skill, competency and trait gaps
- Consider likelihood of recruiting qualified candidates

Step #3: Develop

- Capture knowledge of departing Board members
- Develop pool of talent to step into critical positions through targeted Board development strategies

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PLANNING GRIDS

Board Succession

Position	Current Leader	Possible Successors	2020	2021
Chair				
Vice Chair				
Secretary				
Treasurer				
Governance				
Finance				
Resource Dev				
Other				

Leadership Devp.

Competency	Self-Assessment	Gov Ctte Assessment	Notes
Leadership			
Initiative			
Judgment			
Strategic Thinking			
Planning			
Teamwork			
Commitment			
Subj Matter Expert			

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WHERE WE ARE IN THE SERIES

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SESSION 15: Strategic Visioning

9.13.19

Presented by: Rebeccah Bennett
Emerging Wisdom

A process that supports a group of stakeholders in developing a shared vision of the future. It involves asking participants to appraise where they are now and where they can realistically expect to be in the future.

CORE COMPONENTS

CURRENT STATE ANALYSIS
- Strengths
- Weaknesses
- Opportunities
- Threats

FUTURE LANDSCAPE FORECAST
- Trends
- Disruptive changes
- Organizational preparedness

IMAGE OF SUCCESS
- Desired impacts
- Core organizational attributes

STRATEGIC PRIORITIES
- Areas of organizational focus, action and investment that advance the vision

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STARTING WITH THE PRESENT

Four reasons for analyzing the current state:

- The current state is the first input in planning for an agency's future. It provides a shared frame of reference for visioning and decision-making
- It creates a common understanding of agency conditions, capabilities, vulnerabilities, and opportunities
- It identifies and prioritizes areas that need to be improved and / or invested in to reach agency goals
- It establishes for stakeholders why change is needed and the logic behind future agency actions

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SAMPLE SWOT ANALYSIS

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FUTURE LANDSCAPE FORECAST: KEY CONSIDERATIONS

1. Where do we expect great change? What changes will most likely occur?
   - **Internally:** people, programs, processes, culture / climate, financial position, technology
   - **Externally:** society, economy, competition and industry, regulation, technology
2. What do we hope might be true of the future?
3. What do we fear might be true of the future?

THE BIG HEAVIES

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KEY CONSIDERATIONS cont.

4. What do we anticipate will be most disruptive in our future that requires our attention and planning now?
5. What about how we currently work / operate will make it harder for us to be ready for this future?
6. What about how we currently work / operate prepares us for this future?

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SAMPLE FUTURE LANDSCAPE

What are Our Greatest & Most Disruptive Changes?

- **People**
  - Heightened focus on diversity, inclusion and equity
  - Intensifying demand for digital literacy and competency
  - Increased workforce mobility, especially among younger employees
  - Growth of gig economy i.e. contracted labor force
- **Competition**
  - More non-profit start-ups and social enterprises
  - Evolving program models to address client needs
- **Money**
  - New United Way funding model
  - Increased funder emphasis on impact and collaboration
  - Reductions in corporate funding and growth in donor reliance
- **Community / Clients**
  - Aging population / client base
  - Continuing fragmentation and lack of collaboration between sectors

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SAMPLE FUTURE LANDSCAPE

What Prepares Us For Change?

- **People:** Application of a racial equity lens to decision-making and work; professional development program for agency employees
- **Competition:** New program model development underway; metrics for performance and outcomes assessment in place
- **Money:** Growing donor base, strong collaborations that reduce expenses and increase impact
- **Community / Clients:** Expanded senior services programs; digital outreach and platforms to attract younger clients

What Makes Us Resistant To Change?

- **People:** Insufficient staff capacity, poor internal communication
- **Competition:** Unwillingness to adapt / challenge the status quo, limited investment in technology
- **Money:** Overreliance on corporate and public funding
- **Community / Clients:** Limited community involvement in work and decision-making

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VISION OF SUCCESS

- Orients planning efforts
- Describes what reality would be like if your mission were being accomplished in optimal ways
- Provides a big picture that is both aspirational and practical
- Evolves in response to environment

Comprehensive Vision

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KEY COMPONENTS

DESIRED SOCIAL IMPACTS	What positive outcomes will occur for the agency's community / clients as a result of its work?
CORE OFFERINGS / SERVICES	What programs and services will the agency provide? What "Best in class" offerings will distinguish it from others?
CLIENT BASE	Who the agency will serve through its programs and services?
WORKFORCE	Who will execute the agency's programs and services? Who will be its employees and team members?
REVENUE SOURCES	How will the agency make money to support its programs / services and sustain its mission?
FOOTPRINT	Where will the agency offer its services? In what geographic and electronic spaces will it operate?

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SAMPLE IMAGE OF SUCCESS

DESIRED IMPACTS	• Achieve 100% employment for program participants • Premier provider of employment services
CORE OFFERINGS	• Workforce development trainings • Employee placement services
CLIENT BASE	• Low and moderate income individuals in West County
WORKFORCE	• Diverse individuals from various racial, ethnic and gender backgrounds • Local and virtual workforce
REVENUE SOURCES	• Grant funding • Fee for service offerings
FOOTPRINT	• West County • Online communities

Given the landscape factors most likely to shape the agency's work in the future, what does success look like for your agency?

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Member Agency
Strategic Transition Planning Series

Please contact Julie Simon at
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with questions, comments or concerns

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