THREE PILLARS OF SUSTAINABILITY

Susan Linn
President/CEO
Epilepsy Foundation New England
In an environmental context, "sustainability" generally means finding a way to use resources in a manner that prevents their depletion. For charitable nonprofits, the phrase “sustainability” is commonly used to describe a nonprofit that is able to sustain itself over the long term, perpetuating its ability to fulfill its mission. Sustainability in the nonprofit context includes the concepts of financial sustainability, as well as leadership succession planning, adaptability, and strategic planning.
THREE PILLARS

1. Effective Programs/Services
   That meet a compelling, pressing need

2. Diversified Revenue Streams
   & Budget Management System

3. Strong Leadership
   Staff
   Board
   Succession Planning
I. EFFECTIVE PROGRAMS AND SERVICES THAT MEET AN URGENT, COMPELLING NEED
DO YOUR PROGRAMS AND SERVICES MEET A NEED?

Logic Models:

There is no one or “right” way to develop a logic model.

Need > Goals > Objectives > Activities > Process Outcomes > Impact Outcomes
## LOGIC MODEL: DEFINITIONS

<table>
<thead>
<tr>
<th>Need</th>
<th>Goal</th>
<th>Objective</th>
<th>Activity</th>
<th>Process Outcome</th>
<th>Impact Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence that establishes a need: get creative</td>
<td>Given that need/prob. what is the goal?</td>
<td>Given that goal, what specific objectives?</td>
<td>To meet those objectives, what activities will we do?</td>
<td>How much of the activity will we do, to whom?</td>
<td>What will change as a result of the activities?</td>
</tr>
<tr>
<td>Examples of evidence?</td>
<td>Goals explain what you want to achieve; usually long-term and represent global visions such as “protect public health and safety”</td>
<td>Objectives are specific, measurable, with a defined completion date. “who, what, when, where, and how” of reaching the goals</td>
<td>Activities and Goals/Objectives are not the same things</td>
<td>Examples of Process outcomes</td>
<td>Examples of Impact Outcomes</td>
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<tr>
<td>A need is a not lack of your program</td>
<td>Client needs not organizational needs</td>
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**Examples of Need:**
- Evidence that establishes a need: get creative
- Examples of evidence?
- A need is a not lack of your program
- Client needs not organizational needs

**Goal**
- Given that need/prob. what is the goal?
- Goals explain what you want to achieve; usually long-term and represent global visions such as “protect public health and safety”

**Objective**
- Given that goal, what specific objectives?
- Objectives are specific, measurable, with a defined completion date. “who, what, when, where, and how” of reaching the goals

**Activity**
- To meet those objectives, what activities will we do?
- Activities and Goals/Objectives are not the same things

**Process Outcome**
- How much of the activity will we do, to whom?

**Impact Outcome**
- What will change as a result of the activities?
LOGIC MODEL: LET'S PRACTICE

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<tr>
<td>creative</td>
<td></td>
<td></td>
<td>will we do?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My family needs a vacation:</td>
<td></td>
<td></td>
<td></td>
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# Logic Model: An Example

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LOGIC MODELS & EVALUATION PLANS

Process Evaluation: Counting; Did you do what you said you were going to do?
Impact Evaluation: Did what you did make a difference?

Post-test Only
Focus Group
Cheap

Pre-test
Random assign
Expensive
DO YOUR PROGRAMS AND SERVICES MEET A NEED, EFFECTIVELY?

Measurement Tells You: Is it working?

Measurement Tells Your Donors: Their investment is making a difference
What do you use?

- Focus groups
- Electronic surveys
  - question banks
  - "flattery"
- Sample

Sources: students, IHE, small firms
NOT ALL NEEDS ARE CREATED EQUAL

In general, Who cares?
Ask Google
Key informants
Collaborators
Research
He who has the gold
STRATEGIC PLANNING: BECAUSE WE CAN’T DO IT ALL

The purpose of strategic planning is to set overall goals for your organization and to develop a plan to achieve them. It involves stepping back from your day-to-day operations and asking where your organization is headed and what its priorities should be.
<table>
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<th>What</th>
<th>Who</th>
<th>When</th>
<th>Result</th>
</tr>
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<tbody>
<tr>
<td>Invite Committee Members</td>
<td>SP Committee Chair</td>
<td>July</td>
<td>SP Committee formed</td>
</tr>
<tr>
<td>Convene SP Committee and agree to plan</td>
<td>SP Committee</td>
<td>1 hour on phone by July 30</td>
<td>Agree to plan/process</td>
</tr>
<tr>
<td>Review Existing SP + EFNE Programs and Services/Mission/History; Review EFA Requirements</td>
<td>SP Committee: Presentations by key EFNE staff</td>
<td>4 hours in-person in early August</td>
<td>Possible mission statement refinement; A 2 page organizational profile</td>
</tr>
<tr>
<td>SWOT analysis</td>
<td>SP Committee and All EFNE Staff</td>
<td>2 hours in-person in mid-August</td>
<td>SWOT Report</td>
</tr>
<tr>
<td>Stakeholder Survey to clients, doctors, EFNE consumers – etc.</td>
<td>Susan to develop for SP Committee input</td>
<td>August 10-August 30</td>
<td>Stakeholder input</td>
</tr>
<tr>
<td>Current State/Ideal State</td>
<td>SP Committee</td>
<td>2 hours in person in late August</td>
<td>Current State/Ideal State profile</td>
</tr>
<tr>
<td>Identify Strategic Priorities</td>
<td>SP Committee</td>
<td>2 hours in person in early Sept</td>
<td>Strategic Priorities</td>
</tr>
<tr>
<td>What</td>
<td>Who</td>
<td>When</td>
<td>Result</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>----------------------------------</td>
<td>--------------------------------------------</td>
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<td>SP Committee</td>
<td>2 hours in person in early Sept</td>
<td>Strategic Priorities</td>
</tr>
<tr>
<td>Develop Action Plan: How will the priorities be addressed? By whom? When?</td>
<td>Susan &gt; present to SP Committee</td>
<td>1 hour call to review by Sept 15</td>
<td>Action Plan</td>
</tr>
<tr>
<td>Write the Strategic Plan</td>
<td>Susan and SP Committee Chair</td>
<td>Sept 11-Sept 21</td>
<td>Strategic Plan Document</td>
</tr>
<tr>
<td>Present Plan to PAB for input</td>
<td>Susan and SP Committee Chair</td>
<td>Late September/early Oct</td>
<td>Input to Refine Plan</td>
</tr>
<tr>
<td>Engage Board in Planning</td>
<td>SP Committee</td>
<td>Sept 28 – 2 hours with Full Board</td>
<td>Input to Refine Plan</td>
</tr>
<tr>
<td>Finalize Plan</td>
<td>Susan – for SP Committee Feedback</td>
<td>1 hour phone call of SP Committee by 10-14</td>
<td>Final SP</td>
</tr>
<tr>
<td>Publish Plan</td>
<td>Susan</td>
<td>By 10/31</td>
<td>Plan on website etc</td>
</tr>
<tr>
<td>Review Plan Progress</td>
<td>Executive Committee</td>
<td>3x/yr</td>
<td>Plan Refinement/Accountability</td>
</tr>
</tbody>
</table>
II. 2. DIVERSIFIED REVENUE STREAMS

Public Radio Revenue Sources, including in-kind, in fiscal year 2013

- Corporations 19%
- Individuals 34%
- Colleges and universities 13%
- CPB and public broadcasting entities 11%
- Foundations 8%
- Federal, state, and local governments 5%
- Other 10%

Donation CTR: $480,000
Grants: $181,000
Appeals: $130,000
Unsolicited: $150,000
Events: $622,000
3rd party aka “DIY”: $75,000
Program Fees: $13,856
Released bequest: $159,500
Misc: $36,233
Total: $1,847,589
In 2016, INDIVIDUAL DONORS drove the rise in philanthropic giving. And for only the sixth time in 40 years, all nine major philanthropy subsectors realized giving increases:

$390.05 billion

Where did the generosity come from?

Giving by Individuals
$281.86 billion
Increased 3.8 percent (2.6 percent when inflation-adjusted) over 2015

Giving by Foundations
$59.28 billion
Increased 3.5 percent (2.2 percent when inflation-adjusted) over 2015

Giving by Bequest
$30.36 billion
Decreased 9.9 percent (10.1 percent when inflation-adjusted) over 2015

Giving by Corporations
$18.85 billion
Increased 3.5 percent (2.3 percent when inflation-adjusted) over 2015

Contributions by source (as a percentage of the total)
- Religion: 32% (%)
- Education: 15% ($59.77 billion)
- Human Services: 12% ($46.80 billion)
- To Foundations: 10% ($40.56 billion)
- Health: 8% ($33.14 billion)
- Public-Society Benefit: 8% ($29.89 billion)
- Arts, Culture, and Humanities: 5% ($18.21 billion)
- International Affairs: 6% ($22.03 billion)
- Environment/Animals: 3% ($11.05 billion)
- To Individuals: 2% ($7.12 billion)

Each charitable subsector grew in 2016 except for giving to bequest. Growth rates ranged from approximately 3-7 percent.

The single largest contributor to the growth in total giving was an increase of $10.53 billion in GIVING BY INDIVIDUALS—offsetting declines from bequest giving.


* All figures on this infographic are reported in current dollars unless otherwise noted.
INDIVIDUAL GIVING

Invest Here!
1. The Board of Directors understands its financial oversight responsibilities.
2. Treasurer who oversees the organization’s finances and ensures that financial results are accurately reported to the directors monthly or quarterly.
3. An Audit Committee; an independent auditor.
4. The CEO or Executive Director understands how to read and interpret financial reports for nonprofit organizations.
5. A qualified financial or business manager reports to the Executive Director and is responsible for establishing, maintaining, and performing financial policies and procedures of the organization.
FINANCIAL MANAGEMENT BEST PRACTICES

6. A system of internal controls to safeguard assets and ensure data accuracy.
7. Financial policies and procedures manual.
8. Prepare an annual budget with Board participation and approval.
9. Prepare a multi-year financial plan that supports the organization’s strategic plan.
10. Maintain a chart of accounts that reflects the internal and external reporting needs of the organization (assets, liabilities, restricted and unrestricted net assets; and revenues and expenditures further classified by department, program, project, grant, etc.).
FINANCIAL MANAGEMENT BEST PRACTICES

Real time information
Budget vs. Actual
III. STRONG LEADERSHIP

From https://www.bridgespan.org/insights/library/leadership-development/nonprofit-sectors-leadership-deficit

**Invest in leadership capacity.** Skilled management is the single most important determinant of organizational success. Nonprofits must invest in building skilled management teams—even if that means directing a greater proportion of funding to overhead. Philanthropy must deliver the operating support required, and boards must reinforce the importance of building management capacity and quality.
PRES/CEO/EXECUTIVE DIRECTOR

Recruitment
Compensation
Retention
Evaluation
Succession Planning

>Rising to the top
THE TEAM
<table>
<thead>
<tr>
<th>Position</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Chair</td>
<td>Partner</td>
</tr>
<tr>
<td></td>
<td>Compelling</td>
</tr>
<tr>
<td></td>
<td>Connected</td>
</tr>
<tr>
<td></td>
<td>Giving &gt; Time, Talent, Treasure</td>
</tr>
<tr>
<td>Board Officers</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
</tr>
<tr>
<td>Nominating Committee</td>
<td></td>
</tr>
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</table>

Who should worry about the Board
THREE PILLARS

1. Effective Programs/Services
   That meet a compelling, pressing need

2. Diversified Revenue Streams
   & Budget Management System

3. Strong Leadership
   Staff
   Board
   Succession Planning
“HOW WILL YOU SUSTAIN YOUR PROGRAM WHEN SUPPORT FROM THE XYZ FOUNDATION RUNS OUT?”
The Standardized Response:

Understanding the importance of long-term sustainability, [your organization]’s staff and board are constantly developing and implementing plans to diversify our funding. We are confident we will be able to increase our programmatic and organizational sustainability through a combination of several strategies:

• Strengthening both board and staff’s fundraising capacity through professional development opportunities
• Building and sustaining relationships with other local foundations
• Developing stronger ties to local corporations as well as to small businesses
• Improving and innovating on our special events in order to bring in more revenues
• Evolving our annual mailing campaign through innovative donor-centric communication
• Expanding our individual donor cultivation activities, and
• Exploring earned-income strategies
• We believe that through a robust fundraising plan combined with an organizational culture of philanthropy, [your organization] will be able to sustain, expand, and scale its program to effectively serve the community for the long-term. [If space allows, you may want to expand on each bullet point by listing out specific examples].
The long-term sustainability of our program is a high priority for [your organization]. We will continue to develop our staff and board's ability to fundraise in order to diversify our revenues. Our funding strategies include building relationship with other foundations, cultivating support from corporate sponsors and individual donors, increasing revenues from special events, refining our annual appeal process, and exploring income generation such as through the online sales of inspiring macaroni artwork made by the youth in our after-school program [tailor this last sentence to add specificity about potential earned-income streams].
Long-term sustainability is a high-priority for [your organization]. After support from the XYZ Foundation ends, we will continue to diversify our funding through the following ways: Cultivating individual donors who align with our values of environmental justice, hosting carbon-neutral events featuring organic local farms, building relationships with local family-owned businesses that make artisanal products in small batches, and exploring opening a recreational marijuana store as an earned-income strategy.
“Innovative” version

- Our organization is on the forefront of innovation, which we will apply to increase our long-term sustainability and impact. Through collective mind-melding, board and staff will harvest synergy and shift the paradigm for evidence-based crowdsourcing to increase individual contributions. In addition, technical advances hybridized with holistic storytelling and impact investment through venture capitalism will allow our team to leverage income-generation via cryogenic preservation offered to major donors on the edge of existential discoveries.

Folksy version

- Well, don’t you worry a wink, we’ve got that whole long-term sustainability business taken care of. We are not about to let our community folk suffer like a possum in a spit bucket on account of running out of grease for the engine. We have plans to keep this programming hog humming, and they include hollering at the local business fellers, hosting events that are as special as a slice of ham and three eggs, and selling our office-brewed moonshine for a few coins here and yonder.
Poetic version

• Doth the wave not crash eternal against the shoals? So too shall we continue to lash against the shores of injustice. Long after Time has effaced your footsteps from the sands of outcomes, the tides of fundraising shall continue to rise and fall.

Short and simple version

• We will leave you alone, and bother other people.
1. Measure > Improve/Refine > Make an Impact > Report & Engage

2. Diversify Revenue Stream to Support this Project

3. Champion/leadership
THANK YOU

slinn@epilepsynewengland.org