



# THREE PILLARS OF SUSTAINABILITY

Susan Linn

President/CEO

Epilepsy Foundation New England

# SUSTAINABILITY:

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 >

Activites > Process Outcomes > Impact Outcomes

# LOGIC MODEL: DEFINITIONS

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

# LOGIC MODEL: LET'S PRACTICE

Need	Goal	Objective	Activity	Process Outcome	Impact Outcome
Evidence that establishes a need: get creative	Given that need/prob. what is the goal?	Given that goal, what specific objectives?	To meet those objectives, what activities will we do?	How much of the activity will we do, to whom?	What will change as a result of the activities?
My family needs a vacation:					

# LOGIC MODEL: AN EXAMPLE

Need	Goal	Objective	Activity	Process Outcome	Impact Outcome
Evidence that establishes a need: get creative	Given that need/prob. what is the goal?	Given that goal, what specific objectives?	To meet those objectives, what activities will we do?	How much of the activity will we do, to whom?	What will change as a result of the activities?



# 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

# EVALUATION PLANS

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

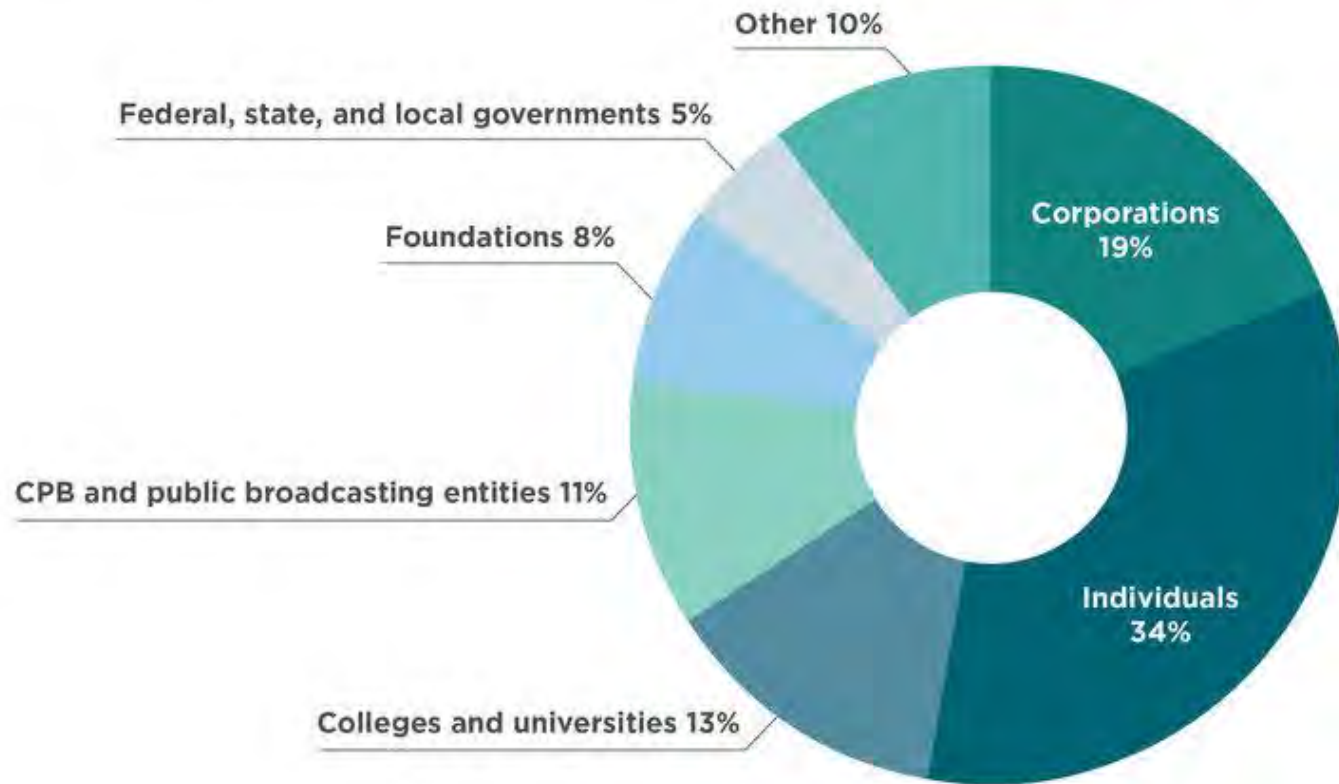
The purpose of strategic planning is to set overall goals for your organization and to develop a plan to achieve them. It involves stepping back from your day-to-day operations and asking where your organization is headed and what its priorities should be.

What	Who	When	Result
Invite Committee Members	SP Committee Chair	July	SP Committee formed
Convene SP Committee and agree to plan	SP Committee	1 hour on phone by July 30	Agree to plan/process
Review Existing SP + EFNE Programs and Services/Mission/History ; Review EFA Requirements	SP Committee: Presentations by key EFNE staff	4 hours in-person in early August	Possible mission statement refinement; A 2 page organizational profile
SWOT analysis	SP Committee and All EFNE Staff	2 hours in-person in mid-August	SWOT Report
Stakeholder Survey to clients, doctors, EFNE consumers – etc.	Susan to develop for SP Committee input	August 10-August 30	Stakeholder input
Current State/Ideal State	SP Committee	2 hours in person in late August	Current State/ Ideal State profile
Identify Strategic Priorities	SP Committee	2 hours in person in early Sept	Strategic Priorities

What	Who	When	Result
Identify Strategic Priorities	SP Committee	2 hours in person in early Sept	Strategic Priorities
Develop Action Plan: How will the priorities be addressed? By whom? When?	Susan > present to SP Committee	1 hour call to review by Sept 15	Action Plan
Write the Strategic Plan	Susan and SP Committee Chair	Sept 11-Sept 21	Strategic Plan Document
Present Plan to PAB for input	Susan and SP Committee Chair	Late September/early Oct	Input to Refine Plan
Engage Board in SPlanning	SP Committee	Sept 28 – 2 hours with Full Board	Input to Refine Plan
Finalize Plan	Susan – for SP Committee Feedback	1 hour phone call of SP Committee by 10-14	Final SP
Publish Plan	Susan	By 10/31	Plan on website etc
Review Plan Progress	Executive Committee	3x/yr	Plan Refinement/ Accountability

## II. 2. DIVERSIFIED REVENUE STREAMS

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





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 3.9 percent (2.6 percent when inflation-adjusted) over 2015



**Giving by Foundations**  
 \$59.28 billion

was 3.5 percent (2.2 percent when inflation-adjusted) over 2015



**Giving by Bequest**  
 \$30.36 billion

declined 9.0 percent (10.1 percent when inflation-adjusted) over 2015



**Giving by Corporations**  
 \$18.55 billion

increased 3.5 percent (2.3 percent when inflation-adjusted) over 2015



Contributions by source  
 (by percentage of the total)



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.

Visit [www.GivingUSA.org](http://www.GivingUSA.org) to learn more and to order your copy of *Giving USA 2017: The Annual Report on Philanthropy for the Year 2016*.

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



Giving to international affairs comprised a larger percentage of total charitable giving in the United States, increasing from 4 percent to 6 percent in 2016.



Giving to environment/animals increased 7.2 percent in 2016, the largest gain of any subsector, outpacing growth in overall giving for the last two years.

Where are all of the charitable dollars going?

(as a percentage of the total)

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

32% Religion \$122.94 billion

15% Education \$59.77 billion

12% Human Services \$46.80 billion

10% To Foundations \$40.56 billion

8% Health \$33.14 billion

8% Public-Society Benefit \$29.89 billion

5% Arts, Culture, and Humanities \$18.21 billion

6% International Affairs \$22.03 billion

3% Environment/Animals \$11.05 billion

2% To Individuals \$7.12 billion

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.



Giving USA™  
 Shared intelligence. For the greater good.



THE Giving Institute™  
 Shared intelligence. For the greater good.



IUPUI  
 LILLY FAMILY SCHOOL OF PHILANTHROPY

# INDIVIDUAL GIVING

Invest Here!



# FINANCIAL MANAGEMENT BEST PRACTICES

From <http://www.nfppartners.com/blog/best-nonprofit-financial-management-practices/>

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

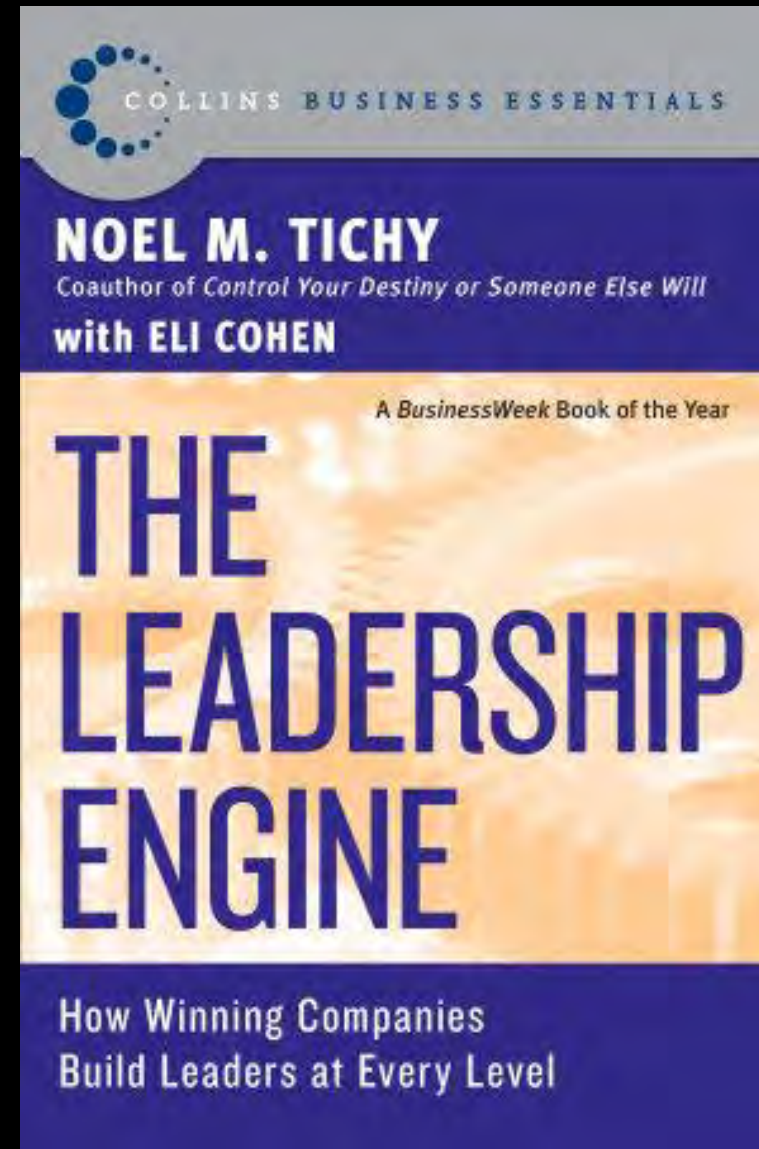
Retention

Evaluation

Succession Planning

> Rising to the top

# THE TEAM





# BOARD

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Board Chair

Partner

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Compelling

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Connected

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Giving > Time, Talent, Treasure

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Board  
Officers

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Training

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Nominating  
Committee

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Who should  
worry about  
the Board



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“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].

## SHORT VERSION

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].



Seattle version

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.



# YOUR VERSION

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](mailto:slinn@epilepsynewengland.org)



**EPILEPSY  
FOUNDATION**

New England