

# Nonprofit Sector Viability Program

## Update: February 22, 2010

### INTRODUCTION

The Maine Nonprofit Viability Program, launched by the Nonprofit Sector Viability Collaboration (NSVC), assists organizations in navigating the current economic climate. The program consists of three components—formal self-assessment, a one-and-a-half-day viability session, and consulting assistance.

The goal of the Viability Program is to provide the senior leaders of up to 10 nonprofit organizations at a time with a structured and supportive environment in which to think deeply about ongoing viability of their mission, programs, and finances. Through the process, organizations gain clarity about goals going forward; a concrete plan for coping with immediate organizational and financial challenges; and a longer-term strategy for how to adapt their missions in the face of change.

### VIABILITY PROGRAM CLINICS

The NSVC held three pilot clinics in 2009:

- *Cumberland County, May 18-19.* Convened in Portland by the United Way of Greater Portland (UWGP). This clinic gathered ten UWGP grantees together focused on youth, education and human services.
- *Downeast, September 29-30.* Convened in Machias by the United Way of Eastern Maine. This clinic supported seven social service and health-related organizations from across Washington County.
- *Health Care, November 12-13.* Convened by the Maine Health Access Foundation. This clinic supported seven residential care facilities and home healthcare providers.

The NSVC has scheduled four clinics for 2010:

- *York/Cumberland County, March 24-25.* Convened by United Way of York County. This clinic will utilize an open enrollment model bringing together nonprofits from various sectors.
- *Arts and Culture, May 18-19.* This session will bring together a cohort of arts and culture organizations from across Maine.
- *Western Maine, June 24-25.* This session will serve community and economic development organizations operating in Western Maine.
- *Department of Health and Human Services, October.* This session will target organizations within Maine's health and human service sector that have been impacted by budget cuts.

## **2009 RESULTS**

The 24 nonprofit organizations that participated in the 2009 pilot programs came with varying degrees of concern and understanding about the long-term viability of their own mission. The Viability Program facilitated deep discussion around program and financial priorities; each organization left the clinic with detailed action steps on how to improve the sustainability of their mission. Nineteen of the 24 requested post-clinic consulting services.

### **Key Themes**

- *The delivery model works:* The combination of presentation and small group working session central to the program model has been successful.
- *Once they are in, they are hooked:* Although organization staff may arrive skeptical, they recognize the value once they attend.
- *Consulting tightly tied to the working session:* The requests that have been received for post-session consulting have been closely tied to the action steps.

### **Consulting Assistance Requests: Issues Addressed, Actions Taken**

- Board and executive director roles and responsibilities and consultation on mergers
- Merger strategy
- Guidance on implementing action steps
- Plan and facilitate a board retreat
- Guidance to determine new business models
- Guidance on leading change in the organization
- Fundraising (capital plan)
- Design and facilitation of focus groups to help in action planning
- Strategic planning
- Plan and facilitate a board retreat and facilitation of a community forum
- Guidance with executive director and board president to plan for a retreat
- Develop a dashboard and identify potential partners
- Financial analysis and strategic planning

## **OUTCOMES FROM FOUR ORGANIZATIONS**

### **Consolidation of Programs**

*Situation:* A youth and education program was struggling to identify a sustainable business model.

*Action:* Through the Viability Program, the organization's board decided to take the lead in evaluating new business models, but required help defining evaluation criteria and creating a decision-making process. A Viability Program consultant facilitated a discussion to address these needs.

*Outcome:* The organization's board voted to close one operation and consolidate students and teachers into another site.

### **Exploring Merger to Sustain Mission**

*Situation:* One organization had undertaken a rapid series of potential merger explorations with multiple organizations, opening each conversation with an explanation of financial desperation. They were politely rebuffed and arrived at the Viability Program in search of solutions.

*Action:* The Viability Program helped this organization re-evaluate its strengths, vulnerabilities, and the manner in which it approached potential partners.

*Outcome:* The organization restructured its approach to seeking a merger partner and developed a sound back-up plan. It was recently acquired by a stable organization and was able to keep alive its brand, identity, and mission focus.

### **Leadership Change Leads to Refocusing**

*Situation:* Through participation in the Viability Program, this organization's executive director realized she was in a position that wasn't a good fit given her personal desire for "on the ground" interaction with clients and decided to resign.

*Action:* In response, the organization embraced the opportunity to invite the community in for a discussion, using its consulting hours: What did the community need most from the organization? What was working? What could the future include?

*Outcome:* This process provided the organization with a foundation upon which to consider an expansion of its programmatic focus. In addition, the organization identified and recruited new board members excited about the possibilities, and clarified the skills needed for the executive director position.

### **Grappling With an Unsustainable Business Model**

*Situation:* The board president of a small residential facility joined the Viability Clinic, believing the organization had a significant sustainability issue: the facility was running a deficit and funding 30% of its annual operations from a shrinking endowment. At this rate they had maybe two or three years before they would be forced out of business.

*Action:* The Viability Program confirmed the critical nature of the situation and helped the executive director and board treasurer agree on the importance of taking action. The team took the action steps directly to the board and requested an executive committee be formed, which would report back, with the help of the Collaboration-sponsored consultant, on recommendations for a new business model.

*Outcome:* To date, this organization has conducted a competitive analysis of other local facilities, identified areas for potential expense reduction, and is presenting proposed changes to their business model to the full board.

## **FUNDING UPDATE**

To date, 19 funders have contributed more than \$160,000 to support the design and implementation of the Viability Program. The Nonprofit Sector Viability Collaboration is grateful for the generous support and confidence early funders have provided to its efforts. This support provides 90% of the \$30,000 required to offer one Viability Program to 10 organizations. At approximately \$3,000 per nonprofit, the value of services being delivered is without question more affordable than if an organization hired outside expertise on its own.

Supporters of the Viability Program include: Frances Hollis Brain Foundation, Bank of America, Davis Family Foundation, Sam L. Cohen Foundation, Maine Health Access

Foundation, Maine Network Partners, Maine Arts Commission, American Reinvestment and Recovery Act, and Maine Community Foundation's Expansion Arts, Rines Thompson, Cumberland County, and Cummings Trust funds.

### **A Funder's Story: Maine Health Access Foundation**

*Situation:* Maine Health Access Foundation (MeHAF) staff held a retreat to discuss a priority: strengthening Maine's safety net. Foundation staff wanted to deploy funding that would be time-limited, strategic, and convergent with current work. Capacity building support for organizations topped their list.

*Action:* Because MeHAF had never delivered capacity-building programming and does not have the staffing to implement a robust program, the foundation turned to the Nonprofit Sector Viability Collaboration to deliver programming, in a way that aligned with their philosophy and program goals.

*Outcome:* MeHAF sponsored a Viability Program for 10 organizations in the field of long-term care. Initially, MeHAF wondered whether applying the model to such a specific cohort would be useful. The results exceeded expectations; participating organizations reported that it was a valuable use of their time. MeHAF is very pleased with the results of its funding, especially the value of working through the issues of mission sustainability in a collective way. The foundation is strongly considering supporting future Viability Programs and encourages funders to consider this model for delivering capacity building to their grantee or non-grantee organizations.

### **EXECUTIVE DIRECTORS AND BOARD MEMBERS RESPOND ...**

- Really impressed at quality of presenters. Real life focus.
- Consultants exceeded expectations. Appreciated the way our outlying organization was given customized attention.
- It was full and a good use of my time. I felt that it was a productive experience and that I would be more likely to speak with other participants with a new language and—hopefully—new results and relationships.
- The show was better than the advertising! Much better than expected.
- I came somewhat begrudgingly, but got a benefit from the program to direct my thinking in seemingly valuable ways.
- Excellent. Informative, good networking opportunity, well-structured break-out sessions
- This clinic came at a perfect time as we are in the process of sustainability planning.
- The flow of the agenda was great. Mix of small group/large group team time was good.
- I could tell the facilitator and consultants really wanted to create a valuable experience relevant to our work
- So incredibly timely and useful. I'm walking out of here with an action plan that can happen in the next two weeks! I've been trying for eight months to get to this point!
- The relatively small number of participants was a real plus. The table group of similar type providers also made for good sharing of ideas.
- Well designed, good tools, great presentation by all.
- Excellent, wonderful resources, useful information.

- Beyond my expectations! Wonderfully thought out and presented. Well worth my time.
- Excellent presenters.
- I found it useful in networking and helping me focus on what I need to look at in future planning.
- Good material, presenters, support staff; relevant.
- Most impressed that I learned something. I will take it back to the “board.”
- Very well organized, I felt there was open to discussion. Exchange of ideas was open.

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**The Nonprofit Sector Viability Program is sponsored by:**

