Capitalizing Our Business Model

- Part 1: The double bottom-line
- Part 2: Definition & types of business models
- Part 3: Depicting your business model
- Part 4: Growth & capitalization, within competitive/collaborative contexts
- Part 5: Tools for sustainability & scalability
- Part 6: Organizational & ecosystem leadership capabilities
Good to Great
an NPO’s expressive & instrumental dimensions
(expressive of values; instrumental in delivering value)

BHAG: Bold but believable. Big enough to matter, yet small enough to achieve

What you are deeply passionate about

Your sweet-spot of brand promise, brand integrity, value-proposition, competitive positioning, core business, sustainable business-model, etc.

What you can be the best in the world at

Mission Margin

What drives your economic or resource engine
Contribution Margin & Portfolio Management

Mission Impact

- Continue, but contain costs
- Spin-off or stop

- Invest & grow
- Milk $s, but increase impact

Net profit margin & cash conversion cycle
Capitalizing Our Business Model

• Part 1: The double bottom-line
• **Part 2: Definition & types of business models**
• Part 3: Depicting your business model
• Part 4: Growth & capitalization, within competitive/collaborative contexts
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• Part 6: Organizational & ecosystem leadership capabilities
Business-Model Spectrum

Not-for-Profit

Varieties of Social Enterprise

Charity with fundraising and/or grant income
Charity with ‘on mission’ contract income
Social Benefit Enterprise
Social Purpose Business
Socially Responsible Business
Business with a charitable spend
Business that ‘do good’
Commercial Enterprise
Business Models

The story (the narrative & plot) of...
The logic of...
The rationale of...
The value proposition of...
The architecture of...
The heuristic of...
The organism for...
The recipe for...
The choices & consequences of...

...creating value for customers
and capturing value for other
stakeholders/shareholders.
Business Models

Include...

- **Transaction content**
  (the WHAT of goods, services, information exchanges)

- **Transaction structure**
  (the WHO the participating parties are, including suppliers, customers, network/ecosystem partners, investors)

- **Transaction governance**
  (the HOW the participating parties cooperate, interact, & control the flow of content)
### Business Model Canvas

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Propositions</th>
<th>Customer Relationships</th>
<th>Customer Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who do we need to partner with?</td>
<td>What must we do in-house better than outsource?</td>
<td>How do we solve our clients &amp; partners needs?</td>
<td>How do we acquire &amp; retain our customers &amp; funders? And what’s the cost of doing so?</td>
<td>Who are our customers &amp; funders, and what do they value &amp; need?</td>
</tr>
<tr>
<td>What do they bring to the table?</td>
<td></td>
<td>Pain Killers</td>
<td></td>
<td>Jobs to get done?</td>
</tr>
<tr>
<td>• Access?</td>
<td></td>
<td>Gains given</td>
<td></td>
<td>Pains to relieve?</td>
</tr>
<tr>
<td>• Efficiency?</td>
<td></td>
<td></td>
<td></td>
<td>Gains to create?</td>
</tr>
<tr>
<td>• Capabilities?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Credibility?</td>
<td></td>
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</tr>
</tbody>
</table>

### Key Resources
- Data/info
- Skills
- IP

### Key Activities

### Value Propositions
- Pain Killers
- Gains given

### Customer Relationships

### Customer Segments

### Cost Structure
- Fixed
- Variable

### Revenue Streams
- Diversification
- Sustainable
- Scalable
- Cashflow
- Capital Burn-rate

### Social & Environmental Cost

### Social & Environmental Benefit
- SROI metrics, including correlations?

**Plus... Your competitive advantage in a competitive environment**
Value Proposition - The hypothesis

- I intend to offer *(insert product/service)* to a *(insert name/type of customer)* so that they will be able to *(insert the benefit/value to the customer)*.

What's your value proposition?
## Research on business-models

### Four Basic Business Model Archetypes

<table>
<thead>
<tr>
<th>What rights are being sold?</th>
<th>How much does the business transform the asset?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Significant</strong></td>
</tr>
<tr>
<td>Ownership of Asset</td>
<td>Creator</td>
</tr>
<tr>
<td>Use of Asset</td>
<td>Landlord</td>
</tr>
<tr>
<td>Matching of Buyer &amp; Seller</td>
<td>Broker</td>
</tr>
</tbody>
</table>

### Basic Business Model Archetype

<table>
<thead>
<tr>
<th>Basic Business Model Archetype</th>
<th>What type of asset is involved?</th>
<th>Total % in U.S. by asset right</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creator (ownership, significant transform)</td>
<td>Financial, Physical, Intangible, Human</td>
<td>50%</td>
</tr>
<tr>
<td>Creator (ownership, significant transform)</td>
<td>Entrepreneur, Manufacturer, Inventor</td>
<td></td>
</tr>
<tr>
<td>Distributor (ownership, limited transform)</td>
<td>Financial, Physical, Intangible, Human</td>
<td>15%</td>
</tr>
<tr>
<td>Distributor (ownership, limited transform)</td>
<td>Financial Trader, Wholesaler Retailer, IP Trader</td>
<td></td>
</tr>
<tr>
<td>Landlord (use of asset)</td>
<td>Physical, Intangible, Human</td>
<td>35%</td>
</tr>
<tr>
<td>Landlord (use of asset)</td>
<td>e.g. lender, e.g. landlord, Publisher, Consultant</td>
<td></td>
</tr>
<tr>
<td>Broker (buyer/seller match)</td>
<td>Physical, Intangible, Human</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Broker (buyer/seller match)</td>
<td>brokerage, realtor, mail list, temp service</td>
<td></td>
</tr>
</tbody>
</table>

*Landlord & Broker models earn higher margins*
## A Business Model Taxonomy

<table>
<thead>
<tr>
<th>Types</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price Models</strong></td>
<td></td>
</tr>
<tr>
<td>Buying Club</td>
<td>Purchase volume provides discounts to buyers. No frills service &amp; streamlined logistics contain costs. E.g. Costco</td>
</tr>
<tr>
<td>One-stop, low-price</td>
<td>Low price &amp; convenience attracts buyers, then volume discounts. E.g. Walmart</td>
</tr>
<tr>
<td>Under-priced</td>
<td>Under-price market leader but convince customers equivalent offerings. E.g. MCI vs. AT&amp;T</td>
</tr>
<tr>
<td>Free for advertising</td>
<td>Free to end-users but require them to view advertising. E.g. Google</td>
</tr>
<tr>
<td>Razor &amp; blade</td>
<td>Charge low price for starter product with higher margin consumables required. E.g. Inkjet printers; Gillette razors</td>
</tr>
<tr>
<td><strong>Convenience Models</strong></td>
<td></td>
</tr>
<tr>
<td>One-stop convenience</td>
<td>Broad selection &amp; easy access to busy buyers willing to pay a premium. E.g. Circle K</td>
</tr>
<tr>
<td>Instant gratification</td>
<td>Make expensive products/services easily available to customers who can’t pay immediately. E.g. credit cards</td>
</tr>
<tr>
<td>Comprehensive offering</td>
<td>Offer package of acceptable quality products/services as a single unique offering. E.g. Omnicom</td>
</tr>
<tr>
<td><strong>Commodity-Plus Models</strong></td>
<td></td>
</tr>
<tr>
<td>Low-price reliable</td>
<td>Good prices, reliable service, with standardized highly predictable operating practices. E.g. Southwest Airlines</td>
</tr>
<tr>
<td>Reliable commodity ops</td>
<td>Predictable commodity service for a small premium. E.g. UPS</td>
</tr>
<tr>
<td>Branded reliable</td>
<td>Good brand marketing at a small premium for an efficiently produced commodity. E.g. Goodyear</td>
</tr>
<tr>
<td>Mass-customized</td>
<td>“Have it your way” options on top of competitive prices, convenient buying, &amp; fast delivery. E.g. Dell</td>
</tr>
<tr>
<td>Service-wrapped</td>
<td>Undistinguished product/service with small premium for topline customer attention. E.g. Earthlink.net</td>
</tr>
<tr>
<td>Types</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Experience Models</td>
<td></td>
</tr>
<tr>
<td>Experience selling</td>
<td>Undistinguished product moved through extensive, aggressive salesforce.  E.g. Mary Kay Cosmetics</td>
</tr>
<tr>
<td>Experience destination</td>
<td>Carefully designed environment at premiums for customers wanting quality first, cost second.  E.g. Disneyland</td>
</tr>
<tr>
<td>Cool brands</td>
<td>Brand marketing creates premiums against competition.  E.g. Baby Gap</td>
</tr>
<tr>
<td>Channel Models</td>
<td></td>
</tr>
<tr>
<td>Channel maximization</td>
<td>Leverage appealing content through many channels.  E.g. AOL/Time Warner</td>
</tr>
<tr>
<td>Cat-daddy selling</td>
<td>Complete selection of readily available products &amp; accessories in focused category of goods &amp; prices. E.g. Toys R Us</td>
</tr>
<tr>
<td>Quality selling</td>
<td>High quality or hard-to-find products at premiums. Excellent customer-service. E.g. Lands’ End</td>
</tr>
<tr>
<td>Value-added reseller</td>
<td>Range of undifferentiated products with value-added sales &amp; service to a focused market.  E.g. Goodwill Berkshire</td>
</tr>
<tr>
<td>Intermediary Models</td>
<td></td>
</tr>
<tr>
<td>Market aggregation</td>
<td>Through appealing content &amp; services convert audience attention to advertising.  E.g. Yahoo</td>
</tr>
<tr>
<td>Multi-party market agg.</td>
<td>Like the above model, but use the presence of one audience to attract another. E.g. Beansprout.net</td>
</tr>
<tr>
<td>Open market-making</td>
<td>Open markets, with income from transaction fees. E.g. eBay</td>
</tr>
<tr>
<td>Exclusive market-making</td>
<td>Bring together specific, highly targeted, qualified audiences for trading.  E.g. Edu.com</td>
</tr>
<tr>
<td>Transaction service</td>
<td>Provide transaction services through an exchange; price by value, not #, of transactions.  E.g. Solbright</td>
</tr>
</tbody>
</table>
# A Business Model Taxonomy

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<thead>
<tr>
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<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Models</td>
<td></td>
</tr>
<tr>
<td>Trusted operations</td>
<td>Customers pay premiums for predictable ops that carry big consequences for failure. E.g. State Street</td>
</tr>
<tr>
<td>Trusted solution</td>
<td>Firms use expertise &amp; alliances to tailor offerings around their core products. E.g. Raytheon</td>
</tr>
<tr>
<td>Trusted advisor</td>
<td>Premium prices for answers. E.g. McKinsey</td>
</tr>
<tr>
<td>Trusted product leader</td>
<td>Long-lasting product platform architecture for locked-in customers. E.g. Cisco</td>
</tr>
<tr>
<td>De facto standard</td>
<td>Proprietary, licensed component technology as dominant design. E.g. Intel Inside</td>
</tr>
<tr>
<td>Trusted service leader</td>
<td>Attract great talent &amp; funding, driving excellent service delivery. E.g. Brigham &amp; Women’s Hospital</td>
</tr>
<tr>
<td>Innovation Models</td>
<td></td>
</tr>
<tr>
<td>Incomparable products</td>
<td>Deep R&amp;D skills, proprietary tech offering unique products with high margins. E.g. big pharm</td>
</tr>
<tr>
<td>Incomparable service</td>
<td>Aggressive sales of unique services at premium. E.g. Evergreen Aviation</td>
</tr>
<tr>
<td>Breakthrough markets</td>
<td>Invest in new markets &amp; gain a temporary monopoly. E.g. AIG Insurance</td>
</tr>
</tbody>
</table>
## NPO funding models*

<table>
<thead>
<tr>
<th>Types</th>
<th>Typical Funding Source; Funder Motivations</th>
<th>Examples</th>
<th>Tactics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heartfelt Connector</td>
<td>Individuals; Altruism</td>
<td>Disease awareness/prevention</td>
<td>events</td>
</tr>
<tr>
<td>Beneficiary Builder</td>
<td>Individuals; Self-interest mixed with altruism</td>
<td>Universities</td>
<td>fees; major gifts</td>
</tr>
<tr>
<td>Member Motivator</td>
<td>Individuals; Collective interest</td>
<td>Religious congregations</td>
<td>fees; major gifts; events</td>
</tr>
<tr>
<td>Big Bettor</td>
<td>Family foundations/individuals; Collective interest</td>
<td>Scientific Research</td>
<td>Major gifts</td>
</tr>
<tr>
<td>Public Provider</td>
<td>Government; Collective interest</td>
<td>Human services</td>
<td>Contracts</td>
</tr>
<tr>
<td>Policy Innovator</td>
<td>Government; Policymaker interest; Collective interest</td>
<td>Social Impact Bond movement</td>
<td>Earmarks</td>
</tr>
<tr>
<td>Beneficiary Broker</td>
<td>Government funding decision maker; Self-interest</td>
<td>Student loans</td>
<td>Reimbursements</td>
</tr>
<tr>
<td>Resource Recycler</td>
<td>Corporations and individuals; self-interest and altruism</td>
<td>Food banks</td>
<td>In-kind giving</td>
</tr>
<tr>
<td>Market Maker</td>
<td>Mixed sources; self-interest &amp; altruism</td>
<td>Organ donation</td>
<td>Fees</td>
</tr>
<tr>
<td>Local Nationalizer</td>
<td>Mixed sources; altruism</td>
<td>Youth development</td>
<td>events; major gifts</td>
</tr>
</tbody>
</table>

*Note: Foster’s earlier research reveals that the largest NPOs focus on a single funding source to achieve scale, not revenue diversification*
Capitalizing Our Business Model

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• Part 2: Definition & types of business models
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Business Models*

Create & Capture Value

* Can apply to both direct service business-lines, as well as support services like Finance & HR

They are the Choices & Consequences of addressing fundamental questions within our core-business that we’re exemplary at, as well as our ventures into exploratory efforts to increase our mission-impact:

• Who are our customers/payors (each revenue segment)?
• What do they (each segment) value (“pains & gains”)?
• How do we make net income from providing that value?
Choices, Consequences, Theories, Cycles

• **Choices** about
  – Policies
  – Assets
  – Governance

• **Consequences**
  – *Elastic* (or flexible)
  – *Inelastic* (or rigid)

• Theories & Beliefs
  – About underlying choices
  – About relationships between choices & consequences

• **Virtuous & Vicious Cycles**
  – Generate growth
  – May reinforce competitive advantage
  – May be in alignment with values, mission, strategic vision
Core business model’s primary constraint:

Intensive capital need, combined with slow cash-cycle velocity due to holding of long-term mortgage receivable, limiting both sustainability and scalability.

Note: Equity-capital; debt-capital; sales revenue (inkind too).
Core business model’s primary constraint: intensive capital need combined with slow cash-cycle velocity.

Solution: *What can the market (earned revenues; market capital) subsidize/pay for/accelerate, rather than donors? The Key: Buyers of loans + other business revenue (earned & governmental contracts).*

Secret-sauce: Voluntarism for heartfelt connector piece, but most importantly the triple-sale of the same physical/financial asset to a house sponsor(s), the client homebuyer, and the loan purchaser.
Get clarity on your business model...

• Identify your revenue segments to identify your current customers

• What do you know about what they value (their need; their pains & gains)?

• How do you make net profit margin now – what is the critical key-driver of this?

• What’s your competitive advantage (derived from your skills, your assets, your relationships) over others in your industry or sub-sector of the nonprofit sector?
Get clarity on your business model...

• Underline choices (decisions about purpose, policy, assets)

• Italicize elastic consequences (which vary in the short-term)

• Bold italicize inelastic consequences (which are difficult or costly to undue)

• Arrows indicate theories of connectivity between choices & consequences. It is worthwhile to articulate and make transparent those theories.

• Color-code revenues vs. “equity” capital & debt-capital (e.g. yellow revenue, green equity-capital & red debt-capital). Add in FTE %s to identify excesses or deficiencies in capacity.

• Affirm virtuous cycles
Get clarity on your business model...

• Identify or name your core-business business-model’s typology or taxonomy

• Envision extensions/expansions of your core business-model.

• Talk to clients/customers/stakeholders about needs, pains & gains to identify potential exploratory business opportunities

• Know the competitive/collaborative possibilities within the evolution of your theory of change and operational complexity

• Assess how your business model aligns to and furthers your values, mission, vision, and strategic goals
## Revenue Segments &/or Capital Sources

<table>
<thead>
<tr>
<th></th>
<th>Volunteer sweat-equity</th>
<th>In-kind donations</th>
<th>Cash donations</th>
<th>Government contracts</th>
<th>Clients or partners</th>
<th>3rd party payor</th>
<th>Lenders &amp; quasi-equity</th>
<th>Retained earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who?</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td><strong>Value?</strong></td>
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<tr>
<td><strong>Margin Driver?</strong></td>
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<tr>
<td><strong>Competitive Advantage</strong></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Core business model’s key constraints: Intensive capital need for PPE, combined with very little earned-revenues or debt-capital/financial leverage/quasi-equity investors.

Solution: What can the marketplace (earned revenues; marketplace capital) subsidize in revenue and capital, rather than donors continuing to subsidize?

Secret-sauce: Donated food. Plus... The more we feed, the more they feed & fund – the virtuous cycle that increasing impact generates increasing support.

Note: “Equity”-capital; debt-capital; “sales” revenue (inkind too). Choices underlined. Elastic consequences italicized. Inelastic consequences in bold italicized type.
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Note: “Equity”-capital; debt-capital; “sales” revenue (inkind too). Choices underlined. Elastic consequences italicized. Inelastic consequences in bold italicized type. FTEs in purple (includes both paid & unpaid staff).
CFBSA Exploratory Business

EXEMPLARY BUSINESS
Main brand (hunger-relief); core biz; “Resource Recycler” funding model

Food Donors $s from donors
Share of cost of & investment in PPE (storage, transportation, storefront)
Government Contracts Retained Earnings
Lenders/Quasi-equity investors

Clients Served/Impact?

Exploratory business model’s key constraints: Intensive capital need for PPE, plus customers.

Solution: Share core-business assets, including PPE and key customer relationships (i.e. cross-market retail grocer donors into customers).

Secret-sauce: Shared assets hedge business-launch risk and speed capitalization and profitability cycle. Risk/return opportunity for CFBSA to invest (in the form of equity and/or debt-capital) in supply-chain of client & business-partner producers.

Next to-do: To determine sub-optimization of the model’s opportunities & risks...
Match the % of the org’s FTEs (staff & volunteers) to each Choice, elastic Consequence, & inelastic Consequence.
Need vs. demand

Client & Community Need

Payor Demand

Sustainability

NPO beneficiaries vs. payors

Sustainability in an era of seeming scarcity*

*Bain’s 2012 “A World Awash in Money” shows global financial assets are 4X greater than annual production.
Validating the market for your exploratory business

<table>
<thead>
<tr>
<th></th>
<th>Validate the</th>
<th>Scan for Ideas</th>
<th>Prioritise</th>
<th>Screen</th>
<th>Test with Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Market Problem</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Validate the</th>
<th>Create Concepts</th>
<th>Keep Benefit</th>
<th>Focused</th>
<th>Test with Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Product Concept</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Validate the</th>
<th>Industry Research</th>
<th>Competitive</th>
<th>Analysis</th>
<th>Initial Entry Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Market Opportunity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Know Thy Customer’s “pains & gains,” and develop their pain relievers and gain creators.
Validating the market for your exploratory business

<p>| | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>4</td>
<td>validate the INITIAL BUSINESS MODEL</td>
<td>draw business model &gt; test with customers, suppliers, partners, funders</td>
</tr>
<tr>
<td>5</td>
<td>develop MINIMAL Viable PRODUCT</td>
<td>prioritise customer need &gt; test with customers &gt; test market messages</td>
</tr>
<tr>
<td>6</td>
<td>initiate TAKE TO MARKET</td>
<td>define first customers &gt; initial market strategy &gt; develop marketing tools</td>
</tr>
</tbody>
</table>

Know Thy Customer’s “pains & gains,” and develop their pain relievers and gain creators.
Price/Benefit Sensitivity

How Customers Internalize Value

Price Sensitivity

Benefit Sensitivity

COST

PERFORMANCE

CONVENIENCE

PREMIUM
Horizon 1 – Extend & defend core business; Manage for profitability

Horizon 2 – Replicate proven business-model; Scale core-business adjacencies

Horizon 3 – Test emerging business-models; Seed growth potential

Current Core-Business
Generates today’s cash flow

High Growth Business
Today’s revenue growth plus tomorrow’s cash flow

Exploratory Growth
Future high-need, high-growth businesses

2014 McKinsey study: 2/3rds of company growth due to market moment
<table>
<thead>
<tr>
<th>Feed-the-line</th>
<th>Shorten-the-line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunger-relief</td>
<td>Food insecurity</td>
</tr>
<tr>
<td>Exogenous helpers</td>
<td>Indigenous doers &amp; helpers</td>
</tr>
<tr>
<td>Outside-in</td>
<td>Inside-up</td>
</tr>
<tr>
<td>Hand-out</td>
<td>Hand-up</td>
</tr>
<tr>
<td>Coping strategy</td>
<td>Self-sufficiency</td>
</tr>
<tr>
<td>Charity</td>
<td>Justice</td>
</tr>
<tr>
<td>Deductive</td>
<td>Inductive</td>
</tr>
<tr>
<td>“For” someone</td>
<td>“With” someone</td>
</tr>
<tr>
<td>Provider</td>
<td>Partner</td>
</tr>
<tr>
<td>Constructed</td>
<td>Connected</td>
</tr>
<tr>
<td>Dialectic</td>
<td>Dialogic</td>
</tr>
<tr>
<td>Bureaucracy</td>
<td>Adhocracy</td>
</tr>
<tr>
<td>Detachment</td>
<td>Incestousness</td>
</tr>
</tbody>
</table>
Theory of Change
Focused activities; inputs/outputs aggregate #s; ST impacts
focused
Complex
Operational Strategy

Institutional
(advocacy groups; e.g. Amnesty International)

Ecosystem
(Harlem Children's Zone; Oxfam)

Niche
(homeless shelters, soup kitchens)

aggregate #s; ST impacts

Integrated
(humanitarian relief; prevention campaigns)

Outputs & influence

Business-lines vis-à-vis the evolution of our TOC & ops strategy
<table>
<thead>
<tr>
<th>Innovation category</th>
<th>Innovation strategy</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing the price-setting mechanism</td>
<td>Value-based pricing</td>
<td>Bossard’s ecosynlubric fasteners</td>
</tr>
<tr>
<td></td>
<td>Auctioning</td>
<td>Google Adwords</td>
</tr>
<tr>
<td></td>
<td>Demand-driven pricing</td>
<td>Berliner Republik Restaurant’s beer exchange</td>
</tr>
<tr>
<td></td>
<td>Name your own price</td>
<td>Priceline</td>
</tr>
<tr>
<td></td>
<td>Pay what you want</td>
<td>Panera Bread’s community cafes</td>
</tr>
<tr>
<td>Changing the payer</td>
<td>Two-sided market model (subsidized by another, like advertisers)</td>
<td>Many newspapers</td>
</tr>
<tr>
<td></td>
<td>Multiple subsidizers</td>
<td>Lifestraws’s Carbon Offsets for Water</td>
</tr>
<tr>
<td></td>
<td>Internal budgeting</td>
<td>Large corporate divisions pay, instead of HQ</td>
</tr>
<tr>
<td>Changing the price carrier</td>
<td>Changing the carrier</td>
<td>Nespresso (from lb coffee to best cup)</td>
</tr>
<tr>
<td></td>
<td>Bundling &amp; unbundling</td>
<td>Airlines</td>
</tr>
<tr>
<td></td>
<td>All-inclusive offering</td>
<td>Chateauform</td>
</tr>
<tr>
<td>Changing the timing</td>
<td>Installed base pricing</td>
<td>Gillette</td>
</tr>
<tr>
<td></td>
<td>Future contracting</td>
<td>Commodities pricing</td>
</tr>
<tr>
<td>Changing the segment</td>
<td>Target costing</td>
<td>Brand within a brand</td>
</tr>
<tr>
<td></td>
<td>Self-segmented fencing</td>
<td>Grocery coupons</td>
</tr>
</tbody>
</table>
EXEMPLARY BUSINESS
Main brand (hunger-relief); core biz; “Resource Recycler” funding model

Share of cost of & investment in PPE
(storage, transportation, storefront)

$\text{from donors}$

Food Donors

3rd party produce customers

Virtuous Cycle

Lenders/Quasi-equity investors

Client & Business Partners

grow food

Quality Control & technical assistance

Clients Served/Impact

Next to-do: To determine sub-optimization of the model’s opportunities & risks...
Match the % of the org’s FTEs (staff & volunteers) to each Choice, elastic Consequence, & inelastic Consequence.

Exploratory business model’s key constraints: Intensive capital need for PPE, plus customers.

Solution: Share core-business assets, including PPE and key customer relationships (i.e. cross-market retail grocer donors into customers).

Secret-sauce: Shared assets hedge business-launch risk and speed capitalization and profitability cycle. Risk/return opportunity for CFBSA to invest (in the form of equity and/or debt-capital) in supply-chain of client & business-partner producers.
## Exit strategy

<table>
<thead>
<tr>
<th>Endgame</th>
<th>Characteristics</th>
<th>Core Approach</th>
<th>Future Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open source</td>
<td>Breakthrough idea, easy-to-adopt and integrate</td>
<td>Conducting R&amp;D, &amp; sharing knowledge</td>
<td>R&amp;D knowledge hub (e.g. grassroots organizing)</td>
</tr>
<tr>
<td>Replication</td>
<td>Breakthrough product or model, easy-to-adopt &amp; deliver</td>
<td>Defining a replicable operating &amp; impact model, demonstrating its efficacy, &amp; sharing it</td>
<td>Providing certification of franchise programs &amp; training services; serving as center of excellence (e.g. youth mentoring)</td>
</tr>
<tr>
<td>Government adoption</td>
<td>A model with high coverage potential, &amp; capability to integrate into public sector programs</td>
<td>Delivering results at sufficient scale &amp; efficiency for public sector involvement</td>
<td>Offering services to government agencies; maintaining research &amp; advocacy efforts at the NPO (e.g. financial literacy &amp; individual development accounts)</td>
</tr>
<tr>
<td>Commercial adoption</td>
<td>Product or service with profit potential that solves a market failure or reduces market risk</td>
<td>Demonstrating the impact &amp; profitability of product or service, and reducing associated risks</td>
<td>NPO to maintain advocacy &amp; monitor efforts, targeting hard-to-reach market segments &amp; working to ensure commercial delivery (e.g. microfinance)</td>
</tr>
<tr>
<td>Mission achievement</td>
<td>Defined &amp; achievable outcomes related to solving a discreet problem</td>
<td>Maintaining focus on targeted intervention</td>
<td>Applying unique assets &amp; capabilities to tangential issue areas. (e.g. focused disease-related NPO)</td>
</tr>
<tr>
<td>Sustained service</td>
<td>A strong organization, with proven ability to sustain funding that fills a market or public service gap</td>
<td>Creating a cost-effective model &amp; strong organization.</td>
<td>Continued provision of core service at an ever-increasing level of efficiency (e.g. basic human-service charitable relief)</td>
</tr>
</tbody>
</table>
Capitalizing Our Business Model

- Part 1: The double bottom-line
- Part 2: Definition & types of business models
- Part 3: Depicting your business model
- Part 4: Growth & capitalization, within competitive/collaborative contexts
- Part 5: Tools for sustainability & scalability
- Part 6: Organizational & ecosystem leadership capabilities
Growth Strategy & the Five-Forces Model of Competition

1. Potential development of substitute products
2. Rivalry among competing firms
3. Potential entry of new competitors
4. Bargaining power of suppliers
5. Bargaining power of consumers
Basic growth strategies

<table>
<thead>
<tr>
<th>Current Products</th>
<th>New Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Markets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>New Markets</strong></td>
<td></td>
</tr>
<tr>
<td>2. Market-development strategy</td>
<td>(Diversification strategy)</td>
</tr>
</tbody>
</table>

An NPO’s bargaining power or influence = innovation + criticality + embeddedness
The Collaboration Continuum

- **Compete**: Competition for clients, resources, partners, public attention.
- **Co-exist**: No systematic connection between agencies.
- **Communicate**: Inter-agency information sharing e.g. networking.
- **Cooperate**: As needed, often informal, interaction on discrete activities or projects.
- **Coordinate**: Org’s systematically adjust and align work with each other for greater outcomes. Can mean co-location.
- **Collaborate**: Longer term interaction based on shared mission, goals; shared decision-makers and resources.
- **Integrate**: Fully integrated programs planning, funding. May mean org’s merge, co-locate, share common staff, systems etc.
- **Collective Impact**: Alignment of common agenda & measures for a shared vision – across sectors – focused on systems change – may adopt all / some ‘Co’ or integration activities.

---

**Turf** ————> **Trust**
# Threats to Relevancy & Robustness of Sustainability

<table>
<thead>
<tr>
<th>Threat</th>
<th>Protection</th>
</tr>
</thead>
</table>
| **Imitation** – the drive of competitors to replicate your successful business model | 1. Long-term investment of inelastic consequences hard to replicate, including virtuous cycle reinforcement elements  
2. Complexity and causal ambiguity |
| **Holdup** – customers, suppliers, complementary orgs, or other industry participants capture value through their bargaining power | 1. Governance of assets & activities – may be difficult with relationship-specific assets  
2. Vertical integration and/or contracting can minimize the risk of holdup due to dependencies |
| **Slack** – or organizational complacency | 1. Workplace culture’s values aligned and actualized  
2. Right mix of incentives & monitoring |
| **Substitution** – decreased value, as perceived by customers/payors, b/c of the presence of other similar product/org offerings | 1. Competitive environment “sensors”  
2. Business model plasticity (i.e. minimal non-core value proposition inelastic consequences) |
Growth

Capital for Scaling*  Revenue for Sustainability

Contributed  Earned

Leveraged  Contracted

*Estimate program-launch burn-rate
NPO Burn-Capital into Customer Revenue

(a few examples)
Revenue vs. Capital

Revenue:
- Revenue is for routine operations
- For sustainability
- Buys organizational goods
- Funds today’s P&L activities
- Traditionally comes in the form of annual gifts, government contracts, and earned-revenue

Capital:
- Capital is for change (growth & adaptation)
- For scaling
- Builds the organization’s productive capacity (i.e. the “factory” that produces the org goods)
- Invests in today’s Balance Sheet and tomorrow’s assets & financial capacity
- Traditionally comes in the form of sweat-equity (donated) labor and capital campaigns
A few capital to revenue questions

• When is a government grant no longer growth-capital but ongoing operating revenue?

• Similarly, what’s the fall-back for a program’s sustainability when its multi-year family foundation granting migrates to something sexier?

• How much time do you give a program’s contribution margin to pay-back its launch debt-capital?

• What if each program’s business-model included an investor take-out and pay-back strategy like a VC model?
Enterprise Life Cycle

- Type of Investor
- Risk/return expectations
- Exit strategies
- Type of Investment
- Size of Investment

Investment Risk

High

Low

Seed

Start-Up

Early Expansion

Late Expansion
Investment Strategies

Enterprise Life Cycle

- Seed
- Start-Up
- Early Expansion
- Late Expansion

Risk

Investment

High

- Grants
- Social Loans

Start-Up

- Social Investors
- Foundations
- Social Venture Funds
- Banks

- Grants
- Social Loans
- Crowdfunding
- Commercial Loans

Early Expansion

- PRIs
- Commercial Loans
- Peer-to-peer lending
- Government Contracts
- Bonds

Late Expansion

- Commercial Loans
- Government Loans
- Quasi-Equity (e.g. EQ2; credits)
- SIBs

Low

- Banks
- Governments
- Corporations
- Etc.

Retained earnings throughout
Cost & choice of capital

Calculating the cost of capital (examples...)

- **Debt** (as well as such issues as availability of credit, use of collateral hypothecation, risk of management’s expropriation of free cashflow)
- **Philanthropic equity** (i.e. the cost per dollar fundraised)

NPO capital acquisition pecking order:

- **Retained earnings** (including cash reserves & endowment income)
- **Monetized assets** (which may appear as a below market rate debt instrument)
- **Below market rate debt** (including PRIs)
- **Philanthropic equity** (including inkind, capital campaign, SVP, etc.)
- **Market rate debt**
Capital structure

Optimal capital structure enables...

- Liquidity
- Adaptability
- Scalability
- Resiliency
- Durability...

...through the mix, turns, and magnitude of assets & liabilities that create cash, both in the short-term and long-term

The appropriate amount and mix of capitalization for your NPO depends upon your:

- Strategy
- Aspirations or ambition
- Needs
- Market
Restructuring your balance sheet
- for liquidity, adaptability, scalability, & durability

Given your org’s life-cycle & Theory of Change operational complexity and needs…

• Assess your org’s asset class risk.

• Consider asset reallocation (an intentional disruption of your status quo, e.g. pledging receivables, which will increase your debt-ratio, yet also accelerate your cash-conversion cycle, fueling operational/mission growth).

It’s counter-intuitive that assets, just like liabilities, might create risk too!
Keep in mind..

• Financial sustainability covers the full cost of doing business from contributed and earned revenues, including the cost of PPE replacement (whose proxy is depreciation expense).

• Financial sustainability sets the stage for growth & scalability by creating financial stability and flexibility.

• Moving from sustainability to scale requires planned, targeted investment in internally- and externally-focused capacities.
Capitalizing Our Business Model

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- Part 6: Organizational & ecosystem leadership capabilities
The Social Enterprise Spectrum

**MONEY COMING IN**
- Pure Grants
  - Grants through a Fund
  - Venture Philanthropy
  - Recycled Funds
  - Matched Investment (Indirect)
  - Mixed Investment (Direct)
  - Social Finance
  - Commercial Investment Model

**MONEY GOING OUT**
- GRANTS
  - Investments (patient capital, soft debt, quasi equity)
  - Debt/Equity
  - Business Support – explicit engagement

**OUTCOMES**
- Social Returns
- Blended Return
  - Offering a mix of social and financial returns
- Financial Returns
Forecasting, or prospective analysis
– for cashflow, growth-potential, risk-management, scenario planning

How to simultaneously forecast P&L and balance sheet (and therefore cash) from accrual basis statements:

1. P&L
   a. Historicals (e.g. a 3-5 yr look-back)
   b. Economy (including inflation)
   c. Random walk

Note: If you only produce and manage from interim (monthly) financials on a cash-basis, you can’t financially manage how your donors and the public will regard the presentation of your financials on the accrual-basis 990 tax return.
Forecasting, or prospective analysis
– for cashflow, growth-potential, risk-management, scenario planning

How to simultaneously forecast P&L and balance sheet (and therefore cash) from accrual basis statements:

2. Balance sheet
   a. Historicals
   b. Projected
   c. Effects on cash position

   + depreciation expense
   - effect due to increase in asset;  + decrease
   + effect due to increase in liability; - decrease
   +/-  for one-time events

\textbf{Risk – Cash = Crisis}
Forecasting, or prospective analysis
– for cashflow, growth-potential, risk-management, scenario planning

It is currently estimated that only 25% of NPOs actively manage their liquidity. And only ½ of those do cashflow forecasting.
– J. Zietlow, Malone University

<table>
<thead>
<tr>
<th><strong>FINANCIAL RATIO FORECAST</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Profit Margin</strong> (net income/expenses rather than income/revenue, for benchmarking)</td>
</tr>
<tr>
<td><strong>Defensive interval or Months Cash</strong> (# of months of expense coverage)</td>
</tr>
<tr>
<td><strong>Debt ratio</strong> (Total Liabilities/Total Assets)</td>
</tr>
<tr>
<td><strong>Asset Turns</strong> (total revenue/total assets)</td>
</tr>
<tr>
<td><strong>Return-on-“Equity”</strong> (net income/net assets)</td>
</tr>
<tr>
<td><strong>Sustainable Growth Rate</strong>: (income/expenses<em>Asset Turns</em>total liabilities/net assets)</td>
</tr>
<tr>
<td><strong>LN</strong> (natural LOG of total assets)</td>
</tr>
<tr>
<td><strong>Contributed revenue as % of total revenue</strong></td>
</tr>
<tr>
<td><strong>Earned revenue (including government contracts) as % total revenue</strong></td>
</tr>
<tr>
<td><strong>Operating Reliance Ratio</strong> (Program service revenue/total expenses)</td>
</tr>
<tr>
<td><strong>Administrative Ratio</strong> (administrative costs/total revenue)</td>
</tr>
<tr>
<td><strong>Current Ratio</strong> (current assets/current liabilities)</td>
</tr>
<tr>
<td><strong>Working capital turnover ratio</strong></td>
</tr>
<tr>
<td><strong>Personnel expenses as % of total expenses</strong></td>
</tr>
<tr>
<td><strong>Charity Navigator Score</strong></td>
</tr>
<tr>
<td><strong>Charity Navigator Rating</strong></td>
</tr>
<tr>
<td><strong>Altman Z financial distress rating</strong> (stay above a score of 1.8)</td>
</tr>
<tr>
<td><strong>Year-on-Year Net Asset (net-worth) Growth</strong></td>
</tr>
<tr>
<td><strong>Herfindahl Revenue Diversity Index</strong> (closer to 0.0 is more diverse)</td>
</tr>
<tr>
<td><strong>Financial Vulnerability Index</strong> (Trussel, Greenlee) : &gt; 20% high probability; &lt; 10% low probability</td>
</tr>
</tbody>
</table>
Creating or destroying value with growth

**DESTROYING VALUE**
- Failed market expansion
- Poor acquisitions (e.g. U.S. Airways)

**INCREASING VALUE**
- Successful new product rollouts (e.g. Microsoft, Apple)

**RELEASEING VALUE**
- Divestiture (e.g. General Dynamics)

**LIMITING VALUE**
- Improved productivity (e.g. General Electric)

If destroying value, growth is exactly The wrong strategy.

Asset sales may assist with sustainability, but may limit scalability.

Profitable revenue growth is well rewarded by the market; the only sustainable option in the long run.

Increased asset productivity eventually levels out.

Return
How the Mighty Fall

Stage 1
Hubris Born of Success

Stage 2
Undisciplined Pursuit of More

Stage 3
Denial of Risk and Peril

Stage 4
Grasping for Salvation

Stage 5
Capitulation to Irrelevance or Death
Sources of enterprise value

**OPTIMAL MARGINS**

- **REVENUE GROWTH**
- **OPTIMAL USE OF RESOURCES** (human, physical, financial)
- **COLLECTIVE PURPOSE & AMBITION***

*includes culture of learning, continuous improvement, innovation*
Scenario Planning

Scenarios are:

• Alternative visions of the future

• Generated by analysis of what we don’t know, not just what we do

• Used to envision and “try out” multiple futures

• Used to work backwards in time to today
Capitalizing Our Business Model

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• Part 6: Organizational & Ecosystem Leadership Capabilities
Five capabilities for growth

- Leadership
- Culture
- Knowledge
- Structure
- Processes
Embedding & sustaining innovation... personally
Embedding & sustaining innovation... organizationally
## NPO Sector Structural Deficits

<table>
<thead>
<tr>
<th>Maladies</th>
<th>Remedies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Particularism</td>
<td>Collaboration &amp; collective impact</td>
</tr>
<tr>
<td>Paternalism</td>
<td>Client voice in governance</td>
</tr>
<tr>
<td>Excessive amateurism or professionalism</td>
<td>Professional development for both</td>
</tr>
<tr>
<td>Resource insufficiency</td>
<td>Diverse, scalable capital &amp; revenues; inkinds</td>
</tr>
<tr>
<td>Accountability gap</td>
<td>SROI metrics to investors</td>
</tr>
</tbody>
</table>

Leadership & Management

- **High-impact, high-performing brand**
  - Start-ups; charismatic entrepreneur; emerging-brand

- **Decline/renewal phase; often government-funded**
  - These can be dead for years, and not know it.

Leadership skills

Management skills
Emotional Intelligence

• Components
  • Self Awareness
  • Self Regulation
  • Motivation
  • Empathy
  • Social Skill
Leadership Styles and Change

- Coercive: “Do what I tell you.”
- Authoritative: “Come with me.”
- Affiliative: “People come first.”
- Democratic: “What do you think?”
- Pacesetting: “Keep up – Let’s go!”
- Coaching: “Try this.”
Leading Yourself

Leading within the Community

Leading the Program or Organization

Leading Others

Leading within a Movement
Framework for Leadership

Leaders

- Enthusiasm
- Moral Purpose
- Understanding Change
- Coherence Making
- Relationship Building
- Knowledge Creation and Sharing

Members

Commitment (External and Internal)

Results

More good things happen; fewer bad things happen.
What’s the Problem with Board Leadership?

<table>
<thead>
<tr>
<th></th>
<th>Diagnosis</th>
<th>Response</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional</td>
<td>Problem of performance</td>
<td>Codify board’s role, clarify tasks.</td>
<td>Do the work better.</td>
</tr>
<tr>
<td></td>
<td>Response</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reframed</td>
<td>Problem of purpose</td>
<td>Enrich the job, engage the board.</td>
<td>Do better work.</td>
</tr>
</tbody>
</table>
Governance as Leadership
The Generative Curve

The Generative Curve is a model that illustrates the typical involvement of a board after a generative opportunity has passed.

- **Generative**
  - Reconcile social purpose and business model

- **Strategic**
  - Compete and/or partner on service provision

- **Fiduciary**
  - Approve this particular expenditure

A Board’s typical involvement is *after* the generative opportunity has passed.
<table>
<thead>
<tr>
<th></th>
<th>Generative</th>
<th>Strategic</th>
<th>Fiduciary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board’s purpose</td>
<td>Source of leadership for organization</td>
<td>Strategic partnership w/ management</td>
<td>Stewardship of tangible assets</td>
</tr>
<tr>
<td>Chief role</td>
<td>Sense maker</td>
<td>Strategist</td>
<td>Steward</td>
</tr>
<tr>
<td>Core work</td>
<td>Find and frame challenges, reconcile values and choices</td>
<td>Scan environment, shape strategy, create comparative advantage</td>
<td>Set mission, oversee operations, deploy resources, ensure compliance</td>
</tr>
<tr>
<td>Conducive process</td>
<td>Inclusive conversations</td>
<td>Task forces, ad hoc work groups</td>
<td>Standing committees</td>
</tr>
<tr>
<td>Power base</td>
<td>Ideas, insights</td>
<td>Technical expertise</td>
<td>Legal authority</td>
</tr>
</tbody>
</table>
• The most fundamental need(s) our business exists to fulfill?

Organizations are inter-subjective, self-reinforcing patterns of practice (thought, action, rules, norms & beliefs)

• How do I myself have this need fulfilled by the business?
Explicate & implicate structure

- **Catalytic** – work environment energizing & fruitful but personally thin
- **Transformative** – possibility of sustained innovation b/c of work creativity combined with sense of community
- **Mechanistic** – relationships role-to-role rather than person-to-person
- **Communal** – difficult to translate shared values into concrete innovative action

Experiencing our work life

Experiencing our personal life
Giving Power Away…

…to the lowest appropriate level

To the **citizen**, when something can be done individually and which mainly has an individual benefit

To the **frontline professional** when they are responsible for delivering services or acting on behalf of an individual

To **local groups** when a group wants to take action that will have wider benefits

To the **community** when decisions need to be taken collectively but can be done at a lower level

To a **local democratic institution** to take action at a higher collective or specialist level

Nationally where there can only be one ‘provider’, facilitator or enabler

An NPO’s bargaining power or influence = innovation + criticality + embeddedness
Community Engagement Continuum

**Transactional**

- **“Community Investment”**
  - E.g. Public “report cards”
  - Information/training sessions
  - Awareness Campaigns
  - Social Media

  *Communication*: One-way to the community

  *Sample Metrics*: # of people reached

**Transitional**

- **“Community Involvement”**
  - E.g. Community Advisory
  - Community calls to action
  - Social Media

  *Communication*: Two-way

  *Sample Metrics*: # of activities to involve members

**Transformational**

- **“Community Integration”**
  - E.g. Issue specific workgroups
  - Joint decision-making
  - Co-ownership of outcomes

  *Communication*: Two-way

  *Sample Metrics*: Depth of engagement; collective interest and action rather organizational.
Scaling Impact

Organizational pathways

• Distribute through existing platforms
• Recruit & train other organizations
• Unbundle or disaggregate & scale for impact
• Leverage technology

Field-building pathways

• Strengthen a field
• Change public systems
• Influence policy change
• Consider for-profit models
• Alter attitudes, behaviors, norms
Assessing Headway of Scaling Impact

• Be clear about the definition of success
• Focus on a well-defined unit of impact (testing whether or not you’re on track)
• Rethink capitalization needs (they’re higher and longer!)
• Innovate to drive down costs
• Focus on driving demand – what NPO does this as well as a for-profit?!
• Invest in new capabilities
• Engage the community
## From brand skepticism to brand IDEA

<table>
<thead>
<tr>
<th>Source of skepticism</th>
<th>Source of pride</th>
<th>Brand principle</th>
<th>Brand role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pursuit of revenue will overshadow mission</td>
<td>Mission</td>
<td>Integrity</td>
<td>Align identity &amp; image with org’s mission</td>
</tr>
<tr>
<td>New purposes, goals, &amp; images will be enforced from the top down</td>
<td>Participatory process</td>
<td>Democracy</td>
<td>Build coherence internally</td>
</tr>
<tr>
<td>Org values will be betrayed by indulging arrogance, vanity, avarice</td>
<td>Values &amp; culture</td>
<td>Ethics</td>
<td>Align identity &amp; image with org’s core value</td>
</tr>
<tr>
<td>Bully brands will overshadow weaker orgs &amp; exacerbate power differentials</td>
<td>Partnerships</td>
<td>Affinity</td>
<td>Build capacity &amp; achieve impact by supporting partnerships</td>
</tr>
</tbody>
</table>
Great by Choice

Enduring purpose & values
Learning culture
Core/Exemplary business
Professional will
Discipline
Return-on-investment

Adapting to change
Exploratory business
BHAG
Markers & milestones
Personal humility
Empirical creativity
Innovate small, then scale
Productive paranoia
Return-on-luck
• Slide 2: J. Collins, J. Kozol, B. Shore
• Slide 3: J. Masaoka’s NPO translation of the 1968 Boston Consulting Group’s marketing/profitability matrix
• Slide 5: J. Emerson
• Slide 6: J. Magretta; R. Amit & C. Zott; J. Hedman & T. Kalling; A. Osterwalder;
• Slide 7: R. Amit & C. Zott
• Slide 8-9: A. Osterwalder
• Slide 10: MIT Sloan School of Management
• Slides 11-12: Accenture Institute for Strategic Change
• Slide 14: W. Foster & P. Kim & B. Christiansen
• Slide 16-17: J. Magretta
• Slides 18–32: M. McDonald, based upon the framework of R. Casadesus-Masanell & J. Ricart
• Slide 33: Bain Consulting
• Slides 34-36: MIT Entrepreneurship Center
• Slide 37: McKinsey Consulting’s growth horizons
• Slide 38: H. Mintzberg & M. McDonald
• Slide 39: A. Ebrahim & K. Rangan
• Slide 40: S. Michel
• Slide 41: M. McDonald
• Slide 42: A. Guelev & A. Stern
• Slide 44-45: M. Porter
• Slide 46: M. Kramer & J. Krania
• Slides 47-51: Nonprofit Finance Fund; Third Sector Capital; Social-Impact; REDF; I. Ansoff; M. McDonald.
• Slides 52-53: Deloitte Touche
• Slides 54-55: C. Miller & G. Overholser; M. McDonald
• Slide 59: J. Emerson
• Slides 60-62: M.McDonald
• Slides 63-66: J. Collins; C. Christensen
• Slides 68 & 70: C. Christensen
• Slide 69: Aristotle
• Slides 71-74: L. Salamon; D. Goleman; D. Stid & J. Bradach
• Slide 75: Grantmakers for Effective Organizations
• Slide 76: M. Fullan
• Slides 77-80: R. Chait
• Slide 81: S. Schwartz
• Slides 82-84: W. Nilsson; D. Bohm
• Slide 85: F. Bowen
• Slides 86-87: Bridgespan
• Slide 88: Hauser Center for Nonprofits at Harvard
• Slide 89: J. Collins, M. Hansen, J. Porras

Additional resources, including this presentation, on M.McDonald’s website: uapa533.com