THE CANVAS KIT FOR NONPROFITS

a rapid primer before you start

TOPICS:

- THE STATE OF NONPROFIT FINANCES 2013
- A DIFFERENT STARTING POINT: VISUALIZING YOUR NONPROFIT TO INFORM FUTURE ACTION
- WHY THIS FRAMEWORK AS A STARTING POINT?
- WHAT IS THE BUSINESS MODEL CANVAS?
- REMODELING THE CANVAS: THE NONPROFIT DIFFERENCE
- THE CANVAS + HUMAN CENTERED DESIGN
- THE CANVAS + VISUAL COLLABORATION: UPGRADING THE STANDARD MEETING
- HOW YOU SHOULD APPROACH THE CANVAS KIT

1,500,000 +

According to the National Center for Charitable Statistics (NCCS), that's the registered number of nonprofits operating today. [1]

Let the statistic above **sink** in.

Think about how many are succeeding. Think about how many are adrift regarding money and mission.

And think how many more are unaware of what their business model even looks like.

All enterprises — whether for-profit or nonprofit — need a viable business model to do more than just survive, but to also thrive.

Thriving is a different story, though.

Many nonprofits *struggle* from a dwindling and tightening cash flow. As many nonprofits rush into strategic planning to come up with solutions to their predicament, many more are *unaware* of what their *current* business model even looks like.

Even if some *assume* to know what their business model is, they're unsure if it'll sustain them in the long run, or if that social value proposition is even connected with the reality of their evolving environment *at all*.

Soon, the ailing organization discovers that their

90%

According to the Nonprofit Finance Fund's State of the Sector 2013 survey, that's the percentage of survey respondents who say financial conditions are "hard" or "harder". [2]

42%

According to the Nonprofit Finance Fund's State of the Sector 2013 survey, that's the percentage of survey respondents who say they lack the right mix of financial resources to thrive and be effective in the next 3 years.

programs and services have slowly lost relevancy in both the constituent's and donor's eyes.

THE STATE OF NONPROFIT FINANCES 2013

The Nonprofit Finance Fund's State of the Sector Survey for 2013 says that **low financial resources** continues to be a persistent paradigm in the nonprofit sector. Here are some notable stats from the survey:

- § 42% of survey respondents report that they do not have the right mix of financial resources to thrive and be effective in the next 3 years.
- § 1 in 4 nonprofits has 30 days or less cash-on-hand.
- § Over the next twelve months, 39% plan to change the main ways they raise and spend money.
- § 23% will seek funding other than grants or contracts, such as loans or investments.

Every year there's a call for nonprofits to be more adaptive and innovative, and to come up with sustainable revenue strategies that go beyond traditional fundraising. Most times, that plea is ignored, because while the intent is more volatile than ever, it's not always understood what it takes to get to that state of adaptability.

A DIFFERENT STARTING POINT: VISUALIZING YOUR NONPROFIT TO INFORM FUTURE ACTION

It all begins with a nonprofit's business model. The challenge, however, is understanding what it looks like now and *designing* a new way forward, but *without waiting months or years* for the perfect plan.

The visual framework for *generating* this critical missing self-knowledge — *the business model canvas* — is the key blueprint for deciphering what to change, add, or subtract in any organization.

It's a key blueprint for adaptability.

OPTIONAL

REFERENCES:

1. Current as of 2013. For a fuller picture, visit the "quick facts" section" at the National Center for Charitable Statistics (NCCS) [LINK]
2. For a fullter picture on nonprofit finances, explore the rest of the Nonprofit Finance Fund's State of the Sector 2013 survey. [LINK]

"Why should investors or donors cut you a check? Why should volunteers or the community co-create change with you? What social return can they expect?

Even nonprofits need a **value proposition.** This is the compelling case for support which differentiates your mission from the rest, the unique benefit or social impact that clients and donors can expect from their partnership with you. There's no escaping the fact that nonprofits exist in a crowded marketplace where they must still work to attract revenue, acquire subsidies, retain support, and build advocacy.

The reality of your value proposition will always be mirrored by how well you understand your clients and how well you design your programs and services. The canvas can serve as a reality check. [LINK]

> The 9 main parts of your business model show how all your resources flow and function together. When you propose any change to the model, you can visualize the impact to everything else in the organization.

WHAT IS THE BUSINESS MODEL CANVAS?

First, let's talk about the original Business Model Canvas. This is a one-page visual tool that demonstrates the 9 key elements of any enterprise. It visualizes the basic logic of how an organization creates and delivers value to its customers while financially sustaining itself. It's like taking a snapshot.

Dr. Alex Osterwalder first developed this idea for his dissertation at the University of Lausanne, Switzerland, and then later refined the canvas in his best-selling book "Business Model Generation." The canvas has been praised in both business and the social sector as the fastest way to convey any organization's "business" logic so that clear strategic decisions can be made.

WHY THIS FRAMEWORK AS A STARTING POINT?

The 9 main parts of your business model show how all your resources flow and function together. When you propose any change to the model, you can visualize the impact to everything else in the organization.
Compare this with meetings where business model strategy is only verbally discussed. Not everyone will see the same thing in their mind's eye. The impact of any proposed changes won't always be obvious and understood.

So, imagine throwing a rock into a still pond. Whatever lies within close proximity will be affected by the ripples one way or another.

The same can be said about making strategic decisions using the canvas. Your nonprofit plotted on a canvas is like a still pond. If you changed something about your nonprofit's Social Value Proposition, imagine what happens to the Stakeholders involved.

Here are more scenarios to think about if you were to use the canvas:

- What if you were to upgrade your legacy IT infrastructure, how would it affect your marketing communications with your Stakeholders? What other Key Activities are affected?
- Where are the hidden gaps and chasms in your organization?
- What questions still remain unanswered?
- What has gone unanswered for years? Especially in the way you deliver value to Stakeholders?
- Imagine a break from a major grant. When the clamp tightens on cash flow, something must get cut. Operational expenditures come to mind. So do administrative expenses. The physical resources used to house and execute your activities. The list goes on.

So that's the point of the canvas: To help ourselves and everyone else *see* and *imagine* the implications. To facilitate a better strategic conversation about the future, and to understand what even the slightest changes can do for us.

REMODELING THE CANVAS: THE NONPROFIT DIFFERENCE

Since the original canvas was released under the Creative Commons Attribution-Share Alike 3.0 Unported License, it meant that business model advocates could remodel the canvas blocks to suit other contexts.

For example, to accommodate the logic of social enterprises, there have been renditions to the Revenue Streams block to incorporate the concepts of "multiple bottom lines."

For the purposes of the Canvas Kit, the canvas was *redesigned* to better fit the context of domestic nonprofit operations:

- Challenges unique to the nonprofit sector: mission creep, mission drift, misaligned social value proposition, unfocused resources, lack of overall strategy, underfunded, etc.
- For the nonprofit, the "customers" may be the clients or the beneficiaries that receive services. You also have to consider the fact that you have a social value proposition in which donors expect a "social return."
- Diverse stakeholders: Volunteers, beneficiaries, investors, philanthropists – all which can be further segmented.
- Dynamic stakeholders relationships. For example, a donor might not just be a donor, but also be a beneficiary of services.
- Diverse outcomes: You also need volunteers, membership sign-ups, behavior change, mission-related outcomes etc.
- Multiple Social Propositions: one for beneficiaries, one for donors.
- Emerging trends that prompt nonprofits to revisit their canvas blueprint more often than usual: Marketplace trends, cross-sector collaborations, political developments, web and technology advances, etc.

THE CANVAS + HUMAN-CENTERED DESIGN

Human-centered Design (HCD) is a discipline of exploration, design, and creation for end-users by deeply understanding who they are, their needs and desires, and their complex relationship with their environment. For nonprofits, replace the word "end-users" with *beneficiaries, constituents, or clients*.

Here are a few synthesized points drawn across many types of literature on some of HCD's notable characteristics:

- Multi-disciplinary input: Understanding that one person doesn't know the answer to everything, and that a wide range of voices, experts, and opinions are needed for breakthroughs for complex social problems.
- An explicit understanding of our constituents, their tasks, and environments is critical. It may lead to hidden insights and hidden opportunities.

OPTIONAL

REFERENCES:

CREATIVE COMMONS AND SUCH:

1. Here is the license explaining what can and can't be done with the Canvas. [LINK]

> The Canvas Kit infuses the principles of human-centered design to help nonprofits question their assumptions. The canvas is paired with recommended ethnographic methods and other holistic research tools that accompany each block so that the nonprofit can quickly clear up any unchecked assumptions.

- Involvement of the users and other stakeholders in the discovery, design, and development of solutions
- Reiterating on solutions. No solution is perfect. Plus, external variables like marketplace conditions and technological advances are always in flux and can have hidden effects and influences on social challenges.

Why is any of this important? HCD is a discipline of great depth and breadth. It has everything to do with preparing your organization's business model to *move the needle in your mission* and *achieve breakthroughs*.

Human-centered design considers the fact that the creation of our programs, services, and initiatives must reflect the depth of people's lives, their experiences, the complexity of the social challenge itself, and the multidimensional milieu that stakeholders exist in.[1]

This starts by rethinking the way we conduct research to accurately generate the insight for a canvas. It means going beyond the dependency of market research, general demographics, and preconceived notions of the design of our programs, services, and initiatives. This means accepting that our clients and beneficiaries have hidden needs, wants, and problems which can affect how they ultimately relate to your organization.

The Canvas Kit infuses the principles of human-centered design to help nonprofits question their assumptions.[2,3] The canvas is paired with recommended ethnographic methods and other holistic research tools that accompany each block so that the nonprofit can quickly clear up any unchecked assumptions.

This is the key to understanding your current business model. It's also essential in the design of future revenue strategies. Programs and services can go for months and years before results can be measured, and if any of them were based on preconceived notions, it could mean wasted funds, wasted time, and missed opportunities.

THE CANVAS + VISUAL COLLABORATION: UPGRADING THE STANDARD MEETING

Don't think infographics, pie charts, or graphs. Think post-its, mindmaps, affinity diagrams, and the business model canvas.

Visual collaboration makes way for speedier sensemaking and better strategic conversations.[4]

Like throwing a rock into a pond, your Post-it Note will be the rock, simulating changes to your organization so that you can imagine what *that* may

be like.

Let's talk more about what we mean by speedy sensemaking and better strategic conversation.

Have you ever had a distaste for meetings where complex strategies are only discussed verbally?

Everyone may hear or read the same thing, but not everyone will *understand* it the same way.

The Canvas Kit is built on the tenets of visual thinking, active group collaboration, and rapid prototyping.

After using the Kit's tools and research methods to gather your data, you'll be jotting your insight onto the canvas together with your colleagues.

PROTOTYPE [**proh**-*tuh*-tahyp]

A prototype is a mock-up like a sketch, drawing, or physical model that represents the future state of something, all while prompting feedback from people and inspiring reiteration. That's it. It doesn't have to be costly.

You can get an accurate, more meaningful strategic conversation than a 1 hour meeting of just verbal discussion.

Jotting memos on Post-Its and sticking them on the canvas promotes a *shared understanding* of what the organization's business model is like *now*, and what the future possibilities *might* be. Working together likes this facilitates diverse multiple viewpoints, and synthesizes that insight onto the canvas so that others may build upon your ideas or bounce back with their own insight. Not only does it build up rapport between team members and the rightful feeling of ownership, but it improves future collaboration together.[5]

Visual Collaboration through Post-Its, if orchestrated carefully, is practically an *upgraded way of conducting meetings*. While the Kit won't reinvent the wheel and go into details on the benefits of visual collaboration, here are some synthesized points drawn across many types of literature on the benefits:

- Build a shared understanding
- Shared investigation and exploration
- Shared sense of idea ownership
- Memoing on post-its allow you to instantly manipulate and move data around on the canvas (Contrast that with electronically via email or app, where too much time elapses for effective real-time collaboration)
- Insights through conversation
- Flashes of insight (aha! moments, and greater chance of potentially innovative ideas)
- Scan and engage the data better (capture patterns, hidden insights, hidden assumptions, discrepancies etc)
- Group collaboration avoids making insights and conclusions one-sided and one-dimensional.

OPTIONAL

REFERENCES:

GREAT READS ON HCD AND THE NUANCES OF SOCIAL INNOVATION:

1. IDEO writes about innovation in the social sector. It's a classic and an easy read for those just starting to embrace the design fields to design social change. [LINK]
2. For some context, read this blog post on why technology isn't always the answer to social challenges. [LINK]
3. Read the blog post on Nonprofits questioning their assumptions. [LINK]

ACTIONABLE SUMMARY ON VISUAL THINKING

4. This brief summary on Dan Roam's "Back of the Napkin" describes the importance of communication and clarity when using visual thinking. [LINK]

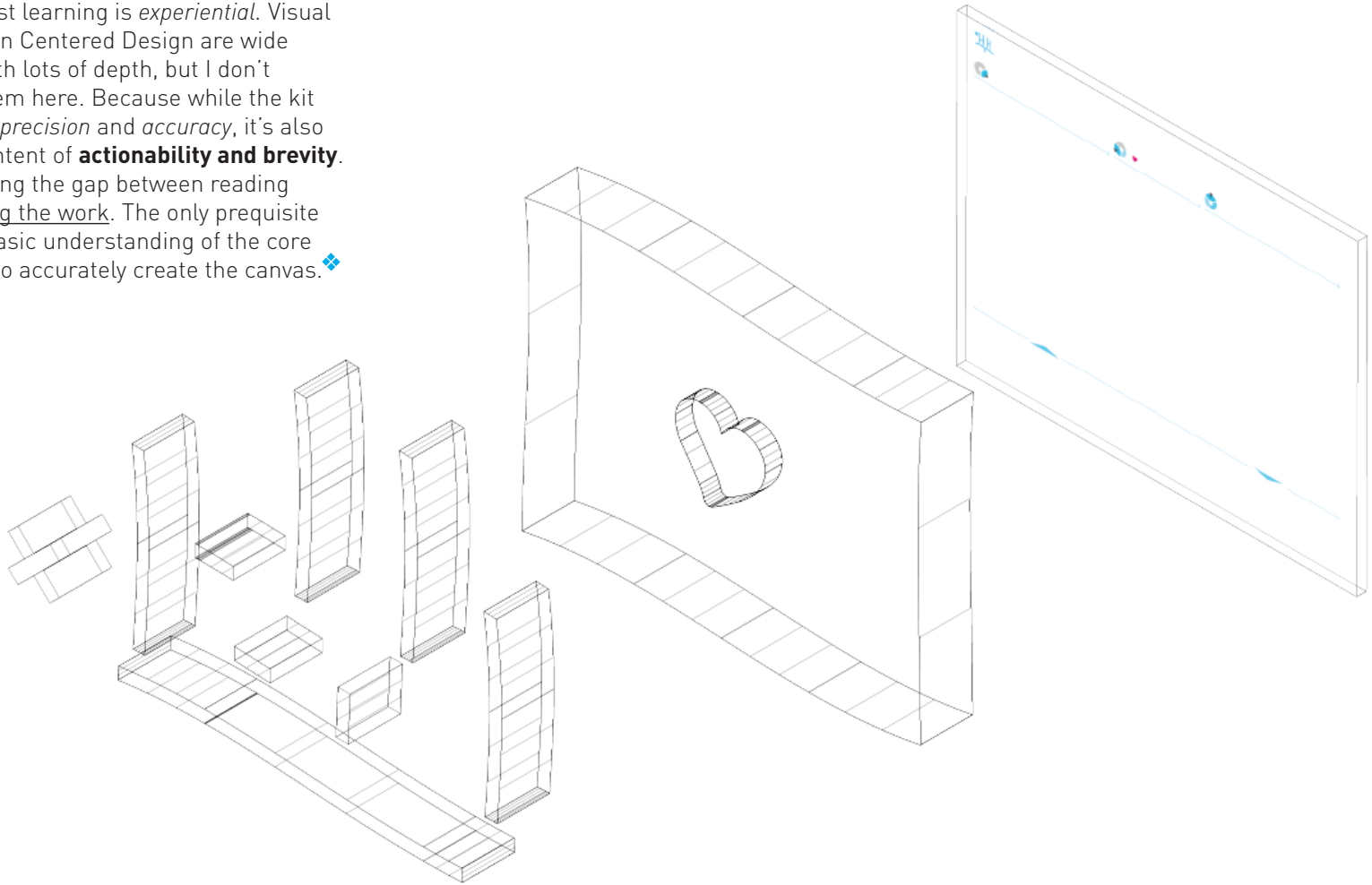
BUT WHAT ABOUT GROUPTHINK? NOT SO FAST:

5. Ignore the cry from the pop-culture business blogs about the perils of groupthink. Here's a good argument that debunks this exaggerated fear. Good collaborative teamwork exists — if executed correctly. [LINK]

HOW YOU SHOULD APPROACH THE CANVAS KIT

The Canvas Kit is designed to help you develop *clear actionable next steps in your strategic planning*. This is crucial especially when connecting actionable research, insight generation, and then segueing immediately into the rapid prototyping of new revenue strategies.

Remember: The best learning is *experiential*. Visual Thinking and Human Centered Design are wide expansive topics with lots of depth, but I don't intend to go into them here. Because while the kit is designed around *precision* and *accuracy*, it's also designed with the intent of **actionability and brevity**. That means lessening the gap between reading guidelines and doing the work. The only prequisite is that you have a basic understanding of the core principles in order to accurately create the canvas.



ACTIONABLE TAKEAWAYS

WHY A REDESIGNED CANVAS?

§ Challenges unique to the nonprofit sector: mission creep, mission drift, misaligned social value proposition, unfocused resources, lack of overall strategy, underfunded, etc.

§ For the nonprofit, the "customers" may be the clients or the beneficiaries that receive services. You also have to consider the fact that you have a social value proposition in which donors expect a "social return."

§ Diverse stakeholders: Volunteers, beneficiaries, investors, philanthropists – all which can be further segmented.

§ Dynamic stakeholders relationships. For example, a donor might not just be a donor, but also be a beneficiary of services.

§ Diverse outcomes: You also need volunteers, membership sign-ups, behavior change, mission-related outcomes etc.

§ Multiple Social Propositions: one for beneficiaries, one for donors.

§ Emerging trends that prompt nonprofits to revisit their canvas blueprint more often than usual: Marketplace trends, cross-sector collaborations, political developments, web and technology advances, etc.

WHY HCD?

§ Multi-disciplinary input: Understanding that one person doesn't know the answer to everything, and that a wide range of voices, experts, and opinions are needed for breakthroughs for complex social problems.

§ An explicit understanding of our constituents, their tasks, and environments is critical. It may lead to hidden insights and thus hidden opportunities.

§ Involvement of the users and other stakeholders in the discovery, design, and development of solutions

§ Reiterating on solutions. No solution is perfect. Plus, external variables like marketplace conditions and technological advances are always in flux and can have hidden effects and influences on social challenges.

WHY VISUAL COLLABORATION?

§ Build a shared understanding

§ Shared investigation and exploration

§ Shared sense of idea ownership

§ Memoing on post-its allow you to instantly manipulate and move data around on the canvas [Contrast that with electronically via email or app, where too much time elapses for effective real-time collaboration]

§ Insights through conversation

§ Flashes of insight [aha! moments, and greater chance of potentially innovative ideas]

§ Scan and engage the data better [capture patterns, hidden insights, hidden assumptions, discrepancies etc]

§ Group collaboration avoids making insights and conclusions one-sided and one-dimensional.

ACCURACY
+ PRECISION

ACTIONABILITY
+ BREVITY

01 CONTEXTUAL INTERVIEWS

Observing participants in a work-based context lets you quickly probe and posit a new question which might've been unavailable from a traditional interview.

FOR BLOCKS: Social Value Proposition. Stakeholders

Use contextual interviews to probe the existing design of your programs and services

Contextual interviews outshine traditional Q&A in two ways:

1. They allow you to observe and probe as someone uses your product or service within their social and physical environment.
2. They reveal why they do certain things as they do it. Sometimes we forget the small but insightful details of our experiences, details which could be overlooked in traditional interviews.

Contextual interviews are also work-based. You watch and engage the participant as they perform the work. This triggers valuable details which can yield new insights or validate other qualitative data collected elsewhere. Observing participants in a work-based context lets you quickly probe and posit a new question which might've been unavailable from a traditional interview.

Environmental & Experiential Triggers
With traditional interviews, your verbal vocabulary is the only cue, or trigger, for the participant to recall their experiences. Social or physical environment of the interview is irrelevant.

In contextual interviews, the social and physical environments matter because it also informs you of their influences related to the usage of a product or service.

Teacher and Student Roles
The interviewer takes on an inquiring "student" role and the participant takes on an active "teacher" role. As the participant performs and explains the work being done, the interviewer observes, takes notes, and probes further.

PREP

- A list of questions
- tape recorder
- camera
- pen/pencil
- paper
- Other team members to record audio, draw visuals, or jot notes while the main interviewer leads the conversation.
- Refer to Word Template

PRECAUTIONS

- Use informed consent forms, if necessary.
- Preferably no more than 2 or 3 should be in your interview group so that the participant doesn't feel overwhelmed.

HOW TO DO IT

Step 1: ESTABLISH THE RELATIONSHIP

Make the participant comfortable. Clarify the focus and intent of the interview. Explain that the participant will take on an active "teacher" role while you will take on a "student" role. If you are recording audio or video, ensure you get the participant's permission.

Your list of questions is merely a starting point: It'll help you focus on the kinds of insight you're seeking, but know that the interview's flow will take unexpected turns.

Step 2: ENGAGE

As the task is being executed, engage and inquire. Allow the participant to guide you as they perform the work. Be ready to improvise or posit new questions on-the-fly. Observe closely. Write quickly. Contextual interviews have a certain flow: The next question may not arise until the participant does something new or interesting. When something unclear comes across, or something new or insightful prompts your attention, ASK the participant to elaborate.

Step 3: REVIEW and WRAP-UP

Ensure that future meetings and follow-ups can occur in the future. Review the audio, film, and other notes you've captured together with teammates and gather the key takeaways.

TIPS

» Active Observation: Heed non-verbal cues and body language; ask open-ended questions.

» After a sizeable amount of interviews, do affinity maps to sum up and synthesize all of your interview data.

» Suspend any judgments and beliefs as a student. The "teacher" knows more about the experience than you, so expect that you'll learn something new.

AVOID

» Hypothetical questions: "What would you do if...", Or any other questions that participants can't clearly answer.

» Asking what participants want or would want. Focus groups do that, but they're only good for incremental improvements, not breakthrough innovation. If great ideas don't exist yet, how would they even know unless they've actually experienced it?

> "if i asked my customers what they wanted they would say a faster horse.
>
> — henry ford

3. prototyping

SCENARIO 01:

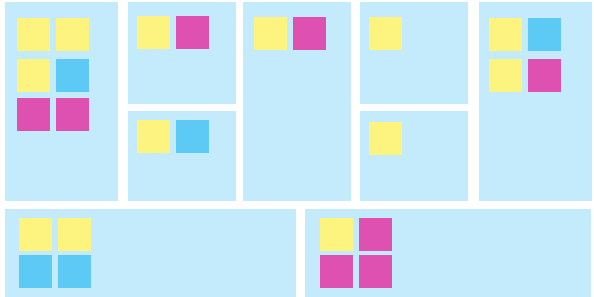
TRANSITIONING AWAY FROM LEGACY IT

Implementing cloud computing into your IT infrastructure is a broad desire. Cloud computing is really a business decision. Some of the potential benefits include cutting costs and saving time. This is a common scenario for growing nonprofits who remain unsure if their legacy IT infrastructure will grow along with them. Cloud computing seems like the solution, but could moving some operations to the cloud have hidden implications on the business model?

Stage 1

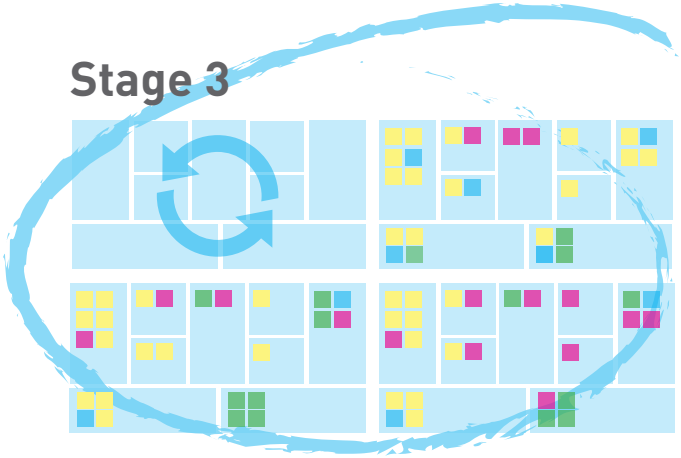
ASSUMPTIONS

Stage 2



AFTER TESTING ASSUMPTIONS

Stage 3



RAPID PROTOTYPING

STAGE 1 + 2: ASSUMPTIONS + TESTING

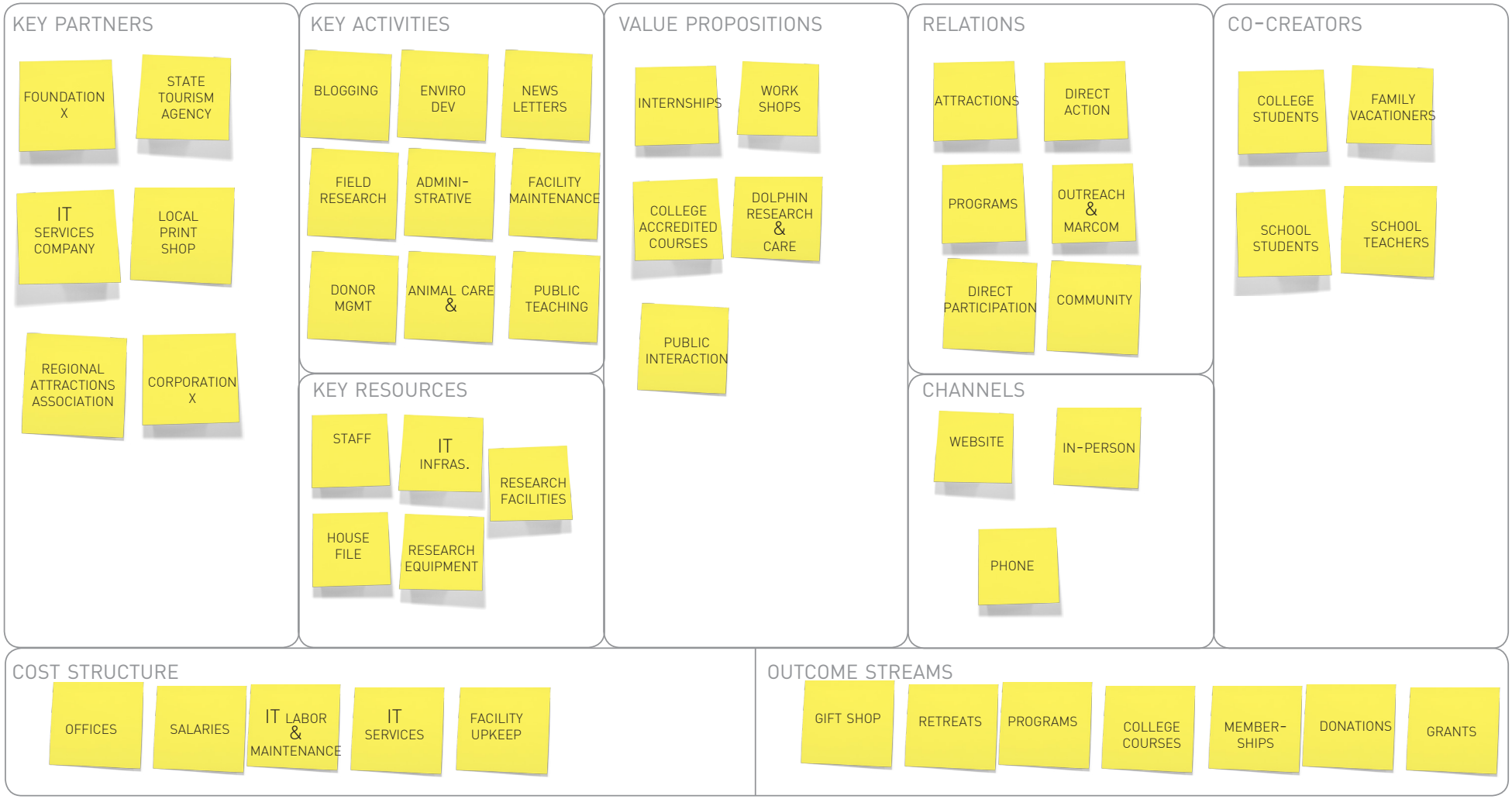
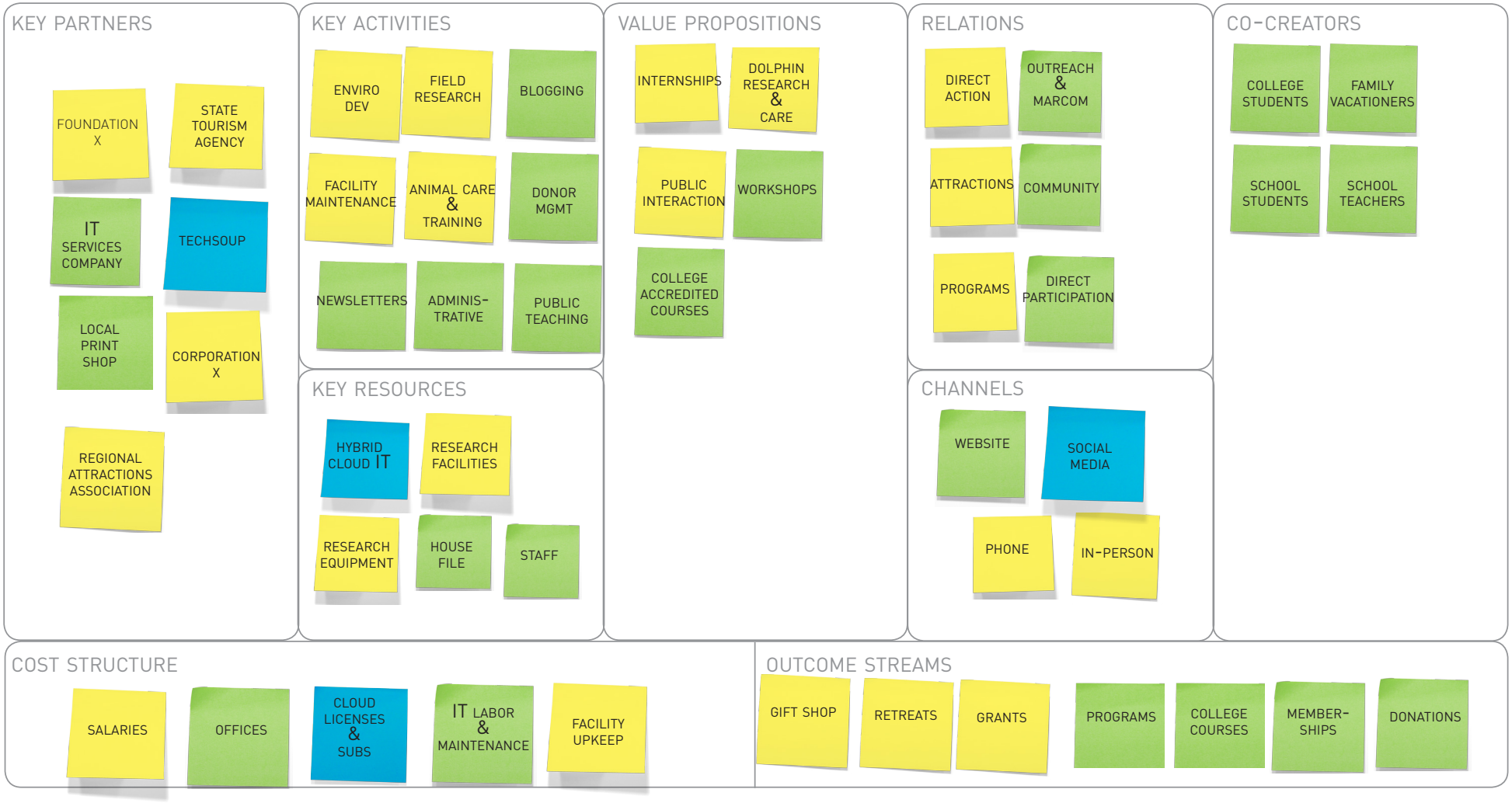


FIG. 1: A COMPLETED 2ND CANVAS — AFTER TESTING ASSUMPTIONS

STAGE 3: RAPID PROTOTYPING



UNCHANGED IMPROVE NEW ADDITION

FIG. 2: A COMPLETED PROTOTYPE CANVAS

ORGANIZATION PERSONA

Dolphin Research Organization (DRO) is a Hawaiian nonprofit dedicated to the study, rescue, and research of Spinner dolphins. DRO's daily activities are manifold: Educational outreach with schools, on-site workshops and classes, marine research, and environmental project development. Their lean in-house staff is also active with blogging, writing print newsletters, and donor management.

Throughout the years, DRO improved their value propositions and thus expanded their different financial outcome streams: Aside from memberships, private foundation grants, a gift shop, and generous corporate donations, they've also built small on-site attractions and interactive programs that engage the public. These surged into a successful financial outcome stream to draw upon since DRO's facilities exist both in a natural setting and within a high tourist area. Research and teaching is always an important part of their work, and they've also expanded the educational aspect of their mission by implementing internship programs and college accredited courses.

However, as their member base, business processes, and public attention flourish, this also means that their IT backbone needs to be reconsidered, or redesigned to accommodate their growth.

STAGE 1 + 2

As part of the Canvas Kit, the organization plotted a canvas of what they thought their canvas looks like. After testing their assumptions and gathering thorough insight, they believe this is the closest depiction of DRO's real business model. [FIG 1]

DRO has long depended on traditional outsourced IT: Website hosting, file storage and backup, email, break-fix issues, etc. Their house file is tracked on an Excel spreadsheet.

DRO still operates a legacy IT infrastructure. Email and website hosting is outsourced, too. The organization is growing fast which implicates other areas in the 9 blocks. Memberships and donations are growing, and scalability is becoming a nightmare.

The rapidly expanding house file is managed on an Excel spreadsheet, but it's hard to keep up and track. Staff is also growing, scattered throughout different offices, and they're looking for better ways to collaborate on marketing projects like blogging and newsletters.

In canvas-speak, the current IT infrastructure is a **Key Resource**. It helps staff carry out staff's **Key Activities** like donor management, blogging, newsletters, and other marketing.

Key Partners are strategic partnerships with people and institutions. They provide **Key Resources** or do those **Key Activities** in which you can't do in-house. Here, it's the local print shop and the outsourced IT company who handles their email and website hosting.

Cost Structure deals with the stuff that has substantial costs in maintaining your operations. In this case, salaries, office leases, and the fees associated with that local IT services company.

STAGE 3: RAPID PROTOTYPING

With an *accurate* canvas, the organization proceeds with Stage 3 – rapid prototyping.

Before they begin, perhaps the people in the group have questions they'd like to focus on before they begin prototyping.

So, a strategic group conversation about migrating into a hybrid cloud IT infrastructure might sound like this:

- What are the real benefits? The real consequences? What or who needs priority?
- Who needs it most? What are our real problems and the reasons we're really seeking this kind of transition? What would the true costs be in the long-term? What data should we migrate? Any staffing or training issues?
- How might moving into the cloud affect overhead costs? Administrative costs? What are the costs of switching? How does it affect our staff and their Key Activities? Or even our relations with Stakeholders?
- Techsoup could be a viable Key Partner from whom you can obtain free subscriptions and licenses for some cloud services. How might adding them help?
- If you gradually segue into a cloud application portfolio, is it possible that we may still depend on the local IT company to provide technical services when something breaks. Maybe we can just stick with email and website hosting, easing up on the Cost Structure.
- Is hiring an in-house IT person a likely possibility?

LEGEND

- Could we shift into email newsletters, rather than doing print newsletters all the time?
- There needs to be a better way to manage donors, volunteers, and constituents aside from an excel spreadsheet. If we choose a cloud vendor, what is the impact throughout the organization?

Other questions and concerns can emerge. Think deeply about your context and what your organization is going through right now. As you go through each block, keep those prompter questions in mind.

So here's what one iteration of DRO's business model looks like. It's where we could go with a cloud application portfolio

Yellow Post-it: Unchanged
Green Post-it: Improvement (cost reduction, better performance, etc)
Blue Post-it: New Addition

Remember the still pond analogy: The ripples come from blue and green stickies.

We're going to roleplay with the canvas to see how far the ripples in our pond could go. Refer to FIG. 2 to understand the rationale behind the new prototype.

KEY PARTNERS

Unchanged: Foundation "x," state tourism agency, regional attractions association, corporation "x"

Improved: IT services company, local print shop
New: TechSoup

Techsoup becomes an important partner in providing most donated software and discounted cloud subscriptions.

Dependence on local IT services people is decreased. They come in only when hardware "breaks." They no longer provide email and website services. Instead, DRO may begin developing a migration strategy into either Google Apps or Office 365. A professional firm that specializes in website design for nonprofits might be brought in. Why would that be important? Because many constituent relationship management systems (CRM) integrate nicely with websites and internal business processes. For example, Blackbaud and Salesforce takes much of that into consideration.

Also, it's possible that they could start using newsletter services like MailChimp to deliver email newsletters. This depends on your audience's preferences. You can merely supplement your print communications rather than switching everything over to online. Some of your audiences might still prefer print.

KEY ACTIVITIES

Unchanged: Environment development projects, field research, facility maintenance, animal care & training
Improved: Blogging, donor management, newsletters, administrative, public teaching
New: TechSoup

Cloud applications always seem to improve productivity with your key activities.

Say that you do hire a professional firm to redo your website and make it a part of your greater marketing strategy. Your staff's blogging and editorial workflow may improve. And with a new website, you'll ponder e-newsletters, and make it a part of your website where your co-creators and various audiences can easily stay up-to-date and connected.

With a possible CRM looming, much of your donor management processes can be placed on auto-pilot. DRO does all their tracking on an spreadsheet. But with a CRM, it may be easier to change, update, and organize information. It also may be easier to segment your user base according to how much they pledge, donate or communicate with you.

But the transition is not as easy as it sounds. What are the direct and indirect costs of migrating data, purchasing add-ons, etc? What if you have large amounts of information stored in-house?

KEY RESOURCES

Unchanged: Research equipment, research facilities
Improved: House File
New: Hybrid IT

Key resources can mean human, physical, financial, or intellectual. They help execute key activities. Here we see both human and physical resources improved. A hybrid IT infrastructure may alleviate some painful productivity issues that staff previously had. Possible cloud solutions that would make up part of this new infrastructure include project management, file storage, or document management. Also, with a cloud CRM, your house file can be better organized.

How does staff manage their work documents now, and does staff prefer document management through the cloud rather than email? What are their work habits like?

COST STRUCTURE

Unchanged: Salaries, facility upkeep
Improved: Offices, IT labor & maintenance
New: Cloud licenses & subs

If DRO decides to migrate to Google Apps or Office365, then IT services like email and website hosting may be cut. Instead, that same IT services company may just provide break-fix services. If Techsoup happens to be a **Key Partner**, you may qualify for discounted cloud licenses and subscriptions.

How do physical offices improve here? Maybe there's a concern with unnecessary paper supplies. A long time ago during my IT heyday, I walked into a board member's office to work on a PC repair. Flicking on the light switch, I discovered that most of the carpet was swamped with piles of paper. I could barely see any carpet. That's how bad it was.

If archiving and storing important documents is an issue, then could Evernote and a Fuji Scansnap help at all?

VALUE PROPOSITIONS

Unchanged: internships, dolphin research & care, public interactions
Improved: workshops
New: college accredited courses

DRO's value proposition is embedded in their mission: "the study, rescue, and research of Spinner dolphins."

But what makes them different from the other research organizations? They're the only organization in their locale that offers internships, college accredited courses, workshops, and public interactions with dolphins. So they're not just any research organization. They proactively invite the public to be a part of the organization's daily activities. And they've been doing this well for many years.

Remember that DRO performs plenty of educational outreach. Is it possible that their website and cloud application portfolio can assist in better organizing and communicating to the public about their value propositions?

DRO also offers college accredited courses. What are their current teaching processes like? One interesting possibility here is employing an Learning Management System (LMS) like Instructure's Canvas to make teaching more accessible and enjoyable for both instructors and students.

RELATIONS

Unchanged: Direct action, attractions, programs
Improved: Direct public participation, outreach & marcom, community
New: None

Relations delve into the ways we develop bonds and relationships with our co-creators.

DRO has various attractions, programs, and workshops that engage co-creators. This leads the way to pleasant experiences but memorable relationships with your community. With cloud computing and a website redesign, there's a good possibility that communications and reach around these areas might be improved.

CHANNELS

Unchanged: Phone, in-person
Improved: Website
New: Social media

Social media is a different issue altogether, but with the way cloud applications integrate with social networks, you could consider it a future idea especially if the benefits seem compelling enough. This might also prompt you to start thinking about how social media might weave into the rest of your marketing strategy.

What channels do your co-creators want to be reached? You know them best. Remember that many CRMs and cloud solutions can integrate with your website and the rest of your business processes. Your website is more than a presence online, but also a central communication hub.

CO-CREATORS

Unchanged: Direct action, attractions, programs
Improved: Direct public participation, outreach & marcom, community
New: None

Broad audiences are bad especially in marketing. Fortunately for DRO, they've already drilled down into the main categories of people who typically visit their facilities: College students, public school students, teachers, and family vacationers.

As mentioned before, the predicted improvements in the previous blocks could allow staff to communicate and interact more better with their co-creators.

OUTCOME STREAMS

Unchanged: Gift shop, retreats, grants
Improved: Programs, college courses, memberships, donations
New: None

How do people sign up for programs? College accredited courses? How do they manage their donations and memberships? Considering all the improvements and additions in the previous blocks, your systems for handling outcome streams and other business processes may improve too.

WRAPPING UP

As you can see, when we started evaluating and prototyping its ripple effects throughout the entire organization, it makes us question other ways to become a more flexible, effective, and innovative organization.

Changing technology infrastructure is a business decision. It also provokes us to ask what the real costs of change may be, unearthing underlying issues which may not have been questioned yet. Not only should the business model canvas provide the space to co-creatively ponder solutions and drawbacks, but ponder possible mistakes in our implementation, too.

Stage 1: The 1st canvas = what we think we look like
Stage 2: The 2nd canvas = an accurate representation of what we actually look like now
Stage 3: The 3rd canvas onward = where we might go

NONPROFIT BUSINESS MODEL CANVAS

TEMPLATE VER 1.0

OPERATIONS LEVEL

ENGAGEMENT LEVEL

KEY PARTNERS

Who are our key partners and suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?

Example partnerships:

1. Strategic alliances between non-competitors
2. Coopetition: strategic partnerships between competitors,
3. Joint ventures to create new "x"
4. Cause Marketing alliances
5. Advocacy alliances
6. Buyer-supplier relationships to assure reliable supplies.

KEY ACTIVITIES

Which key activities do our social value propositions require? What activities are needed to sustain operations? Examples:

1. marketing
2. campaigns
3. events
4. production
5. development
6. training
7. networking
8. research
9. service delivery

KEY RESOURCES

Which Key Resources do our Value Propositions require? What other key resources are needed at the engagement level? The operations level? Examples:

1. physical,
2. intellectual
3. human
4. financial

SOCIAL VALUE PROPOSITIONS

What programs and services do we deliver? What are we trying to solve? What value do will we deliver to co-creators? What's in it for our co-creators?

RELATIONS

What kind of relationships do co-creators want from us? What bonds do we establish and maintain with them? Examples:

1. community
2. co-creation
3. accountability
4. self-service
5. direct action
6. automated services

CHANNELS

How do we reach co-creators? How do they want to be reached re: the delivery of our Value Propositions? How do we provide ongoing communications, support, and awareness? Examples:

1. brick + mortar
2. online
3. mobile
4. purchase touchpoints

CO-CREATORS

Who are our stakeholders? For whom are we creating value? Who helps us create Outcomes or our Value Propositions? Examples:

CATEGORY 1

1. investors
2. philanthropists
3. high donors
4. low donors

CATEGORY 2

1. clients
2. constituencies
3. recipients

CATEGORY 3

1. volunteers
2. participants
3. collaborative partnerships [nonprofits/for-profits]
4. advocacy

CATEGORY 4

1. customers
2. members

COST STRUCTURE

What does it really cost to run our nonprofit operations? What costs are inherent in our business model? Which Key Resources and Activities are the most expensive? What does it cost to run and maintain the Operations Level?

Examples:

1. OpEx, overhead, and administrative costs.
2. fixed costs, variable costs, economies of scale / scope.

OUTCOME STREAMS

What value is the co-creator truly willing to return or contribute? What routines and processes do they prefer? Mission related milestones?

1. FINANCIAL OUTCOMES: donations, grants, sales proceeds, x revenue, membership sign-ups, one-time transactions, recurring transactions
2. NON-FINANCIAL OUTCOMES: behavior change, x social impact, mission-related milestones and outcomes, membership sign-ups