Nonprofit Business Model
All nonprofits need a business model to thrive.
Opening/Welcome
About Me

Roosevelt Smith

Roosevelt Smith has over twenty-eight years of rich and extensive experience in the nonprofit sector.

Consulting work has included large, small and volunteer-run nonprofit organizations in a wide array of mission areas such as youth development, housing, human services, human rights/social justice, environmental justice, food justice and arts.

Recovering ED – prior to starting consulting practice served for 15 years combined as a founding Executive Director for two nonprofits in Boston, MA.
**Sawubona**
greeting in the Zulu tribe tradition

I see you…

I appreciate you…

I recognize & acknowledge this moment and its importance with you…
Your Turn

Using the **chat** room shout yourself out:

- Say Hello, and announce yourself in the chat: Name, Organization (if affiliated with one) Position (Founder, Executive Director, Board Member, Volunteer, other)
Purpose & Agenda

“The world continues to change faster. But our ability to keep up hasn’t kept pace.” – John Kotter

The purpose of today’s workshop is to introduce you to the concept of a nonprofit business model and to practice the steps in creating one for your organization.

**Agenda for Today**

- Opening & Welcome
- Current Situation
- Definition & Introduction of Framework/Tool
- Deeper Dive & Practice
- Wrap up
Current Situation
The World Around Us...

<table>
<thead>
<tr>
<th>What's happening:</th>
<th>Effects:</th>
</tr>
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<tbody>
<tr>
<td>Year 3 of Pandemic</td>
<td>Volatility</td>
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<tr>
<td>Natural Catastrophe’s</td>
<td>Uncertainty</td>
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<tr>
<td>Racial Justice &amp; Equity</td>
<td>Change</td>
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<tr>
<td>Global, National Politics</td>
<td>Dynamism</td>
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<tr>
<td>Day to Day Trends</td>
<td>Turbulence “great resignation”, “quiet quitting”</td>
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External Environment

The Organization Internal Environment

**Formal Subsystem**
Leadership, Strategy, Management, Goals, Marketing, Operations, Technology, Structure

**Informal Subsystems**
Managers, Culture, Norms, Relationships, Politics, Leadership

Economic Forces
Technological Forces
Political-Legal Forces
Sociocultural Forces
All that you touch, you change. All that you change changes you. The only lasting truth is change. - Octavia Butler

“In the carriages of the past you can’t go anywhere.” - Maxim Gorky

“The future is already here – it just isn’t evenly distributed.” William Gibson
Definition, Framework & Tool
What is a sound business model?

According to several sources there are somewhere between 1.5 and 1.8 million (almost 2 million nonprofits) in the US today.

How many are succeeding?

How many are struggling in terms of mission and money? How many know what their business model is?

To thrive which is different than surviving, nonprofits need a viable business model. Your business model should outline...

➢ **Who you are** – your mission and vision.

➢ **What work you do** – activities, services and/or programs you undertake to advance your mission and achieve your vision. (Scope of work)

➢ **How you do your work** – the operating systems, structures, budget, authority, workflow, policies and procedures that support your activities, services and programs; and how you attract resources

➢ **How do you finance your work** – who is paying for it.
What is the Nonprofit Business Model Canvas?

- The Nonprofit Business Model Canvas is a visual sensemaking tool that allows organizations to rapidly understand, test, and design a new way forward without waiting several months or years for the perfect plan.
- It provides a blueprint for what to change, add, or subtract in your organization (in any given moment).
- Made up of (9) nine key elements relatable to any nonprofit.
Nonprofit Business Model Canvas

Nonprofit Business Model Canvas NBMC Master Key (Handout) – Interactive Tool

https://www.skylance.org/nonprofit-business-model-canva
Why this framework as a tool?

• Shows how the nine elements connect and flow with one another.
• Test assumptions - when you propose any change to your business model, you can visually see (play) with what impact that has on everything else in the organization.
• You can imagine, experiment, and prototype multiple strategies around “what if scenarios”, differently than if you were just trying to vocalize them.
• Saves time
Practice
Framework/Tool Link

- Look at together – explore 9 elements. Q & A

- Practice Using Scenarios
Practice Scenarios Use the Canvas to create “what if responses”

Scenario 1 – We’re going into the third year of the pandemic. People have experienced great loss, battled with mental health issues and struggled to establish some semblance of normalcy. To keep teams motivated and inspired, the workplace must be an environment where they feel supported, accepted and understood. **How will you provide support, resources and space for the health and wellness of your staff, board, and volunteers?**

Scenario 2 – Digitization of payment technology will be the most important trend coming out of the pandemic. According to Visa’s Payment Panel in 2020, we have seen a 10% increase of credit card usage for charitable giving spend and a 20% decline in check giving over the past five years. With options like Apple Pay, Google Pay, Visa Direct and other digital wallets, as well as improved online donation form experiences and QR code usage driving individual givers to donate online. **What if You decide you want to add or improve a digitization payment technology and strategy.**

Scenario 3 – Across the board, nonprofits are seeing an increase in the need for their services. Poverty is a real issue, and many people are facing economic hardships. The environment needs saving, and arts programs in many schools are being cut, putting the burden on nonprofits to respond quickly to unpredictable situations and deliver much-needed services. **What if You decide that you want to expand your flagship programs/services to meet increased demand.**
Wrap Up
Curated Wisdom along the way...

To really understand the concept of "WE" you must lay down the selfish ways of "I".
WE can go further than I can.
WE can accomplish more than I can.
WE can strategize better than I can.
WE can bare more than I can.
WE are stronger than I am.

"All organizations are organic and perishable. They are created by people, and they need to be constantly re-created if they are to survive". Ken Robinson Out of Our Minds

The power of “what if?”
“I’m no prophet. My job is making windows where there were once walls.” — Michel Foucault
In scenario planning, we ask “What if?”
We do not need to become prophets. Scenarios are not predictions, but rather possibilities.
Closing

Summary of today’s session
Additional questions you have?
Please complete survey
Thank you!

HPL/HFPG Close Out.