



## Sustaining Your Child & Family Services Organization in Lean Times

A common apprehension facing administrators of nonprofit child and family services organizations is whether their organization will survive and continue to meet the needs of the community they serve. As reported in the book *Coping with Cutbacks*, a survey of nonprofit managers found that 75% of the respondents acknowledged concern about funding cutbacks in their organization.<sup>1</sup> Nonprofit child and family services organizations must continually address the question of how to turn initiatives into sustainable programs and to obtain funding and resources to maintain and grow their organizations.

Program sustainability refers to keeping programs, services, and/or initiatives in existence in the long term.<sup>2</sup> As Mancini and Marek explain, "Sustainability is the capacity of programs to continuously respond to community issues. A sustained program maintains a focus consonant with its original goals and objectives, including the individuals, families, and communities it was originally intended to serve."<sup>3</sup>

Sustaining programs enables organizations to maintain desired outcomes for children and families who receive services, and to institutionalize programs within an organization.<sup>4</sup>

It should be stated at the outset that program sustainability is different than fundraising. Receiving funding is critical for sustaining a program, but strategic planning to build organizational capacity, develop community collaborations, and to advocate for the organization is also an important aspect of program sustainability.\*

### STRATEGIC PLANNING

As defined by the National Child Welfare Resource Center for Organizational Improvement (NCWRCOI), "Strategic planning is a continual process for improving organizational performance by developing strategies to produce results. It involves looking at the overall direction of where the agency wants to go, assessing the agency's current situation, and developing and

\*To address this issue, the National Abandoned Infant Assistance Resource Center hosted a simultaneous symposium and web cast, *Sustaining Your Child and Family Services Organization in Lean Times*, in August 2005 to provide strategic planning and fundraising information to nonprofits. To watch video recordings of the symposium workshops and/or to download materials, visit the National AIA Resource Center's conference archive: <http://aia.berkeley.edu/training/sustainability/sustainability.html>.



**National Abandoned Infants Assistance Resource Center**

University of California, Berkeley

A Service of the Children's Bureau

PHONE: 510-643-8390 WEB: <http://aia.berkeley.edu>

implementing approaches for moving forward. Planning is strategic when it focuses on what the agency wants to accomplish, and on moving the agency towards these larger goals.”<sup>5</sup>

The strategic planning process involves identifying priorities that are essential to the organizational mission, assessing the current situation and available resources, and developing strategies and implementing approaches to meet organizational goals. Strategic planning serves multiple purposes in nonprofit child and family service organizations, including: 1) clarifying the missions, goals and objectives of the organization; 2) communicating the missions, goals and objectives to the staff and wider community; 3) searching for the most effective way to use funding and staff resources; and 4) building commitment from people in the organization, including staff, volunteers, and community stakeholders.<sup>6</sup>

Strategic planning can be particularly important in lean economic times. Furthermore, increased attention is being paid in child and family services to program performance and outcomes. Strategic planning can help to focus on priorities which are consistent with the core mission of an organization, and help to set up the basis for program evaluation to demonstrate effectiveness and the implementation of best practices.<sup>7</sup>

However, it must also be recognized that strategic planning requires a substantial investment in terms of staff time and effort. Program administrators must decide who will be involved and how time will be carved out to support the planning process. In addition, without the buy-in of staff at all levels of the organization, implementation of the developed plan may be stymied. Before embarking on the development of a strategic plan, it is important to make a decision to provide support for, and remain committed to the entire process in order for the strategic plan to be successful.

## THE PROCESS OF STRATEGIC PLANNING

In a presentation made at the National AIA Resource Center’s symposium on sustainability

in August 2005, Anushka Fernandopulle, senior consultant at CompassPoint Nonprofit Services proposed seven phases to the strategic planning process.<sup>8</sup> These are:

*1. Get ready.* To develop a strategic plan, a planning team must be formed, including agency policymakers, board members, staff from different levels, clients, and community members. Time to participate in the planning process must be allotted and specific meeting times need to be scheduled.

*2. Articulate the mission, vision, and values.* Once the strategic planning starts, the first task is to define the core mission, vision, and values of the organization. As explained by NCWRCOI, vision is “an ideal and unique image of the future”; the mission explains “the purpose of the agency, and why it exists”; and the organizational guiding principles and values provide “the standards and ideals that guide the agency in what agency services and systems look like and how services are delivered.”<sup>9</sup>

The planning team should examine agency’s existing information; bring key staff and stakeholders together to discuss these issues; and develop a new or updated mission, vision, and values for the agency. What’s more, it is important to communicate the mission or vision internally and externally. Adherence to the original mission can become challenging when nonprofit organizations struggle for funding. Therefore, nonprofit organizations must reinforce the understanding of the mission among staff, volunteers, and other key stakeholders in order to maintain focus on the goals and objectives of the organization to serve children and families.<sup>10</sup>

*3. Assess the situation.* An important aspect of successful strategic planning is a willingness to question the status quo. An organizational assessment should be conducted about the perceived work of the organization through data collected in interviews, surveys, and focus groups with staff, clients, and even similar service providers. The process involves gathering information within and outside the



agency; analyzing and synthesizing the information; and finally drawing conclusion about your current situation. Clients, in particular, may provide useful input on current services and future needs. Through an assessment, an organization can identify the strengths of the agency, address weaknesses, and become aware of available resources.

4. *Agree on priorities.* In tough times, it is critical to prioritize program goals and take advantage of available resources, including funding, staff, boards, volunteers and facilities, and so on. When developing a strategic plan, agreement needs to be reached about programmatic goals and outcomes; specific strategies, objectives, and action steps; assignment of responsibility for these actions; indicators of success; and when activities and goals will be completed.<sup>11</sup>

5. *Write the strategic plan.* After this discussion and agreement, a written plan of action, with steps for what the organization intends to do over next few months/years to accomplish the mission, needs to be developed. It is helpful to distinguish between program goals and objectives. Objectives should be measurable, specific, and realistic. Plans can be abbreviated, moderate, and/or extensive. However, any written plan should have an easy to understand format and be as short and concise as possible.

6. *Implement the plan.* The next step is to implement the strategic plan, that is, working to tie the strategic plan to daily work. An implementation plan should be consistent with the strategic plan, but also needs to be more specific and have enough detail to guide staff. In developing the implementation plan, it is beneficial to involve program staff who actually do the work.

7. *Evaluate and monitor.* Strategic planning is a continual process; an organization will need to revisit its strategic plan periodically in order to reassess the current situation and evaluate the outcomes of implementation. The key of strategic planning is to combine the current situation with future trends, and, particularly

in lean times, to be flexible so that the plan can easily be changed if external circumstances require it. Evaluation is not the end of the strategic planning, but the beginning of a new planning process.

## FUNDRAISING

Fundraising and maintaining adequate financial support for an organization raises a number of questions and difficulties. Such issues must be considered as: Where will financial support come from? Who will be responsible for working to access these resources? What impact will obtaining new funding have on the organization?

Consider this example...

*A federal grant to provide services to children and families may provide important and necessary funds to an organization. However, the often-required fiscal controls, program evaluation, and other reporting requirements can be difficult to handle organizationally. In addition, the newly funded program needs to fit with the mission of the organization and the organizational culture to be successfully institutionalized in the long term. To enable the organization to change, to prepare, and to implement the new project, administrators need to be willing to build systems and structures to support change within their organization to make the new program a success.<sup>12</sup>*

Like strategic planning, fundraising requires an enormous investment of organizational resources. An organization will need to carefully think through the costs and benefits of the various types of fundraising (e.g., governmental grants, foundations, individuals), and carefully assess the degree of willingness to address the challenges, both internally and externally, that may arise.

## THE NONPROFIT FUNDING ENVIRONMENT

Financial sustainability of programs is always a challenge, especially in difficult economic times. The economic boom in the 1990's ushered in an increase in both the amount and the variety of government funding to nonprofit organizations and an unprecedented growth in private funding. However, when the American economy declined, followed by massive state budget shortfalls, it placed increased pressure on non-profit child and family services providers in the United States.<sup>13</sup> The economic downturn limited private contributions and government funding opportunities, and nonprofit organizations were faced with the possibility of cutting programs, laying off staff, or even closing their organizations.<sup>14</sup> The irony of course is that, poor economic times often lead to an increase in the number of children and families in need of assistance.<sup>15</sup> In order to address this complicated situation, nonprofit managers need to place a greater priority on both strategic planning and fundraising.<sup>16</sup>

## FUNDING RESOURCES

A wide variety of funding sources can be accessed by nonprofit child and family services organizations, including governmental, corporate, foundation, community, and individual funding. Grants.gov (<http://grants.gov>) provides applicants a single site for identifying and applying for federal funding. A wealth of information from private services is also available through such organizations as The Foundation Center (<http://www.fdncenter.org>) and The Chronicle of Philanthropy (<http://philanthropy.com/grants>). In addition, Grants.gov and a few other organizations like Join Together (<http://www.jointogether.org>) provide email updates regarding funding opportunities. These updates can be tailored to the specific needs of child and family services organizations, and provide a useful tool for keeping informed and enhancing organizational capacity to obtain new funding.

## DIVERSIFIED FUNDING – A SMART PRINCIPLE

Besides being aware of available resources, appropriate principles and strategies are critical to successful fundraising. Klein suggests that diversity in funding that comes from as many resources as the organization can manage, raised by as many people as the organization can coordinate, is a smart principle for fundraising in times of crisis.<sup>17</sup> If an organization depends on a single source of funding, it will be impossible to survive if the funding decreases or is cut altogether. Creating diverse funding can help an organization handle funding challenges and increase flexibility in responding to the external environment.<sup>18</sup> For example, many government grant-funded initiatives face a situation in which the grant ends after a specified period of time. In fact, some government grants require funded programs to develop a sustainability plan, describing how the grantee will continue to provide services, and evaluate their program performance, after the conclusion of the grant.<sup>19</sup>

Klein also notes that in the mid-to-late 90s, grants of \$50,000 and \$100,000 were common, and grants of \$5,000 or \$10,000 were considered very small. In recent years, in contrast, large grants from government and foundations have been cut due to the downturn in the economy, and more and more programs have come to count on smaller grants and more diversified funding.<sup>20</sup> Individuals have taken up the slack, becoming funding resources for nonprofit child and family services organizations. Statistics indicate that nationally, more than 80% of funding for nonprofit organizations comes from individual donors.<sup>21</sup>

## FUNDRAISING PARTNERS

For many organizations, particularly small child and family services organizations, an important question remains: Who will be in charge of fundraising work, which requires continuous efforts and specific skills? Some

nonprofit organizations have development staff, but this is as often *not* the case. If possible, developing a diversity of funding should involve as many people as possible, including staff, board members, volunteers, clients, and other collaborators. Starting with agency staff, an organization should assess what skills and competencies they have at their disposal that can be tapped for fundraising. Everyone within the organization may have connections, within or outside of the community, or be able to access resources that could potentially be useful for fundraising and program sustainability.<sup>22</sup>

However, while current staff provide program services and possess knowledge regarding the organization and its work, they may or may not have expertise specific to fundraising. Further, most program staff in child and family nonprofit organizations are working under heavy workloads with multiple responsibilities. Therefore, it is important for the agency to consider how to effectively take advantage of their available human resources.<sup>23</sup>

Volunteers can be a significant resource for fundraising and sustaining a program, but recruitment and management of volunteers can be a significant issue and tax for program managers. Nonetheless, loyal volunteers usually have a strong interest in the organization and a desire to help the clients. In tough times, using as many volunteers as possible may help an agency access support and funding in a cost-efficient way.<sup>24</sup>

Involving an organization's board, if one exists, can be an important mechanism and resource for fundraising and other organizational support. Barbara Draimin, former Executive Director of The Family Center and one of the trainers for the National AIA Resource Center symposium on sustainability, provided the example of a board member with a friend in the public transportation department. This contact of her Board member helped her organization to obtain free advertising on city buses and the subway.

Furthermore, an organization can have multiple boards, such as an advisory board, a consumer board, a young professionals' board, and so on. Each board may contribute to a

program in a different way. For example, a consumer board can be helpful for soliciting feedback about what works well in your organization, and for suggestions about improving what does not. A young professionals' board may be interested in sponsoring fundraising events, such as a cocktail party or a dinner, and reaching out to friends and colleagues to attend and contribute. Note, however, when asking board members to do fundraising, it is important to clarify their role, responsibilities, and decision-making power within the organization.<sup>25</sup>

Another issue to consider is whether a child and family services organization should involve clients or former clients in the fundraising process. On the one hand, the dual-relationship of client and program advocate simultaneously may be conflicting or challenging. On the other hand, it could empower the clients who want to give back to the agency. Through their experience as a program participant, previous clients can help funders and potential funders understand the successes of the program in a unique way. Client involvement can also provide the donors with real success stories and demonstrate how their funds helped the client and the organization as a whole. In any event, if clients or former clients want to participate, the organization will need to provide training and support to them, and work to ensure that they have a positive experience.<sup>26</sup>

In addition, reaching beyond the organization and getting support from the community can maximize the chance of developing a lasting program.<sup>27</sup> The premise is that community participation in programming, planning, implementation, and evaluation will best meet the needs of the community, and yield a higher probability of being sustained. One can continue to add new members by soliciting input of current members about who else may be interested in getting involved.

## MARKETING AND FUNDRAISING

Marketing is a critical, and increasingly popular, tool for advertising the work of an



organization and for reaching out to donors and grant makers. An organization can use special events to publicize its programs in newspapers, on television, and on the radio. Considering existing marketing tools, the possibilities are endless and include brochures, flyers, posters, billboards, bus signs, bumper stickers, videotape/CD/DVD messages, photographs, a program web site, bulletins, newsletters, and community presentations, etc. Today, to some extent, nonprofit organization and other business organizations are emerging in terms of fiscal management, and marketing has increasingly been used for fundraising in nonprofit organizations.<sup>28</sup>

Marketing is a good way for an organization to share their program message with the broader public, compared to other fundraising strategies. This method can attract the attention and interest of people that the organization may not be able to reach in a more traditional way. However, it is challenging to target specific audiences in public marketing. Furthermore, an organization will need to assess the cost vs. benefits of marketing, especially in light of the agency's capacity and resources to do so.

One mechanism for marketing and diversifying funding is to adapt the organization's web site for this function. Many nonprofit agencies now have a web site, which provides information about the organization and its services, and lends a personal touch by including photos of children and families that the agency serves. A "click and give" button on the website provides potential donors with a simple and effective mechanism to give to an organization.<sup>29</sup>

### **BUILDING AND NURTURING A RELATIONSHIP WITH FUNDERS— USEFUL STRATEGIES**

Finally, an important issue to consider is what influences funders' decisions. In other words, why do people give money to nonprofit child and family services? The cause or mission of an agency is key; a strong and clear mission helps to build commitment of the staff in your

organization and maintain the continued interest of funders.

However, Barbara Draimin suggests that funders give money to people, in addition to particular causes.<sup>30</sup> She provides the example of a little girl selling candy bars to go to summer camp, and suggested that some people will buy the candy bar because of the little girl who sells it, regardless of the specific cause. Dr. Draimin explained that developing a relationship with funders and potential funders is a critical aspect of fundraising. She recommends getting to know them before asking for money. Establishing personal relationships with donors promotes trust and opens up potential funding opportunities.

Identifying the uniqueness and importance of an organization is key to successfully attracting potential funders. Since a great number of nonprofit agencies may do business in the close proximity of each other, it is important to distinguish what sets an agency apart from all the rest. In this way, staff can make this the central message when talking to potential donors.

Dr. Draimin provides several suggestions about both how to involve grant makers, foundations, and individual donors with an organization, and keep them involved over the years. For example, an organization can invite a potential donor to tour the agency, providing the individual with a sense of the organization's work directly and letting them see first hand the organization's needs for growth and improvement. An organization does not need to be perfect, and should share concerns with funders and ask for help.

Acknowledging existing donors is important for continuing a relationship. People usually appreciate being recognized. Prompt thanks notes, calls from a program director, or special thank-you-event are options for acknowledging help and support, and maintaining contact with funders. Once a relationship is established, it is essential to nurture it in the long-term. Program evaluation, essential in determining if clients' needs are met, can be a useful tool in providing information to donors about an organization. A newsletter or annual report can also be

used as a mechanism to communicate program effectiveness.

### LOOKING BEYOND DONORS TOWARDS SELF-RELIANCE

A burgeoning area in program sustainability is the development of social ventures or social entrepreneurship. This refers to the development of an income-generating component within a human service organization with the intent of providing stability for the program, and depending upon the model, job training and work for clients. Goodwill, Salvation Army, and Delancey Street are well known organizations that fit this bill. McNamara explains, "Nonprofit leaders who are looking to diversify their funding base and decrease their reliance on donors often develop earned-income ventures where they generate profits which, in turn, are spent on improving the nonprofit's services to the community."<sup>31</sup>

Although this method has been very successful for a number of organizations, setting up and maintaining a social venture is complex and time consuming, and may be completely unfamiliar territory to many nonprofit child and family services organizations. In considering this method of raising funds, organizations must address a number of questions and issues, including identifying who has the necessary skills and time to supervise a business; understanding the amount of time, commitment, and resources that will be needed to set up the venture; and making a decision about the type of business or service that might be profitable. Clearly, this is not a mechanism for programs that are in financial difficulty or crisis. Rather, social entrepreneurs may take many years to develop and grow.<sup>32</sup>

Nonetheless, there are many nonprofit leaders and managers who believe that, as stated by a noted social entrepreneur, "Nonprofits have to recognize that they're businesses, not just causes. There's a way to combine the very best of the not-for-profit, philanthropic world with the very best of the for-profit, enterprising world. This hybrid is

the wave of the future for both profit and non-profit companies."<sup>33</sup> This field may be an interesting one for program administrators to explore as more and more clients are being phased out and off of welfare with few job prospects or skills.

### CONCLUSION

Program sustainability is a continuous, challenging task for nonprofit child and family services agencies. And yet, funding and other support is critical to maintaining and growing a nonprofit child and family services organization.

In this time of lean resources, new strategies need to be developed to enhance the ability of direct services organizations to meet the needs of children and families. It is incumbent on directors and other administrators to learn a variety of methods to actively seek and develop resources, both internally and externally, and to grow their programs. However, whatever principles or strategies are used, it is important to make certain that the efforts support the organization's mission to provide effective services to meet the needs of children and families.

### ENDNOTES

- 1 Angelica, E., & Hyman, V. (1997). *Coping with cutbacks: The nonprofit guide to success when times are tight*. St. Paul, MN: Fieldstone Alliance.
- 2 Fernandopulle, A. (2005). *What does a strategic plan look like and how do you keep it relevant?* [Webcast]. Retrieved August 11, 2006, from <http://aia.berkeley.edu/training/sustainability/sustainability.html>
- 3 Mancini, J. A., & Marek, L. I. (2004). Sustaining community-based programs for families: Conceptualization and measurement. *Family Relations*, 53(4), 339-347.
- 4 Johnson, K., Hays, C., Center, H., & Daley, C. (2004). Building capacity and sustainable prevention innovations: A sustainability planning model. *Evaluation and Program Planning*, 27, 135-149.

- 5 Frizzell, E., O'Brien, M., & Arnold, L. (2004). *Strategic planning for child welfare agencies*. Retrieved September 7, 2006, from <http://muskie.usm.maine.edu/helpkids/rcpdfs/strat.plan.pdf>.
- 6 Fernandopulle, A. (2005). *What does a strategic plan look like and how do you keep it relevant?* [Webcast]. Retrieved August 11, 2006, from <http://aia.berkeley.edu/training/sustainability/sustainability.html>
- 7 Ibid.
- 8 Ibid.
- 9 Frizzell, E., O'Brien, M., & Arnold, L. (2004). *Strategic planning for child welfare agencies*. Retrieved September 7, 2006, from <http://muskie.usm.maine.edu/helpkids/rcpdfs/strat.plan.pdf>.
- 10 Development Resources, Inc. (n.d.). *Proven strategies, effective leadership, sustainable financial success*. Retrieved August 21, 2006, from [http://www.dri.cc/assets/pdf/DRI\\_sustainability.pdf](http://www.dri.cc/assets/pdf/DRI_sustainability.pdf)
- 11 Frizzell, E., O'Brien, M., & Arnold, L. (2004). *Strategic planning for child welfare agencies*. Retrieved September 7, 2006, from <http://muskie.usm.maine.edu/helpkids/rcpdfs/strat.plan.pdf>.
- 12 Fernandopulle, A. (2005). *What does a strategic plan look like and how do you keep it relevant?* [Webcast]. Retrieved August 11, 2006, from <http://aia.berkeley.edu/training/sustainability/sustainability.html>
- 13 Venture Philanthropy Partners. (2003, June). *The changing nonprofit funding environment: Implications and opportunities*. Retrieved August 4, 2006, from <http://venturephilanthropypartners.org/learning/perspectives/workshop/>
- 14 Angelica, E., & Hyman, V. (1997). *Coping with cutbacks: The nonprofit guide to success when times are tight*. St. Paul, MN: Fieldstone Alliance.
- 15 Venture Philanthropy Partners. (2003, June). *The changing nonprofit funding environment: Implications and opportunities*. Retrieved August 4, 2006, from <http://venturephilanthropypartners.org/learning/perspectives/workshop/>
- 16 Angelica, E., & Hyman, V. (1997). *Coping with cutbacks: The nonprofit guide to success when times are tight*. St. Paul, MN: Fieldstone Alliance.
- 17 Klein, K. (2003). Fundraising in times of crisis. *Grassroots Fundraising Journal*, July/August, 4-8.
- 18 Ibid.
- 19 Akerlund, K. M. (2000). Prevention program sustainability: The state's perspective. *Journal of Community Psychology*, 28(3), 353-362.
- 20 Klein, K. (2003). Fundraising in times of crisis. *Grassroots Fundraising Journal*, July/August, 4-8.
- 21 Bowman, L. (2005). *Raising more money: Sustainable funding for your mission* [Webcast]. Retrieved August 11, 2006 from <http://aia.berkeley.edu/training/sustainability/sustainability.html>.
- 22 Klein, K. (2003). Fundraising in times of crisis. *Grassroots Fundraising Journal*, July/August, 4-8.
- 23 Ibid.
- 24 Ibid.
- 25 Draimin, B. (2005). *Rising costs- Frozen bottom lines* [Webcast]. Retrieved August 11, 2006, from <http://aia.berkeley.edu/training/sustainability/sustainability.html>
- 26 Ibid.
- 27 Marek, L. I., & Mancini, J. A. (2004). *Sustaining programs and supporting families: A training program for human services professionals*. Retrieved August 21, 2006, from <http://www.cyfernet.org/eval/Marek.doc>
- 28 Akerlund, K. M. (2000). Prevention program sustainability: The state's perspective. *Journal of Community Psychology*, 28(3), 353-362.
- 29 Draimin, B. (2005). *Rising costs- Frozen bottom lines* [Webcast]. Retrieved August 11, 2006, from <http://aia.berkeley.edu/training/sustainability/sustainability.html>
- 30 Ibid.
- 31 McNamara, C. (n.d.). *Social entrepreneurship*. Retrieved August 23, 2006, from [http://www.managementhelp.org/soc\\_entr/soc\\_entr.htm](http://www.managementhelp.org/soc_entr/soc_entr.htm)
- 32 Stehle, V. (1996). Guide offers advice on charity-run business. *Chronicle of Philanthropy*, October.
- 33 Terry, S. (1999). Genius at work. FastCompany.com. Retrieved August 23, 2006, from <http://www.fastcompany.com/online/17/genius.html>