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Do you ever wonder...

Is your organization sustainable? Or is it slowly going out of business...

Overview

Going out of business is mostly a slow thing. You don't notice. But suddenly you wake up one morning and ...oops.

That's what this workshop tries to help you do. It's time to notice!

Too many nonprofits seem too fragile. Maybe that's okay. Maybe some of these organizations aren't sustainable and don't matter enough to be sustainable.

On the other hand...If you think your organization should continue to serve, then let's talk about sustainability.

What are the most critical components of sustainability? Definitely not just money, but yes, money. Certainly people and systems and processes. Asking cage-rattling questions regularly and engaging in meaningful conversations. Following research and applying it. And more.

So let's talk about what it means to be sustainable, figure out how to increase sustainability, and avoid waking up one morning with an oops.

My bio

People describe me as "one of the most thoughtful, inspirational, and provocative leaders in the philanthropic sector." I'm proud of that description – especially the "provocative" comment!

In January 2019, I'll begin my 32nd year as a fulltime consultant. Previously, I was an executive director and a chief development officer.

My areas of expertise our fundraising, governance, and strategic planning. I work with all types and sizes of nonprofits, speak at conferences worldwide, and teach in the graduate program for philanthropy at Saint Mary's University, MN.

I've written three books and contributed to several others. I blog weekly as Simone Uncensored and write a monthly e-news.

As a volunteer, I regularly serve on boards and have founded two organizations. My most recent board service Currently she chairs the Advisory Board of the Centre for Sustainable Philanthropy at Plymouth University in the U.K., and the Board of Planned Parenthood of Southern New England.

Defining sustainability (Thank you Wikipedia – and an Internet search.)

In ecology: Sustainability is how biological systems remain diverse and productive.

In general terms: Sustainability is the endurance of systems and processes.

Derived from the Latin, “sustinere”: “Tenere” means to hold. “Sub” means up.

First, “sustainability” meant humans on planet Earth. The concept of “sustainable development” came out of the UN’s Brundtland Commission, March 20, 1987: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Consider this from Wikipedia:

- Sustainability implies responsible and proactive decision-making and innovation that minimizes negative impact and maintains balance....
- Resilience thinking: Resiliency in ecology is the capacity of an ecosystem to absorb disturbance and still retain its basic structure and viability.

How about sustainability in the NGO sector? A few bits...

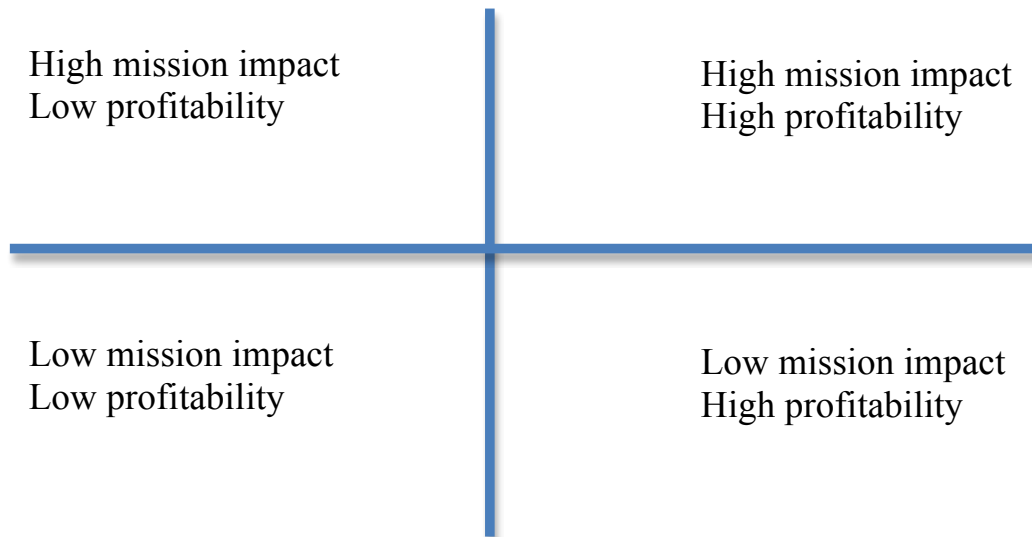
1. Stanford Social Innovation Review: Informing and inspiring leaders of social change
2. The Holy Grail for Nonprofits – a book review for *Nonprofit Sustainability: Making Strategic Decisions for Financial Viability*, by Bell, Masaoka, and Zimmerman.
3. “Sustainability of nonprofit organizations: An empirical investigation,” Weerawardena, McDonald, Mort. From the abstract: Nonprofit organizations (NPOs) contribute to society through their social value creation. They operate in an increasingly turbulent context where building sustainable organizations has emerged as a critical need. Past authors have discussed this important issue in a fragmented manner. Using multiple case studies of socially entrepreneurial NPOs, this paper examines how the need for building a sustainable organization has impacted on the strategy focus of the nonprofit organization. The findings suggest that in response to an increased competitive environment, NPOs have been forced to adopt an organizational sustainability focus in both strategic and operational levels of management.
4. “The Sustainable Non-Profit,” Mark Hecker, 12-11-12. “When we talk about sustainability, we’re talking about acquiring and maintaining control over the organization’s financial health and stability. Sustainability means two things: First, it means that the organization has revenue is somewhat predictable and reliable. Second, it means that the organization has the capacity to weather unexpected revenue shortfalls.”

Concept of Sustainability in nonprofit organizations

Money and Mission: Financial viability

❖ **The Matrix Map**

From the book *Nonprofit Sustainability: Making Strategic Decisions for Financial Viability*, by Jeanne Bell, Jan Masaoka, and Steve Zimmerman.



Online: www.nonprofitquarterly.org

- “Beyond Sustainability: Identifying the Right Mix for Growth”
- “The Matrix Map: A Powerful Too for Mission-Focused Nonprofits”

But wait!

Is sustainability only about financial sustainability?

Is sustainability mostly about money?

I sure hope not.

I like this definition: Finding a way to use resources in a manner that prevents their depletion. (National Council of Nonprofits)

Components of sustainability (Just for NGOs? Probably not!)

More than money

❖ **Foraker Nonprofit Sustainability Model**

From the book *Focus on Sustainability: A Nonprofit's Journey*, by Dennis McMillian, The Foraker Group, Alaska

Focus + Right people + Partnerships + Unrestricted funds =
Programs & Services Sustainability

A sustainable organization can be identified through 4 lenses:

1. **Focus:** A sustainable organization maintains a laser focus on its founding principles and exercises discipline based on those principles in all its strategic decisions. At the same time, a sustainable organization must look ahead and adapt for the future.
2. **Right people:** A sustainable organization has the right people in the right roles. Specifically, it counts on the right board and staff, who work together effectively as partners.
3. **Partnerships:** A sustainable organization increases its impact through partnerships with other organizations.
4. **Unrestricted funds:** A sustainable organization maintains sufficient funds to take advantage of opportunities and handle emergencies.

Components of sustainability (Joyaux's thoughts)

First component: Ensuring your organization's relevancy to the community. And, how do you figure that out? With a good strategic planning process. The best planning process tests the relevance of your mission and program. Then you adapt mission to be relevant...or you change your mission...or you close. Because you aren't sustainable if you aren't relevant.

Thinking (and acting) critically about resources

1. Defining resource... Start listing the resources that must exist well to ensure your sustainability. And that's more than money!
2. Analyzing and evaluating your resources, e.g., the level of value/impact for the organization. And the reliability, level of risk, etc. of each resource.
3. Operating in a manner that continually and consistently monitors diverse resources, measures their effectiveness, and makes adjustments as necessary.
4. Finding a way to use resources in a manner that prevents their depletion
5. Finding a way to replenish resources regularly

Way of working to enable sustainability

1. Applying critical thinking. (Get your own copy of *The Miniature Guide to Critical Thinking, Concepts and Tools*, Drs. R. Paul and L. Elder. www.criticalthinking.org)
2. Using conversation as a core business practice. (See handout in Joyaux Free Download Library.)
3. Building an adaptive organization (Read "Making Change: Building Adaptive Capacity," C. Sussman, www.nonprofitquarterly.org.) External focus. Network connectedness. Inquisitiveness. Innovation.
4. Asking cage-rattling questions
5. Applying systems thinking and learning organization business theories. (See *Strategic Fund Development, 3rd edition*. See Sargeant and Shang research "Great Fundraising," commissioned by Revolutionise.)

Planning for any future that could come along

1. Apply these vantage points/lenses. Build an organization that can respond, e.g.:
 - a. Anticipating unintended consequences
 - b. Foreseeing the unforeseeable
 - c. Imagining that the inconceivable becomes inevitable
 - d. Distinguishing between concern and alarm
 - e. And so many more. See the handout in my Free Download Library.
2. When you think of planning, think of this virtuous circle: Essential and cage-rattling questions produce conversation > Conversation produces learning > Learning is change. And, planning is learning.

The quest for sustainability (Some more thoughts)

My starting definition of sustainability for NGOs...

Developing and monitoring resources in a way that:

- Ensures the organization's relevance to the community – or carefully closes the organization.
- Monitors and applies ever-changing research, body of knowledge, and best practice to ensure robust resources adequate and appropriate to the organization.
- Continually adapts resources to maximize usefulness and contribute to the health and effectiveness of the organization.

And let's add in some of the earlier definitions, somewhat modified....

- Using resources in a manner that monitors depletion, modifies usage to avoid depletion, and regularly replenishes resources prior to the risk of depletion.
- Responsible and proactive decision-making and innovation that minimizes negative impact and maintains adequate balance without embracing the status quo.
- Continually develops the organization's capacity to respond to disturbances, and sustain its viability.

Areas that contribute to sustainability

- *Governance*... the group, its individual members, roles, processes, scope of authority, limitations, etc.
- *Management*... employees, roles, processes, authority, limitations, etc.
- *Organizational culture*, systems, processes, etc.
- *Program and facilities* ... mission and relevance
- *Fund development*...marketing/communications
- *Financial management*...human resources mgmt.

What else?

Innovation
Curiosity
Commitment
Flexibility

Perseverance

Personal & professional competencies to pursue sustainability.

What helps do all this work?

Lots of different knowledges

Diverse life experiences

Tools and processes

Challenging the status quo

Watching...
Paying attention

Assiduous diligence

And so much more! All the other parts

The money part...just one part!

Just a few resources . . .

For **regular tips** about what to read, who to follow, etc. Read **Simone Uncensored**, my weekly blog (and archives) . . . and my monthly **e-news**. Subscribe to either or both on my website, www.simonejoyaux.com.

Important resources ... not about the NGO sector

1. Systems thinking and learning organization business theories: Peter Senge and others. For example, *The Fifth Discipline*, *The Fifth Discipline Fieldbook*, *Harvard Business Review* articles, e.g., Arie de Geus, “Planning is Learning.”
Check out my book *Strategic Fund Development: Building Profitable Relationships That Last*, 3rd edition (John Wiley & Sons, 2011). I describe systems thinking and learning organization theories there. I also talk lots about organizational development and culture and all kinds of things that relate to sustainability.
2. *Harvard Business Review* articles about innovation, leadership, change. I quote *HBR* lots in my book *Strategic Fund Development*.
3. Read books by Jim Collins – and his great monograph about NGOs.
4. Read Sherry Turkle’s books and articles about technology. Oh my gosh!
5. Chip and Dan Heath write great books about decision-making and change and...
6. Read all of Seth Godin’s books and subscribe to his daily blog.

About fund development and money for the NGO sector... just a very very few that I think help with the concept of sustainability

1. Read Sargeant and Shang’s research “Great Fundraising,” commissioned by Revolutionise. The research finding focuses on systems thinking.
2. Follow research by Adrian Sargeant and Jen Shang.
3. Follow research from the various centers on philanthropy, e.g., at the Lilly School of Philanthropy in Indiana. Another at the University of Chicago.
4. Follow the research at the new Centre for Sustainable Philanthropy at Plymouth University in the U.K. This center focuses on strengthening fundraising so we can raise more money.
5. Check out the Critical Fundraising blog. (Centre for Sustainable Philanthropy, Plymouth University, U.K.)
6. Remember that loyalty is the Holy Grail of any business, including fundraising. Here are some of my favorite books and writers and blogs...
7. Ahern, Tom: Donor-centered communications books and free e-newsletter
8. Brooks, Jeff: His books and his blog, www.futurefundraisingnow.com.
9. Burnett, Ken: *Relationship Fundraising*. His newest, *Storytelling Can Change the World*. And definitely follow www.sofii.org.
10. Craver, Roger: *Retention Fundraising – The Art and Science of Keeping Donors for Life*. And The Agitator blog.
11. Sargeant and Jay: *Building Donor Loyalty*
12. Sargeant, Shang, and Associates: *Fundraising Principles and Practice*

And that’s it for today.