

LABINAR #2

**SOCIAL
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*Exploring Earned
Income Possibilities...*

*Identifying Opportunities
to Do Good and Do Well*

November 21, 2024



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GOOD AFTERNOON

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We're **glad** you're back!



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HOUSEKEEPING #1

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A Few Zoom Items...



This session is being recorded and will be sent to you following today's session.

- **All participants are muted.**
- **Please rename yourself with your first name and organization.**
- **Feel free to share comments and questions in the chat box.**
- **We'll respond to as many questions as time permits during the Q&A.**



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HOUSEKEEPING #2



Get Connected!

Twitter

- @HartfordFdn
- @Margin_Mission

Hashtags

- #SocialEnterpriseAccelerator
- #EarnedIncome

Facebook

- Hartford Foundation for Public Giving
- No Margin, No Mission

HOUSEKEEPING #3

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Say “C-H-E-E-S-E!”



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LABINAR MUST DO'S

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- Open your minds
- Explore possibilities
- Learn something new
- Reinforce what you know
- Have fun 😊



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TODAY'S GOALS



Gain additional insight into earned income

- Continue to explore entrepreneurial possibilities
- Learn from 3 organizations via their stories and experiences
- Apply tools, rigor, and thinking to identify your most viable opportunity



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AGENDA

Thursday, November 21st
1:00 – 3:00pm



- **Labinar #1**
 - Recap
 - Post-session process
- **Exploring earned income possibilities**
 - Share stories
 - “Rapid Fire” ideation exercise
- **Next steps**

POLL QUESTION #1

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POLL QUESTION #1

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What is most valuable about your SEA experience so far?



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POLL QUESTION #1

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What is most valuable about your SEA experience so far?

- Labinar information and learning
- Time to focus on earned income
- Opportunity to work with our team
- Consultant 1:1 time
- Completing the worksheets
- All of the above



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INNOVATION

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“When you have exhausted all possibilities, remember this...you haven’t.”

--Thomas Edison



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FLASHBACK: LABINAR #1



Quick recap...
Where We Left Off



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FLASHBACK: LABINAR #1

Monica Kelly | Hartford Foundation
 Michael Osman | No Margin, No Mission
 Larry Clark - No Margin, No Mission
 Maher Shuman | Hartford Foundation
 Advancing Connecticut Together
 Takima Robinson-ACT
 John Merz, Advancing CT Together Inc
 Ismael Colon - Advancing CT Together Inc
 Todd Polley - Journey Home
 MICHAEL FISHMAN - Journey Home
 Hector Rivera - Our Piece of the Pie
 Michelle Lipar - Journey Home
 Kim Johnson - Our Piece of the Pie
 Heather R. Lawson - Ebony Horsewomen...
 Sara Wilson, Journey Home
 Steve - Advancing CT Together
 Patricia Kelly, Ebony Horsewomen
 Alison Sjoberg - Journey Home
 Cynthia McKenna-Advancing CT Together

LABINAR #1
 SOCIAL ENTERPRISE ACCELERATOR
 Nonprofit is a Tax Status, Not a Business Model...
 Why NPO's Should Care About Earned Income
 October 24, 2024
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2024 LAUNCH
 SOCIAL ENTERPRISE ACCELERATOR
 Social Enterprise Accelerator
 • A virtual earned income initiative
 - Provides time and space to help nonprofits learn about and explore possibilities to launch or grow an entrepreneurial venture.
 - Aimed at boosting revenue and mission impact.
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No Margin, No Mission.
 Hartford Foundation FOR PUBLIC GIVING
 Together for good!

EARNED INCOME



Three types

- Products, services, privileges
- Capital (facilities, investments)
- Intellectual assets

Developed a list of:

- Your *current and future* earned income opportunities



SWOT+RISK



4 TOOLS:

Vetting your most viable earned income possibilities



SWOT Analysis

- Strengths
- Weaknesses
- Opportunities
- Threats

Risk and Mitigation

- What are the greatest risks?
- How would you mitigate risks?







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MATRIX

The goal should be to *maximize margin & mission whenever possible!*

Mission	High Mission Low Margin 	High Margin High Mission 
	Low Mission Low Margin 	Low Mission High Margin 
	Margin	

POST LABINAR #1 PROCESS

THE PROCESS

1:1 Zoom Consulting Sessions

- 60-minutes plus
- With ED/CEO, Board, and Staff members



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POST LABINAR #1 PROCESS

THE PROCESS

1:1 Zoom Consulting Sessions

- 60-minutes plus
- With ED/CEO, Board, and Staff members
- Discussed worksheets and earned income possibilities

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LABINAR #1
Nonprofit is a Tax Status, Not a Business Model...
Why NPO's Should Care About Earned Income
April 12, 2023

WORKSHEET #1

Diversifying Revenue:
Your Organization's Income Sources

	Current (%)	Future (%)
Earned Income Sources		
• Government contracts		
• Membership income		
• Investment income		
• Facilities and/or equipment rental		
• Sale of products and/or services		
Charitable Giving		
• Individuals		
• Corporations		
Fundraising Initiatives		
• Institutional philanthropy (grants)		
• Government grants		
• Partnerships and collaborations		
Other?		



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Highlights:

- All enthused about earned income
- Everyone had earned income possibilities, some more than others
- Many still considering how to select the most viable opportunity

POLL QUESTION #2

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POLL QUESTION #2

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Thinking about your earned income progress since Labinar #1, what has transpired in your organization?



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POLL QUESTION #2



Thinking about your earned income progress since Labinar #1, what has transpired in your organization?

- We significantly advanced our thinking + action.
- We made some progress, but know there's much more to do.
- We didn't move the needle much at all.
- We had too many competing priorities, and no time to think about it.



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**Exploring Earned
Income Possibilities:**
*Learning from Nonprofits
that have Launched or Grown
Entrepreneurial Ventures*



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Things to Keep in Mind:



ventures



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Things to Keep in Mind:

THEY EXPLORED
POSSIBILITIES

ventures



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Things to Keep in Mind:

THEY EXPLORED
POSSIBILITIES

+

THEY APPLIED 4
TOOLS TO VET
THEIR MOST
VIABLE
POSSIBILITIES

ventures



LABINAR #2



Things to Keep in Mind:

THEY EXPLORED
POSSIBILITIES

+

THEY APPLIED 4
TOOLS TO VET
THEIR MOST
VIABLE
POSSIBILITIES

+

THEY CHOSE
ONE TO FOCUS
ON FOR
BUSINESS
PLANNING



ventures

Three organizations that were *poised* for earned income success

- **Leadership**
 - Engaged & Committed CEO/ED + Board
- **Willingness**
 - Strong Desire & Enthusiasm
- **Readiness**
 - Prepared to Take Action (Staff, Donors, Volunteers)
- **Capacity**
 - Available Resources
- **Culture**
 - Entrepreneurial Spirit & Open to Change

A red rectangular sign with the text "ARE YOU READY?" in white, bold, sans-serif capital letters. The sign is slightly tilted and has a reflection below it.



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STORY #1

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Tom Melville

Executive Director

The Literacy Council of Sarasota



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STORY #1

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“Our mission is to improve adult literacy through personalized, needs-based tutoring and small group instruction.”



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STORY #1



Considered 3 earned income possibilities:

- *Small group instruction classes*
- *Stand-alone workshops*
- *Tutor training workshops*



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STORY #1



Prioritized earned income opportunities based on:

- SWOT analysis
- Risk and mitigation exercise
- Preliminary information gathering
- Conversations (internal and external)



STORY #1

Prioritized earned income opportunities based on:



- Market need and demand
- Customers with \$'s to purchase
- Operational ease
- Speed to market
- Margin contribution
- Mission contribution



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STORY #1



Based on analysis of earned income ideas:

- Narrowed focus to one
- Secured Board approval
- Shared with key staff, volunteers, and donors



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STORY #1

Based on analysis of earned income ideas:

Considered 3 earned
income possibilities:

- *Small group instruction classes*
- *Stand-alone workshops*
- *Tutor training workshops*

- **Narrowed focus to one**
- **Secured Board approval**
- **Shared with key staff, volunteers, and donors**

Which earned income opportunity do you think LCS chose?



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POLL QUESTION #3

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POLL QUESTION #3

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Which earned income opportunity do you think LCS chose?



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POLL QUESTION #3



Which earned income opportunity do you think LCS chose?

- Small group instruction classes
- Stand-alone workshops
- Tutor training workshops



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STORY #1



Onsite small group instruction classes for businesses, nonprofits, schools

- Offers core programs
 - Basic education
 - GED prep
 - English as a second language
- For employees, clients, parents



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STORY #1



Business planning process

- Selected team
 - Leadership, board, and staff
- Developed business plan
 - Input from all, authored by team
- Communicated with key stakeholders
- Participated in *FastPitch*
- Exceeded startup capital goal

STORY #1



Business plan implementation process

- Restructured and added 1 new staff
- Developed marketing and communications
 - Website
 - Sales outreach
- Business launch!



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STORY #1



Projected revenue and net profit

- Year 1: \$129K / \$19K (15%)
- Year 2: \$153K / \$36K (24%)
- Year 3: \$220K / \$62K (28%)

Note: based on 30 service agreements/classes in Y1, increasing to 47 in Y2, and growing to 58 in Y3.



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STORY #1

Other outcomes and results



- Positive brand exposure
- 50% increase in people served
- 33% increase in volunteer tutors
- Goal to serve 1,000 adults a year by end of Y3.



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STORY #1

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STORY #2

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“Committed to solving the affordable housing crisis, one family at a time.”



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STORY #2



Considered 3 earned income possibilities:

- Expand and grow Online Store
- Add “Curbside Appeal” to Cleanout Business
- Expand ReSale store Operations



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STORY #2



Prioritized earned income opportunities based on:

- SWOT analysis
- Risk and mitigation exercise
- Preliminary information gathering
- Conversations (internal and external)



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Prioritized earned income opportunities based on:

- Market need and demand
- Revenue stream to support it
- Operational ease
- Speed to market
- Margin contribution
- Mission contribution



STORY #2



Based on Analysis of Earned Income Opportunities:

- Narrowed focus to one
- Secured Board approval
- Shared with key staff, volunteers, and donors

Which earned income opportunity do you think CCH4H chose?



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POLL QUESTION #4

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POLL QUESTION #4

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Which earned income opportunity do you think CCH4H chose?



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POLL QUESTION #4

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Which earned income opportunity do you think CCH4H chose?

- Expand and grow online store
- Add "curbside appeal" to cleanout business
- Expand ReSale Store operations



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STORY #2



ReSale Operations Expansion

- Open a fourth store
- Restructure of current operations
- Streamline process for donated merchandise



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Business Planning Process

- Selected team
 - Leadership, board, and staff
- Developed business plan
 - Input from all
 - Authored by one
- Communicated with key stakeholders
- Raised growth capital



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STORY #2



Raised growth capital

- Identified donor prospects
- Invited them to FastPitch
- Diligent follow-up
- Achieved growth capital goal



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STORY #2



Business Plan Implementation Process

- Purchased building
- Hired and reassigned staff
- Recruited and trained volunteers
- Developed marketing and communications
- Launched new store



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Projected Revenue and Net Profit

- Year 1: \$323K / \$173K
- Year 2: \$375K / \$230K
- Year 3: \$450K / \$233K



Note: Within a 12 month timeframe, they anticipated raising enough revenue to build 3 additional Habitat homes.



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Other Outcomes and Results

- New donors added
- Created new furniture distribution process
- Upgraded POS system
- Developed enhanced management processes
- New staff and volunteer training methods
- Monthly marketing calendar created to build awareness



STORY #2

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Charlotte County
Habitat
for Humanity®

**ANY
QUESTIONS?**



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STORY #3



“We are committed to being the community's premier theater and the region's center for cultural, educational and artistic expression. Our team works tirelessly to ensure that we deliver engaging excellence for all ages, through the talent we present, the services we offer and the experiences we create. Our goal is not just to entertain you -- we want to inspire you.”



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STORY #3

Considered 3 earned income possibilities



Charge for Parking



Venue Rental

Conservatory Classes



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STORY #3



Prioritized earned income opportunities based on:

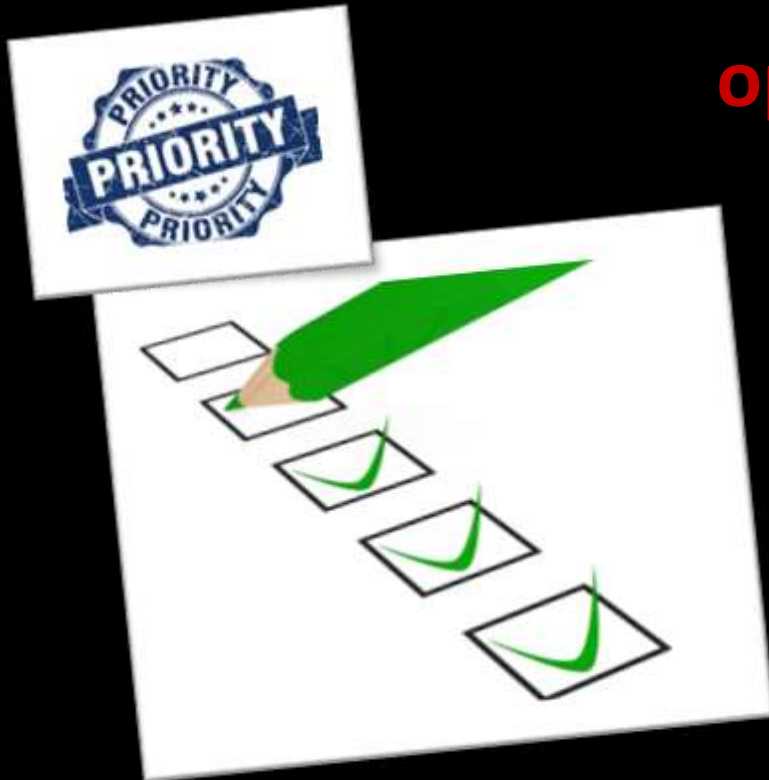
- SWOT analysis
- Risk and mitigation exercise
- Preliminary information gathering
- Conversations, internal and external



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STORY #3



Prioritized earned income opportunities based on:

- Market need and demand
- Revenue stream to support it
- Operational ease
- Speed to market
- Margin contribution
- Mission contribution

Based on analysis of earned income ideas:



- Narrowed focus to one
- Secured Board approval
- Shared with key staff, volunteers, and donors

Which earned income opportunity do you think MPAC chose?



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POLL QUESTION #5

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POLL QUESTION #5

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Which earned income opportunity do you think MPAC chose?



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POLL QUESTION #5



Which earned income opportunity do you think MPAC chose?

- Charge for parking
- Venue rentals
- Conservatory classes



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STORY #3

Venue rentals

- Manatee Performing Arts Center offers a wide selection of venue options for meetings, receptions, banquets and celebrations.
- Available days, evenings, weekends
- Catering and beverage services
- Parking/Valet



Business planning process:

- **Selected team**
 - Leadership, board, staff
- **Developed business plan**
 - Input from all
 - Authored by one
- **Communicated with key stakeholders**
- **Participated in FastPitch**



STORY #3



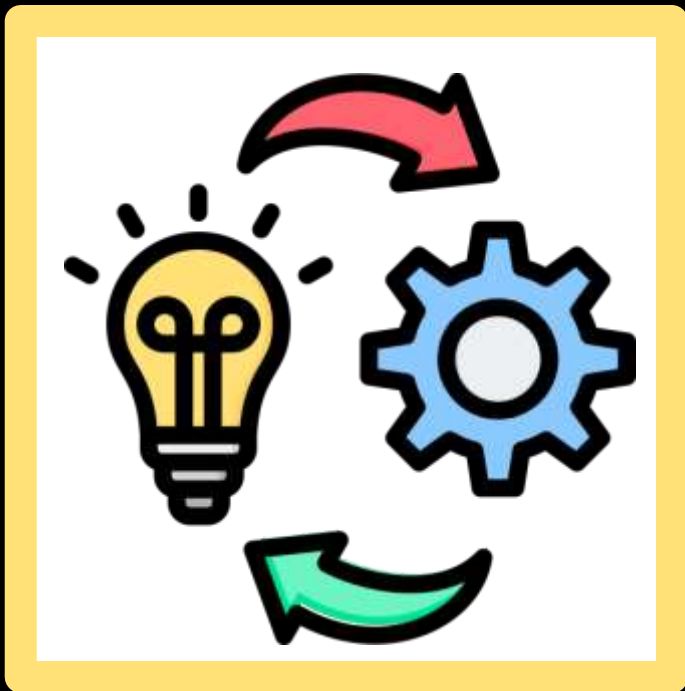
Raised growth capital

- Identified donor prospects
- Invited them to FastPitch
- Diligent follow-up
- Exceeded startup capital goal



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Business plan implementation process

- Developed marketing and communications
 - Website
 - Sales outreach
- Hired sales staff (1 FTE)
- Purchased and trained on new site management software
- Launched business



STORY #3



Projected revenue and net profit

- Year 1: \$109K / \$15K (5%)
- Year 2: \$179K / \$24K (14%)
- Year 3: \$211K / \$72K (22%)



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STORY #3

Other outcomes and “ripple effects”

- Added new donors
- Upgraded the financial management system
- Built soundproofing upgrades
- Provided the basis for Board to proceed with Conservatory business plan



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STORY #3

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Q & A

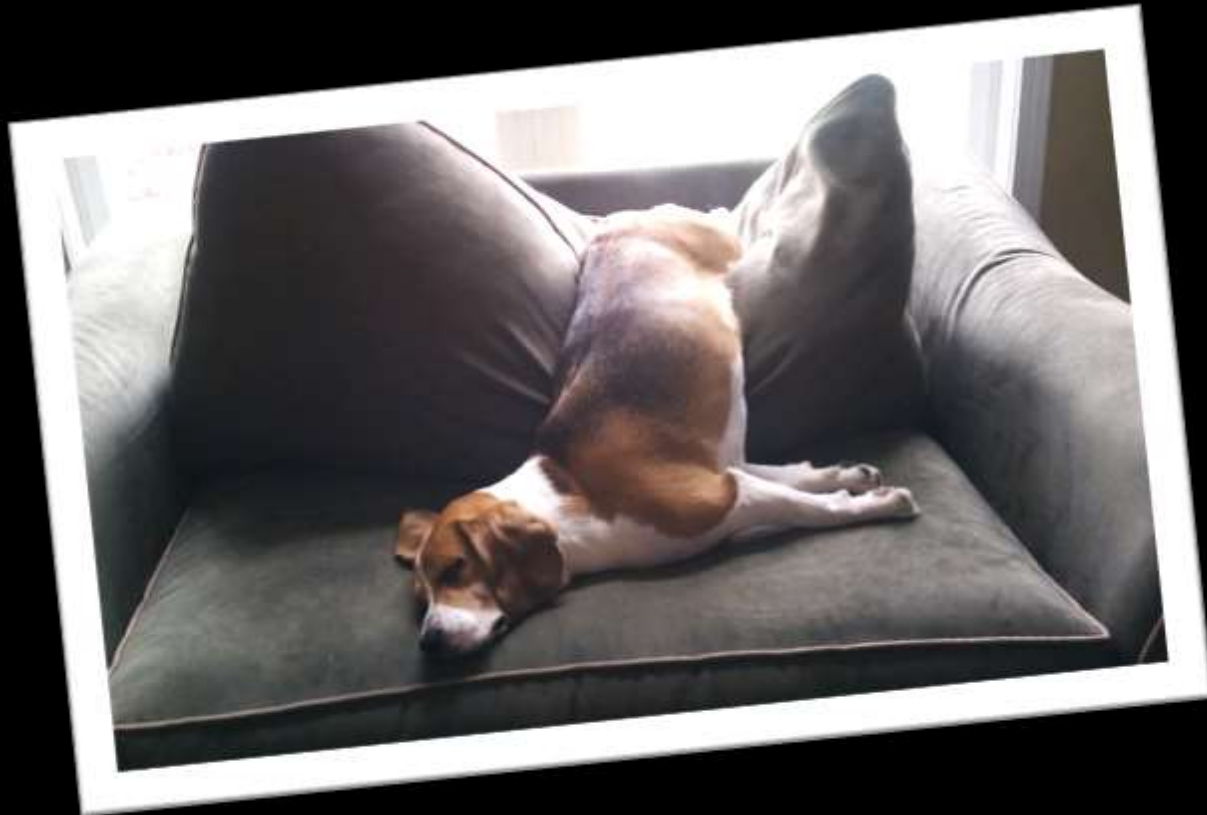


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WHEW!

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POLL QUESTION #6

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POLL QUESTION #6

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How are you feeling about your organization's earned income possibilities?



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POLL QUESTION #6



How are you feeling about your organization's earned income possibilities?

- We know exactly which one we're going to focus on.
- We're trying to decide between the top 2 possibilities.
- We have several opportunities, and are considering the best one to pursue.
- We're at a loss for a viable opportunity....and need help with ideas.

RAPID FIRE!



For those who would like help generating more ideas:

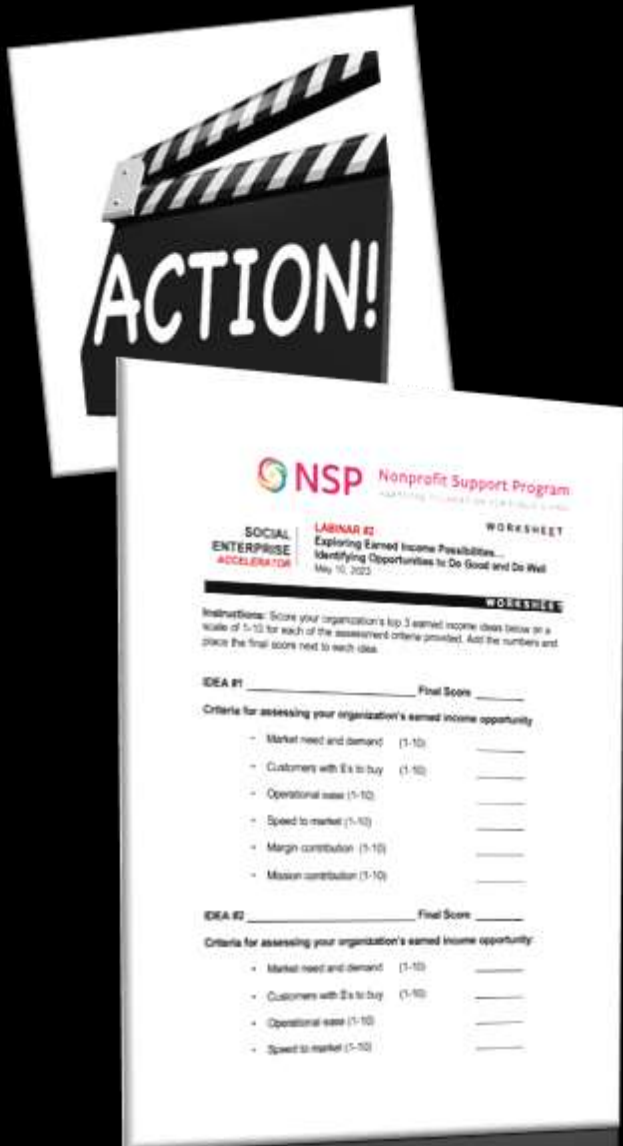
- **1 minute to share about your organization**
- **The group provides earned income “Rapid Fire” ideas**



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TAKE ACTION



Your homework...

- Assess your top earned income idea/s (scale 1-10)
 - Market need and demand
 - Customers with \$'s to purchase
 - Operational ease
 - Speed to market
 - Margin contribution
 - Mission contribution
- **Worksheet**



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NEXT STEP



Positioning your organization and earned income venture for success

- **Join us for Labinar #3**
 - **Thursday, December 19th**
 - 1:00-3:00pm**



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LABINAR #3

Criteria for Participation:

- Team of 3 attended Labinar #1-#2
 - ED / CEO, Board & Staff member



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Criteria for Participation:

- Team of 3 attended Labinar #1-#2
 - ED / CEO, Board & Staff member
- Complete and submit:
 - Follow-up survey via SurveyMonkey
 - Worksheet via email to Consultant prior to 1:1 consulting session



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Criteria for Participation:

- Team of 3 attended Labinar #1-#2
 - ED / CEO, Board & Staff member
- Complete and submit:
 - Follow-up survey via SurveyMonkey
 - Worksheet via email to Consultant prior to 1:1 consulting session
- Participate in 1:1 Zoom consulting session with NMNM Consultant
 - Your consultant will reach out if you don't have a confirmed date/time



REMINDER

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The Series Continues...

Labinar #4 **Thursday, Jan 16th: 1:00-3:00pm**

Business Planning for Nonprofits...

Developing a Blueprint for Earned Income Success



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QUESTIONS?

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THANK YOU

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**We appreciate your
participation today!**



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CONTACT

**SOCIAL
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