Mission & Money Mix
Diversifying Your Revenue Stream

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Session Objectives

- To explore the meaning of the terms social entrepreneurship/social enterprise
- To begin to understand the possible benefits and risks of integrating an earned income venture within your organization
- Explore your organizational assets
- Generate a list of earned income opportunities for your organization
What are we talking about?

Social Entrepreneurship

and/or

Social Enterprise
Social Entrepreneurs

Change Agents in the social sector who adopt a mission to create and sustain social value. They recognize and relentlessly pursue new opportunities and engage in a process of continuous innovation, adaptation, and learning.
Social Enterprise

Any organization or venture that achieves its primary social mission using **earned income** strategies.

**Earned Income** is payments received in direct exchange for a product or service.

Entrepreneur vs Enterprise

Social Entrepreneur
- Social Value
- Profit Not a Gauge
- Change Agents
- Innovation
- Risk is OK

Social Enterprise
- Mission & Money
- Earned Income
- Double Bottom Line
- Business Model
- Market Research
Earned Income is NOT

- **Traditional** funding
- Grant Money
- Gifts/Donations
- A “quick fix” out of a crisis
- For Everyone
Earned Income Ventures
Earned Income Ventures

METROPOLITAN MINISTRIES
HOPE LIVES HERE

CRISIS CENTER OF TAMPA BAY
What is Different about Earned Income?

Earned Income is....

- Generating **sustainable new resources** to support your mission
- Implementing **new ways to leverage** existing assets
- **Decreasing dependency** on the external funding community
Stages of Diversifying Income

- Dependency
- Sustainability
- Self-Sufficiency
What is Involved?

We have learned that there are eight basic steps involved in the journey to launch a successful earned income venture.
Steps in the Process

- Identify Mission & Financial Driven Outcomes
- Asset Inventory
- Brainstorm Earned Income Opportunities
- Feasibility – Market Research
Steps in the Process

- Costing & Breakeven Analysis
- Market Positioning
- Business Plan
- Financing
Potential Risks

- _______________________
- _______________________
- _______________________
- _______________________
- _______________________
- _______________________
- _______________________
- _______________________
- _______________________
- _______________________
- _______________________
Step 1: Outcomes

- Identify two or more mission driven outcomes
- Identify two or more financial driven outcomes
Mission Driven Outcomes

- Increase the number of clients served by 25% within 5 years (136 new clients)

- Develop a new program to serve an unmet market need within 3 years
Financial Driven Outcomes

- Generate 25% of the annual budget from earned income ventures; $125K within 5 years.

- Replace lost grant income of $80K within 3 years.
## Assets

<table>
<thead>
<tr>
<th>What You Know</th>
<th>What You Have</th>
<th>Who You Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpreter Services</td>
<td>Physical Assets</td>
<td>Funders</td>
</tr>
<tr>
<td>Education &amp; Training</td>
<td>Intellectual Property</td>
<td>Corporations</td>
</tr>
<tr>
<td>Barrier Removal Services</td>
<td>Brand/Reputation</td>
<td>Key Decision Makers</td>
</tr>
</tbody>
</table>
Asset Identification A Matter of Perspective

ZOO DOO

WOODLAND PARK ZOO
Step 2: Asset Identification

How: Individually
Time: 15 minutes

- Identify your organization’s key assets
- Assets are:
  - What You Know (Services)
  - What You Have (Physical, Knowledge)
  - Who You Know (Relationships)
Evaluate Your Assets

- Is your asset unique?
- Who would value the asset?
- How valuable is the asset?
- Who would pay for it?
Leverage Your Assets

Assets
- Athletic Fields
- Concession Stand
- Portable Classrooms
- Lights

Opportunities
- Field Rental for Sports Teams
- Space Rental for Special Events
Step 3: Brainstorm Earned Income Opportunities

- Review your lists of assets and brainstorm potential opportunities. (10 minutes)

- Share ideas and agree on the top 5. (10 minutes)
Objective Criteria

- Fits within our Mission
- No impact on current staff
- Will not detract from current programs
- Will enhance agency image

- No or minimal start up funding
- No initial capital expenditures
- Has potential income of $___ within ____ years
Typical Outcomes

- Fundamental and systemic changes in the way you manage your nonprofit business.

- A business plan for an earned income social enterprise venture.

- Enhancement of current programs and services by providing value added benefits that create new income sources from new payer markets and customers.

- A new objective method by which to evaluate current and future programs, services and income opportunities.

- A new language.
Assessing Organizational Readiness

- Board and Staff are willing to invest in change from *charity-think* to *sustainability*!

- Board and Staff are open-minded.

- Board and Staff create a dedicated team to learn social enterprise.

- Ensure that every member of the team is committed to the journey.

- Board and Staff are willing to invest the time and dollar resources into learning social enterprise.
Myths about Social Enterprise

- Nonprofits can’t make a profit. *You do now – you just aren’t paying taxes on it!*

- It’s a quick fix – *We can do this tomorrow.*

- If we earn money, we will lose our nonprofit status – *Nope. Not likely.*

- What if we have to pay tax? *Well, what if?*
Wrap Up

- Questions?
- Want to Learn More?
  - www.socialenterpriseventures.com
  - www.se-alliance.org
  - www.skoll.org
  - www.ssireview.org
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