



UNIVERSITY OF SAN FRANCISCO

CHANGE THE WORLD FROM HERE

Nonprofit Organizational Sustainability Assessment

by

Tiffany L. Rosso

[trosso@dons.usfca.edu](mailto:trosso@dons.usfca.edu)

Capstone Research Report Submitted in Partial Fulfillment

of the Requirements for the Degree of

Master of Nonprofit Administration

School of Management

University of San Francisco

NPA 622 Capstone Spring 2017

Dr. Marco Tavanti

## **Abstract**

Many nonprofit service organizations struggle to find the resources and infrastructure to create the organizational stability to enable them to fulfill their mission. Due to the lack of an adequate level of staff, a continuous funding stream, and a strategic plan required to build capacity and scale programs, many smaller organizations cannot meet the demand for the services provided by their organization's programs. By conducting an organizational sustainability assessment and implementing a sustainability plan, nonprofits can not only survive, but also thrive in today's nonprofit market economy.

For this research project, an organizational performance and sustainability assessment was conducted on the nonprofit organization The Forgotten Soldier Program (FSP), utilizing qualitative and quantitative research methodologies. In-depth expert interviews were performed and used for data collection and a literature review was conducted to learn more about the relevance of utilizing a sustainability plan as part of a nonprofit business model to create long-term mission impact.

Key Words: Sustainability, Forgotten Soldier Program, Organizational Assessment, Trust, Mission Impact

## **Acknowledgments**

I would like to thank my children, friends, and my travelling companion and biggest cheerleader Susanne Miller for all the support they have given me through this academic journey. My gratitude goes out to Donna Arz and The Forgotten Soldier Program for allowing me to work with them through this assessment process and trusting in my abilities to deliver recommendations. Additionally, I would like to thank my USF MNA Program Professors and my entire MNA Cohort for their continued support throughout the program. We made it!

## Table of Contents

Introduction.....	5
Background.....	6
Methodology.....	7
Organizational Performance Assessment.....	10
Data Analysis.....	12
SWOT Analysis.....	12
Sustainability Assessment.....	14
Recommendations.....	19
Conclusion.....	20
List of References.....	21
Author's Bio.....	23

## Introduction

The Forgotten Soldier Program (FSP) is an innovative 501(c)(3) charitable nonprofit organization that was started in December of 2005. The organization received its Tax ID on April 8, 2010 and over the past 11 years FSP has helped over 22,000 veterans and their family members. FSP's mission is to give hope so no one is forgotten (Forgotten Soldier Program, 2017).

The Forgotten Soldier Program specializes in developing comprehensive transitional therapies aimed at treating Moral Injuries, traumatic brain injury (TBI), post-traumatic stress disorder (PTSD), and military sexual trauma (MST). The entire FSP volunteer team is dedicated to and passionate about working with Veterans of every era and their family members. The organization provides free services and assist in the healing process of emotional and spiritual trauma and physical symptoms with holistic therapy, educational programs, and resources and transitional tools. FSP serves Sacramento, Yolo, El Dorado, Placer, Sutter, Solano, Contra Costa and Amador Counties (Forgotten Soldier Program, 2017).

FSP has a staff of one Executive Director, eight volunteer treatment service providers, and a volunteer Board of Directors. With a very limited operating budget, no source of consistent revenue stream, and lack of strategic plan, the organization's long-term stability and its ability to deliver on its mission are at risk. Based on my initial meeting with the FSP Executive Director, Donna Arz, I determined that by utilizing a sustainability methodology, I would conduct a performance assessment of the nonprofit The Forgotten Soldier Program.

## Background

The word "sustainability" to most individuals is defined as the use of environmental resources in a way that conserves and prevents depletion. For nonprofit organizations, "sustainability" is often used to describe how an organization sustains itself over time and its ability to deliver on its mission. Sustainability in the nonprofit sector includes the organization's financial stability, as well as leadership succession planning, adaptability, and strategic planning (National Council of Nonprofits, 2017). It is essential to recognize that sustainability is a process not a "one time" project. An organization does not "become" sustainable and then rest on its success. Sustainability involves all the elements and functions of an organization, and every major decision made within the organization — from human resources to finances to service delivery — must be considered through the filter of sustainability (Pathfinders.org, 2017).

Using The Forgotten Soldier Program as a nonprofit model, this project researched the methods of implementing a sustainability assessment framework for small nonprofits so these entities can gain more organizational stability, resulting in the ability to build capacity and scale programs. Although many small nonprofit organizations face numerous challenges, financial stability is the most crucial key to achieve success (Blalack, 2016). The goal of this project was to introduce evaluation tools to leaders of FSP and create useable model small nonprofits could implement to generate a sustainability plan to create more organizational stability and long-term mission impact.

The organizational assessment for The Forgotten Soldier Program included on-going interviews with the FSP Executive Director, Board Members and stakeholders. In addition, expert interviews with financial and nonprofit development professionals were also conducted. The assessment process involved a monthly meeting schedule and weekly phone/email check-ins with FSP Executive Director; performance of a SWOT analysis; FSP financial and funding strategy reviews; best practices adopted by similar organizations; and organizational assessment review to provide a framework and action plan based on the needs of the Forgotten Soldier Program.

As noted, the process of sustainability is complex and continuous; it begins when an organization defines its vision, values, and mission. An organizational assessment helps the entity develop a strategy for effectively implementing its vision and mission (Pathfinders.org, 2017). Founded on the core value principles of integrity, community engagement, and sustainability, this project focused on the three following objectives:

1. Provide FSP leadership with overall organizational assessment
2. Conduct SWOT analysis, and
3. Develop recommendations to FSP resulting from Burke-Litwin model evaluation, SWOT Analysis, sustainability assessment, and secondary data

### **Methodology**

The research project data collection spanned over the course of a year. The methodology was based on the fundamental process of relationship building

and establishing trust with the FSP Executive Director, Board Members, and volunteers through an ongoing dialogue and participation in volunteer projects and events with the organization.

Understanding that the core requirement to creating openness is the creation of an atmosphere of trust among all interested parties, I felt it was imperative to establish that rapport over time through my many interactions with the FSP leadership and stakeholders (Renz, D. and Associates, 2010). Once I established a partnership and developed trust with the key stakeholders by investing my time and donating services, I obtained a deeper understanding of the organizational needs of The Forgotten Soldier Program and the direction the assessment process would take.

I received support from the FSP leadership by emphasizing how organizational assessment results have a wide variety of uses, for example: how they can be used by an organization to build its capacity, to validate its work, to promote dialog with funders or partners, and to help devise its strategies for the future (BetterEvaluation.org, 2017).

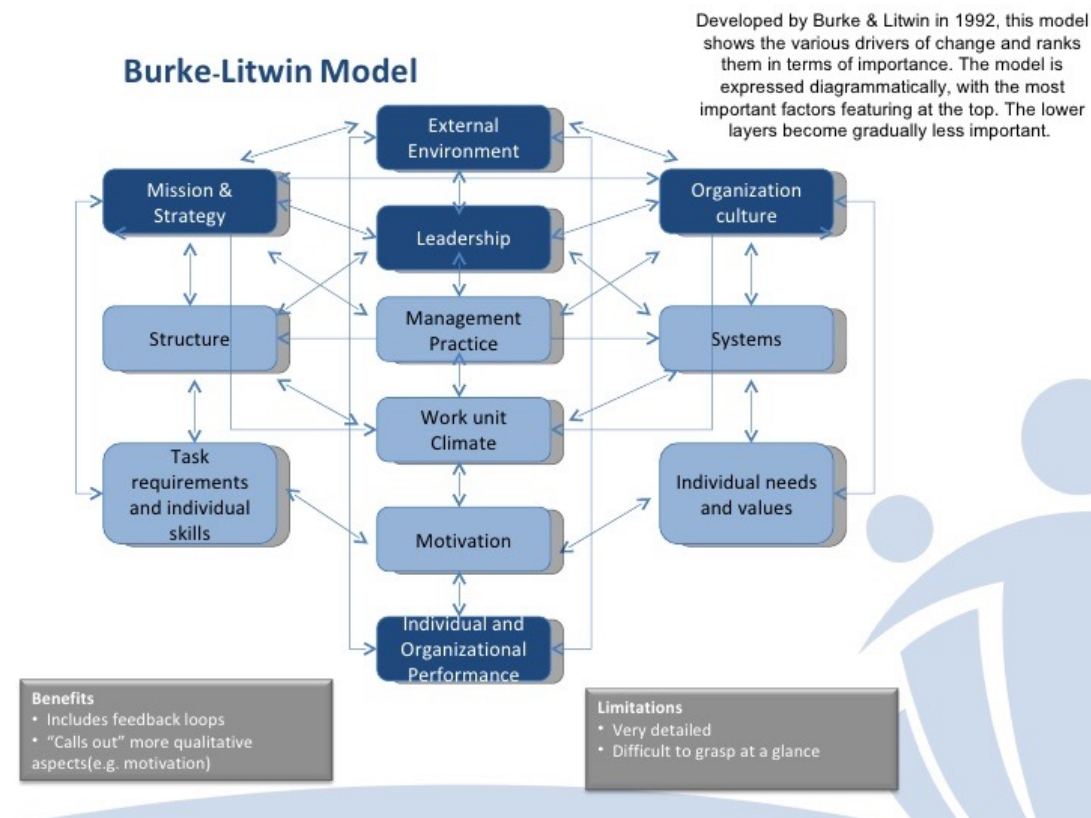
The assessment process consisted of monthly meetings and conversations that allowed me to access the data required to evaluate the needs and concerns facing the organization. The main concerns of the Executive Director were lack of funding resources and the inability to hire staff to support the program services and day-to-day operations of the nonprofit. To create organizational sustainability, sufficient resources must be devoted to the



infrastructure to keep any organization running smoothly (DeVita & Fleming, 2001).

Based on a review of various organizational assessment models, I utilized the “Burke-Litwin model” as a framework to examine organizational change and performance as a method to initiate the questions and data collection for the SWOT analysis. The Burke-Litwin model believes environmental factors to be the most important driver for change and that important elements of organizational success, such as mission and strategy, leadership and organizational culture, are often impacted by changes that originate outside the organization (Burke & Litwin 1992). **Figure 1** displays a graphic representation of the Burke-Litwin model.

**Figure 1:** The Burke-Litwin Assessment Model



## Organizational Performance Assessment

Once the data from the interview assessment process was complete, the findings were outlined and reviewed with FPS leadership. The following factors were examined through interview questions with FSP leadership to identify specific drivers for change. These questions are highlighted in the following table in **Figure 2**.

**Figure 2:** Organizational Assessment Questions Based on Burke-Litwin Assessment Model

Dimensions of Model	Key Questions
1. External Environment	What are the key external drivers? How are these likely to impact on the organization? Does the organization recognize these?
2. Mission and Strategy	What do top management see as the organization's mission and strategy? Is there a clear vision and mission statement? What are employees'/volunteers perceptions of these?
3. Leadership	Who provides overall direction for the organization? Who are the role models? What is the style of leadership? What are the perspectives of employees/volunteers?
4. Organization Culture	What are the overt and covert rules, values, customs and principles that guide organizational behavior?
5. Structure	How are functions and people arranged in specific areas and levels of responsibility? What are the key decision-making, communication and control relationships?

6. Systems	What are the organization's policies and procedures, including systems for reward and performance appraisal, management information, HR and resource and succession planning?
7. Management Practices	How do managers use human and material resources to carry out the organization's strategy?
8. Work Unit Climate	What are the collective impressions, expectations and feelings of staff? What is the nature of relationship with work unit colleagues and those in other work units?
9. Task Requirements and Individual Skills/Abilities	What are the task requirements and individual skills/abilities/knowledge needed for task effectiveness?
10. Individual Needs and Values	What do staff value in their work? What are the psychological factors that would enrich their jobs and increase job satisfaction?
11. Motivation	Do staff/volunteers feel motivated to take the action necessary to achieve the organization's strategy? Of factors 1-10, which seem to be impacting most on motivation?
12. Individual and Organizational Performance	What is the level of performance in terms of productivity, stakeholder satisfaction, quality, and community benefit? Which factors are critical for motivation and therefore performance?

(Adapted from Organizational-assessment-tools-Crowe Associates)

## Data Analysis

This assessment process also helped to facilitate the conversations necessary to conduct the SWOT analysis, which is outlined in **Figure 3**.

**Figure 3:** SWOT Analysis of The Forgotten Soldier Program

<p style="text-align: center;"><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Veteran Services</li> <li>• Dedicated Stakeholders</li> <li>• New Board Members</li> <li>• Garden</li> <li>• Volunteers</li> <li>• Annual Fundraiser</li> <li>• Community Support</li> <li>• 10+ Years of Program Success</li> <li>• New Advisory Board</li> <li>• No Rent on Building/Trade for Services</li> <li>• Board Contributions-Give or Get</li> </ul>	<p style="text-align: center;"><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• No Paid Staff</li> <li>• Dependent on Volunteer Support</li> <li>• No Consistent Revenue Stream</li> <li>• Limited Budget</li> <li>• No Sustainable Income Stream for Scaling or Capacity Building</li> <li>• No Staff to Train Volunteers</li> <li>• ED Work Load/Spread Thin</li> </ul>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Garden Programs/Events</li> <li>• Book Promotion</li> <li>• Fundraising Dinner/Events</li> <li>• Potential Coding Partnership</li> <li>• Collaboration with Other Orgs</li> <li>• Continuing Education Training Accreditation</li> <li>• Board Development Grants Opportunities</li> <li>• Marketing Plan and Branding Evaluation</li> <li>• Program Evaluation</li> </ul>	<p style="text-align: center;"><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Lack of Funding Resources</li> <li>• No Support Staff for Development</li> <li>• Competing Organizations</li> <li>• People Using FSP Resources and Expertise for Personal Gain</li> <li>• Potential Founder Syndrome/Burnout</li> <li>• No Succession Plan</li> <li>• Ego/Agenda from Outside Sources Proposing Help</li> <li>• No Program Evaluation Methods</li> </ul>

### Strengths

The Forgotten Soldier Program strengths are primarily centered on the support of dedicated volunteers that comprise the Board of Directors, maintain the property, and provide the Veteran program services. The volunteers play a vital role in the sustainability of the FSP, because they fill the staffing gap where there is lack of funding to pay salaries. Charitable organizations most frequently use the value of volunteer time for recognition events or communications to show the amount of community support an organization receives from its volunteers.

Latest figure from 2016 Bureau of Labor Statistics data, indexed by Independent Sector in April 2017, the wage equivalence for volunteers in California is \$28.46 per hour (The Independent Sector, 2016). According to the Financial Accounting Standards Board (FASB), the value of volunteer services can be incorporated into the financial statements, including statements for internal and external purposes, grant proposals, and annual reports (The Independent Sector, 2016). This accounting application can help increase the overall perceived financial stability and value proposition of the organization to outside funders and stakeholders.

### **Weaknesses**

Because FSP has no consistent funding and experiences significant fluctuations in income, the organization lacks the ability to cover overhead expenses, fund regular programs, or even compensate employees (Blalack, 2016). The continuous lack of resources limits the ability of the organization to scale programs and build capacity, which in turn reduces its mission impact.

### **Opportunities**

FSP has many opportunities that have the potential to build stability and create income for the organization. Donna Arz, Executive Director of FSP has recently completed the accreditation process with Sacramento State's Nursing Program. Completion of this process will allow FSP to be a source of continuing education training for the SSU Nursing Students. Donna Arz has created the curriculum to train the students in the process of Empathetic Touch, one of FSP's trademarked therapies. This initiative will provide an income stream received

from the tuition fees paid to FSP. Additionally, the organization has just completed a successful campaign to purchase the property adjacent to the building that houses the FSP office and on-site therapy rooms. This property has been developed into community garden beds that will be leased out for a fee and the gardens can eventually be rented out for private and community events.

### **Threats**

The main threat to FSP is in the lack of a succession plan for the founder and Executive Director, Donna Arz. Because she is the main service provider and an expert in this field of therapy and treatment for Veterans, FSP may face the possibility of closing its doors if she suddenly is removed from the organization. Nonprofits that are serious about sustainability will also be serious about planning for smooth and thoughtful transitions of leadership - as well as making sure their nonprofit is prepared for unexpected departures. Unfortunately, according to Board Source's most recent reports, only 34% of nonprofits surveyed reported that they had a written succession plan in place (National Council of Nonprofits, 2017). In addition to succession planning, FSP should also be prepared for significant downturns in the economy and reductions in government funding to Veteran programs.

### **Sustainability Assessment Criteria**

These assessment criteria were provided to the MNA cohort during the Spring 2016 course: Strategy for Social Impact: Board Governance. The assessment was adapted from *Building Sustainability for Nonprofit*

*Organizations, Community Foundations of Jackson Hole*. Outlined below in **Figure 3** is the Sustainability Assessment that was provided to FSP.

**Figure 3: Sustainability Assessment**

Using a scale of 1-3 (1 = yes, we have this; 2 = we are working on it; 3 = no, we don't have this) FSP leadership rated their organization based on these five categories:

**Category I: Clear and Compelling Vision**

**Score**

Brief, well-defined vision and/or mission statement	2
Statement of core values	1
Community assessment and feedback processes	3
Focused approach that is not redundant with other organizations' programs	3
Defined measures of success	2
<b>Category I Total</b>	<b>11</b>

**Category II: Passionate and Engaged Board of Directors**

Strategic approach to board recruitment and succession	3
Board members are articulate advocates for the organization	1
Clearly defined and consistently practiced roles and responsibilities	1
Clear expectations and accountability for board	2

members	
Written policies and procedures	2
<b>Category II Total</b>	<b>9</b>

### **Category III: Effective Communications and Marketing**

Strategic marketing plan	1
Clear, jargon-free messaging with great stories to demonstrate impact	3
Proactive communications to constituents and the communities served	3
Network of key influencers	3
Strong, content-rich website	3
<b>Category III Total</b>	<b>13</b>

### **Category IV: Strategic Approaches for Funding**

Strategic funding plan	1
Demonstrated support and participation by the board	1
Balanced portfolio of funding sources	3
Donor/funder relationship management programs	1
Endowments and reserve funds	1
<b>Category IV Total</b>	<b>7</b>



**Category V: Motivated, Professional Staff**

Clearly defined roles and expectations	3
Skills and experience commensurate with needs	3
Appropriate compensation	1
Respectful, supportive work environment with regular, constructive feedback	1
Adequate resources available	1
<b>Category V Total</b>	<b>9</b>

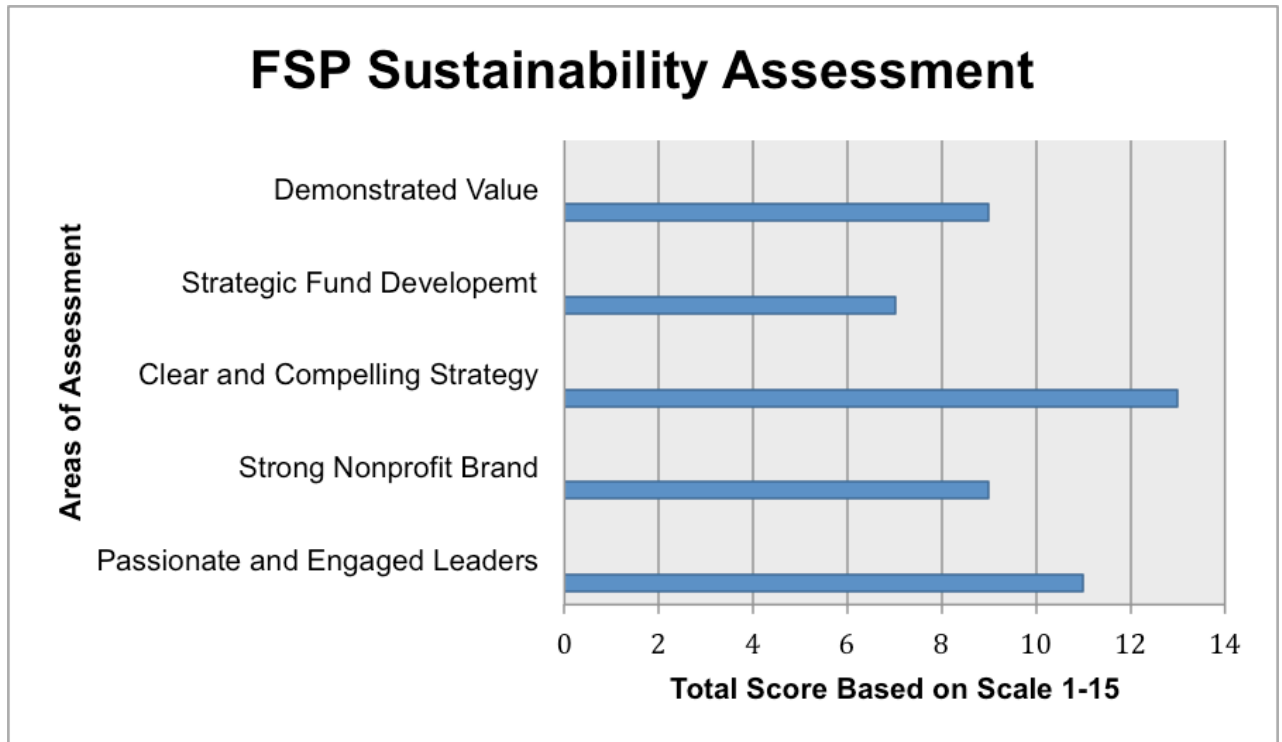
**Sub-Total Collected Data From FSP Leadership: Totals**

<b>I: Clear and Compelling Vision</b>	<b>11</b>
<b>II: Passionate, Engaged Board of Directors</b>	<b>9</b>
<b>III: Effective Communications and Marketing</b>	<b>13</b>
<b>IV: Strategic Approaches for Funding</b>	<b>7</b>
<b>V: Motivated, Professional Staff</b>	<b>9</b>

- For any section score rating from 5 – 7, roll-up your sleeves and keep listening.
- For any section score rating from 8 – 11, there is room for improvement.
- For any section score rating from 12 – 15, congratulations! You are well on your way to sustainability.

The Sustainability Assessment results are recorded in the following chart outlined below in **Figure 4**.

**Figure 4;** Sustainability Assessment Results



The results measured from the sustainability assessment provided me with the data to focus my recommendations on the strongest areas of organizational need and develop the actions to be implemented through the FSP sustainability plan.

## **Recommendations**

Based on the results of the SWOT Analysis and the Sustainability Assessment and using SMART (specific, measurable, achievable, relevant, and timescales) objectives, I have developed the following recommendations for improving The Forgotten Soldier Program's organizational stability, which will empower them to move from the mindset "survivability" to a working model of organizational sustainability.

These recommendations are included below and were presented to The Forgotten Soldier Program as their Sustainability Plan:

### **Strategic Fund Development:**

- Develop fundraising one-year and five-year plan with clear objectives and goals
- Increase board support and participation, including a give or get contribution commitment
- Expand funding sources: individual giving, grants, sponsors, community partners, and endowments
- Utilize FSP Executive Director's authored book in fundraising and grant writing process
- Invest in donor data base platform, such as Donor Perfect or Razor's Edge

### **Demonstrated Value:**

- Define and outline measures of program successes

- Collect relevant data through stakeholder pre-treatment and post treatment surveys and track and record data from past client intake forms
- Establish evaluation design and implementation process
- Model evaluations and program scaling methods by reviewing competitor organization's best practices
- Develop community assessment and feedback process; implement event surveys and focus group discussions

**Nonprofit Brand:**

- Clarify and refine mission and vision statements; refine organization's elevator pitch
- Create a statement of core values
- Implement a strategic marketing plan
- Increase online presence and social media content and platforms
- Increase community engagement through events and outreach

**Conclusion**

This project has resulted in a preliminary sustainability plan that The Forgotten Soldier can implement to lead the organization to long-term sustainability. In conclusion of my research, I believe that the combined methods used in this project can be employed as practical evaluation tools for leaders of additional small nonprofits. My hope is that this specific framework will help other nonprofit leaders in the implementation of a sustainability plan, which when applied, can create more organizational stability and increased mission impact.

## References

- Blalack, Heather M., "The Financial Stability of Nonprofit Organizations" 2016. Finance Undergraduate Honors Theses. 29.
- Bryson, J. M., *Strategic Planning for Public and Nonprofit Organizations*. (2nd ed.) San Francisco: Jossey-Bass, 1995.
- Burke, W. W., & Litwin, G. H. A Causal Model of Organizational Performance and Change. *Journal of management*, 18(3), 523-545, 1992.
- Carlson, N. F., *Replicating success: A funder's perspective on the "why" and "how" of supporting the local office of an expanding organization. A case study of Blue Ridge Foundation New York's support of the Taproot Foundation NYC*. Brooklyn: Blue Ridge Foundation New York, 2008.
- De Vita, Carol J. and Fleming, Cory, The Urban Institute: *Building Capacity in Nonprofit Organizations*, 2001
- Drucker, P. F. *Managing the Nonprofit Organization: Practices and Principles*. New York: HarperCollins, 1990.
- Evaluating the Performance of an Organization, *BetterEvaluation.org*, 2017  
Jackson Hole Community Foundation, *Building Sustainability for Nonprofit Organizations: Evaluating Effectiveness* © 2008-2015 NewLevel Group, LLC.
- NGO Financial Sustainability, Pathfinders.org, 2017. Prepared by:  
Abt Associates Inc.,  
[http://www2.pathfinder.org/site/DocServer/Fundamentals\\_of\\_NGO\\_Financial\\_Sustainability.pdf](http://www2.pathfinder.org/site/DocServer/Fundamentals_of_NGO_Financial_Sustainability.pdf)

- Price, M. L. (2006). Succession planning and sustainability in nonprofit organizations. *Wisconsin Philanthropy News*, 4-5.
- Sargent, A., Shang, J., and Associates, *Fundraising Principles and Practices*, 2010.
- Renz, D. and Associates, *The Jossey & Bass Handbook of Nonprofit Leadership and Management*, 2010.
- Sheehan, R. "Mission Accomplishment as Philanthropic Effectiveness: Key Findings from the Excellence in Philanthropy Project." *Nonprofit and Voluntary Sector Quarterly*, 1996, 25 (1), 110–123.
- Success Factors for Nonprofit Organizations, *A New Approach to the Development of Thriving Mission-Driven Enterprises*  
[http://static.squarespace.com/static/524891dce4b031f96a67af99/t/54a5b406e4b07985e3671cfe/1420145670455/PIMG\\_Success\\_Factors\\_for\\_Nonprofit\\_Organizations\\_2015.pdf](http://static.squarespace.com/static/524891dce4b031f96a67af99/t/54a5b406e4b07985e3671cfe/1420145670455/PIMG_Success_Factors_for_Nonprofit_Organizations_2015.pdf)
- The Center for the Advancement of Social Entrepreneurship, *Scaling social impact research project thought leader meeting annotated bibliography, v. 1.0*. Durham, NC: Duke University Fuqua School of Business, 2006.
- The Forgotten Soldier Program Website: [theforgottensoldierprogram.org](http://theforgottensoldierprogram.org)
- Value of Volunteer Time More Important Than Ever, Tens of Millions Dedicated to Making a Difference, *The Independent Sector*, 2016.
- Vasan, Nina & Przybylo, *Do Good Well: Your Guide to Leadership, Action and Social Innovation*, Jossey & Bass, 2013.

## Authors Bio

Tiffany Rosso is a nonprofit visionary and an agent for positive change. She has over 20 years nonprofit experience and has held many different roles in the organizations she has collaborated with. She is passionate about her work and empowers organizations to build capacity and scale programs to maximize mission impact. She takes an innovative social entrepreneurial approach to nonprofit consulting and aligns her work with her core values of integrity, community engagement, and sustainability.

Tiffany received her BA in Environmental Studies from San Jose State University, with an emphasis in education and will complete the MNA program with honors at University of San Francisco in May 2017. She is a member of Nu Lambda Mu International Honor Society, which is part of the NACC-National Academic Centers Council.

She is very excited to expand her knowledge and experience in the field of nonprofit management. In her free time, she enjoys spending time with her family and friends, exploring nature, and deepening her personal yoga practice.

*“You can do what I cannot do.*

*I can do what you cannot do.*

*Together we can do great things.”*

*~Mother Teresa*