



The Integrated Strategy for Success and Sustainability: The Impact Model

By Shelli Bischoff

Conservation Impact & Nonprofit Impact



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THE INTEGRATED STRATEGY FOR SUCCESS AND SUSTAINABILITY: THE IMPACT MODEL

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*This piece presents the Impact Model as an update to *The Integrated Strategy for Success and Sustainability*.*

An Updated Model

Years ago we wrote *The Integrated Strategy for Success and Sustainability* which defines the organizational development framework that informs all of our work. Based on our collective experience helping nonprofits and government agencies become more efficient and effective, it focused on identity, constituents, and capacity as the three integral components for success and sustainability. Most importantly, it spoke to the critical importance of *aligning* these components. For example, after an organization undertakes strategic planning to clarify its identity, it also needs to adjust its marketing efforts to engage constituents and align its systems, structures, and other aspects of its capacity to accomplish strategic goals. The fundamental idea behind the *Integrated Strategy* was that organizations with strong, clear identities, loyal, engaged constituents, and aligned capacity have strong brands that make them distinct and distinguishable. This in turn attracts the attention and support needed for success and sustainability.

A lot has changed in the nonprofit landscape in the 10+ years since we wrote the *Integrated Strategy*. By now most organizations know that being efficient and effective is no longer enough to ensure success and sustainability; they must also be strong and resilient in order to thrive.

Think of organizational strength as being analogous to your body's core. Just as strong core muscles keep your body aligned and centered, a strong organization stays focused on mission despite pressures from funders, volunteers, community members, and stakeholders. Resilience helps an organization weather changes in its environment and adapt to trends, constituent needs, competition, and new funding sources.

This strength and resilience give organizations the ability to have impact. Organizations that are strong and resilient have efficacy—the power to achieve results toward mission. This power is derived from identity (a laser-like focus on the win), constituents (meaningful connections), and capacity (the fundamental business model that supports an organization's work at the appropriate scope and scale).

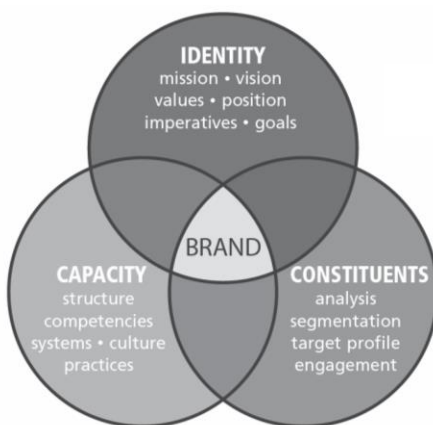
Impact is the long-lasting change brought about by an organization.

This piece presents the *Impact Model* as an update to the *Integrated Strategy*. We have revised and refreshed the *Integrated Strategy* and incorporated knowledge that we've gained through our work with 650 organizations on over 1,000 projects in 45 states. The *Impact Model* emphasizes strength and resilience and focuses on an organization's impact as the key to sustainability.

The Impact Model

Like the original *Integrated Strategy*, the *Impact Model* stems from a comprehensive systems approach that recognizes an organization as the sum total of its parts and understands that changing one part of the system triggers change in other parts. For example, identity defines constituents, but constituents also define identity. This sort of interaction is not just about alignment; it is a more fluid synergy. The organizational system seeks to bring identity, constituents, and capacity into dynamic equilibrium from which its strength and resilience will emerge. The *Impact Model* updates how each component is defined as well as the tools and processes we use to build stronger, more resilient organizational systems and bring them into dynamic equilibrium.

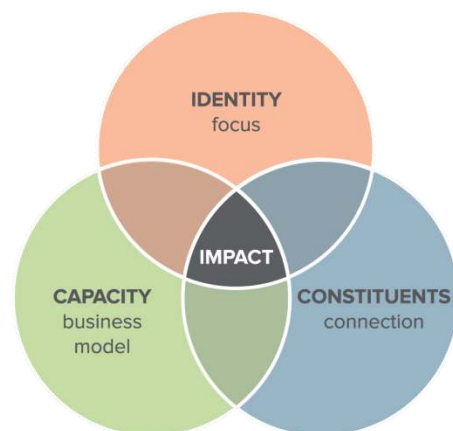
Original Integrated Strategy



From brand impact



Updated Integrated Strategy: The Impact Model



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Identity

Identity encompasses an organization's purpose, position, goals, and measures of success. In the past, the appropriate tool to address having an unclear identity was the strategic plan. However, this tool is no longer up to the task. Strategic planning—with its prescribed mission, vision, values, goals, objectives, and work plan template—detracts from an organization's important work more than it provides any needed clarity. Simply put, planning is not strategy. The *Impact Model* replaces strategic planning with strategic decision making.

Strategic decision making is a deliberate, data-driven process based on solid analysis, not on the results of a brainstorming session or the opinions of a particularly persuasive board or staff member. An objective analysis reveals an organization's external conditions, market, competition, and internal capacity, any of which might be assets or liabilities depending on the situation.

This analysis is critical because it provides context for making strategic decisions, and an organization's identity is rooted in the strategic decisions it makes. Strategic decisions, and not a fancy mission statement or visioning process, are what define the difference an organization makes in the world—the environmental, social, economic, or political problems it solves, or needs that it meets.

We like to call this difference “the win.” For conservation organizations, the win might be to protect one million acres of ecologically intact habitat, farmland, or forests. In public health, the win might be to reduce the number of people who have pre-diabetes from 500,000 to 200,000 by the year 2020. Regardless of what the win is, it is at the core of an organization's identity, and an organization's identity is like its DNA. It makes the organization what it is, and everything else emanates from that.

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audiences,
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Constituents

An organization's constituents align with its identity. Constituents are those people who care enough about the win to take action on its behalf. We used to talk about creating loyal, engaged constituents and relying on market analyses and marketing plans to understand and engage them. The *Impact Model's* approach to constituents is more complex and sophisticated. It focuses on connecting with constituents at multiple levels and considers how social networks, generational cohort nuances, philanthropy, and competition influence those connections. Further, the *Impact Model* segments constituents into three groups: audiences, beneficiaries, and strategic partners.

The first segment, audiences, includes both a broader cohort of interested followers and a smaller core audience of affiliates. Followers are interested in addressing an issue or solving a problem. They may track related stories and topics and participate from a distance or episodically. In contrast, affiliates are the core audience—they care about the cause and the organization and are loyally affiliated with both. An organization connects more intimately and develops deeper, more personal relationships with its affiliates than it does with its followers.

Beneficiaries, the second segment, includes an organization's investors and investees. Investees, those in whom the organization invests, are the clients, customers, or participants it serves, while investors are those who invest in the organization and its success. Investors depend on the organization to connect their investment to investees. The terms beneficiary, investor, and investee are used deliberately to reflect that a nonprofit must have a value proposition and demonstrate return on investment.

Strategic partners make up the third constituent segment. Strategic partners are a specific, defined set of people or organizations with whom an organization must work in order to have impact (i.e., not everyone with whom an organization works). A strategic partnership requires that each partner bring a distinct asset, play a specific role, and collaborate closely to create value and success that neither could achieve alone.

By developing an intimate understanding of their needs and interests and relating to them in the ways that are most relevant and resonant, organizations achieve meaningful connections with their audiences,

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beneficiaries, and strategic partners. The best tool for developing this understanding and defining strategies to reach constituents is still a marketing plan, or constituent development plan.

In order to define and describe constituents relative to an organization and integrate that understanding throughout the organization, an objective analysis is needed. Strategies to connect with constituents must be deliberate, comprehensive, and based on that analysis. Sometimes the best strategies involve adapting or creating new services, programs, and/or delivery methods in addition to a complementary blend of earned, paid, and social media, promotion, and public relations. It is vital to remember that with strategies that rely on technology to maintain constituent relationships, direct, personal contact is still important.

Deep connections with audiences, beneficiaries, and strategic partners are the basis of a truly constituent-centered culture. This culture relies on a deliberate constituent relationship management system (i.e., the processes and practices that support relationships) to facilitate those connections and integrate them into everything an organization does. Building constituent connections by using both mass customization (broad) and deep personalization (individual) is the responsibility of everyone within an organization.

Capacity

Capacity is “the business of the business.” We have always worked with our clients to develop, improve, and align various aspects of capacity with identity and constituents. The *Impact Model’s* approach to capacity is more holistic and comprehensive than before. The updated definitions of identity and constituents call for more than new and better systems, structures, and human resources. Rather, they require a fundamentally new business model—one that focuses on all aspects of an organization’s capacity. Indeed, any organization founded in the last century (i.e., before 2000!) very likely needs to refresh, adapt, or fully reinvent its business model in order to have impact.

A business model defines how an organization attracts and deploys resources and capacity to achieve impact. Consider how a business model can help, or hinder, an organization’s ability to connect with followers and transform them into volunteers, members, and supporters. Today’s organizations have

Capacity is “the business of the business”.

an exciting, challenging opportunity to connect with followers who are members of the Millennial (who bring fresh talents, worldviews, and extended social media networks) and Baby Boomer (who bring invaluable expertise, experience, and free time, if they are retired) generations. An organization with a business model that relies on traditional work schedules, volunteer programs, and recruitment strategies will struggle to connect with these two groups. A more effective business model would include new ways to attract, retain, and manage talent, ensuring that all human resources (staff, board, and volunteer skills, time, and energy) are strategically deployed towards the win with high accountability to that outcome.

A business model also addresses how an organization secures its financial resources. The model highlights those revenue streams (both philanthropic and earned revenue) that best complement an organization’s mission and support its work. These revenue streams must be defined and developed more deliberately, often based on distinct assets or a unique position in the marketplace. For example, a conservation organization that is the sole developer of walking trails in its service area may be uniquely positioned to attract support from foundations interested in community health. The business model also defines the investors with whom an organization must connect and how to make the case for investment.

At the heart of the new business model is a dedication to collecting, managing, and analyzing relevant data that tracks regular, daily progress toward the win and informs data-driven decision making. Whether it is donor data, market profiles, or social media analytics, data analysis can no longer be considered once every so many years as part of a planning process. It must now be part of daily operations without exception.

The new business model organizes all aspects of capacity into a cohesive whole.

In addition to tracking success metrics, strategic financial data and analysis is paramount. Strategic financial analysis tells the story of an organization’s operations on a daily basis and is a clear indicator of how financial capacity supports identity and constituents. Knowing how money is coming in and how it is allocated, from a managerial as opposed to an accounting perspective, is critical.

The new business model organizes all aspects of capacity into a cohesive whole. It defines how an organization attracts and strategically deploys

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resources toward the win, provides protocol for collecting and analyzing data to track progress and inform decision making, and ensures accountability through transparency.

Impact

The synergy that emerges from having an identity that is highly focused on the win, connected constituents, and the new business model allows an organization to achieve impact. Impact is the organization's reason for being. It is the difference that it makes—not what is *done*, but what is *achieved*. The original *Integrated Strategy* considered brand—that which makes an organization distinct and distinguishable—the key to attracting the necessary support and to being sustainable. The *Impact Model* shows that sustainability is no longer about brand; it's about getting results. For an organization to be truly successful and sustainable, it must have impact.

Impactful organizations need only a few measures of success. When identity, constituents, and capacity are defined and aligned, these metrics are obvious. Using a dashboard that defines the three or four indicators most critical to monitoring organizational health is a powerful way to keep the organization focused on impact.

Application

We apply the *Impact Model* in all of our work, as the framework for analysis, to take an organization to its next level, or to update a business model. Regardless of the scope and scale of a project, our approach is grounded in an objective, systematic analysis and a deliberate, data-driven decision making and development process.

With projects that are more comprehensive in nature, such as helping an organization to dramatically update or fully reinvent its business model, the most useful tool is a business plan. Whether it is as simple as a few diagrams, or as complex as a 40-page report, a business plan serves as an organization's *Impact Model* blueprint. It illustrates an organization's strength and resilience and defines how identity, constituents, and capacity work together. It guides internal actions and attracts investment. Most importantly, it demonstrates an organization's deliberate approach to achieving impact.

Conclusion

We have updated and refined the original *Integrated Strategy for Success and Sustainability* to create the *Impact Model* in order to help organizations achieve impact in an ever-changing and challenging world. The model focuses on what is most essential and effective:

- ▲ Identity: laser-like focus on the win and strategic decision making
- ▲ Constituents: connections with audiences, beneficiaries, and strategic partners
- ▲ Capacity: the business model and data-driven decisions

The *Impact Model* is all about impact. The fundamental duty of mission-driven organizations, whether they work on conservation, public health, food systems, community development, or any other worthy cause, is to make an impact and create long-lasting change. The *Impact Model* helps them to achieve this by offering a comprehensive and proven framework for building a strong, resilient, and sustainable organization.

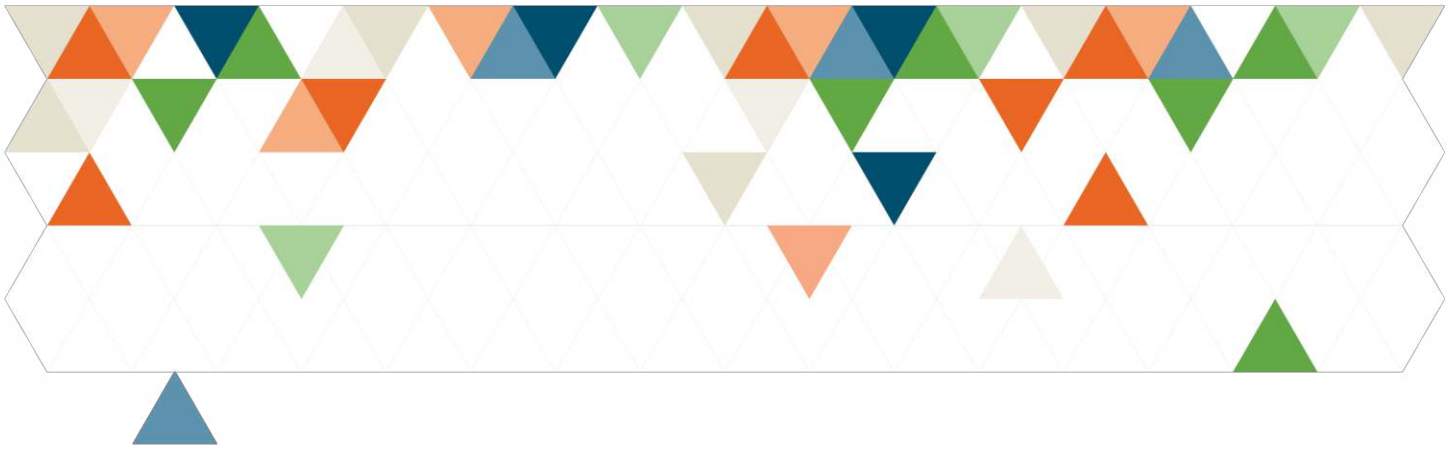
About the Author



Shelli Bischoff is the president and founder of Conservation Impact and Nonprofit Impact. She has 30 years of experience in nonprofit and public management, planning, marketing, and organizational development. She has provided technical assistance and consulting services to thousands of nonprofits, public agencies, and small businesses throughout the country.

Shelli is a much sought-after consultant and trainer known for her focus on outcomes, her passion for organizational impact, and her dynamic and candid style. She is a strategic thinker who gets to the core of issues, creates practical solutions, and inspires clients to achieve greater impact than they could have ever imagined.

Shelli is currently an adjunct faculty member at the Colorado School of Public Health, previously served as adjunct faculty in the Regis University Master of Nonprofit Management Program, and has been a visiting professor at College of the Atlantic. She has held several nonprofit management positions, created successful, revenue-generating nonprofit ventures, and has served on nonprofit boards. She holds a Master's of Public Administration from the University of Colorado.



Your impact is our mission.

Conservation Impact and Nonprofit Impact are client-centered practices of our mission-driven, B Corp certified company. We work to radically impact how organizations achieve results towards mission and demonstrate impact. We provide comprehensive planning, marketing, and organizational development consulting and training solely to nonprofits, public agencies, and foundations. Our practices focus on the conservation, environment, food systems, healthy living, and healthy aging sectors.

Founded in 1996, we have successfully completed more than 1,010 projects with 675 clients in 46 states and five countries. In all our work, we apply a comprehensive systems approach as defined in our *Integrated Strategy*. We have distinct expertise in strategic decision making, positioning, marketing, organization analysis and development, business planning, and sustainability.

For more information about our practices, our team, and our work, please visit us online at NonprofitImpact.com and ConservationImpact.com or call us at 303-223-4886.