

THE PATH TO PROGRAM SUSTAINABILITY

BY KAREN BUCK

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Sustainability: funders expect it and practitioners aspire to it. But how do you do it?

The question of how to sustain evidence-based programs has been discussed, debated, and worried over. And in light of the recent recession and ongoing federal and state budget challenges, the long-term sustainability of these programs is a growing concern in the state and local public health agencies, healthy aging agencies, and community-based organizations that deliver them. Yet the path between, “think about sustainability during planning,” and, “be sustainable before funding ends,” remains elusive.

Nonprofit Impact uses a three-step process to build a path between thinking about and achieving program sustainability. Nonprofit Impact has used this straightforward process with numerous agencies and organizations to determine if the sustainability of a program is feasible and develop specific sustainability plans that ensure a future for important, impactful programs and services.

This article will introduce you to the path to program sustainability, using two evidence-based Self-Management Programs (SMPs) to illustrate each step. SMPs were chosen as an example because they share key characteristics with other types of evidence-based programs. As with other evidence-based programs, the lead SMP coordinator in their state and programs are delivered by local community-based organizations including nonprofits, public health entities, Area Agencies on Aging, faith-based organizations, and private and nonprofit healthcare providers.

What is an SMP?

Self-Management Programs (SMPs) are evidence-based programs that deliver a curriculum of skills and information to participants with a chronic disease. Some focus on those with a particular diagnosis, such as diabetes or HIV, while others serve those with any chronic health problem.

Healthy eating, exercise, self-advocacy, adherence to medication, and other self-management practices are taught and a community of support is developed.

The evidence base supporting SMPs is strong and demonstrates important health and quality of life benefits for program participants and significant health care cost savings. An evaluation of Stanford's Chronic Disease Self-Management Program found a cost to savings ratio of approximately 1:4.

SMPs focus on evaluation and regularly monitor program fidelity to maintain the evidence base—both of which are common priorities of evidence-based programs. And lastly, most SMPs are dependent to some extent on federal funding—the future of which is in question.

The Sustainability Conundrum

Before outlining the three steps on the path to program sustainability, let's consider why the current approach to sustainability rarely works. The dominant funding and delivery model followed by most evidence-based programs includes: securing the majority of funding from one or two sources; working with local organizations and agencies to implement the program; and gathering data, learning lessons, and building infrastructure. This model serves to get the program implemented and delivers measurable results. However, the current model fails to deliberately, methodically plan for long-term sustainability. Instead, the model seems to assume that sustainability will be a naturally occurring side effect: demonstrate results and a private funding source will emerge, partners will raise needed funds locally, or an organization will build the program into its annual budget. Unfortunately, most practitioners have a great deal of evidence to the contrary.

Despite not leading to long-term sustainability, both the model and the assumption that it will lead to sustainability persist. Nonprofit Impact has found that the root of the problem lies with a core misunderstanding about the very nature of program sustainability: that sustainability equals money.

Sustainability and funding are not the same thing. Program sustainability is about much more than money. This mis-definition of sustainability neglects important variables like operating environment, leadership, political support, human capacity, and

technological and organizational infrastructure.

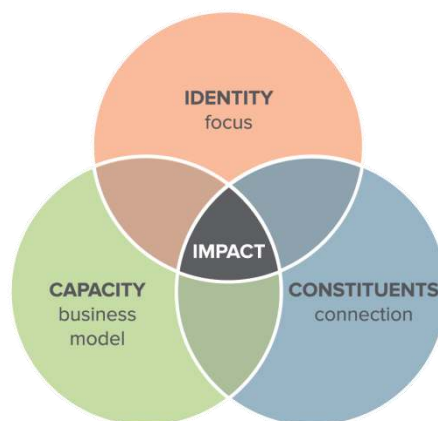
Instead, Nonprofit Impact defines sustainability as:

Having the human, financial, technological, and organizational resources to provide services to meet needs and attain results towards mission on an ongoing basis; and requiring the organizational and programmatic infrastructure to carry out core functions independent of individuals or one-time opportunities.

A New Model for Sustainability

The current model yields sustainability planning efforts that focus primarily on finding a new revenue stream to replace one that is ending. At best, this approach postpones the sustainability question for a few more years (i.e., until the new funder ends its support).

Nonprofit Impact's *Integrated Strategy for Success and Sustainability* offers an alternative model for sustainability—one that considers all aspects of a program as a cohesive whole rather than singling out funding as the key to sustainability. The model shows that a program needs a strong, clear identity, a base of engaged constituents, and capacity that is aligned to deliver the results promised by its identity and meet the needs of its constituents in order to be sustainable.



Integrated Strategy for Success and Sustainability
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Programs with these characteristics are able to attract and retain supporters and achieve significant mission-

related outcomes. They have discarded the current model and have a new sustainability model in place—one that defines their identity, constituents, and capacity and guides the development of the program towards a more sustainable future.

The Path to Program Sustainability

Nonprofit Impact has worked with many state and local agencies and community-based organizations around the country on questions of program sustainability. We have learned that while every program’s situation is unique, these three steps provide a path that fills in the gap between thinking about and achieving sustainability in most situations.

Each step poses a specific question program leaders must answer objectively and thoroughly. Your answers to the question posed at each step allow you to determine whether or not it is feasible to sustain your program. If so, develop a customized model to achieve long-term sustainability.

Answering these questions can be simple or complex, depending upon the situation. We will explain each step, the question it poses, and considerations for answering each question through the experiences of two different SMP examples:

Program A	Program B
State-level healthy aging & public health agencies lead program coordinators	State-level chronic disease program lead program coordinator
Offers 3 different evidence-based programs for variety of chronic conditions	Offers 1 evidence-based, disease-specific program
Serves 3,000+ participants/ year	Serves 3,000+ participants/ year
Robust central infrastructure (website, branding, 1-800 number, etc.)	Limited infrastructure; state staff supplies curriculum materials and some technical assistance
Program delivered by 30+ very diverse local partners with varying structure, capacity, and dedication to program	Program delivered exclusively by staff of 3 hospitals; very dedicated to program
Federal and state grants fund central infrastructure; program deliverers raise money locally (private, state)	Federal chronic disease-specific grants fund state-level position (TA provider) and materials costs
Signs indicate decline in federal and state funds are on the horizon	SMP-related line items in most recent grant application were defunded

Step 1: What exactly are we trying to sustain?

The first step on the path to program sustainability is to specifically define what must be sustained. What constitutes successful program sustainability can vary widely. For example, when asked this question some of our clients clarify that they want to sustain staff positions while others want to sustain a funding stream for local program delivery partners, statewide programmatic infrastructure, or the availability of a program for a certain disparate population.

Answering this question is a critical first step as it defines the desired outcome of a sustainability planning effort. This step forces conversation about what is negotiable and non-negotiable. It can illuminate any sacred cows, underlying assumptions, or differences in opinion among program leaders.

However you define what is to be sustained, that definition holds direct implications for the next steps along the path. Consider how our two SMPs answered the question: “What exactly are you trying to sustain?”

defines what is non-negotiable: anything that violates program fidelity. They want to maintain program access and health and quality of life outcomes for program participants and they see maintaining program fidelity as the way to do that.

Program B’s answer to the question is quite different and reflects its unique situation. This answer implies the urgency of the situation (funding is ending) and the limited amount of direct control current SMP leaders have over whether or not the program continues. The de-funding of Program B means that any program-related staff will soon be laid off or transitioned to other tasks, inferring limited staff resources and a short timeline to work on sustainability. Program B’s answer indicates that the future of program sustainability depends upon a new agency or organization taking on the state’s program-related responsibilities and the three hospital partners continuing to deliver the program despite that change. This implies that the hospitals and the new agency/organization must be engaged as full partners in any sustainability planning effort.

Program A	Program B
We want to maintain access to our two primary SMPs for the citizens of our state (at the current level, or at a higher level) and ensure that the program is delivered in a way that maintains program fidelity	We want another organization or agency to take full ownership of our program costs and tasks and of the hospitals that deliver our disease-specific SMP to continue offering the program at the same level of access

Program A’s answer indicates that maintaining access to the program is paramount—regardless of who delivers it. This makes program staff positions, existing delivery partners, or any central infrastructure negotiable. This is not to say that Program A wants to do away with those staff, partners, or structures, but that they are open to new approaches. This openness combined with the interest in increasing program access if possible indicates a desire to explore different options and scenarios. Program A’s answer also

Defining exactly what is to be sustained is the job of program leaders—those with deep knowledge of and decision-making authority over the program in question. Take the time needed to have a thorough discussion and to ensure that program leaders are in agreement. Be specific, explicit, and thorough. The more clearly you define what is to be sustained, the more easily you will be able to navigate the next two steps on the path to program sustainability.

Step 2: How much will sustaining that cost?

The second step on the path to program sustainability is to determine how much sustaining the program (as you defined it in Step 1) will cost. For some reason, many program leaders never stop to accurately calculate the cost of program sustainability. Perhaps this is because understanding program costs can be quite complex. For example, costs may vary widely across a program’s service area, be shared across many different departments, or be built in as a percentage of overhead rather than tracked in a program-specific account.

Regardless of this complexity, it is important to complete this step. This step grounds your efforts in reality and serves as a first check on the scope and scale of your plans. One client estimated that their vision of program sustainability would cost over \$10 million per year—a wildly unrealistic amount given that state’s economy and budget. And, you must be able to answer financial questions confidently and accurately when discussing program sustainability with funders, potential supporters, and partners—a task for which this step will leave you well prepared.

Whether determining what program sustainability costs is a simple or complex task, an accurate calculation will enable you to take the third step along the path. To understand how much their definitions of program sustainability cost, our two SMPs:

Program A’s approach to determining costs reflects the definition of program sustainability they developed in Step 1.

Understanding how program delivery costs varied across their state and using that information to calculate an average per unit cost allowed them to build different cost scenarios— one at the existing level of program delivery and one at the hoped-for higher level of program delivery. And since for Program A the current staffing, delivery model, and infrastructure are negotiable, they requested bids and reviewed salary surveys to understand what maintaining those items would cost outside the government sector. This approach helped Program A build a variety of cost scenarios depending upon level of program delivery, staff, and infrastructure.

Program B’s approach also reflects their definition of program sustainability. They began by asking the hospital partners to share the value of the program costs they provided such as meeting space, staff time, and overhead. Next, accounting staff broke out the state-covered program costs from overhead and program staff requested bids from outside vendors to understand how those costs might change for a new sponsoring agency or organization. This approach allowed Program B to prepare accurate financial

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Program A	Program B
Asked program delivery partners to report program costs by line item and reviewed financial reports	Asked hospital partners to share costs for the program delivery components the hospitals provided
Defined an average “per unit cost” (i.e., program delivery costs/ participant)	Worked with accounting staff to calculate costs for program materials
Gathered bids to estimate costs of maintaining current infrastructure	Gathered bids and researched what the private market charged for the program support the state used to provide

Understanding if the environment is supportive answers the crucial question—is sustaining this program at this cost feasible?

estimates of the costs of program ownership with potential new program sponsors.

Work with accounting staff, partners, contractors, and grantees to understand

actual program costs. Reach out to national associations for relevant salary survey information. Contact colleagues in other states or programs that fulfill a similar function and request expense information. Analyze grantee, contractor, and partner financial reports to understand cost variations across your state. Pick up the phone and get bids and estimates from vendors. The more accurate your cost estimates, the more readily you will be able to answer the question posed by the third step on the path to program sustainability.

Step 3: Does the environment support sustainability?

The third step on the path to program sustainability is to understand if, and to what extent, your operating environment supports program sustainability. Every program operates in a unique environment in regards to sustainability. For example, in one state the prevailing political trends may indicate growing support for program-related outcomes while in

another, economic conditions may make raising needed funds extremely challenging.

Understanding if the environment is supportive answers the crucial question—is sustaining this program at this cost feasible? This step requires learning whether the program’s results are highly valued and by whom. It highlights relevant trends and issues that will impact your program, funding prospects, and partners. And it uncovers and examines obstacles that can hinder and opportunities that can support sustainability.

Conducting an objective analysis of your program’s environment for sustainability not only answers the question of feasibility. It also provides insight that informs the development of the program’s sustainability model. Consider what our two SMPs learned about their operating environments:

For Program A, the environment for program sustainability appears promising. Current legislation is making the healthcare industry more open to effective prevention efforts. And while that same industry has questions regarding the evidence base, that feedback also tells Program A exactly what kind of evaluation data they need to collect and how to package that data. Once more useful evaluation data is developed, Program A is in a good position to take advantage of

Program A	Program B
Opinions/Perceptions: commitment level of delivery partners varies widely and the healthcare industry questions if the SMP healthcare cost savings data is applicable to their state	Opinions/Perceptions: state staff assume that the hospital partners value the SMP in general, but lack any first-hand information as to whether, and to what extent, the hospitals' top management support the program
External Trends/Issues: healthcare reform legislation is currently being enacted and causing increased interest in and pressure for prevention	External Trends/Issues: state budget cuts have increased and are affecting potential program sponsors (e.g., local public health, Area Agencies on Aging)
Obstacles/Opportunities: precedents of similar programs becoming reimbursed by insurance providers exist; less than 10% of existing delivery partners are set up to process such payments	Obstacles/Opportunities: no private foundations are funding programs of this type; two of the hospital partners have robust community benefit programs with dedicated funding

prevailing trends. Program leaders can cite the precedent of similar programs becoming reimbursable to open up new revenue streams and use their customized evaluation data to position as the answer the industry needs to new legislative mandates. These potential funding streams and partner relationships hold significant implications for Program A's sustainability model by pointing to a steadier, more reliable revenue source. Further, the variability in program delivery partners' commitment to the program and their limited ability to process third party payments imply that the model requires a centralized means of processing payments and a fully committed delivery network that can meet growing program access demands in order to be truly sustainable.

For Program B, the environment is less supportive of sustainability. No private funders appear likely to replace the lost grant source and increased state budget cuts exclude that funding source as well. In fact, the state cuts have progressed to a point where the agencies and organization that Program B had considered approaching to become the new program sponsor are unable to take on any new initiatives. Meanwhile, program leaders realized that they were uncertain as to whether the executive leadership of their hospital partners supported the program and its results, which led them to examine those partners more closely. They learned that two hospitals have strong community benefit programs (a requirement that nonprofit hospitals enhance community health/wellness).

Understanding the environment for sustainability left Program B with only one potential sustainability model—convincing their hospital partners to take over full ownership of the program. While this puts Program B in a difficult position, examining the operating environment has led to a deeper understanding of what the hospitals have invested financially in the program as well as insight into what kinds of community benefits two of the three partners

are most committed to providing. Program B leaders can use this information along with the program sustainability cost estimates and program results data to make the strongest case possible to hospital leadership.

To understand your program's environment for sustainability, start asking questions. Conduct interviews or focus groups with funders, partners, contractors, grantees, and program participants to learn which program results they value and why. Connect with content area experts to fully understand how trends and issues will impact the future of your program and your participants. Examine perceived obstacles and opportunities closely to see how much they will hinder or support your efforts. Once you understand your program's environment for sustainability, you can answer the feasibility question and begin to develop the sustainability model that best suits your program.

The three steps on the path to program sustainability provide a systematic means to determine if sustainability is feasible for your program. But, this also means that you may learn that sustainability is not feasible.

Some Bad News and a Powerful Tool

The three steps on the path to program sustainability provide a systematic means to determine if sustainability is feasible for your program. But, this also means that you may learn that sustainability is *not* feasible. In the case of Program B if the hospital partners refuse to take on program ownership, no other feasible option exists. When this happens, consider why sustainability is not feasible. Is the timing wrong, are the results delivered by the program considered a “nice to have” but not critically important, or might a different definition of program sustainability prove more feasible?

However, if the three steps show that sustaining the program as you have defined it is feasible, then each step provides information that informs the

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development of a sustainability model appropriate for your program. And for many programs in that position, a sustainability plan is a useful tool to fully define that model and help turn feasibility into reality.

A sustainability plan is a document analogous to a business plan in the private sector. For an evidence-based program, a sustainability plan defines that program's sustainability model—its identity, constituents, and capacity. It also uses the information regarding costs (from Step 2) and potential revenue sources (from Step 3) to build a revenue model that demonstrates how the program can be financially viable.

- ▲ **Identity:** program description, track record/ history, goals, expected results
- ▲ **Constituents:** who is served, strategic partners, customers, competition, marketing/ outreach strategies
- ▲ **Capacity:** how program will organize to reach constituents and deliver results—structure, staffing, systems, management/ leadership, program delivery, etc.
- ▲ **Revenue Model:** expense budgets, revenue sources, and funding strategies

A sustainability plan is such a useful tool that can be used internally and externally to move the program towards a more sustainable future. Internally, the plan defines where the program is going. With this future desired state clearly outlined, program leaders can analyze the gap between where the program is now and where it needs to go and identify steps that need to be taken. The plan becomes a guide for program development and can inform program management decisions. The plan also helps explain the new model to staff. To make the plan most useful internally, many

sustainability plans include sections that address implementation.

Externally, the sustainability plan is a powerful communication tool. It can communicate the model to partners, contractors, and stakeholders and address any fears or concerns proactively. The plan can also be used to invite investment in the same way a small business owner shares a business plan with their bank when applying for a loan. We have many clients who use their sustainability plans with private foundations, state legislators, and federal funders to make a strong case for financial support.

Lastly, the plan itself effectively communicates the thorough and thoughtful approach you are taking to sustaining your program and signals that this is a serious initiative. Done well, it can position the program as a provider of significant, important results rather than as one grant-seeker among many. This can be especially useful when seeking new partners and supporters, especially ones from nontraditional sectors. With this in mind, ensure that your sustainability plan includes a section that summarizes the problem the program impacts and why the program's results matter in that context and that any jargon is translated into language that is understood by your potential supporters.

What follows is a sample sustainability plan outline, taken from a plan we created for a client's evidence-based program:

- ▲ Introduction
 - History and current situation
 - Potential for impact and sustainability
 - Purpose and methodology
- ▲ Identity
 - Problem statement
 - Program overview/ content
 - Mission, values, and goals
 - Program niche/ position

- ▲ Constituents
 - Target market (program participants)
 - Segment profiles, needs, and interests
 - Strategic partnerships
 - Public relations and outreach strategies
- ▲ Capacity
 - Business model
 - Leadership and management
 - Staffing (organizational chart)
 - Program delivery (roles and responsibilities)
 - Systems, processes, and procedures
- ▲ Finances
 - Revenue model
 - Estimated expenses and revenues
 - Projections and scenarios
- ▲ Implementation
 - Key implementation steps or milestones
 - Timeline

Conclusion

No “silver bullet” exists for program sustainability. There is no one organizational structure, staffing mix, type of partnership or coalition, or funding strategy that works in every situation. And the current model of securing the majority of funding from one or two

sources, implementing the program, and documenting results does not ensure sustainability in the long-term.

The three steps of the path to program sustainability offer a powerful, practical, and *proven* way to address sustainability. The key to program sustainability is not what worked in another state, how a funder expects you to structure your partnerships, or a new funding source— instead it lies in following the three steps and answering:

- ▲ What *exactly* are we trying to sustain?
- ▲ How much will sustaining that cost?
- ▲ Does the environment support sustainability?

Follow the path and answer the questions deliberately, objectively, and thoroughly and what is learned will determine if sustainability is feasible, and if so, will inform the design of a sustainability model that fits for your program, your state, and your programmatic outcomes. The outcomes realized through evidence-based programs are too important to leave to chance. It’s time to take a fresh look at our assumptions and mis-definitions and follow the three steps to real, long-term program sustainability.

About the Author



Karen Buck is a consultant with Nonprofit Impact, a client-centered practice of our mission-driven, B Corp certified comp any that works to radically impact how organizations achieve results towards mission and demonstrate impact. Nonprofit Impact specializes in planning and organizational development in public health, education, and human services solely for government agencies and nonprofit organizations. Over the past eight years, Karen has worked with numerous clients to create organization-wide and program-specific sustainability plans.

During her time with Nonprofit Impact, Karen has helped clients increase their sustainability and engage staff, partners, and community members in capacity building efforts. In addition to her work with clients, Karen is also a well-regarded speaker and trainer who has been invited to present at many national conferences and to teach full-day training sessions on topics including program sustainability, project management, and partner relations management across the country.

Karen came to Nonprofit Impact with 15 years of experience in key fundraising and management positions with health, human service, and civic engagement organizations. She has a master’s degree with honors in nonprofit management from Regis University.



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