

Transcript – Episode 126 - [Set the Goals, Secure the Funding, Prepare for Liftoff! Mini Program Planning Series, Part Two](#)

Dolph Goldenburg: Welcome to the Successful Nonprofits™ Podcast. I'm your host Dolph Goldenburg. This is part two of our two-part series on program planning. One of the things that I did not mention in part one is that I actually presented this while I was a faculty member at the CenterLink boot camp in Fort Lauderdale, Florida, I had a great time with the 17 brand-new executive directors of LGTBQ community centers all across the country. I was presented on three things. We called it tactical management, planning programs and people. As I was presenting this, I was struck by the energy, enthusiasm, knowledge and expertise in that room. I think I've probably shared this with listeners, but I'm a firm believer that you never do something only once.

So, now that I've put together this presentation for the boot camp, I thought I should also turn this into a presentation for the podcast listeners. Now hundreds of people will get to hear it on the podcast. So, in the first part of this series we talked about the basics of program planning. So, coming up with your statement of need, really going through and identifying why a specific program is needed, trying to identify the specific type of program that you're going to provide with as much laser focus as possible. And, of course, we also talked about the key role of the program work group or program design committee and how they have to be responsible for making sure the statement of need is accurate for making sure that the focus of the program is a good one and also for ensuring that you've got all of those logistics just wrapped up like a bow – so everything from staffing to location to regulations to partners and more.

If you missed that first episode, please make sure you go back and listen to it. While these could stand alone, I think you'll get a lot more out of this second episode if you also listened to the first. As promised, today we're going to talk about how to set goals, how to track goals, how to get initial funding, find that sustaining funding. Also, I wanted to share a few out-of-the-box ideas, but let's start by talking about goals.

One of the things that I find really confuses a lot of folks is the difference between goals that are outputs and goals that are outcomes. So, let's spend a little bit of time really walking through that.

Whenever I present to a group and I ask the difference between outputs and outcomes, there's always a lot of confusion. First, let's talk about outputs. Outputs refers to the actual service that you are delivering. For example, if you are a soup kitchen, an output is a meal that a person that is served. It is that unit of service. If you're a mental health counseling center, an output might be the individual clients that are served and the number of them, the number of individual units that are provided, the number of groups that are offered, et cetera. All of those are outputs. Outputs are important to track, and they're often the first thing we track and the easiest thing we track. But if you can, also identify some outcomes to track as part of your program plan. Let's talk about what an outcome is.

An outcome is a change in knowledge, skills, behavior, or even a broad change in your community that you can both measure and document. Let's go back to the mental health counseling center. You know, a mental health counseling center could probably do a pretest and a posttest and determine if individuals have any changes and their knowledge, skills, behaviors, et cetera. As an example, let's say that this mental health center focuses specifically on older adults that are experiencing loneliness and isolation. Well, the mental health center could probably do a pretest before people actually get their first counseling session, maybe as part of intake, right? And that pretest maybe essentially could assess social isolation and provide some type of a quantifiable scale for social isolation. And then you could, after eight or 10 sessions, do a posttest and see, has social isolation stayed the same?

Has it decreased? Has it increased? Measuring loneliness and trying to have an impact to really decrease loneliness – that is an outcome. Now, let's take another example, this time of a workforce development organization. So, this organization provides soft skills training, and output would be the number of people that enter the training program. Another output might be the number of people that graduate, but an outcome might be the number of people who maintain a job for six months. So that maintenance of a job for six months might be an outcome. An additional outcome might be tracking income over time. So, what were people's incomes when they entered the program and what were people's income six months after they graduated from the program? Both of those are outcomes. So as you're working on your program design, try to think about what outputs you're going to be able to track and measure.

Doing that upfront will be so much easier because in your very initial clients that you're serving, you're going to be capturing that data. And I will promise you as you go out and approach funders, they are going to be impressed that you already have an evaluation system in place. Now in order to demonstrate to your funders that you have that evaluation system and that it's ready to go, you've also got to figure out not just what you're going to measure but how you're going to measure it. Are you going to use a pretest and posttest? If you're going to use a pre- and posttest, are you going to create them or are you going to find a licensed test that you can purchase? Typically, when you purchase a license test, you'll actually pay per test administered.

Perhaps - as in the workforce development example that I gave a few moments ago - your measurement tools include that you actually call up the individual that graduated from your soft skills training program and ask, "Hey, are you still working? Great, I'm glad that you are. How much are you making per hour? Or how much are you making a week?" That is a self-report, and sometimes self-reports are not as accurate. But it's an easy way to get the data and keep in mind that the harder it is to get your data, the less likely it is that you will be able to get it.

Regardless of the tools that you decide to use, you've collected all of this data. Where are you going to put it all? To some extent, it probably depends on whether this is a program for 10 people, a hundred people or a thousand people. If it's a program for 10 people, honestly just keeping it in client files is probably okay because then when you want to crunch the data, you just pull the 10 files, pull out a sheet of paper, make some marks, figure out how many outputs and know what your outcomes have been.

But when you start talking about a hundred people or thousands of people, that's when it's really going to be critical to make sure that you've got some type of a database to track this. It could be as simple as Excel. It might be more complicated like a client CRM, or it could be something in between - maybe SPS, access database, or a salesforce database, but it's really going to be important to make sure that if you're capturing data on a lot of people, you have a way to get it all into some type of an electronic format and you have a way of getting it out so that you can share with your funders, but also so that you as a program or an organization can look at your data and say, "Okay, are we meeting the goals that we said we were going to meet? Are we actually meeting that need that we had identified?"

Without this data, you will not be able to do that. So, I also promised that today we would talk about how to find that initial funding as well as sustainable funding. While a lot of nonprofits and boards don't necessarily like to hear this, the best place to get the initial funding for a new program is one of a couple of sources. And again, I'm assuming this is a brand-new program that's not just a branch-off of an existing program that you're already offering.

The first source are those individuals who are already supporting you. They believe in your organization. They believe in your mission and what you need to do is kind of sell them on this new program plan and this program design. Now, if you've got a couple of these prospective major donors on your program design group as well, it becomes an even easier sale.

The other source of initial funding are typically those foundations who have already supported you for other programs. In this case, they know you, and they like you. Assuming that you have been responsive and turned in all of your reports and have been successful in the other program funding that they've given you, they are very likely to take a risk and say, "Okay, we're going to fund a third of this program who are half of this program. We'd like to see the following reports over the next six months or 12 months." So, your initial funding will almost always come essentially from those funders who already know about you.

As you're completing those initial grant proposals to foundations who already know you and like you, there's always this question, how are you going to have sustainable funding over the long-term? And you know, it's not surprising the foundation will ask you this question because most foundations don't want to give to you every single year for the next 45 years. In fact, the vast majority of foundations might support you one out of every two or three years or might support you for, you know, two or three consecutive years and then want you to take a couple of years off. And so that question of sustainable funding is critically important. The first thing that I would suggest is that you probably asked those foundations for a multiyear grant, but that you show that their donation, i.e. their investment, decreases every year. As an example, maybe the first year it's 50,000, the second year it's 30,000 and the third year it's 10,000. Now, most foundations are not actually going to give you a three-year grant, but it sets it up so that you can go back next year and ask for that \$30,000 and say, "Hey look, we are right smack where we thought we would be in this program plan. We have already raised the other \$20,000 to these more sustainable funding sources and now what we need or is \$30,000 again. Then, in year

three, you can go back and ask for the \$10,000. So, it really set you up for success even if the foundation normally does not entertain multiyear grants.

But let's talk about that sustainable funding. Where is that going to come from? Well, typically a few sources. The first, of course, our government grants, and government grants are a lot more reliable in terms of receiving them every year, year in and year out. Once you get into a specific government grants [dream], it is not at all unusual for that same government funding source to fund you for a decade or two decades consecutively. So something else to think about though, in terms of sustainable funding are some ways that you can earn income.

Can you charge participants anything? Now, of course, if you're talking about a homeless program, you probably can't, but if it's a theater, you probably can. If it's a mental health counseling organization, you probably can do some type of a sliding scale depending on what your funders requirements are around charging your clients. Definitely think about ways that you might be able to earn income by actually getting clients to pay for a portion of the service. And then the last bucket for earned income is of course contracts for services. If you recall, when we were talking about program design, I mentioned partners, and it's really important to have a written agreement with your partners. Well, once your program is up and running, if you're providing a real value to partners, maybe you can ask them to also pay for a portion of the cost of running that program.

And you could do that in a number of different ways. It could be, you know, they pay you for each person they refer and that are accepted into your program. You know, it could be that if you're providing a specific service onsite for them, they're paying you a set amount each month to provide that service onsite. There are a number of different ways that you can structure that.

As I'm thinking about ongoing funding, those are the two primary sources. There's one more source of sustainable ongoing funding, but it's a long-term game and not a short-term game. And when I say long-term game, I mean this takes decades and not years, and that is planned giving. There is nothing like having the individual who likes your program so much that they are willing to leave enough in their estate plan to really endow the program to pay a specific percentage of the operating for that program.

Don't forget about planned giving, but please do keep in mind that that's a long game. And what you're going to first start with is your initial funding, and once you get that funding, you're going to start to then work on finding those sustainable funding sources and starting to approach them and from there maybe you move into plan giving although a lot of organizations never get to that point.

At this point we have talked in the episode about how to determine your goals and how to track them. We've talked about how to find that initial funding as well as the sustainable funding. Once you can answer all of those questions, then you are ready to write your grant proposal.

Before you do sit down to write that grant proposal, there are three out-of-the-box ideas I want you and your program design group to think about. The first one is I want you to think about the Minimum Viable Product concept. If you go back and listen to episode 106 with Ann Mei Chang, the author of Lean Impact, she introduces the concept of the Minimum Viable Product, and that is the smallest amount of service or product that you could possibly offer so that you can test whether or not there's a market for it. Is your program design successful? Do you have everything you need set up to be able to track your data and gather your data? The minimum viable product allows you to do all of that. Let's give a couple of examples. Let's say that you are that mental health counseling center that wants to start providing counseling to older adults that are experiencing social isolation.

You've created your program design, you've determined what modalities you're going to use, you, you know, have you figured out which staff person on your team is going to be able to do this and do it well. So now instead of going out and getting 10 new clients, go and get two clients, that's right market and just only take into clients. The first thing that it will do is give you a sense of what the actual demand is. Could you even get one client based on how you were marketing it? The second thing it will allow you to do though is do a real-life trial run of your pre-and posttest to measure social isolation. And the third thing that will do is it will also give you a sense of whether or not this is a good fit for your organization and for the clientele that you serve.

Do not forget minimum viable product. I would definitely recommend that if you're interested in starting any program, that you also go back and listen to episode 106 it with Ann Mei Chang. Incredible, phenomenal episode. Also, I would suggest maybe you get her book. That's the first out-of-the-box idea. The second one is maybe instead of starting a permanent program, start a test project that has a planned beginning date and a plant end date. For example, if I had that HUD fiasco that I talked about in the last episode to do over again, instead of creating groups that would start and then continue forever, I would maybe create a family preservation group that was going to be eight weeks long, would have a curriculum, and would take folks through that curriculum. At the end of it, the test pilot project be done and then all of the team, the staff, the volunteers would all kind of ask, what did we do well?

What should we do differently? We would follow up with the clients to track whatever outcomes it is. We said we were going to track, but also to get their feedback. Keep in mind that when we're designing programs for people, the people we're designing them for need to be a part of that design process. And so, there's this kind of continuous feedback loop of, "Okay, we've done A, we've done B, we've done C. Let's go ask the folks that have done all three, how they feel about it. And more importantly, let's ask the folks who dropped out after A or dropped out after B why they dropped out. Because if we can figure that out we can be even more successful. But that really only happens when you start as a test project. Again, you have a very specific point at which you're going to stop and then you're going to go through and evaluate.

The final out of the box idea that I really want you and your program design team to be thinking about is: consider outsourcing the service or the program at first.

And so, let's use the mental health counseling center that really wants to start doing work with socially isolated and lonely seniors. Maybe instead of having one of their team members who may or may not have a specialty in the senior population, try to provide this service. Go find a contractor where 75% of their private practice are older adults and ask them to come in as a contractor to do the minimum viable product or to do the test project. That will give you a real sense of whether or not this can be successful without taking the risk of hiring a permanent staff member who have this program ends up not working out. You've got to figure out how you're going to lay them off, or you're going to find something else for them to do. So at the end of the last episode, those are the three things I promised that I would cover.

I also just want to give you one more bonus - a timeline. So, if you're thinking about how long it should take you to plan a program, frankly, you're probably looking at about four to 12 months depending on how much research you're going to do and what you're thinking of as program development stages versus program implementation stages.

You start with your program planning group, and that will probably take you a month or two to form that group. Keeping in mind you want to get the right people on the program Planning Group and then the program planning group is going to be working on your needs assessment. Also, conceptualizing the program plan itself, that's probably going to take you between three and six months and a lot of that will depend on how much staff support the program planning group has. The more staff support it has, the faster the planning process will happen. Once you've done that, now you're ready to go out and secure some initial funding. Maybe it's for an eight-week or 12-week test project or maybe you've found the perfect contractor to outsource your Minimum Viable Product to, and the funding is just to pay that contractor and cover your outreach costs. Whatever that funding is, you're probably going to take two to five months to secure your initial funding.

Now you've got your funding in place and your program plan in place, it's time to ramp up, and that means hiring staff or onboarding those contractors and actually doing your outreach and serving your first client. I would estimate conservatively that three months is the minimum amount of time ramp up. We'll take a lot of government grants actually only give you three months of ramp up, but that's because they assume that you've already done this as a test project.

So, ramp up should not take as long, but ramp up might take five months – especially if this is a brand-new project and you're starting from ground zero with all your staff in place and your outreach just rolling out like a well-oiled machine because the program design group and the staff have really done their jobs well. You are now ready to begin providing the service, but your program implementation is not over yet, and here's why: You have also committed to doing an evaluation.

Depending on that timescale, program implementation is not complete until you have completed your first evaluation and used that as a feedback loop to inform your program design and your program development.

And so dear listeners, that is the end of part two of our program design and implementation miniseries. And I call it a miniseries because there are only two parts. Don't forget to go to our show notes at www.successfulnonprofits.com, and you will be able to get the two-page planning design template. Remember, once you can answer all of those questions, then you are ready to seek funding and launch your program. That is our show for this week. I hope that you have gained some insight to help your nonprofit thrive in a competitive environment.