

Sustainability: “Making the Case for Strategic Investment in Economic Development”

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Sustainability is “**the capacity to endure.**”¹ In recent years, language to create a “sustainable business model” has entered the nonprofit world. Forum for the Future describes three components for a sustainable business model. These include:

1. **commercial success** - the product/service has a “value proposition” important enough that a customer will “pay” enough for it that it generates a profit (excess revenue over expenses)
2. **future ready** - it will succeed in a world of rising, volatile energy and commodity prices
3. **part of a sustainable society** - The organization must match its external environmental conditions with a thriving economy that is delivering social progress within environmental limits.²

In other words, to be sustainable, **an organization must offer a “value proposition” that “makes a difference in the world” in a way that someone is willing to fund.** Economic and workforce development agencies are important catalysts for economic growth, yet funding for these programs have been cut in recent years, at an economic time when investment should be increased. How sustainable is your agency? The answer lies in your ability to make a “case for support” for investment in your programs and services.

“The case for support is a necessary first step in preparing to ask for major gifts,” says Ted Wood, veteran fundraising counsel that has helped dozens of nonprofits reach their fundraising goals. The case itself draws specifically from the organization’s strategic plan and details the project and/or program to be funded. It highlights the urgency of the project and/or program to the organization and the relevance to the potential donors.”



Many economic development agencies “shortcut” this process then wonder why they have trouble raising money. Developing a “compelling case for support” is required whether you are seeking federal or state grants or cultivating sponsoring investment from a local corporation. Steps include:

1. **Establish (or participate in) a “macro” regional visioning and planning process.** In recent years, the US Department of Housing and Urban Development (HUD), through their sustainable communities’ grants, has funded collaborative efforts that bring together diverse interests from municipalities in a region to determine how best to target housing, economic and workforce development, and infrastructure investments to create more jobs and regional economic activity. While not every region will qualify for a grant to conduct a

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¹ n.a. (2010). Sustainability: Can our society endure? SustainAbility. Retrieved from <http://www.sustainability.com/sustainability>

² Brent, David. (2011, November 17). Characteristics of a sustainable business model. Forum for the Future. Retrieved from <http://www.forumforthefuture.org/blog/characteristics-sustainable-business->



special effort, plans generally exist and are periodically updated within each sector. Nonprofit hospitals are also now required by law to conduct community health needs assessments and implementation plans every three years. Establish a mechanism to integrate these plans and facilitate cross-sector collaboration in your community/region.

2. **Create a specific strategic plan for your agency.** This is not a warm fuzzy vision statement and goals. Determine the role your agency/entity plays within your community/region and specific program of work that your agency will do. Outline the specific (new and innovative) programs and approaches including legislative advocacy that you will undertake; identify the human, capital and operating resources that it will take to manage, measure and evaluate the outcomes and impact.

3. **Quantify the expected outcomes and economic impact of the strategic investment.** What happens to clients, the program and agency overall if the investment is made? Investors and funders are looking for programs that not only achieve outcomes, but also either “save the system money” or “achieve a return on investment” either immediately or over time. Complete a 3-5 year financial proforma illustrating the effect that the investment will have on the companies and people served, the outcomes they achieve, and the sustainability of your agency. Quantify the financial/economic impact of the job creation and private investment that your program outcomes will generate over time.

4. **Strategically engage your board in your program of work through an effective committee structure.** Sadly, many economic development workforce development agency boards are either too big, or they rubber stamp or micromanage agency operations, when they should be governing the agency and strategically advancing the regional economic development and infrastructure “agenda.” Well intentioned elected officials, board leaders and executive directors, while wanting to facilitate change, often stay “stuck”, citing “politics” as the barrier. In reality, however, many simply lack the knowledge of governance practices and process to facilitate that change, which is often quite possible and much easier than they realize.

5. **Create an attractive case for support “document” that includes data and emotion-evoking stories.** While the organization’s professional staff can draft it, the final product needs the hands-on input and review (not rubber stamp) of volunteer leaders and community stakeholders. When subjected to this team effort, both administrative and volunteer leadership take ownership for the success of the case they have “authored”. This is one of the best ways to get board members engaged in the fundraising process, making them problem-solvers and door openers when it comes to securing community commitment and investment.

Investors (both private and public) have become more sophisticated and want information regarding the “difference” their investment makes. It is becoming more difficult, if not impossible, for economic development organizations to obtain funding if they are not operating at this level. It is imperative for nonprofit leaders and board members to recognize that sustainability is dependent on a strategic approach to governance, planning and fundraising, and learn these skills today.



Founded in 1998,

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Our unique process

of combining analytical research capabilities, group process techniques, and planning tools, blended with enthusiasm, energy, and total dedication to each client’s success, has resulted in hundreds of clients who have achieved remarkable outcomes.

Our projects

and clients have been recognized as best practices by the PA and NY Departments of Health, PA Department of Education and Welfare, the US Department of Health & Human Services, PA Partners, MD Workforce Development Association, and the International Economic Development Council. We are certified as a Women’s Business Enterprise in PA, WV, VA, GA and FL.

About Debra Thompson

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