

PHILANTHROPY WEST VIRGINIA'S REVENUE GENERATION PLAN

PERFORMANCE REVIEW & FUTURE PROJECTIONS:

Executive Summary: To ensure our financial stability and effective planning for operations, this is a review of our past four years of performance and updating our strategy associated with our new strategic plan, "Meaningful Action: Learning, Leveraging, & Leading". Included is a tracking of our performance since 2012 referencing our initial goals in 2012 and projecting growth for 2018 through 2020. As noted in the identified priorities and needs by the Board of Directors at our June 2016 planning session and with the development of our new strategic plan, strong revenue generation is critical and needs to include all board members and staff. The following is outlined to highlight (1) Revenue Generation Plan progress, (2) Future areas for Growth, (3) New Practices for 2017-2020, and (4) Strategic Plan & Revenue Management. The success of this works requires both a support and involvement of staff, board and Philanthropy WV members.

(1) Revenue Generation Plan Progress: As adopted in 2012, Philanthropy WV has spent the past four years on diversifying our revenue streams from 3 to 4 income sources to an expanded 7 to 8. The following is a recap of progress and projected areas for goals for our new plan taking the organization through 2018 and 2020. The following is the review and projected growth opportunities:

LINE ITEM:	2012	2015 GOAL <i>% of budget</i>	2013	2014	2015	2015 %	2018 GOAL	DETAILS: <i>(our growth goal is to reach and sustain \$350K for core operating)</i>
Membership Dues:	9.8%	25% by 2015	\$21,400	\$22,050	\$38,500	13.1%	20-25%	By 2020, this would be \$70K to \$87.5K with a goal of membership at or above 100.
Foundation Investments:								
- <i>Strategic Program Grants</i>	14.8%	25.4%	\$92,500	\$59,780	\$146,500	49.7%	35%	This would be \$122.5K
- <i>Philanthropic Partners Program</i>			\$30,400	\$37,400	\$34,525	11.7%	14.2%	This would be \$50,000
Corporate Investments:		10% by 2015						
- <i>Cause Marketing</i>	0%						5-10%	\$17,500.
- <i>Program & Conference Sponsorships</i>	5.7%		\$16,000	\$22,500	\$21,250	7.2%	14.2%	\$50,000
Program Service Revenue/Earned Income:								
- <i>Conference & Program Registrations</i>	4.5%	10% by 2015	\$12,535	\$16,962	\$30,910.5	10.5%	11.4%	\$40,000:
- <i>Sparkling Solutions Consulting Program</i>	8%	10-15% by 2015	\$5,750	\$8,951	\$9,560.16	3.2%	10%	\$35,000:
- <i>WVNPA Fiscal Sponsorships</i>	0%		\$10,000	\$12,000	\$11,930		0%	
- <i>Collaboratives/ Affinity Groups/Networking Groups</i>	0%						3%	\$10,500
- <i>Shared Services</i>	0%						5%	\$17,500
Interest Earnings					\$1,360.48	0.5%	0.5%	\$1,750
Special Projects/Leadership Programs	0%	10% by 2015					4.3%	\$15,000
TOTAL INCOME:			\$208,483	\$201,080	\$294,822		\$350,000	<i>This income growth would support three full-time staff people plus one part-time.</i>

2. Future Areas for Growth: Keeping pace with the changing environment of revenue generation as a civic enterprise and operating non-profit organization is critical to ensure we sustain and grow. Our value as an organization has tremendously increased as to what programs, services, and member support we provide. With an established period of practice (2012-2016) in our revenue generation work, Philanthropy WV uses these past four years of market performance to determine where we should grow our revenue streams by adding new components or retire those that are not performing as needed (including possible discontinuation of programs). The following is a breakdown of where to focus the categories above:

(a) Membership Dues: With the goal of growing to 100 plus members, the next 20 or more members we will approach all prospects, but we need to bring in those that pay a higher dues rate such as medium to large WV based private and family foundations, out of state grantmakers, and corporate giving programs/foundations. For example, if we brought on 20 new corporate members at their basic rate that would contribute at least \$20K more in revenue closing in our goal of \$70K to \$85K per year. Additionally, to ensure strong membership retention and growth Philanthropy WV will need to bring on a Director of Membership & Outreach to support effective member engagement, marketing, and additional revenue generation. The current staff component and at our membership level are aware they are not providing the level of attention to each member as they wish they should and could do. The addition of this critical staff role will make it possible for Philanthropy WV to focus in on the staff component that our organization requires to fulfill our mission.

(b) Foundation Investments: **(a) Strategic Program Grants:** Philanthropy WV will work with members using a program investment plan each year to engage at least 5 to 15 members in support of strategic programs, goals or work areas of the organization. Focus on building multi-year commitments among foundation investments in programs and funding collaboratives. The organization will apply our work with a critical eye for a program or service is not covered financially through sponsorships, registrations, grants or others it will need to be discontinued. **(b) Philanthropic Partners Program:** We will also expand our member support of the Philanthropy Partners Program. If we are honored with the continued challenge grant of the Benedum Foundation each year, the President & CEO will focus on leveraging the \$17,000 to bring in an additional \$33,000. Per the board's suggestion at the June 2016, we will develop a board contribution program to have 100% of BOD participation beyond dues. [Strategies associated with both are included in the attachments].

(c) Corporate Investments:

i.) Cause Marketing: Involve sponsorships of online and physical marketing opportunities, sponsorship of online tools, and intellectual resources. (Members Portal sponsorship, Newsletter advertising sponsors, vendor/consultant resource page on our website for advertising, etc.) Take us from the appeal to the deal that connects quality vendors, services, etc. with our dynamic membership. We will not sale our members names, but instead provide promotional opportunities on member only resources to corporate partners.

ii.) Program & Conference Sponsorships: Recruit sponsors for all programs increasing annual conference sponsorships to at least \$35,000 (using this as a greater profit center) and have sponsors for other programs such as Spring Forums, Webinars, Seminars, Learning to Action series, etc.

(d) Program Service Revenue/Earned Income:

i.) Conference & Program Registrations: Maintain the accessibility of programs for members without over pricing programs and events. Increase the profitability of programs with registration prices that include an honest compensation for staff time in planning/coordination; increase the price difference for member versus non-member rates, use specific 1 or 2 events per year for recruitment of new members that have a lower non-member rate, but other have a substantial higher non-member tier that encourages membership.

ii.) Sparking Solutions Consulting Services: Using the upgrades to the consulting and strategic planning services to engage sub-contractor issue experts. This will be evaluated each year to track potential clients, resources, and options available.

iii.) WVNPFA Fiscal Sponsorship: Anticipated retirement of this relationship by 2019 thus allowing for Philanthropy WV to focus on our members, programs, and services. We will consider fiscal sponsorships of other programs as reviewed and considered that fit within our mission and strategic priorities.

iv.) Collaborations/Affinity Groups/Networking Groups: Per our vetting processed outlined in our Program & Collaborative Guidelines, Philanthropy WV will specialized services to meet those that meet our organizational priorities and expertise. Funding intermediary roles with regional/national foundations, program collaboratives, networking groups, etc. will have a component that covers staff time and planning. The fees will be assessed per project and outlined in the agreements with the partners.

v.) Shared Services: This is a partnership opportunity to advance our needs and services to benefit our members and the state. We will use entrepreneurial opportunities to enhance the coverage of our expenses and increase the diverse revenue streams.

(e) Interest Earnings: These will be less than 1% of options for the organization at this stage. Due to market performance we cannot expect a high level of revenue from this area of service.

(f) Special Projects/Leadership Programs:

(g) Creating Endowments: While not listed in the tracking of past and present above, this item was mentioned several times in our June 2016 Board Planning session. 2018 will mark our 25th Anniversary and it presents a great opportunity to act strategically to move our organization’s financial sustainability to a new level. A strategy for developing endowments is included below. This will need input and leadership from the Board and our new Mission Advancement Team along with the Finance & Administration Team.

(3) New Practices 2017-2020: While Philanthropy WV will be focusing on our annual revenue generation, we have to set our eyes toward the future for developing a strong base of long-term investments and resources. This transformation of an approach takes us from our days in 2011 of surviving to moving beyond our “Twenty Years and Thriving” strategic plan to one of excelling in particular as we will be celebrating our 25th Anniversary as an organization in 2018. As identified by the board of directors and staff with the 2017-2020 strategic plan, we must have more sustainable resources for the organization. Taking into the account our identified priorities in the strategic plan, our operational needs, and our Silvery Anniversary Year of 2018 the following outlines four priority areas for the development of long-term revenue streams for endowment development of the organization including:

- (a) Organizational Impact & Development:** Create at least a \$400,000 endowment with a naming gift of Philanthropy WV’s Offices as the “Named” WV Center for Philanthropy. This would be with a minimum total gift of \$500,000 at once or over 3 to 5 years of which up to \$50K of the gift would be used for current year operations, office updates, and needs for organization management. The remaining \$450,000 would be put into an endowment with one of our community foundation members to serve as our agency endowment. Each year’s annual revenue from the endowment would be put toward our organization’s core operating budget for office rent, utilities, phone/internet, technology, audit, insurance, salaries, etc. [Prospects are to be identified.]
- (b) Program Hosting & Educational:** Create at least two individual \$50,000 endowments that would be used to create permanent support of specific programs and educational services. An example this could be the “Named” Webinar Series or “Name” Lecture/Seminar each year at the annual conference or part of other programming features. [Prospects are to be identified.]
- (c) 25th Anniversary Leadership & Promotion of Philanthropy:** With the variety of landmark work that our organization delivers each and over the past five years, Philanthropy WV will work with foundations or individual donors to create at least two new endowments to support the leadership development of staff at Philanthropy WV and our leadership work. An example of what would be created is that for at least \$40,000 the “Named” Spirit of Philanthropy Awards endowment would be created to host the awards ceremony each year. Another option is for at least \$35,000 would create the Leadership Development endowment to support the training and development of Philanthropy WV’s staff. We would recruit additional funds to support immediate work in this area.
- (d) Special Projects & Partnerships:** At the current level of operations and revenue generation, we know that for staff capacity to grow we must use innovative approaches to build out our work and partnership development. One successful new program has been working with WVU’s College of Law with the policy and legal fellowship for the spring into early summer of 2016. The fellows work can provide us with professional expertise, a dynamic learning environment for a graduate or professional degree candidate, and deliver quality services and programs. An endowment creating a new fund of at least \$100,000, but a goal of \$250,000 would make it possible for us to annually support having fellows for our team’s work.

These identified endowment operations are above and beyond annual revenue generation, but tied into a one-time special 25th Anniversary campaign for our organization. As we know, endowment creation by foundations leaves a very limited list of interested parties, but we must be pro-active in this work. Our overall campaign goal for these priorities would be: \$925,000. Staff working with the Board Chair, Vice-Chair, Secretary and Treasurer along with the Mission Advancement Committee will identify prospects and make solicitations to reach this goal. This outline will serve as the initial framework for the committee to build off and move forward with securing our goals.

(4) Strategic Plan & Revenue Management: Beginning in 2017, the staff and board will manage the organization’s annual revenue generation in a quarterly format in the following fashion:

<u>QUARTER:</u>	<u>PRIORITY 1</u>	<u>PRIORITY 2</u>	<u>PRIORITY 3</u>	<u>TOTALS:</u>
1st: January – March	Membership Due Renewal	Grants	Sponsorships	15% of budget
2nd: April – June	Sponsorships	Grants: PPP & General Support	Registrations	40% of budget
3rd: July – September	Registrations/Sponsorships	Grants	Consulting	75% of budget
4th: October – December	Grants/Sponsorships	Consulting	Capturing Unpaid Invoices	100% of budget

