Webinar

Understanding the Mission-Money Matrix

Facilitated by

Alice Antonelli, Director
Nonprofit Finance Fund

May 25, 2021
1 pm ET
Acknowledgment of Indigenous Territories

“Land acknowledgments are a stepping stone to honouring broken treaty relationships.”

We invite you to acknowledge the Indigenous Territory you are joining us from:

https://native-land.ca/
Nonprofit Finance Fund: Where Money Meets Mission

NFF envisions a world where capital and expertise come together to create a more just and vibrant society

We unlock the potential of mission-driven organizations through

- Tailored investments
- Strategic advice
- Accessible insights

Guided by our Core Values
Learning Goals

- Learn to analyze programs in terms of both mission alignment and economic impact
- Introduce the Mission-Money Matrix
- Apply the Mission-Money Matrix using mission data and program financial information
Programmatic Decision Making

To make informed decisions, we must understand how our programs contribute to:

- mission objectives
- financial objectives

Is there a tool that we can use to help us toward this goal?
Yes! The Mission-Money Matrix!
What is Behind the Concept of the Mission-Money Matrix?

- Provides a comparison of programs that you offer
  - scale
  - mission alignment
  - contribution to the bottom line

- Creates a *visual representation* of programmatic and financial data
  - Makes the conversation accessible to a wider audience

- Combines mission data and financial data
What is the Mission-Money Matrix?

Simple 2x2 grid to facilitate a discussion about the financial contribution and mission alignment of each of your programs

Aids in the understanding of each program’s contribution to

- Mission
- Profitability
Mission-Money Matrix 2x2 Grid

All of the projects, programs, and activities of an organization must work together to post a combined surplus while meeting obligations and serving the mission.
Poll: Have you ever used a Mission-Money Matrix tool at your organization?

- Yes!
- No.
- ...Maybe...?
What if You Were to Undertake a Mission-Money Matrix?
Reflection time (2-3 minutes)

1. What question(s) would you like to answer?

2. Is data available?

3. How do you see the analysis being useful?
Mission-Money Matrix

HIGH $ contribution, LOW mission alignment

HIGH $ contribution, HIGH mission alignment

LOW $ contribution, LOW mission alignment

LOW $ contribution, HIGH mission alignment

MONEY

Contribution Margin

+ $  

- $  

Low Impact  High Impact

MISSION
First: Identify the Programs / Activities

ABC Community Arts

Programs   Capacity

Diagram showing the structure of ABC Community Arts with the following levels:

1. Programs
2. Capacity
3. Sub-levels of Programs and Capacity
Survey Development & Process
Identify Stakeholders

Who will you survey?

• Stakeholders can include:
  ▪ staff
  ▪ board
  ▪ organizational partners or collaborators
  ▪ advisors
  ▪ program participants
  ▪ Community members (and neighbors)

• Identify a representative sample

• You can use Zoomerang/Fluid Survey technology
Understand and Incorporate Mission Impact

The *Mission* part of the Matrix

1. **Alignment with Core mission**: Rate how well the following programs address and then achieve the core mission.

2. **Implementation**: How well does the organization implement each program?

3. **Scale**: Does the program reach the maximum number of participants?

*Scale: 5 (Aligned with mission)…4…3…2…1 (Not aligned with mission)*

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### Rank Mission Impact

Some Additional Survey Questions

4. **Cultivation**: To what extent does the activity lead participants to other programs in the organization?

5. **Filling an Important Gap in Service**: Does the program provide a service that is not readily available?

6. **Importance to contributors**: To what extent do you believe the activity motivates funders to contribute to the organization?

Scale: 5 (Aligned with mission)…4…3…2…1 (Not aligned with mission)

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Quantifying Mission Impact

Sample survey results

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Mission-Money Matrix

HIGH $ contribution, LOW mission alignment

LOW $ contribution, LOW mission alignment

HIGH $ contribution, HIGH mission alignment

LOW $ contribution, HIGH mission alignment

Low Impact

High Impact

MISSION
Financial Methodology

The *Money* part of the Matrix

Create a spreadsheet that

- Uses the organization’s most recent budget or forecast
- Identifies and assigns all revenue and expense directly tied to each program
- Examines all supporting expenses (e.g., management, occupancy, fundraising, administrative, etc.) separately
Identify the Program / Activities

ABC Community Arts

Programs

Capacity

Art Ed Youth
Art Ed Adults
Community Murals
Art in the Prison

Development
Admin
## ABC Community Arts
**Forecast for 12/31/2021**

### Revenue

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<th>Community murals &amp; other projects</th>
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**Surplus/Deficit**

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Forecast for 12/31/2021
$ in Thousands

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Mission-Money Matrix

HIGH $ contribution, LOW mission alignment

HIGH $ contribution, HIGH mission alignment

LOW $ contribution, LOW mission alignment

LOW $ contribution, HIGH mission alignment

Low Impact

High Impact

MISSION

MONEY

Contribution Margin

+ $ Δ

- $ Δ
Putting it All Together
Mission-Money Matrix

Mission is located on the horizontal axis
- Programs with high mission would sit over on the right
- Those with lower mission would be closer to the left

Money is located on the vertical axis
- Programs that generate the largest margins are towards the top
- Those that run deficits or require subsidy are located more toward the bottom

The size of each circle represents the budget size of each program
ABC’s Mission-Money Impact Matrix

Money - Mission

Mission Alignment

- Art Ed Youth
- Art Ed Adults
- Community Mural
- Art in Prison
Mission-Money Matrix

- **HIGH $ contribution, LOW mission alignment**
  - Low Impact
- **LOW $ contribution, LOW mission alignment**
  - Low Impact
- **HIGH $ contribution, HIGH mission alignment**
  - High Impact
- **LOW $ contribution, HIGH mission alignment**
  - High Impact
Mission-Money Matrix

- **HIGH $ contribution, LOW mission alignment**
- **LOW $ contribution, LOW mission alignment**
- **LOW $ contribution, HIGH mission alignment**
- **HIGH $ contribution, HIGH mission alignment**

**Low Impact**
- Art Ed Youth
- Art Ed Adults
- Community Mural
- Art in Prison

**High Impact**
Mission-Money Matrix Helps Focus and Prioritize

Revisit your mission and define your priorities:

- Which activities are core to your mission?
- Which are positive financial contributors
- Which need subsidy from other sources?
- What are the non-negotiables in your budget?

Once you define what is core to your mission, then prioritize programs / activities as:

- What we MUST do
- What we SHOULD do
- What we WANT to do
Reflection (2 min)

How can the Mission-Money Matrix help you going forward - highlighting program metrics in a way that allows you to have transparent conversations about your programs?
Learning Goals

Learning to analyze programs in terms of both mission alignment and program impact

Introduce the Mission-Money Matrix

Apply the Mission-Money Matrix using mission data and program financial information
Check-Out

Please share via voice or chat your response to any of all of the following questions:

<table>
<thead>
<tr>
<th>Head</th>
<th>Heart</th>
<th>Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>What did you <strong>learn</strong> from today’s session?</td>
<td>How did today’s session make you <strong>feel</strong>?</td>
<td>What <strong>actions</strong> will you take to bring this back to your organization and community?</td>
</tr>
</tbody>
</table>
Up Next

Managing Risk and Opportunities

June 1, 2021, 1 – 2 pm EST

Nonprofit leaders are most adaptable when they understand their organization’s financial risks and the resources required to manage them. NFF will cover how an organization’s capital structure supports financial resilience and how to strengthen capital structure during times of uncertainty. NFF will also introduce the concept of “full cost” – a concept that we will explore in greater detail in the following webinar.
Thank You!

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