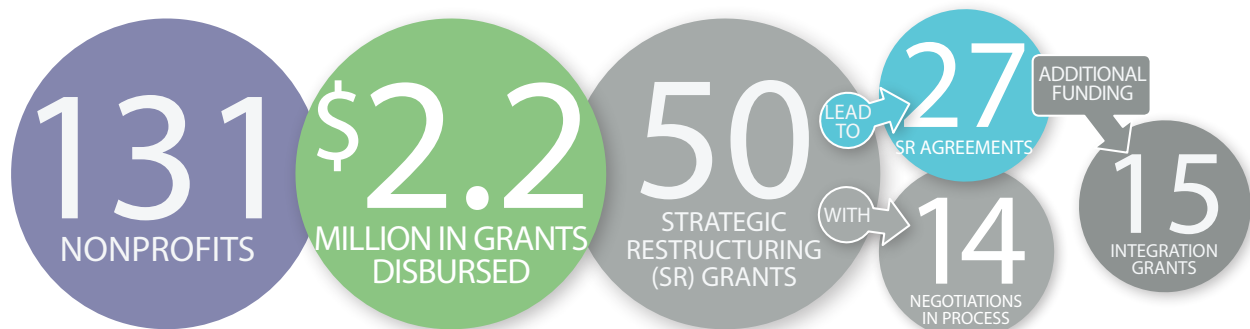


WHAT IS THE Nonprofit Sustainability Initiative?

The Nonprofit Sustainability Initiative (NSI) is a foundation collaborative working to support Los Angeles nonprofit organizations interested in exploring and pursuing Strategic Restructuring (SR) efforts that lead to greater organizational effectiveness and efficiency.

NSI originated in 2012 when its funders saw a need for local nonprofits to explore SR due to financial challenges and increasing demand for services brought on by the recession. Additionally, they wanted to change attitudes and perceptions so that SR is seen as a strategic tool used to enhance nonprofit capacity.

Initiative Overview AS OF 6/5/2017



Industries supported include:

mental and physical health, community development, housing, civil rights, social justice, advocacy, arts and culture, youth programs, education and religion.

SR agreement spectrum in detail:

- Collaboration/strategic alliance
- Administrative consolidation
- Joint programming/shared services
- Parent/subsidiary structure
- Merger/acquisition

What Is Strategic Restructuring?

A range of formal, long-term partnerships, from jointly managed programs, shared administrative services to mergers and acquisitions, that are intended to promote efficiency and sustainability.



How We Define Long-Term Success

SUC•CESS noun

/sək'ses/

LA County's nonprofit sector, including funders, nonprofit organizations, technical assistance providers and educational institutions, supports, understands and regularly engages in Strategic Restructuring to enhance its impact and sustainability.

Blue Garnet, NSI's learning and evaluation partner, is helping us better understand our long-term success and impact. Additionally, they are helping us learn from our grantees about what is going well and what can be improved during the negotiation process, and how SR agreements are beginning to impact the grantee organizations.

Interested In Applying?

The SR negotiation application and related information, including award criteria, can be found at:

<http://calfund.org/nonprofits/grantopportunities/nonprofit-sustainability/>

Here's a summary of the major steps:

1. Identify a potential partner(s) and agree upon general, high-level strategic partnership goals and objectives
2. Each grantee needs to get a signed Board resolution to enter into good-faith negotiations
3. Interview consultant candidates and select consultant. Agree upon the consultant's scope of work, timeline and budget
4. Complete and submit NSI application (see link above)
5. NSI Project Manager will contact applicants with follow-up questions and due diligence

Support Provided

Negotiation support:

- SR negotiation grants typically range from \$15,000 to \$40,000 and are used to hire consulting services associated with the exploration and negotiation of an SR partnership
- Pro bono legal support may be available through Public Counsel
- Grantee peer learning and networking opportunities are available

Integration Support:

- Once an SR negotiation is concluded and an agreement is reached, funding may be available for one-time integration costs
- Typical one-time integration costs include developing new marketing and communications materials, updating IT systems, legal and accounting fees, consolidating capital assets, fees associated with breaking leases, and board and staff development
- Applications are available to NSI grantees by contacting the Project Manager

Key Evaluation Findings

- Consultant brings structure, timeframe, expertise, and objectivity; critical to process
- Regardless of outcome, SR process considered educational and valuable
- 100% of grantees believe their SR agreement will result in improved organizational impact
- Going through SR process builds experience and knowledge for future SR opportunities
- Key SR negotiation success factors: time to devote to process, internal clarity, honest upfront conversations, trust, positive previous working experience, compatible cultures and mission, and clear understanding SR process and "deliverables"
- NSI's role has been as a catalyst or "accelerator" of SR discussions
- SR process provides many unanticipated grantee benefits, including relationship development and increased strategic thinking
- Suggestions on how to improve and better align NSI communications, support, and application processes have been incorporated into initiative

Participating Funders

- The Ahmanson Foundation
- The Annenberg Foundation
- The Ballmer Group
- California Community Foundation
- The California Endowment
- Carol & James Collins Foundation
- Durfee Foundation
- First 5 LA
- Conrad N. Hilton Foundation
- James Irvine Foundation
- JPMorgan Chase
- The Ralph M. Parsons Foundation
- UniHealth Foundation
- Weingart Foundation

Need Additional Info?

For NSI learning evaluation or methodology information, please contact Blue Garnet at (310) 439-1930.

For additional information on the NSI or an integration application, please contact , Project Manager Lynn Alvarez at alvarezlynn@sbcglobal.net or Senior Director, Sustainability, Karla Salazar at ksalazar@calfund.org.