



Benefits of Revenue Diversification for Not-for-Profit Organizations

Introductions



- ▶ Amy Kern, CFO, Metropolitan Ministries
- ▶ Elizabeth Hennig, Strategist, Uptrend Custom Solutions
- ▶ Maria Porto-Duarte, CFO, AMIkids (former CFO for Crisis Center of Tampa Bay)

Amy Kern

CFO, Metropolitan Ministries, Inc.



April 1, 2019 officially marked 5 years at Metropolitan Ministries. Amy started in 2014 as the Director of Accounting and was promoted to Sr. Director about a year later adding Outcomes Reporting and Process Improvement to her oversight. In January 2017, the organization's CFO retired and the Board of Directors selected Amy as the organization's new CFO to lead the organization in its stewardship and transparency efforts. In December 2018, Metropolitan Ministries leveraged Amy's leadership and insight by adding the facilities operations of the organization to her areas of oversight.

Elizabeth Hennig, Strategist Uptrend Custom Solutions, LLC



Elizabeth Hennig is the Principal Strategist for Uptrend Custom Solutions, LLC. For 19 years, Elizabeth served in a leadership role at ZooTampa. She provided support in business planning, strategy, accounting and finance, human resources, and risk management. Passionate about helping others develop and giving businesses the tools to grow, she recently transitioned from serving as CFO and Sr. VP of Finance, Planning & Strategic Initiatives at ZooTampa to teaching and consulting full time.

Elizabeth is certified as a professional in HR by HRCI and SHRM. She earned an MBA from the University of South Florida. She was named Tampa Bay Business Journal's CFO of the Year in the nonprofit category in 2012, and she is an alumna of the Leadership Tampa program, Class 2013.

Maria Porto-Duarte CFO AMIkids, Inc.



Maria joined AMIkids in March 2017 after 6 years at Crisis Center of Tampa Bay (her first position in the world of nonprofits). Maria has always been an inquisitive and operations focused CFO, who seeks to understand the operations that drive the numbers while helping team members lose their fear of financials. This approach has improved collaboration between the finance, operations, and development teams in seeking solutions to funding challenges.

Session overview

- ▶ Benefits of the Diversification of Revenue
- ▶ Sustainability Mindset
- ▶ Flexible vs. Reliable Revenue Streams
- ▶ Examples in Practice

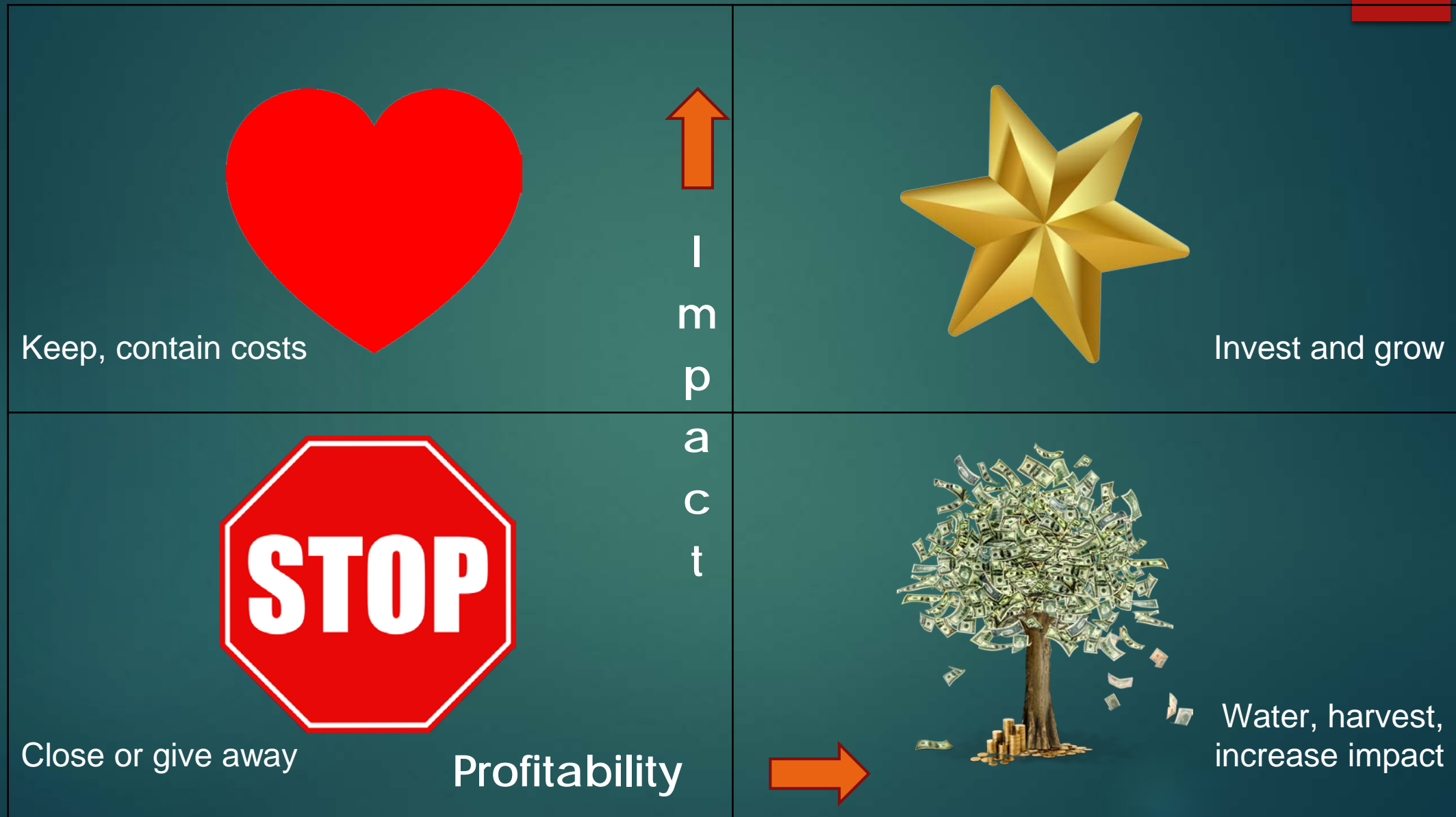


Why Diversify Revenue Streams?



- ▶ Cambridge dictionary sustainability definition: “the quality of being able to continue over a period of time.”
- ▶ Financial sustainability and programmatic sustainability are intertwined. One cannot exist without the other.
- ▶ Funding streams dry up or shift focus.
- ▶ During the shutdown, there were donors who became clients.
- ▶ Programmatic practices evolve -- population needs change.
- ▶ Need to be able to continue while evolving to address the changing needs of the community and funding streams.

Diversification for Sustainability



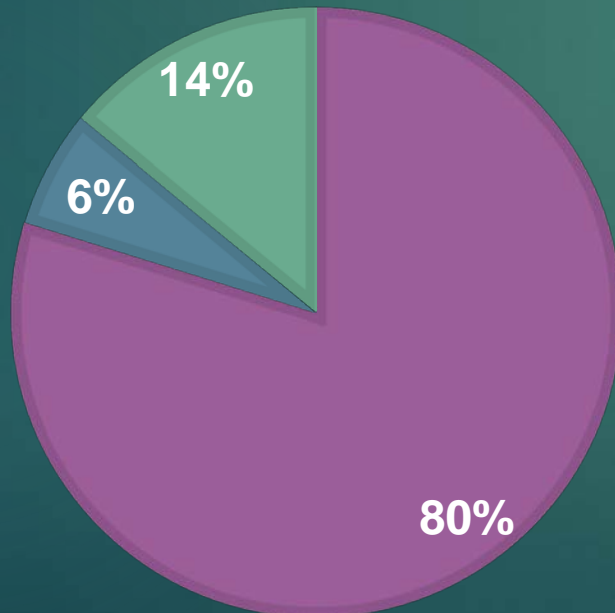
AMKids: Impact of Federal Shutdown



AMKids, Inc.

▶ Revenue \$67 million

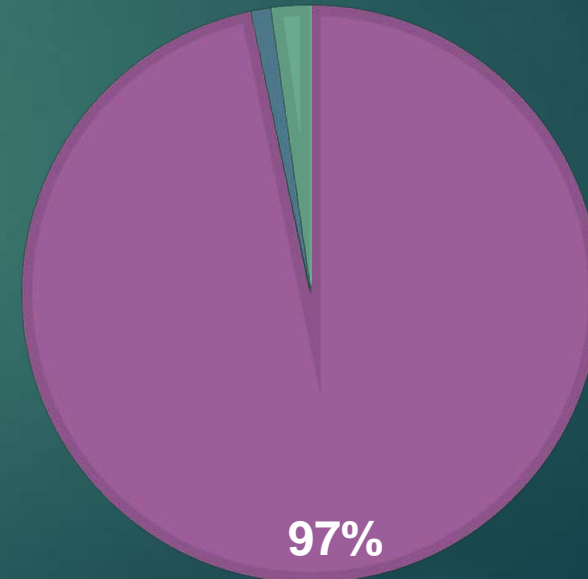
■ Government ■ Contributions ■ Other



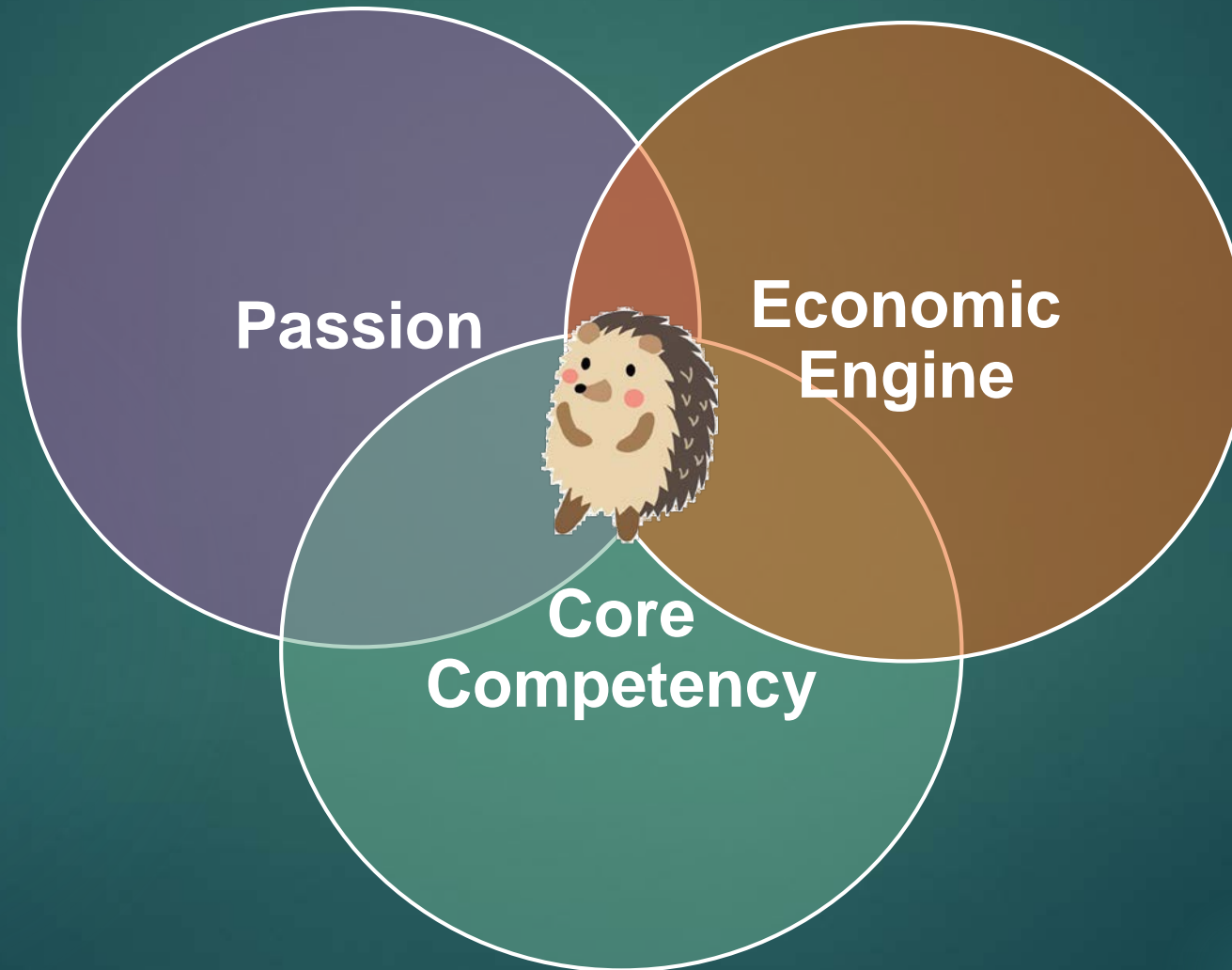
AMKids Affiliate Example

▶ Revenue \$ 1.6 million

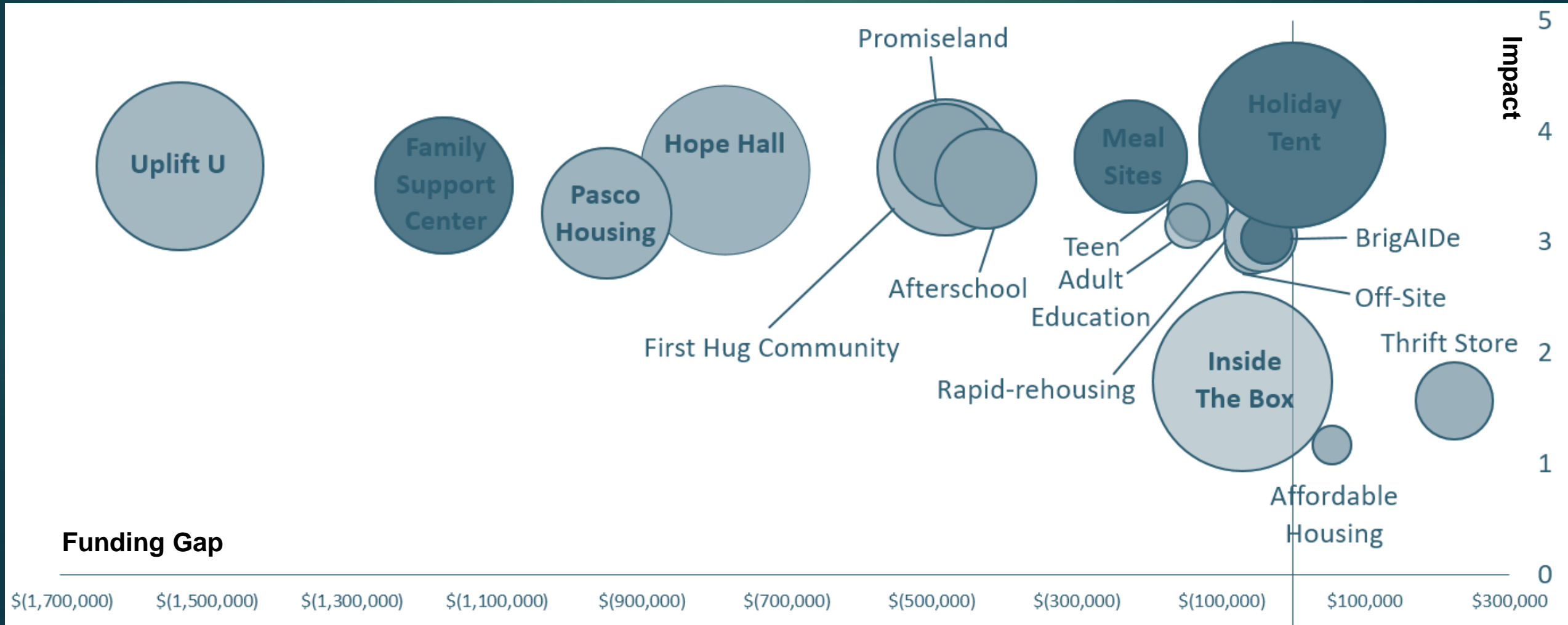
■ Government ■ Contributions ■ Other



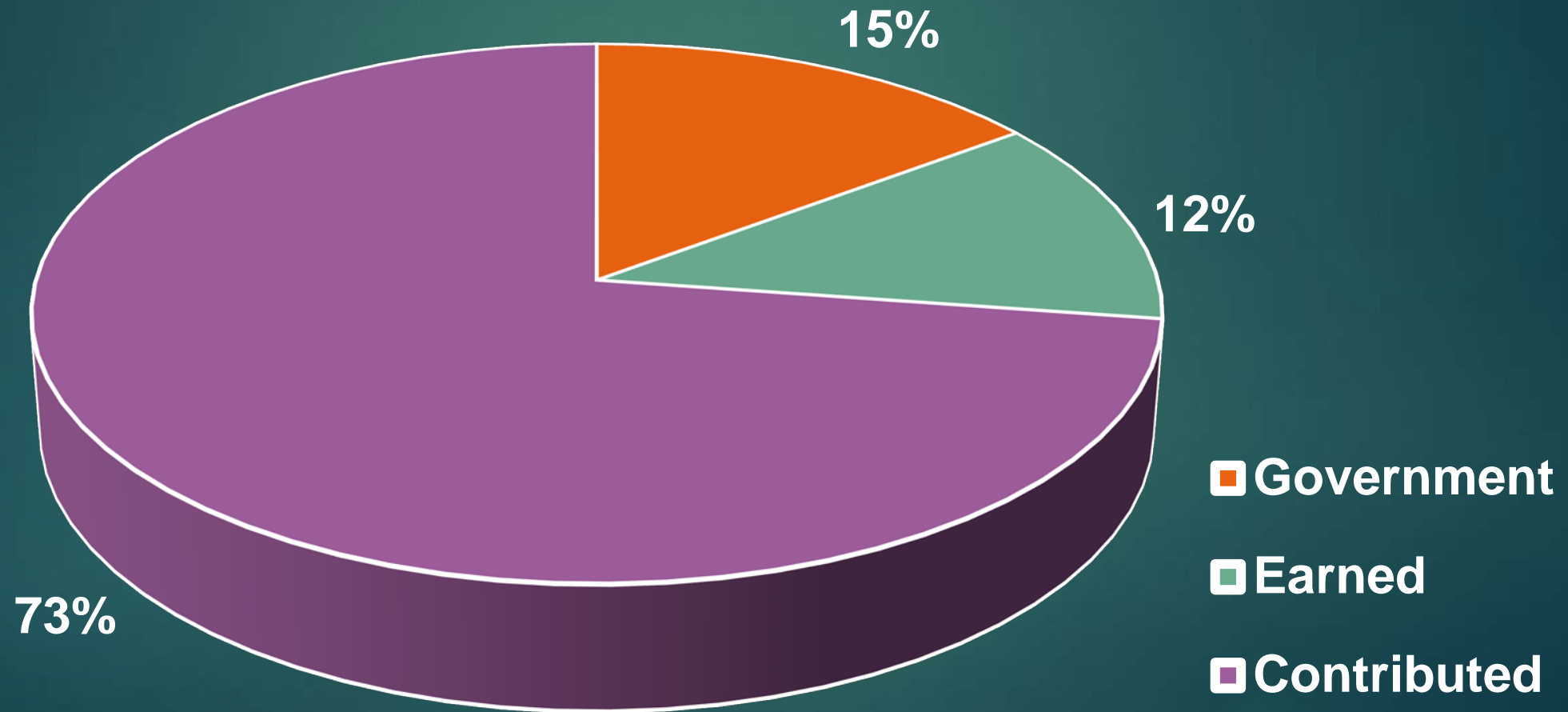
Importance of Diversification of Revenue



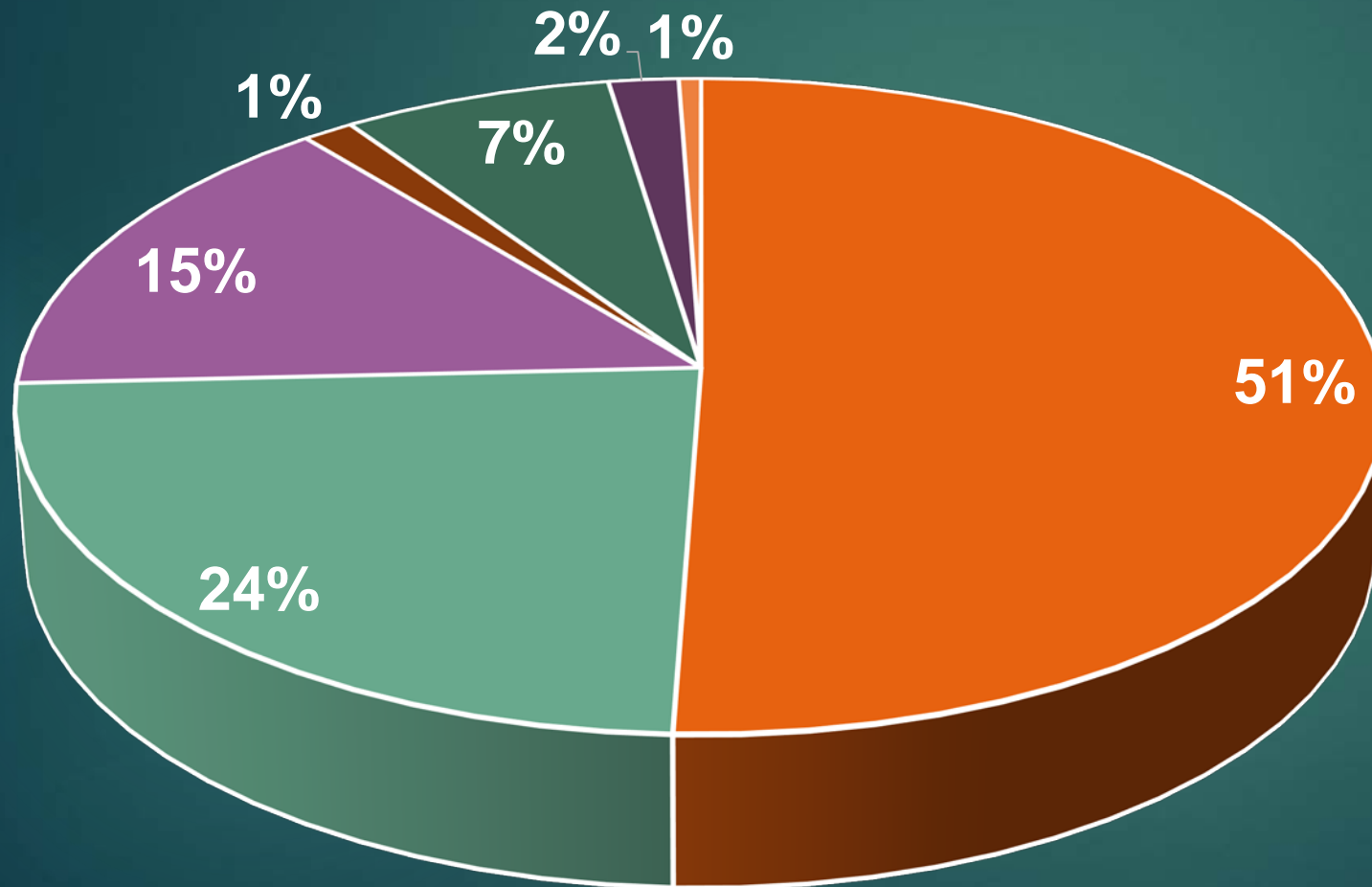
Matrix Map – Metropolitan Ministries



MetMin – Earned vs. Contributed Revenue

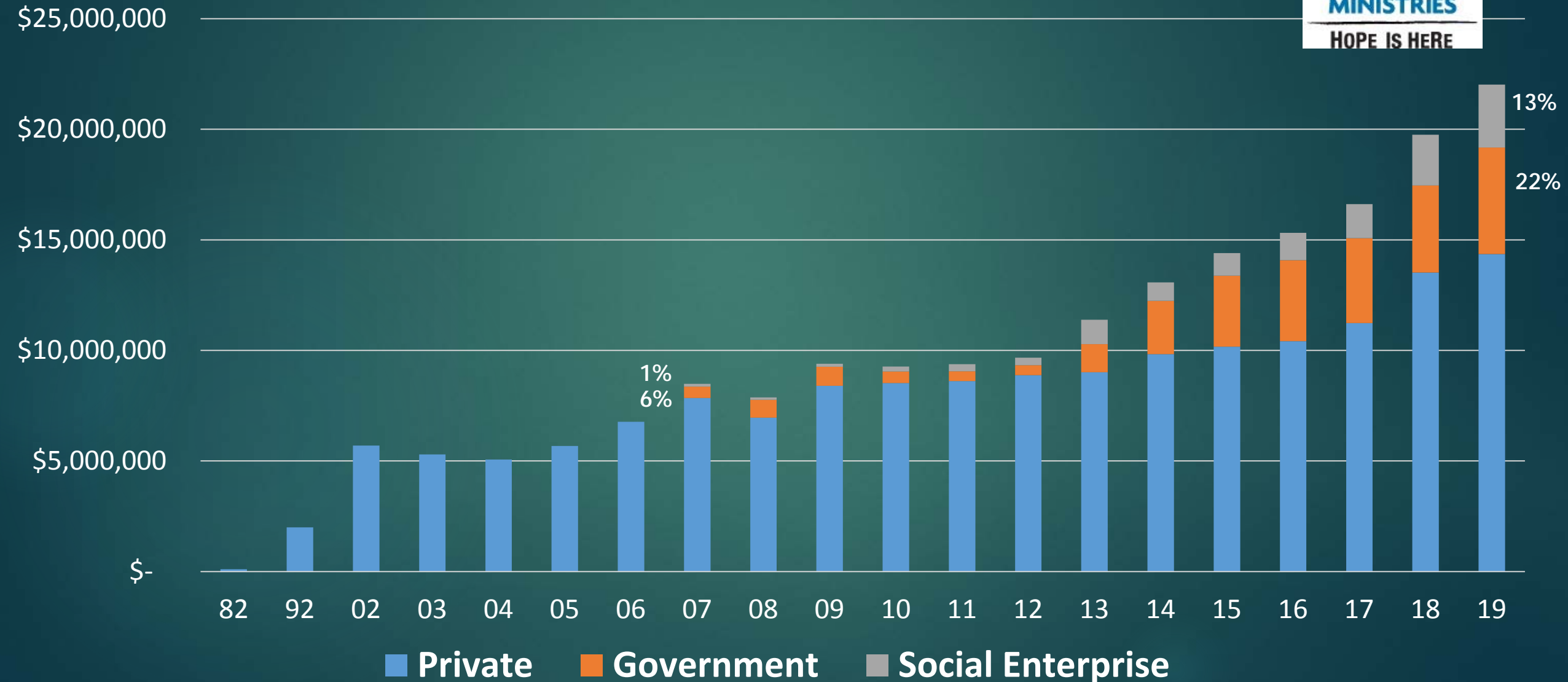


MetMin – Revenue Breakdown



- Contributions
- In Kind
- Government
- Childcare Services
- Inside the Box
- Thrift Store
- Affordable Housing

MetMin – Evolution of Diversification



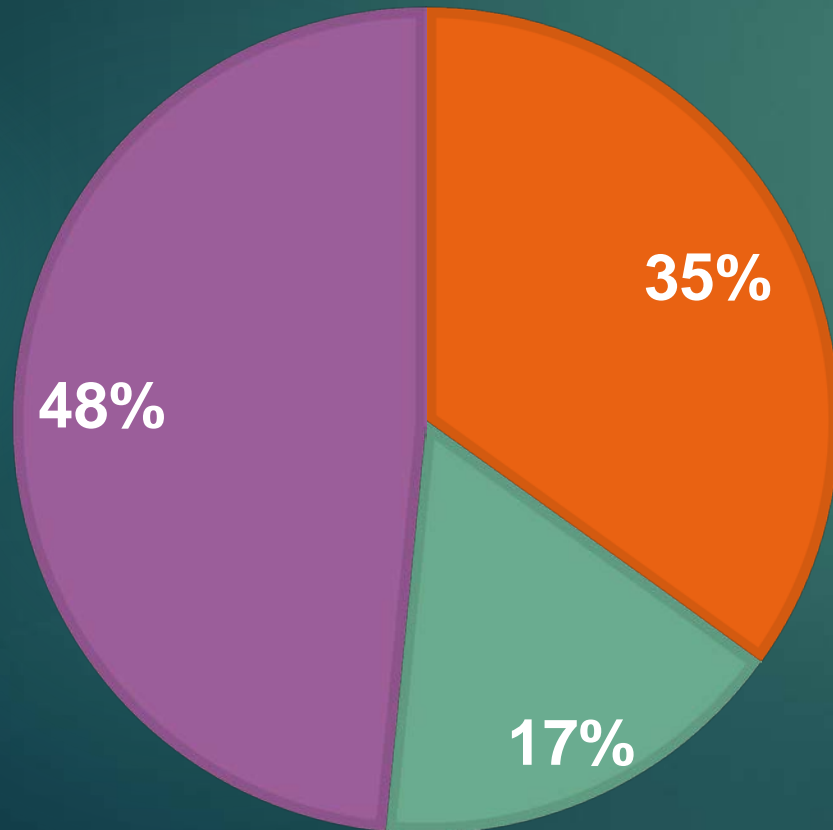
Crisis Center of Tampa Bay



Crisis Center of Tampa Bay

▶ Revenue \$13 million

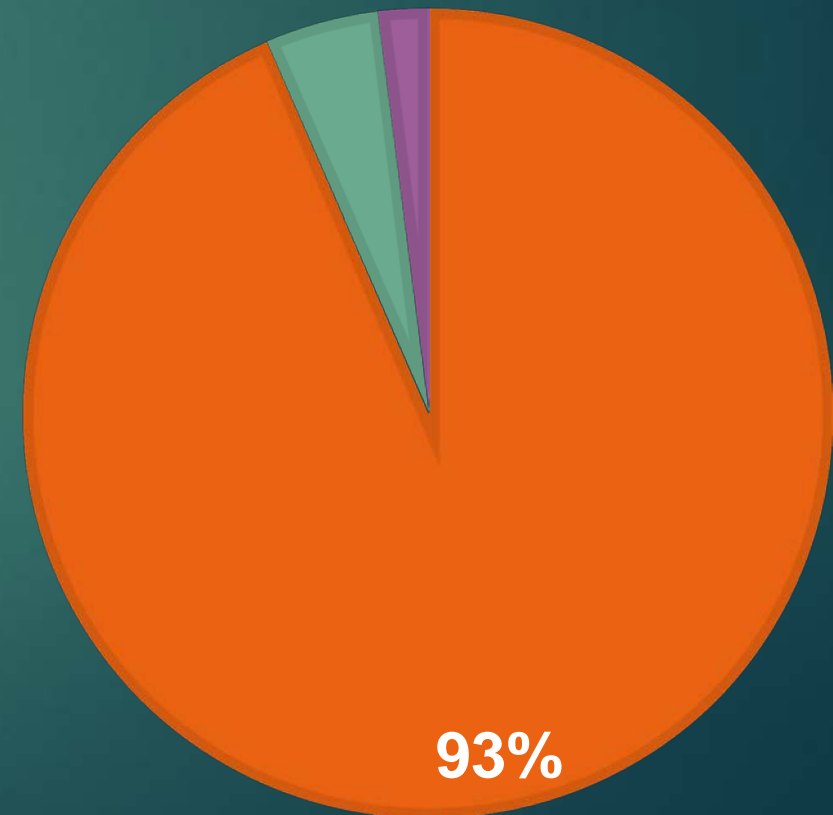
■ Government ■ Contributions ■ Other



Other Crisis Services Ex.

▶ Revenue \$4 million

■ Government ■ Contributions ■ Other

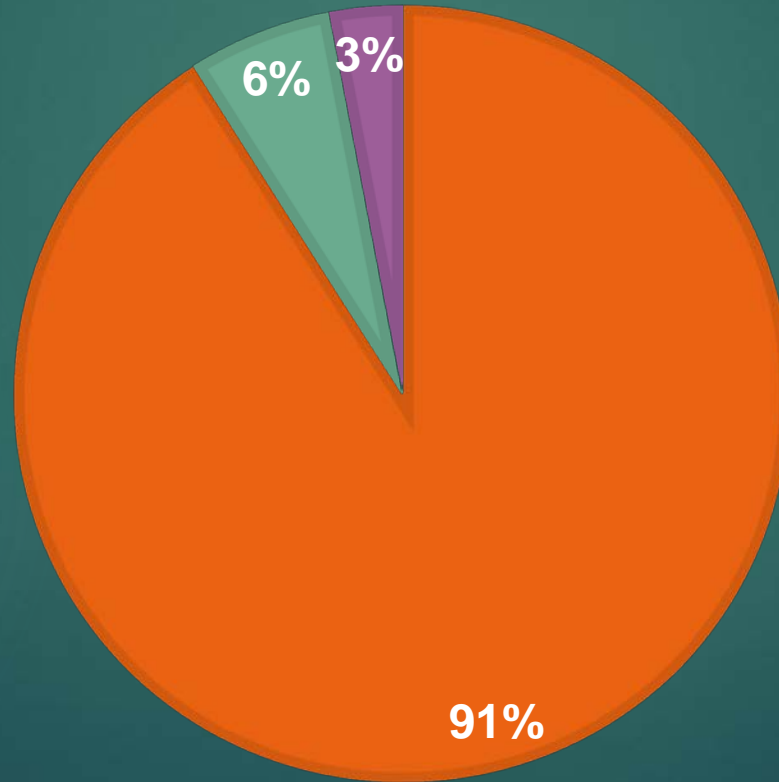


ZooTampa at Lowry Park



▶ Revenue \$30 million

■ Earned Income ■ Contributions ■ Government

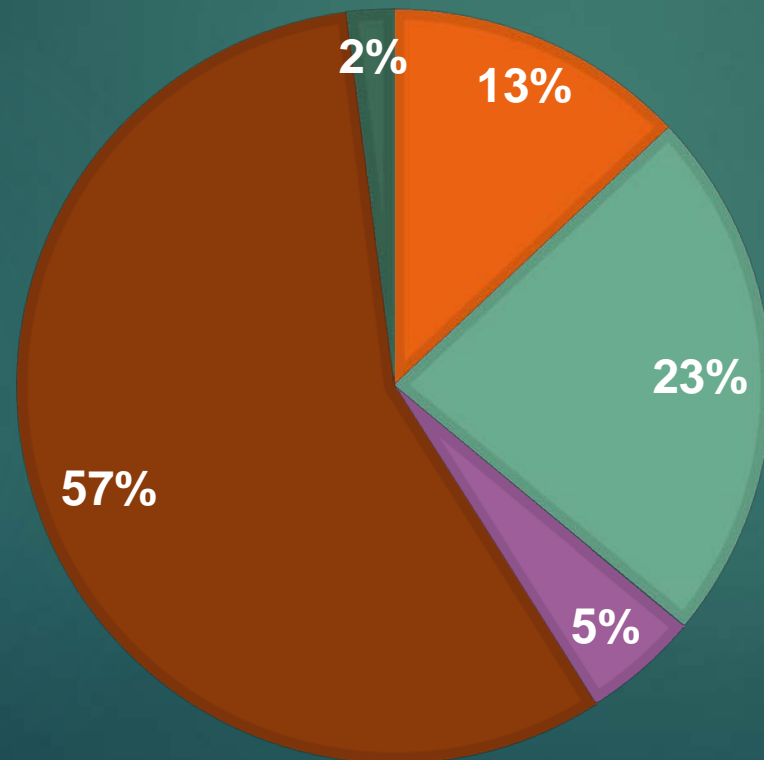


ZooTampa at Lowry Park



▶ Average Operating Budget (Revenues)

■ Retail ■ F&B ■ Education ■ Admissions ■ Miscellaneous



ZooTampa Earned Revenue Examples



- ▶ Special events
- ▶ Unique venue caterings and rentals
- ▶ Early Childhood Education programs
- ▶ Premium summer camps
- ▶ Signature experiences with animals
- ▶ Marketing sponsorships
- ▶ Cell antenna partnership

Innovative Earned Revenue



- ▶ Develop Strategic Plan
- ▶ Develop Business Plan
- ▶ Staff to the Plan – Identify and Retain Talent
- ▶ Invest in Research
- ▶ Invest in Software and Systems
- ▶ Focus on Business Analysis
- ▶ Be Creative
- ▶ Be Responsive and Agile to Adjust Plan as Needed

Sources

- ▶ Zootampa.org
- ▶ Metromin.org
- ▶ Crisiscenter.com
- ▶ AMIkids.org
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- ▶ <https://www.nonprofitpro.com/post/how-can-fed-funded-nonprofits-survive-the-government-shutdown/>
- ▶ Nonprofit Sustainability – Making Strategic Decisions for Financial Viability, Jeanne Bell, Jan Masaoka and Steve Zimmerman
- ▶ The CFO's Changing Role: Building the Future (October 11, 2018) – Harvard Business Review, Deloitte's Steven Ehrenhalt