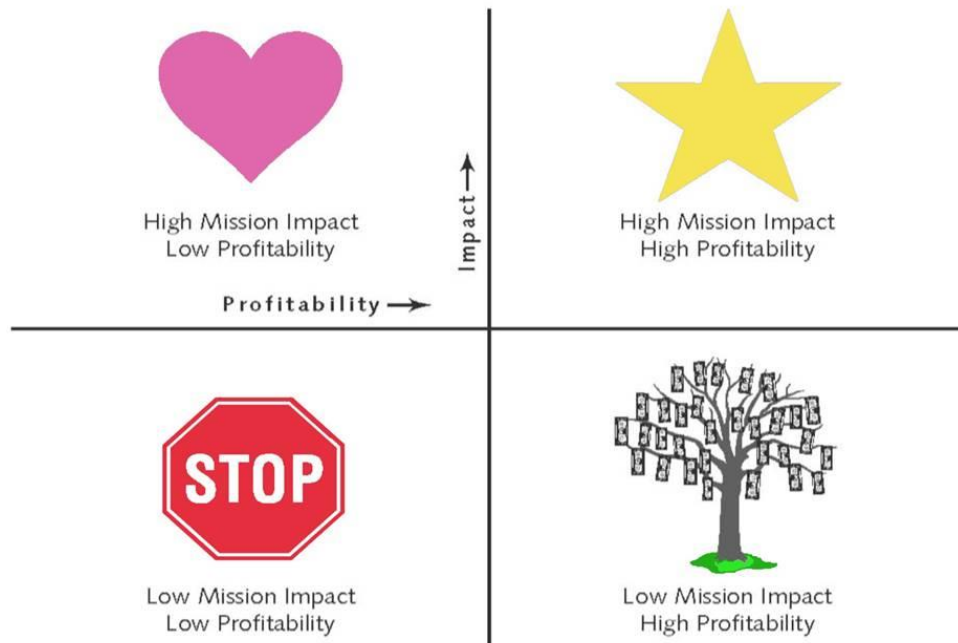


VISUALIZING YOUR BUSINESS MODEL

The Matrix Map Overview

In today's dynamic environment, nonprofits need business models that can evolve quickly to changing community needs. To be sustainable, leaders must make strategic decisions with or without a strategic plan in place. The matrix map is an engaging tool that turns an organization's business model into a dynamic visual integrating the mission impact and financial viability of the organization. Beyond just a picture though, the matrix map offers strategic inquiries for board and staff to frame choices and make the necessary and, at times difficult, adjustments to strengthen.

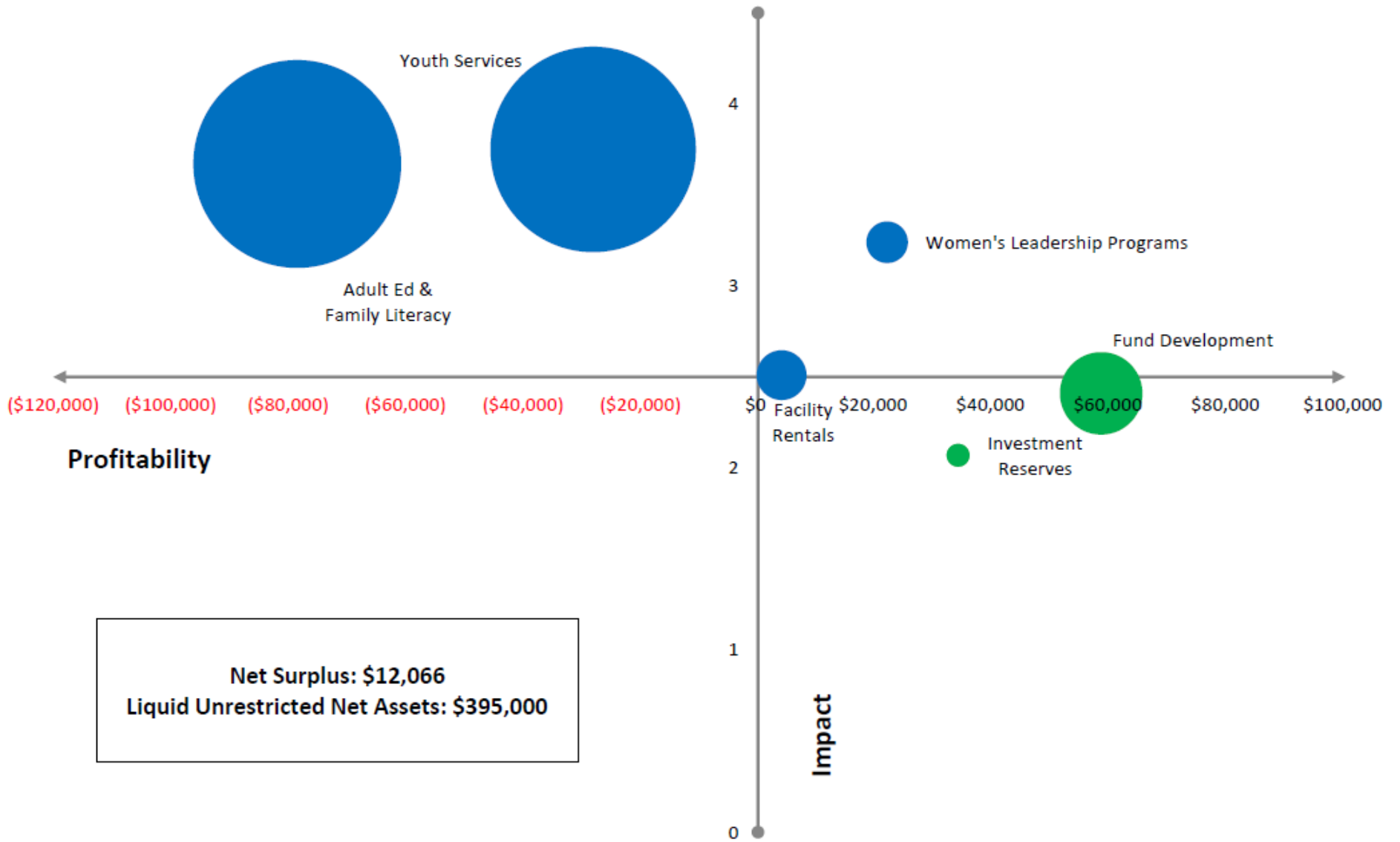
The business model encompasses not only how the organization generates revenue, but also how it allocates its resources to accomplish its mission. Therefore, to visualize our business model we start by looking at each of our activities on both financial profitability and mission impact. The matrix is then broken into four quadrants with a differing strategy for each quadrant to strengthen the business model.



The matrix map is created by assessing the mission impact and profitability of each mission-specific and fund development program. The activities are then plotted on the matrix according to the assessment. The resulting image paints a picture of the organization's current business model, showing how the organization achieves impact while remaining financially viable.

A sample is included on the following page. The bubble size represents the expenses for each program. From the map you can see where the organization is generating revenue, where the organization is allocating resources and which of the organization's activities are having impact. How these activities inter-relate is what determines the sustainability of the organization.

SAMPLE MATRIX MAP



STRATEGIC INQUIRIES & IMPERATIVES

The placement on the matrix map of individual programs helps provide nonprofit leaders with a starting point – a strategic direction to consider and ultimately argue for or against. The key is to entertain options other than the status quo and to be in a stance of rigorous inquiry about the possibilities.



The Heart Quadrant

Starting Point: Keep and contain costs

- Can we envision this program achieving the same impact – or very close to it – with a different cost structure?
- Is there a different revenue strategy to consider?



The Star Quadrant

Starting Point: Invest and grow

- Do we understand the needs and motivations of stakeholders who make the star possible?
- Are there opportunities (i.e. new geography, new population, complementary programming) to expand the program's impact and revenue?



The Stop Sign Quadrant

Starting Point: Close or give away

- Can we innovate this program to move out of this quadrant?
- How long will we give ourselves to move the stop sign?
- Is that the best use of resources?



The Money Tree Quadrant

Starting Point: Water and harvest, increase impact

- Can the net surplus be increased and, if so, what investment will that growth require?
- Are there means to reducing the program's cost and improve the margin?
- Are there ways to achieve greater impact by making the program stronger?
- Is it aligned with our brand?