Business Modeling
What is it?
What can it do for our organizations?
Society of Animal Welfare Administrators
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Topics: for Today
1. Budgeting for Innovation & Long Term Capitalization
2. Communicating About Projects
3. The Right People at the Right Table

First, Definitions...
Innovation is...

- Significant positive change
- A result; an outcome

If you are successful at solving important problems, peers you respect will recognize your work and call you an innovator.

-Scott Berkun

A business model is...

Program Design

- Assets
- Revenue
- Impact

Capitalization is...

- An approach to building the right balance sheet
- The financial resources to implement your mission over time
Strategic planning is...

- the managerial process of developing and maintaining a fit between the organization’s work, its resources and its changing opportunities.

**Organization’s Work** ➔ **Strategic Fit** ➔ **Resources**

Changing Environment

What’s in the Strategic Plan?

- Vision, Mission & Values
- Strategy: Goals & Timeframes
- Operating Plans: Tactics & Resources

A business plan is...

- Financials (Revenue/Expense)
- Impact (Metrics)
- Strategic Plan (The Work)

Business Plan
Questions the Plan Should Answer

What results are we trying to get?
How will we measure our success?
What will we DO to get the results?
What resources do we need to have?

The Usual Business Planning Hierarchy

Vision
Mission
Goals
Strategies
Tactics
Actions Plans

Successful Action Plans Go One Step Beyond...

Human Resources
Environmental Scan
Financial Resources
Performance Measures
Annual Review
Adjustments
Budgeting for Sustainability

- Current Year Cash Flow Projection
- Multi-Year Financial Projection
- Revenue, Expenses
- Physical Assets, Maintenance
- Surplus, Investment of Surplus
- Funds for Innovation, New Ideas
- Budget for a surplus each year
- Determine the right percentage for your organization

Capitalization Framework

Appropriate capitalization can support:

- Liquidity
- Adaptability
- Durability

Does the organization have adequate cash to meet its operating needs?
Does the organization have flexible funds that allow for adjustments?
Does the organization have access to funds to address a variety of future needs?

Communicating New Ideas: What’s our Mindset?

- Mission and goals should drive the balance sheet results – not vice versa
- A clear strategy is married to a roadmap for financial support & for savings
- Understanding your organization’s business model (sources of revenue) is a priority
Who’s Involved in New Ideas?

• ROLE OF STAFF LEADERS
• ROLE OF EMPLOYEES
• ROLE OF BOARD MEMBERS
• ROLE OF COMMUNITY STAKEHOLDERS

Who’s Involved & WHEN?

• Planning work
  • Staff Leadership, Employees, Board, Volunteers, Community Stakeholders
• Responsibility assignments and expectations for every staff member/employee
• Responsibility assignments and expectations for board: individual members and committees/task groups
• Tracking the progress
  • Board meeting agenda item – every meeting
  • Staff meeting agenda item – at least monthly
  • Employee performance expectations – clear, measurable, tied to plan documents

SUMMARY

CAPITALIZATION MINDSET
FULL ENGAGEMENT FROM BEGINNING – STAFF, BOARD
VISION, MISSION, CLEAR GOALS (3-4)
METRICS THAT CLARIFY “SUCCESS” FOR ALL, ACTION STEPS
ASSIGNMENTS; FINANCIAL PROJECTIONS
Q&A

• Wrap Up
• Questions
• Resources