Alliance for the Chesapeake Bay

Growth Capacity Assessment
Preliminary Findings and Key Recommendations
February 2019
Sustainability

Having the resources and approaches needed to regenerate and remain relevant in the community, and successfully carry out the organization’s mission over time.
5 Drivers of Growth & Sustainability
The Alliance’s Growth Capacity Assessment

Information Gathering
- Financials and fundraising data
- Best Practices Inventory
- Interviews + Surveys

Analysis
- Landscape Scan
- Growth opportunities and barriers (5 drivers)
- Sustainability data
- Capacity + infrastructure

Findings & Recommendations
- Preliminary Findings
- Board presentation of findings and recommendations
Summary Findings & Recommendations

1) Define strategic direction, focus and role
2) Build organizational capacity for growth (staff, infrastructure, systems)
3) Differentiate, elevate and amplify brand with consistent messaging and measurable impact
4) Transform business model to generate flexible capital for growth and permanent capital for sustainability
5) Create active, engaged board champions to lead transformation
1) Define Strategic Direction, Focus and Role

- Define vision that is clear, compelling and urgent – language that appeals to a broad constituency
- Own your space; revise mission to differentiate the Alliance and clarify essential role(s)
- Align values with culture needed for success
- Articulate a clear focus and set of priorities that will advance shared results (Strategic Plan refresh)
- Leverage strengths, engaging agricultural and corporate partners in collaborative solutions
- Lead, follow or step out of the way
2) Build Capacity for Growth

- Evaluate, prioritize and align programs with vision and role
- Build ‘backbone’ capacity as an intermediary between systems reformers (funders, advocates) and local watershed groups
- Create shared systems (collaboration platform, communications, CRM) across offices with consistent policies and protocols
- Invest key leadership roles (Deputy Director or COO, Development, Communications/Outreach) and empower Management Team to build internal capacity
- Plan for 12-18 month “warming phase” prior to a major fundraising campaign to prepare the organization, broaden the donor base and cultivate individual donors
3) Differentiate, elevate and amplify the Brand

- Unify and amplify the Alliance’s voice
- Use visual and verbal brand identity to differentiate the Alliance’s value proposition and connect the dots among its many programs
- Align messaging for the Alliance and key programs and build an “echo chamber” of partners and champions to extend reach
- Measure and promote Alliance’s regional and local impact
4) Transform the Business Model

- Generate growth capital via flexible (unrestricted) funding while steadily reducing restricted funding
- Increase raised revenue (donations, sponsorships, operating grants)
- Build 4-6 months of operating reserves
- Raise permanent capital (endowment) for sustainability
5) Create Active, Engaged Board Champions

- Develop board as visible, effective champions
- Use board matrix and Governance Committee to diversify board (sectors, geography, race/ethnicity, age) and build a recruitment pipeline
- Engage board in fundraising and guiding growth through board committees
- Achieve 100% board giving
- Plan for succession
Big Picture of Growth Capacity Assessment

High Performing

Low Performing

Low Capacity

High Capacity

Leadership

Organization

Constituency

Visibility
Key:
Vertical Axis: Strategic Focus
Horizontal Axis: Role

Systemic Change

Local Impact

Boots on the Ground

Advocate

Chesapeake Bay Trust

Department of Energy & Environment

Chesapeake Conservancy

James River Association

Alliance for the Chesapeake Bay

Anacostia Watershed Society
Constituent Information Gathering

- Board + Staff Survey (57 participants)
- External Constituent Survey (164 participants)
- Key Informant Interviews (9 participants)
  - Jake Reilly (NFWF)
  - Jamie Baxter (Chesapeake Bay Funders Network)
  - Cathy Brill (Rauch)
  - George Glatfelter (PA Honorary Director)
  - Dennis Treacy (VA Honorary Director)
  - Mary Barber (DC Honorary Director)
  - Immanuel Sutherland (Altria)
  - Steve Levitsky (Perdue)
  - Don Boucher (Major Donor; Former Board Member)
Constituent Information Gathering: Who we heard from

- Board Members: 23
- Staff: 34
- Homeowners: 44
- Private Land Owners: 14
- Local Government Representatives: 27
- Business Representatives: 27
- Watershed Group Representatives: 46
- Volunteers: 30
- NGO Partner Representatives: 24
## What We Heard: Survey Key Themes

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<th>Internal</th>
<th>External</th>
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<td><strong>Vision</strong>: For those personally involved, the vision is clear and articulated through their work but needs refining to appeal to a broader constituency and distinguish the Alliance from other organizations.</td>
<td><strong>Vision</strong>: Overall positive reaction to vision statement but more context is needed to differentiate the Alliance from other Bay groups and define its strategic focus.</td>
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<td><strong>Leadership</strong>: Staff team is strong and well respected; opportunity for Board to diversify in skills and experience (business, fundraising).</td>
<td><strong>Leadership</strong>: Recognize need for diversifying the Board from different sectors (Ag, business) with development experience and connections to legislators and funders.</td>
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<td><strong>Visibility</strong>: Positive reputation within the environmental field, but lacks brand awareness among general public; brand confusion exists with other Bay organizations and between Alliance programs.</td>
<td><strong>Visibility</strong>: Brand is recognized and respected but the Alliance and its work is not fully understood; confusion with other Bay groups.</td>
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<td><strong>Constituency</strong>: Constituency is growing but opportunity to further engage and inform beyond the core constituency.</td>
<td><strong>Constituency</strong>: Room to grow the constituency, further engage existing donors and funders, and refine partner strategies.</td>
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<td><strong>Organization</strong>: Executive leadership is strong, however, gaps in staffing (senior development and communications positions) and operational processes need to be addressed to support growth.</td>
<td><strong>Organization</strong>: Staff is highly regarded across regions but capacity is stretched; refine outreach strategy and collateral.</td>
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What We Heard: Interview Key Themes

- Top three issues facing watershed restoration are storm water, climate change, and urban and population growth
- Positive impression of the Alliance’s staff leadership; limited familiarity with board but perception exists that there is an opportunity to expand the board with people from different backgrounds
- Desire to see the Alliance clearly and boldly define itself and “step out front” as a convener and capacity builder
- Participants agreed the vision needs refining to be more clear, concise and compelling
- The Alliance is well-positioned to engage a broad constituency; key players include businesses, farmers, local government, and funders
- Strategic priorities are on track overall. “Evaluate impact of programs and prioritize future programming…” was top priority to define the Alliance’s focus and achieve strategic impact; however, some questioned whether this was more an operational priority than a strategic one
- Opportunity for future or increased support among participants based on redefined strategic vision and direction
SWOT ANALYSIS

**Strengths**
- Executive Director with strategic mindset
- Hardworking, experienced, passionate staff
- Longstanding, respected organization
- Team player that collaborates well with and convenes other organizations, sectors, and unlikely allies
- Strong partner relationships
- Regional watershed reach
- Boots on the ground engagement
- Volunteer network

**Weaknesses**
- Lack of visibility; no uniquely defined value differentiator
- Ability to articulate what the Alliance does
- Restricted funding; dependence on government funding
- Board willingness to innovate and change
- Board fundraising
- Defining success measures and communicating them to donors
- Lack of strategic direction, many programs with diluted strategic focus
- Internal systems and processes (coordination, consistency)
- Being a “silent partner”

**Opportunities**
- Define the board’s role and responsibilities
- Redefine the mission and vision
- Greater interest and awareness in environmental issues among the general public to engage
- Capacity building for small environmental organizations
- Systemic change through regional footprint
- Increase engagement with businesses

**Threats/Challenges**
- Competition for funding and brand awareness with other environmental organizations
- Limited staff capacity
- Attracting and engaging the younger generation
- Funding for convening and capacity building work
- Political climate
- Climate change
- Population and development growth
- Stormwater
- Sustainable funding source
“The Alliance was a visible, recognized leader in its first two decades. Then it lost its way the next 20 years.”

“The Alliance was key to the beginning of the Bay restoration effort.”

“The Alliance needs to define who it is and be fearless.”

“The Alliance is well-positioned to achieve its vision but needs to upgrade its reputation and relevancy as a leader.”

“The Alliance needs to populate the board with people who will help move the needle.”

“Now is the right time – more people are interested in the environment.”

“Funding is a big issue. The budget is overly restricted.”

“The Alliance is strong in bringing its mission to communities that might not typically connect to the environment.”

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Growth Driver Review

5 Drivers of Growth & Sustainability
Vision

- Clear and compelling picture of the future we want to create
- Compelling case for support
- Sense of urgency—Why this? Why now? By when?
Mission = Core purpose; reason for being

**Answers**
- What?
- For whom?

Vision = Ultimate good or societal benefit from carrying out your mission effectively over time

**Answers**
- So what?
- Where?

Values = Shared beliefs about how you will execute your mission and achieve your vision

**Answers**
- How?
The Alliance's vision for the positive change we are trying to create is both clear and compelling.

Despite overall positive agreement, confusion exists even among those closely connected. Strengthen vision with a clearer timeframe, simple language and actionable results.
I understand and can easily explain the Alliance's vision.

Those “close-in” know the vision statement but find it difficult to understand and articulate.
The Alliance’s Vision inspires a desire to support this cause.

External View: “It's not particularly unique and it's vague. What does the Bay look like if the Alliance “finishes” it's mission?”

Key Players Critical to Achieve Vision: Business, local government, Ag, funders

Opponents to Achieving Vision: Competitive environmental organizations
Key Informant average ranking (1 lowest, 5 highest) of Vision statement against five categories.

Vision statement is too generic and wordy. Use simple, action-oriented language.

Expressed potential for future or additional support based on strategic direction.
Vision

Assets

• Regional approach to local issues
• Uniting diverse groups and sectors around common goal
• Timely and relevant under current political climate
• Relatable to broad and diverse constituencies

Opportunities

• Differentiate the Alliance by redefining the vision and mission
• Condense and simplify statement to appeal to broader constituency
• Add action-oriented language

“The Alliance needs to define and distinguish itself once and for all.” (Internal)
Leadership: Essential Fuel for Growth

- Credibility (proven success or expertise)
- Commitment—willing and able to invest themselves
- Cares about this work; aligned with their mission and vision
- Capacity to execute
- Connections to supporters, influencers and decision makers
- Plays well with others
Continuous Leadership Development

Recruitment → Engagement → Development → Succession → Stewardship

Nurture and grow board, staff and volunteer leaders
The Alliance has the right board in place to grow the organization and sustain its mission.

Opportunity to diversify and expand the board with representatives that bring different skills/backgrounds, including the business sector and fundraising experience.

Perception of Board: Very Positive (1); Positive (2); Neutral/Unsure (5); Negative (1)
Most are unfamiliar but still perceive necessary changes exist (defining role, diversifying skillset).
The board is well-connected to prospective funders and supporters.

Majority of board members are not connected and those who are have not fully tapped into their resources; opportunity to recruit members who have networks and capacity to give personally.
The Alliance has strong, stable executive leadership (staff).

Perception of Exec Staff: Very Positive (3); Positive (3); Neutral/Unsure (3)
Leadership

Assets

• Strategic new Executive Director
• Well respected HQ and regional staff teams
• Strong commitment to the mission and work
• Historically known as being a leader in the environmental movement

Opportunities

• Diversify board with fundraising experience and from the business and agriculture sectors
• Define the board’s role and responsibilities
• Continue growing community and political connections
• Expand staff team with individuals who have strong expertise and skills in marketing/communications and development
Visibility

• Positive reputation/brand
• Unique offer
• Name recognition within communities and among constituencies served
• Understanding of our core purpose and programs
The Alliance has a positive reputation among the communities it serves.

External View: “Where they are known, they are well received. I think people often confuse them with all of the other "Chesapeake Bay organizations.”

Attitude Toward the Alliance: Very Positive (2); Positive (4); Neutral/Unsure (3)
The Alliance's brand is well known within the communities we serve.

Those who are within the environmental space are aware, but the general public does not know who the Alliance is.

Familiarity with the Alliance: Very Familiar (7); Familiar (2) Opportunity for the Alliance to “step out front” with redefined vision.
Local and regional community leaders and influencers know what the Alliance does.

External View: “Generally agree that leaders know that the Alliance does good work, but unclear if they know how they do it.”
The Alliance is clearly differentiated from other organizations who exist in the same sector.

Opportunity exists to distinguish the Alliance from other environmental organizations through its vision and defining who it is as an organization.

Differentiators include historically being a leader in Bay restoration, collaborative approach to partnering, and being a convener.
The names and visual communication of individual programs and events give credit to the greater Alliance brand and organization.

External View: More marketing, including earned media and advertising, is needed to elevate and distinguish the Alliance brand.
The Alliance's logo and visual graphics convey that there are many different partners, regions and voices that make up the Chesapeake watershed, but all are united by the common goal for healthy rivers and streams.
The Alliance for the Chesapeake Bay leads, supports and inspires local action to restore and protect the lands, rivers and streams of the Chesapeake Bay Watershed. The Alliance’s mission is easy to understand and accurately represents what the organization does.

External View: Mission is too broad and lengthy; missed opportunity to explain what the Alliance does.
Alliance communications are timely and effective.

Appropriate staff and board resources are dedicated to marketing and communications.
The Alliance regularly and consistently engages our constituency through a variety of channels.
**VISION**

*If the Alliance were a person…*

Internal and External participants alike see the Alliance primarily as a partner and acknowledge its unique ability to play additional roles well (boots on the ground, leader).

**VISIBILITY**

Internal

- Partner: 52%
- Boots on the Ground: 16%
- Leader: 18%
- Neutral Voice: 12%
- Inclusive: 2%

External

- Partner: 36%
- Boots on the Ground: 17%
- Leader: 26%
- Neutral Voice: 8%
- Inclusive: 13%
If the Alliance were a person…

Key Informants see the Alliance in a convening role that acts as an inclusive partner as well as “boots on the ground”. Their top two concerns regarding the Alliance’s ability to play this role include securing unrestricted funding and the board’s willingness to support the strategic shift.
Visual Audit

- **Color:** Consistent with intended perception; navy positions the brand as a trustworthy and dependable partner and yellow connotes optimism/hope for restoration
- **Programmatic Logos:** Criteria needs to be developed for what warrants a program logo and what does not
- **Competitive Color:** The Alliance stands out among the rest! Using navy and yellow allows the organization to identify that it is aligned with the rest of the sector, but not be as oversaturated in green and blue as others
- **Photography:** The sector fluctuates from very nature-focused to very human-focused images; a balance is recommended to be most true to the Alliance’s personality and mission
Verbal Audit

• **Brand Voice:** Current language and tone used in materials position the Alliance as a leader, advocate and collaborative partner

• **Brand and Program Messaging:** The Alliance uses an appropriate amount of action verbs that fall within the brand voice and personality listed above; examples include “assists”, “builds”, “implement action to help protect” and “bringing together”

• **Competitor Taglines/Messaging:** Varies from a focus on geography and a body of water to an individual’s ability to make a difference; many competitors use the terms “Save”, “Saving”, “Protect” and “Protecting”

• **Ownable Space:** The Alliance’s recurring themes throughout history and current programming allow the Alliance to own language around being “a partner, providing the tools to create change together”
Visibility

Assets

• Overall positive reputation that is improving in some regions (PA)
• Ability to stand out visually with differentiated logo and brand colors
• Brand voice portrays the desired outcome of a collaborative, inclusive partner
• Existing channels for communication with audiences already developed
• Content. Many programs, doing many noteworthy things; no shortage of news and updates to share but there’s a delicate balance in not diluting the message

Opportunities

• Refresh of mission/vision and localization within each region
• Develop program criteria that ties back to the mission; lean into a select number of signature programs you can be known for
• Create core messaging for key programs, as well as brand photography guidelines to maximize small communications staff
• Conduct a programmatic logo refresh to better support and represent Alliance brand
• Own your strength as a partner and convener for collaborative change to differentiate messaging
• Strong leadership
• Capable governance/fiduciary oversight
• Solid legal/financial standing
• Efficient and effective development, finance, and communication functions
• Infrastructure (staff, CRM, collateral, space to convene)
• Capacity to execute
The Alliance has capable fiduciary oversight and proper financial management.

The Board has significant confidence in the ability and operations of the finance department.
Board committees are structured and staffed to provide appropriate leadership and support for the organization.

Overall, Board and Staff are unaware of committee activity; opportunity to define committee roles/responsibilities and activate them to work toward strategic goals.
The Alliance has sufficient staff to support growth.

The Alliance has competent, responsive staff.

Internal and external constituencies agree that staff team is very strong but additional investments need to be made in development and communications positions to building capacity for growth.
The Alliance effectively leverages technology and social media to advance its mission.

The Alliance has the operational infrastructure, systems and technology to support growth.

Progress has been made in internal infrastructure, but shared system is needed across offices plus consistent operational procedures.
Key Informant ranking of strategic priorities for the next 2-3 years.

Auditing programs is key to supporting the strategic direction and making significant impact; Key Informants noted Businesses for the Bay would rank higher if the program is reevaluated and restructured.
Organization

Assets

- Competent and dedicated staff with positive external reputation
- Strong fiduciary oversight
- Ability to implement boots on the ground projects
- Diverse regional structure with ability to localize issues with actionable results

Opportunities

- 77% core policies, procedures and systems from Best Practice Inventory are in place or in progress
- Institute operational processes (e.g., consistent financial and CRM tracking)
- Expand staff team (COO) to increase org. capacity
- Implement shared platform across regional offices
- “Backbone” or convener for smaller environmental groups
Organization: Finances – Build Growth Capital

- Some volatility in revenue; stable but not sustainable
- Net assets beginning of 2018: $886,569 with only 8% unrestricted
- Carry-over of -$765,985 in 2017 (a decline from $391,069 in 2016)
- Cash on hand < 1 month of operating expenses
- No investments or reserves
- Negligible profit margins: <1% in 2015, 2016 and 2017
- Lack of growth capital and endowment plus insufficient operating reserves and unrestricted funding are major barriers to growth
Organization: Finances – Earned Vs. Raised Revenue

Cumulative Revenue 2016-2018

- **Total revenue decreased** 6%
  - 13% increase from government grants and contracts
  - 34% decrease from private grants and contracts
  - 51% decrease contributions (board, individual, corporate)
  - 9% increase from special events (Taste)

- **Raised Revenue** – approx. 8% of total revenue

- **Earned revenue** – approx. 92% of total revenue
Restricted vs. Unrestricted: Not Every Dollar Is Equal

- Revenue model supported by restricted dollars
- Restricted grants as a percentage of total revenue*
  - 92% in 2016
  - 90% in 2017
  - 95% in 2018
- 100% of grants are restricted
- Flexible (unrestricted) dollars are mostly generated from Taste of the Chesapeake and small grants and donations

*Assumes all grants and contracts (gov’t + private) are restricted
## Backbone Assessment

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<th>Current</th>
<th>Emerging</th>
<th>Aspirational</th>
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<td><strong>6 Key Functions</strong></td>
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<td>Guide Vision/Strategy</td>
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<td>Support Aligned Activities</td>
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<td>Build Public Will</td>
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<td>Mobilizing Funding</td>
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<td><strong>7 Values/Cultural Attributes</strong></td>
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<td>Collaborative Relationship-Builder</td>
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<td>Humble Servant Leader</td>
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<td>Results-Oriented</td>
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<td>Visionary</td>
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<td>Focused and Adaptive</td>
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<td>Politically Savvy</td>
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<td>Charismatic, Influential Communicator</td>
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Constituency = Individuals, institutions and groups who support or are supported by your organization’s mission

- Who cares about our mission and vision?
- Who ought to care?
- Think about categories of people as well as specific people
Rings of Constituency

- Outer (Community)
- Inner (Network)
- Core (Friends & Family)

Types:
- Promising
- Connected
- Transactional
- Important
- Connected
- Transitional

Essential
- Reciprocal
- Transformational
The Alliance has a growing, engaged constituency of volunteers, donors and partners who understand and care about its mission and programs.

The core constituency is engaged but people who are not closely connected have a vague understanding of who/what the Alliance is.
The Alliance regularly and consistently engages its constituency through a variety of channels.
Constituency

Assets

- Neutrality allows the Alliance to work with unlikely allies, including businesses and farmers
- Ability to reach large constituency across diverse regions
- Engaging volunteer opportunities
- Supporting the environment is timely and relevant to a broad constituency

Opportunities

- Partner with local government, funders, military and more businesses
- Engage young volunteers
- Broaden reach outside of MD, specifically VA and PA
- Dedicate more resources to communications to engage constituents more consistently
- Clarify whether volunteers are engaging with the Alliance or partner organizations
• Break into small groups of 4-5 people and find a place to huddle (5 mins)
• Sort your deck of cards into the following categories with no more than 6-7 per stack (20 mins):
  ▪ **Core**: It’s essential to who we are and what we do.
  ▪ **Adjacent**: It’s important, but not necessarily central to who we are and what we do.
  ▪ **Aspirational**: It’s really important for us to do, or do more of, in the future.
  ▪ **Out of Bounds**: It’s not important or relevant for us or there are others who can do it better.
• Add missing or restated roles on post-it notes
• Post to wall per category at the front of the room
CURRENT & POTENTIAL FUTURE ROLES

✓ Advocate
✓ Influencer
✓ Leader
✓ Neutral voice
✓ Boots on the ground
✓ Capacity builder
✓ Convener
✓ Educator
✓ Expert
✓ Knowledge hub
✓ Advisor
✓ Researcher
✓ Policy analyst

✓ Watchdog
✓ Trusted source
✓ Megaphone
✓ Litigator
✓ Grassroots organizer
✓ Coalition builder
✓ Technical Assistance Provider
✓ Marketer
✓ Evangelist
✓ Backbone organization
✓ Deal maker
✓ Innovator