STRATEGIC DESIGN TO EMPOWER NFTE’S LONG-TERM IMPACT

Net Impact Case Competition
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THE NFTE: DESIGNED TO EMPOWER
POISED FOR GROWTH

NFTE’s CORE VALUES DRIVE SUCCESS

- Mission First
- Empowerment of Youth through Entrepreneurship
- Teaching is Heroic
- Unafraid of Big Challenges

ACHIEVE VISION: EMPOWER GENERATIONS OF YOUTH TO CREATE THEIR OWN WEALTH

REFINE BUSINESS STRATEGY

Design and Implement Improved Human Capital Systems

Contributing
Supporting
BUILDING NFTE FOR GENERATIONS TO COME

Organizational Challenges

- Rapid evolution
- Ineffective structure
- Leadership overburdened

Core Recommendations

- Redefine organizational chart
- Engage in talent review
- Address key constraints

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IMPROVE ORGANIZATIONAL DESIGN

ACHIEVE FINANCIAL STABILITY

MEASURED GROWTH STRATEGY

Organizational Challenges

- Poor and erratic funding model
- Operating at a deficit
- Inconsistent funding sources

Core Recommendations

- Establish development strategy
- Hire Director of Development
- Improve financial systems

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- Adding numerous programs per year
- Strained resources
- Overly dependent on Steve

- Focus on most influential programs
- Create organizational products – standardize services for revenue
**MISSION-DRIVEN ARCHITECTURE**

**A space to fit NFTE’s diverse needs**

**Near-term Alternatives**

**Need: Get out of Steve’s Apartment**

Low-cost Alternatives:
- Donated or subsidized office space
- Community center / churches
- Shared offices with other non-profit organizations

**Long-Term Aspiration**

- Employee Community
- Fundraising Center
- Client Support Center
- Private Meeting Space
Redefine Steve’s role – “Chief Education Officer”

Clear role definitions and job descriptions

All positions shift to full-time

Reduce overlap between redundant positions

”Lean” balanced with productive and happy employees
INVEST IN CULTURE

Leadership & Development

Employee Satisfaction

Communication

Values Alignment

ORGANIZATIONAL DESIGN
FINANCIAL STABILITY
GROWTH STRATEGY
REALIZE VISION

Yale SCHOOL OF MANAGEMENT

Deloitte
Implement Financial Systems and Procedures

- Improve **cash collection process**
- Reduce Senior Team Involvement
- Automated processes **minimize human error** and **build checks and balances**
- Better Cash flow management, planning, and tracking

Define Finance Function Roles and Improve Talent

- **Optimize Processes**
  - **Unencumber Leaders**
  - **Reduce risk of losing 501C status**
  - **Improve morale**

- **Role consolidation**
- **Attain the right talent** and **retain them**
- New CFO position to ensure 501(C)3 compliance
- New controller provides accurate financials, tracks restricted funds, projects cash needs

**FINANCIAL CONSTRAINTS LIMIT NFTE’S IMPACT & CREATE RISKS**
**NFTE SHOULD DIVERSIFY DEVELOPMENT PROGRAM**

**Current Fundraising Results**

<table>
<thead>
<tr>
<th>Year</th>
<th>Foundations</th>
<th>Corporate</th>
<th>Federal Grants</th>
<th>Individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>38%</td>
<td>13%</td>
<td>33%</td>
<td>16%</td>
</tr>
<tr>
<td>1989</td>
<td>92%</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>1990 - YTD</td>
<td>98%</td>
<td>2%</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

**Diversified and Engaged Donor Mix**

- Matching corporate sponsorships
- Board member fundraising minimum
- Anchor Events
  - Pitch competition
  - Conference/Symposium
  - Marathon/Walk Event

**Risks of dependency on foundation support:**

- Steer NFTE away from its core competencies
- Lack of diversity leads to higher risk
- Dependable only in short-term; drawn to trendy causes

**Engage Donors**

- Active Donor appreciation
- Angel investors for high achieving youths
STAKEHOLDER ANALYSIS

* Funders includes Foundations, Corporations, Individual Donors, Government donors
**Strategic Planning**

**The Vision:** NFTE will become a model for emulation by other inner-city areas throughout the country and by doing so, empower a whole generation of youth to create their own wealth.

<table>
<thead>
<tr>
<th>Description</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create organizational educational tools, trainings, office set-up standards. Package for ease of replication (i.e. “office in a box”)</td>
<td>Create Organization Products</td>
</tr>
<tr>
<td>Package curriculum as sellable product</td>
<td></td>
</tr>
<tr>
<td>Cultivate and develop alumni network – make them champions of change</td>
<td></td>
</tr>
<tr>
<td>Counseling Services – partner with existing youth service mentorship programs.</td>
<td></td>
</tr>
</tbody>
</table>

**Yale School of Management**

**Deloitte.**
# Assessment of Success

## Existing Success Metrics

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Impact</td>
<td>Currently measure number of kids/inmates trained, and calls received for both direct and indirect programs</td>
</tr>
<tr>
<td>Financial Stability</td>
<td>Budget is managed by team through basic accounting services</td>
</tr>
</tbody>
</table>

## Proposed Additional/Improved Metrics

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Stability</td>
<td>Expand monitoring and measurements metrics</td>
</tr>
<tr>
<td>Social Impact</td>
<td>Consider quantifiable metrics in wealth creation – increase in graduation rates, advanced degrees, financial success.</td>
</tr>
<tr>
<td>Leadership Development</td>
<td>Enable team members to see opportunities for mobility – set leadership goals and milestones for all staff, create assessment and evaluation metrics against goals</td>
</tr>
<tr>
<td>Organizational Happiness</td>
<td>Reward the belief and entrepreneurial spirit of employees in creative and low cost ways. Highlight successes in weekly staff meetings</td>
</tr>
</tbody>
</table>
## “First 100 Days”

- Organizational structure redesign
- Initiate recruiting process for COO, CFO
- Revise job descriptions
- Begin financial stability plan
- Communicate change to the team – re-set norms

## Medium Term

- Onboard new leadership
- Move into new office
- Implement data driven evaluation systems
- Pilot replication in new test market

## Long Term

- Replicate nationally – provided success in testing
- Develop pipeline of future external leaders and mentors
- NFTE leadership succession planning

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### Key Risks:

- Maintain strength of core programming
- Danger in going too fast, too soon
- Critical to retain key employees through change process
- Management of funding gaps
THANK YOU

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