

Growing good, together.

# **Exploring Nonprofit Business Models**

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# Thank you to CHI Health for hosting today's session.



A member of CommonSpirit



# **Our Mission and Vision**

#### Mission

We maximize the power of philanthropy to strengthen our community.

#### Vision

A connected community of passionate philanthropists, strong nonprofits, and thriving residents.





# What is a Community Foundation?

- 900+ community foundations nationwide
- Structure: 501(c)(3)
- National Standards Accreditation
- Giving tools
  - Charitable giving funds
  - Concierge level service
  - Community connections
  - Partner grantmaking

# **OCF's Impact**

- **Serving:** Community, Nonprofits, Donors
- **2,000+** Donor Funds
- \$240M in grants processed in 2024
- 17,000+ grants
   to 3,200 nonprofits
- Capacity building resources to strengthen the vital community of nonprofits to support diversified funding streams and sustainability.



# **Capacity Building Series**

# Building Resources

Each session of the Nonprofit Success Series builds upon the content of the previous session. The goal is to equip nonprofits to thrive and meet their mission.





# "Nonprofit" is a tax status, not a business model.

- Sustainable organizations blend mission, money, and management.
- Today's goal: expand how we think about the ways nonprofits create, deliver, and capture value.





# Defining Nonprofit Business Models

A business model describes how an organization creates, delivers, and sustains value—for both community and stakeholders.





# **Common Nonprofit Business Models**

Grant-Funded Service (traditional charity model)

Membership

Fee-for-Service

Government-Contracted Service



# **Common Nonprofit Business Models - Continued**

Social Enterprise / Earned Income

Collective Impact / Backbone Model

Hybrid or Multi-Revenue Stream



# "A strong business model isn't defined by where your money comes from; it's defined by how consistently your mission can thrive."



# The Nonprofit Evolving Landscape





Declining unrestricted giving and competitive grant funding

Rising costs and workforce pressures

Donor and funder expectations for measurable impact

Cross-sector collaboration and blurred lines between nonprofit, government, and business



### **Opportunities:**

Earned revenue strategies

Strategic partnerships and mergers

Shared services and fiscal sponsorship



# **Anatomy of a Sustainable Model**

Adapted "Business Model Canvas" for nonprofits.



**Value Proposition** – What problem are we solving? For whom?



**Revenue Mix** – How do funds flow in (grants, fees, contracts, investments)?



**Cost Structure** – Where do resources go? Are they flexible or fixed?



**Infrastructure & Capacity** – Systems, people, and partnerships that sustain operations.



**Impact Model** – How success is measured and communicated.



# The Evolving Landscape

### Pressures reshaping nonprofit business models:

- Declining unrestricted giving and competitive grant funding
- Rising costs and workforce pressures
- Donor and funder expectations for measurable impact
- Cross-sector collaboration and blurred lines between nonprofit, government, and business



# **Opportunities**

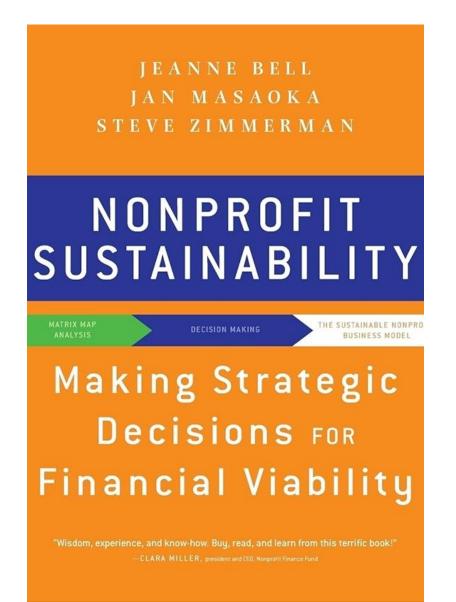
- Earned revenue strategies
- Strategic partnerships and mergers
- Shared services and fiscal sponsorship
- Technology, data, and community engagement as value drivers





### **Resources to Access More Information**

Nonprofit Sustainability:
 Making Strategic Decisions for
 Financial Viability by Jeanne
 Bell, Jan Masaoka, & Steve
 Zimmerman





## **Welcome Business Model Panelists**



Dr. Carole Patrick, President & CEO VNA





Eric Stueckrath
President & CEO





Miah Sommer Executive Director





Designed for:

Designed by:

Date:

Version:

#### **Key Partners**



Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities

#### **Key Activities**

Problem Solving Platform/Network

Our Distribution Channels?

What Key Activities do our Value Propositions require?



#### Value Propositions What value do we deliver to the customer? Which one of our customer's problems are we

What bundles of products and services are we

offering to each Customer Segment?

Which customer needs are we satisfying?

helping to solve?

Newness Performance

Design Brand/Status

Cost Reduction Risk Reduction Accessibility



#### Customer Relationships





What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established?

How are they integrated with the rest of our How costly are they?

Personal assistance Dedicated Personal Assistance Self-Service **Automated Services** 

#### **Customer Segments**

For whom are we creating value? Who are our most important customers?

#### **Key Resources**



What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?

TYPES OF RESOURCES

Physical Intellectual (brand patents, copyrights, data) Financial





Through which Channels do our Customer Segments

How are we reaching them now? How are our Channels integrated? Which ones work best?

Which ones are most cost-efficient?

How are we integrating them with customer routines?

- How do we raise awareness about our company's products and services?

  2. Evaluation
- Purchase
   How do we allow customers to purchase specific products and services?

#### Channels



Awareness

How do we help customers evaluate our organization's Value Proposition?

4. Delivery How do we deliver a Value Proposition to customers?

#### How do we provide post-purchase customer support?

#### Cost Structure



is YOUR BUSINESS MORE
Cost Driven (harnest cost structure, low price valve proposition, maximum automation, extensive outsourcing)
Value Driven (housed on value creation, premium value proposition)

BAMPLE CHARACTERISTICS Fixed Costs (salaries, rents, utilities) Variable costs Economies of scale Economies of scape



#### Revenue Streams

For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?

Asset sale Usage fee Subscription Fees Lending/Renting/Leasing

List Price Product feature dependent Customer segment





# Thank you!

# Please Take 5 Minutes to Complete a Brief Evaluation of the Workshop

## Please Contact Us with Any Questions:

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