



Revenue Generation: Achieving Year over Year Financial Growth

Executive Summary:

The Insight Memory Care Center Board of Directors developed a strategic plan with one of the goals being achieving financial growth and sustainability. Having maintained their operations year over year with little growth, the IMCC Board of Directors had a vision for expansion; programmatically and physically. Being conservative in their approach, coupled with the limitations in their current space and existing programs, a comprehensive plan was developed that targeted to increase the following areas: early stage and day center revenue and days of service, implementation of new revenue generating programs, and fundraising (to include donations, grants, and events). Over the course of five years, IMCC's launched new revenue generating programs and increased their operating revenue 34%.

Organizational Background:

Insight Memory Care Center (IMCC) is a 501(c) 3 nonprofit located in Fairfax, Virginia. IMCC's mission is to provide specialized care, support and education for individuals with memory impairment, their families, caregivers, and the community through its adult day health and resource center.

Challenges:

In looking at current operations, the organization historically focused solely on the day center enrollment as their revenue source, which presented a significant challenge of revenue diversification. Enrollment capping at the break-even point also brought significant challenges, leaving available revenue-generating vacancies each day of service. Finally, there had not been an annual increase in enrollment fees over the prior three years.

Running parallel to this goal were plans to expand and relocate the center, which consumed significant time and focus from the board and staff. The lack of a dedicated fundraising plan, and relying on relationship grants and annual contracts was the standard method of operating. With multiple priorities, there was not a clear plan in place on how to move the organization forward, but rather keeping things status quo.

Solution:

Looking at multiple priorities: expansion, growth in programs and services, revenue generation (financial sustainability), a multi-tiered approach needed to be taken as each of these goals were interdependent on each other.

Prioritizing areas of focused efforts, and factoring in current budgetary restraints, Joel's primary focus was to determine how to increase revenue to pay for additional human resources dedicated towards these efforts.

There was opportunity to increase enrollment numbers, without increasing additional expenses with regards to staffing (fixed vs. variable expenses). Increased marketing efforts, yielded increased referral sources and additional participants enrolled, this added leverage to the budget allowing for additional staffing.

With the existing early stage program, there was opportunity to revamp the current program, develop new early stage programs, community partnerships (donated space, referrals), and developing a fee structure suitable for these programs, allowed for additional revenue to cover additional staffing expenses.

The need to increase marketing and outreach efforts in the community to drive referrals to these new revenue generating programs, required dedicated efforts, which the organization lacked. Joel applied marketing strategies and principles to the organization and developed the team to achieve this goal.

Results:

Through program fee adjustments, new fee based programs, dedicated fundraising and marketing efforts, and program expansion, within five years, IMCC increased its overall revenue by 34%. Reserve funds were increased and diversified into investment accounts with applied policies and procedures governing their use. Funds were allocated for expansion efforts and strategic initiatives allowing IMCC to continue its mission and serving more people through enhanced programs and service offerings.

Accomplishments:

- Day Center Financial Growth: 82%
- Early Stage Financial Growth: 395%
 - o Launch of Reconnections (*new program)
 - o Launch of Caregiver Cruise (*new program)
 - o Launch of Share Program (*new program)
- Day Center Program Days of Service Growth: 37%
 - o Expansion to new Center (<20 clients per day)
- Fundraising Growth (non-event): 11%
- Fundraising Event Growth (net of direct expenses): 132%
 - o Launch of Annual Branded Fundraising Event
- Overall Budget Growth: 12%

This approach yielded additional programs and services and increased the year over year revenue to the organization.

Testimonials

“Joel demonstrated excellent technical and interpersonal skills in working with various stakeholder groups to achieve this success in a surprisingly short time. I was extremely impressed with Joel's ability to visualize the goal of long-term growth while marshaling the organization's financial and other resources in the near term to move us prudently toward that goal. “

- Insight Memory Care Center Board Member and Treasurer

We can help your organization with diversifying your revenue and achieving year over year growth. Contact Joel Bednoski at Joel.Bednoski@HarpConAG.com or at 703.864.3445 to discuss how we can help make your vision a reality.