



Financial Analysis Service Grant



The Strategy Management Practice is presented by Wells Fargo.



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Outline

- Strategy Management Overview
- What is a Financial Analysis Service Grant?
- How does the Financial Analysis Service Grant fit in?
- Why do a Financial Analysis Service Grant?
- What are the deliverables and what is considered in scope?
- What is not in scope for this Service Grant?
- What are the criteria to qualify for this Service Grant?
- Process
 - Key milestones
 - Pro Bono Consultant team
 - Project management and tools
 - Timeline
- Spotlight: Rebuilding Together Oakland and Girls Inc. of the Island City

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Strategy Management

The Purpose:

- Help organizations thoughtfully explore their environments as well as their own strengths and weaknesses
- Monitor and measure progress towards an organization's defined strategic objectives
- Facilitate decision-making among key stakeholders

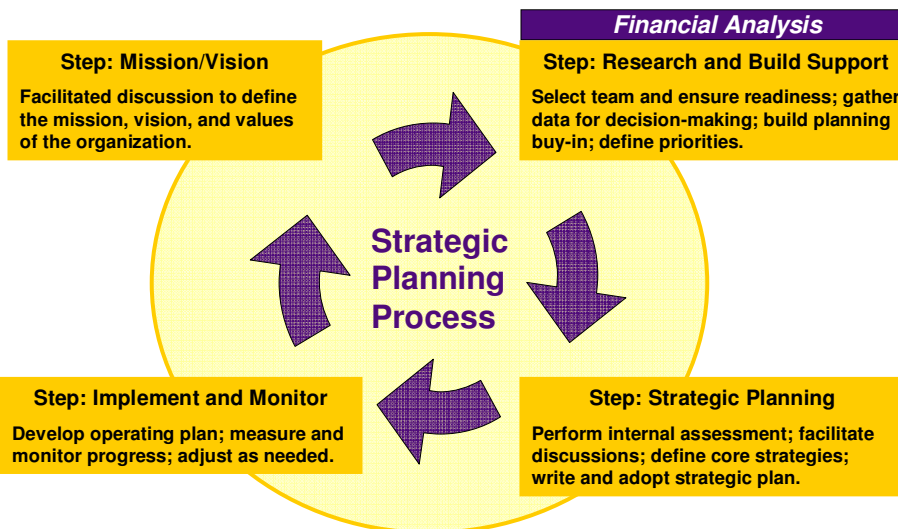
The Result:

- Detailed data collection and analysis, which provides contextual information the organization needs to make good strategic decisions
- Established common terminology around organization's strategic goals and objectives
- Framework for describing strategic execution

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The Strategic Planning Process



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What is the Financial Analysis Service Grant?

The Financial Analysis Service Grant works to **define the costs** of selected initiatives such as programs, expansion, or revenue generation. The financial model created will **equip you with data** for assessing past financial decisions, evaluating current costs, or forecasting future costs.

Sample questions this Service Grant could help answer:

- **Cost of programs and service** - What are the implications of combining the counseling program with the client education program?
- **Unit costs** – What does it really cost to provide 300 tutor hours?
- **Expansion costs** – What does it cost to open a site in L.A.?
- **Revenue generation costs** – What does it cost to get \$100 in individual donations?

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Why do a Financial Analysis Service Grant?

With the new cost information, you can make more informed and strategic decisions.

While the impact of each project varies, previous clients have:

- Strengthened internal capacity to use and monitor the *right* financial data (as opposed to *more* financial data)
- Articulated costs more clearly in grant proposals and reports
- Communicated cost information to stakeholders such as board, funders, and donors
- Gained additional information for decision-making on cost-cutting measures
- Used cost information to price event sponsorship fees or estimate service delivery models
- Built a plan for more targeted revenue generation by understanding the costs of generating revenue across different streams
- Gathered the financial information necessary to answer another pressing strategic question

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Activities in Scope

The grant scope includes:

- **Identifying key question(s) for analysis**
- **Internal discovery interviews** (up to 15 interviews within your organization)
- **Deliverables:**
 - ➔ **Financial Analysis Direction document:** In-depth analysis of current financials and accounting information related to a key strategic question
 - ➔ **Financial Model:** Excel-based tool for gathering crucial cost data and will provide the most detailed possible answer to your organization's driving question
 - ➔ **Training and documentation** to use the Financial Model in the future
 - ➔ **Financial Analysis:** report that analyzes implications of the financial model and answers your organization's key questions

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Activities that are not in scope

- Financial health check
- Building an accounting system
- Auditing, tax returns, budgeting
- Cost cutting
- Creating a strategic plan
- Organizational assessment
- External benchmarking
- Outsourcing recommendations
- Any other recommendations – this is a research-based grant only
- Software configuration other than Excel



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Grant Criteria

We recommend you apply if your organization has:

- An Executive Director and Board of Directors strongly committed to this project
- Staff who can invest the necessary time to make the project succeed:
 - Executive Director: 10 to 15 hours total
 - Finance Director: 15 to 20 hours total
 - Selected Managers: 5 hours total
 - Day-to-Day Contact: 3 to 5 hours each week
 - Board of Directors Representative: 5 to 10 hours total

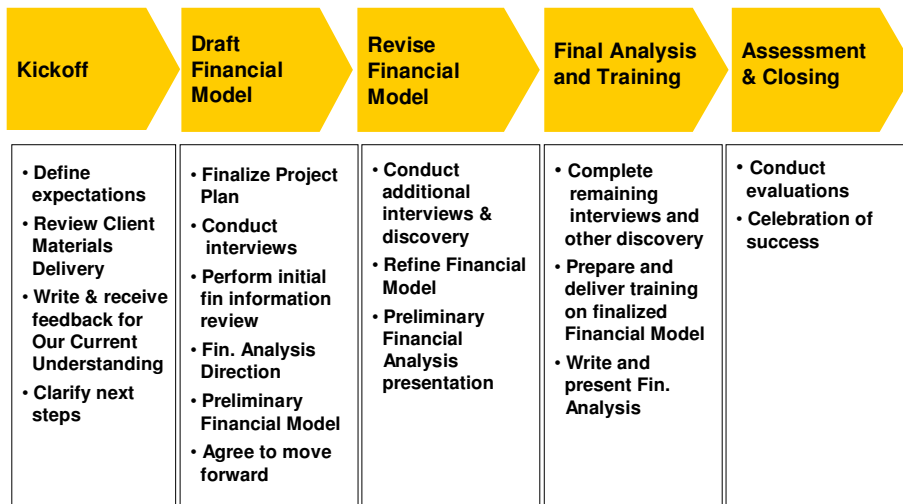
We also ask that your organization meet at least one of the following criteria:

- Locations in two or more cities
- Running two or more programs
- Two or more funding streams (streams constituting at least 10% of total funding)

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The Process



* Please note that while the Pro Bono Consultant team completes most of the work, the nonprofit also has tasks and deliverables at each stage.

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The Financial Analysis Team

- Account Director
- Project Manager
- Financial Consultant
- 2 Financial Analysts

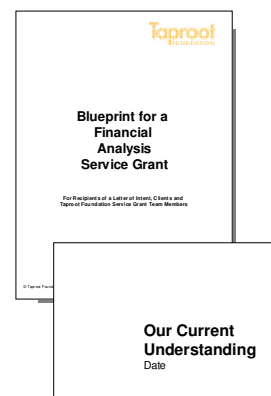
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Program Management and Tools

Your organization will be equipped with the following resources for the Financial Analysis Service Grant:

- Leadership from Account Director
- Oversight from Project Manager
- Pro Bono Consultant team with Taproot tools that can be shared with you as needed:
 - Financial Analysis blueprint
 - PowerPoint templates for: Our Current Understanding, Financial Analysis Direction, Preliminary Financial Analysis, Final Analysis Results
 - Helpful articles and links



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Ideal Timeline*

Stage	Approximate Timing
Letter of Intent (LOI) Sent	
Account Director Assigned / Site Visit	1 month after LOI sent
Staffed	2 months after LOI sent
Kick Off Completed	2 - 3 months after LOI sent
Interviews Completed	3 - 4 months after LOI sent
Financial Analysis Direction	4 - 5 months after LOI sent
Financial Model and Training	5 - 6 months after LOI sent
Financial Analysis	6 - 7 months after LOI sent
Project Closed	7 - 8 months after LOI sent

*Ultimately, depends on you and your team

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Spotlight: Rebuilding Together Oakland and Girls Inc. of the Island City



"What I found most profound about working with our Taproot team was their ability to **quickly come up to speed** about RTO programs, our operations and how we incur costs associated with the delivery of our services. Not only did the tool give us the capability to analyze our **historical costs across different project types**, but also gave us a **predictive modeling tool to estimate costs** on various project configurations. This will be valuable to in grant proposals, pricing sponsorship fees and estimating new service delivery models."

KYM LUQMAN
Executive Director, Rebuilding Together Oakland

"The financial analysis tool that the Taproot Team created for Girls Inc. exceeded our expectations. Our singular desire was to calculate the full cost of a girl attending our programs. The Taproot Team, instead, developed a **robust analytical model** that allows us to **drill down and understand multiple cost structures**. Further, budgeting processes are enhanced through the tool."



KAREN D. KENNEY
Executive Director, Girls Inc. of the Island City

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