armanino

**NONPROFIT** 

SYMPOSIUM

We'll begin shortly ...

2022

SEARCH TRIBLES SEARCH TRIBLES

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Publication Date: September 29, 2022

BACK TO

## SYMP SIUM



**SEPT. 29TH, 2022** 

10:00 AM - 2:00 PM CDT



AUSTIN | CHICAGO | DALLAS | ST. LOUIS | PHILADELPHIA



#### **WELCOME**

**Jeff Owens Armanino Partner and Nonprofit Industry Group Leader** 



#### LEARNING OBJECTIVES

#### During today's event we'll:

- Discuss how to use futurism in your day-today work and identify trends before they happen
- Examine the ways embracing digital transformation can maximize your mission effectiveness
- Identify how to answer environmental, social and governance questions for your board and stakeholders who want to engage with your organization
- Explore the role data and analytics can play in furthering your mission

#### **CPE** Information

Program Level: Basic

Recommended CPE: 4

Field of Study: Accounting -

Governmental

Advanced Preparation: None

Prerequisites: None



#### COURSE AGENDA

10:00 a.m. Welcome

10:10 a.m. Keynote: Now Is the Time for Future Thinking

11:00 a.m. Break – Announcements

11:10 a.m. Thinking Fourth Dimensionally: Strategy and Digital Transformation

12:00 p.m. Break – Announcements

12:10 p.m. Create Your Future: Environmental, Social and Governance (ESG)

1:00 p.m. Armanino Foundation Break

1:10 p.m. Your Destiny: Social Impact & Data Analytics

2:00 p.m. Closing

All times above in Central Standard Time



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# Now is the time for FUTURE THINKING

with Trista Harris
Philanthropic Futurist
& President of FutureGood



## Philanthropic Futurist and President of FutureGood

Learn more at www.TristaHarris.org



# FutureGood

Helping visionary
leaders build a better
future through
strategic visioning,
retreats, cohort
programs, and online
learning programs

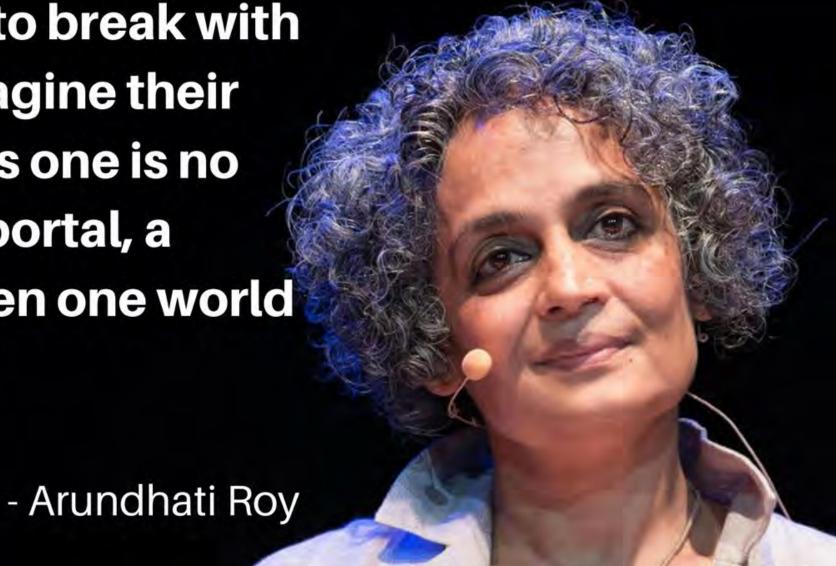


#### POLLING QUESTION #1

How familiar are you with the concept of futurism?



"Historically, pandemics have forced humans to break with the past and imagine their world anew. This one is no different. It is a portal, a gateway between one world and the next."



Movement

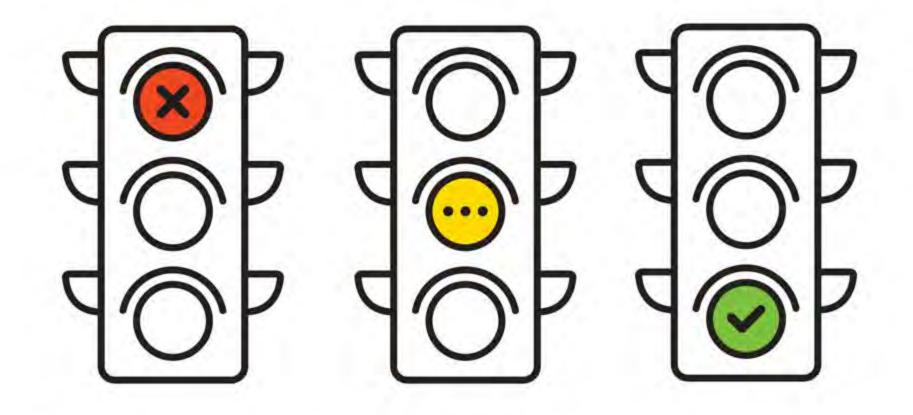
Moment



#### POLLING QUESTION #2

Do you find yourself stuck on problems and unable to develop a "solutions mentality" as it relates to future issues impacting you and your organization?



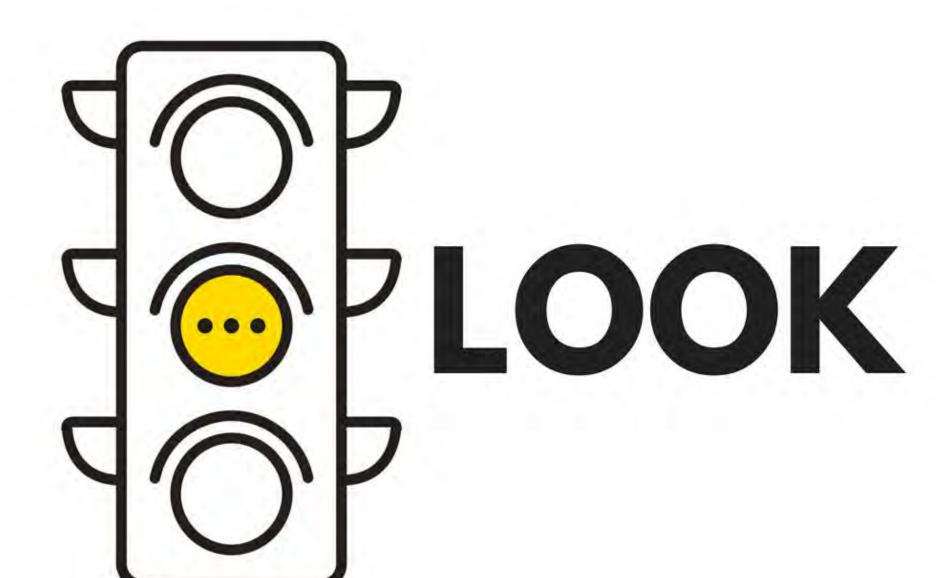


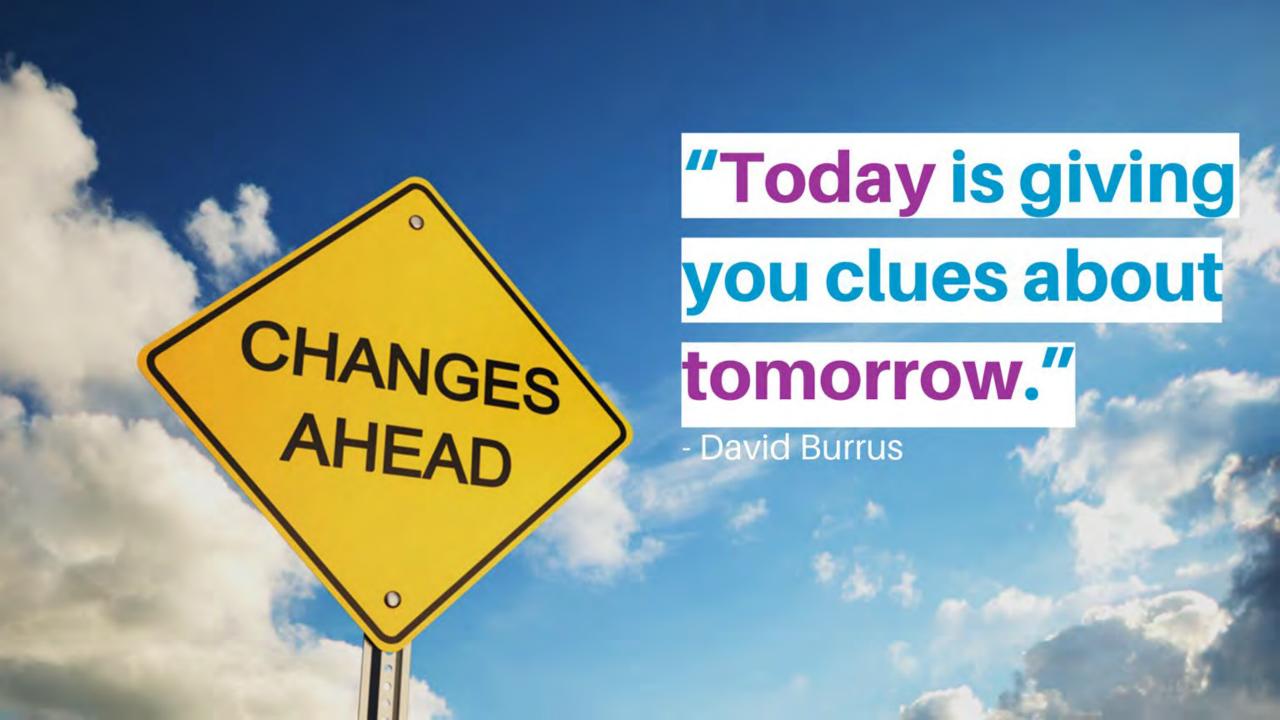
## STOP, LOOK & GO



# In your IDEAL FUTURE

what does the impact of your work look like in 30 years?













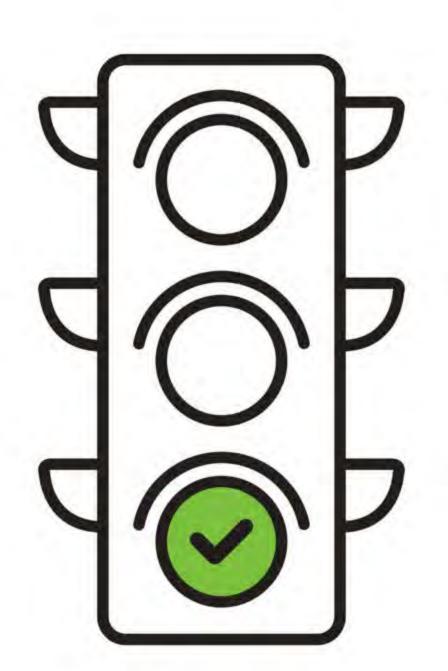
#### POLLING QUESTION #3

When do you think flying cars will become a reality?









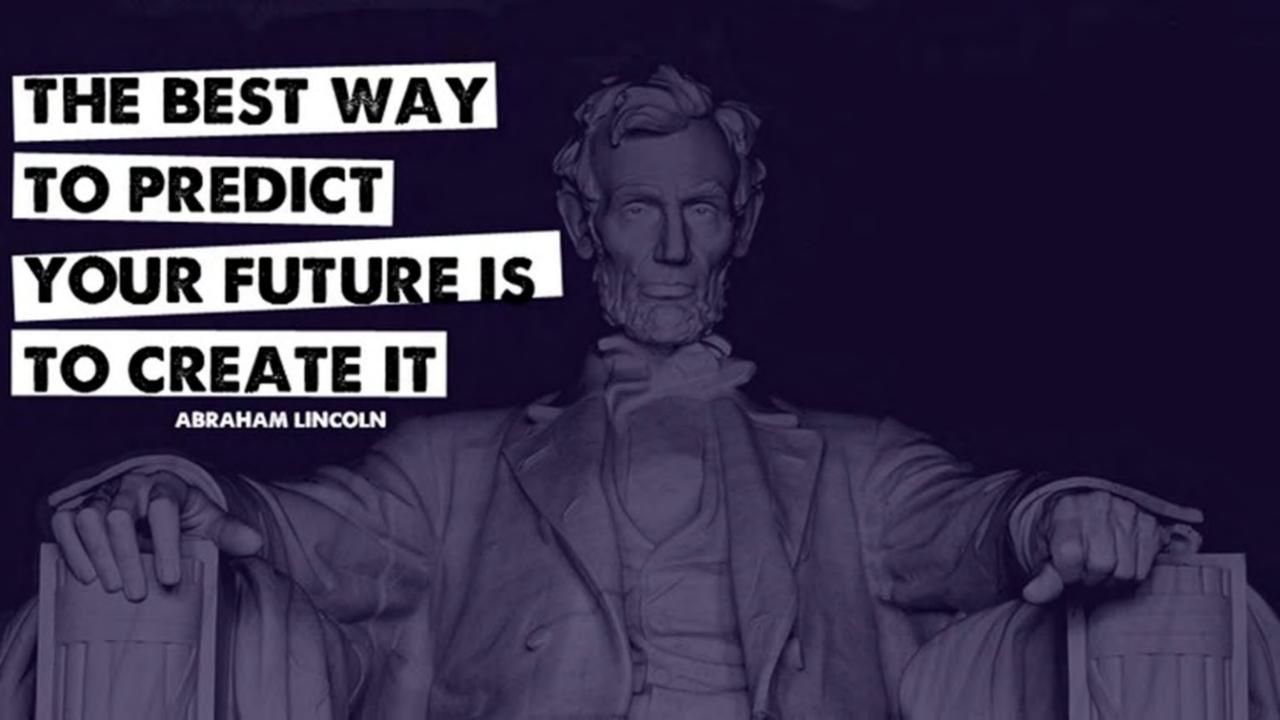
# GO

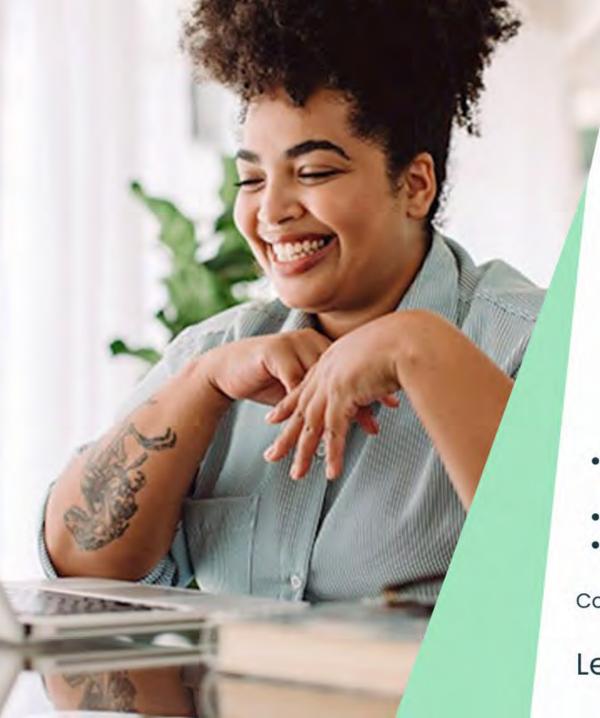
#### POLLING QUESTION #4

In my current position, I feel empowered about helping my organization move toward a positive future.











WE TEACH SOCIAL SECTOR PROFESSIONALS TO USE **FUTURISM** TO PREDICT AND SHAPE THE FUTURE.

- Learn at your own pace from philanthropic futurist, Trista Harris.
- Network with other future-focused social sector leaders.
- Deepen your learning with a Mastermind Team.

Cohorts start in January, May, and September.

Learn more at WeAreFutureGood.com



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# BREAK

The next session will begin at 11:00 a.m. (CT)



## Thinking Fourth Dimensionally: Strategy and Digital Transformation

#### Today We'll:

- Examine what strategy and digital transformation are
- Discuss the role technology plays in improving operations for your organization
- Learn the ways embracing change equips organizations with the tools to successfully navigate disruption

#### Presenters



John Stewart
Armanino Partner
Strategy & Transformation
Practice Leader



Thomas Brewer
Ralph M. Parsons Foundation
VP, Finance & Administration



John McBride
Nasher Sculpture Center
CFO





I have a firm understanding of my organization's strategic vision and believe we are structured for future success.



Do you have a wide understanding of technologies like Al and robotic process automations can improve your efficiencies and operations?









# Future Proofing







# Embracing Change







# Navigating Disruption





True or False: I believe having a future focused technology strategy will be critical to my organization's continued success.



True or False: We should be talking more regularly about disruption with our management teams and board members in the future.







# BREAK

The next session will begin at 12:10 p.m. (CT)



# Create Your Future: Environmental, Social and Governance (ESG)

#### Today We'll:

- Analyze the three key components of ESG
- Be prepared to answer the ESG questions your Board members are asking
- Correlate the value of ESG for the future of your organization and your career



#### **Mary Tressel**

#### Armanino Senior Director, Strategic Initiatives

- Former PTA President, Holbrook Elementary
- Launched Armanino Foundation in 2016
- Led Armanino's journey to achieve B Corporation Certification
- Serve as the ESG Sector Leader for Moore Global







# POLLING QUESTION #9 What does ESG stand for? SYMP SIUM



## SUSTAINABLE G ALS







































#### What is ESG?



- √ Labor Standards
- ✓ Diversity and Inclusion
- ✓ Community Impact

#### **Environmental**

- √ Greenhouse Gas **Emissions**
- √ Water & Waste Impacts
- ✓ Procurement

#### Governance

- √ Stakeholder Model Implementation
- √ Board & Management Structure
- √ Cybersecurity/Customer Data Privacy



#### Who Cares?

#### Everyone!

- Beneficiaries
- Employees
- Donors
- Volunteers
- Funders/Community Partners
- Governmental Agencies
- Media/Social Media
- Vendors/Suppliers



#### **Future Leaders**

2/5 have rejected a job that didn't align with their values

5+ Years – Amount of time Gen Zs and Millennials are likely to stay with an employer that is focused on environmental impact and creating a diverse and inclusive culture



Does your organization have an ESG strategy in place?

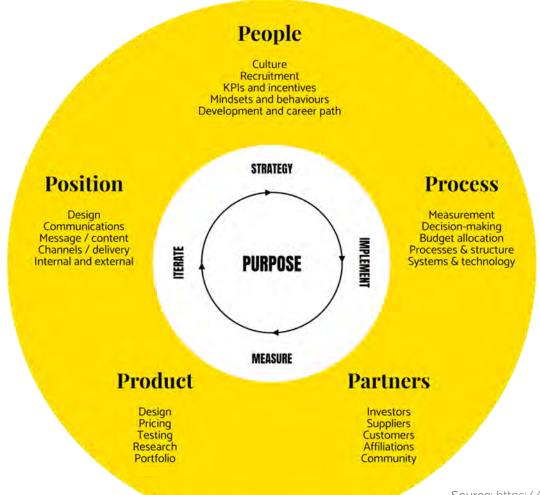


#### **DEIB**

"Do we have a living wage policy to promote the economic inclusion of all our employees, irrespective of age, sex, disability, race, ethnicity, origin, religion or other status?"



### Continuous Improvement





#### Follow the Money

"What is our endowment investment policy regarding ESG funds?"



#### **ESG Investing**

#### The Nonprofit & Foundation Impact

"It's a way to do more good with more money, expanding an organization's positive effects from just the proceeds of a portfolio to the entire portfolio."

Source: Nonprofit Information



#### **Specifics**

- Non-Market Funds
- Direct Indexing
- Activist Investing

Source: Bloomberg



### **ESG Investing**

"Are we attracting and retaining eco-conscious donors and government grants by reducing and reporting our environmental impact?"



### Next Gen Philanthropists









#### **ESG Investing**

"How are we maximizing corporate and civic sponsorships and utilizing their power to share our organization's impact on the community?"



#### **Partnerships**

# 17 PARTNERSHIPS FOR THE GOALS

## Corporations & Nonprofits Making a Difference Together

- Unilever Goal, UK Government, UN Refugee Agency (UNHCR)
   &and the International Rescue Committee (IRC)
- Ecolab The Nature Conservancy = Water Coalition
- Pact & Coca-Cola



I believe developing and implementing an ESG strategy for my organization will enable us to better recruit and retain talent.





#### **ESG** for

#### Future-Focused Leaders

- Focus your limited attention on the issues and strategies where you can have the largest impact, helping you create greater change on the ESG issues that you and your stakeholders are passionate about.
- Help others see a clear path forward on issues where there may not have been consensus before by crafting a vision of long-term success that people can buy into.
- Become more valuable to your organization and more marketable for future positions.



Keynote Speaker: Trista Harris



### **Break the Silos**

"One of the many things the pandemic has brought into sharp focus is just how interconnected these issues are. Now is the time for our nonprofit community to embrace ESG as a framework for advancing their missions to build a better world."

 Dr. Emily Young, Executive Director of <u>University of San Diego's</u> <u>Nonprofit Institute</u>



# **ESG** Reporting

#### Higher Education Leading the Way

- Association for the Advancement of Sustainability in Higher Education
- Movement driven by students and professors
- 17 Impact Areas Air & Climate, Curriculum, Diversity & Affordability...



### We Need You!

#### Winning Qualities

- ESG Experience
- Adaptive & Critical Thinking
- Multidisciplinary Systems Perspective
- Passion



# POLLING QUESTION #12 A strong ESG strategy: SYMP SIUM











### Presenters



Stacie Kowalczyk
Armanino Partner
Nonprofit Industry



Alex Gyorffy
Armanino Senior Manager
Product Development &
Innovation



Dionne Broadus, J.D.

American Heart Association
National Vice President, Social
Impact



Claire Ugo-lke
American Heart Association
Lead Evaluation Analyst



### **Your Destiny: Social Impact and Data Analytics**

#### Today We'll Discuss:

- Social Impact Analysis
  - What is it? Why does it matter?
  - Market trends
- The American Heart Association Story
  - AHA Mission
  - **Social Impact Funds**
  - Measuring impact Investee ROI and Social Determinants of Health
- Q&A



# POLLING QUESTION #13

How important do you feel it is for nonprofit organizations to report on their social impact?



# Social Impact Analysis

#### What is it?

- **Social impact analysis** is the process of measuring, analyzing, and monitoring the impact of planned interventions (policies, programs, projects) and value creation for your community
- Focused on quantifying both economic and social impact, and who is experiencing those benefits
- Social Return on Investment (SROI) estimates the monetary value of social, environmental, and economic outcomes as a ratio to costs or investments (inputs)

#### Benefits

- Support data-driven decision making to optimize operations and achieve more for your cause
- Effectively prove and communicate the impact of your organization's work to stakeholders



# Social Impact Analysis

#### Market Trends and the Role of Technology

More nonprofits are providing real-time data and public reporting, as donors demand transparency and metrics on the impact of their donations

30%

72%

72%

31%

Demonstrating impact measurement to existing and potential donors is a major issue

Say donors expect remote access to KPIs

Have plans to show real-time KPIs on their website

Provide a dashboard to show impact measurements of donations in action

(86% say it is impactful)



# POLLING QUESTION #14

Does your organization currently report on social impact for specific programs or funding streams?



#### **AHA Social Impact Funds**

Advancing the AHA Mission

- Compliments the lifesaving work AHA has been doing for nearly 100 years
- Social Impact Funds advance the AHA's 2024 Health
   Equity Impact Goal
- Key Strategy of Commitment #2 of AHA's 10 Bold Commitments to achieve Health Equity: Raising and Investing \$100M in community-led solutions to address health inequity and structural racism



#### **AHA 2024 Impact Goal:**

Every person deserves the opportunity for a full, healthy life. As champions for health equity, by 2024, the American Heart Association will advance cardiovascular health for all, including identifying and removing barriers to health care access and quality.

#### **Key Goals – What Do the Social Impact Funds Do**

Investing to address the needs of communities from within the communities themselves by:



**Providing Access to Capital** for For-Profit and Non-Profit Small and Medium-Sized Enterprises (investees) that address adverse Social Determinants of Health with the goal of generating long-term positive health outcomes.



**Combating Structural Inequities** through an inclusive and innovative approach to investing in social entrepreneurs and organizations that are reflective of their communities and have a vested interest in solving the challenges there. This often includes investing in diverse organizations that have been systematically bypassed by venture capital.



**Accelerating innovation, scale, and the sharing of best practices** for the Social Impact Funds' portfolio of investees.



**Dynamically studying and addressing needs of our portfolio investees and in our markets** to ensure we are working on the most pressing challenges.

#### **Impact Areas: What we Fund**

Investing in solutions focused on three main Social Determinants of Health



Access to Health & Healthcare



**Food Security** 



**Economic Resiliency/ Poverty Reduction** 

#### **Investment Portfolio**

#### **Cumulative Social Impact Funding**

98

\$32M+

\$128M+

Social Enterprises Funded

Raised from donors

In new revenue and funding to social enterprises from AHA seed investment

4X social impact return

#### **Key Portfolio Points**

- 92% of current portfolio led by people of color or women
- 100% of portfolio operates within under-resourced communities
- For 75% of current portfolio, AHA funding is the first or largest commitment from an institutional investor, catalyzing new revenue and investments
- More than 80% of donor funds go directly into the community to the social enterprises
- Most SMEs are early-stage. Approximately 35% are for-profits.

### Current Social Impact Fund Markets Led by donor interest



### POLLING QUESTION #15

True or False: Boards and Governance Committees must set the tone at the top for strategic initiatives?



#### **Measuring Social Impact**

**Guiding Principles** 

- Understanding how much change occurred as a result of our investments and investees' activities
- Not just about measurement, but about integrating stakeholder voice to understand community outcome
- Emphasis on sustainability and long-term outputs and impact beyond initial grant/investment period

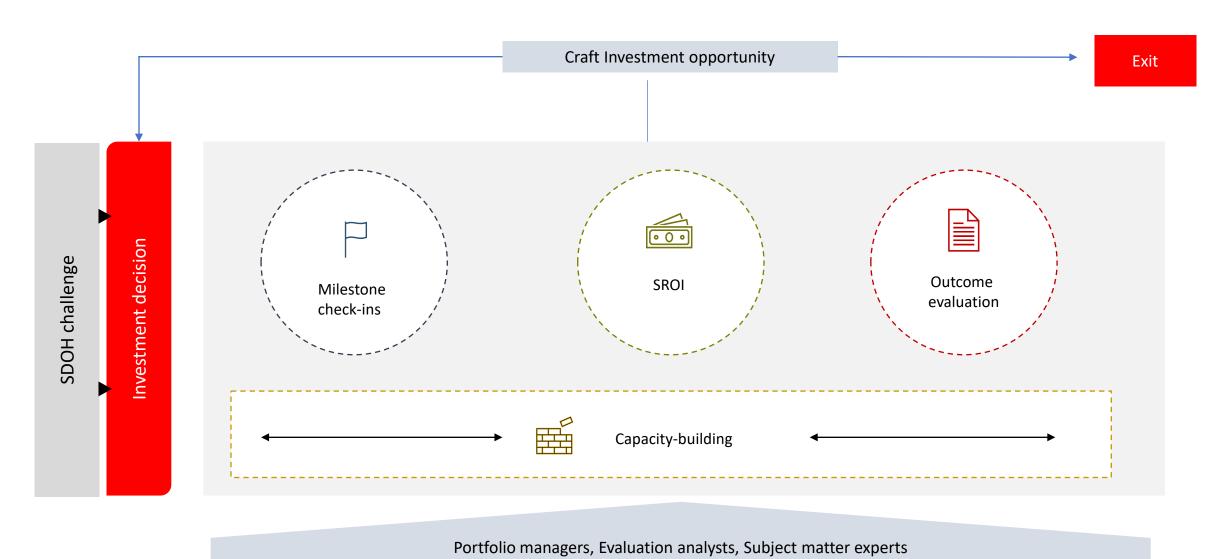
**Impact First** 

Community-centered solutions

Reliance on evidence and measurement

Highest social return per investment dollar

#### **Social Impact Funds Evaluation Framework**



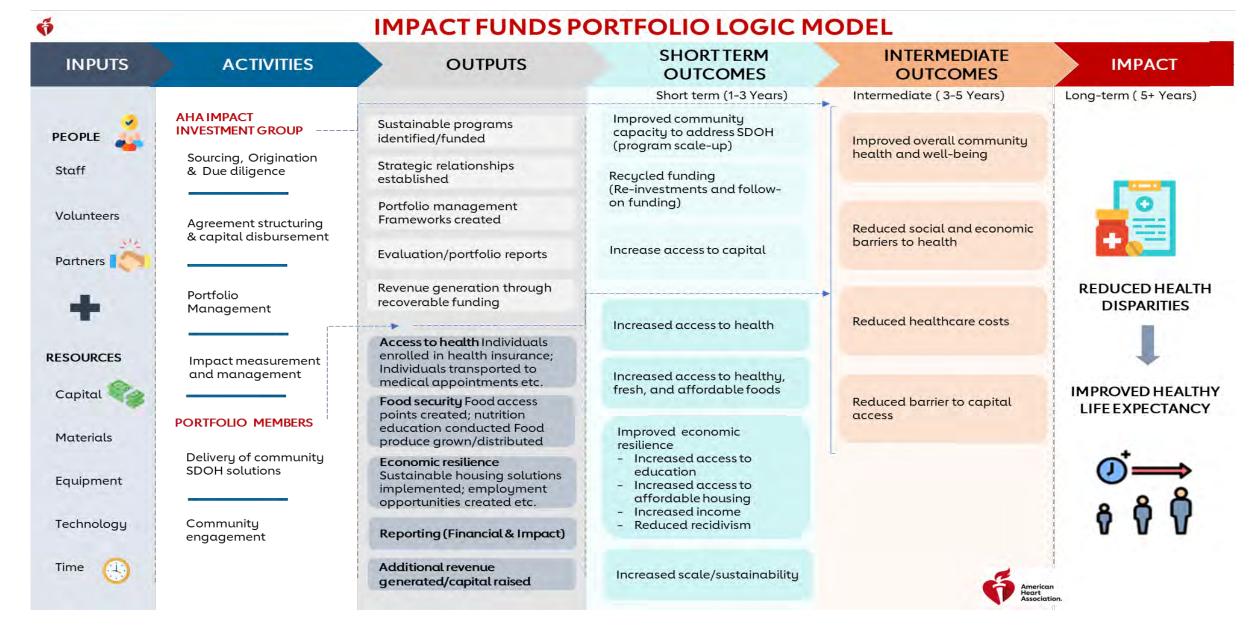
#### **Performance Managing Investees to Impact**

#### Roadmap

Start of Create outcome and activity Evidence assessment, Portfolio Manager Investment milestones for investment period (PM) and Lead Evaluation Analyst (LEA) Period make initial evaluation plan Interim check-in; review evidence to date, Engage in portfolio capacity find opportunities to increase impact, building, create initial impact make necessary adjustments framework and review with LEA Review and reflect on performance, Continue data collection, LEA impact of strategy and future investment starts to finalize evaluation opportunities

PM sets up and conducts quarterly milestone check-ins; LEA begins implementation of evaluation activity

#### **Impact Measurement and Management**



#### **Measuring Investee Performance**

#### **Technology Enablement:**

- Centralized data
- Personalized views for investees and your communities
- Project views
- Surveys to collect data and engage stakeholders
- Reporting



#### **Measuring Social Determinants of Health Impact in Our Communities**

Our investments have **improved the quality of life** for **1.6 million individuals** across the nation, across our social determinants of health areas.

#### **Health and Healthcare**

HEALTHCARE SERVICES

MENTAL HEALTH

HEALTH TECH/INNOVATIVE SOLUTIONS



**10,523** people have

access to healthcare services



13,077

people have access to mental health services

**(M)** 

312,417

people have access to healthcare services through innovative approaches to healthcare

#### **Food Security**

HEALTHY FOOD ACCESS

HEALTHY FOOD AVAIALABILTY

SALE OF FRESH HEALTHY FOOD



82%

Individuals within food insecure communities reporting increased access to healthy and affordable food



1,479,544

pounds of fresh produce grown for areas with limited access to affordable and nutritious food



\$9,140,596

worth of fresh produce and healthy meals were purchased within food insecure communities

### **Economic Resiliency and Poverty Reduction**

HOUSING

RECIDIVISM

**EDUCATION** 



1,625
individuals now
living in stable
housing



6%

recidivism rate achieved across portfolio programs (compared to the national rate of 45%)



2,694

students have improved access to education

## POLLING QUESTION #16

Is it achievable to implement a road map and measurable metrics to measure social impact performance at your organization?







### **CLOSING**

**Jeff Owens Armanino Partner and Nonprofit Industry Group Leader** 



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