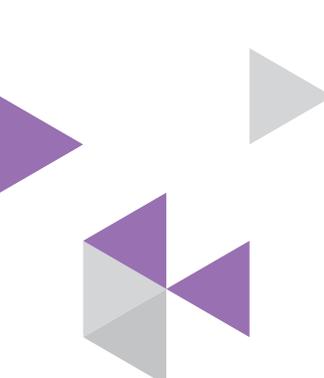


# SUSTAINING THE VILLAGE MOVEMENT

**LESSONS FROM PIONEERS**  
about Village Business  
Models and Sustainability



## About Capital Impact Partners

---

Capital Impact Partners is a leader in financial and social innovation for communities. A non-profit community development -financial institution, Capital Impact brings together roots in cooperative development, a diverse network of partners and problem-solving know-how to connect communities to capital and capabilities that together create social change. Capital Impact Partners became involved in the Village movement because it resonated so strongly with the organization's focus on community empowerment and its commitment to respectful and dignified aging for older adults. From 2009-2014, Capital Impact Partners, in partnership with Beacon

Hill Village, developed and managed the national Village to Village (VtV) Network. This national peer to peer learning network allows communities interested in starting and sustaining Villages to share knowledge and access expert technical assistance through a web based portal. From 2011-2014, Capital Impact Partners, as part of Archstone Foundation's Creating Age-Friendly Communities through the Expansion of Villages Initiative, provided capacity building to strengthen the business acumen and sustainability of nine Villages in California. For more information on Capital Impact Partners visit [www.capitalimpact.org](http://www.capitalimpact.org)

## Acknowledgements:

---

Capital Impact Partners would like to acknowledge Candace Baldwin, Janis Brewer and Judy Willett for their expertise, energy and diligence as authors of this report. Thank you to Jason Bell's Creative and Dean Creative who helped bring this report to life. A special thank you to the Villages who provided their knowledge and experience as early pioneers of the Village movement to help shape the information shared in this report. Funded in-part by Archstone Foundation. Thank you for your assistance to make this report a reality.



# SUSTAINING THE VILLAGE MOVEMENT

## Table of Contents



<b>I. Executive Summary</b> .....	5
<b>II. Defining Sustainability</b> .....	8
<b>III. Village Organization and Governance Components</b> .....	10
A. Founding and Governance .....	10
B. Operations: Staff and Volunteers.....	13
C. Member Services and Village Programs .....	15
D. Partnerships .....	18
E. Marketing and Communication.....	19
<b>IV. Financial Viability and Longevity</b> .....	22
A. Revenue Diversification.....	22
B. Use of Funds .....	23
C. Fiduciary Management and Oversight .....	25
D. Leveraging Non-monetary and In-kind Resources.....	26
E. Viability and Longevity .....	26
<b>V. By the Model: Unique Attributes</b> .....	27
A. Grassroots, All Volunteer Model.....	29
1. Staffing the Operations.....	29
2. Financial.....	30
3. Sustaining the All Volunteer, Grassroots Business Model .....	31
B. Parent Sponsored Villages .....	32
1. Operations.....	32
2. Financials.....	33
3. Marketing.....	34
4. Partnerships / Relationships.....	34
C. Hub and Spoke .....	35
1. Operations.....	35
2. Financial Management.....	36
3. Governance .....	37
4. Marketing.....	38
5. Partnerships / Relationships.....	38
D. Villages with TimeBanks™ Component .....	39
1. Operations.....	39
2. Financials.....	40
<b>VI. Looking Ahead and Future Planning</b> .....	41
<b>VII. Conclusion</b> .....	46
<b>Appendix I: List of Participating Villages</b> .....	48
<b>Appendix III: Business Plan Template</b> .....	49
<b>Appendix IV: Marketing and Communications Plan Template</b> ...	51
<b>Appendix V: Dashboard Template</b> .....	58

# SUSTAINING THE VILLAGE MOVEMENT

## Table of Figures

Figure 1 .....	Village Guiding Principles .....	5
Figure 2 .....	Description of the Four Village Business Models .....	6
Figure 3 .....	Factors for Sustainability in Nonprofit Organizations .....	8
Figure 4 .....	Village Organizational Lifecycle .....	9
Figure 5 .....	Organizational Lifecycle Phases of Board Leadership .....	11
Figure 6 .....	% of Researched Villages with Sustainable Volunteer Program Components .....	14
Figure 7 .....	Top 10 Services Utilized by Village Members .....	17
Figure 8 .....	Marketing and Communication Channels .....	20
Figure 9 .....	Connecting Language for Villages .....	21
Figure 10 .....	Average Village Revenue Mix .....	23
Figure 11 .....	Budgeting Benchmarks for General Village Operations .....	24
Figure 12 .....	Description of the Four Village Business Models .....	27
Figure 13 .....	All Volunteer Village Model Revenue Breakdown .....	30
Figure 14 .....	Parent Sponsored Village Model Revenue Breakdown .....	33
Figure 15 .....	Role of Village Hub .....	35
Figure 16 .....	Role of Village Spokes .....	36
Figure 17 .....	Hub and Spoke Village Profit Margin .....	36
Figure 18 .....	Village with TimeBanks™ Component Revenue Breakdown .....	40



# I. EXECUTIVE SUMMARY

**The growth of our nation's aging population has been well recorded. Our 78 million baby boomers began to retire in 2012. By 2030<sup>1</sup>, those age 65 and older will represent 20% of the U.S. population. Aging in the community is the preferred choice of older Americans and is often an affordable and available option. Communities are now seeking innovative, cost-effective and sustainable solutions to augment existing aging services and health care networks to strengthen residents' ability to age in the community.**

Over the past 10 years, the Village model has emerged as a leading model to support aging in the community. The movement has expanded across the nation with 40 states being home to at least one Village. Built on a set of guiding principles, Villages are membership-based, service-focused, nonprofit organizations. They connect older adults, ranging from age 55 to 100+, to service supports, health care, neighbors, wellness programs and social enrichment to assist them in aging in their own homes. Villages facilitate

access to community services, ongoing civic engagement opportunities and navigation support for the current network of aging and health care services as membership benefits. The Village model is a pioneering, community-based approach that leverages existing assets and builds stronger ties within the community. Early evaluation has yielded positive and potentially substantial impacts, including reduced social isolation, increased knowledge and use of local aging services as well as social capital for the community.

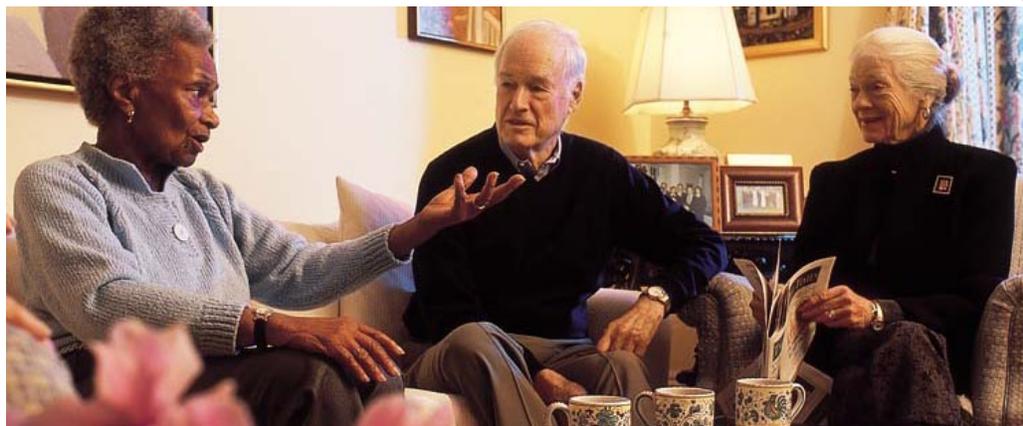


Figure 1 **Village Guiding Principles**

- ▶ **Self-governing, self-supporting, grassroots membership based organization**
- ▶ **Consolidate and coordinate services**
- ▶ **Strategic partnerships to leverage community resources**
- ▶ **Member and consumer driven**
- ▶ **Promote volunteerism, civic engagement and intergenerational connections**

# I. EXECUTIVE SUMMARY

Yet, as the movement enters its second decade, little is known about the standard business and organizational processes that can support the sustainability and further scaling of this model. Startup Villages are seeking a road map to guide them in the development of their infrastructure, operations,

procedures and governance that can form the basis for their long-term sustainability. The Village Business Model Research for Sustainability project was implemented to understand the critical infrastructure, operational functions and governance structures that need to be in place to provide a strong

foundation to support long-term growth. In doing so, Capital Impact Partners identified four distinct business models (Figure 2) that are being utilized by Village leaders.

Figure 2 **Description of the Four Village Business Models**

Village Business Model	Description
<b>Grassroots</b>	This business model is the most common structure for a Village where the organization is a stand-alone nonprofit that is administered through a combination of paid staff and volunteers. Members are encouraged to participate in the governance by serving on the board or committees.
<b>Parent Sponsored Village</b>	This model provides a way for existing social service and aging service organizations to support the Village model. The parent organization serves as a fiscal agent and supports the Village organization by providing the back office, legal, financial management, and office space.
<b>Hub and Spoke</b>	This model brings together multiple communities or neighborhood enclaves to share costs and back office support in order to serve a wider area. This model allows multiple smaller Villages (“spokes”) to be created in an area with a central Village (“hub”) that handles the IT, database management, accounting, and other support roles (“back office”) for the “spoke” Villages.
<b>Village with TimeBanks™</b>	This model combines the TimeBanks™ model with the Village. TimeBanks™ allows members to “exchange time” and earn time dollars for volunteering. Time dollars are exchanged for services, or donated to a community pool to benefit those unable to provide a service. This model is beginning to emerge as a way to create a lower fee structure for Village membership where time “banked” is provided as a part of the membership fee.

# I. EXECUTIVE SUMMARY



This report discusses the similarities and differences among these four distinct business models. It also explains how Villages can leverage these models with accepted nonprofit organization and management structures to get on the road to long-term sustainability. In order to learn about these diverse business models, Capital Impact Partners conducted research on accepted nonprofit business practices and the operations of 15 Villages. The current lifecycle phases of both the Villages and the overall movement impact their current sustainability. However, the early experiences and lessons learned by these

Village pioneers provide sound insight into common challenges. Villages were selected based upon their longevity in operations (three or more years), diversity of the business model they employ and their geography. By combining nonprofit industry knowledge with the “real life” experience of pioneering leaders, this report provides emerging and existing Villages a reference guide on how best to structure their underlying operational infrastructure to achieve long-term sustainability.

Key stakeholders and Village partners are a secondary tier audience for this report. The growth of the movement will

require stronger partnerships and collaborations with foundations, aging providers, government agencies and other stakeholders to create aging in community organizations. This report provides insight into the types of operations and resource investments needed to sustain and replicate Villages as an aging in community solution. Also, it reveals the need for equal investment into the business and operational infrastructure of community-based organizations to sustain impact. Overall research findings have been organized to allow the reader to access those topics most relevant to his or her Village.

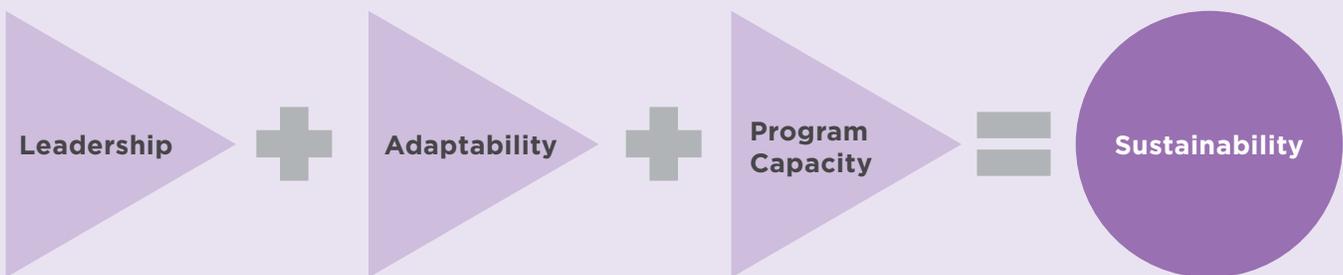
## II. DEFINING SUSTAINABILITY

Sustainability has been a focus of discussion within the nonprofit industry for many years. Nonprofit, community-based organizations, like Villages, are part of the trend toward using market-based solutions to combat social challenges. In order to discuss sustainability of Villages, we must first define it. Sustainability is about acquiring and maintaining control over the organization's financial health and stability. During our nation's recent economic recession, many foundations, social investors and public agencies sought ways to "professionalize" nonprofits to ensure that investments

are truly impactful and the underlying operations are able to sustain the organization to meet its mission. With the overwhelming popularity of the Village model, it is necessary to understand how these organizations can promote their value proposition to members and the community. Sustainability means different things to different people. Many believe sustainability is defined as having robust financial capacity and the ability to raise sustainable revenues to support program management and operations. Others believe the organization's ability to maintain efficient business practices while

being adaptable enough to plan for the future needs of their stakeholders is key.<sup>2</sup> Sustainability is often referred to as a "destination": "When our organization becomes sustainable, we will be able to..." is often expressed by nonprofit leaders. However, sustainability is a combination of multiple factors that guide the organization, its leadership and funders to adapt to the shifting market while achieving their mission. Based upon our research, the best definition of sustainability (Figure 3) combines three critical factors that work in tandem: leadership, adaptability and program capacity.

Figure 3 **Factors for Sustainability in Nonprofit Organizations<sup>3</sup>**



## II. DEFINING SUSTAINABILITY

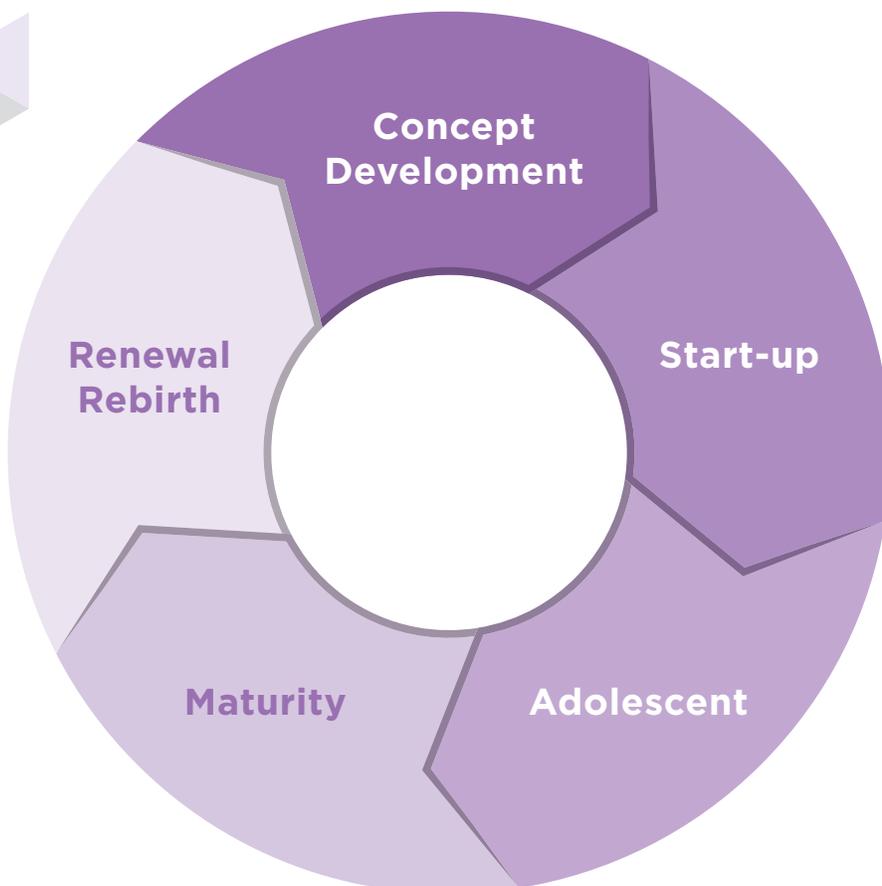
In addition to leadership, adaptability and program capacity, sustainability is also impacted by where a Village is along its organization lifecycle (Figure 4). The nonprofit organization lifecycle describes the various stages of a nonprofit's growth and maturity. The organization lifecycle is based upon the premise that organizational development is similar to human development with predictable traits found in each stage. The organization lifecycle is a fluid process, and each stage is a "developmental period when

characteristic patterns of behavior are evidenced and certain capacities become established".<sup>4</sup>

Knowing where the Village is on the organization's lifecycle can be used for a variety of purposes, including determining at which stage an organization is operating, managing transitions, developing healthy strategies and anticipating future challenges. Research on the 15 Villages identified that one-third have been operating for five or more years and are in the mature stage of their

lifecycle. Of the remaining Villages, nearly half have been in operations for less than five years and are currently in between the startup to adolescent phase, with a few (n=3) Villages celebrating their fifth anniversary in 2014. Due to the nascent and growing Village model, it is hard to determine if it will be sustainable long term. This report identifies where Villages have incorporated strong organizational components during their startup and adolescent stages to set them on a path toward long-term sustainability.

Figure 4 **Village Organizational Lifecycle**<sup>5</sup>



**With this baseline of the organization lifecycle, the following sections discuss the key organization and governance components Villages need to foster in order to get on the road to sustainability.**

# III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

The baseline characteristics of the Villages researched for this report did not differ significantly. Therefore this section presents the organization and governance components of the Villages which are presented in the aggregate below. This section discusses how Villages at every stage along the lifecycle can facilitate building stronger infrastructure to support long-term growth and sustainability. The following sections discuss the major typology of operational components that Villages utilize to build strong, sustainable organizations.

## A. Founding & Governance

### KEY FINDINGS

- ▶ **On average, Villages ensure that 51% or more of the Board of Directors is represented by Village members.**
- ▶ **Villages use the organization committees to continually “feed” board membership.**
- ▶ **Villages will transition from founding to operating Board of Directors on average two - three years after full launch of Village operations.**

At the very core of the Village operations is the structure that governs its administration and maintains the strategic direction. Villages in the concept stage of their lifecycle will bring together a small group of community members to develop the mission and vision that will provide the underlying conceptual framework to guide strategy and future direction. Research indicates that Villages that set up a functioning governance structure during the concept and startup stages will be well positioned to build upon a solid foundation as they grow. As grassroots organizations, Villages leverage the expertise of the founders, local leaders, partners and businesses from the community to fill gaps in

capacity. These leaders often bring skills in fundraising, marketing and finance, for example, that the Village can utilize to strengthen its leadership. Leadership cultivation is crucial to longevity and to provide fresh ideas to stimulate innovation and assist Villages’ adaptation to their local markets. The Village model provides an opportunity for members to play a leadership role, and it increases a sense of local ownership among the members. Research indicates Villages have members filling 51% or more of the board positions for the Board of Directors or, in the case of the Parent Sponsored business model, Advisory Councils. Typically, the Village governance structure



### III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

is established during the concept stage and includes the development of the articles of incorporation by-laws to establish the committee structure, business plan and initial budget.

Leveraging expertise from professionals e.g., bankers, accountants, marketers, human resource professionals, etc. can fuel and sustain long-term operations. Villages have a unique opportunity to leverage members with these professional skills who are retired and seeking to give back and help build a stronger community. Board members with skills in accounting and finance can help build annual budgets, set up accounting policies and procedures and

support the board in managing its fiduciary responsibilities. Villages that leverage volunteers with diverse skills are better equipped to weather the ups and downs of the organization.

While the development of the Village governance structure is not always the most exhilarating activity, it is a necessary component to sustaining the Village in the long term. Based upon the discussions with Villages for this research, founders tend to focus more on securing members, setting up program / activities, fundraising and marketing during the concept and startup stage and less on establishing the governance structure. Villages seeking long-term sustainability

will need to set up a strong governance base to build upon as they progress into subsequent lifecycle stages.

During startup, the board provides guidance for daily administrative activities and as a “working” board often takes on more tactical day-to-day functions. As the Village becomes fully operational and provides services to members, the role of the board will transition. Figure 5 below shows the evolution of the board throughout the organization’s lifecycle. As the Village matures, the board takes on a more advisory role, providing support to the Executive Director, paid staff and volunteers.

Figure 5 **Organizational Lifecycle Phases of Board Leadership**<sup>6</sup>

Board Characteristics	Start-Up (to begin)	Adolescent (to grow)	Mature (to sustain)
1 Relationship with Executive Director	May just be hiring the Chief Executive; conducts an informal performance review	Clarified planning function and deliberate decision-making process; formal evaluation process and early succession planning discussions	Conducts a formal evaluation of the Executive Director and creates a succession plan
2 Role and Activities	Hands-on role in both management and oversight	Formalized role with board member job descriptions	Clarifies role in relation to Executive Director; reduces operational role, increases policy and fundraising function.
3 Size Composition, and Structure	Small and homogenous	Expanded	Formal nomination process; community representation; diversity of needed skills; committees and task forces are developed
4 Board Development	Local, neighbor to neighbor recruitment	Discussion of board performance and how the board needs to improve	Board formally assesses itself and creates a board development plan

### III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS



Exceptional Village boards govern in constructive partnership with executive leadership. They establish clear roles and responsibilities and review performance and accountability for both the board and Executive Director. This system ensures integrity of process and enables the organization to be adaptable. Board members and participants of the Village’s governance process include the following:

- ▶ **Firm commitment to the nonprofit’s mission**
- ▶ **Willingness to relinquish the operational role to focus more on advice and oversight**
- ▶ **Commitment and vision for long-term strategic planning and multi-year budgeting**
- ▶ **Increased accountability for personal contributions and soliciting funds**



Cultivating openness and inclusion in decision-making ensures that programs and policies are in place to support the community. Adaptability and growth are the keys to strengthening the governing body. To maintain flexibility, regular evaluation and assessment of the governance structure is warranted. Villages should conduct board assessments every two to three years or when there is board turnover. This process includes both self and group assessments on effectiveness.

Also, the board should develop a skills matrix to identify gaps in expertise. These assessments can guide the work of the nomination committee and give clear direction for outreach to new board members. They also ensure the Village has the skills necessary for governing. The Village to Village Network ([www.vtvnetwork.org](http://www.vtvnetwork.org)) and BoardSource ([www.boardsource.org](http://www.boardsource.org)) provide valuable information, templates and guidance to support a strong governance structure in the long term.

Based upon this research, Villages have policies for board term limits, recruiting and selection, but not all have leadership termination or succession processes. Board recruitment is an ongoing process and does not just occur when there is a vacancy to be filled. Cultivation of a sustained and informed leadership is key to maintaining institutional knowledge of the organization’s lessons learned and vision. Based upon research, Villages use the organization’s committees as a “feeder” to fill board positions. This allows the Village to tap into the existing knowledge of engaged committee members to take on more leadership responsibilities in a board position. This practice provides a solid solution to ensuring long-term engagement of volunteers to serve the organization’s mission.

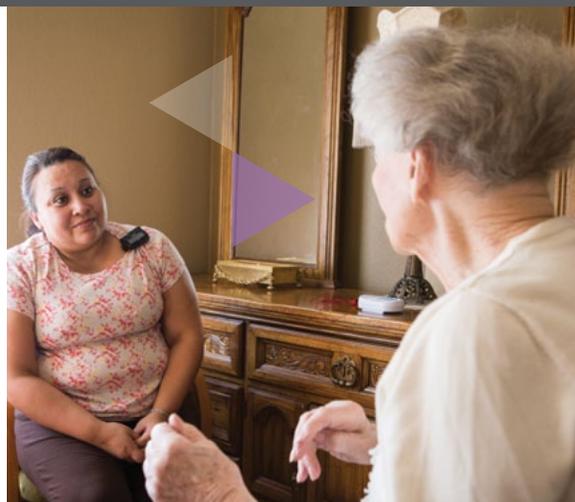


# III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

## B. Operations: Staff and Volunteer

### KEY FINDINGS

- ▶ **Sixty-six percent of Villages participating in this research have paid staff with one paid staff member for every 78 members, constituting a 1.15 FTE ratio.**
- ▶ **Sustainable Villages maintain healthy volunteer pools.**
- ▶ **Villages have one volunteer for every 4.2 members to ensure strong program capacity.**



Villages utilize a combination of staff and volunteers to support day-to-day administration and offer a single point of entry for members to access information and request services. To respond to member needs, each Village has at least one dedicated person or group of people to manage administration. At least 66% of Villages that participated in this research have paid staff while other Villages leverage dedicated volunteers to operate and administer services. Villages average one paid staff member for every 78 members, constituting a 1.15 FTE ratio according to the 2012 National Overview of Villages report.<sup>7</sup> When employing paid staff, Villages must be mindful of the employer responsibilities for legal business operations and also to ensure long-term cultivation of staff to support sustainability.

Utilizing nonprofit business

systems to support human resource management activities can provide a positive work-life balance for staff. Developing clear policies and procedures, providing professional development opportunities and creating clear roles and accountability are critical to sustaining a dedicated team. With these in place, Villages can ensure paid staff will be engaged long-term with high work satisfaction. Similarly, “all-volunteer” Villages need to create a supportive and positive working environment for their volunteers as if they were paid staff.

Villages rely upon volunteers to increase their ability to achieve goals. Sustainable nonprofits have healthy volunteer pools. Research for this report identified that Villages have, on average, one volunteer for every 4.2 members to ensure strong program capacity. Villages have structured volunteer programs in place

that include policies and procedures guiding recruitment, training, troubleshooting and recognizing the work of their volunteers (Figure 6). However, not all Villages are maintaining these components on a regular basis. Maintaining the volunteer effort requires significant management of time and funds, and often Villages will employ a Volunteer Coordinator (paid or unpaid) to manage the program component. Villages engage volunteers from their membership and the community. Civic engagement, a benefit of the Village model, is critical to success and strongly benefits the organization’s connection to the community. Member volunteers provide a motivated pool that supports the delivery of services, provides governance oversight and assists in day-to-day administration. Peer-to-peer connections made through volunteering expand members’ social circles, increase sense of purpose and reduce isolation.

### III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

Figure 6 Percentage of Researched Villages with Sustainable Volunteer Program Components<sup>B</sup>

Accepted Nonprofit Sector Volunteer Program Components	Villages Business Models (n=15)			
	Grassroots	Hub & Spoke	Time Bank	Parent Sponsored
<b>Formal Recruitment Process</b>	66.6%	33.3%	100%	33.3%
<b>Formal Training Program</b>	100%	66.6%	100%	50%
<b>Volunteer Manual</b>	66.6%	50%	100%	50% (not specific to the Village)
<b>Background Checks</b>	66.6%	50%	50%	25%
<b>Appreciation Events</b>	66.6%	0%	50%	25%

Investing in volunteers also results in better workflow management. Taking time to get to know what volunteers desire from the experience, having an orientation process and recognizing volunteers for their work strengthens their experience. To manage this large volunteer workforce, Villages have formalized this process by creating recruitment programs, disseminating manuals and hosting appreciation events. Ultimately, successful volunteer recruitment and management entails developing trust and ensuring that volunteers feel valued as vested members of the organization.

Villages using either a combination of paid staff and volunteers, or solely an army of volunteers, to support their administration and operations can realize cost efficiencies and strong program capacity to sustain the Village. Effectively managed volunteers can save the Village money.<sup>9</sup> A key component of sustainability is the ability to continue to cultivate, train and recognize staff and volunteers. This process ensures adequate resources and support are provided to allow delivery of member benefits, services and programs.



# III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

## C. Member Services and Village Programs

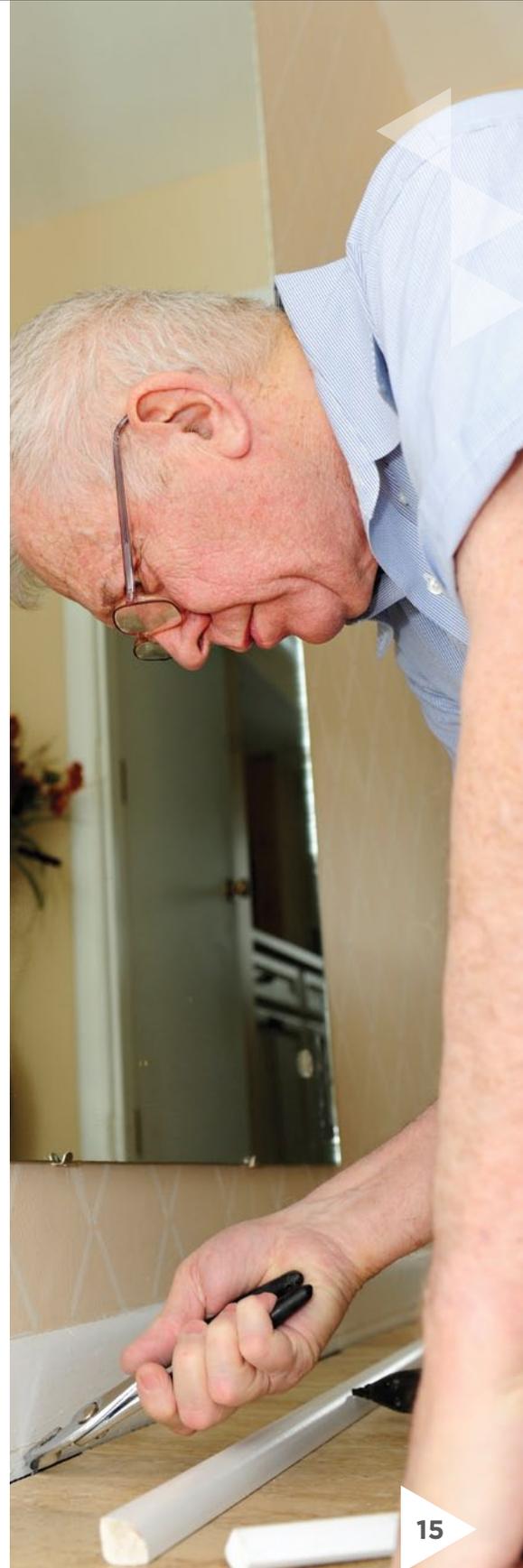
### KEY FINDINGS

- ▶ **Village sponsored social events are most prevalent (70%) membership benefit offered.**
- ▶ **Surveys and asset mapping activities during concept and startup stages help the Village to understand the service and program needs of prospective members.**
- ▶ **Ongoing and regular market assessments (e.g. asset mapping, member surveys) in adolescent and mature stages keep programs nimble to meet changing member needs.**

As a guiding principle (Figure 1), Villages do not replicate services already in the community. Services that support members through the challenges and transitions of aging are critical. Therefore Villages inform and refer members to community-based services that are more experienced and provide a range of services to support members wherever they live. Villages partner and collaborate with local service providers—ranging from home maintenance to home care—and perform background checks on these partners. Navigation of sometimes daunting health care and complex aging service systems is often the most critical service a Village can provide to its members and their caregivers. Village staff and volunteers are knowledgeable of the aging services landscape in their community and can direct

members to existing services as needed.

Villages place a high value on the efforts to understand their market. Villages strive to fill gaps in traditional local service delivery models and seek to address unique challenges and opportunities older adults face living at home. For example, while many local social services offer transportation, meals and friendly visitor programs, some may not provide volunteers to move trash cans to and from the curb, climb a ladder to replace a light bulb or shovel snow from a sidewalk. Addressing these “in between” services may allow members to remain in the community. During the concept and startup stages, Villages conduct a demographic scan of the aging population in their catchment area. Information is sourced through existing census data and other statistical resources combined with primary data



### III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

collected through community surveys and focus groups (e.g., Survey Monkey, questionnaires, community input meetings, etc.). This information is useful for Villages to develop the initial member benefits and programs to be ready at the launch of their Village.

Villages also perform asset mapping to determine their role in the aging community. The Asset Based Community Development (ABCD) Institute defines asset mapping as a way to map the assets of the community, including people, institutions, businesses and infrastructure (parks, roads, transportation). They also consider other components that make up what is “good” about the community. Many community organizations often focus on the needs or deficits of the community. However, the ABCD approach to community building conceptualized in 1993<sup>10</sup>

focuses on the strengths of the unique attributes a community offers that can be leveraged to improve the quality of life there. Organizations using this asset-based approach to their development and operations are able to leverage partnerships within the community better and avoid duplication of services. Villages in the adolescent and mature stages of their organization’s lifecycle should be mindful to continue to assess their service area to understand the changing needs of their members. This information is leveraged to craft member services, programs and internal operations to ensure the organization is responsive to its market.

Overall, service utilization research has not been conducted on all 100+ operating Villages. However, Archstone Foundation funded the Center for Advanced Study of Aging Services at the

University of California Berkeley to evaluate nine California Villages as part of the Creating Age Friendly Communities through the Expansion of Villages initiative. Initial findings from UC Berkeley’s multi-site evaluation helped to shed light on the types of services Villages provide. Villages have emerged as organizations that build social capital within the community. So, it is not surprising that research identified Village-sponsored social events as the most frequently accessed benefit (Figure 7). However, as the Village movement matures, so will its members. Village members will begin to request more assistance and support for higher-level medical and health concerns (e.g., hospital-to-home transitions and chronic disease management), which will impact the types of services and partnerships the Villages will need to develop to meet members’ needs in the future.



### III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS



Figure 7 **Top 10 Services Utilized by Village Members<sup>11</sup>**

<b>Village Sponsored Social Events</b> .....	<b>70%</b>
<b>Classes, Lectures, or Educational Groups</b> .....	<b>51%</b>
<b>Calls for Information and Referral</b> .....	<b>45%</b>
<b>Companionship / Friendly Visitor</b> .....	<b>30%</b>
<b>Transportation</b> .....	<b>29%</b>
<b>Home Modifications</b> .....	<b>17%</b>
<b>Technology Assistance</b> .....	<b>15%</b>
<b>Health Care Advocacy or Management</b> .....	<b>11%</b>
<b>Home Safety Assessments</b> .....	<b>7.5%</b>
<b>Gardening / Yard Care</b> .....	<b>7%</b>



The Villages use of volunteers and community members in service to each other provides an added value to the community and supports a comprehensive system to address aging needs. Based on our research, Villages that performed asset mapping regularly (every three to five years) found they are

better equipped with the knowledge of potential partner organizations. This knowledge included: the number and location of senior centers, other nonprofits providing services to seniors, businesses catering to senior needs, location and size of intentional senior communities and homeowners

associations as well as government-funded programs and services. The preferred provider referrals complement the services delivered by volunteers in the community. The following section provides a discussion on the partnerships Villages cultivate and maintain in the community to support their work.

# III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

## D. Partnerships

### KEY FINDINGS

- ▶ **Villages are part of a larger local aging services community which provides many opportunities to build partnerships.**
- ▶ **Leveraging partnerships that extend the Village’s ability to serve its members can reduce costs and increase member benefits.**
- ▶ **Understanding the local aging landscape helps Villages to identify potential partners and ensures non-duplication and unnecessary competition with local service providers.**



Partnerships are crucial to the development and longevity of Villages since lean staffs and volunteer board members cannot accomplish all that members need and want. Strategic alignments have the added advantage of leveraging smaller staffing structures to reduce costs and increase benefits. Carefully cultivated relationships with other community-based organizations and publicly supported agencies can eliminate perceived competitive threats. Non-duplication of services is a major tenet of the model, and organizations have expressed this principle through outreach to overcome initial resistance from local providers.

Currently, most Villages receive at least some form of local business support through cash,

in-kind gifts, advertising and discount programs. Venturing beyond this, a few Villages have also created alliances with for-profit “senior services” companies (e.g., private duty care or home health) that directly complement Village member services. Apart from community service motives, businesses certainly want more customers and profits. Businesses can provide a Village with meaningful in-kind, non-contractual giving – for example: office space, customer lists, marketing services or back-office help. This support is good for the Village.

Villages offer an array of preferred providers (e.g., plumbers, home care agencies, handymen, dog walkers, etc.) as a membership benefit. By performing background checks,

verifying business licenses / bonds, checking references and conducting interviews, Villages provide peace of mind to members. Villages maintain a list of these providers and update the list based upon member recommendations. Villages state that access to a preferred provider network is highly desired by members. However, the formal management of this benefit can cause administrative challenges. The more organic process, rather than a formal documentation process, is preferable because it eliminates the time-consuming practice of recruiting and vetting providers and maintaining a complex management system. The practice of volunteers and members serving each other is valuable and supports a comprehensive system to address aging needs.

### III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

As they mature, Villages realize the myriad of benefits that stem from aligning with complementary organizations and strategic partners to leverage local assets. Villages cultivate partners to assist them in fulfilling member requests as part of a preferred provider referral system. Some have aligned themselves with other entities (nonprofit

and for-profit businesses) to promote community-based healthy and friendly aging initiatives. Understanding the local aging landscape not only helps identify potential partners, but it also ensures non-duplication and unnecessary competition with local service providers.



#### E. Marketing and Communication

### KEY FINDINGS

- ▶ **Marketing is more than about getting new members. It is also about messaging, outreach, and visibility.**
- ▶ **Villages dedicate at least 5% of volunteer and staff time on community outreach and general marketing activities.**
- ▶ **Member testimonials and house parties (a.k.a. coffee chats) hosted in members' homes have the greatest impact.**

Villages play a valuable role in the community with their ability to collaborate with external partners and build a circle of support to allow members to remain in their community. Research suggests that an increase in social engagement, fall prevention, home modifications and access to services can have a positive impact on the health and wellbeing of older adults and allow them to age at home. Villages have the components in place for social impact: services, programs and peer relationships, and this is the value proposition

for the Village model. The Village value proposition is the “promise of value to be delivered and acknowledged and a belief from the [member] that value will be delivered and experienced”<sup>12</sup> through their membership. Providing assistance to members to navigate their individual aging processes is a valuable commodity for the Village. Villages highlight their value proposition in their messaging to current and potential members and external partners as a cornerstone to marketing and communication activities.



# III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

Figure 8 **Marketing and Communication Channels**<sup>13</sup>

- ▶ Employees, Partners, Board Members, Family, Friends
- ▶ eFlyer Blast
- ▶ Webinars
- ▶ Facebook Page
- ▶ Posts to Select LinkedIn Groups
- ▶ Press Release to Media List
- ▶ Letters to Editor
- ▶ Teleconference
- ▶ Meetings 1-to-1
- ▶ Paid Advertisement in Select Online or Offline Publications
- ▶ Conferences
- ▶ Web Site Home Page (public)
- ▶ Email and Email Signature (plus biz cards, stationery and all print materials too)
- ▶ Twitter (own and/or CI)
- ▶ Event Offline and/or With Webinar
- ▶ Direct Pitch to Select Media
- ▶ Author Article/ Placement
- ▶ Phone 1-to-1
- ▶ Post Mail (letter, postcard, other...)
- ▶ Paid Advertisement on Select Industry or Association Web Site
- ▶ Google AdWords

Crafting effective programs, communications and operations begins with a deep understanding of a community's needs and desires. Building awareness for the organization and its mission is key to growth and sustainability. Research found that sustainable Villages dedicate at least 5% of volunteer and staff time on community outreach and general marketing activities.

Marketing allows Villages to spread their message throughout a number of communication channels (Figure 8). Villages can reach intended audiences and build awareness through these channels. Villages researched for this report understand that marketing is not just about getting new members. It is also about messaging, outreach and

visibility. Marketing connects Villages to partners, volunteers and funders who further support their mission. Having a variety of marketing channels and diverse communication channels is important for all Villages.

Social media channels and the use of technology remain areas of growth for Villages. All of the participating Villages have a website and / or some web presence as a communication channel. Many Village leaders continue to struggle with technology and social media in an increasingly techno-centric world. As a result, Villages utilize low-tech channels such as newsletters, flyers, social gatherings and phone calls as well as high-tech channels such as social media, emails and online member portals for e-newsletters and peer-

to-peer connections. As Villages continue to grow, the engagement of younger volunteers and continued testing of new communication channels will help support sustainability. Our research found that member testimonials and house parties (aka coffee chats) hosted in members' homes have the greatest impact in building awareness of the Village and recruiting new members and volunteers.

Villages at all stages along the organization lifecycle must have a clear, concise message and the ability to express their value proposition as part of their "ask". For example, the ask for a prospective member is to join the Village. The ask for a potential sponsor is to support the organization's mission and cause. Both involve different

### III. VILLAGE ORGANIZATION & GOVERNANCE COMPONENTS

messaging, but both messages should be derived from the same brand platform. A brand promise describes the organization’s value created by filling an unmet or under-met need in a relevant, unique and consistent way. The most effective marketing comes from understanding the unique needs of the audience (e.g., prospective member, funder, local government representative, etc.).

Based upon the research of the Villages for this report the most effective messaging promotes hope, fun, social care, positive interdependence, and it positions the Village as the “go-to” place for aging gracefully, with dignity and connecting to

their community. Village leaders researched for this report learned early in their Village formation that using the terms “elderly” and “senior citizen” were off-putting to potential members because of connotations of infirmity, social irrelevance and cognitive decline. Also, these terms do not accurately reflect Villages’ true value and brand. “Connecting language” (Figure 9) used for member recruitment, partnership development, donor cultivation and volunteer growth has proven effective. Linda Zimmer, President and CEO of MarCom Interactive who worked with the nine California Villages, suggests a list of connecting language that Villages could employ in their messaging.

“It’s important to shift messaging away from being solely a provider of aging services to being a connector and facilitator of social engagement to support the whole person.”

—Village Executive Director

Figure 9 **Connecting Language for Villages**<sup>14</sup>

Distancing Language	Connecting Language
<b>Aging</b>	<b>Friends</b>
<b>Independence</b>	<b>Freedom</b>
<b>Resources</b>	<b>Happiness</b>
<b>Assist</b>	<b>Neighbors</b>
<b>Access</b>	<b>Community</b>
<b>Program</b>	<b>Safe</b>
<b>Enroll</b>	<b>Confidence</b>
<b>Caregivers</b>	<b>Enrich</b>
<b>Model</b>	<b>Engage</b>

#### Examples of messaging approaches used by Villages:

- ▶ “Villages are like the automobile club of aging —call upon us when you need us.”
- ▶ “Join a Village so you won’t be alone.”
- ▶ “Aging does not have to be a negative experience —a Village can make it easier.”
- ▶ “Volunteering gives you purpose and keeps you engaged.”

## IV. FINANCIAL VIABILITY AND LONGEVITY

### KEY FINDINGS

- ▶ **Villages do not thrive on membership dues alone; diversity in funding ensures longevity.**
- ▶ **Extensive use of volunteers and in-kind services can significantly reduce overhead cost.**

Strong fiscal management and consistent fiduciary oversight by the Village staff and board plays a central role in long-term sustainability. Organizations require adequate funds to support program capacity and their

mission. Ensuring that Villages have the financial capacity to deliver member benefits and adapt to market changes is key to sustainability. Villages must address the “nuts-and-bolts” issues of running a nonprofit business:

maintaining accounting records, setting spending priorities and approving expenditures to support operations. Research suggests that Village sustainability is correlated with revenue generation, cost control and responsible financial stewardship. The following sections discuss components that support long-term financial viability, including revenue diversification, use of funds, fiduciary management and oversight and leveraging non-financial resources and in-kind services.

### A. Revenue Diversification



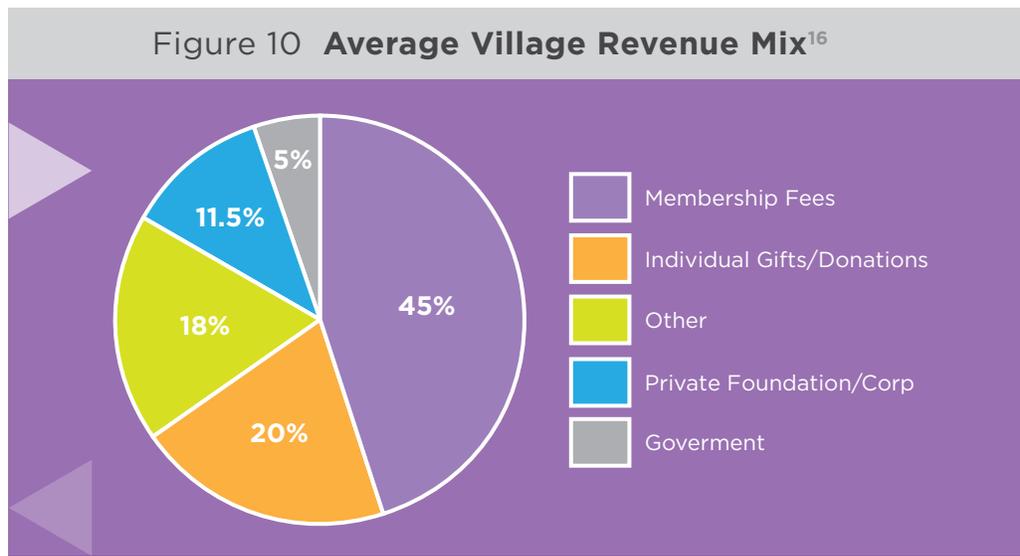
Bringing in enough revenue to cover expenses is key to sustainability; however, it does not guarantee it. Rather, revenue diversification provides a stable financial infrastructure needed for longevity by allowing the Village not to rely heavily on one source of revenue. Strong diversification ensures revenue is derived from various sources including member fees, donations, grant funding, in-kind contributions, etc. which can allow the Village to address the unpredictable nature of these sources. For example, grant funding received in one year may not be available the next year. With strong

Village revenue diversification, the impact of the decreased grant funding will allow the Village to continue to provide member services with minor adjustments as opposed to shutting its doors. In the concept and startup stage, Village revenue is derived from member fees, grants and individual donations. Setting the membership fee is often a challenge for Village founders. According to research on operating Villages, the average membership fee for an individual is \$430 / year and household is \$600 / year.<sup>15</sup> Village leaders should be mindful of operating costs in their market and also their market's willingness to pay.

## IV. FINANCIAL VIABILITY AND LONGEVITY

The Village to Village Network provides a Financial Feasibility Tool that offers both startup and established Villages a resource to create projections based upon three levels of fees. With this tool, leaders can assess how much of their operating expenses can be covered by fees and how much revenue must be raised.

Based upon our research, nonprofit service-based organizations are typically faced with tight budgets combined with rising service demands that often prompt boards and staff to be creative in finding new and diverse revenue sources. Figure 10 provides an overview of the revenue sources of Villages. Research indicates membership fees, on average, cover 45% of expenses; however, these fees do not provide the singular funding



source for Village operations. Villages surveyed for this report, in the adolescent and mature stages, average two to four new members per month with average retention rates of 85%-90%. Villages should strive for member fees to cover at least 70% of operating expenses. This would allow the organization to have unrestricted revenue

to direct as needed. Even models that are 90%-100% funded by member dues, like Villages with TimeBanks™ component model, will likely have times when additional funds are needed for projects. The other sources of revenue detailed in Figure 10 provide a valuable guide for Villages to seek additional funding to support operations.

### B. Use of Funds

According to research conducted by the University of Maryland, School of Social Work, the average Village annual budget totals \$118,671.<sup>17</sup> Research for this report was limited in the ability to analyze an “apples-to-apples” comparison due to the fact that each Village maintains its own financial accounting system.



## IV. FINANCIAL VIABILITY AND LONGEVITY

Figure 11 **Budgeting Benchmarks for General Village Operations**

<b>Administration</b>	<b>12%</b>	Includes the general labor costs to administer the day-to-day activities: administrative, bookkeeping, insurance, rent, utilities and general overhead expenses
<b>Program / Direct Member Services</b>	<b>80%</b>	Includes the labor, direct expenses, fixed assets, volunteer management, program delivery, and other direct member services.
<b>Fundraising and Partnership Development</b>	<b>5%</b>	Includes the labor, materials and business entertainment fees (e.g. lunch / dinner meetings, travel) directly related to raising funds or making connections to build partnerships that will provide additional member services or other benefits (monetary and in-kind) to support the delivery of member services.
<b>Marketing and Outreach</b>	<b>3-5%</b>	Includes the labor, materials, special events and general marketing expenses related to increasing the visibility of the organization in an effort to garner community support.



In order to analyze expenses and provide common benchmarks, Capital Impact Partners had to rely upon its own expertise and guidance from accepted nonprofit industry standards. Figure 11 provides useful budgeting benchmarks for typical operating expenses as a percentage of revenue. While not directly attributable to the Village business model, these benchmarks can provide a good guide for Villages to analyze the breakdown of their expenses.

As service-based, nonprofit organizations, Villages empower volunteers and staff to deliver services. The largest expense for Villages with paid staff is personnel costs and the delivery of member services at 80% of the total annual Village

budget. The balance of other expenses includes marketing and outreach, member services management, volunteers and fundraising. Marketing and outreach expenses are often 3%-5% of the annual budget and include the expenses incurred by the Village to raise funds.

Villages in the startup stage build the initial startup budget to include onetime expenses to set up and establish operations. Startup expenses include legal fees to establish its organization structure, funds to set up and establish an office (even virtual offices have expenses), office furniture and initial marketing and outreach materials to create excitement and gain community support.

# IV. FINANCIAL VIABILITY AND LONGEVITY

## C. Fiduciary Management and Oversight

Ensuring good financial health and creating strategy that is adaptable for long-term growth are key aspects of the board's role. Regular analysis and strong fiscal management are essential for long-term sustainability of the organization. Villages in the adolescent and mature stages of their organization lifecycle perform regular assessments of financial health by reviewing the Village's revenue diversification, profit margin and earned revenue coverage. Nearly half of the Villages interviewed for this report utilize a dashboard (Appendix V) to manage key strategic metrics and provide a regular (monthly or quarterly) snapshot of their

outputs and progress toward goals. These dashboards allow Villages to monitor their performance on their key strategic objectives. By reviewing its progress based upon a set of benchmarks, the Village can review trends and make business adjustments as needed. The dashboard is an important tool for the staff and board as it gives them a very clear picture of achievements and areas for improvement based upon their strategic objectives.

All Villages surveyed develop annual budgets—although with varying degrees of detail. Often there is an initial learning curve for budget development and

financial management. Month-to-month thinking, while appropriate for short-term objectives, does not support long-range planning. Long-term plans identify opportunities and anticipate changes in membership composition, local economies and public policies that might affect membership. Tools to help Villages determine the best financial models are available through the Village to Village Network. These include a financial feasibility toolkit and dashboard templates. Additionally, Villages leverage their board members with expertise in finance and accounting to act as key advisors.



## IV. FINANCIAL VIABILITY AND LONGEVITY

### D. Leveraging non-monetary and in-kind resources



Villages utilize volunteers and in-kind services to control the cost of operations and extend their capacity. The intangible and altruistic benefits of creating civic engagement opportunities are immeasurable. Volunteers bring many skills to a Village and their financial impact is an important factor of financial stability. Volunteers effectively act as unpaid staff and provide opportunities for Villages to extend their capacity and deliver member

services. While volunteers are “free” labor, there are unique costs associated with recruiting, maintaining and honoring them. However, these costs are considerably less than those associated with maintaining a paid staff pool.

Villages also tap community partnerships and connections to support the delivery of services. For example, Villages may leverage their relationship with local

community colleges to offer a lecture or enrichment series for members. This partnership provides access to lifelong learning as a member benefit without the Village having to bear the full cost of implementing the course. Such non-monetary services are not typically reflected in the revenue or expenses of the Village budget. However, they are an important component of a Village’s financial health.

### E. Viability and Longevity

Continued diligence of the board and staff toward improving their financial position is key to long-term viability. While Villages have a tremendously positive impact on their communities and the lives of older adults, their financial health has the potential to stall, disrupt or even dismantle the progress achieved. In order to continue strengthening their financial viability, Villages must take a balanced approach to revenue diversification, use of funds and leveraging non-monetary and in-kind services. For instance, a Village with limited revenue diversification can implement a fee for non-members to attend events. This can create a new revenue source to support the Village.

Though these measures will take time to implement, their improvements to the financial health of the Village will allow continued operations and positive community impact.

Care coordination and care transitions for older adults are growing issues for the U.S. health care system with the Affordable Care Act enactment. As the aging population continues to grow to unprecedented ranks, Villages are positioned well to contract with health, primary and long-term care providers. These partnerships provide social supports to wrap around primary and post-acute care services. The SCAN Foundation has released a series of



toolkits and publications to help community-based organizations to strengthen their business models in order to take advantage of opportunities to connect with health care providers. According to The SCAN Foundation research, Villages that can provide support services, such as care transitions, chronic disease management, transportation, friendly visitor, home assessments and caregiver supports, will be well-positioned to take advantage of new opportunities created as part of the health care reform, which will create a new revenue source.<sup>18</sup>



## V. BY THE MODEL: UNIQUE ATTRIBUTES

Research conducted by Rutgers University in 2012 found that an overwhelming amount of Villages (97%) are organized as nonprofit, self-governing and independent organizations. These findings provide a baseline characteristic of the Village model. Research for this report found the key factors for sustainability are similar for all Villages regardless of the business model chosen. Sustainability is achieved when the organization, its leadership and funders are

able to adapt easily to the shifting market while achieving its mission. Sustainability combines three critical factors working effectively in tandem: leadership, adaptability and program capacity.

While the guiding principles (Figure 1) are similar among all of the Villages, this research identified four unique business models emerging in the field: Grassroots, Hub and Spoke, Parent Sponsored Organization and the Village with TimeBanks™. Capital

Impact Partners reviewed these four business models and have defined these in Figure 12 below. These models represent the unique business infrastructures that operate similarly through the foundation of the nonprofit, service-based organizational structure. The following section provides an overview of the four models, a review of shared commonalities and a discussion of the differences that Village leaders and partners should consider as they implement their Village.

Figure 12 **Description of the Four Village Business Models**

Village Business Model	Description
<b>Grassroots</b>	This business model is the most common structure for a Village where the organization is a stand-alone nonprofit that is administered through a combination of paid staff and volunteers. Members are encouraged to participate in the governance by serving on the board or committees.
<b>Parent Sponsored Village</b>	This model provides a way for existing social service and aging service organizations to support the Village model. The parent organization serves as a fiscal agent and supports the Village organization by providing the back office, legal, financial management, and office space.
<b>Hub and Spoke</b>	This model brings together multiple communities or neighborhood enclaves to share costs and back office support in order to serve a wider area. This model allows multiple smaller villages (“spokes”) to be created in an area with a central Village (“hub”) that handles the IT, database management, accounting, and other support roles (“back office”) for the “spoke” Villages.
<b>Village with TimeBanks™</b>	This model combines the TimeBanks™ model with the Village. TimeBanks™ allows members to “exchange time” and earn time dollars for volunteering. Time dollars are exchanged for services, or donated to a community pool to benefit those unable to provide a service. This model is beginning to emerge as a way to create a lower fee structure for Village membership where time “banked” is provided as a part of the membership fee.

## V. BY THE MODEL: UNIQUE ATTRIBUTES

### Physical Location

Eighty-six percent of Villages have a physical location to centralize daily operations. An office helps to cement the Village's presence, taking it from a vague concept to a real community resource and business.

### Systems

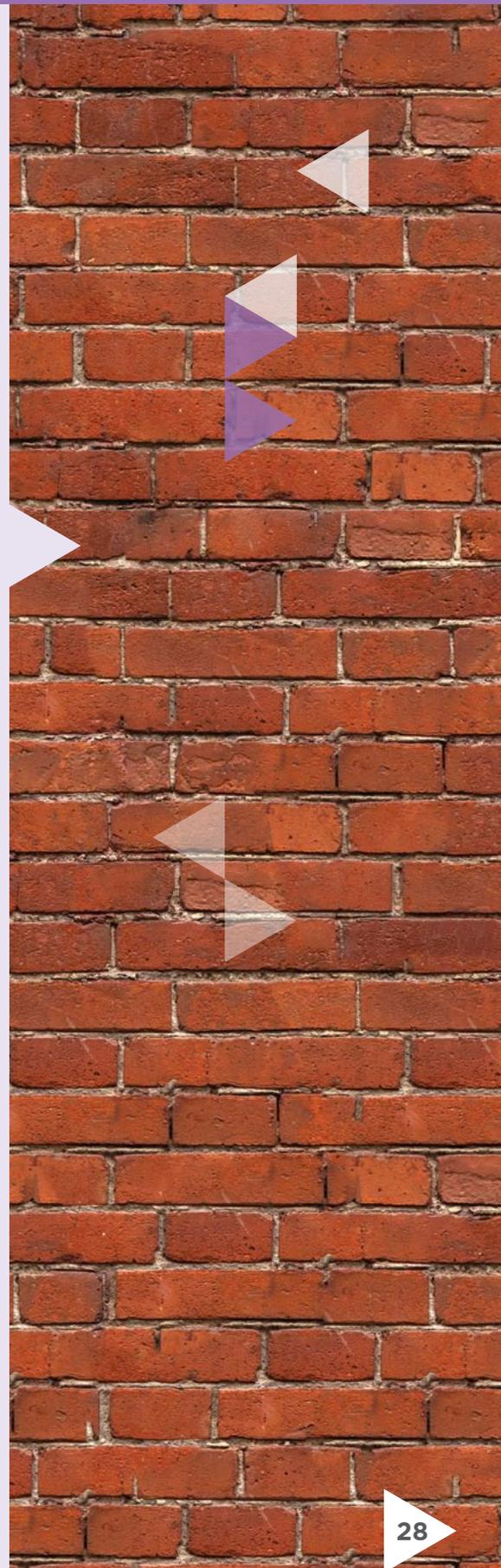
Villages have developed foundational or "ground-up" business systems utilizing nonprofit best practices and peer sharing. Sound internal operating systems are often a big challenge in the concept stage. Pioneering Villages operated more reactively and now struggle to realign internal processes with new knowledge. As the Village movement matures, peer-to-peer knowledge exchange on the development and use of business systems will help future leaders.

### Policies & Procedures

Villages in this study have limited policies in place for managing finances, volunteers, and member requests. Similarly, Villages often do not have policies in place to address board conduct, data and intellectual property, compliance with Sarbanes Oxley, and other legal and fiduciary (financial) concerns. This policy gap could potentially derail sustainability and is an area of growth for Villages in the adolescent and mature stages.

### Technology

Villages value data collection and evaluation as tools to track progress, compare performance with objectives, and ensure program viability. Most, however, are frustrated by the lack of user-friendly tools to help track members, partners, donors, volunteers and board members. Villages could benefit from a "Village-friendly" electronic platform that combines customer relation and internal financial management with data collection to measure benchmarks.



# V. BY THE MODEL: UNIQUE ATTRIBUTES

## A. Grassroots, All Volunteer Model

The Grassroots model is the most common of the Village models (97%) and is often attributed to the Beacon Hill Village, the first Grassroots Village in the United States.<sup>19</sup> Village operational components, including governance, marketing and financial management discussed earlier in this report cover the general operations of all of the business models including the Grassroots model. Research suggests that there are a handful of Grassroots Villages operating as “all-volunteer”, meaning they rely solely on a group of committed community volunteers and Village members with no paid staff to manage operations. The all-volunteer construct provides

a nontraditional approach to managing the operations of a nonprofit organization including the Village. All-volunteer Villages typically do not charge for membership or charge a nominal amount. The nuance of operating as an all-volunteer Village is unique to the traditional, grassroots, nonprofit business infrastructure. Research suggests that this method may provide a Village model that can be implemented in communities with low to moderate incomes. The following sections provide the unique attributes and differences to the traditional Village business model as detailed in previous sections of this report.



### 1. Staffing the Operations

Grassroots all-volunteer Villages that were researched for this report exist with a virtual office, usually a member’s home or via an online platform. With an all-volunteer staffing structure, services provided by the Village are tied directly to the expertise of the members and volunteers. Within this model, the members and governing body have an awareness of the need to balance between the expertise and availability of skilled volunteers and

sizing the member services to meet the Village’s capacity to address member requests. Instead of employing paid staff, Grassroots Villages are managed by a group of volunteers that serve as managers or leaders. These volunteers often serve on the Board of Directors and will divide up the diverse tasks that would be typically performed by paid staff members. For example, these Villages may have one leader in charge of managing the marketing and

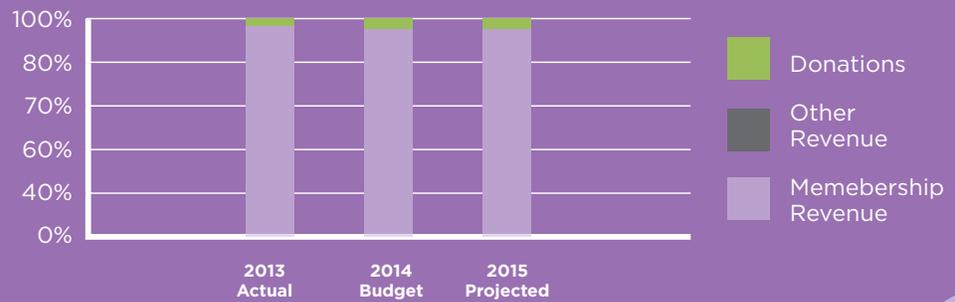
communication activities. Another set of leaders may share the responsibilities of recruiting, training and managing volunteers to respond to member requests. Similar to all Villages, regardless of business model, the all-volunteer Grassroots Villages leverage partnerships with existing local service providers, organizations and businesses to provide a wide array of resources, programs and social outlets to support their members.

# V. BY THE MODEL: UNIQUE ATTRIBUTES

## 2. Financial

The largest expense category for Villages regardless of business model is labor, but for the all-volunteer Grassroots Village, labor expenses are not incurred. The all-volunteer Grassroots Villages that participated in this research reported that by not incurring labor costs, revenue was able to go toward covering the nominal business operating costs. The annual operating budget for the all-volunteer Grassroots Villages is typically less than the average Village. The Villages that participated in this research have annual budgets between \$7,000 and \$12,000, which is about 10% of the average Village annual operating budget. As such the all-volunteer Grassroots Village model has been shown to balance its expenses and costs per member, which allows for sufficient excess revenues. By having excess revenues, this model is able to develop a healthy monthly cash flow and

Figure 13 All-Volunteer Village Model Revenue Breakdown



build a sound financial base for long-term sustainability.

Information analyzed from the all-volunteer Grassroots Villages that participated in this research, shows that 90% of revenues (Figure 13) were earned via member fees. While financial sustainability of a typical nonprofit organization is based upon having a diverse revenue base, research

indicates that the lack of diversity in revenue earned by the all-volunteer Grassroots Village does not hinder its sustainability. Research of this model conducted by Capital Impact Partners suggests this unique Village business model has been shown to be able to manage member expectations and service delivery through volunteers and partnership while maintaining a high profit margin.



## V. BY THE MODEL: UNIQUE ATTRIBUTES

### 3. Sustaining the all-volunteer, Grassroots business model

The all-volunteer, Grassroots Village model provides the best opportunity for long-term financial stability, but reliance on volunteers may pose a long-term challenge. Being mindful of the balance between the expertise and availability of skilled volunteers, the all-volunteer Grassroots Village model will be challenged if services have to be scaled based upon the available pool of volunteers. While the all-volunteer Grassroots Villages that participated in this research reported healthy pools of available community

volunteers, the long-range impact on the Village sustainability is unknown. Decreases in availability of volunteers to provide member-to-member supports due to a reliance on an aging volunteer pool will impact the ability of these Villages to expand services and adapt to changing member needs. The availability of a large, generous volunteer spirit does not exist in every community. The scaling and replication of the all-volunteer Grassroots Village model can only work where there are residents

with natural tendencies of obligation and reciprocity. The financial sustainability and replication of the all-volunteer Grassroots Village model can provide an affordable option for low-income communities seeking to implement the Village model. This structure is likely to be successful in communities with a large active, older adult population who have a substantial amount of free time and can devote considerable time to volunteer recruitment efforts to ensure an uninterrupted pool of engaged volunteers.



# V. BY THE MODEL: UNIQUE ATTRIBUTES

## B. Parent Sponsored Villages

Existing social and aging service organizations are strong assets in communities that often view the Village model as an opportunity to expand their mission. Likewise, starting a brand new organization is often a long, cumbersome process, and local Village founders do not always have the capacity to do it. Within the Parent Sponsored Village business model, the existing social service organization can support the development of a Village in the community. In this business model, the social service organization serves as the fiscal agent—or “parent” organization—and supports the Village by providing the back office, legal, financial management and office space. In addition, the Village can benefit from utilizing the

parent organization’s nonprofit status to support startup fundraising efforts. The Parent Sponsored Village business model allows established social service organizations to expand their services to a new market of older adults and offer more diverse programming beyond their existing programs and services that have income eligibility requirements. This Village business model also lends itself to provide a space where the Village can be “seeded” and then separate itself, becoming a nonprofit, stand-alone organization after a few years. The following sections provide a discussion on the unique aspects of operations, financial management and marketing to the Parent Sponsored Village model.



### 1. Operations



Existing social services agencies, including continuing care retirement communities, agencies on aging and other community-based nonprofits, are the main organizations that serve as the “parent” in the Parent Sponsored Village model. In this model, the costs of staff and overhead are included as part of the parent organization’s budget. The Village is supported as a “business unit” or program of

the overall parent organization. The paid staff for the Village is often employed by the parent organization, which provides access to employee benefits and professional development opportunities to strengthen its capacity to operate the Village. The Parent Sponsored Villages have a systems advantage over other Village business models assessed in this project. Research of the Parent Sponsored Villages as

## V. BY THE MODEL: UNIQUE ATTRIBUTES

part of this project identified that the concept and startup stages are often shorter for Parent Sponsored Villages than other business models due to a higher level of business acumen already in place. Village staff and volunteers engage with the parent organization on the planning and delivery of services and management of member requests. Parent Sponsored Villages have to be mindful of where the Village services “end” and where

the parent organization’s services “begin”. This Village business model allows the traditionally service-focused organization to engage older adults in the community in a peer-to-peer service setting. There is a desire to ensure Village principles (Figure 1) are supported. Therefore, many existing agencies have to change their internal culture to allow older adults and community members to be a part of the governance and decision making process

for the Village. The Parent Sponsored Village business model relies upon the parent organization’s policies and procedures. Leveraging existing infrastructure, operating processes, governance, marketing expertise and volunteers allows the Parent Sponsored Village to focus on new member recruitment, services and program delivery instead of spending time and energy developing systems from scratch.

### 2. Financials

The Parent Sponsored Village model differs from other Village business models through the monetary and non-monetary resources provided by the parent organization to the semi-independent Village. While the Parent Sponsored Village collects membership dues, this revenue contributes to the business unit (or program) that is part of the larger parent organization’s budget. Research findings from analysis of two Parent Sponsored Villages for this report shows that this model has strong revenue diversification, including revenue derived from membership fees, program fees, vendor registration fees, program revenue, contributions from the parent organization and earned revenue generated from

Figure 14 Parent Sponsored Village Model Revenue Breakdown



“for sale” products (Figure 14). One Parent Sponsored Village interviewed for this report generates revenues by selling personal safety devices developed in partnership with a local corporate partner. The Parent Sponsored Villages are supported by donations from

individuals, corporations and several foundation grants. Overall, the Parent Sponsored Villages that participated in this research report 70% of their revenue from membership fees, service fees or product sales, which can lead to long-term sustainability.

## V. BY THE MODEL: UNIQUE ATTRIBUTES



The Village, as a business unit of the larger supporting organization, must be able to cover the costs of the delivery of services. The Parent Sponsored Village business model provides more substantial business and operational infrastructure than the other three Village business models researched.

Access to other parent organization staff and a wider level of social services (e.g., case management, care coordination and transition, public assistance) allow the Parent Sponsored Villages the opportunity to rely on internal resources and programs to sustain operations and adapt to changing member service needs.

### 3. Marketing

The communication and brand for the Parent Sponsored Village are managed through the parent organization's existing marketing team. This is a positive aspect of this model as the Village can utilize established communication channels. However, Villages seeking to utilize this business model will want to ensure the Village brand is distinct.



### 4. Partnerships / Relationships



It should be noted that Parent Sponsored Villages, who have access to a constellation of partners and providers, are already leveraging these relationships to deliver member services. While not operationally distinct from the other business models, the Parent Sponsored Villages have the unique ability to build upon existing partnerships maintained by the parent organization. For example,

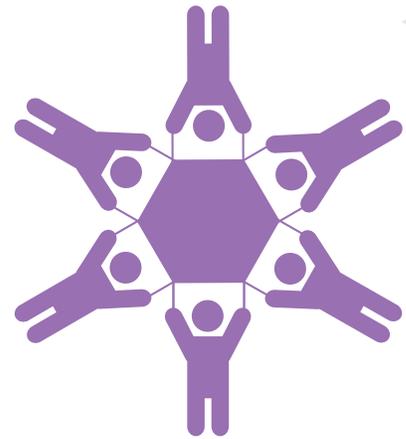
Parent Organizations are able to participate in demonstration and pilot programs to test and replicate evidence based programs - like chronic disease self-management, fall prevention and care transition programs. Through this business model, the Village and its members are able to participate and benefit from these local demonstrations and pilot programs.

# V. BY THE MODEL: UNIQUE ATTRIBUTES

## C. Hub and Spoke

The Hub and Spoke Village model is an emerging business model being utilized by Villages located in large geographic areas. The Hub and Spoke Village Model has emerged for communities that prefer to create their own “spoke” Village to coordinate their unique programs and services with support from the “hub”.

This model brings together multiple neighborhoods to share operating costs and back office support in order to impact a wider market by working cooperatively. This model allows multiple smaller Villages (spokes) to surround a central Village (hub) that handles technology, database management, accounting and other support (back office).



### 1. Operations

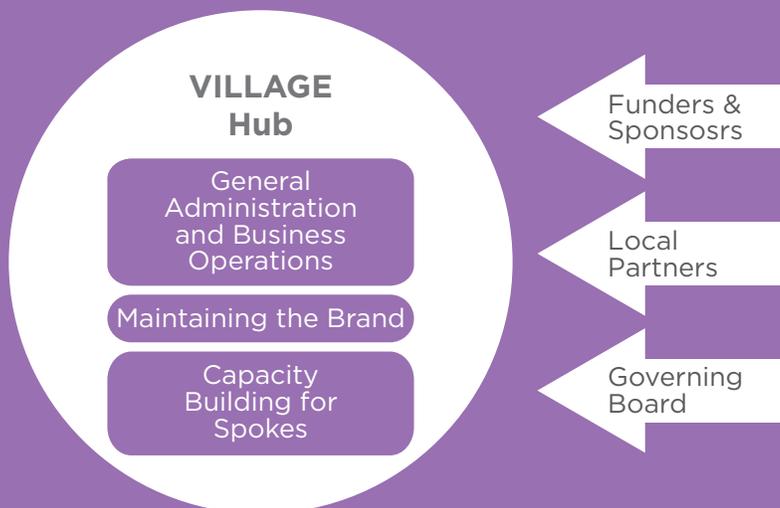
Though member services and principles (Figure 1) are the same as the other Village business models, most of the administrative functions are centralized in the hub, or home office, for the Hub

and Spoke Village. The role of the hub is to provide general administration and business support, maintain the organization’s brand message and provide capacity to the spokes to maximize

their potential to serve local members (Figure 15).

In general, hubs have a staff and physical office space, which becomes the central administration for the Village. The spokes appear to be more like “local outlets” or “satellite” Villages that are launched with the assistance of the hub. Village spokes are located in a predetermined geographic area, often confined to smaller areas like distinct neighborhoods, cultural enclaves, condo or apartment buildings and do not always require a physical office space. The Hub and Spoke Villages researched for this report indicated that spokes prefer the family-like aspect of sharing each others’ homes and fully leveraging available community spaces (e.g., local library, schools, restaurants etc.). Additionally, spokes

Figure 15 **Role of Village Hub**

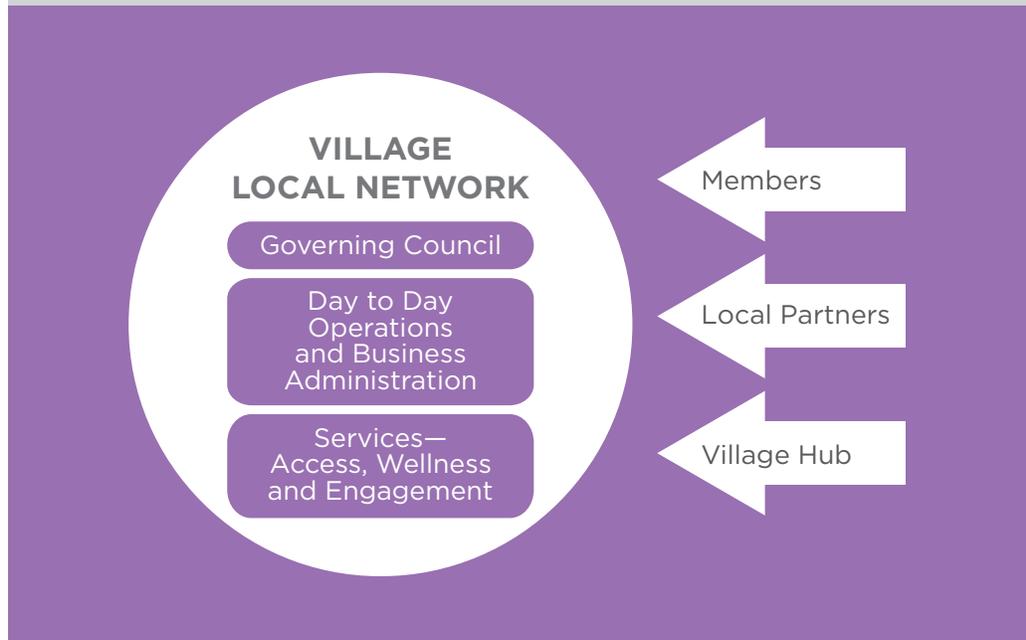


## V. BY THE MODEL: UNIQUE ATTRIBUTES

exist on modest budgets and have no desire to spend limited funds on rent.

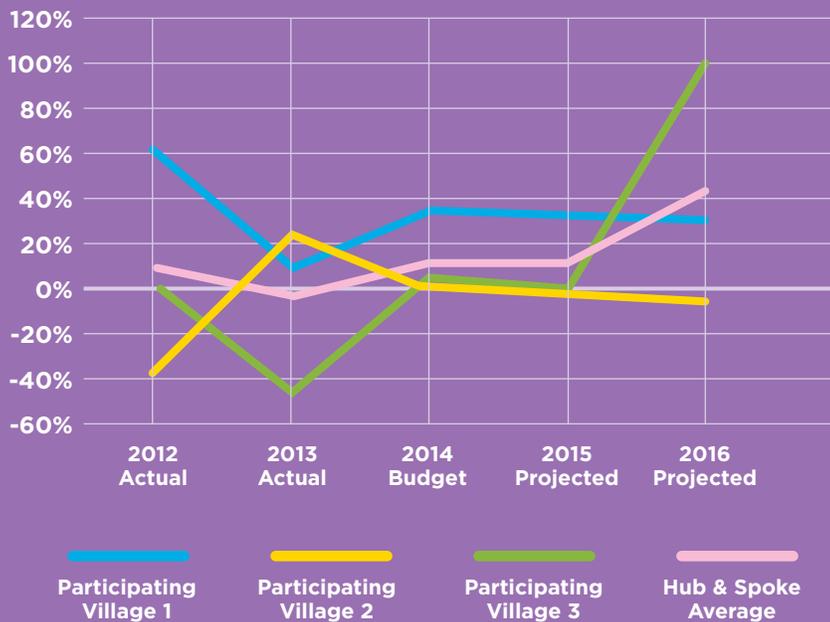
Spokes provide a “boots on the ground” grassroots organization to manage daily member services (Figure 16). The spokes craft their member services and programs based upon their area’s unique needs and assets. The founders of the spokes are identified and supported by the hub, facilitating a supportive concept and startup stage for Village development.

Figure 16 **Role of Village Spokes**



## 2. Financial Management

Figure 17 **Hub and Spoke Village Profit Margin**



Based upon findings from the research for this report, the Hub and Spoke Village shows the most promise for adaptability in diverse community types (urban, rural and suburban). This model also creates efficacy through cost sharing and centralized administration. The centralization of marketing, brand management, accounting and recruitment and training of volunteers provides a cost-effective way to sustain operations.

As demonstrated in Figure 17, the average profit margin for the three Hub and Spoke Villages that participated in this research indicates that they are managing their revenues and expenses in a sustainable

## V. BY THE MODEL: UNIQUE ATTRIBUTES

manner. These Hub and Spoke Villages are able, on average, to sustain a profit margin and “break even” because their revenues are greater than or equal to expenses. This small sample cannot confirm this projected financial stability; however, it reveals this model’s ability to support the replication of Villages in larger service areas in a cost-effective way.

The small sample of Hub and Spoke Villages demonstrates that earned revenues cover approximately 60% of expenses. Here, earned revenue is equal to the amount of member fees that can cover operations without the addition of other income

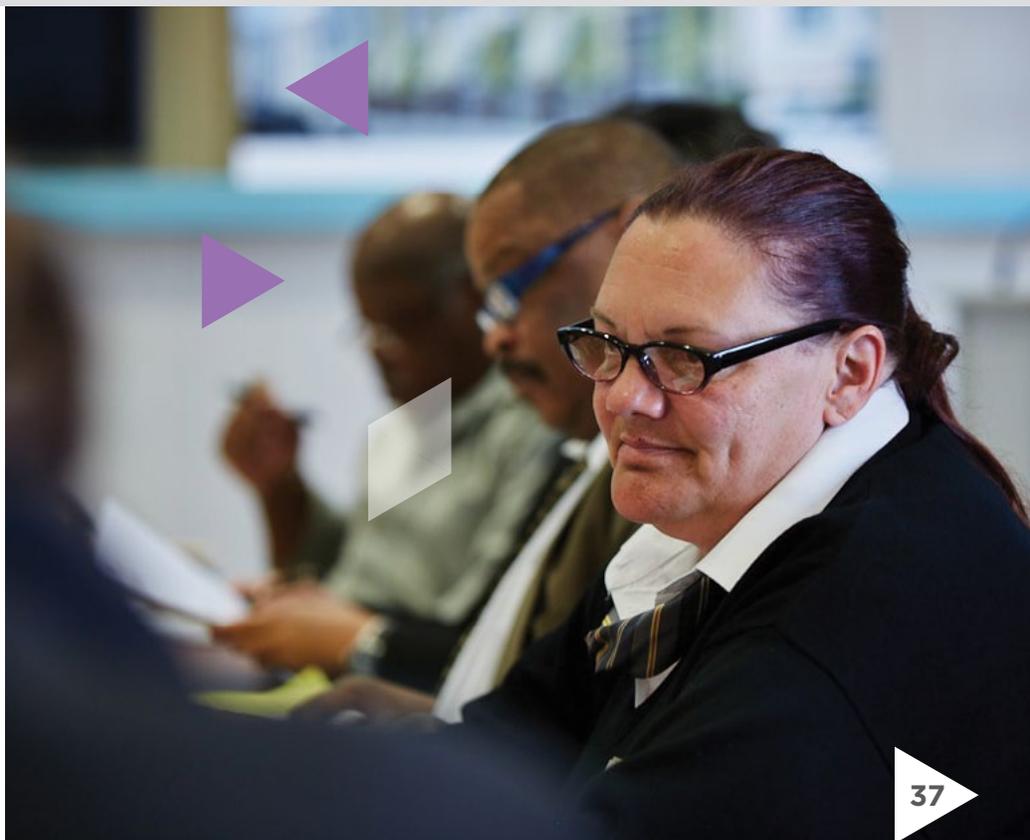
sources including sponsorships, donations and bequests. The economies of scale generated through the Hub and Spoke Village model keep the cost of general administration, including insurance, payroll and marketing, affordable for the Village spokes. Cost sharing across the entire Hub and Spoke Village enables maximum operational efficiencies. The Hub and Spoke Villages in this research have the highest earned revenue among the four Village Business models.

Lessons learned from the participating Hub and Spoke Villages for this project include the strong recommendation that the hub develop a shared

financial structure to ensure the spokes are active participants and have a vested interest in long-term sustainability. A shared financial system would require the spokes to contribute financially back to the hub to sustain central Village operations. This shared revenue structure can be phased in incrementally over time to allow the Hub and Spoke Villages to build up fundraising capacity and local systems at the spoke level. Based upon either a percentage of direct expenses or a flat rate, the contribution of spokes to the hub will be critical to support the sustainability of this unique business model.

### 3. Governance

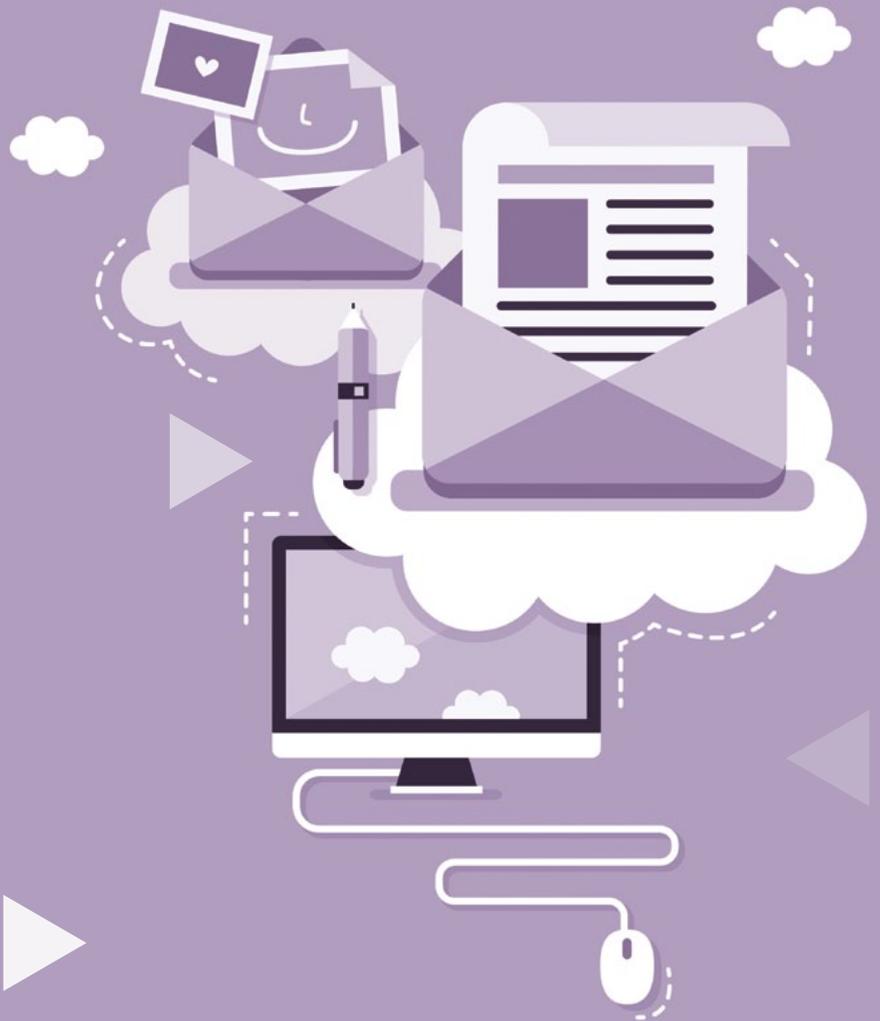
The Hub and Spoke Village business model creates a shared economy between the hub and spokes. Governance of this business model occurs at two levels. At the hub level, the board is made up of representatives from each spoke with voting seats. Additionally, each spoke has an advisory council to inform its specific activities and services around member recruitment, program development and fundraising. This shared governance structure provides transparency and increased communication and helps the Hub and Spoke Village meet its value proposition.



## V. BY THE MODEL: UNIQUE ATTRIBUTES

### 4. Marketing

As part of the central Village activities, the hub, with input from the spokes, creates and maintains the brand to ensure consistent messaging and visual feel through all touch-points within the entire Village in the local market. This responsibility includes providing templates to spokes to aid in outreach activities (e.g., newsletters, brochures, website and press releases) and supplying infrastructure to support marketing. Typically, the hub maintains the website for the Village, and it may provide space for each spoke to manage its activities. Alternatively, the hub may assist in the design, development and maintenance of a spoke's website content.



### 5. Partnerships / Relationships



As the central core of the Village, the hub is positioned well to build strategic partnerships with providers, state and regional governments, private businesses and other organizations. This model's unique ability to expand the reach of Village partnerships to impact the larger market is attractive to local partners.

It provides a consistent and familiar touch-point for the Village and allows the hub to negotiate on behalf of the spokes for connections to direct member benefits and programming. Partnerships provide opportunities for group purchasing, which creates discounts that spokes can pass on to their members.

# V. BY THE MODEL: UNIQUE ATTRIBUTES

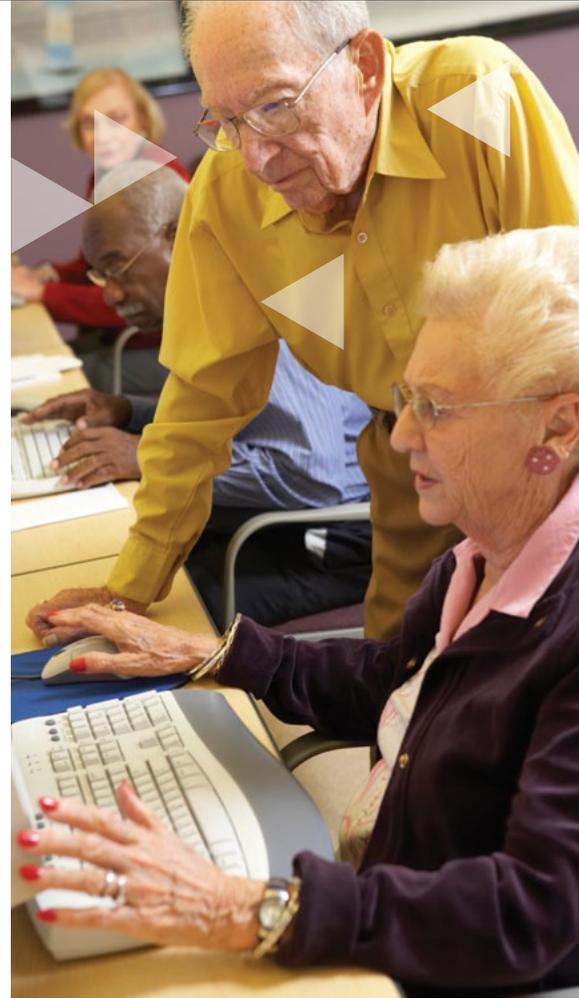
## D. Villages with TimeBanks™ Component

Members join the TimeBank for a small fee and schedule service exchanges online. While volunteerism is crucial to the success of any Village, this business model takes coordination of volunteers to a new level since members can “exchange time” and “earn time dollars” for volunteering. This concept, combined with the Village model, is beginning to emerge as a way to create a lower fee structure for Village membership where time “banked” is provided as a part of the membership fee.

The TimeBanks™ model has been around since the early 1990s and promotes reciprocity among members as well as a low cost way to connect them. Defined by TimeBanks™ USA, a timebank is based on

neighbors exchanging skills, talents and resources for time rather than money (one hour volunteered is equal to one time bank dollar). Time dollars are exchanged for services or donated to a community pool to benefit those unable to provide a service. The TimeBanks™ model provides a more structured approach for member-to-member supports and volunteer manpower to support member requests.

The TimeBanks™ model is being integrated into a few Village communities and operates similarly to other models in governance and marketing. However, the use of many volunteers allows Villages to provide a wider range of personal member services.

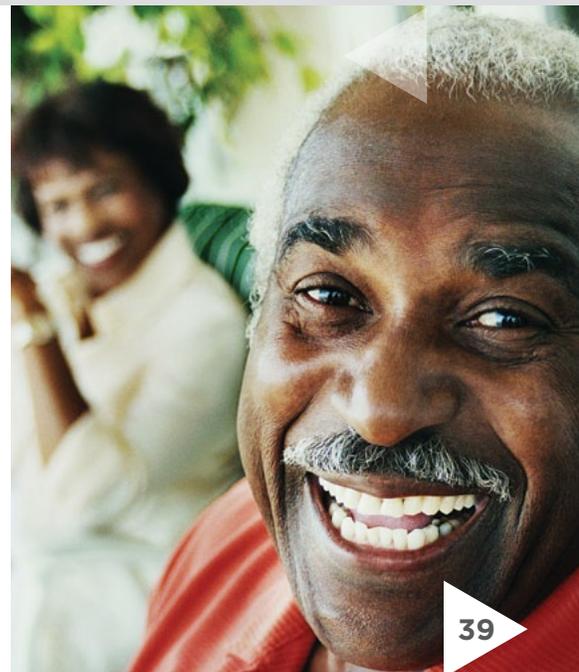


### 1. Operations

The Village with TimeBanks™ business model relies on volunteers and organically connected member-to-member services. Therefore, paid staff is kept at a minimum, and the emphasis is on volunteerism and community-based and delivered programs. Villages can utilize the TimeBanks™ service matching software platform, created by TimeBanks™ USA, which helps to facilitate the delivery of member services. Village and TimeBanks™ membership is

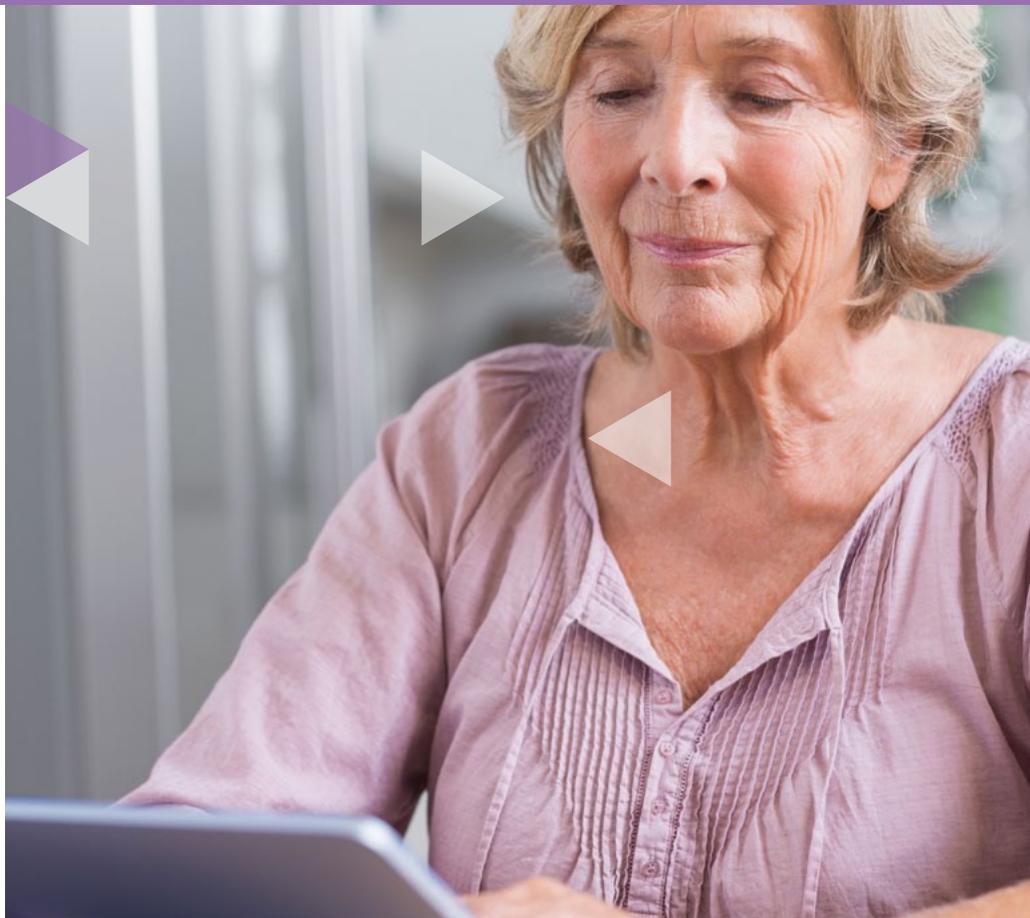
combined, and the delivery of services is performed through referrals, preferred providers and volunteers.

Additionally, member-to-member services are performed through the TimeBanks™ exchange, which encourages members to build strong relationships. Often these members start to provide services to each other without informing the Village staff. These member-to-member service exchanges create a challenge,



## V. BY THE MODEL: UNIQUE ATTRIBUTES

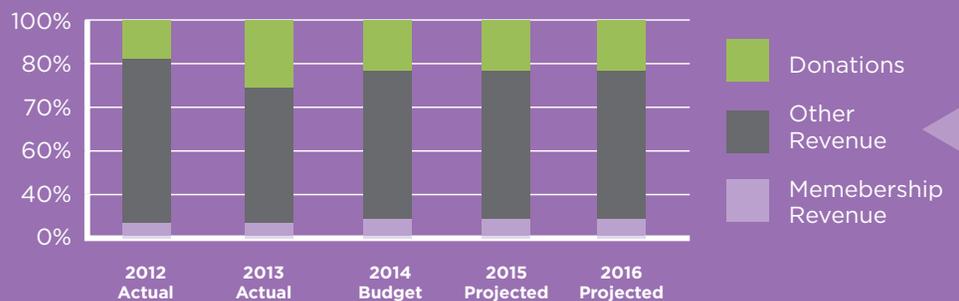
since it is often difficult to measure the number of services provided, their impact and their quality. The Village with TimeBanks™ model combines the traditional grassroots structure with the TimeBanks™ structure. Therefore, the Village is able to get operational assistance from two national organizations: Village to Village Network and TimeBanks™ USA. There is time exchange software to help manage member-to-member exchanges. However, this technology does not always coincide with Village service coordination software. Villages using this model must be diligent to combine service utilization data in one place to analyze growth and long-term sustainability accurately.



### 2. Financials

The Village with TimeBanks™ business model is distinguished from the other models on a financial basis by the non-monetary resources shared among volunteers who “bank” their time spent serving the Village community, thus offsetting total expenses. This model often covers 100% of expenses by membership fees and other earned revenue. On average, revenue diversification is strengthened in the TimeBanks™ model due to increased in-kind contributions sourced from banked time and other resources to support member services. As a result,

Figure 18 Village with TimeBanks™ Component Revenue Breakdown



a larger percentage of the Village with TimeBanks™ business model’s revenues is derived from “Other Income”

(including grants and sponsorships) rather than from membership fees, as illustrated in Figure 18.

## VI. LOOKING AHEAD AND FUTURE PLANNING

A large, untapped strategic opportunity arises from the Village's in-depth understanding of older adults. As America's population ages, nearly every business must adapt and respond to the needs of older customers. Businesses who offer a broader spectrum of consumer goods and services directed to older adults may face a steep learning curve as they enter the market. Through a strategic relationship with a Village, businesses can acquire crucial insight into the needs and preferences of older adults. The business can benefit financially from this understanding by being better able to serve older adult customers. As the aging population continues to grow to unprecedented ranks, the need for Villages in our communities will increase.

Individuals, families, communities and policymakers are creating solutions to address our older population's needs yet still preserve their sense of community and independence. The aging in community concept has been defined as "the ability to live in one's own home and community safely, independently and comfortably, regardless of age, income or ability level". Studies have shown that aging in community improves older adults' quality of life and health outcomes while

providing increased cost savings to sustain a healthy vision of successful aging.<sup>20</sup> Supporting and expanding aging in community also provides a range of individual, community and economic benefits. The outcomes and social impact achieved by Villages are key factors in planning for the growth of this movement.

Villages create social capital in the community and support a vision for successful aging. Members are empowered to be of value to themselves and others with 51% of them actively volunteering for their Village. According to an Archstone Foundation funded evaluation conducted by the University of California Berkeley's Center for Advanced Study of Aging Services: "Villages have the strongest impact in the area of promoting social engagement and facilitating access to services. Village increases their [members] ability to age in place".<sup>21</sup>

There is growing evidence identifying the value of social engagement and its promotion of healthful living, shorter recovery time from illness or acute episodes and the ability to remain living independently in one's community. Social isolation is increased in older adults as many see family members move away, lose a life partner or decline in



## VI. LOOKING AHEAD AND FUTURE PLANNING



“Villages have the strongest impact in the area of promoting social engagement and facilitating access to services. Village increases their [members] ability to age in place.”<sup>22</sup>

physical mobility. As a result, this loss of “formal social roles and meaningful connections” can lead to poor health habits, falls, depression and noncompliance with medical directives.

Villages know that crafting effective programs, communications and operations begins with a deep understanding of a community’s needs and desires. During the Village concept and startup stages of development, having a better understanding of the needs and local program gaps is critical to developing valued-added member services. As the organization matures, it must continue to assess its

local market to ensure it is prepared to adapt to trends or changes that impact its ability to deliver on its brand promise.

Data collection provides a basis for an organization’s long-term viability to be adaptable to shifting trends and market needs. The information allows the board and staff to gauge opportunities to meet future member needs. Villages utilize a feedback mechanism within their membership to help assess their programs’ appropriateness and long-term viability. These mechanisms include: periodic member questionnaires, event-specific satisfaction

surveys, open dialogue with members, a program committee that represents the general membership and simple communication tools employed by members, staff and board. Villages, along with other sustainable nonprofit organizations, truly value understanding their immediate market’s needs to inform future strategy and planning. Member feedback is a powerful tool to craft programs and services that will sustain the organization into the future.

Evaluation of the Village’s impact is critical to partners who are engaged in Age Friendly Community initiatives. As the aging population

## VI. LOOKING AHEAD AND FUTURE PLANNING



grows, local communities are seeking evidence-based solutions to allow older adults of all incomes to remain in the community. The Village model plays an important role in the community aging network and can be integrated into the overall work of community partners. Most Villages recognize the vital role their programs could play in improving the lives of lower income and underserved populations, and they offer discounted memberships to seniors with limited and fixed income. Using the Elder Economic Security Index<sup>23</sup> the participating Villages have developed policies and procedures to welcome this population. Subsidized members are afforded the same status and benefits as “full freight” members. Forty-six percent of the Villages participating in this research identify their community as urban, which provides diversity within the organization. Twelve of the 14 participating Villages provide a subsidized membership option, averaging approximately 15 subsidies offered at any one time. According to the 2012 Organizational Survey of operating Villages, 67% of all Villages offer subsidized memberships for individuals with lower incomes.<sup>24</sup>

Villages actively reach out to communities of color and LGBT populations although

with limited success. Most Villages agree that much more needs to be done to quell the “elite” perception the general public has of them and to find effective ways to include seniors from all cultural and social-economic communities. Many Villages are actively working on this issue, and it is clear it could become a roadblock to sustainability unless addressed. Several Villages report that emphasizing the cost-effective nature of joining a Village attracts the entire middle class whose financial status is wildly different. Villages are an economic dream come true for cash-poor, house-rich populations.

As this movement matures, Villages will need to create a systemic evaluation process that consistently measures their impact. Villages are now seeing members growing older and having additional needs. The episodic nature of aging means that Villages must be nimble in order to address these changes. Regular strategic planning and long-term visioning will support the organization’s ability to react to market trends and therefore ensure sustainability.

Research indicates that consistent use of long-range and strategic planning tools is often an exception rather than a rule among the currently operating Villages

## VI. LOOKING AHEAD AND FUTURE PLANNING

participating in this project. Research suggests this is an area where increased capacity building and training tools can enable Villages to integrate this level of planning into their operations. Two to three year strategic plans are recommended. Also, regular reviews of goals through the dashboard and financial benchmarks will allow Village staff, volunteers and boards to foster decision-making that aligns with stated long-term objectives.

The health care industry, both public and private, has been trending toward identifying efficiency of operations and effectiveness of medical interventions as key levers in cost savings. The social determinants of health are now being recognized as part of the health care industry's

effectiveness with medical outcomes. Villages can play an important role in providing non-medical supports through a low-cost, person-centered approach, which should lead to greater savings and social impact. Villages can be valuable partners to hospitals and local health care providers in care transition and chronic disease management. This collaboration can reduce frequent returns to emergency rooms and hospital readmissions.

Villages have emerged in moderate and middle class communities to fill voids left by traditional aging services. While many view Villagers as people with means and assets, many members are on fixed incomes or were hard hit by the latest recession and drop in housing market. Aging support needs are not limited

to low-resourced populations; all members of the community can benefit from the supports offered. Villages appear to have the greatest benefit for members who are most involved. There are fewer positive impacts for members in poor health, prompting questions about long-term effectiveness in helping more frail seniors age in place.<sup>25</sup> Villages are working on this challenge with communities and partners to expand their offerings.

There exists an internal debate within the Village movement as to how it impacts low-income populations and publicly supported social services for aging in the community. On one hand, Villages provide an outlet for moderate income older adults to preserve their assets longer



## VI. LOOKING AHEAD AND FUTURE PLANNING



while reducing the onslaught of people impoverishing themselves in order to access community-based services. They also reduce “spend down” of the moderate-income population to publicly supported services that are already oversubscribed with limited funding.

Alternatively, greater emphasis is being placed on the social determinants of health among government agencies and providers of Medicaid-funded Home and Community Based Services programs. Villages are in a good position to leverage knowledge they have amassed to inform, influence

and debate how the delivery of services is provided.

Villages have been successful at reducing social isolation. The Center for Advancing Study of Aging Services at University of California Berkeley (CASAS) reports that 79% of those surveyed felt they knew more people as a result of their membership. Fifty-nine percent felt “more socially connected”, a factor known to promote aging in place”.<sup>26</sup> Improving health care services depends partly on ensuring that people have an ongoing source of care. The CASAS also reports that Villages have a positive

impact on “their members’ ability to access services and health care”.<sup>27</sup> People with an ongoing source of care have better health outcomes and fewer disparities and costs.<sup>28</sup>

The Village model therefore teaches service providers, faith communities, affordable housing providers and other publicly funded partners how to engage and empower low-income populations in order to expand their capacity. These services—through peer supports, volunteers and civic engagement—allow members more involvement, which in turn builds social capital that strengthens the community.

## VII. CONCLUSION



With its research of the trailblazers of this growing movement, this report is a strong step forward for Villages. The analysis, findings and conclusions will help foster the growth of stronger Villages in the future. Most organizations started out as a personal quest and turned into a labor of love. Most founders did not set out to start a business and were often unprepared for the complexities that came with hiring staff, running payroll, paying taxes and complying with employment statutes and laws. This report provides insight into balancing the Village mission with nonprofit business standards to ensure the sustainability of its vision.

For Villages in the concept development phase, this information will provide a helpful roadmap for how to proceed in building infrastructure. Emerging Villages should pay special attention to planning operations and to “test driving” systems before utilizing them. Villages

should harness the power and expertise of experienced business-oriented volunteers early so that sound business processes will be set up. Villages are like a small business enterprise. They need a business plan, including a financial pro-forma that builds in at least six months of operating expenses and a well-planned cash flow. During the concept and startup stages, Villages should use the business plan to market to funders, partners and prospective members.

Based upon the analysis in this report, the development of a long-range strategic plan that spans two to three years cannot be underscored enough. This plan should develop the process for data collection and also tell the story of the organization’s mission and stated goals. Staff and board should review benchmarks, service utilization, financial reports and member recruitment efforts regularly to allow the organization to adapt quickly to changing

market needs. Review and assessment of preferred service providers should also be done annually. Establishment of these processes, supported by adequate technology, will allow Villages to anticipate future member needs and understand local market shifts—key factors in sustainability. Data collection and evaluation will help manage daily organizational activities, and they will “tell the Village story” and aid in developing marketing and messaging. Hiring thoughtfully, getting to know members well, cultivating strategic alliances early and ultimately including the whole community will support the Village mission and vision.

For Villages in the adolescent and mature stages, this report will assist in reviewing and refreshing current operating systems. With a focus on sustainability, Villages can step back collectively (board, staff, volunteers, partners, members) to identify their place in the lifecycle, assess the market and project future member needs.

## VII. CONCLUSION

### **This report reveals areas that need improvement within existing Villages, including:**

- ▶ **developing a long-range strategic plan with a focus on social impact and a process for regularly reviewing programmatic and organizational benchmarks**
- ▶ **formalizing volunteer programs including orientation, training and a recognition process to ensure volunteers are used as staff extenders to support operations**
- ▶ **engaging board members in fund development / new revenue sources and in board / committee succession planning**
- ▶ **creating marketing messaging that stresses fun, social care, freedom, belonging, sharing and confidence in the aging journey**
- ▶ **finding creative and innovative data tracking systems**
- ▶ **creating clearer and more complete policies in hiring, HR, governance, succession planning and volunteer management**
- ▶ **developing stronger, more relevant strategic partnerships**
- ▶ **diversifying revenue streams and building cash reserves**

Villages must choose the role they want to play in the community. Is this a social organization? A health, wellness and aging focused organization? A public health organization? Many Villages began as a way to support aging in the community. As the market shifts and more attention is given to the importance of community-based supports on health outcomes, the movement as a whole needs to be able to discuss its role. Having a collective vision of what Villages nationwide can do allows locally-based Villages to identify their long-range vision and shore up operations to ensure sustainability. There are many exciting opportunities revealed in this report that should inspire Villages to identify their important role in the overall fabric of their community.

As the movement grows and members' needs change, a Village that is nimble and has a solid vision of its value will be able to create partnerships and leverage its role within the overall constellation of aging and adult services. If Villages can show cost savings and real social impact to the health care system, they will be positioned well to reach new members in underserved populations, which will make recruitment efforts a bit easier.

“Sustainability is getting processes ready to handle growth.”

—Village Leader

Sustainability within the Village movement is possible with a more business-like approach. This mindset will attract funders, appeal to a larger audience and produce measurable impacts that will inspire people to join, donate and volunteer. By leveraging knowledge from the nonprofit industry regarding sustainable operations, Villages will be positioned well in their community.

As the baby boomer population continues to age and gain political clout, Villages offer a unique cost-effective solution that people actually prefer over alternatives for aging. Villages can capitalize on the infinite knowledge they have amassed on low-cost service delivery. The movement must have an equal seat at the larger aging services table, leading to innovative collaborations and potentially new and untapped sources of revenue. Peer sharing among all Villages will continue to be immensely useful in finding best practices and in teaching each other how to incorporate sustainable business practices most effectively.

## APPENDIX I: LIST OF PARTICIPATING VILLAGES

Name of Villages	Business Model Type	City/State
Ashby Village	Grassroots - Paid Staff	Berkeley, CA
Avenidas Village	Parent Sponsored	Palo Alto, CA
Capitol Hill Village	Grassroots - Paid Staff	Washington, DC
Carlton Willard at Home	Parent Sponsored	Bedford, MA
Glover Park Village	Grassroots - All Volunteer	Washington, DC
Gramatan Village	Grassroots - Paid Staff	Bronxville, NY
Home Haven	Hub & Spoke	New Haven, CT
Marin Village	Hub & Spoke	San Rafael, CA
Nauset Neighbors	Grassroots - All Volunteer	Wellfleet, MA
Northwest Neighbors	Hub & Spoke	Portland, OR
Pasadena Village	Grassroots - Paid Staff	Pasadena, CA
Plumas Rural Services	TimeBanks™	Quincy, CA
SAIL	Parent Sponsored	Madison, WI
San Francisco Village	Grassroots - Paid Staff	San Francisco, CA
Tierrasanta Village of San Diego	TimeBanks™	San Diego, CA

## Village Business Plan Outline Template

### 1. Executive Summary

- a. Write this section last, after you have prepared the other sections
- b. Include:
  - i. Mission Statement
  - ii. Names of founders and functions they perform
  - iii. Number of founders, number of board members
  - iv. Reasons for starting a Village
  - v. Summary of market/survey data (demonstrating market interest)
  - vi. Committees, number of people engaged on each
  - vii. Description of service, where it operates
  - viii. Status of program development to date
  - ix. Summary of growth, participation, donated funds
  - x. Summary of plans for the future/vision

Highlights and key points that are discussed in the rest of the plan should be pulled out and included in the Executive Summary.

### 2. The Product

Brief description of Villages movement, growth, why so much growth, how they respond to unmet needs/desires; the consumer-driven nature of Villages; how they respond to the long-held desire of elders to stay in their homes; the wide range of programs that can be provided and how they can change over time in direct response to consumer desires, etc. Provide a high level overview of growth of elder markets and need for Villages.

### 3. Market Description and Market Analysis

- a. Geographic area to be served
- b. Target market: age, income, other socio demographic characteristics
- c. Market survey: methodology, number surveyed, number of responses, summary of data analysis/findings
- d. Existing services that address the same needs/desires in the market area
- e. The needs that will be met Village
- f. Share of market: how many participants will you be able to attract?
- g. Projected changes in the market over time (further aging, etc.)
- h. Indicators of market response to date
- i. Key interests of the markets

# APPENDIX III: BUSINESS PLAN TEMPLATE

## 4. Overview of the Village

- a. Describe Village and what it will provide
- b. Benefits of membership in the Village
- c. The Introductory Membership, what it offered, number and types of programs conducted, level of participation, fees
- d. Partnerships
- e. Discounts
- f. Newsletter, Web Site (again, how many distributed? How many web site “hits” if you know this)
- g. Number of members, fees
- h. Serving lower/moderate income; making/keeping it affordable
- i. Data on participation should be structured to demonstrate market interest
- j. Data on volunteer engagement/participation also demonstrate market interest, but also viability of operating a program relying on this resource
- k. Expanding services

## 5. The Organization and Management

- a. Organization structure/ownership (501(c)(3))
- b. Brief profiles/qualifications of Founders and other key team members
- c. Board members: size of board and qualifications
- d. Roles of Board members
- e. Committees, Committee Chairs, qualifications
- f. Anything else on “management” and “management team.” Who does what in the business? How will ongoing leadership be assured? Executive Director in the future? Once money is being accepted and services promised, how would delivery be assured?

## 6. Marketing/Sales/Adding New Members/Growing the Program

- a. Number of members
- b. Number of “subsidized member” if appropriate
- c. Target number of members
- d. You may want to discuss the percentage of the total market that you need to capture
- e. How subsidized
- f. Communications strategies (web, link to Community Council website, newspaper articles, newsletter, flyer, meetings, etc.)
- g. Who is responsible for recruitment?

## 7. Funding/Funding Needs

- a. Revenues and expenses
- b. Sources of funding
- c. Amount needed for start-up costs
- d. Use of funds

## Value Proposition Worksheet / Discussion Guide

Who are we serving? who are they, what they do with their time, how they live, what's important to them (80/20 rule if available)	
What unmet or undermet need are we filling / what problem are we solving for them / what niche is ours?	
What are we offering (key features) to solve their problem?	
What's in it for them (key benefits)? How will their lives be easier, richer, more convenient, happier, more hopeful, safer...?	
What alternatives do they have? What other organizations are helping them now in a similar way?	
How are we providing the key benefit(s) better or differently than alternatives?	
What experience will our members have as a result of joining and being active users?	
If I join XYZ Village, my life will be enhanced by...	

Now, in 1 simple statement (1-3 sentences) sift through info above to sum up the answer to "What's in it for me?" and "Why join now?" from your members' perspective:

## Marketing/Communications Brief

DATE: \_\_\_\_\_

CAMPAIGN NAME: \_\_\_\_\_

BUDGET: \_\_\_\_\_

TIMELINE/DEADLINES/TIME PERIOD: \_\_\_\_\_

DESCRIPTION: \_\_\_\_\_

- 1. What result do you want to get from this communication item/campaign?**
- 2. Who are we addressing (demographics, lifestyle, attitudes, relevant need)?**
- 3. Exactly what do you want “them” to do – how do you want them to respond?**
- 4. What “reward” do we offer for them responding how we wish – what’s in it for them?**
- 5. What is the single, most important message that needs to be understood?**
- 6. When/where will/should this reach them (e.g. work, home, day, night...)?**
- 7. How will performance of this communication be measured?**

## Communications Brief Guidelines

### 1. What result do you want to get from this communication/campaign?

What is the role of this communication with regard to the objectives and goals (short or long term) of the organization. When possible, give quantifiable targets of specific end results – the more specific, the clearer and effective the communication. Tie it to a business objective.

Examples:

- Increase inquiries for X service by 5% over 30 days.
- Increase awareness among target media list by 50% over 60 days.
- Secure \$200,000 in sponsorship for X event within 3 months.
- Associate the name/logo with X celebrity throughout the month of February.
- Secure 3 major media interviews regarding X project in Q4.
- Enroll 1,000 trainers in technical assistance workshops in Q1 and Q2.

### 2. Whom are we addressing? Simple profile? What motivates them?

Demographics – age, gender, ethnic origin, income, occupation, region

Lifestyle – what do they do with their free time? How much free time? What are their habits?

Attitude – conservative, liberal, traditional, serious, light, adventurous, others?

Expectations – what do they think about you and expect from you now?

What will motivate them to act and behave the way you wish (priorities/desires)?

### 3. Exactly what do you want “them” to do – how do you want them to respond?

Specific Action – what, when, how often, how many, instead of, what is the behavioral change?

### 4. What reward do we offer them for responding how we wish – what’s in it for them -- benefit?

Functional – Physical need fulfilled or made better

Sensory – Physical comfort, pleasure received

Emotional – Feeling sought

Expressive – Opportunity to feed ego / show others something about yourself / become famous

### 5. What is the single, most important message that needs to be understood?

This is clear and concise. Single-minded and powerful. What is the major take away they should remember?

### 6. When and where will this communication reach them? What is the competitive environment – how much noise/distraction when they receive the message? What is your message competing with that may overshadow your message?

How can you use the media to ensure the message is received and desired action facilitated?

What medium/vehicle will best support desired response and cut through the noise?

What is the vehicle (specific publication/program) environment – how much adv., editorial style?

### 7. How will performance of this piece be measured and analyzed?

What metrics should be used? How will results be collected?

Who will be responsible to collect and report results? Who will act on results?

# Marketing Plan for the Development of a Village

**Goal:** Educate the community about the Village movement and your new community enterprise;  
Recruit members and encourage renewals.

### **Messaging:**

1. A Village is a non-profit organization that comes from the community for the benefit of the community
2. Self-sustaining; grass-roots
3. Time banking: equal giving and getting
4. Helping people live a full life in their home and their community
5. Make new friends; engage in life; stay healthy
6. Join the life long journey together
7. Getting the most out of all the resources in the area for you
8. Offers peace of mind

Generally Villages do not use the words seniors, citizens or aging. Ageism is still “alive and well” in the US and it is important to not create images that people can say that is not me or that is not for me. It is important that your images and messaging are positive, fun, and engaging. Most people when they hear about Villages, they think they are an alternative to assisted living or a nursing home. In order to engage people of all ages so that you have a diverse and vibrant community, especially for time banking, it is important to create a picture (and reality) that shows people an organization that they want to get involved with for themselves and their community for a long time.

Segmented Audience/Marketing: Healthy \* Not so Healthy \* Frail

A lot of people use age as the marker for their marketing approach but this does not take into consideration how individual needs change when there are changes in health. These changes can happen as they age but sadly declining health or a medical change can happen at any age. (i.e. someone breaks a leg skiing; trips on the sidewalk; chronic illness; early dementia)

Although the images are not that different, your services and offering will vary with the target market. When creating your Village it is important that you develop services and programs that your membership wants and needs and that you reflect this back to them. “You asked for it; We offer it” Your Village must offer value that is included in the membership fee. This value will range from discounts to providers, all the way to the time bank volunteer collaboration to programs that are unique to the Village members. “What do I get for my money?” “Will I only be with old people?” Your messaging must address these concerns to each segment. Most Villages focus their message on a happy and healthy life now and in the future.

## Marketing Strategies for Start-Up Villages:

### A. Create marketing materials

1. Website with public and private sides
2. Facebook page
3. Brochure: flexible one pagers to change for the audience
4. Tri-fold with room for a mailing label
5. Short elevator speech\* Note: Be clear that Central Village is not just for ASEC members.

### B. Create the basics

1. Write up a member agreement
2. Be able to take credit cards
3. Create volunteer and sign in sheets
4. Develop a training for presenters (ambassadors)

### C. Develop an Ambassador program

This is a group of people who are part of the Village who want to let others know about the Village. They will need to be able to share their story and make it personal why they joined and what they get out of it. Personal stories are critical. It is also important that the ambassador looks and presents the image of your Village. If you want to attract younger people (50's) make sure that that is who is presenting to that audience. (others presenters- couples; active; engaged; influential in the community; their neighbor)

### D. Hold a launch party

1. Goal is to get people to join the Village
2. Can be held at the Church at the beginning and then do a second one when you expand out to the whole community

### E. Hold "prospect" parties

1. Hold parties to get the message out: muffins in the am or wine and cheese in the early evening
2. Have food; make it fun
3. Create and send invitations and follow up with phone calls
4. Community people (steering com) present for about 15 min.
5. Show one of the VtVN videos- What is a Village?
6. Have people give their personal reason for being part of the Village
7. Explain time banking
8. Open it up to Q & A and discussion
9. Have Member Agreement for them to sign
10. Locations: Churches; people's homes; libraries; fancy furniture stores; galleries; Temples; community rooms in their neighborhoods, etc.

### F. Other audiences for your message and for referrals

1. Word of mouth is the number 1 referral source
  - a. Create incentive programs for members to get their friends to join
  - b. Have people hold prospect parties at their house and invite their friends/immediate neighbors
  - c. When you have members: have parties where a member brings a friend
  - d. Run a program with a great speaker and invite the community
2. Local paper
  - a. Gets articles written
  - b. Write editorials
  - c. Pay for an AD (especially if you are running an event)
  - d. Put all events into the calendar section
  - e. Do all of this online if your local paper is online
3. Neighborhood Associations
4. Block parties/local Fairs
5. More: doctors; hospitals; social service agencies; real estate agents, lawyers; local stores; local GCM's; etc.

## Suggestions on how to overcome objections to joining the Village:

### A. People join Villages for many reasons:

1. They need the services
2. Support the community idea
3. So that it is there when they do need it
4. Their friends joined
5. They want to be in control of their life and stay in their own home as they age

### B. Objections and the “Not ready yet” crowd

1. I do not need that yet
2. I do not want to be with old people
3. I am not old enough to want that yet
4. I am not a “joiner”

### Suggested points for overcoming objections:

- ▶ The Village is not a bricks and mortar facility. It's a virtual community that is founded by residents who want to stay in their homes and neighborhoods.
- ▶ It means enjoying a culture of positive interdependence with people who live near you. It's like the neighborhood your grandmother grew up in where neighbors helped each other because they knew it would be reciprocated.
- ▶ The Village keeps you from moving to an age-segregated community where there are no younger people to interact with.
- ▶ Village members report better quality of life since joining a Village.
- ▶ Village life and volunteering give life meaning and relevance.
- ▶ Villages address directly what recent research has documented as health-related problems caused by social isolation, including depression, increased risk of morbidity, mortality, cardiovascular disease, dementia, and Alzheimer's disease.
- ▶ Real-life social networks (Villages) decrease isolation, the likelihood of institutionalization, and mortality, and increase longevity.
- ▶ Some members view the Village as insurance policy that they can tap into when they need it because they recognize that they cannot stay in their homes indefinitely without a little bit of help.

#### **Phone bank and cheat sheet**

For all events and even to follow up when people call interested in the Village you can set up a phone calling party. Invite volunteers to someone's house or to the Church and have everyone call people and see if they are interested. Make sure that all volunteers have a script or what to say and a "cheat sheet" about the Village offerings and philosophy so that they can answer people's questions. The organizer of this phone bank usually has wine and cheese. Do not call during dinner hours. In people's experience the best time to call is between 3:30 or 4:00pm and 6:00pm. This approach is great to follow up after you send out an invitation to a program, community Village event, or prospect party. It is also great when following up on a lot of calls for information that come into the Village. Remember the best approach to "person to person." Word of mouth is the best marketing strategy. Keep a list of prospects in your database management system and reach out to them frequently with Village news.

# APPENDIX V: DASHBOARD TEMPLATE

Insert Your Village Name Here		Target		CURRENT YEAR					PREV YEARS	
Indicator/Outcome/Impact	FY2015	Five-Year	Q1	Q2	Q3	Q4	YTD	2013	2014	
<b>Membership</b>										
Metric 1: New members										
Metric 2: Renewed members #										
Metric 3: Renewal rate %										
Metric 4: Reached % of target senior population										
<b>Marketing</b>										
Metric 1: Article placement										
Metric 2: PSD's										
Metric 3: Tabling events										
Metric 4: Increase in membership inquiries over previous months										
Metric 5:										
<b>Fund Development</b>										
Metric 1: Foundation grants received										
Metric 2: Value of foundation grants received										
Metric 3: Number of individual donors										
Metric 4: Fee for service income										
Metric 5: Number of repeat funders										
Metric 6:										
<b>Governance</b>										
Metric 1: Board recruitment										
Metric 2: Board event attendance										
Metric 3:										
Metric 4:										
<b>Volunteers</b>										
Metric 1: Volunteers recruited										
Metric 2: Volunteers trained										
Metric 3: Increase in volunteer inquiries										
Metric 4:										
<b>LEGEND</b>										
5% or more over target	GOOD									
Within -4.9 and +4.9% of target	AVERAGE									
Under target by 5% or more	POOR									

## END NOTES

- 1 CQ Researcher (2007) "Aging Baby Boomers", Vol 17, No 37, 865-888, CQ Press
- 2 York, P. (nd) The Sustainability Formula How Nonprofit Organizations Can Thrive in the Emerging Economy TCC Group. Retrieved on June 1, 2014 from <http://tccgrp.com/pdfs/SustainabilityFormula.pdf>
- 3 York, P. (nd) The Sustainability Formula How Nonprofit Organizations Can Thrive in the Emerging Economy TCC Group. Retrieved on June 1, 2014 from <http://tccgrp.com/pdfs/SustainabilityFormula.pdf>
- 4 Kenny Stevens, S. (2001) Nonprofit Lifecycles: Stage-based Wisdom for Nonprofit Capacity. Stageswise Enterprises Inc ISBN-13: 978-0971730502
- 5 Capital Impact Partners designed based upon research of Villages and Organizational Lifecycle, New Hampshire Center for Nonprofits.
- 6 Holand, Jenifer (2013) Planning for Success: Effective Board Structure and Shared Leadership Presentation "Creating Aging Friendly Communities through the Expansion of Villages" project convening, February 2013
- 7 Greenfield, E., Scharlach, A., Graham, C., Davitt, J., & Lehning, A. (December 2012) A National Overview of Villages: Results from a 2012 Organizational Survey
- 8 Johnson, E.M. (2006) "Volunteer Management: improving the volunteer experience and reducing risk" ASAE Center for Association Leadership. Retrieved from: <http://www.asaecenter.org/Resources/whitepaperdetail.cfm?ItemNumber=24190>
- 9 Volunteering Reinvented: Human Capital Solutions for the Nonprofit Sector. Corporation for National and Community Service. [http://www.nationalservice.gov/pdf/07\\_0719\\_volunteering\\_reinvented.pdf](http://www.nationalservice.gov/pdf/07_0719_volunteering_reinvented.pdf)
- 10 Kretzmann, J. and McKnight, J (1993) Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets. Retrieved October 15, 2014 <http://www.abcdinstitute.org/publications/basicmanual/>
- 11 Graham, C. & Scharlach, A. (2014) Excerpt of Service Data from multi-site evaluation of 10 California based Villages. Presented at "Creating Aging Friendly Communities through the Expansion of Villages" project convening held August 13, 2014.
- 12 Definition of value proposition. [http://en.wikipedia.org/wiki/Value\\_proposition](http://en.wikipedia.org/wiki/Value_proposition)
- 13 Capital Impact Partners, presentation at "Creating Aging Friendly Communities through the Expansion of Villages" project convening held in February 2012.
- 14 Presentation made Linda Zimmer, Owner/Principal, MarCom Interactive at the "Creating Aging Friendly Communities through the Expansion of Villages" project convening held on September 12, 2012
- 15 Greenfield, E., Scharlach, A., Graham, C., Davitt, J., & Lehning, A. (December 2012) A National Overview of Villages: Results from a 2012 Organizational Survey
- 16 Greenfield, E., Scharlach, A., Graham, C., Davitt, J., & Lehning, A. (December 2012) A National Overview of Villages: Results from a 2012 Organizational Survey. <http://agingandcommunity.com/publications>
- 17 Greenfield, E., Scharlach, A., Graham, C., Davitt, J., & Lehning, A. (December 2012) A National Overview of Villages: Results from a 2012 Organizational Survey. <http://agingandcommunity.com/publications>
- 18 Tabbush, V. (2012) Overview of Preparing Community Based Organizations for Successful Health Care Partnerships. Retrieved 3/1/15 from: [www.thescanfoundation.org/victor-tabbush-overview-preparing-community-based-organizations-successful-health-care-partnerships](http://www.thescanfoundation.org/victor-tabbush-overview-preparing-community-based-organizations-successful-health-care-partnerships)
- 19 Lehning, A., Davitt, J., Scharlach, A. and Greenfield, E. (2014) Village Sustainability and Engaging a Diverse Membership: Key Findings from a 2013 National Survey. University of Maryland, School of Social Work <http://agingandcommunity.com/publications>
- 20 Kaye, S., LaPlante, M. & Harrington, C. (2009) "Do Noninstitutional Long-Term Care Services Reduce Medicaid Spending?" Health Affairs Vol 28, Number 1
- 21 Graham, C., Scharlach, A. & Wolf, J. (2014) The Impact of the "Village" Model on Health, Well-Being, Service Access, and Social Engagement of Older Adults. Published by Sage Publishing Health Education and Behavior. Retrieved on June 15, 2014 from <http://heb.sagepub.com/content/early/2014/05/02/1090198114532290>
- 22 Graham, C., Scharlach, A. & Wolf, J. (May 2014) The Impact of the "Village" Model on Health, Well-Being, Service Access, and Social Engagement of Older Adults. Published by Sage Publishing Health Education and Behavior. Retrieved on June 15,
- 23 Elder Economic Security Index; county-specific measure of the minimum income necessary to cover all of a retired older adult's (65+ years) basic expenses: <http://www.insightcced.org/communities/besa/cal-eesi/eesiList.html>
- 24 Greenfield, E., Scharlach, A., Graham, C., Davitt, J., & Lehning, A. (December 2012) A National Overview of Villages: Results from a 2012 Organizational Survey
- 25 Graham, C., Scharlach, A. & Wolf, J. (2014) The Impact of the "Village" Model on Health, Well-Being, Service Access, and Social Engagement of Older Adults. Published by Sage Publishing Health Education and Behavior. Retrieved on June 15, 2014 from <http://heb.sagepub.com/content/early/2014/05/02/1090198114532290>
- 26 Ibid
- 27 Ibid
- 28 Access to Services, 2020 Topics and Objectives. [http://www.healthypeople.gov/2020/topicsobjectives2020/overview.aspx?topicid=1#Ref\\_07](http://www.healthypeople.gov/2020/topicsobjectives2020/overview.aspx?topicid=1#Ref_07)