

2017 MBA IFP

Ivey MBA Students and Carolinian Canada Coalition Collaboration:  
Strategy Assessment and Recommendations

# Carolinian Canada Coalition



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## Executive Summary

The Carolinian Canada Coalition (CCC) engaged team 108 to provide insights on how to leverage their existing expertise, experience and activities to develop a sustainable revenue model for the organization. Through initial discussions with CCC, it was determined that team 108 could provide the best value to the organization by assessing how CCC delivered stakeholder value and identifying those activities which contributed the most. In order to accomplish these goals, team 108 has undertaken primary and secondary research; directly engaged with CCC's internal and external stakeholders and performed preliminary financial analysis of the organization.

Team 108's major findings are (i) the existing gap between CCC's internally perceived value proposition and the perception of its stakeholders, partners and potential partners, and the general public; (ii) and the partnership and donation opportunities the CCC can attract and seize because of its strong position, legitimacy, and prestige in the environmental sector. Through the analysis of the primary and secondary research it was concluded that the CCC can close the value proposition gap and engage in sustainable partnership/donation initiatives by serving as an umbrella organization with the purpose of hosting multiple environmental organizations and conservation authorities to carry out conservation and heritage initiatives that could not be accomplished individually by these organizations. This would allow the CCC to leverage its well-established partnership network and funnel corporate resources, grants, and donations into the implementation and monitoring of environmental and heritage initiatives.

## 1.0 Carolinian Canada Coalition Problem Identification

### 1.1 Issue & Opportunity

The Carolinian Canada Coalition (CCC) is a non-profit environmental organization which functions as a networking organization to build partnerships, encourages collaboration between environmental groups in the region and uses data gathered from partner organizations to identify strategic environmental goals for the ecoregion. The core activities of the organization are to create the strategy for the eco-region, distribute the strategy to partner organizations and to provide a platform for member organizations to network and collaborate. In recent years, CCC has seen decreased funding from grants with total grant funding decreasing from \$453k to \$175k in 2014 and 2016, respectively. CCC has been forced to let go most of their coordination staff over the past year. The organization is in crisis mode. If CCC is unable to secure additional funding, they will not be able to execute on their core activities and may cease to exist.

Due to the cyclical and unreliable nature of grant funding, the organization is seeking to develop sources of sustained revenue to ensure the organization continues to operate as a going concern. Only very recently, the CCC secured a partnership with World Wildlife Fund—an internationally recognized environmental non-governmental organization—, that gave it access to a grant from the London Community Foundation aimed to finance the launch of a local conservation program for garden owners. Despite ongoing talks with government organizations and favourable outlooks on future government funding, government grants do not often include allowances for operational expenses so the administrative aspects of the organization must be funded from internally generated sources. The organization currently generates revenue from the private sector, including donations and sponsorships; government grants; and, earns revenue from membership fees, consulting services, events and merchandise sales. The primary cost drivers of the organization are salaries which accounted for roughly 50% of all expenses in 2015-2016.

The options available for CCC to increase revenue are to leverage its branding, prestige, and networking to secure additional funding from current granting agencies or to seek out new grant funding agencies; to secure additional donations from existing donors or to solicit new donors; to generate new revenues from existing activities or to develop new activities to generate revenues. Whereas CCC hosts networking and educational events for partner organizations, these have not been shown to be profitable. However, the CCC enjoys an unparalleled presence and branding position as compared to its partners. This position can be utilized to tunnel and liaise partnerships and funding opportunities that otherwise individual environmental organizations, conservation authorities, and granting organizations would not be able to set up and execute.

Despite their revenue concerns, management of financial resources for CCC has been effective with no losses reported in any of the previous three years. CCC is a not-for-profit organization and is seeking to break even with revenues from successful activities being directed to operational expenses in order for grant funding to cover research and project-specific expenses.

## 2.0 Project Scope

### 2.1 Objectives:

CCC originally engaged IFP Team 108 to identify and develop a source of sustainable revenue for the organization through social enterprise. Based on 2016 expenses, we estimate the minimum operational needs of CCC to be \$170,000 covering human resources and overhead expenditures with \$200,000 identified by the client as a minimum viable level. Total earned revenue in 2016 was \$97,000 representing an operational deficit of \$105,000. Over the past year, CCC has covered this deficit with \$112,000 in donations, and \$175,000 in federal grants. Based on our assessment of CCC's past events and the current resources available to the organization, it is unlikely that all of the operational deficit can be obtained from social enterprise. This analysis was therefore focused on three main sources of revenue:

1. Government Grant Funding (e.g., federal, provincial and municipal);
2. Private Sector Revenue (e.g., donations, partnerships, sponsors and corporate foundations); and,
3. Earned Revenue (e.g., sales, events, consulting and memberships).

Our project scope of work is depicted in Figure 1, Appendix 1.

#### 2.1.1. Grant Funding

We have developed four competing and/or interacting hypotheses for why grant funding available to CCC has declined in recent years:

1. There is less overall grant money available for environmental organizations, and CCC is getting the same share of a smaller pool of grant money.
2. There are more groups competing for grant money and CCC is getting a proportionally smaller share of grant money.
3. Granting organizations have changed the criteria they look for in awarding grants and they no longer designate as much grant funding for the activities which CCC undertakes.
4. CCC has changed their core activities and no longer aligns with the criteria government organizations consider when awarding grants.

As we are unable to control the pool of grant money available to CCC or the number of groups competing for that funding, we have focused our analysis on the strategic positioning of CCC against the activities valued by grant funding organizations, and both governmental and non-governmental partnered organizations. Our objective is to identify the activities that are valued by grant funding organizations at all levels and to identify those activities performed by the CCC which are valued by these agencies.

In order to accomplish this objective, we have developed the following tasks:

1. Identify the core activities undertaken by CCC;
2. Identify those activities which are performed well and performed poorly through internal and external interviews;
3. Identify those activities which help or hinder the goals of the organization;

4. Identify those activities which are delivering value to CCC's grant funding organizations; and,
5. Identify gaps where CCC's activities and those activities valued by funding organizations do not overlap.

#### 2.1.2. Private Sector Revenue

Private sector revenue in 2016 was the highest on record at \$112,000 with \$74,000 coming from corporate foundations. CCC also recorded income from partnerships for the first time ever in 2016. The areas which CCC currently identifies as sources for private sector revenue include donations, sponsors, private foundations, partnerships and corporate foundations. There are two ways in which CCC can increase funding from these sources:

1. Increase the funding obtained from existing sources (solicit larger donations, charge more for membership fees, etc.).
2. Solicit additional sources of funding (e.g., new organizations or new revenue streams).

In order to increase the funding from existing sources, CCC can either provide additional services, or increase the value of those services. As CCC is stretched very thin for human resources, this analysis focuses on how to increase the value of services. Assessing value of the intangible services provided by a not-for-profit environmental group is difficult, so we have identified the following tasks in order to complete this objective:

1. Interview external stakeholders to determine which aspects of the CCC's services and/or activities they value most.
2. Identify how those services and/or activities have changed; how their values have changed over time; and how well those services and activities are being executed on.
3. Identify areas where other organizations have successfully partnered with the private sector to increase funding for other initiatives.

#### 2.1.3. Earned Revenue

CCC currently coordinates social, educational and professional events to engage community members and partner organizations. The purpose of these events is to provide a platform for partner organizations to collaborate and network focused around promoting the big picture strategy and increasing knowledge around native plants. These events do not currently earn money and typically represent costs to the organization (Appendix 4). CCC also provides consulting services around native plants.

Earned revenue can be increased by further monetizing existing activities or by engaging in new activities. At this time, suggesting new activities for revenue is beyond the original scope of this project so we have focused our analysis on further monetizing existing activities. This can be accomplished through increasing revenue from existing sources at events such as ticket sales or by identifying new sources of revenue such as food and beverage, vendors, etc.



#### 2.1.4. Summary of Objectives

In summary, our objectives were to:

**Identify those areas of business that help or hinder the goals of the organization.** This includes the organization's core activities (eco-region strategy), the secondary activities to support the core activity (networking between partner organizations) and the tertiary activities undertaken to generate revenues to support the core.

**Identify which activities are delivering value to CCC's stakeholders.** This includes identifying key stakeholders, interacting with those stakeholders to determine how CCC distributes value to them, and identifying which activities are associated with driving the value proposition of the organization.

**Identify an approach to increase the financial resources available to direct the core activities of the organization.** This includes an assessment of the current financial obligations, the opportunity to generate profits from existing and proposed activities and preparing recommendations to improve the financial health of the organization.

### 2.2 Deliverables & Status

#### *Value Drivers Identification.*

Our initial objective was to analyze the activities undertaken by CCC which contributed value to their stakeholders. Our intention was to look at the organization's core activities and through interviewing internal and external stakeholders identify where CCC was delivering on their value proposition and identifying ways in which CCC could enhance the value they deliver in order to increase their image and encourage more members of the public to join the organization.

This objective evolved through our research as we identified that the value CCC saw itself contributing to its stakeholders was not the same value that they were perceiving to deliver. This objective was refined into an assessment of the strengths, weaknesses and opportunities of CCC and determining how the organization could best leverage their strengths to deliver the maximum benefit to their stakeholders.

On November 10, 2016 Team 108 conducted a strategy workshop with the client to better understand the pressures and drivers that they were facing. Working together, we identified how CCC should position themselves within the sphere of environmental not-for-profit agencies to deliver the most value to the widest range of stakeholders. This new value proposition was delivered to the client during the workshop. This report aims to outline the rationale and basis for that value proposition as well as identifying gaps in resources, personnel and capabilities that would prevent the organization from delivering on that value proposition and providing an implementation strategy for how to address those gaps moving forward.

The next steps following submission of the report is to identify any problems or roadblocks which may prevent CCC from realizing this strategy through an iterative feedback process between our team and the client.

#### *Financial Analysis*

Our original focus of financial analysis was to identify opportunities to redirect the organization's resources to activities which would contribute more to the goals of the organization. Our objective in

this was to identify if any of CCC's current core activities could be converted into a social enterprise which would provide a sustainable cash flow to support for the organization's minimum viable operating team. With the financial information we were provided, we determined that the events currently produced by CCC were supported by grant funding and were not cash flow positive activities.

We requested, but were not provided with detailed budgeting estimates for the organization's central activities which restricted our ability to provide analysis of their operations. From the high-level information provided in the income statements from the previous three years, we determined that the minimum funding level to continue the organization with skeleton staff and offices would be approximately \$170,000 per year. In our November 10, 2016 meeting with Michelle, we confirmed this figure and were advised that \$200,000 would be a more accurate number for that purpose.

Given that CCC events currently represent costs to the organization instead of revenue, we determined there was little to no potential to generate all of the funding necessary to run the organization exclusively from these events. We have adjusted this deliverable accordingly to be focused on sources of funding from commercial and government granting agencies.

#### *Strategic Implementation Plan: Recommendations & Analysis*

In Section 5.0 of this document, we provided an analysis of the environment in which CCC operates and present our recommendations for the strategic direction of the organization based on a workshop conducted with CCC on November 10, 2016. Our strategic plan provides a recommendation on how our analysis suggests that CCC should position itself within their group of closest competitors and partners.

In addition to these recommendations, we have presented an assessment of CCC's capabilities, resources and personnel and identified gaps which may restrict CCC's ability to best realize the recommended strategy. In order to correct these gaps, we identified a series of sequential steps which CCC could undertake in order to implement and execute on the strategic recommendations provided.

To complement our recommendation, we also provide an assessment of an alternative approach for CCC to continue their operations and assess the financial outcomes of each prospective solution. These deliverables are complete, as submitted. Next steps in developing these outcomes is to solicit feedback from the client on the feasibility of the implementation strategy in achieving the strategic objectives identified.

## 2.3 Resources:

In order to accomplish these objectives, the following financial and information resources were requested:

Detailed financial information pertaining to CCC, including internal budgeting and spending. Disclosure of non-public information is included in the IFP Non-disclosure agreement.

Event-specific profit and loss statements with detailed accounting of spending and sources of revenue, including a database of event attendees.

Detailed demographic information on volunteers, members, donors, Facebook followers, event attendees and other individuals engaged, as available.

Reimbursement for travel expenses (i.e., meals and train fare) for team members to attend the CCC event at Toronto Botanical Gardens (October 25th & 26th) to conduct primary research through direct engagement of attendees and volunteers. As well as fuel expenses for client-required off-site meetings.

Contact information and introductions to partner organizations for the purpose of conducting primary research.

While many of the requested items were available, many of those requested were either not supplied or not sufficiently detailed to provide insight into the intended activities; as such, our scope of analysis was required to be reduced with respect to the financials. Please see Appendix 1, Figure 2 for an account of resources requested and received.

## 3.0 Research & Analysis

### 3.1 Secondary Research

#### 3.1.1 Non-Profit Organization Environment

With the purpose of something other than making a profit, the non-profit sector always acts as a diverse sector composed of entities focusing on various areas such as technology, education, health, the arts.

#### *Overview of the non-profit sector in Canada*

Most Canadians most likely have engaged with at least one organization from non-profit sector at some point in their lives and many Canadians engage with different Non-Profit Organizations daily. The composition in the non-profit sector includes small community service organizations as well as large universities and hospitals.<sup>1</sup>

According to Imagine Canada, there are more than 170,000 non-profit organizations in Canada, 85,000 of which are registered charities (recognized by the Canada Revenue Agency). 2,000,000 Canadians are working in the non-for-profit sector and over 13 million people have volunteered for charities and non-for-profits.<sup>2</sup>

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<sup>1</sup> Hall, Michael H, "National Survey of Non-profit and Voluntary Organizations", 2004: [http://sectorsource.ca/sites/default/files/nsnvo\\_report\\_english.pdf](http://sectorsource.ca/sites/default/files/nsnvo_report_english.pdf)

<sup>2</sup> Ibid

### *Contribution to Canada's Economy*

The non-profit sector contributes 8.1% of total Canadian GDP for average, even more than the retail trade industry and close to the total value of the gas, oil and mining extraction industry.<sup>3</sup> People often use "core non-profit sector" to refer the charitable and non-profit organizations that are not universities or hospitals. The revenues of these organizations account for about 2.4% of Canada's GDP, more than three times that of the automobile industry. The non-profit organizations in Canada are supported by various funding sources including: government funding and foundation grants, corporate or individual donations, and earned income from the sale of products and services.

Universities and colleges, and hospitals, are the exception to this rule. Almost 75% of their funding are from governmental sources and 72% of that comes from provincial governments. Although these institutions represent only 1% of non-profit organizations in number, they represent around 66% of the total revenues of the non-profit entire sector.<sup>4</sup>

### *Funding sources for Non-profits*

The Satellite Account of Non-profit Institutions and Volunteering published by Statistics Canada in 2009 shows the major revenue sources of the core non-profit sector, government funding account for 20.9% of total income, sales of goods and services at 45.6%, investment income at 3.6%, donations from households 11.2% and membership fees represent 17.1%.<sup>5</sup> Many non-profit organizations do not receive funding from any government source.

Non-profit organizations are essential components of the communities across Canada, providing expertise and support initiatives such as healthcare, education, alleviation of poverty and the environment. Just as importantly, Non-profit Institutions contribute to Canada's public policy process. Great outcomes have been achieved when Non-profit Institutions and governments work together - examples include drunk driving legislation and smoke-free workplaces.<sup>6</sup>

### *Industry Trends and Challenges*

The non-profit sector is facing some real challenges today. According to the National Survey of non-profit and voluntary organizations, stress continues to be a major challenge for employee retention, with 20% employees of non-profit organizations are under "high stress" and 30% employees under "some stress." Although stress levels have stayed the relative same, the cause of the stress is shifting, marking a growing correlation between projections of growing demand and high stress. The number of non-profit organizations employees facing difficulties has gone down slightly and optimism towards future goals is increasing.<sup>7</sup>

Some of the challenges that these trends suggest are also discussed in the National Survey. The growing demand for goods and services are going to be difficult to meet in the near future, and as the demand increases as well as the stress level, making it a real challenge to manage the stress levels of the non-profit organization. These factors will result in skill and labour shortages in the non-profit sector, and it can be

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<sup>3</sup> Haggard-Guenette, Cynthia & Yu, Mingyu, "Satellite Account of Non-profit Institutions and Volunteering" 2007: <http://www.statcan.gc.ca/pub/13-015-x/13-015-x2009000-eng.pdf>

<sup>4</sup> Ibid

<sup>5</sup> Ibid

<sup>6</sup> Hall, Michael H, "National Survey of Non-profit and Voluntary Organizations", 2004: [http://sectorsource.ca/sites/default/files/nsnvo\\_report\\_english.pdf](http://sectorsource.ca/sites/default/files/nsnvo_report_english.pdf)

<sup>7</sup> Ibid

difficult to retain skilled professionals with limited financial means. Solutions to this projected challenge include development of training programs, partnerships with similar organizations, and preparation of a comprehensive human resources strategy.<sup>8</sup>

Another trend in the non-profit sector is the growth of social enterprise, a hybrid organization that include both social and business components. According to the Canadian Non-Profits Organization Income Report, more than 75% of non-profit organizations adopt selling goods or services their growing source of organizational income.<sup>9</sup> More than half non-profit organizations disagreed when the questions being asked if they considered their efforts to be social enterprise. It implies that the term “social enterprise” has yet to be understood and defined in a uniform manner. A recent article in Non-profit Quarterly encompasses this sentiment, describing the confusion among use and context of the term, demonstrating a need to further define its meaning.<sup>10</sup> Social enterprise is still at early stage and evolving as a sub-industry, so staying on top of emerging trends with resources such as the Social Enterprise Council of Canada will be especially beneficial.

#### *Non-profit sector in Ontario*

In Ontario, the non-profit sector is one of the most diverse economic sectors, affecting every Ontarian’s daily lives through social services, the sports, recreation and arts, faith groups, community health services, and environmental conservation.<sup>11</sup>

More than 46,000 non-profit organizations employ about one million people in Ontario, 15% of Ontario's total workforce, and generate an economic impact of nearly \$50 billion. This contributes for more than 7.1% of Ontario's GDP— greater than the construction and automobile industries combined. Over 5 million Ontarians participate in over 820 million hours of volunteering activities every year, valued at the equivalent of 400,000 full-time jobs. Non-profit organizations and volunteers have a fundamental impact on and the social well-being in Ontario and the life quality of the province, which plays an essential role in attracting new job and investment opportunities to communities by providing strong social, cultural and recreational infrastructure.<sup>12</sup>

The Ontario Non-profit Network (ONN), a communication broker, non-partisan voice and capacity builder to coordinate the sector's response to the Not-For-Profit Corporations Act, has been established for non- profit organizations in Ontario three years ago.<sup>13</sup>

#### *3.1.2 Funding and relationship with government*

The federal grants have been decreasing over the years; the number of organizations asking for the same grants are increasing; and the different-level governments allocate less than 1% of funding to

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<sup>8</sup> Ibid

<sup>9</sup> Imagine Canada, “Earned Income Report of Non-Profits” 2013:

[http://sectorsource.ca/sites/default/files/resources/ic-research/earned-income-report-en\\_2013.pdf](http://sectorsource.ca/sites/default/files/resources/ic-research/earned-income-report-en_2013.pdf)

<sup>10</sup> Rick Cohen, “Terminology Torture: What the Heck Qualifies as a Social Enterprise?” 2014: <https://non-profitquarterly.org/2014/05/22/terminology-torture-what-the-heck-qualifies-as-a-social-enterprise/>

<sup>11</sup> The Government of Ontario, “Not-for-profit sector: Meeting report”, 2016: <https://www.ontario.ca/page/not-profit-sector-meeting-report>

<sup>12</sup> Ibid

<sup>13</sup> Ibid

organizations working for the causes of environmental and climate change altogether, and the organizations working for the cause of biodiversity gets even less grants.

For CCC, there are mainly two sources of funding from the government: Federal and provincial. CCC basically have a very good relationship with the government. However, the government contact window's turnaround rate is high, so it is not easy to implement and collaborate projects with the government.

Before 2006, the Carolinian Canada Program was established as a Steering Committee with 3 government and 3 NGO members: Nature Conservancy of Canada, Wildlife Habitat Canada, the World Wildlife Fund, the Ministry of Natural Resources, the Ministry of Citizenship and Culture, and the Ontario Heritage Foundation.

CCC was a half governmental organization, receiving 95% of its funding from the government. In October 2006, CCC became an incorporated body in October 2006. This gave CCC financial recognition as a conservation organization with the right to hold its own funds. The organization was doing so well on its own that the government did not feel the need to fund them nor the cause anymore. Therefore, CCC has to come up with creative ways to get funding and create revenue streams. Here below are their sources of revenues:

**Group memberships:** (membership network includes over 300 groups, but only 50 are paying members; membership fees are \$50, but the CCC would like to raise it to \$250).

Individual members (individual donations): CCC considers raising these fees from \$20 to \$100 and offer value-added informational products, services, and events, but events usually only reach the point of breaking even. The membership is currently \$50, and there are not enough efforts made on promoting the organization and increasing the membership number. The goal is to capture 30 members at \$1,000 on the annual basis.

**Consulting services:** CCC collaborates with an external consultant who connects the organization with special projects (natural heritage plans and First Nations projects).

Two years ago, CCC made \$100,000; one year ago, it made \$80,000; this year CCC will only make \$10,000. Very little promotion is done for the consulting services of the organization. World Wildlife Fund Canada (a big international group) is interested in partnering with CCC to launch together a tracking program for home-gardens progress.

**Creating Trails:** CCC provides advice on to trail building organizations. They have worked with 10 groups, but they are all NGOs too, therefore, CCC was not making money from providing this service.

**Special events:** CCC organizes a home and garden and eco-tourism expo at Western Fair in London, Ontario (next one will take place on April 8, 2017). Its 2017 goal is to attract the participation of 100 exhibitors (\$250 fee per exhibitor: 1st year 60 exhibitors and 2nd year 80). Two years ago, they had their first expo, and the attendance number was 1,500 people; last year, the number was 3,000 people. The goal for 2017 is to reach 5,000 attendees. The organization is exploring other venues to host the event to be able to sell food and alcoholic beverages to increase profits (food and beverages are big revenue generators in these types of events).

## 3.2 Primary Research

### 3.2.1 Internal Sources

#### *Analysis of Responses*

Notwithstanding these achievements, in these conversations it became clear that the CCC fell victim of its own success. Engaging more than 130 environmental organizations in the region in creating a conservation strategy was only the first stage of the cycle of collaboration. Implementing this strategy and monitoring its progress became a “daunting challenge” as the human and financial resources of the Organization could not meet the increased demand.

Through the conversations our team held with the Organization’s staff, it also became clear that the CCC has invested heavily in research and back-end activities that have not contributed significantly in conveying the value proposition of the Organization neither to the general public nor to its local customers/partners. Over a period of 10 years or more, the CCC directed its limited resources (both financial and human) to the development of a regional strategy of environmental conservation.

Developing a regional strategy involved conducting a series of regional coordination with stakeholders and scientific information gathering activities that limited the time and resources CCC utilized to promote its image and message among the general public.

Whereas some participating partners and stakeholders implemented part of the strategy in parallel with its regional development and consolidation, there is no evidence regarding the implementation of this strategy in a coordinated and scheduled manner to increase the promotional impact of CCC’s activities.

The CCC has gone through a restructuring to be able to access more grants and funds, establish a formal structure to manage the staff and projects of the organization, and step up the recognition of the organization as a legitimate entity. However, there appears to be a persistent misperception about the impact the CCC’s conservation strategy has in the region, the Organization finds some resistance and disinterest from new partners in its activities. For example, some conservation authorities are well equipped with human and financial resources to implement heritage and conservations programs in alignment with their water stewardship initiatives. Hence, these organizations find less need for engaging with the CCC, in comparison with the authorities that have little capital and human resources for heritage programs. This would also explain why the CCC may find some barriers to implement a regional initiative as there appears to be a misalignment between potential partners regarding the value they perceive from the CCC.

Additionally, it became clear that the organization could implement additional mechanisms of communication with participating regional partners and customers. During the conversations we had with representatives of the organization and stakeholders, both emphasized the importance of having “two- way” discussions to find new ways to close the gap of understanding between CCC’s perceived value proposition and the one of their partners and potential partners. This would also allow the CCC to have a conversation about the viability of its operations and existence.

### 3.2.2 External Sources

We conducted several interviews (see Appendix 3) with the current partners of CCC, City of London and other external stakeholders in order to understand the relationship between CCC and the partners or other regional environmental associations and the perceptions of these organizations towards CCC. From

talking to the partners we figured out that the common impression is that CCC is an active organization that cares deeply about the environment and their events and workshops are very interesting and informative. The reasons for joining in hands with CCC for these organizations can be broadly categorized into three: attend CCC events, leverage on the network and use their promotional channels. However, the partners who have direct relationships feel that there is an overlap between what the organizations do and what CCC does. For example, for Ausable Bayfield Conservation Authority, since they focus on soil and water they would rather need external expertise in biodiversity and living things. If both the organization and CCC are working on the same thing, then essentially they are competing for the same funds. Ausable Bayfield Conservation Authority feels that the relationship should be more collaborative so that CCC can help them with promotions and communications in order to get access to more funds. Ontario Woodland Association also spoke in the same line saying that they do not have as big a network that CCC have and therefore, even though they do not have a direct relationship with CCC, they would want to get involved with CCC more. About the Big Picture strategy that CCC has, the partners seem to have a very unclear idea about and also they are skeptical since they have not seen any outcome that has impacted them. Ausable Bayfield Conservation also included that they feel that CCC is asking for information that would require the organization to recruit additional resources and capabilities which would incur more cost which they cannot afford.

Talking to these partners, we realized that CCC has a good reputation in terms of protecting environment and having a very strong network and all these partners are very keen on using the network and CCC's expertise in reaching out and communicating with public. These organizations also value the events and workshops held by CCC but many times they cannot attend because of the lack of time. Expositions and forums bring great value to external stakeholders of the CCC. These organizations value the exposure to corporations and to the general public they get from these events. Some of these organizations are willing to both pay for a space in CCC events and offer additional sponsorship to support the event.

## 4.0 Analysis & Recommendations

Our primary objectives of this report were to assess the value drivers of the organization, to assess the financial health of the organization, generate a strategy for the organization to continue to operate and design a plan for how to implement the strategic goals. As discussed in Section 2.2, these objectives have evolved considerably since this study was proposed.

### 4.1 Value Proposition & Core Activities

A large component of our primary research was centered on determining how CCC delivers value to its stakeholders. We identified the internal stakeholders of the organization as the staff, suppliers and the board of directors. External to the organization, many partner organizations such as conservation authorities and other environmental protection organizations, vendors, and governmental organizations from municipalities to federal. During our research, we also identified corporate donors as a stakeholder which was not well represented in CCC's funding regime (i.e., CCC received \$8,900 from TD Bank in 2015 in support of the Go Wild Grow Wild Expo). It was acknowledged that CCC did not currently have the capacity to further pursue relationships with corporate donors.



The core activities which CCC currently undertakes are driven by which grant proposals are successful in a given year. Currently, CCC is operating three major projects:

1. Landowner Leaders;
2. Go Wild Grow Wild (GWGW); and,
3. In the Zone.

Each of these activities consumes approximately 80% of a particular human resource's time with the other 20% of their time dedicated to administrative tasks and fundraising. The exception to this is the In the Zone program which consumes approximately 50% of Michelle's time with the other 50% of her time dedicated to fundraising and administrative tasks. The Big Picture strategy was commonly identified with CCC and is regarded by both internal and external sources as the core competency of CCC currently has no associated funding and no staff are currently contributing to this project<sup>14</sup>. Landowner Leaders is focused on educating individual landowners use native plant communities in their gardens; Go Wild Grow Wild is an annual expo focused on public education and In the Zone is a new initiative brought about through a partnership with the World Wildlife Fund. CCC is operating without a clear focus in mind, and this lack of focus was identified in our research with partner organizations.

We focused on research on grant and corporate funding on exploring two of the four testable hypotheses we introduced in Section 2.1:

1. Granting organizations have changed the criteria they look for in awarding grants and they no longer designate as much grant funding for the activities which CCC undertakes.
2. CCC has changed their core activities and no longer aligns with the criteria government organizations consider when awarding grants.

CCC has altered their core activities considerably over the past few years. Since CCC's activities are determined by which of their applications receive funding, the organization has strayed from the original mission and currently allocates 0% of resource time towards furthering the eco-region big picture strategy that was originally developed. Over the same period where CCC was altering their activities, government and commercial funding agencies altered the criteria they look for in environmental impact projects and the activities of CCC no longer appear to align with the interests of these funding agencies.

Primary research conducted by Team 108 has revealed that the current grant funding landscape prioritizes projects based on:

1. Reaching the greatest number of people;
2. Partnerships between communities and organizations with a strong history of working together;
3. Focus on improving public spaces; and,
4. Greatest environmental impact.

In addition to these three priorities, corporate donors also weigh heavily the number of trees planted as a metric they are able to easily communicate to shareholders. In order to realign CCC with the current fundraising landscape, we recommend that CCC focus on the implementation of the Big Picture Strategy that CCC originally developed. This initiative aligns well with the current fundraising landscape, and

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<sup>14</sup> Meeting Notes, November 10, 2016

through partnerships with local, provincial, national and international organizations the CCC can leverage their skillset in strategy, planning and fundraising to connect funding and plans to the groups whose core skills focus on implementation and construction. We therefore recommend that CCC adopt a modified value proposition centered around:

1. Source of ecoregion conservation strategy to guide the development & improvement of green spaces for public use.
2. Collaboration with partner organizations (Local, Provincial, National and International) to implement the ecoregion big-picture strategy on a wider scale than each organization could do alone.
3. A source of in-depth knowledge of the status of the ecoregion through ongoing monitoring of Big Picture strategy installations.

We see CCC executing on this new value proposition by leveraging their existing network of environmental partner organizations across Ontario and one of their core skills in generating well thought out, comprehensive grant funding applications. In this modified role, we see CCC operating as a project manager or general contractor to the Strategic improvement of the Canadian Carolinian Ecoregion.

#### 4.2 Analysis of Core Activities:

CCC's current core activities are illustrated in Figure3, Appendix 1. Below is a Core-Activity-wise in-depth gap analysis and comparison of the value CCC claims to provide – **CLAIMED VALUE** - and the benefits that key partner organizations believe CCC provides – **PERCEIVED VALUE**. The purpose of this analysis is to assess ability of the organization to deliver on the recommended Value Proposition given the current suite of core activities, to identify gaps in execution of the value proposition given these core activities and provide a framework with which to assess the resources and capabilities of the firm to execute on the new or altered core activities which may be required.

##### CORE ACTIVITY 1 - CONSERVATION PROJECTS & ECOSYSTEM RECOVERY:

###### **Claimed Value:**

CCC believes that over the 30 years of its existence it has done a very good job of coordinating conservation projects with its member organizations that have helped raise awareness, engage public and even shape policy of municipalities to better the conservation efforts in the Carolinian Canada Zone in collaboration with over 100 partner groups. CCC has carried out the Conservation Action Plans for 15 Biodiversity hotspots identifying key strategic actions to support healthy habitats and communities. CCC's Ecosystem Recovery Program works with communities in developing and implementing Conservation Action Plans which concerns the recovery of the more than 150 species at risk in this region.

###### **Perceived Value:**

The landscape of not-for-profit agencies in the south Ontario region has drastically changed over the years. There are now many more agencies that are looking to make a positive impact on the environment in this area. More often than not, these organizations specialize in specific areas where they have expertise in terms of knowledge and human resource expertise and are thus well positioned to make a change in these areas. CCC obtains its funding from grants and corporate entities and competes in a progressively declining pool of corporate funding.

Project-wise value gap analysis for some of the main projects under CCC that come under the Conservation Projects umbrella are given below:

### *Conservation Action Plan (CAP; Figure 4, Appendix 1)*

#### **Claimed Value:**

CCC has remarkable achievements which include the participation of more than 130 organizations in the development of a series of conservation action plans. The CCC not only identified and registered 15 different environmental areas in Southern Ontario, but also liaised between Ontarian organizations and the creation of a regional conservation strategy.

#### **Perceived Value:**

In general, the Conservation Action Plans are well received by the public and partner organizations. However, other groups generating these documents view CCC's contributions as a duplication of their own effort.

### *Big Picture Project*

#### **Claimed Value:**

CCC currently coordinates social, educational and professional events to engage community members and partner organizations. The purpose of these events is to provide a platform for partner organizations to collaborate and network focused around promoting the big picture strategy and increasing knowledge around native plants. These events do not currently earn money and typically represent costs to the organization

#### **Perceived Value:**

The organizations that worked with CCC and attended these social, educational and professional events see the value CCC is bringing in. The events are a great opportunity for smaller organizations to have exposure and promote their work and events. CCC is expected to hold more events for as such in the future.

CCC's requests for data are often perceived as an added workload and burden for the organizations asked to participate. Organizations see little follow-up and are not thanked for their effort.

### *Carolinian Life Zone*

#### **Claimed Value:**

Carolinian Life Zone stretches from Toronto to Windsor, where there are some of the most fragile and unique nature in North America. No other organization has an eco-zone idea and successfully managed to unit all the smaller organizations. Eco-systems should be seen as a zone instead of individual conservation areas.

#### **Perceived Value:**

The Carolinian Life Zone is under-recognized by the public and the value is not well understood. Some organizations just want to focus on their individual conservation works and see coordination efforts from CCC as a heavy workload.

### *Special events*

#### **Claimed Value:**

CCC organizes a home and garden and eco-tourism expo at Western Fair in London, Ontario (next one will take place on April 8, 2017). Its 2017 goal is to attract the participation of 100 exhibitors. Two years ago, they had their first expo, and the attendance number was 1,500 people; last year, the number was 3,000 people. CCC recognized it as simply a revenue stream.

#### **Perceived Value:**

The smaller organizations who attended special events see events as such as the most important contribution of CCC and sees it as the core value of CCC. The events are seen as platforms connecting them to the public or as a mean of interaction with other organizations.

## CORE ACTIVITY 2 – CONSULTING SERVICES:

CCC performs a vast array of activities that come under the umbrella of “Consulting Services”. Consulting services are generally provided to property developers who are looking to develop certain pieces of land. The government requires an “Environmental Impact Assessment” from the developer before it can give the developer a go-ahead to develop the land. Environmental Agencies such as CCC can conduct the Environmental Impact Assessment and provide an opinion whether the development project will

negatively impact any indigenous flora or fauna.

### **Claimed Value:**

CCC has some skilled human resource in terms of environmental expertise - Jarmo Jalava, Director Ecosystems Recovery – who is a highly respected expert in the field.

### **Perceived Value:**

However, the Environmental Impact Assessment can be conducted by any of the many environmental agencies that exist in this region and most of them have their own environmental experts who can provide that opinion. To the customers (the land developers) the quality or depth of the EIA is not as large a concern as the concern for successfully obtaining a positive EIA.

## CORE ACTIVITY 3 – FORUM AND PUBLIC OUTREACH:

### **Claimed Value:**

CCC serves as an important platform for getting together people who share interest and goals regarding nature and habitat conservation in the Carolinian Canada zone and its big events (e.g. Go Wild Grow Wild) and even small events (e.g. 10-15 person tours of some protected parks) serve as an important means of connecting such people and can help further discussion on this topic and raise awareness. CCC believes that the events it sponsors and organizes do a great job in promoting awareness and conservation requirements for the Carolinian Canada Zone.

### **Perceived Value:**

Conservation agencies and organizations feel that CCC is a good vehicle for getting people together mainly due to their existence in this space for more than 30 years. CCC has built a reputation of trust and has persisted over the years during which many conservation advocacy groups have come and gone out of existence. This, along with their collective knowledge and experience that CCC has, gives them a lot of credibility. Opinion among partner organizations is mostly positive regarding CCC's role as a forum as the aforementioned attributes help attract presence of different organizations operating in the same space and has helped some of them get introduced to and collaborate with other organizations. CCC is especially good at attracting the post-retirement segment to its events such as park walks and it is good at reaching a larger audience with its Go Wild Grow Wild event that, in addition to attracting the post-retirement segment, also attracts young families that have small kids.

#### CORE ACTIVITY 4 – MONITORING PROGRESS:

##### **Claimed Value:**

With its move towards the Big Picture Project, CCC recognizes that many other conservation groups are working to conserve what it calls 'Biodiversity Hotspots' and CCC sees itself to be involved in the role of monitoring the progress being made and publishing this information to the general public.

##### **Perceived Value:**

CCC has done a good job of emphasizing the importance of monitoring progress and many conservation groups have taken steps to expanding their monitoring capabilities. However, with the kind of data that CCC needs to publish its envisioned 'report cards', most of the conservation groups do not have the kind of resources required to do that. This is further exacerbated by the fact that if these conservation groups have additional resources they want to use them for direct conservation activities instead.

#### CORE ACTIVITY 5 – ATTAINING FUNDING:

##### **Claimed Value:**

There are three sources for attaining funding: Government Grant, private sector revenue, and earned revenue. The funding supports the operations of CCC and thus is crucial to any non-for-profit organizations like CCC.

##### **Perceived Value:**

CCC believes that the role it is serving advocating for habitat conservation is highly valued and the value it is providing in this space is higher than the portion of the ever shrinking pool of grants it is taking.

#### 4.2.1 Key Insights, Observations and Conclusions:

Based on conducted external research, the competencies of the various conservation authorities and groups located in the CCC area can be summarized with the Competency Curves illustrated in Figure 5, Appendix 1. The two curves are based on interviews and other primary and secondary research conducted. The first curve illustrates where CCC is focusing its resources, and the second shows where other players in the industry have competencies and excel. Areas of overlap can be identified when comparing these curves with both groups favouring conservation projects, consulting services and public outreach and lacking in monitoring environmental health and obtaining funding. The overlapping competencies result in marginal increases in value for the overall industry. With this key insight, we can identify in which areas CCC's focus needs to pivot to so as to provide the highest incremental value to the overarching conservation agenda of CCC.

Figure 6, Appendix 1 illustrates the differences in competencies between CCC and partner and competing organizations using a 2x2 matrix. The key challenge that the players in the industry face is their ability to attain funding for their conservation efforts and monitoring progress being made. CCC can help generate a lot of value for its partner organizations and in turn, its conservation efforts if it focuses in the space where the players are lacking in terms of focus and competency:

#### 4.2.2 Proposed Core Activities:

The new proposed activities are illustrated graphically in Figure 7, Appendix 1. These are proposed in order for CCC to better align itself with its vision as an organization.

#### CORE ACTIVITY 1 – IMPLEMENTATION OF BIG PICTURE:

Owing to CCC's strong reputation within the industry, CCC is uniquely positioned to implement the Big Picture Strategy within Southwestern Ontario. We recommend that CCC develop multi-stakeholder

project proposals in partnership with grassroots organizations, conservation authorities and other governmental & non-governmental organizations to execute the ecosystem connectivity proposed in the Big Picture.

This core activity will involve maintaining a knowledge of activities and project types that its member groups work on, and among these, identifying where member groups can contribute to Big Picture initiatives through planning, physical construction, monitoring, etc.

#### *CORE ACTIVITY 2 – ATTAINING FUNDING:*

Carolinian Canada Coalition should develop these projects and leverage their expertise in proposal writing, attaining funding and project oversight to bring forward multi-stakeholder initiatives to government and non-government funding bodies (e.g., NGOs and corporations).

CCC should pursue funding available from corporate groups and municipalities to finance high impact conservation initiatives. By financing the Big Picture, corporations and municipalities will be able to engage an increased number of non-profit and conservation organizations, and reach out to an increased number of customers and potential customers.

#### *CORE ACTIVITY 3 – COORDINATING AND MONITORING PROJECTS:*

Critical to the implementation of the Big Picture strategy through the Carolinian zone is the collection of ongoing monitoring data to drive further strategic developments and identify areas where conservation initiatives are lagging. As CCC is currently having difficulties in capturing this monitoring data due to the time constraints placed on partner organizations, acting as the project coordinator for larger projects would place CCC in an ideal position to direct monitoring activities, collect environmental data from ongoing projects and base future conservation initiatives on this data.

#### *CORE ACTIVITY 4 - PUBLIC OUTREACH:*

Carolinian Canada Coalition is positively viewed for its role in the industry and in current public outreach activities. These outreach activities should be maintained so long as they continue to drive interest for the Big Picture and generate support among the public, private donors, and partner organizations for future implementation projects associated with the Big Picture. CCC should continue to have a public presence in order to further their cause and build further support.

### *4.2.3 Analysis of Proposed Core Activities:*

#### *Strengths:*

**Addressing Industry Gap:** The proposed core activities are better aligned with CCC's vision as it addresses the industry gap as the conservation agencies want to focus on conservation activities and have trouble funding their own projects.

**Alignment with Resources:** One of CCC's most valued resource is its brand and reputation.

The implementation of this new direction for CCC does not require a significant shift in resources

#### *Weaknesses, Obstacles and Major Risks:*

**Change Management:** CCC is an organization that has been operating a certain way for decades and shifting to this new model will more likely than not result in resistance to organizational change. Luckily the organization is much smaller in size than usual and efforts can be targeted to individual persons in the management and adjusted according to their specific management styles and skillsets.

**Fruition may take time:** the conversion into increased focus needs to be gradual because, even if the management accepts the new model willingly, partner organizations will surely have issues when they are asked to work closely with other such organizations and there is cultural clash.

**Partner organizations may be unwilling to share information regarding projects:** although it is very unlikely to happen in this industry because all organizations are working towards a common overarching goal – ecosystem conservation – some organizations may be unwilling to share internal information on projects as they may see this as a threat to their securing of funding on their own.

Government fund-granting agencies may initially look askance at this new style of proposals but strong advocacy and awareness building will be required on behalf of CCC to make this successful.

### 4.3 Resources

The core of the value proposition for CCC, now, is to bring all its partners together and work towards a common goal. Therefore, it is very important that CCC allocates their resources accordingly to create utmost value for its partner. We have taken the current projects of CCC and evaluated their existing capital resources, human, information technology, intellectual, financial and physical resources in order to construct the action plan for CCC.

#### 4.3.1 Human Resources

To become the umbrella organization, CCC must have a set of dedicated individuals who can focus on the core and supporting activities of the organization. The current human resource allocation is included in Appendix 5.

Firstly, there is not enough human resources dedicating time in order to build on strategies for the partners and authorities in the eco-regions and communicate on a regular basis with the partners and monitor their advancement on implementing the strategies. The implementation of Big Picture strategy has not been successful as such because monitoring the processes has been the bottleneck. The organizations that Carolinian Canada Coalition is currently working with have their own resource constraints as well and therefore they are not willing to spend resources to monitor the implementation of the Big Picture strategy in their organizations. Currently Michelle is giving 50% of her time in overseeing '*In the Zone*', a project with WWF, and the remaining in the administrative and funding works. There is no one available from the Carolinian Canada Coalition to supervise the project on a regular basis and collect data on the progress and therefore it is losing its worth amongst the members. When talking to some of the members we realized that they think that it is a huge undertaking for CCC and they have, so far, not been able to show any tangible outcome off the project.

From talking to different stakeholders we found out that the partners really value the social media presence of CCC and the brand value it adds any communication that the partners are trying to disseminate among their targeted customers. Similar to Social Media communication, CCC also requires Public relations and events to enhance the brand image and make the events more widespread and popular. This means there should be someone who can communicate with media channels such as local newspapers and magazines and radio in order to communicate the progress of projects and events. It can be one of the administrators or Michelle herself because the amount of time required for this would be relevant to the contemporary events.



Event is another platform through which CCC attracts its partners. TD Bank represents the biggest corporate donor of the CCC. Only recently, the CCC received a TD grant of \$8,900 for its upcoming exhibition Go Wild, Grow Wild. On average, the bank donates \$10-\$20 thousand annually to the CCC. However, the CCC does not have a formal relationship/partnership with the TD. Access to these resources is achieved through relationship management and investing time and resources in developing the relationship with the bank representatives. Generally speaking, the TD has mainly supported CCC events probably to promote its CSR policies and its brand before the events' attendees. CCC may organize some one-day event or volunteering opportunities for TD employees to participate in Carolinian area. And building a formal partnership with TD or other big corporations from there. Organizing events is a great way to not only increase the revenue but also expand the network base and spread the knowledge and strategies. However, at present no one focusing on creating and coordinating events as these are very time dependent and so the employees and volunteers work on the events together whenever there is one. That being said, it is not a very structured way since one of the core proposition for CCC is these events.

Lastly, there is no dedicated accountant for CCC. As the proposed value proposition targets on getting grants from government and branch them out to the partners as per requirements, there needs to be someone who can track the cash inflows and outflows and be held accountable in order to ensure no mistake is made in the transactions of funds.

#### 4.3.2 Information Technology (IT) Resources

In order to have a smooth process flow of the projects, CCC should use some project management tool that will give the updates of the projects and

Also, in order to monitor the progresses of each of the regions for each of the projects a good amount of data is required and need to be structured to make useful interpretation out of it. Currently they are not using any data analytics tool to structure and process data.

#### 4.3.3 Intellectual Resources

Based our researches and interviews with external stakeholders or partners, we learned that CCC has a significant brand value in the Southern Ontario. The partners have expressed their interest in being associated with CCC on social media because CCC has a high brand image and a fairly good exposure. Their brand is a great resource for CCC but there is a gap between the existing brand assets and what can be easily leveraged out of it.

#### Physical Resources

There is no physical workspace at present at which all the employees can work together. Having a workspace does build a strong organizational culture that nurtures work satisfaction and motivation. However, as we analyzed we felt that that this would mean a huge investment for CCC which they cannot afford at this moment. Working from home does give flexibility to employees and also make it cheaper for the organization to operate and focus on things that are more crucial right now. In future when CCC grows they can definitely think of having its own workspace.

#### 4.4 Implementation & Action Plan

In order to implement these required core activities and address the identified resource gaps, Carolinian Canada Coalition would need to:



#### Have a proper organizational structure:

At present we do not suggest having a physical workspace but there should be departments with personnel designated with clear job responsibilities. The departments include: marketing, finance and accounting and Project Management and Strategies.

#### Employ a Project coordinator:

CCC can hire a co-op student from business school who would be constantly in touch with the partners and the authorities. The person would be able to monitor the processes and give regular feedback to the partners in order to improve the efficiency of the projects. It would be in their job responsibility to travel to these regions once in a while and see the progress and collect data which would be very helpful for CCC in crafting new strategies.

#### Employ a Marketing Specialist:

For coordinating events, building public relations and promoting CCC and events through social media, CCC can hire a co-op student with Marketing and social media analytics background.

#### Employ an Accountant:

CCC needs to employ a full-time accountant or outsource the accounting work to a professional accounting firm that would be responsible for allocating funds to different partners and keep a track of these funds and prepare reports quarterly for the government organization dealing with the funds. This will establish credibility of CCC in the eyes of the government since the government would have a clear idea about how the funds are flowing. Similarly, CCC will have a transparent relationship with the partnered organization.

#### Deploy project management tool:

CCC should also use project management tools such as Bitrix24, Trello etc. which are free. Later, if need be then CCC can purchase a project management tool which would roughly cost around \$1200 per year

#### Deploy data analysis tools

For data collection, Microsoft Excel is a great tool to start with. CCC can also have the data saved in different drives in order to archive the data. However, there are some data analysis tools that have a one-time cost of \$30 or more which CCC can which help in understanding data more precisely.

### 4.5 Alternative Solutions

#### 4.5.1 Current Situation:

As per CCC's financial, the largest sources of CCC's funding remain to be through Federal grants given out through the Environment Canada department of the Government. In 2016 government grants constituted to 45% of the total revenues and show a gradual decline from CAD 263K (68% of total revenues) in 2014 to CAD 175K (45% of total revenues) in 2016 (Appendix 4). However, funding obtained through corporate foundations made up a negligible portion of the revenues in 2014 at CAD 6K in 2014 (2%) but increasing dramatically to CAD 74K (19%). Earlier in its existence, CCC was obtaining sufficient funding through federal grants and as these sources started to dry up, CCC increased its focus towards liaising with corporations and corporate foundations to make up for the declining revenues from federal grants. The dramatic annualized increase of more than 200% from 2014 to 2016 in funding obtained through corporations and corporate foundations indicate potential promise in obtaining more funding through this channel.

#### 4.5.2 The Opportunity:

**Corporate Funding:** CCC can use its existing resources and divert the focus that it gives to obtaining government grants to building relationships with organizations that support Environmental causes.

##### *Pros:*

GTA is the economic hub of Canada and houses the head offices of hundreds of largest organizations in Canada. Large corporations are big spenders on corporate social responsibility initiatives and usually align themselves to certain causes that align with their own CSR vision. Further, as corporate funding requires less red tape than government, CCC may be able to secure funding more quickly than it does when dealing with the government.

Depending on corporate foundations would be much less risky compared to the government because, unlike the federal government, the corporate foundations contains many independent corporations and these is much more diversification of risk compared to federal funding where there is only 1 counterparty.

Although government funding for environment is in decline over the preceding few years. There is no such trend indicated on the corporate foundations side. Further, there are many large organizations that align themselves with environmental causes

##### *Cons:*

CCC will have more competition because it will now not just compete with other environmental agencies for grants, it may have to now compete with organizations and charities that focus on other non- environmental cause also. CCC will need to establish new relationships and this strategy may take some time to come to fruition.

#### 4.5.3 Why it is a good option/fit with CCC:

Fit of Strategy with Current Resources, Organizational Structure:

A major overhaul or switch of funding strategy would require major change for CCC in terms of its business model. Changing focus from government funding to corporate foundations would require a smaller change in the organization model as the current resources that are directed towards obtaining government funding will be directed towards corporate donors.

CCC is a fairly small operation with limited human resources. Its main employees need to have time to focus on where and how to spend the budget that they have and they cannot spend too much of their time and effort on activities involved with raising money. This option appears to give the least burden on the human resources in terms of time and effort and is in line with the existing revenue model of depending on federal and provincial grants. Another revenue model that involves actively performing activities for raising funds would require a much more time planning and deploying resources. That may also require CCC to hire additional fulltime personnel which CCC is not in a position to do.

#### 4.5.4 Fit of Strategy with Management Preferences:

Further, the management consists of people who have the skills and experience to work directly with partners and on awareness projects and has been performing this work for several years. Any strategy that involves an increased focus on performing revenue generating activities will mean that less time can be dedicated to activities that the current employees are trained to do. The original organizational model was to primarily depend on government grants and focus on using the funds to perform its core activities

and this strategy will require the least amount of change from current model. Therefore, in terms of change management this will be the least costly strategy to implement.

#### 4.5.5 Current Research

Through secondary research, a list has been compiled containing a list of organizations that are major sources for corporate funding for charities and NGOs in the GTA and southern Ontario region. Of this list, corporations which specifically align themselves with Environmental causes have been identified and the shortlist has been generated. The list contains some of the largest Canadian and multinational organizations and is included in Appendix 6.

#### 4.5.6 Action Plan

Going forward, in order to further explore the opportunity of establishing funding relationships with large corporate donors, the CSR departments of the shortlisted organizations will be contacted to obtain information regarding:

- 1) What kind of annual funding/donations budget do each organization have?
- 2) What proportion of the funding does the organization like to give towards environmental causes?
- 3) What kind of policies do they have in place that they can disclose which relate to selecting organizations to donate to?
- 4) Are there any criteria that are common across most of the organizations?
- 5) Does CCC meet these criteria?
- 6) If CCC does not meet this criteria, how can CCC adjust itself to better meet the criteria of these major organizations?
- 7) Is it possible to establish a long term relationship with any organization that will ensue that CCC can reliably depend on a certain level of funding from one organization year after year?
- 8) Which organizations are most aligned with CCCs objective?
- 9) What can CCC provide to potential partnered organizations in reciprocation of funding from these companies, other than just opportunities to market and align their brands.

## **APPENDICES**

Appendix 1: Figures

Appendix 2: Interview Summaries

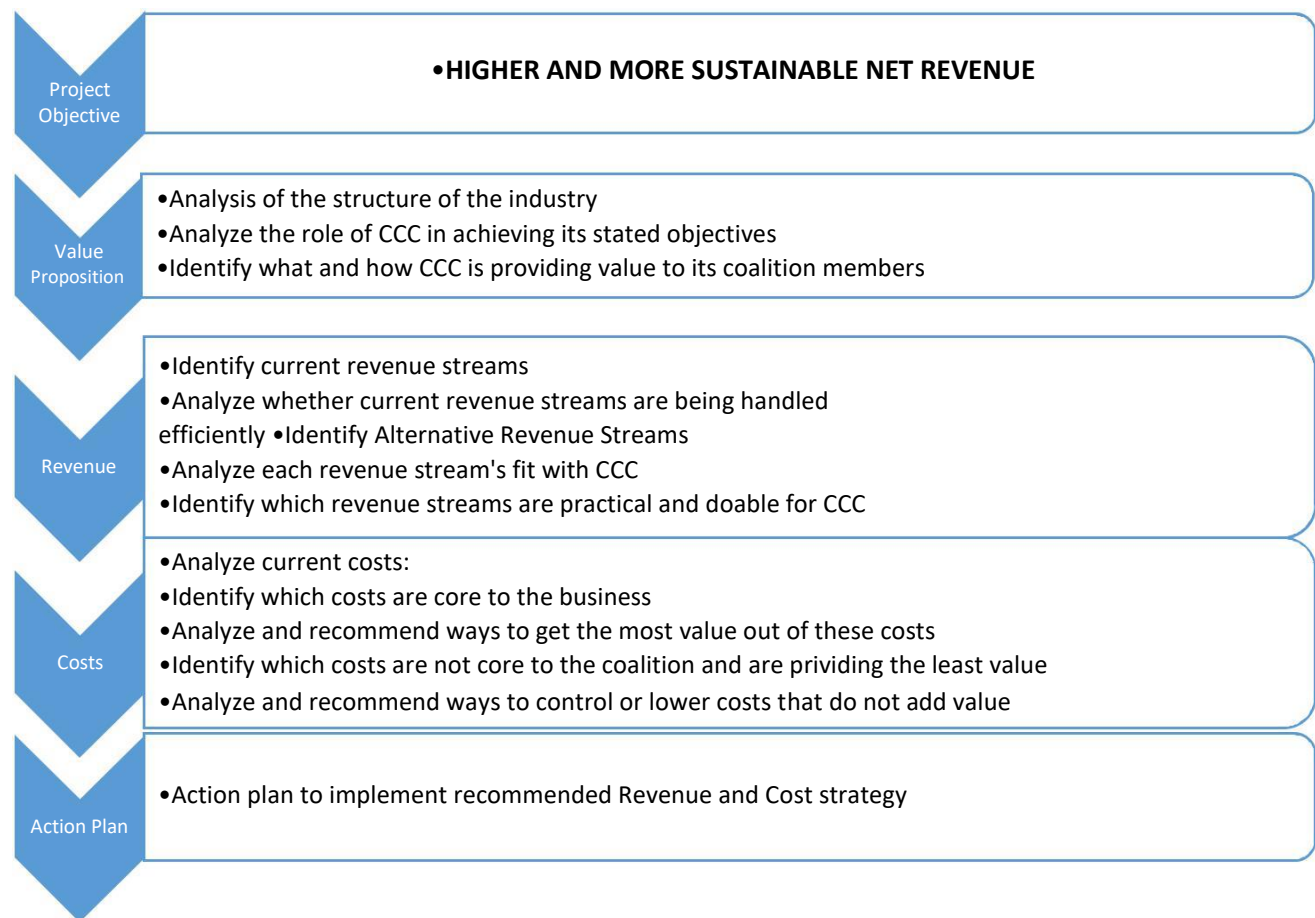
Appendix 3: Historical Revenues

Appendix 4: Existing Human Resource Allocation

Appendix 5: Corporate Donor List

**Appendix 6: Disclaimer**

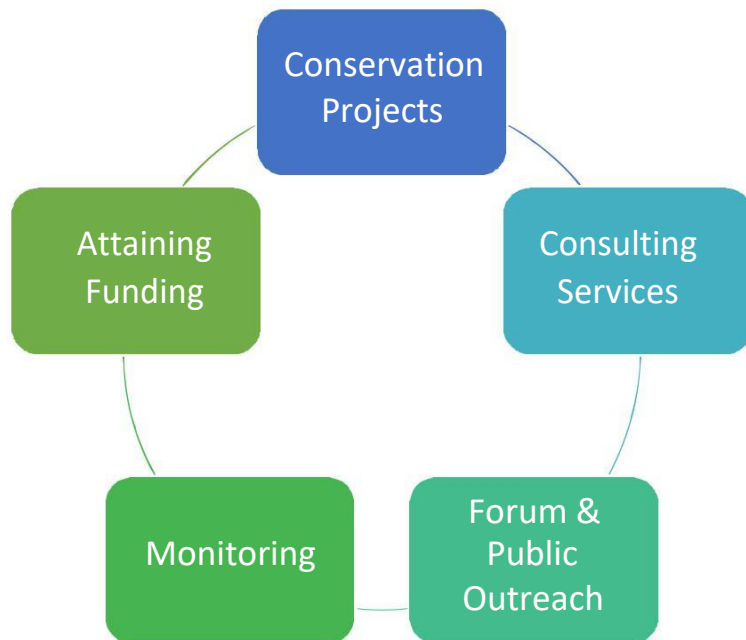
**Figure 1: Project Scope Diagram**



**Figure 2: Project Resources**

<b>Resource Requested</b>	<b>Requested</b>	<b>Received</b>
<b>Financial Information</b>		
Public Accounting Statements – Income Statements 2013 to Present	Y	Y
Public Accounting Statements – Balance Sheets 2013 to Present	Y	Y
Public Accounting Statements – Income Statements 2013 to Present	Y	N
Internal Funding Estimates	Y	Y
Detailed Internal Budgeting* (Received high-level only)	Y	N
Event/Activity-Specific Profit & Loss information* (Received high-level only)	Y	N
<b>Demographic Information</b>		
Database of event attendees	Y	N
Demographic information on volunteers, members, donors, Facebook followers and other individuals directly engaged by CCC	Y	N
Contact information for partner organizations	Y	Y
Contact information for staff	Y	Y
Contact information for government organizations interacted with at provincial, municipal and federal level	Y	Y
List of grant funding applied for	Y	Y
List of grant funding secured	Y	Y
Grant funding criteria for applications	Y	N
<b>Financial Support</b>		
Approval for reimbursement for travel expenses to CCC Event Oct 25/26	Y	Y
Reimbursement	Y	N

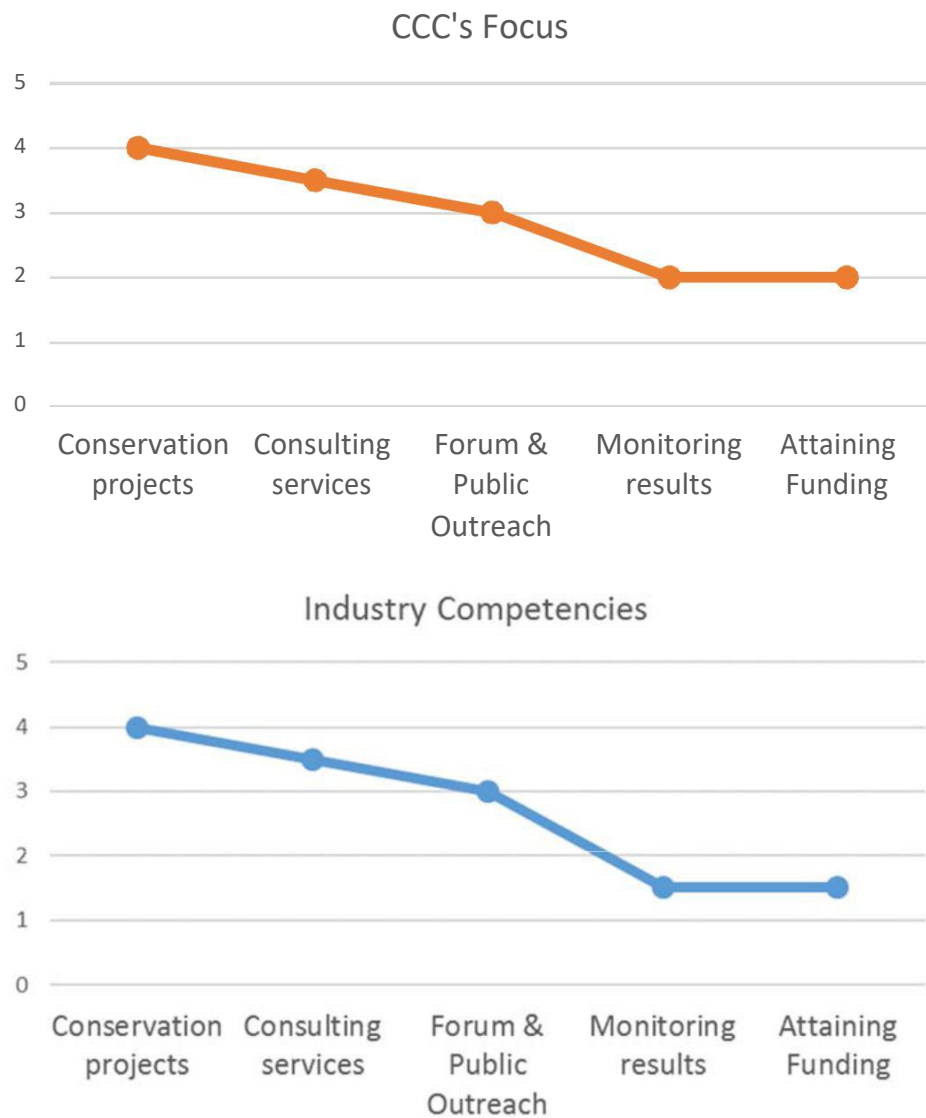
**Figure 3: Core Activities**



**Figure 4: Conservation Action Planning**

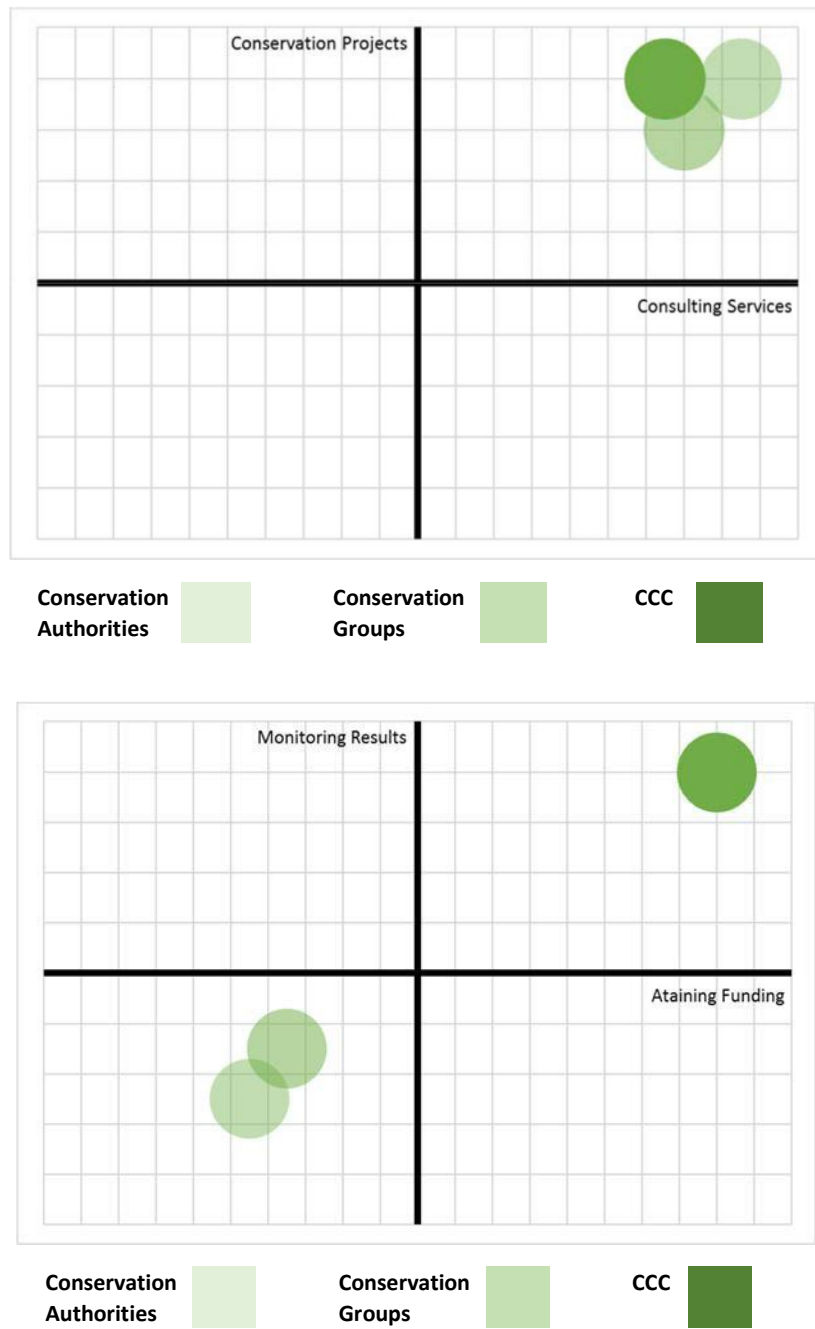


**Figure 5: Project Resources**

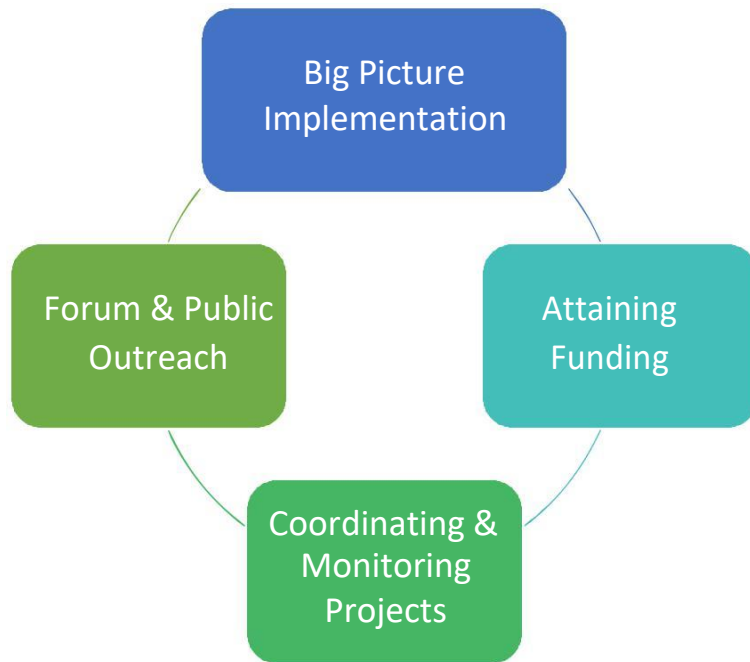




**Figure 6: Project Resources**



**Figure 7: Proposed Core Activities to Execute on Value Proposition**



## Appendix 2: Interview Summaries

### Interviews with Internal Stakeholders

CCC Board is well aligned with management preferences of the organization and understands the challenges the CCC goes through. However, the Board recognizes that there is a gap in the understanding between CCC's perceived value proposition and the one of some stakeholders (i.e., conservation authorities). This gap, according to these sources, could be closed through a number of table "two-way" discussions. This would also allow the CCC to have a conversation about the viability of its operations and existence.

CCC staff is well committed and dedicated to helping the Organization move forward and achieve its goals in providing direction to program development and stakeholder collaboration. The commitment of these employees is such that CCC's collaborators go beyond and above their specified responsibilities to advance the environmental conservation strategy of the Organization. The involvement and participation of some of CCC's staff ranges from a period between 5 and 10 years, and the technical and professional skills of these collaborators ranges from educational program design, to event coordination, and scientific research and stakeholder relationship management.

Over the last 10 years, these collaborators have helped the CCC to successfully increase the awareness and engagement of key stakeholders in the development of a regional strategy for environmental conservation. From like-minded enthusiasts, to environmental experts, and faculty, staff, and students from local schools, the CCC has found partnership opportunities to advance a part of its networking mandate.

The organization itself indicates that proof of the success it has had in achieving this includes the constant participation and interest of high school students, university environmental clubs, and local teachers in environmental bootcamps organized by the CCC. According to the Organization, these collaboration projects create new opportunities of awareness and interaction with the public in general and key stakeholders.

Another remarkable achievement over the last years includes the participation of more than 130 organizations in the development of a series of conservation action plans. The CCC not only identified and registered 15 different environmental areas in Southern Ontario, but also liaised between Ontarian organizations and the creation of a regional conservation strategy.

## Interviews with External Stakeholders

### **Ausable Bayfield Conservation Authority**

We reached the representative of the organization through email and conducted a phone interview on October 17. Following is the summary of the conversation:

Ausable Bayfield Conservation Authority has been a member of CCC since the 1980s. The reason for joining is mainly attending the events that CCC organizes. It feels that although CCC covers and protects the overall Carolinian zone, much of their works overlap with the conservation authority which include the soil and living things. Currently, the benefits that the organization gets from CCC are being able to attend events and building networking outside our network. Events are a good platform to meet potential donors and volunteers. The organization feels that there is no need to compete with each other for funds and rather look for gaps where they can provide services to its different members to create value. The conservation authority does not have expertise in the aquatic, bird, animals and other areas. Right now the biggest challenges and concerns for the organization are soil and water conservation and more than working with CCC it now needs to work with the landowners. Funding is another huge challenge and the organization feels that constant messaging and promotions are very important for this. Henceforth, the organization prefers collaborating with CCC rather than competing for funds. If CCC can provide support regarding better strategy and execution on Carolinian species and biodiversity then it would be beneficial for the organization. In case of the “Big Picture” strategy of CCC, Ausable Bayfield Conservation Authority feels that it is a good idea but it is a huge undertaking on the side of CCC because the volume of data CCC would require is enormous and most of the partners do not have the resources and capabilities to support them regarding this. Therefore, she rated the strategy as 3 and the contribution the Big Picture has achieved for the organization as 2 because she has not seen any outcome as of yet. There is little or no communication between the members of CCC and that is why she does not know how Big Picture contributes to the eco-region as a whole and based on her assumption she rated it as 5. She also thinks that they have more potentials in the US because of the bigger Carolinian region.

### **Ontario Woodlot Association**

We reached the representative of the organization through email and conducted a phone interview on October 14. Following is the summary of the conversation:

Although there is no direct relationship between the organization and CCC, CCC helps them out with communication by retweeting their messages. The organization thinks that CCC does care about the environment and organizes valuable, interesting and enriching workshops. The organization does want to get more involved with CCC. The reason why they did not partner up with CCC as of yet is because to them CCC does not seem to be very local and responsive to their communication. The biggest challenges that the organization faces are getting attention from people and make them understand the importance of the organization because people are busy. The organization needs to have membership to survive in terms of volunteering and subscribes. It is generally hard to promote own events to public. They feel that they should promote each other with CCC and be present in each other’s event and attend each other’s event. But this takes a lot of time and commitment and that is why this does not translate into reality. He read about the Big Picture strategy but he does not know in details about it but based on his understanding he rated it as 7.

### **Lake Huron Center for Coastal Conservation.**

We reached the representative of the organization through email and they emailed their answers back on October 14 and the summary is in the following:

Lake Huron Center for Coastal Conservation is the Coastal Centre is the only grassroots organization focused on protecting the coastal environment lake-wide. The organization is not closely affiliated, mainly because its region falls outside of the Carolinian Canada Zone. Therefore, the organization does not have enough understanding of the Big Picture. However, it uses some of their resources and is currently a subscriber to the CCC collaboration network. The reason they joined the CCC is to leverage on the network CCC has and have a free flow of information. CCC provides resources and connects people and resources across disciplines to the organization. The biggest challenges the organization face at this moment are getting core, unrestricted funding for administration and general operations for our organization and also reaching individuals such as landowners and other organizations to let them know the work we are doing, and how we can educate them. CCC helps the organization by providing us with information on different events we could attend, conferences, and opportunities to write news articles on coastal health and Lake Huron. Center for Coastal Conservation believes that there are some rooms for improvements in terms of the relationship between the organization and CCC. There can be collaboration around Lambton shores and also holding educational/outreach events or partnering on a shoreline management strategy for Sarnia. Rhiannon feels that members of the network can receive support through resources and outreach opportunities from CCC and Ipperwash Phrag Phighters and other grassroots groups that need help reaching people can get very high benefits from CCC.

#### **Ducks Unlimited Canada**

We reached the representative of the organization through email and they emailed their answers back on October 14 and the summary is in the following:

“CCC is an excellent organization and has done much to raise awareness of environmental issues and the importance of stewardship in the Carolinian zone. I sit on a number of councils and committees with Michelle. However, as an organization that does on-the-ground habitat restoration work, we don’t often directly partner with CCC and as such, I think we would not have much to add to your survey.”

#### **Environmental Programs, City of London**

We reached the representative of the organization through email and they emailed their answers back on October 14 and the summary is in the following:

“Environmental Programs focuses on watershed programs, air quality, energy efficiency, transportation demand management (promoting environmentally friendly modes of travel), and environmental outreach. We are sometimes known as the department that bridges the gap between groups and fosters collaborations.

Currently a main focus is on our Active & Green Communities and Active & Green Business programs, which connect neighbourhoods and businesses with resources to improve their environment, health and wellbeing. We have also recently been working with Carolinian Canada to collaborate on projects in London.”

#### **Toronto and Region Conservation Authority**

We reached the representative of the organization through email and conducted a phone interview on October 18. Following is the summary of the conversation:

One of CCC's strengths is that the CCC brand carries a lot of credibility in the industry as they have been present for a much longer time than its competitors. The role that CCC plays quite well is that it serves as a good link between landowners conservation agencies; many NGOs do things like chaining themselves to trees etc., but CCC has established itself as a reputable and respectable brand over time in the eyes of govt., organizations, and people. CCC has a lot of respect from the science community compared to other organizations. The reason that general trend for government funding for environment declining at a federal level and people don't want to pay more taxes especially for environmental purposes. The Toronto and Region Conservation Authority have moved from a grant focused model to a full cost recovery model CCC could probably use this.

### Other Non-Profit Organizations

The following discussion of other non-profit groups is provided to compare and contrast funding sources from other not-for-profit enterprises in similar and contrasting spaces.

#### *Conservation Authorities of Ontario*

Conservation Authorities of Ontario (CAO) is a provincial non-for-profit that follows a similar mandate than CCC, in that CAO serves as a platform of collaboration of 31 Conservation Authorities that operate in southern Ontario; a resource management agency; and a service delivery organization offering a number of water-conservation programs, advice, and educational services.<sup>15</sup>

This organization finances its operations mainly through two sources: municipalities (48%) and programs and services (40%). Other sources of funding come from the Provincial (10%) and Federal (2%) governments. In partnerships with municipal, provincial, and federal governments, and landowners and regional stakeholders, in 2013, CAO delivered almost \$290 million dollars in services and programs. These deliveries included programs for flood prevention and control; rehabilitation and restoration projects; biological, fish, and groundwater quality monitoring; recreational management of conservation areas; and educational programs for outdoor activities and school visits.<sup>16</sup>

Similar to CCC, CAO set program self-sufficiency as one of its major goals. Prior to legislation that addressed this objectives, CAO only charged for the utilization of its facilities and land. Following the implementation of the new legislation, this non-for-profit started to operate as a business by charging fees for the delivery of programs and services.<sup>17</sup>

Programs and services delivered by CAO appear to complement, and even compete, with the ones offered by the CCC in the region. CAO's offering of services includes natural resources conservation, management, and stewardship; ecosystem regeneration; educational and informational programming; and habitat protection (including wetlands, plains, and valley lands). This Organization also has an unparalleled relationship with municipal, provincial, and federal authorities, and is supported by legislation at different levels of government. The CCC could explore business opportunities to complement CAO's services and

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<sup>15</sup>Conservation Authorities Ontario, "Conservation Authority Programs," 2016:  
<http://conservationontario.ca/about-us/conservation-authorities/programs>.

<sup>16</sup>Conservation Ontario, "Fact Sheet," 2016:  
[http://conservationontario.ca/images/2016/2015\\_CO\\_Fact\\_Sheet.pdf](http://conservationontario.ca/images/2016/2015_CO_Fact_Sheet.pdf).

<sup>17</sup>Maitland Valley Conservation Authority, "Review of Conservation Authority Fees for Planning and Permitting Activities by the Conservation Authorities Liaison Committee," October 2012:  
<http://www.mvca.on.ca/uploads/Administrative%20Policies%20docs/O%20-%20CALC%20Report%20CA%20Fees.pdf>.

programs with its own expertise in habitat restoration, conservation, and stewardship. In CAO's communication materials regarding its value proposition, savings generated by implementing its prevention and restoration programming are emphasized. In terms of value proposition communication, there's an opportunity for focusing CCC's message in the savings that can be achieved by implementing habitat and environmental conservation programs. This cost-savings message could appeal potential clients and partners.

#### *Food Secure Canada*

Food Secure Canada is a non-for-profit organization that serves as a platform of collaboration for individuals and groups engaged in initiatives to fight hunger, develop a sustainable food system, and promote healthy and safe food. The main activities of this organization include networking experts in policy development for food sustainability, organizing conferences and workshops, policy advocacy, and program development and implementation.

In its last Annual Report<sup>18</sup>, out of total revenues of \$492,253, FSC reported more than \$300,000 in project partnerships with foundations and public sector organizations. This represents more than 60% of the organization's total revenues, and relatively above the revenue it generated in grants (19%), memberships (8%), and sponsorships (3%). This organization has successfully conveyed its value proposition message to corporations, foundations, and public service entities. For example, FSC formed a partnership with the JW McConnell Family Foundation to run the Institutional Food Program. The IFP's goal is to increase access and supply of "fresh, local, and sustainable food" in Canadian organizations and institutions, with the purpose of shifting the country's supply chain towards sustainable food supply and production systems.

#### *Eva's Initiatives for Homeless Youth*

Eva's Initiatives for Homeless Youth (EIHY) is a Toronto based charitable organization dedicated to provide coaching services and professional development for vulnerable young people under homeless conditions. This organization offers counseling services to youth at risk of entering the shelter system; educational programs for youth living with drug and alcohol addiction; and, training and employment skills development programs.<sup>19</sup> Eva finances its operations using a combination of non-for-profit and service-based models.<sup>20</sup> Non-for-profit sources of revenue originate from donations, fundraising and grants (which generated \$4.7M, representing 60% of their total revenues for 2015). Service-based revenue generators include program design and implementation for the City of Toronto (generating \$2.4M in revenue, or 32% of total revenues in 2015), and print shop sales (serving clients that included TD Bank, Bombardier, and Toronto Hydro), which generated more than \$232,000 and employed their programs' young beneficiaries.<sup>21</sup>

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<sup>18</sup>FSC, "Annual Report 2013-2014", 2014: [http://foodsecurecanada.org/sites/default/files/fsc-annual\\_report1314-web-eng.pdf](http://foodsecurecanada.org/sites/default/files/fsc-annual_report1314-web-eng.pdf).

<sup>19</sup>Eva's Initiatives for Homeless Youth, "What We Do," 2016: <http://www.evas.ca/what-we-do/>.

<sup>20</sup>Eva's Initiatives for Homeless Youth, "Financial Statements," 2015: [http://www.evas.ca/wp-content/uploads/2016/07/Evas-FS-2015-Final\\_signed.pdf](http://www.evas.ca/wp-content/uploads/2016/07/Evas-FS-2015-Final_signed.pdf).

<sup>21</sup>McGee, "Should your non-profit organization start a business?," Sep 10, 2012: <http://www.theglobeandmail.com/life/giving/should-your-non-profit-organization-start-a-business/article547433/>.

### *The Edible Garden Project*

The Edible Garden Project (EGP) is a program ran by the North Shore Neighborhood House, a non-for-profit organization dedicated to provide community-based services to North Shore residents. Initially financed by the City of North Vancouver, through the Union of BC Municipalities, the EGP was launched in 2005 to close the breach between the demand and supply of fresh local produce for food banks.<sup>22</sup> The EGP added a social entrepreneurial unit to its offerings portfolio to engage local volunteers and stakeholders (such as schools and local markets) in promoting the growth and consumption of locally sourced produce. In 2013, these activities generated 14% of the \$222,000 of revenue for the EGP.<sup>23</sup>

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<sup>22</sup>The Edible Garden Project, "Our Model," 2016: <http://ediblegardenproject.com/our-model/>.

<sup>23</sup>The Edible Garden Project, "2013 Growth Report," 2013:  
[https://issuu.com/ediblegardenproject/docs/2013\\_egp\\_growth\\_report\\_webversion/18?e=7326946/9074772](https://issuu.com/ediblegardenproject/docs/2013_egp_growth_report_webversion/18?e=7326946/9074772).



## Appendix 3: Historical Revenues

Income Statements:

	Amount in CAD		
	2014	2015	2016
General Donations	13,382	14,962	9,134
Sponsors	27,950	10,654	17,225
Private Foundations	27,194	2,806	2,500
Partnerships		-	9,260
Corporate Foundations	6,461	22,500	74,100
Total Private Sector Revenue	74,987	50,923	112,219
Federal - Environment Canada	262,861	250,470	174,685
Provincial - MNR	185,905	94,055	-
Provincial - General	3,775	-	-
Total Government Grants	452,541	344,525	174,685
Group Membership accounts	2,498	11,090	12,223
BP Services	2,720	94,045	71,385
Event registration	7,742	11,855	7,855
Sales	541	390	5,864
Total Earned Revenue	13,500	117,380	97,327
<b>TOTAL REVENUE</b>	<b>541,028</b>	<b>512,827</b>	<b>384,231</b>

## Appendix 4: Existing Human Resource Allocation

Name	Position	Projects involved	Time Allocation
Michelle Kanter	Executive Director	Big Picture	0%
		Funding/ Admin	50%
		In the zone	50%
Jarmo Jalava	Director of Recovery	Ecosystem Land Owner	80%
		Leaders	20%
		Funding/ Admin	
Lauren Selby	Education Event Specialist	Specialist - Go Wild	80%
		Wild	20%
		Funding/ Admin	
Tristan Bentley	IT Systems Webmaster	Coordinator, Part-time	Part time

## Appendix 5: Corporate Donor List

### List of companies in Southern Ontario region that donate for environmental causes:

Alcan Inc.  
Etco Electric  
CIBC Community Investment  
Program ConocoPhillips Canada  
Desjardins  
Dofasco  
General Motors  
Canada Google Grants  
Gore Mutual insurance co  
Honda Canada Foundation  
Homedepot Canada Foundation  
IBM Canada  
Investors Group  
KPMG Foundation Meridian  
Credit Union Mountain  
Equipment Co-Op Ontario  
Powergen  
Oracle Canada  
Shell Canada  
Sony Canada Charitable  
Foundation Staples  
Suncor  
Syncrude  
TD Bank Financial  
Group Thrifty Foods  
Transalta  
Transcanada  
Unilever Canada  
<https://charityvillage.com/directories/funders/corporate-funding-programs.aspx>

## Appendix 6:

### Disclaimer

- This report was developed by an IFP team of MBA students from the *Ivey Business School* in partnership with {*Carolinian Canada Coalition*}.
- It is intended solely for the internal use of {*Carolinian Canada Coalition*} and may not be provided to any other person or entity without the express written consent of the client.
- While every effort was made to ensure accuracy and completeness, neither *Ivey* nor the report authors are able to warrant the degree of accuracy or completeness of this report.
- This report was prepared on a best effort basis and is only intended to assist management. The reader should not rely solely on the report's content to make business decisions.

**Team 108**