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Focus on Sustainability: A Nonprofit's Journey

by Dennis G. McMillan, *The Foraker Group*. Available on Amazon.com and through the Foraker office at 907-743-1200, info@forakergroup.org.

Managers, funders, and capacity builders alike are constantly searching for practical resources that help to make sense of the inherently complicated nature of organizations that are driven by mission rather than profit. I am pleased to note that Dennis McMillan's initial foray into the rapidly expanding world of nonprofit practitioner literature helps to fill this need. This book's unique contribution is that it focuses on the elusive topic of sustainability and ties it to an organization's ability to demonstrate competence in four key organizational attributes: strategy, human resources, revenue generation and collaboration. For foundation program officers seeking to better understand which organizational elements support impact and sustainability, this book offers a helpful lens to review prospective grantees. Organizations that demonstrate progress in the four key concepts described in this book should arguably increase program officer confidence. For organizational leaders, such as staff and board, this book offers a way to facilitate conversations about sustainability and how to create a plan that pursues it.

The Foraker Group is one of the nation's leading capacity building organizations. Dennis McMillan and his team, through years of work with nonprofit organizations throughout the state of Alaska, have refined their thinking around what sustainability really means and what elements must be present in order for an organization to make progress towards it. The Foraker Nonprofit Sustainability Model, the center piece of this

work, articulates a recipe for sustainability with four key ingredients.

- **Focus:** laser focus on founding principles and discipline in each and every organizational decision.
- **Right People:** the right people in the right roles in concert with a strong partnership between board and staff.
- **Partnerships:** increased impact through partnerships with other organizations.
- **Unrestricted Funds:** sufficient available funds to take advantage of opportunities and handle emergencies.

Although these four elements are not new ideas to the sector, offering them as clear ingredients of sustainability is the author's key point and contribution to the sector. Moreover, as each concept is explored in consecutive chapters, McMillan offers his point of view and advances our understanding of each.

Focus is explained as an exercise in achieving unity and clarity around purpose, values and direction. It further suggests that an organization must have an understanding of what success looks like, how to plan for it and measure progress towards it.

This clarity of focus demands an understanding of who the *Right People* are to fill organizational roles. The author points out that this is more than just assuring that the needed skills are present,

but that the individuals who possess the skills must also understand and support the organization's focus. Special consideration is given to the unique partnership between staff and board. Specifically, a competent CEO works in concert with a "board that actively complements, challenges and supports its CEO" (p. 49). "Focusing on this relationship must be at the top of the list for organizational leaders" (p. 50).

In the chapter on *Partnerships* the author rightly points out that "a nonprofit cannot fully achieve its mission by itself." "In order for the sector to work, organizations must embrace interdependence at all levels" (p. 60). Drawing upon the work of David LaPiana, the range of collaborative models are identified; yet, the argument for these arrangements brings the other three elements of the Foraker Sustainability Model full circle. In other words, partnerships allow organizations to remain focused, with broadened human resources and increased capacity for attracting unrestricted funds.

Perhaps the most important contribution this book makes is the clear and simple argument for the necessity of *Unrestricted Funds*. Simply put, "nonprofit organizations cannot be sustained without financial reserve" (p. 73). The author notes that while foundations have historically waived on this concept in their grantmaking and many have returned to recognizing the value of supporting grantee sustainability, organizations should remain diligent and focused on achieving unrestricted assets from earned income and individual donor contributions.

What makes this book work is that it gets right to the point and is easy to read. Its simple structure allows the reader to benefit from the message without having to wade through excessive content. I appreciate that McMillian includes in each chapter vignettes from Alaskan nonprofits, tools to use and questions to ask. The vignettes alone make this book a charming read and serve to give sector enthusiasts, such as myself, a view into the Alaskan nonprofit sector that we rarely get.

For me, one of the strongest elements of this book is the recognition that sustainability is a journey not a destination. For the well majority of nonprofit organizations, many of which deliver quality measurable outcomes from critically important community services, this book articulates a nearly ideal state of operation. While organizational perfection should indeed be desired and pursued, our society and the philanthropic sector have a tendency to make meeting community needs harder rather than easier. In other words, true sustainability, as this book describes, suggests an ideal state of operation that most nonprofit organizations will struggle to achieve. Yet, even in their state of perpetual unsustainability, many of these organizations will achieve meaningful, measurable impact, change lives and make the world a better place. These organizations need a clear depiction of what true sustainability looks like. Without it, their leaders struggle to know where to focus their attention. Through its simplicity and forthright approach, this book offers the sector a helpful tool through which it can facilitate planning and day-to-day decision-making.

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