



BWB SOLUTIONS

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# Homework Makes a Difference

The Northeast  
Foundation  
for Children

Case Study

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## Overview

This case study profiles the work of the Northeast Foundation for Children, a nonprofit that focuses on education reform. The case study is being shared to illustrate the impact that planning and research can have on helping an organization set and achieve its vision.

## Introduction

The Northeast Foundation for Children (NEFC) was founded in 1981 by four public school educators who had a vision of bringing together social and academic learning throughout the school day. NEFC was part of the Education Reform movement, which was burgeoning at that time. NEFC, like other Education Reform organizations, focused on improving the quality and results from the public educational systems across the country.

With the Greenfield Center School (grades K-8) as its living laboratory, NEFC developed the “Responsive Classroom”, an academic model that uses a developmental approach to education. This approach recognizes that children grow at different rates and need to balance physical, social, emotional, and intellectual learnings. The model uses social curriculum – the teaching of social skills which enable well-managed classroom teaching – as the foundation of all learning.

## Facing the Need to Grow

By 1998, NEFC’s work led to a substantial portfolio of schools and teachers who were applying the Responsive Classroom techniques and

**NEFC had to grow but its staff was already stretched to the limit.** disciplines. Teacher preparation and training were the primary work of the organization’s staff and there was a catalog of “resource tools”, books and kits, fully developed and available to support the work of trained teachers.

But the founders recognized that they had only touched the surface of what was possible to achieve through their work. To be truly successful, NEFC had to grow. It needed to make its approach, its training and its materials available nationally. Yet its four founding staff was already stretched to the maximum capacity providing training to spread their message AND continuing to document the work and develop new tools. How could they find the time both to distribute their work further, and to develop a consulting and/training team that could ensure that teachers could fully apply the knowledge shared in written materials?

NEFC considered its funders true partners. While fees from training and consulting and sales from books and tool kits were NEFC’s primary sources of revenues, funders often were the source of “research and development” support. Funders also supported specific schools who

sought to adopt the Responsive Classroom. And a few funders were even interested in helping the organization achieve its overall vision – “investing” their funding resources to see a return to society.

One funder, the Surdna Foundation, practiced what is now recognized as a form of venture philanthropy. While education reform was not a program priority of the Surdna Foundation, helping organizations achieve financial sustainability was.

Knowing of Surdna’s interest in financial sustainability, NEFC visited Surdna with a question: what does a nonprofit need to do to expand a successful model into a national program? Surdna’s answer: research and planning. Surdna recommended that NEFC develop a business plan to best understand the potential demand and costs to meet this demand to expand its work. Surdna went so far as to offer to pay for the business research and planning and made it clear that among the many possible roles, this was what it believed it could contribute toward propelling NEFC into its future. Surdna also contributed funding to support developing products that were identified from the research as important to achieving sustainability.

**The Surdna Foundation funded the development of a business plan.**

## NEFC Does Its Homework

At Surdna’s recommendation, NEFC turned to BWB Solutions to fully inform its planning decisions. Identifying fruitful opportunities for program expansion while mitigating potential risks is one of the key outcomes of a fully informed plan.

Significant risks that NEFC faced included:

- Offering product or service benefits and features when there isn’t a demonstrated demand;
- Pricing too high or low and thus not generating sufficient income;
- Using channels of communication that don’t provide the target audience with a clearness about product and service offerings; and,
- Choosing methods for delivering products and services that do not enable buyers to have easy access to products and services.

As a starting point, BWB Solutions proposed to talk to teachers and principals who were presently customers, or who had purchased NEFC products and services in the past. Teachers and principals were both the primary purchasers of NEFC’s services and also the key instruments for education reform. NEFC and BWB Solutions agreed that written phone interviews would be a good source of information. In addition, interviews with other education reform groups could help clarify expectations and set parameters. We also interviewed NEFC Board and staff to better understand internal operational, management, governance and sustainability strengths and challenges.



More than four hundred teachers who had purchased materials were interviewed by phone. Additional in-depth interviews were conducted with ten current consumers of consulting services and ten consumers who had expressed an interest in consulting services. From these interviews, NEFC learned about what was possible and what was needed as well as who its constituents really were. The results of all these learnings shaped the design of future products and services and provided the basis for operational and financial projections. The resulting plan was then used to “shop” for investors to help grow the program.

## The Results

Based on the strength of its business plan, NEFC successfully gained a line of credit and a five-year note from a local commercial bank to support fully implementing its business plan. Implementation of the plan

**Revenues from consulting and publishing have more than doubled over the past seven years.** included developing and promoting more written materials; constructing a warehouse to store and distribute materials; increasing promotional activities; and expanding the consulting and training offerings.

Today, Northeast Foundation for Children continues to thrive and be successful. Its consulting services have grown from just under \$1 million in 1997 (when the research and planning was conducted) to over \$2 million today. Publishing sales have grown from \$400,000 in 1997 to \$1.3 million today. NEFC both has achieved net assets over \$1 million, and has reached thousands of additional teachers and students.

## Lessons Learned

Doing your homework can pay off. Planning that is fully informed through thorough and comprehensive research can help an organization identify and implement plans that both increase mission impact and financial sustainability. In addition, a well-timed planning grant and thoughtful referral for realistic planning advice can help an organization develop a realistic business plan, enabling it to leverage significant growth through PRIs and private sector investment.



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