

# N · E · T · W · O · R · K SUSTAINABILITY



This Guide is part of our Network Know-How series, a collection of six easy-to-use resources highlighting key network design and management principles for social impact network builders. Each Guide includes real-world examples of network principles and clarifying questions to help you reflect on your network practice, focus your network strategy and develop an effective network plan.

The Network Know-How Guides were created by Network Impact, subject matter experts in the field of network theory. Network Impact created the guides for the Network Incubator, a program that ran from 2016 to 2018 for select members of ROI Community, a signature initiative of Charles and Lynn Schusterman Family Philanthropies.

The guides formed the basis for the Network Incubator curriculum and proved useful to the emerging networks that were part of the program. Schusterman Family Philanthropies worked with ROI Community and Network Impact to repurpose the guides as a publicly available resource to help developing and established network leaders further their work and scale their impact.

The case studies of emerging networks in the guides reflect organizations Network Impact worked with through the Network Incubator and in other settings. The networks featured are not necessarily grantees of Schusterman Family Philanthropies.

## Network Know-How Orientation

The **Network Know-How Guide: Getting Started** includes a self-assessment to help you determine which Network Know-How Guides will help your network evolve. The Getting Started Guide also has an overview of the key themes each Guide covers and a glossary of important terms.

[Download all of the Network Know-How Guides here.](#)

**This Network Sustainability Guide addresses three common questions from network builders:**

- **What** strategies can contribute to network sustainability?
- **What** successful business or revenue models can we use for our network?
- **How** can we make a compelling case to internal and external stakeholders about our network's value?

**Network Sustainability** is divided into the following sections:

**5** Know Your Funding Options

**11** Calculate Your Real Costs

**13** Help Funders Understand Networks

**16** Make Your Case

**20** Additional Resources on Network Sustainability



# Network Sustainability

**Networks are more complex and dynamic than organizations and have unique sustainability challenges.**

Your network must find strategies for securing material resources while engaging, aligning and generating value for members.



## Network Snapshot

**Mensch is a vibrant network of over 100 Jewish social changemakers in South Africa. Established in 2014, the Mensch Network brings together Jewish people working to create positive change in South Africa for all.**

In exploring how to secure resources for Mensch, Executive Director Gina Flash considered what made funding a network different from funding an organization. First, she considered the unique advantages that social impact networks offer to potential funders. Then, she used her analysis to inform a fundraising strategy. Because fundraising is a top priority for members, Mensch organizers have expert sessions and master classes on fundraising, covering everything from building a social enterprise to crowdsourcing.





# K·N·O·W   Y·O·U·R F·U·N·D·I·N·G O·P·T·I·O·N·S

If you are part of a network with a mission focused on social change, your primary financial resources likely come from a combination of operating support, member fees, project fundraising, earned income and in-kind contributions. The table on the following page details various types of support networks can consider.

This table provides a quick reference for exploring resource options and the contexts in which networks most frequently use them.

| CATEGORY                               | DESCRIPTION   | WHEN AND WHY  |
|--|---|---|
| <b>NETWORK OPERATING SUPPORT</b>       | Grants or donations to cover network operating costs (coordination and communications infrastructure, compensation for network staff or consultants, face-to-face meetings) | Funders who help start a network might underwrite operating costs for an initial period. But longer-term donor commitments—beyond one or two funding cycles—are generally more difficult to secure. Operating support includes individual or institutional donations or grants that fund overall network coordination or management. When approaching any donor, be prepared to answer the following question: What do you achieve as a network that individual members or the coordinating organization could not achieve alone? |
| <b>MEMBER FEES</b>                     | Fees that individual members agree to pay to support network operations (annual membership fees)  | However small their overall contribution to your budget, all networks should consider this strategy. To outside donors, member fees show that members are committed to and derive value from their participation in your network. Some networks use sliding scale fees to address differences in members' ability to pay.   |
| <b>PROJECT AND PROGRAM FUNDRAISING</b> | Funds from donors for specific projects or programs   | Some donors—institutional or individual—support network projects or programs that align with their own mission and strategies rather than backing general network operations. Networks may decide to use a project's grant funds to pay for part of the network's operating costs, for instance, when a percentage of a project budget is set aside to subsidize overall network coordination and communications in addition to overhead for the specific project.  |
| <b>EARNED INCOME</b>                   | Fee for services; sales of network's products   | When a network's members create products for other individuals or organizations, they might be able to charge fees for their work. For example, networks could monetize information-based products or content such as relevant research or a compilation of network best practices members developed.   |
| <b>IN-KIND CONTRIBUTIONS</b>           | Nonmonetary contributions from members, whether in the form of volunteer work or the result of more formal network agreements   | Individual members with specific abilities may enter agreements to provide resources (e.g., space or services) as in-kind contributions to the network. Many networks calculate the value of in-kind contributions and add this to members' fees when reporting members' total contributions to donors. You can find an example of how to do this in the "Calculate Your Real Costs" section of this Guide.   |

# In Practice: Diversifying Funding Sources to Match Changing Growth and Focus Areas in the Urban Sustainability Directors Network (USDN)

## Types of Support:

- Network operating support (via grants)
- Project or program support
- In-kind contributions
- Member dues

This dynamic network of about 100 local government professionals across the U.S. and Canada initially covered most of their network’s costs with operating support from several national foundations. As specific projects and programs emerged from member-driven interests, USDN secured funding from issue-focused funders and local foundations to support its work.

Members also pay annual dues based on a sliding scale. At first, membership fees were nominal. Now, with a track record of value generation for members, member fees cover up to 50% of the network’s annual costs. Members can pay traditional annual dues or opt to cover some of the annual meeting’s costs. The network also offers scholarships to members with financial challenges.

USDN also benefits from in-kind services; for example, the Environmental Protection Agency’s New England region pays for one of its staffers to serve as the coordinator for that region’s urban sustainability network.

## In Practice: Mixing Traditional Campaigns with Special Project Funding in a Network Dedicated to Maternal Mental Health

### Types of Support:

**Network operating support** (via individual donations)

**Project or program support**

**In-kind contributions**

**Earned income**

This influential network has over 700 actively engaged members communicating via private groups on social media and in public forums to share information, provide emotional support to each other, and coordinate local outreach and education activities. The nonprofit that coordinates the network also engages an additional 500,000 people via email and their blog. While small individual donations collected during an annual walkathon make up the largest part of the network budget, the network has developed campaigns to raise funds for specific programs via crowdfunding and has secured several corporate sponsors for its annual meeting.

In addition, the nonprofit that coordinates network activity has secured grants to fund specific training and education projects for network members, and merchandise sales bring in a small amount of revenue. But most vital to the network's success is in-kind donations: both the time that members spend supporting programs and the free materials (such as food and printing services) contributed by businesses and individuals.



# 1 Reflection Activity

Use the space below to explore sources of funding for your network. Think about each option outlined in the previous case studies and fill in any existing commitments, potential leads or promising ideas. Remember: Resources will likely come from a combination of sources.

Whichever funding sources you consider appropriate for your network, *make sure to identify and use all of your network's connections*. These might include donor pools you have previously cultivated or connections that individual members have to sources of support that you can use to support the network as a whole.

| TYPES OF SUPPORT  |                           |                                |               |                       |       |
|---|---------------------------|--------------------------------|---------------|-----------------------|-------|
| NONMEMBER SOURCES OF FUNDING  | NETWORK OPERATING SUPPORT | PROJECT OR PROGRAM FUNDRAISING | EARNED INCOME | IN-KIND CONTRIBUTIONS | OTHER |
| <b>Philanthropy</b><br>(institutional: private, family or community foundations, and individual donors with high net worth) |                           |                                |               |                       |       |
| <b>Private Sector</b><br>(businesses)   |                           |                                |               |                       |       |
| <b>Public Sector</b><br>(government funding or support)   |                           |                                |               |                       |       |
| <b>Multiple Individual Donors</b><br>(special events, crowdfunding via small donations)                                     |                           |                                |               |                       |       |
| <b>Other</b>  |                           |                                |               |                       |       |

# 1 Reflection Activity (Continued)

Does your network already receive resources from network members? List any existing commitments, potential leads or promising ideas below.

| SOURCES OF FUNDING FROM MEMBERS |  |
|---------------------------------|--|
| <b>MEMBER FEES</b>              |  |
| <b>IN-KIND CONTRIBUTIONS</b>    |  |
| <b>OTHER*</b>                   |  |

\*Are there other ways of securing resources from members that might be relevant to your network? If so, write them below.

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# C·A·L·C·U·L·A·T·E Y·O·U·R R·E·A·L C·O·S·T·S

To raise money, you need an accurate understanding of what operating a network actually takes; unfortunately, networks rarely do a thorough job of figuring out their true expenses. You'll need to carefully calculate your revenues and costs, and develop a comprehensive network budget.

Line items in a network budget should include the financial cost of core infrastructure and operating services to members (e.g., coordination, website), the financial cost of "program" services (e.g., consultants, speakers, conferences or trainings), and the value of members' in-kind contributions.

Networks can survey members about the monetary value of their participation, to communicate the total value of member investments (“sweat equity” or in-kind contributions to the network and any financial contributions like member fees) to potential funders.

Here are sample survey questions:

We want to quantify the amount of time and “sweat equity” that makes our network successful. Please estimate the amount of time in hours you spent working on network-related activities in the last six months.

| MONTH    | ESTIMATED # OF HOURS | Please explain what you did (e.g., network coordination and communications; program/project/event planning) |
|----------|----------------------|---|
| JANUARY  |                      |   |
| FEBRUARY |                      |   |
| MARCH    |                      |   |
| APRIL    |                      |   |
| MAY      |                      |   |
| JUNE     |                      |   |

Please list any additional nonmonetary resources that you (or an organization you represent) contributed to the network in the last six months (e.g., use of physical space, provision of supplies) and the estimated cost of those resources.

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For some networks, especially those in earlier stages of development, it may not be appropriate to ask all network members to report their contributions. Instead, these networks could survey only members who devote consistent or significant time to the network. Once you have your survey responses, add up the time and multiply it by a representative hourly value (e.g., \$25 an hour) so that your budget accurately represents the total monetary value of in-kind time and resources contributed to the network.

KEY TERM

**SWEAT EQUITY**

A term used to describe nonfinancial investments that contribute to developing a network or project.



H·E·L·P F·U·N·D·E·R·S  
U·N·D·E·R·S·T·A·N·D  
N·E·T·W·O·R·K·S

Calculating your real costs and communicating the impact of your network using stories, numbers, visualizations or maps are essential preparations for making your case to funders.

But there may be times when you need to address donors' concerns about investing in networks (rather than the more conventional approach of investing in individual organizations) by educating them about the advantages of network organizing.

**The good news:** Funders are increasingly aware of the changing investment landscape and choosing to activate networks. As a result, many foundations understand how to fund networks and, therefore, communicate lessons to the broader philanthropic community. You can find a list of resources developed for funders interested in supporting networks at the end of this Guide.

But, despite this progress, some donors are still hesitant to fund network efforts. Possible reasons include uncertainty about fiscal arrangements and network accountability and the up-front investments needed for network development as well as network operations and evaluation concerns. The table on the next page outlines common funder questions, the context behind them and possible ways to address funder concerns.

| TYPICAL FUNDER CONCERN   | DESCRIPTION  | POSSIBLE WAYS TO ADDRESS THIS CONCERN  |
|--|--|--|
| <b>WHO RECEIVES AND MANAGES THE MONEY?</b>   | Donors may choose to fund only organizations that qualify as nonprofits under government regulations.  | This concern is not necessarily a reason for a network to form a nonprofit; many don't. But it is a reason to select a qualified fiscal agent with a track record of managing foundation grants.   |
| <b>WHO IS ACCOUNTABLE FOR RESULTS?</b>   | People often perceive networks as more flexible and fluid than most organizations. Donors are used to having a single organization or grantee "on the hook," so they might wonder how networks will account for emergent decisions and actions.  | In addition to educating funders about the advantages of network adaptation, networks could prepare and share their internal agreements/Memorandums Of Understanding (MOUs) and network plans and budgets.   |
| <b>HOW MUCH UP-FRONT TIME AND RESOURCES DO NETWORKS NEED TO START PRODUCING RESULTS?</b> | Creating a solid foundation for effective network action may require considerable time and financial investment to build connectivity before the network can take any real action. Some donors may find it challenging to make long-term, more flexible commitments in a short-term, results-oriented world. | You can educate funders about network developmental cycles while initially pursuing activities that yield quick, tangible results so that you have more concrete evidence to draw from.  |
| <b>WHAT NEW SKILLS DOES A NETWORK NEED?</b>  | The skill set that supports network development, which includes practices such as network weaving, are different from the skills needed to build organizations. Where will your network find this critical expertise?  | Luckily, information about networks is more accessible than ever to skeptical funders. Many reliable sources that describe the fundamentals of effective network practice now exist. (See the "Additional Resources on Network Sustainability" section.) To demonstrate how these principles apply to your network, consider surveying members about their relevant expertise and conveying this information to potential funders. |
| <b>HOW CAN A NETWORK SHARE LESSONS LEARNED WITH FUNDERS (AND OTHERS)?</b>                | Funders want to learn from their experience supporting networks, but they may not know what factors to consider. They might wonder if the network they invest in will provide lessons that are transferable to other networks.   | Address this concern by developing robust knowledge-capture systems that provide lessons that could be relevant to other networks. (See the "Make Your Case" section for more on this topic.)  |
| <b>HOW DO YOU EVALUATE NETWORKS?</b>   | Some donors may not support networks or invest as much because they believe measuring a network's progress or influence is difficult.  | Ways to assess a network's evolution and influence include network mapping, network health monitoring and other specialized network evaluation approaches.   |



# M·A·K·E Y·O·U·R C·A·S·E

While attracting potential donors can be challenging, there are many ways to demonstrate the advantages of network organizing to potential members or partners and current and prospective funders.



# Here are three tactics to help you make your case:

## 1 Collect stories.

Storytelling is an effective way to communicate the power and influence of your work. However, it isn't easy to develop a good story when you're short on time. To address this challenge, some networks create a shared story repository that they add to when someone shares an anecdote on a call, in an email or on social media. Sometimes, networks have a person who is responsible for collecting these stories. Don't forget to also note who shared each story, so if you need to expand on a story later, there is someone to contact for more information.

Other networks include a question on recurring member surveys asking for examples of how the network creates value for members. Some examples of value include receiving meaningful advice from a fellow member, access to a person they would not have reached otherwise or collaborative work on a successful joint project. Networks can use these documented examples to create brief case studies highlighting the network's value and results.

## 2 Quantify the value generated by the network.

Using numbers to illustrate the network's value to members, their organizations and the community is another potential strategy.

For instance, using results from the survey proposed in No. 1 above, you could say:

- **95%** of members report developing new knowledge or skills as a result of their participation in the network
- **85%** report network participation has led to new thinking
- **25%** report engaging in collaborative projects

Collect specific examples from member surveys, and then write brief case studies that complement the statistics.

The results of an internal network assessment can have a powerful effect on both member engagement and funder interest. For example, the Massachusetts Housing and Homelessness networks used a modified version of Network Impact's network health scorecard to assess their network's health. They cited their network health outcomes in reporting to the state legislature and incorporated them into promotional materials they delivered to potential donors in the private and philanthropic sectors. (See the [Monitoring Your Network's Health](#) for more on the scorecard.)

### 3 Map your network.

Network maps can be especially effective tools for showing members' connections and how those connections work—whether for information, resources or support. Some networks use time-lapsed network maps to show their network's growth since its start. Others use maps to show their network's reach or the distribution of members across different geographies, issue areas, industries or sectors. (See the [Mapping Your Network Guide](#) for more information on using network mapping tools effectively.)

## 2 Reflection Activity

Think about ways to track your network’s progress. Write down the audiences—  
institutional donors, organizations or individuals—you plan to share your results with.

|   | EVALUATION ACTIVITIES  | POSSIBLE METHODS AND TOOLS   | POTENTIAL AUDIENCES |
|---|--|--|---------------------|
| <b>Network Membership and Structure</b> | Document the evolution of network membership and network connections   | <ul style="list-style-type: none"> <li>• Maintain a member directory</li> <li>• Map your network annually to track changes</li> <li>• Track member participation—both overall and for specific network activities or events</li> </ul>   |                     |
| <b>Network Management</b>               | Document coordination and communications arrangements (meetings, standing calls, listservs, online communities) and their contributions to the network | <ul style="list-style-type: none"> <li>• Use a network health scorecard* that includes network operations questions</li> <li>• Ask members to evaluate internal communications and coordination functions</li> <li>• Conduct an online community and social media activity analysis</li> </ul> |                     |
| <b>Network Production</b>               | Document how members collaborate in practice to advance network goals  | <ul style="list-style-type: none"> <li>• Survey members about their collaborative activities and the results of these efforts</li> <li>• Write case studies</li> <li>• Produce video documentaries</li> <li>• Place stories or member profiles in the media</li> </ul>                         |                     |
| <b>Network Health</b>                   | <p>Document efforts to build and strengthen connections between members</p> <p>Monitor members’ contributions to the network</p>                       | <ul style="list-style-type: none"> <li>• Use a network health scorecard* to track results over time</li> </ul>   |                     |

\*See the [Using a Scorecard to Monitor Your Network’s Health Guide](#) for more on the network health scorecard.



**A·D·D·I·T·I·O·N·A·L**  
**R·E·S·O·U·R·C·E·S**  
**O·N·N·E·T·W·O·R·K**  
**S·U·S·T·A·I·N·A·B·I·L·I·T·Y**



## Featured Networks in This Guide

### Mensch Network

A vibrant network of over 100 Jewish social change-makers in South Africa. Established in 2014, the Mensch Network brings together Jewish people working to create positive change in South Africa for all. Network members lead, work or volunteer in nonprofit organizations, social enterprises, public health and education, and more. The Mensch Network creates a Jewish platform to support and develop these individuals, enhancing their collective impact; and for the Jewish community to engage via these individuals in active citizenship. [www.mensch.org.za](http://www.mensch.org.za)

### Urban Sustainability Directors Network (USDN)

A network of local government professionals across the United States and Canada who exchange information, collaborate to enhance their practice and work together to advance the field of urban sustainability. [www.usdn.org/index.html](http://www.usdn.org/index.html)

## Further Reading

*Catalyzing Networks for Social Change: A Funder's Guide*

Diana Scarce & 80 members of the Network of Network Funders, Monitor Institute and Grantmakers for Effective Organizations

"Collaboration and Foundation Leadership: Challenges, Opportunities, and Impact"

Jennifer Pereira

*Cracking the Network Code: Four Principles for Grantmakers*

Jane Wei-Skillern, Nora Silver, and Eric Heitz

*Engage: How Funders Can Support and Leverage Networks for Social Change*

The Rockefeller Foundation and The Monitor Institute

"Four Questions to Ask Before You Engage with a Network"

Anna Muoio & Kaitlin Terry

*Funding Learning Networks for Community Impact: Lessons from the Capacity Building Fund*

Ann Philbin & Deb Linnell

*Investing Strategically in Social-Impact Networks: A Guidebook for Foundation*

John Cleveland, Patricia Brandes, Susanna Sutherland, Maggie Ullman & Richard Anderson

*Evaluating Networks for Social Change: A Casebook*

Madeleine Taylor, Peter Plastrik, Julia Coffman & Anne Whatley





Network Impact conducts research, builds tools and provides advice to change agents who are building and using networks for increased impact. Over the last decade, Network Impact has developed frameworks and tools to monitor a network's development so that network members, organizers and supporters can be more deliberate in their efforts to support effective network practice. Find more information and resources at [www.NetworkImpact.org](http://www.NetworkImpact.org).

## Acknowledgments



Thanks to the network builders that have shared their experiences, questions and lessons.



CHARLES AND LYNN  
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Charles and Lynn Schusterman Family Philanthropies strives for a future in which the United States and Israel live up to their highest ideals and achieve more just and inclusive societies. We work to advance racial, gender and economic equity in the U.S., as well as to foster a more joyful and diverse Jewish community. In Israel, we work toward a secure homeland for the Jewish people, a thriving democracy and an inclusive society that cares for its most vulnerable. We aim to drive and support long-term systemic change through investments in leaders, organizations and U.S. public policy. [www.schusterman.org](http://www.schusterman.org)