Teaching Cases
in the Philanthropic and Nonprofit Sector

Emma A. Powell and Paloma Raggo, *Editors*

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SAGAMORE ❖ VENTURE

We hope our colleagues and students will enjoy reading these cases as much as we did and appreciate the detailed teaching notes we provide with each case. We want to thank the authors for their infinite patience throughout this process. We started this project in early 2020 without any idea of what was ahead. Seeing this edited volume come to fruition despite the turbulent times we all went through is an accomplishment we should all be proud of. We want to extend special thanks to our students who have embraced the teaching case method and have allowed us to harness their creativity throughout this project. To our editors, Norm, Helen, and Heather, thank you for seeing the possibilities and need for such a book. To our families, we are grateful for their constant support and understanding. Lastly, we would like to thank the practitioners who have inspired this work, their visions, their efforts, and their dedication to the causes they champion.

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Preface to the Nonprofit Series

In the late 1960s and early 1970s, many colleges and universities across the country changed from 18-week semesters to 15-week semesters. This shift brought about change in course content, course projects, and course writing assignments. The last 10 years have seen a similar shift, particularly in graduate online courses, from 15-week courses to 7 or 8 weeks. Our observation is that textbooks have not adapted to the most recent changes. While previous changes from 18 to 15 weeks eventually saw a reduction in chapters in many textbooks to 15, the Sagamore-Venture Publishing Nonprofit Series has been developed to meet the pedagogical needs of the new 7- or- 8-week courses.

In 7- and 8-week courses, decisions have to be made about content. Instructional consultants have advised the editors that in developing these courses, decisions have to be made regarding what is vital for students to know. The content of each book in this series reflects this advice. Are these books useful in courses of longer duration? We believe so, as the content of the books in the series conveys the essential knowledge and skills on the topic of each book.

As the 21st century progresses, we are convinced that knowledge and skills are not enough for nonprofit professionals and key volunteer leaders. This is why each book has a critical thinking/critical theory component. Nonprofit leaders today need to carefully apply their knowledge and skills by thinking how actions will impact the organization, its personnel, its clients, and the community in general. This is not necessarily new or novel, but it is important to encourage potential leaders to be critical thinkers and to apply ways of understanding that will assist communities in solving pressing problems. Critical thinking is a key component of the conceptual leadership skills mentioned by leading researchers and writers in the leadership field.

For the nonprofit leaders of today, this book series tries to make them critical thinkers who use knowledge and skills to advance the common good. How does the proposed action make the organization better, improve its personnel, better help the clients, and make the community a better place to live? This is the issue of the nonprofit world that the Sagamore-Venture Nonprofit Series addresses.

Norman A. Dolch, Roseanne M. Mirabella, Helen K. Wise, and Heather Carpenter
Series Editors

Preface to Teaching Cases in the Philanthropic and Nonprofit Sector

A Comprehensive Approach to Teaching Cases

Teaching cases represent an event, a problem, or a decision that needs to be made. Students are asked to reflect critically on the situation and work through how they would approach it. The beauty of a teaching case is that there are no "settled" answers, and students are invited to rely on their experiences and the concepts being discussed in class and see all the various perspectives around a situation (Alford & Brock, 2014). This is a common approach in business and medical schools. Sometimes students make a short presentation about an organization and its practices; other times, the instructor will assign an organization or discuss a situation with the students. The use of teaching cases in the nonprofit classroom is valuable and highly effective. This teaching strategy brings real experiences into the classroom and highlights the diversity of ethical, organizational, governance, and leadership challenges commonly faced in the sector. Yet, instructors do not always have access to cases directly related to the nonprofit sector with clear learning outcomes.

We often hear our colleagues teaching nonprofit-related courses lament how they need to perpetually look for new cases or write them from scratch, depending on the theme of the week. When preparing for our courses, we searched through some of the amazing databases of cases available and found many interesting cases. However, they almost always involved for-profit organizations; when the cases were about the nonprofit sector, they mainly focused on governance issues and rarely included detailed teaching notes explaining class activities, learning outcomes, possible readings and complementary material, and guiding questions. Furthermore, as we discussed many cases in the classroom, we noticed that students would always want to know more about the stories, case details, or evidence about the complex situations presented. So while we face the scarcity of teaching cases directly related to the nonprofit sector, students continue to be more interested in sharing their own stories or engaging in important case concepts. So, the genesis of this case text was formed. We decided to take a different approach to develop case content that supports the students' curiosity and analysis while offering the instructor a structured teaching tool consistent with learning topics at the core of nonprofit education.

Schools and departments housing nonprofit and philanthropy programs have increasingly adopted this interactive teaching approach (Alford & Brock, 2014). What makes our book unique is the breadth of topics covered and the depth of unique learning strategies employed throughout the various case teaching notes. No case is set up exactly like any other; each has a specific focus and pedagogy. Instructors are looking for more engaging and student-centered approaches. We recognize the need and see the ultimate goal of this text is for a student to use this one compilation throughout their nonprofit education. Having one case text for multiple classes throughout their coursework allows for a consistent approach. In preparation, we analyzed some of the

most common textbooks used in the field to get a good overview of the topics that could be covered. This book presents complex situations and thus provides an engaging account of possible situations and is a unique approach to case learning compared to short cases targeting single concepts.

The text is organized to support multiple audiences. The cases have been developed to illustrate the diversity of issues and challenges affecting the nonprofit and philanthropic sectors.

First, faculty seeking a supplemental learning tool for core themes in nonprofit education can easily identify cases designed to highlight critical issues students will be intrigued by. This text provides a broad repository of teaching cases for instructors and students to use and learn from. In addition, each case comes with substantial support materials to bolster the learning environment for the instructor. Facilitators have access to case discussion questions for student-led class dialogue as well as deeper analysis prompts that can serve as course projects. Unique teaching note materials can be found in the online supplemental tool at sagamorepub.com/pages/ancillary-materials, then navigate to *Teaching Cases in the Philanthropic and Nonprofit Sector/ Teaching Notes*. These individual teaching notes provide user-friendly and active-learning-focused activities.

The second audience is the student; the creative key evidence sections and easy reading style approach make each case welcoming for the reader. Cases integrate theory and practice and continue to help students learn to tolerate ambiguity in decision making (Swiercz, 2015). A primary goal in case learning is developing critical thinking and collaboration skills that allow students to demonstrate creativity. We know students want to learn from hands-on experiences. This case approach allows classroom activity to simulate real-world experience. We have also seen how students enjoy "uncovering" hidden clues to leverage when arguing the best course of action to solve the situation.

Finally, these cases can provide practitioners with a tool for team development, executive growth, and board development. Through case learning, professionals can evaluate situations that prompt reflection on their own tendencies. Each case provides an opportunity for learning and development for instructors, students, and practitioners alike.

How is this Book Organized?

We began by considering prominent themes in nonprofit practice and learning. We cross-reference the case submission for critical learning concepts that were relevant to the themes identified. After extensive reflection and triangulation of these themes, These categories are presented in chapter form. Each chapter consists of multiple cases that approach the broad theme in various ways or through the lens of multiple stakeholders. A brief abstract is included at the start of each case to help identify the case scope.

The chapter themes selected include:

Nonprofit Governance
Nonprofit Leadership
Advocacy and DEI Education
Volunteer and Human Resource Management
Fund Development/Fundraising
Program Collaboration & Partnerships

In addition to the case text, use the instructor resources included in the online-companion material that contain teaching notes and recommended readings for guided facilitation techniques and supported teaching methods. Each case comes with additional resources, learning modules, teaching strategies, and learning outcomes.

About the Editors

Emma A. Powell, PhD, CNP

Dr. Powell is an associate professor in the School of Politics, Society, Justice, and Public Service at Central Michigan University. She specializes in nonprofit organization infrastructure, the effects of organizational structure on internal motivation and communication, as well as the impacts it has on external commitment to the mission. She enjoys governance learning and development and looks for opportunities to connect research to practice within the sector, beyond academia. In addition to her teaching and research interests, she serves as the director of the Nonprofit program and primary advisor for the nonprofit curriculum.

She brings expertise in organizational leadership and management as both a practitioner and scholar. Dr. Powell earned her PhD in Public Administration from Western Michigan University. Prior to her faculty position in academia, she served in executive director and administrative roles with national nonprofit organizations including Susan G. Komen for the Cure, the American Heart Association, and the American Lung Association of Michigan.

Paloma Raggo, PhD

Dr. Raggo is an assistant professor of Philanthropy and Nonprofit Leadership in the School of Public Policy and Administration at Carleton University in Canada. Her research lies at the intersection of Nonprofit Studies, Public Administration, and International Relations. She is particularly interested in governance and leadership challenges in domestic and international nonprofit organizations and the impact of private wealth and philanthropists on policymaking. She is currently the Director and Principal Investigator of the Charities Insights Canada Project that seeks to provide near real-time data about the sector and promote data literacy across the charitable sector in Canada.

She has diverse experiences in the nonprofit and private sector prior to embarking on her academic journey. She completed her PhD at the Maxwell School of Citizenship and Public Affairs at Syracuse University, where she specialized in International Relations and Public Policy and Administration. At Syracuse, she was the Associate Director of the Institute for Qualitative Research and Multi-Methods.

Nonprofit Governance

Governance, as the primary duty of the board, inherently comes with challenges. Differences of opinions, time management, skill development, and basic oversight of fiduciary responsibility can bring about difficult conversations and tension among members, staff, and volunteers. Overcoming these challenges is essential for the survival of any nonprofit organization.

But what is nonprofit governance exactly? Some will point to the ways in which organizations and groups systemize their processes and routines to make decisions that will advance their goals. Others will focus more pointedly on the roles and responsibilities of nonprofit boards and their relationship with the executive director. No matter how broad or narrow one's understanding of nonprofit governance is, it is important to acknowledge that the ways in which governing and its rules (e.g., governance), is practiced, it is symbolic of an organization's core values. For instance, an organization aiming at representing the community it serves will often emphasize systems that promote representation and delegation of authority. Their board of directors might strive to include various members of the community to help maintain an "ear to the ground" to better understand and therefore serve and respond to the community's reality. Other organizations might favor models of governance that foster participation and consultation in their decision-making processes and the establishment of rules and practices. Ultimately, nonprofit governance must simultaneously advance the mission of the organization while ensuring best use of human, financial, and social capital. Clearly, nonprofit governance models and approaches are diverse.

As presented in Section 1, when values, practices, and rules do not align well, problems often occur. These cases explore the role and importance of clear bylaws, the duties and responsibilities of the board, and highlight the importance of the relationship between the executive director, the founder (when available), and the board.

1.1

Mental Health Cooperative

Daphne Rixon, Heidi Weigand, and Leslie Brown

ABSTRACT

Mental Health Cooperative (MHC), a nonprofit cooperative, was faced with the challenge of revitalizing its mission in a growing web of complex mental health service providers in Eastern, Canada. When it started operations in 2005, MHC's initial focus was to help people navigate the complex mental health system to identify supports and resources. More recently with technology and an extensive array of information available on the Internet, people were looking for their own support and resources. At the same time, the increasing demand for mental health services, and long wait times provided an opportunity for MHC to revitalize its mission and unique value proposition. The executive director believed that the peer support provided by MHC offers unique value for people with mental illness, but they needed to find a strategic solution to take advantage of this uniqueness and navigate the need for additional sources of funding.

Keywords: *Accessibility, bylaws, change management, stakeholders, strategic planning*

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Note: This case is fictional.

Introduction

It was the morning of September 19, 2019. Sarah Wickhouse, executive director of Mental Health Cooperative (MHC) was at her desk thinking about the previous night's board meeting, the first since June. In her report, she had presented the news that for the second year in a row it was necessary to dip into the reserve account to pay rent and salaries. While not unexpected given recent difficulties attracting core funding, it was not welcome news. Everyone at the meeting shared the conviction that this nonprofit cooperative organization had a lot to offer those facing mental health challenges, especially regarding providing peer-based nonclinical services.[1] However, despite their commitment and enthusiasm, the board members agreed with Sarah that something had to change to ensure that MHC would be sustainable in the long run. At the current rate of withdrawal, the reserves would be completely depleted by the end of 2020 (see Financial Information in Exhibits 1, 2, 3, and 4).

Over the next hour, the group brainstormed about possible root causes of their troubles and developed a list that included: the impacts of a major expansion of the geographic scope for their service delivery in order to qualify for their usual provincial funding; their grant dependency; limited opportunities to secure grants; the increasingly crowded field of mental health and wellness organizations; the need for more staff; concerns about inadequate salaries, benefits, and job security; and marketing and technology gaps. Perhaps most fundamental was the question of relevancy. Was the MHC still relevant, still needed? If so, how could MHC best demonstrate that relevance to two main audiences: those who could benefit from the services and opportunities MHC offered, and those who could help provide funding (short and long term)?

While recognizing that the financial issues were significant, the board felt that in the long run achieving a stronger financial position required addressing a range of other issues as well. Further, given their mandate as a board for a nonprofit cooperative, they felt that forging a future for MHC required the engagement of members, staff, and other stakeholders. Sarah was directed to investigate options for moving forward, likely including some sort of strategic planning process. They wanted to hear her recommendations by the October board meeting.

MHC Background and Context

Based in a medium-sized city in one of Canada's eastern provinces, MHC was incorporated as a nonprofit member-driven cooperative and commenced operations in 2005. The founders, who themselves had lived experience of mental health issues, knew that limited incomes and lack of access to funding could be a barrier for those who might want to take out a membership and benefit from the services of the co-op. To make sure that anyone could have access, they specified that the one share required for membership would cost only $5.00. Further, they decided to offer services only to members, and always at no cost.

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[1]Nonclinical services are therapeutic, but relate to providing resource information, education, screening, and support until appropriate referrals can be made to primary care or formalized health care services. https://alberta.cmha.ca/wp-content/uploads/2017/09/Attachment-Clinical-v.-Nonclinical-Overview.pdf. Nonclinical services can also continue once the individual enters the clinical care system.

The idea of incorporating as a nonprofit cooperative was attractive to the founders because they perceived an alignment between their values and those of cooperatives, and because they did not intend that MHC exist for the purposes of making a profit. The core cooperative values are self-help, self-responsibility, democracy, equality, equity, and solidarity. The specific ethical values are honesty, openness, social responsibility, and caring for others. The founders also believed that the seven cooperative principles developed by the International Cooperative Alliance could be useful as guides for the organization. These seven principles are voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training, and information; and concern for the community. These principles, together with the cooperative values, would help shape MHC's operational decisions and governance, complementing the commitment to nonprofit and charitable status. (see Exhibit 5, and https://www.ica.coop/en).

MHC's mandate as a cooperative was to serve its member-owners who, in turn, had a say in how the organization operated. Among other benefits, each member was entitled to one vote at any general and/or annual meeting as well as being eligible to run for election to the board of directors. MHC was also registered as a charitable organization and was able to issue tax receipts for donations. Identifying a gap in the existing mental health and wellness sector, MHC embraced a non-clinical approach.[2] Its commitment was to the healing power of first voice and lived experience, peer support, and self-advocacy. It honoured that commitment by bringing people into the organization as peers who could take part as members, availing themselves of the services of the co-op, and becoming as involved in co-op activities and events as they chose. For example, if they wished, they could make suggestions for new workshops or other activities, help with programs, develop skills in offering peer support, and even work with staff to help lead workshops.

Fourteen years after its founding, MHC was proud to be the only peer-led, peer-driven, mental health service provider in the province. A significant value proposition was the peer expertise it brought not only to the individuals they served but to the mental health system and process. The peer support approach provided unique value for people with mental illness. Furthermore, MHC filled a gap in service in situations where people had been referred to a clinician but faced a waiting period before they were able to secure an appointment. MHC could help by providing information and peer support during this time. Some members even chose to continue using the cooperative's services during and after their treatments with clinicians.

By the fall of 2019, MHC had over 300 members and had identified five key priorities: 1) advocating for better access to mental health services in general; 2) better public education about mental illness; 3) reduction of stigma toward mental illness; 4) provision of peer support, wellness workshops, and advocacy for consumers and their families; and 5) more participation of those with lived experience in the design, development, delivery, and evaluation of mental health services.

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[2] In this the founders were ahead of their time. According to Peer Support Canada, it was not until 2010 that the Mental Health Commission of Canada and its Workforce Advisory Committee (WAC) identified an opportunity to transform the mental health system in Canada through the integration and promotion of peer support.

The five priorities were addressed via services in three major categories:

1. Navigator Services

Navigation was a service that helped guide persons living with mental health challenges or illnesses (and their families) through the health system, and connected them with support services in the community (Detailed in Exhibit 6).

2. Wellness and Recovery

Healthy Minds offered a variety of workshops and opportunities for peer support that focused on recovery, health, and well-being. These workshops were offered both in-house and in the community, and were tailored to the needs of the people that MHC was serving (Detailed in Exhibit 6).

3. Citizen Engagement

Individuals who had personal experience with mental health issues and/or addictions could participate on quality committees for mental health and addictions for the provincial health authority[3] through the Citizen Engagement program. Participants were given an opportunity to share first-hand their experiences with other committee members. These exchanges proved to be so beneficial that ensuring such participation in the design of services and policy for people with mental health illnesses became part of official accreditation processes.

MHC's work in these areas was accomplished by a team of employees and board members, with the help of some regular members as well. In 2019 MHC's four dedicated and highly qualified employees were responsible for the operations of the co-op: an Executive Director, a Wellness and Recovery Educator, a Navigator, and a Creative Media Coordinator. The latter was a recent addition to the team. All employees had experience in nonprofit associations, but most were not experienced with cooperatives.

The seven directors serving on the board of directors were all, as required, members of the co-op who volunteered their time.[4] The board chair was a safety coordinator from an energy company, and the remaining directors were comprised of three career practitioners from a cooperative that helps individuals secure employment, a Director of Corporate Services from a federal granting agency, a member who was currently not in the paid workforce, and one who was self-employed.

Despite a strong track record of meeting its commitments to members and the province and a solid reputation within the sector, all was not well with MHC. Sarah's report to the September board meeting was a wake-up call—the cooperative's future was not secure, and MHC had to find a way to become financially viable before the reserves were completely depleted. Not only was MHC facing a significant annual funding short-

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[3]HMC is mandated with the responsibility to recommend individuals to serve on the provincial health authority's various mental health committees.

[4]In addition to being a co-op member, candidates had to be residents of Nova Scotia, as well as one or more of: mental health consumer, family member of mental health consumers, mental health service provider, or a person who has a demonstrated interest in mental health.

fall, but upon reflection, the directors easily identified a string of additional issues. The environment in which MHC functioned was changing, and these changes came with some negative impacts while potentially offering opportunities as well.

As she began thinking ahead to the October board meeting, Sarah went over issues the board had identified in September.

- The field of mental health and wellness organizations was becoming increasingly crowded. Although stigma remained a problem, awareness of mental health had increased since 2005, as had the concern to address mental health needs (see Exhibit 7). A number of new nongovernment organizations had emerged in the province, including a provincial chapter of the Canadian Mental Health Association (CMHA), a self-help and wellness recovery charitable association, and several facilities focusing on youth and their mental health. The provincial health authority has facilities offering mental health assistance as well. While MHC had a good understanding of these changes, intentional and transparent internal dialogue about where the organization fits in this growing field had become urgent.
- While the increased awareness and number of actors in the field of mental health was a positive step forward, there remained a problem—the overall funding available had not increased proportionately. While MHC did not wish to frame their relationships as competitive, and indeed had a number of active partnerships with other organizations, it was nevertheless important to explore and articulate the relevancy of the cooperative's work—both for those who could benefit from the services and opportunities MHC offered and for those who could help provide funding (short and long term).
- The province had served notice that MHC would soon be required to increase its geographic scope to include the entire province. That shift would require many adaptations associated with an increase in scale including, of course, the requirement for more income in order to meet an increased budget. Unfortunately, the government would not increase its funding to match the increased scope.
- Technologies not imagined by the founders were now available, and the recently hired creative media coordinator was emphasizing the need to exploit the emerging digital technologies for effective navigation assistance, internal and external communication, education, marketing and promotion, and so on. MHC had to make significant changes both to better use their existing platforms (website, a range of social media such as Facebook, Twitter, and Instagram) and to adopt emerging platforms for delivering services at a distance.
- Various reports about the Canadian nonprofit sector over the years had laid bare problems related to inadequate salaries, benefits, and job security, which must be addressed.
- Granting organizations were reluctant to cover administration costs and instead emphasized project funding for new initiatives for limited time periods. MHC had to decide how best to address this reality.
- As a nonclinical organization, MHC did not fit the pharmaceutical funding opportunities.

Looking at her list, Sarah recalled that the board had asked her to report on the feasibility of engaging in a strategic planning process. She fully supported that idea and decided to get some staff feedback on it before the October Board meeting. Strategic planning, perhaps in a retreat-style format, would be a valuable step toward reviewing existing priorities and envisioning future directions in light of the issues the board had identified. Strategic planning could help engage the various stakeholders and make sure that everyone was on board with the final plan.

Sarah also decided to consult prior to the October meeting with two university professors who she knew could facilitate strategic planning processes and might be able to do so at no charge. Although both professors advocated wide consultation and engagement in strategic planning processes, she had heard that they took different approaches to strategic planning, one of which might be suitable for MHC. The approaches, as described in Exhibit 8, were appreciative inquiry (Watkins & Mohr, 2001) and strategic change cycle (Bryson, 2018). She would talk to each of them and prepare an overview summary of her findings for the October board meeting.

In the interim, Sarah decided to see what she could do to identify some short-term initiatives that could address the immediate financial needs of the co-op. She would also prepare a detailed overview of current operations, to provide a financial baseline for deliberations about longer-term initiatives. Tired but excited, Sarah reminded herself that over the years, MHC had demonstrated a capacity to be innovative, forward-thinking, proactive, and nimble. These characteristics would undoubtedly prove extremely valuable over the coming months.

While MHC had been reasonably successful in periodically obtaining one-time government grants for specific new projects, Sarah realized that to be sustainable in the long term, they needed to have a more stable annual core as well as project funding. She hired an MBA student who generated several ideas (including estimated revenues and expenses) regarding potential fundraising opportunities (Exhibit 9).

1. Create or formalize a sponsor package for each program offered
2. Hold public workshops on mental wellness that workplaces would pay for employees to attend
3. Host mental wellness retreats for the public
4. Create a signature fundraiser (Sarah knew from previous experience that an annual dinner was not feasible due to competition from other NFP dinners and a lack of staff to work on such fundraising activities)

Given its financial position, MHC did not have sufficient funds to hire additional staff to meet its expanded scope. Therefore, as an alternative to in-person sessions, the MBA student had developed estimates of the one-time and ongoing costs associated with offering workshops on a virtual basis (Exhibits 10 and 11).

In considering MHC's potential future role in the mental health field, Sarah was convinced that MHC already addressed gaps identified by the board of directors. She and the staff had also identified an additional unmet need, related to Employment Assistance Programs. Although many large employers offer Employee Assistance Programs

(EAP) as part of their employees' benefits package, employees were often reluctant to use them due to concern for confidentiality. So, along with small to medium-sized companies with no EAP, this area represented a significant gap in mental health support that MHC could fill.

Sarah and the chair of the board had also recently begun considering MHC's value proposition as a cooperative. For example, the members elected the board of the co-op and had opportunities for engagement that they might not have had in typical nonprofit organizations. Further, MHC really had not fully engaged with the cooperative community. It could be helpful to build links with the cooperative sector in the province and identify opportunities for cooperation among cooperatives (which is one of the seven co-op principles) and secure donations and funding. Sarah decided to suggest to the board that MHC respond to a recent call for proposals from the province's cooperative council. The winning proposal would receive a grant, which could be put toward the technological upgrades necessary for the virtual delivery of some of their services.

The board met in October, Sarah presented her reports and ideas as requested, and the board deliberated. A motion to go ahead with strategic planning was passed. However, the board decided to seek further input in relation to five questions prior to engaging a facilitator and moving forward with a comprehensive and inclusive strategic planning process.

Chronology of Events and Decisions

1. **September Board meeting**

- Executive Director (ED) raised awareness of financial issues.
- Board brainstormed an initial list of issues to be addressed by the co-op.
- Board asked the ED to prepare a report to help the board make a decision about engaging in a strategic planning process.

2. **During the month following the September board meeting, the ED spent time in preparation for the upcoming October meeting:**

- Contacted two university professors with experience in strategic planning for nonprofits and cooperatives and prepared a report for the board. Confirmed that each was willing to facilitate a strategic planning process at minimal cost.
- Took advantage of a local university's small grant opportunity to hire an MBA student tasked with researching fund-raising possibilities that could ease the co-op's financial concerns in the short term.
- Prepared a recommendation that MHC develop a proposal for submission to the provincial Cooperative Association's competition.

3. **October Board Meeting**

- Board made final decision to go ahead with strategic planning after hearing the ED's summary of what she found out from the two professors.
- The board members decided to ask the MBA student to provide a report recommending which strategic planning approach was best suited to MHC's identity and mission.

Discussion Questions

1. Summarize the strengths and weaknesses of each of the two approaches to strategic planning proposed by the consultants (Appreciative Inquiry and Strategic Change Cycle, Exhibit 1.8). At this time in their history, which would you recommend to the board as being best suited to MHC, a nonprofit cooperative, and why?

2. MHC is concerned about where it fits within mental health and wellness organizations in the province. What unique spaces does MHC occupy; what role(s) can it play within this crowded field?

3. Mental health and wellness care have increasingly moved online, even before the COVID-19 pandemic that began in 2020 accelerated the changes and familiarized people with a range of technologies and their use. How can MHC best take advantage of this "digital age" while remaining true to its mission, vision, and values?

4. MHC's founders chose to structure their organization as a nonprofit cooperative with charitable status. In what ways could the blend of characteristics associated with this type of organization be harnessed to the cooperative's advantage as it moves forward with renewed vigor and determination?

5. What combination of approaches will:
   a) give MHC revenue that will cover short-term needs (e.g., current budget shortfalls and necessary capital expenses); AND
   b) provide a sustainable revenue stream for the longer term (core funding, meeting the expanded mandate, developing innovative new projects)?

Key Evidence

Exhibit 1

Financial and Operational Information

Description	Cost ($CAD)
Honorarium (when using non-staff members to facilitate meetings)	$75.00
Refreshments (when sessions are held in-house)	40.00
Sessions held in other locations	150.00

2018 Service Statistics

Description	Number
Number of clients assisted	880
Number of workshops held locally	24
Number of workshops held in other regions	4

Exhibit 2

Statement of Operations and Changes in Net Assets

		2018	2017
Revenue			
Government		$ 178,317	$ 207,128
Other - donation, etc.		27,407	27,354
Total revenue		205,724	234,482
Expenditures			
Salaries		163,991	145,761
Rent		48,253	51,487
Meeting, education and workshops		17,012	5,220
Professional fees (audit, etc.)		10,271	9,553
Amortization		6,544	15,008
Insurance		4,762	3,652
Other Operationg Expenses		28,233	14,995
Total Expenditures		276,066	245,676
Deficiency of revenues over expenditures		-70,342	-11,194
Loss on desposal and donation of equipment		-17,121	-253
Total deficiency of revenues over expenditures		-87,463	-11,447
Unrestricted net assets, beginning of year		249,794	261,241
Total deficiency of revenues over expenditures		-87,463	-11,447
Unrestricted net assets, end of year		$ 162,331	$ 249,794

Note: all funds are stated in CAD $

Exhibit 3

Statement of Financial Position

		2018		2017
Assets				
Current				
Cash and cash equivalents		$ 103,979	$	193,798
Receivables		41,172		30,624
Prepaid expenses		8,152		15,998
		153,303		240,420
Equipment		26,379		46,261
		$ 179,682	$	286,681
Liabilities				
Current				
Payables and accruals		$ 15,656	$	11,781
Deferred capital grants		-		23,411
		15,656		35,192
Net assets				
Mamber shares		1,695		1,695
Unrestricted net assets		162,331		249,794
		164,026		251,489
		$ 179,682	$	286,681

Exhibit 4

Schedule of Government Funding

Funding Source	2018	2017
Department of Health Grant	$178,317	$207,128

Note: All funds are state in CAD $

Exhibit 5

Comparing the Cooperative Model with Share Capital Corporations and Nonprofit Associations

Innovation, Science and Economic Development Canada presents the following table comparing the cooperative model with share capital corporations and nonprofit corporations (associations). http://www.ic.gc.ca/eic/site/693.nsf/eng/h_00073.html

How is a cooperative different from other business forms?		
Cooperative Corporations	**Share Capital Corporations**	**Not-for-Profit Corporations**
Ownership		
Cooperatives may issue shares in the member's name.	Shares must be issued in the name of the person who is registering the share.	Nonprofits do not issue shares.
In general, a membership share may not increase in value. It can usually only be redeemed by the coop at its par value. Some legislation allows for investment shares (non-par value) to members and/or non-members.	A common share may increase in value. A shareholder may sell his or her shares to another person at an agreed-upon price.	Generally, anyone can be a member on payment of a fee and in accordance with the requirements of the articles and by-laws.
A member's ownership is limited to the amount of the membership shares he or she holds.	A shareholder's ownership is limited to the value of the shares he or she holds.	Members do not have ownership in the not-for-profit organization.
Directors		
A cooperative must have at least three directors or any greater minimum number that is set out in the articles.	A corporation shall have one or more directors. Corporations that report to a securities commission shall have no fewer than three directors, at least two of whom are not officers or employees of the corporation or its affiliates.	A not-for-profit corporation shall have one or more directors, but a soliciting corporation shall not have fewer than three directors, at least two of whom are not officers or employees of the corporation or its affiliates.
Directors are elected by members. The articles of the cooperative may permit investment shareholders to elect directors by reason of a condition that has been fulfilled, or a fixed number or a percentage of the directors.	Directors are elected by shareholders as prescribed by the type of share that they hold.	Directors are elected by members.

Exhibit 5 (cont.)

Comparing the Cooperative Model with Share Capital Corporations and Nonprofit Associations

Directors in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the cooperative's best interests and exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.	Every director in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the corporation's best interests and exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.	Directors in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the corporation's best interests and exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.
Voting		
A member is entitled to only one vote at a general meeting, regardless of the number of shares he or she holds.	A shareholder is entitled to the number of votes based on the type of share they hold in the company.	Generally, a member is entitled to one vote.
Some cooperatives with a large and dispersed membership have a delegate structure for representing members (e.g., one delegate represents multiple members from a geographic district).	The legislation does not permit delegates.	The legislation does not permit delegates.
No proxy voting is allowed.	A shareholder may be permitted to vote by proxy for other shareholders.	Absentee voting for example, through proxy, is permitted.
Holders of investment shares have restricted voting rights.	Shareholders have voting rights in accordance with the terms of the shares they hold.	Members have the right to vote at any meeting of the members.
Sharing in the Surplus		
Cooperative legislation may limit or prohibit the payment of interest on share capital.	There is no limit on share dividend.	Not-for-profit corporations cannot issue dividends or payments of capital to members.
Surpluses may be paid into the reserve and/or to members in the form of patronage returns proportional to the business done by each member with the co-operative. Dividends on any membership share are limited to the maximum percentage fixed in the articles.	Profits may be distributed in the form of dividends according to the provisions for each class of shares or reinvested in the company. The value of shares reflects the net value of the corporation.	Surpluses do not belong to individual members but to the organization. They may, therefore, not be redistributed among the members but must be returned in full to the indivisible general reserve of the organization.
Some cooperatives, such as housing, health and day care cooperatives are structured as nonprofit entities. Surpluses are not distributed to members.	N/A	N/A
Some provincial legislation may stipulate that a cooperative's general reserve is indivisible, or divisible in whole or in part.	Shareholders may dispose of all of the assets of the business in accordance with certain legislative provisions.	Legislation and the articles of incorporation may specify how assets are to be disposed upon dissolution.

Exhibit 6

MHC Service Description

Navigator Services

The Navigator can answer questions and concerns about:
- Services in the community
- Support groups
- Programs and workshops
- Referral services
- Self-advocacy
- Web-based resources

Wellness and Recovery

Some of the most popular workshops that MHC offered included:
- Member-facilitated workshops
  Humans Making Change was a series of wellness workshops designed and co-facilitated by MHC members who were in the process of being mentored in workshop facilitation. Some were based on a series of TED Talks, others on various other health and wellness-related topics.

- Finding Your Voice
  Finding Your Voice was a seven-week program that provides a safe and supportive environment where participants could work on creating and sharing their recovery stories with the intention of building confidence to allow them to share their stories with family, friends, caregivers, or even a wider audience if they so desired.

- Exploring Beliefs
  Exploring Beliefs that Promote Recovery was one of a series of workshops based on recovery dialogues. The MHC team realized that any definition of recovery creates a box into which some people's experiences fit, and others do not. These workshops were a chance for people to talk about their own, very real experiences in the company of their peers.

- Conscious Aging (50+)
  Conscious Aging—Cultivate Wisdom, Connect with Others, Celebrate Life (50+) was an eight-session workshop designed to transform aging expectations. The latter part of life offers an excellent opportunity for spiritual, emotional, and psychological growth—a time to celebrate the journey, harvest the wisdom of your experiences and share with like-minded others.

  Specific Wellness and Recovery programs and workshops were added or changed as needs were identified.

Exhibit 7

About Mental Health in Canada[5]

The Canadian Mental Health Association (CMHA) emphasized that mental illness indirectly affects every individual at some time through a family member, friend, or colleague.[6] Each year, approximately 20% of Canadians will personally experience a mental health difficulty or illness. Mental illness can be experienced by anyone regardless of age, education, income, or culture, and at some point, in their lives, about 8% of adult Canadians will experience major depression, while 1% will experience bipolar disorder (or "manic depression").

A complex interplay of genetic, biological, personality, and environmental factors affects mental health, and it is not uncommon for illness to go untreated. CMHA reports that 49% of those who feel they have suffered from anxiety or depression have never seen a doctor regarding this problem. A significant barrier is presented by stigma or the discrimination attached to mental illnesses. Individuals may be afraid to seek diagnosis and treatment because of their views of mental illness and/or fear a lack of acceptance within their family, the workplace, or community. However, mental illnesses can be treated effectively.

[5]Retrieved from Canadian Mental Health Association Website. https://cmha.ca/about-cmha/fast-facts-about-mental-illness

[6]Additional information is available at https://cmha.ca and at Peer Support | Mental Health Commission of Canada

Exhibit 8

Two Types of Strategic Planning for Small NFP organizations: Strategic Change Cycle and Appreciative Inquiry

Bryson's Strategic Change Cycle

Bryson's Strategy Change Cycle is rooted in the following 10 steps as illustrated in Bryson's (2018) *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Effectiveness.* This approach is intended to be a framework, not a recipe, so the 10 steps are a reference point for processes that are part of strategic planning. Working through the steps proceeds iteratively, as groups continuously rethink connections among the various elements of the process and learn how to formulate effective strategies. The role of leadership is discussed, especially that focused on ensuring the participatory process is inclusive and effective for all involved.

Ten-Step Effective Strategic Planning Process

1. Initiate and agree on a strategic planning process.
2. Identify organizational mandate.
3. Clarify organizational mission and values.
4. Assess the external and internal environments to identify strengths, weaknesses, opportunities, and threats.
5. Identify the strategic issues facing the organizations.
6. Formulate strategies to manage the issues.
7. Review and adopt the strategies or strategic plan.
8. Establish an effective organizational vision.
9. Develop an effective implementation process.
10. Reassess the strategies and the strategic planning process.

Appreciative Inquiry Framework and Theory

This framework offers a 5-step social appreciation model to engage groups of people in self-determined change. It focuses on what's working, rather than what's not working, and leads people toward co-designing their future. The five steps examine a discovery process leading to a visionary process called "dream," followed by the applied process of designing a co-produced mission and goals for the future. The application in cooperatives and nonprofit settings is well aligned with the sub-elements of self-organizing social systems' properties (Owen, 2008), facilitating cultural change with diverse members who engage in a process to inquire what is best for the stakeholders. This dramatically increases the chance of a new culture that will be better than the old one and creates a shared vision of where the system's members want to go (Osula, 2014).

Five-Step Appreciative Inquiry Process (Watkins & Mohr, 2001)

1. DEFINE what is our desired outcome?
2. DISCOVERY what are our strengths?
3. DREAM what would work well in the future?
4. DESIGN what action do we need to take to make it happen?
5. DEPLOY we're taking that action.

Exhibit 9

Fundraising Alternatives

Exhibit 1 Fundraising Alternatives									
1. Sponsorship Packages			Year 1			Year 2			Year 3
	Number	Amount	Total	Number	Amount	Total	Number	Amount	Total
Gold Level Sponsorship	1	25,000	25,000	2	25,000	50,000	3	25,000	75,000
Silver Level Sponsorship	1	15,000	15,000	2	15,000	30,000	3	15,000	45,000
Bronze Level Sponsorship	2	5,000	10,000	3	5,000	15,000	4	5,000	20,000
Total Sponsorship Revenue			**$ 50,000**			**$ 95,000**			**$ 140,000**
Assumptions:									
No additional costs incurred because these are									
existing workshops									
2. Mental Health Workshops									
Employer funded workshops	2	2,500	$ 5,000	4	2,500	$ 10,000	6	2,500	15,000
Costs: facilitators (2 X $100 = $200) per workshop	2	200	$ 400	4	200	$ 800	6	200	1,200
Net Workshop Revenue			**$ 4,600**			**$ 9,200**			**13,800**
Assumptions:									
New workshops									
50% conducted in person									
50% conducted virtually									
Room rental not required; held at employers site									
3. Wellness Retreats									
Amount charged per person is $200	10	200	2,000	20	200	4,000	40	200	8,000
Costs: coffee and lunch	10	40	400	20	40	800	40	40	1,600
Room rental			500			500			500
Net Revenue from Retreats			**$ 1,100**			**$ 2,700**			**$ 5,900**
4. Fundraiser - maid service for a year									
Sale of tickets at $50 per ticket	400	50	20,000	800	50	40,000	1600	50	80,000
Costs: 3 hours at $30 per hour x 52 weeks			4,680			4,680			4,680
Net Revenue from fundraiser			**$ 15,320**			**$ 35,320**			**$ 75,320**

Exhibit 10

Fundraising Estimates for a Three-Year Period

The following potential fundraising initiatives were proposed by the MBA student:

1. Create or formalize a sponsor package for each program offered (i.e., contact businesses to sponsor a workshop series and offer them a package for their corporate social responsibility efforts in return such as a photo, testimonials, some social media acknowledgment, a video from the facilitator that they can share with their board and on their social media, etc.)
2. Hold public workshops on mental wellness that workplaces would pay for employees to attend (e.g., developing a workplace that supports mental wellness; how to establish a mental health program in your workplace).
3. Host mental wellness retreats for the public (1 day or ½ day sessions including mindfulness activities, relaxation techniques, etc.)
4. Create a signature fundraiser that has a low start-up but something to catch attention (e.g., tickets to an upcoming show, maid services for a year; strike a deal with the provider)

Detailed revenues and expenses for each initiative are identified in the following table:

Description	Number	Revenue	Expense
Sponsorship Packages	1 – 3 Sponsors	$5,000 - $25,000 each sponsor	No additional expenses
Mental Health Workshops	2 – 6 Workshops	$2,500 per workshop	$200 facilitation per workshop
Wellness Retreat	10 – 40 Participants	$200 per participant	$40 per participant $500 room rental
Fundraiser – maid service	400 – 1600 Tickets	$50 per ticket	$4,680 annual payment for maid service

Exhibit 11

Equipment and Software Costs for Virtual Sessions

Description	Amount
Zoom – annual subscription	$ 300
2 high quality cameras (2 x $1,200)	2,400
Editing software	200
2 tripods (2 x 50)	100
2 high quality light rings (2 x $200)	400
2 easel whiteboards (2 x $200)	400
Staff training and legal consultation re privacy statement for participants	1,200
Total	**$5,000**