



Activity Assessment Model





Strategic plans, like all other plans, are based on working assumptions about what the future will be like. The organization, thinking of the future as a kind of canvas, chooses what to paint on it.

BELL ET AL: 168

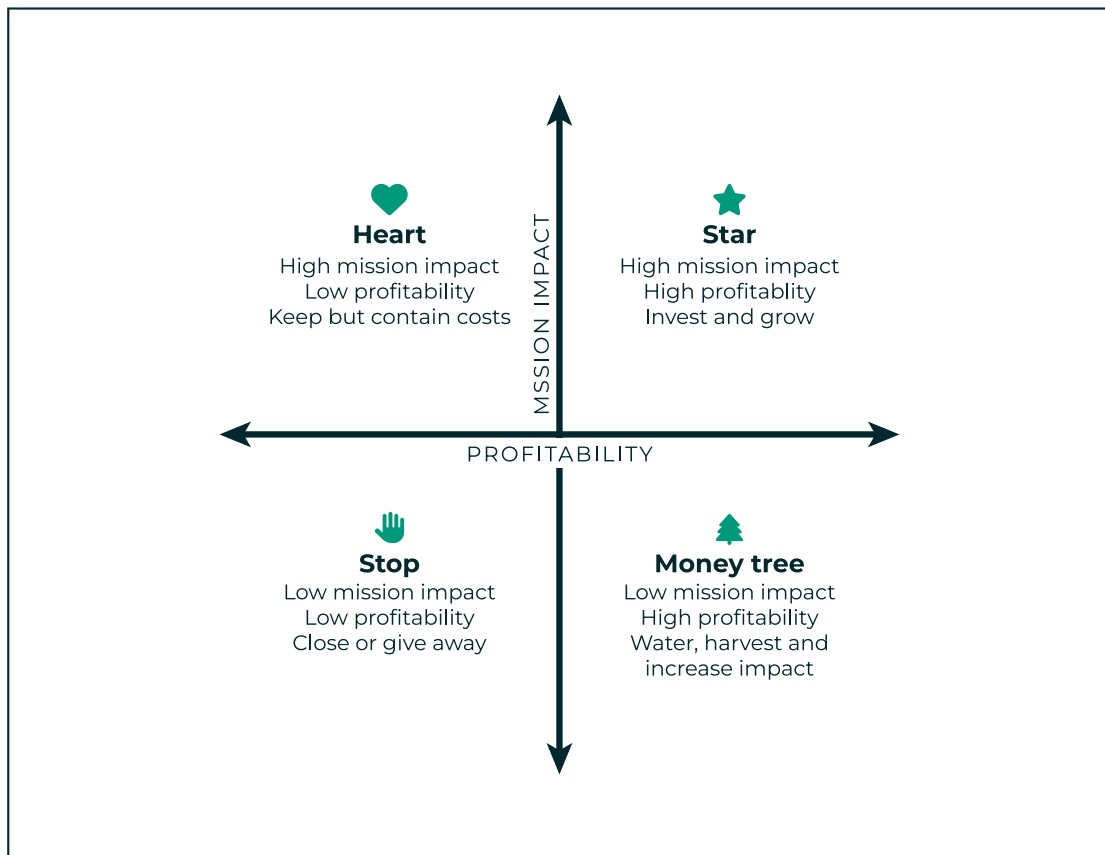
What's it all about?

This tool provides an approach to ensuring that your creative vision and financial goals are fully integrated so that their relative strengths are understood. The Matrix Map (Bell, Masaoka and Zimmerman, 2010) helps you to look at your whole portfolio – all the things you do - from the basis of contribution to your mission and financial impact. Initially created for non-profit organisations, the model could also be useful if you are running a commercial business that also has social goals and /or is driven by artistic aspirations and products.

What's it for?

This tool helps you look at your portfolio of activities – programming, products, services, and so on – to determine the financial contribution each activity makes. The purpose of the analysis is to determine where best to invest resources in future and how you might want to manage specific aspects of your activity portfolio, for example, in the language of the Matrix Map (Figure 1), how you might move hearts to stars. This approach is based on recognising the 'dual bottom' line that many creative and cultural organisations have to operate by, being mission driven and having to generate a financial return.

Figure 2. The four quadrants of the Matrix Map (Model reproduced with permission of John Wiley and Son Inc)



Using the tool

What this tool encourages you to do is to assess how well all your business activities are contributing to your mission and your finances. For this approach, you need to take the following steps:

1. List all your areas of activity, however minor, everything that your business offers
2. Consider each area of activity and rate it from 1 to 4 in terms of impact on your mission (not much impact, some, very strong, exceptional). You can also develop a more robust evaluation scheme based on the following criteria (see the template below):
 - a. Alignment with core mission
 - b. Excellence in delivery
 - c. Scale or volume
 - d. Depth

- e. Filling an important gap
 - f. Community building
 - g. Leverage
3. Complete the scoring and rank your activities in order of their impact
 4. Now consider each area in terms of the financial contribution it makes. To do this, you will need to calculate direct costs plus a reasonable share of administrative costs and deduct that figure from income generated by that , in other words: *Income generated - direct cost of activity + apportioned administrative costs = total activity contribution (or cost)*
 5. Now map the activity onto the matrix. You can use a series of circles of different sizes to denote their relative impact and profitability
 6. Determine your actions in relation to the portfolio:
 - a. Money tree – invest some resources and monitor (money trees can easily move into the stop area but the belief remains that it is still a money tree if it has not been carefully monitored)
 - b. Stars – invest as heavily as possible
 - c. Heart – monitor carefully and consider other funding possibilities. The most effective way of changing a heart to a star is often to put someone else in charge of it
 - d. Stop – this area is not contributing on either level and you should seriously consider why it is

An example of a small arts centre’s quick analysis is shown in the following table:

Activity	Impact	Profit	Effort	Type	Action
Early years dance class	High	Low	Medium	Heart	Keep but contain costs
Film festival	Medium	Medium but growing	High	Star	Grow and increase impact

Activity	Impact	Profit	Effort	Type	Action
Cafe	Low	Low	High	Stop	Stop or outsource
Antique Fairs	Low	High	High	Money tree	Grow and increase impact

What's Next?

Identify one or two of your recent 'pet' projects or activities; where would they be positioned on the Matrix Map? What does that tell you about how you decide on which projects to do? Will you make different decisions in future? Is your map as you expected? Have you honestly analysed where activities are positioned?

Quick tips

- Use in combination with other assessment tools to determine if your business is spreading itself too thinly
- Use the tool to help you decide whether to introduce new products or services
- This tool can also be a useful mechanism for testing and/or updating your mission

References

Bell, J., Masaoka, J., & Zimmerman, S. (2010). Nonprofit Sustainability: Making Strategic Decisions for Sustainability. San Francisco: Jossey Bass

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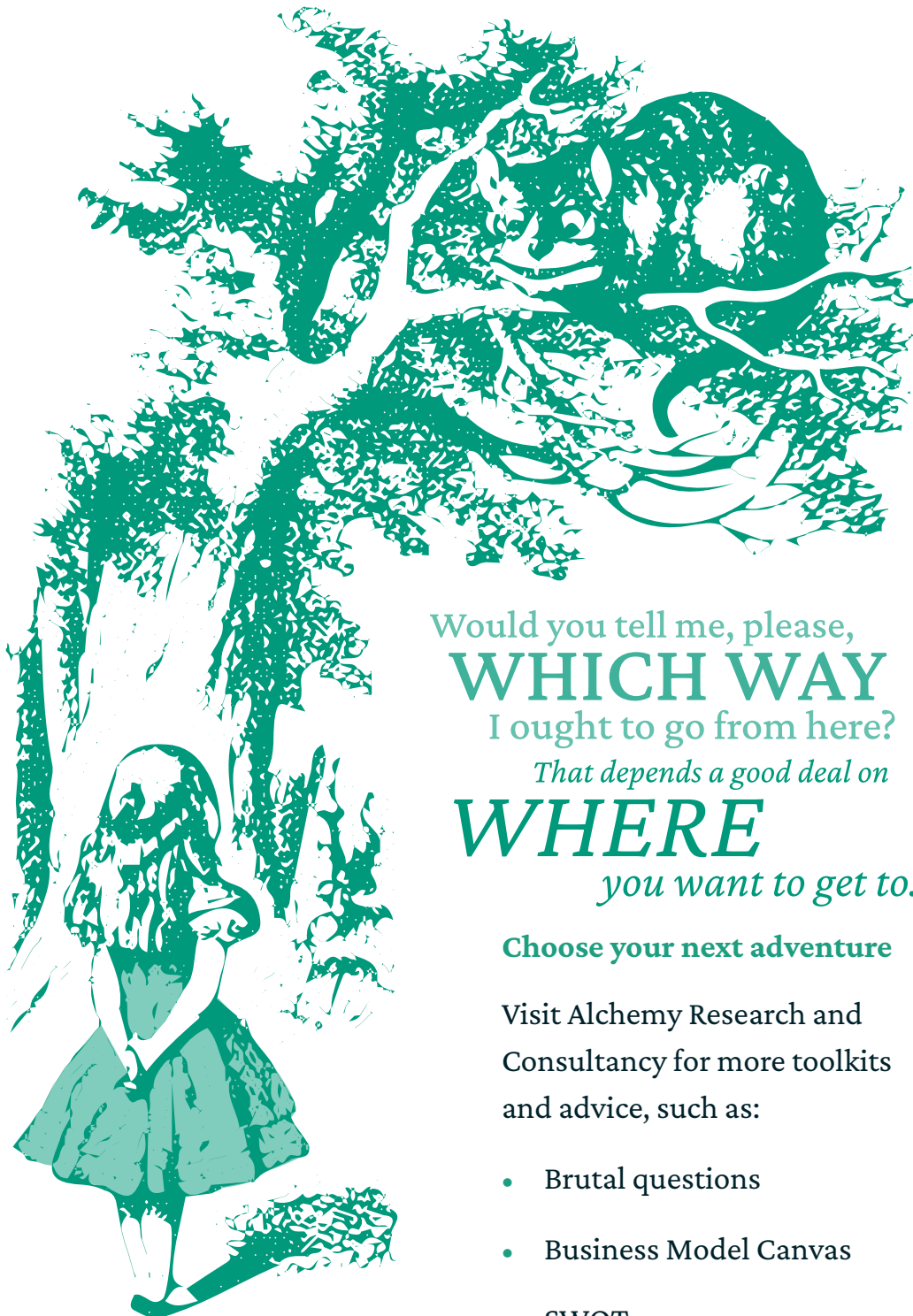
Impact scoring template

	Alignment with core purpose/mission	Excellence	Scale or volume	Depth	Filling an important gap	Community building	Leverage
Activity 1							
Activity 2							
Activity 3							
Activity 4 etc...							

Feel free to amend the criteria against which you are judging activity impact to ensure they are appropriate for your business.



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