Field Project
Somali Family Services

Business Plan

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HAMLINE UNIVERSITY
Agenda

- Executive Summary
- Somali Family Services
- Corporate Governance
- Somalia Country and Culture
- Non-Profit Environment
- SWOT
- Marketing Strategy
- Institutional Management Capabilities
  - Technology
  - Financial
  - Human Resource
- Conclusion
- Questions
Executive Summary

Somali Family Services
A U.S. 501c-3 Non-Profit &
A Somali Capacity Enhancement entity,
Located in Garowe, Puntland

Developed a 3-Year Business Plan
Primarily focused on Non-Profit’s
Marketing & Development Activities
and
strengthening Institutional Management Capabilities
• Technology
• Financial Management
• Human Resource Management
Somali Family Services

Somali Family Services founded in 2003
by Mr. Abdurashid Ali

Services:
1) capacity building and development,
2) peace and conflict management,
3) promotion of socio/cultural awareness,
4) research, literacy, skills and vocational training
and
5) project monitoring and evaluation.
Somali Family Services

Program Sponsors:
- National Endowment for Democracy (NED)
- United Nations Population Fund (UNFPA)
- United Nations Development Program (UNDP)
- Diakonia-Sweden

Book Sponsors:
- Counterpart International
- Books for Africa
Somali Family Services

Vision

Somali Family Services’ VISION is to promote positive community development to ensure the peaceful co-existence and acceptance in a global community that is both responsible and productive.

Mission

Somali Family Services’ mission is to promote and support Somali families and individuals through access to resources and opportunities. They aim to promote greater community awareness and to advocate for the Somali community. The Organization strives to serve as a strong, reliable link to Somalia for individuals in the Diaspora. Somali Family Services actively supports the interaction and exchange of knowledge, ideas and resources across culture.
Somali Family Services

Core Values

**Integrity**: Unwavering commitment in promoting the dignity of Somali people based on the principles of human rights, social justice, democracy, capacity building and development, and sustainable livelihoods.

**Innovation**: Encouraging the exploration of new ideas and developing workable approaches to benefit Somali communities.

**Effectiveness & Responsiveness**: Using resources in a considered, appropriate and transparent manner for maximum and timely benefit.

**Inclusiveness**: Embracing impartiality and diversity; standing in solidarity with partners, local and Diaspora Somali communities and acting to improve lives.

**Engagement & Empowerment**: Uniting with national and international communities to build an equitable and sustainable future.
Corporate Governance

- Somali Family Services Board of Directors (U.S.-based)
- Somalia Community Council (Somalia-based)
- Executive Director
- Somali Family Services Advisory Board (U.S.-based)
Corporate Governance

Board of Directors
Molly McCoy, Chair
Outreach Coordinator, University of Minnesota

Ali Warsame, Co-chair
Director of East African Economic Development

Lena Jones, Secretary
Faculty, Dept. of Political Science, Minneapolis Community & Technical College

Carol Kratzer, Treasurer
Operations Manager, Ameriprise Financial

Thomas O'Connell
Professor of Political Science, Metropolitan State University

Jamal Elmi
Advantage Program Assistant, CommonBand Communities

Maslah Jama
Financial Analyst, Best Buy

Michal Moskow, Ph.D.
Director of Online Learning, Metropolitan State University
Map of Somalia
Country and Culture

Some Basic Factors:

- Location: Eastern Africa, longest coastline in Africa.
- Capital: Mogadishu
- Monetary unit: Somali Shilling
- Religion: Sunni Muslim
- Economy: large population in poverty and high unemployment rate.
- Politics: one central government and several regional autonomous governments with no democratic political format.
- Recent history: civil war 1991
- Other issues: some terrorism activities and upsurge of piracy.
- Somali traditional culture also respects many good values (such as honesty and diligent work), like many other cultures.
Country and Culture

U.S. Somalis

- Immigrated to the United States related to Somali civil war.
- Keep their traditional culture.
- Due to difference in culture, language, education, etc., have some gap between local culture and show low level political involvement.
- Relatively low socio economic status and rare charitable activities.
- Some slight terrorism activities (i.e., money laundering) reported.
Non-Profit Environment

Non-profit organization (NPO) fundamentals:

• Organization that does not distribute its surplus funds to owners or shareholders, but instead uses them to help pursue its goals.

• Each NPO is different, but for the most part their structure is similar, as guided by the standards and requirements set by the government as well as the expectations set by the public.

• Some NPOs are adopting specific management practices from the business world and creating best practices: effective internal management, ensuring accountability for results, and monitoring the performance of different divisions.

• NPOs may be controlled by board members, steering committee members, or trustees who owe the organization a fiduciary duty of loyalty and trust.
Non-Profit Environment

Non-profit organizations (NPO) fundamentals:

• In the United States, NPOs are formed by incorporating in the state in which they expect to do business.

• The act of incorporating creates a legal entity enabling the organization to be treated as a corporation under law and to enter into business dealings, form contracts, and own property as any other individual or for-profit corporation may do.
Non-Profit Environment

• The NPOs must be recognized as such by the U.S. government and obtain a 501c-3 status (Somali Family Services case).

  • Makes the NPO tax-exempt.
  • The NPO is allowed to accept sponsorship or donations and provide their sponsors or donors with a tax receipt for those contributions.
  • The NPO is obligated to provide full transparency about their organization (how much money is usually received and spent, how much each staff is paid); this is all public information that anyone may have access to it.
# SWOT

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weakness</th>
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</thead>
<tbody>
<tr>
<td>• Noble cause to serve the community</td>
<td>• Lack of funding/sponsors</td>
</tr>
<tr>
<td>• Successful track record - recent success executing projects for the community</td>
<td>• Lack of strong marketing strategy/support</td>
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<tr>
<td>• Presence in a stronger economy like the U.S.</td>
<td>• Technological challenges</td>
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<tr>
<td>• Elite members on BOD and advisory board/advisory council</td>
<td>• Security concerns in Somalia</td>
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<tr>
<td>• Strong local community cooperation</td>
<td>• Political instability</td>
</tr>
<tr>
<td>• Partners in many parts of the world</td>
<td>• Current state of financial controls/reporting</td>
</tr>
<tr>
<td>• Recognition of the UNDP</td>
<td>• Lack of communication</td>
</tr>
<tr>
<td>• International Program serves many segments of the Somali community</td>
<td>• Lack of Human Resource Management</td>
</tr>
<tr>
<td>• Rapidly growing Somali population/Diaspora in Minnesota/US</td>
<td>• Declining credibility of Somali organizations in the U.S.</td>
</tr>
<tr>
<td></td>
<td>• Key man risk (Executive Director)</td>
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<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Geographical expansion</td>
<td>• Budget constraints for additional projects</td>
</tr>
<tr>
<td>• Target expansion for fund raising</td>
<td>• Socio-political situation in Somalia</td>
</tr>
<tr>
<td>• Expansion of membership options</td>
<td>• Recent events related to the Somali community in the US and growing</td>
</tr>
<tr>
<td>• Increased Communication Methods Facebook</td>
<td>unpopularity</td>
</tr>
<tr>
<td>• Facebook</td>
<td>• Upsurge in piracy</td>
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<tr>
<td>• Twitter</td>
<td></td>
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<tr>
<td>• SFS website</td>
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</table>
Marketing Strategy

Current Sponsors/Designations

- National Endowment for Democracy (NED)
  Democracy
- United Nations Population Fund (UNFPA)
  Human Rights
- United Nations Development Program (UNDP)
  Civil Society Organization
- Diakonia-Sweden
  Democracy & Women’s Rights

Successful implementations – project execution
Example: Puntland Library and Resource Center
Marketing Strategy

Positioning Statement

Helping the global community restore peace through education, community awareness and improving the lives of Somali people.

“For its valued contributors, who support human rights and peace in all parts of world, the sponsorship of Somali Family Services is a step toward helping this cause. The Non-Profit Organization promotes socio/culture awareness and capacity building in Somalia.”
Marketing Strategy

Fundraising

Objectives:
• Raise funds to sustain and help achieve the Organization’s mission and vision and support activities and objectives
• Organize programs that support the Non-Profit’s cause

Recommendations:
• Hire a dedicated Development/Fundraising professional
• Develop a communications plan
• Focus on target market
  o Continue marketing to sponsors
  o Attract new donor groups – Individual and Corporations
  o Maintain sustainable relationships with sponsors/donors
• Attempt to raise Somali Family Services global awareness (brand value)
• Build “trust” into the marketing campaign
Marketing Strategy

Communication

• Four C’s in marketing mix: Consumer, Cost, Convenience, and Communication.
  • Communications is a weakness
    – Website content
    – Consistent message
    – Internal communication

Communication Plan Recommendations:
• Communication must be an integral part of Somali Family Service’ strategy
• Electronic Communications
  • A newsletter to contributors and prospects
Marketing Strategy

Marketing Organization

Establish Specific Measurable Attainable Realistic Timely Goals & Objectives

• Marketing function/professional’s performance should be based on the following:
  • Success rate sustaining existing sponsor relationships and developing new relationships (gathering resources/funds)
  • Improving communications
  • Supporting internal audit
Marketing Strategy

Marketing Organization

• Ultimately, Somali family Services needs two positions:
  • Development/Fundraising Director (2011)
    • Mainly responsible for researching and identifying potential fund sources, and establishing and sustaining relationships.
    • Development/Fundraising Director takes an internal audit role – to ensure strong institutional management capabilities.
  • Communications Director (2012)
    • Manage PR & communications of Somali Family Services.
    • Maintain long-term relationship with potential fund sources.

• Separate as Organization grows.
Room for improvement - technology

Recommendations:

- Website recently revamped but changes recommended.
  - Typos
  - Slowness
  - Formatting enhancements
- Use of social networking for communication purposes
  - Facebook, Twitter, YouTube, etc.
- Use of technology to support Institutional Management Capabilities
  - QuickBooks for Non-Profits
Institutional Mgmt - Financial

Room for improvement - financial management

$200K USD & growing annual budget
1) improve tracking and reporting and 2) improve controls

Recommendations:
• Install QuickBooks for Non-Profits
  • financial reporting
• Compensate accounting positions (1 FT & 1 PT),
  • Finance Director
• Implement review by PT position (control)
• Share financial information (for transparency purposes)
  w/leadership and Board of Directors
SFS Financial Management Reporting Process (Monthly View)

<table>
<thead>
<tr>
<th>Accountant (Somalia)</th>
<th>Accountant (U.S.)</th>
<th>Executive</th>
<th>Board of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>START</td>
<td></td>
<td>Review Invoice</td>
<td></td>
</tr>
<tr>
<td>Input/Process Accounts Payable (QuickBooks)</td>
<td>Has the invoice been approved?</td>
<td>Approve Invoice</td>
<td>Review Quarterly Financial Information</td>
</tr>
<tr>
<td>Yes</td>
<td>Process Accounts Payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Has the invoice been approved?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Send to Executive/ Manager for Approval</td>
<td>Has the invoice been approved?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Input Accounts Receivable/ Other (QuickBooks)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Create Recon Packet</td>
<td>Deliver to U.S. Accountant</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>File Information &amp; Generate Management Reports</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Deliver to Exec Monthly</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deliver to BCD Quarterly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>END</td>
<td></td>
<td>Review Monthly Financial Information</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review Quarterly Financial Information</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Return Packet</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Correct Recon Issues</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Return to Accountant w/notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shadow Somalia Activity (Quickbooks)</td>
<td>Does the recon packet have errors?</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
<td></td>
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Room for improvement – Human Resource Management

Recommendations:

• Implement Human Resource Management System
  • 2 HRMS Tools
  • Indicators (employee handbook, nondiscriminatory hiring practices, roles & responsibilities, job descriptions)
  • Organizational Systems List (organizational chart, strategic plan, marketing plan, communications plan)

• Key-man risk
  • Adds to staff (development, accountant)
  • Promotions (Operations, Finance Director)
**HRM Indicators Checklist**

E = essential; R = recommended; A = additional
to strengthen organizational activities

<table>
<thead>
<tr>
<th>RATING*</th>
<th>INDICATOR</th>
<th>MET</th>
<th>NEEDS WORK</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>Organization has a written personnel handbook/policy that is regularly reviewed and updated a) describing the recruitment, hiring, termination and standard work rules for all staff; b) to maintain compliance with government regulations including Fair Labor Standards Act, Opportunity Act.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>Organization follows a nondiscriminatory hiring practices.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>R</td>
<td>Organization requires employee performance appraisals to be conducted and documented at least annually.</td>
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<tr>
<td>A</td>
<td>The organization has a process for reviewing and responding to ideas, suggestions, comments and perceptions from volunteers.</td>
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</tbody>
</table>
Organizational Systems Checklist

Example

• Place a check mark next to each item below that has been completed and is useful in your organization.

• From among those items that are not checked, mark each top priority item with a "1", bottom priority items with a "3", remaining items to be "2"s.

BOARD OF DIRECTORS

___ Current mission / vision / values statements

___ Board member recruitment system

___ Board member orientation system

PLANNING

___ Current strategic plan

___ Diversity plan (for Board and staff)

___ Marketing plan

___ Fundraising / Development plan
Conclusion

In order for Somali Family Services to deliver on its vision and mission, and execute on its activities and objectives, the Non-Profit Organization must ensure its grass-roots fundraising strategy is performing at an optimal level and it has strong institutional management capabilities (the ability to support business requirements).
Conclusion

Financial Projections

5-Year Net Sales

5-Year Financials At-a-Glance
Thank you!!