

The older American population is increasingly diverse. As it grows in numbers, it also grows in racial, ethnic, economic, health, functionality, and housing diversity. Most older adults are relatively healthy, live at home in their communities, and rely on informal caregiver support when they need assistance.

Societal expectations, science, technology, media, healthcare, social services, home and community-based care, and long-term services and supports are also changing. An increasingly competitive environment for public and private funding means that senior nutrition programs need to provide more quality, client-centered, effective, and efficient products and services. Their revenues must be enhanced through multiple funding streams and improved business acumen to keep up with evolving service needs and system changes.

OPPORTUNITIES

Identify Sustainable Resources

Whether a community-based nutrition program experiences a recent decline in revenue, or a gradual tendency occurs over a period of time to dip into reserve funds, action is essential to remain sustainable. Successful nutrition programs have a mix of program revenue sources from which to draw when there are shortfalls in total program revenues.

Expand Existing Funding

Successful nutrition programs depend on funding revenues in addition to participant contributions and public funding, such as the Older Americans Act to support the need for services. These include private grants from foundations and businesses and fundraising activities such as special events, sponsored walks, and direct mail campaigns. Funders appreciate projects that build on sustainability rather than just supplementing current program needs.



Engage in Innovative Business Models

Innovative Business Models are an approach to create sustainable funding outside of the traditional public funding base for nutrition programs. These opportunities may include Enhanced Nutrition Services, which supplement or contribute to positive health outcomes of the clients or population served such as for-pay meal options, food delivery programs, meal kits or other nutrition and meal services. They may be considered Program Additions which result in additional revenue, increased public recognition or partnerships, but are still within the overall mission of the organization.

Explore Healthcare Market Models

After the passage of the Patient Protection and Affordable Care Act of 2010 (ACA), sweeping changes have been made to the healthcare delivery system across the country. Opportunities for partnerships and contracts with community-based organizations and healthcare entities have developed. More and more nutrition programs are finding their way through this maze of healthcare opportunities, strengthening or developing community partners, and reaping financial and economies of scale benefits.

Common Strategies for Implementing Successful Business Models

1. Start with a Strategic Business Plan

The first step in deciding the right path is to develop an organizational strategic business plan for the future. This takes a guiding team that includes individuals with leadership, vision, communication, and implementation skills. The team can include management and staff, board members, current and potential partners, and community stakeholders that can assist to transform an organization into a competitive revenue and positive business model.

2. Identify Your Nutrition Program's Assets

Look within your nutrition program's organization and assess the attributes and shortfalls within the organization that will lead to a viable business model. Take the time to fully inventory your senior nutrition program's assets – these may include:

- ✓ Cultural readiness and flexibility
- ✓ Program staff and volunteers
- ✓ Operational resources (e.g., a kitchen, food service equipment, or community support)

3. Identify Service Packages or Products

The services package or products to be expanded upon or added to are probably the most difficult to identify and implement for an organization. First, understand the market demands within your community, the voids for service or products, and the consumer wants and needs. Second, overlay the capabilities and infrastructure of the organization to provide the identified service package or product to be developed. Lastly, determine if it will be worth the financial and staffing efforts to plan and implement the service(s) in question.

4. Develop Marketing and Sales Strategies

It is necessary to develop marketing and sales strategies that will support the proposed service package or products. A new product or service, especially if it is outside the traditional scope of

work or customer base, will take effort to market and sell. Learn the best approaches to reach the customer base, whether it is through the internet or social media, word of mouth, or paid advertising and evaluate what works best.

5. Sharpen Your Communication and Negotiation Skills

Senior nutrition programs are skilled at developing service plans and proposals to provide nutritious meals, and knowing the population and diversity of the population served. Venturing into other markets may require additional communication and negotiation skills.

6. Know Your Program's Capacity to Deliver

It is important to consider your program's capacity to deliver any new or expanded product or service. Over-promising and under-delivering may preclude the success of a current or future business venture.

7. Implement a Continuous Quality Improvement Program

Every senior nutrition program should have in place a continuous quality improvement program whether they are providing services within their mission, or program expansions or additions. The customer will always require a quality product to be delivered.

Innovative Business Model Examples

Several examples of innovative business models are provided in the Extended Issue Brief on Sustainability and Revenue Generation. Each model demonstrates effective use of the organization's assets and capacity, to provide a product/service that has a consumer market within their community. These models are meant to inspire ideas and innovation that may lead to revenue generation for your senior nutrition program. To view this resource and more, visit the National Resource Center on Nutrition and Aging:

<https://nutritionandaging.org/briefs/>

Aging and Disability Business Institute. <https://aginganddisabilitybusinessinstitute.org>.

Child and Adult Care Food Program (CACFP). <https://fns.usda.gov/cacfp/child-and-adult-care-food-program>

United State Summer Food Service Program. <https://fns.usda.gov/sfsp/summer-food-service-program>.

Martin R, Osberg S. (Spring 2007). Social Entrepreneurship: The Case for Definition. Stanford Social Innovation Review. https://ssir.org/articles/entry/social_entrepreneurship_the_case_for_definition.