CASE STUDY

Diversifying Revenue for Long-Term Sustainability

How Catalyst Collective Group designed a diversified revenue and capital strategy that reduced funding risk and created new pathways for sustainable growth for a regional social services nonprofit.

200%	$2M+	Multiple
Growth in Non-Grant Revenue	New Capital Secured	New Sustainable Revenue Streams

EXECUTIVE SUMMARY

For years, our client, a regional social services nonprofit delivering direct-service programs across housing stability, workforce readiness, and family support, had done many things right. Its revenue base was not narrow; it drew from federal and state grants, foundation support, a modest stream of fee-for-service contracts, and periodic individual giving. On paper, that looked like diversification. In practice, the mix was fragile: each stream was individually underperforming, none had been intentionally designed to grow, and the organization had no unifying capital strategy connecting them. A single delayed grant renewal or a shift in a funder's priorities was enough to threaten payroll and program continuity.

Catalyst Collective Group (CCG) partnered with the organization's executive leadership and board to move beyond incidental diversification toward a deliberate, designed revenue and capital architecture. Using our Catalyst Growth Journey™ methodology, we assessed the true health of every revenue line, rebuilt the organization's capital strategy, and stood up new earned-revenue and philanthropic vehicles built to compound over time rather than reset every fiscal year.

Within the engagement period, the client grew non-grant revenue by 200%, secured more than $2 million in new capital, and stood up multiple sustainable revenue streams that continue to operate and grow independently of CCG's direct involvement. Most importantly, the organization's leadership team now carries the strategic muscle to keep building on this foundation.

THE CHALLENGE

When CCG's Chief Strategist first sat down with the client's executive director and CFO, the conversation didn't start with a funding gap, it started with a false sense of security. The organization's revenue mix included several sources, which had allowed the board to believe it was insulated from the volatility that affects single-source-dependent nonprofits. Our diagnostic work told a different story:

- Each revenue stream was underperforming relative to its realistic potential, earned-revenue contracts were priced and scoped years out of date, and major gifts were being solicited reactively rather than cultivated.
- There was no shared capital strategy across departments; program, development, and finance were each pursuing funding independently, often competing for the same funders' attention.

- Restricted grant dollars were subsidizing core operating costs in ways that were not sustainable or fully compliant with funder intent, creating hidden structural risk.
- The organization had never built a case for investment capital, a barrier that kept it from pursuing larger, multi-year commitments that could fund growth rather than just survival.
- Staff capacity for revenue generation sat almost entirely with the executive director, creating a single point of failure and limiting how much new revenue-generating activity the organization could realistically take on.

The organization did not need more revenue sources for the sake of variety. It needed a strategy that treated revenue diversification as an engineered system; one designed for resilience, growth, and long-term capital formation, not as an accidental byproduct of years of ad hoc fundraising decisions.

THE CCG APPROACH: THE CATALYST GROWTH JOURNEY™

CCG does not approach revenue diversification as a fundraising exercise. We approach it as a strategic transformation, applying our proprietary seven-phase Catalyst Growth Journey™ to move the client from a fragile revenue posture to a durable, diversified growth engine.

1. Discover *Discover the opportunity*	CCG conducted a full revenue and capital diagnostic, mapping every funding source against cost of acquisition, restriction level, growth ceiling, and risk exposure. We interviewed board members, funders, and staff to surface where organizational capacity, funder relationships, and market opportunity were misaligned.
2. Design *Design the roadmap*	We built a diversified revenue and capital strategy comprising three pillars: (1) strengthening and repricing existing earned-revenue contracts, (2) designing new sustainable revenue streams aligned to the organization's core competencies, and (3) building a capital campaign strategy to fund growth infrastructure rather than backfill deficits.
3. Develop *Develop the capabilities*	CCG worked alongside the development and finance teams to build the internal systems needed to sustain the new model: a revenue pipeline tracking tool, updated contract and pricing templates, a major-gifts moves-management process, and a capital case for support that could be used with individual, corporate, and institutional investors.
4. Deploy *Deploy the solution*	We co-led the rollout of new revenue streams and the launch of the capital strategy, including direct involvement in structuring and negotiating new fee-for-service and partnership agreements and positioning the organization's first structured capital ask to institutional and major donors.
5. Demonstrate *Demonstrate measurable results*	CCG established a quarterly revenue-health dashboard tied directly to the diagnostic baseline, giving the board and executive team a clear, ongoing view of non-grant revenue growth, capital secured, and the performance of each new stream against its projected growth curve.
6. Deliver *Deliver lasting value*	We embedded the strategy into the organization's operating rhythm, annual budgeting, board reporting, and staff performance goals, so that the diversified model would continue to compound value well beyond the engagement, rather than requiring ongoing external management.

7. Distinguish *Distinguish the organization in the marketplace*	With a stronger balance sheet and a credible capital narrative, the organization is now positioned as a stronger partner to funders, government agencies, and corporate sponsors, able to compete for larger, multi-year commitments that were previously out of reach.

STRATEGIC INTERVENTIONS

Rebuilding the Revenue Architecture

Rather than layering new funding sources onto an already-strained model, CCG first rationalized what existed. Underpriced fee-for-service contracts were renegotiated to reflect true cost of delivery plus margin for reinvestment. Restricted grant dollars were realigned to their intended purposes, and a deliberate operating reserve strategy was introduced so unrestricted revenue was no longer silently subsidizing programs it was never meant to fund.

Designing New, Sustainable Revenue Streams

With the foundation stabilized, CCG worked with leadership to design and launch new revenue lines built around the organization's existing expertise and community relationships rather than speculative, unrelated ventures. This approach ensured each new stream could be delivered with the organization's existing staff and infrastructure, keeping margins healthy from year one.

Fee-for-Service Contracts	Repriced and expanded contracted service delivery for public agencies and partner organizations, moving from break-even pricing to margin-positive agreements that fund program growth.
Corporate & Institutional Partnerships	New multi-year sponsorship and cause-partnership agreements with local employers, structured around shared outcomes rather than one-time gifts.
Major & Planned Giving Program	A formalized moves-management pipeline replacing reactive solicitation, cultivating a base of recurring and legacy donors for long-term capital.
Earned-Revenue Training & Consulting	A new fee-based training offering, built on the organization's internal program expertise, delivered to peer agencies and institutional partners.
Capital & Growth Campaign	A structured capital initiative to fund facility, technology, and infrastructure investment, the vehicle behind the $2M+ in new capital secured.

Building the Capital Strategy

Perhaps the most significant shift was cultural: helping the organization see itself as investable, not just fundable. CCG built a capital case for support that reframed the organization's ask, from covering annual operating gaps to funding a defined growth agenda with measurable outcomes. This case was used to secure larger, multi-year commitments from individual major donors, an institutional funder, and a corporate partner, forming the foundation of the more than $2 million in new capital secured during the engagement.

RESULTS & IMPACT

The diversified revenue and capital strategy produced results that were both immediate and structural, improving the organization's financial position today while building a growth engine designed to keep compounding.

- 200% growth in non-grant revenue, reducing the organization's dependence on any single funding source and materially lowering its funding-risk exposure.
- More than $2 million in new capital secured, funding facility, technology, and program infrastructure investments the organization could not previously justify pursuing.
- Multiple new sustainable revenue streams launched and operating independently, each generating recurring, margin-positive revenue rather than one-time gifts.
- A quarterly revenue-health dashboard now in permanent use by the board and executive team, keeping the diversification strategy visible and accountable long after CCG's direct engagement.
- Expanded revenue-generation capacity across development, finance, and program leadership, removing the single point of failure that previously sat with the executive director alone.

Together, these outcomes shifted the organization from a defensive, funding-anxious posture to a proactive growth position with the systems, relationships, and internal capability to keep building on this foundation for years to come.

LOOKING AHEAD

The work CCG designed with this client was never intended as a one-time fix. It was built as an operating model, one the organization's leadership now owns and continues to run, refine, and expand. The organization is currently in conversation with additional institutional partners to extend its earned-revenue training offering regionally, and its capital campaign infrastructure is being positioned to support a second growth phase focused on program expansion into an adjacent service area.

This is the outcome CCG designs for in every engagement: not a temporary lift, but a durable transformation that allows mission-driven organizations to grow from a position of strength.

ABOUT CATALYST COLLECTIVE GROUP

Catalyst Collective Group (CCG) is a strategic growth and business development advisory firm that helps organizations build the partnerships, positioning, and operational capacity required to scale outcomes. We support nonprofits, government agencies, educational institutions, healthcare organizations, foundations, and mission-driven businesses with solutions that include executive strategy, partnership development, operational excellence, revenue diversification, and community impact planning—ensuring growth is aligned, measurable, and sustainable.

Our mission is to transform ideas into investment, partnerships into progress, and vision into measurable, sustainable impact.

Catalyzing Growth. Building Influence. Creating Legacy.