



## CASE STUDY

### Developing An Earned Income Venture for a Non-Profit



*"The work and hours you (the Fox MC team) put into this shows. We could not have done this even if half of our board members participated."*

*-Anthony Frick, MANNA Board Member*

#### Client Profile

MANNA is a Philadelphia non-profit that strives to improve the overall health of those suffering from acute illness and nutritional deficiencies. MANNA provides meals, free of charge, to patients suffering from conditions like HIV/AIDS, chronic kidney disease, cancer, hypertension, heart disease, and diabetes. Its activities are financed through grants, donations, and corporate sponsorships.

#### The Project

Due to declining grant revenues and largely stagnant donations, MANNA engaged Fox Management Consulting (Fox MC) to identify reliable and sustainable streams of revenue to continue its mission. The organization is in search of a social enterprise venture that will generate sustainable income to support its core business.

#### Recommendations

The Fox MC team found that MANNA could leverage its underutilized assets, logistics, and suppliers to create a for-profit meal delivery service. MANNA would receive profits for this venture to strengthen its core mission. This subsidiary, Neighbors Nourishing Neighbors, would sell affordable, locally prepared, frozen meals to low and moderate income individuals and families in the Philadelphia area. These healthy meals would be a comparably-priced alternative to fast food, aiming to provide nutrition to areas with limited options.

This enterprise has the opportunity to provide a significant source of diversified revenue for MANNA. With an investment of \$75,000, MANNA could:

- Be cash positive in year 1.
- Breakeven in year 3.
- Realize Internal Rate of Return (IRR) of 97%.
- Accumulate cash of \$840,000 by the end of year 5.

#### Results

Since the conclusion of the project, MANNA launched Nourish to Go. The meals are priced at \$4.99 off of Fox MC's recommendations and the meals run on 6 week rotations, with 5 or 7 weekly dinners. With two employees working on NTG, MANNA has an average monthly revenue of \$1,200. Due to Fox MC's recommendations on the NTG program, MANNA receives tremendous positive feedback from members and the community.