Nonprofits are often created because the founder experienced a situation that deeply affected them, their loved ones, or their community in a profound way. They wanted to help others navigate a challenging situation and to make a difference in the world.

But often there is a duplication of services, or the community need has shifted. That can create additional challenges in raising funds, or finding staff, Board members or volunteers. There are around 1.5 million nonprofits registered in the US. It's important that you are always evaluating that your (current and future) programs and services are needed in your community.

That's where performing an Environmental Scan is helpful. The information can provide an organization with important insights that may affect the project plans and alter what decisions are made about the future direction of the organization.

What Exactly Is an Environmental Scan?

An Environmental Scan is really just a fancy word for market research. You need to examine some of the internal and external factors that impact your organization or project.

Conducting an environmental scan is an important step to complete whether you are planning to start a new nonprofit or you are an established organization brainstorming new programs to offer.

Nonprofits and programs that fail are often a result of not having a good understanding of what your community actually needs and wants. Or overestimating reliable funding sources, or the availability of interested staff and volunteers. Sometimes the founder, volunteers and Board just don't have the expertise to make the vision happen.

Before moving forward with a new program or nonprofit idea, there are 6 key factors to consider.

6 Key Factors to Consider

There are six key factors to focus on when conducting a basic environmental scan. This is true whether you are already an established nonprofit or still in the start up planning stage.

1. What is the identified community need that you want to/are providing services for?
2. Who else is doing this work in your community?
3. What are you doing or offering that is innovative or unique? What sets you apart from other organizations working in your space?
4. What are your program's strengths and weaknesses?
5. Are there others interested in pursuing this with you? Where will you find volunteers and staff to work in these programs?
6. Where will your major funding come from? Will you be able to fund your nonprofit program's startup phase and beyond?

Conducting a Basic Environmental Scan

To answer these questions, you will gather data from reliable sources that will provide you with a greater understanding of the external and internal factors that can affect your plans either positively or negatively.

Consider reviewing relevant publications, hosting focus groups, interviewing experienced leaders in the community and specific industries. You could also distribute a prepared questionnaire.

Seek out assistance and advice from your local library, Chamber of Commerce, educational institutions, qualified professionals, as well as other nonprofit leaders in your region.

Organize the date you collect so it can be read, shared with Board members, and referenced objectively. Look for details that might have been missed.

Use what's revealed by your environmental scan to reevaluate your plans. Based on what you've learned, do they have a reasonable chance of success? What tweaks or changes would be wise to consider before moving forward? Has the data given you more confidence to proceed? What other factors would be useful to research?

6 Environmental Factors to Research
Before Launching A New Nonprofit OR Program

2
Who else is doing this type of work?

1
What is the identified community need you are addressing?

3
What is innovative or unique that sets you apart?

4
What are your program's strengths & weaknesses?

6
Where is your major funding coming from?

5
Where will you find interested volunteers & staff to help you?