

Exit Strategy – What Next?

Key Terms:

- **Exit strategy:** A plan for what will happen when this funding ends – either by winding down the project in a planned way, or earning income from charges, or finding new funding sources.
- **Sustainability:** Either, how the project will support itself in the long term, or how the community will continue to benefit after the project comes to an end.

What Groups tell us:

- “We have a duty to our service users and our staff, to look beyond the end of this funding.”
- “We know what we’re doing works, so we need to find ways to build on our successes to attract more funding.”

What Funders tell us:

- “We can’t guarantee to fund projects in the long-term, because we can’t be sure of our own budgets in future years.”
- “If we commit all our funds to long-term grants, there’ll be nothing left for new applicants.”
- “When we do fund projects for a second time, we want to see them developing and learning from the earlier stages.”
- “We’re looking for sustainability in the projects we fund.”

Exit Strategy – What Next?

→ Are you ready for Funding?

- The way you manage your current funding can support you to keep your project going in the future.
- Make sure you meet all your funders' requirements (such as monitoring reports), so they'll be keen to fund you again.
- Use your monitoring and evaluation reports to show funders the value of what you do and to plan how you will develop your future activities. This will show funders that you have learnt from your project and used it to inform your future ideas.
- If you want your project to be ongoing, you need to start planning your fundraising in plenty of time before the project ends (at least 12 months).
- If you plan to fund your project through earning income, do some research into demand for the service and the prices people are willing to pay. Will the income you bring in cover the costs of providing the service? You may need to do a "cashflow forecast" to see if you will have enough money coming in at the right times to cover your costs.
- If you need to apply for further funding, do some research into who might be willing to fund the work and why. Keep records of all your previous applications (successful or not) to help you to decide who to apply to in the future. Use networks and contacts to find out about new sources of funding and trends in funding.
- If you are going to wind down your project, you need to plan how this will happen. What do you need to tell your service users and when? What will be the impact on staff?