

ImpactStratz

Structural Advisory for Organizations at the Mission-Capital Threshold

A Practice of StratzGroup LLC · Ralph Kindred, J.D., MBA, TOGAF · Chicago, IL · March 2026

1 The Problem ImpactStratz Was Designed to Solve

Across the Chicagoland mission-driven sector — 17,000+ registered nonprofits, 1,400+ social enterprises, and \$4.2B in annual philanthropic capital — the most consequential organizational failure pattern is not what most practitioners expect. Organizations do not typically collapse at founding. They stall, fracture, or lose institutional credibility at the threshold between early validation and mature scale — precisely when they have succeeded enough to attract institutional attention they are not yet structured to absorb.

The greatest risk to a mission-driven organization is not failure before success. It is failure because of success — when the expectations, obligations, and capital requirements created by mission achievement outpace the governance, evidence, and structural infrastructure built to support them.

This condition — the Failure of Success™ — has six structural drivers and produces one proximate consequence: Capital Conversion Failure. The organization has a capital opportunity. The capital has merit. And the transaction stalls — not because of organizational quality, but because the structural prerequisites required by the transaction are not in place at the moment the transaction requires them.

| STRUCTURAL DRIVER | THE MECHANISM | HOW CAPITAL CONVERSION FAILURE PRESENTS |
|---|--|--|
| Governance documentation gap | Board authority is exercised informally; no written delegation of authority policy; COI process is informal or absent | Counterparty requires documented board authority to approve the transaction — the document does not exist; closing stalls |
| Entity structure mismatch | Nonprofit entity structure is incompatible with the commercial structure required by the intended capital instrument | CDFI loan, PRI, or impact investment cannot be structured because the entity cannot receive the instrument as currently organized |
| Intellectual property ownership ambiguity | Program methodologies, brand assets, and proprietary systems were created without work-for-hire agreements; ownership is legally unclear | Commercial partnership or licensing opportunity requires IP chain-of-title — it cannot be established; the deal collapses |
| Impact evidence quality deficit | Primary impact claims are based on self-compiled staff aggregates (L3) or narrative assertion (L4); no system-generated or process-documented evidence | Institutional funder due diligence reveals the evidence does not meet required standards; grant is reduced or deferred pending evidence rebuild |
| Financial reporting readiness gap | Audited financials are outdated, use reporting standards incompatible with commercial diligence, or are absent entirely | Capital provider requires financial reporting that does not exist; discovery phase extends timeline by 60–90 days |
| Human concentration / succession risk | Key institutional relationships, organizational knowledge, and credibility are concentrated in one person | Capital provider or institutional partner flags key person risk as a deal condition; the organization cannot demonstrate succession infrastructure |

Table 1. Six structural drivers of Capital Conversion Failure. The Structural Readiness Sprint identifies which of these are active in a specific organization and prescribes specific remediation for each. The descriptions above are drawn from observed patterns in the StratzGroup advisory practice; they are directional, not a clinical taxonomy.

2 The ImpactQoE™ Evidence Standard

ImpactQoE™ (Impact Quality of Earnings) applies the Quality of Earnings methodology from private equity due diligence to impact measurement. In traditional PE diligence, reported revenue is not accepted at face value — it is stress-tested for quality: recurring versus non-recurring, cash versus accrual, concentration risk, recognition policy. ImpactQoE applies the equivalent discipline to impact claims.

The framework uses a four-level Evidence Quality taxonomy calibrated to the standards applied by institutional funders, CDFIs, and impact investors in their due diligence processes. The taxonomy is grounded in IRIS+ standardized metrics, SEC ESG disclosure guidance, and FINRA guidance on impact investment product claims.

| LVL | STANDARD | DEFINITION | INSTITUTIONAL SURVIVAL | MOST COMMON SOURCE |
|-----|---------------------|---|---|--|
| L1 | System-Generated | Evidence produced automatically by a technology system without human intervention — CRM exports, database logs, payment records, sensor data | Survives all institutional due diligence including LP reporting and regulatory review | Program management software, CRM systems, financial platforms |
| L2 | Process-Documented | Evidence generated through a documented organizational process with consistent methodology, third-party verification, or independent audit trail | Survives institutional funder and CDFI diligence; reviewed case-by-case for impact investment | Annual surveys with documented methodology, third-party program evaluations, audited outcome reports |
| L3 | Staff-Compiled | Evidence compiled by staff from underlying records or processes — manually aggregated, internally reported, not independently verified | Survives basic funder scrutiny; does not survive institutional due diligence or LP reporting requirements | Annual impact reports, grant narratives, internally compiled attendance records |
| L4 | Narrative Assertion | Evidence based on qualitative claims, anecdotes, or organizational narrative without systematic data support — authentic but not institutionally defensible | Survives mission-aligned relationship funder review; does not survive any institutional diligence process | Community testimonials, founder stories, narrative impact descriptions |

Table 2. ImpactQoE™ Evidence Level taxonomy.

The No Artifact No Claim Principle: An impact claim that cannot be traced to a specific artifact — a data export, a methodology document, an audit report, a verified outcome record — is not an institutional-grade claim. It may be true. It may be authentic. But it will not survive institutional scrutiny. The ImpactQoE sprint scores every primary impact claim against this standard and produces a Publish / Strengthen / Quarantine disposition for each.

3 The DMMV Convergent Canvas™ — Hybrid Venture Architecture

The DMMV Convergent Canvas™ is ImpactStratz's proprietary instrument for designing, diagnosing, and repairing hybrid venture architecture. DMMV stands for Dual-Mission, Multi-Venture — reflecting the architectural reality that organizations with both commercial and mission engines require a design discipline that neither pure nonprofit governance nor pure commercial management provides.

The Canvas is organized around the Colinearity Principle: a genuine hybrid venture is one where delivering the mission outcome strengthens the commercial engine, and commercial success increases the mission engine's capacity to deliver outcomes. Organizations that fail this test are parallel operators — running two programs that share overhead but are not architecturally integrated.

| DMMV QUADRANT | DESIGN QUESTIONS | WHAT FAILS WITHOUT THIS ARCHITECTURE |
|--------------------------------------|--|--|
| Mission Engine Design | What is the mission outcome, who is the beneficiary, how is delivery structured, and how does delivery generate evidence that the commercial engine can use? | Mission delivery optimizes for grant reporting rather than for generating the commercial evidence that investors and partners require |
| Commercial Engine Design | What is the commercial product or service, who is the customer, how is revenue generated, and how does commercial success increase mission delivery capacity? | Commercial revenue is treated as mission-instrumental rather than mission-constitutive — the commercial engine is undercapitalized and mission-extraction risk is high |
| Governance Integration Architecture | How are commercial and mission authority boundaries defined, who has decision rights across both engines, and how are conflicts between commercial and mission priorities formally resolved? | Founder-centered informal decision-making works at early stage and fails when institutional partners require documented authority structures |
| Evidence & Capital Translation Layer | How are mission outcomes translated into the commercial value proposition that funders and investors can quantify, and how are impact claims defended at institutional evidence standards? | Impact claims are authentic but not institutionally defensible — the evidence gap prevents capital access that the mission quality merits |

Table 3. DMMV Convergent Canvas™ four-quadrant architecture.

4 The Engagement Model

ImpactStratz engagements follow a diagnostic → design → build → validate sequence. The Structural Readiness Sprint is the mandatory entry point because the design, build, and validate work is only as valuable as the diagnostic precision that precedes it. Organizations are placed into the appropriate tier by Sprint findings — not by practitioner recommendation independent of those findings.

| TIER | ENGAGEMENT | TRIGGER FROM SPRINT FINDINGS | INVESTMENT RANGE |
|------|-----------------------------------|--|-----------------------------------|
| T1 | Structural Readiness Sprint™ | All ImpactStratz clients begin here — entry gate and diagnostic foundation | \$8,500–\$12,000 fixed fee |
| T2 | VentureReady™ / DMMV Architecture | Sprint findings confirm entity separation required, hybrid governance architecture | \$25,000–\$40,000 |

| | | | |
|----|--|---|----------------------------|
| | | absent, or commercial-mission integration undesigned | |
| T3 | ImpactQoE™ Evidence Infrastructure Build | Sprint ImpactQoE scoring confirms 3+ quarantine-level claims and insufficient evidence system infrastructure | \$40,000–\$75,000 |
| T4 | Integrated Structural Engagement | Active capital transaction requires simultaneous governance, entity, evidence, and capital readiness work under time pressure | \$75,000–\$250,000+ |

Table 4. ImpactStratz engagement model.

5 Operating Boundaries

ImpactStratz operates under an explicit Anti-Unauthorized Practice of Law (Anti-UPL) doctrine that governs practitioner behavior in every engagement. This boundary is not boilerplate. It is the structural discipline that makes the advisory scope credible: the practitioner who identifies a legal-adjacent issue and routes it precisely to counsel is doing more useful work than an advisor who attempts to resolve it without authority to do so.

| WHAT IMPACTSTRATZ DOES | WHAT IMPACTSTRATZ ROUTES TO QUALIFIED PROFESSIONALS |
|--|---|
| <ul style="list-style-type: none"> Identifies structural gaps in governance documentation, entity structure, IP ownership, and financial compliance Scores impact claims against the ImpactQoE™ Evidence Quality Scorecard and produces a disposition list Assesses capital transaction readiness against the specific prerequisites of the intended instrument Organizes legal-adjacent items into the Counsel Bridge Question Pack, sorted by legal matter type Produces the 90-day action plan with board-assignable remediation actions and priority sequence Presents findings at the board readout session and facilitates the prioritization discussion | <ul style="list-style-type: none"> Legal advice on entity structure, tax classification, securities, IP enforceability, or contract interpretation Drafting of legal instruments, operating agreements, IP licenses, or governance documents Certification of legal compliance or regulatory standing in any domain Financial audits, certified financial reporting, or accounting services Strategic planning or executive leadership advisory Investment advice, securities analysis, or fiduciary financial management |

Table 5. ImpactStratz operating scope and boundaries. Legal-adjacent items are identified, organized, and routed — not resolved — by ImpactStratz.

6 Client Profile and Channel Partner Structure

ImpactStratz serves direct clients and operates through channel partners. Direct clients are typically organizations experiencing one or more of the six structural drivers described in Section 1. Channel partners — foundations, CDFIs, accelerators, and university social enterprise programs — experience the

downstream cost of organizational unreadiness across their portfolios and can pre-solve those problems through the Portfolio Readiness Assessment.

| DIRECT CLIENT PROFILE | CHANNEL PARTNER PROFILE | WHAT CHANNEL PARTNERS RECEIVE |
|--|---|--|
| <ul style="list-style-type: none"> • Nonprofits \$1M–\$15M budget approaching capital events within 90–180 days • Social enterprises with growing earned revenue and unresolved entity structure questions • Hybrid ventures planning dual-arm restructuring or commercial partnership formation • Faith-aligned organizations navigating BRI/impact investing and governance complexity <p><i>Geography: Chicagoland primary; nationwide via referral network</i></p> | <ul style="list-style-type: none"> • Foundations: Chicago Community Trust, MacArthur, Polk Bros., LISC, CDFI-affiliated family offices • CDFIs: CCLF, IFF, and similar — deploying \$250K–\$5M to nonprofit and social enterprise borrowers • Accelerators and intermediaries: Rustandy Center, Social Enterprise Chicago, Golub Board Fellows • NCF-affiliated faith-aligned grantmakers with grantee portfolio readiness concerns <p><i>Portfolio pricing: \$18,000–\$75,000 for 5–30 organizations</i></p> | <ul style="list-style-type: none"> • Individual Structural Readiness Report per portfolio organization • Portfolio Synthesis Report: readiness distribution, common gap patterns, capital deployment sequencing • Suggested modifications to pre-application criteria based on portfolio-wide findings • Optional cohort workshop on common structural gap patterns • Documentation rights: anonymized methodology case study for StratzGroup reference use |

Table 6. Direct client and channel partner profiles.

BEGIN WITH A 20-MINUTE DIAGNOSTIC CONVERSATION

The diagnostic conversation determines whether the Failure of Success pattern applies to your organization — and if it does, exactly which structural gaps are active. This conversation has a defined outcome and a defined time boundary.

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