

Position Your Organization for Recovery: 5 Important Steps Non-Profit Leaders Should Take

Most nonprofits are now in survival mode. Those on the frontlines are doing amazing work and are providing vital services which are needed to fight this battle. They are not thinking long term, only doing what needs to be done day-to-day to help. If your nonprofit is not on the frontline, the survival of your mission still matters. Use this time to think strategically. Be proactive. Organizations lucky enough to be able to ride out this storm should take advantage of this time to strengthen your operations, think about what will need to change and position yourself to be ready for when the country reopens.

1. Revisit Your Strategic Plan

A strategic plan is a roadmap to where you want to go in the coming year and how you are going to get there. It is likely that the strategic plan your organization had in place on March 1st is now obsolete. The external environment plays a key role in developing a strategic plan. This environment has change dramatically and your organization will have to change as well. This calls for a new look at your mission statement, value proposition and strategic plan. Priorities will change, how you deliver services will change, staffing will change and most importantly, funding will change.

Take the time now to reassess your mission and how you will meet it. As the leader of the organization, ask yourself these basic questions and build your new plan based on the answers:

- ✓ Has the organization's mission changed?
- ✓ Are we still able to meet the needs of our clients?
- ✓ Do we need to change the delivery method?
- ✓ Can we adapt or expand programs to meet a changing need?
- ✓ Do we have the proper resources to meet the new model?
- ✓ Are we still relevant?
- ✓ Will funders still support us?

2. Reconsider Your Programs

Once you have answered these questions, it is time to reassess your programs. Part of the planning process should include an assessment of your programs and activities and whether you will still be able to deliver your services in the same way. Given what has happened, will there be more or less demand for your services? Your strategic plan will have been based on your best assessment of what the new normal will look like and your services will need to adapt. Advocacy, mentoring,

workforce training, literacy and counseling type programs are more likely to be able to adapt to a change in delivery model, going virtual for example. More hands-on, front-line service organizations – homeless shelters, food pantries, senior centers, youth programs may not. It is critical now for you to look at your options and try to determine what your organization will look like when the country starts to recover and whether or not you will still be able to be successful in meeting your mission.

3. Reassess Your Staffing Needs

If you were lucky enough to retain staff and keep your organization running during this crisis, it is still important to reassess your staffing needs based on what your programmatic efforts will look like going forward. Even if your delivery service model doesn't change, you should review the overall structure of the organization, and make sure your staff is equipped to meet the needs under the new environment. Use this "downtime" to train or re-train existing staff. Take advantage of the enormous amount of resources out there for professional development. Get them excited about the changes and keep them engaged. Think about where staff can be re-deployed. You may need to completely restructure your org chart. Your organization will be stronger for it.

Going forward, depending on your strategic plan, you will likely need some new skill sets in your workforce. Technology will become more important. Virtual marketing and fundraising will likely become more prominent. Re-deploy staff when possible and make sure that they have the training that they need. Make sure you are staffed with these skill sets.

4. Start Developing a New Budget

Once the first 3 steps are completed its time to review your budget. Take the time to develop some simple cash forecasts and scenarios. Yes, we don't know what the future of philanthropy is going to look like. That makes it even more important to look at multiple scenarios. If you are unsure how, reach out to an expert. First, look at the revenue side and ask yourself these questions:

- ✓ What are my main sources of income? Donations? Grant? Governmental contracts?
- ✓ Will this funding continue?
- ✓ Has the COVID-19 crisis and ensuing economic recession affected the entities that provide this funding?
- ✓ Will this funding likely be redeployed?
- ✓ Has my ability to fundraise been impacted?
- ✓ What does my revenue forecast look like with a 25% reduction? A 50% reduction?

The answers to these questions will determine how to develop your expense budget. What level of service will you continue to be able to provide? Will you have to change to a more virtual environment and how much will that cost? How have staffing needs changed? Do you have the technology that will be needed?

You should prioritize expenses to meet the goals defined in the strategic plan, and the results of the revenue modeling. Identify those expense items that will likely not be as important as they used to be if you have changed your delivery methods. Expenses can likely be reduced for items such as travel, conferences, printing, supplies, events, even rent if you will be switching to a more virtual delivery model. Expenses will likely need to increase for IT costs, software and other virtual tools, staff training, fundraising, telecommunications and marketing. Put together several different budget scenarios that can be modified as the situation becomes clearer. Tough financial and tactical decisions will need to be made once the future is clearer. Starting the process now will put you ahead of the curve.

5. Plan for the Next One

Finally, take the time to do an assessment of how your organization reacted to this COVID-19 crisis. If you were caught off guard, don't worry, you are not alone. Many nonprofits were. But the crisis has shined a light on some of the critical management tools that too many nonprofits did not have in place. While hindsight is 20-20, use this time to make sure you are following best practices in all areas of organizational management and that you have proper documents, tools and systems in place for when something like this happens again. At a minimum, make sure that going forward you have:

- ✓ Business Continuity Plan
- ✓ Emergency Contact List
- ✓ Remote Work Policy
- ✓ Policies and Procedures Manual
- ✓ Internal Controls Manual (special emphasis on segregation of duties)
- ✓ Electronic Banking Platform
- ✓ Up to date job descriptions
- ✓ Succession Plan
- ✓ Risk Assessment
- ✓ Cybersecurity plan

Summary

Taking each of these steps now will help you ensure that your organization survives. Data shows that during the last recession many nonprofits failed, but many actually ended up stronger. No one knows yet, all you can do is try to put yourself in the best position to quickly get back to normal – particularly a “new normal”. With these steps your organization can come back even stronger.