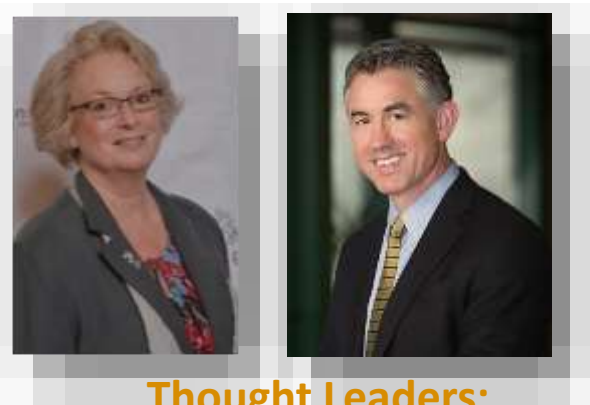


FOOD FOR THOUGHT: CRISIS MANAGEMENT

On-line Discussions for Nonprofit Board & Executive Staff Members

5/5/20 Topic: Program, Service & Org Strategy Refinement



Thought Leaders:

Karen Simmons, President/CEO, Chester County Community Foundation
Michael DeHaven CPA, Incoming Board Chair + Shareholder, Rainer & Co.

BOARD DUTIES

1-Ensure Legal & Ethical Integrity

2-Build a Competent Board

3-Determine Mission & Purpose

4-Ensure Effective Planning

5-Monitor & Strengthen Programs & Services

6-Protect Assets & Provide Financial Oversight

7-Ensure Adequate Financial Resources

8-Enhance the Organization's Public Standing

9-Select, Support & Evaluate the Chief Executive



(Board Source, Washington DC)

CHESCO NPO CRISIS MANAGEMENT-SURVEY RESPONSES

SURVEY=<https://www.surveymonkey.com/r/CCCF-nonprofitchecklist>


RESPONSE SUMMARY = <https://www.surveymonkey.com/stories/SM-83VLV3B9/>



From Nonprofit Crisis Management Checklist: Program and Service Delivery & Organizational Strategy Doing Very Well Challenging Need Help

1. The principal challenge in this period is to keep your nonprofit alive, resilient, and functioning, so consider all options, including reduced levels of activities, a different mix of programs, and new means of service delivery.
2. As much as possible, continue to provide existing services but in new, innovative, safe ways.
3. Review your nonprofit's stated mission and vision. Modify them, at least in the short term, as necessary. For example, regarding your mission, might your principal clients or geographic area of service focus more tightly or shift?
4. Trim programs that are not essential to the nonprofit's mission, have not been effective, or lack sufficient demand at this time.
5. Stop creating programs, unless they are essential for your nonprofit in this new environment.
6. To increase program effectiveness, collaborate with other nonprofits across the nonprofit, government, and business sectors, and transfer some programs to other nonprofits.
7. Your strategic plan needs to be tailored or even put on hold. Consider sketching out a one-year action plan, subject to revision. A crisis presents challenges but also opportunities for change, innovation, and creativity.
8. Create a vision of where you see your nonprofit in one year. Do this in a participative way, at least with the top management team and board. Articulate this vision so that all stakeholders know where you are going.

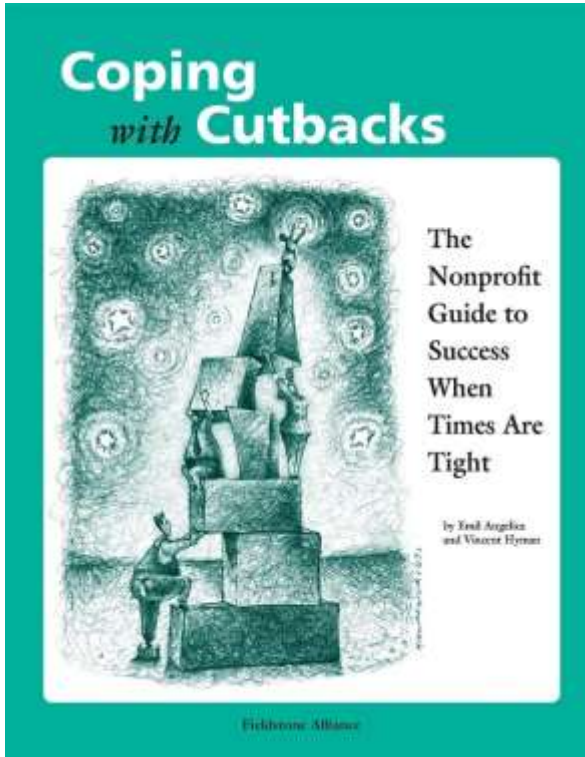
DISCUSSION QUESTIONS

- 
- **As you have reviewed, prioritized & refined your programs & services thus far:**
 - **What has been successful? Unsuccessful?**
 - **Who did you involve in the process?**
 - **What was your process?**
 - **Looking ahead, what do you anticipate will be the most significant influencers that propel changes for your nonprofit?**
 - **What other resources would be helpful in refining your programs and organizational strategy?**

MISSION/MONEY MAXTRIX - BCG BOSTON CONSULTING GROUP MATRIX



COPING WITH CUTBACKS: STRATEGIES



<https://www.amazon.com/Coping-Cutbacks-Nonprofit-Guide-Success/dp/0940069091>

Coping with Cutbacks can help you deal with funding problems in a new way. Authors Angelica and Hyman urge you to take a different approach, shifting your thinking from **"How do we get more money to keep our nonprofit in business?"** to **"How do we involve other segments of the community to address community issues?"**

The first part of the book shows you practical ways to involve business, government, and other nonprofits to solve problems together. In the process, you'll be making new connections, creating buy-in, and bringing new partners to the table.

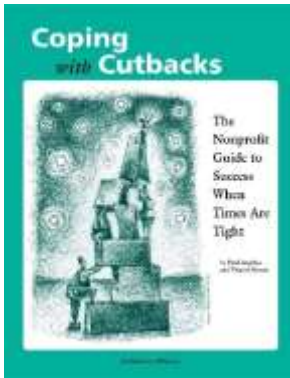
The second part of this guide gives you a six-step process for coming up with solutions to problems—financial or otherwise—that your organization is facing. The steps are similar to what a consultant might use to help you clarify the problem, set up criteria for success, brainstorm strategies, and finally, pick the best strategies.

Detailed worksheets walk you through each step and help you write a workplan.

Coping with Cutbacks also includes 185 specific cutback strategies gathered from interviews with a wide variety of nonprofit managers. These strategies can be put to use right away to help you overcome short-term crises, manage change, and use your resources more effectively. You'll learn:

- 51 ways to **increase revenues, manage money differently, increase fund-raising, expand services, and improve productivity**
- 64 ways to **cut costs, deal with bills, modify staffing, and change services**
- 28 ways to **change how your organization works, including its mission, culture, and structure**
- 40 ways to **involve more people in solving your problem, including other nonprofits, businesses, the community, and the government;** and much more.

COPING WITH CUTBACKS: STRATEGIES



Financial Strategies A: Cut or Control Costs

Analyze purchasing

- Improve purchasing procedures
- Seek in-kind contributions
- Network to get better prices on supplies
- Seek new competitive bids and new suppliers
- Analyze purchases to see if they are necessary
- Simplify paperwork and forms; use electronic files
- Refurbish and reuse supplies

Adjust payables

- Consolidate or restructure debt
- Negotiate delayed or reduced payments
- Barter for needed services

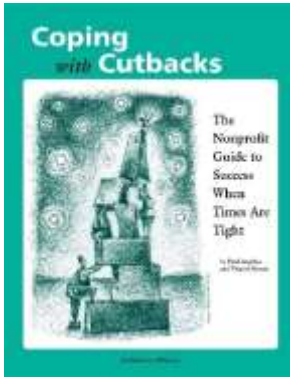
Evaluate facilities and infrastructure

- Share space or maintenance costs
- Delay maintenance
- Save space by moving, reducing size, using home offices, or using split shifts
- Negotiate a decreased rent with your landlord
- Find a cheaper phone system; eliminate toll-free lines
- Eliminate or consolidate newsletters and brochures
- Eliminate vehicles or shift to less costly vehicles
- Save energy

Modify staffing and related costs

- Reduce hours or workweek
- Cut, freeze, or delay wages;
- Lay off staff; offer voluntary separation; offer unpaid leave; remove poor performers
- Freeze hiring
- Share jobs, consolidate staff, increase workload
- Use volunteers and graduate interns
- Hire temporary staff or consultants
- Remove management layers; don't funnel high performers into management merely to reward them
- Reduce benefits, staff training, and staff development
- Limit or eliminate travel
- Cancel subscriptions; use the Internet and libraries
- Cancel professional association memberships
- Switch to a direct reimbursement status for unemployment compensation
- Ask board not to submit expenses for reimbursement
- Convert some paid staff to volunteers
- Share staff with other organizations

COPING WITH CUTBACKS: STRATEGIES



Reduce services

- Analyze your programs and services against your mission and financial goals
- Reduce or eliminate noncore programs
- Limit eligibility for programs; reduce the number of clients served
- Reduce or eliminate core programs
- Temporarily shut down some or all services
- Plan to go out of business humanely

Financial Strategies B: Increase Revenues

Manage money differently

- Speed the inflow of cash by invoicing promptly or offering incentives
- Try to get grants in the door earlier than the promised date
- Change management of cash reserves to improve unearned income
- Sell assets
- Spend down reserves
- Borrow money
- Diversify your sources of income

Increase fees

- Analyze all the costs of providing a service
- Change fee structure to result in increased income

Initiate or accelerate fund-raising

- Research the larger community and current donors to improve response
- Hire development director or staff
- Add special events, fund drives, charitable gambling
- Increase board involvement in fund-raising
- Increase planned giving
- Build an endowment
- Find new donors and diversify funding base
- Reach out to under-asked populations
- Collaborate on fund drives; join a federated fund drive
- Mobilize everyone in the search for new resources
- Link with a business or credit card company to receive a percentage of sales
- Seek in-kind contributions that can be converted to cash
- Increase the search for foundation and government grants

Expand or add services

- Boost enrollment in or expand offerings of successful services
- Sell staff expertise and time
- Add income-generating product or service that fulfills mission
- Rent office space or equipment to others
- Sell valuable information that others need
- Seek related niche markets
- Charge others for a service you also use (for example, maintenance)
- Develop a catalog of products used by your organization and other nonprofits
- Charge a fee to serve as the fiscal agent for other organizations

Increase productivity

- Provide incentives for productive staff
- Simplify production or service without loss of quality
- Invest in an educated staff; provide training as needed
- Research and implement "best practice" in all functions
- Upgrade staff while cutting back
- Invest in technology that improves productivity

Structural Strategies

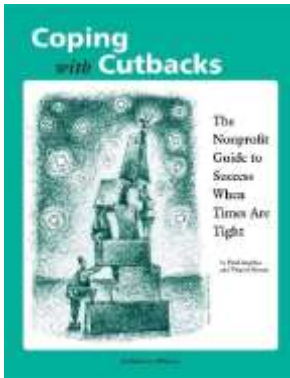
Modify the mission

- Reexamine the mission and realign the organization accordingly
- Modify the mission to build clients' capacity to solve their own problems
- Change the mission to enable the organization to respond to rapidly changing conditions
- Move out of direct support services and into prevention services
- Be a pilot site for some foundation, academic, or government program

Modify the organization's structure

- Eliminate programs that are redundant with those of other organizations or combine them to improve services
- Position yourself higher in the "food chain" when intense competition accompanies a changing environment
- Respond to a changing environment by changing programs
- Spin off a struggling or "orphan" program to another organization where it has a better chance to thrive

COPING WITH CUTBACKS: STRATEGIES



- Merge with or acquire a competitor's or an ally's program
- Relocate with a group of related organizations to form a one-stop shop
- Become a for-profit; add a for-profit subsidiary; be acquired by a for-profit

Modify the organization's culture

- Enlist the support of potential funders as you modify your programs, and then request funds to support changes
- Share resources and expenses with other organizations that have similar needs
- Make your services more culturally sensitive
- Educate the board of directors to make them more effective
- Mobilize everyone in the organization to help market its mission, message, services, and needs
- Tear down bureaucracies that interfere with the creative flow of ideas
- Replicate rather than reinvent
- Link with a complementary but different organization to bring resources into the organization
- Take a more entrepreneurial approach to accomplishing your mission

Engagement Strategies

Engage other nonprofits

- Work with state and national nonprofit associations
- Form associations to negotiate with contracting agencies as a block
- Establish cooperative programs with other nonprofits to increase the number of stakeholders in each other's organization
- Collaborate with like-minded nonprofits; seek funding to support collaboration
- Develop a bartering resource system among nonprofits
- Create a nonprofit organization to insure nonprofits; return surplus income to policyholders
- Pool funds with other nonprofits to get a better return on the investment of capital
- Acquire or merge with another nonprofit whose services complement yours
- Establish national goals and standards for nonprofits to increase sector quality, public awareness, and public support
- Form a consortium with other nonprofits to take advantage of federal block grants
- Facilitate networks and collaboration by making your space available for such activities

- Find ways to work with local providers of educational services at all levels

Engage the community

- Seek funding to help those constituents least able to represent themselves have a voice
- Involve all members of the community in teaching children the value of community involvement and philanthropy
- Connect with local media to inform the community about issues related to your mission
- Show the community that your crisis is a community crisis
- Hold community issues forums; discuss community goals

Engage the business community

- Form partnerships with businesses; find a host that will provide space, staff, funds, resources, or technical assistance
- Advocate for your organization's values and goals while seeking business involvement
- Know the people, values, and goals of the businesses you are engaging
- Share your vision of the future with businesses so they can see how they and their community will benefit
- Link with businesses that will benefit from the positive public relations your organization's cause will generate
- Network with small and midsize businesses with a personal stake in the local community
- Show businesses how to get involved in community issues that affect them
- Collaborate with businesses and other nonprofits to create "incubators" for new, innovative organizations
- Form nonprofit/for-profit partnerships to advocate for common interests

Engage the public/government sector

- Advocate for tax incentives that encourage businesses to be involved in community efforts
- Use the public schools to teach philanthropy; set up student-operated philanthropies at schools and universities
- Seek ways to work with educational institutions at all grade levels, public and private, nonprofit and for-profit.
- Advocate for a nonprofit contribution checkoff on tax forms
- Advocate for making charitable giving a tax credit rather than a deduction
- Use publicly owned facilities as a site for delivering nonprofit community services

DISCUSSION QUESTIONS

- **As you have reviewed, prioritized & refined your programs & services thus far:**
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SIGNIFICANT INFLUENCERS MOVING FORWARD

POLITICAL

- increased political divide: public scrutiny of govt either for slow or non-scientific responses to COVID vs overreaching and infringing on civil liberties by stay at home orders
- govt allocation of health care & supplies; access
- states & federal infighting
-
-
-

ECONOMIC

- poor market performance
- decreased workforce output due to stay at home & layoffs
- changes in trade
- health care costs
-
-
-
-
-

SOCIETAL

- what is community w/social distancing & protective measures
- fear of newcomers, others...isms
- lifestyle implications
- workplace implications
- volunteer implications
- gatherings, events & fundraising event implications
- travel risks (air, public transport)
- no more buffets; restaurant implications
- no more movie theatres; entertainment implications
- shopping implications; delivery
-

TECHNOLOGY & SCIENCE

- remote work
- virtual meetings & gatherings
- tech saavy vs low tech vs no tech: increased divide
- e-commerce increase
- advances in virology research
-
-
-
-
-

REOPENING PA <https://www.governor.pa.gov/process-to-reopen-pennsylvania/>

Reopening Pennsylvania The 6 standards we'll follow



Our approach
will be
data driven



There needs to be enough
personal protective
equipment and testing



There will still
be limitations on
large gatherings



Individuals, employers,
and health care facilities
will have guidance to follow



Protections
for vulnerable
people must
remain in place



Monitoring must be
in place so we can take
quick action to contain
COVID-19 if needed

COVID-19 REOPENING PHASES

WORK & CONGREGATE SETTINGS

SOCIAL SETTINGS

RED PHASE

- LIFE-SUSTAINING BUSINESSES ONLY
- RESTRICTIONS IN PLACE FOR PRISON + CONGREGATE CARE
- SCHOOLS CLOSED FOR IN-PERSON INSTRUCTION
- MOST CHILD CARE CLOSED

- STAY AT HOME ORDERED
- LARGE GATHERINGS PROHIBITED
- RESTAURANTS/BARS LIMITED TO CARRY-OUT + DELIVERY
- ONLY TRAVEL FOR LIFE-SUSTAINING PURPOSES

YELLOW PHASE

- TELEWORK MUST CONTINUE WHERE FEASIBLE
- BUSINESSES WITH IN-PERSON OPERATIONS MUST FOLLOW SAFETY ORDERS
- CHILD CARE OPEN WITH WORKER + BUILDING SAFETY ORDERS
- RESTRICTIONS IN PLACE FOR PRISON + CONGREGATE CARE
- SCHOOLS CLOSED FOR IN-PERSON INSTRUCTION

- STAY AT HOME RESTRICTIONS LIFTED IN FAVOR OF AGGRESSIVE MITIGATION
- LARGE GATHERINGS PROHIBITED
- IN-PERSON RETAIL ALLOWED CURBSIDE/DELIVERY PREFERRED
- INDOOR RECREATION, HEALTH AND WELLNESS FACILITIES (SUCH AS GYMS, SPAS), AND ALL ENTERTAINMENT (SUCH AS CASINOS, THEATERS) REMAIN CLOSED
- RESTAURANTS/BARS LIMITED TO CARRY-OUT + DELIVERY

GREEN PHASE

- ALL BUSINESSES MUST FOLLOW CDC AND PA DEPARTMENT OF HEALTH GUIDELINES

- AGGRESSIVE MITIGATION ORDERS LIFTED
- INDIVIDUALS MUST FOLLOW CDC AND PA DEPARTMENT OF HEALTH GUIDELINES

DISCUSSION QUESTIONS

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ADDITIONAL RESOURCES <https://chescofc.org/life-during-after-covid-19/>

[How We Must Respond to the Coronavirus Pandemic](#) (TED Talk)

- Bill Gates offers insights into the COVID-19 pandemic, stressing the importance of testing and self-isolation, discussing which medical advancements show promise, and predicting what it will take for the world to endure this crisis.

<https://www.governor.pa.gov/process-to-reopen-pennsylvania/>

- PA is planning a measured and strategic approach to allowing Pennsylvanians to return to work safely to prevent a resurgence of the virus. This must be done in the most effective, efficient, and risk-adverse method possible to balance our return to economic stability, while at the same time continuing to keep Pennsylvanians safe by controlling the spread of disease.
- PA is partnering with Carnegie Mellon University on a data-driven decision support tool that will enable a balance between maximizing the results of our economy while minimizing public health risks. This tool will help better understand the current health and economic status, as well as the inherent risks and benefits to easing restrictions by sector and region.

[Coronavirus: The good that can come out of an upside-down world](#) (BBC)

- Our world has changed immensely. But amid the upheaval and distress, there are reasons to believe we can emerge from the crisis with some human qualities enhanced.

[The World After This](#) (Vice)

- COVID-19 has shown us how things need to change in the future for the betterment of our whole society:
 - Free and universal healthcare
 - Abolishment of ICE detention centers and restructuring of our prison system (both which have proven huge public health risks)
 - Protection for all workers in the form of paid sick leave and healthcare
 - Protection of our environment/climate (with manufacturing down and less cars on the roads, pollution has decreased significantly)

[Coronavirus Will Change the World Permanently. Here's How.](#) (Politico)

- Look at how COVID-19 will change our sense of community, our use of technology, the health/science fields, local and national government, the way elections are conducted, the global economy and our daily lifestyle.

[Sensing and Shaping the Post-COVID Era](#) (BCG Henderson Institute)

- History shows that deep societal crisis reshapes our beliefs and behaviors, paving the way for new policies, ways of working, and consumer patterns.
- Post-COVID will put more emphasis on crisis preparedness, systems resilience, social inequality, social solidarity, and access to health care.

ADDITIONAL RESOURCES

- The *Chronicle of Philanthropy* is providing free access to breaking-news updates on COVID's impact on the nonprofit world. [UPDATED DAILY: HELP FOR NONPROFITS DURING THE CORONAVIRUS AND UNCERTAIN ECONOMIC TIMES](#)
- Coronavirus Impacting Your Nonprofit? Here's What to Do (Network for Good) <https://www.networkforgood.com/nonprofitblog/coronavirus-impacting-your-nonprofit-heres-what-to-do/>
- [What Nonprofit Board Members Should Be Doing Right Now to Address the COVID-19 Situation](#) (BoardSource) <https://blog.boardsource.org/blog/what-nonprofit-board-members-should-be-doing-right-now-to-address-the-covid-19-situation>
- **Coping With Cutbacks: The Nonprofit Guide to Success When Times Are Tight** by Emil Angelica & Vincent Hyman of the Amherst H. Wilder Foundation, available at amazon.



Food For Thought
**Online Video
 Discussion of
 Nonprofit Crisis
 Management Topics**



Best Practices in Tough Times
 Designed for Nonprofit Senior Staff
 & Board Members

Grab your computer & a drink
Log on from home
Weekly on Tuesdays
Starting 4/28 from 1:15-2:00 PM
Free

HOPE TO SEE YOU NEXT TIME!
PLEASE INVITE
BOARD & SENIOR STAFF COLLEAGUES

REGISTER AT

<https://chescof.org/explore/food-for-thought/>



Topics	Thought Leader
4/28 Crisis Management: Survey Results Crisis Communication	Karen Simmons Beth Krallis & Jamison Ludgate
5/5 Strategy, Program & Service Modification	Karen Simmons & Mike DeHaven CPA
5/12 Managing Fiscal Stress	Bob Ferguson & Kathy Wileczek CPA
5/19 Raising Revenues: Events & Virtual Fundraising	Beth Krallis & Jamison Ludgate
5/26 Raising Revenues: Gifts & Grants	Connie Carter CFRE, Krys Sipple CFRE & Corrine Sylvia CFRE
6/2 Raising Revenues: Stewardship	Beth Harper Briglia, CPA, CAP