

Nonprofit 2
Town Hall 0
Meeting 0
9 **Surviving and**
Thriving through
the Recession

Proudly sponsored by:

**The Meadows
Foundation**



Nonprofit Town Hall Meeting

2009
Surviving and
Thriving through
the Recession

Agenda

11:10 – 11:20 – Welcome and Kickoff

11:20 – 11:50 – Panelist Presentations

11:50 – 12:10 – Audience and Panel Q&A

**12:10 – 1:00 – Interactive Presentation and Town Hall Dialog
on Strategies for Surviving and Thriving**

The Meadows
Foundation



Nonprofit Town Hall Meeting

2009

Surviving and Thriving through the Recession

Panel Presentation and Discussion

Jon Hockenyo – President, TXP

Ken Gladish, Ph.D. – President/CEO, Austin Community Foundation

Beth Atherton – Executive Director, Caritas of Austin

The Meadows
Foundation



Overview – What We are Seeing

- Most nonprofits in Austin are faring relatively well (knock on wood!)
- Many are struggling, however:
 - Increased demand/need for services
 - Decreased funding (canceling events, fewer donors, smaller gifts, etc.)
 - Some instances of layoffs, program cuts
 - Many are concerned/waiting for “the other shoe to drop”
 - Many just don’t know yet how the year will end
- Stimulus funds starting to flow, but unclear how much will make it to nonprofits
- Local foundations holding their own, but projecting drops in 2010

Nonprofit 2
Town Hall 0
Meeting 0
9 **Surviving and**
Thriving through
the Recession

Apollo 13 movie clip

**The Meadows
Foundation**



First Things First: Know Where **You** Stand

- Are we in a **crisis** now (financial, programmatic, etc.)?
 - ✓ How many months' cash on hand do we have (3 months is a healthy minimum)?
 - ✓ Know your Quick Ratio: Current Assets (cash, AR, etc.) / Current Liabilities (AP, loan payments due, etc.) → Should be greater than 1.0
 - ✓ Are our core programs/services functional and meeting needs?
 - ✓ How many are not receiving our services that need them?

First Things First: Know Where **You** Stand

- If we are not in a crisis now, is a **crisis likely coming** for us, and for how long are we “in the clear”?
 - ✓ What is our 3-month cash flow projection? 6 months?
 - ✓ Do we have an end-of-year financial forecast (revenue and expenses)?
 - ✓ Have we estimated continuing/increasing demand for our services?

Question for Discussion

Do you have experience with an organization in crisis (financial or otherwise)?

If so, what tactics did that organization employ that worked, that didn't work, or that they didn't try but should have?

Second: Everyone Needs a Plan

- If you are in a crisis, develop and implement a **crisis plan**

Strategic Components

- ✓ Review strategic plan, mission, etc. for program priorities
- ✓ Talk with others in the same industry for how they are coping
- ✓ Assess risks (contractual, service delivery, org viability, etc.)
- ✓ Determine appropriate board intervention/assistance
- ✓ Honestly evaluate management capacity
- ✓ Have candid donor and key stakeholder conversations

Tactical Components

- ✓ Develop an accurate financial snapshot and projection (consider outside help)
- ✓ Cash = Oxygen (weekly or at least monthly cashflow analyses)
- ✓ Take immediate financial actions, including salary and staffing cuts as needed
- ✓ Make programmatic changes/cuts that may be necessary
- ✓ Develop and implement a media and PR communications plan

Visit www.greenlights.org/resources/recession_resources.asp for great resources, samples, and tools for crisis planning.

Second: Everyone Needs a Plan

- Even without a crisis, every nonprofit should have a **contingency plan**:
 - ✓ Which programs and services are most critical to meeting our mission? – ask hard questions
 - ✓ Develop real financial scenarios with clear triggers:
 - ✓ How would you cut 10% of expenses if ABC happened?
 - ✓ How would you cut 30% of expenses if XYZ happened?
 - ✓ What levers can we pull in the short term (emergency funders, prices of services, salary cuts, staff/work hours reductions, reduce operating hours, volunteer resources, etc.)
 - ✓ Identify where outside help/knowledge might be needed
 - ✓ Clarify decision-making authority between board and staff

Question for Discussion

If your organization were to develop a contingency plan, what would it look like and how would you do it?

Creative Ideas to Consider

- Outsource non-critical functions
 - HR, payroll, accounting, IT support, etc.
- Share services with another nonprofit
 - Office space, office equipment, administrative or other staff, pooled purchasing, etc.
- Collaborate on service delivery with another nonprofit
 - Can reduce cost of delivering programs and may increase impact
- Renegotiate contracts/leases to save costs
- Ask Greenlights for help!

Question for Discussion

What creative ideas or strategies has your organization (or others you know) implemented to weather the recession, save money, enhance revenues, etc.?

Nonprofit 2
Town Hall 0
Meeting 0
9 **Surviving and**
Thriving through
the Recession

Proudly sponsored by:

**The Meadows
Foundation**

