

Planning for the Lost Horizon

We now know a single vaccine will not instantly obliterate the COVID virus. Instead, we must depend on personal behaviors, along with tracking and vaccines, to cease infection rates. Nonprofits and all businesses face an unknown future. We're currently functioning, but with increasing anxiety. How do we plan, prepare, and organize for the 'lost horizon' that is 2021 and the resulting post-virus world?

It's time to resurrect our business plan *as if we were a new start up*. We can face the reality of *what we do know* about the next 18 months. We don't need a new strategic plan – we need a short term focus on getting through this and developing more resiliency.

An **overarching goal** for a new nonprofit business plan could be some version of:

“Delivering distinctive mission critical services; sustaining operations and reputation: while operating an increasingly equitable business without severe, future, financial risks” Wow.

And no, we can't push aside addressing equity issues during this crisis and get back to it later. We're learning equity can never be back burner. It is a daily issue for those most impacted by inequity and bias.

David La Piana says, “a good business plan **tests the proposition** that a particular undertaking – program, partnership, new venture, growth strategy or the entity as a whole – **is economically and operationally viable.**” And that means being viable under circumstances such as these. Planning for an unknown future is attainable by breaking the overarching goal into components that *test the proposition*.

In order to get oriented, we start with what we know for sure, (in the consulting business this is part of the 'environmental scan'). The private sector has research and publications informing them what to expect which also applies to nonprofits:

- Virtual environments for work will continue, at least as options, e.g., contactless payments, virtual board and committee meetings, conferences, interviews, and networking
- Social distancing will continue and large group events will be re-designed
- Access to technology for service delivery to families will increase as computers and hot spots become available to students for remote learning
- Racial equity is now a urgent priority for us and requires ongoing attention, leadership, and change
- Distribution hub locations and centralized drive-thrus could replace in person 'shopping' facilities (example – increased usage of drive-thru grocery shopping)
- Testing and health safety measures will continue and increase beyond the current COVID outbreak
- Federal and local COVID related directives and funding will frequently be confusing, imprecise, contradictory, and reversed

- Another great recession is highly likely due to rising national debt, unemployment, trade wars, upcoming elections, and related market shifts
- There will be unintended consequences of “reopening” of America

We realize there is no date for a ‘grand reopening’. (Though some of us hope inauguration day is a cause for ‘dancing in the streets’). So, we must get on with planning our way to the unseen ‘other side’.

A starting point, for a short term business plan could be your version of this **basic objective**:

“providing core mission critical services and programs to those in most chronic need in a financially viable way while operating an equitable environment and adapting rapidly and frequently to service delivery conditions over the next 18 months.”

The essential elements plucked from this objective are:

- Mission critical services/programs
- To those in most chronic need
- In financially viable ways
- Operating equitably
- Adapting rapidly and frequently

A short-term planning process and resulting work plan can be tackled answering questions, queries referring back to our origin as a nonprofit, the current condition of the community’s need, and our relevant experience of the past five months. You might not be able to plan your way *out* of this but you *can* plan the way through it.

Five areas for crisis planning:

Analyze Mission and Core Values

It’s productive for your team to retrace your steps back to the startup of your nonprofit. What was the problem you were formed to solve? What were the community needs and gaps in service you were created to address? Before COVID, the environment had shifted these needs. So it’s useful to analyze how the original purpose has changed and what remains as your central mission and guiding principles. This is critical to prioritizing what’s next.

If the mission statement which you’ve been operating with doesn’t fit today’s circumstances, that must be acknowledged. Looking at organizations which have entered the market and provided similar services to similar clients is important to realize your ‘niche’ (if you had one) has changed. You might not be the only organization providing your services. Convene the other credible providers of these

services in your community, and talk together about combining forces in all kinds of ways: delivery, linking together a services continuum (no duplicates), and considering more viable changes to your business structures.

Retract and narrow services and programs:

Since we know a recession is highly probable during the next 18 months, we should plan for contingencies and reductions in revenues. We can't print money so what do we do? Cut back any service that is not critically essential. The fewer fixed expenses you have, the more nimble you can be. You are too embedded with your own organization to be objective: ask others external to your NPO for objective, expert advice.

Because facilities and personnel are the largest percent of nonprofit budgets, you'll need to address what programs and services can be delivered without renting, re-opening, or expanding facilities. You'll need to address how you might use contract personnel to reduce FTE's. Contract personnel are often an option for expanding and contracting your workforce suddenly (ongoing flexibility).

Looking how to pull back, reduce, and precisely target services to your core purpose is unavoidable. Avoid waiting until the economy 'hits bottom' to realize the financial benefits of reducing your operations and services. That's too late.

Financial forecasts and scenario modeling are the essential planning methods to get prepared. Asking:

- What if we do this now? How much would that save?
 - What if we do this before year end?
 - How will this impact our state and county funding?
 - If we don't get another PPP Loan, when do we need to pull back?
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- Because of conflicting indicators for the near term, it's wise to address current plans in progress for enhanced programs, expansion of services, adding staff and facilities. How could those be delayed without jeopardizing the future?

Changes to delivery system and operation

We often overlook collaboration as delivery and programming alternatives to our present offerings. We can investigate linking to other nonprofits and build a transformative process to 'pass the baton' between our organizations for our shared clients.

Financial scenario planning, mentioned above, can uncover efficiencies through modifying delivery processes and operating support. Remote access, virtual meetings and contactless delivery will be constants going forward.

Impact on Equity:

Wherever your nonprofit is on its journey to become antiracist, the next year will continue challenging circumstances. Business plans need to be scrutinized and revisited for which groups are being disadvantaged, perhaps unconsciously, by your decisions of new policies, programs, and delivery. You'll need to take time for frequent, deep discussion reviews of the racial impact, intentional or not, of where you're headed and how you'll operate. This cannot be pushed aside for 'when things are better'. This is when we show our truth of what really matters.

Communications:

If it weren't obvious by now, the need to continue to inform and stay visible to clients, stakeholders, and team members depend on vibrant and more frequent communications. Developing new *key messages* that are crisp, interesting, and repeated are the new relationship management. Sharing your objective, the plan, and evidence of a plan will be important to keep the faith in your organization and your leadership.

We need to develop expanded speaking and writing skills, as well as mastering virtual technical options. Your Zoom broadcasts don't have to look like the network news, but you can develop enhanced skills by referring to online posts about best web practices. To continue stewarding key relationships, divide up a contact list, agree on how and who will be staying in touch and how you'll share information about these contacts. These key tactics help you stay relevant and informed.

Conclusion

Our experiences over the last five months are the best precedent for what's likely for the next year.

Reckoning with obstacles that cause us to procrastinate planning means facing our continued reticence and disbelief (still): "This can't really be happening!", "Surely this will be over very soon", "But as soon as there's a vaccine." Most of us would rather hunker down on the couch watching Netflix until this passes (except I've already watched everything!). Or just trudge through this mess again each day.

COVID is reality throwing a glass of cold water in our faces. There's no crying in baseball. Let's get on with leading through it.

We've been business warriors before. Our same hard fought dedication and tenaciousness could be the very obstacle preventing us from letting go of what we *wanted* to be happening now. But let go we must and move forward creating new plans that are innovative, nimble, viable, and perhaps smaller.

You'll need some trusted counsel and external expertise to help with this process, (and we'd be glad to help 😊). Find or hire a trusted resource or colleague outside your organization, who can bring different perspective. Even in the best of times, self-analyzing what is essential, mission critical, and what can be scaled back or temporarily 'shuttered' is difficult for us.

All of us are driving in the fog right now, nerve racking and vexatious, unable to see beyond the headlights.

We can plan for unpredictability and gain focus. Focus can bring us clarity and direction. Just like following the yellow center line, driving at night in pea soup, we can't see what's ahead but we know we're still on the road.

LevRidge Resources, LLC has been in business serving nonprofits almost 10 years. Specializing in assessing nonprofit business models, business contingency planning, providing interim executive services, and consulting on transitions. www.levridge.org