

RECESSION TOOL KIT

Empowering nonprofit leaders to navigate effectively in the new economy



5 Steps for Recession Planning

We believe that time-efficient planning and returning to your core programming can translate anxiety into action. Situational and entrepreneurial leaders who keep their equanimity will guide their organizations effectively during the recession. Here is a summary of the Recession Tool Kit process:

- 1. Get Grounded** - Revisit your mission, vision and values -- so that they are the compasses by which the board and staff will make strategic decisions.
- 2. Collecting Data for Strong Decision Making** - Assess the recession's impact on your organization's finances. Look at income, assets, expenses and liabilities. Consider where demand for programs will increase and contract. Focus on both the internal & external environment.
- 3. Analyze the Data and Trends** to identify the most critical issues. Then consider your options:
 - **STRATEGIC DECISIONS** - What strategic decisions need to be discussed, vetted and turned into policies? Decide which can be handled on the staff level and which need to be resolved by the board of directors.
 - **CONTINGENCIES** - List all the findings that call for contingency planning. What will trigger layoff/furlough decisions? What if income drops 25% for a program? What if your unrestricted funds will drop 25%?
 - **CAPACITY BUILDING** – How should you build your capacity so that your organization so you can effectively manage the recessionary trends? To get the technical assistance you need, seek out advisors with relevant expertise and resource information from places like the Standards for Excellence.
 - **NO BRAINERS** - What actions can you implement that are obvious, straightforward and/or easy to put into operation? Determine who should do these efforts and by when.
 - **MORE STUDY** - Don't hold up your recession planning because you don't have enough information. Make decisions on what you can and then list the ideas and actions for which more study is needed.
- 4. Shape up your organization** by considering ways to optimize your limited resources and make them go further. Consider tangible and actionable ideas for addressing the challenges of the recession, including cost cutting, delaying new projects, technology upgrades and honing your fundraising message. Think of a continuum of ways in which you could restructure your organization -- from partnerships you may already have on programs to sharing back office functions with another nonprofit to considering merging with another agency. Refer to www.lapiana.org for some tools to assess for what level of restructuring your organization may be primed.
- 5. Adopt an Action Plan** and move forward with confidence. Below are the components of a comprehensive action plan to move your organization forward strategically:
 - Statements tying your mission and values to program outcomes during the recession.
 - How to best adapt your income, expenses, and programs to maximize your impact during this new economy.
 - Decisions about key strategies, new policies, contingency plans and capacity building activities.

For further information about RTK & our services, go to www.jpconsultingsolutions.net.

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