

Five Key Management Tips for Tough Times

Northland Foundation
Kathy Keeley
January 21, 2009

The Savvy Non Profit Leader

- **Know the Environment/Trends**
 - The Scan – Focus – Act Equation
 - Stay current on economy
 - Understand trends from global to local
 - Be open minded – times have changed
- **Lead and Manage**
 - Lead by example
 - Challenge others to change and do things differently
 - Create internal mindset – “More with Less”
- **Build Transparency**
 - Communicate regularly and often
 - Provide information and facts – tell the truth
 - Reach out – create options and new alliances

[Five Key Management Tips]

- Managing
 - Mission
 - People
 - Money
 - Performance
 - Partnerships/Alliances

 - Strategy ... Sustainability ... Spunk!

1-21-09

The Keeley Group

3

[Mission]

- Focus on Your Mission
 - Discuss it at the board and staff level
 - Review – what has changed, is it relevant and important in today's world. Is it a call to action – does it inspire.
 - Evaluate – does every program and service you offer contribute to the mission.
 - Energize – communicate and inspire donors, stakeholders, and volunteers

1-21-09

The Keeley Group

4

[People]

Non Profit Organization is About People

- Board – Invest Your Time, Build leadership, Keep Informed, Train and Develop
- Staff –Transparency – communicate, include them and be lean
- Donors – Ask, Ask again, communicate and message mission and making a difference
- Community – Be visible, seek volunteers, stage shared events, form public alliances

1-21-09

The Keeley Group

5

[Money]

- Analysis – need to understand cost structure for every program and/or service
 - Review past and current financial statements
 - Structure by programs/lines of business
 - Create chart of accounts that work
- Budget projections – two to three years
- Cashflow projections – two years
- Create Scenarios
 - Three “what if” with both budget and cashflow projections
 - Create deficit scenario- what is the impact short term and long term
- Communicate with the board

1-21-09

The Keeley Group

6

[Performance]

- Performance Measures
 - Outcomes not outputs
 - Organizational and Program based
 - Indicators and Targets
 - Less is better
 - Message and communicate
 - Manage to the outcomes
 - Use to set priorities and strategies
 - Be ruthless about measuring and managing
 - What is the return on investment
 - Stories will not be enough

1-21-09

The Keeley Group

7

[Partnerships/Alliances]

- Need to define ways to do business differently and formalize
- Step It Up and Get Serious
 - Beyond Collaboration
 - **Partnership** – those with different expertise come together to make something happen
 - **Strategic Alliance** – same service delivered differently – think code share by the airlines
 - **Mergers** – going out of business - midsized may be most difficult

1-21-09

The Keeley Group

8

[The Three S's]

- **Strategy**
 - Action oriented
 - Focused on results
 - Planning – strategic to work plans
- **Sustainability**
 - Cut costs and manage very wisely what you have
 - Diversify funding
 - Earned income – fees to contracts
 - Donors – early, manage, communicate, expand
 - Small amounts, early in year – year end campaign strategy may not work
- **Spunk!**

1-21-09

The Keeley Group

9

[Tools]

- **Creating Scenarios**
 - Environmental Scan
 - Understand the trends and options
 - Unpredictable times
 - Determine what is most important (Priorities)
 - What are the most important strategic actions for the organization right now
 - Contact stakeholders – those who are not insiders to what is happening- broaden your reach for discussion
 - Develop three or four scenario strategies
 - Increase revenue and reduce expenses
 - Increase in demand for services at same funding levels
 - Eliminate programs and staff
 - Major loss of funding, reduced event revenue or donations

1-21-09

The Keeley Group

10

[Tools]

■ Creating Scenarios

- Run the numbers for each scenario
 - Create master budget and cashflow for current situation
 - Alter and create one budget and one cashflow for each scenario
- Provide for Organizational Dialogue
- Develop Action Plan for Implementation
- Monitor and Evaluate Plan

1-21-09

The Keeley Group

11

[Tools – Performance]

■ Donors as Investors

- Outcomes
- % of something happens as result of what you do (output is counting the number of what you do)
 - 20% of clients maintain sobriety for 90 days
 - 50% of meals delivered on time and as scheduled
 - 80% of closings held within 45 days
- Indicators – proxy measures
- Targets – Percent Number that is your target goal

1-21-09

The Keeley Group

12

[Tools - Financial Analysis]

- Cashflow projections
- Financial Statements
 - Set up chart of accounts to provide useful information
 - Compare to budget and audit
 - Program based so track by program or line of business
 - Key Balance Sheet
 - Key Statement of Financial Activity

1-21-09

The Keeley Group

13

[Tools - Fundraising]

- Build and maintain your donor base
 - Seek and use technology
 - Maintain records
 - Plan campaigns
- Events
 - Have to do more than break even
 - Be prepared to cancel if revenue not generated as expected by preset date
 - Go smaller, less expensive and be creative
- Grants
 - Maintain relationships
 - Communicate problems before the rumors float
 - Be realistic
 - Provide top notch proposals and reports

1-21-09

The Keeley Group

14

[Tools - Fundraising]

- Share development staff
- Share prospecting costs for individual donors
- Develop realistic campaigns
- Do your homework
- Hold multi purpose events

1-21-09

The Keeley Group

15

[Spunk!]

- Acknowledge this is different economy and we have to all change
- Create scenarios which lead to options and opportunities – take action
- Focus on mission and do what is important – needs will increase
- Lead with creativity, innovation and purpose

1-21-09

The Keeley Group

16

[Resources]

- Northland Foundation
 - www.northlandfdn.org
- 2008 Minnesota Nonprofit Economy Report
 - <http://www.mncn.org/outlook.htm#NPER>
- Opportunities in Tough Times
 - http://www.fieldstonealliance.org/client/focus-opportunities_in_lean_times.cfm
- MAP for Nonprofits
 - www.mapforprofits.org
- kathy@thekeeleygrp.com