



CEO SUMMIT

HEADWINDS

RESILIENCY

TAILWINDS

HEADWINDS
RESILIENCY
TAILWINDS



Rightsizing Positioning for the Future

Agenda

- Social Sector Trends
- Start with Clear Strategy
- Rightsizing Options
- Panel Discussion
- Break
- Organizational Self-Assessment
- Environment Scan
- Scenario Planning
- Exploring Collaboration
- Q&A

Nonprofit Leaders Face an Uncertain Future

La Piana Consulting recently surveyed leaders from nonprofit organizations across the country

- 93% expected decreased funding
- 91% were concerned about the economy
- Nearly half anticipated significantly higher costs
- 43% were contemplating staff reductions
- Less than 20% expected increased revenue

Many are exploring rightsizing to set themselves up for sustainable impact

Rightsizing Begins with Clear Strategy

Vision: Describes the long-term impact that is desired

- *“Everyone will enjoy abundant access to clean drinking water.”*

Mission: An organization’s purpose and reason for being

- *“We advocate government and corporate action to provide clean drinking water for all.”*

Strategy: A coordinated set of actions aimed at creating and sustaining a competitive advantage in carrying out the nonprofit’s mission

- *“We will lobby state governments to tighten water treatment regulations and pressure manufacturers to change their waste distribution practices.”*

Rightsizing Begins with Clear Strategy

Vision: Describes the long-term impact that is desired

- *“Everyone will enjoy abundant access to clean drinking water.”*

Mission: An organization’s purpose and reason for being

- *“We advocate government and corporate action to provide clean drinking water for all.”*

Strategy: A coordinated set of actions aimed at **creating and sustaining a competitive advantage in carrying out the nonprofit’s mission**

- *“We will lobby state governments to tighten water treatment regulations and pressure manufacturers to change their waste distribution practices.”*

Rightsizing Can be a Strategy Implementation Tool

Strategic Planning: How an organization operationalizes its strategy

- *“Engage supportive political leaders to advance water treatment, zoning, and building code bills in seven key states this year and 14 more next year.”*
- *“Lead a coalition of environmental organizations to engage CEOs and traditional news media organizations in an influence campaign over the next two years.”*
- *“Develop our research, communications, and organizing capacity to launch social and traditional media education, awareness, and action campaigns for the public.”*
- *“Shift resources from our low-impact K-12 programming to higher impact programs.”*

Levels of Nonprofit Strategy



Motivators for Rightsizing

- Program Modification
- Community/Geographic Shift
- Outcome Improvement
- Financial Stability
- Expertise Development
- Leadership Transition
- Competition
- External Standards

Examples of Rightsizing

- Repositioning / Restructuring
 - Change in Focus (Mission, Programs, Services, Primary Audience)
 - Growth / Expansion
 - Contraction / Divestiture
 - Wind Down
- Collaboration
 - Joint programming
 - Alliances
 - Mergers / Acquisitions

When Should You Consider Winding Down?

- Mission Achieved or No Longer Relevant
- Lack of Financial Sustainability
- Insufficient Program Impact
- Lack of Community Need
- Lack of Stakeholder Support
- No Leadership Succession
- Challenges with Legal or Regulatory Compliance
- Insufficient Organizational Capacity

Panel Discussion

- David Duea, President & CEO, Lutheran Community Services Northwest
- Linda Timmons, President & CEO, Mosaic
- Cyndi Walters, President & CEO, National Lutheran Communities & Services

HEADWINDS
RESILIENCY
TAILWINDS






























Break

Agenda

- Organizational Self-Assessment
- Environment Scan
- Scenario Planning
- Exploring Collaboration
- Q&A

Organizational Self-Assessment

Category	Assessment		
Strategic Framework/Plan			
Programs			
Finance			
Fundraising			
People			
Marketing/Communications			
Facilities & Technology			
Partnerships			

 We're good!  Needs work but manageable  Area of high concern

Organizational Self-Assessment

Strategic Framework / Plan

- Have the Board and staff recently reviewed the strategic plan for relevancy?
- What would it take to refresh your plan as a roadmap for the next 12-24 months?
- Is this an opportunity to address diversity, equity, and inclusion (DEI)?
- Do you actively refer to your strategic plan when new opportunities or challenges arise?
- Have you shifted your strategy to continue to meet the mission?
- Are you clear on your organization's competitive advantage?
- Have you laid out scenarios and back-up plans?

Organizational Self-Assessment

Finances

- Have you reviewed your year-to-date finances?
- What is your cash position?
- What is your monthly burn rate?
- What indications have you been hearing from donors/funders?
- Can you adjust the terms of restricted grants?
- Have you stress-tested your budget? (E.g., reductions of 10%, 25%, or 40%)
- Are you effectively engaging your Finance Committee?

Organizational Self-Assessment

Fundraising

- Are you clear on your funding mix and areas of fundraising strength?
- How are you engaging your strongest donors and partners?
- What is your current messaging/outreach? What feedback are you getting?
- Does your fundraising approach need to change?
- What resources are needed?
- Is there a way to better incorporate DEI in your approach?

Organizational Self-Assessment

People

- Has there been leadership turnover?
- Have you had to make staffing changes?
- Are there opportunities to maintain flexibility?
- Are you considering options through a DEI lens?
- Have you reviewed personnel policies?
- Are you able to provide training or infrastructure to keep staff, clients, and volunteers safe?
- Are you optimizing your board and committee structure?

Organizational Self-Assessment

Marketing / Communications

- Have you recently reviewed your communications plan? Is there an opportunity to adapt?
- Are you being transparent about the impact of current events on your organization?
- Do you segment how you reach audiences?
- Are current channels working?
- Does your messaging reflect inclusion and dignity for all?
- Are you linking communications to fundraising efforts?
- Do you need additional resources to implement changes?

Organizational Self-Assessment

Facilities / Technology

























- Have you had to make changes in your facilities or in your technology?
- What additional changes may be needed under different scenarios?
- What are the costs (out-of-pocket or lost revenue) to implement?
- What contingency plans do you have for last-minute changes?




Organizational Self-Assessment

Partnerships

- Who are your key partners?
- How have your relationships been strengthened or weakened?
- Are there opportunities to work together to address gaps?
- How does your organization work best in partnership?
- What new partnerships might bring mutual benefit?
- How might you reach out to those organizations to problem-solve?

Organizational Self-Assessment

Category	Assessment		
Strategic Framework/Plan			
Programs			
Finance			
Fundraising			
People			
Marketing/Communications			
Facilities & Technology			
Partnerships			

 We're good!  Needs work but manageable  Area of high concern

Environment Scan

Peer
Organizations

Community
Needs

Climate
Considerations

Economy &
Funding

Society

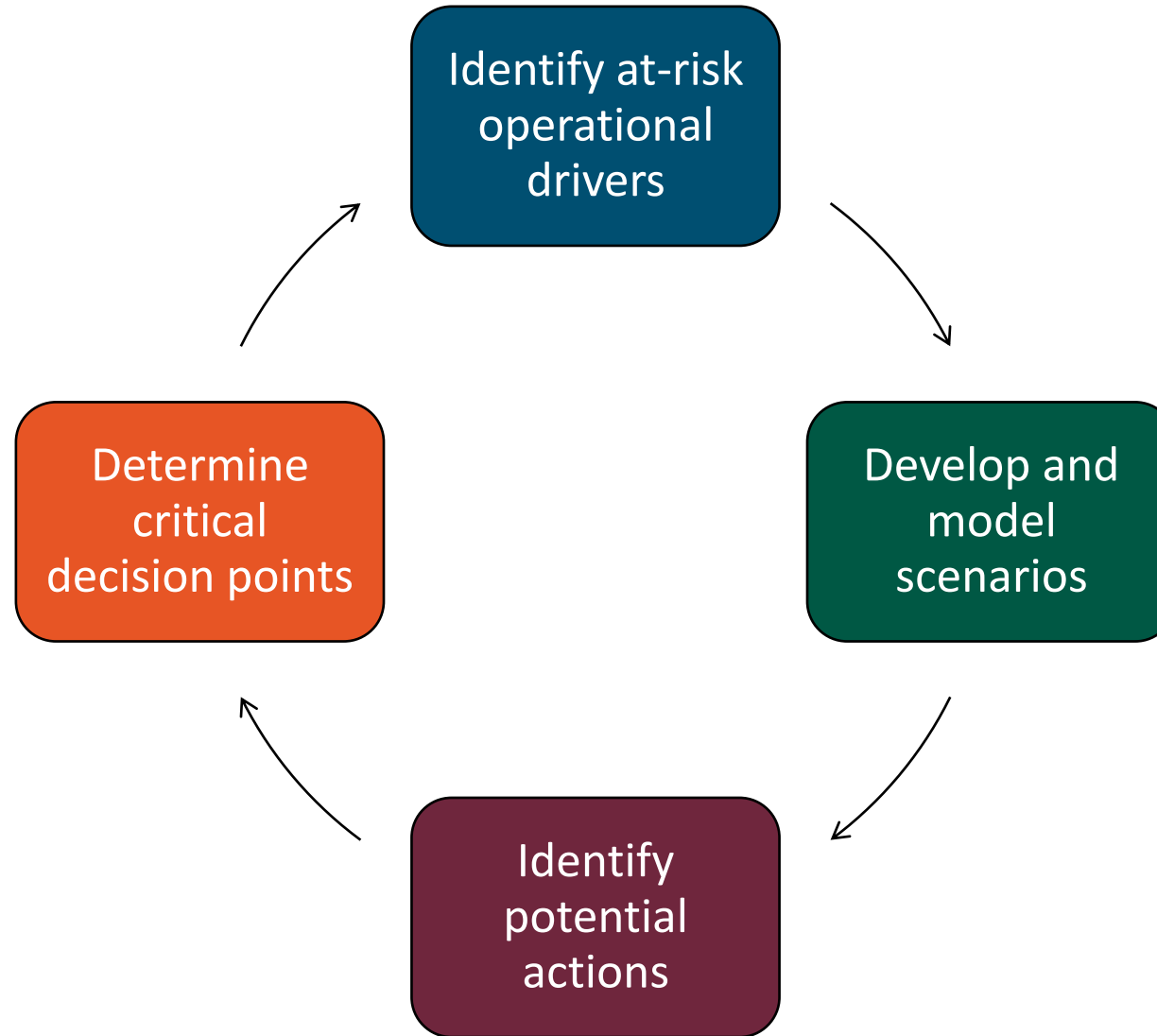
Technology

Politics / Policy

Equity &
Inclusion

Other?

Scenario Planning



Scenario Planning Drivers

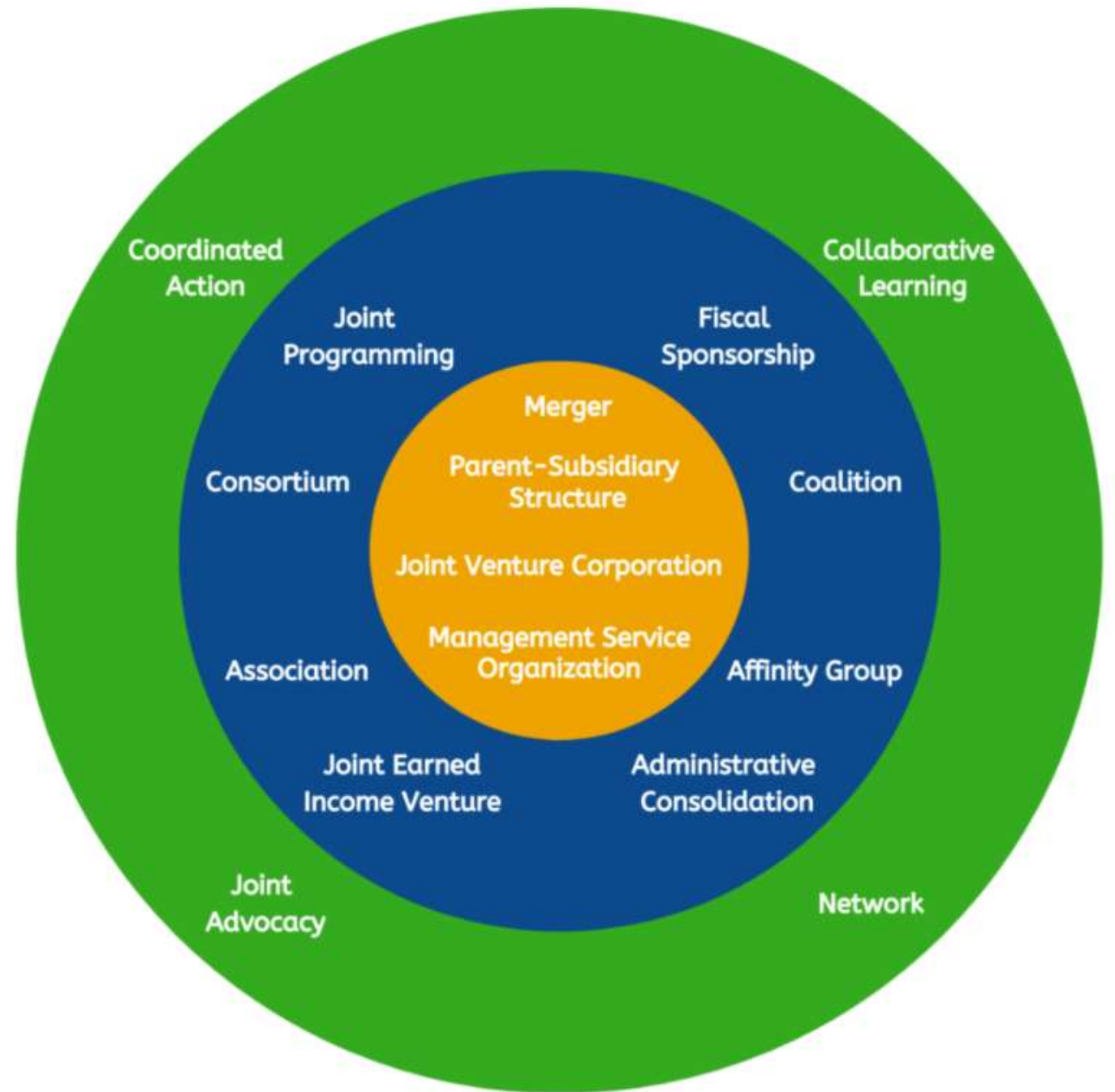
List **the most important and highest risk drivers** for your organization's programs, operations, and funding.

For each, consider:

- What is the nature of the risk associated with the driver?
- What is the likelihood that the risk plays itself out?
- If the risk played out, how much of an impact would it have?

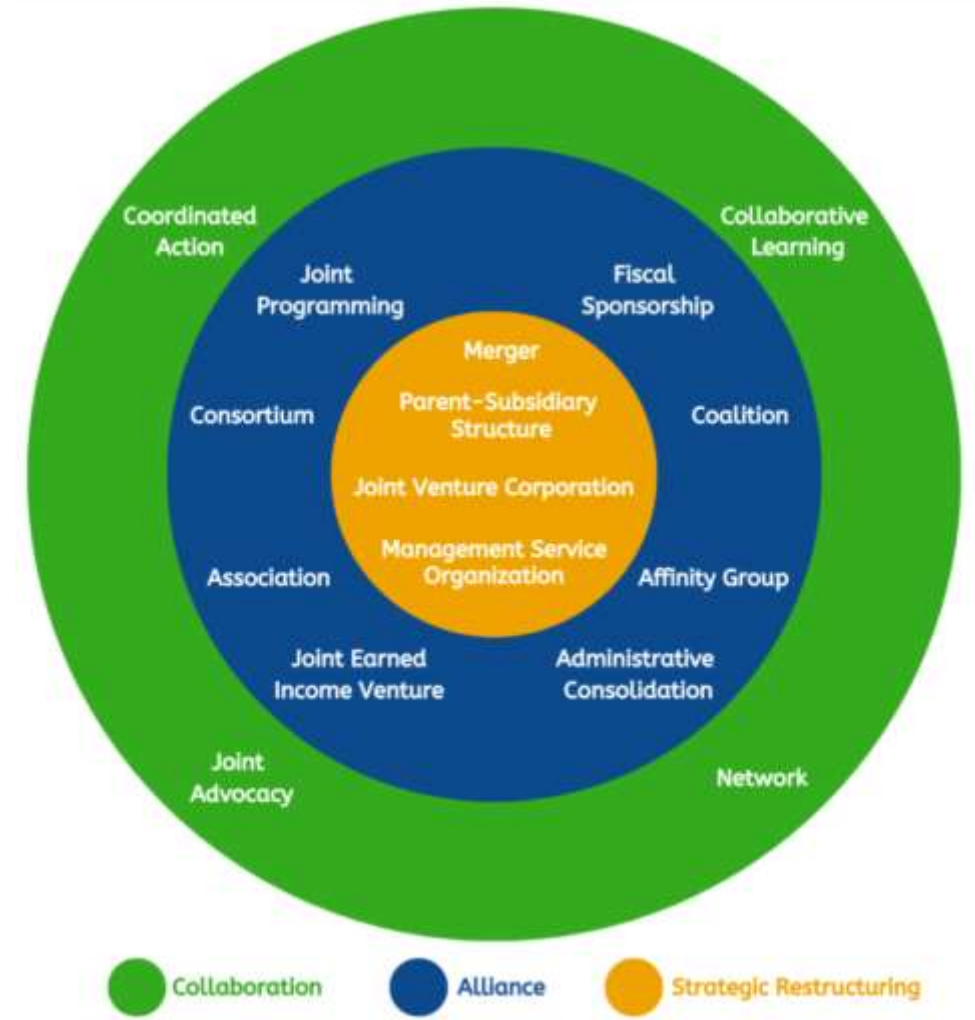
The Collaborative Map

- Collaboration
- Alliance
- Strategic Restructuring



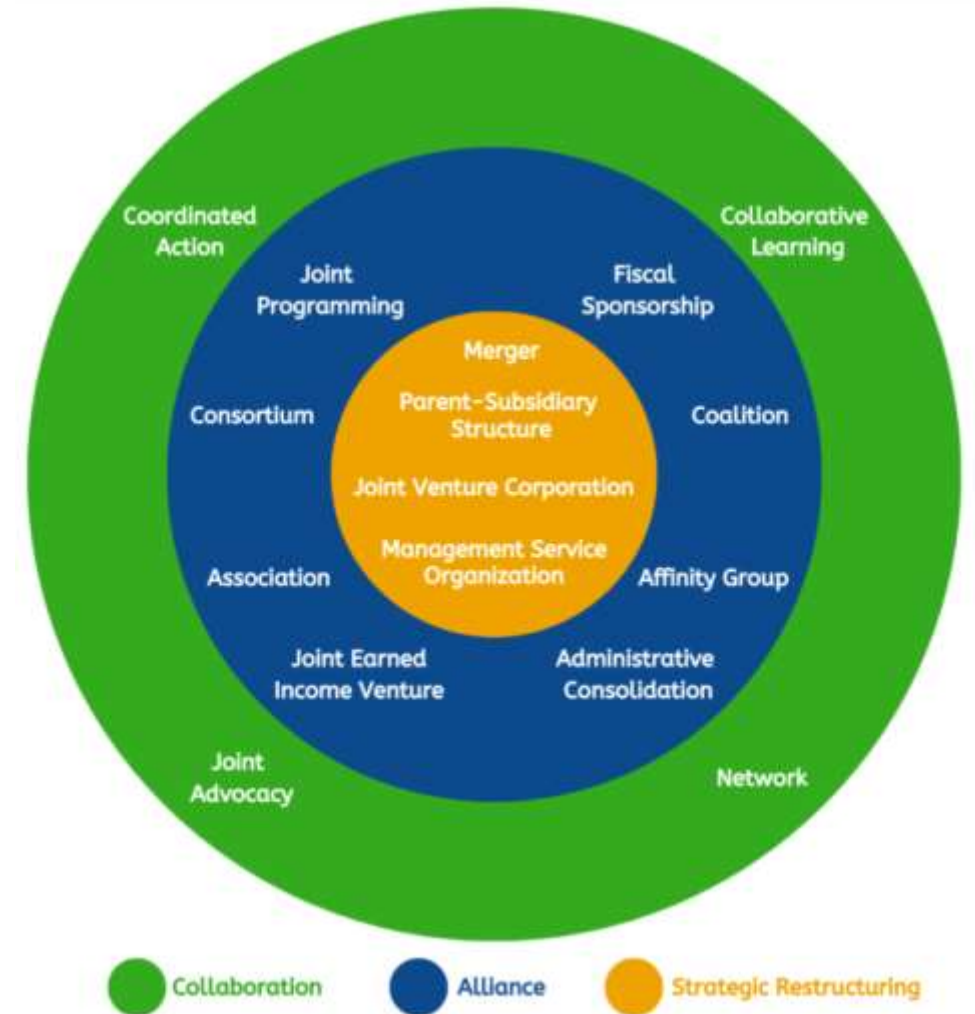
Collaboration

- Great flexibility in pursuing shared goals
- No change in how partner organizations are structured or managed
- Need only last so long as it takes for the goals to be reached



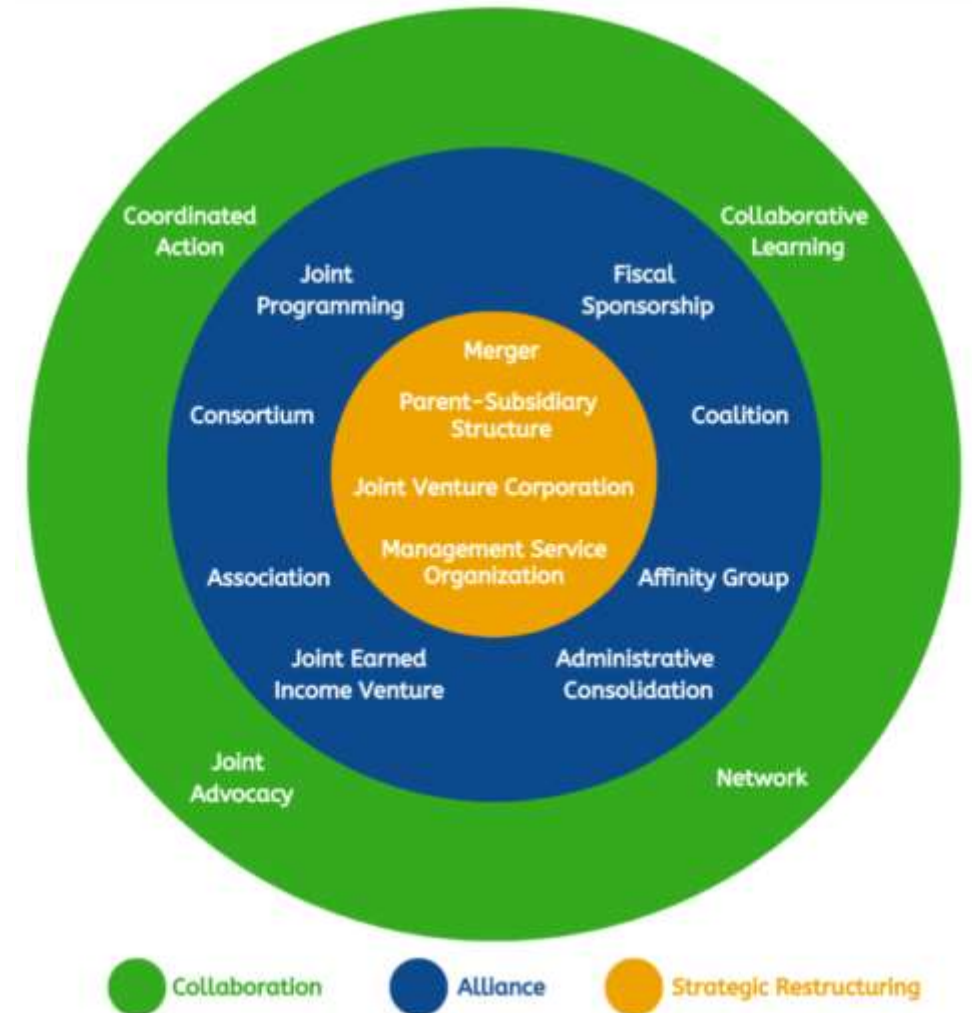
Alliance

- More formal and longer term than collaborations
- May include a legal agreement
- Still allow partners a significant level of organizational autonomy

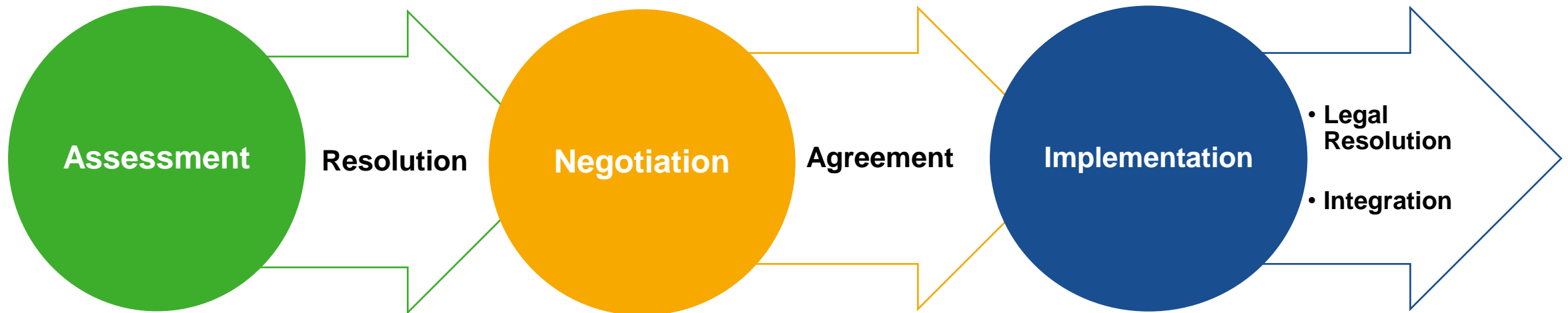


Strategic Restructuring

- Most integrated and permanent form of collaboration
- Involves a change of corporate structure for one or more partners or creation of a new corporate entity



Criteria for Potential Collaborators



Criteria for Potential Collaborators

- Do you have similar or complementary missions and visions?
- Do you share common values, customs, beliefs, and practices?
- Have you worked well together before?
- Do you have enough trust on which to build a relationship?
- Do your strengths complement each others' needs?
- Does their financial status raise any concerns?

Sustaining Collaboration

- Make it official by documenting mutual commitments
- Plan for leadership turnover
- Make data work for you and track progress toward key outcomes
- Cultivate broader involvement beyond the core group
- Continually learn from and adjust what you are doing
- Build on the experience and your understanding of the issues you are addressing

HEADWINDS
RESILIENCY
TAILWINDS



Questions?