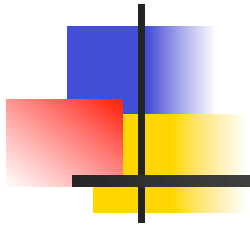


The Board's Role In Navigating Tough Times



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Course Topics

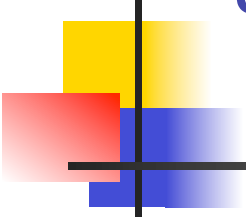
- Board oversight of financial management in times of crisis
- Tough decision making
- Communicating to stakeholders



Four Questions

- What results will we hold ourselves accountable for?
- How will we achieve results?
- What will results really cost, and how can we finance them?
- How do we build the organization we need to deliver results?

What results will we hold ourselves accountable for?



- How do we go forward? Is it the same, or how do we change?
 - Assess program performance
 - Look at what other providers are doing
 - Review the “needs” data
 - *After review, how can we make the greatest difference based on our organization's strengths?*



How will we achieve results?

- Once we have determined what we will do, we need to agree on the strategies to achieve the results...
- What actions will we take? By Whom? By when? What sense of urgency applies to each action?

What will results really cost, and how can we finance them?

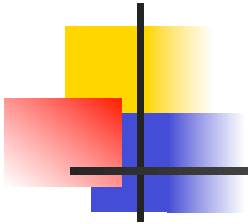


- Determine the “price tag”
- Prepare your ‘evidence’
- Launch a campaign to educate supporters, funders, elected officials, and other constituents about the “new approach”
 - Use testimonials



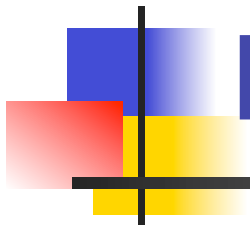
How do we build the organization we need to deliver results?

- Systems to gather and monitor results
 - Performance data is a powerful lever
- Decide what to do with programs & services that do not “fit” with the new focus
 - Move, spin off, reorganize, or eliminate
- Establish standards



- Clarity about results is a necessity, not a luxury
- Leadership is required at all levels:
 - Staff
 - Volunteer
 - Board of Directors

10 Things for the Board to Do Right Now





1. Don't Panic

- Read, do research, remain calm
- Gather the FACTS
- Be deliberate and careful in any action(s) taken
- Do not underestimate the burdens of staff
- Ensure that staff knows that the board supports them



2. Think Strategically

- Review the long term strategic plan & make adjustments based on your assessment
- Position your organization as useful in times of crisis
- Ask “how do we best support our mission in spite of the changing economy?”



3. Get a realistic picture of your organization's financial situation

- Discuss, at a board meeting & in detail, how the downturn is affecting your financial picture
- Determine necessary expenses & revenue to cover them
- Diversify revenue streams
- Be clear about what is – and what is not – bringing in revenue
- Be clear about the real costs – fixed and flexible – in the organization



4. Create a contingency plan

- Perhaps more than one – scenarios
- *How will we have to govern differently if we enter a long term recession?*
- Develop an alternative financial model(s) based on altered assumptions
- If in serious financial difficulty, consider an alliance or a merger (more to come on that)



5. Work more closely with your executive director

- Develop contingency plans in close connection with management
- Adhere to a culture of transparency
 - Staff & board involved about all steps & all assumptions
 - No “behind the door” meetings
- Communicate more often with management



6. Step up your fund raising

- Call on key funders to explain your situation – and the results your programs are yielding
- Go beyond the “usual suspects”
- Hug your donors more often
- Recognize donors
- Inform donors about your increased needs - & what you are doing to meet those needs



7. Tighten your belt

- Reduce expenses
 - Board-related expenses
 - Other expenses – review everything & question “why”
- Build cash reserves



8. Pump up your engagement

- Ensure that the board is involved at the deepest organizational levels
- Ambassadors, friend raisers
- Nurture face to face relationships with community leaders
- Consider increasing your personal giving



9. Evaluate your compensation structure

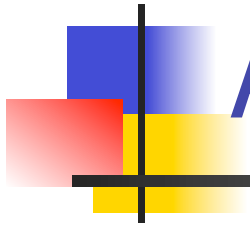
- Would you be comfortable if it was in the press in these times?
- Benchmark all salaries with comparables
- Review all with the executive director & make adjustments as needed, communicating with staff at every juncture

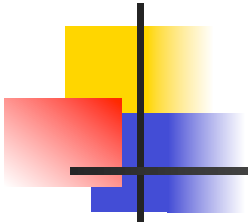


10. Be a mission guardian

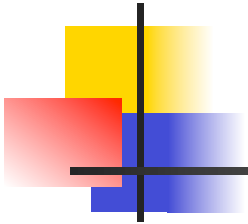
- Be certain that all decisions flow from your organization's vision, mission and values
- Prepare for the worst

Partnerships, Strategic Alliances and Mergers





- View matrix and discuss options



- Questions?
- Answers...