

Opportunities in Lean Times

By the Fieldstone Alliance

We offer the following resources as a route to direct action when faced with cutbacks.

Use these tools and suggestions as a starting point for your own brainstorming, and to help you organize your thinking and analyze your current approach to fulfilling your mission. But don't get locked into any one strategy—cut them up, pull them out of a hat, mix and match them. Do whatever helps you spur new ideas that fit your specific situation.

Actions You Can Take Right Away

1. Protect the money you've got

The lawsuits are starting. Nonprofits (and others) are suing investment professionals for fraudulent and risky investments. If your organization has investments, do some checking to see what they're actually invested in. Don't rely on ratings.

Also, if you have a grant or other funds worth more than \$100,000 parked in the bank, it would be wise to think about splitting the account up into smaller amounts to spread your risk if the bank fails. FDIC [guarantees](#) accounts up to \$250,000 per depositor, per insured bank, but even they are running into funding problems.

Learn more...

[How to check on a bank's health](#)

[Nonprofits sue Wells Fargo for risking assets while holding them hostage](#)

[FDIC failed bank list](#)

[FDIC gets ready for bank failures](#)

[Building a Better World—One Balance Sheet at a Time](#)

Related books



Consulting and training services available

[Financial Strategy Planning](#) Contact Tom Triplett at ttriplett@FieldstoneAlliance.org or call 651.556.4504

2. Increase revenues

20 Emergency funding sources

Our consulting staff has put together a list of revenue sources that can be accessed quickly—usually within 30 days. Not all of these sources are available to all nonprofits, and some of them carry great risk.

Nonetheless, we hope you find the list useful and thought-provoking. [read more»](#)

Accessing stimulus money

Here's an overview of the purpose of the American Recovery and Reinvestment Act (ARRA) of 2009, the funding categories that are most applicable to nonprofits, and resources for accessing the funds. [read more»](#)

Emergency funding sources in times of economic crisis (audioconference recording)

Hear Fieldstone Alliance consultant Tom Triplett's presentation for the Virginia Network of Nonprofit Organizations' (VANNO). You can buy all seven "[Just In Time](#)" audioconference recordings: \$65 for VANNO members and \$95 for non members.

More resources...

[Interactive maps showing who funds what and where](#) (source: The Foundation Center)

3. Cut or control costs

20 Cost cutting ideas for nonprofits

Fieldstone Alliance consultants Sandy Jacobsen and Alexis Cress investigated the *other* side of the finance equation: *reducing expenses*. [read more»](#)

Also, here is a list of cost-cutting measures from the book, [Coping with Cutbacks](#):

Analyze purchasing

- Improve purchasing procedures
- Seek in-kind contributions
- Network to get better prices on supplies
- Seek new competitive bids and new suppliers
- Analyze purchases to see if they are necessary
- Simplify paperwork and forms; use electronic files
- Refurbish and reuse supplies

Adjust payables

- Consolidate or restructure debt
- Negotiate delayed or reduced payments
- Barter for needed services

Evaluate facilities and infrastructure

- Share space or maintenance costs
- Delay maintenance
- Save space by moving, reducing size, using home offices, or using split shifts
- Negotiate a decreased rent with your landlord
- Find a cheaper phone system; eliminate toll-free lines
- Eliminate or consolidate newsletters and brochures
- Eliminate vehicles or shift to less costly vehicles
- Save energy

Modify staffing and related costs

- Reduce hours or work week
- Cut, freeze, or delay wages
- Lay off staff; offer voluntary separation; offer unpaid leave; remove poor performers
- Freeze hiring
- Share jobs, consolidate staff, increase workload
- Use volunteers and graduate interns
- Hire temporary staff or consultants
- Remove management layers; don't funnel high performers into management merely to reward them
- Reduce benefits, staff training, and staff development
- Limit or eliminate travel
- Cancel subscriptions; use the Internet and libraries
- Cancel professional association memberships
- Switch to a direct reimbursement status for unemployment compensation
- Ask board not to submit expenses for reimbursement
- Convert some paid staff to volunteers
- Share staff with other organizations

Reduce services

- Analyze your programs and services against your mission and financial goals
- Reduce or eliminate non-core programs
- Limit eligibility for programs; reduce the number of clients served
- Reduce or eliminate core programs
- Temporarily shut down some or all services
- Plan to go out of business humanely

4. Modify your structural strategies

Adapting to Change: 22 Structural Strategies for Nonprofits

When major external change happens, it's important to look internally to revisit and, if necessary, revise your mission and approach in order to serve the community in the best way possible. In addition to the list below, Fieldstone Alliance consultants Sandy Jacobsen and Stephanie Jacobs have captured up-to-date information and examples of the three main types of structural strategies. [read more»](#)

Modify the mission

- Reexamine the mission and realign the organization accordingly
- Modify the mission to build clients' capacity to solve their own problems
- Change the mission to enable the organization to respond to rapidly changing conditions
- Move out of direct support services and into prevention services
- Be a pilot site for some foundation, academic, or government program

Modify the organization's structure

- Eliminate programs that are redundant with those of other organizations or combine them to improve services
- Position yourself higher in the "food chain" when intense competition accompanies a changing environment
- Respond to a changing environment by changing programs
- Spin off a struggling or "orphan" program to another organization where it has a better chance to thrive
- Merge with or acquire a competitor's or an ally's program
- Relocate with a group of related organizations to form a one-stop shop
- Become a for-profit; add a for-profit subsidiary; be acquired by a for-profit

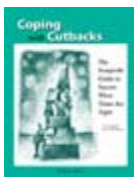
Modify the organization's culture

- Enlist the support of potential funders as you modify your programs, and then request funds to support changes
- Share resources and expenses with other organizations that have similar needs
- Make your services more culturally sensitive
- Educate the board of directors to make them more effective
- Mobilize everyone in the organization to help market its mission, message, services, and needs
- Tear down bureaucracies that interfere with the creative flow of ideas
- Replicate rather than reinvent
- Link with a complementary but different organization to bring resources into the organization
- Take a more entrepreneurial approach to accomplishing your mission

Learn more...

[Adapting to Change: 22 Structural Strategies for Nonprofits](#)

Related book



5. Engage with others

Use "kaleidoscope" thinking

If you're looking for new ideas, but you're asking for input from only your board and staff, you're likely to get the same answers that you've gotten for the last two years. Harvard Business School professor Rosabeth Moss Kanter says that what savvy leaders really need to do is: "think across borders and through boundaries, almost as if turning a kaleidoscope to examine the same basic set of circumstances in a hundred different new ways. The kaleidoscope is a symbol of ever-changing patterns and endless new possibilities, powered by human imagination," explains Kanter. "Leaders who want to stimulate more innovation within their companies need to look beyond the organization's walls. It's not reality that's fixed, it's our view of reality that is fixed."

Here's how you can start putting kaleidoscope thinking to work:

- Convene local nonprofits to talk about the issues and brainstorm options
- Network with small and midsize businesses with a personal stake in the local community
- Hold community issues forums; discuss community goals

Learn more...

Example of community forums in action (from the National Council of Nonprofits "[Economic Vitality Center](#)"):

[Telling the Story](#) - how the Michigan Nonprofit Association shined the light on challenges being experienced by nonprofits

[Providing Understanding and Building Community](#) - how the Oklahoma Center for Nonprofits brought nonprofits together

[Creative Uses of Community Forums](#)

[28 Factors for Successful Community Building](#)

[Engagement Strategies: Making the Most of Working Together](#)

Related books



Consulting services available

[Community Planning](#) Contact Gordon Goodwin at ggoodwin@FieldstoneAlliance.org or call 651.556.4502

[Collaboration Services](#) Contact Sandy Jacobsen at sjacobsen@FieldstoneAlliance.org or call 651.556.4510

Collaborate

In lean economic times, it's hard to be creative. Most nonprofits turn to the 3 Rs: raise funds, reduce costs, retract services. Very few consider options such as collaborating with others or advocating for public policy changes. Yet these options may actually work better and help you down the road as well.

Learn more...

[Collaboration Factors Inventory](#)

[Four Keys to Collaboration Success](#)

[Lower Intensity Alliances: When Less is More](#)

Related books



Consulting services available

[Collaboration Services](#) Contact Sandy Jacobsen at sjacobsen@FieldstoneAlliance.org or call 651.556.4510

Longer-Term Actions

1. Keep up on trends

If you don't pay attention to macro trends, your hard work may end up being as useful as rearranging deck chairs on the Titanic. When you stay abreast of market trends you stand to gain the following:

- Better knowledge of the external environment and its impact on your nonprofit
- Greater sense of control over the situation
- Identification of trends before they are “old news”
- Improved decision making and improved strategies

In short, when you become adept at recognizing trends, you improve your decision-making abilities and you become more effective at forming effective strategies.

Learn more...

[Tracking Trends—How to Turn Your Hunches into Good Decision Making](#)

[Six Generational Trends that Will Affect Your Nonprofit](#)

[Related links](#)

Related books



Consulting services available

[Strategy Development](#) Contact Gordon Goodwin at ggoodwin@FieldstoneAlliance.org or call 651.556.4502

2. Know thyself

In tough times, it's even more important to be crystal clear about your mission, your competitive advantage, and your strategies.

Having your organization's mission foremost helps you make decisions that are best for the people your organization serves.

You also need to understand your competitive advantage. When undertaking significant strategic work, the organization must know itself (Who are we?), its position in the market (Where are we?), and its history (How did we get here?). Then, when it gets caught up in the complex possibilities inherent in most Big Questions (Where do we go next?) and in finding successful strategies (How do we get there?), it is less likely to lose its way.

Learn more...

[When Times are Tough, Get Creative and Strategic](#)

[Avoiding Knee-Jerk Reactions to a Crisis](#)

[Stewardship Helps Get More Mission for the Money](#)

[Why Traditional Strategic Planning Isn't Strategic](#)

[Real-Time Strategic Planning in a Rapid-Response World](#)

Related books



Consulting services available

[Strategy Development](#) Contact Gordon Goodwin at ggoodwin@FieldstoneAlliance.org or call 651.556.4502

3. Diversify revenue streams

Growing competition for donor dollars is motivating many nonprofits to look beyond long-standing practices toward new revenue models. Fieldstone Alliance consultant Tom Triplett specializes in helping organizations assess their current revenue streams and look at new options.

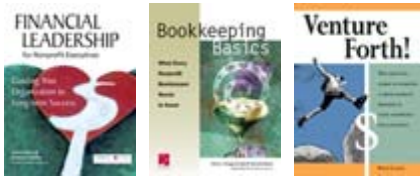
Learn more...

[Financing for the Long-Term](#)

[Collaborating with a For-Profit: Some Risks but Huge Potential](#)

[Does Your Organization Have What It Takes to Start a Business Venture?](#)

Related books



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[Financial Strategy Planning](#) Contact Tom Triplett at ttriplett@FieldstoneAlliance.org or call 651.556.4504

[Financial Webinar Series](#)

4. Affect public policy

As Marcia Avner, Public Policy Director for the Minnesota Council of Nonprofits says, "If you not at the table, you'll be on the table." With state budget cuts coming, it's even more important to work with your state association and other nonprofits to make the case for your services.

Learn more...

[List of free tools and articles](#)

[Related links](#)

Related books



5. Communicate your value

We believe that the nonprofit sector's greatest asset is its value system as expressed in the question **What good do we do for whom?** We think that nonprofits need to assert this value—when communicating with the public, when collaborating with others, and when weighing in on public policy.

Learn more...

[Five Keys to Creating Motivating Messages](#)

[Assessing Your Communication Goals](#)

Related books



Accessing Stimulus Money

- Fieldstone Alliance consultant Tom Triplett put together an overview of the purpose of the American Recovery and Reinvestment Act (ARRA) of 2009, the funding categories that are most applicable to nonprofits, and resources for accessing the funds. [read more»](#)
- Tom Triplett has also compiled a one-page list of national and Minnesota resources. [download file»](#)
- The Center on Philanthropy at Indiana University and Giving USA Foundation are offering a free, special bulletin on accessing stimulus funds starting April 27, 2009. [download the special bulletin»](#) or [read the media advisory»](#)
- An interactive map from The Foundation Center provides stimulus resource information by state. [link»](#)

Other Useful Resources

Financial Scenario Planning Resources

To help you be more prepared for whatever comes next, the Nonprofits Assistance Fund has contingency planning templates and samples. By considering several possible scenarios, you will be ready to make informed budget and management decisions. [link»](#)

GovTrack

GovTrack.us is an independent tool to help the public research and track the activities in the U.S. Congress, promoting government transparency and civic education through novel uses of technology. You'll find here the status of U.S. federal legislation, voting records in the Senate and House of Representatives, and information on Members of Congress, as well as congressional committees and the Congressional Record. [link»](#)

State of the States

Stateline.org's annual report on state trends and policy, "State of the States 2009" is now available.

Once again, it is chock full of helpful graphics and maps, in addition to reports on the most significant developments in the 50 states. [Download the free PDF»](#)

State of Nonprofits

The March 19, 2009 issue of Rick Cohen's "Cohen Report" offers brief commentary on how nonprofits are currently faring. It draws on two sets of surveys of nonprofits: 1) from state nonprofit associations in New Jersey, Illinois, Minnesota, Idaho, the District of Columbia, and Colorado; and 2) from United Way agencies serving the Twin Cities (MN), Dayton (OH), Atlanta, Denver (Mile High United Way), Rochester (NY), the San Francisco Bay Area, and Hartford (Center and Northeastern Connecticut United) metropolitan areas. [link»](#)