From Sustainability to Survivability

Steve Zimmerman
Spectrum Nonprofit Services

WELCOME!

Insights from the Sector

- 67% of New Hampshire nonprofits have had to cancel/reduce services for clients.
- Arizona nonprofits expect to lose an average of 31% of their revenue.
- 75% of Maine nonprofits anticipate impact on programs and sustainability.
- 44% of Illinois nonprofits are experiencing an increased demand for services.

"Not sure what to do but we will probably be dealing with zero or very limited clients and revenue. We must continue to try to maintain staff morale by being there for them as long as possible."

Concerns for populations served

Concerns for the organization
We already had a plan around disaster response, which we could use as a scaffolding, but we had to rework it. Pandemic wasn’t on the list of disasters we had in mind…There’s so much uncertainty. This is like white-water rafting in the fog.

Will Berkovitz
CEO
Jewish Family Service (Seattle)
Our Conversation

Understand your cash position
Assess damage to revenue streams
Look at the dual bottom line
Include everyone in the discussion
Communicate consistently

Cash Position

How long can we weather this disruption?
Understanding Liquid Reserves

Cash + Cash Equivalents + Accounts Receivable – (Restricted Cash + Restricted Receivables)

Typical Month’s Expenses

Survival Mode

Cash + Cash Equivalents – Restricted Cash

Typical Month’s Payroll + Health Insurance + Rent & Occupancy Expenses
Cash Position

Economic Injury Disaster Loans (EIDL)
Small Business Administration

Short-Term
- Forgivable, $10,000 emergency cash grant
- https://covid19relief.sba.gov/

Long-Term
- Low-interest loans up to $200,000 without personal guarantee
Paycheck Protection Program

Local Lenders

- 500 or fewer employees
- Loans for 2.5x monthly payroll + benefits
- Forgiveness determined by:
  - retaining staff
  - rehiring staff
  - maintaining compensation

Steps to Take

1. Talk to your banker
2. Complete the application form
3. Collect documentation
   - Tax ID #
   - Financial Statements from 2019
   - Payroll documentation for last 12 months

Our Conversation

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Questions to Ask

- What is our current revenue mix? Where do we anticipate vulnerabilities / shortfalls?
- Who are our closest funding partners?
- What funds our highest impact programs?
Assess Revenue

What is our current revenue mix?
Where do we anticipate vulnerabilities / shortfalls?

Who are our closest funding partners?

What funds our highest impact programs?
Questions to Ask

- What is our current revenue mix? Where do we anticipate vulnerabilities / shortfalls?
- Who are our closest funding partners?
- What funds our highest impact programs?
Everything an organization does has value but given the current situation in which we find ourselves…

which aspect of the organization has the **MOST** value today?

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**Dual Bottom Line**

A Quick and Easy Matrix Map

1. Define programs
2. Assess relative impact
3. Determine profitability
4. Plot your map
5. Determine strategic imperatives
1. Define Programs

Anything on which your organization spends a significant amount of effort or resources (time or money) on.

- Mission-Specific Programs
- Fund Development Programs

2. Assess Relative Impact

- Contribution to impact
- Excellence in execution
- Significant unmet need
- Depth

Who should be involved?

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3. Determine Profitability

- Specific Program Costs
- Shared Costs
- Administrative Costs

Determine Profitability

- Revenue
- Expenses

Profitability

Matrix Map

Impact
Our Conversation

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- Assess damage to revenue streams
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Myth of Superhero Nonprofit Leaders

TOGETHER
I am a firm believer in the people. If given the truth, they can be depended upon to meet any national crisis. The great point is to bring them the real facts.

Abraham Lincoln

Opportunities for Inclusion

<table>
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<tr>
<th>Cash Position</th>
<th>Assess Revenue</th>
<th>Dual - Bottom Line Analysis</th>
<th>Decision - Making</th>
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People will be more willing to forgive your in-progress ideas if they feel like they’re part of the process.

Nancy Duarte
Patti Sanchez
Our Conversation

- Understand your cash position
- Assess risks to revenue streams
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Communicate consistently

People – Especially Staff – Don’t Like Uncertainty
“Nonprofits need to do everything they can to communicate clearly to their supporters and stakeholders in the community what their status is as honestly as they can and ask for the kind of help they really need.”

Melissa Berman

**PHILANTHROPY**

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**Communication**

**Bringing Donors Along**

- Show gratitude
- Make it relevant
- Connect the dots
- Be honest

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Hello!
Our Conversation

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Action Steps

“We worry about sustaining the health and availability of our staff and sustaining financial resources to keep our doors open during this time of high need.”

START NOW
**Intake Form**
[https://www.surveymonkey.com/r/BR5YDG3](https://www.surveymonkey.com/r/BR5YDG3)

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**Technical Assistance**

**Delivery Method**
- Sounding Board
- Implementation Coaching
- Ongoing Support

**Response Stages**
- Crisis / Initial Response / Survivability
- Stabilization & Planning
- Adaptation / Strategic Implementation

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**Resources**