



Continuing the Good Amid An Economic Crisis **ADVICE FROM THE PANEL OF EXPERTS**

Leadership Pointers

Cynthia B. Nunn, President, Center for Nonprofit Management

Preparing for Tough Times: Five Practical Leadership Tips

1. Clearly identify your challenges and create a contingency plan that looks at specific financial and program changes. Focus on programs and services that are absolutely essential. Make adjustments cautiously; don't look for quick fixes.
2. Review revenue streams and determine the potential impact on each. Readjust your budget in light of potential revenue shortfalls for the current and next fiscal years.
3. Stay informed about the economic conditions and impact on the nonprofit sector. Develop a "tough times" communication plan. Reach out and communicate with stakeholders – staff, volunteers, funders, clients. Let stakeholders know of any new plans you have. Don't surprise them. But don't shoot yourself in the foot with too much negative information.
4. If you have layoffs, ensure you keep the right people. This is not the time to hold on to poor performers. You need your "A" team. Stay focused on the organizational needs not personal desires.
5. When it is time to act, do so decisively and confidently. Inspire and mobilize others to do extraordinary things. Look for ways to take your organization to a new level of performance. Staff and board are looking to you for direction and will need from you a sense of calm.

Philanthropy Pointers

Bruce H. Esterline, Vice President for Grants, Meadows Foundation

1. Develop a succinct statement of how the agency's program is unique from others in the field/geographic area. Focus on results and what make you different from the rest. Being able to give impact results can be that edge. It's one thing to say you provided 100 people with employment training but it's better to say those 100 have been employed above minimum wage for the last x months, contributed \$x in employment taxes, added \$x to GNP/sales tax, etc.
2. Increase communications with top donors. Make sure all reports and contacts with existing funders are up-to-date and informative. Funders may decide to support agencies they already know and have supported in the past.
3. Focus on your services that are/will be in greatest demand as clients are impacted by bad economic conditions and show funders how they can help in this effort.
4. Cut back expenses where you can: defer growth or expansion; freeze vacant positions; defer capital projects; use more volunteers; utilize the web more to spread the word and fundraise; consider mergers.
5. Be more excited than afraid. The nonprofit sector was made for times like these. Folks are hurting and we are in the helping business. Big opportunities to inform the public about what we do and the value we offer.

Financial Pointers

Darrell Harris, CPA, Principal, MicroBooks Management

1. Governance and Oversight

Volunteer board must be qualified, active, independent, and free of self dealing.

2. Reporting\Disclosure

Capture financial data in the best format for 990 reporting, financial audits, and marketing.

3. Benchmarking and Best Practice

Ensure that charity spends funds honestly, prudently, and in accordance with statements made in fund raising appeals. Top three sights for best practice guidance: Better Business Bureau, The American Institute of Philanthropy, and Guidestar.

4. Risk Management

Goal setting for financial reporting and delivering program objectives. Identifying what can go wrong and developing mitigating policies and procedures

5. Policies

Conflict of interest, Accounting procedures, and Full disclosures.

Philanthropy Pointers

Brent E. Christopher, President & CEO, Communities Foundation of Texas

1. Shift to basic services for 2009, which should be the focus of fundraising asks.
2. Communicate clearly and candidly with your donors to maintain confidence.
3. Expand your initiatives that you know have proven donor appeal.
4. Ask your board members to step-up their giving in 2009.
5. Explore more collaborations/partnerships to accomplish your work with other peer organizations.

Insurance/ Risk Management Pointers

James Shelby, CIC, CPCU, Vice President, Frost Insurance

- Make certain you are “best of class”
 - Underwriters will be looking at processes, procedures and loss experience.
 - Make certain your good work is documented for underwriting.

- Find out what resources your agent/ broker can provide
 - Since you may be doing more with less, find out how your agent or insurer can support your efforts with;
 - Online information resources.
 - Risk management support.
 - Claims management.

- Determine what resources are included in your program cost
 - State law mandates certain insurance carrier loss control services.
 - Ask your agent what is included in your cost.
 - If you aren’t satisfied with the answer, consider a “Services RFP”.

- You may be able to use group leverage
 - Consider collaborating with other organizations to get free or “included” services from an agent or insurance company.
 - Take advantage of seminars, webinars, etc.

- Relationships are more important than ever
 - A partnership between you, your agent/ broker and insurer(s) is vital.
 - Look at expertise and resources as integral parts of your program cost.

Labor & Employment Law Pointers

Christopher C. Antone, J.D., Managing Partner, Jackson Lewis LLP

Top Five Legal Initiatives To Continue Good Among An Economic Crisis

1. You still may have key openings enhance your hiring protocol to select the best applicants.
2. Ensure your job descriptions and evaluations accurately measure performance to maintain a fully motivated team and defensible documentation for potential reduction-in-force decisions.
3. Ensuring your discipline and discharge protocols keep the best (and remove your worst) performers.
4. Develop a truly effective two-way communication program to maintain the trust, respect and confidence of your employees, and avoid interference from third parties.
5. Train your supervisors and managers how to practice positive employee relations, and avoid the courthouse.

Fund Development Pointers

James Holcomb, CFRE, President, Holcomb & Associates

Advice for Thriving During Uncertain Times

1. **Increase fundraising activity** – Now is the time for action – not indecision. This is not the time to be silent with your donors. They need to hear from you to know the importance of the need you are serving. This is a great time to build relationships with contacts through personal visits, phone calls, email, personal notes, newsletters and direct mail. Thank every donor seven times.
2. **Communicate your mission** – Have a compelling mission and vision that your donors can fully support. Review your mission, refine it, and make sure you can communicate to your donors your organization's impact on those you serve and on the community. Your donors don't give to you because you need it, but because of the impact you have on those you serve and on the community.
3. **Diversify your donor base** – 75% of all charitable giving comes from individuals, with the remainder coming from foundations and corporations. Make sure you have a strong compelling message for individuals, both for direct gifts as well as deferred gifts. This is the time to communicate personally with major donors, by phone and personal visit. Younger donors are emerging as a newly found source of philanthropy. Make contact with foundations and corporations to determine their giving priorities and guidelines. New foundations are emerging every day.
4. **Update your fundraising plan** – What! You don't have a fundraising plan? Create one! How do you know what to do without a plan? Your fundraising plan is your toolbox. Have a fundraising plan that includes diverse funding streams as indicated above. Diversify your fundraising methods. Use special events, direct mail, email, your website and newsletters to acquire and solicit donors. Work on upgrading donors that consistently support your annual campaign. Major donors deserve phone calls and personal visits during this time. Make sure your marketing and communications strategies are in tune with your fundraising plan.
5. **Pay close attention to your professional fundraising staff** – Now is not the time to lose exceedingly good people who are key to your success and future growth. The best professional fundraisers will be in high demand. Invest in your team – give them the best training and development in fundraising techniques and strategies that is available. Locate a good coach to give them new ideas. Make sure they know how valuable they are to the success of your organization. Pay them well. Set a good example for them in commitment and dedication to your mission. Meet regularly with your development staff to discuss what is working and what is not, and determine how to make it better. Make sure you are doing all you ask them to do. Lead by example.