



Navigating Great Uncertainty

Strategic Planning in the Era of Pandemic, Recession and Social Change

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in partnership with Social Enterprise Alliance - Chicago

Welcome



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This Unique Moment

Our communities face an extraordinary set of challenges in addressing the ongoing coronavirus pandemic, the resulting recession and widescale economic dislocation, and our turbulent yet hopeful national reckoning with systemic racism and white supremacy.

The unprecedented degree of uncertainty in the national economy and society poses great risks and opportunities for social impact organizations.

Uncertainty and Extreme Change

- When will we have equitable access to enough doses of proven therapeutics and, eventually, one or more SARS-CoV-2 vaccines?
- Will the economic recovery be V-shaped or more of a jagged swoosh, with start-and-stop responses to rising infection?
- What fundamental changes in the economy, the workforce, and society will endure?
- How will the country dismantle and redress systemic racism and white supremacy?

Adapting to the Moment

Strategic planning in this environment will require a more fluid approach informed by thoughtful and inclusive planning.

Leaders and teams will need to broaden their usual planning frameworks in order to:

1. **Critically and honestly examine the organization's role in contributing to and countering racism**, white supremacy and all forms of oppression in their work, at every level of the hierarchy
2. **Align the workstyles of a multi-generational and diverse team** with the organization's strategy and core values
3. **Assess changes in the markets** in which they operate and their exposure to risk

Adapting to the Moment

4. **Evaluate the current state and longer-term sustainability of their business models** and mix of revenue streams
5. **Understand the viability of new approaches** to fulfilling their missions, including virtual and contactless engagement with all participants and supporters
6. **Explore multiple continuity scenarios**, projecting the impact of high-, medium-, and low-probability changes to key variables like funding availability, community needs, and operating limitations
7. **Consider the emerging needs and preferences of the workforce**, considering public health guidance, technology, productivity, and culture

Scenario Planning

Forecasting Risk & Mitigation

Identify Key Variables

Begin by identifying the key variables – we can call them **drivers or factors** – that will impact your organization's business model, sustainability, and social impact. For example,

- Pandemic impacts on in-person engagement
- Shifts in philanthropic giving and priorities
- Vulnerabilities and needs of communities served
- Your organization's role in countering racism

Envision Risk Scenarios

For each of the drivers you identify,

1. **Describe three scenarios:** the low-risk/best case, the moderate-risk/moderate case, and the high-risk/worst case
2. **Identify the financial and operational risks** associated with each scenario
3. **Imagine a set of actions** your organization could take to manage the identified risks
4. **Define the thresholds or trigger points** that will require your organization to take action

Scenario Planning Matrix

| | BUSINESS CONTINUITY PLANNING SCENARIOS | | |
|---------------------------|--|--|--|
| | Driver: | | |
| | Best Case/Low Risk Scenario | Moderate Case/Moderate Risk Scenario | Worst Case/High Risk Scenario |
| Description | Description of external factors and resulting risk scenario | Description of external factors and resulting risk scenario | Description of external factors and resulting risk scenario |
| Financial Implications | <ul style="list-style-type: none"> Financial Implication Financial Implication | <ul style="list-style-type: none"> Financial Implication Financial Implication | <ul style="list-style-type: none"> Financial Implication Financial Implication |
| Operational Implications | <ul style="list-style-type: none"> Operational Implication Operational Implication | <ul style="list-style-type: none"> Operational Implication Operational Implication | <ul style="list-style-type: none"> Operational Implication Operational Implication |
| Actions to Manage Risk | <ul style="list-style-type: none"> Action Action | <ul style="list-style-type: none"> Action Action | <ul style="list-style-type: none"> Action Action |
| Trigger Points for Action | <ul style="list-style-type: none"> Trigger Point/Threshold for Action | <ul style="list-style-type: none"> Trigger Point/Threshold for Action | <ul style="list-style-type: none"> Trigger Point/Threshold for Action |

Scenario Planning Matrix – Example

| (Health/Human Services Organization) | BUSINESS CONTINUITY PLANNING SCENARIOS Driver: Reduction in Philanthropic Support | | |
|--------------------------------------|---|---|---|
| | Best Case/Low Risk Scenario | Moderate Case/Moderate Risk Scenario | Worst Case/High Risk Scenario |
| Description | Additional federal stimulus, steady economic recovery, stock market gains | Insufficient federal stimulus, prolonged recession, stock market volatility | Deep recession/depression, persistently high unemployment, significant stock market losses |
| Financial Implications | <ul style="list-style-type: none"> Minimal or no reduction in philanthropic funding | <ul style="list-style-type: none"> Reductions in gift amounts, more declined applications Tighter cash flow | <ul style="list-style-type: none"> Steep drop in gift amounts, many declined applications Significant budget shortfall |
| Operational Implications | <ul style="list-style-type: none"> No significant operational impacts | <ul style="list-style-type: none"> Reduced managerial flexibility Increase in demand for services; risk of staff burnout | <ul style="list-style-type: none"> Inability to maintain programs Sharp increase in demand for services; risk of staff burnout |
| Actions to Manage Risk | <ul style="list-style-type: none"> Maintain frequent communication with supporters Steward all gifts with extra care; make calls to thank every donor | <ul style="list-style-type: none"> Reduce non-personnel expenses and defer hiring Engage major donors in honest conversations about needs | <ul style="list-style-type: none"> Draw down on reserves and/or consider deeper expense reduction options Launch emergency appeal |
| Trigger Points for Action | <ul style="list-style-type: none"> Less than 10% reduction in philanthropic support compared to prior year | <ul style="list-style-type: none"> 10% reduction in philanthropic support compared to prior year | <ul style="list-style-type: none"> 25% reduction in philanthropic support compared to prior year |

Questions & Discussion

Connect with Us



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Social Enterprise Alliance - Chicago

<http://socialenterprisechicago.org/>