EXAMPLE #1 – CHARITABLE NONPROFIT ORGANIZATION

Here's an example from a board member and lead executive of a small (annual budget <$500K) faith-based organization. Although the organization has been debt free since 2013, the 2017 leadership team cut the 2018 annual budget by 26% because of changing stakeholder demographics and their ability to support the organization at previous financial levels.

OBSERVATIONS/INSIGHTS

- Had we done triage mapping in March 2020 vs. late July, some of the elements currently coded as Green wouldn't have been. Our four-person board and the senior leader have been meeting online weekly and emailing almost daily since mid-March and made necessary adjustments to the elements currently coded as stable.

- Fortunately, the leadership team was able to pivot and adapt quickly. For example, rudimentary online programming was already in place and improvements were slated for later this year or early next. The pandemic accelerated action to meet the urgent need. We immediately determined how much monthly revenue was needed to keep staff paid and keep our "virtual doors" open. We successfully applied for a PPP loan. Because our physical facility was closed, we were able to cut some operational expenses.

- Mindfulness about the principles of high performance as outlined in the Performance Imperative has been useful preparation. We've been especially intentional about building cash reserves (although it took four years). We also recognized the need to establish a capital reserves fund because of an aging (40-year-old) physical campus. Receipts from renting extra office space to an aligned organization are currently dedicated to building the capital reserves fund. The rest of our revenue is from individual donors so we're watching that closely and discussing ways to address.

- Only one element yielded completely opposite (Red/Green) views between board and staff. The remainder were in adjacency. Yet, areas that differ can be opportunities for better understanding of the leadership team's definition of an area and/or how some view the element's state.

- Elements can move from Yellow to Orange to Red quickly. While this exercise doesn't/ shouldn't take long, I'd urge that leadership continue to do frequent (at least monthly) checks on each element to ensure that the status is still accurate. For example, over the course of four days, we moved from Yellow to Red for "Major donor commitment changes (e.g., cancelations, elongated payment schedules, accelerated or increased funding)."

- Overall, this tool provided a way to pause and reflect because it was simple to understand, use, and implement.

HERE AND NOW: A TRIAGE TOOL FOR NONPROFITS AND THEIR BOARDS - EXAMPLES

"Here and Now" Issues	Severity Board Rep (Red/Orange/Yellow/Green)	Severity Lead Exec (Red/Orange/Yellow/Green)
MISSION		
Is our organization deemed essential by stakeholders and network?	Yellow	Green
Can our organization survive the impact of COVID-19 and economic downturn?	Green	Green
Does our organization truly value diversity, equity, and inclusion (e.g., race, gender, age, sexual orientation) across our board, management, and staff?	Yellow	Green
Is our business model viable with these changed conditions?	Red	Orange
LEADERSHIP		
Are our board and executive management the right people in right roles at right time?	Green	Green
Is our board open, responsive, adaptive, and nimble enough to manage the organization through the difficult times that lie ahead?	Green	Green
Can our leadership offer credible hope during difficult times to our board, management, staff, volunteers, clients, funders, and partners?	Green	Green
MANAGEMENT AND OPERATIONS		
Does our management and staff have the mindset and resilience to cope with unpredictable or abrupt changes (e.g., unexpected shortages, soaring demand, loss of staff, or other disruptions)?	Yellow	Orange
Do we have the overall capacity to be responsive, adaptive, and resourceful enough to sustain operations?	Orange	Orange
Do we have the advocacy capacity to respond to policy threats and opportunities at the local, state, or federal levels which could harm or help our mission?	Yellow	Yellow
Can we respond to operational disruptions (e.g., backup players and recovery plans in place in case key members are unable to work for extended periods)?	Orange	Orange
Can we protect staff, volunteers, and clients from COVID-19 infection (e.g., necessary screening, testing, PPE, disinfectant cleaning, safe spacing, air filtration)?	Yellow	Orange
Can we change to operate more effectively in a virtual/digital environment (e.g., management, fundraising, remote staff, and/or program/services delivery)?	Orange	Orange
Do we have all of our expense reduction options on the table (e.g., in operations; facility costs; personnel via temporary furloughs, reduced hours, cuts in pay and benefits, and/or layoffs)?	Red	Orange
Can we outsource and/or share functions (e.g., back-office operations, marketing, program components) to defer and/or reduce cost?	Yellow	Yellow
FINANCIAL HEALTH AND SUSTAINBILITY		
Do we have the unrestricted cash on hand to sustain operations for at least three months?	Green	Green
Will our projected cash flow cover 6 to 12 months of operations?	Orange	Red
Are we incurring or anticipating adverse changes in expenses (e.g., operational changes, increased technology, more space usage, needed COVID-19 protection)?	Orange	Orange
Are we incurring or anticipating adverse changes in revenue (e.g., reduced fees for services, cuts in public funding, drop in charitable gifts)?	Green	Orange

HERE AND NOW: A TRIAGE TOOL FOR NONPROFITS AND THEIR BOARDS - EXAMPLES

"Here and Now" Issues	Severity Board Rep 🟥🟧🟨🟩	Severity Lead Exec 🟥🟧🟨🟩
Are we incurring or anticipating adverse changes in revenue (e.g., reduced fees for services, cuts in public funding, drop in charitable gifts)?	🟩	🟧
Are we incurring or anticipating major donor default or loss (e.g., partial or full de-commitments, extended payment schedules, added requirements)?	🟥	🟧
Are we incurring or anticipating changes in available financing (e.g., lines of credit, bank clawbacks, missed loan covenants)?	🟩	🟩
PROGRAMS AND SERVICES		
Are our programs and services (all or core) deemed essential to stakeholders?	🟨	🟩
Has our organization taken meaningful action to correct longstanding inequities and disparities in programs and services?	🟨	🟩
Are costs for our programs and services still affordable for our target population and funders?	🟨	🟩
Have we adapted our models and delivery for programs and services to respond to and comply with COVID-19 requirements?	🟥	🟩
Do we have the organizational capacity to scale programs and services to match increased or decreased demand?	🟨	🟩
Are we incurring or anticipating adverse changes to partnerships and collaborations?	🟨	🟩

With change comes opportunity so don't be hesitant to consider ways to serve your constituents more effectively, find savings and other efficiencies, look for collaborations, and consider new types of program partners. Here are some examples to spark your thinking:

POSITIVE POSSIBILITIES – Use a numeric range to rate the potential value (0-5) for these possibilities, with 0 being no value to 5 being high value	Value (0-5)	Not Applicable
Innovations to products or services (e.g., new use of technology)	4	
Savings/efficiencies (e.g., need for less physical space, reduced rent, sale of owned property)	1	
Collaborations and/or consolidations for survival or better results (e.g., greater continuity of care/ support, additional skills, increased diversity)	3	
Prospects for new or new types of program partners/sponsors	5	
Other:		

EXAMPLE #2 – REGIONAL FUNDER

Here's how an executive director completed the mapping exercise. In less than 30 minutes, the leader was able to efficiently make judgment calls and pinpoint priority areas, which could then be shared and processed with the board, team, and key stakeholders to determine a path forward.

Leader's observations and insights:

- Interestingly, no element is coded Green (No Action). Some items may have been Green pre-COVID, but it appears COVID exacerbated pre-existing issues and elevated their severity.

- There are definite linkages among categories/elements. For example, business model, donor commitment, and drop in revenue are all interrelated, and I marked all of them as emergencies. The organization was already facing reduced relevance among one key constituency. The good news is that positive change in one area can possibly lead to positive changes in others.

- Programs/services were coded collectively, but multi-service nonprofits may want to assess each program separately as they may have distinct target populations, partnerships, etc.

- The Positive Possibilities section sparked creative thinking around potential partnerships, efficiencies, and funding sources.

- After completing the assessment, I felt a sense of relief despite several items being coded Red. In a rapidly changing environment with so much ambiguity, the mere act of triaging helped to provide me with a greater level of certainty, focus, and control.

HERE AND NOW: A TRIAGE TOOL FOR NONPROFITS AND THEIR BOARDS - EXAMPLES

"Here and Now" Issues	Severity
MISSION	
Is our organization deemed essential by stakeholders and network?	🟥
Can our organization survive the impact of COVID and economic downturn?	🟨
Does our organization truly value diversity, equity, and inclusion (e.g., race, gender, age, sexual orientation) across our board, management, and staff?	🟨
Is our business model viable with these changed conditions?	🟥
LEADERSHIP	
Are our board and executive management the right people in right roles at right time?	🟧
Is our board open, responsive, adaptive, and nimble enough to manage the organization through the difficult times that lie ahead?	🟧
Can our leadership offer credible hope during difficult times to our board, management, staff, volunteers, clients, funders, and partners?	🟨
MANAGEMENT AND OPERATIONS	
Does our management and staff have the mindset and resilience to cope with unpredictable or abrupt changes (e.g., unexpected shortages, soaring demand, loss of staff, or other disruptions)?	🟧
Do we have the overall capacity to be responsive, adaptive, and resourceful enough to sustain operations?	🟨
Do we have the advocacy capacity to respond to policy threats and opportunities at the local, state, or federal levels which could harm or help our mission?	🟧
Can we respond to operational disruptions (e.g., backup players and recovery plans in place in case key members are unable to work for extended periods)?	🟧
Can we change to operate more effectively in a virtual/digital environment (e.g., management, fundraising, remote staff, and/or program/services delivery)?	🟨
Can we protect staff, volunteers, and clients from COVID infection (e.g., necessary screening, testing, PPE, disinfectant cleaning, safe spacing, air filtration)?	🟥
Do we have all of our expense reduction options on the table (e.g., in operations; facility costs; personnel via temporary furloughs, reduced hours, cuts in pay and benefits, and/or layoffs)?	🟧
Can we outsource and/or share functions (e.g., back-office operations, marketing, program components) to defer and/or reduce cost?	🟧
FINANCIAL HEALTH AND SUSTAINBILITY	
Do we have the overall capacity to be responsive, adaptive, and resourceful enough to sustain operations?	🟨
Will our projected cash flow cover 6 to 12 months of operations?	🟧
Are we incurring or anticipating adverse changes in expenses (e.g., operational changes, increased technology, more space usage, needed COVID protection)?	🟧
Are we incurring or anticipating adverse changes in revenue (e.g., reduced fees for services, cuts in public funding, drop in charitable gifts)?	🟥
Are we incurring or anticipating major donor default or loss (e.g., partial or full de-commitments, extended payment schedules, added requirements)?	🟥
Are we incurring or anticipating changes in available financing (e.g., lines of credit, bank clawbacks, missed loan covenants)?	🟨

HERE AND NOW: A TRIAGE TOOL FOR NONPROFITS AND THEIR BOARDS - EXAMPLES

"Here and Now" Issues	Severity
	🟥 🟧 🟨 🟩
PROGRAMS AND SERVICES	
Are our programs and services (all or core) deemed essential to stakeholders?	🟨
Has our organization taken meaningful action to correct longstanding inequities and disparities in programs and services?	🟨
Are costs for our programs and services still affordable for our target population and funders?	🟨
Have we adapted our models and delivery for programs and services to respond to and comply with COVID-19 requirements?	🟨
Do we have the organizational capacity to scale programs and services to match increased or decreased demand?	🟥
Are we incurring or anticipating adverse changes to partnerships and collaborations?	🟧

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Savings/efficiencies (e.g., need for less physical space, reduced rent, sale of owned property)	4	
Collaborations and/or consolidations for survival or better results (e.g., greater continuity of care/support, additional skills, increased diversity)	4	
Prospects for new or new types of program partners/sponsors	5	
Other:		

Note: You can access all of The Big Reset resources at https://leapofreason.org/the-big-reset-home/ .