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I love New Year's Eve—the sense of closure on the past, the promise of hope for the future, fireworks over Lake Champlain, the ball descending at midnight in Times Square. But this year's arrival, with its wind chill of minus 20 degrees here in Vermont, felt to me like a forecast of mixed precipitation for those of us in the nonprofit community. Hope, yes, but hope tinged with a chill of tough times ahead.

Even in a sector where “making do” is already a way of life, many nonprofit CEOs are telling me this feels like a make/break test of survival for their organizations—and not at some abstract future time, but right now. A national survey of nonprofits (conducted by the Bridgespan Group) in the late fall of 2008 found the following:

- 52% reported they had already experienced cuts.
- Conversely, 30% of nonprofits have increased demand due to the economic crisis.
- 40% anticipate staff layoffs.
- In a five year period, a 20% increase in nonprofits with budget deficits.

This is a “perfect storm” that raises the anxiety of nonprofits to a level we haven't experienced for decades. But now we get to capitalize on attributes that we do have, in abundance: reserves of inspiration, resiliency, our missions, and the power of our causes. These are more than money in the bank. They fuel us to face the challenges that seem to emerge on every front.

Just holding on is not an option.

Seven Steps in Managing in Tough Times Here is a thought-provoking list I came across at www.bridgespan.org to “avoid unthinking activity or deer-in-the-headlights” paralysis:

- 1) Act quickly, but not reflexively, and plan contingencies
- 2) Protect the core
- 3) Identify the people who matter most and keep that group strong
- 4) Stay very close to your key funders
- 5) Shape up your organization
- 6) Involve your board
- 7) Communicate openly and often

No rocket science here. No silver bullets. But a common sense plan of action that covers the basics.

LeFevre & Associates. At LeFevre & Associates, we help you achieve your mission, especially when the economic chips are down. And we don't think it's going to happen with the “same old, same old.” The nonprofit community has the people with the smarts, the passion, and the commitment.

Often, though, finding ourselves caught in the business of daily operations, it's challenging to invest time to create business models, strategies, and structures that will increase the financial resources to fuel real growth in our critical programs. LeFevre & Associates provides common sense assistance at affordable prices, which allows nonprofits to focus on both the long-term critical issues as well as the urgent activities of daily operations.

As the economic downturn emerged on the horizon in 2008, here are some of the approaches LeFevre & Associates took with clients:

Strategic planning done differently

- ❖ Working with an agency that invests in affordable housing, we facilitated a strategic plan driven by competitive analysis and market research. We reduced the original multi-page plan document to a one-page impact strategy that included a revamped mission, a new vision, and strategic initiatives with defined outcomes.
- ❖ Working with an educational institution, we took a disciplined "critical issues" approach, focusing exclusively on matters where quality of learning and financial survival factors came into play. By attending to what they identified as currently most important, the clients were able to move quickly to address problems and advance solutions.
- ❖ For a nonprofit whose annual budget was less than \$150,000, we crafted an affordable and streamlined strategic planning process. Because the client's staff supplied much of the research, writing, and legwork, our consultant efforts could focus on the creation of the strategic plan, which occurred during regularly-scheduled retreats, board meetings, and staff workshops.

Mergers, partnerships, acquisitions: Collaborating smarter and faster for better results

- ❖ Worked with a two-organization merger in southern New England, going from an initial joint board retreat to board approval in fewer than 60 days.
- ❖ Completed a process involving three youth-serving agencies who decided not to pursue merger, but went on to create an ongoing strategic alliance.
- ❖ Assisted a client in post-merger activities: rethinking executive management roles; facilitating the first all-staff retreat; and combining organizational cultures and systems.

Transition Management

- ❖ Assisted an organization in contemplating the retirement of its long-term, highly respected CEO. Rather than deal only with the specifics of this change in leadership, we assessed the current status of the nonprofit to create organizational priorities for the transition and beyond.

Your nonprofit is the result of years of hard work to provide services to stakeholders, and your efforts that have changed lives in your community. 2009 promises to be tough. Although it may feel counterintuitive, now is the time to invest back into the institutions you love, because the risks of not making hard decisions could put in peril all that you have achieved.

I send sincere best wishes that you will prosper by stimulating creativity in every part of your organization.

Sincerely,

Jim LeFevre