

Fund Raising Day in New York

Top Management Strategies for Lean Times

Panelists: Mindy Duitz, President, Learning Leaders
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What to Do Now:

- Don't get stuck admiring the problem – act quickly and decisively
- Communicate consistently and constantly – with employees, trustees and stakeholders
- Maximize revenues – spend time where you can make the most, whether it is earned or contributed income
- Minimize expenses
- Protect Cash – to use the medical terms, a liquidity crisis is usually more fatal than a P&L loss

How to make choices:

- Be humanistic
- Refer to current strategic plan and mission
- Return to the process used to develop any such plan to create a “plan” for managing the crisis
- Include key stakeholders (trustees, senior staff, funders, government, etc.)
- Have a **GOAL** for actions/cutbacks. For example: to continue to provide quality programs and a decent work atmosphere with sufficient resources to function
- Do Not implement an arbitrary across the board formula
- Remember to analyze staffing and core needs
- Visit worst case scenarios: are you there?
- Put energy into best and mid-case cuts; not the worst case, which consumes too much time and energy

Tried and True Techniques:

- Are there cash reserves? Can you borrow money?
- Avoid mid year cuts: they have a greater impact
- Lay-offs
- No salary increases
- Freeze open positions
- Furlough (work with union leadership, if applicable)
- Cancel programs
- Close extra days
- Shorten hours
- Cut non-personnel costs to the bone
- Run a planned deficit

NOTE: Remember that downsizing has a cost in severance, accrued leave or vacation pay and loss of institutional memory.

Beyond Crisis management:

- Do not waste the crisis—it would be a real shame—slay the sacred cows that need to go
- Do not be a hero and do this alone
- Maintain an atmosphere of order
- Keep Board and staff informed and in dialogue;
- Develop a communication plan with all constituents; prepare impact statements

Recommended Reading:

Finding Flow: Mihaly Csikszentmihalyi