



Interim Executive Solutions

Informing, Executing and Supporting
Nonprofit Transitions

Weathering the Storm: Board and Executive
Leadership Collaboration in a time of Crisis



Today's Topics

- Why crises demand heightened Board engagement
- Individual and committee roles and responsibilities
- Key metrics to track and project
- Executive leadership in developing options
- Board role in assessing alternative action plans
- Assigning and managing Board member tasks
- Unified messaging
- How crises uncover opportunities



About Interim Executive Solutions

- In operation for five years
- Business and nonprofit professionals dedicated to strengthening the nonprofit sector during leadership and business transitions
 - Board Consulting (resilience, succession, governance, strategic vision)
 - Interim leadership (executive, financial, development)
 - Mentoring (capacity building with board and staff)
- Our team includes three partners and several associates
 - Wide range of experiences and knowledge
 - Collaborate to address specific client needs
- www.interim-exec.org

Poll – Who Are You

Interim
Executive
Solutions





Why Do Crises Demand Heightened Board Engagement?

Consider the Responsibilities of a
Nonprofit Board



Key Board Responsibilities

- Collective
 - Fiscal Oversight
 - Vision, Mission and Core Values
 - Board Governance, By-laws
 - Hire, Evaluate and Compensate the Executive Director
- Individual
 - Advocate / cheerleader
 - Financial supporter (give or get)
 - Active committee participant

Note that involvement in day to day operations is NOT normally a Board role



Board Roles

- Individuals
 - Board Chair(s)
 - Treasurer
 - Clerk
- Standing Committees
 - Executive
 - Finance
 - Governance
 - Development
 - Audit



Board Relationships

- Executive Director / Board Chair
- Finance Director / Treasurer
- Major donors / government agencies
- Sponsors / supporters / enablers
- Clients



Major Crises Force Reconsideration

- Fiscal Situation
 - Impact on revenue streams
 - Changes in cost structure
- Vision, Mission and Core Values
 - Focus of the organization
 - How clients, staff and stakeholders are treated
- Board Governance, By-laws
 - Expectations of Board members
 - Authority in a crisis
- Expectations of the Executive Director
 - Priorities and evaluation criteria for staff leadership
- **Board Relationship with Staff and Programs**

Issues in Adapting to New Circumstances



- Mission
 - Is there a need to adapt?
- Infrastructure and funding
 - Is there adequate access to internal and external resources?
- Impact on current services
 - Do we risk loss of revenue or loss of focus?
- Leadership capacity
 - What can we take on and what might we lose?
- Stakeholder support
 - What do our stakeholders expect and need?



How to Get Involved Without Getting In The Way

The Increased Board Role in a Crisis



Track Key Metrics

- Cash Flow projections
 - Sources in danger of being lost
 - New potential sources (and obligations that come with them)
 - Variable and semi-variable costs that can be adjusted
- Program impact
 - Utilization of current services and continuity of funding
 - Potential need for new services and potential funding
 - Constraints on service delivery (staffing, physical limitations, dependence on partners)
- Staff morale
 - Best interest of staff
 - Best interest of organization in order to retain staff long term



Division of Responsibilities

- Executive Leadership
 - Engage staff (stakeholder number 1)
 - Develop crisis intervention options
 - Identify impact on mission, fiscal stability, day-to-day operations, key metrics
 - Create a communications plan
 - Execute early & often
- Board
 - Ensure financial projections are realistic (finance committee)
 - Approve changes in focus of services (executive committee)
 - Identify and assist with relationships at risk (all)
 - Document key decisions (Clerk)
 - Ensure adherence to core values (all)
 - Demonstrate support for staff and mission
 - Communicate the unified message



Managing Crises – Ten Helpful Steps

1. Face the facts

- Build your **Action Team** with ED & Key Staff
- Collect data before building your **Action Plan**
- Follow the money – painful decisions may follow
 - Develop realistic projections

2. Use **Core Values** to guide decision-making

- Review Mission – how might it change?
- Relate actions to mission & values
- Retain key staff
- Stakeholders will judge the organization: **do actions match values?**



Managing Crises – Ten Helpful Steps

3. Be transparent

- Build credibility & support with honesty
- Share information widely
 - With entire Board
 - With staff
 - With stakeholders
 - With clients
- Being transparent with needs can attract new supporters



Managing Crises – Ten Helpful Steps

4. Build Your Action plan – Staff & Board Action Team

- Select time horizon for actions: 30 days; 60 days; 90 days
- Adapt by-law requirements to new circumstances, **document actions**
 - Notice of meetings / format for meetings / proxy requirements
 - Executive committee authority
 - Do some Board members need additional authority?
- Review programs
 - Match funding / needs / staff & physical ability to deliver
 - Triage programs: maintain; suspend, curtail or eliminate
 - Consider partners – can other nonprofits assist or even assume programs
 - Envision new delivery mechanisms



Managing Crises – Ten Helpful Steps

4. Build Your Action plan (cont.)

- Assess staffing impacts
 - Needed actions & timeframe
 - Long term program impacts
 - Restart considerations
- Build financial monitoring & response systems
 - Key decision points
 - Board reporting / decision-making mechanisms
 - Funders needs and resources
 - Possible new government support programs



Managing Crises – Ten Helpful Steps

5. Make Change – Implement Plan

- Mobilize **full Board support**
 - Explain necessity of visible and effective action
 - Continuously report in full over
 - Revise committees to meet needs: Executive / finance / development / other
 - Stress ability to adapt to changing circumstances – new opportunities and challenges
- Take Bold Action
 - Be proactive, not reactive
 - Inform key stakeholders – proactively reach funders
 - **Advise staff** early
 - Highlight need to take action NOW!
 - Ask for their ideas / advice / support
- **Monitor Progress** – key staff & board
 - Adjust actions to new realities – periodic Board report



Managing Crises – Ten Helpful Steps

6. Support Staff in adapting to new realities

- Board
 - MUST show the flag with staff
 - Demonstrate understanding of staff needs and the impact on them
 - Board Chair / others should reassure staff directly
 - Support ED in delivering bad news
- ED / staff leadership
 - Be clear and visible – deliver painful news ASAP
 - Stress timeline for future tough decisions
 - Outline framework for return to work
 - HR function is critical
 - Clarify available compensation & benefits
 - Link to and provide assistance in accessing outside resources



Managing Crises – Ten Helpful Steps

7. Reinforce Funder Relations

- Crucial for Board to support ED and staff in reaching out to funders and stakeholder
 - Funders need to see “all hands on deck”
 - Board President is chief organization representative
 - Board contacts may uncover new financial supporters
 - Board members can identify possible community service partners
- Honest, open conversations with funders prevent misunderstandings
 - Identify essential funder reporting needs & assure compliance
 - Funders are invested to YOUR sustainability & service delivery
 - Funders have wide networks and may identify new resources



Managing Crises – Ten Helpful Steps

8. Communicate, Communicate, Communicate

- All stakeholders need to know the plan ASAP
 - Board, staff, clients, funders, other stakeholders & new supporters
- Stress who speaks for the organization – ED & Board Chair
 - Know the script – ensure uniform messaging
- Establish feedback mechanisms – report to board
- Use full range of communication tools
 - Update website
 - Use social media
 - Consider formal PR campaign: press etc.
- Look for volunteer professional PR help
 - Many want to help nonprofits continue in business



Managing Crises – Ten Helpful Steps

9. Assure Compliance with Legal Obligations

- Prevent unintended / costly mistakes
 - HR obligations to staff
 - Funder program needs
 - Government reporting requirements
- Document key board decisions
- Seek informal legal advice – board member or community volunteer
- Revise by-laws, committees etc. to meet needs

10. Review Governance – Lessons Learned?

- “Don’t waste a crisis” – does this one demonstrate better practices?



Crises Uncover Opportunities

- Service offerings
 - Leveraging core competencies and resources
- Cost savings
 - Exploring shared services
 - Reimagining service delivery
- Individual and organizational growth
 - Taking on new roles
 - Developing new competencies



Crises Uncover More Opportunities

- Relationships
 - Deeper knowledge of staff and stakeholders
 - Insights on how individuals respond to a crises
- Partnerships
 - Envisioning new ways to sustain the mission
 - Collaborating to enhance or share services
- Reputation
 - Affirming core values
 - Assessing and refining the corporate culture
- Reexamine the vision for the organization



Continue the Conversation

Join a new weekly zoom forum on “Navigating the Current Crisis”

- Every Wednesday at 1pm EST through May 2020
- <https://us02web.zoom.us/j/88023263626>
- Password: 834543
- One tap mobile:
 - +19292056099,,88023263626#,,#,834543#
- Open to all nonprofit board members and senior staff
 - Regular attendance not required
- For more information email David Harris, dharris@interim-exec.org



Questions?

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