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
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
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
Cizzes 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?

• Interim Executive Solutions

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