

Scenario Planning for A Nonprofit April 2020

About this Tool

With high degrees of uncertainty in the near term – traditional linear strategic planning activities are not as useful. What we need to be able to do is consider a range of options and prepare for maximum flexibility to adjust as our context changes moving forward. Scenario planning is a strategy used to consider the widest range of possible realities that you might face and how to respond intentionally as an organization.

This tool uses scenario planning techniques and is customized for challenges nonprofits face in this pandemic. It is grounded in a number of great scenario planning tools including, *What If? The Art of Scenario Thinking for Nonprofits*. Published in 2004 by the Global Business Network. It is available here:

<https://www.wallacefoundation.org/knowledge-center/resources-for-financial-management/pages/what-if-the-art-of-scenario-thinking-for-nonprofits.aspx>

About Me:

I am a consultant and advisor with over 25 years of experience leading organizations, teams and partnerships in the nonprofit and education sectors to consistently produce results. I work as a strategic nonprofit management consultant serving community-based organizations and large-scale partnerships. I have extensive experience with strategic planning, operations, leadership, facilitation and community engagement. I work closely with leadership teams, boards and partnership structures to increase leverage and return on investment for communities.

I hope you will be in touch with feedback on this tool and how you have been able to use it. Feel free to reach out for editable versions of the tool and/or if you would like help facilitating the use of the tool.

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Phase 1 – April to December – 2020 – Constrained budget, operations.

You need to address the immediate reality and consider possibilities so you can manage to get to the end of the year while sustaining your organization and remaining true to your mission.

Gather a team and discuss the three possible realities for the rest of 2020.

Scenario A - Snowstorm	Scenario B - Winter	Scenario C – Ice Age
<ul style="list-style-type: none">- Social Distancing ends in June.- Summer in person programming for organizations is possible with adjustments- Relatively quick return to normal- Economic recovery seems quick and stock market recovers	<ul style="list-style-type: none">- Closed businesses and stay at home orders still in place into June/July- Programming in person this summer is severely constrained- Economic recovery uncertain with mixed signals	<ul style="list-style-type: none">- Schools can't open in the Fall- Disruptions in local economy continue with stay at home orders and disease outbreaks still spiking- Economy in a sustained downturn, no recovery in sight

Discussion:

1. In each scenario what happens to our work? What happens to demand for services? What happens to partnerships? Create a story about what our work looks like in each case.
2. In each of those situations, what strategies can we deploy to adjust to the new reality? List possible strategies.
3. Review strategies and consider which need to be organized to start and when. Consider budget and other implications of strategies.

Things to Consider:

- What costs can be managed before resorting to staff reduction in hours or layoffs?
- What increased costs might be anticipated – technology, insurance, communications?
- Can you ramp up capacity using reserves?
- When will demand for programs match normal capacity?

Assign follow up to do deeper planning.

Revisit the thinking every week. What are you learning and how does your story change as new information emerges?

Phase 2 – 2021 – The Future for You in Your Community

Assumptions:

- You want to stay true to your core mission in the uncertain future that will emerge post COVID-19.
- You know that staying relevant to your key stakeholders and donors is critical to your success.

Process:

We need to consider some essential questions and how different answers to these questions shape the future we face.

- What are the implications of constraints on state and local budgets?
- What are the implications of a sustained downturn on charitable giving?
- What if the economy recovers more quickly?

These are current relevant questions for many if not all nonprofits. You might prioritize slightly different questions based on your work and your local context. For example, you might put different results to the national election in place of state/local budgets. You can adjust the matrix below if you want to consider other key questions. Be careful not to choose a narrow dimension specific to your work. You want to create a discussion about the largest possible range of possibilities.

	State and Local Public Funding Flat	Dramatic Cuts in State and Local Funding for Human Services
Quick Economic Recovery – relatively stable charitable giving		
Prolonged Economic Downturn – deep decline in charitable giving		

Step 1:

- Draw this grid on a white board or chart paper.
- Gather a team together.
- Add items to the grid answering, ***“What happens to demand for our services/work in each of the four quadrants?”***
- Debate how and why you see different realities. Try to agree on a story you would tell for each quadrant.

To do this virtually:

- Handout the worksheet (attached) and ask everyone to fill it out and send it in prior to meeting.
- Create a compiled worksheet – Or have everyone put it in a shared Google Doc. Get on a video call together and talk about what is in each quadrant.
- See if you can agree on a story for each quadrant
- Capture the summary of the story of impact on you.

Step 2:

- Draw the quadrants again.
- As a team consider, ***“What strategies should we think about using to respond in each quadrant?”***

Step 3:

- Consider the two grids together, ‘What strategies did we come up with in more than one quadrant?’
- What strategies are critical to success in a particular scenario?
- How do we prepare for different key strategies?
- What innovation do we need anyway that we should accelerate to help us with the future? (technology innovations, service delivery changes, new partnerships)

To do this virtually:

- Take a break after Step 1.
- Send out the second worksheet and ask everyone to fill it out and send it in, taking into account the work completed on the first grid.
- Create a compiled worksheet – Or have everyone put it in a shared Google Doc.
- Get on a video call together and talk about what is in each quadrant.
- Do Step 3 as a discussion together.

Phase 3 – Implementation – 18 Months

- Share conclusions and insights with key board members and relevant stakeholders.
- Build budgets and alternatives to begin considering the strategies you want to be ready for in 2021.
- Keep revisiting the stories and conclusions as more information becomes available. Change as necessary.

**Nonprofit Scenario Planning
March 2020
Worksheet #1**

What happens to demand for our services/work in each of the four quadrants?

	State and Local Public Funding Flat	Dramatic Cuts in State and Local Funding for Human Services
Quick Economic Recovery – relatively stable charitable giving		
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**Nonprofit Scenario Planning
March 2020
Worksheet #2**

What strategies should we think about using to respond in each quadrant?

	State and Local Public Funding Flat	Dramatic Cuts in State and Local Funding for Human Services
Quick Economic Recovery – relatively stable charitable giving		
Prolonged Economic Downturn – deep decline in charitable giving		