



Time to prepare for economic recovery

By Barry VankerKelen

The only consensus among professional economists is that a recovery is coming.

Not preparing for the recovery will make a nonprofit organization worse off than it is now because it won't be able to take advantage of the recovery when it comes. Because no one knows with any certainty when the recovery will start and how long it will take, now is the time to prepare for the post-recession period. Nonprofit board members and staff need to ask themselves the following five questions:

1. What shape will the recovery take?

A rapid recovery brings different challenges than a steady one that takes 18 to 24 months. A quick recovery leaves little time to plan, forcing an organization to react. A slower recovery, with its slower flow of resources, may cause an organization to grasp potentially lucrative but slightly off-mission opportunities rather than grow by intention. Proper planning now will make sure your organization has a map for growing proactively during the recovery.

2. Do you know who your audience is? Few organizations can be all things to all people, but too many have tried to reach out to everyone. By analyzing why your donors and volunteers support your organization, you will come to know your organization's uniqueness and competitive advantage. This information will help identify your target audience, develop messages that resonate with it and begin using the right tools to communicate with it. Growth will come only if your base is strong.

3. Have you restructured enough?

Downsizing has caused boards to consider what's most central to the work of their organizations. From the experience of having to make cuts, boards may realize that things that once were thought to be vital may now be less so. At the same time, corrections can be made if a cut proved to be too harmful. What programs and services can be stopped? What operations can be outsourced? When the economy strengthens, restructuring will become harder.

4. Have you made your organization meaningful?

Many experts think that a long-lasting psychological impact of this recession is that people are shifting from a consumption-oriented mentality to one that seeks meaning. Everyone can diagram the importance of their values and principles by placing them in a series of concentric circles; those occupying inner rings are more important than those in outer rings. By fine-tuning your mission, plans and operations, you will help people move your cause from an outer ring to an inner one.

5. How accountable and transparent is your organization?

If people are seeking meaning in their lives, they will be asking tougher questions about relevance, impact and ethical behavior. Strong policies that help assure responsible financial and programmatic management foster trust. But it's not enough to have these policies in place; they must be used and communicated to the general public.

By considering these questions thoughtfully, a nonprofit can take advantage of this recession. It can position itself to grow with the economy. More importantly, it will be prepared to continue to adapt to the evolving changes in donors.

Resource Use

- Support nonprofit leadership
- Board development/training
- Strategic planning

Nonprofit Business Column of The Tribune

The San Luis Obispo Tribune publishes a column every other week in the Business section dedicated to the business practices of nonprofit orgs. Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes the bi-

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