SCENARIO PLANNING

May 2020

THE WEBINAR WILL BEGIN SHORTLY
Featured leaders and presenters

John Peller
President and CEO, AIDS Foundation of Chicago

Kathy Gorosh
Senior Vice President of Strategy and Business Development, AIDS Foundation of Chicago

Jenelle Harris
Case Team Leader, The Bridgespan Group

Colleen Brosman
Principal, The Bridgespan Group (moderator)
Our goals for today

Learn about AIDS Foundation of Chicago’s approach to scenario planning, and lessons they are learning

Dive more deeply into how you might approach scenario planning efforts in your organization
Navigating through this crisis will require nonprofit/NGO leaders to effectively balance near term action and long term planning.

**ACT NOW** to protect and run the organization today

- Mobilize the organization to protect employees and beneficiaries, prioritizing those who are most vulnerable.

**PLAN NOW** to adapt and prepare the organization for the future

- Prepare the organization and strategy needed to sustain and grow impact in the future.

Guide decision-making with a set of principles grounded in your impact and values.

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**Manage the crisis**

- Mobilize to **minimize the impact on staff and beneficiaries**, particularly those who are most vulnerable.

**Protect the org**

- Manage cash and adjust operations to **preserve the organization** and its ability to achieve impact over time.

**Adapt the org**

- **Learn and build plans to adapt** the organization across a range of future scenarios and beneficiary needs.

**Prep for the future**

- **Develop the vision and strategy** required to sustain and grow the organization’s impact in the future.

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Source: Bain and Company

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**Draft/Adapted from Bain**

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The Bridgespan Group
OUR APPROACH

Mission: AIDS Foundation Chicago mobilizes communities to create equity and justice for people living with and vulnerable to HIV and other chronic conditions.

Founded in 1985 by community activists and physicians, AIDS Foundation Chicago (AFC) has five strategic priorities:

1. Advance health equity
2. Prevent new cases of HIV
3. Serve as a collaboration and knowledge center
4. Be a bold voice for change
5. Strengthen our organizational excellence
CORONAVIRUS SCENARIO PLANNING

Structure
- Identify a model to use as a framework – define our "why"; ensure racial equity
- Factor in “work style” and “preferences” of leadership team
- Drivers/Driving Forces

Input
- Anticipate what the Board will want to know
- Existing Board Committee on Strategy Planning
- Executive Leadership Team
- Staff TBD

Guidance
- Identify Critical Uncertainties
- Prioritize action items from projected scenario outcomes
- Establish intended outcomes & track progress
## Developing Scenario Input by Function

### Example: Moderate case (for Sept. 1, 2020)

<table>
<thead>
<tr>
<th>Scenarios</th>
<th># of cases</th>
<th>Stay at home order</th>
<th>Environment and mood</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dropping in IL. Continue to pop up in clusters, especially vulnerable populations and some geo. areas. Somewhat effective treatment found and available.</td>
<td>No stay at home order, but large gatherings could be cancelled if there is a major uptick in cases. Staff return to work but rotate in office.</td>
<td>Staff, clients, and community are still very nervous. Unemployment rates are high but dropping. The economy isn’t getting worse, although it is still struggling.</td>
</tr>
</tbody>
</table>

### Functional input to each of the scenarios

<table>
<thead>
<tr>
<th>Development</th>
<th>Finance</th>
<th>Operations</th>
<th>Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Overall private fundraising down 10%.</td>
<td>• Finance staff prioritized to work in office.</td>
<td>• Challenge to supervise remote &amp; in-office teams.</td>
<td>• Client access to services &amp; meds compromised.</td>
</tr>
<tr>
<td>• Some events cancelled but overall still happening; plan virtual strategies in case need to pivot.</td>
<td>• COVID funding increases workload.</td>
<td>• Additional support needed for staff behavioral health concerns</td>
<td>• Additional precautions needed for vulnerable clients.</td>
</tr>
<tr>
<td>• Individual giving down.</td>
<td>• Emergency rent funds insufficient to meet need.</td>
<td>• Staff with health concerns may come back to office later or may not be able to come back.</td>
<td>• Retention in services is challenging.</td>
</tr>
<tr>
<td>• Corporate &amp; foundation down slightly.</td>
<td>• Urgie cost cutting to address drop in private revenue.</td>
<td>• Impact on staff schedules in office.</td>
<td>• Behavioral health needs increase.</td>
</tr>
<tr>
<td></td>
<td>• Recruit staff from other depts. to help team and use temps.</td>
<td>• Temps may be needed.</td>
<td>• Maintain most remote services; plan for indefinite shift.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Emergency rent help need increases over time.</td>
</tr>
</tbody>
</table>
AFC ORGANIZATIONAL RISK MAP - “DO NOW”

**Likelihood**

- **High**
  - Develop messaging for clients
  - Advocate for additional funding for rent, food, utilities
  - Develop plan to meet increased client demand for select services (e.g. re-entry, BH)
  - Develop donar prospecting plan to address donation drop
  - Plan virtual fundraising events
  - Develop FY 21 budget factoring in scenarios

- **Medium**
  - Prep for staff return to office
  - Identify how we best support staff needs
  - Develop how we work & virtual tools for community events, advocacy & meetings

- **Low**

**Impact**

- **High**
  - Develop how we work & virtual tools for community events, advocacy & meetings

**Organizational risks**

(Impact to AFC programs and organization)
A four step process can help organization leadership teams develop actionable scenario plans amid COVID-19

1. Identify what matters most
2. Develop and model scenarios
3. Create portfolio of strategic actions and options
4. Determine key indicators and trigger points

Continuous Iteration
as circumstances change, new information is available

Integrate an equity lens throughout
“So why try to predict the future at all if it’s so difficult, so nearly impossible? Because making predictions is one way to give warning when we see ourselves drifting in dangerous directions. Because prediction is a useful way of pointing out safer, wiser courses. Because, most of all, our tomorrow is the child of our today. Through thought and deed, we exert a great deal of influence over this child, even though we can’t control it absolutely. Best to think about it, though. Best to try to shape it into something good. Best to do that for any child.”

- Octavia Butler, author
First, you’ll identify key drivers and their related risks / uncertainties across programs, operations, and funding.

### Identify What Matters Most

1. **Identify the key drivers of organization impact and economics**
   - **What are the key drivers (i.e., most important elements) in our programs?**
     - Target populations served:
       - The enrollment of kids
       - Volume of patients served
     - Those providing key services:
       - The number of frontline staff
       - The number of volunteers

2. **Assess level of risk and uncertainty related to those key drivers**
   - **What is the level of uncertainty or risk for each driver?**
     - Is demand for what we do at risk?
     - Do we expect the needs of our target population to change?
     - How risky is it to deliver our programs?

### Examples

- **Programs**
  - Target populations served:
    - The enrollment of kids
    - Volume of patients served
  - Those providing key services:
    - The number of frontline staff
    - The number of volunteers

- **Operations**
  - **What are the biggest components of our cost structure / operations?**

- **Funding**
  - **What are the largest sources of funding in our current budget?**
    - Fee-for-service revenue
    - Foundation grant
    - Government grants
  - **How great is the level of uncertainty or risk for our key funding sources?**
    - How might shifts in demand impact funding?
    - What other external factors may increase risk?
Once identified, key drivers and related risks and uncertainties should be assessed to elevate the critical few that matter most.

### IDENTIFY WHAT MATTERS MOST

#### Identify key drivers

<table>
<thead>
<tr>
<th>Programs</th>
<th>Operations</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Student enrollment</td>
<td>• Facilities (e.g., schools)</td>
<td>• District funding</td>
</tr>
<tr>
<td>• Teacher capacity</td>
<td>• IT</td>
<td>• Private grant 1 (restricted fund)</td>
</tr>
</tbody>
</table>

**Level of IMPORTANCE (re: org impact / economics)**

<table>
<thead>
<tr>
<th>Programs</th>
<th>Operations</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Med</td>
<td>High</td>
</tr>
<tr>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

**Level of UNCERTAINTY and RISK**

<table>
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<tr>
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</tbody>
</table>

**TIP:** Focus your scenario planning on those drivers that are both highest importance and highest uncertainty or risk.
Identify which external factors will have the greatest impact on your org; develop best | moderate | worst case assumptions

### External factors

<table>
<thead>
<tr>
<th>External factors</th>
<th>Rationale</th>
<th>BEST CASE ‘Faster recovery’</th>
<th>MODERATE CASE ‘Moderate recovery’</th>
<th>WORST CASE ‘Slower recovery’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of virus spread</td>
<td>• Directly impacts capacity of our employees and/or the needs of our target population</td>
<td>X new cases</td>
<td>X new cases</td>
<td>X new cases</td>
</tr>
<tr>
<td>Public health response</td>
<td>• Directly impacts our ability to deliver services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Directly impacts the needs of our target population and related program demand</td>
<td></td>
<td>~X%</td>
<td>~X%</td>
</tr>
<tr>
<td>Knock-on economic effects (e.g., unemployment)</td>
<td>• Directly impacts our ability to retain staff</td>
<td>Receive requested stimulus funding by X date for X duration</td>
<td>Receive requested stimulus funding by Y date for Y duration</td>
<td>Do not receive stimulus funds</td>
</tr>
<tr>
<td>Effectiveness of gov’t economic policy (e.g., stimulus)</td>
<td>• Directly impacts our ability to retain staff</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TIP:** Try to limit the number of factors you incorporate into scenario development, and focus on those that will have the greatest direct impact on your organization.
What to do next

• Talk to your Board and **senior team** (don’t do this alone!)

• Identify your **key programs / services** – get program leadership and fundraising leadership involved

• Start **codifying the scenarios** you’ve been thinking about already
Thank you

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