

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

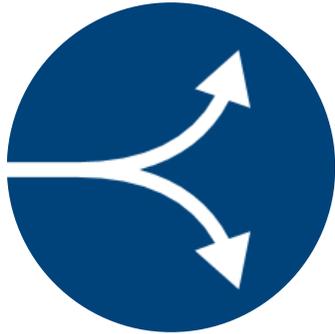
Case Team Leader, The
Bridgespan Group



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

/ DRAFT / ADAPTED FROM BAIN

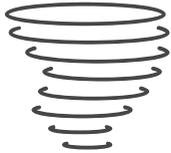
ACT NOW to protect and run the organization today

PLAN NOW to adapt and prepare the organization for the future

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

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



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

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

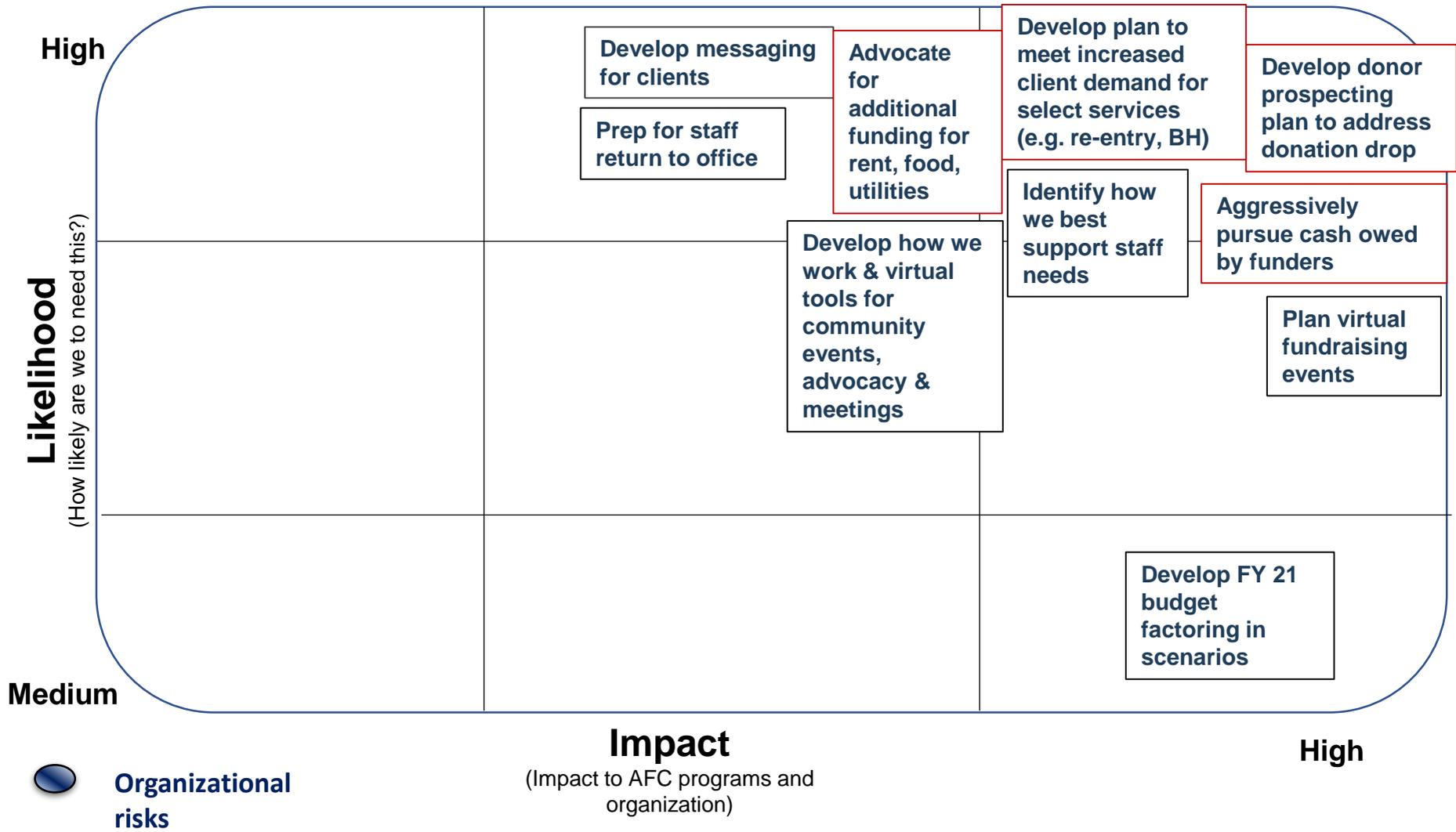
- Identify Critical Uncertainties
- Prioritize action items from projected scenario outcomes
- Establish intended outcomes & track progress

DEVELOPING SCENARIO INPUT BY FUNCTION

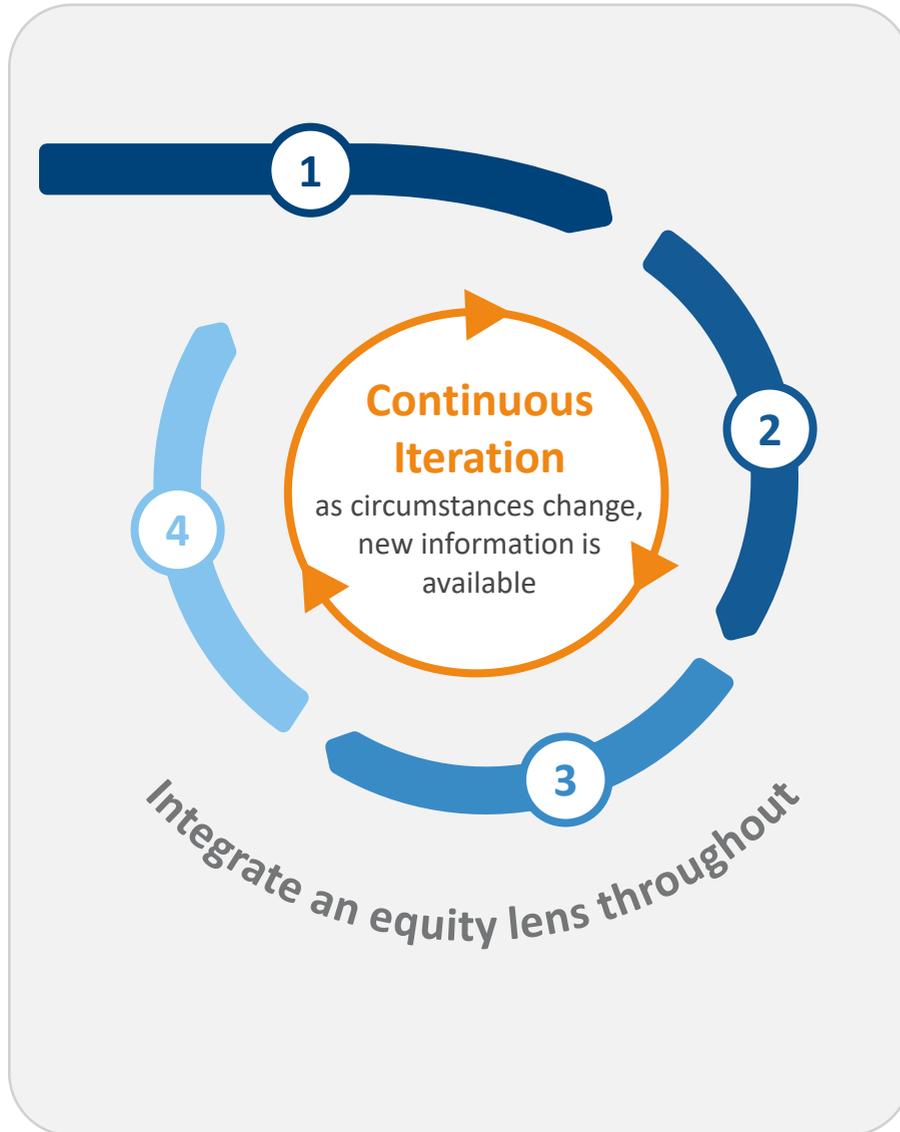
Example: Moderate case (for Sept. 1, 2020)

Scenarios	# of cases	Dropping in IL. Continue to pop up in clusters, especially vulnerable populations and some geo. areas. Somewhat effective treatment found and available.			
	Stay at home order	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.			
	Environment and mood	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.			
Functional input to each of the scenarios	Development	Finance	Operations	Programs	
	<ul style="list-style-type: none"> • Overall private fundraising down 10%. • Some events cancelled but overall still happening; plan virtual strategies in case need to pivot. • Individual giving down. • Corporate & foundation down slightly. 	<ul style="list-style-type: none"> • Finance staff prioritized to work in office. • COVID funding increases workload. • Emergency rent funds insufficient to meet need • Cash flow a concern. • Urge cost cutting to address drop in private revenue. • Recruit staff from other depts. to help team and use temps. 	<ul style="list-style-type: none"> • Challenge to supervise remote & in-office teams. • Additional support needed for staff behavioral health concerns • Staff with health concerns may come back to office later or may not be able to come back. • Impact on staff schedules in office. • Temps may be needed. 	<ul style="list-style-type: none"> • Client access to services & meds compromised. • Additional precautions needed for vulnerable clients. • Retention in services is challenging. • Behavioral health needs increase. • Maintain most remote services; plan for indefinite shift. • Emergency rent help need increases over time. 	

AFC ORGANIZATIONAL RISK MAP - “DO NOW”



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



“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

1 IDENTIFY WHAT MATTERS MOST

PROGRAMS



OPERATIONS



FUNDING



1a 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

EXAMPLES

1b 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

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

- What is the **level of uncertainty** for our biggest costs?

- What are the **largest sources of funding** in our current budget?
 - Fee-for-service revenue
 - Foundation grant
 - Government grants

EXAMPLES

- 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?

EXAMPLES

Once identified, key drivers and related risks and uncertainties should be assessed to elevate the critical few that matter most

1 IDENTIFY WHAT MATTERS MOST

Identify key drivers		1a Level of IMPORTANCE (re: org impact / economics)	1b Level of UNCERTAINTY and RISK
Programs	List key drivers of programmatic impact (i.e., those critical to achieving your intended impact)		
	<ul style="list-style-type: none"> • <i>Student enrollment</i> • <i>Teacher capacity</i> 	High	High
Operations	List the key drivers of operations / cost structure		
	<ul style="list-style-type: none"> • <i>Facilities (e.g., schools)</i> • <i>IT</i> 	Med	High
Funding	List the key drivers of organization funding (i.e., largest revenue streams)		
	<ul style="list-style-type: none"> • <i>District funding</i> • <i>Private grant 1 (restricted fund)</i> 	High	Med



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

2 DEVELOP AND MODEL SCENARIOS

/ ILLUSTRATIVE

External factors	Rationale	BEST CASE <i>'Faster recovery'</i>	MODERATE CASE <i>'Moderate recovery'</i>	WORST CASE <i>'Slower recovery'</i>
 Rate of virus spread	<ul style="list-style-type: none"> Directly impacts capacity of our employees and / or the needs of our target population 	X new cases	X new cases	X new cases
 Public health response	<ul style="list-style-type: none"> Directly impacts our ability to deliver services 	Lockdowns extended through Q2	Lockdowns extended through early Q3	Lockdowns extended through late Q3 / early Q4
 Knock-on economic effects (e.g., unemployment)	<ul style="list-style-type: none"> Directly impacts the needs of our target population and related program demand 	~X%	~X%	~X%
 Effectiveness of gov't economic policy (e.g., stimulus)	<ul style="list-style-type: none"> Directly impacts our ability to retain staff 	Receive requested stimulus funding by X date for X duration	Receive requested stimulus funding by Y date for Y duration	Do not receive stimulus funds



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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