

Planning & Restructuring

Thumbnail

An Organization Can Learn to Live Within Its Means, Even after Years of Overspending

The Opportunity - and the Challenge:

- A major funder of a \$2 million workforce development agency was concerned about its grantee's declining financial health.
- The CEO, CFO and board were hesitant - they had already cut to the bone. Could they reduce expenses enough to stop the hemorrhaging and still deliver quality programs?
- The organization needed to restructure itself to thrive when the funding environment and economy improved.

"KrasnePlows helped us understand our key program drivers so we could modify the program retain its high quality and lower our costs."

- Executive Director

The Expertise - KrasnePlows:

- Developed a simple chart, which illustrated the agency's financial condition that leadership could no longer ignore
- Recognized that the organization customarily put its desire to serve as many as possible ahead of its available funding
- Honored the agency's value to serve as many clients as possible by helping them assess its program model's components and discuss possible modifications to retain program quality and be sustainable over time
- Worked with the CEO and CFO to create scenario plans to serve as many clients as possible, using a trade-off analysis
- Encouraged the leadership to create decision points and an executable contingency plan
- Worked with the CEO and board to communicate findings and their evolving plan to its funders

The Result:

- An organization that continues to provide high quality services to an underserved population
- An organizational budget grounded in reality, with trigger points linked to performance throughout the year
- A CEO who can focus on fundraising and program delivery
- An engaged board committed to a realistic fundraising goal with a clearly defined contingency plan, if things don't go as planned
- A funder who understands what happened, can hold the grantee accountable with its own plan, and is willing to continue investing in its grantee's future.

"KrasnePlows can deliver tough news in a way we could hear."

- Executive Director