

Diagnosing Your Business: Strengthening Your Organization to Achieve Mission

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Cindy Cheatham
Managing Partner, Good Advisors

Agenda

- Introductions
- Why invest in diagnosing your organization?
- How do you go about assessing your organization?
- Where is your organization?
- What are your top 3 priorities?
- And your action plan?



Introductions

- Name
- Title
- Organization Name
- Why you chose this workshop



Session Goals and expectations?

Experience with organizational
diagnoses or assessments?

What are the most common Capacity or business building Initiatives?

- Technology investments
- Board development
- Strategic planning
- Collaborations and partnerships
- Staff training
- Fundraising
- Succession planning
- Outcomes evaluation

Are you searching for excellence?

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"I gave up hope of receiving a Genius Grant years ago. Now I'm basically shooting for the less impressive Mediocrity Grant."

Why Invest in Assessing & Strengthening Your Organization?

- More must be done with less
 - Challenging times for those we're serving
 - Record unemployment; jobless recovery
 - Fierce competition for dwindling charitable private dollars
 - Public dollars being drastically cut
- The public is highly skeptical of nonprofits*
 - only 14% of public surveyed said nonprofits spend money wisely
 - 60% said nonprofits waste a great deal or a fair deal of money

*Source: Paul Light: Sustaining Nonprofit Performance

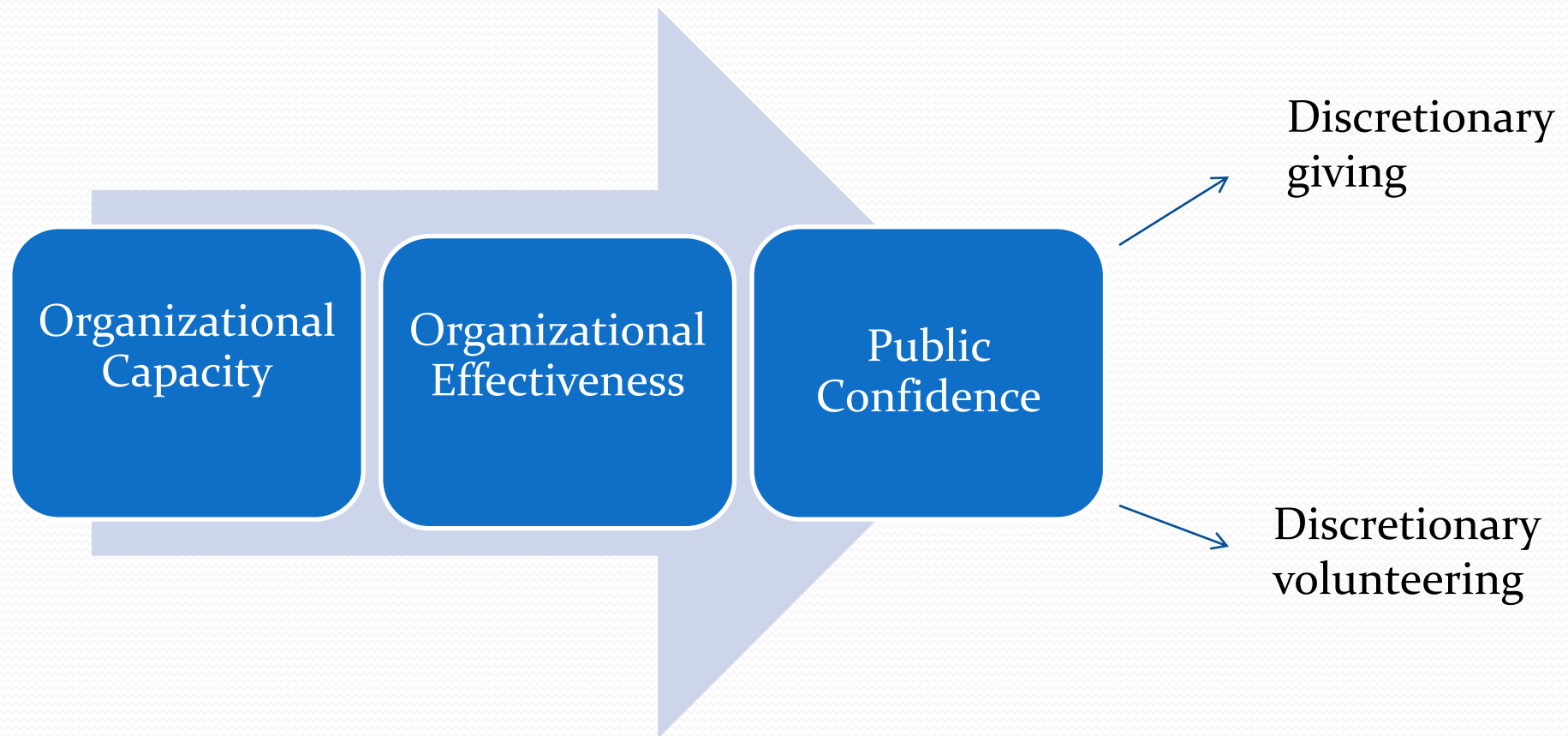


Returns from investing?

Payoffs from Strengthening

- Organizations able to compete most effectively will demonstrate
 - You spend money wisely
 - You are achieving results
- Where do you most need to focus to address concerns?
 - Only 15% of public said nonprofits need to change their programs
 - 70% said nonprofits need to operate more efficiently
- David & Lucille Packard Foundation “a nonprofit organization is more likely to reach its programmatic goal if it is well managed.”
- The best people like to work for the best run organizations

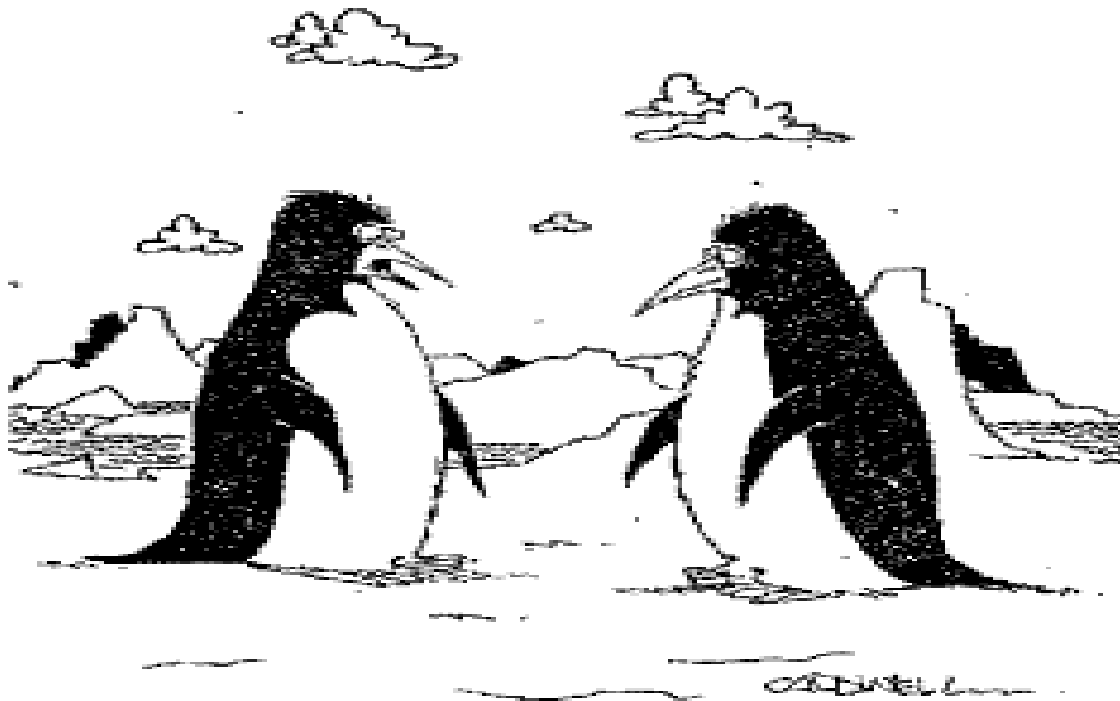
Payoffs from Capacity Building



You can't do it all

Pepper . . . And Salt

THE WALL STREET JOURNAL



*"I don't feel so much
endangered as
I do under funded."*

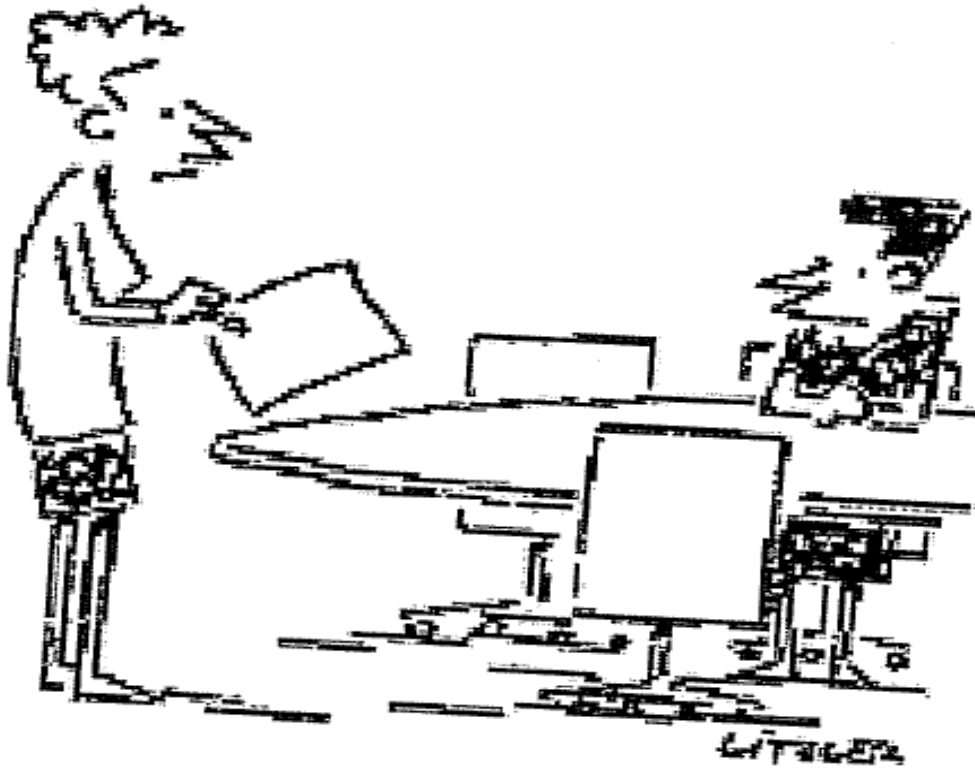


What's keeping you up at Night?

Do you have?

- Vulnerability due to dependence on just one or more key staff
- Declining staff morale
- Dependence on one or just a few donors
- A lackluster and unreliable board of directors
- Critical data stored in antiquated systems
- An inability to articulate your program impact in tangible, measurable terms
- Declining revenue and an inadequate reserve fund
- Limited or poor financial controls
- Limited recognition in the community for your good work

How do you get results?



"AFTER SIX MONTHS OF FUNDRAISING
OUR RESULTS ARE TWO COMMITTEES,
FIVE LISTS AND A PRETTY BROCHURE."

How Can I get Started?

- Conduct an organizational assessment to prioritize needs
- Involve staff, board and ideally an unbiased, qualified outsider to assist who is
 - motivated to tell the truth and to ensure needed dialogue takes place
 - has dedicated time to help push the process along and to help create more of a sense of urgency
- Clearly define objectives

Organizational Assessment (OA) (handout)

- Nonprofits evolve through stages of maturity
- An OA is an opportunity for board and staff to create a common picture of organization's strengths and challenges in key management & governance areas vs. benchmarks
- Board and staff agree to prioritize recommended actions to strengthen your organization in particular areas (e.g. planning, board)
- Create an action plan with assignments to implement the actions
- Not an impact evaluation; not a management audit or strategic plan

Assessment Approach

- Information gathering
- Consensus on Strengths and Challenges
- Consensus on Action Steps
- Report for Acceptance and Agreement
- Evaluation and tracking with quarterly review and annual update/review for accountability

Assessment Process

- Document Review
 - Planning documents (includes strategic plans, fund development plans, public relations or marketing plans, etc.)
 - By-laws, including mission statement
 - Promotional materials
 - Annual report
 - Current budget (income/expenses) and other financial reports
 - Organizational chart and staff list
 - Board list
 - Recent board meeting minutes
 - Recent committee structure
 - Board handbook
 - Job descriptions and staff evaluation tools
 - Personnel policies
 - Any grant proposals for operating funds

Assessment Process Cont'd

- Board and staff interviews
 - SWOT
 - Review of certain areas of the assessment
 - Collectively assess all via interviews
 - Prioritized areas for strengthening

Areas of Excellence Review (handout)

- Governance & Board Development
- Planning
- Fund Development
- Financial Management
- Human Resources
- Program
- Marketing & Communications
- Facilities
- Information technology
- Legal

Individual Exercise

- Complete the Areas of Excellence organizational assessment review & be prepared to share insights
- Top 2 most common areas for strengthening to be identified by the group for breakouts



Take Action (handout)

- Prioritize areas to strengthen and develop action plan with timeframe and responsible parties

Ongoing Diagnoses

- Annual board self-assessments
- Staff surveys
- Annual planning cycle
- Excellent financial templates
- Periodic review – every few years



Questions?

More resources

- Effective Capacity Building in NPO's - Prepared for Venture Philanthropy Partners by McKinsey & Company
 - <http://www.midot.org.il/Sites/midot/content/File/McKinsey%20Grid.pdf> (grid for assessment begins page 84)
- Cindy Cheatham www.good-advisors.com and
 - cindy@good-advisors.com and 404-405-5501