

# Responding to Impending or Active Revenue Disruption

<b>ASSESS YOUR POSITION</b>	<b>What is our financial reality?</b>	<p><b>① Assess your finances.</b></p> <ul style="list-style-type: none"> <li>• Last year and this year (projected), did we operate at a surplus, break even, or run a deficit?</li> <li>• What is our level of revenue disruption (% overall and to major sources)? If unclear, do scenario planning. Historically, how reliant have we been on the disrupted sources?</li> <li>• What's our cash runway? How many months of operating revenue do we have in reserves?</li> <li>• What are our current and long-term liabilities? Do our current assets cover our current liabilities?</li> <li>• In an emergency, realistically, how much of our assets can we sell or liquidate quickly?</li> </ul>				
	<b>What do we have to work with?</b>	<b>People</b>	<p><b>② Assess your leadership's will and alignment (Board and staff).</b></p> <ul style="list-style-type: none"> <li>• Do we have the energy to fight for our sustainability? What is our willingness to persist?</li> <li>• Are we able to innovate? Do our leaders have entrepreneurial mindsets and capacities?</li> </ul>			
		<b>Mission Assets</b>	<p><b>③ Assess the value of your "mission assets" to your community and other nonprofits.</b></p> <ul style="list-style-type: none"> <li>• Programs (uniqueness, quality, enrollment), competencies, intellectual property, infrastructure</li> <li>• What can we leverage? What must we protect? What might we let go of?</li> </ul>			
<b>DECIDE HOW TO RESPOND</b>	<b>What might we do?</b>  (Based on your contexts & core commitments)	<p>Proactive Strategies      Protective Strategies      Responsible Restructuring</p>				
		<p><b>Business Model Innovation</b></p>	<p><b>Fund Development Recalibration</b></p>	<p><b>Retrenchment</b></p>	<p><b>Strategic Consolidations</b> (e.g., mergers, asset transfers)</p>	<p><b>Wind-down or Dissolution</b></p>
		<ul style="list-style-type: none"> <li>• Use of fee-for-service models</li> <li>• Social enterprise</li> <li>• Strategic Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Advocacy</li> <li>• Pursue new grant sources</li> <li>• Intensify fundraising</li> </ul>	<p>Determine how to shrink (temporarily) to sustain the org and vital services</p>	<ul style="list-style-type: none"> <li>• Get stronger together!</li> <li>• Move vital services and IP to sustaining orgs</li> </ul>	<ul style="list-style-type: none"> <li>• Transition clients and IP to other providers</li> <li>• Manage process, communications</li> </ul>
		<b>Strong Position</b>	<b>Precarious Position</b>		<b>Weak Position</b>	