

Board of Directors Meeting
ALA Midwinter Meeting
January 23-28, 2009, Denver

Topic: Meeting Members' Needs in a Recession

Background: The recession has already impacted libraries and library workers as well as YALSA. Libraries are struggling to do more with less in a time where library use has increased and budgets have decreased. Helping library workers who serve teens, and our members in particular, through this economic downturn will not only provide a service to the field of librarianship, but it could also build loyalty

Develop your practice

AIGA's Center for Practice Management (CPM) is an online resource to provide the tools for success to all designers. Chair Shel Perkins' wrote the recent article "Good Advice for Bad Times"

What AIGA is doing

AIGA is moving decisively so that the strength of the organization is not threatened by the downturn. We have eliminated four staff positions at the national level in order to focus on direct membership service, professional development and communicating the value of design. What has made AIGA a model for other associations is the strength and number of our member volunteers, and we will once again rely on them to take on these challenging tasks on behalf of the full profession.

The cost of joining AIGA will not increase in 2009 and associate level membership has been extended for young designers—from two years following graduation to up to four years of practice—to ensure that membership remains as accessible as possible during the early years of your career.

On the upside, we are seeing an increased understanding of the value of design in leading businesses and the public sector. This is often tied to innovation or positioning strategy, so it will require that we all become effective in defining and advancing the role of design thinking and communication design; if we do not, interest may gravitate toward product design and innovative

Here, then, are 10 things your board can do now to address the financial crisis. It is, by no means, an exhaustive list. Your board may be coping in other ways. If so, I invite you to contact BoardSource so that we might share your ideas with others in the nonprofit sector, either in future issues of Board Member or on our Web site.

1. Don't panic.

Don't let fear freeze you into inaction. Read, research, and remain calm. Be deliberate in any action your board undertakes. On the other hand, do not underestimate the amount of anxiety this crisis adds to the already heavy burdens your chief executive and staff are carrying. Before pressuring them to forge ahead, ensure that they know that the board supports them.

2. Think strategically.

Examine your organizational goals and strategies in light of the current conditions. Consider scheduling an additional board meeting, in person or by teleconference, to discuss your organization's short-term strategy. Then ensure that a review of the longterm strategy is on the agenda. Eventually, the financial crisis will end, and the markets will recover. Organizations that have continued to think strategically throughout the crisis will come out of it in the best position.

Now is the time to think how your organization can become more competitive. With fewer contributed dollars available, funders may reevaluate their giving plans. Organizations that position themselves as useful in times of crisis may actually find themselves the recipient of *more* gifts, not fewer.

Thinking strategically also implies being conscious of how the board frames the questions it will discuss, which in turn directs where discussions will go. For example, if the board asks, "Where do we cut expenses to make sure we can balance our budget?" the discussion will center around expense reduction. If the question is framed as, "How do we maintain a balanced budget?" the discussion will include expenses and revenue. If the board asks, "How best do we serve our mission despite changes in our economy?" the board is likely to have a broader and more fruitful discussion.

3. Get a realistic picture of your organization's financial situation.

Set aside some time at your next board meeting to talk to the chief executive and chief financial officer and determine where the financial downturn is affecting your financial picture. Assess cash availability if your revenue is tied to market fluctuations; make sure that your cash, investments, or reserves are parked some place safe and are getting the best possible return. Check to see if you have a diversified funding stream, and, if not, develop a plan to diversify. Get an immediate and firm grip on all your revenue streams and be clear as to what is – or is not – genuinely bringing in revenue. This does not mean cutting all non-revenue or negative revenue programs; it does mean seeing the whole picture and where your real costs are with open eyes.

4. Create a contingency plan.

Ask yourself, how might we have to govern our organization differently if the economy enters a long-term recession? Ask the chief executive and chief financial officer to work with the board treasurer or finance committee to develop an alternate financial model for the organization based on the assumptions derived from that exercise, and create a contingency budget to account for potential shortfalls. Think outside your current structure: For example, consider a collaboration or even a merger with another nonprofit with a similar mission if your organization is in serious financial difficulty.

5. Work more closely with your chief executive.

Any contingency plan must, of course, be developed in close collaboration with management. Now is the time to increase communication with, and support of, the chief executive and staff and help them keep their spirits high. At the same time, adhere to a culture of transparency. If the financial situation is grave, work with mana

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nonprofit executives? Benchmark your chief executive's compensation against survey data for comparable organizations. Such information has been compiled by *The Nonprofit Times*,