



Strategic Scenario Planning **in Crisis**



YOLO COUNTY LIBRARY



Yolo Community FOUNDATION



THE IMPACT FOUNDRY



Yolo County Nonprofit Leaders Alliance

May 4, 2020

OXORE



Robert (Bob) Gregoire

- Experienced CEO, Interim CEO, Board Chair, Board Member
 - Vision, Strategy, Execution
- Private and Nonprofit Sectors
- Currently Founder and CEO of CxORE
 - Business Support & Leadership (pivots, turnarounds, growth)
- Active roles in Academic, Nonprofit and Service Organizations
- Based in Davis



To Achieve Greatness...



Start Where You **ARE**
Use What You **HAVE**
Do What You **CAN**

Arthur Ashe

Getting back to basics



OXORE 3

Yolo County Nonprofit Leaders Alliance

- Crisis Navigation
- Creating Executable Scenarios
- Scenario Buckets
- Methodology
- Scenario Model
- Parting Resources & Thoughts



How Long Will This Last ?



Current Estimates: 18-24 Months for Recovery

Who Knows?

Prepare for a marathon



Yolo County Nonprofit Leaders Alliance

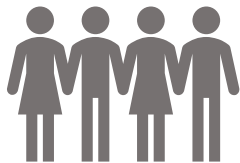
CXORE 5

The One Thing...



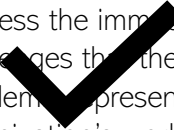
Lengthen the runway





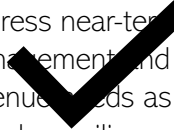
1. Resolve

Address the immediate challenges that the pandemic presents to organization's workforce, stakeholders and partners.



2. Resilience

Address near-term cash-management and revenue needs as well as broader resiliency issues during Virus-related shut-downs and economic knock-on effects.



3. Return

Create detailed recovery plan to return the organization to scale or new normal quickly as pandemic situation evolves, and knock-on effects become clearer.



4. Reimagine

Reimagine the next normal; what a discontinuous shift looks like and implications for how organization should reinvent. Consider alternatives in the organization's model that leverage existing resources and capitalize on opportunities for growth and efficiency in operations

As recommended by [McKinsey and Company](#) in a report on March 30, 2020, organizations can take several specific and intentional steps to navigate the crisis and its uncertain after effects. This slide is a modified version of their suggestion.

- Embrace Reality
- Take Time for Deep Work/Thought
- Utilize Historical Information
- Determine Variables
- Understand Regulatory Environment
- **Focus on Short-Term Outcomes** (day, week, month, quarter)
- Use an Integrated Methodology for Scenarios
- Determine Timelines, Triggers, Levers
- Engage Trusted Resources
- Make the Tough Decisions
- Prepare for the Future

Identify your Buckets and apply methodology to each...

Prioritize What is Most Important!



- Cash Flow
- Burn Rate/Runway
- Revenue Sources
- Costs Reductions
- Cost Deferments



- Past Viability
- Current Viability
- **Future Viability**
- New Models
- Partnerships



- **People**
- Technology
- Functional Support
- Resources
- Processes



- **Space Needs**
- Workplace Options
- New Protocols
- Safety & Security
- Obligations

Every Scenario has a cause and effect on **Cash** and the other Buckets

Embrace the New (or unknown) Normal

WHAT IS



- Historical State
- Current State

WHAT IF



- What Could Go Wrong
- Opportunities

SO WHAT



- Resource Drains
- Non-Essential Activities

Apply Methodology to Each Prioritized Bucket Item

Focus on What is Really Important & Urgent

Develop & Track Scenarios

Organization Name

Date

Scenario 1 (Typically Goals)

Objective A :

Outcomes:

- 1.
- 2.
- 3.

Performance Measures:

- 1.
- 2.
- 3.
- 4.

Tasks:	What is the level of priority?	What are the budget requirements?	Who will take responsibility for leading?	Who else is required to assist/partner?	When will this begin?	When will this be completed?
i.						
ii.						
iii.						
iv.						
v.						
vi.						
vii.						

- Determine Critical Scenarios
- Determine Financial Impact (costs or savings)
- Incorporate Scenario into Cash modeling

Focus on What is Really Important & Urgent



Start with a simple accurate Cashflow Forecast (8 or 12 week)

Organization Name	Historical (Monthly)	Projected	Projected	Projected	Projected	May-20	Projected	Projected	Projected	Projected	Projected	Jun-20
Summary/Week-Month Ending		8-May	15-May	22-May	31-May		5-Jun	12-Jun	19-Jun	26-Jun	30-Jun	
COH Beginning		25,000	32,000	26,000	50,500	25,000	48,500	55,500	55,500	(45,500)	(15,000)	48,500
INCOME (only major sources)												
Add Source		15,000				15,000	15,000					15,000
Add Source		18,000				18,000	18,000					18,000
Add Source				36,000		36,000				36,000		36,000
Add Source					4,500	4,500						-
Add Source			4,000			4,000			5,000			5,000
Add Source						-						-
All Other Sources						-						-
Total Income		33,000	4,000	36,000	4,500	77,500	33,000	-	5,000	36,000	-	74,000
EXPENSES												
Program Related		3,000				3,000	3,000					3,000
Payroll & Benefits		6,000		6,000		12,000	6,000		6,000			12,000
SG&A (Sales, General & Administrative)		5,000				5,000	5,000					5,000
Real Estate		7,000				7,000	7,000					7,000
Outside Services		2,000		2,500		4,500	2,000			2,500		4,500
Debt Service					6,500	6,500			100,000		6,500	106,500
Other			10,000			10,000						-
Other						-						-
All Other Expenses		3,000		3,000		6,000	3,000			3,000		6,000
Total Expenses		26,000	10,000	11,500	6,500	54,000	26,000	-	106,000	5,500	6,500	144,000
NET INCOME		7,000	(6,000)	24,500	(2,000)	23,500	7,000	-	(101,000)	30,500	(6,500)	(70,000)
COH Ending		32,000	26,000	50,500	48,500	48,500	55,500	55,500	(45,500)	(15,000)	(21,500)	(21,500)

Determine Baseline (from CF), Add Scenarios, Analyze Impact

Organization Name	Historical (Monthly)	May-20	Scenario 1 Assumptions	Scenario 1 Total	Scenario 2 Assumptions	Scenario 2 Total	Scenario 3 Assumptions	Scenario 3 Total
Summary/Week-Month Ending			% Reduction	May Total	% Reduction	May Total	% Reduction	May Total
COH Beginning		25,000		25,000		25,000		25,000
INCOME (only major sources)								
Add Source		15,000	80%	3,000	80%	3,000	80%	3,000
Add Source		18,000	10%	16,200	80%	3,600	80%	3,600
Add Source		36,000	60%	14,400	60%	14,400	80%	7,200
Add Source		4,500	80%	900	80%	900	80%	900
Add Source		4,000	80%	800	80%	800	80%	800
Add Source		-		-		-		-
All Other Sources		-		-		-		-
Total Income		77,500	-54%	35,300	-71%	22,700	-80%	15,500
EXPENSES								
Program Related		3,000	0%	3,000	0%	3,000	50%	1,500
Payroll & Benefits		12,000	25%	9,000	25%	9,000	25%	9,000
SG&A (Sales, General & Administrative)		5,000	20%	4,000	20%	4,000	40%	3,000
Real Estate		7,000	100%	-	100%	-	100%	-
Outside Services		4,500	50%	2,250	100%	-	100%	-
Debt Service		6,500	75%	1,625	80%	1,300	100%	-
Other		10,000	50%	5,000	60%	4,000	80%	2,000
Other		-	0%	-	0%	-	0%	-
All Other Expenses		6,000	0%	6,000	80%	1,200	100%	-
Total Expenses		54,000	-43%	30,875	-58%	22,500	-71%	15,500
NET INCOME		23,500		4,425		200		-
COH Ending		48,500		29,425		25,200		25,000

Determine Actions, Flex the Model

Organization Name	Historical (Monthly)	Jun-20	Scenario 1 Assumptions	Scenario 1 Total	Scenario 2 Assumptions	Scenario 2 Total	Scenario 3 Assumptions	Scenario 3 Total
Summary/Week-Month Ending			% Reduction	June Total	% Reduction	June Total	% Reduction	June Total
COH Beginning		48,500		48,500		48,500		48,500
INCOME (only major sources)								
Add Source		15,000	0%	15,000	0%	15,000	0%	15,000
Add Source		18,000	0%	18,000	0%	18,000	0%	18,000
Add Source		36,000	0%	36,000	0%	36,000	0%	36,000
Add Source		-	0%	-	0%	-	0%	-
Add Source		5,000	0%	5,000	0%	5,000	0%	5,000
Add Source		-	0%	-	0%	-	0%	-
All Other Sources		-	0%	-	0%	-	0%	-
Total Income		74,000	0%	74,000	0%	74,000	0%	74,000
EXPENSES								
Program Related		3,000	0%	3,000	0%	3,000	0%	3,000
Payroll & Benefits		12,000	0%	12,000	0%	12,000	0%	12,000
SG&A (Sales, General & Administrative)		5,000	0%	5,000	0%	5,000	0%	5,000
Real Estate		7,000	0%	7,000	0%	7,000	0%	7,000
Outside Services		4,500	0%	4,500	0%	4,500	0%	4,500
Debt Service		106,500	75%	26,625	66%	36,210	0%	106,500
Other		-	0%	-	0%	-	0%	-
Other		-	0%	-	0%	-	0%	-
All Other Expenses		6,000	0%	6,000	0%	6,000	0%	6,000
Total Expenses		144,000	-55%	64,125	-49%	73,710	0%	144,000
NET INCOME		(70,000)		9,875		290		(70,000)
COH Ending		(21,500)		58,375		48,790		(21,500)



Additional Information on Crisis Navigation
Cashflow and Scenario Planning Workbook
Additional Questions and Resources

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Employment Issues Upon Re-Entry to the Workplace

PowerPoint Presentation: <https://files.constantcontact.com/476a175d001/4a5968ad-2f9b-477e-9baf-cd5b84e0e979.pdf>

Video Presentation: <https://www.youtube.com/watch?v=HRTJqA3UOW0&feature=youtu.be>

COVID-19 Resource Hub: <https://www.weintraub.com/covid-19-resources>

McKinsey&Company

COVID-19: Implications for business

<https://www.mckinsey.com/business-functions/risk/our-insights/covid-19-implications-for-business>

From surviving to thriving: Reimagining the post-COVID-19 return

<https://www.mckinsey.com/featured-insights/future-of-work/from-surviving-to-thriving-reimagining-the-post-covid-19-return>