

# Strengthen Your Bottom Line: What to Do and What to Avoid

Here are tested do's and don'ts for confronting the economic downturn.

Experts from around the world recently convened to share tips for what nonprofits should – and shouldn't – do today and in the coming months to strengthen their bottom line regardless of what's happening around them.<sup>1</sup> Here are their top suggestions:

## Top Do's

**Start a board conversation** about new ways for your organization to innovate and grow. Look at the recession not as a time of scarcity but of opportunity. Focus not on protecting your territory but on the best way to fulfill your mission.

**Diversify your money sources.** For example, start a small business related to your mission. Or ask a university film department to videotape what you do and turn it into a training video you can sell to other organizations. Look at what you're good at doing, and think of ways to turn that expertise into a new product or service.

**Communicate widely.** This is the time to increase, not reduce, your marketing and PR efforts. Focus your message on how many lives you're transforming, not on how little you spend or on how much you need.

**Be careful what you cut and what you keep.** It's a good time to evaluate your services and consider dropping those that aren't cost-effective. While you may be tempted to cut back on professional advice from attorneys, accountants, and consultants, their assistance may be invaluable right now.

**Get to know your banker.** With financial institutions reluctant to extend lines of credit, you need someone inside the bank to cham-



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panion your cause. See "You & Your Banker" and "Finding the Right Bank" (Vol. 11, No. 3 & 4), [www.snpo.org](http://www.snpo.org).

**Create strategic alliances** with other organizations, educational institutions, and corporations.<sup>2</sup> Brainstorm ways to partner and share for mutual benefit.

**Talk to your peers.** Join online discussion forums as well as offline groups to compare notes, trade ideas, and plug in to what others in the nonprofit sector are doing.

**Target your messages.** Rather than addressing your entire constituent base as one entity, segment it and create a dialogue that will engage each group.

## Top Don'ts

**Don't panic.** From past economic downturns, we know that donations rarely suffer as much as we might expect. Recent research confirms that donors will continue to support an organization, regardless of the challenges, if the organization communicates clearly and honestly with them.

**Don't ignore the troubled economy in your communications.** Address it in a way that conveys a sense of confidence about the

future. Don't act like everything is "business as usual" or as if "the sky is falling" but find a middle ground that explains that more people need your services these days and thus you need your donors' support more than ever.

**Don't invest a lot of additional focus** on donors who typically give low amounts (\$50 or less at a time). They're the ones who are skittish about giving while the economy is poor. Reach out to higher-level donors, who actually increase the amounts they give when times are tough. This is a prime time to contact these people by sending a personal note or, ideally, going to see them, and asking them to stand by you.

**Don't eliminate training or continuing education.** If you have to cut back on conferences, then increase the budget for online training. (For example, see [www.CharityUniversity.org](http://www.CharityUniversity.org) and [www.snpo.org/lino](http://www.snpo.org/lino).) Investment in staff and board training shows that the organization is strong and looking toward the future. It's important for morale and the human spirit. ■

## Footnotes

<sup>1</sup>The group, gathered by CoreStrategies for Nonprofits, included: Todd Baker, vice president, Grizzard ([www.grizzard.com](http://www.grizzard.com)); Steven Bowman, director, LifeMastery.com and Conscience-Governance.com, based in Melbourne, Australia; Nathan Garber, one of Australia's leading governance and executive team specialists ([www.garberconsulting.com](http://www.garberconsulting.com)); Gail S. Meltzer, CFRE, president of Fund Raising Advantage ([www.fundraisingadvantage.com](http://www.fundraisingadvantage.com)) and founding principal in CoreStrategies for Nonprofits; Stephen Nill, J.D., GPC, founder of CharityChannel ([www.CharityChannel.com](http://www.CharityChannel.com)); and Terrie Temkin, Ph.D., founding principal in CoreStrategies for Nonprofits ([www.corestrategies4nonprofits.com](http://www.corestrategies4nonprofits.com)).

<sup>2</sup> See "Collaboration and Leadership: Secrets of Success," *Nonprofit World*, Vol. 24, No. 1 ([www.snpo.org](http://www.snpo.org)).