

Scenario Planning for Charities

COVID-19 Response Toolkit



The Need for Strategic Charity Planning

- A strategic scenario plan has been prepared for a charity, so we thought we'd share the process with other charities in a similar situation
- This pack gives you an outline on how to approach strategic scenario planning
- Use this approach to engage with your trustees and senior leadership to show the due diligence required
- The Charities SORP Committee instruct that within the reported accounts, trustees must provide information about the material decisions they have had to take on judgements and uncertainties, a process such as this will support the rationale of that decision making
- Further guidance is available at https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-caused-by-coronavirus



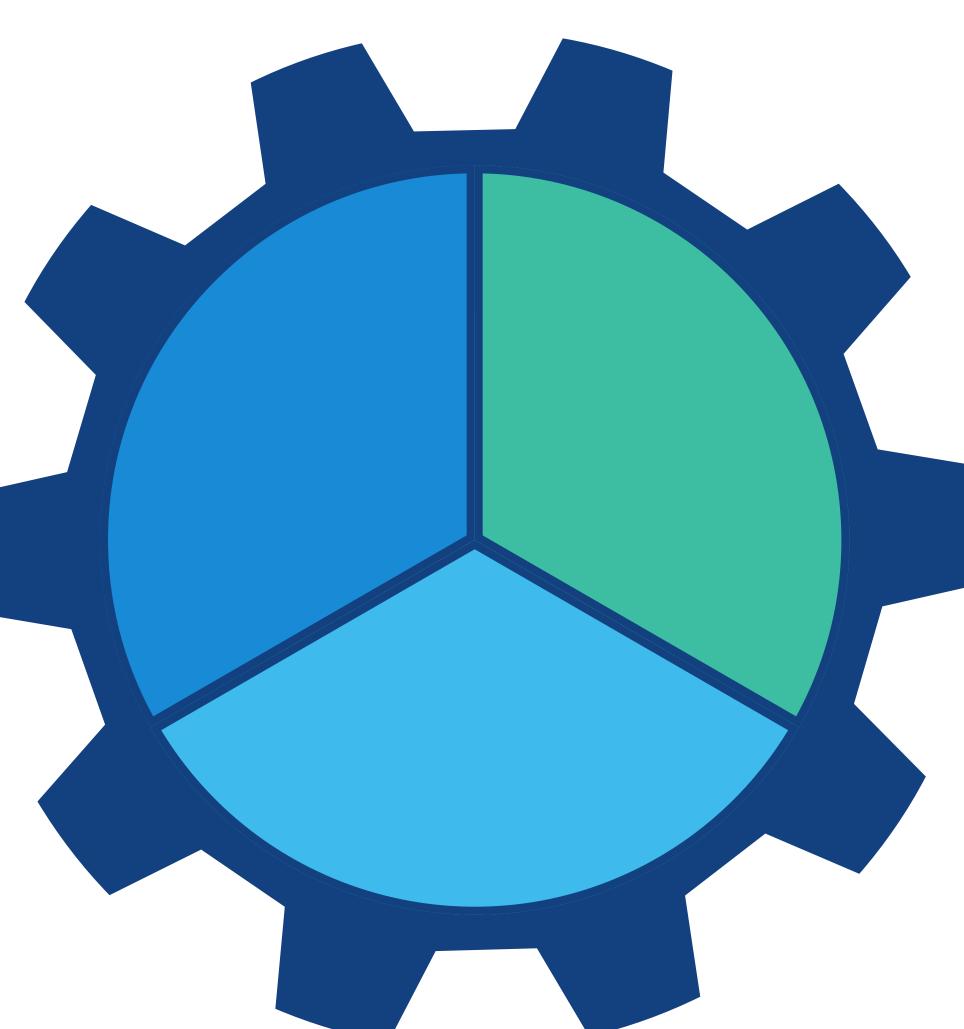
How To Use This Toolkit

1) Action to Take

Decide the correct course of action to take of the four shown. This toolkit is designed to support you through one of those - Scenario Planning.

2) Find Your NEMO

Ensure you have a clearly defined Purpose to act as your bullseye when evaluating your strategic proposals.



3) Scenario Development

Step-by-step process to ensure due diligence in identifying scenarios to agree with your trustees depending on the specific challenges you may face.

4) Get Help

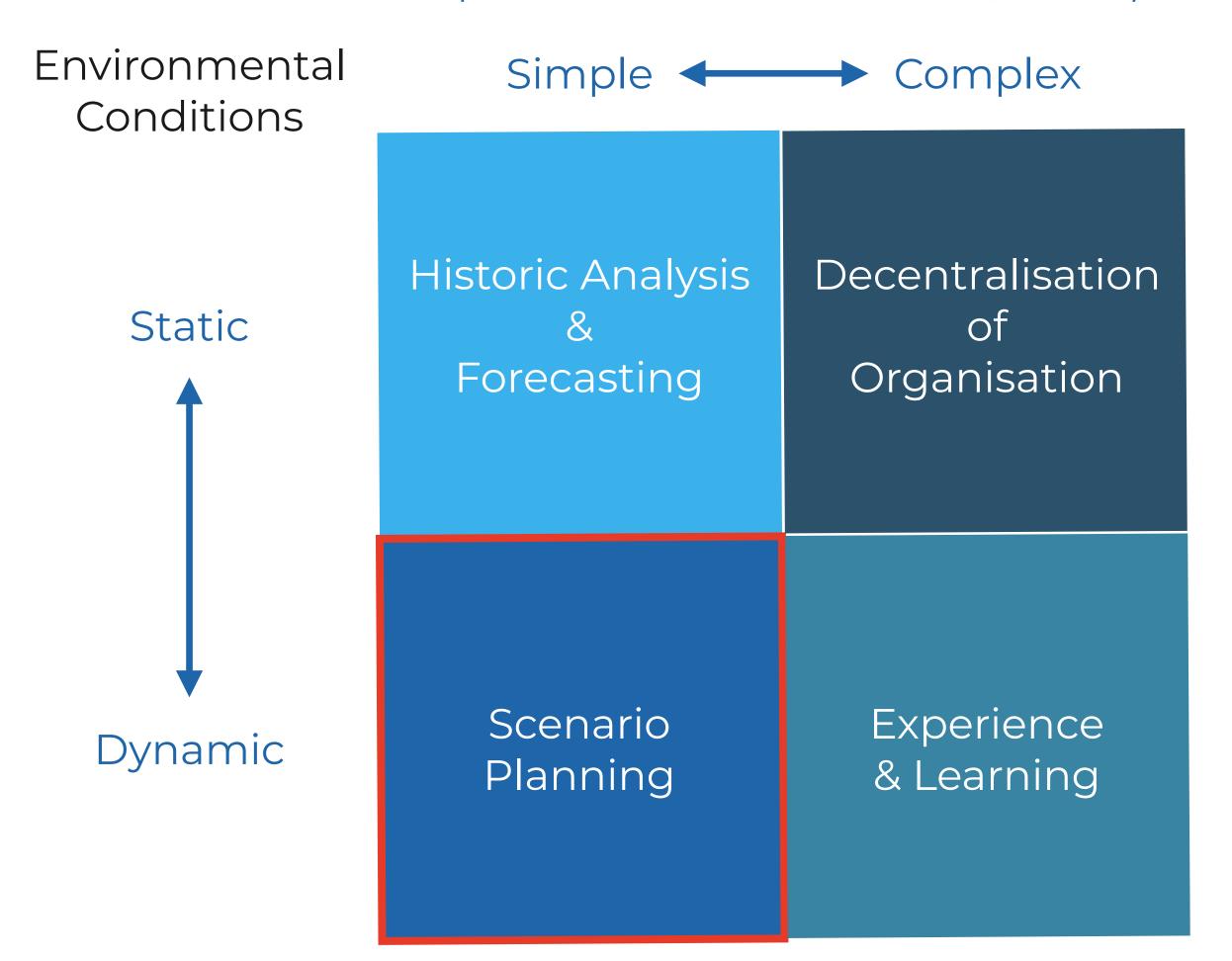
If you're unsure of how to approach an area of the process, give us a call at The Brand Strategy and we can help talk you through it.

<u>thebrandstrategy.co.uk</u>



Action to Take in Uncertain Conditions

Typically the coronavirus crisis has delivered rapid change to the environment for charities, but not in a way that is too complex to understand. However, it is important to assess your specific situation.



Simple

The environment is relatively straightforward to understand.

Complex

An environment that is difficult to comprehend.

Static

The environment is not undergoing significant change.

Dynamic

Need to consider the environment of the future, not just the past.

Source: Strategy Development in Uncertain and Complex Conditions. Johnson, Scoles, Whittington



BRAND STRATEGY FINDING YOUR NEW O

- Understanding your 'Purpose' is critical throughout this process, you may have tough decisions ahead - so ensuring everything you do delivers on your charity's raison d'être will enable effective decision making
- A 'Purpose' statement isn't just referring to "whatever the articles say"

"Nothing Else Matters except for the O"

James Bannerman



QUESTION:

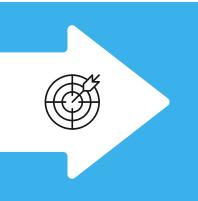
Is your Purpose a clear understandable statement you can explain to a stranger in less than 10 seconds?

ANSWER:

No? Then you need to take time now to refine it, otherwise your strategic decision making may miss the bullseye 'O' to most effectively deliver your charitable objectives.

Scenario Development

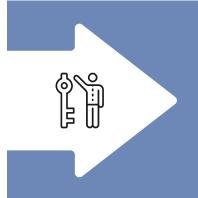
Four sequential steps to take to build robust scenario plans. Remember to engage stakeholders along the journey.



IDENTIFY DRIVING FORCES

Analyse the situation specific to your sector and organisation, understand your capabilities and risks, gain stakeholder input.

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IDENTIFY CRITICAL UNCERTAINTIES

The significant variables ahead - maybe changing market forces, timing of lockdown release, or anything else.

2



DEVELOP PLAUSIBLE SCENARIOS

Focusing on a balance between due diligence and becoming overwhelmed, create strategic proposals for each scenario.

3



DISCUSS IMPLICATIONS AND PATHS

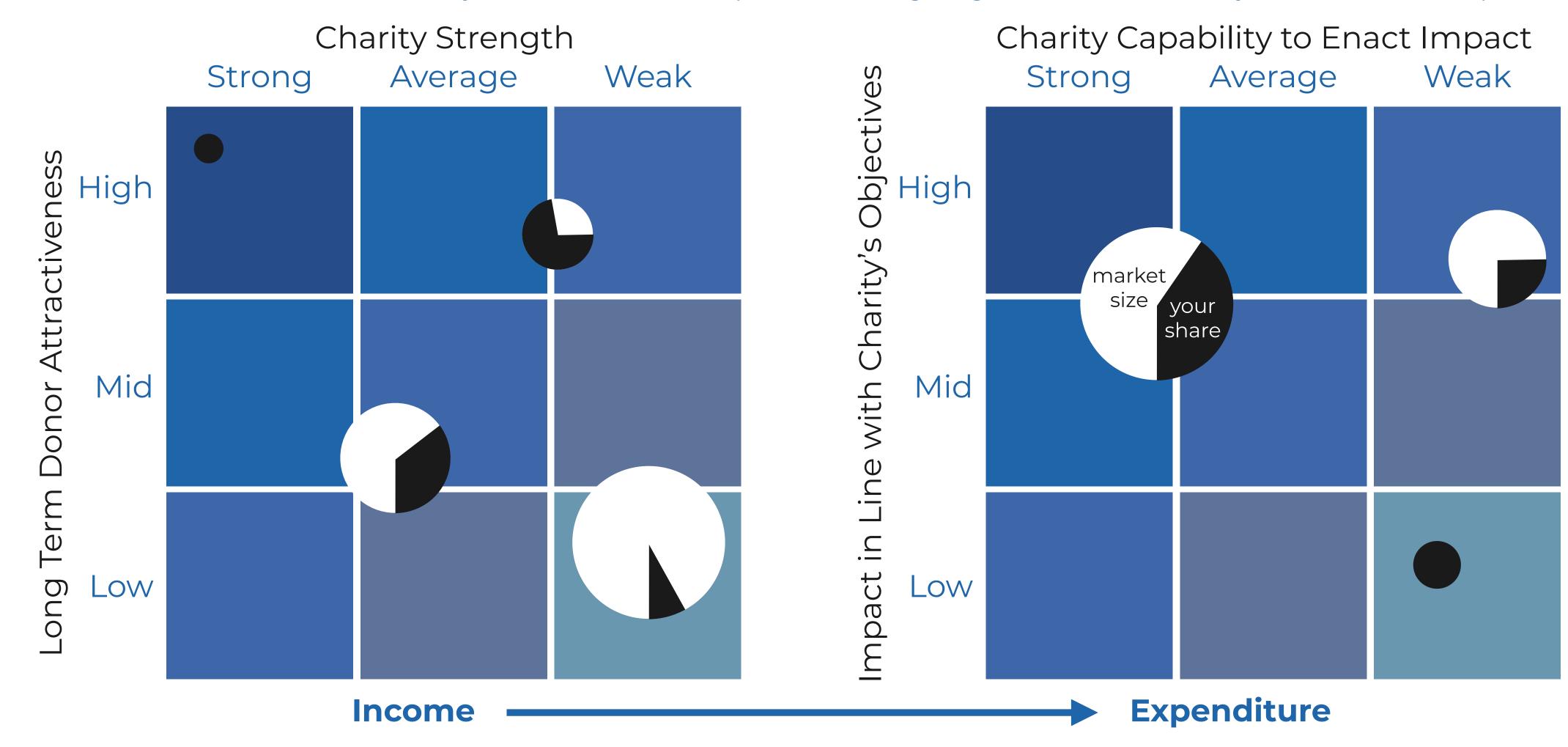
Engage trustees with two to three options for each plausible scenario. Have a plan ready whichever scenario unfolds.

4



1) Identify Driving Forces

Take an inward look at where your income and expenditure is going, be honest about your initiatives impact.





2) Identify Critical Uncertainties





A major factor of change that is currently unknown

The detail and the associated risk





A factor that is unknown but has potential impact

Explanation of the risk factor and impact on the charity

Dummy information for illustrative purposes

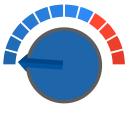




Potential 'competitor' action

How would this impact on the charity





What industry changes may come, does technology play a part?

The impact it will make to the charity



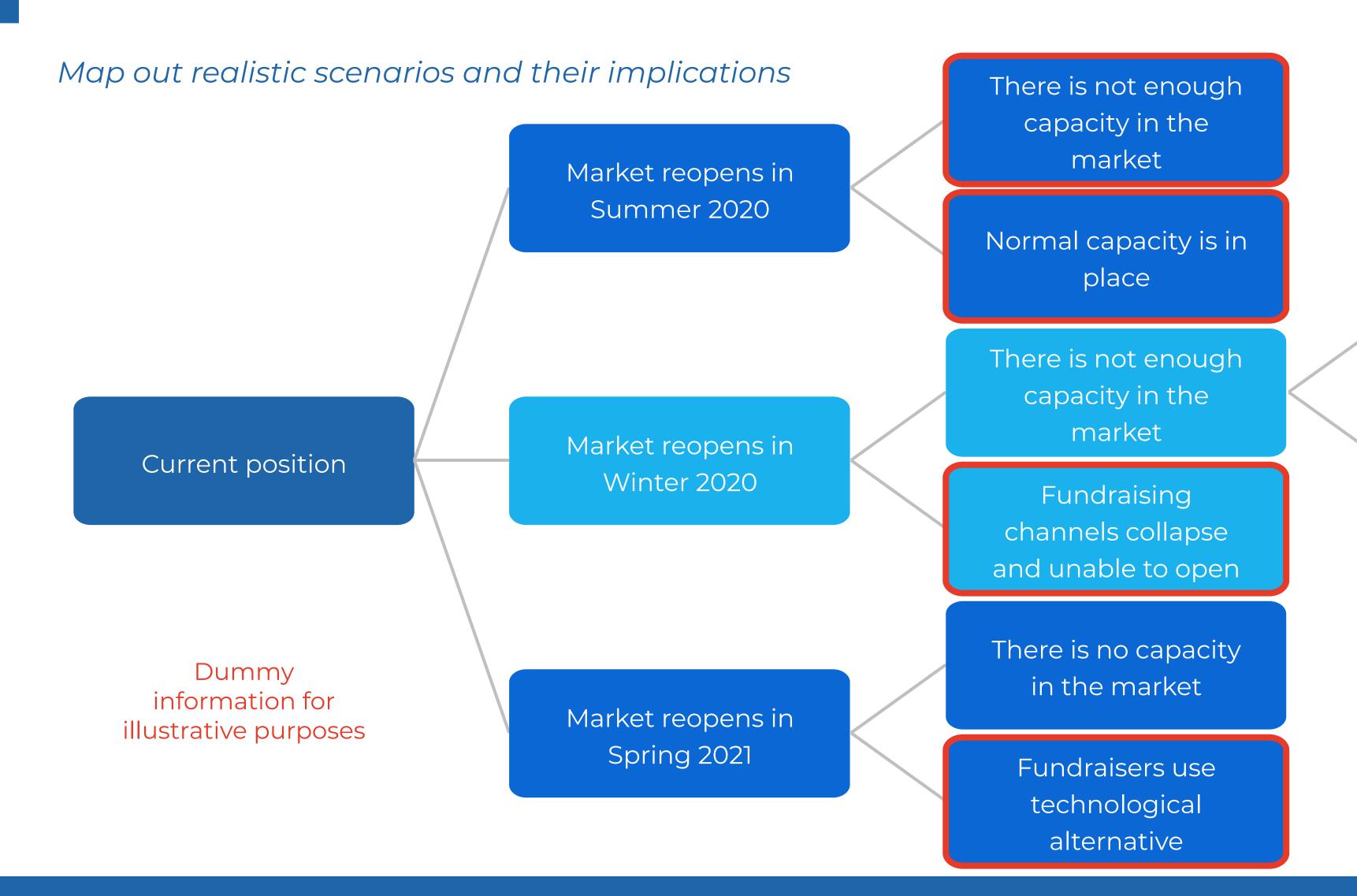


Other information that leads to a change in direction for donors

Will it make donors more reserved or encourage greater contribution to charitable efforts



3) Develop Plausible Scenarios



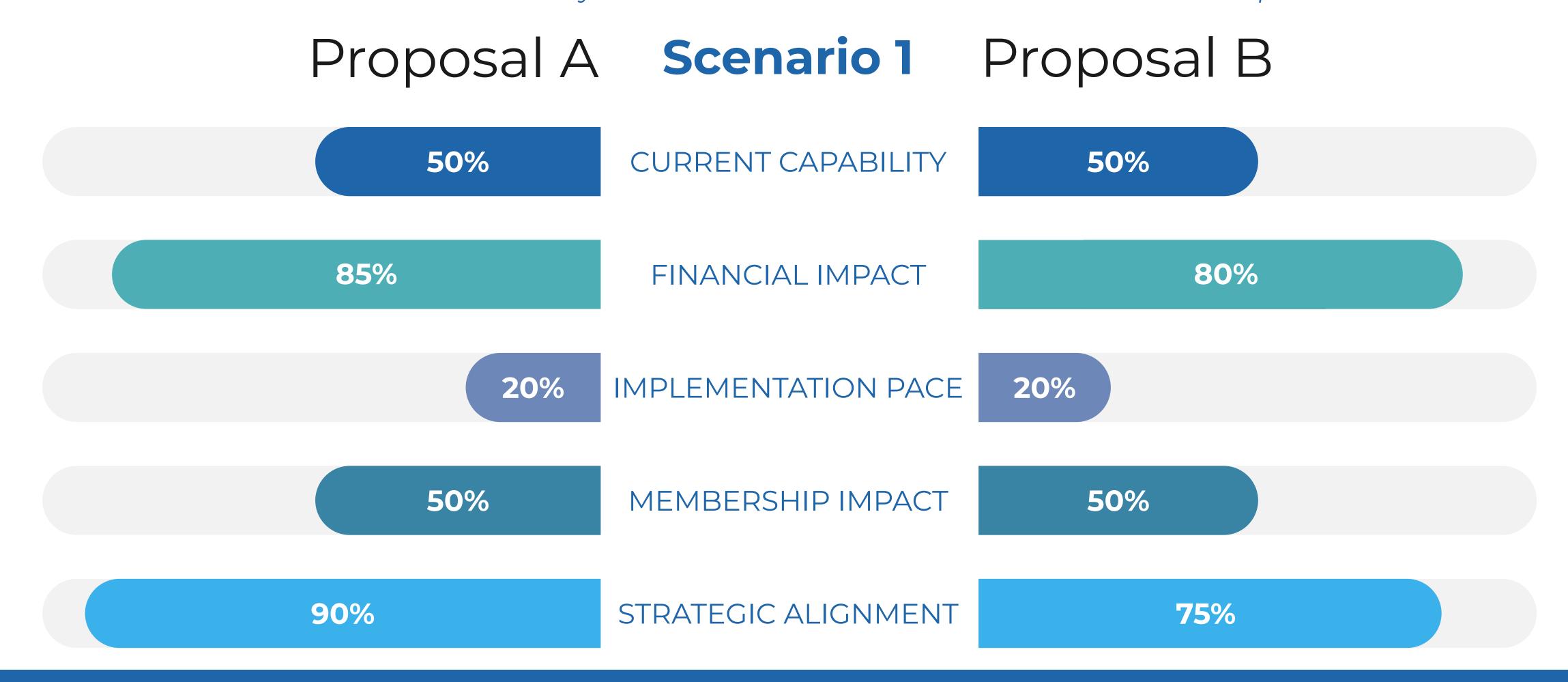
Other charity steps in to take share of capacity

Insufficient instructors to train fundraisers



4) Discuss Implications and Paths

For each scenario identified, take two to three proposals to the trustees for consideration. Remember these will only be enacted if the scenario is the one that comes to pass.





THE BRAND STRATEGY WYO Can Help You

The Brand Strategy exists to create sustainable value for brands and consumers, as the antidote to reactive short-term fixes.

Our team's experience spans charity, healthcare, not for profit and various commercial sectors.

For further advice, contact mark@thebrandstrategy.co.uk or call Mark direct on 07740192278.

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