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# ABC Scenario Planning: Strengthening Resilience in Uncertain Times

February 27, 2025

Drop it in the chat!

**Please share your name, location and **one word** that describes how you are feeling about the future.**



# Alford Group



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- Strategic & Organizational Planning
- Governance & Leadership Development
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## **Land Acknowledgment Chicago, IL**

Chicago is located on the traditional unceded homelands of the Council of the Three Fires: the Ojibwe, Odawa and Potawatomi Nations. Many other tribes such as the Miami, Ho-Chunk, Menominee, Sac and Fox also called this area home. The region has long been a center for Indigenous people to gather, trade and maintain kinship ties.



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## Webinar Logistics

- Recording and resources available
- Survey
- Listen-only mode
- The chat is open!
- To ask a question, please use the Q&A function

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## The Experts



**Brenda B. Asare**

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***When nothing is sure, everything is possible.***

—Margaret Drabble

How immediately do you anticipate potential policy shifts in this new administration will impact your organization?

You can see how people vote. [Learn more](#)

This is immediately urgent	88%
The next 3-5 months	0%
The next year	13%
This impacts long-term plans	0%



## In this new era of uncertainty, what issue is top of mind for you and your nonprofit?

You can see how people vote. [Learn more](#)

Communicating to donors/staff	10%
Impacts to fundraising efforts	57%
Planning for unknown changes	19%
Accurate & timely policy info	14%





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## What is ABC Scenario Planning and how does it work?

- ABC Scenario Planning provides a roadmap for best, baseline and worst-case scenarios, allowing your organization to **navigate uncertainty with confidence**.
- **Pivot, not pause.** Anticipate change rather than react to a crisis.
- Build a **structured, yet flexible** strategic response plan.
- Scenario planning (create contingency plans to navigate immediate changes) vs. paradigm planning (address longer-term shifts in the "new normal").

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## ABC Scenario Planning Checklist

1. Identify the risks and what you can control
2. Map out ABC scenarios
3. Strengthen your financial game plan
4. Adjust programs and operations without losing impact
5. Communicate with confidence
6. Monitor, adapt and keep learning





# **Step 1: Identify the Risks & What You Can Control**

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## What Could Impact Your Nonprofit?

- **Funding:** How reliant are you on government grants? Do you have diverse revenue streams?
- **Policy & Regulations:** Are pending laws or executive orders affecting your funding eligibility?
- **Economic Trends:** Are tariffs, unemployment rate, inflation, investment performance, competition for donor dollars causing donors to pull back? Are costs rising?
- **Community Needs:** Will demand for services increase or shift?
- **Internal Readiness:** Does your team have the leadership and flexibility to adapt?

### What to Do Now:

- **Assign a “Risk Watch Team”** – even if it’s just you and one board member – who keeps an eye on these shifts.
- **Create an “Early Warning System”** → a simple checklist of indicators that signal when things are changing (e.g., slower grant disbursements, major funders pulling back, new policy proposals).

**Key Insight:** The sooner you spot potential shifts, the more time you have to adjust.





## **Step 2: Map Out ABC Scenarios**



## Step 2: Map Out ABC Scenarios

Scenario	What's happening?	How do we respond?
A - Thriving <b>Best Case</b>	More funding, strong donor engagement, positive policy changes	Expand programs, invest in staff, build financial reserves
B - Holding Steady <b>Baseline</b>	No known major changes in funding or external conditions	Maintain operations, optimize resources, build donor relationships
C - Crisis <b>Worst Case</b>	Funding cuts, policy restrictions, economic downturn	Reduce costs, activate emergency fundraising, prioritize essential services

### What to Do Now:

- **Define Your "Trigger Points"** → What specific events would push you from Scenario A to B, or B to C?
- **Assign Responsibilities** → Who on your team is watching each scenario and recommending next steps?

**Key Insight:** This isn't about guessing – it's about preparing to pivot fast when conditions change.

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## Case Study: Food Bank of Alfordia

### The Nonprofit

**The Food Bank of Alfordia (FBA)** has been a lifeline for families, providing food assistance to nearly 5,000 people per month. It relies on a mix of funding sources, including federal nutrition grants that have helped sustain its operations for over a decade.

### The Obstacle

The food bank faced **a major funding crisis when a federal grant that covered 45% of its budget was eliminated** due to recent executive orders cutting food assistance programs. The loss created an immediate financial shortfall, putting food distribution programs, mobile pantries and key staff positions at risk.

### The Strategy

FBA's leadership team turned to ABC Scenario Planning to chart a path forward.

## Case Study: Food Bank of Alfordia (FBA)

Scenario	What's happening?	How do we respond?
A – Best Case <b>New Funding Secured</b>	The food bank successfully secures new corporate partnerships and foundation grants, replacing most of the lost federal funding.	<ul style="list-style-type: none"><li>- Expand partnerships with grocery retailers and local farms.</li><li>- Increase fundraising efforts focused on major individual and institutional donors.</li><li>- Invest in infrastructure for long-term sustainability.</li></ul>
B – Baseline <b>Partial Funding Recovered</b>	Some funding is replaced, but there is still a 20% budget gap requiring operational adjustments.	<ul style="list-style-type: none"><li>- Reduce food distribution footprint and days while maintaining emergency services.</li><li>- Implement budget cuts in non-essential areas (e.g., marketing, events).</li><li>- Strengthen community partnerships to share resources.</li></ul>
C – Worst Case <b>Major Funding Shortfall</b>	No replacement funding secured; severe budget deficit forces program reductions.	<ul style="list-style-type: none"><li>- Shift to emergency fundraising (crowdfunding, donor appeals).</li><li>- Reduce staff and scale back non-essential programs.</li><li>- Focus resources on core hunger relief efforts, cutting secondary initiatives.</li></ul>





## **Step 3: Strengthen Your Financial Game Plan**



## Step 3: Strengthen Your Financial Game Plan

### How to Build Financial Resilience

- **Budget for All Three Scenarios** – What expenses shift in A, B and C?
- **Advocate for Public Funding** – Deploy your board, volunteers and staff leaders to advocate for continued investment. Tell the story of one – and the multiplied data and impact of your work.
- **Diversify Revenue Streams** – Corporate partnerships, grants, donor-advised funds, earned income... what's untapped?
- **Build Emergency Reserves** – Can you set aside 3-6 months of operating costs?
- **Identify Cost-Cutting Measures in Advance** – Where can you cut without hurting impact?

### What Would FBA Do Now:

- **Create a simple “If-Then” budget chart** → If funding drops by 25%, then we... (reduce travel, delay hiring, shift fundraising priorities). And they would mount a major advocacy campaign.
- **Have major donor conversations NOW** → Don't wait until crisis is known – ask key funders about flexible or unrestricted support.

**Key Insight:** Financially strong nonprofits aren't just good at raising money – they're good at planning how to use it wisely.



## **Step 4: Adjust Programs & Operations Without Losing Impact**



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## Step 4: Adjust Programs & Operations Without Losing Impact

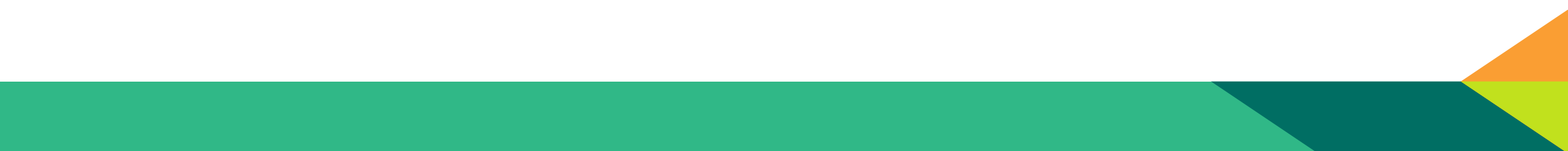
**Every nonprofit has three types of programs:**

1. **Mission-Critical** (must) → Must be protected at all costs
2. **Flexible** (should) → Can scale up/down depending on funding
3. **Less Urgent/Lower priority** (may) → Can be paused, merged, or phased out

**What Would FBA Do Now:**

- **Map Your Programs & Priorities** → What's non-negotiable, and what's adaptable?
- **Plan for Staffing Adjustments** → If needed, how do we reduce hours instead of layoffs?
- **Leverage Partnerships** → Who can we collaborate with to share resources in tough times?

**Key Insight:** Not every program is equal. The best nonprofits focus on what's most impactful, not just what's "nice to have."





## **Step 5: Communicate With Confidence**



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## Step 5: Communicate With Confidence

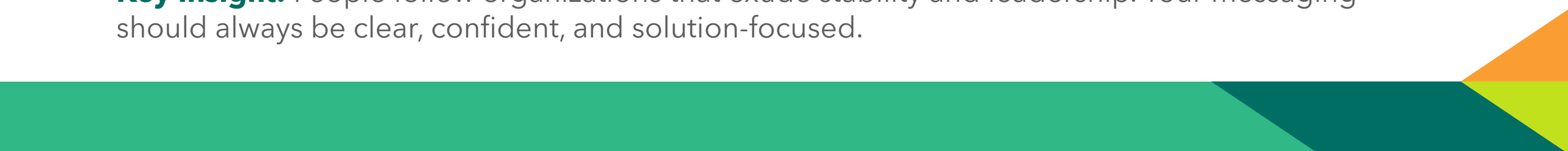
People trust organizations that are proactive, not reactive. Here's how to adjust messaging for different audiences:

- **Donors & Funders** → "Your support ensures our mission thrives, no matter what's ahead."
- **Board Members** → "Here's our plan for keeping operations steady and resilient."
- **Staff & Volunteers** → "We're preparing for all scenarios so we can continue serving."
- **Community & Clients** → "We are committed to staying strong for you."
- **Public Officials** → "Our essential work and data-proven impact contributes to the quality of life in our community and need your continued partnership."

### What Would FBA Do Now:

- **Create a "Scenario Messaging Guide"** → Pre-draft emails, talking points, and donor updates for each scenario so you're not scrambling later.
- **Designate a Lead Communicator** → Who will be the point person for external updates?

**Key Insight:** People follow organizations that exude stability and leadership. Your messaging should always be clear, confident, and solution-focused.





## **Step 6: Monitor, Adapt & Keep Learning**



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## Step 6: Monitor, Adapt & Keep Learning

**This plan isn't meant to sit on a shelf. It should evolve as the world changes.**

- **Schedule Quarterly Reviews** – Assess funding, policy shifts, donor behavior
- **Track Key Indicators** – Cash flow, donor retention, demand for services
- **Document Lessons Learned** – What worked? What didn't? How do we refine the next plan?

### **Next Steps:**

- **Assign Ownership** → Who will track and update the plan?
- **Create a Timeline** → When will the plan be reviewed?
- **Establish Check-ins** → How will progress be measured?

**Key Insight:** The best organizations are always in “learning mode.” If something isn't working – adjust. If something is working – double down.



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## Key Lessons from Food Bank of Alfordia's Scenario Planning Exercise

- 1. They Acted Quickly, Not Reactively** → Instead of panicking, they mapped out three possible outcomes and adjusted accordingly.
- 2. They Diversified Funding** → Relying on federal grants had been a risk—this crisis forced them to develop new corporate and foundation partnerships to ensure sustainability.
- 3. They Strengthened Their Message** → They framed their funding gap as an opportunity for donors to step up, rather than a crisis, which led to increased community support.
- 4. They Prioritized Mission Critical Services** → Scenario B and C forced tough decisions, but they ensured food assistance programs remained intact for the most vulnerable populations.



**How can I implement this in my organization?**

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## Factors to Consider When Implementing This Framework

- Identify the right participants (ensure a diverse mix of decision makers)
- Set clear objectives and outcomes
- Create a safe space for honest discussion
- Balance structure with flexibility
- Ensure follow-through and accountability





Drop it in the chat

**What is one action that you will take in the next week to begin implementing ABC Scenario Planning?**



# Q&A



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