

# Sustainability in a Changing Environment

## Summary

In this organization, where most of the operational tasks are completed by volunteers, and the Board of Directors is comprised of community members who will agree to the two-year term, the daily operation seemed to be working amazingly well. However, due to volunteer burn-out and a lack of leadership skills on the Board, the nonprofit faced a very uncertain future. The Board believed that a strategic planning exercise may lead to renewal in interest in the organization's mandate. They requested our opinion and assistance with the strategic planning exercise.

## History

In this consumer-goods recycling nonprofit, the Executive Director was one of the original people who formed the organization. She had been looking after the operation for about a decade, organizing volunteers, completing funding applications, arranging transportation for products coming and going from the warehouse, soliciting donations of funding and products, finding markets for recycled goods and searching for directors to replace those that had left after their two-year term. She was not excited about doing another strategic planning exercise because the Board had completed one only three years earlier. In her words, “we ignored that strategic plan, so why would we want to create another one to ignore?” While the Executive Director was excellent at operating the facility, she left management and administrative tasks to be done when there was time.

## The Solution

Raven Hill met with the Board of Directors and suggested that a review of operations might be in order before a strategic planning exercise should take place. The Board agreed and the review was undertaken over a three-day period. We presented a report to the Board that identified four key areas of concern: budgeting and accounting, governance, succession planning and a lack of policies and procedures. One significant vulnerability was the fact that the Executive Director had most of the operations institutional knowledge in her head. There were no files on funders, volunteers, buyers and/or stakeholders.

As well, we learned that a for-profit company was opening an operation to take one of the most profitable waste products – they were in a more convenient location and were advertising on bus benches and billboards.

Raven Hill pointed out to the Board that the easy solution would be to close operations. However, we also pointed out the benefits of the nonprofit to the community in that it handled many products that could not be recycled anywhere else. We also presented a plan that would create more structure in the nonprofit, free up the ED to run its operating aspects, create employment opportunities for a couple of people and give direction to the Board to allow the organization to remain agile enough to succeed well into the future.

We provided guidance in reorganizing the entire operation. A bookkeeper was hired to look after financial activities and an office coordinator was hired on a part-time basis to work on policies and procedures, create a workable filing system and sit with the ED to get all of her knowledge into the organization's files. We also suggested that the organization hold workshops for its directors and volunteers with topics that improved their knowledge of their jobs and the organization itself.

And, we agreed to facilitate a strategic planning exercise as long as it resulted in a action-oriented strategy and an operational plan was developed from it. The Board agreed.

### **The Lesson**

For the organization, the lesson was a huge one. A couple of directors resigned during the transition, citing the lack of commitment that they had to the organization. We had created a Director Commitment document that spelled out what was expected of a director. We believed the resignations were a positive move as they freed the outgoing directors from commitments that they were not passionate about, while providing the opportunity for the organization to seek out related industry people to sit on the Board, which it successfully did.

The Board were pleased that the operational plan gave them enough concrete information at meetings to make calculated decisions about the challenges they were facing. They also had a better handle on the nonprofit's finances and implemented a comprehensive fund-raising strategy as a result.

The ED didn't resist the new moves but remained skeptical for the first quarter after the changes were implemented. After three months, she agreed that the organization was improving and mentioned that she was excited about having some free time to do other things.

And even she agreed that the strategic planning exercise was a positive move toward the future.