

FOR NONPROFIT & SOCIAL ENTERPRISE LEADERS

2021 Rethinking Series

Nonprofit Trends for 2021 & Actions for the Year Ahead

Feb 24

10 - 11:30 am
Online webinar



SUSAN
KELLY



SUZANNE
SMITH



KIM
BULGER



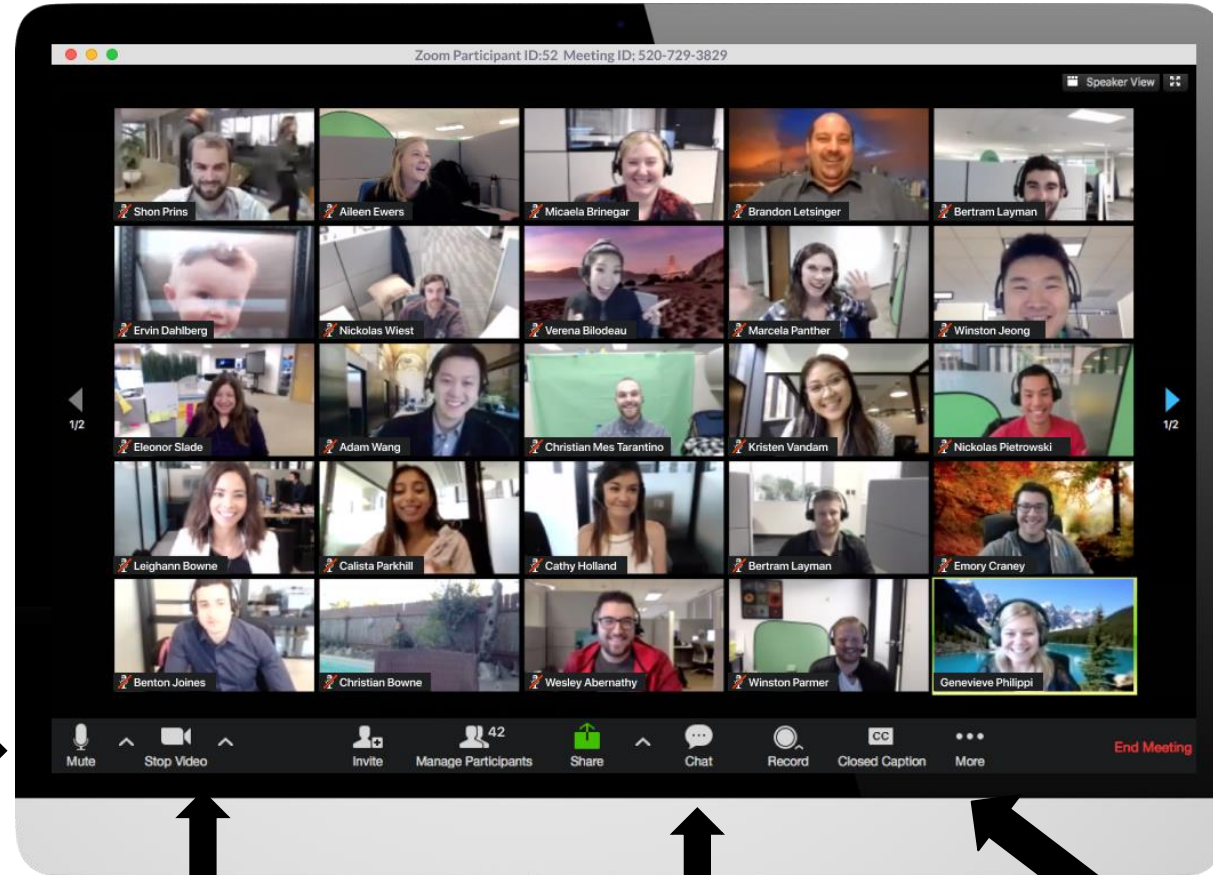
JOHN
GILLESPIE

kelly  strategies

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**Chat for
Questions**

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Caption

Our Collective Goal



With the devastating impact of COVID-19 on our economy and public health, nonprofits have had to shift quickly to answer the call of their communities. To better understand those challenges and prepare for the year ahead, we conducted a survey of nonprofits leaders about their top priorities in 2021.

VALUE TO NONPROFITS

- Compare your feedback with your peers in the nonprofit sector
- Receive tailored advice you can take back to your organization to implement
- Get additional insights through Q&A and custom feedback

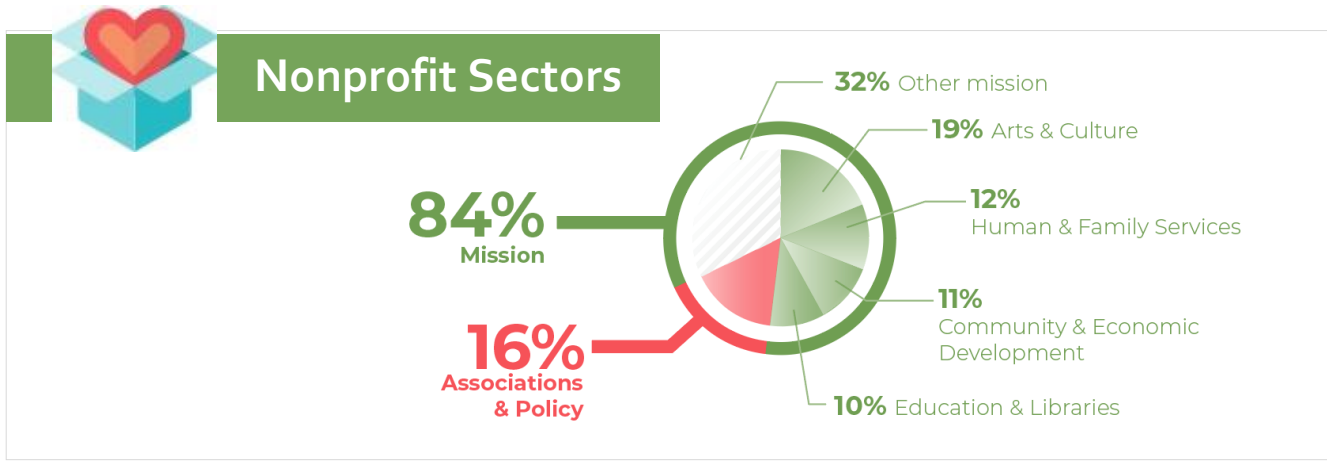
VALUE TO FUNDERS

- Understand pain points for nonprofits and how to best assist with recovery efforts
- Rethink grant strategy to address these priorities

Special thanks to our survey distribution partners:



About Survey Participants

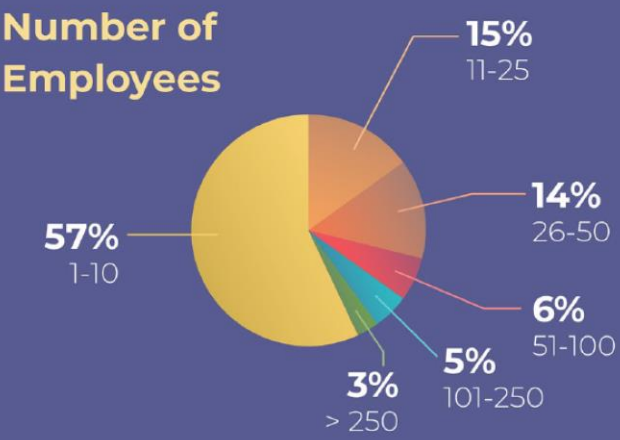
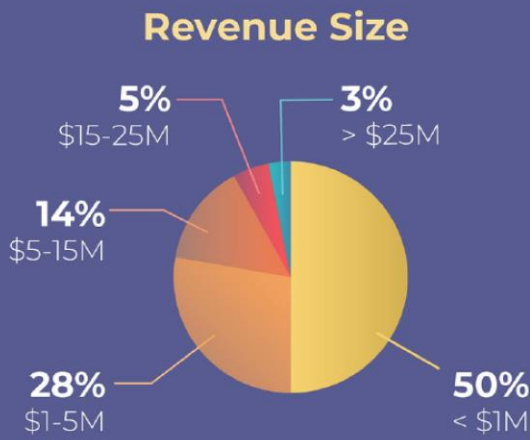




Nonprofit Size

3/4 of participants are \$1–5M nonprofits with 1–50 employees

In normal times, the smallest nonprofits are underfunded and barely resourced. It has been compounded by a pandemic that requires new shifts and investments. In 2021, it will be key to focus on programs with mission alignment AND profitability.



Challenge & Opportunity

While many nonprofits were focused on “survival” in 2020, nonprofits shared their aspirations for 2021. Some faced drastic revenue declines and related staff reductions, while others experienced a surge in need, increasing complexity and increased revenue.

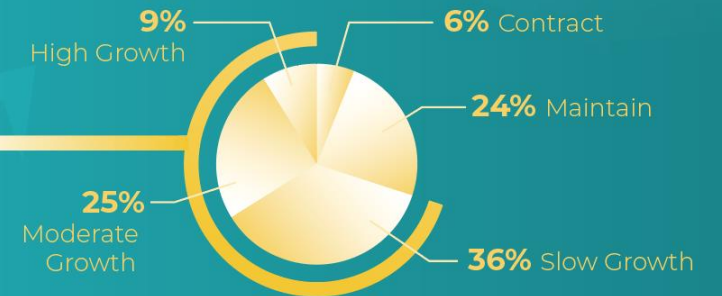
Beneath those challenges, opportunities are beginning to emerge:

- How do I recalibrate my strategy based on the new paradigm?
- How can I stay connected with clients and patrons to best understand need?
- How do I build a more inclusive and diverse organization?
- How do I embrace changes associated with technology?
- How do I maintain relevance and improve our ability to demonstrate value?
- How do I communicate with funders and donors in the most effective way?

Optimistic Growth Outlook

70% expect growth in 2021. The hiring outlook lags behind with 42% hiring and about half planning to achieve growth with their current team. Most nonprofits will be in a better position to hire in late 2021.

70%
expect growth
in 2021



Hiring Growth





Strategy & Innovation/Impact

Suzanne Smith, MBA

*Founder & CEO, Social Impact Architects
Adjunct Professor, The University of Texas at Arlington /
Pepperdine*

Email: suzanne@socialimpactarchitects.com



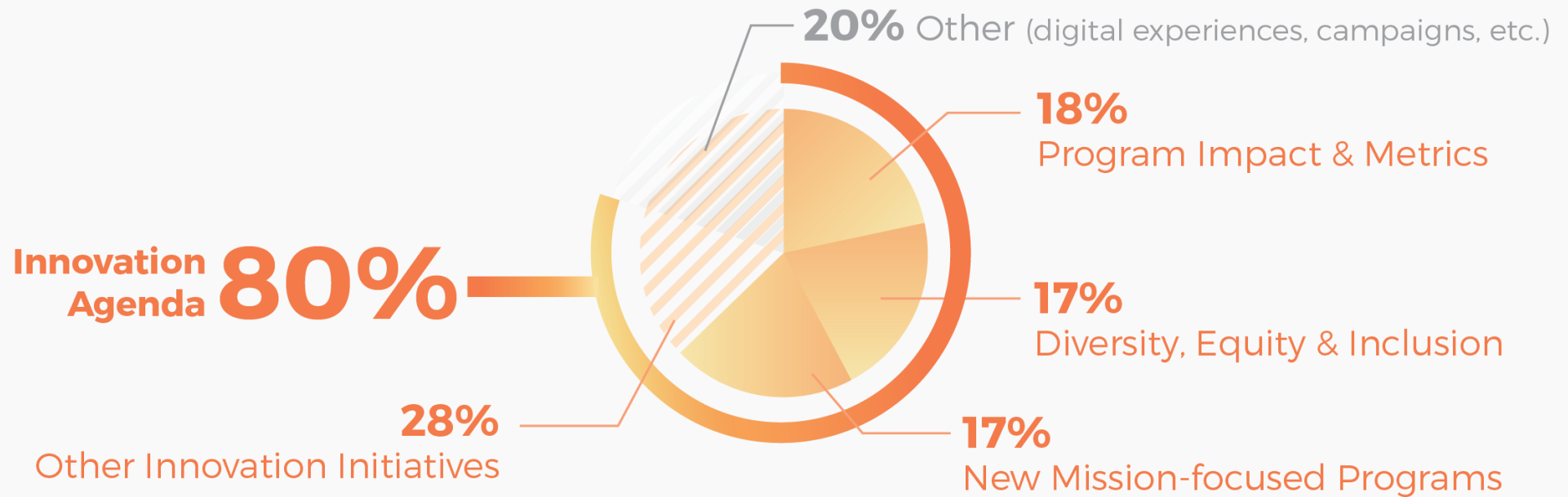
Suzanne's Advice:

"2021's theme will be about the RESET – recognizing that everything from your mission to your culture has evolved as a result of 2020 macrotrends, so all aspects of the organization need to be recalibrated in 2021. This presents an opportunity to "leapfrog" – leaving behind old ways and adopting new and more innovative approaches to your mission, your operations and your culture."

Key Findings



Advancing Innovation



Key Trends & Predictions

KEY TRENDS

- Right-sizing planning for 2021 around “battle plans” instead of strategic plans – recognizing change will continue
- Understanding that growth is both a wide (e.g., geography) and a deep (e.g., increased impact with existing population) function
- Moving beyond program delivery for mission – includes full range of social change, including policy, movements, collaborations & system change
- Investing in impact management – beyond just programs – as a driver in continuous improvement and as a cultural trend
- Advancing equity as a core value



PREDICTIONS

- Increasing leadership dominance of boards and executive teams in assisting nonprofits with major shifts
- Recognizing that technology is now a horizontal rather than a vertical and impacts every aspect of a nonprofit organization, which means technology proficiency will be a key competitive advantage
- Realigning culture once employees come back to work and rethinking working scenarios
- Moving upstream to start solving problems at the source through coordinated community strategies
- Becoming an anti-racist organization



Key Actions

NONPROFITS

- Focus on foundational strategies (e.g., technology, finances, impact) in 2021 “battleplan” to come out stronger
- Conduct a needs assessment with paired measures (i.e., quantitative, qualitative) to understand what your customers really need now to achieve your mission
- Upgrade board roster to focus on areas of weakness and engage in active governance
- Focus on culture as a key differentiator in attracting and retaining talent

FUNDERS

- Offer capacity-building funding and/or unrestricted funding to support upgrades
- Consider community-shift toward data-driven decision-making coupled with action-oriented data collection as well as trainings, coaching and technical assistance
- Provide joint board-staff trainings on equity
- Provide streamlined board recruitment, student internship and skills-based volunteer recruitment opportunities specific to nonprofit sector



Fundraising & Development

Susan Kelly, Principal

Kelly Strategies

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kelly  strategies

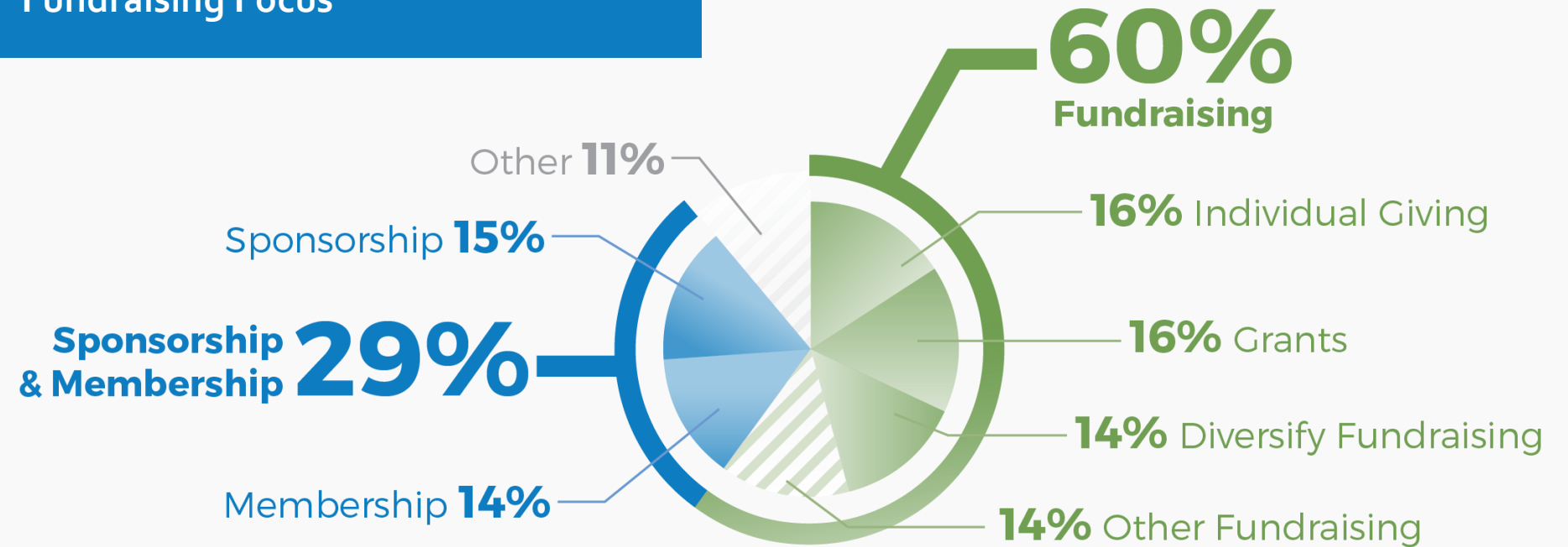
Susan's Advice:

"2021's theme will be AMPLIFY – with a focus on retaining donors in this competitive climate by personalizing interactions and exploring new grant and prospect partnerships. Furthermore, if you're thinking of doing a campaign in the next few years, this is the time to have early conversations and test the feasibility of your plan. Major donors are prime to rise to the occasion."

Key Survey Findings



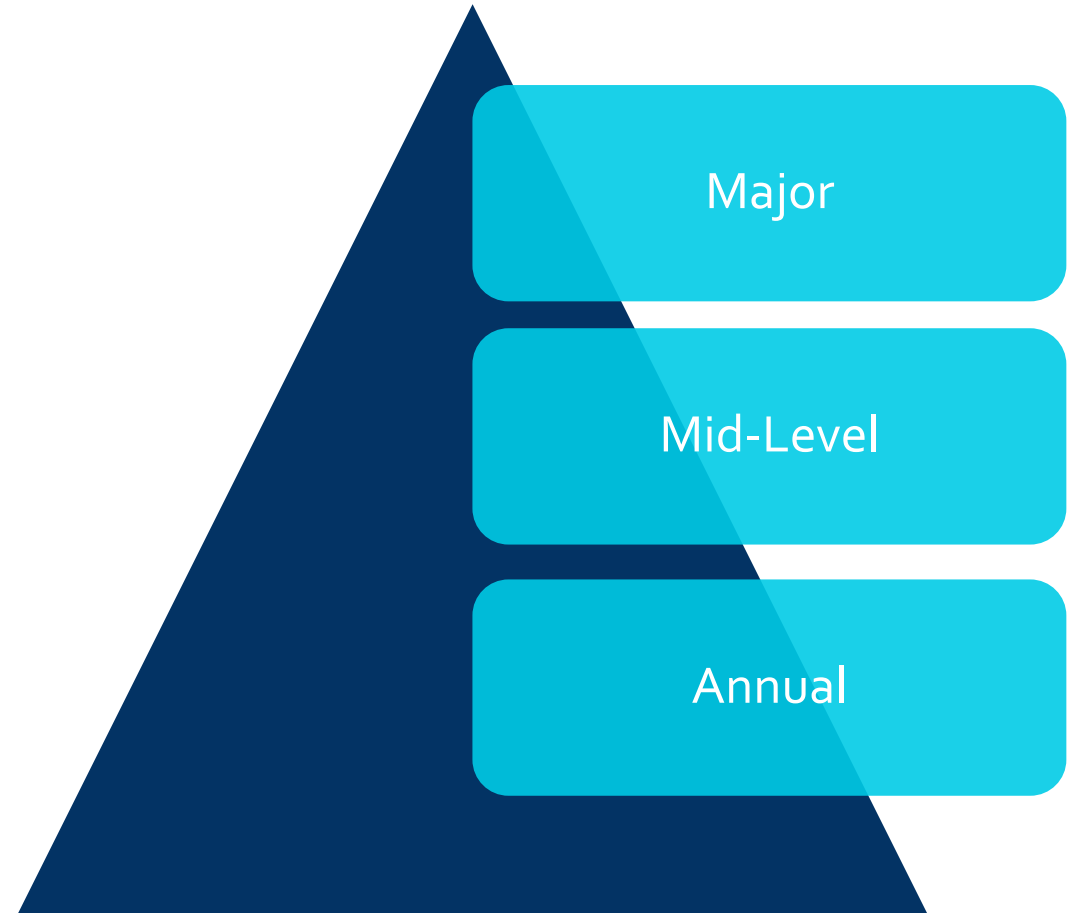
Fundraising Focus



Key Trends

KEY TRENDS

- Allowing for frequent assessments and updated strategies in annual development plans
- Focusing on donor retention and truly excellent stewardship
- Re-examining donor types and activities to prioritize potential
- Building increasingly personalized strategies based on your donor pyramid



Predictions

- Revisiting prospect and funder research for shifts in organizational alignment and opportunities for additional gifts and grants – program-focused, capacity-building, matches, etc.
- Developing targeted plans for first-time and returning lapsed donors
- Planning for continued virtual prospect and donor engagement by strategizing around the four activities of fundraising:



Identification	Cultivation	Solicitation	Stewardship
<ul style="list-style-type: none">• Research• Qualification• Board introductions	<ul style="list-style-type: none">• Public Q&As• Small group town halls• Engagement of connectors	<ul style="list-style-type: none">• Virtual events• Personalized asks• Additional gifts	<ul style="list-style-type: none">• Retention• Immediate thanks• Donor testimonials

Key Actions

NONPROFITS

- **INFRASTRUCTURE:** Ensure your development infrastructure – donation functions, prospect tracking, reporting – are functional and intuitive
- **CASE:** Generate a refreshed, timely Case for Support that justifies the need for increased giving
- **LEADERSHIP:** Encourage your leadership to take an active role in organizational visioning, donor stewardship and prospect introductions
- **DONORS:** Engage your key donors and stakeholders in your ambitious plans, including starting or revisiting a campaign effort

FUNDERS

- Integrate “trust-based philanthropy” into your grants strategy
- Consider add-on grants to your annual recipients for donor challenges, capital improvements and near-term programmatic enhancements
- Support capacity-building funding for consultant expertise, technology updates and other critical nonprofits gaps
- Encourage and guide donor-advised fund holders to unlock additional funds for general operating and programmatic purposes



Finance & Accounting

John Gillespie, CFO / Practice Leader

Nonprofit and Social Enterprise

Charles River CFO, Inc.

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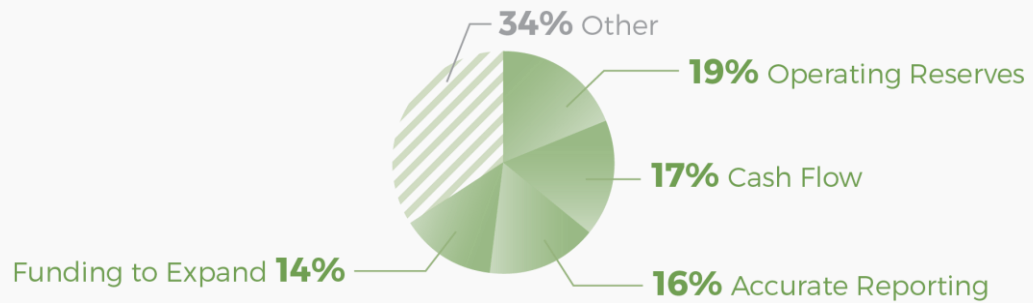
John's Advice:

"2021's theme will be ACCURACY – improving the accuracy and timing of financial statement preparation, providing proactive oversight of your organizations' finances, and shifting to more flexible budgeting processes. In addition, we will have more real-time understanding of how profitable each program, event or revenue department is at any given time in order to better balance how those financial results contribute to the organization's mission."

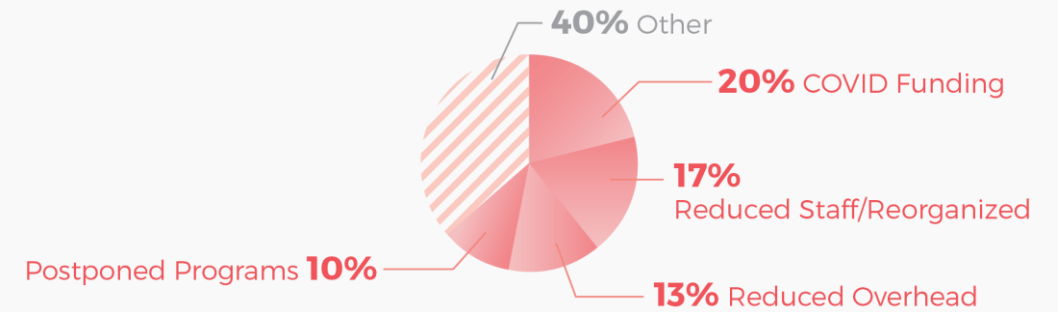
Key Survey Findings



Financial Priorities



Response to 2020 Pressures



Key Trends & Predictions

KEY TRENDS

- Completing profitability reviews of each program, event or revenue department will be common as a part of the standard monthly financial reporting package
- Focusing on “less is more” with many nonprofits concentrating on what they do best instead of returning to all pre-COVID activities
- Pivoting of business models to both scale impact and to create financial sustainability



PREDICTIONS

- Moving toward accurate and realistic “next 6 months” budgets, which are becoming more important than the annual budget
- Needing experienced financial expertise either on staff or from an “as-needed” CFO, especially for organizations with budgets over \$500k
- Using dashboards for boards to have clearer insight into the business as well as communicate financial performance



Key Actions

NONPROFITS

- Consider coaching for CEOs/Executive Directors to improve their financial acumen
- Conduct Financial & Accounting Assessment to evaluate your staff, technology and processes to map out a plan to strengthen your financial statement preparation and financial reporting
- Focus on improving systems efficiency in all areas of the business to streamline operations and to reduce operating expenses

FUNDERS

- Offer financial coaching and/or classes to help nonprofit CEOs and executive teams understand their financials and better predict future scenarios
- Consider shared services arrangements for smaller nonprofits to share bookkeepers, CPAs and CFOs with nonprofit expertise



Digital Engagement & Visibility

Kim Bulger, Chief Marketing Officer

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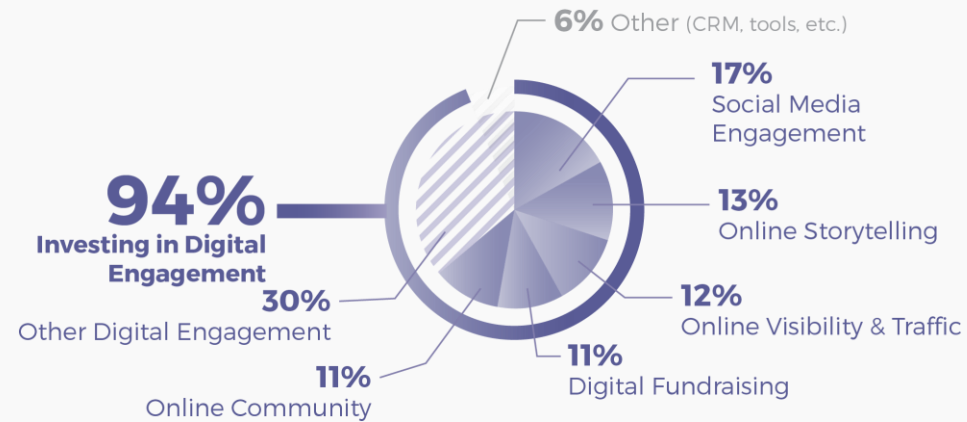
Kim's Advice:

"2021's theme will be INVEST – to amplify digital engagement, relevancy and connection. It'll require new digital and data investments. Your website becomes a central hub for engagement, connection and revenue generation serving your funders, donors, clients and communities. You'll need to prioritize audience segments with high mission alignment and ROI potential."

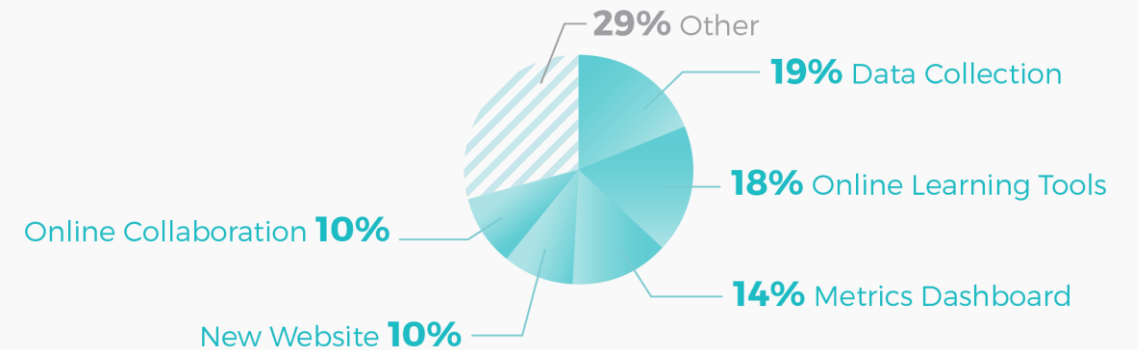
Key Survey Findings



Investing In Digital



Investing In Technology



Key Trends

KEY TRENDS

- Embracing “digital first” for program delivery and audience engagement
- Personalizing digital engagement tailored to subgroups of supporters
- Prioritizing audiences with high mission alignment and ROI potential
- Investing in a “mobile first” website, storytelling and online donations



High Digital Maturity =
Fundraising, Grants and Online
Visibility Success

Web Trends

Impact of Google Core Web Vitals: May 2021 Update

- Design for mobile first. Content visible before scroll. Easy to click links.
- Focus on fast loading. Top content and images load in 2.5 seconds.
- Create content giving your audience the answers they want quickly.
- Prioritize page experience and conversion. Visitors stay 60+ seconds.
- Only 15% of websites currently meet Google's new standards.

Google Prioritizes Your Mobile & Page Experience Starting in May 2021



Predictions

KEY PREDICTIONS

- Digital divide is greater. Digital and data investments drive competitive advantage.
- Personalized engagement will necessitate better CRM and data collection.
- Better search results and thought leader authority drive more donations.
- Social media listening and engagement on shared values drives connection.



**Digital Engagement Wins
Require a Narrower Focus and
Deeper Connection**

Key Actions

NONPROFITS

- Update messaging to deliver value relevant to new needs and reflect urgency
- Show more impact through storytelling, videos, key metrics and outcomes
- Audit your website for mobile-first, search-optimized, fast load and conversion
- Embrace peer-to-peer fundraising and engagement in online communities

FUNDERS

- Provide capacity-building funding for digital and data technology investments
- Offer webinars and coaching to help nonprofit management teams and boards understand the latest trends to be successful in social media and online engagement
- Assist nonprofits in finding board members with technology, data and digital marketing expertise

Discussion / Q & A

Nonprofit Leader Top Priorities

1. Expand revenue generation
2. Launch new programs & deliver more value
3. Streamline our focus & adapt our model
4. Expand diversity, equity & inclusion
5. Better storytelling & visibility