



CONTINGENCY PLANNING FOR PUBLIC MEDIA

May 6, 2020

ABOUT PUBLIC MEDIA COMPANY

Public Media Company is a nonprofit consulting firm dedicated to serving public media. We leverage our business expertise to increase public media's impact across the country.



Public Media Company works in partnership with stations in urban and rural communities to find innovative solutions and grow local impact. We have worked with **over 300 radio and TV stations in all 50 states**

www.publicmedia.co

PMC SERVICES



Public Media Company provides a range of services of value during a crisis:

- **Financial support and insight**
 - Virtual accounting
 - Financial management advice
 - Performance analysis
 - Business modeling
- **Strategic consulting**
 - Contingency planning
 - Organizational analysis
 - Partnership facilitation
 - Strategic planning

Learn more at www.publicmedia.co

WEBINAR PRESENTERS



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PURPOSE OF TODAY

1. Highlight the role of contingency planning in helping to prepare for and tackle a crisis like COVID-19
2. Provide a step-by-step guide on how to develop a contingency plan for your organization
3. Share an example of what a contingency plan may look like for a public media station

PUBLIC MEDIA LEADERS NEED TO ACT & PLAN NOW

ACT NOW TO PROTECT THE ORG

PLAN NOW TO PREPARE FOR THE FUTURE

Mobilize the org to protect employees and to ensure ongoing service and financial resilience

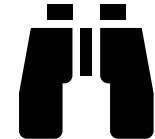
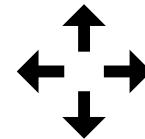
Prepare the organization and strategy needed to sustain and grow impact in the future

MANAGE THE CRISIS

PROTECT THE ORG

ADAPT THE ORG

PREP FOR THE FUTURE



Mobilize to protect and prepare staff and to ensure ongoing service to the community

Manage cash and adjust operations to preserve the organization and its ability to serve the community

Learn and build plans to adapt the organization across a range of future scenarios and stakeholder needs

Develop the vision and strategy required to sustain and grow the organization's impact in the future

RELATED WEBINAR

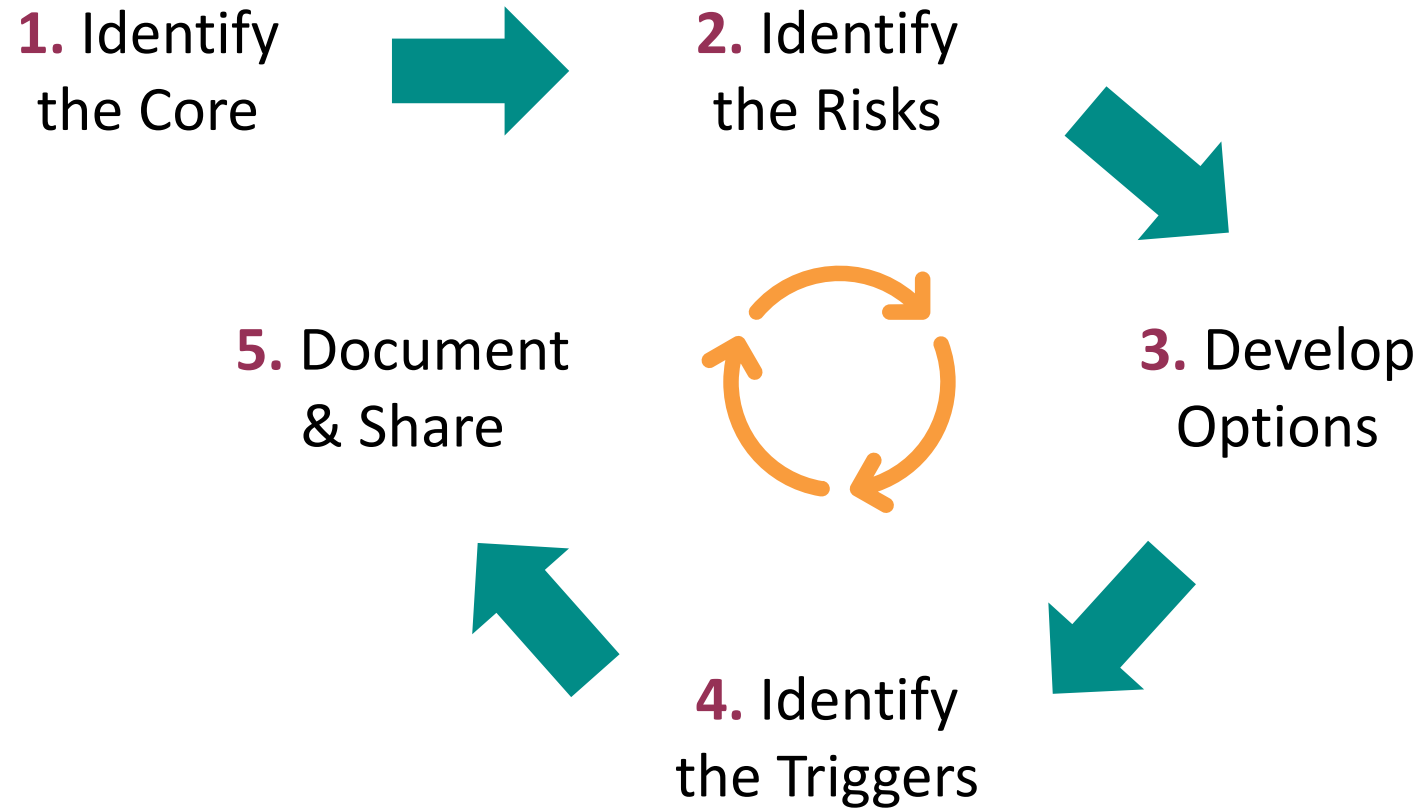
What: **Managing Nonprofit Finances During a Crisis**

The challenges of Covid-19 are made even harder when combined with an uncertain financial outlook. This webinar focuses on the key financial management areas that station leaders need to address now to help secure their fiscal futures.

How: Go to www.publicmedia.co/webinars to see the slides and view a recording



CONTINGENCY PLANNING KEY STEPS



CONTINGENCY PLANNING QUICK TIPS

- 1. Utilize wisdom of the crowd.** For exercises like this, a larger group of people is collectively smarter than an individual. A Rapid Response Team could be valuable
 - Keep in mind, for crowds to be wise, they must have a diversity of opinion
- 2. Agree a timeline** for your planning. The next 6 months is a good starting point
- 3. Don't be perfect. Use the 80/20 rule** (80% of effects come from 20% of the causes)
- 4. You don't have all the knowledge right now so don't try to predict everything.** Come back to it when you know more
- 5. This is not the only approach.** It's a suggested way forward but you need to do what's best for your organization and the time and resources you have available

1. IDENTIFY THE CORE



- It's tempting to focus on areas of greatest concern during a crisis but a better place to start is by identifying the core areas of your business
- You want to identify the essential areas that are core to your ability to provide your services to the community and that underpin your financial health
- Make a list and use the list as the basis for then identifying risks and other scenarios that may impact your organization

EXAMPLE UNIVERSITY RADIO STATION (NEWS)

CORE AREAS:

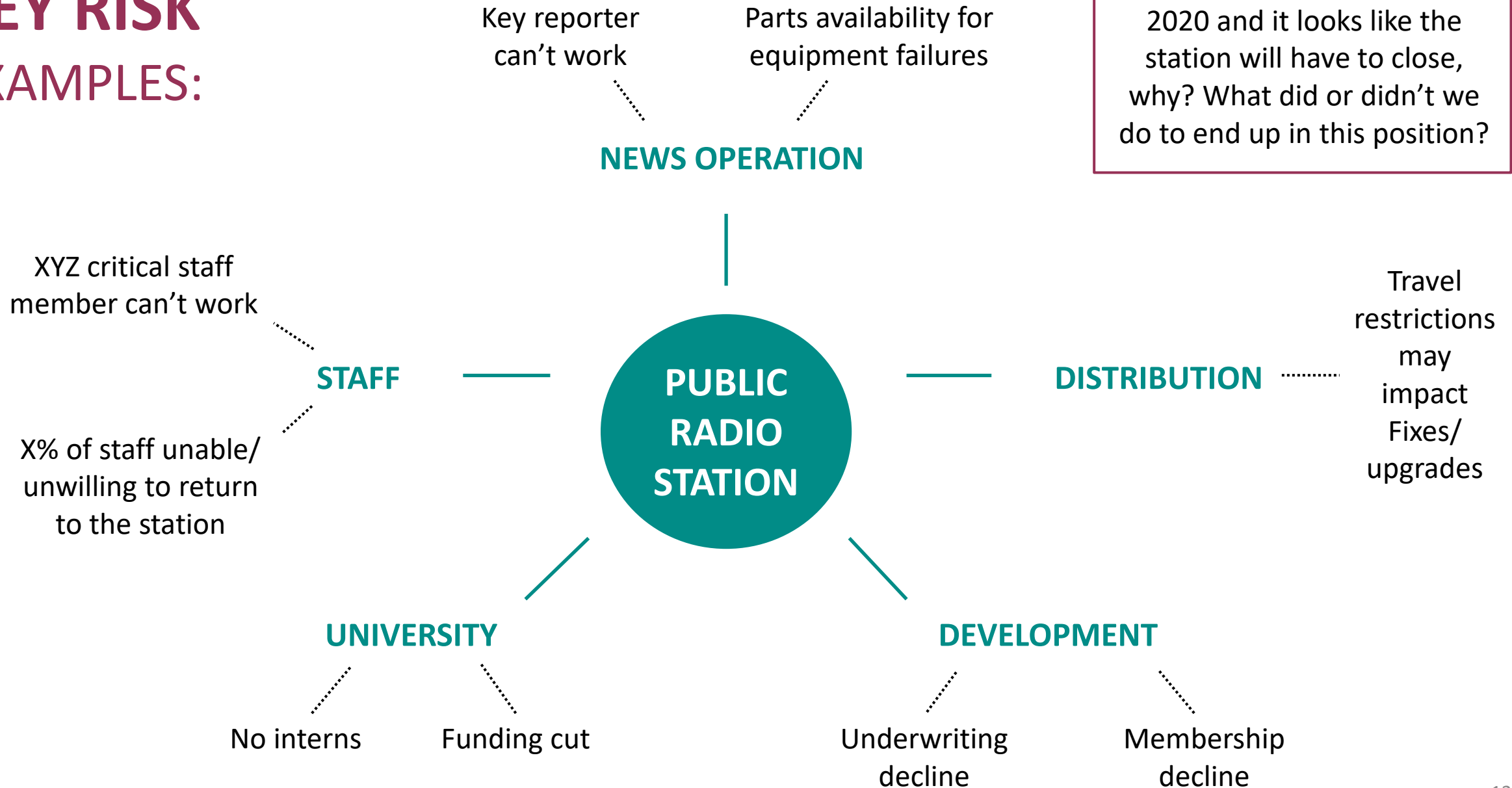


2. IDENTIFY THE RISKS



- With a good understanding of what's core to the success of your organization, you need to identify the risks and other scenarios that may impact these key parts of your business in the future
- Focus on a specific timeframe (e.g. the next 6 months)
- Focus on the biggest risks and try not to get distracted by the smaller things
- Also try to quantify the level of impact each risk may have on the organization

KEY RISK EXAMPLES:



RISKS: OUTCOMES & IMPLICATIONS



EXAMPLE:

	POTENTIAL RISK	POSSIBLE OUTCOME	BUDGET IMPLICATIONS
DEVELOPMENT	Underwriting decline	0% to -25% decline	Revenue decline
STAFF	XYZ critical staff member can't work	Cover needed	Expenses increase
UNIVERSITY	Uni funding cut	0% to -15% decline	Revenue decline

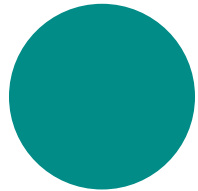
3. DEVELOP OPTIONS



- With risks identified, it's time to think through what you can do if and when a particular scenario transpires
- Brainstorm potential options that could reduce or eliminate that particular risk
- You won't know everything right now so monitor and adjust your list over time as you get more information and insight

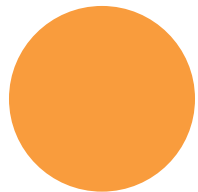
OPTIONS QUICK TIPS

Spend some time better understanding and assessing the level of impact potential options may have on your business. Potential buckets include:



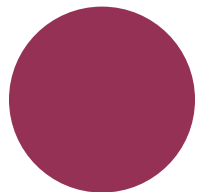
Little risk/little regret

E.g. cutting discretionary spending, temporarily shifting job roles, etc.



Difficult but doable

E.g. reducing compensation, cutting benefits, etc.



Long-term impact

E.g. layoffs, reducing investment in content or development, changing strategic focus, etc.

OPTION EXAMPLES:



POTENTIAL RISK

OPTION EXAMPLES

DEVELOPMENT

Underwriting decline

- Shift focus to growing industry sectors
- Redeploy staff to areas of greater opportunity

STAFF

XYZ critical staff member can't work

- Use xxx person in role temporarily
- Call retired employee with similar skills/knowledge
- Use temp agency
- Share role with another local org

UNIVERSITY

Uni funding cut

- Talk to university about what reductions are needed and if there are other ways of helping
- Reach out to major donors for support
- Cut non-core expenses

4. IDENTIFY THE TRIGGERS



- It's also important to identify at what point the options are put into practice
- Trigger points can be **event** based or **time** based. For example:
 - If sold underwriting inventory drops below x, then we'll do y
 - If underwriting hasn't recovered to pre-COVID levels by x date, we'll do z

TRIGGER EXAMPLES:



DEVELOPMENT

RISK	RANGE	IMPACT	OPTIONS	TRIGGER
Underwriting decline	0% to -25%	Revenue decline	Shift focus to growing industry sectors	10% decline in projected sales
			Redeploy staff to areas of greater opportunity	X% unsold inventory on June 15

5. DOCUMENT & SHARE



- The final step is putting everything together so that you have a record that can be shared with and understood by others
- As this is a living document, make sure you date each iteration and revisit when you have new information or the landscape shifts again
- Remember the importance of communication. You need to keep your most critical stakeholders close, well informed, and supportive of your actions. Vital stakeholder groups include key funders, your board/governing entity, and your staff

PUTTING IT ALL TOGETHER EXAMPLE



VERSION: MAY 6, 2020 (v1)

TIMEFRAME: THROUGH DEC 2020

DEVELOPMENT

		RANGE	IMPACT	OPTIONS	TRIGGER
Underwriting decline	0% to -25%	Revenue decline	Shift focus to growing industry sectors	10% decline in projected sales	
			Redeploy staff to areas of greater opportunity	X% unsold inventory on June 15	
Membership decline	0% to -10%	Revenue decline	Redesign donor engagement strategy	Projected downturn in U.S. economy	
			Shift staff focus to major donors	10% decline in members	

DON'T LET A GOOD CRISIS GO TO WASTE

- It's prudent to ensure that you're prepared for potential risks ahead, but crisis also presents opportunity
- Difficult times can enable you to make changes and improvements that you wouldn't otherwise have been able to make or considered making. Areas of opportunity include:
 1. New/different sources of revenue
 2. Collaborations & partnerships with other orgs
 3. Process improvements
 4. Reallocation of resources to high impact areas

AREAS OF OPPORTUNITY

REVENUE GENERATION

More online merchandising
Virtual events for funders

COLLABORATION

Project with another station
Partnership with a local org

PROCESS IMPROVEMENTS

Increased automation
Virtual working/reduced space

RESOURCE ALLOCATION

Reduce/eliminate some services
Focus on highest impact areas

QUESTION

Are you interested in and willing to share your contingency plans to help inform and inspire your peers?

If so, we can collect and share confidentially



THANK YOU!



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