



Retooling a Program

CWC Sharing Skills-Building Connections

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Agenda

- Review Goals for the Workshop
- Strategies for Retooling a Program
- Case Study & Group Reports
- Communication with Funders and Staff
- Contingency Planning
- Q& A
- Evaluations



Goals for Workshop

- **Develop an Understanding of:**
 - Different strategies to address reductions in funding
 - Communication strategies with funders and staff
 - Contingency planning and budget scenarios



Goals of Retooling

- To preserve as many services as possible
 - focus on the most essential program elements
 - identify priority clients
 - consider partnering with other agencies
- Maintain capacity to respond quickly to future changes (negative or positive)



Basic Strategies

- **Cut costs and streamline services**
 - *change methods of service delivery*
 - *eliminate non-essential services*
 - *reduce numbers served*
 - **Identify new resources**
 - *new funding sources*
 - *volunteers*
 - *partnerships with other agencies*
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Which Approach to Use?

- Factors to consider
 - *Size of cut, in relation to total program*
 - *Funding source's requirements*
 - *Availability or not of other resources*
 - *Impact on future capacity and strategic priorities*
- May need to combine several approaches



Budget Facts

- For most non-profits in the workforce development field:
 - Staff costs (salaries and benefits) represent the majority of budget (often 60%-70%)
 - Occupancy costs vary, but are often fixed and not able to be changed quickly
 - Operational costs can be controlled, but are usually a relatively small part of the budget



What to do if...

- Reduction is small (5%-10%)
 - Cut costs where possible
 - *wage freezes, adjustments to benefits*
 - *renegotiate costs with vendors for supplies, equipment, etc.*
 - Streamline services
 - *combine functions among programs in agency*
 - *look at mix of group versus 1:1 services*



What to do if...

- Reduction is larger (10%-20%)
 - Negotiate new **service levels**
 - Identify **new funding** sources to supplement services
 - **Eliminate or consolidate** program service components
 - **Partner with other organizations** to provide alternatives for eliminated services



What to do if...

- Reduction is even greater (+20%)
 - Start from scratch: Establish goals
 - *determine essential outcomes*
 - *refine definition of target population*
 - *consider funding source requirements, but negotiate for changes*



Dealing with large reduction...

- Develop alternative program designs
 - *Research other models*
 - *Use your own experience and program data*
 - *Balance intensity of services and volume of services*



Dealing with large reduction...

- For each alternative:
 - Outline interim and final **outcomes**
 - Consider **staffing** needs and any potential need to retrain staff
 - Develop a **budget**
 - Consider **resources to fill gaps**--volunteers, referral arrangements, new funding



Dealing with large reduction...

- Consider what changes would be needed if funding were to increase
 - *Will the new design allow for expansion?*
 - *What service components would be added or changed?*



Case Study: Part 1

- In small groups, review case study and develop responses to questions 1 and 2.
- Appoint a reporter for each group, who will report back on your group's responses .



Decision-Making Process

- **Criteria**
 - Fit with mission
 - Outcomes to be achieved
 - Funding limitations or opportunities
 - Other?



Decision-Making Process

- Who to involve in process and how?
 - Staff – managers, others
 - Board
 - Funders
 - Community Partners
 - Clients
 - Others?



It would be good to know...

- What other similar services are available to clients in community?
- Who do the individual trainings serve? Are any populations more of a priority than others for the agency?
- How are the industries targeted for placement doing? Is hiring occurring?



It would be good to know...

- Any funding requirements or restrictions?
- What are staff job descriptions and responsibilities? Is there any overlap between positions?
- What is the detailed budget?



Case Study: Part 2

- Review the additional budget material on handout
- Make assumptions you consider necessary to make decisions
- Respond to Question 3 on handout
- Appoint a reporter to report back to larger group



Communication

- **Communicate with funding source**
 - At time of notification, to **determine parameters** and baseline expectations
 - During planning process, to **obtain feedback** and suggestions
 - When decision on program design reached, to **obtain buy-in** (and approval if needed)



Communication

- Communicate with staff throughout the process
 - Solicit staff input on ways to cut costs and streamline services
 - Have staff work together to develop design alternatives
 - If layoffs are necessary, make decisions and give notice as quickly as possible



Don't Wait Until It's Too Late

- **Contingency Planning**
 - Program and organizational level
 - Develop plans in advance, using scenarios of different levels of funding
 - *“Best” - “Worst” - “Most Likely”*
 - Plan for opportunities, as well as reductions
 - Often will lead to service improvements