



The Leadership Letter March 2017

The Challenges of Transition: The Status of the SECA States

This is the third issue in a series of newsletters that are designed to assist affiliates in making the upcoming transition successfully. In the [November 2016 Leadership Letter](#) and the [January 2017 Leadership Letter](#) we provided information on budgeting and financial management to insure the stability of the organization.

This **Leadership Letter** will focus on managing transition, either a shrinking of the current organization or growth as the dynamics change.

As we begin the organizational transition process in both SECA and the SECA states, we're going to see a variety of scenarios within our states, particularly in those that have previously been dual affiliate states.

Within the dual states that have maintained affiliation with NAEYC, we have states that are experiencing major structural changes.

- Large local affiliates are approved to withdraw from the state affiliate and operate independently as an affiliate of NAEYC. These affiliates typically represent a large percentage of the membership of the state affiliate....membership in the state may be reduced as members in these affiliates join only the new NAEYC only affiliate. For example, members in the Northern Virginia affiliate will now be a member of that affiliate and NAEYC....the state membership will no longer be included unless the member chooses to voluntar-

ily affiliate with the state.

- Local affiliates that were once direct affiliates of NAEYC will now be chapters of the approved NAEYC affiliate. This process will require locals to make major structural changes in their relationship to the state and, in some cases, these affiliates are choosing to either disband or dissolve.
- The Tennessee affiliate has chosen to withdraw affiliation from NAEYC, is now a SECA affiliate and has changed their name from the Tennessee Association for the Education of Young Children (TAEYC) to the Tennessee Association for Children's Early Education (TACEE).
- All other dual affiliates of SECA except Georgia have signed a new affiliate agreement that maintains their status as a SECA affiliate, their representation on the SECA Board of Directors and affiliation with NAEYC. These states have set their affiliate/ SECA dues at \$30 per year...a major reduction in the current dues structure. (The decision by Georgia is pending.)
- Within the states that were not affiliated with NAEYC, we're seeing both growth and decline, based upon the vitality of the state leadership structure.

Obviously, managing this process will mean the difference between the continued vitality of our established affiliates or a dramatic change in how SECA operates. *Read on for ideas about managing and supporting positive change.*

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Leadership Commission Members

- * Anita Dailey, Chair, GA
- * Cathy Waggoner, TN
- * Susan Barnes, VA
- * Suzi Brodof, WV
- * Chris LeJeune, LA

We Think We're Headed for a Fiscal Cliff: What Will It Take to Avoid the Plunge?

Because membership revenue is so much a part of the budget of SECA and our states, it's obvious that the potential loss of members will reverberate throughout the system.

We talked in the last issue of [The Leadership Letter](#) about operating reserves and we'd like to reiterate the importance of having those reserves to help you weather the change. It's also important that steps be taken to bring the budget into line with expected revenue so that your reserves are protected as much as possible to ensure long term stability.

In the article, [Tackling a Looming Fiscal Cliff Head-On](#), you'll find a case study of an organization that managed to avoid disaster and turn it around into a growth scenario.

In 2011, this organization spent \$2.9 million more than was raised for operations. Because of healthy operational reserves, they avoided debt but depleted reserves. By the end of 2013, they had raised \$433,000 more than they needed for operations....a major turnaround.

From that experience, the professional in charge of the turnaround, Lynsey Wood Jeffries, provides these insights into the strategies necessary to have such a successful outcome.

Clarify and prioritize ruthlessly. Refine your team. Stay positive.

In spite of what you may hope, you won't be able to prioritize effectively without some pain and serious, sometimes contentious discussions. Setting priorities is

one of the major challenges for a non-profit board.

- Do we need an office or can staff telecommute? If we maintain the office, are there efficiencies within the operations?
- Can we realistically maintain all staff positions or can we manage in the short term some of the tasks formerly assumed by staff?
- Are all of the programs on which we spend our money important? Are there creative ways to maintain, perhaps even enhance, the benefits we provide to members?
- Have we reviewed the expenses focused on annual conference and do we have a way of making that event more effective and financially productive?

Establish a realistic funding model.

Get real! Produce a budget that is conservative and realistic but flexible enough to modify as circumstances change. Make those changes as revenue either grows or declines. Budgets can be modified regularly to reflect realities; however, if you start with a conservative and well-designed budget, you probably won't have too many changes to make unless you have a revenue windfall and have lots of money to spend!

Stay nimble.

If you've developed your business/strategic plan based on prior assumptions, you may find that it no longer holds as your financial

situation fluctuates. Be prepared to revisit the plan at least every 6 months to reflect the realities of the current situation.

Communicate frequently. Strive for transparency.

One of the easiest ways to avoid "the plunge" is to maintain good communication within the leadership and membership. **Remember, your affiliate belongs to its members and you, as leaders, have been elected to be stewards of the organization.** If your association is valued by your members, they will step up to the plate to help ensure its survival and long term future. Organizations as old as those in the SECA region have had ups and downs. SECA is still vital and operating after 68 years because of its members....we have something of value to offer and we make sure that members are informed about what's happening within the organization.

Turn crisis into opportunity.

This organizational transition provides a wonderful opportunity for our organizations to take a good, hard look at who we are, what we want to be and where we want to go. Just think about the opportunity to offer SECA/affiliate membership at low cost to our colleagues, many of whom have incomes that won't support high membership fees.

SECA/affiliate membership at \$30 per year in many states is a recipe for growth and an opportunity to extend our services to many more colleagues. **Be bold and sell it!** Based on the article, [Tackling a Looming Fiscal Cliff Head-On](#), *Stanford Social Innovation Review*, www.ssir.org

Clarify & Prioritize

We've focused on this in prior newsletters, but it never hurts to look at this process again.

As we mentioned in the previous article, the approaching organizational change may require a rather "ruthless" look at the association and how it currently meets its mission. We've talked about budgeting, creating and maintaining operational reserves and planning to avoid both an organizational and fiscal crisis. We'll refer you to a previously published article in *The Leadership Letter*...nothing has changed since we published it initially.

In [The Leadership Letter January 2016](#) we published a variety of articles on strategic planning....a component of developing a business plan. This issue included the **5 Steps to Strategic Planning:**

1. Get Organized
2. Do a Situational Analysis
3. Set Direction
4. Refine and Adopt the Plan
5. Make It Work!

(For more detailed information on each step, access the [January 2016](#) issue.) The first three steps of this process will be critical as you begin the process of prioritization.

In **Step 1**, you'll need to gather information that tells you where you are today. Pull together your defining documents (by-laws, mission statement, policies and procedures, member surveys, etc.) and begin the process with a thorough review of those documents. **Create a group that will be tasked with reviewing the status of the organization and making recommendations to the Board of Directors, based upon data and concrete information.**

In **Step 2**, figure out how your

organization is operating today and what core functions are critical to maintaining the operations. Pull together current financials to determine how stable the organization is at this moment.

In **Step 3**, a set of recommendations to address current issues should be developed and presented to the Board of Directors. At that point, it's out of the hands of a small group and into the hands of the Board for action. Remember, you may also need to refer items to the membership as you make decisions.

An Excerpt from The Leadership Letter January 2016

'Strategic planning must be a process that engages creativity and vision about where an organization is and where it wants to be. It should be productive and energizing for those who participate in the dialogue.

Good strategic planning provides an opportunity for:

- ◆ Input from a variety of sources, including members, Board, stakeholders and colleagues.
- ◆ A frank discussion of challenges and opportunities.
- ◆ An analysis of what works and what doesn't, what's been tried in the past, new possibilities, and what should be included in the roadmap for the future.
- ◆ An identification of the resources necessary to accomplish the organization's goals and objectives and an analysis of whether those resources are available now or in the future.

"Strategic planning is the process of 1) determining what your organization intends to accomplish and 2) how you will direct the organization and its resources toward ac-

complishing these goals over the coming months and years." Source: [Strategic Planning Workbook for Non-profit Organizations](#), Bryan W. Barry, p. 5. www.FieldstoneAlliance.org

Strategic planning usually involves choices about:

- ◆ ***The organization's mission and whether that mission still reflects the actual operations and initiatives of the organization***....Changing environments can change the mission that an organization undertakes.
- ◆ ***The organization's client***.... Who do you serve? What does your client look like today? Is he/she different from 10 years ago? How have your clients changed?
- ◆ ***The type of services, programming, member value that you provide***....If your member has changed, have the member benefits you provide changed to reflect that new reality?
- ◆ ***Resources (both financial and personnel) that are sufficient to provide the organization of the future***....If the answer is no, what strategic objectives can you design to create an environment with sufficient resources? What will be necessary to move into that next phase of the organization?
- ◆ ***Your role in the broader professional community***....Is there something unique about your organization that provides a different type of "belonging"? How do you capitalize on that uniqueness?

Strategic planning is just a process, something to be embraced rather than feared. It's an opportunity to develop a shared vision and chart the course for the future.'



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**Promoting Quality Care and Education for
Young Children and Their Families**

SECA is a "Voice for Southern Children"

*This newsletter was written and
produced by Glenda Bean,
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The Southern Early Childhood Association (SECA) is a regional organization committed to promoting quality care and education for young children and their families. SECA is committed to providing leadership and support to individuals and groups by:

- ♦ *Enhancing the quality of young children's lives through early childhood care and education.*
- ♦ *Supporting families in their roles of caring for their children.*
- ♦ *Fostering the professional growth and status of individuals working with young children and their families.*

SECA is a "Voice for Southern Children"

Other Resources from SECA:

[The Leadership Letter, March 2015:](#)
The Legal Side of Board Service

[The Leadership Letter, January 2015:](#) *Grants*

[The Leadership Letter, January 2016:](#) *Strategic Planning*

[The Leadership Letter, November 2016:](#) *Budgeting*

www.southernearlychildhood.org

Operational & Financial Milestones: Measuring Results & Outcomes

As you begin the process of transition by clarifying and prioritizing organizational programs and goals, you'll begin to develop a new set of metrics and strategies to carry out the mission of the Association. Monitoring and evaluation of changes that are adopted will be critical to ensure that those strategies achieve the desired outcome.

"Operational milestones encompass both human resources and infrastructure, while financial milestones lay out the year-by-year budget and revenue projections. In most cases, the resource implications you map to your strategic initiatives will become the milestones against which to chart your operational and financial progress." Source: [Business](#)

[Planning for Nonprofits: What It Is and Why It Matters](#),
www.bridgespan.org

As operational and financial milestones (strategic goals and objectives) are created, the establishment of program/operational metrics should be done in a manner that avoids imposing an unwarranted burden on staff and board. These metrics should foster good data collection. The data should be easily collated and summarized, informative about program success/challenges and useful for future planning by both staff and board.

Why Metrics?

- If you're in the process of trying to diversify revenue sources, you'll need the data. Most funders require some type of program metrics/data

in a grant application.

- Effective planning will require that you have good data by which to make those strategic decisions, both short and long term.
- The difficult process of "clarifying and prioritizing" will become easier with time as the new evaluation systems are put in place and good data is gathered to inform the process.
- Board continuity and institutional memory are often a challenge with non-profit associations. Good planning and metrics can assist in ensuring effective operations far into the future.

[Click here](#) to see how one large nonprofit developed a business plan and created a positive turnaround.