



Strategic Assessment

Human Services

Navigating Financial Hardship to Mission Sustainability.



Background

The organization's mission is to create, find, and support programs that directly improve the health and well-being of children and their families in portions of two Southern states. The organization serves thousands of children and their families each year through its various programs. They primarily focus on families with children receiving medical treatment, providing a "home-away-from-home" and other support services.

Challenge

During the past several years, the organization has undergone a leadership transition and financial and operational hardship that required strategic analysis and solutions to sustain the mission and operations. A comprehensive review of data through interviews, financial analysis, and an operational assessment was necessary to provide recommendations and identify solutions.

SOLUTION

Curtis Strategy was engaged to assess the financial and operational position of the organization and provide recommendations for sustainability. We worked with the Executive Committee and Leadership with the purpose of building a deep understanding of the problems and developing clear and concise recommendations to overcome the challenges.

The data review uncovered several findings:

- Financial analysis revealed declining revenue, substantial losses, and depleted cash reserves, creating an urgent need to address cash flow.
- The 2024 budget projects a significant revenue increase, but its achievability is questionable.
- Fundraising efficiency is healthy overall, but reliance on underperforming events poses a risk.
- Program expenses are increasing (as are total expenses) but the distribution of expenses does not align to program size or capability/ bandwidth
- The current payroll obligation is unsustainable due to significant revenue declines and increasing expenses in recent years.

Based on these findings, immediate action was recommended to restructure for sustainability, including closing one of their programs, eliminating office space, and reducing payroll expenses. A long-term solution involving a merger or affiliation with a larger organization is also recommended to leverage resources and support. Both options could be pursued simultaneously to ensure the organization's viability and long-term financial stability.