

## Planning to Plan

Boiling\* The Town Hall Meeting of Sunday, August 9, 2009, and my flurry of charts and analysis of the last few weeks into five slides including a single chart.

-Michael Brooks, August 10, 2009

\*With a special thanks to Arlene Bloom

The Town Hall Meeting Sunday, August 9, 2009, raised the concept of “two camps” or two “ways” of addressing the Fellowship’s present funding/expense situation: “the Way” and “the Other Way”

“The Way” would be to concede the reality that: (a) the 13 months in the new facilities evidence a history of relatively flat growth that should be referenced for a presumption that membership is largely unchangeable or at least its future growth so untimely as to not substantially affect the present situation; and (b) a reduction in pledge base from last year places the Fellowship in a deeper hole from which to climb thereby increasing the time and need to draw on the cash reserve. In light of these facts, expense reductions are necessary to maintain a cash flow (via the cash reserve) and thereby sustain operations. “The Way” appears to have several options and timings, as well as ramifications within our community.

“The Other Way” would be to maintain our status quo expense obligations and presumably present to the Fellowship (in short order) a credible plan to grow into the status quo expense obligations before the cash reserve burn-through. “The Other Way” has fewer options than “The Way,” and does have acute timing requirements AND is the subject of the next few charts.

“The Other Way” can be addressed in two parts:

## **PART ONE**

To avoid cash reserve burn-through by “buying time for growth,” the status quo (with lease increments and if properly characterized by a \$400K pledge base requirement\*) appears to require an immediate increase in average pledge to the range of \$1,800 to \$2,000\*\* (from about \$1,500; about 144 pledge units).

\*The \$400K attempts to capture other fundraisers characterized as high risk of substantial fruition.

\*\*An average pledge of greater than \$2K in the immediate future does not appear likely.

## **RAMIFICATION**

Without the pledge base increase, and without expense reductions, burn-through appears to be a certainty within about 15 months, and a month or two sooner without healthy growth (see Part Two).

## **NOTE**

The pledge base increase via pledge increases is a necessary requirement to grow into the status quo pledge base requirement.

## **PART TWO**

Concurrent with the pledge increase effort (i.e., very soon), a healthy growth rate (requiring six to nine new visitors per week) is required for about 20 to 24 months AND (where it is assumed) the resulting new members (after about a six-month journey to membership) are pledging at least an average of \$1,200 per year per pledge unit (in monthly installments).

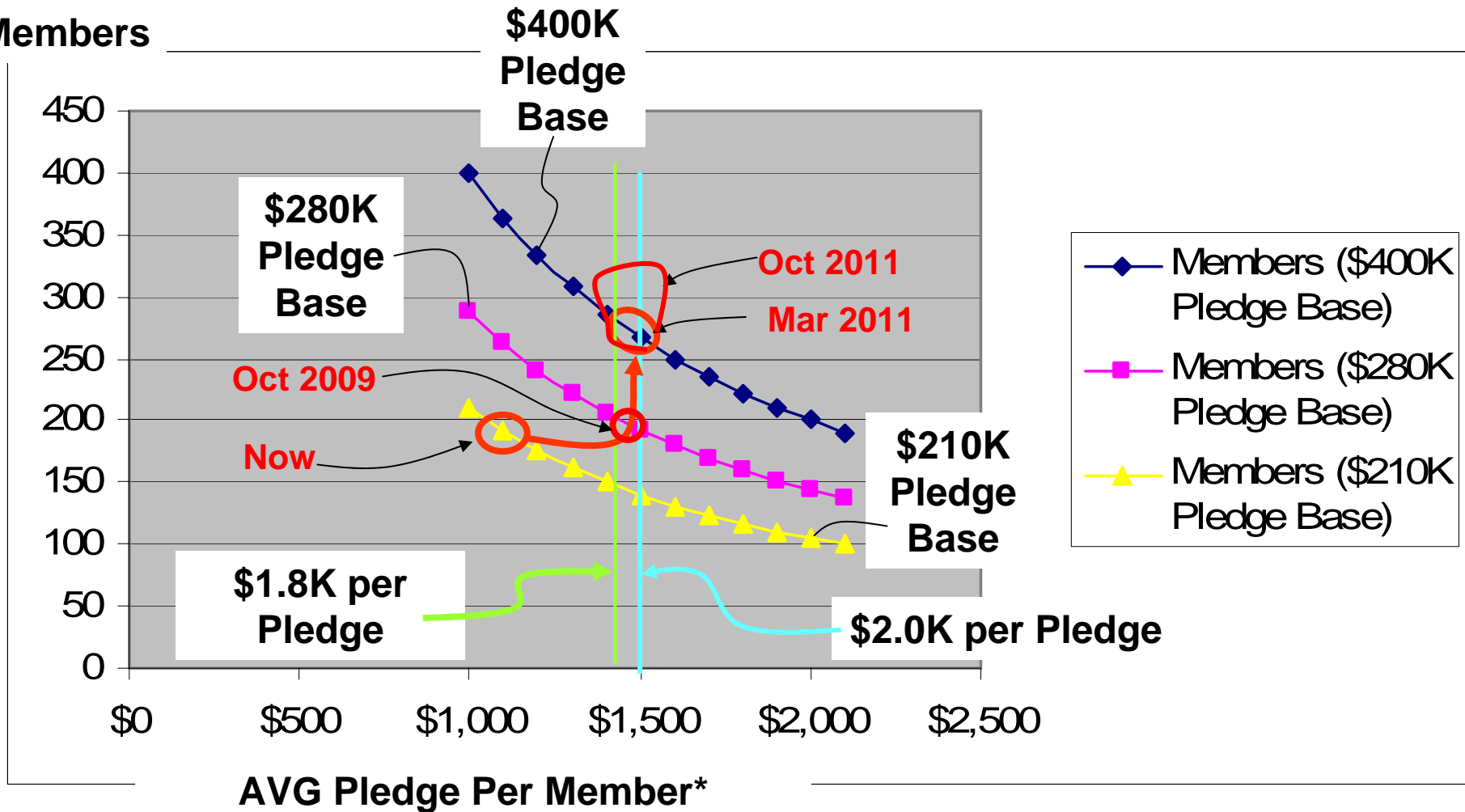
### **RAMIFICATION**

Without the growth, the pledge base will be at best approximately \$280K, and without expense reductions, burn-through appears to be a certainty within about 21 months.

### **NOTE**

The increase in new members and these members pledging at least \$1,200 per pledge unit (i.e., \$900 to \$1000 per member) are necessary requirements to grow into the status quo pledge base requirement.

**Members**



**\* Pledge Units = 0.75xMembers**

## **Summary**

“The Other Way” requires Part I to be executed successfully (and immediately).

“The Other Way” requires Part II to be initiated immediately and yet is unsupported by recent new visitor arrival rate data of the Fellowship.

Without a sufficiently satisfactory Part I, Part II has insufficient time, even if at a required new visitor arrival rate, to avoid burn-through.

## **Comment**

“The Way” (see first slide) may include a Part I and may be supportive (to a degree) of Part II. Immediate expense reductions are likely to be staff reductions where longer term reductions may address the building obligations. Immediate paid staff reductions will understandably influence the success of a Part I. Growth of the level of Part II without a part-time membership coordinator and additional expenses and approaches would appear unlikely (in light of our present history). So, “The Way” is, practically speaking, a set of several ways, none of which I have addressed by these slides and chart.