

April 2008

Sharon's Desk: Organizational Change and Risk

by Sharon Charnell Gherman, AFE President/CEO

As I watch the snow melt outside my office window and nurture my flower and vegetable seedlings in anticipation of the greening to come, I think about the parallels these springtime changes have to organizations.

Two factors that are reliable predictors of an organization's ultimate success or failure are its internal response to change and its tolerance for risk. Is the organization flexible and opportunity-driven? Is it encumbered with bureaucracy and territorialism that makes change difficult and painful? These company 'personalities' speak loudly about an organization's health and ability to adapt its goals to take advantage of the changing environment around it.

"Change is inevitable" - we all know that, at least in our heads. Carrying that belief all the way through to positively affect our actions and attitudes is another matter, however. If you groan inwardly when you see yet another change on the horizon for your organization, you're missing some important facts.

The two Chinese characters that translate into the English word 'crisis' stand for 'danger' and 'opportunity'. Change and risk are potential crises for your business - both are actions with inherent potential for both good and bad. How you view impending changes will set the stage for how you respond.

If you see change as an opportunity and work to position your company to enhance the potential good that can come from it, you'll likely weather the change well and successfully turn it into a step of growth for your organization. If you retreat into denial or view the impending change with suspicion or hostility, you give changes the opportunity to injure or cripple your organization.

So as you greet the changes that we anticipate and welcome with the coming spring, bring that same anticipation and positive planning to your organization. Its' health and success depend on it!

The Funding Matrix: Simplifying Complex Problems Part Two - Putting the Funding Matrix to Work

by Sharon Charnell Gherman, AFE President/CEO

Last week we learned how to prepare the "bones" of a funding matrix. Once you've done this, it's easy to begin implementing the matrix to help guide grantseeking and determine if your organization should pursue a specific request for proposals (RFP) that has reached your desk.

Description	Annual Cost	Grant A	Grant B	Grant C	Grant D	Unrestricted Funds	Remaining Need
1 Personnel	\$ 100,000	35,000		6,000	25,000		\$ 34,000
2 Rent	\$ 200,000		15,000			150,000	\$ 35,000
3 Utilities	\$ 45,000	5,000	8,000			8,000	\$ 24,000
4 Telephone/Internet	\$ 20,000		15,000	2,000			\$ 3,000
5 Supplies	\$ 7,000	5,000					\$ 2,000
6 Equipment	\$ 225,000	165,000	10,000				\$ 50,000
7 Travel	\$ 13,000	6,000	5,000	2,000			\$ -
8 Advertising	\$ 11,000				8,000		\$ 3,000
9 Contracted Services	\$ 45,000	40,000					\$ 5,000
10 Other	\$ 20,000		15,000				\$ 5,000
Total	\$ 686,000	\$ 256,000	\$ 68,000	\$ 10,000	\$ 33,000	\$ 158,000	\$ 161,000

The far right column of the funding matrix (Remaining Need) totals all of your organization's existing funding sources (Grants A through D and Unrestricted Funds) and subtracts that total from the annual budget cost (Annual Cost). The result is the annual remaining need in each budget category.

How to Use the Funding Matrix

I use the Remaining Need column to triage the RFPs and grant announcements that come across my desk. Here's how I do it:

Grant Announcement Triage

In the RFP, look at what the prospective grant will NOT fund. You'll usually find this list in or around the budget description. You can

assume that anything not listed in the restrictions can potentially be funded by this grantmaker. Will the grant fund any of the budget categories for which you still have a remaining need? If there are areas that match, this is an RFP you should look at more closely. If there are few or no areas that match, toss the RFP and don't bother reading further.

Flexibility of Unrestricted Funds

The Unrestricted Funds column is where you list any income that is flexible. These funds may come from membership fees, operating funds, project or consulting income. . .any income that your organization is not committed to spending in one particular way should be included under Unrestricted Funds.

Any monies listed in the Unrestricted Funds column can be shifted around within the categories under that column.

As you compare RFPs to your remaining need, ask yourself whether the grant will provide support in a category currently covered by unrestricted funds. If the RFP is otherwise a good fit, you can move your unrestricted funds to another unfunded category and use the new grant to cover that category. For instance, if the new grant would fund Utilities, but not Advertising, then you can shift the unrestricted monies currently listed in Utilities (\$8,000 in the example above) to Advertising in the Unrestricted Funds column and use the grant funds to pay for Utilities.

The important thing to remember when looking at the matrix is that Unrestricted Funds are flexible.

Visual Aid/Presentation Tool

As the funding matrix developed, I realized I could finally visualize my program and its complexities. Today, I use the matrix as a visual aid to explain the program to interested parties and have found it to be universally simple to understand. It's also a great planning tool to use with organizations as they create their initial program budget.

Funding Matrix Offers

Would you like to obtain a copy of the funding matrix template and receive AFE's assistance in putting the matrix to use in your own organization? AFE is offering a special offer for *The Exchange* readers: for \$199, you'll receive a copy of the funding matrix template and up to an hour's assistance from AFE staff to organize your budget into the template, answer your questions, and jumpstart your development planning. [Order now](#)

You can also just the blank funding matrix from AFE for \$49. [Order now](#)

Special- Two great deals for the Funding Matrix

The Alaska Funding Exchange is offering two great specials on the Funding Matrix this month. [Learn More](#)

Sponsors Sought for Anchorage AFE Grant Writing Training Classes

As our Fairbanks grant writing training gets underway this week, AFE is seeking an organization to sponsor one or more grant writing training workshops in Anchorage in 2008.

To sponsor a workshop, your organization agrees to provide workshop space with Internet connectivity and projection capability; drinks and light snacks each day; and workshop supplies such as pencils and tablets for note-taking.

In return, AFE will advertise using your logo as the workshop sponsor and provide one scholarship per class for our 2-day grant writing training workshop (or a \$500 discount toward tuition for our grant writing intensive class).

This is a great way to provide training for your staff without the cost of class fees and travel! Want more information? E-mail Sharon Gherman @ sharon@funding-exchange.org.

A Giving Business - Philanthropy & Industry in Alaska

A new *Exchange* feature for 2008, *A Giving Business* is a monthly philanthropy summary of companies and organizations featured in Alaska Business Monthly magazine. If ABM features the mining sector in January, in February *The Exchange* will list the philanthropy programs of the same mining firms. We'll archive previous listings in a searchable format on our website, so check back with us regularly!

This month, we offer philanthropy information for participating engineering firms from Alaska Business Monthly's February 2008 issue.

Check out the complete list on our website: <http://funding-exchange.org/exchange/april08/giving-business-engineering.php>



