



Community Action Network Scenario Planning Toolkit



National Community Action Partnership
February 2025

I. Scenario Planning Overview

Why Scenario Planning?

Community Action Agencies (CAAs) and State Associations operate in a constantly shifting landscape, shaped by funding changes, policy shifts, economic fluctuations, natural disasters, and evolving community needs. Scenario planning helps CAAs navigate this uncertainty by identifying potential challenges, exploring possible futures, and preparing thoughtful responses. By planning ahead, CAAs can adapt with greater speed and purpose, ensuring they can meet community needs even in times of change.

What is Scenario Planning?

Scenario planning is a structured approach to preparing for a range of possible futures. Instead of predicting what will happen, it helps organizations consider different scenarios—from best-case to worst-case—and develop strategies to respond effectively. The process starts by identifying a likely scenario that could have significant impact on the organization. Key areas such as funding, operations (including staffing), programs, and community needs are then assessed to understand what the impact will be if that scenario unfolds. This allows organizations to create strategies that ensure they are ready to respond when changes occur.



Scenario planning is not about predicting what will happen—it's about thinking through what could happen and how to respond.

When Should You Scenario Plan?

No organization should plan for every possible scenario. Scenario planning is best deployed when facing complex risks that are both high-impact and high-probability. Examples include funding reductions, leadership transitions, regulatory changes, natural disasters, or loss of key partnerships. By focusing on high-impact and high-probability risks, CAAs can ensure they are prepared for the most likely challenges without getting sidetracked by an endless array of possibilities.

I. Scenario Planning Overview cont.

Who Should Be Engaged?

Scenario planning relies on the expertise of key stakeholders to explore possible futures, assess their impacts, and develop a plan. While not every stakeholder is needed for every scenario, engaging the right people at the right time ensures a full understanding of potential scenario outcomes and consequences.

- **Leadership** (Executives and Senior Staff): Involve early to set strategic direction, align priorities with the organization's mission, and make decisions when scenarios affect operations or strategy.
- **Fiscal Leadership** (CFO or Financial Staff): Involve when financial impacts are central to the scenario. Fiscal leaders develop financial models, assess risks, and create strategies to manage those risks while ensuring financial viability of the organization and its strategies.
- **Board Members**: Involve when decisions require governance oversight, especially in high-risk or resource-intensive scenarios. As the body with fiduciary responsibility for the CAA, they must understand risks, ensure strategies align with long-term goals, and safeguard the organization's sustainability.
- **Community Voice** (Customers, Residents, Partners): Essential when scenarios impact service delivery or the broader community. Their input helps ensure the plan addresses real needs and avoids unintended consequences.
- **Legal Counsel**: When managing significant organizational challenges, ensuring good risk mitigation and management will require access to legal counsel.

How to Use This Toolkit

This toolkit brings together scenario planning tools from various sources, recognizing that there is no single "right" approach. It is designed to give CAAs the flexibility to choose tools that best fit their needs. The resources provided will help you assess key impact areas, explore possible scenarios, and apply decision filters to evaluate options and set priorities.

This is not a step-by-step "how-to" guide but rather a collection of resources to support and enhance your scenario planning efforts. NCAP may update or expand this toolkit over time to address the evolving needs of the Community Action Network

II. Starting With Purpose and Priorities

Uncertainty can easily pull decision-making in reactive directions, but grounding in your organization's mission ensures that responses align with long-term priorities rather than short-term pressures. Before diving into scenario planning, take time to clarify how your mission and purpose should shape your approach. What values or commitments must remain central, regardless of circumstances?

Establishing a decision filter can help ensure that planning stays mission-driven. For a CAA, this might mean prioritizing programs that assist the highest-need populations, focusing on staff well-being to sustain services, or maintaining financial sustainability to protect long-term operations. Defining these priorities at the outset provides a clear framework for evaluating strategies and trade-offs so decisions remain focused on what matters most.

To create a decision filter, you can consider these questions to start:



Who must remain our highest priority in any scenario? (e.g., people with low incomes, specific service populations, staff)



What programs, services, or operations are most essential to fulfilling our mission?



What financial or operational safeguards are necessary to sustain our work over time?



When faced with difficult choices, what principles should guide our decisions?

III. General Scenario Planning Tools and Resources

There are many approaches to scenario planning, and the right method depends on your agency's needs and the type of scenario you are preparing for. The tools below offer structured ways to guide your planning process. They can be used individually or combined with other resources in this toolkit to build a tailored approach that works best for your organization.

Scenario Planning Tools

- **BridgeSpan Scenario Planning for Nonprofits** – This tool guides organizations through a four-step process to navigate uncertainty. It helps identify key risks, develop best-, moderate-, and worst-case scenarios, create action plans, and set triggers for implementation.
- **Gartner Guide to Scenario Planning for Functional Leaders** – This guide helps functional leaders navigate scenario planning by addressing key questions, including how to assess implications, contribute to broader efforts, and turn scenarios into actionable plans. It also clarifies how functional planning ties into overall strategy.
- **Georgia Center for Nonprofits Scenario Planning Playbook** – This tool leverages design thinking to support leaders to broadly assess the environment, narrow in on the most critical scenarios, brainstorm response options, and develop potential responses.

IV. Key Impact Areas

Scenario planning requires assessing how different possibilities affect various aspects of your organization and community. Key impact areas CAAs can focus on include:



These areas are interconnected — changes in one can create ripple effects across others. For example, a funding cut might lead to program adjustments, which could impact staffing levels and service availability. Nearly all scenarios will have financial implications, making fiscal considerations a core part of scenario planning.

The following sections provide tools to help assess and plan for potential impacts within each of the four key impact areas. These tools can be used individually or as part of a broader scenario planning process.

Financial

Financial scenario planning assesses how revenue, expenses, and reserves may shift under different conditions. Financial scenario planning should balance short-term needs—ensuring cash flow and operational continuity—with long-term sustainability, preserving the organization's ability to fulfill its mission over time. Consider:

- **Funding Scenarios:** Evaluating the impact of changes in federal or state grants, private or foundation funding, and other unrestricted revenue. What if a major funding source is reduced or eliminated? What if new funding opportunities arise?
- **Expense Adjustments:** Modeling cost changes related to staffing, service delivery, and infrastructure. How would expanding or contracting programs affect the bottom line? What cost reductions could be made without impacts to mission-critical programs?
- **Cash Flow Management:** Assessing whether the organization will have the cash it needs when it needs it. Do we have reserves to cover shortfalls? Can adjustments be made to our plans to mitigate shortfalls?

Nearly all changes in other key impact areas have financial implications—whether it's opening a new service center to meet an emerging community need, shifting program staff, or retooling existing programs. Every decision impacts funding needs, cost allocation, and the overall financial health of the organization. As you assess key impact areas in scenario planning, ensure financial considerations are fully integrated to consider both short-term stability and long-term sustainability.

Financial Scenario Planning Tools

- [Nonprofit Finance Fund's Scenario Planning Tool](#)
- [Nonprofit Finance Fund's Cash Flow Projection Template](#)
- [Propel Nonprofits Cash Flow Template](#)
- [Propel Nonprofits Scenario Budget Planning Template](#)

Operations

Nearly all scenarios will affect agency operations. Will staffing levels need to increase, decrease, or shift? Are there training needs or hiring freezes to consider?

Think beyond cuts. Maintaining core functions matters—shared services or outsourcing can help reduce costs without losing capacity.

How will infrastructure—such as IT systems, office space, or equipment—be impacted by funding changes? If a facility is sold or a new location is acquired, how will that affect daily operations?

Operational scenario planning should assess workforce capacity, technology needs, and facility requirements under different conditions. This includes identifying essential roles that must be maintained in

any scenario, understanding if operational costs are fixed or flexible, and considering impacts on agency programming necessitated by operational shifts. Leveraging shared services, such as sharing a finance director or core HR functions across CAAs, can be a strategic way to address funding shortfalls while preserving essential capacity.

Changes in other domains will also impact operations—new funding may require hiring and onboarding staff, program shifts could demand new training or restructuring, and reductions in resources might require cost-savings measures. As scenarios are developed, ensuring operational feasibility (and the associated financial sustainability) is a core consideration.

Operations Scenario Planning Tools

- [McLean & Company HR Critical Role Identifier](#)
- [Academy to Innovate HR Strategic Workforce Planning Template](#)
- [CAPLAW Shared Services Case Study](#)



Programmatic

Programs must adapt as funding shifts and community needs evolve. But these decisions are rarely straightforward— service demand may rise even as funding declines, or funding may not fully cover program costs. Scenario planning should go beyond a simple “continue or discontinue” approach and instead explore ways to adjust, scale, or restructure programs to align with both financial realities and community impact.

If funding decreases, can costs be reduced while maintaining services? Could delivery methods shift, such as moving some services online or consolidating locations? Are there opportunities to partner with others (including fellow CAAs) to sustain critical services? If funding increases, what capacity is needed to grow responsibly?

Not all programs cost the same. Consider the full program cost as you weigh your scenarios. Eliminating programs with higher administrative limits may have outsized impacts on the organization’s finances.

Use your decision filter—whether it’s your mission, strategic priorities, or sustainability goals—to guide these choices. Reducing or reconfiguring a program may help stabilize the agency in the long term, just as restructuring services could preserve staff and maintain impact. These decisions are interconnected, so weigh the trade-offs carefully and look for creative solutions that align with your agency’s goals.

Programmatic Scenario Planning Tools

- [Bridgespan Group Guide to Using a Program Strategy Map](#)
- [Bridgespan Group Nonprofit Program Strategy Mapping Template](#)



Community

Shifts in the broader environment affect both your organization and the people it assists in the community. Changes to your CAA's capacity and programs will have impacts throughout the community. While many of the templates and tools in this toolkit may not explicitly name it, a simple filter to apply to every scenario is: **What is the impact on the community?** Applying this filter ensures that even financial and operational decisions are evaluated with community impact in mind.

Effective scenario planning requires a clear understanding of community needs. Use data to track demographic shifts, economic trends, and service demand to guide decision-making. If a growing population relies on a program that currently seems unsustainable, cutting it may create greater long-term challenges. If customers are seeking more virtual services, expanding those options may help manage costs while improving access. Consider both short-term feasibility and long-term impact, recognizing that financial, operational, and programmatic decisions are interconnected.

Community input should also inform your planning. The principle of maximum feasible participation—central to Community Action—calls for engaging those most affected by decisions. Advisory groups, surveys, and listening sessions can provide valuable insights and uncover creative solutions. Your community is not just impacted by decisions—it can help shape them and serve as a key partner in navigating change.

Community Scenario Planning Tools

- [National Community Action Partnership Data Hub](#)
- [Tamarack Institute Participatory Budgeting Tool](#)
- [Tamarack Institute Community Engagement Tools](#)



V. Tips for Scenario Planning



Make Time – Scenario planning is an essential practice when you are facing uncertainty. Set aside dedicated time to think through potential challenges and opportunities so your organization can respond proactively.



Don't Get Overwhelmed – Scenario planning can feel like a huge task. Break it down into smaller, manageable steps. Focus on one area—whether it's funding, staffing, or programmatic changes—at a time.



Consider Multiple Scenarios – Plan for best-case, neutral, and worst-case situations. Thinking through a range of possibilities allows you to prepare for different realities and adjust as conditions change.



Identify Trigger Points for Action – Establish clear indicators signals, like funding loss thresholds or demand spikes, that indicate when to take action. Predefined triggers help ensure timely and decisive responses.



Foster a Trusting and Supportive Environment – Scenario planning can uncover difficult realities. Create space for staff to speak openly, share concerns, and discuss challenges. Allow time for debrief and support.



Communicate Clearly and Consistently – Internal and external stakeholders should understand how and why decisions are made. Transparent, timely communication builds trust and aligns expectations, even in difficult scenarios.



Seek Assistance When Needed – Scenario planning and its implementation will have fiscal and personnel implications. Seek legal counsel and fiscal guidance from experienced professionals to mitigate risk where possible.



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