

How NPOs can avoid panic, mitigate the impact of Covid-19

By [Dr Armand Bam](#)

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Although much has been said about the impact of Covid-19 pandemic and lockdown on business, very little attention has been given to non-profit organisations (NPOs) within the "third sector". Although it's too early to determine the total effect locally, globally the impact has been severe.



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In a recent survey conducted by Nonprofit Quarterly, [Responding to Covid-19](#), of the 284 respondents, 20% indicated they had moved to limited hours or laid off staff. Globally, the International Labour Organisation predicts that Covid-19 could cause the equivalent of 195 million [job losses across sectors](#). In South Africa, I think we can expect a greater impact due to the downgrading and poor performing economy.

There are over 220,000 NPOs registered with the Department of Social Development in South Africa and it's now, more than ever, during this time of a crisis that the important role of these mission-driven organisations become evident.

NPOs act in communities where government and businesses are not able to reach. They are accessible and agile to attend to the current crisis and need our support. While government can rely on our taxes to stay operational and well-resourced businesses tap into financial reserves, NPOs primarily rely on donations and personal fundraising to ensure service delivery.

Many of these organisations are now facing the threat of downsizing and retrenching staff while the need for their services increases. Although many leaders within the sector are used to working in under-resourced scenarios, the impact of physical distancing will affect service delivery to beneficiaries and the ability to relate in person with donors. Along with beneficiaries and donors, employees will be operating with some level of uncertainty as job security is affected.

So, what is it that NPOs can be doing to avoid panic and mitigate the impact of the Covid-19 pandemic?



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Communicate with clarity

With a range of stakeholders, it is important for NPOs to maintain communication, stay informed of what is happening and share relevant information.

- Remind board members, volunteers, employees and donors of your vision, mission, goals and activities. Take the opportunity to revitalise the commitment to your cause. You are also vying for their attention as their news feeds are flooded with Covid-19 stories.
- Web-based communication is cost-effective and can reach large audiences. Websites are effective public relations platforms to reach donors as well as the media, provided specific contact and fundraising details are visible.
- Develop your digital presence through mobile optimisation. There is a global shift to transacting this way and fundraising can now occur in the palm of a smartphone user.
- Be discerning with the information you share. The information you choose should be from reputable sources and [useful to the general public](#) as well as [specific to your sector](#).
- Take the time to cultivate new donors and donor-relations. Fine tune your message and be clear about your impact.
- It's not all about fundraising so be in contact, say thank you, reaffirm trust and lay the ground for new funding sources. Your donors are stewards of your organisation, inspired by your mission and they also care for the people driving it.



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Re-evaluate your operations and budget

With the prospect of a reduction in donations, immediate attention should be given to prioritising how finances are managed. The continuity of your services needs to be maintained and this means revisiting your business plan.

One should be reminded of always having a plan B and C. Scaling down and assessing operations on a weekly and monthly basis will become part of what we all do.

- Cash flow is critical. Making use of a [simple excel spreadsheet](#) can assist with decision-making.
- Fixed costs require a plan and the management thereof is essential to ensure you can continue to deliver services and that programmes are implemented. Where possible, discuss the possibility of delaying or restructuring payments

to suppliers.

- Reach out to your existing funders and detail unavoidable costs and where you require definite support. The re-direction of existing funds may be considered under these circumstances.
- Compliance remains important and although requests to redirect funding may occur, financial accountability must be top of mind.
- If you have not considered this before, our current situation requires that NPOs seriously consider a recovery plan as part of their future proofing.



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Actively search for donor/ funding opportunities

Funding remains the lifeblood of any NPO and should form part of the core operations while under lockdown. The [2019 Charities Aid Foundation report](#) indicates that cash donations remains the most common form of giving.

- NPOs, whether directly or indirectly involved in fighting Covid-19, should explore the opportunities that are available [locally](#) and [globally](#) to alleviate expected funding constraints.
- There will be an increase in funding directed by corporates and [government](#) alike to partners in addressing the impact of the pandemic. While these opportunities do become available, avoid moving beyond the scope of your mission.
- Online concerts have become a means for entertainers to deliver to their fans. Live streaming of performances and online auctions might not have the same returns, but do come with reduced expenditure.
- Don't forget the messaging for Gen Z and millennials should be specific and relevant as their spending power has increased.
- South Africa has a range of crowdfunding platforms available for use. With the increased reliance on digital technology post-Covid-19, it would be beneficial to visit one of the following: [BackaBuddy](#); [Brownie Points](#); [Click 'n Donate](#); [Different.org](#); [Doit4Charity](#); [forgood](#); [GivenGain](#); [Jumpstarter](#); [MySchool MyVillage MyPlanet](#); [Pledge-a-Portion](#); [WeBenefit](#).



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Collaborate for impact

As the impact of this coronavirus is global, the opportunity to partner and collaborate with local and international non-profits to find solutions and discuss the impact on NPOs worldwide presents itself.

- Sharing within the local sector can serve two purposes - sharing common challenges (coming to terms that you are not alone) and adopting approaches that might be transferable between organisations. There is plenty we can learn from each other.
- With the decisive approach to enforce a lockdown, our South African experiences may offer unique insights to the impact on NPOs in the Global South while learning from others in other parts of the world.
- Being at the coal-face of the Covid-19 experience, opportunities to collaborate with research institutions can provide greater exposure and awareness of your organisation and its impact.

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Working from home

This might be the trickiest aspect of ensuring you are able to maintain your services and the start of the new normal for many NPOs.

- Above all, care for your staff.
- Along with financial planning, the opportunity to review organisational policies with respect to remote work presents itself. This isn't a possibility for all organisations and in some NPOs only certain staff will be able to work from home.
- Remember, not all staff have the same access to resources so make sure you can support their needs. Assess everyone's job requirements and responsibilities on its own merits.
- Communicate your expectations clearly. Ensure that staff understand they should continue to follow their daily work routines and be contactable as normal.
- Keep your staff connected. Having group gatherings will go a long way to serving the culture of your organisation.
- Explore the online resources offering free access to their products: Microsoft Teams; Google Hangouts Premium and Dropbox Premium are some of the more popular.

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