

Put on Your Thinking Map: Create a Contingency Map in 5 Steps



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A short plane ride to Columbus on Saturday offered the ideal opportunity to catch up on overdue reading from some of my favorite weekly e-newsletters. One piece from the team at McKinsey caught my eye by combining two favorite topics in a single headline: [“Bias busters: Up-front contingency planning”](#). The authors of the piece explain that a contingent road map helps leaders create a pathway to update strategy over time by capturing “all the changes that may occur in uncertain markets and when they might occur. Most important, they prescribe specific changes your company must make to its strategy under different scenarios.”

Many nonprofit leaders tell me that contingency planning is a back-burner issue in their organizations. Why? A common reason is that thoughtful contingency plans take a lot of time to draft. Add peer review and executive team approval . . . and a short-term project has become a behemoth burden. But the terrible truth about wise strategic priorities in our sector is that sometimes we choose the wrong strategy. And sometimes the world around us changes in ways that none of us expected, turning our brilliant strategies into costly, losing propositions. If you’ve ever felt stuck with an unworkable strategy—because there simply wasn’t a contingency—a contingency road map might help your team get unstuck. A contingency road map can also help you leverage the upside of risk when things turn out exactly—or surprisingly different—from what you expect.

Inspired by the McKinsey article, I’ve broken down the process of creating a contingency road map into 5 steps.

Step 1. Define the Strategy.

The first step in creating a contingency map is to select one of the key strategies for your nonprofit. A strategy statement describes a top priority outcome you’re aiming for and a specific timeframe. For example: “Diversify institutional funding in 12 months and increase our total number of \$100K donors from 6 to 8.” Or “Increase employee engagement by 10 points in 18 months.” Since most strategic plans include multiple strategies, you’re probably wondering: which strategy should I map? The one we’re least certain about? Or the one we’re most confident about? It’s up to you.

Step 2. Identify the First Fork.

At the first fork on your map, you’ll identify possible outcomes of focus on the strategy articulated under Step 1.

For example: “One or more new, institutional funders contribute or pledge a significant amount by January 2020.” While this is the benchmark you may be aiming for, there’s always the possibility that you’ll miss it, surpass it, or wind up in a very different place. Ponder the possibilities of what might happen when your strategy completes its first lap. But in addition to what you hope and expect will happen, add additional possibilities. Questions that can help in identifying those possibilities include:

- What’s the best possible outcome at this stage?
- What the worst possible outcome or development at this stage?
- What’s an undesirable outcome that could yield helpful insights or data for the next stage of the journey?
- What’s a positive outcome that could have negative implications?

As you reach this step in developing a contingency map, you may be wondering, “why would I spend time doing this? I’ll just cross the proverbial bridge when I get to it!” Some teams nimbly cross every bridge and capably navigate forks in the road. But in other cases, truly great ideas are abandoned for lack of perspective, or futile efforts doggedly pursued when a team hasn’t considered the possibility of veering off course or facing unfamiliar obstacles.

Step 3. Identify the Second Fork.

The second fork in your contingency map offers options based on outcomes after a defined period; include an option you can follow if you’re on track, and at least one option if you’re starting to veer off course.

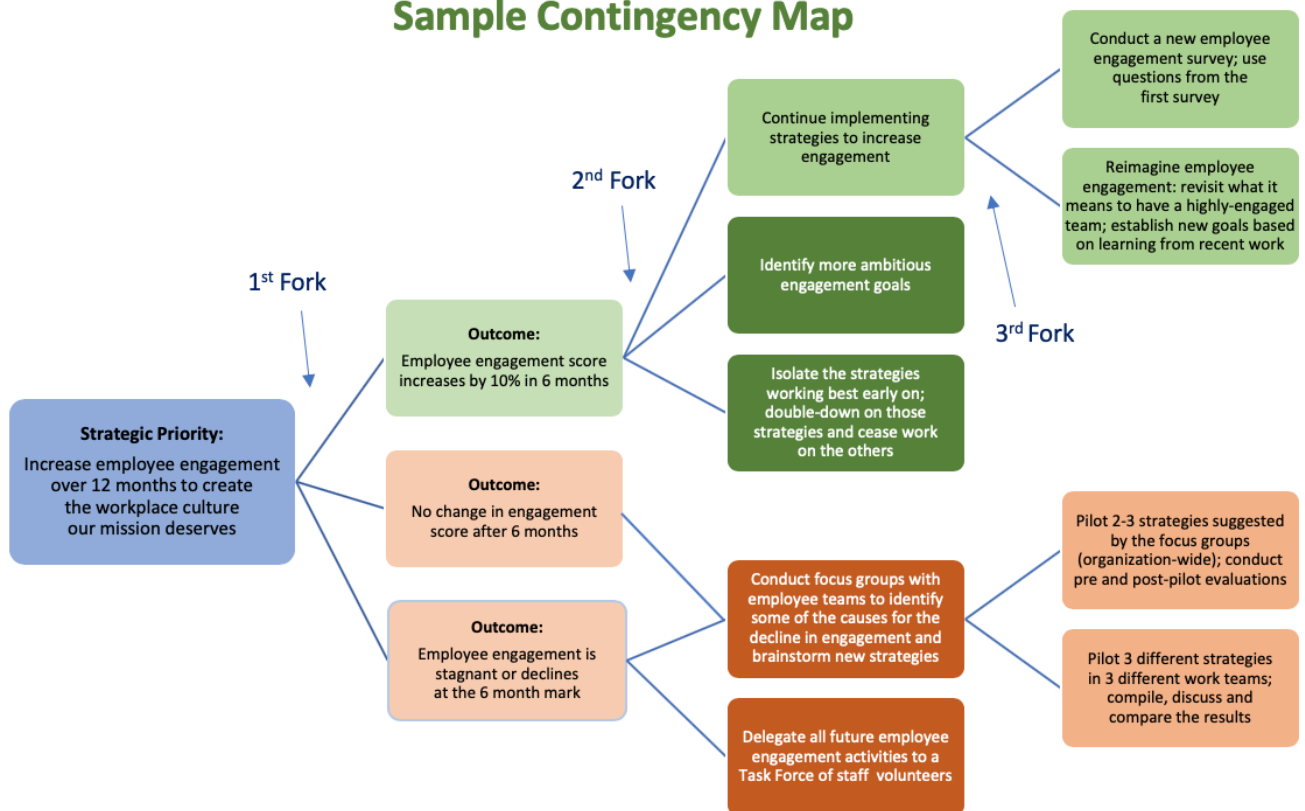
Step 4. Identify the Third Fork.

The third fork in your contingency map offers two or more options when you’re on track at the second benchmark or may have had to change course—due to positive or disappointing results or even circumstances beyond your control. See the pattern?

Step 5. Review and Recap.

A contingency map should be the planning equivalent of sighting the horizon while listening to soothing music, secure in knowing that your plan for the “what ifs” along the journey of achieving a strategic priority offers off-ramps, viable alternatives, and inspiration to leverage opportunity when it strikes. When things turn out differently than expected, you already know the levers to pull, the alternatives to pursue, and the projects or efforts that need to be euthanized.

Sample Contingency Map



With respect to the importance of following a contingency map, McKinsey colleagues Kohler, Courtney and Lavallo remind their readers that “Decision makers commit up front to follow the road map and the actions required each step of the way—including, in some cases, killing a project entirely. The road map then becomes both a catalyst for change and a means to insulate decision makers from biases.”

Perhaps the best-known quote about forks is the one attributed to Yogi Berra: “When you come to a fork in the road, take it.” A Contingency Map is a simple tool for identifying possible paths that your strategies will take and possible actions when you reach the inevitable forks in the road. None of us have the ability to draw a map that will reflect exactly how things will turn out and the full range of options we’ll face when we reach the way stations on our mission journeys. Taking time to consider check-in points, reflection opportunities and even the possibility of abandoning course—is worth the time required. Doing so should inspire confidence in your organization’s nimbleness and agility. That confidence should translate into fuel to take the bold risks your mission requires.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your questions and comments about contingency maps and other risk tools, or questions about the mission, programs, and services of NRMCC. Contact Melanie at 703.777.3504 or Melanie@nonprofitrisk.org.