

5 Tips for Crisis Management

In a down economy, crisis is lurking just around the corner. Whether you survive or fail may depend on how you prepare for the worst.

1. Do it NOW.

The best time to plan for a crisis is when there is no crisis. When disaster strikes, it's too late. Take time now to think about possible crisis situations and how you can overcome them. What resources are critical? What resources cannot be replaced? How will you manage with a 10% reduction in revenue? 25%? 50%?

2. Look for a wide range of risks.

Crisis can come in the form of changes in financial, personnel and program. Crisis can also come from something completely unexpected or unrelated to your nonprofit organization. What if your leased space become unavailable due to the bankruptcy of the owner? Be creative in looking for risk. If you are not surprised, you can be prepared.

3. Develop a Plan – Prioritize

Rank everything - mission, programs, staff, resources, even office supplies. Where can cuts be made and where can efficiencies be realized.

4. Be Creative – look outside your own walls.

You can find partnerships in unlikely places. Are other nonprofits willing and able to work with you to combine essential or administrative services? Are there opportunities to work with previous “cash” sponsors in a “like-kind” avenue to maintain a consistent level of support for you, but provide a financial break to your sponsors.

5. Know when to speak and when to be quiet

Your stakeholders (donors, constituents, sponsors, governmental partners) will be looking for your reaction to serious changes. Plan on your public response to crisis, including how you will overcome (or survive) the crisis, frank pleas for assistance (including an ability to be specific), and what changes may be temporary (or permanent) to the mission of your organization. Avoid accusations and whining at all cost.