On a Smaller Scale: Adapting Crisis Management Principles for Small Nonprofits

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Crisis prevention is doubly important for small public entities, companies and nonprofit organizations. Small organizations often have fewer resources to draw on when a crisis erupts, and insurance and other risk financing tools may not be an available due to the organization's meager financial resources. But every organization, from the smallest to the largest can and should take steps to prevent the preventable and prepare for the unavoidable. The key is to select the strategies that appeal to your organization and best suit your situation. Once you've undertaken some activities, your organization will be that much more fortified to withstand a crisis.

Q: We're a small agency, and we can't afford the cost of undertaking a full-blown response to the crisis risks we face. Is there anything we can do nonetheless?

A: Crisis management requires your investment of time and common sense, rather than a large budget. You do what you can, as you can, keeping the final goal of preserving your vital mission at the forefront. Consider your organization as a physician considers a patient. Check your nonprofit's vital signs — the ones that enable your organization to fulfill its mission by meeting critical community and citizen/customer/client needs — to establish a baseline for future diagnosis. When you detect an aberration, determine the source, identify treatment methods, apply the methods and evaluate the results. Schedule regular checkups to monitor the organization's vital signs (e.g., funding stream, cash flow, employee and volunteer turnover rates, past incidents, and losses and lawsuits). This process will make a critical difference in your organization's future health.

If your organization is healthy, determine what you can do to keep it that way long term. However, if you find weaknesses, you'll need to assess the symptoms, make a diagnosis and begin a treatment plan to cure what ails it so it can thrive or, at the very least, ease the symptoms to enable it to survive. Weaknesses might exist in financial management, human resources, fund raising or volunteer management. The symptoms could manifest as uneven cash flow; a sharp increase in formal grievances; a complaint from a major constituency, investor or donor; or a steep reduction in volunteer hours. The financial treatment plan could involve purposefully delaying the launch of a new program to coincide with your funding cycle or applying for a line of credit. The human resources treatment plan might be to revise the staff handbook and re-train supervisors on your agency's policies and procedures. The volunteer management plan might involve identifying ways to involve volunteers more deeply in projects that are key to the realization of your mission, or providing a wider range of opportunities for your volunteer work force.

Q: To say that our organization is "resistant" to change would be an understatement. Any new policies or procedures we offer — even if they're safety-related — are likely to be met with resistance. What can we do to get key personnel to "buy into" policies that will protect us in the long run?

A: If possible, you'll want to make gradual changes, starting with the ones that will bring your organization the most benefits. You don't want the treatment to cause more damage than the disease. Instead of forcing a

mountain of new policies and procedures on a staff accustomed to an informal work environment, which could send key staff running for the want ads, begin by looking at what works and what's missing.

As a leader who wants a healthier entity, company or nonprofit, visualize what the organization would look like if it were strong and fortified to survive crises. Then divide and conquer the tasks required to reach your goal. How much less stressful this will be on you and your staff — and more do-able than thinking: OK, today I'm writing a crisis management plan and putting safety initiatives into practice and — and — and — or the place will fall apart tomorrow. The critical difference between success and failure is how you approach crisis management. Ease into making your organization healthier and more likely to avoid a preventable crisis and survive the one fated to occur, or you and your staff risk burnout without completing the job.

Another strategy for getting "buy-in" from personnel is to involve a diverse group of people in your crisis planning activities. If there are naysayers in your agency, why not get them involved in the process of identifying the crisis risks you want to focus on and determining the strategies you'll use to address these risks? If they are part of the problem-solving process, you can turn them into ambassadors for the strategies developed by the group, even when these strategies include new policies and procedures.

Q: There's lots we'd like to do to prepare for a crisis. Where should we start?

A: First, create a comprehensive directory of the organization's staff, board and key volunteers. Include home addresses, phone/fax/wireless/beeper numbers, as well as emergency contact information. Distribute the list to employees and keep copies off site, as well as in your offices. Update and redistribute the directory annually (perhaps the first business day in January or the first day of your fiscal year) or more often if you have a high turnover rate.

Next, maintain a backup of your computer file server, key databases, and financial files. Update the backup weekly (at least) and store a copy off site or on site in a fireproof safe.

Then, conduct an inventory of your nonprofit's assets. Include equipment, furniture, databases, records and anything else you need to fulfill your mission. Your inventory should include brand names, model numbers, location, purchase price and other key details necessary for insurance claims and replacement. Store a copy of the inventory on site (preferably in a fireproof safe) and off site.

Finally, identify an attorney licensed in your state who you can call upon from time to time for advice and assistance. (If your nonprofit can't afford to pay a monthly retainer or an hourly rate, consider soliciting bids from prominent law firms, emphasizing the charitable work of your agency. Don't be surprised if you receive proposals offering pro bono or dramatically discounted legal services.)

Q: I understand that getting the right people involved is key in surviving a crisis. Who should be involved in preparing for a crisis? And what about dealing with a crisis at hand?

A: For many small organizations it makes sense to convene one group to develop a crisis management plan for the organization and a second group that will serve as the nonprofit's "crisis response team." The crisis-planning group should be diverse and include people in the organization who fully understand the risks your operation faces. For example, if you own a building, including the person responsible for maintenance on your crisis planning team can help ensure that building-related hazards that could cause a crisis will be identified and addressed. Including the director of volunteers might enable the team to spot a volunteer-related hazard looming on the horizon.

A crisis response team is the group of people who coordinate your nonprofit's reaction and response to a crisis. The composition of an organization's crisis response team will vary based on a wide range of factors, including: the size of the organization, the nature of the products or services provided, the likely sources of crisis in the organization, and the organization's prior experience responding to a crisis. For example, in an organization with more than 50 staff, the crisis response team may include a handful of key department heads plus the CEO. In an organization with fewer than 10 paid staff, the crisis response team may include one or more board members, a couple of staff and outside professional advisors.

The composition of a crisis response team will vary with respect to the products and services that you offer. A

team at an environmental advocacy group will differ from the team that responds to a crisis at a daycare center. In the former, the team may include an experienced lobbyist and an environmental scientist. In the latter, the team may include the organization's retained counsel, an expert on child-abuse prevention or playground safety, and parents of enrolled children.

The likely sources/causes of crisis in the organization should also be considered in forming a crisis response team. Is the organization more likely to face a crisis stemming from allegations of client/staff mistreatment or a crisis caused by inadequate financial resources? The ranking of crisis risks will suggest areas of expertise and training that may be required during a crisis and individuals with special talents or expertise may be identified as necessary members of the crisis response team. If your public entity, company or nonprofit has successfully weathered a crisis in the past, you'll want to include the people who were effective in addressing that situation on your crisis response team.

More Information

Read our book on crisis management: *Vital Signs: Anticipating, Preventing and Surviving Crisis in a Nonprofit*.