

MANAGING CRISES



IN THIS SECTION:

This section will focus on risk management and on how an association can be better prepared to respond if a crisis was to occur.

WHEN IS A CRISIS A CRISIS?

For the purpose of this toolkit, **organisational crisis** refers to an event, an action or a situation that 'poses genuine threat to the reputation or even survival' of an association.¹ It can include a number of scenarios, such as damage to the national secretariat caused by a natural disaster; the sudden death or disability of association leader(s) or staff; the loss of a major funder; the misappropriation of funds by an elected official or hired staff; allegations of malpractice involving a high profile individual; or a pandemic (e.g. H1N1). Although crises cannot be anticipated, actions can be undertaken to minimise the risks of one and, more importantly, effectively respond to a crisis, if one should occur.

RECOMMENDED PRACTICES

A health professional association that is aware of the potential impact of crisis situations on the association:

- Strives to strengthen its operational practices related to finance, human resources, communication and infrastructure as a strategy to minimise risks related to the association's financial, human resource and physical assets. For example, an association with good financial management practices could potentially prepare for the loss of a major funder or take action to make it more difficult for anyone within the association to embezzle funds or steal the association's physical assets; an association with a secure and safe national secretariat will be in a better position to safeguard its physical assets from theft; and an association who keeps copies of its critical documents, including backup copies of its electronic files, in a fireproof safe will be in a better position if a fire destroys the national secretariat.
- Develops a Board/Executive Committee policy (or formal statement) that provides directives for the management of potential crisis, especially regarding communication with media and others.

- Develops a crisis management plan informed by an assessment of potential crisis scenarios the association may face (*see Tools 7.1 and 7.2*).
- Reacts quickly in a professional manner and follows its crisis management plan when a crisis does arise.

ACTIONS TO MOVE FORWARD

- Assess your association's preparedness to face a crisis by completing the attached assessment tool (*see Tool 7.1*).
- Place the topic of crisis management on the agenda of a Board/Executive Committee meeting as a means to discuss the way forward.

► **FOCUS: Loss of a major funding source**

The loss of a major or long-standing funder can be difficult for any health professional association striving for financial sustainability. An association's ability to survive the situation will depend on its ability to plan for the end of financial support several months before it actually happens and on the association's overall financial position at the time.

The following are actions that can be undertaken to manage a situation related to the loss of a major funder:

- Implement an annual comprehensive budget and monitoring process to ensure a more effective and efficient management of the association's financial resources (*see Tools 3.19 and 3.20*);
- Remain vigilant about the potential ending of financial support when receiving funding from one major funder and plan accordingly (the sooner you know, the better it is);
- Develop a financial sustainability plan or integrate a financial component into your strategic plan;
- Maintain a cash reserve that will permit the association to continue its core activities for a period of at least six months;
- When the loss of a major funding source is sudden and unexpected, put into action an emergency budget strategy (i.e. a budget that focuses on maintaining a basic or core level of services and programs).

► **FOCUS: When the press is against us**

The media is an effective means of reaching a large audience. It can be useful for transmitting messages in order to create a positive impact or reaction, but can also be detrimental if the message is not properly communicated or results in a negative impact or reaction. It can be very frustrating for an association or an individual to be misquoted in a newspaper or to have their story twisted in such a way that results in the very opposite of the intended goal or meaning.

When it seems that the press is against you, remember to stay calm and don't panic. Before reacting, assess the situation by asking yourself how serious of a mistake is it and how likely is it going to damage the association's reputation. If the consequences are minimal, call the journalist and point out the mistake or misquote. If the consequences are more serious, explain it to the

journalist by pointing out the implications of the mistake and pressure the journalist and editor of the newspaper for a retraction (taking back what was written) and/or an apology. It may be quite a battle to get the newspaper or media to correct the mistake, as most often they do not want to admit any wrongdoing.

In order to avoid such situations from occurring, it is important to establish close relationships with the media. Get to know one or two key journalists and ensure they have adequate knowledge or history of the association. When you have a story to share with the public, ask them to write it. Whenever you approach the media, make sure that you are well prepared and that you give ample information, explaining it clearly and in the simplest terms. The best way to avoid a mistake or misquote in the media is to ensure that the journalist has understood your news item completely before having it go to print.

If your association's reputation takes a hit from a mistake or misquote in the press, consider strengthening your association's reputation by submitting a new press release with a positive focus or by hosting a public event to communicate the message you want to be heard.

ACCOMPANYING TOOLS

7.1 – Template: Annual Risk Assessment Review

7.2 – Tool: Basic elements of a crisis management plan

OTHER USEFUL RESOURCES

Compassion Capital Fund National Resource Center. Managing crisis: risk management and crisis response planning [Strengthening nonprofits: a capacity builder's resource library]. Washington: Dept. of Health and Human Services; 2010. Available: http://www.acf.hhs.gov/programs/ocs/ccf/ccf_resources/managing_crisis.pdf.

Herman ML. Surviving a crisis: practical strategies for nonprofit organizations. Santa Cruz (CA): Nonprofits' Insurance Alliance of California and Alliance of Nonprofits for Insurance, Risk Retention Group; 2003. Available: <http://www.oursharedresources.com/ResourceHelpers/GetAttachment/432>.

Internal controls. In: Mango's guide to financial management for NGOs. Version 6.11. Oxford (UK): Mango; 2010. Available: <http://www.mango.org.uk/Guide/InternalControl>.

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1. Crisis management. KnowHow NonProfit; 2011. Available: <http://knowhownonprofit.org/campaigns/communications/media-coverage/crisis-management>.