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# Crisis-Proofing: A Renewal Blueprint for Mission-Driven Businesses & Nonprofits

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# Table of Contents

- 
- 01 Crisis-Proofing Overview
  - 02 Are You in a Crisis?
  - 03 Our Approach to Crises and Crisis-Proofing
  - 04 Case Studies
    - Case Study 1: Financial Instability
    - Case Study 2: Operational Disruptions
    - Case Study 3: Internal Shocks
    - Case Study 4: External Shocks
  - 05 Crises Averted
  - 06 Crisis-Proofing Recommendations
  - 07 Final Thought: Plan for Crisis
  - 08 Acknowledgements and References



# 01 Crisis-Proofing Overview



The time to prepare for a crisis isn't when it's happening—it's right now. As we publish this paper in 2025, many public-serving organizations in the United States are already threatened by turbulent government policies that may drastically impact capacity (Utah Nonprofits Association, 2025; Abrams, 2025; Beasley, 2025). In recent years, the sector has been hit with multiple crises, including the COVID-19 pandemic, natural disasters, and political challenges.

While the specifics of the next crisis are unknown, the crisis itself is inevitable. Crisis-proofing is essential to preserve the long-term health of an organization. Creating a crisis-resistant blueprint for the four most likely crisis instigators—financial instability, operational disruptions, internal shocks, and external shocks—will pay off for the long term. This paper offers such a blueprint: a guide for nonprofits and mission-driven organizations to reference as they prepare and respond to crises.

A crisis is often a sudden, high-impact event that jeopardizes the health of an organization. It may not seem big to an outside observer, but anything that induces existential fear, such as the departure of a founder, is cause for alarm. Crisis-proofing lays down the infrastructure to promote resilience in advance of crises. It requires looking ahead to potential disasters and establishing plans and triggers for enacting counter-measures. It forces organizations to answer tough questions before the crisis event presents itself: for example, if grant funding drops, what non-essential programs can be scaled back to preserve the core mission?

**A “CRISIS” IS OFTEN A SUDDEN, HIGH-IMPACT EVENT THAT JEOPARDIZES THE HEALTH OF AN ORGANIZATION.**

Our guide will equip organizations with a proactive, evidence-based framework to anticipate, withstand, and adapt to high-impact disruptions. It will lead organizations currently in crisis to a more solid footing. Drawing on decades of consulting experience and a portfolio of real-world case studies, this paper posits that building up resilience is an organizational necessity. By integrating a comprehensive crisis-proofing strategy, organizations can transform adversity into opportunity, ensuring their missions endure and thrive regardless of the challenges ahead.

# 02 Are You in a Crisis?

Most people think of a crisis as a singular event, but they can sometimes present as a process: a slow descent that inches its way toward disaster (Williams, et. al., 2017). People may not realize they are in a crisis until it is too late. To identify whether or not a crisis is afoot, look for these warning signs:

1

**Decision paralysis:** it becomes difficult for the organization to make decisions about its direction and even basic tasks.

2

**Employee exits:** staff turnover increases beyond the normal, including exits of key expertise or leadership.

3

**Financial slippage:** the organization experiences cash shortages or the decline of key revenue sources.

These warning signs indicate an impending internal crisis, or possibly a slow-moving external issue such as funding changes. However, an external crisis may hit with little to no warning, such as the COVID-19 pandemic shutdowns or a natural disaster.

Scholars and institutions have developed practical frameworks for fostering the organizational health that is essential to crisis-proofing. For example, Stephanie Duchek (2020) of the Dresden University of Technology outlined three core capabilities that promote resilient organizations:

## **Anticipation**

The ability to detect emerging challenges and respond proactively.

## **Coping**

The capacity to manage unexpected disruptions.

## **Adaptation**

The skill to transform change into strategic advantage.



## Are You in a Crisis?

Lisa Holland (2023) of the University of Vechta complements Duchek with a focus on **assets** and **resourcefulness**. She encourages concerned parties to access a broad range of tangible and intangible resources. This will create dynamic competitiveness through the reconfiguration of resources and curate a learning-oriented culture that prioritizes employee engagement.

To add a global perspective, the World Economic Forum (2022) proposes four guiding principles:

### **Resolve**

The willpower an organization has to endure in the face of crises.

### **Communication**

Translating existing strengths into action.

### **Agility**

How nimbly an organization can enable timely and effective responses.

### **Empowerment**

Ensuring employees are equipped and confident to lead and collaborate during crises.

This research provides key guidance that is essential to responding to crises. Our experience expands on some of these principles and introduces our own. An organization should prepare by crisis-proofing against four crisis instigators: financial instability, operational disruptions, internal shocks, and external shocks. One crisis could cause another, so a comprehensive response plan that accounts for all of the above is crucial for resilience.



# 03 Our Approach to Crisis and Crisis-Proofing

Preserving the organization and its ability to serve its constituents should be the number one goal in a crisis. Sometimes crises lead to difficult decisions that require cutting programs, services, and staff. Scaling back feels terrible, but being able to make those decisions in a straightforward, defensible, but also kind way is the mark of a strong leader and healthy organization.

Withstanding crises involves more than reacting to isolated events. It requires crisis-proofing your organization's infrastructure: preparing to withstand incidents months or even years before they surface. It necessitates an awareness of both the notion of crisis as an event and as a process.

A crisis is a high-impact event, but it can be sneaky. It can take many forms: sometimes, as a result of something positive, like moving to a larger space, or as a process, such as overspending on external resources that can be handled in-house. If not addressed, these processes lead to long-term problems.

Crisis-proofing is the act of proactively and intentionally laying down the infrastructure to promote resilience in the face of, and in anticipation of, crises. What does this look like in practice? Assess key vulnerability areas in your organization.

## Crisis

is a high-impact event that can spell long-term disaster if not carefully handled.

## Crisis-Proofing

is the act of proactively and intentionally laying down the infrastructure to promote resilience in the face of, and in anticipation of, crises.

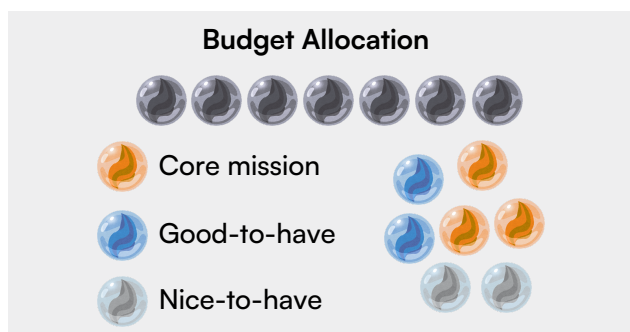
Consistently analyze changes in the market. Initiate alarm bells that trigger emergency responses.

You will know you're successfully navigating a crisis when day-to-day operations don't grind to a halt, checks continue to clear, and stakeholder satisfaction doesn't dramatically dip. The point of crisis-proofing isn't to avoid crises, but to soften the blow. After encountering and surviving each crisis, you learn the hard lessons, apply them to the next one, and build up your resiliency even further.

Based on decades of experience working with organizations navigating a gamut of crises, as well as our personal experience responding to unforeseen shocks such as the COVID-19 pandemic, we identified four key issue areas that threaten organizations.

### Financial Instability

Financial instability can stem from many different sources. Our strategy creates a solid template for personalization. Do not hesitate to cut non-essential offerings. Ask yourself how you can best serve your stakeholders without cannibalizing your limited capital. Financial slippage is a clear warning sign of instability, but employee exits can also presage this issue, as financial weakness leads to uncompetitive salaries or overworking staff.



#### The Problem:

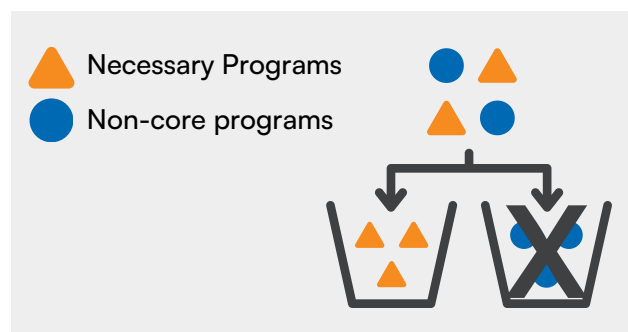
Long-term growth is hindered by insufficient and unreliable revenue streams and unsustainable infrastructure. In the face of unforeseen challenges, this prevents an organization from adapting to the threat and pivoting for survival.

#### The Strategy:

Implement scenario planning to anticipate high, medium, and low-impact financial pathways through a crisis. For example, model how your organization would respond to a grant being increased, reduced, or eliminated. Prioritize your core mission over peripheral activities to focus resources where they matter most. This ensures agility to disable causes for alarm.

### Operational Disruptions

Major changes in operations, such as a technology or power outage, force leadership to make complicated decisions to promote the health of the organization. Lay-offs, service offering dissolution, and project cancellation seem harmful, but are sometimes necessary to persist. To recover, assess what assets to further capitalize on. Decision paralysis can be a major warning sign that operational disruptions are causing a crisis.



#### The Problem:

Significant operational shifts, like moving locations, program restructuring, or staff adjustments, disrupt an organization. They bring uncertainty, whether these changes were initiated by the organization or a response to external pressures.

#### The Strategy:

Leaders must make tough, and sometimes unpopular, decisions to safeguard the organization's long-term health. Eliminate non-core programs. Identify and leverage core assets to remain steady through disruption. Meanwhile, keep staff informed of the process so they don't interpret these uncomfortable choices as an attack.



### Internal Shocks

Internal shocks can include any major disruption to an organization, caused by mismanagement, staff turnover, or a breakdown in governance. These are capable of destabilizing the entire organization. Insufficient oversight introduces the opportunity for disaster. The key to survival is to ensure checks and balances, no matter the size of the organization. Staff exits can be an early warning sign, as employees lose trust in the organization and prefer to move on.

#### The Problem:

Leadership transitions or governance upheaval, such as the departure of an executive director, board restructuring, or new policies, induce internal instability. Inadequate oversight creates risk vectors, where even well-intentioned staff may unknowingly compromise organizational integrity.

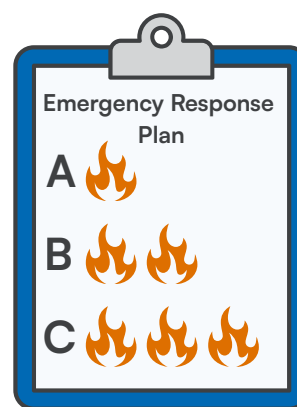


#### The Strategy:

- **For smaller organizations:** Many nonprofits lack robust oversight of finances, operations, and administrative systems. While leaders are often mission-driven, they may lack organizational management skills. Execute targeted training and capacity-building to arm decision-makers with the ability to shepherd their firm.
- **For larger organizations:** Governance issues often stem from boards placing too much trust in long-standing executive leadership. Actively engage the board to ensure balanced oversight and accountability.

### External Shocks

In today's world, external shocks are more common than ever. Whether climate-related, a pandemic, political at the macro level, or funding-related at the organizational level, an external shock is hard to predict and prepare for. However, as the adage goes, one must never waste a good crisis. The COVID-19 pandemic was an external shock nobody could have prepared for. At first, it felt like nothing good could come from it. But the world united in experimenting with what the new normal could look like. We can take this experience and use it to inform new processes.



#### The Problem:

Unexpected external events, such as a global pandemic or natural disaster, force a reevaluation of an organization's programming and strategic direction.

#### The Strategy:

Develop a flexible emergency response plan and adapt decision-making processes to match the urgency of the moment. Use the disruption as an opportunity to reassess and innovate.



# CASE STUDY #1

## Financial Instability

# 04 Case Studies

## BACKGROUND

A small college in an academically competitive region sought to address financial instability caused by declining undergraduate enrollment. A wealthy supporter invested in nearby property, turning it into a resort-like retreat to create synergy with the campus. To compete with larger nearby colleges, the school explored ways to leverage its unique assets, including the hotel, faculty, and location, to boost revenue alongside ongoing marketing and recruitment events.

## CRISIS

By 2021, long-term declining enrollment and the impact of COVID-19 in education created a serious financial crisis.

## OUR APPROACH

Overseen by the board of trustees, we explored nontraditional revenue sources by conducting a market & feasibility study, engaging stakeholders, and developing financial models. We identified that the most promising opportunity was providing professional development courses for local employers. This solution would leverage campus faculty and address a regional workforce need. This was selected over other ideas, such as a summer camp and culinary program, for its steady, reliable income potential.

## THE OUTCOME

The professional development initiative was implemented, but couldn't generate revenue on the timeline needed to offset the college's deeper financial issues. Supplemental revenue wasn't enough without a stable core budget. The college closed in 2024 and merged with another school so existing students could finish their education.

## KEY TAKEAWAYS

- 1. Eliminate distractions.** What the college needed to focus on was enrollment. Instead, it invested in a program that would have taken years to implement and see returns. Innovation can wait for stability.
- 2. Double down on your core mission.** This project didn't serve their primary target, which was prospective undergraduate students. It veered too far from their core mission and target demographic.
- 3. Leverage your most valuable assets.** Think creatively about how key assets may hold value for new audiences. If your usual offering isn't working, it could be worth seeking an outside opinion.



# CASE STUDY #2

## Operational Disruptions

## Case Studies

### BACKGROUND

An arts nonprofit organization moved to a new location that was several times larger than its former home. This was a major move that introduced significant operational costs, prompting questions about long-term financial sustainability.

### CRISIS

The purchase and occupancy of the new building drastically increased overhead costs. Operations suddenly outpaced their sustainable funding models tied to a major benefactor and fundraising leadership. The organization faced a financial crisis triggered by the abrupt scale-up in facilities. Decision paralysis was also a present warning sign.

### OUR APPROACH

We were engaged to build a focused business plan aimed at long-term financial sustainability. This included creating tailored financial models for different operational sub-units with like-minded organizations and businesses. The plan explored new revenue sources like renting out space, scaling work with private sector clients, and cost modeling for building maintenance and staffing.

### THE OUTCOME

Our business plan catalyzed a complete reevaluation of the organization's business model. We offered them a series of financial scenarios to illustrate better pictures of the consequences of each program cut in order to measure which would cause the least harm. They diversified revenue by leasing out the space and targeting private clients to balance less-profitable work. However, some services were scaled back due to financial pressures.

### KEY TAKEAWAYS

- 1. Lead with financial clarity.** Sustained growth requires a rigorous, data-driven understanding of the organization's true cost of operations, but wishful thinking undermines long-term stability.
- 2. Normalize strategic decisiveness.** Strong leaders make timely, principled decisions—even when unpopular—to preserve mission integrity and institutional longevity.
- 3. Institutionalize scenario planning.** Crisis-ready organizations embed contingency modeling into strategic processes to reduce reaction time and support confident, aligned decision-making across leadership.





# CASE STUDY #3

## Internal Shocks

## Case Studies

### BACKGROUND

A major nonprofit organization underwent a significant internal shock. This organization provides essential services for clients across a major metropolitan area, partnering with funders and local governments to serve its community. Over time, the organization grew organically, but failed to update internal processes as it scaled. This case underscored the need for strong internal controls and proactive risk management.

### CRISIS

The organization underwent a crisis of financial mismanagement that was enabled by high internal trust and low internal controls. Controls were specifically low around vendor management and undisclosed service costs. Given the organization's many public contracts, they were required to disclose the situation and corrective actions to stakeholders, including government entities. Warning signs included staff turnover and financial slippage.

### OUR APPROACH

We were brought in to manage the recovery. This involved a comprehensive effort to rebuild internal systems, including cataloguing programs, retrieving contract data, and establishing a robust management training protocol.

### THE OUTCOME

We created clear frameworks and safeguards to prevent future breaches, improving internal financial and operational processes that set our client up for future success.

### KEY TAKEAWAYS

**1. Invest in operations.** Retrofitting is expensive. While nonprofits are rarely funded for back-office operations, investing in systems and oversight early is far less costly than responding to a crisis later, especially in complex environments with strict compliance requirements.

**2. Account for every detail.** Small oversights can become big problems. Administrative gaps are vulnerabilities waiting to be exploited. Too often, nonprofits prioritize mission over infrastructure, leaving themselves exposed. Strengthening processes, even with one additional step, can protect the organization from serious future risks.

# CASE STUDY #4

## External Shocks

### BACKGROUND

To prepare for a post-pandemic reopening, a nonprofit managing a popular park sought help reimagining its operations and role in the community. Pandemic restrictions were in flux, so they needed to remain on top of requirements while balancing stakeholder safety and funding.

### CRISIS

The park temporarily closed due to the COVID-19 pandemic, and the organization had to re-evaluate how to safely reopen to accommodate a surge of tourists. The organization also needed to reflect on its relationship with nearby residents, which was a mix of lower-income and wealthy households.

### OUR APPROACH

We led a robust community engagement process to help the organization strengthen local relationships. We recommended that the organization shift toward a more inclusive and community-centered operational model by revising its hiring processes, partnering with the local housing authority, and incorporating local vendors.

### THE OUTCOME

The organization reimagined its role as a community institution and emerged more equitable, inclusive, and responsive to its neighbors.

### KEY TAKEAWAYS

#### 1. Seize any opportunity to grow.

External shocks expose weakness. Analyze their cause and implement necessary changes for improvement.

**2. Rebuild with inclusion.** While under the hood, remove unnecessary processes. Factor long-needed changes into the upgrade and emerge sturdier than before. Identify where your organization can better serve all demographics.

# 05 Crises Averted

Our recommendations aren't theory— they are proven because we've used them ourselves. Crisis-proofing our firm protected us when financial instability, internal shocks, and external shocks threatened the organization's health.

Strong pivots to virtual communication technologies during the COVID-19 pandemic kept the team connected and informed of the rapidly shifting landscape.



It forced us to become better written communicators, which has served us in the years since.

When a founder left, we shifted internal systems to seamlessly fill the gap. We focused on our core strengths and made sure we protected our mission.



And, as many public-serving organizations know too well, despite our best efforts, a Net 90 payment invoice sometimes slips to Net 120 and then Net 150.



During an unexpected public funding payment freeze, we diversified our revenue sources and did scenario

planning while our clients worked on fulfilling their promises.

Through navigating and averting crises, our internal culture of learning and communication has strengthened, and our firm is more resilient.



# 06 Crisis-Proofing Recommendations

Based on research, decades of experience, as well as learnings from these four case studies, and our own business trajectory, the following recommendations will elevate your business's resilience and adaptability, enhancing your ability to withstand crises for years to come.

## PRIORITIZE YOUR CORE MISSION

In times of financial or operational strain, focus on what your organization does best. Cut or scale back non-essential programs so that your limited resources support the areas that sustain your core mission and stakeholder trust.

## CRISIS-PROOF PROACTIVELY

Don't wait for a crisis to strike—embed resilience into your organization's infrastructure before a crisis emerges. This includes assessing vulnerabilities, establishing early warning triggers, and developing contingency plans that enable swift pivots.

## LOOK OUT FOR WARNING SIGNS

Be conscious of rising internal instability that may presage a crisis. Warning signs we look for are decision paralysis, employee exits, and financial slippage.

## IMPLEMENT ROBUST GOVERNANCE AND OVERSIGHT

Vigilant governance structures are crucial in staving off internal shocks, such as leadership breakdowns or financial mismanagement. Even if you're a small nonprofit, establish checks and balances and invest in board engagement and capacity-building to prevent over-reliance on any one leader.

## LEVERAGE CRISES AS OPPORTUNITIES FOR RENEWAL

A crisis can catalyze change. Capitalize on disruption to reassess your strategies, enhance equity and inclusion, and implement long-needed operational improvements. Embrace crises as a catalyst for modernization, innovation, and rebuilding better.

## BUILD STRONG COMMUNICATION CHANNELS INTO YOUR EVERYDAY FUNCTIONS

Invest in communication strategies that translate resilience into action, foster adaptability, and empower staff and community partners to lead collaboratively through uncertainty. The more employees know about what goes on, the more they can assist in the event of a crisis.

# 07 Final Thought: Plan for Crisis

Right now, there are many organizations in crisis. A shifting economy and environmental stress make the future uncertain. That is why now is the time to take precautions to protect your stakeholders. In the same way crises come up over time, they also resolve over time. Losing a grant doesn't mean you won't win another one. Even if you are in the middle of a crisis, strengthen your back-end operations so that when that next tipping point hits, you're ready for it. Follow our strategy because it has proven true over our decades of experience and portfolio of clients.

A crisis plan is like GPS. Even if you know the way to your destination, you may need to detour. Crisis-proofing isn't crisis-avoidance; it is a strategic capacity to survive destruction, protect mission integrity, and emerge stronger. Some crises, like external shocks, are unavoidable. But that doesn't mean the organization will succumb. You will know you successfully averted a crisis when a cause for alarm doesn't interrupt operations; when a problem arises, and you have the answer; when you keep momentum (or regain it) in the face of the crisis.

Whether or not your organization is already in crisis, this paper establishes a rigorous, evidence-based framework that empowers mission-driven organizations to anticipate, withstand, and adapt to high-impact disruptions. Our approach reinforces that resilience is built proactively, not reactively. By adopting these principles and strategies, organizations can transform a crisis from a threat into an opportunity for renewal, demonstrating that foresight and preparation are essential hallmarks of effective leadership in the public sector.



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