

5 Steps for Nonprofits Facing a Crossroads Situation



Decision-making for nonprofit boards

If your nonprofit has come to a crossroads — be it from a leader showing signs they want to leave or from financial pressures brought on by changing conditions — the key to victory is to start the strategic decision-making process as early as possible.

Nonprofits are often founded with the best of intentions, but good intentions alone aren't always enough to ensure long-term sustainability. According to the [National Center on Charitable Statistics](#), nearly 30% of nonprofits cease to exist within 10 years, and more than 12% don't make it past five years.

Social enterprises that fail follow a pattern similar to their for-profit counterparts. Bad news that might initially seem relatively minor — a short-term drop in donations, for example — can persistently get more serious over time if its root causes aren't addressed. Like the fable of a frog in boiling water, leaders who have the power to do something about a worsening situation often fail to react until it's too late.

Unsure of how to proceed, nonprofit board members frequently experience a sort of paralysis, tying their fate to donors in the hope of being rescued. In doing so, they make the worst decision possible — letting time run out.

If you want to give your nonprofit its best chance at long-term success, start with these five steps. They're designed to spark creativity, foster inclusive group decision-making and, most importantly, help resist inertia.



01

Establish your criteria for success.

Work with your fellow board members to define what success looks like using clear, specific metrics. Identify your baseline so you can track progress over time, and determine which key performance indicators (KPIs) you'll use to measure impact.



02

Think expansively about your options.

As you start discussing the options available to you, remember that as a board member, your responsibility is not to the organization itself, but to the organization's mission. So, don't consider just obvious solutions, like hiring a new leader or cutting costs, but also more transformative ideas that could include a full-scale reinvention of your organization through a merger or acquisition.



03

Develop a set of actionable choices.

After envisioning what's possible for your organization, narrow your focus to a shorter, more practical list of ideas worth pursuing. If you're planning to hire a successor, consider candidates from both inside and outside the nonprofit sector who embody the leadership qualities you value. If pairing with another nonprofit is part of your vision, explore the possibility of partnerships with like-minded, mission-driven organizations that have the potential to enhance your service offerings or expand your reach.



04

Identify what must be true for each choice to succeed.

For every option on the table, consider what conditions would need to be in place to make it the best path forward. This step will sharpen your group's critical thinking process and bring any assumptions out into the open, making it easier to compare and evaluate your options.



05

Test your options.

Design a method to validate the practicality of each of your choices. This could include gathering additional data, getting input from additional stakeholders, or consulting experts who can provide insight into each option's feasibility and any potential risks.



How Oaklyn Consulting can help in crossroads situations

When you joined your nonprofit's board, you didn't expect to be confronted with some of the major decisions that can arise during a major organizational crossroads. A potential partnership with another nonprofit can bring hard questions related to evaluating potential partners, negotiating a transaction and navigating the due diligence process, for example.

If these choices seem like too much for your board to take on independently, then consider reaching out to us at Oaklyn Consulting. We're deeply experienced in working with nonprofits and specialize in helping navigate moments of transition with clarity and empathy.

We ask the right questions, identify strategic alternatives and provide an unbiased sounding board to help you avoid common pitfalls. Whether the best path forward involves a merger, an acquisition or a different solution entirely, we're here to guide you toward the outcome that best advances your mission.

Don't wait until it's too late. When your nonprofit reaches a critical crossroads, be proactive and take responsibility for thoughtfully exploring the options that will position your organization to thrive in the future.



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