What is a crisis?

- A critical situation that can negatively impact an organization’s profitability, reputation or ability to operate.
  - **Sudden**: Occurs suddenly with little to no warning
  - **Slow-Build**: Builds over time and is not addressed until it reaches a critical mass
- Crisis situations can be a disruption of operations or public relations issues (or both)
What is a crisis?

• **Sudden**
  - Natural disaster
  - Catastrophic injury
  - Threats of violence
  - Active shooter
  - Financial improprieties
  - Social media blunder

• **Slow-build**
  - Strikes/labor unrest
  - Toxic culture (#metoo)
  - Safety concerns
  - Product recalls
  - Local unrest

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Crisis Management – the Good, the Bad and the Local

• How a crisis situation is handled can make or break an organizations future.

• The Bad:
  - Facebook “Fake News” crisis
  - Nissan Chairman Arrested
  - United Airlines forcibly removing a passenger from a flight

• The Good:
  - Tide Pod Challenge
  - Crockpot killing a beloved (fictional) television character
  - KFC running out of chicken

• The Local
  - MERS-Goodwill Child abuse
  - Ferguson
Crisis Management

- Bad things are going to happen
- Most organizations do not have a crisis management plan
  - Things like evacuation plans and active shooter training should be a part of a crisis management plan, but they are not the only plans an organization will need when staring down a crisis scenario
- Human Resources is a key component of any crisis management plan:
  - People are a source of potential risk
  - People are the potential victims
  - People are critical to managing the situation and reducing harm
- How does an organization go about planning for an unexpected crisis?

Crisis Management Planning

- “Effective crisis management requires an understanding of what people need from management and how to provide it”
- **Step 1:** Identify Crisis Management Team (S.W.A.T. team)
  - Primary stakeholders of an organization based on operations, human capital, finances and communications
  - Retain updated contact information for each member of crisis management team
    - Often the time you most need to get a hold of someone is the time they cannot be reached
  - Crisis management team should be able to identify potential areas of risk and vulnerability
Crisis Management Planning

• **Step 2:** Identify possible crisis scenarios based on organizational profile
  • Industry
  • Location
  • Size
  
  It is not possible to determine every hypothetical crisis an organization might face, but identifying 5/10 of the most likely crisis scenarios will assist you in developing specific action items in your crisis management plan
  • Establishing initial action items will help alleviate panic-based decision-making and quell insecurity amongst the organization generally

• **Determine the business impact** various crisis scenarios may have on the organization
  • Lost income/customers
  • Increased expenses
  • Damage to reputation

Crisis Management Planning

• **Step 3:** Develop action plans based on potential scenarios
  • Ideally, this is a collective effort amongst the crisis management team
  • Rarely will a crisis fit neatly into a prepared action plan scenario, but each plan should have pre-set modules that can be adapted to different scenarios
    • Evacuation protocols
    • Initial communications
  • Safety risks and potential for catastrophic loss scenarios should be initially handled by contacting emergency responders
  • Establish protocol for establishing initial contact with crisis management team
    • Identify activation protocol for crisis management team
    • Pre-set meeting place or conference calls
Crisis Management Planning

• **Step 3:** Develop action plans based on potential scenarios
  • Identify communication team and messaging
    • There should be a single person/team responsible for communicating with third-parties
    • Boilerplate communications can and should be developed for swift adaptation
    • Determine internal communication methods and messaging
    • **Proactive and regular** communication protocols should be established
    • Clear, concise and truthful
    • Over-communication is far better than under-communication
  • Identify and establish contacts with third-party service providers
    • Emergency responders
    • Security detail
      • May have third-parties on site and location/property will need to be secured
    • Public relations firms
    • Legal counsel
    • Ensure you have 24 hour contact information for all third-party assistance

Crisis Management Planning

• **Step 3:** Develop action plans based on potential scenarios
  • Create initial action items (first 24 to 28 hours) based on organizational needs
    • Department by department assignments with identified leader responsible for each task
    • Initial, specific tasks pre-orchestrated in a crisis management plan will help an organization minimize the initial “shock” delay sometimes seen in crisis scenarios
  • Ensure you have resources readily available to implement initial action items
    • Network accessibility, financial information, timelines, organizational structure, building schematics
  • Establish back-up resources
    • Generators, supplies, third-party resources, work site contingencies, labor force, transportation, scheduling
  • Identify third-party obligations
    • Contractual, legal (WARN Act, OSHA), collective bargaining
Crisis Management Planning

• **Step 4:** Practice makes perfect
  • Stage test scenarios
  • Test communication protocols
  • Review and revise plans