Keys to effective crisis management

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Summary:

This Paper covers some key aspects to being able to respond to, and manage, a crisis event. Aspects covered include how to leverage guidelines and procedures, understanding your crisis events, planning for crisis events, testing through simulations and learning from simulations and actual crisis events to continuously improve.

This article does not cover details of a Crisis Management Framework or a Crisis Management Plan, or how a Crisis Management Team operates in the heat of a crisis. Details on these aspects are available separately.

The reason for having crisis management

Crisis management can be thought of as part of risk management, and linked to business resilience and business continuity management. Risk management is about managing uncertainty; crisis management is how you deal with a crisis event that has significant immediate and longer-term impacts. A crisis event can take many forms and have many different impacts – including a critical or even catastrophic safety impact, reputational impact, cost impact and operational impact. One or several impacts can result from a crisis event.

What are we trying to achieve with ensuring we have effective crisis management in place? Essentially, we want to make sure that we respond in the best way to a crisis event, to manage its impacts and knock-on / residual risks in the best possible way (starting first and foremost with safety, if the event incurs safety impacts).

The diagram below summarises the importance of managing a crisis well and how it dovetails with managing the “long tail” of maintaining business continuity. When a crisis is managed well, the “long tail” recovery can be shortened, and the impact of longer-term disruption can be minimised.
Do you adhere to crisis management standards and guidelines?

Some good international standards and guidelines exist to provide suggested activities and approaches to set up and implement crisis management procedures and a structure. These can help to inform your organisational procedures (which are not covered in this paper).

A definition of a crisis, and of crisis management

A crisis is defined as an abnormal and unstable condition that threatens the organisation’s strategic objectives, reputation or viability.

Crisis management is the development and application of the organisational capability to deal with crises.

(source: BS 11200:2014 Crisis Management – Guidance and Good Practice)

Do you follow a crisis management maturity benchmark?

Crisis management maturity benchmarks exist, which can be used as guides to assess where you are today, and where you want to be to manage crisis events well. Maturity benchmarks can also help with benchmarking yourself against other organisations, providing an opportunity to learn from and share experiences with others.
Understand your “crisis event risks”

Different organisations will face different types of crises. Certain crisis events are those that you get “caught up in”, and may be actually managed by authorities such as the police and emergency services. Other crisis events are caused by problems with your activities and/or impact directly your organisation in a specific way.

Do you quantify and rationalise different types of crisis events that you may be faced with as part of your crisis management planning? Some crisis event may be beyond your control whereas others may be those that you exercise control (to varying degrees) over. Whether you have any control over them or not, by understanding them you can create training and preparedness responses to ensure you can respond to a crisis event should it occur in the most effective way possible.

Taking the time to truly understand interconnections of crisis events and how they could unfurl, and ensuring that you have appropriate, stress-tested crisis management controls in place plays an important role in managing a crisis. You will never be able to precisely predict how a crisis event will unfold; one thing you can be assured of is that there will be lots of different elements to deal with.

A couple of tools that you may find useful when thinking through your principle “crisis risks” are the Bow-Tie Analysis tool, to think about the controls you require, and counterfactual risk analysis, a method to think about different ways that a crisis event could eventuate and play out. For more information about these tools, contact the author.

Be prepared for a crisis: you never know when one will strike

Crisis events can occur when you least expect them. Investing in crisis management capability means having good practices in place to manage them (such as Standard Operating Procedures or similar processes), ensuring people have the skills and authority to quickly form a team to manage the crisis, and ensuring people can practice their capabilities through well-planned and high-quality crisis simulations / exercises which are held at a suitable frequency, to ensure crisis teamwork and competencies are ready to be used if required.

A Crisis Management Plan (CMP) is a common tool used by a Crisis Management Team (CMT). CMPs, as described in your structure and processes, should be of appropriate length and not be excessively long. The CMP should clearly articulate elements such as how you respond to a crisis event, how you escalate crisis decisions within the organisation, CMT roles and responsibilities, your crisis room and facilities, checklists, key contact details (including emergency services, specialist teams etc.) and examples of crisis scenarios that you may need to deal with. You may also summarise your CMP into a one-page electronic and/or laminated page.
Below are a few (not all) points to consider in a Crisis Management Plan (CMP), noting that specific details of a CMP will depend on the nature and size and context of the organisation or team that you are working with:

- How have you structured your Crisis Management Team (CMT), and who is in which roles? You do not necessarily put your most senior Executive or Manager in charge of a CMT. You need roles such as a Crisis Lead / Coordinator, Safety Lead, Communications Lead, HR/People Lead, Legal Lead, IT Lead and perhaps others. Having at least one, preferably two, Administration Assistants to track all actions and to look after the team is important. The CMT needs to know that it may be called upon at any time.
- One-page checklists of “what to do” are valuable.
- Role cards for the CMT should be made available.
- The CMT needs deputies in the event that the nominated lead of a particular activity is not available.
- This sounds obvious, but make sure everyone’s contact details in the CMT are kept up to date.
- What rules determine how a CMT forms and how it declares a crisis?
- You should have organised beforehand a physical location for the CMT to use as its Crisis Room, and have a back-up in place also.
- What tools do you have in your Crisis Toolkit? Your Crisis Management Plan should articulate these, including smart communications tools to communicate in a two-way manner with people in your organisation. People must be trained in these tools – you do not want to learn how to use them in the midst of a crisis.
- How you deal with external parties, from emergency services to your supply chain, customers and key affected stakeholders, is important to articulate.

How you store your CMP depends on how your organisation operates. Options vary from having the Plan as a PDF document on your smartphone to an interactive “smart plan” and/or paper copies.

**Strong leadership in a crisis is critical**

Leadership in a crisis is key. The leadership characteristics for leading in a crisis are arguably the same as in regular “business as usual”, but you have the added factor of a constantly shifting situation and the need to adapt to changes thrust upon you. Decisions will often need to be made in the midst of times of high emotion, and perhaps with public scrutiny on your doorstep (this is all the more evident in today’s world of social media).

The people “on the sharp end” of the crisis, who are dealing with the immediate event have to operate as a high-performing team, led by a high-performing leader who may communicate with a central Crisis Management Team (CMT) that manages the business end of things. People in the organisation will be part of the CMT to assist with communications, logistics, finances, HR and other supporting activities, which all need crisp leadership.
The health and stress levels of everyone involved in dealing with the crisis are important to be aware of and to monitor – and this is sometimes overlooked in the heat of dealing with a crisis. The ability to keep calm, think positively and clearly, and constantly review options, is key. In a good organisational culture, people know how to take charge and assume responsibility for their actions.

As part of CMT preparation, a number of actions can be taken in advance of any crisis occurring which will help diminish the challenges that the Crisis Leader and their CMT face. This includes, for example, discussing what role your Executives, and in particular the CEO (who, more often than not, is not a designated CMT Leader) and perhaps other senior leaders such as Board members will undertake in the event of a crisis occurring. Understanding roles up front will avoid confusion around authority, especially in the important opening hours of dealing with a crisis. Preparation activities also include rehearsing team-working techniques to execute specific tasks, which will mean that the CMT Leader can quickly get the CMT working effectively as a team as soon as they come together.

**Hold and learn from crisis simulations and practice reviews**

Take the time to plan in detail and hold crisis simulations which cover crisis event risks that you have identified. As well as serving as valuable training and up-skilling for the Crisis Management Team, simulations provide good opportunities to test the effectiveness of your controls.

Whether you choose to ‘spring a simulation’ on a Crisis Management Team as a surprise, or whether you inform some or all of the team about it, will depend on your organisation and what will work best.

It can be helpful to have external parties involved in simulations – perhaps experts that you liaise with for certain types of risks (e.g. Cyber experts, Health experts). They can be good “actors” in simulations as well as help to ensure the simulation is life-like for a good team learning experience.

One thing you must make sure of is that when you hold a simulation, all stakeholders who may get involved in it must know that it is a simulation. You do not want people accidentally thinking that the event is real. Prepare carefully to ensure this does not happen.

**Communication during a crisis is key**

Whatever the crisis event is, clear communication with people who are involved in, and affected by it (such as your customers), is critical. This means clear and regular internal communication and external communication. As just one aspect of external communication, how you respond to social media during a crisis can have profound consequences on your organisation in the immediate and the long term. With social media at everyone’s disposal, information and views about an event, factual and non-factual, can instantly go global.
When a crisis is managed as well as it could be with genuine authenticity, it will be recognised by people who are impacted and affected. You don’t need to look for such coverage, it will just happen.

Manage the “long tail” of the crisis as efficiently as possible

A crisis event can have a long tail of activities to manage and close out after the initial event has been brought to an end. This long tail can incur a lot of effort and cost and involve many people who may need to divert their attention from regular business towards these efforts. Insurance recoveries, if relevant, can take a long time to finalise. Planning your post-crisis business continuity tasks early, and ensuring that they can be dealt with as efficiently as possible, is important. For example, you may set up a separate team early in a crisis to deal with the long tail of business continuity activities. You may also agree certain ways of undertaking activities to manage the crisis that maximise the efficiency of dealing with the "long tail". For example, the tracking of photographs with date and time stamps on them, and the structured recording of information can help a great deal when dealing with the aftermath of the crisis.

Learn from simulations and actual crisis events and keep improving

Every crisis event is different – no two are the same. Make sure you hold thorough lessons learned reviews from crisis simulations and actual events, and capture these learnings soon after the heat of the crisis event has died down. Follow up on these collective learnings by agreeing what you can do to continuously improve, track improvement actions to closure and measure your improvement. Continue also to look at your crisis management structures and processes to look for ways to enhance them.

Conclusion

The ability to manage a crisis is an important aspect of being a resilient organisation in today’s ever-changing and complex world. You need to ensure that you can respond in the best way possible to a crisis event, to manage its impacts in the best possible way (starting first and foremost with safety, if the event has safety impacts). Good crisis management is good business management.

Gareth Byatt is Principal Consultant at Risk Insight Consulting. Contact him for more information and examples of effective crisis management in action.