

**Crisis Management**

presented by

**Ken Russell**

**LINK Associates International**

London  
15 Sept 2011

A SEACOR COMPANY

**O'BRIEN'S**  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

---

---

---

---

---

---

---

---



---

---

---

---

---

---

---

---

**LINK - Selection of Current Clients**

A SEACOR COMPANY

**O'BRIEN'S**  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

---

---

---


---

---


---


---

---

 **Crisis Management**

- Building from the earlier Workshop...
- Crisis?.....What crisis?
- What is a crisis?
- What is Crisis Management?



A SEACOR COMPANY   
© LINK Associates International 2011

---

---

---


---

---

---



---


---

 **Case Study 1 – Exxon Valdez**

On March 24, 1989, Exxon Valdez spilled 11 million gallons of oil into Alaska's Prince William Sound after running aground.

- Massive impact on wildlife and Alaska's fisheries, national parks, beaches and forests were greatly affected, which in turn affected tourism
  - Exxon waited a long time before responding to the oil spill and sending aid to Alaska
  - Exxon's chairman, Lawrence G. Rawl, did not fly to Alaska until two weeks after the spill.
  - He sent a team of individuals who were not trained in crisis management.
    - This showed the public that Exxon didn't consider the spill a truly environmental problem
  - The communication between management and its publics was inefficient, Exxon chose to communicate only to the people of the town of Valdez and not to the rest of the world.
    - Exxon's spokesman first answered the press with "no comment" after the spill, it took credibility away from the company



A SEACOR COMPANY   
© LINK Associates International 2011

---

---

---


---

---


---


---

---

 **Incident/ Emergency**

"An abnormal event which disrupts the routine of an organisation and presents an immediate threat to its well being"



A SEACOR COMPANY   
© LINK Associates International 2011

---

---

---


---

---

---


---

---

 **'Incident'**

---

"A situation that might be, or could lead to, a business disruption, loss, emergency or crisis"  
BS25999 – Business Continuity CoP

 O'BRIEN'S  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

A SEACOR COMPANY  
© LINK Associates International 2011

---

---

---


---

---

---


---

---

 **Crisis**

---

"A threat to survival and viability of the Organisation"



 O'BRIEN'S  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

A SEACOR COMPANY  
© LINK Associates International 2011

---

---

---


---

---

---



---

---


 **bp – Alaska, March 2006**

---

- 212,252 US gallons of crude oil spilled
- 0.25-inch (0.64 cm) hole in a 34-inch (86 cm) diameter pipeline.
- further 10km length badly corroded
- concerns about corrosion both from within and outside the organization had been ignored
- 2005 bp report said based its corrosion-fighting on a limited budget instead of needs



**Outcome - damage to bp's image as well as a financial loss**

 O'BRIEN'S  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

A SEACOR COMPANY  
© LINK Associates International 2011

---

---

---

---

---

---

---

---

 **Crisis – a choice**

---



A SEACOR COMPANY  **O'BRIEN'S**  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

© LINK Associates International 2011

---

---

---


---

---

---


---

---

 **What really is a Crisis?**

---

- A threat to survival and viability of the Organisation
- An inherently abnormal, unstable and complex situation that represents a threat to the strategic objectives, reputation or existence of an organization  
PAS 200: Crisis management – Guidance and good practice, Sept 2011
- crisis-aware organization - forward-thinking organization that has procedures and processes designed to identify emerging crises and deal with them as early as possible, whilst continuously assessing its resilience and vulnerabilities

A SEACOR COMPANY  **O'BRIEN'S**  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

© LINK Associates International 2011

---

---

---


---

---

---


---

---

 **What really is a Crisis?**

---

- More than just 'Scale'.....
- Depends also on....
  - a) the degree of "structure" involved;
  - b) the degree of complexity involved.

A SEACOR COMPANY  **O'BRIEN'S**  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

© LINK Associates International 2011

---

---

---

---

---

---

---

---



### Sudden v Smouldering Crisis

Sudden	Smouldering- also "creeping", "slow-burn", "long-wave" or "rising tide"
<ul style="list-style-type: none"> <li>• immediate onset.</li> <li>• unanticipated</li> <li>• may escalate very quickly,</li> <li>• often as result of a severe triggering event or incident</li> <li>• immediate cause may be addressed quickly</li> <li>• lingering consequences may require continued strategic response over extended period. (enquiries and legal etc)</li> </ul>	<ul style="list-style-type: none"> <li>• impact on the organization and its stakeholders grows, sometimes undetected, over a period of time</li> <li>• indicators of potential crisis are possibly missed, denied, ignored or misunderstood.</li> </ul>

A SEACOR COMPANY © LINK Associates International 2011 O'BRIEN'S Community & Organization Resilience Prepare. Respond. Communicate. Recover.

---

---

---

---

---

---

---

---

---

---

### Responsibilities

The diagram illustrates the progression of a crisis through a funnel. It starts with an 'Initiating event' leading to 'Pre-planned Response (Business Continuity Plans)'. This leads to an 'Anticipated threat', which then undergoes 'Escalation' to reach the 'Limits of Contingency Planning'. Beyond these limits, there is a 'Crisis or potential for crisis', followed by further 'Escalation' leading to 'Emergent issues'. On the right side, 'CMT Responsibility (strategic)' is associated with the 'Crisis or potential for crisis' and 'Emergent issues' stages, while 'IMT Responsibility (tactical & operational)' is associated with the 'Limits of Contingency Planning' stage.

A SEACOR COMPANY after Smith 2006 © LINK Associates International 2011 O'BRIEN'S Community & Organization Resilience Prepare. Respond. Communicate. Recover.

---

---

---

---

---

---

---

---

---

---

### 3 (or 4) -tier Incident C&C Structure for Organisations

Incident Response	IC/ Incident Scene	Immediate Reactive	<ul style="list-style-type: none"> <li>• Lifesaving</li> <li>• Minimise environmental impact</li> <li>• Control of damage to property</li> </ul>
Major Emergency Management	IMT	Reactive Managing Site Issues	<ul style="list-style-type: none"> <li>• Co-ordination of Immediate Support</li> <li>• Liaison with Emergency Services</li> <li>• Casualty/recovery recovery</li> <li>• Liaison with External resources</li> </ul>
Crisis Management	CMT	Proactive Managing National/ Regional Issues	<ul style="list-style-type: none"> <li>• Overall Co-ordination of Support</li> <li>• Relatives/ Media Response</li> <li>• Liaison with Corporate / Media etc.</li> <li>• Longer term Environmental Mgt</li> <li>• Reputation Impacts</li> <li>• Site operability – medium, long term</li> </ul>
Crisis Management & Business Continuity	Corporate	Managing Global Issues	<ul style="list-style-type: none"> <li>• Manage impacts on Company's image, community and interests</li> <li>• Global supply chain</li> </ul>

A SEACOR COMPANY © LINK Associates International 2011 O'BRIEN'S Community & Organization Resilience Prepare. Respond. Communicate. Recover.

---

---

---

---

---

---

---

---

---

---

**Management Balance**

Note that Crisis etc Teams take Primacy over BAU/ Line organisation during Incident

The diagram illustrates the Management Balance during an incident. It features three overlapping circles: a yellow circle at the top labeled 'Crisis Team - Strategic', a green circle in the middle labeled 'Emergency Team - Tactical', and a larger green circle at the bottom labeled 'Incident Team - Operational'. A legend indicates that green represents 'REACTIVE MANAGEMENT' and yellow represents 'PROACTIVE MANAGEMENT OF ISSUES ARISING'. Logos for LINK Associates International and O'Brien's are present at the bottom.

A SEACOR COMPANY  
© LINK Associates International 2011

O'BRIEN'S  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

---

---

---

---

---

---

---

---

**CM Responsibilities**

- CMT needs to handle
  - People aspects
  - Environmental impacts
  - Assets (Operations & Logistics)
  - Reputation (Communications, plus Finance & Legal)"PEAR"

CMT needs to address

- Issues & Stakeholders

A SEACOR COMPANY  
© LINK Associates International 2011

O'BRIEN'S  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

---

---

---

---

---

---

---

---

**People Issues**

**People can suffer**

- Injuries / fatalities
- Trauma / stress
- Kidnap
- Sickness / pandemic / illness

**People can conduct**

- Criminal acts / vandalism / terrorism / abduction
- Substance abuse
- Industrial action / absenteeism
- Demonstrations

A SEACOR COMPANY  
© LINK Associates International 2011

O'BRIEN'S  
Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

---

---

---


---

---

---


---

---

 **HR Team Tasks**

---

- Personnel tracking and status information
- Casualty tracking & details
- Casualty reception (representation)
- Liaison with Medical services and hospitals
- Travel / Transportation requirements
- Financial requirements
- Alerting counselling services
- Response to enquiries from Next-of-Kin, relatives, and others
- Liaison with families
- Informing Next-of-Kin of casualties
- Liaison with Contractors
- Liaison with the Police on personnel matters (casualty bureau)
- Personnel and relatives aftercare

A SEACOR COMPANY  Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

© LINK Associates International 2011

---

---

---


---

---

---

---


---

 **Environmental Impacts**

---

**CMT should**

- Take strategic view
  - wider, longer term
- Support or improve IMT (tactical) plans
- Consider company history, environmental performance
- Look for positive opportunities
  - across total supply chain

A SEACOR COMPANY  Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

© LINK Associates International 2011

---

---

---


---

---

---

---

---


 **Assets**

---

- Assets (Buildings, plant, equipment), Operations, Supply Chain

**CMT should**

- Take strategic view
  - wider, longer term
- Support or improve IMT (tactical) plans
- Consider company future (vision, 5-year business plan)
- Look for positive opportunities resulting from the crisis
  - over total supply chain and capability

A SEACOR COMPANY  Community & Organization Resilience  
Prepare. Respond. Communicate. Recover.

© LINK Associates International 2011

---

---

---


---

---

---

---

---


 **Reputation/ Communications**

---

**Internal Communications**

**External Communications**

- Internal first (if possible)
- Regularly updated

A SEACOR COMPANY 

© LINK Associates International 2011

---

---

---


---

---

---


---

---

 **Internal Communication**

---

- Communication is upward, downward and lateral
- Utilise existing formal and informal routes
  - Routine management reporting chains
  - Networking
  - Meetings (formal and informal)
  - Intranet
  - email
  - e-boards
- Strengths and weaknesses of routes reflect company culture
  - open – typified by personnel selecting best route for information
  - formalised - set patterns and clearly defined responsibilities
- Routes can be difficult and complex; need to be simple and fast

A SEACOR COMPANY 

© LINK Associates International 2011

---

---

---


---

---

---




---


---

 **External –  
Controlled Communication Methods**

---

- Holding Statement
- Internet ('Dark Site')
- Telephone Response
- Press/ News Releases
- Interviews (pre-arranged)
- Press Conferences
- Fast Facts

A SEACOR COMPANY 

© LINK Associates International 2011

---

---

---


---

---

---

---



---




### External - Uncontrolled Communication Methods

---

- Mobile phones
  - Pictures, Texts
- Internet pics/ videos
  - You Tube
- Social Media
  - Twitter
  - Facebook

A SEACOR COMPANY  
© LINK Associates International 2011



---

---

---

---

---


---

---

---

---

---




### Media Reaction

---

- Personalities and people in the business and involved in the event make the story
- Media expect to know about a 'blue light' situation within 5 minutes
- Police and Fire & Rescue services use media to send warnings to the public
- Media will be on the ground in urban areas 5 minutes after being informed
- First reports to air within minutes after arrival
- The media will be behind the cordon and probably be on your property if it is right at the focus of events

A SEACOR COMPANY  
© LINK Associates International 2011



---

---

---

---

---


---

---

---

---

---




### Media Truisms

---

- Rolling media has a voracious appetite
  - BBC, Sky, CNN - Breaking News, News24
- An essential truth
  - the earlier you speak, the less you have to say
- Early questions will be
  - what, when, where, why, how and to whom
- Get your website running on the event
  - BBC etc will establish a link from their website
  - Ensure it will be updated very quickly
- Give still picture opportunities to avoid 'snatch pics'
- Provide early information, then regular updates
  - Or media/ others will fill your gap – from their 'angle'

A SEACOR COMPANY  
© LINK Associates International 2011



---

---

---

---

---

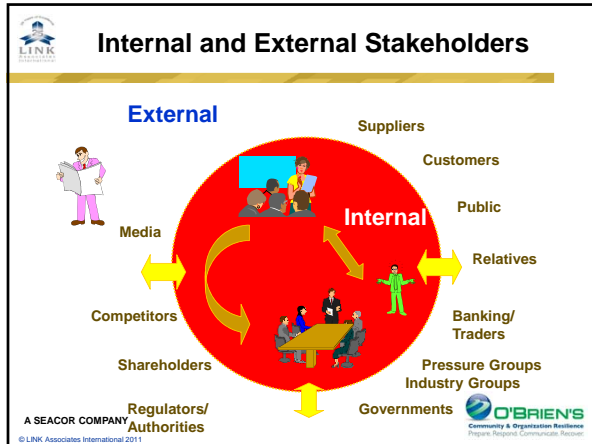
---

---

---

---

---



---

---

---

---

---

---

---

---

**Communications in Crises (& Incidents)**

**3 'Golden Rules'**

- Communicate
- Communicate
- Communicate

Logos for LINK Associates International and O'BRIEN'S are present at the bottom of the slide.

---

---

---

---

---

---

---

---

**Reputation**

- Key role of Executives
  - Protect company reputation and enhance brand/ image
- Achieve through
  - Effective crisis awareness & organisational readiness
  - Effective crisis leadership
  - Managing 'PEAR'
  - Effective communications strategy

Logos for LINK Associates International and O'BRIEN'S are present at the bottom of the slide.

---

---

---

---

---

---

---

---

### Crisis Leadership



Large subject!

- Leaders should strive to
  - stabilize the situation
  - demonstrate calmness, authority and determination
  - inspire confidence in team
  - reassure stakeholders
- Skills
  - consensus-building
    - teamwork, flexibility, communication, brokering solutions
  - be comfortable within the uncertainties
  - drive coherently through confusion

*The ability to lead effectively in a crisis should not be assumed, or taken for granted, as a result of an individual's appointment or status*

(see also wider description and references in PAS 200)

A SEACOR COMPANY


---

---

---

---

---

---

---

---

---

---

### Crisis Management Team

- Leader\*
  - Facilitator
  - Admin/
    - Information Management
    - Support
    - Facilities (war room!)
- Operations\*
- HR\*
- Communications\*
- Finance\*
  - Legal

\*Executives or top managers, supported by their crisis sub-teams

A SEACOR COMPANY





---

---

---

---

---

---

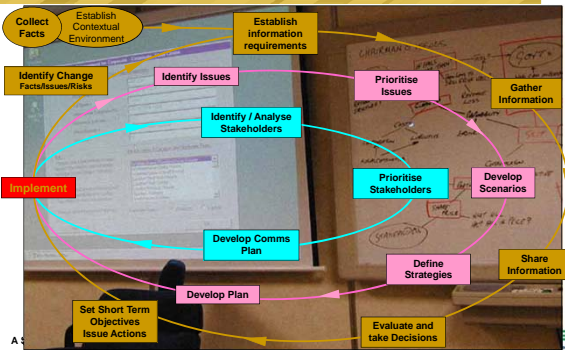
---

---



---

---

### Work Cycles



A SEACOR COMPANY


---

---

---

---

---

---

---

---

---

---

 **LINK CM Tools & Techniques**

---

- Team management
- Information Management
- Environments and Sectorisation
- Work cycles
- Issues & Stakeholders
- Stakeholder prioritisation
- Stakeholder engagement
- Worst case scenarios & Containment boundaries

A SEACOR COMPANY 

©LINK Associates International 2011

---

---

---


---

---


---

---

---

 **Case Studies**

---

A SEACOR COMPANY 

©LINK Associates International 2011

---

---

---


---

---

---

---

---

 **Case Study 2 - Perrier**

---

**1990 – high levels of benzene found in Perrier bottled water.**


- when the media first found out, Perrier did not know what to do
- within a week withdrew 160m bottles worldwide
- but information vacuum followed -> even more consumer anxiety
- lack of a coherent and consistent response from Perrier subsidiaries
- contradictory/ conflicting statements from different divisions
- no lead or co-ordination from the French parent company.....


• Outcome-

- Despite successful 'Eau Perrier' advertising campaign
  - Groupe Perrier taken over by Nestlé in 1992
  - brand not regained its pre-1990 volume share

• Lessons

- don't hide the truth
- be dead straight with the media - employees will be if you're not!
- don't breach the consumer's trust
- global brands need coherent communications policies



A SEACOR COMPANY 

©LINK Associates International 2011

---

---

---

---

---

---


---

---

**Case Study 3 – Johnson & Johnson**

Tylenol painkiller found in a supermarket to have been tampered with – injected with cyanide – caused 7 deaths in Chicago in 1982


Although not root cause of the problem, J&J took responsibility  
 J&J recalled Tylenol from every outlet – not just the targeted supermarket.  
 J&J announced it would not put Tylenol back on the market until the product had tamper-proof packaging.



**Outcome**  
 The recall and repackaging cost J&J a lot, but this short-term loss was more than compensated by Tylenol's brand being preserved in the long term.

**Lesson**  
 Tylenol brand eventually benefited from the crisis, because consumers were so satisfied and reassured by the company's response.

A SEACOR COMPANY  
 © LINK Associates International 2011




---

---

---

---

---

---






---

---


---

---

**Case Study 4. bp – reputation?**

A SEACOR COMPANY  
 © LINK Associates International 2011




---

---

---

---

---

---

---

---




---

---


**Case Study 4 – Top Spokespersons**

Grayrigg, Cumbria. February 23, 2007  
 5.15 London to Glasgow Virgin Pendolino derailed.  
 Crash happened at 8.15pm, 1 person killed.

- 24 Feb, Virgin chairman Sir Richard Branson visited site, expressed regret and condolences and promised full & transparent investigation.
- Iain Coucher, Network Rail CEO, also visited crash site on 24 Feb also expressing regret and offering condolences and committing Network Rail would do what the external investigation required.

A SEACOR COMPANY  
 © LINK Associates International 2011




---

---

---

---

---

---

---


---

---

---

**Case Study 5 - Preparedness**

**Eurostar facing questions over Channel Tunnel ordeal**  
 (Telegraph, 20 Dec 2009)  
 "Eurostar is facing serious questions as to why four of its trains ground to a halt inside the Channel Tunnel, trapping two thousand passengers for hours and throwing the travel plans of thousands more into chaos."  
 - TV Interviews late on 19 Dec by Eurostar executives  
   - poorly trained, poorly briefed  
   - created even worse image




**website....."Update from our Chief Executive, Richard Brown**  
 Having listened to feedback from our customers, ...two key areas which require action. ....we need to demonstrate... doing everything possible to provide the most robust, reliable service.... We are also very aware of the need for better information.

Programme of improvements underway ...some immediate changes

- strengthened our communication processes ...real-time information and advice ...via the website, email and twitter.
- new call-out system... have enough staff ...to help out in stations when services are disrupted.
- significantly increased our stock levels of provisions on board every train.
- extensive programme of additional customer service training for our staff.
- improved fast-track compensation system for those subject to disrupted service.
- ....Plus other changes"

Eurostar has also implemented a PR & Communications strategy and  
 A SEACOR COMPANY across a number of organisation levels.



© LINK Associates International 2011

---

---

---

---

---

---

---

---

---

---

---

---

**ANY QUESTIONS?**



A SEACOR COMPANY



© LINK Associates International 2011

---

---

---

---

---

---

---

---



---

---


---

---

**Crisis Management**

- Crisis?.....What crisis?  

- Hopefully now further clarified.....  

- and now, finally.....

A SEACOR COMPANY



© LINK Associates International 2011

---

---

---

---

---

---

---

---

---

---

---

---



---

---

---

---

---

---

---

---