

CRISIS MANAGEMENT – What is it and how is it delivered?

This paper responds to a desire expressed by members of the BCI Partnership to develop further understanding of Crisis Management. Its aims were to:

- Define the term crisis and its varying nature and characteristics
- Explore whether crisis management might best be defined as a process or a capability
- Identify and describe the key elements, systems, skills and cultural implications of Crisis Management and its implementation, including its relationship with “crisis communications”
- Describe the likely benefits of fostering an effective Crisis Management capability

The paper is the output of a BCI membership subgroup co-ordinated by the BCI Partnership. It does not represent the views of the BCI or any other organisation. It is intended to be used as a platform for stimulating debate among BCI practitioners.

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INTRODUCTION

Members of the BCI Partnership have expressed a keen interest in understanding the role of crisis management as a key element within a “corporate resilience” strategy, as experienced BC professionals¹ recognise that managing a crisis effectively is essential in order to protect corporate reputation and value. While it is recognised that Crisis Management is a part of the wider “resilience strategy” of an organisation, the exact relationship between the elements is discussed in a separate BCI paper; here we focus on defining what Crisis Management means as a stand-alone concept.

The question that needs to be asked therefore is what, in practical terms, is Crisis Management?

The paper sets out to look at what Crisis Management is, but does not seek to discuss who “owns” it any way. The paper is the compilation of views derived from the collective wisdom of the contributors based on their professional expertise and real-world experience.

CONTEXT

The Cabinet Office, in partnership with the British Standards Institution, recently published a Publicly Available Specification (PAS) titled ‘PAS 200:2011 Crisis Management-Guidance and Good Practice’. This document was in response to a desire of the Cabinet Office to spread good practice to a wide audience in both the public and private sectors, enhancing the awareness of organisations and supporting the development of their capabilities. It was aimed at a “strategic audience” to help “top managers” whilst also being of use to those more concerned with the implementation of that strategy.

In the more distant past, the BCI Good Practice Guidelines 2010 talks of “strong links with Crisis Management through the Incident Management component”². It goes on to explain that “BCM considers any disruption holistically” and therefore sees Crisis Management, Incident Management and Emergency Management as “integral parts of a full Business Continuity Programme”.

In recent times, the profile of Crisis Management has risen dramatically in light of the seemingly numerous cases of corporate crises, and the capability of organisations to deliver an effective crisis response has become an increasingly important item on the executive agenda. This is especially true due to the perceived lack of maturity of many corporations or teams attempting to deliver an effective response during real crises. Therefore, naturally Crisis Management has become the subject of more papers in journals, trade magazines and documents such as PAS 200 – and this paper.

Crisis Management does not replace Business Continuity nor does it challenge such programmes, but it is an associated and often supporting discipline – although often it is the lead discipline in times of crisis where a “continuity” response is not required

Due to this growth in the profile and perceived need for effective Crisis Management, a greater degree of timely discussion regarding what exactly constitutes Crisis Management, and how it is shaped in the public arena, is required.

¹ Findings of the BCM Executive Forum 22-23 June 2011 – A future fit BCM

² BCI GPG 2010 –p6

WHAT IS A CRISIS?

Despite its frequent use, no collectively accepted definition of a crisis exists. How to define the word crisis has been a problem for decades, where different meanings have been given to the concept according to the context, disciplinary background against which it is set, corporate communications sensitivities and other factors.

The table below provides a range of definitions and descriptions of a crisis that currently exist within dictionaries, policy documents, and crisis literature:

Source	Definition of a Crisis
Webster's dictionary	<p>A turning point for better or worse</p> <p>An unstable or crucial time or state of affairs in which a decisive change is impending; <i>especially</i> : one with the distinct possibility of a highly undesirable outcome</p> <p>A situation that has reached a critical phase</p>
PAS 200:2011 Crisis Management – Guidance and Good Practice.	An inherently abnormal, unstable and complex situation that represents a threat to the strategic objectives, reputation or existence of an organisation
NATO	A national or international situation where there is a threat to priority, values, interests or goals
UK Department for Business Innovation and Skills (BIS)	An abnormal situation, or even perception, which is beyond the scope of everyday business and which threatens the operation, safety, and reputation of an organisation
Fink, S. (2002): "Crisis Management Planning for the Inevitable"	An unstable time or state of affairs in which a decisive change is impending
Seeger, M.W., Sellnow, T.L., & Ulmer, R.R. (2003). "Communication and organisational crisis".	A specific, unexpected, and non-routine event or series of events that create high levels of uncertainty and threaten or are perceived to threaten an organisation's high priority goals
Boin, A., 't Hart, P., Stern, E., & Sundelius, B. (2005): "The Politics of Crisis Management: Public Leadership under Pressure".	A serious threat to the basic structures or the fundamental values and norms of a system, which under time pressure and highly uncertain circumstances necessitates making vital decisions
Efficiency Unit (2009). "Crisis Management- an International Overview".	A change, which may be sudden or which may take some time to evolve, that results in an urgent problem that must be addressed immediately
MacFarlane, R. (2010): "Thinking about thinking about Crisis", Business Leadership Review VII: III, July.	An event that threatens the strategic objectives, reputation or existence of an organisation
Pearson, C.M. & Sommer, S.A. (2011). "Infusing creativity into crisis management: An essential approach today", <i>Organizational Dynamics</i>, Vol. 40, p. 27—33.	Crises are events or trends that threaten the viability of the organisations within which they occur
Coombs, W. (2011). "Ongoing Crisis Communication: Planning, Managing, and Responding".	The perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact an organisation's performance and generate negative outcomes

Key in these definitions are the concepts of i) *instability* or *change* and ii) *threat* as being the defining factors in a crisis, where a crisis goes beyond the normal and causes instability or imposes a change in an organisation, and can threaten its future. The impacts of a crisis are therefore experienced across an organisation and the response requires strategic lead in order to (attempt to) manage and control the course or direction of events.

In the BIS definition it is interesting to note the additional reference to “perception” since the crisis can often be perceived rather than occurring in reality, and it may be the external (or internal) perceptions that serve to define an event as a crisis, or accelerate an incident into becoming a crisis. This is particularly true in today’s world of social media, gossip, and rumour. Perception or reality, the impact may be the same for the organisation involved.

Thus, for the purposes of this paper, it is suggested that a crisis is:

“A time of instability for an organisation in which the impacts of event(s) threaten its operations, survival, or reputation”.

DEFINING THE TERM: INCIDENT, EMERGENCY OR CRISIS?

The key here is in establishing the difference between a crisis, an incident and an emergency – terms which are used inter-changeably by some organisations and specifically by others. For most, an “*incident*” is a low level or localised problem that does not have a serious impact, which can be dealt with by routine procedures and does not require the involvement of senior management of an organisation. More complex in many ways is the comparison to “*emergency*”; a term more emotive and much used by the emergency services and local authority community (and the Emergency Planning Society) relating generally to either a wide scale problem or one requiring Emergency Service support, but not usually one which threatens the survival of an organisation. Similarly, the Police use the term “*major incident*” to define an incident of magnitude requiring considerable resources and strategic input. In looking for trends, *emergency* seems to be a term which is most often used by the public sector in the UK and *crisis* by the private sector for very similar types of events, as a simple differentiator; however, a badly handled emergency will almost always give rise to a crisis.

Definitions remain difficult to agree and are at times compounded by sensitivities due to the different use of the word ‘crisis’ across sectors; therefore, a much more productive way of conceptualising what types of events can be understood as a crisis involves describing its key characteristics.

CHARACTERISTICS OF A CRISIS

It is possible to differentiate between crises in the form of “sudden impact”, which happens with little or no warning, and “smouldering or rising tide” events, which have a lead in terms of days, weeks, or months. The origins of a crisis can either be *external*, where the organisation is seen as a victim of an event beyond its control (e.g. natural disasters) or *internal*, where a crisis occurs due to accidents in the workplace (e.g. technical errors), or due to systemic, preventable errors (e.g. human breakdown accidents, organisational misdeeds causing injury, or the occurrence of a situation that is outside the current capacity and experience of the management team, as a result of, for example, key personnel not being available at a particular point in time).

Irrespective of its origin, cause, or manifestations, the term crisis adopted by this paper describes any event characterised by certain key characteristics:

Unpredictable	Crises are unique or rare events that come as a surprise to an organisation; surprise results from a lack of organisational anticipation or planning for the event, or due to the event overwhelming an organisation's plans.
Dynamic or Volatile Threat	Crises introduce an intense level of dynamic threat and have the potential to impact on an organisation's high priority goals and create negative or undesirable outcomes for organisations, their stakeholders, and their industries.
Urgency/Pressure	Crises require response within timeframes not defined by the organisation, often very short, and where the time to implement decisions and actions in order to mitigate the impacts is limited. Pressure is also imposed by the potential for incorrect decisions with far reaching or life threatening consequences.
Uncertainty	Uncertainty results from decisions needing to be made in the face of incomplete, erroneous, or ambiguous information.
Lack of boundaries	Crises can have the potential to disrupt or affect the entire organisation, and often even transcend organisational, geographic, and economic, etc. boundaries.
Media scrutiny	Crises are events that cause significant public and media interest and influence, where information spreads rapidly and facts are not always checked before they are distributed.
Complexity	Crises are characterised by multiple stakeholder, event-feedback loops and goals, and decisions result in inter-dependent impacts or consequences. Complexity is inherent due to the fact that the effects of all other crisis characteristics are compounded by one another. Furthermore, organisational norms may have been removed due to the impacts of the crisis.

This extensive list of characteristics detailing the inherently complex, sensitive, and high risk nature of a crisis event illustrates the need for organisations and people responding to such an event to understand what the term means within their context, and, more importantly, what actions must be carried out and whom they may need to interact with in order to successfully manage the event and minimise its impact. Indeed, for staff, what is key is that, whichever term is used, they understand what it means *to them* in terms of the required response. This is where the differentiation of strategic, tactical and operational levels of response in crisis management offers an excellent guide. If the team or individual understands who is involved, the levels at which they are operating, and the interdependencies and mutual expectations set; they will almost inevitably understand their role and the appropriate responses and inter-actions required, thereby combining their individual responses into a collective effort.

WHAT IS CRISIS MANAGEMENT?

Crisis Management is a term often used to describe the way in which an organisation handles a crisis. A paucity of definitions exists within dictionaries, policy documents, and crisis literature, and where they do exist, those definitions provided differ vastly in focus, scope, and terminology used. This is illustrated in the table below, which presents the same sources as used previously to define the term crisis and, where possible, the definitions provided for the term Crisis Management.

Source	Definition of Crisis Management
Webster's Dictionary	No definition provided
PAS 200:2011 Crisis Management – Guidance and Good Practice.	No definition provided; but it is presented as an overarching set of activities, underpinned by an organisational capability, to prepare for, respond to and recover from crises
NATO	Coordinated actions taken to diffuse crises, prevent their escalation into armed conflict and/or contain resulting hostilities
UK Department for Business Innovation and Skills (BIS)	The immediate response to a crisis
Fink, S. (2002): Crisis Management Planning for the Inevitable	The art of removing much of the risk and uncertainty to allow you to achieve more control over your own destiny The ability to manage a fluid situation and make good vigilant decisions
Seeger, M.W., Sellnow, T.L., & Ulmer, R.R. (2003). "Communication and organisational crisis".	No definition provided
Boin, A., 't Hart, P., Stern, E., & Sundelius, B. (2005): "The Politics of Crisis Management: Public Leadership under Pressure"	A set of interrelated and extraordinary governance challenges... where leaders are expected to make critical decisions and provide direction in the most difficult circumstances
Efficiency Unit (2009). Crisis Management- an International Overview	The process of identifying a potential issue or crisis and coordinating an organisation or inter-organisational response as necessary
MacFarlane, R. (2010): "Thinking about thinking about Crisis", Business Leadership Review VII: III, July.	A high tempo, high consequence activity that works to tight deadlines and requires decisions under conditions of uncertainty where there is very little scope to "wait and see"
Pearson, C.M. & Sommer, S.A. (2011). "Infusing creativity into crisis management: An essential approach today", <i>Organizational Dynamics</i>, Vol. 40, p. 27–33	Organisational leaders engage in planning, preparation, and do what they can to make timely decisions based on the best set of facts they can gather, and strive to achieve an optimal balance between timeliness and certainty regarding decisions and actions
Coombs, W. (2011). "Ongoing Crisis Communication: Planning, Managing, and Responding"	A set of factors designed to combat crises and lessen the actual damage inflicted. Seeks to prevent or lessen the negative outcomes of a crisis and thereby protect the organisation, stakeholders, and industry from harm

In accordance with these definitions, for the purposes of this paper, it is suggested that Crisis Management should be comprehensively understood as:

“The provision of an organisation’s pre-planned, rapid response capability supported by a leadership, information management and communications capacity in an integrated fashion to enable fast decision making at a strategic level within a structured environment, and thereby allowing for effective recovery and protecting an organisation’s survival or reputation”.

Despite the varying nature of the definitions of Crisis Management, consensus seems to fall on the **strategic** nature of the concept, and the important role that **leadership** and **decision making** play in this context.

Indeed, the word management, which is broadly defined by Wikipedia as “*the process of dealing with or controlling things*” or, more specifically, as “*the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively*”, encapsulates strategic activities, such as planning, organising, staffing, leading or directing an organisation or effort in order to accomplish a set of goals³.

Dr. Stephen Bungay states that management is concerned with providing and controlling the means of following direction, and argues that effective leadership requires executives to practise a combination of management, command, and leadership; this is illustrated in Figure 1.

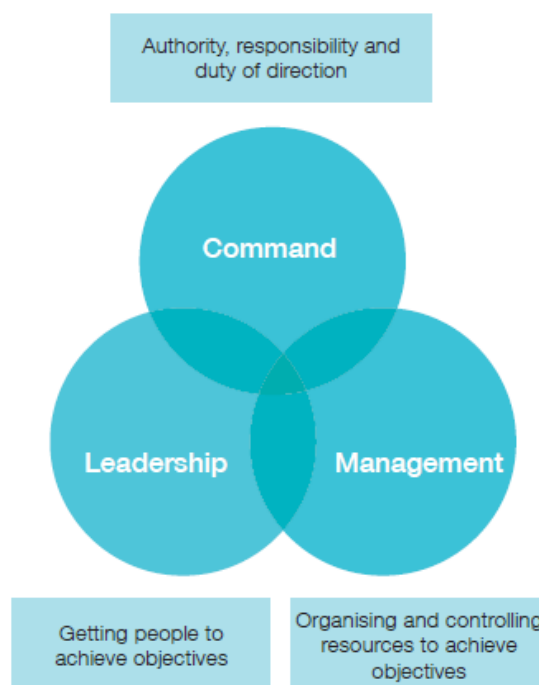


Figure 1: The Three Pronged Leadership Model (Bungay 2010)

³ Wikipedia: Management. <http://en.wikipedia.org/wiki/Management>

The three types of activity presented in Figure 1 overlap, which is why it is easy to confuse them. Indeed, at any point in time, a single individual might be engaged in all three activities simultaneously. However, each activity has a slightly different primary objective or purpose.

Specifically, the duties and responsibilities of *command* involve setting direction. The skills required for this activity are primarily intellectual, where the primary concern or objective involves deploying assets, by, for example, marshalling resources, organising and controlling them.

Managing involves understanding objectives, solving problems and creating processes so that others can be organised efficiently.

Finally, *leadership* is predominantly interpersonal in nature, and involves organising individuals in such a way to ensure the most efficient achievement of one's objectives.

There is a much more to be covered here which cannot be dealt with in this paper specifically as the inter-relationships of command, leadership and management in crisis are a niche area of discussion and complexity of their own; however, this short discussion of the presented model serves to highlight the strategic nature of Crisis Management and the absolute criticality of effective leadership and management involved

CRISIS MANAGEMENT: A 3 STAGE PROCESS

Many models of Crisis Management exist in both the public and private sectors. However, the definition of Crisis Management provided above illustrates that Crisis Management is a process, delivered by integrated capabilities, which focuses not only on preparedness activities and what to do in the heat of a crisis, but also on the identification and forecasting of why crises happen, and how to recover and learn from incidents. This section therefore argues that Crisis Management can best be defined or represented by a three-stage process model, involving pre-crisis preparation, crisis response, and post-crisis recovery.

PRE-CRISIS PREPARATION

Crises are unpredictable, but do not have to be entirely unexpected. Thus, while not all can be prevented, managers should develop and embed a wide range of resilience-building processes and activities to enable an organisation to both prevent and mitigate the impact or duration of those crises that do occur.

Managers should have a wide range of proactive resilience processes or activities in place to enable an organisation to both prevent and mitigate the impact or duration of those crises that occur. These include Business Continuity planning and management systems, Risk Management planning (maybe as part of an Enterprise Risk Management approach), Information Assurance and Security planning and many other complimentary disciplines.

Pre-crisis *preparation* involves crisis management planning and the creation of structures to deliver a crisis response. The Crisis Management Team must be supported by a crisis management plan or manuals (including a Crisis Management Plan, a Crisis Communications Plan and an Information Management strategy). This should be both a systematic (i.e. they work in accordance with other organisational methods or plans) and a systemic (i.e. they relate to the entire organisational system) way.

Key to good preparation is not only planning but also the implementation of a programme of training and exercising. This is the only way to derive a true “capability” by building up the knowledge and skills of those expected to respond in a crisis. By definition, this applies as much to the Board or senior executives as it does to the managers and people at operational levels of the organisation. Staff need to be made aware of the plans that are in place, who owns them and how they are activated. They need to be familiar with their roles and responsibilities and those of other members of the team. Training can deliver some of this awareness but exercising is the only way to rehearse people in a realistic environment.

A company that is well prepared in its Crisis Management is one that has a strong culture of resilience and is prepared to grasp opportunity.

CRISIS RESPONSE

Crisis management is more than just crisis response alone. Crises are events that, by their very nature, exceed any planning expectations. Crisis Management response involves a number of steps:

- the recognition of a crisis
- activation of the Crisis Management Team (CMT), and
- containment of the incident by that CMT to mitigate damage and risk inflicted on the organisation.



This may be said to work at three levels, including decision, direction or coordination, and implementation, representing the Gold, Silver and Bronze hierarchy. Indeed, the key element which is incorporated in most Crisis Management models is that of a structured hierarchy based around the need to provide strategic guidance (Gold: the thinkers), tactical planning (Silver: the planners and coordinators) and operational delivery of the plan (Bronze: the doers).

This model has parallels in the British Armed Forces and the blue light services, where speed and efficiency of response is critical to their successful performance, and therefore clear command and control structures must be in place.

In the civilian world, the CMT (at the strategic level) is responsible for managing the impact of the event on the organisation as a whole. The tactical response planning team and operational implementation teams at the coalface or sharp end – the manufacturing plant, the shop front or customer facing activity, or the police front line- are responsible for actively resolving the problem.

POST-CRISIS RECOVERY

While the crisis may end (e.g. in so far as that the building may no longer be burning), the organisation may well be left with a major recovery problem. Post-crisis recovery involves dealing with the long-term effects or impacts of an event and how to return to “business as usual” or the new “normal”, if major change has taken place, in the days, weeks, and sometimes months following the event, when more details and facts about the event emerge. Crisis Management processes may

be handed over from the CMT to a Recovery Team in this final phase; however, it is still an integral part of the overall management process.

Crises can, and do, serve as a major learning point for both individuals and organisations, and recovery includes the revision or evaluation and modification of organisational practice during a crisis in the form of identifying lessons to be learnt.



Capturing organisational learning from a crisis occurs by conducting thorough operational debriefs and extensive follow-up communication with all those individuals, teams and stakeholders involved in the actual incident. This also serves to identify and mitigate any effects the event will have had on those individuals, personally.

ESSENTIAL ELEMENTS OF AN EFFECTIVE CRISIS MANAGEMENT CAPABILITY

Whether organisational leaders are preparing for a potential event or responding to a crisis, an effective Crisis Management Team is an invaluable resource for effective crisis management if they possess the following elements and competencies:

- ❖ Leadership & authority
- ❖ Strategic thinking & decision making
- ❖ Clear team structure
- ❖ Information management
- ❖ Crisis Communications & media management
- ❖ Future planning & “what if?” thinking

LEADERSHIP & AUTHORITY

Although every individual within the CMT must display leadership qualities, as they are the ones who must mobilise those parts of the organisation for which they are responsible in a crisis, every CMT must have a single identified leader with formal and recognised decision making authority. This requires a particular skill set; the position of crisis leader should therefore sit comfortably upon those selected. Not everyone is cut out to be a leader in a crisis and often those who lead or manage at a senior level during “business-as-usual” find it difficult to transfer their skills to the Crisis Management arena, where decisions are required quickly despite a lack of time and limited information.

The need to prepare leaders for this role and validate their capabilities reinforces the importance of holding realistic rehearsals and simulations of crisis situations (discussed below) to ensure that the right staff, trained in the right processes, occupy the right roles. It is too late to discover that someone struggles to make strategic decisions under pressure when the organisation’s survival depends upon it.

Crisis Management must be owned by those responsible for delivering the success of the business or organisation. In some cases this is the CEO, but often authority may be delegated to the COO or

CFO, which may be a very suitable place for Crisis Management responsibility to lie. Often the CEO is the person responsible for dealing with the media and shareholders, and therefore the on-going decision-making and management of the organisation rests with the COO/CFO in a crisis.

STRATEGIC THINKING & DECISION MAKING

Crisis Management has been said to involve a need for making “wise and rapid decisions”⁴ and is a function of collating information, developing strategy, and delivering direction in a timely manner; any team required to make decisions must therefore be empowered to apply this process. Crisis decision making occurs within events that are characterised by uncertainty, time pressure and complexity and scarce, incomplete, or unavailable information, where the decisions made must find a balance between timeliness and certainty.

The CMT must develop skills to form a coherent understanding or awareness of the situation and engage in clear and strategic thinking under extraordinary conditions. These decisions, and the rationales supporting those choices, must be recorded, thereby providing an auditable trail for potential post-incident review or investigation processes. Decision making skills may therefore be harnessed and reinforced through i) the use of decision support tools, including the Crisis Management Plan, aide memoires, and other common tools, supported by frequent training and exercising of these required skills.

CLEAR TEAM STRUCTURE

The Crisis Management Team (CMT) is either formed from the main Board or operates with the authority of the Board, because it is here that individuals have a breadth of strategic vision and the authority to make decisions in crisis situations and enact its leadership function. Individuals with the appropriate level of authority, experience and capabilities should be appointed to the CMT.

Within the CMT, care should be taken to explicitly address who is responsible for its different elements, how those roles should be carried out, and what the individual and team-level aims, objectives and goals are. This reduces the possibility of role confusion, role corruption, duplication of efforts or missed opportunities occurring. Moreover, transparency in role assignment and responsibilities encourages intra-team trust, coordination and collaboration within the Crisis Management effort, ultimately improving the effectiveness of the team’s crisis response.

Potential roles include:

- Chair
- HR
- Operations
- Legal
- Communications
- Finance
- Log Keeper

⁴ Erika H. James & Lynn P. Wooten (2005). “Leadership as (Un)usual: How to Display Competence in Times of Crisis”. *Organizational Dynamics*, Vol. 34, No. 2, pp. 141–152.

INFORMATION MANAGEMENT

Crises may limit an organisation's information processing capability, either directly (for example, by affecting the IT and communication systems) or indirectly (where chaos and complexity reduce the availability of accurate and timely information on what is occurring). Effective Crisis Management requires the management of information in the face of adverse events or characteristics in order to allow decisions to be made on the most accurate and complete information available.

Effective information management involves collecting information from a set of sources and assessing source credibility whenever a new piece of information is received from unknown or unverified sources. It subsequently involves the accurate collation and consideration of that information within a coherent overview, such as in a situation report- (SITREP) or "commonly recognised information picture"⁵ (CRIP)" document.

Information must be presented in the simplest and most palatable format possible, which allows transfer of the key facts as required. This supports the creation of a shared (team or organisational) situational awareness, as well as providing a transparent, auditable trail of the information that was available to the organisation at the time of the crisis.

CRISIS COMMUNICATIONS & MEDIA MANAGEMENT

Crisis Communications has largely been represented as comprising what is said by an organisation in the media during and after a crisis. While Crisis Communication and Media Management are important facets of Crisis Management, they focus almost entirely on outward facing activities. Any organisation in crisis also tends to have a range of internal needs that require resolution; therefore an effective and timely crisis response consists of disseminating information at appropriate times both *internally* as well as *externally*. Every crisis team has a Communications, PR or media specialist (or several) on the team to manage the delivery of suitable strategies for those areas, at the behest of the team leader.

Internal communications and the sharing of new, critical, or developing information across the organisation are particularly important to prevent escalation of a crisis, ill-informed decision making, and the spreading of rumours among staff members. Gaining an internal understanding of what is happening, why it matters, what is being done about it, to what ends, and why it is being managed in a particular way is critical in shaping coherent activity towards strategic objectives.

External communication management during a crisis is likely to be very different from "business as usual" communications, where communication is much more controlled by the organisation dealing with business reporters and editors. In a crisis situation it is likely that there will be difficult questions posed from stakeholders, as well as tabloid and investigative reporters who are seeking an interesting story and have no regard for the sensitivities of the organisation. This is particularly true with the modern use of social media, where everyone is a journalist, information is shared at an

⁵ PAS 200 – a CRIP is a report that presents an agreed and formal statement of situational awareness, presented as a common pan organisational basis of understanding.

extremely fast rate⁶, and fact checking does not occur. Stakeholder and rumour management are therefore an increasingly integral part of effective Crisis Management.

Consistency, the use of non-contradictory information, and transparency within the messages communicated publicly during a crisis will enhance organisational legitimacy and accountability; while inconsistency or a failure to communicate can severely damage credibility, or create an image of passivity or concealment of information, which can sour stakeholder relationships and decrease trust. To ensure coherence and uniformity of messages, every organisation must have a Crisis Communications plan as well as a Crisis Management plan. All too often, Communications Teams appear to feel that Crisis Communications is merely an extension of their day job (or in some cases the same thing) and subsequently find themselves overwhelmed in any exercise or rehearsal as the pace, scale and complexity rushes over them. It is critical that the Crisis Communications Plan is aligned with the Crisis Management Plan to ensure activities that are mutual or reliant upon one another are developed in concert and not in isolation. The input of up-to-date information on the crisis into press releases, the appropriate sign off of statements, etc., all require a joined up and coherent approach that has been built as a part of an overall response.

FUTURE PLANNING AND WHAT IF? THINKING

Crisis Management involves more than just coping with and controlling acute episodes or events. A core capability of Gold strategists involves the ability to maintain strategic overview and direction in their thought process by always thinking “two steps ahead” and engaging in future planning or wargaming worst case scenarios.

Future planning during Crisis Management refers to the need to proactively consider the potential consequences of that crisis on an organisation’s future activities, value, and reputation. This should also involve consideration of what if the worst case scenario were acted out, in order for potential options and mitigations to be considered at an early stage. Once this future is envisioned, strategic planning involves identifying the key timelines and any critical decision points in order that they may be recognised when they arrive.

Strategic future planning is a critical aspect of Crisis Management, the value of which should not be underestimated, and the initiation of which should not be delayed, as it allows an organisation to gain control over its future, rather than waiting passively for events to arrive or occur.

FOSTERING A CRISIS MAGEMENT CAPABILITY

Any organisation can build a Crisis Management capability. In doing so, the majority of the focus should be on the development of people once the basic plans are in place, because a Crisis Management capability is mainly formulated from, and originates in, the organisation’s staff.

HOW TO DEVELOP THE CRISIS MANAGEMENT CAPABILITY

Development of the capability is primarily about the development of a CMT’s effectiveness in accordance with a set of procedures to be followed when pressure is high. The capabilities are brought together by the individual members forming the CMT; however, CMT’s may often be groups

⁶ Bandwidth use per second in 2010 was equal to the grand total used in the year 1998

of people who do not operate together in the normal course of business, and only collaborate at times of crisis. Developing the capability of these teams therefore requires frequent exposure to, and collaboration with, other team members before an actual crisis occurs. Thus, just like all teams, a CMT must be trained and rehearsed to build its skills and competencies, its understanding of its roles and the way in which it operates in that team context.

Effective training will focus on the types of crisis that the CMT should prepare for, determine the gaps within their plans or competencies, and exercise teams and individuals together to establish familiarity and trust, and become accustomed to the team dynamics.

Training should be suitable, relevant and effective in terms of time and complexity. CMT's consist predominantly of senior staff; therefore training should be designed with the needs of the audience in mind in terms of being strategically challenging and complex.

Training and exercises should be based on scenarios that reflect the nature of the organisation's work, while recreating the complexity or sensitivity involved in a real crisis. The CMT must be expected to achieve their planned or discussed outputs and provide deliverables against the appropriate timeframes to demonstrate the necessary capability and capacity under pressure. This ranges from the most senior executives needing to understand what is expected of them and how they should operate under particular circumstances (leadership and authority), to the sharp end "doers" decision making and information management roles.

KEY BENEFITS OF FOSTERING CRISIS MANAGEMENT CAPABILITY

In every recent example of actual Crisis Management, the benefit of training and rehearsal has been borne out for Crisis Management Teams all over the world. Those organisations with CMTs who know what they are doing, how to operate, and who to integrate and coordinate their activities with in any crisis situation are easily identified. These teams are differentiated from the less successful ones due to their use of, and comfort with, clearly defined roles and responsibilities for all staff involved, a general awareness and understanding of the situation they are in, and a clear identification of the decisions needed to progress in the direction they wish to take to manoeuvre out of the crisis and into calmer waters.

Fostering Crisis Management capability through training and exercising is beneficial because it improves crisis readiness by explicitly addressing how an organisation's values will guide crisis response, as well as how and where resources will be allocated in a crisis. This enables better Crisis Management *processes*; whereby an organisation holds a shared understanding of purpose, roles, and responsibilities during Crisis Management, produces more coordinated and faster decisions in response to any actual crisis that besets it, and makes better use of their spokespersons, organisations of press conferences, management of social media, and internal communications. Ultimately, this also produces greater *outputs*, including control of the media agenda, unified and coherent messages distributed both internally and externally, and minimised impact upon staff, assets, shareholder value or reputation. Crises may even serve as an opportunity, where, by responding well, the organisation may emerge stronger, with their reputation for competence much enhanced, and thereby driving up value and achieving a competitive edge over others who may be suffering the same problems. Indeed, recent reports issued by Oxford Metrica have shown that:

“There is clear distinction between Winners and Losers in the aftermath of a crisis. As the market continues to make its judgement the divergence becomes more marked. Whereas the Losers sustain approximately 15% drop in value, Winners transform their crises into value-creating events (up to 15%) and emerge with enhanced reputations.”⁷

CONCLUSION

Without doubt, Crisis Management is a key capability in the armoury of an organisation’s resilience to disruption. It is the strategic capability in times when fast, effective response is required, when information may be sparse or contradictory, reputation or lives may be at stake, and multi-faceted leadership is required to provide strategic vision and direction.

Crisis Management is an executive responsibility and capability which is enhanced by structure, plans, procedures, and training, to allow a coherent and effective response to delivered in times of need, and, ultimately, for an organisation to transition back to normality in the most efficient way possible. It is delivered by various processes to provide a capability of response at an appropriate level, and allows an organisation and its staff to be confident in their ability to react to any eventuality in a coherent manner in order to direct the on-going delivery of the business or services and management of the impacts of a disruption from a strategic perspective.

⁷ According to Oxford Metrica’s Value Reaction metric. Oxford Metrica, ‘Reputation Review 2011’, <http://www.oxfordmetrica.com/public/CMS/Files/825/OM%20Reputation%20Review%202011.pdf>.