

Crisis Management within Business Continuity Management

Or is it:

Business Continuity
Management within Crisis
Management

Agenda

- Basics of Crisis Management
- Crisis Communication
- Human behavior
- Crisis & stress

CRISIS Chinese

危機



Danger



Opportunity

Basics of Crisis Management

Crisis – a definition

- A situation that can occur, when an important operational objective can no longer be reached by practiced, tested or known operational routines
- A crisis is an event that creates a level of negative media coverage and exposure that could seriously damage the reputation or even the viability of an organization. We are talking about a significant crisis that will have media impact.
- A crisis differs from an issue: an issue is a factor that could represent a serious obstacle for achieving an organization's objective and could damage its reputation if not managed well.

What is a crisis and who is responsible to do what?

- Good crisis communication is based on having a system already in place and on a rapid response once a situation arises.
- Preparation and intelligent implementation of a strategic plan are invaluable in a time of high stress and intense scrutiny from external audiences.
- The better the overview of the vulnerabilities of The Company and each (local) specific characteristic, the better you can respond to a crisis.

A crisis in phases



Preparation Phase

Business as usual : Preparation activities take place

Alert Phase

Alerts are generated and escalated when a crisis is suspected, detected or observed

Acute Phase

The most important measures are taken to reduce the impact of the crisis and to prevent further escalation of the disaster

Stabilization Phase

Crisis teams regain control over the situation and start recovery activities

Recovery and Remediation

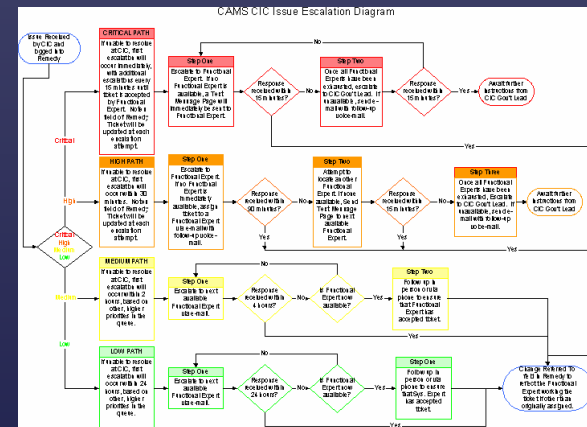
Recovery (according to plan) is completed, communicated and evaluated. Remediating actions are planned and executed

Preparation



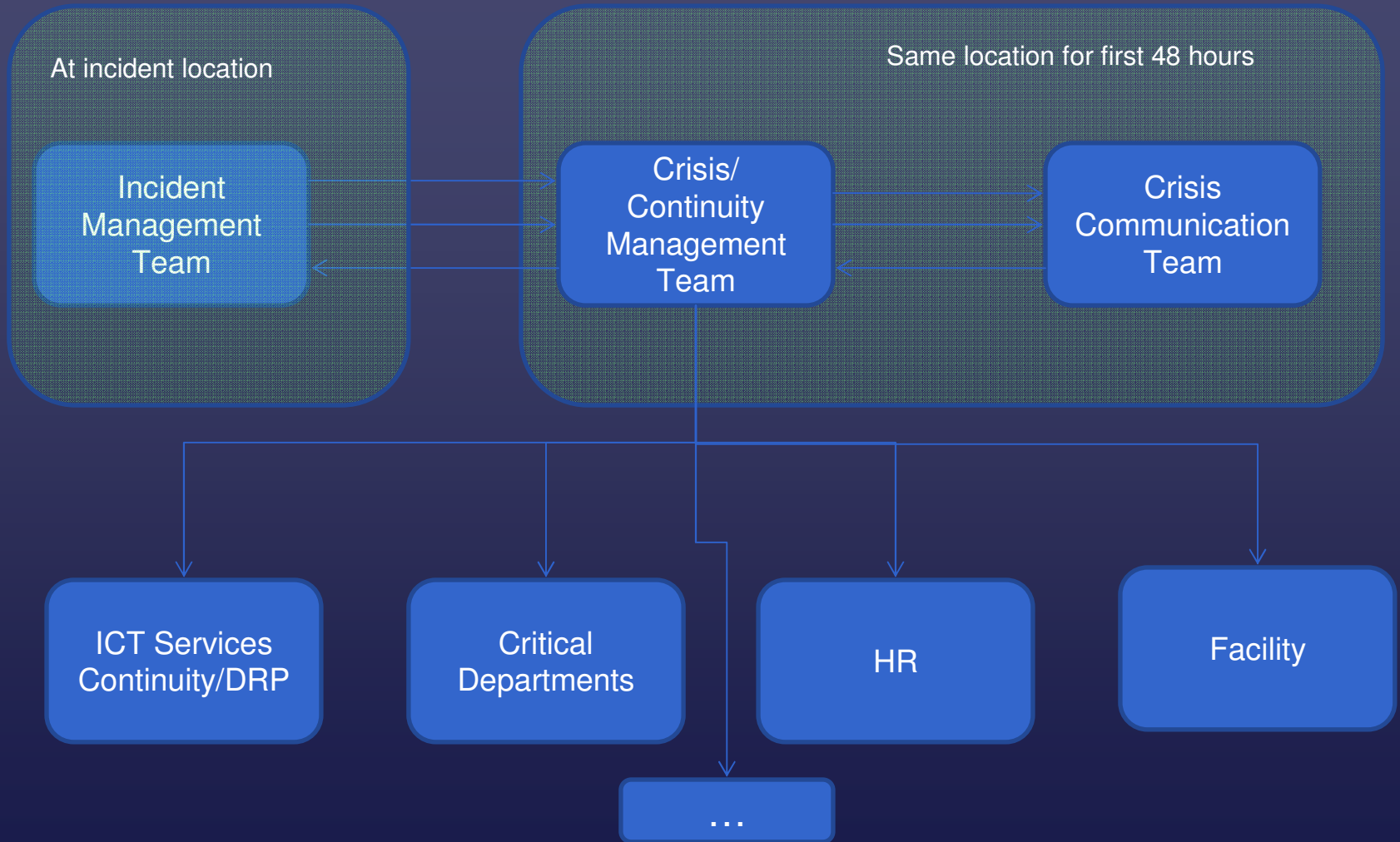
- Preparations to support crisis handling , the establishment of crisis management and training of the crisis management team are of utmost and primordial importance.
- A crisis, where reality is far from simple and predictable, is neither an opportunity for improvisation, nor for testing.
- Error margins are extremely small and errors may have a far-reaching and profound impact on the organization.

Escalation and Alerting

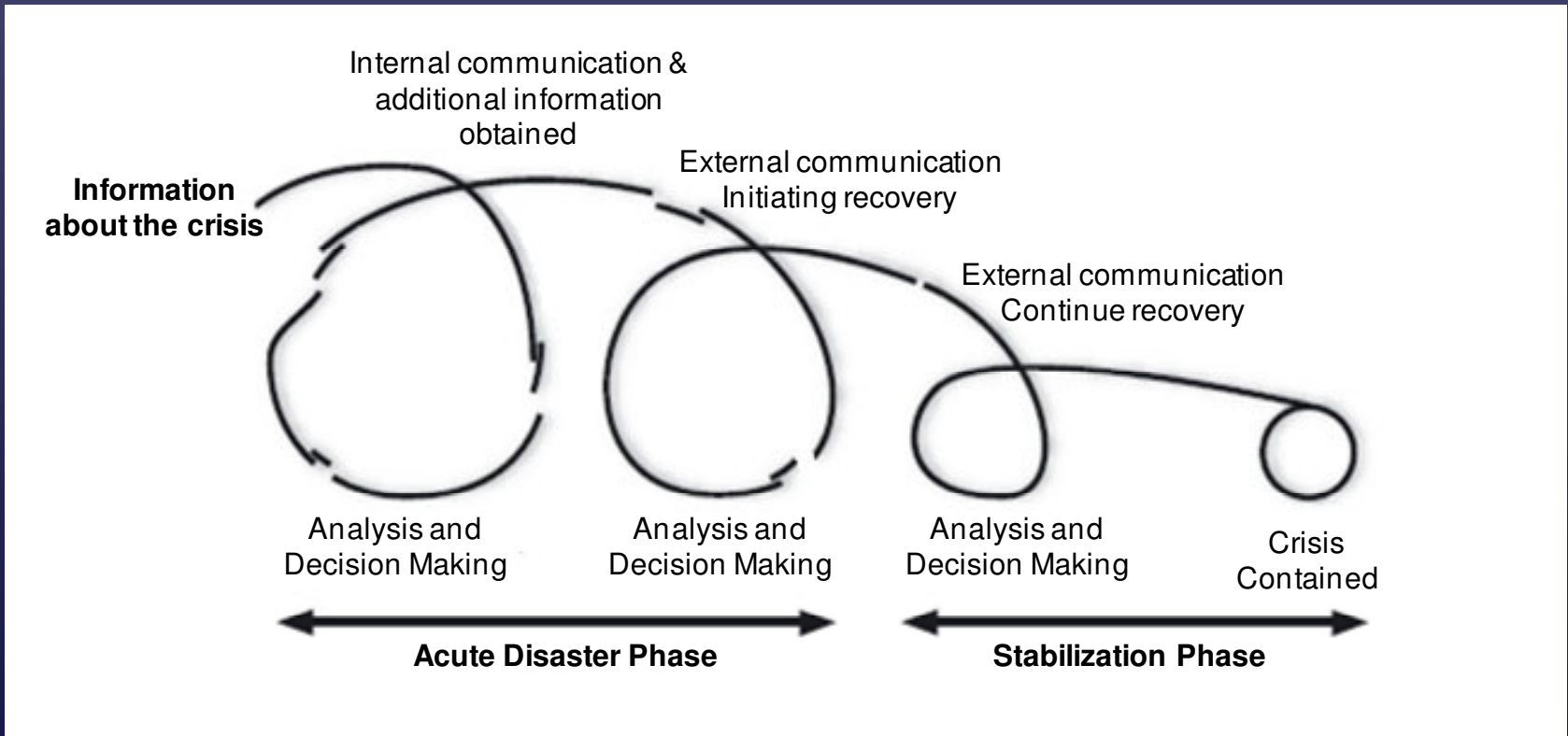


A crisis handling is not like good wine; time rather tends to worsen the end result.

Crisis Management within BCM



Crisis Management practices



Recovery and Remediation



- Thank all participants to the crisis management and recovery activities
- Continue to communicate with your stakeholders regarding the progress of crisis management activities
- Show commitment towards public opinion: we 're back in business!
- Evaluate the performance of the crisis management and evaluate points of improvement
- Adapt the Crisis management plan and re-assess the budget accordingly

A good follow-up improves the stakeholders' perception.

When maturity improves, crisis management becomes a success story and an example of corporate governance

First steps in a crisis

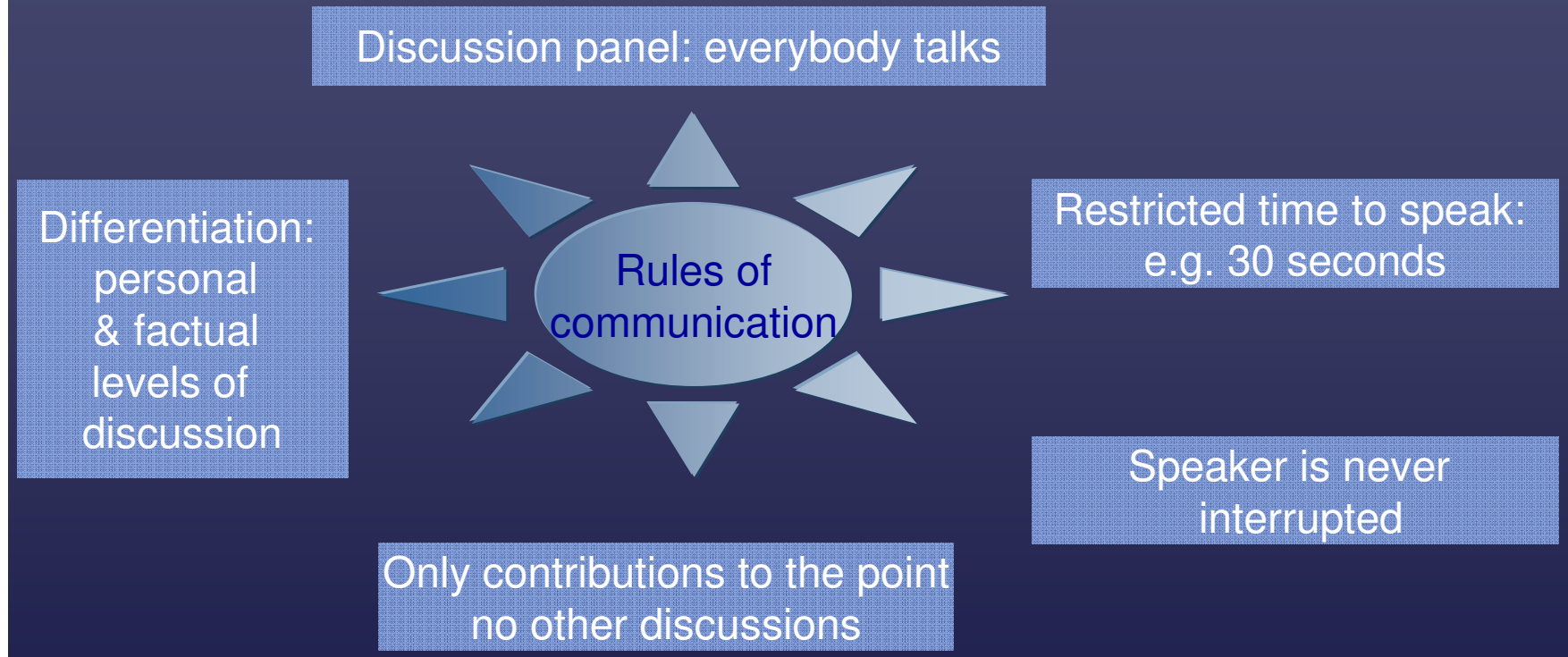
- make an objective assessment of the cause(s) of the crisis
- determine whether the cause(s) will have long or short-term effects
- predict the most likely course of events
- focus all the most capable people (including yourself) on activities that will mitigate or eliminate the problem
- look for opportunities - there could be a "silver lining"
- ...then act

Crisis Communication

Characteristic of crisis communication?

- Be aware that the first 24 hours are critical
- If you are not geared up and ready to inform the public, you will be judged guilty until proven innocent.

Communication



Communication and Crisis?

- It can occur at any moment
- Murphy's law applies
- Can't be planned
- Affects third parties
- Media is alerted

And then?

- News travels at light speed
- Media will give it a boost
- Society is reality TV
- Society is emotion > 'emocracy'
- You'll be surprised
- You'll panic
- You'll loose control



Crises affect your reputation, processes, infrastructure, employees, customers, ...

14 Commandments of crisis communication

- Agility = control
- Centralize the information flow & share it in real-time
- Build a good and professional image;
- Construct a basis for communication
- Internal before external
- Look for allies
- Prefer dialogue to taking the matter to court
- Communicate pro-actively instead of re-actively

14 Commandments of crisis communication

- Tell The Truth: Know what you know
- Don't pass the buck
- Recognise the emotional side of the facts
- Brace yourself against the worst
- Avoid a cascade or an on-going story
- Pay attention to everything that is communicated: be consistent
- Wind up

Human Behavior

Human behaviour in critical situations

Instead of targeted action...

Dominance of the current motive

Urgency instead of importance

Orientation towards the obvious

- Long-term planning and concentration cease
- Action is directed towards reaching short-term goals, often very basic objectives
 - protection of own position
 - protection of sphere of influence

Human behaviour in critical situations

Instead of targeted action...

In critical situations there is a tendency to jump from one problem to the other...

Action upon the „bumble bee principle“

- Jumping from problem to problem without addressing or dealing with the problem
- **Motive**
 - Increases self-respect and action ability – because everyone is busy!

Orientation towards the obvious



Human behaviour in critical situations

Special behaviour pattern of groups

→ **Group shift**

Group reacts more extremely than individual team members would (e.g. accepts more or less risk than each individual would)

→ **Group dynamics**

- *abnormal* team ambition
- „tunnel vision“
- exclusion of team members who focus on the actual situation
- *abnormal* faith in plans

Keeping records

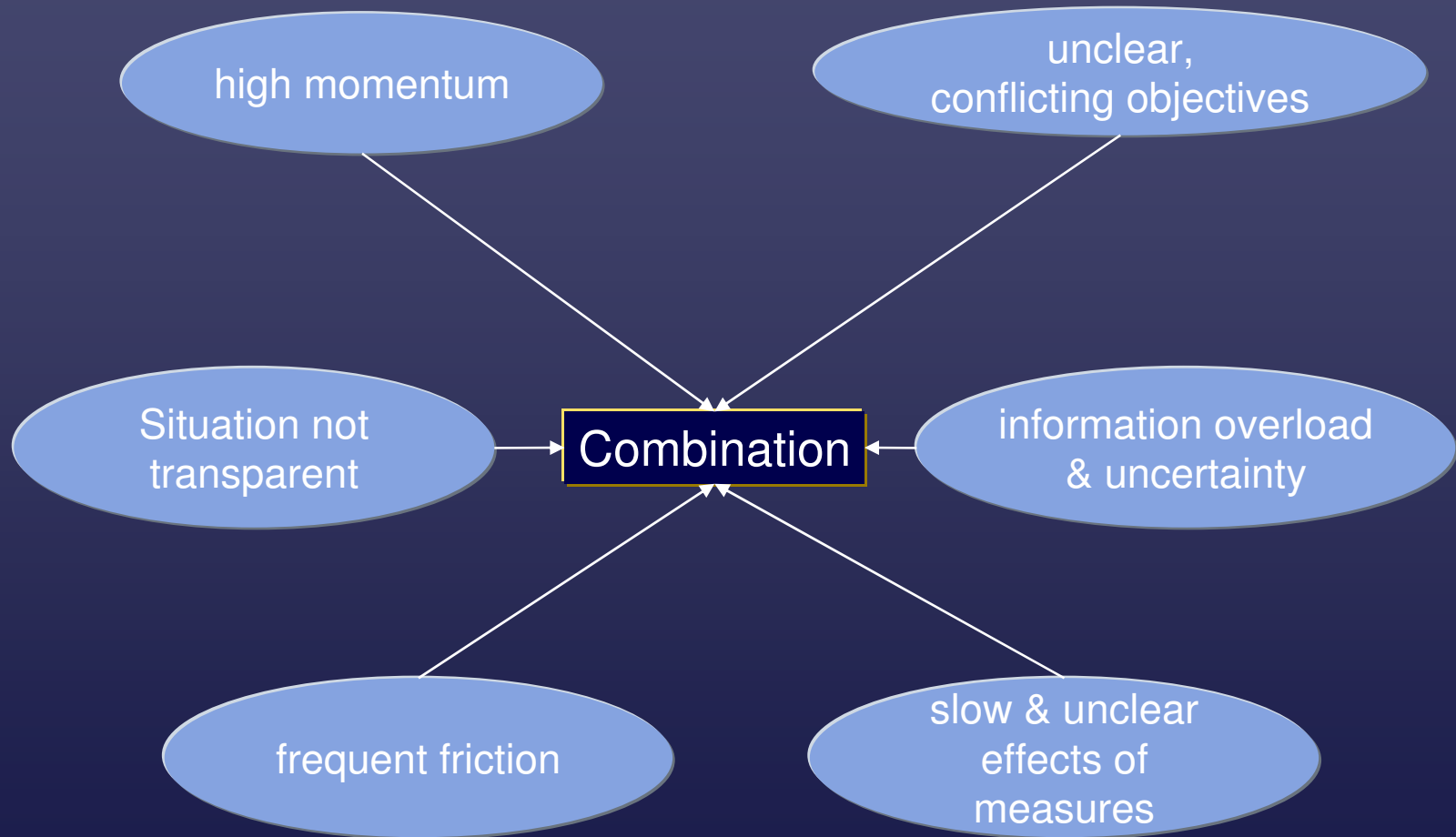
- The keeping of records of all important actions undertaken is essential to control the progress of the management of the crisis
 - important incoming information
 - important decisions
 - important instructions

- It is *good practice* to visualize this information for all members of the team (e.g. flipchart)

Don'ts to be considered

- everybody does everything
- important are only the functional levels
- we are not tired, not hungry, not irritable
- Schwarzenegger-Syndrome
- hierarchies are important and unchangeable
- everyone talks at the same time but the boss talks most of all
- we already know what's going on!
- reflecting takes too much time

Risk Criteria



Risk Criteria – personal factors

- distinct need for security; risk aversion
- avoiding decisions
- low tolerance towards uncertainty
- liability to stress (can affect way in which information is handled)
- hesitation in taking actions

Approach

- Problem definition and prioritisation
- Collection of information with multiple coding, information filter and problem modelling (problem, process, team)
- Proposal of actions needed:
discussion \Rightarrow decision \Rightarrow implementation (Command & Control)
- Control and revision

- Stress is an elevation in a person's state of arousal or readiness, caused by some stimulus or demand.
- As stress arousal increases, health and performance actually improve. Within manageable levels, stress can help sharpen our attention and mobilize our bodies to cope with threatening situations.
- At some point, stress arousal reaches maximum effect. Once it does, all that was gained by stress arousal is then lost and deterioration of health and performance begins.

- Whether a stressor is a slight change in posture or a lifethreatening assault, the **brain determines** when the body's inner equilibrium is disturbed; the **brain initiates** the actions that restore the balance. The brain decides what is threatening and what is not. When we face challenging situations, the **brain does** a quick search.
- First the **brain sounds** an alert to the adrenal glands. The adrenals answer by pouring out the first of the major stress hormones—adrenaline—for the classic fight-or flight response.

- The fight-or-flight response evolved with the prime directive of ensuring our safety and survival. The pulse begins to race as the adrenaline steps up the heart rate, sending extra blood to the muscles and organs. Oxygen rushes in as the bronchial tubes in the lungs dilate; extra oxygen also reaches the brain, which helps keep us alert.
- During this stage of the fight-or-flight response, the brain releases natural painkillers called endorphins. This phase, in which adrenaline plays a leading role, is the immediate response to stress

Common Stress Reactions

Behavioral

- Increase or decrease in activity level
- Substance use or abuse (alcohol or drugs)
- Difficulty communicating or listening
- Irritability, outbursts of anger, frequent arguments
- Inability to rest or relax
- Decline in job performance; absenteeism
- Frequent crying
- Hyper-vigilance or excessive worry
- Avoidance of activities or places that trigger memories
- Becoming accident prone

Physical

- Gastrointestinal problems
- Headaches, other aches and pains
- Visual disturbances
- Weight loss or gain
- Sweating or chills
- Tremors or muscle twitching
- Being easily startled
- Chronic fatigue or sleep disturbances
- Immune system disorders

Psychological/Emotional

- Feeling heroic, euphoric, or invulnerable
- Denial
- Anxiety or fear
- Depression
- Guilt
- Apathy
- Grief

Thinking

- Memory problems
- Disorientation and confusion
- Slow thought processes; lack of concentration
- Difficulty setting priorities or making decisions
- Loss of objectivity

Social

- Isolation
- Blaming
- Difficulty in giving or accepting support or help
- Inability to experience pleasure or have fun

QUESTIONS ?

THANK YOU !!