

Crisis Management

Avoid A Crisis By Planning For One



Talk

Welcome





- I. What is Crisis Management?**
- II. Create a Plan**
- III. How to Respond**



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What is Crisis Management?



What is a crisis?

Show-stopping, people-stopping, product-stopping, reputation-defining situations that creates victims and/or explosive visibility.

Anything less is a **problem** or **issue**.



What is Crisis Management?



A definition:

Crisis management is the process by which an organization deals with a major unpredictable event that threatens to harm the organization, its stakeholders, or the general public.

What is Crisis Management?



Three elements common to a crisis:

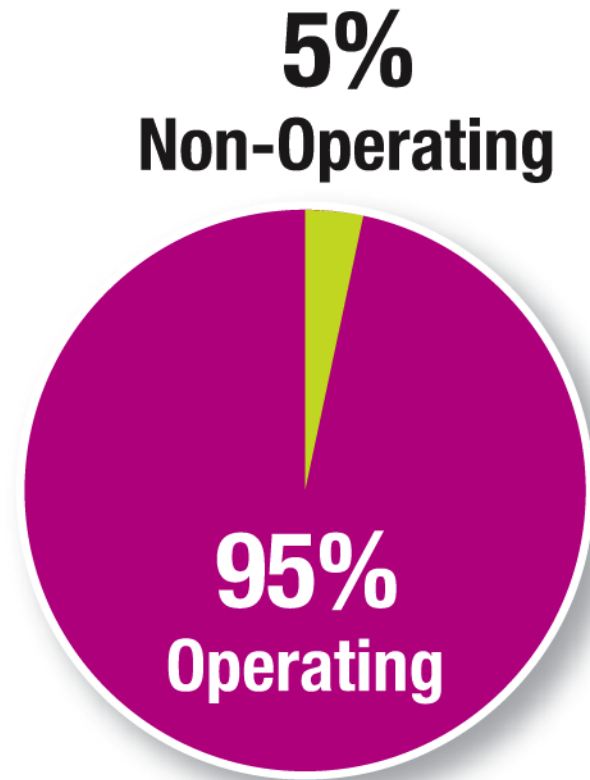
- **Threat to the organization**
- **Element of surprise**
- **Short decision time**

What is Crisis Management?



Crisis Types

- **Operating 95%**
- **Non-Operating 5%**
- **Combinations of the two, or more**
- **Disasters**
- **Insidious unethical behaviors**
- **Virtual**



What is Crisis Management?



Crisis Venues

- Headquarters
- Top management
- Local
- Regional
- National
- Global
- Virtual – Internet; blogs, etc.





I. What is Crisis Management?

II. Create a Plan

III. How to Respond

Why Plan?

- **Conclusive first response**
- **Effective and appropriate senior management involvement**
- **Pre-authorization**
- **Preparing for victims**
- **Prevention of collateral damage**
- **Good crisis planning reduces vulnerabilities**
- **Unchallengeable behavior**

Identify Threats

- What are our vulnerabilities?
- What threats exist?
- Classify in Crisis Type Categories:
 - Operating
 - Non-operating
 - Combination of the two
 - Disaster
 - Unethical Behaviors
 - Virtual



Prioritize Threats

Prioritize by ranking threats' 3 characteristics:

- Likelihood
- Impact
- Collateral Damage

Rate each threat from 1 - 3

1= Lowest

3= Highest



1



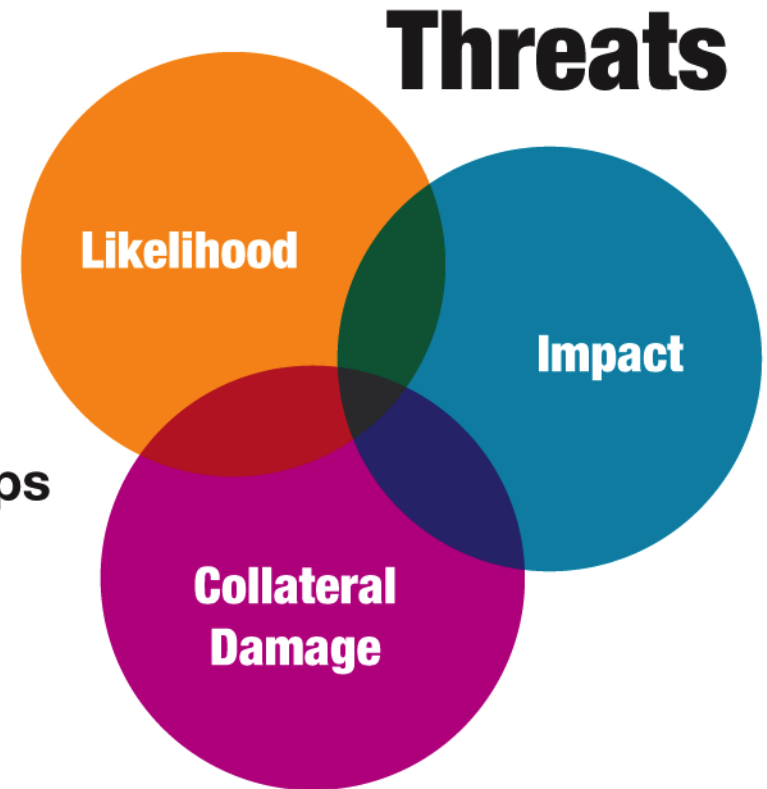
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3

Create a Plan

- **Visibility analysis**
- **Prioritize exposure; analyze threats by likelihood, impact and collateral damage**
- **Scenario development**
- **Message development**
- **Crucial contact list development**
- **Media training**
- **Installation, testing, drills, tabletops**
- **Continuous updating and internal education**

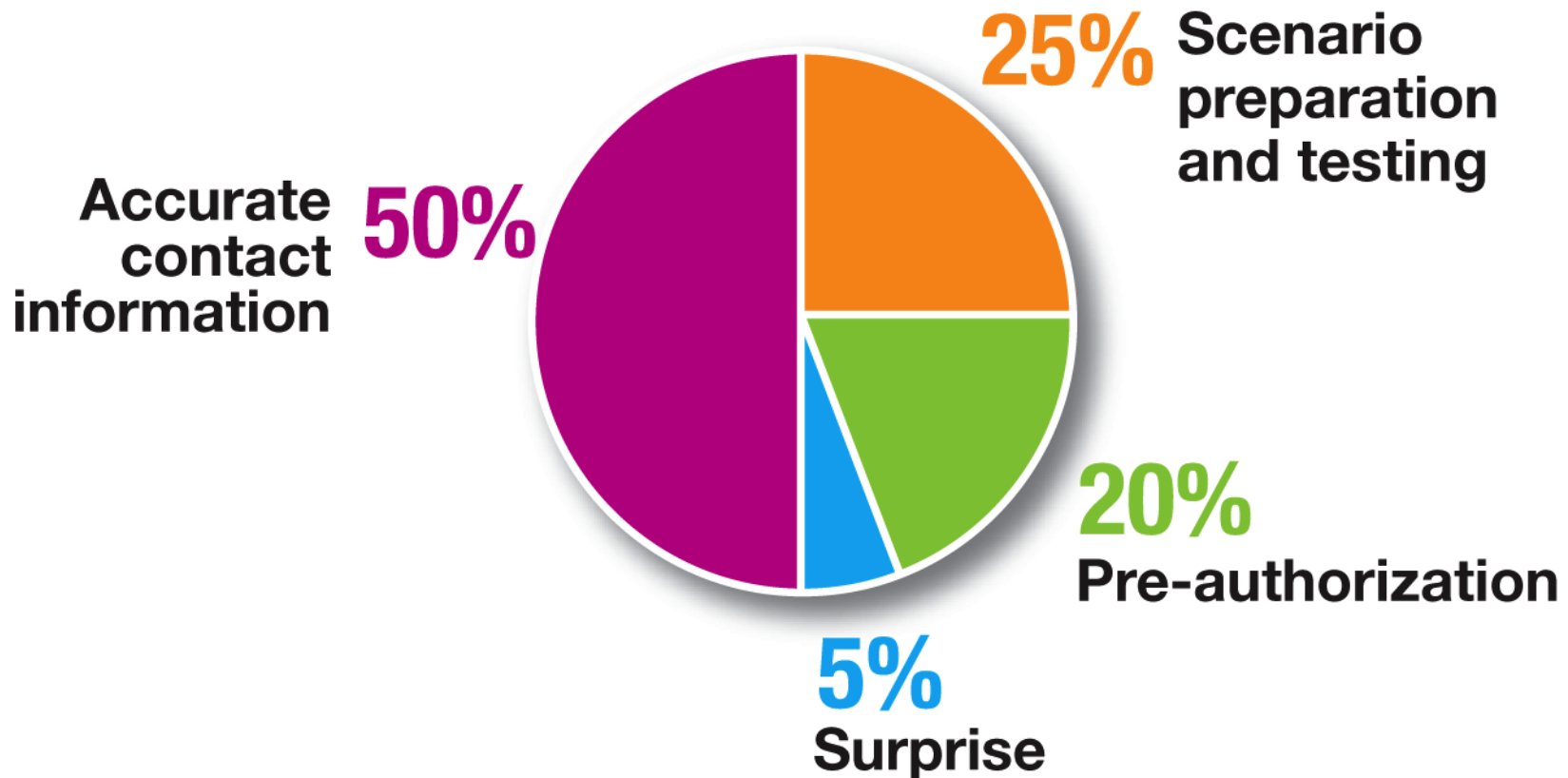


Keys to Successful Planning

- **Top management buy-in**
- **Strategies by scenario**
- **Activation procedures**
- **“Call Headquarters If” process**
- **Corporate level buy-in**
- **Plant buy-in**
- **Follow up and updating procedures**
- **Installation, testing and effectiveness programs**
- **Website readiness**



The Readiness Equation





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How to Respond



Response Triggers

- **Crisis czar**
- **Senior management**
- **Special response unit**
- **Incident command**
- **Call centers**



Response Priorities

1. The Golden Hour

Problem identification and response prioritization. Stop production of victims. Resolve the problem promptly; begin addressing key issues. If it's leaking, foaming, smoking, burning, creating victims, deal with the underlying problems first.



Response Priorities

2. Manage Victim Dimension

Victims cause incidents to become crises.
To know how to manage victim response,
you must understand victim mentality.



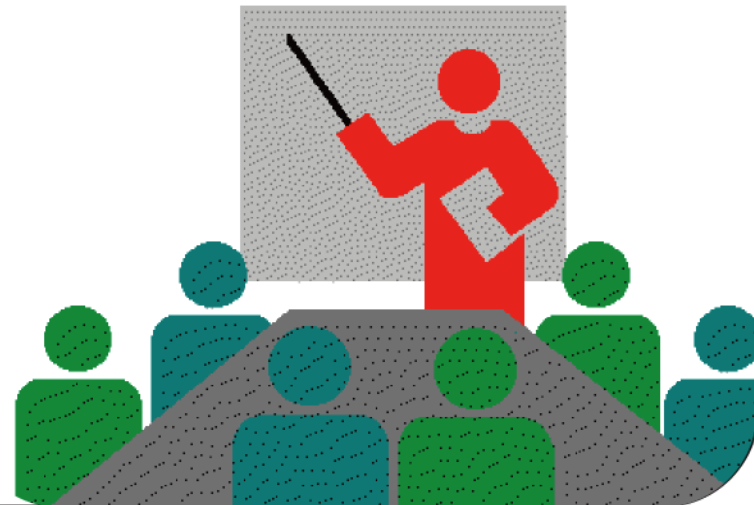
Response Priorities

3. Employee Communication

Inform, educate and script employees promptly.

Use the 75-word rule, which is approximately :30 spoken. Disseminate 75 words every hour or as needed.

Give employees information so they will stop speculating.



How to Respond



Response Priorities

4. Make Contact

Contact those indirectly affected – inform neighbors, regulators, governments, friends, allies, families, relatives of crisis



Response Priorities

5. Put Out The Fire

Deal with the media and/or individuals and organizations who will use the crisis to further their own agenda.



How to Respond



9 Steps to Rebuilding Trust and Seeking Forgiveness

9 Steps to Rebuilding Trust and Seeking Forgiveness

1

Candor

9 Steps to Rebuilding Trust and Seeking Forgiveness

2

Apology

1

Candor

9 Steps to Rebuilding Trust and Seeking Forgiveness

3 Explanation

2 Apology

1 Candor

9 Steps to Rebuilding Trust and Seeking Forgiveness

- 4 Affirmation
- 3 Explanation
- 2 Apology
- 1 Candor

9 Steps to Rebuilding Trust and Seeking Forgiveness

- 5 Declaration
- 4 Affirmation
- 3 Explanation
- 2 Apology
- 1 Candor

9 Steps to Rebuilding Trust and Seeking Forgiveness

- 6 **Contrition**
- 5 **Declaration**
- 4 **Affirmation**
- 3 **Explanation**
- 2 **Apology**
- 1 **Candor**

9 Steps to Rebuilding Trust and Seeking Forgiveness

- 7 Consultation
- 6 Contrition
- 5 Declaration
- 4 Affirmation
- 3 Explanation
- 2 Apology
- 1 Candor

9 Steps to Rebuilding Trust and Seeking Forgiveness

- 8 Commitment
- 7 Consultation
- 6 Contrition
- 5 Declaration
- 4 Affirmation
- 3 Explanation
- 2 Apology
- 1 Candor

How to Respond



9 Steps to Rebuilding Trust and Seeking Forgiveness

- 9 Restitution
- 8 Commitment
- 7 Consultation
- 6 Contrition
- 5 Declaration
- 4 Affirmation
- 3 Explanation
- 2 Apology
- 1 Candor

Barriers to Success

- **Resistance to Call Headquarters If**
- **Competing response priorities between divisions – people are busy**
- **Other existing plans – plans developed by others or required by regulation**
- **Relationship between corporate and plant locations**
- **Response confusion and turf issues**
- **Existing management response plans**



Shameless Self Promotion



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