

Why do we

Even with all that goes into planning for a crisis, companies fall prey to common mistakes. The answer? More planning

Effective crisis management is not about winning or losing or finding the perfect solution. It is about holding the course and doing the right thing.

For several decades, crisis management theory and practices have been taught at leading universities around the world. Many multinational corporations and other businesses of varying sizes have tried-and-tested crisis systems in place. So why do some organizations still make mistakes?

Recent corporate crises and responses remind us of the fragility of these best-practice teachings. Common mistakes such as slow response, withholding information and denial—which can affect public safety, trust, and ultimately brand and corporate reputation—are being repeated. In the best cases, standards improve and organizations survive and rebound. In the worst cases, they don't. Trusted and long-standing corporate icons disappear, or are acquired for a bargain price and get rebranded.

So do we merely forget the lessons when faced with a real crisis? Is the stress so great that primary reactions prevail? Do we let quick fixes blur long-term credibility objectives? What



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happens to the corporate values and principles we so proudly display in the lobbies of our office buildings?

In the past two years, there have been many crises around the world—natural disasters, corporate fraud, financial collapses, product recalls, security and politically driven tragedies, plane crashes, and so on. This

article is not intended as a finger-pointing exercise, nor does it mean to analyze the mistakes—including lack of response, stonewalling, denial and eroding stakeholder trust—made in some of the most highly publicized cases. Rather, coming from a long-standing practitioner's reflection on what is happening in the field, it aims

making the

keep

by Caroline Sapriel

to remind communicators of a few fundamental planning principles that can help them avoid common mistakes and emerge stronger post-crisis.

Many organizations pride themselves on having well-established crisis management structures and competencies. Yet in times of trouble, is it enough to be committed to crisis management as a function, or is it perhaps more useful to be committed to knowing what is the right thing to do during the crisis and actually doing it?

If we acknowledge that much has been done to enhance crisis preparedness and improve response effectiveness, what are some of the influences and forces that seem to be at play in unraveling all this good work?

1. Commitment and leadership

Broadly speaking, in terms of crisis preparedness, we can divide organizations into three categories: those that have no plans in place; those that have a plan in place that is sporadically reviewed, budget permitting; and those that have established processes and competency programs that are diligently reviewed, practiced, maintained and updated by crisis guardians or custodians.

Yet even those with the highest level of preparedness can fall victim to common mistakes—overriding or plainly ignoring best practices and reacting too slowly or quickly, or divulging partial information and jeopardizing reputation or worse, public safety.

“Even when organizations are aware of how to proceed, they sometimes abandon their plans when confronted with crises,” says Alan Zaremba, Ph.D., of the Department of Communication Studies at Northeastern University in Boston. “There can be knee-jerk reactions to stonewall, deny or think that the crisis will go away if it is ignored.”

Increasing crisis resilience and vigilance must be mandated from the top of the organization and implemented by all, under the watchful eyes of the crisis system custodians (those responsible for implementing and maintaining the crisis-response process). However, top leaders must continue to participate in the process by personally propagating and sustaining this commitment before, during and after the crisis—but especially during.

In real life this means that when a crisis occurs, the CEO

must not jump in and override or ignore the processes in place. Rather, he or she must be so intrinsically familiar with the crisis leadership principles of the organization that he or she can resist the temptation to suddenly seize control. The CEO must be able to hold the course, battle stakeholder attacks and consider the possibility of another, even worse turn of events.

Effective crisis management is not about winning or losing or finding the perfect solution. It is about holding the course, doing the right thing and protecting credibility in the face of tremendous adversity and stakeholder pressure. An organization with an embedded commitment to being fit and ready to anticipate, detect, manage and learn from adversity is more likely to bounce back faster, protect its reputation and increase resilience in the process.

2. Cost or investment

As long as crisis preparedness programs are listed as a cost and perceived as such by organizations, mistakes will continue to be made. There is ample evidence showing the devastating costs of corporate crises: human lives, assets, market share, share

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same mistakes?

stick to the plan

- **Make sure** the organization's leader is intrinsically familiar with the crisis management processes he or she mandated in order to hold the course through the crisis, keeping everyone focused on the vision of its aftermath.
- **Consider** crisis preparedness an investment, and build a culture that will help uncover problems early and address them proactively.
- **Integrate** anticipation, prevention, detection, mitigation and recovery under one common framework; assign risk owners and crisis custodians; make business continuity a strategic function, not just a tactical one; and involve your CEO in the process.
- **Practice regularly** at the highest levels to build the kind of reflexes and resilience your team will need to lead optimally under the stress and duress of a crisis.
- **Build and practice** likely and unlikely scenarios that could challenge values and cultural notions so that you regularly validate and reinforce what your organization truly stands for.

—C.S.

price, ruined reputations and so on. Yet crisis preparedness, in terms of sound processes, training and testing programs, and solid maintenance, is often considered “nice to have” but not “critical.” In the recent economic crisis, it is ironic that many companies' crisis management budgets were drastically cut.

3. Practice

Fortunately, for most organizations crises are few and far between. Yes, there may be minor incidents in isolated areas, but nothing of the scale that receives the “crisis” label. Therefore, having plans in place and teams trained is clearly not enough to build the kind of reflexes the organization needs to face up to a true crisis. Most crisis teams comprise the CEO, the COO and the senior-most representatives of each function (finance, HR, legal, marketing, communication, etc.). While these executives have extensive business experience and expertise in their respective functions, this does not by default make them competent crisis managers. In fact, they may have had varying degrees of exposure to crises throughout their careers and sporadic training at best.

According to crisis-management best practices, the best crisis teams are not made on the basis of functionality only but rather suitability. Therefore, at the senior-most level, where crisis stakes are the highest, competency development and upkeep are essential but regrettably often overlooked. Building the right mind-set and reflexes comes through regular practice at the top as well as

throughout the organization.

4. Integrated business contingency planning

Regrettably, in too many organizations today the risk management function sits remote and unconnected from the crisis management one. Business continuity planning is often perceived to be the tactical job of IT, issues management is for communicators, and so on. This disconnect is clearly a contributor to increased exposure. Moreover, management that does not advocate and follow an integrated and strategic approach to crisis anticipation, mitigation and recovery is more likely in a crisis to react in a knee-jerk manner and make mistakes instead of strategically navigating through the developing events and stakeholders' conflicting agendas.

Many crises can be anticipated, if not fully prevented, and much can be done to mitigate their escalation. Regardless, any organization will become more resilient and less likely to make and repeat mistakes during crises if it has integrated the preventive, reactive and curative phases. This consists of bringing lessons learned from previous crises into the risk management process, sharing the messages and developing competencies.

5. Values and culture

Last but not least are the factors of values and culture, which are far more difficult to harness. Over and over, when mistakes are made during crises, they express the opposite of what the company claims in its statement of corporate values and principles. Accidents, negligence and

product failures should not happen but they do; corporate misconduct occasionally occurs as well. Dealing with these should take into account the corporate values and principles displayed in office lobbies: quick response, ownership, transparency, regret and remedial measures. When these “vows” are broken, stakeholders are merciless.

Of the five key factors described above that contribute to repeated mistakes in crisis management, it's commitment and leadership and values and culture—in other words, the human factors—that are the risky variables.

Yes, we should establish and maintain solid crisis management systems and competencies, and create a generative crisis management culture that aims to build highly reliable organizations, but we will only truly advance and stop repeating the same mistakes if our leaders decide to be closer to where crisis preparedness is managed. Top management must be more involved with their teams in fostering a vigilant and resilient culture in their organization so that when a crisis hits, they are at the helm leading, not just reacting. •

about the author

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