When a corporate crisis hits, the need for rapid response and clear communication can put an enormous amount of pressure on an organization – especially if there's no prearranged plan in place. In this interview with Bob Gorman, crisis expert Jim Lukaszewski outlines four initial steps to jump-start your organization's readiness and get a robust crisis-response plan started.

Four crucial steps to setting up a crisis-response plan

Helping your organization prepare for show-stopping events

An interview with Jim Lukaszewski, by Bob Gorman

Crisis response guru Jim Lukaszewski works with organizations large and small all over the world. He teaches organizational leaders that the first step in getting ready for effective crisis response is assessing where you are in the process right now. "Organizations usually are at one of three places concerning their crisis response plans," says Lukaszewski. These are:

1. There is no plan.
2. The plan that exists is outdated. Any plan older than 36 months needs a full overhaul as leaders change, business units are restructured and key people are transferred or leave.
3. They have a plan, but it's inherited from previous leadership or someone else. It needs to be assessed, analyzed, tweaked or possibly rewritten.

Wherever you are in the crisis preparation process, there are a few initial steps you can take to jump-start your readiness, says Lukaszewski.

The overall goal of readiness is to identify and deter, pre-empt or prevent the most threatening situations and to pre-authorize prompt responses to contain or resolve these threats.

He defines a crisis as "people-stopping, show-stopping, product or service-stopping events," that create victims, generate explosive visibility, affect community values or damage the organization's reputation and its ability to conduct business.

Step one: conducting visibility analysis

The first step in getting ready is to do what Lukaszewski calls visibility analysis or a "surprise reduction." The greatest problem with emergencies and disasters is surprise. The major goal of readiness preparation is eliminating surprise. This, in turn, reduces mistakes.

"Crisis plan preparation requires understanding the two kinds of visibility most organizations have," he says. "Planned visibility," results from day-to-day operations, product failures, employee problems, accidents or incidents. You can anticipate and, to some extent, prevent or mitigate these kinds of incidents. About 95 percent of crises come from the day-to-day operations of the business. The good news is that you have a lot of resident expertise in dealing

James E. Lukaszewski ABC, APR, Fellow PRSA, is chairman of The Lukaszewski Group, based in New York, US. His latest book is *Crisis Communication Plan Components and Models: Crisis Communication Management Readiness.*

Bob Gorman is principal of Robert E. Gorman Communication, a firm that helps companies manage change effectively. He is a former communication consultant of Allstate Insurance.

with these kinds of issues because these crises result from planned activity that present a very low threat to the organization's reputation.

"Unplanned visibility," Lukaszewski continues, "is usually non-operational in nature and includes incidents such as major scandals, workplace violence, fraud, extortion, kidnap and the sudden death of a CEO." But they could also include natural disasters such as earthquakes, hurricanes, tornadoes and floods. While these incidents happen less frequently, they have a higher risk of significant collateral damage. Managers have little training to deal with these kinds of events. When they do occur, they are highly emotional, generate victims and present very substantial reputation threats.

Readiness planning should reduce risk and enhance response capability. If a key vulnerability is identified, try eliminating it before you plan a strategy for managing the crisis caused by it. If the boiler is old, replace it rather than gear up to respond to an explosion. Bad contract? Fix it or end it. Questionable components? Switch to units of higher quality. People and contracting problems? Cut them or settle them.

Work-site interviews with local managers and key supervisors are one way of identifying issues that could create negative visibility for your organization. Face-to-face interviews are best. Interview questions can include: "What are your worst-case scenarios? How will you deal with them? What are the possible causes of these scenarios? What preparation is required for dealing with them? What is the most urgent situation that needs fixing today?"

Interviews with senior leaders are also crucial sources of visibility issues, because they understand examples of high-profile events that the organization has faced in the past or may face in the future, rather than hypothetical events. The goal with senior executives, says Lukaszewski, is to gain insight into how they will manage situations once they arise. He adds that successful crisis response processes must have the support of the CEO, or someone the CEO trusts. "Without the boss' clear support and early participation, your response will probably fail."

Step two: key issues identification

The next step in crisis-response plan development is key issues identification. This involves prioritizing those dozen issues that could require specific preparation. Selecting key issues involves understanding and explaining the nature of the threat, such as the potential damage to people, products, reputation, credibility, market share and other factors that can influence the organization's ability to operate effectively.

A useful tool in key issues identification is the "exposure management and surveillance process" (EM&S). This is designed to:

- alert management earlier to likely threats and opportunities;
- strategically anticipate planned and unplanned visibility;
- prepare management to act promptly, conclusively and pragmatically; and
- initiate action to mitigate problems faster.

Lukaszewski describes EM&S as an "early warning system." It has four phases:

- *Phase one* is identifying those issues that are most urgent – issues of immediate importance. "These go on management's 'pay attention to' list," he says. "Part A of phase one is likelihood, assessing how likely these problems are to occur. Part B is impact analysis, assessing the consequences of the problem occurring, and the collateral damage."
- *Phase two* involves scoring the likelihood of the problem happening (one being least likely and 10 being most likely) multiplied by the impact if the problem did occur."
- *Phase three* is writing brief (one or two pages) exposure reports that describe those problems that really matter. The key here, says Lukaszewski, is to only address serious

KEY POINTS:

- The first hour of a crisis is critical to the success of the response.
- An up-to-date list of the key players in any crisis-response plan will enable organizations to make the most of this "golden hour."
- Interviewing key managers and leaders will help crisis planners gain insight into how prepared they are to deal with unexpected events.
- Identify and prioritize those events likely to cause the most damage to the organization and its reputation.
- Organizations must encourage a "culture of readiness" so that employees and leaders know how to behave to protect stakeholders.

issues – ones that can damage the organization's reputation or its ability to operate. "For example, an earthquake might have low likelihood, but high impact," he says. Exposure reports raise management's consciousness about the organization's vulnerabilities. Lukaszewski recommends

"Get these crucial elements right and you'll be 98 percent ready. The rest is a surprise."

keeping these reports confidential (they are very sensitive), limiting their distribution to senior management, preparing hard copies rather than e-mails and asking for their return within 48 hours. "The idea is to notify senior management that you have large-scale or high-profile potential problems they may need to address," he says.

- This serves to set up *phase four* of the exposure management and surveillance process – quarterly exposure review meetings. "These are used to discuss new vulnerabilities, address progress in eliminating old vulnerabilities, and verbalize these serious matters with management. It's a powerful teaching and coaching moment."

The ultimate goal of the EM&S process is to increase the overall readiness of the organization. Some exposures that are surfaced may require immediate changes in existing crisis-response plans, but this puts management in a pre-emptive position to detect, deter and even prevent trouble.

Step three: scenario development

Most organizations have limited resources to prepare for risks and threats. Key issues identification helps focus on the most serious potential problems. Knowing the likelihood and impact of these problems leads to the next important step: scenario development.

Scenarios are stories of situations as they might actually occur. They begin by hypothesizing some crucial problem, situation or incident and then literally working through the problem against a timeline of likely events, mistakes, diversions and productive responses (see side box).

"Successful crisis plans are scenario-based," says Lukaszewski. "Scenario preparation is the most crucial ingredient in effective emergency and crisis response because it's focused on specific and very real vulnerabilities. Through the process of scenario story development, managers will decide what resources are needed, who will be affected, what questions will have to be answered, whether outside help may be needed and what collateral damage can be forecast.

"Scenarios that are developed from the most serious two or three key issues, allow managers to think through what would happen moment by moment," he continues. "It allows them to work in a future-thinking mode. It fosters clear thinking about alternative strategies and options."

Working through specific scenarios also allows teams to see things they otherwise might miss – such as first-aid materials not being readily available to treat the injured. Scenario planning is a form of strategic forethought – a disciplined approach to help teams think through "What would we do if?" situations in advance.

The scenarios you develop will help forecast the kinds of messages the organization needs to have ready. And the later phases of crisis-response preparation – message development and emergency media-relations tips – round out the readiness process.

Message development focuses on planning the specific messages the organization will send to internal and external audiences during an emergency. Each scenario should also be accompanied by specific emergency media-relations tips for organizational spokespersons. Emergency media-relations preparation focuses on developing meaningful, useful and practical advice for communicating with those both directly and indirectly affected by the crisis.

The importance of pre-authorization

Another fundamental element of the crisis-response plan, says Lukaszewski, is pre-authorization. "It's the withholding or lack of authorization that in most cases creates the embarrassment, collateral damage and additional victimization, all of which could have been avoided," he says. Examples include, failing to immediately allow the payment of hospital bills for victims or requiring receipts for these circumstances. Or having to urgently acquire large quantities of materials, rent living space, or construct safety structures, when these expenditures exceed a benchmark purchase order level, or require specific advance permission from the finance department.

When after-action reports are conducted, and dislocations and mistakes in crisis response are identified, their root cause is often identified as failure to pre-authorize decisions that had been identified as crucial to a successful response.

Step four: creating a "crucial contacts" list

The fourth step in getting your organization ready is to put together an up-to-date contact list of principal players who would likely need to be part of any crisis response. Lukaszewski calls this a "Whereabouts List" and says that preparing and maintaining this list constitutes as much as 75 percent of an organization's readiness capabilities. "This list," he says, "prevents time from being wasted trying to find the right people to make needed decisions."

According to Lukaszewski, "It is the first hour of the crisis – the so-called 'golden hour' – that's critical to a successful response process." He tells it this way: The lesson of the Golden Hour is vital to crisis response. The term comes from military medicine. The single greatest cause of death in war is blood loss. Beginning with the Korean War, military hospitals were placed very near the front lines to dramatically cut the time from a soldier being wounded to receiving critical medical care. Doctors discovered that those wounded who got treatment within the first hour of injury had a significantly stronger chance of recovery. Responding promptly and appropriately gives you the power of the Golden Hour.

Prepare to relentlessly collect and correct entries once a list and contact process has been established. This is a crucial part of getting ready; assigning accountability for preparing and maintaining useful contact lists, as well as an emergency response contact process. Lukaszewski recommends finding "someone who loves lists and knows where everybody goes."

Fostering a culture of readiness

Another important goal is to foster what Lukaszewski calls a "culture of readiness" within the organization. This is creating a culture of integrity in which employees know what to do if they see something going on that isn't ethical, or could cause harm to stakeholders. He cites the legendary example of Johnson & Johnson (J&J) dealing with Tylenol in 1982[1]. "The chairman at the time, James Burke, has said that the company could neither prepare for nor prevent the tampering that occurred with its Tylenol product," says Lukaszewski. "But managers and employees were conditioned to act appropriately once the problem occurred.

"The J&J Credo very specifically describes the outcomes that are expected. The J&J culture develops a sense of 'rightness' in employees. This is supported by a code of conduct about what to do when employees see something that isn't right. Preventing the Tylenol incident wasn't possible. But they could take prompt actions to make the situation right. The other end of the extreme is the complete vacuum of ethics we're now seeing in the high-profile corporate trials going on."

In summary

Summarizing Lukaszewski's counsel to organizational leaders, the crucial elements of crisis response readiness are: extensive scenario-based responses to identifiable risks, pre-authorized decisions for any given response scenario and up-to-date contact lists. Get these crucial elements right and you'll be 98 percent ready. The rest is a surprise. scm

FIVE STEPS TO SCENARIO DEVELOPMENT:

- Select a hypothetical problem of crisis proportion that could affect your organization, and then identify those in the organization who would be called upon to respond. Arrange a meeting to present the scenario and work through it minute by minute.
- Develop a scenario timeline or outline. The goal is to identify short-range issues, longer-range concerns, and the response pattern required to deal with a damaging situation.
- As the timeline of responses emerges from the discussion, use the various timeline sections to develop key narratives that explain important questions and issues that must be dealt with. These will be incorporated in the final plan process.
- Translate the scenario's key actions and decision points into a flow chart. These are critical time-saving reference tools for those who must respond when a crisis situation occurs or when crisis response exercises or drills are conducted.
- Reconvene the original group, plus those whose participation has been indicated during scenario development, to walk through the minute-by-minute process of fleshing-out the scenario. Work on perfecting it. Continue identifying potential contingency or collateral situations that need to be addressed.

[1] The Tylenol crisis refers to an incident where product tampering resulted in the death of seven people in Chicago, US

CONTACT
James E. Lukaszewski
The Lukaszewski Group
e-mail: tlg@e911.com

CONTACT
Robert E. Gorman
Robert E. Gorman Communication
e-mail: robert@robertegorman.com