



Resilience Capability - Crisis Management

White Paper

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Abstract

The ability to manage a crisis and to manage the business through a crisis is a core business competency. Developing this capability requires strategy and planning. Once developed a plan needs review and testing. Although a plan is important to have in a crisis, the real value lies in the planning process because planning is about having infrastructure in place that can be used at time of incident to respond as required to the individual circumstances. The planning also drives the skilling, training and testing of staff and provides a framework and a coordinated approach for managing a crisis.

Part of the planning process is implementing the correct management structures, including a Crisis Management Team, who are responsible for coordinating the response to a crisis. The Crisis Management Team frees the Executive to manage the business through the crisis and to address other strategic and political issues.

Further details on aspects of crisis management and planning are presented in this document.



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1 Introduction

This White Paper looks at aspects of the crisis planning and necessary crisis management structures when developing a resilience capability within organisations. Taking a pragmatic business driven approach, the key issues around crisis planning and management are presented.

Section 1 provides an introduction to this document. Section 2 provides perspective, whilst Section 3 looks at aspects of the planning process. Section 4 addresses crisis plans and Section 5 describes crisis management structures. Section 6 looks at the important issue of how to manage a business through a crisis.

2 Managing the Now by Leveraging the Planning Process

Whilst each crisis is different in form, extent and impacts, there are both common causes of a crisis, i.e. risks becoming issues, and common things needed before and for managing a crisis. Although there is a need for some crisis specific planning and infrastructure, much of the planning, the infrastructure required and frameworks for management are generic both across the enterprise and for all the different types of crisis. What is required, is the ability to manage in the now using the infrastructure that has been built and tested because of the planning process.

3 Planning Process

3.1 Strategy

Before a plan can be developed, a strategy is required. A strategy sets the goals and priorities. Strategies have the following characteristics:

- Eliminates Alternatives – By definition a strategy seldom changes. A strategy can be revised and priorities changed but strategy should only be changed when the strategy is wrong, i.e. strategy eliminates options.
- Business Driven and Pragmatic - A strategy needs to be business outcome focused and deliver results to the business on a practical time scale.
- Bigger Picture - A strategy focuses on the bigger picture and not the details, the details come in the planning and execution of the strategy.
- Robust - The strategy needs to be robust enough to cope with varying and changing business needs, i.e. the strategy implements common infrastructure that can be used in a time of a crisis and is NOT scenario specific.
- Frameworks - Strategies set a framework and empower people to deliver within that framework.

Much of the strategy aligns to proven business principles and leverages existing business planning capability.

Whilst strategies may differ, common steps exist in developing the strategies:

- Outcome - Define the expected goal or outcome of the strategy.
- Purpose - Have a clear statement on the purpose of the strategy.
- Understand the issues - A clear understanding of the issues is required. Use risk details, business gaps and business sustainability information.
- Priorities - What are the priorities of the business?



- Budget and Resources - The budget and resources needed to implement the strategies, i.e. is it justified.
- Stakeholder engagement - Engage key stakeholders at various levels of the business to provide the required expertise.
- Peer review and sign-off - Have the key stakeholders peer review as well as Senior Leadership review and sign-off.

3.2 Planning

By definition, a plan is a series of activities to be conducted to realise an outcome based on a strategy. Therefore, it is in the nature of plans that they define intentions. Plans provide a framework for the delivery of outcomes.

Management of a crisis is NOT done by a plan because every crisis is different. A crisis is managed by using the infrastructure created as a result of the planning process.

In addition, plans provide a mechanism for coordination and communication of the intended actions. The plans are a tool for skilling, testing and training. It is the development of plans that drives the thought process and gets issues considered and addressed.

Consequently, the most effective plans are simple and pragmatic and serve as a guide for managing issues. Plans provide a structure for the common elements needed in a crisis and are able to service multiple audiences. Plans that can be readily detached into relevant sections for use by the appropriate party are more effective than cumbersome documents.

Plans need to meet the needs of multiple audiences (providing both guidelines and checklists) and a plan is only as good as the testing and training of the users of a plan.

If a plan is being opened and read in a crisis then the plan has failed its main purpose.

If people refer to a plan in quiet moment and take parts of a plan away to complete set tasks, then the plan has performed well.

3.3 Users of Plans

The users of emergency and crisis plans fall into two broad groups: Generalists and Specialists.

- Generalists (Strategic) - These tend to be the decision makers and work across areas of speciality. They improvise and create structures for others to use and tend to manage to frameworks.
- Specialists (Tactical) - These tend to perform well defined roles, with set responsibilities and are often the subject matter experts, addressing detail.

Crisis plans need to support both type of audiences.

3.4 Types of Plans

The following types of plans are identified as being the main types needed:

- Emergency Response Procedures – Detail procedures of how to respond to different types of emergencies. These are often incident and task specific and take the form of checklists.
- Risk specific response plans – The plans for a specific risk, e.g. aircraft accident.
- Business Continuity Plans – Plans for maintaining business continuity.



- Disaster Recovery Plans – Plans for recovery operations, e.g. Information Communication Technology (ICT) systems. These will often be system (function, process, entity) specific and include detailed policies, procedures and checklists.
- Crisis Management Plans – Any crisis specific plans.
- Handbooks and Cards – Summary information about crisis management in convenient forms, e.g. contact lists and high level procedures.

These plans may also include country, location and facility specific details. Working with extended entities and other impacted external parties would need to be addressed.

4 Crisis Plans

4.1 Role of Crisis Plans

Whilst every crisis is different, any given crisis has common elements, is usually fairly self contained and can be readily managed with the right infrastructure in place. Whether it as business continuity plan, an accident plan or a disaster recovery plan, crisis plans are about intent. It is about getting people aligned and having the issues and likely responses identified. Planning is about having infrastructure in place that can be used at time of incident to respond as required to the individual circumstances. A plan that delivers these is an effective plan. Seldom does a plan work in sequence.

Whilst crisis plans are part of the infrastructure required for a crisis, crisis plans also:

- Drive the development of the required infrastructure.
- Define the training, skilling and testing required.
- Provide a framework and coordinated approach for managing a crisis.

A crisis plan:

- Provides a reference to assist in a crisis.
- Serves as a framework for managing a crisis.
- Is used for task allocation in a crisis.

4.2 Common Requirements of a Crisis Plan

Any crisis plan should meet a set of common and minimum requirements, including:

- Each of the major sections of the document is designed to stand alone within the overall document.
- Focus on the issues and use brevity.
- A clean simple and minimalist approach is best.
- Document should address critical issues only.
- Make use of diagrams, bullet points and guiding principle lists.
- To be easily read in a time of stress, with ease of detaching elements of the plan.
- Branded for the relevant Segment in line with standard guidelines.
- Pages clearly numbered.



- Date on the document of when last edited.
- Written in English with correct grammar and spelling.
- Place supporting information and detail in stand-alone appendices.
- Only use checklists for detail and where events are known. Otherwise use guiding principles.

4.3 Hard Copy vs Soft Copy

Both hard copies and soft copies of a crisis plan have a role to play and whilst the advantages of soft copies are extensive, remember that:

- Not everyone will have access to a computer in a crisis.
- Paper can be detached and taken anyway easily in a crisis.
- People read quicker on paper than they do on a computer.
- It may be easy for many people to gather around one printed document.

4.4 Elements of Crisis Plans

Although some scenario specific plans are required to manage specific roles within incidents, much of the plans are often generic but with incident specific included as required, i.e the effective approach is to have generic plans with attachments for the specific as required. The standard elements of a crisis plan include, Table I:

Element	Purpose	Minimal Content
Summary	Executive summary.	Short summary stating the key issues within the plan.
Table of Contents	Provide a table of contents for the document.	Major sections listed with correct page numbers.
Use of This Document	Short section to clearly state the purpose and use of the document.	<ul style="list-style-type: none"> • State purpose of the document. • Nominate likely users. • Describe the use of the document.
Activation Criteria	Detail the criteria for the activation of a plan.	<p>Summarise the following elements and highlight any key issues.</p> <ul style="list-style-type: none"> • Note the criteria for activating the plan. • Specify who can activate the plan. • Describe any notification processes and check points.
Management Model	Describe any management and reporting models that exist and are appropriate to the plan.	<p>With any models ensure the following are addressed:</p> <ul style="list-style-type: none"> • Reporting and decision considerations. • Clarify acronyms.



Element	Purpose	Minimal Content
		<ul style="list-style-type: none"> • Decision points and criteria defined.
Team Structures	Explain the team structures and the people in those teams.	Detail team structures and roles and responsibilities covering the following as appropriate: <ul style="list-style-type: none"> • Crisis Management Team & task based teams. • Restoration Team (restore business as usual). • Business as Usual Team (carry on normal operations). • Response Teams (teams to handle specific events). • Substitutions (who stands in for a purpose should they not be present).
Communication Plan	Include a brief communication plan.	For key stakeholders (including staff, customers, suppliers, third parties, regulators), where required detail: <ul style="list-style-type: none"> • Who will communicate? • What they will communicate? • To whom they will be communicating.
Actions	Use checklists and guides to detail actions and serve as prompts appropriately.	The information here becomes both business specific and incident specific but include: <ul style="list-style-type: none"> • Sort of actions required. • Who will do the actions? • Types of reporting required. • Information flows and hand-offs. • What functions are being transferred to a location? • What functions are being transferred from a location? Detail scenario specific actions in appendices, e.g. aircraft accident specific.
Reporting	Describe reporting required.	The information here becomes both business specific and incident specific but includes: <ul style="list-style-type: none"> • Who should report? • What should be reported?



Element	Purpose	Minimal Content
		<ul style="list-style-type: none"> • When it should be reported? • What the recipient of the report is expected to do?
Resolution	Provide guidance for issue resolution and transition to business as usual.	<p>This is a subjective area. Tables of situations and suggested response criteria or acceptable outcomes maybe appropriate. A detailed list of event based outcomes may also exist. Generic considerations are also appropriate.</p> <p>Criteria for transitioning to business as usual also helps.</p>
Document Control	Information for document control.	<ul style="list-style-type: none"> • Distribution list. • Revisions list. • Standard document metadata.
Testing & Training Details	Details about testing parts or all of the plan.	An outline of the types of training, testing and schedule for the plan to be presented.
Appendices	Provide information and detail in appendices. Information that changes regularly should also be in appendices.	<ul style="list-style-type: none"> • Contact details. • Incident specific plans. • Scenario specific details.

Table I. Minimum content for crisis plan(s).

To be effective a plan needs to be regularly maintained and exercised, with lessons learned being included within the plans.

N.B. If transferring functions between sites, make sure the impact upon the receiving site is present in that sites place.

5 Crisis Management Structures

Whether it is for the writing of required crisis plans, for testing and training or for actual crisis management, a clear crisis management structure that details accountability and responsibilities is required.

5.1 Common Crisis Teams

A crisis requires that common teams can come together, either real or virtual, can come together to perform set roles and functions in a crisis. These teams would include:

- Executive Team – Represents the executive in a crisis. Manages the business strategically through a crisis and addresses other strategic and political issues.
- Crisis Management Team – Overall team responsible for managing a crisis. Responsible to the executive and coordinates the overall approach to managing a crisis.
- Response Team – Team sent to respond directly to a crisis. Report to Crisis Management Team.



- Restoration Team – Team(s) to manage the restoration of business to usual operations. Report to Crisis Management Team.
- Task Team – Team(s) created to address specific tasks as required in a crisis. Report to Crisis Management Team.
- Away Team – Specific team(s) sent away to the crisis site to manage issues. Report to Crisis Management Team.
- Business as Usual Team – Team responsible for managing business as usual operations through a crisis. Report to Crisis Management Team.

The teams may be physical or virtual. Some team may be created during a crisis, whilst others may be defined before a crisis and automatically invoked when a crisis occurs. The teams may also have set tasks that they are expected to automatically implement when a crisis occurs. Either way, it is important that teams have set roles, responsibilities, tasks and outcomes that are clearly communicated and understood by all involved.

5.2 Common Crisis Operations

Whilst every crisis will differ, there are common areas and operations that may need to be addressed including:

- Customer Management – Responsible for managing customer issues in a crisis.
- Staff Management – Manage staffing and human resource issues in a crisis.
- Media and Publicity Management – Address the media and publicity issues during a crisis.
- Insurance Management – Address the insurance issues during a crisis.
- Treasury Management – Manage treasury functions and operations during a crisis.
- Procurement Management - Manage the procurement issues during a crisis.
- Logistics Management – Manage the logistics and transport issues relating to a crisis.
- Building Management – Manages the issues around buildings and building management during a crisis.
- Toxic / Dangerous Substance Management – Manages toxic and dangerous substance issues during a crisis.
- Regulatory Management – Manages the regulatory and compliance issues during a crisis.
- Security Management – Manages the security issues during a crisis.
- Safety Management – Manages the safety issues during a crisis.
- Supplier Management – Manages the issues with suppliers and third parties during a crisis.
- ICT Management – Manages the Information Communication Technology (ICT) issues during a crisis, including freezing and recovery of systems.

These respective areas will perform fixed tasks and be managed to agreed outcomes, as well as being allocated issues for resolution in a crisis as they arise. The teams created are either virtual or physical and parts of one team may be embedded within other teams, e.g. logistics may be present in procurement.



5.3 Executive and Crisis Management

All of these areas and team will need to report to a Crisis Management Team who has overall responsibility for managing the crisis. A Crisis Management Team may exist at various levels within the enterprise as well as one that is charged with managing an enterprise wide response.

The Crisis Management Team would report to the executive, Figure 1, allowing the executive to manage the business through a crisis and to address political and strategic issues as required. It is the Crisis Management Chair that formally reports to the CEO or equivalent.

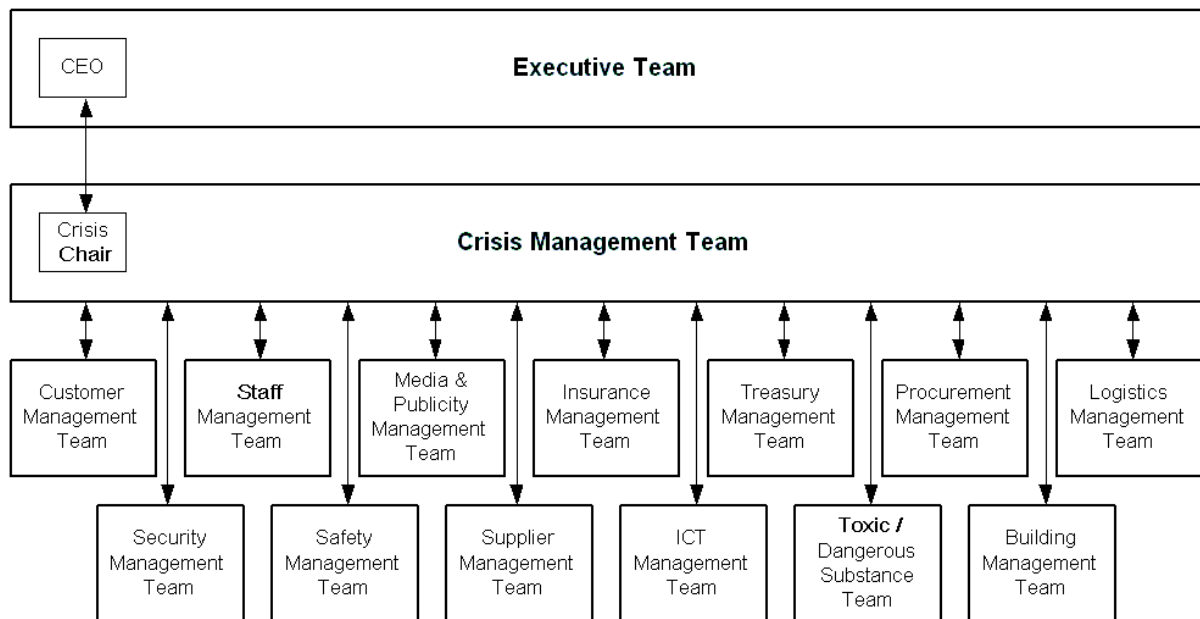


Figure 1. Common areas of operation and structure required for a crisis.

5.4 Crisis Management Framework

Irrespective of the cause of a crisis and independent of the crisis scenario, there is a standard form to a crisis and a common framework for managing the crisis overall, Figure 2. The major parts are:

- **Initiation** – This is the identification of an issues and an escalation up through the management chain, until a point is reached where the need to formally invoke crisis management structures is reached.
- **Deployment** – This is where formal crisis management structures are implemented and assessments made accordingly.
- **Initial Communication** – This is an initial communication to advise relevant parties about the crisis. The communication takes the form of one message advising all of those that need to know that a crisis has occurred. This is followed up by a second message that advises those that need to be involved, where to go and to be involved in what capacity.
- **Crisis Management** – This is the management of the crisis itself where a rhythm develops of Assessment, Planning, Management, Communication and Reporting across the impacted areas until the crisis is solved. This is also where the set teams and areas of operations fix the crisis and the Crisis Management Team coordinates the results.
- **Business as Usual** – This is the standing and the transition to business as usual.



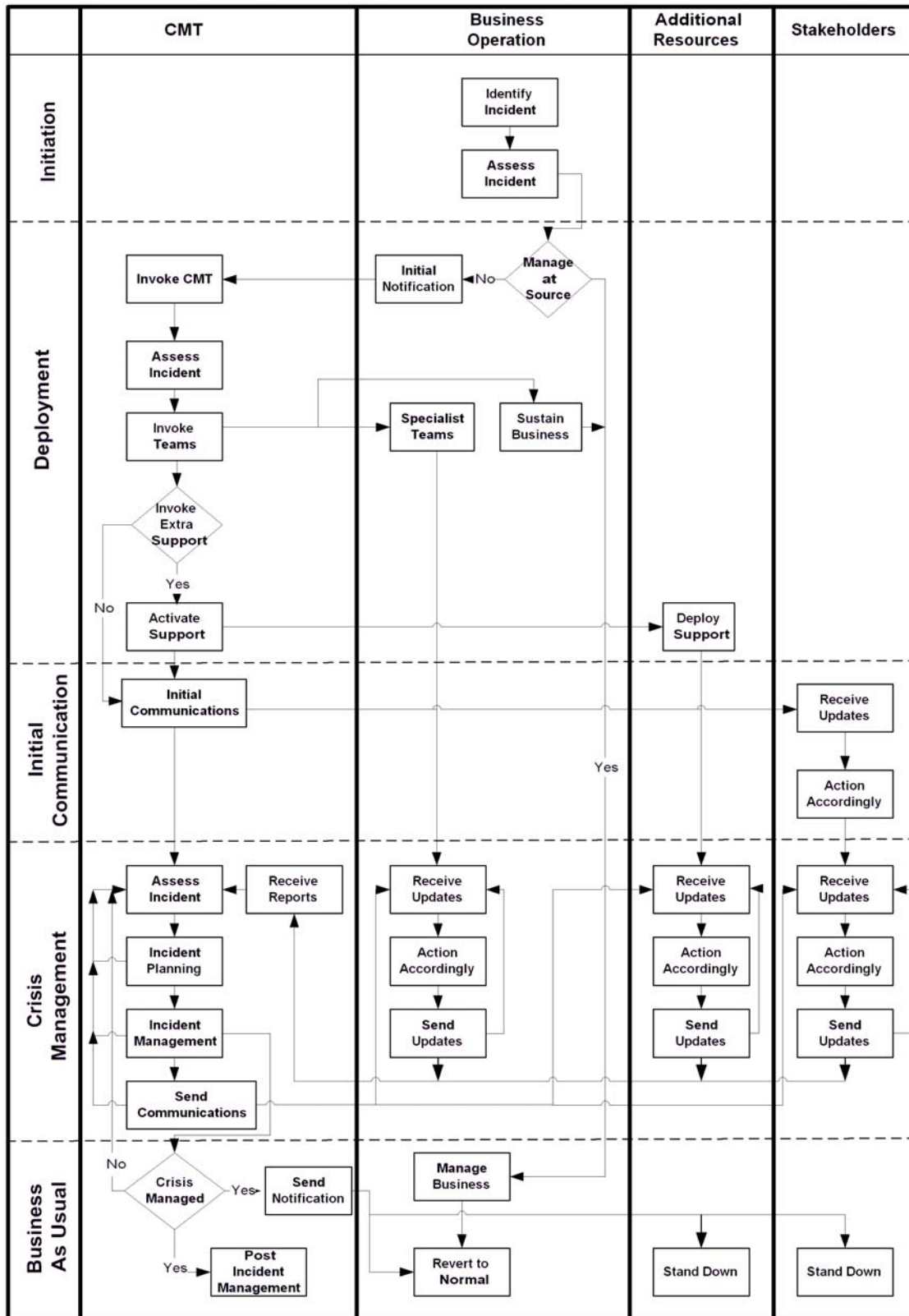


Figure 2. Overall crisis management framework.



6 Managing the Business Through a Crisis

Whilst a crisis is significant to a business, either in a given area or across the enterprise, a given crisis is usually fairly self contained and can be readily managed with the right infrastructure in place. Of more consequence to the business, and something that is often missing from crisis planning, is a framework (a set of strategies and priorities) for managing the business through a crisis.

This framework is not a plan per se but rather a set of strategies, principles and/or guidelines that can be implemented as required, to differing extents, to manage the business through a crisis. The framework is a tool to aid decision making in a crisis and is not a list of steps for managing a crisis or a series of checklists to follow. The framework provides a basis for decision making before a crisis, which is then adjusted in the crisis to meet need.

At a high level only, this framework would cover:

- Strategy – Summary of the key strategies for managing the business through a crisis.
- Customers - Who are the priority customers and what will be done to protect them, i.e. which customers can be sacrificed.
- Buildings – What buildings need to be maintained to support the core customers and what can be sacrificed to sustain operations and preserve cash-flow.
- Suppliers and Third Parties – Dependencies upon suppliers and third parties (including regulators) and how operations are to be sustained.
- Communication – Who is responsible for what communication and to whom.
- People – How staff are to be allocated to manage the business and the crisis.
- Cash-Flow (Profit and Loss) – Addressing the major areas of expenditure in a business and how costs are to be quickly lowered and cash-flow preserved¹.

The power of this framework does not lie in the detail and the micro planning but in:

- Having agreed strategies and priorities before key managers are assembled to manage a crisis.
- Driving out the priorities for building the infrastructure necessary to implement the strategies described.
- Coordinating the approach to managing a business in a crisis.
- Providing a framework and references for decision making in the time of crisis.

Together, the information paints a picture of the business and what is to be done to protect the business in a crisis. Since every crisis is different, it is about picking and mixing the required elements as required to manage the business. The document provides a framework for decision making.

The strategies are a set of guideline (principles) for managing the business and provide a basis for management to outcomes. The strategies set the priorities and how the business is to operate, empowering managers to implement as required.

Once the customer priorities are known, the necessary priorities for buildings, staff, suppliers and third parties and communication can be determined.

Business survival in a major crisis is often about measures that need to be taken quickly to significantly cut costs to preserve cash-flow. Having variable costs and fixed costs clearly identified,

¹ In a crisis, the actual profit and loss may be less important, it is often about how costs can be quickly cut to preserve cash-flow whilst issues are addressed.



having the infrastructure necessary implemented and having people across the issues ready to implement provides business with a competitive advantage.

The value of the cash-flow (profit and loss) section is also seen in providing in sites into cost cutting and optimisation within business as usual as well.

The framework should be developed to a minimum enterprise standard, Table II, and needs to be reviewed on an annual basis and/or when there is a major change in business environment.

Element	Purpose	Suggested Content
Summary	Executive summary.	Short summary stating key strategies.
Table of Contents	Provide a table of contents for the document.	Major sections listed with correct page numbers.
Use of This Document	Short section to clearly state the purpose of the document.	<ul style="list-style-type: none"> • State purpose of the document. • Nominate likely users. • Detail use of the document.
Strategy	Summarise the key strategies that areas of the business should be working with in the crisis.	Provide a short summary of the key core strategies to support the business.
Customers	Detail the priority for the top 5 customers or sources of revenue.	<ul style="list-style-type: none"> • List the top 5 customers. • State the priority. • List the strategy for maintaining that customer. • State how long that strategy can be sustained for.
Buildings	Detail the priority for the top 5 buildings to be maintained to support the customers.	<ul style="list-style-type: none"> • List the top 5 buildings. • Detail the location of the building. • List the strategy should that building be lost. • State how long that strategy can be sustained for.
Suppliers & Third Parties	For major suppliers and/or third parties, detail the dependency and the strategy for alternative services.	<ul style="list-style-type: none"> • List the supplier and/or third party. • Detail the dependency. • State the strategy for alternatively sourcing that service. • Estimate the sustainability of the alternative.
Communication	At a high level detail the types of communication required and who is responsible.	<ul style="list-style-type: none"> • List major relationships to be managed. • Detail types of messages to be communicated.



Element	Purpose	Suggested Content
		<ul style="list-style-type: none"> • Define the area of business or person responsible for the communication.
People	For the all areas of business describe what the staff would be doing and where they would go at a high level.	<ul style="list-style-type: none"> • List the areas of business. • Detail the location of the staff. • Describe the actions required for those Staff.
Profit & Loss (Cash-Flow Management)	Detail a high level profit and loss or cash-flow management considerations for the business under severe conditions.	<ul style="list-style-type: none"> • State critical functions. • State cash management issues. • Consider profit & loss and time lines. • State key cash preservation strategies.
Document Control	Information for document control.	<ul style="list-style-type: none"> • Distribution list. • Revisions list. • Standard document metadata.

Table II. Suggested content for a plan to manage a business through a crisis.

