

Introduction

– The purpose of this Report

This report is designed primarily for those directors and senior managers who are concerned that their organisations may not be adequately prepared to deal effectively with the unthinkable – a corporate crisis that threatens the very existence of their business. It will also be of use to officers who are charged personally with maintaining crisis management systems, if only to prepare them for the questions that they will be asked once their seniors have read the report.

Seven out of ten organisations that experience a corporate crisis go out of business within 18 months.

Whilst this is a sobering statistic, I am sure that your interest will be focused entirely on the fact that you would expect to be amongst the three survivors. After all, failure is the sort of thing that happens to other people, isn't it?

Well, actually, no it isn't. Failure happens to businesses that are not prepared; businesses that have not subjected themselves to the disciplines of planning, training, controlling and exercising those routines that could spell the difference between corporate life and death in a crisis situation.

But it isn't just about life and death, it's about damage limitation, minimising impact and restoring the status quo with as little delay as possible. To use modern corporate governance speak, it's about safeguarding the organisation's assets and protecting its shareholders. Ultimately, though, it's about keeping your job.

Let's take a step back, for a moment, and consider the following questions:

A major crisis has affected your organisation:

- How would you find out about it?
- What do you do?
- Where do you go?
- Who do you talk to?
- Who do you listen to?
- Who would be in charge?

Before you answer the above questions, think about the state of mind you and your colleagues would be in, should the worst happen. You may well concede that this would not actually be the best time to draw up plans to deal with the crisis. Likewise, it would be little better to have to take a dust-covered Business Resumption Plan from the shelf and read it for the first time.

Think of how many things you do automatically when driving your car – things that you are so experienced in doing that they can be consigned to the back of your mind, leaving you to concentrate fully on the unexpected hazards that form part of every journey.

How many times have you got out of your car at the end of a familiar journey and thought to yourself ‘I don’t remember coming along that stretch of road’, or, ‘I don’t recall such-and-such a junction’? When, in fact, you know you **did** negotiate those obstacles as part of the journey. It means you were driving ‘on autopilot’; thinking about something else. Why? Because, you were so familiar with the exercise that you demoted it from the front-line of your consciousness – the training had ‘kicked in’.

I’m not suggesting that you should be able to handle a corporate crisis while concentrating on something else. Rather, I am making the point that when you are handling something as complex as driving a car, or managing a corporate crisis, you are more likely to be successful if you’ve done it before, know what to expect and don’t have to worry about where everything is.

When it comes down to handling a corporate crisis, you are only likely to have one shot at it in your career – and that’s if you are unlucky. You would have to be very, very unlucky to experience more than one major workplace crisis. So, how can you know what to expect?

You can call it training, drilling, exercising or, simply, being prepared; but that’s what you need – regular exposure to the problems. It’s inconvenient and it takes valuable time, but it has to be done, otherwise, some jaywalker is going to walk right in front of your corporate crisis routine when you’re not looking and bring the whole business to a violent standstill.

Now, back to those questions. If you can answer all of them without hesitation, and are confident that all of the key people in your organisation could do likewise, then you may not need this Report. Pass it on to a colleague (if you are not **totally** confident), or a competitor (if you are feeling charitable).

On the other hand, if you hesitated or couldn't answer one or more of the questions, or felt that your colleagues might have displayed uncertainty if faced with the same questions, then this Report may be of some help to you and them.

The Report is not a checklist for dealing with a crisis, although it may well help you build such a list. It is a common-sense, jargon-free journey through the building blocks that need to be assembled to enable you to sleep nights, safe in the knowledge that you have done everything possible to ensure that your business would not only survive a crisis, but would recover as quickly as possible with the minimum loss of value and public relations backlash.

Use this Report as a reference point. Each chapter concludes with a list of 'Key Questions' that the senior executive can use either to impress his subordinates, by demonstrating his grasp of crisis management, or, more importantly, as a means of cutting through the detail to gain (and give) assurance that all is well. Should you have misgivings when faced with the answers, use the Key Questions to instruct your internal review team to look into the subject.

The Report itself will help you make sense of the answers you **do** receive **and** give you the confidence to direct changes where necessary. Here are a few to get you going:

Things you need to know...

KEY QUESTIONS

- 1** Could the business be vulnerable to an unexpected event, whether natural or man-made?
- 2** Would the sudden loss of staff/management resources cause disruption to the business?
- 3** Would the business suffer greatly as a result of prolonged and unexpected denial of access to its main premises?
- 4** Would general IT failure cause major problems to the business?
- 5** Is there a Corporate Crisis Management Plan to deal with the above eventualities?
- 6** Who is responsible for the Plan?
- 7** What is your role in the Plan?
- 8** Is the plan ever tested?