Crisis Management

-Tools & Checklists from April 9, 2014 Webinar-

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Overview

What is Crisis Management?

It is the application of strategies and tactics designed to deal with a sudden / significant event that threatens harm to the organization (stakeholders, guests, employees, reputation, revenue, etc.)

Key Point

Your guests and the general public usually remembers less about the actual crisis (event) but more about how you handled it.
Overview

What should a Crisis Management Strategy/Response try to achieve – what are the goals?

1. Reduce/eliminate negative impacts on the business (traffic, sales, recovery costs, earnings, etc.)
2. Preserve/improve image (guests and public perception)
3. Preserve/improve image (key stakeholders, employees, business partners)
4. Return to normal operations as soon as possible
5. Limit your competition’s ability to take advantage of the event

Many organizations get so focused on just getting through the crisis they forget about the big picture… the goals.
Restaurant Industry Realities

Realities:
We are in a high-risk industry…

✓ Guests / Public have access to more info (factual or not) than ever before
✓ Guests / Public have quick access to info (factual or not)
✓ Organizations have boundaries to work within – social media users generally don’t
✓ Crisis (real or not) can and do move exceptionally fast
✓ Recovery can be painful
✓ Government intervention in your business is a possibility

“The question is not if but when – and will you be prepared?”

There is a lot of competition for guests. Your ability to prevent and effectively manage a crisis when it occurs will separate you from the competition.
Restaurant Industry Realities

Typical Restaurant Industry Risks…

✓ Weather Related Events
✓ Food Borne Illness
✓ Criminal Acts (extortion, robberies, injuries, fraud, etc.)
✓ Public Relation Events
✓ Technology (data management failures, system intrusions, information protection)
✓ Regulatory Interventions
✓ Special Interest Group Intrusions
✓ Supply Chain Interruptions
✓ Business Continuity (impacts on unit operations or support center operations)

Taking quick action is good… taking quick action with a planful, well thought out and strategic approach is better.

It’s very difficult to develop the battle plan at the same time you are fighting the battle.

Key Point
Best Practices in Crisis Management

…The Top Ten List

1. Crisis Management is an organizational focus and priority
2. Clarity of “program ownership” (accountability, authority, responsibility)
3. Potential risks have been identified and assessed
4. “Response Ready” – tools and enablers are in place and we have practiced
5. Key business partners have been identified and vetted and are part of our CM Team
6. Communication plan is holistic (addresses all constituents)… guests/public, employees, investors, business partners
7. Media plan in place: external partner, spokesperson identified, training, messaging, supporting protocols
8. Insurance coverages have been assessed and upgraded (if necessary)
9. Embrace the cycle: train - assess - learn from past events – upgrade, train, assess…
10. Support messages and messengers of bad news
Crisis Management (CM) Communications

Based on years of CM research, guests/customers want:

• Honesty and Transparency (the best spin is no spin)
• Updates (frequent but don’t continually repeat the same stuff)
• Action (with a sense of urgency)
• Ownership / Leadership / Accountability
Crisis Management (CM) Communications

Crisis Management – Communication Basics:

- Assign a **owner** to coordinate all communication / media activities
- Ensure continuous monitoring of all communication outlets, tools, inputs, media, etc.
- Designate ONE spokesperson for media (think preparation)
- Ensure everyone involved knows the media plan / talking points / their role / limits
- Control the messages
- Ensure clarity and alignment of messaging – mixed messages creates more challenges
- More does not equal better
- Assume any electronic message will get into the public domain
- “No Comment” needs to be removed from your messaging
Assessing / Upgrading Insurance Coverages Ahead of Time

The realities…

• Once an event has started it is too late to get/upgrade your coverage

• Many basic GL/PC policies may not have enough coverage to cover recovery efforts

• Many basic GL/PC policies may not have enough coverage to fully cover specific events such as…
  - Food Borne Illness
  - Employer Practices Liability (EPL)
  - Business Income Replacement (BI)
  - PCI Compliance
Assessing / Upgrading Insurance Coverages Ahead of Time

Insurance Tips…

• Stay abreast of events in the market place - synthesize these events to your situation
  ➢ could we manage this event?
  ➢ do we have the appropriate coverage?
  ➢ what do we need to do different?

• Work closely (partner) with your broker

• Develop a review process with your broker and carriers

• Review past events for lessons learned
  ➢ how did your broker perform?
  ➢ how did your carrier perform?
  ➢ did you have the appropriate coverage?
Crisis Management – A Model for Success

Program Management

Follow-Up

Planning & Preparation

Recovery

Response

Follow-Up

Planning & Preparation

Recovery

Response
Program Management

Keys to Success:

1. Ensure “top down” support & involvement (CM must be taken seriously)
2. Establish CM as an organizational priority
3. Make the investment: time, resources, some cost
4. Communicate the plan… set the expectations
5. Assign “ownership”
6. Develop a “CM” expert and back-up (seminars, interaction with other experts, read)

Action Items:

- Determine owner (program owner/s) and back-up
- Establish owner and back-up key duties
  - Strategy development
  - Tools & Enablers development
  - Business Partner review
  - Event coordination
  - Testing and Training
- Assess / review key business partners - relationships:
  - Communications / Public Relations
  - GL/PC Insurance Broker
  - Technology
- Assess immediate readiness capabilities:
  - What is in place now to handle a crisis?
  - Ops Manual / Support Center protocols
  - Tools & Enablers – what, if any do we have in place?
  - Training – what CM training do we currently provide?
  - Review past (recent) events – did we learn anything?
Planning & Preparation

Keys to Success:

1. Tools and Enablers
2. Practice (consider using third party experts)
3. Training (multi-level involvement)
4. Establish/build relationships with key business partners and incorporate them into your training

Action Items:

- Build a CM strategy and structure book
- Complete a risk assessment – determine high-risk events (what are they?)
- Establish CM processes and protocols
- Build playbook(s) – by event
- Build Communication Strategy
  1. By Constituent (who gets it)
  2. Delivery Method (how is it delivered)
  3. Messaging (what)
  4. Messenger (who delivers)
- Build and execute a training/readiness plan
## Planning and Preparation (example document)

### Crisis Management Strategy Book

- **Tab #1**  
  Risks that will be addressed by the playbooks (what)

- **Tab #2**  
  Processes and Protocols that are critical to the effectively executing the strategy (how to execute)

- **Tab #3**  
  Communication Strategy basics (how to communicate)

<table>
<thead>
<tr>
<th>Risks</th>
<th>Key Processes &amp; Protocols</th>
<th>Communication Strategy</th>
<th>Detailed Playbooks (one for each risk)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Food Borne Illness</td>
<td>- Owner &amp; back-up (R&amp;R)</td>
<td>- Constituents (who to contact)</td>
<td>- Key Decisions</td>
</tr>
<tr>
<td>2. Technology / data breach</td>
<td>- Team members and back-ups (R&amp;R)</td>
<td>- Messaging (what per constituent)</td>
<td>- Goals</td>
</tr>
<tr>
<td>4. Weather Events</td>
<td>- Activation process</td>
<td>- Partners (contact info)</td>
<td>- Owner &amp; Back-up</td>
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<tr>
<td>5. Public Relations</td>
<td>- Data/Fact process (how to collect-analyze-finalize)</td>
<td>- Press Protocols (who can speak for the org?)</td>
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<tr>
<td></td>
<td>- Meeting location (primary and back-up) and expectations</td>
<td>- Pre-build messaging for Ops/Field/CO for emergency situations (what to say – how to handle)</td>
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<tr>
<td></td>
<td>- Call tree (names and contact numbers)</td>
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<td></td>
<td>- Plan/doc storage and update process (hardcopy/Cloud/flash drives)</td>
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</tbody>
</table>

In this scenario you have six documents: 1 strategy book + 5 playbooks
Response

Keys to Success:

1. Consistent messaging to all constituents
2. Ensure messaging alignment
3. Ensure “roles & responsibility” alignment and clarity
4. Involve business partners (early and often)
5. Facts are key!
6. Follow through on commitments
7. Plan for foul-ups
8. Don’t forget to use your documents (strategy books and playbooks)

Action Items:

- Determine meeting protocols (who, when, where, frequency and expectations)
- Review action items from playbook (did owners actually execute?)
- Set-up a fact/data review process (track all inputs – vetting process… assign ownership)
- Assign ownership to monitor external communication vehicles (social media, press, etc.)
- Get the message out (quickly and with clarity) internally regarding expectations, plans and restrictions…check for understanding
- Track commitments and keep a score card
- Record and tracking all decisions
Recovery

Keys to Success:

1. Post event – gather guest information: monitor media outlets (especially social media), meet with guests casually, get employee input
2. Consider using third party experts to gather and synthesize guest / public perception data
3. Ensure commitments made during the response phase are delivered

Action Items:

- Determine if recovery focus / project is necessary (not every event requires recovery)
- Assess pre-event KPI’s (key performance indicators) against post event KPI’s to help determine requirement
- If so, attack recovery effort like any other key project:
  - Goals (end result)
  - Owner (project manager)
  - Team members (roles and responsibilities)
  - Time line
  - Data collection and analytics
  - Process and protocols to drive execution
  - Metrics / measurements
Follow-Up

Keys to Success:

1. Commit to it and execute (recap process)
2. Update tools and enablers with lessons learned
3. Consider use of third party to facilitate recap process
4. Don’t forget to involve Employees in the recap process (especially unit level – they hear from the guests everyday)

Action Items:

- Schedule and conduct recap after event is closed (involvement and participation of constituents is the key)
- Modify and update tools and enablers with changes
- Re-communicate updated tools and enabler
- Train and practice the changes
Why CM Efforts Fail...The Top Ten List

Are you guilty of any of these?

1. Lack of focus and priority from Leadership team
2. Organization not ready - no training or proactive planning & preparation
3. Failure to establish a strategy and details (game plan)
4. Lack of clarity and alignment (key decisions, chain of command, roles & responsibilities)
5. Did not follow through on commitments
6. Used bad data for key decisions
7. Forgot the employees
8. Lack of communication / media plan discipline – poor execution, not following the plan, strayed from the message, mixed messages, no ownership
9. Too late to act
10. Lessons learned weren't really learned
Getting Started

Quick Hits…

1. Assign ownership
2. Review current risks (recent history / current events)
3. Develop call tree – key employees
4. Assess current tools & enablers (training)
5. Don’t forget insurance
6. Assess current business partners - relationships
7. Develop basic strategy document
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