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Think about crises





Bushfire - Victoria Australia February 2009





Many people, when they think about crisis, think about natural disasters.

Our focus today is ORGANIZATIONAL crises – high profile events which can seriously damage organizations and reputations



Lets start with a question.

Crisis management is mainly about getting ready for a crisis and responding when it happens. Correct??



No. Not any more.

The new best practice is to take action to help prevent a crisis happening in the first place, and to protect reputation when the crisis itself is over.



An emerging new approach to organizational crisis management is changing

- The way we think about crises
- The role of Managers and PR professionals
- The role of the news media in the crisis management process



The traditional EVENT APPROACH

- Treats the crisis as an event
- Focus is on getting ready for it and responding after it strikes



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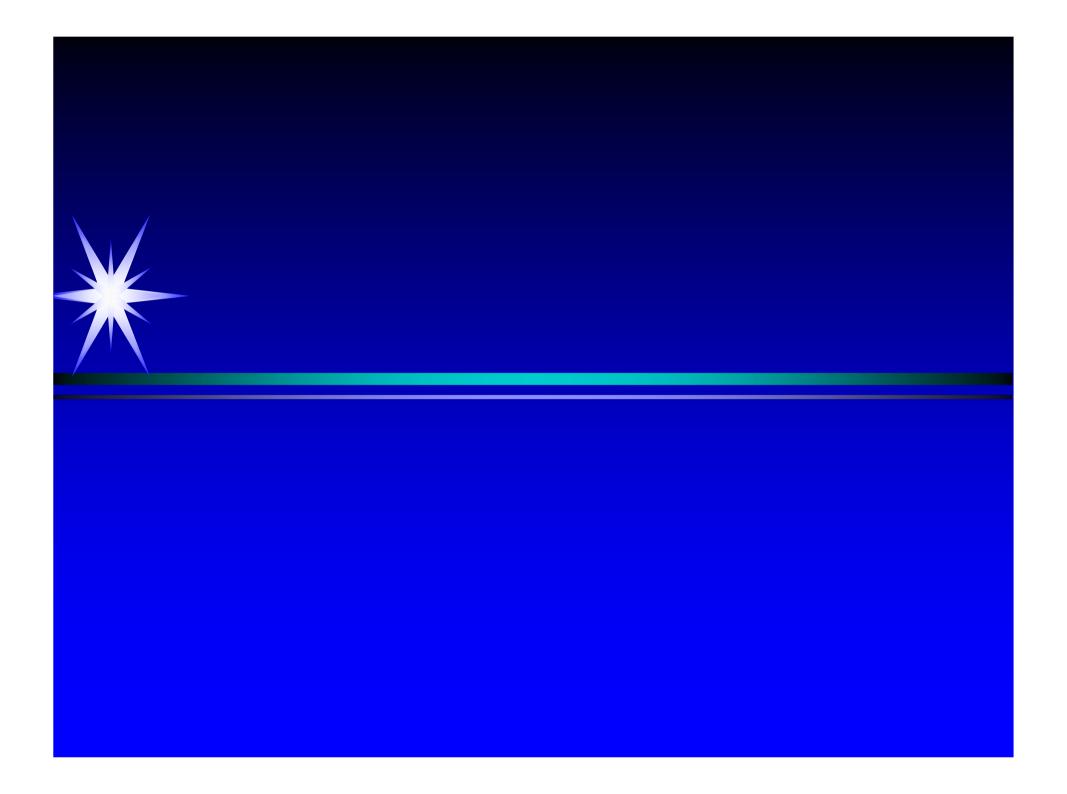
The emerging PROCESS APPRACH

- Treats the crisis as part of a process which began long before the triggering event
- Focus is on crisis prevention and reputation protection



The emergence of the new PROCESS APPROACH is built on two important ideas

(1) Most organizational crises are not sudden, unexpected events





The emergence of the new PROCESS APPROACH is built on two important ideas

- (1) Most organizational crises are not sudden, unexpected events
- (2) Most organizational crises are caused by management

Who Causes crises?



ICM 2010



For full details of this research go to Institute for Crisis Management www.crisisexperts.com



Question:

If most organizational crises are not sudden unexpected events and most are caused by managers, what is the obvious conclusion?



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If most organizational crises are not sudden unexpected events and most are caused by managers, what is the obvious conclusion?

Answer:

Most organizational crises are preventable, and senior managers must take action to help prevent such events long before they happen



A study of Australian crises over a ten year period found

- 1 in 4 cost over \$100 million
- Over 25% of the organizations concerned went out of business

Source: L. Coleman Melbourne University



Why is it important?

- Western research shows only 50% of organisations have a good crisis management plan in place
- Does your organization have an effective plan?



First, get the basics in place

Do you have

- Well-equipped crisis facilities
- Crisis management team
 - incident trained
 - regularly rehearsed
 - media trained



That's getting ready for a crisis.

What about crisis prevention?



The very best method of crisis management is to take proactive steps to prevent a crisis happening in the first place.

Here are four steps



(1)Address systemic causes of potential crises

- Does your organization have problems which "everyone knows about" but no-one takes action?
- Are people in your organization willing to tell their manager about concerns, or do they keep quiet?



(2) Establish effective signal detection

- Do you have a process for identifying risk and issues?
- When they are identified, is there a process to taking action to fix the problem?



(3) Learn from past crises

- If you have a crisis, do you honestly try to learn from it?
- If <u>another</u> organization has a crisis do you say "could that have happened to us?"



(4) Properly understanding stakeholders

- People <u>outside</u> your organization can affect your risk of crises - eg customers, community leaders, news media
- Do you have a process to properly understand their thoughts and opinions?



There are two key processes for reducing the risk of a crisis

(1)Issue management

(2) Media relations



(1)Issue Management

This is a formal process for identifying problems before they get to be crises, and taking planned action to achieve your objectives



(2) Media relations

Working with the news media helps you to

- Identify problems early
- "Frame" the problem in a way which suits you
- Communicate quickly to key audiences



- Master these processes and you have a bright future
- Just remember: The best Crisis
 Management Plan is to take steps to avoid a crisis occurring



And now a word from our sponsor



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Online issue and crisis newsletter "Managing Outcomes" www.issueoutcomes.com.au