

Leadership, planning crucial for managing a crisis

By: Kevin Oklobzija December 11, 2018

Let's say you're the CEO or president of your firm, and lately all you've been doing is smiling.

Business is strong, the forecast for the future shows nothing but growth and employee morale is sky high.

It's as though pushing the Easy button from Staples really worked.

And then, without warning, you wake up to a company in crisis.

The security of your IT system has been breached via the hacking of a third-party vendor. Or torrential rain causes a flood that turns the first floor of your business into an aquarium. Or an employee's insensitive post on social media creates an instantaneous firestorm of backlash toward your firm.

Now what?

First off, maintain composure. A crisis can be frightening, but if there's ever a time your company needs level-headed and poised guidance, it's during a stare-down with calamity.



Shawn G. Baker

“It takes a lot to be the person to stand up there in crisis,” said Shawn Baker, president of Cochran, Cochran & Yale, a leadership advisory services firm in Rochester, N.Y. “These individuals remain calm. If people see you panic, they’re going to panic.”

An initial damage assessment is critical because you need to address your staff and/or the public sooner rather than later. You quite likely won’t have all the facts or details immediately, but you need to have a general understanding of the situation from someone who has seen the damage first-hand.

“First and foremost, communication is key,” Baker said. “People tend to make assumptions based on information or misinformation, both internally and externally. You want to make sure that you, as the leader, have all the proper information.”

Be honest

Those listening to what you say will appreciate honesty, too.

“You want transparency in your message; you’re not going to lie,” said Theresa Jefferson, assistant professor of information systems at Loyola University Maryland who specializes in disaster and business-risk management. “Maybe your early message is, ‘We’re gathering all the information so we can respond the best way possible. Based on the information we have at this moment, this is the direction we’re going.’”

“You also can’t be making decisions from the vacuum of your office; you need boots on the ground. ‘Based on reports from the field, we’re doing this.’”

The initial sharing of information internally and/or externally is just the beginning, though. Providing frequent updates is a component of cool and calm leadership. There’s no such thing as too much internal communication, according to Kedren Crosby, president of Work Wisdom LLC, a Lancaster, Pa.-based business services firm that enhances leadership and culture in the workplace.



Kedren Crosby

"Tell them what you know, what you don't know and what you're doing next," Crosby said. "This can be helpful in mitigating the anxiety."

And when possible, do it in person, and be sure every mannerism reinforces your verbal message while providing positive and calming vibes.

"Non-verbals become more important than what you actually say," Crosby said. "Your words may be empathetic or apologetic but it's also important how you use your hands, how you use facial expressions."

In the case of a product defect or a social media uproar, jumping out front-and-center is by no means an enjoyable endeavor. It is, however, imperative to move swiftly with a public response. The spread of misinformation by others is difficult to derail and rein in. The more quickly you act, the better chance you have of controlling the message, Baker said.

"You really should have information out to everyone within the same business day," Baker said. "If it goes through the night, there's media speculation and the rumor mill gets going on social media."

But social media can also be your friend, according to Claudia Williams, founder of The Human Zone, a full-service employment consulting firm in Harrisburg, Pa., that specializes in recruiting, hiring, retention, performance management and employee separation.

"Being able to respond in real time is what separates the OK company from the best companies," Williams said. "The reputation ripple effect on social media can have a larger impact than the actual crisis."

Provide a vision

Along the way, updates are essential. That's when you can really sell your message. "A leader's ability to provide a vision is also important," Jefferson said. "How do you hope to emerge from this? You need to let people know what's going to happen, how you're going to do it and how you envision your organization looking when it's over." If the crisis has damaged your company's reputation, don't hide, don't cower and don't deflect. And don't delay, either. Expedience is necessary.

"Own it and understand your organization's culpability," Crosby said. "Lay a path on how you're moving forward, and then make sure the behavior aligns with whatever promises were made."

“Talk can be cheap so you might even ask the community to ‘Hold us accountable. We’re going to make this right. Watch us over the next several months and if we done what we said we’d do, let us know.’ ”

If your organization prides itself on core values, examine them. If integrity or collaboration is among those core values, then weave that into your explanation of how you’ve failed to adhere but how you plan to live up to that value in the future, Crosby said.

Not every strategic move comes after disaster strikes, however. Planning for the unknown is essential. You might not be able to predict when or what, but creating a basic crisis management task tree gives you a guide when it’s go time.

Clay Stamp, senior emergency management adviser for Maryland Gov. Larry Hogan, very much believes in the Federal Emergency Management Agency’s four phases of management: Eliminate or mitigate, preparedness, response and recovery.



Bobbie Goheen

The type of what-if plan for a crisis should be standard operating procedure for any business, according to Roberta “Bobbie” Goheen, president and CEO of Synthesis Management Group, an executive coaching firm in Rochester.

Goheen said your operational disaster plan should have four areas of emphasis: technology, customer communications, internal communications and media outreach. “For each category, you identify a person who can say yes or no,” Goheen said. “You want people who can strategically make decisions for your company at each major level.

“In our world, there’s a very democratic process. The workplace is often very inclusive with regard to decisions because you’re getting people to buy in. But when you’re in an emergency situation, you need someone who can call the shots. It takes very fast decision-making.”

Follow your preparedness plan

And the decision-maker can't be derailed by red tape, Stamp said. As the former head of emergency management for Ocean City, Md., as a reservist with FEMA and in his current role as executive director of Maryland's Opioid Operational Command Center, Stamp has worked many disaster scenes.

Experience has taught him that those tasked with crisis decision-making must be able to operate efficiently and without interference, whether it's a government agency or private industry.



Clay Stamp

"There must be structural awareness, and any walls of bureaucracy are broken down," Stamp said. "As an emergency manager, you have to have executive support." After all, that's why the crisis management plan was created. It will provide you with your step-by-step instructions.

"If this happens, I call this person," explained Goheen, who said there's nothing wrong with the STOP theory: Stop, think, observe, proceed. "Rely heavily on the book," she said. "You just follow one step after the other."

Even so, a good leader during crisis must be nimble, Stamp said. Not every aspect of a disaster can be accurately assessed right away.

"It's imperative that in a crisis you are able to monitor and shift focus if necessary," Stamp said.

Look at your crisis plan periodically and make sure to keep an actual hard copy. The cloud is awesome—when you can get there. "You may not be able to access things electronically during a crisis," Goheen said.

Have a succession plan

Oh, and don't just prepare for the natural disasters or technological implosions, either. While no one likes to talk about the grim reality of unexpected death, it's nonetheless prudent to do so.

"What would you do if the whole leadership team is flying on the same plane to a conference and the plane goes down?" Williams asks.

A company needs a succession plan in place. Yet that may be an overlooked necessity, especially in a family-owned enterprise, she said.

"The one thing every CEO should do, whether it's a large, publicly traded company or a small, family business: Plan for their death or an impairment that prevents them from being able to perform their duties," Williams said.

"Because publicly traded companies answer to shareholders, they are skilled at developing their emergency CEO succession plans. Smaller and family-owned businesses, however, might not be thinking about the worst-case scenarios and planning for them. Without a plan, the business has the potential to fold while passionate family members or other leaders fight for the throne."

Also sometimes overlooked: What happens when a person in power leaves the company? Williams said it's imperative that key information-holders sign a non-compete agreement at the same time a job offer is made.

"You need to really target the individuals that can really harm the business if they decide to take the information and run with it," Williams said. "You need to protect the business. It's just like a pre-nup (in marriage)."

Having other words prepared ahead of time also isn't a bad idea. You can have a generic script containing some basics of what to say when there is a crisis. Your mind may be racing, so you don't want to forget an essential component.

"When you are under pressure, when you are under the gun so to speak, it is hard to remember every single thing," Baker said. "Having that prepared statement will ensure you don't forget something."

But when there is tragic loss of life, then sympathy and empathy are most important; very little of what you say needs to be scripted.

"We don't want to sound like a robot; there has to be emotions," Baker said. "Everything might be from the heart. People relate to that a lot better."

The experts all say there's no substitute for planning.

"Training and preparing is so important," Baker said. "It's very hard to set aside time but it is important, not only internally but to shareholders, vendors, the community."

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