

SEVEN MINUTES TO CHAOS: INTEGRATING THE ACTIONS OF GOVERNMENT AND INDUSTRY

Geary W. Sikich

Logical Management Systems, Corp., United States of America

Keywords

Crisis Continuity Planning Hazard Vulnerability

Abstract

This presentation is designed to facilitate a greater understanding of the business continuity issues that private and public sector planners face today. Each entity (government and business) view risks, threats, hazards, vulnerabilities and their consequences differently. The expansion of terrorism worldwide has caused this perception gap to grow, not to shrink. Solutions and strategies will be discussed in an interactive format that provides insight for government and business leaders and responders at all levels, when interfacing with each other prior to, during and after an event. Are you prepared to address each other's concerns....?

- ✓ Complex Threat Issues - chemical, biological, radiological
- ✓ Threat Dynamics/Attack Dynamics
- ✓ Health and Human Capital Issues
- ✓ Integrating government and business continuity planning
- ✓ Addressing complex planning issues
- ✓ Coordination of Non-Aligned Entities

Introduction

Crisis! The mere mention of the word evokes visions of unspeakable affliction and suffering. The management teams of Government and Business, at all levels, are never put more strongly to the test than during a "crisis." The objectives are immediate and so are the results. Today, individuals responsible for the management of businesses and public agencies must learn to deal effectively with increasingly complex threats, risks, hazards, vulnerabilities and the consequences associated with them.

Do we really need coordination between Government and Business?

There are several reasons for establishing an integrated government/business crisis management team before a crisis event.

First: Government and business have a legal obligation to their stakeholders.

Second: in order to be effective, the crisis management team needs to participate in the necessary steps for developing an effective crisis management program.

Third, crises move faster than the debate. Having a plan in place is crucial for survival.

What is a Crisis?

What do we really know or truly understand about crisis? Several of my colleagues in the industry have identified various aspects of a crisis:

- Surprise
- Escalating Flow of Events
- Loss of Control
- Intense Scrutiny
- Human Factors
- Top Management Attitude
- Technology
- Public Perception
- Sudden Market Shift
- Product Failure
- Hostile Takeover

For the purposes of this paper, I offer the following definition: **Crisis**, "*A disruptive event that is amplified, elevated and magnified.*"

Phases of a Crisis

There are distinct phases that delineate the progression of a crisis.

Incipient Phase

The first phase or **incipient phase** is characterized by warning signs of pending doom or crisis waiting to happen. The warning signs are clear for the observant to see. Unsafe operating practices, failure to address known hazards, threats and risks, inadequate reporting mechanisms, are but a few of the indicators that government and business need to be aware of.

Unfolding Crisis

This is the phase where the damage actually begins. At this point, the organization becomes aware that there is an unfolding crisis.

During this phase, the organization has to eventually acknowledge that a crisis exists – this includes internal as well as public notification.

Speed at which a crisis travels

Three sub-elements within this phase contribute to the speed that the unfolding crisis develops. The first is "Time Critical," the second is "Time Sensitive," the third is "Time Dependent."

Transition to Recovery

This phase is characterized by a re-establishing of operations and information and a return to "operations as usual." During this phase, government and business need to coordinate attempts to recover and resynchronize operations.

Post-Crisis

The final and most desirable stage of a crisis is the **post-crisis phase**. During this phase, the crisis

has been rectified and the organization has fully returned to relatively normal operations.

Phases of Crisis Management

Phase I - Analysis

Before you can make a decision in a crisis situation, you have to reduce uncertainty. In order to reduce uncertainty, data must become useful information (*Intelligence*).

Phase II - Documentation

The next phase of crisis management is to develop the documentation that supports the "Analysis" phase. This generally consists of policy, plan and supporting documents.

Phase III - Training

The next phase of crisis management is training. A trained and educated workforce can do more to protect you than you can imagine. Training of personnel is a critical component of the "Integrated" approach to continuity planning and preparedness essential.

Phase IV - Maintenance

Maintenance programs assure that the crisis management program works when it is needed. Audits of all areas of preparedness need to be accomplished and this information shared between government and business.

Phase V - Execution

Coordination between government and business leaders can play a significant role in these key areas: management (decision-making), planning (strategic, tactical), operations (affected, non-affected), logistics (resources), finance (tracking/expediting), administration (compliance), external relations (stakeholders, etc.) and infrastructure (internal/external).

Ten actions to take now

- Action # 1 Make Your Enterprise an Unattractive Target
- Action # 2 Revise Employee Screening Processes
- Action # 3 Validate Business, Community and Government Contacts
- Action # 4 Assess Business Continuity Plans
- Action # 5 Train and Educate Your Workforce
- Action # 6 Equip Your Workforce
- Action # 7 Review leases and contracts for risk exposure
- Action # 8 Assess value-chain exposure to supply disruptions
- Action # 9 Review insurance policies, conduct cost/benefit analysis
- Action # 10 Communicate Commitment

Conclusion: Seize the Initiative - It Makes Sense

Every crisis carries two elements, danger and opportunity. No matter the difficulty of the circumstances, no matter how dangerous the situation... at the heart of each crisis is a tremendous opportunity.

References

- ❑ Meyer, Gerald C., "When it Hits the Fan: Managing the Nine Crises of Business," 1986
- ❑ Thinking for Crazy Times: The Art of Solving the Right Problems, 1998
- ❑ Sikich, Geary W., "Integrated Business Continuity: Maintaining Resilience in Times of Uncertainty," PennWell Publishing, 2003

Author Bibliography

Geary W. Sikich is the author of "*It Can't Happen Here: All Hazards Crisis Management Planning*" (Tulsa, Oklahoma: PennWell Books, 1993). His second book, "*Emergency Management Planning Handbook*" (New York: McGraw-Hill, 1995) is available in English and Spanish-language versions. His third book, "*Integrated Business Continuity: Maintaining Resilience in Uncertain Times*," (PennWell 2003) is available on www.Amazon.com. Mr. Sikich is the founder and a principal with Logical Management Systems, Corp. (www.logicalmanagement.com), based in Munster, IN. He has extensive experience in management consulting in a variety of fields. Sikich consults on a regular basis with companies worldwide on business-continuity and crisis management issues. He has a Bachelor of Science degree in criminology from Indiana State University and Master of Education in counseling and guidance from the University of Texas, El Paso.