



White Paper

Crisis Management:

Organizing chaos successfully

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INTRODUCTION



Imagine an anthill - a complex natural system with many individual participants performing specialized tasks in a whole company. This anthill grows, thrives and functions smoothly until a woodpecker discovers it as a delicious lunch - an existence-threatening crisis has arrived. The ant colony will probably be able to fend off the attack with targeted measures from the organized control center. In a company, this organized control center represents the crisis management team - only the queen is not alone in a human management system and the crisis management team has structures within a professional crisis organization that have an orderly effect throughout the company (and informatively back again).

The "crisis" is on everyone's lips: this ranges from the private sector "I'm getting the crisis" to the corporate sector, where unexpected events or unprepared managers are often perceived in crisis mode. But are these the real crises or just events outside our comfort zone? Is the current situation around Covid-19 a Crisis? Certainly not for every company, even if the current situation has an extreme impact on our personal and professional opportunities.



There are also companies that benefit from the Covid-19 situation - and these are not only toilet paper manufacturers. A crisis therefore presents itself differently depending on the environment and requires different approaches in different companies for effective and efficient management. Common to the crisis is the truly

threatening and company-threatening potential.

A systematically structured crisis management system helps to react appropriately to any kind of disruption. The causes of the crisis are of secondary importance. What counts is to get the situation under control and to master it. It makes a significant difference whether the reaction is structured and systematic or "from the gut".

INTRODUCTION



Even companies with excellently motivated employees and managers, great corporate culture with high individual commitment and self-commitment profit from the constructive order of a crisis organization, especially in a very confusing situation. **Rolling up sleeves alone does not help.**

The next question is: How do I get out of the crisis? To reduce all activities in a sensible and well-considered way is already a challenge. The efficient and economically reasonable return to a possible new normal operation is the bigger one. This means opening all senses to the needs of customers, the market, employees and the economy. I only engage in crisis management if I have a perspective for my company after the crisis - without this perspective I remain a sausage manufacturer who just closes the door and leaves. Crisis management is therefore also about flexibility and the creativity to recognize and use the opportunities and abilities of my company.

KRITIS companies are already obliged to have a corresponding organisation, associated companies are currently being examined in a broader context. In the true sense of the word, crisis management is profitable for every company, as the preparation of the crisis results in additional synergy effects and insights for the regular business operations.

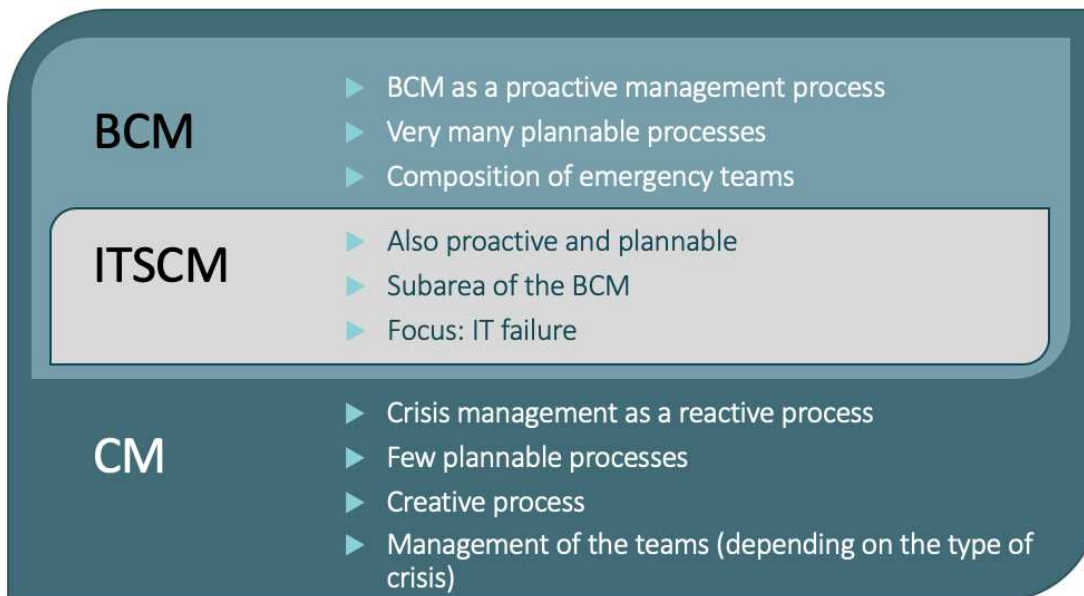


In this whitepaper we give a brief overview of the essential features and principles of a successful crisis management system.

CRISIS MANAGEMENT – BCM – ITSCM



Crisis management (CM) is often associated with business continuity management (BCM) and IT service continuity management (ITSCM), sometimes also with risk management and security / information security management (ISM). **But where are the similarities and what are the limits?**



Source: BCM Academy GmbH

In general, the focus of crisis management is on the reactive process of systematic handling of unforeseeable events by a crisis team. The crisis management team is thus something like a multifunctional protective shield. Under this protective shield, the emergency organisations and emergency teams of the line organisation (within the framework of BCM and ITSCM) carry out their prioritised activities in a concentrated and expert manner.

In BCM and ITSCM, for example, scenario plans are written proactively to organize the processes in the event of an incident. In connection with Covid-19, the pandemic plan is used accordingly (if available). However, very few pandemic plans are aimed at a worldwide lock-down, but rather at a considerable loss of personnel, which fortunately we do not have at present...

CRISIS MANAGEMENT – BCM – ITSCM



This is where crisis management can now be flexible, creative and coordinating: all the threads come together strategically in the crisis team, evaluate the options for action (e.g. on the basis of existing plans, but also on the basis of the actual situation and concrete requirements) and return the impetus for implementation to the individual parts of the company.

The latter implement and support the countermeasures tactically and operationally with their core competences from IT, security and the individual specialist and competence areas. The crisis management team usually has little detailed expertise and forms the aforementioned central control centre in the event of an incident. It assumes the overarching tasks of decision-making, coordination and communication, both internally and externally.

In our anthill: Ants are already proactively building their colonies at sensible locations, instinctively taking into account geoscientific phenomena (proactive risk management and security / ISM) - they even adapt the construction of the anthill to the natural environment. Ants use an early warning system to identify and counteract dangers (BCM and ITSCM): When it makes sense, they abandon a site and move, build alternatives or quickly adjust the number of ants and their special tasks within the colony. These are all preventive activities that are carried out specifically in individual departments or by specialists.

If a person throws a heavy branch into the anthill, it looks like a chaotic hustle and bustle at first - but in fact the branch and its impact / damage is systematically examined and a little later either integrated into the hive or taken away by many ants together. An example of two strategic decision-making options in the crisis team.

In summary, crisis management can be described as a central and coordinating point of contact for the emergency processes within the BCM and ITSCM independent of the actual event.

CRISIS MANAGEMENT BASICS



Crisis management team - crisis organisation - crisis management: these terms are juggled cheerfully in expert circles and also in this paper. **What happens now at which point?**

- **Crisis management** describes the overall system: the organized handling of a company with crisis situations and the integration into the management system in the corporate context.
- The **crisis organisation** describes the organisational structure within the company with proactive and evaluating parts such as interface management and improvement processes.
- The **crisis management team** is the body that strategically manages the crisis in the event of an incident and leads the company out of the crisis.

A crisis happens again and again - not to everyone, not always, but unexpectedly perhaps even to your company. Unfortunately, the characteristic of a crisis is its unpredictability. The Rhenish "Et hätt noch emmer joot jejange" does not really help in a real crisis and is often translated as "We know it's a mess, but it will somehow work out"...

Professional crisis management looks different and rests on three pillars:

- The fundamentally prepared **crisis organisation** - supported by a resilient mandate of the management and the ability to act within the company
- The controlling (and creative) **crisis management team** - supported by practiced procedures and appropriate documentation
- Agile **crisis communication** - active on internal, external and social media channels

Crisis management works regardless of the size and type of company and also regardless of the crisis situation. That is the strength of this system.

CRISIS MANAGEMENT BASICS



If all employees, managers, corporate partners and service providers are informed about the structure of the crisis management, they can use the control center crisis team in the event of an incident and provide professional support. The same applies to authorities and public institutions: The police, fire brigade and co. also use a crisis management team and cooperate particularly successfully with a crisis management team within the company.

The basic objectives of crisis management are:

- **Protection of human life** - Integrity of people and environment
- **Damage limitation** - avoidance / minimization of economic damage, avoidance of damage to image, safeguarding of (time-)critical business processes
- **Protection** of normal operation of unaffected parts of the plant

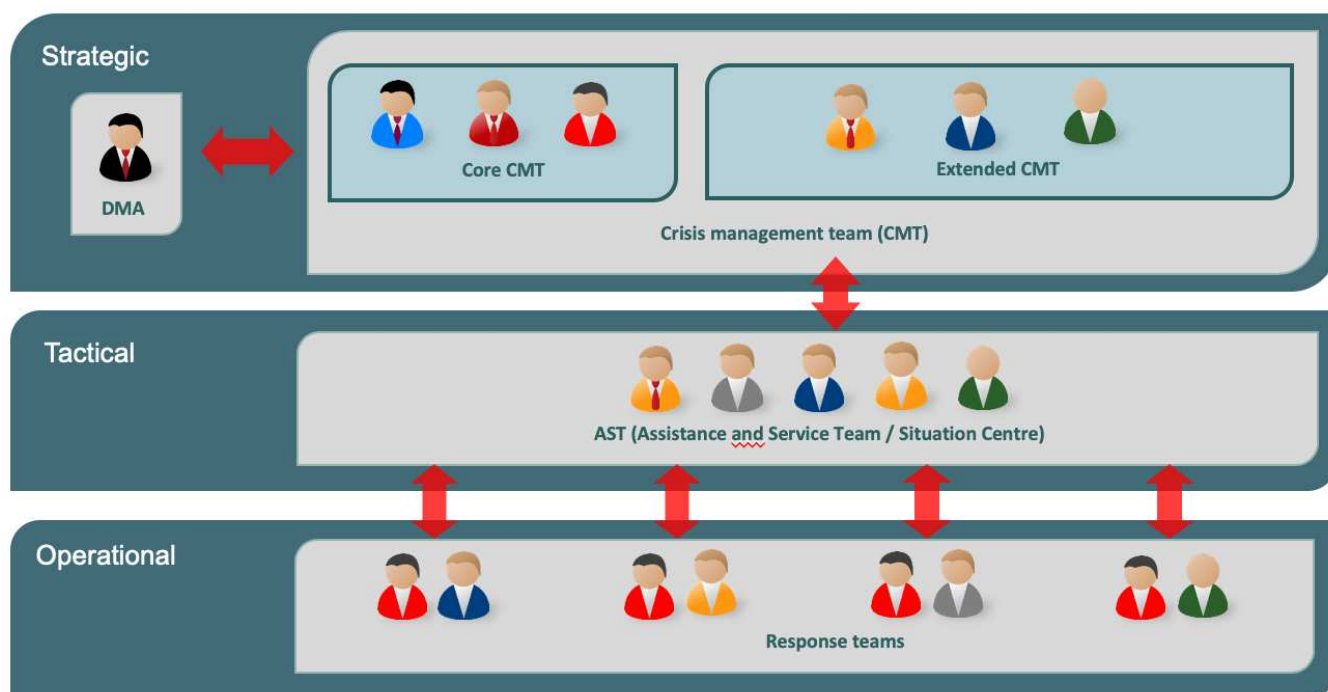
The perspective here is to ensure the company's continued existence as comprehensively as possible, including its economic viability, and to develop new business perspectives. A Covid-19 perspective is for example face masks of designer labels or costume designers who temporarily sew fabric masks. The prospect of success or, as it is called in professional circles, "getting in front of the situation" and thus actively steering is a basic principle of crisis management.

The tasks of the crisis management team can therefore be summarised as follows:

- Identification and analysis of crisis situations
- Development of options for action
- Evaluation of the prospects of success, risks, effects
- Definition of a crisis management strategy
- Prioritization and decision making
- Informing about measures taken
- Delegating and controlling measures
- Evaluation and re-evaluation

CRISIS MANAGEMENT BASICS

With the means of a structured management process, an established crisis organization enables the effective crisis management team to successfully control the fate of the company in a crisis, to make sensible decisions and thus lead it out of the crisis.



CRISIS COMMUNICATION



The third pillar is still missing: crisis communication. **Why is this so important?**

In a crisis situation, professional, timely and appropriate communication is of central importance: reputation, image and thus trust in the company (and its future) depend to a large extent on it.

"Do good and talk about it", this dictum of public relations experts also applies to crisis communication. The crisis team does not operate in a secluded chamber, but develops its full effect when it communicates transparently, both internally and externally:



- Not only do your **own employees** need to be informed about the situation, they also need clear instructions - only those who clearly communicate what is appropriate and needed in the situation can be well supported.
- **Key stakeholders and the public** must be informed transparently and as promptly as possible - but prompt always means high quality - in times of omnipresent social media channels, corporate communication will certainly not be the first source. **But please the best!**

Effective communication is not a one-way street. Media monitoring and feedback from the operative divisions of the company are valuable indicators for the control of measures and effectiveness of the decisions of the crisis management team!

Especially the active control of communication in case of a crisis requires intensive knowledge of the corporate culture, a lot of sensitivity and last but not least a considerable volume. For this reason, the responsible representative for communication in the crisis management team is a central functionary, ideally supported by a back-up team.

CRISIS COMMUNICATION



Good preparation can help in the accomplishment of this Herculean task. Success-oriented preparation includes:

- Establishment and documentation of organisational structures within corporate communications - presumably for all employees in the department
- Establishment of procedures and tools - wording templates, language rules, coordination of hotlines etc.
- Preparation of a darksite (technical and content-related) - especially for quick availability in case of crises with personal injuries
- Overview of policy options Communication - an overview makes it easier to choose the appropriate approach
- Creation and maintenance of contact lists - including the results of the stakeholder analysis

In acute crisis management, the possibilities of crisis communication are manifold: again, the opportunities for information exchange must be actively used. In this context, the communication of reliable facts is crucial. Lack of communication, inactivity and passivity are seen by the public and employees as an indication that the company has lost control or has no interest in the continued existence of the company.

Crisis communication is a **key success factor** for the internal and external perception of a company's crisis management and promotes the future prospects of a company.

CARE

Professional sectors such as fire brigades, police and hospitals, but also some sectors such as the airline industry have for years maintained internal contact points and programmes for psychosocial aftercare (care) after stressful events.

This development is based on the motto "what is created in service should also be remedied in service". There is concrete support for discussions about stressful events that occur naturally and regularly in the professional groups mentioned above: Flight attendants resuscitate a passenger, firefighters rescue burnt victims of a house fire, policemen are in the spotlight in cases of domestic violence, nurses and doctors accompany drastic courses of illness, etc.

The corresponding care options help those affected to return to their everyday working life as well (and indeed quickly) as possible. Long absences from work and emotional damage are thus proactively avoided.

So far, so comprehensible. But why does a less exposed company need care? The realization that the management of any company in a crisis also has a duty of care for its employees is not very common in Germany: Where "rescue, salvage, extinguish" ends, the responsibility of the company begins.

As a rule, this can easily be implemented by making small adjustments to a company's general welfare concept - with great effect also in the fundamental perception of reliability and social competence for the employees.

What is important here is appropriate individual care, which provides support and offers targeted measures for coping with stress, with which health problems or illnesses after extreme events can be prevented and which contribute to a rapid return to "normal everyday life" (private and professional).

PROACTIVE CRISIS MANAGEMENT



Again and again it is stated: Crisis management is a reactive process that can be flexibly adapted to any situation. So what are the proactive parts of crisis management?

A successful implementation requires expert preparation and follow-up. Crisis management can be introduced in a company within the framework of a project, but as a process it must be regularly developed further by a person in charge and initiator in the company in order to be able to develop its full effect, to offer procedural security for all employees and, in particular, to give the crisis team the ability to act professionally. Fortunately, crises rarely occur and are therefore hardly part of the daily routine of those in positions of responsibility...

Preparatory actions include :

- Identification of core processes and key stakeholders - if necessary, special damage potential
- Development of the crisis organisation, establishment of interfaces and implementation of processes - e.g. reporting chains, definition of responsibilities, escalation levels and thresholds
- Establishment, training and exercise of the crisis unit - to increase the operational and intervention capacity
- Establishment of the working methods of the crisis team - including checklists, protocol and visualisation techniques
- Preparation and revision of documents on crisis organisation - for basic implementation and procedural security
- Quality assurance in a corporate context - internal and external auditing possible
- Provision, maintenance and care of a crisis management room/alternative rooms and their equipment

PROACTIVE CRISIS MANAGEMENT



The **downstream** measures include :

- Development and implementation of an evaluation process - with all actively involved
- Preparation of a regular reporting system to the management - for basic anchoring in the company and for awareness raising

In crisis management, organization and structure are the most important factors in successfully counteracting the chaos of the crisis. Processes, procedures, responsibilities and materials are clearly defined in advance. In the event of an incident, creativity and flexibility are then added.

The defined structure enables the crisis team to keep a clear head, so that they can deal creatively and confidently with situations that were not expected. On the basis of a well-prepared structure, the entire company is put in a position to work together to overcome the crisis. Good crisis management is teamwork based on a well thought-out organization.

CONCLUSIONS



Please pay attention to the specifics of your company: Only if the crisis management structure fits your company can it be successful in a crisis.

Smaller companies will staff their crisis management team differently from international corporations in terms of personnel and functions. Reporting channels and interfaces will look different in a company with 300 employees than in a large company that may even be systemically relevant.

The following considerations are generally recommended:

- What mandate does the crisis unit receive from the management? May it actively intervene in all corporate divisions to avert the crisis? How flexible do you want to and can you be, for example, in a future-oriented realignment?
- What are your main corporate goals and thus the prioritized business processes that the crisis organization is to protect? - This should be coordinated with the BCM.
- How is your company structured? Which structures already exist at which level?
- What makes up your corporate culture? How do you reach, inform and control all employees? Which structures work successfully in your company?

We return once more to the twig in the anthill: If the anthill is small, the ant population barely developed, and spring is approaching, the queen may move to another place. If the anthill is large, the individual ants are already well connected and developed, perhaps the twig is not a problem at all and the integration of the raw material wood into the heap is even an enrichment. Crises therefore present themselves in very different ways and require an individual assessment for the right steps.

CONCLUSIONS



Finally, the question: Does crisis management also make sense for companies that are not legally obliged to do so?

Of course, because the special organisational structure helps every company to overcome crises, avert damage and ensure an orderly return to normal operations.

Controllit AG can provide you with professional support on your way to a company-specific crisis organisation, during active crisis management and during your return to normal operations.



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Controllit is your partner for Business Continuity Management (BCM) - Since our foundation we have been developing integrative concepts and products for Business Continuity Management, IT Service Continuity Management and Crisis Management. We help you with strategic, organizational and technical concepts to secure your business processes against threats and to provide for emergencies.

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