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Crisis Contingency Planning, Risk Assessment Doubly Vital In Today's Climate



Richard Levick Contributor

I write about the intersection of business and public affairs.



US Military personnel organize aid and supplies for residents affected by the passing of Hurricane Maria in Barranquitas, Puerto Rico, October 23, 2017. (RICARDO ARDUENGO/AFP/Getty Images)

No industry or corporate brand these days is immune from being overwhelmed by natural or man-made tragedies. One day this fall, employees of a Marriott resort on the Caribbean island of St. Thomas were helping visitors bask in a tropical paradise. A day later, after Hurricane Maria hit, those same employees were helping guests escape to higher ground as they fled onrushing floodwater.

No good deed goes unpunished: after video of the Marriott employees' heroics went viral, they were [criticized](#) – unfairly, it turns out – for not offering assistance to non-resort evacuees.

The day before Halloween proved unremarkable for employees of the Passaic (NJ) Home Depot. Twenty-four hours later they were huddled in front of TVs, horrified to learn that a truck rented at their facility had been used to kill eight people across the Hudson River in Lower [Manhattan](#). There, amid the yellow police tape and buzzing helicopters, was an abandoned vehicle with “The Home Depot” painfully visible.

In the wake of the mass shootings that sadly plague our society, it's not just gun and ammunition makers that are vulnerable to public outcry and brand diminution. As happened in the [Las Vegas massacre](#), elements of the hospitality, tourism, gaming, and entertainment industries suddenly found themselves embroiled in a nightmare.

“Nightmare” doesn't begin to describe what befell the people of [Sutherland Springs](#), Texas, on Sunday morning, November 5. Who knows what institutions will face liability as investigators establish how a convicted domestic abuser dishonorably discharged from the U.S. Air Force could get his hands on an assault rifle, a cache of other automatic weapons, and enough ammunition to arm a small militia?

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The point is that every organization, especially corporations with recognizable names and consumer-driven products and services, must prepare for the eventuality of being caught in a debilitating crisis not of their own making. As we've learned this fall, sometimes these crises are not the organization's fault, but "acts of God," enemies, or nature.

At workshops all over the country, corporate general counsels tell me that cybersecurity breaches – often the handiwork of craven competitors or foreign troublemakers – are their biggest threat these days.

What should smart companies be doing to prepare for potentially catastrophic contingencies?

First and foremost, ***use peacetime wisely***. Now, before the calamity hits, is the time to update the crisis plan and conduct company-wide drills and table-top exercises for select personnel. Encourage people to think outside the box when planning the drills. No scenario is too wild these days. Pull together the organizations "greatest hits" and have positive video and online materials in the can and ready to go. It's not about anticipating all of the possible scenarios or checking boxes. It's about changing the DNA so people act in crisis, not freeze.

Second, ***strike down the silos***. Get Legal working hand-in-glove with Public Affairs, Communications, Investor Relations, Human Relations, and Marketing. The Information Technology people will be vital in the event of big trouble. Incorporate them into planning from day one and make them integral members of the team. In a hyper-democratic and transparent economy, adversaries strike at corporate Achilles heels, almost always in the cleavage between the silos where potentially responsible executives are likely to think "not my job." Integrated threats require integrated defenses.

Third, ***engage C-suite executives***. Don't delegate crisis planning to mid- and junior-level staff. The CEO and senior staff need to roll up their sleeves and troubleshoot along with managers and supervisors. A crisis is where leadership earns its money. Almost anyone can handle peacetime.

Fourth, ***reach out to local officials and decision-makers***. Let community leaders know that you're doing the drills to protect jobs and the local physical and economic environment. If there's a role they can play in the planning rollout, tap them. Their support will be needed in the event of a real crisis.

And finally, ***constantly assess new and evolving threats through sophisticated risk-mapping***. Natural disasters don't first surface on Facebook, but most other orchestrated crises do. Plaintiffs firms have to go fishing for plaintiffs; regulators for examples; and NGOs for marchers. There's almost always a canary in the coal mine. Your Enterprise Risk Management team needs to think and act differently: Who is the first person tweeting on an issue? In what language? Who is following them? Has someone filed Lobbying Disclosure Act paperwork that indicates there is a paying adversary? Have you noticed a change media activity or NGO fundraising appeals?

Social movements in their nascent stages leave footprints. In almost every industry – food, sugar, energy, technology, entertainment – early warning signs were ignored due to the intoxicating comfort of the present. Forewarned is forearmed.

As [Deborah Kelly](#), a partner at Manatt, is fond of saying, “Only on TV is winning a suit enthralling. Prevention is the right thing to do and far more inexpensive; litigation is exorbitant and, at best, only partially ‘cleans up’ a mess. A lawsuit invariably damages a company’s brand and is front-page fodder; if an exoneration comes it takes years and is buried in section D. Companies need to get ahead of the curve and make sure they have the best practices in place so no one inadvertently steps on a legal landmine.”

No amount of employee training or prevention will preclude a hurricane or some other natural disaster from disrupting company operations. But contingency planning and risk assessment are indispensable in helping companies combat and recover from storms of all shapes and sizes. As President Kennedy famously observed, “The time to repair the roof is when the sun is shining.”

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