

To The Point Crisis Management

CHUBB®



Dealing with a Crisis Event Should Not Be Left to Chance

All types of businesses face the potential for a crisis. For example, an explosion at a manufacturing plant, a shooting at a financial institution, a roof collapse at a shopping mall, violence in the workplace, a fire in a hotel, or a group of consumers claiming illness from a tainted batch of products. Such crises can have the immediate impact of injuries and damage, as well as the longer term damage to a company's reputation, loss of consumer confidence, and other consequences. By anticipating various crisis scenarios and developing response plans, the impacts of such crises can be significantly reduced.

Plan Ahead

To be effective, crisis management plans should be developed well in advance of any potential crisis. The goal of the plan should be to help you take charge of the incident, determine the facts, tell your story and fix the problem – quickly and efficiently. The longer it takes to

implement an effective plan that mitigates the impact of the crisis, the greater the damages your organization is likely to face.

Crisis planning should consider a broad range of events that may occur. Components of the crisis plan should include:

- Garnering the full support of executive management to respond quickly and effectively if a crisis occurs.
- Establishing clear roles and responsibilities of a crisis management team whose members should include individuals from key business areas and a designated leader.
- Identifying regulatory authorities that might need to be notified or that can offer information and guidance on crisis management and response, both in preparation for an event and during an event. Creating procedures for contacting crisis management team members who will need to be prepared to respond quickly to support and effectively contain the crisis at any time of the day or night.

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- Conducting mock disaster exercises to assess your preparedness for a real life event, with performance measurements and outcomes, as well as suggested improvements.
- Consider hiring a crisis-management consultant for media training and for performing a crisis audit. When selecting a consultant, seek expertise with your industry segment and ask for references from industries similar to your own.

Take Charge of the Incident

Regardless of the type of crisis event, quick action is needed to limit any negative impact, especially adverse media coverage.

- Immediately assemble your crisis management team and establish a command center.
- Hire a crisis management consultant and seek the advice of legal counsel, local authorities, and your insurance agent/broker and others.
- Identify steps needed to quickly mitigate any further harm or threat - since the incident must be contained in order to prevent further damage.

Determine the Facts

An after-the-fact assessment of the crisis is essential to understanding the root causes.

- Be careful about jumping to conclusions. Look beyond the obvious reasons in order to ensure effective resolution and appropriate communications to the media and others.
- Consider the impacts on various stakeholders, from employees to suppliers, vendors, customers, etc.

Tell Your Story

During a crisis, when emotions are running high, employees may be caught off-guard by reporters who are looking for information. Regular reminders to employees that all external communications with the media must go through an approved single point of contact will help to avoid potentially embarrassing or damaging employee statements.

Address the unique information needs of external audiences (general public, government agencies, etc.) Consider targeted communications to those who might be in a position to assist in resolution of the crisis, such as suppliers, vendors, distributors, financial agents.

After a Crisis Event

Even when a crisis has stabilized, the long-term recovery of your business may not yet be assured. Important follow-up steps should include:

- Continuously communicating ongoing company efforts to resolve the crisis.
- Monitoring and reporting any lingering effects and residual fallout in various media outlets, including social media.
- Conducting a post-crisis analysis to identify opportunities for improvement of the crisis preparedness and response plan.
- Revising plans as appropriate and training staff on new procedures.

Summary

Crisis management is a dynamic process. Crisis management plans should be regularly reviewed and updated to reflect potential threats, revised authorities and accountabilities, changing resource demands, and stakeholder profiles.

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