



Turbulent Times

Strategies for dealing with catastrophes, Black Swan events & Crisis Management



Join the conversation:

#nmhcOPTECH

@apartmentwire

NMHC **OPTECH**
CONFERENCE & EXPOSITION

2016

November 14 -16, 2016
Hilton Anatole
Dallas, TX

Agenda

- Welcome & Introductions
- Overview of Black Swan – 15 minutes
- Moderated Discussion – 20 minutes
- Open Audience Q&A – 5-10 minutes



A Black Swan



- Strategic, not Tactical
- Black Swan = highly improbable event with 3 characteristics:
 - It is unpredictable
 - It carries a massive impact
 - Organizations can be blindsided because they concentrate on what they know and fail to consider there are things they *don't* know
- Frequency may be statistically insignificant, these events DO occur

Source: Taleb, Nassim Nicholas. *The Black Swan* . New York: Random House, 2007.





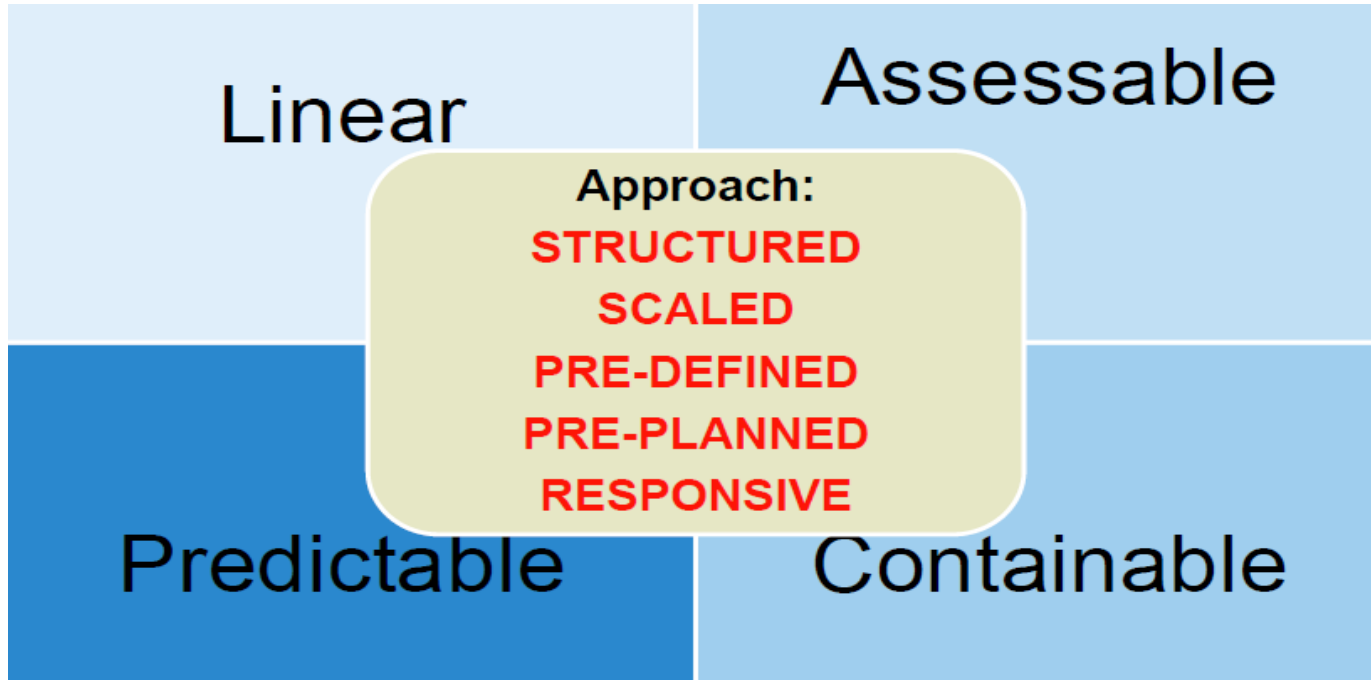
What is Crisis Management during a Black Swan?



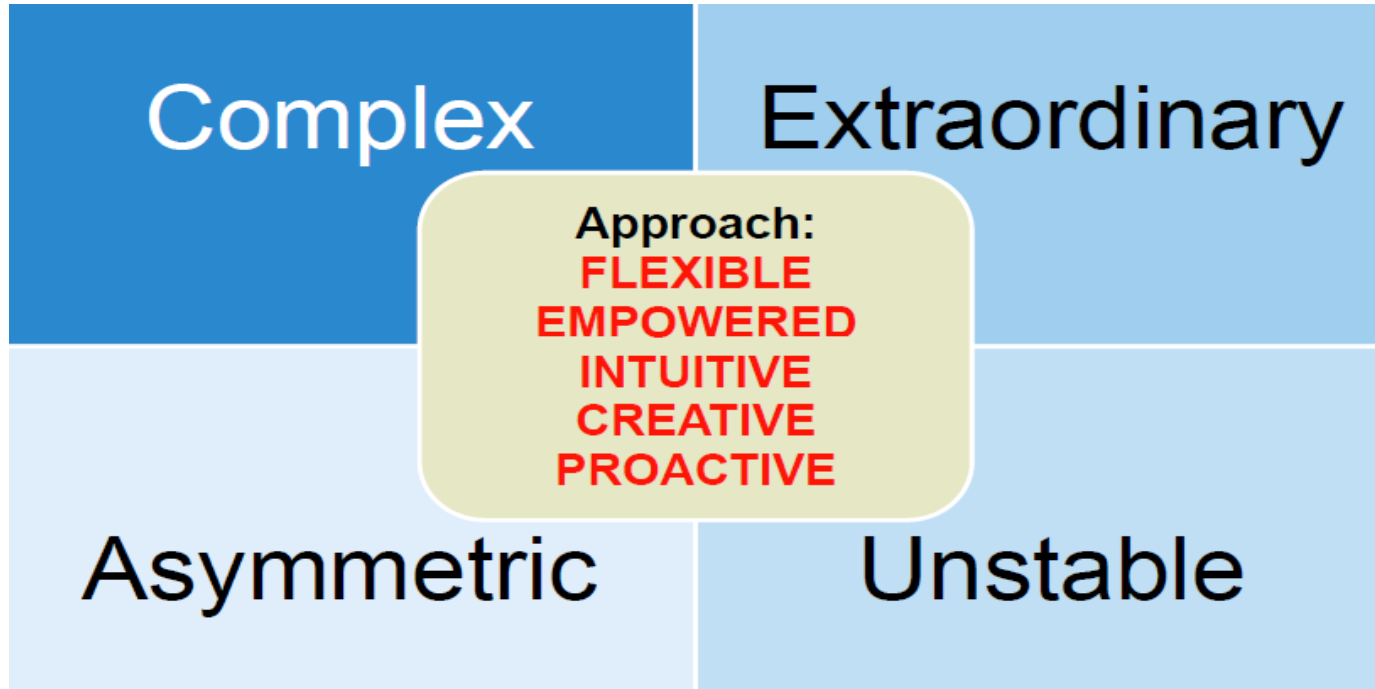
#nmhcOPTECH @apartmentwire

INMHC **OPTECH**
CONFERENCE & EXPOSITION

Characteristics of an Incident



Characteristics of a Crisis



Causes

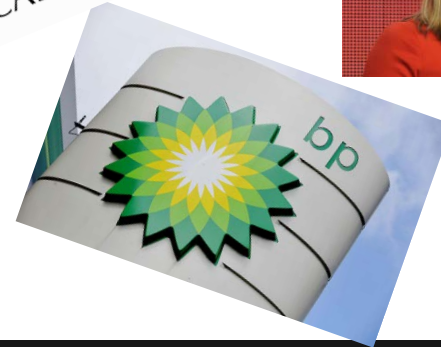
- A Lack of Preparedness
- Inappropriate Responses
- Systemic Failure
- Inertia, “Paralysis of Analysis”
- Poor messaging
- Ignorance & Arrogance



SONY
make.believe



UNIVERSITY OF
CALGARY

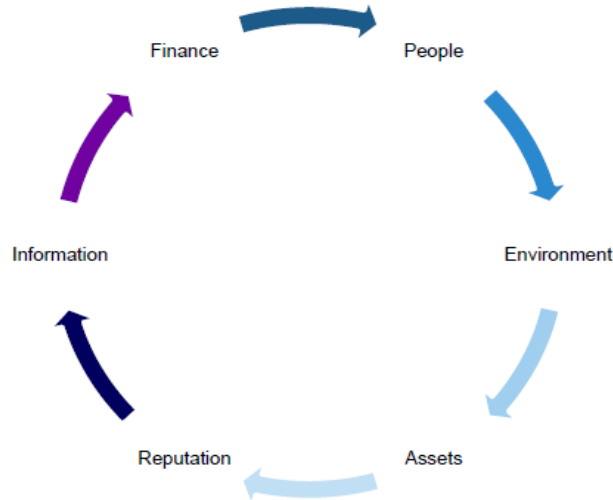


Why Should We Manage Them?

- To support our People - demonstrate Duty of Care
- Operational resilience (to sustain business)
- Regulatory requirements
 - OSHA, FCPA, Workers Compensation, Cyber breach
- To continue generating revenue
- Reputation



Why Should We Manage Them?

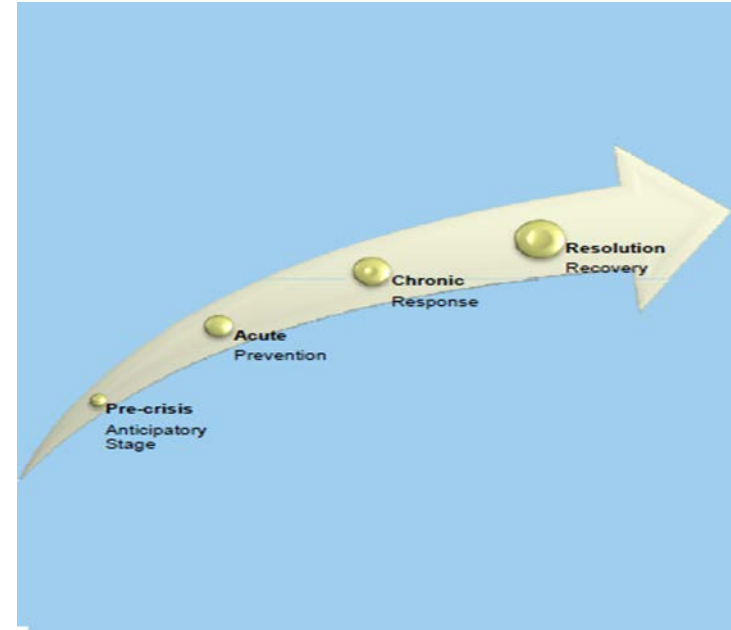


- “A well-managed crisis can demonstrate the positive qualities of an organization and enhance its general reputation”
- Denial, fear and or complacency on the part of senior management will increase the organization’s vulnerability, hamper its response and degrade its capacity to recover from a crisis”.



Who: Crisis Management Team

- Define roles & responsibilities (& ownership)
- Provide plan/structure; objectives & aims
- “Add Value”
- Training (familiarization)
- Improvement



Roles on the Crisis Management Team

- **Crisis Team Lead:** Lead, coordinate, documented, Board & Site Liaison, Site Oversight, final decision maker
- **Legal:** Advisor (obligations & liabilities), work with risk management on insurance, advise on statutory obligations
- **HR:** Advisor on employees, family support, work with risk management on insurance, advise on obligations
- **Facilities/Security:** Provide art-of-the-possible guidance for site/portfolio planning
- **Finance:** Assess impact, advise on access to funding, record financial decisions
- **Comms/Marketing roles:** crafting internal & external comms, media strategy, advice on comms response, media engagement
- **Site Representative:** individual from location of crisis
- **Scribe**



Decision Making

- *Tempo* is Important
- “So What”
- Inevitability of:
 - Trade-Offs
 - Conflicts of Interest
 - Stress, Pressure, Fatigue
 - Clashes of Personality & Style
- Possibility of:
 - Distress, Anger,
- Consequences measured in years - Must be Recordable

Right Decision Preferable
Wrong Decision Regrettable
No Decision Unforgiveable



Recording Actions & Decisions

- Provides Structure for decision-making
- Presents your Strongest Mitigations
- Management of Information – The Common Recognized Information Picture (CRIP)
- Shows Who, What, When, Where, Why, How
- Demonstrates Competence
- Supports Defense against Prosecution

“If it’s not Written, it Never Happened” !!



Recording Actions & Decisions



Communications – What it Should Say

- Inform
 - Current, accurate, timely
- Reassure
 - Situation is being managed
- Effective
 - Care for those involved / affected;
 - Analysis and identification of causes;
 - That leadership is in control
 - The organization is prepared
 - The organization is resilient
- Establish
 - Expectations
 - A way forward



Spokespersons

- **Someone who is Trained**
- **Someone who has the Facts**
- **Someone who has been Briefed**
- **Someone who can Speak Well**
- **Someone who can follow the Script**
- **Someone who Knows the Company Well**
- **Someone who understands the media**
- **Someone who is Presentationally “Right”**



Key Points

- Know your priorities
- Understand triggers and escalations and to use them
- Empower crisis management team
- Promote “decision cycling”
- Record events and decisions
- Communicate effectively
- CMT must *add value* to the situation
- Identify, learn and implement lessons

Remember:

***Right Decision Preferable
Wrong Decision Regrettable
No Decision Unforgiveable***

