

## **Guidelines for Developing a Crisis Management Plan**

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Don't wait for a catastrophic event to occur to develop your Crisis Management Plan. Failure to respond promptly and responsibly to an emergency may result in injuries to personnel, damage to property and the environment, business interruption, loss of customers, damage to the company's image and, in the worst case, failure of the firm.

A good manager knows that a well-managed safety and loss prevention program helps minimize the risk of catastrophic events, but also understands that a crisis can occur and failure to respond quickly and correctly could have far-reaching consequences. When a catastrophic event occurs, the affected business must have a well-prepared and rehearsed Crisis Management Plan in place.

The size and nature of your business will dictate how your firm manages a crisis. For example, the challenges facing a transportation or construction company will be different than those faced by companies with a single site under their exclusive control. Regardless of the size and nature of your operation, there are certain fundamental issues that will have to be addressed.

An effective Crisis Management Plan anticipates:

- The types of emergencies that could occur
- The resources needed to protect people, equipment, the environment and the assets of the company
- Which groups and agencies may respond or seek information about the event
- Continuity of operations and
- Possible litigation.

One component of an effective Crisis Management Plan is an Emergency Response Plan (ERP). The Crisis Management Plan is the overarching document that contains detailed policies and procedures for managing the undesired event from start to finish. The ERP provides the framework for managing the initial emergency until the initiating event and any subsequent emergencies have been controlled or mitigated to a non-emergency situation. The Crisis Management Plan is implemented in the early stages of the initial emergency and addresses issues beyond the scope of the ERP.

The ERP should be multi-layered to provide immediate response from onsite personnel if available and include provisions to expand response activities with off-duty and outside personnel

on short notice. The ERP should make the best use of all available resources including public and private sectors.

The ERP should address all types of emergencies that could reasonably be encountered and meet the requirements of appropriate local, state and federal regulatory agencies such as; law enforcement, OSHA, MSHA, EPA, DOT, USCG and the Office of Homeland Security. It should include an Incident Command Structure that can work well with on- and off-site personnel including the local emergency response planning commission (LEPC).

A comprehensive ERP anticipates and prepares for:

- Onsite response, shelter-in-place and/or evacuation
- Off-site notification and response
- Response to community needs
- Dealing with the press
- Incident investigation
- Post-accident clean-up and restoration of operations
- On- and offsite claims handling including potential litigation
- Post-accident regulatory inquiries.

The ERP and Crisis Management Plan, herein termed the “Plan,” should include response to:

- Injuries
- Chemical spills or releases
- Fires
- Explosions
- Severe weather
- Bomb threats
- Civil disturbances
- Labor disputes
- Security breaches
- Terrorism
- Transportation emergencies
- Workplace violence
- Widespread outbreaks of infectious diseases (i.e., avian flu)
- Reports of managerial or corporate misconduct that could have a catastrophic impact on the company.

The Plan should include notification of:

- Police, fire and ambulance
- Regulatory agencies and community leaders
- National Emergency Response Center (for chemical spills)
- Company officials/employees
- Neighbors
- Next of kin

- News media
- Insurance companies
- Attorney(s)
- Trauma counselors
- Emergency response contractors.

The plan should anticipate response by:

- Police, fire and ambulance
- Local, state and federal agencies
- Media representatives
- Community leaders
- Employees and family members

It is essential that Emergency Response Personnel work through an Incident Command System (ICS). Failure to do so could result in conflicts, delayed response and possible citations.

The plan should anticipate possible investigations by one or more of the following groups:

- Occupational Safety and Health Administration (OSHA)
- Mine Safety and Health Administration (MSHA)
- Environmental Protection Agency (EPA) and Department of Environmental Quality (DEQ)
- United States Coast Guard (USCG)
- Federal Railroad Administration (FRA)
- National Highway Transportation Safety Board (NHTSB)
- Chemical Safety Board (CSB)
- Other regulatory agencies
- State Police/Law Enforcement
- Attorneys
- Local District Attorney.

Keep in mind some agencies want to start their investigation and interviews right away. Company personnel will need to be readily available to support and facilitate these investigations.

The plan should establish the protocol and logistics for handling the following tasks or activities including:

- Internal and external communications
- Internal and external investigations
- Notification and meeting the needs of next of kin
- Retention of trauma counselors
- Retention of counsel
- Dealing with the media and release of information
- Site access
- Photography
- Collection and preservation of evidence

- Chain of custody
- Requests for and duplication of documents
- Access to proprietary information
- Employee interviews
- Employee access to counsel
- Pre-citation settlement agreements
- Claims handling and management
- Access to financial capital
- Access to contracted services.

Noted problems in the past include:

- Failure to promptly assume control of the incident
- Company personnel are overwhelmed by the magnitude of the incident and requests for information from such groups as; employees, family members, company executives, law enforcement and regulatory agencies, community leaders, clients and others
- Failure to promptly notify, communicate with and address the needs of affected personnel and families
- Inadequate resources (people, materials and equipment) during the early stages of the incident
- Failure to identify and communicate with external resources that may be required
- Company personnel are not accustomed to working within an Incident Command System (ICS) and are left out of the loop during the emergency response
- Failure to accurately communicate with the media in a timely manner
- Failure to begin an organized investigation due to the lack of personnel, protocol or training
- Failure to promptly communicate with employees, clients and customers concerning the situation
- Failure to manage the rest of the business during the crisis.

To overcome these issues, Crisis Management Teams are usually organized according to functions. These functions often include:

- Team Leader or Coordinator who reports to Senior Management and manages the entire process
- Emergency Response – coordinates / manages the overall emergency response activities
- Incident Investigation – coordinates all incident investigations and often reports to the legal department
- Operations – handles all temporary and ongoing operations
- Maintenance – coordinates all maintenance-related activities
- Engineering – provides support to the organization on all technical-related issues
- Security – handles all security-related activities including site access
- Human Resources – handles all notifications of and response to employee and family members' needs, i.e., hotel accommodations, medical and death benefits
- Communications – assists the Team Leader in the management of all internal and external communications
- Media Relations – meets and greets media representatives and coordinates all statements to the press

- Community Relations – works with community leaders and affected businesses or members of the public to resolve issues related to the incident
- Client and Customer Relations – addresses the needs of clients and customers including making arrangements for fulfillment of orders, meeting contractual obligations, etc.
- Safety, Industrial Hygiene and Loss Prevention – provides technical assistance to the organization and is heavily involved with responding regulatory agency personnel. Members of this group often work in concert with the legal department and Human Resources
- Risk Management and Insurance – coordinates activities of all insurance carriers
- Medical – coordinates all medical related issues
- Environmental – handles response to environmental related issues and works with environmental regulatory agency representatives
- Logistics – handles all requests for personnel, materials and equipment (purchasing and procurement)
- Finance – handles all financial activities associated with the incident
- Legal – retains counsel and coordinates the efforts of all attorneys working on behalf of the company. In many cases the legal department will review and issue all incident investigation reports in order to maintain attorney – client privilege to the extent possible.

Keep in mind, some of these functions may be combined or contracted to others. Some may not be needed but should be considered as part of the overall hazard and risk analysis. The main thing to understand is that each function must be addressed in a timely manner. Duties and responsibilities for each function must be clearly identified and communicated. Training must be provided to those with primary responsibilities as well as an alternate for each. Regular table-top drills and critiques are critical.

Do not ignore the media. You can provide them with current and accurate information or they can find others who will speculate. Your response can be very positive, but if it is not effectively communicated and reported, the end result can be devastating.

## **Developing a Path Forward**

A team approach should be used to develop a firm's Crisis Management Plan. The team should include a cross-section of key executives and/or managers and involve appropriate staff members. When organizing the team, consider who will handle the functions previously discussed. Here are a few suggestions for starting the process:

- Perform a hazard and risk analysis to identify the potential for serious or catastrophic events. Determine what safeguards are in place and if they are adequate. If not, develop and implement the appropriate safeguards.
- Based on the hazard and risk analysis identify tasks and functions required to manage a crisis.
- Draft a Crisis Management Plan with clearly defined duties and responsibilities.
- Verify that Emergency Action/Response Plans are:
  - in place and involve trained incident personnel
  - adequate (from a business and regulatory standpoint)
  - well understood
  - well rehearsed.

- Draft an Incident Investigation Procedure that supports the Crisis Management Plan.
- Verify that personnel responsible for each task or function have the necessary tools, equipment and training.
- Make prior arrangements with attorneys/law firms who specialize in the areas that may impact your organization, i.e., OSHA, MSHA, DOT, EPA, USCG, etc. Have their contact information readily available.
- Keep internal and external emergency contact names and phone numbers up-to-date and readily available.
- Make prior arrangements with consulting / technical firms to provide such services as:
  - Industrial hygiene, environmental monitoring and toxicologists
  - Photography, including thermography and aerial photography
  - Forensic engineers and metallurgists
  - Safety, Health and Environmental Specialists
  - Translator(s) if English is a second language for those who could be involved
  - Trauma / grief counselors
  - Evidence gathering firms
  - Specialty contractors.

Review and update your Emergency Response and Crisis Management Plan at least annually. Provide refresher training on a scheduled basis and test the system with a drill or dry run. It is far better to develop and rehearse procedures that you hope are never needed than to develop a plan during the middle of a crisis. The learning curve during a crisis is steep and usually very expensive.