

Essay on crisis management plan

[Business](#), [Company](#)



Crisis management plan

The Champions Company

Champions Company is a multinational retail company based in New York. This company deals mainly in sale of electronic equipment. This company has four stores within New York and two of them outside the country in Italy and France.

Statement from Management to Employees on crisis management plan

A crisis plan is an elaboration of the necessary steps that should be taken to ensure that a certain crisis or negative outcome or impact does not affect the company or in case it occurs, the necessary steps to follow so as to ensure that the case is dealt with professionally.

Crisis Inventory and Results

In this plan, the first thing to develop should be a crisis inventory. This is a document drafted after a careful research dictating of the most probable risks, the public affected and how to deal with each public affected. The most important publics are the clients, customers, management team, employees, suppliers and the government. The document also outlines how to manage the crisis and the best way to deal with reporting. Having a documented crisis inventory plan allows for an immediate uniform response to be taken for most scenarios thereby reducing potential losses for the organization. While not all situations can be accounted for, companies should learn from each crisis as it occurs and while responses are executed.

Since Champions Company is a multinational company, it is faced with many

potential threats in the operational environment. This is mainly due to the exportation process and the many employees it has. It also serves a very wide market thus the exposure to threats is very high (James, 2009).

In this plan, the main public to address is the employees of the company who might be in position to meet certain challenges. The company thus will empirically model this plan to cover only what is necessary for the employees.

Each and every employee should be in a position to know which situation presents a crisis to the company. For a simple recap, this is any undesirable event that might pose potential harm to the employees, company assets or any impairment in the normal running of the company. This means that any aspect likely to cause instability or unnecessary pressure is a potential source of a crisis.

The second thing that every employee should know is a crisis inventory. This is a document that explains or just outlines the most probable threats that face the company. These threats are the very first things to assess in case any employee smells a rat in any place of business transaction. In some inventories, a sequence of the necessary steps to take may be given to ensure rapid response in case of a crisis.

In our company, the crisis inventory is as outlined below but will usually accommodate other potential sources of threats not outlined. Since the main public addressed is the employees, I think other areas like macro environmental factors are not of any great use. This is the reason why I have empirically modified my inventory to cover only the most probable crisis or risks in the employees' environment (James, 2009).

Major fire or explosion.

Embezzlement of company funds.

Natural disaster.

False allegations on the agency.

Loss due to theft.

For a clear analysis, a table of the crisis probability is given below.

crisis

probability

Damage level

Location most vulnerable

Description

Fire or explosion

All

Any place can have an explosion or fire outbreak

Funds embezzlement

All

Management can decide to siphon funds into their private accounts.

Natural disaster

New York

U. S is more prone to natural calamities than the other two.

False allegations

Italy and France

theft

all

Any place is prone to theft thus no location can be ruled out

Closely looking at these figures, it I would claim that the levels are as designated due to the effects they can cause to the whole company. For example, funds embezzlement has the greatest effect since this would be an inside job and it would be almost impossible to trace any evidence. The other have a bit lower levels since the probability of affecting the company lies in only certain areas of the business entity not the whole business.

After examining these crises, the employees have to learn and come up with ways of how deal with the situation if a crisis occurs. This is called crisis rehearsals. Considering this company and the public addressed, the first thing to do would be to ensure that the crisis is dealt with in accordance to the company policy pertaining to that specific risk. For example, if a fire outbreak occurs, the very first thing should be to inform the other employees of the threat or fire by raising the alarm. This gives the other people time to flee for safety before switching off the power supply. The basic rehearsals are done on monthly basis mainly on how to deal with fire outbreaks, first aid and other emergency medical services.

The second point is to assess the extent of the crisis. This comes in to help determine if the crisis is a major or minor one. This is the point that will allow you as the employee to know of the next best step to take. However, each and every crisis should be reported to the company management or the

regional management in case it is not in the main seat of the company (James, 2009).

The step that follows is dependent on the extent of the crisis. In case the crisis is a minor one, it will be dealt with from within the working environment and the employees resume their work as normal. In case of a major crisis, inform the management and technical officers present as you clear from the risk prone areas. In case of any medical emergency, try as much as possible to remain calm as you call for emergency treatment. This requires the employees to be also well equipped with knowledge on first aid. Any other affected publics may also need to be informed of the risk. For example, in case of a fire outbreak, the stakeholders (publics) most likely to be informed are the clients, management, suppliers and electricity company.

In occurrence of any crisis, the very first thing to consider should be communication. The intensity or nature of the crisis also determines the communication extent and mode. In case of a minor crisis, the best thing would be to communicate within you as employees, get each other out of danger and then inform the management. Minimal information should be leaked to the media. However, in case of a major crisis, communication should be rapid and the management should be the second to know so as to ensure that everyone is safe. Remember that this is an electronics company this power supply will be one of the first things to cut. This will call for other means of communication like the cell phones. In case the crisis involves another employee or member of the management, the best way to communicate this information is different. There is no need to raise alarm

since that might make the culprit learn of the evidence noticed and erase it. The best channel of communication would be through another officer of management panel you trust. This will help the management monitor the moves of the suspect while maintaining confidentiality in the informer (www.capmembers.com/media/cms/).

In the process of communication, the best way to pass the information pertaining to any crisis mainly in the area of operation be it a fire outbreak or mechanical breakdown is by a spokesperson. This is the person to whom you will voice your concerns and request to speak on your behalf about the whole incident. This will help reduce time during reporting, present a platform for the whole process effectively and to minimize speculation by the media. So as to come up with the best person for this task, it would be advisable for you to follow some of the tips below.

In case a person from the public department is around, inform person. This will help reduce your time in airing your concerns as a group.

In case there is nobody from the department, choose a person with the following qualities.

Good communication ability.

Expert in the area covered.

Person who is confident enough and has ability to explain an ordeal from the beginning to the end.

Person who is able to take initiative and address the media in a manner which is professional.

Person who can take short clear notes for analysis of the whole situation.

Narrate your experience in a rather orderly manner to enable the

communications personnel to take notes in a chronological manner.

In most cases, the person who should be the spokesperson in matters involving external media and communication is the CEO. This is because he/she is the only person authorized to talk or reveal anything pertaining to the company affairs. This is because the media personnel or interviewers might have tricky questions which might appear simple but have deeper meaning. These questions are mostly involved with creativity and personal opinions which are mostly interpreted by the company statement by the media.

After that, leave the rest of the reporting to the person you have entrusted the information to. If the crisis has caused a major effect in the operation of the company, contact your representatives or supervisors who will then inform you on the next step to take. All this time, try to maintain calmness and be as discrete as possible with media personnel. In case they approach you, direct them to your chosen representative or any member of the management who is present at that time. This will help keep you out of implication in case any false information leaks through the media to the public ([www. capmembers. com/media/cms/](http://www.capmembers.com/media/cms/)).

The person chosen to be the spokesperson will have to undertake some of the roles and responsibilities outlined below.

Report the incident as promptly as possible to the management.

Plan on crisis management in case the crisis is a minor one.

Follow up the crisis management procedure and ensure its implementation according to the company laws and regulations.

Control the release of information to the other unaffected publics to avoid any unnecessary disruption.

Contact the affected publics in case they are not present at the time of crisis occurrence.

The internal spokesperson chosen among the employees should have permission from the CEO in case he/she has to report anything to the media. Under other circumstances, the spokesperson is only permitted to report the occurrence to the CEO only.

After this process, the next process will involve managing the crisis. This will involve assessing the situation, taking a lead in developing the management plan, implementing the strategy and then concluding on the strategy to ensure that the crisis is fully covered and might never recur again.

Situation analysis will help you know the best way to keep out of the analysis. This should be done by the people present at the very time of the occurrence or the top management. Armed with enough facts surrounding the crisis, the planning can begin.

The first thing to issue should be the crisis notification. They should be placed in conspicuous points where all people can see them. They should be legible so that all the employees can easily grasp the information they contain. This helps keep people out of the crisis zone which in turn reduces any unnecessary movement. These notifications serve the purpose of giving the investigators ample time to carry out their analysis and reduce interference of any evidence which might be available. In case of any form of fraud or theft, the suspect should be put on leave which will allow investigation so gather evidence in where or not to grant the position back to

the person.

After the notifications are issued, the case moves from the employees to the management which determines the extent of the crisis. The employees should all this time keep off the crisis zone. After this process, the employees should go to their spokesperson for any other information.

In some cases, the incidents might call for a press release or statement. In such a case, it is only the spokesperson who should give any information.

Therefore, any person or employee found giving information to the press and is not the spokesperson will be treated as an offender to the company thus a disciplinary action will be taken on him/her ([www. capmembers.com/media/cms/](http://www.capmembers.com/media/cms/)).

To avoid this, the best way is to ensure that the only person who addresses the media is the CEO him/herself or a spokesperson that is authorized to do so by the management.

As a spokesperson, you should stick to using simple language which all the people can understand. You should not also use jargons since they might create ambiguity making the intended information and received information very different in interpretation. The spokesperson should also stick to facts and not answer any question which is ambiguous or not clearly defined. This reduces the chance of being caught unawares or implication on a word or statement misunderstood by the media personnel. The spokesman or any employee also be allowed to give information to the media if it will explain a certain misunderstood aspect or idea pertaining to the crisis.

So as to give the best information and avoid any victimization in case inappropriate information leaks, please try to follow the following guidelines.

Indicate or narrate the whole ordeal from a personal experience and not a speculation.

Explain of any involved parties but do not disclose the names of the involved employees without consent from the management. This might be termed as a breach of contract and the rule of company law.

Do not exaggerate the situation or give any monetary estimates. (Kathleen, 2007)

Back on the crisis management strategy, the first process in any management is to keep out of danger. This means that all employees should avoid any point or operation that might cause the crisis to extend. After keeping out of danger, then assess the damage, and in case any replacement of equipment is necessary, inform the departmental head immediately. This will help reduce time consumed to reinstate the company back to its initial operation mode.

Since communication is the most important aspects of all, the following communication matrix presents some of the basic channels and means to use in the process of communication.

Communication matrix

This is a mechanism that helps keep all the people in touch with what is happening. However, different methods are used to pass information to all publics so that there is nobody caught unawares.

Employees. The first thing you should do is to raise the siren. This will put all the present employees on high alert.

Management. This is best done using a telephone log sheet or crisis (incident) report sheet. Either of these sheets has a zone at the bottom that

allows you to enter any relevant data pertaining to the crisis.

Emergency response contacts. These contacts will help you call for help from the fire fighting department or hospital emergency department to help you get the necessary help. (Kathleen, 2007)

An example of incident report sheet is as shown below.

Incident report sheet

Description of the incident:

Where the incident occurred:

Affected parties:

Evacuated employees: .

Mitigation plan: ..

For the telephone log sheet,

Telephone log sheet

Priority:

Call received from: ..

Organization: ..

Location: ..

Message: ..

..

Call back by: date: time:

Notes: .

..

After this is done, a news or media release report should be prepared in the

format below.

Media report release

At approximately (Time).. today .. (Date) a . (Name the crisis) occurred on the site of . (Physical address) in the (Department name) of the Champions Company. The response team has already arrived where they are working to resolve the crisis. The response team members from our Company includes .. (Name the response team working on the crisis) and is working closely with (any other external response team).. To control the situation Together with the employees from the affected department, we are still working on the issue and trying to resolve the cause of the incident. We can assure the public is under control and all the employees are safe. As the situation changes, we will inform you promptly. (Kathleen, 2007)

In case of any crisis, do not hesitate to contact our local officials listed below

Jameson Lynn .. Safety precautions dir +23- 9857748

Lydia Monica Public relations sec

+23- 68488483

Marvin Roberts . Power and eng dept manager

+23- 6884003

Lillian Nancy . Employees' welfare chair

+23- 4556889

Crisis and communication center, Main office

+23- 4556897

After contacting the above named personnel, there will be some responses which you will receive and try to adhere to them closely.

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In conclusion, all the employees are required to register with the employees' welfare department to ensure that in case of any crisis, you are all covered and accounted for by the company. The employees are also requested to work closely with the other company stakeholders to ensure that crisis are avoided and averted instead of facing them head on.

Reference

Kathleen F. 2007. Crisis Communication: A Case book Approach. Lawrence Erlbaum Associates, Inc

James F. 2009. Crisis communication workbook, retrieved from