

Crisis management plan essay example

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



Schlumberger Limited

Problem Solving

Schlumberger Limited

Schlumberger Limited is an American Company that operates in the oil industry. The company is the world's biggest oilfield services company that is present in over 85 countries across the globe. The company has principle offices in the United States, France, the United Kingdom, and Netherlands to coordinate its global operations.

Schlumberger limited was started in 1926 by two French brothers who initially dealt with electrical related operations. However, the company has since diversified and has many interests in oil industry services whereby it mainly deals with seismic acquisition and processing, well testing, directional drilling stimulation, cementing, consultancy, information, and software management. The company is also involved in the extraction of ground water, carbon capture, and storage industries. Currently, Schlumberger Limited employs over 115, 000 people from over 140 countries. It has many interests that are managed by its subsidiaries. Over the year, the company has invested heavily in research and development, a factor that has made it to make significant contributions to the oil services sector.

Over the years, Schlumberger limited has continued to expand its operations though a number of acquisitions and mergers. The corporation is cross-listed in the New York securities exchange, the UK and the Norwich securities market. The oil industry is a very risky industry that is imminently faced with problems associated with global economic trends with regard to the consumption of oil products and services. The industry also encounters

physical risks like environmental concerns, radioactive resources, oil spills and other risks that may result in severe consequences for the corporation. Schlumberger Limited being a large organization with a high level of organizational diversity, the company faced risks that relate to the diversity in the firm. All these risks may result in major crises that may cost the company's reputation, economic performance, human resources, physical, information, and psychopathic among other crises.

Figure 1. Schlumberger, Houston, Texas: Google Map

Seven potential crises for Schlumberger Limited

Crises are ranked into different categories depending on the effects that they have on organizations. This essay highlights seven potential crises that may face Schlumberger Limited and recommends some of the key steps and contact persons in the company to handle emergence situations in the company. These outlines can be used in the event of actual crisis.

Schlumberger Limited may encounter one or many crises at the same time. These problems range from economic rises, informational, physical losses, human resources reputational losses, psychopathic activities, and natural disasters among other crises.

Economic Crisis

Economic crisis entail labor shortages and strikes that may result in an organization suffering economic losses. Schlumberger Limited may face labor unrest, which may result in reduced productivity by individual employees and the organization as a whole leading to economic losses.

Major declines and fluctuations in the stock price of a company's shares in

the securities market may also lead to economic crises due to the market crash, decline in major earnings, or loss in major clients. With the high level of diversity, Schlumberger Limited may face economic crises through the previously mentioned events.

Key internal contacts: Paal Kibsgaard Chief executive officer, Gerald Martellozo Human Resources President, Simon Ayat Chief VP and Chief financial officer.

External contacts: Kingser Monics & Co, (Financial), First American Bank (financial).

Critical steps

First, Schlumberger Limited should hold a stakeholders conference meeting to announce labor unrests or decline in the value of the company's stocks in the securities market (led by CEO Paal Kibsgaard and Human resources manager Gerald Martellozo and chief financial officer Simon Ayat).

Next, Schlumberger Limited is a public company and its shareholders and other stakeholders should be informed through emails about the impending economic crisis and the effect it will have on all people in the organization.

However, management should reassure them that it is taking necessary measures to control the situation.

Thereafter, the corporation should hold a crisis meeting to decide if its operations are to be scaled down and employees moved to viable businesses.

Chief financial officer Simon Ayat should combine the entire functions of the company and establish the financial implication of the economic crisis and advise the top management accordingly.

The key stakeholders of the company are the employees, the shareholders and customers. As a Pro, I should inform those stakeholders about the potential impact of the economic crisis in the company. However, I should tell them that the company has been doing the best lesson possible to save the situation.

The primary stakeholders can be informed via e-mails, as part of the general company procedure. The company management needs to allocate enough of resources to place the key information regarding the company's situation in the mass media, including, the state TV stations and daily newspapers. The message put forward should name the responsible persons, and state whether they have honorably fulfilled their assigned duties. At the end, apology can be expressed as regards the company's inability to meet all the requirements before the crisis situation.

Alex Juden the secretary and general counsel should pull together all supervisors and managers from the company's major divisions and inform them about the situation of the company and actions to take. Customers should be informed; the company will diversify its markets in order to ensure continuity.

Information crisis

Schlumberger Limited may also face informational crisis whereby the company may lose confidential and proprietary information. For instance, the corporation offers consultancy, information and website management to various clients. It may, therefore, be prone to the risk of losing critical information because of the sensitive nature of operations in the oil industry. The diverse employees are prone to give false information. The systems of

the firm have risks of being hacked, which may result in loss of key customer or supplier information. All these risks may lead to a major information crisis for the company.

Key internal contact:

Paal Kibsgaard Chief executive officer and Ashok Belan Executive VP
Technology.

External contacts: Tullow networking, Amir Nessim and Monday Okoro (legal)

Critical steps

First, in case of loss of critical information for the company, the first persons to be notified are the CEO Paal Kibsgaard and Ashok Belan Executive VP Technology who head the information systems. These are people with more facts about how the information systems work and the effects of the lost or corrupted information and strategies for recovering the lost data.

Next, the backup system may be used while the main system is being rectified.

While the system is being restored, the functional head in charge of information systems should get facts about the information lost and make sure that they are duly addressed.

The company should then have an interactive meeting with its IT department under the management of Ashok Belan to try to figure out the cause of the problem, its effect on the organization, and how it can be prevented in the future.

Once the cause of the problem has been identified, appropriate problem should be taken.

In case the customers of the company were affected more by the information crisis, the PRO should notify the relatives or immediate family members.

Before it was taken further, the PRO should contact Alex Juden, company secretary and counsel, to resolve the problem. The PRO must make certain that they should track their communications and document them properly.

Juden will use appropriate medium for notifying customers like emails, media and social media and take all measures to ensure that the interest of customers and employees are protected.

Physical loss crisis

The crisis of physical loss entails the loss of critical installations of the company like major company equipment, plant and material supplies. It also includes breakdown of major equipment, machinery and assembly lines, major disruptions of the organization's plants, and many key facilities. The oil industry and the machinery and plant equipment that Schlumberger Limited uses is enormous. Any physical damage to these facilities may see the company face a physical loss crisis that may take it time to revert to normal or severely hinder its operations.

Key internal contact:

Paal Kibsgaard Chief executive officer and Patrick Schorn President operations and integration.

External contacts: American fire department, Red Cross International and Guy Arrington

Critical steps

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First, once the corporation has encountered a physical loss crisis, the first thing to do is to inform its top management about the loss, people to be informed includes Paal Kibsgaard Chief executive officer and Patrick Schorn President operations and integration.

Next, the management should then immediately take measures that will ensure that the affected operations are handled as soon as possible through repairs.

Besides, back up resources should be employed while preparations are being made about replacement. Back up resources will start operations immediately as the main ones are being repaired.

In the meantime, the company should make strategies to achieve long-term solutions for the physical loss crisis like shielding critical installations and high security.

The operations and integration officer should reassure the company through conference meetings about the short and long term strategies to recover from the physical loss.

Finally, Schlumberger Limited should share work plans for crisis management with appropriate stakeholders. The sharing of this information will be through various forms like emails, conference debates and physical analysis so as to facilitate fast tracking of return to normalcy through repairs and replacement of affected plant and equipment.

Human resource crisis

Human resource crises entail the loss the loss of key human resources for an organization that are essential in the successful implementation of its operations. For instance, Schlumberger Limited is a leading company in the

oil industry. Upcoming companies may poach significant top executives and take them to manage their new operations. These may result in a human resource crisis where the company lacks appropriate people to manage its business strategy. As noted earlier, Schlumberger Limited is a corporation with many employees from over 140 nationalities. It implies that the organization may face diversity issues that may result in the loss of other key human resources. With the many human resources and technically advanced operations, risks of absenteeism, accidents, vandalism, bad behavior, and workplace performance are high resulting in a human resources crisis.

Key internal contacts:

Paal Kibsgaard Chief executive officer, Gerald Martellozo Human Resources President and J F, Poupeau the executive VP for corporate development and communication.

External contacts: Top image management consultancy and manpower Ltd (Dewdeny Ozungu).

Critical steps

In the event of human resources crisis at Schlumberger Limited, the top management led by Paal Kibsgaard, Chief executive officer, Gerald Martellozo Human Resources President, and Simon Ayat Chief VP and Chief financial officer should notify those victims of the incident.

Next, this top management should then hold meeting to establish the gaps in the human resources and decide on suitable strategies for meeting those needs.

The company being a global company may seek assistance from some of its

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international operations whose management can step in to assist the operations with HR problems.

In case the human resource that has left the company, the executive managers will notify all heads of all departments through emails about the exit of the manager. They also mention the hiring process for the replacement the human resource personnel. This process can be coordinated by J. F, Poupeau the executive VP for corporate development and communication.

The process of replacement concerning the key manager should definitely include planning. As part of the process, the appointed executive needs to specify the exact position available for replacement, the length of time, the scope of duties and the offered job compensation package. Then, the VP should approve the process and inform the final decision. Lastly, if the time permits, the VP should discuss the possible gaps, successes, and failures for clarity.

Reputational crisis

Reputational crisis is another crisis that may affect a company and have severe consequences on its business performance and operations.

Reputation crisis is mainly due to failure by a company to observe good industry and general best practices for business, which may result in extensive damage to the reputation of a company. Other activities that may result in reputational damage include bad gossip about a company, rumors, sick jokes, rumors, tampering with the products and services of the company and poor customer service quality and bad behavior by the employees of the organization. Schlumberger Limited currently enjoys a good reputation as a

leading service provider in the oil sector in many parts of the world. The company is also well known for its good management and business practices.

Key internal contacts: Sammeh Hanna President corporate development and communication, Simon Ayat Chief VP and Chief financial officer, Stefan Cox Public relations officer and Gerald Martellozo Human Resources President.

External contacts: Alliance Media (Marketing consultants).

Critical steps

First, in the event of a reputation crisis, the persons to contact include the human resources manager, the public relations manager and customer relationships managers.

Next, external agencies to contact include those that deal with management of organizational reputation as well as redressing.

The public relations officer and human relationship manager should establish the rumors about the organization and determine their influence on the customers of the company.

Because Schlumberger Limited has received a bad reputation, its management needs to do damage control by stifling the rumor and setting things right.

The PRO of the company should then call, press conference, and make a press release that sets things right. The key messages in the press release should answer all the predictable questions from the media professionals such as insurances, assistances, and health aids. The company's PRO should be keen enough to discuss the possible answers and limit his or words for

further escalation of the topics. The presented information needs to cover all the known facts, clearly stating the period of time the company became aware of the reputational crisis situation. Also, detailed explanation of the persons involved needs to appear, along with the actions taken to fix the situation. In case of misinformation, providing correct answer is a must. The officer should reflect on the company's history and point out its advantages having charming work environments that are the prerequisite to employee satisfaction and work productivity.

The company should also make it free for the media to determine the facts about the rumor in order to have an independent clearing of the air.

In case the rumors are bad enough to have a major effect on the company's reputation, Schlumberger Limited should make a market campaign that clears out the effect of the rumor by depicting the systems of the company as being the best. This process will be led by the corporate development and communication president Sammeh Hanna.

Psychopathic crisis

Psychopathic crisis entails unthinkable events that may happen in the organization and severely influence its operations. These unusual happenings may include tampering of the company's products, kidnappings and hostage taking, workplace violence and terrorism. With a diverse workforce and a large scope of operations, Schlumberger Limited has a high possibility of experiencing something unusual.

Key Internal Contacts:

Paal Kibsgaard Chief executive officer, Gerald Martellozo Human Resources President, Simon Ayat Chief VP and Chief financial officer.

External Contacts:

Emergency – 911 / George Oraro & Co (Legal) / Linet Mongare APA (Insurance) / JAMII Telecom IT Networks / Avenue Medical Center – Employee Assistance

Critical steps

In the event of a Psychopathic crisis, the company should notify its top management in charge of crisis management and other external agencies for managing crisis in order to have a swift response and action.

Once the respective authorities arrive at the organization, they ensure first if all are safe.

In case of injuries or fatalities, the company personnel who are in-charge of the affected individuals should take the relatives of the victims about the incident. They should notify the families of the victims so that the relatives should know what happened.

The company should keep a contact system of the next of kin of all its employees so that they are briefed instantly about the state of wellbeing of their kin.

In case of any injuries and fatalities, the company should take care of all hospital bills.

The company should as well take all the necessary steps in explaining to its customers about the unusual event and assure them that all its operations will be back or are back to normal to reassure their concerns about the

company.

The company should as well make all the necessary arrangements to cover for the affected human resources like hiring part time employees, recalling employees on leave or working overtime for the existing employees and offering professional counseling services to employees affected by traumatic incidents until they recover. By addressing the employees' concerns to the media the representative, in the name of the company, I should express condolences and immediate grief to the affected dead families or those who experienced severe injuries. I should give instructions further communications regarding the cases. Since the media cannot know all what I am saying, I have to encourage further discussions in the offices rather than to inform what things to be done right in the public. The media and public are briefly informed about the accident and the victims it took; however, for further details, the discussions will happen only between the victims and the company and no one else.

Chemical Spill Crisis

Chemical spills particularly chemical oil pose some threats within the company. If accidents happen, executive managers and all department heads may encounter problems due to financial losses and environmental concerns. For example, barrels of oil chemicals are spilled in the middle of the ocean, problems arise because the chemical oil that scattered in the middle of ocean will endanger kinds of fishes and damage the coral reefs. These unthinkable events that may exist in Schlumberger Limited, executive managers and department heads should conduct extensive measures to resolve some environmental issues. With a diverse workforce Schlumberger

Limited, executive managers and department heads should initiate red alert responses to resolve the issues.

Critical Crisis

In case of chemical oil spills, which may lead to accidents, the executive managers should contact all department heads to discuss the immediate responses to the problem. In the discussions, the executive managers should outline the discussions by starting the logistics where the members of the team will provide clean-up drive in the ocean. For example, executive managers should instruct those members of the support team to collect sacks of hair strands so that oil can be filtered.

Part of the meeting is the discussions of Plan B if exterminating oil spill in the ocean is impossible.

Then, executive managers should use precautions for the safety of the employees, department heads, and the team.

Since chemical spill is fatal to the living creatures in the middle of the ocean, executive managers should communicate with the Department of Environment and Natural Resources (DENR) if there is any to report the issue.

Executive managers then prepare for discussions during the press release and possible answers when media reporters will throw questions back to them.

In the event of crisis, executive managers and department heads are all available to answer all questions and respond to the needs of the DENR and pay the cost of environment damages.

Crisis Management Plan

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Creating a Business Management Plan

The first step towards managing crises in Schlumberger Limited is to create a crisis management plan that outlines what the company should do in the event of any crisis scenario and the accounting institutions within the company. The rationale for having a crisis management plan is the assumption taken by the organization that assumes that the company can be faced by any kind of crisis scenario. The crisis management plan will identify significant areas of the company's crisis management like defining the scope of crisis management with regard to its local regional, national or international operations. The organizational areas that are involved in the area of crisis management are also identified and documentation of what other companies have done when faced with similar crisis scenarios.

Organizing defense mechanisms

This step involves coming up with mechanisms for preventing a crisis or addressing it in the best way possible whenever it has a crisis has happened. It includes designating an authority within the organization to manage the crisis that may occur. The designate authority will make clear statements to the public and the media about the crisis and the authority that is responsible for getting clearance for crisis management. This process is also responsible for developing and maintaining unified position and supporting framework for crisis management, coming up with specific response to crisis. Designating information management authority such as the representative for the organization during crisis management and specific communication messages for employees and the public. This step is critical in that it will take appropriate responsibility whenever a crisis has happened. The process will

also ensure that everything is done well during and after the crisis management.

Creating a Central Information Service

This process is about setting up a media center for the company that is adequately staffed with sufficient equipment. The main function of the crisis information service is to identify the various potential audiences as well as their needs. The function will also determine the kind of messages to be communicated and to whom before coming up with the most effective channel to deliver the communicated messages. This function will as well come up with the necessary measures to take in order to implement the crisis management plan. The information service will have emergency numbers and contacts to be called in the event of a crisis and during and after its management. To ensure that every communication is done well, the central information service should prepare its materials and templates in advance, ensure easy access of communication materials and information and have several plans to turn to in case one fails. All this is to avoid inconsistencies about crisis communication response by having all the requests channeled through a central information system.

The communication plan will cover major stakeholders of the company like investors, customers, regulators and government officials, employees, the victims and their families, the media and the general community. An analysis of the various stakeholders of the company should be carried out and their importance, level of support and values ascertained. The company should then use appropriate tactics to gain the support of stakeholders in crisis management.

Acting promptly

This process in the crisis management plan requires that the organization gathers facts calmly, notifies the various stakeholders, and cooperates with them. The communication should be targeted to those who are affected by the crisis so that they take action. The company should also give statements indicating awareness of situation, actions being taken and giving of details to appropriate stakeholders. Details about the crisis should be provided in an open and honest manner as much as possible. This relates to the extent of damages, problems, injuries and providing any information as soon as it is available. The spokesperson should be available for interviews, those affected should be consoled, reassured and offered help and facts should be used to quell rumors. The company should work with public safety organizations and other bodies in crisis management and all stakeholders should be informed about all developments in crisis management. Other strategies to be used in this process include establishing a media response policy and documenting everything.

Conducting Post Review Analysis

This is the last step of the crisis management plan. The step involves setting up crisis evaluation team to assess how the company handled the crisis and recommends changes on areas to maintain or improve.

Conclusion

A manageable crisis management requires automatic responses to risky incidents by dynamically handling situations as they unfold even when they are unpredictable. For this reason, planning helps companies to set the best

strategies for reacting and recovering from a crisis. Being a large organization, Schlumberger Limited, which has a high level of organizational diversity, faces various risks that relate to the diversity in the firm. All these risks may lead to major crises that may cost the corporation its reputation, economic performance, human resources, physical, information, and psychopathic among other problems. In essence, crises are ranked into different categories depending on the effects that they have on organizations. First, economic crisis include labor shortages and strikes that may result in an organization suffering economic losses. Secondly, Schlumberger Limited may also face informational crisis whereby the company may lose confidential and proprietary information. Third, the challenge of physical loss entails the loss of critical installations of the company like major firm equipment, plant, and material supplies. Fourth, human resource crises include the loss the loss of key human resources for an organization that are essential in the successful implementation of its operations; for instance, Schlumberger Limited is a leading corporation in the oil industry. Fifth, reputational crisis is another crisis that may affect a firm and have severe consequences on its business performance and operations. Finally, psychopathic crisis entails unthinkable events that may happen in the organization and severely influence its operations.

Appendix

Key internal contacts

Other Internal Contacts: