



The complete crisis management framework

A comprehensive guide to crisis management for organisations

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Introduction

Unfortunate events occur throughout the life of an organisation and in our ever-changing environment, no two crises are the same. This makes effective crisis management a more dynamic and demanding process than many organisations expect.

In today's 24 hour news cycle, it's more important than ever for organisations to have a plan in place. Time is of the essence. Not only do organisations need to be ahead of crisis when it happens, a crisis management plan is required otherwise there's a risk of misinformation being shared.

The cause of a crisis and the means to resolve it may not be clear, yet its resolution should be approached as quickly as possible or your organisation's reputation could be damaged.

In this whitepaper, we explain: how to identify a crisis; how different types of crises can affect your organisation; and the steps to take when creating your crisis communication plan. Our proactive crisis management framework will give you the tools you need to manage crisis before it hits, for its duration and its aftermath.

Getting it right can bring immense reward to your organisation from stakeholder satisfaction to company profitability, but getting it wrong can have severe ramifications to your reputation.



Why use a crisis management framework?

A business crisis is an event, or series of events that causes major disturbance for an organisation.

While every crisis is different, there are some common elements that can help with identifying a crisis. These elements include:

1. The problem poses an imminent threat to the organisation
2. The problem involves an element of shock or unexpected behaviour
3. Due to the severity of the problem and its unexpected nature, the situation will place pressure on the organisation to make effective and timely decisions.

Types of crisis

Crises have the potential to be very costly for an organisation, however this expense can be reduced through preventive action. Business crises can manifest in many forms, so your organisation should be prepared to handle a variety of unique situations. Five common types of crises include:

Financial

Financial crisis management is integral in safeguarding financial stability and protecting the economy from the costly effects of a financial crisis.

A financial crisis could encompass a broad variety of situations in which some financial assets suddenly lose a large part of their nominal value.

In 2008, the collapse of Lehman Brothers triggered a global economic crisis. Governments around the world struggled to rescue financial institutions. As the fallout from the housing and stock market collapse worsened, many financial

organisations faced serious liquidity issues.¹ The Australian Government's response was the introduction of stimulus packages, aimed to jump-start the slowing economy.

Those affected conducted organisational restructures and implemented formal measures to reduce staff and incentives. Revenue sources were re-evaluated to avoid office closures and increase margins.

Personnel

When an employee or someone associated with your organisation does not behave in the accepted norms of behaviour, it can become a personnel crisis. When deciding how to respond to misconduct, your organisation must ensure there is a fair investigation and a disciplinary process is undertaken.² Where misconduct is found, it can potentially lead to negative reputation about your organisation.

In April, 2019 Rugby Union's Wallabies fullback, Israel Folau had his contract terminated by Rugby Australia following an investigation into an 'unacceptable' social media post shared by the football star.

Rugby Australia's chief executive, Raelene Castle, said publicly that while the organisation did not agree with Folau's views, they accepted his religious freedom, but also said he failed to meet his obligations as an employee.³ As a result, Rugby Australia responded with disciplinary action and Folau requested the matter to go to a code of conduct hearing.⁴

¹<https://www.independent.co.uk/news/business/analysis-and-features/financial-crisis-2008-why-lehman-brothers-what-happened-10-years-anniversary-a8531581.html>

²<https://www.employment.govt.nz/resolving-problems/types-of-problems/misconduct-and-serious-misconduct/>

³

<https://www.themonthly.com.au/issue/2019/august/1564581600/malcolm-knox/hellraiser>

⁴<https://www.abc.net.au/news/2019-05-24/israel-folau-social-media-posts-damaged-rugby-chairman-says/11148000>

During this time, Rugby Australia suffered reputational damage, even though Raelene Castle was praised by some for her calm approach, and her clear and consistent messaging throughout the incident.

Organisational

An Organisational crisis is when an organisation is dishonest to their customers to benefit the business. Examples include withholding information, exploiting customers, or data privacy breaches.

In 2018, Facebook was scrutinised when Cambridge Analytica investigative journalists revealed the company had been harvesting personal data from 87 million Facebook profiles for political campaign purposes.⁵ Since then, a series of data breaches have come to light, and there were increasing concerns over the lack of transparency regarding data collection and sharing by the platform. As a result, a number of legal proceedings were initiated against Facebook all over the world. Facebook responded by making changes to their platform and setting a principle of creating a private environment for their users.

Technological

When technology fails, it can be detrimental to an organisation. Caused by the human application of science and technology, technological crisis can happen when technology becomes complex and something goes wrong in the system. Examples include software failures, industrial accidents, and oil spills. The Chernobyl crisis was the result of a technological disaster - an accident caused by a flawed nuclear reactor design, operated by inadequately trained personnel. It was the worst nuclear disaster the world has ever seen.

Natural

As with other types of crisis, an organisation facing a natural disaster should focus on

restoring function, preserving value, and moving past the trouble. But unlike other types of crisis, the damage from a natural disaster can be widespread, cover many geographies, and link your organisation's concerns and those of the wider community. Natural disasters also result in a loss of focus. Don't let the drama of the cause distract you from the business of the consequence.

In the midst of crisis, organisations may become an important part of a broader community response, especially if they have responsibility for vital assets such as energy infrastructure, roads, or ports. Effective crisis management is the best way to minimise the impacts and ensure business continuity.

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<https://www.forbes.com/sites/daveywinder/2019/03/17/facebook-privacy-update-mark-zuckerbergs-response-to-cambridge-analytica-scandal-one-year-on/#36c5e8ad2198>

Stages of crisis

Although a crisis can be unpredictable and unexpected, the effectiveness of your crisis management largely depends on having a precise understanding of the stages of crisis.

Stage 1: Warning phase

Communication undertaken during the warning phase of a looming crisis is often precautionary with the intent to heighten awareness and increase readiness. Appropriate wording is crucial as it will either motivate your audience to act calmly or unintentionally create panic.

Stage 2: Risk Assessment

During this phase, the crisis management team assesses the risks, potential consequences, and damages of the crisis. Communication is primarily internal to determine the best course of action to avoid or mitigate the possible crisis.

Stage 3: Response

The first 12 hours of an incident are crucial. Responding quickly and effectively enables your organisation to control the narrative around the incident.

Communicating with authentic language shows genuine compassion marks a true leader.

In our latest [Leadership Index: Leading through Crisis](#), we explore the authenticity of four high profile leaders and how their actions affected the outcomes of their crises.

Stage 4: Management

Progression of a crisis will either move toward resolution or worsen as new layers of complexity emerge. During the management phase, communication should focus on providing critical information to impacted stakeholders, employees and communities. Additionally, the awareness of the physical, emotional and cognitive challenges endured by affected parties should be managed throughout the crisis.

Stage 5: Resolution

During this phase, the crisis management team communicates “all clear” alerts to impacted audiences and the ability to return to “normality”. The transition to recovery is communicated, as well as where additional resources can be found for more information.

Stage 6: Recovery

During this stage, the focus is getting back to normal and resuming daily operations. What is said, how it's said and when it's said will affect the meaning, interpretation and behavioural response of your target audiences. Messaging needs to be clear and directional.

Crisis Management Action Plan

Formulating a communications strategy for crisis, should be integrated with your organisation's overall business planning activities. Understanding your current business landscape and outlining the potential strategic risks will promote a swift crisis communications response. It will also help to rectify misinformation.

Having an action plan will mitigate damage to your reputation as well as maintain customer loyalty during the period of disturbance, because you'll be prepared to act quickly.

Our checklist outlines how to prepare a crisis communications plan, from establishing a crisis management team, appointing a spokesperson, to delivering a clear and concise message.

1. Establish a crisis management team

When it comes to the management of events that endanger an organisation's reputation, there is rarely a dedicated department. Crisis scenarios

demand input from subject matter experts throughout the organisation as well as outside of it. Designating a team and testing that team well before a crisis is critical in responding to a crisis.

The size of the team will depend on the size of your organisation. The key people to form your crisis management team should include representatives from C-level management, marketing or PR, legal, HR and senior members from relevant divisions and functions.

Forming the team is a significant step towards preparing for a crisis, and a well-trained team equipped with a plan will have an added layer of confidence and efficiency with the time comes.

What are the required roles and responsibilities of an ad-hoc or established crisis management team?

On the following page we provide a breakdown of the team members required and their specific responsibilities to successfully navigate a corporate crisis.

Team member role	Responsibility
Crisis management team leader	Controls the team and is responsible for the actions of the team
C- level executive	Has the authority to approve communications on behalf of the organisation. Needs to have an understanding of the organisations' voice
Legal advisor	Corporate counsel to balance business risks with legal risks and advise the organisation directly.
Marketing or PR specialist	Both internal and external communication to the media and affected stakeholders. Needs to have an understanding of the organisations' voice and access to social media credentials and media monitoring tools.
Human resource advisor	Maintain a current, accessible contact list of all employees, contract employees and responders.
Subject matter experts - senior member of relevant teams (IT, Operations, Finance, Risk)	Provide expertise on the subject and provide recommendations.
Spokesperson or spokespeople	To authoritatively speak on behalf of the organisation. Needs to be confident and comfortable speaking in front of the media and communicating under pressure.



2. Appointing spokespeople

When crisis breaks, an appointed spokesperson or spokespeople are tasked with representing and communicating the organisation's message to the public with empathy and transparency. Choosing the right spokesperson for your crisis is a necessity; they need to be resilient when under attack and have the ability to remain calm when placed under pressure or face criticism. A great spokesperson can make the difference between positive and negative reputation for your organisation.⁶

What does a great spokesperson look like?

A crisis presents a daunting environment and requires an experienced and confident spokesperson to facilitate questions and provide communication. When facing the full glare of the media, your spokesperson should be compelling and unambiguous. Your chosen spokesperson needs to convey passion and communicate with humility and empathy. These qualities will help create a bond with your audience and encourage loyalty and support.

While words matter when it comes to crisis communication, the way your spokesperson holds themselves, their facial expressions and appearance make a drastic difference with how they are perceived. At the core of effective crisis communication there are three C's of Credibility - compassion, competence and confidence. These three attributes are often demonstrated more by body language than words spoken, therefore it's critical to ensure any non verbal communication is sending the right message.

3. Consider potential risks

Regularly conducting business impact analysis and risk assessment activities will provide insight into the most serious scenarios and their probability to happen. It is also important to determine the impact the potential crises could have on business operations.

Following this process will assist the crisis management team to determine what is classified as a low risk crisis versus high risk.

*“Don't let others
tell your story”*

4. Communications plan (internal and external)

Once the risks and their probabilities have been determined, devise a plan outlining the strategy for responses in the event of a crisis arising. When planning the communications strategy, take the following factors into account:

- Nature of the crisis - who or what is the cause of it.
- Scope of crisis and level of disruption - can the organisation still operate?
- Those who will be affected - employees, customers, shareholders etc.
- The likely duration of the crisis.
- How the media and other stakeholders are likely to respond.
- How will the crisis be resolved?
- Who will need to be informed, including the media, public authorities and external parties.
- Who will be responsible for handling communication.
- Which communication channels will be used.
- What information needs to be communicated.

5. Identify audiences

It's imperative to communicate a clear, concise and consistent message to key audiences. Depending on the scale of the crisis, there may be several groups of internal and external stakeholders who should be updated, these include:

- Employees
- Executives
- Customers
- Vendors
- Board of Directors/Shareholders
- Social and News Media

6. Formulate and communicate response to internal and external parties

In times of crisis, communication needs to be executed quickly, and messaging needs to be focussed on facts that inform decisions at frequent intervals.

For external communication, accurate messaging is crucial and should be consistent throughout the crisis. Messaging should be simple, short, authentic and strategic and distributed to those who can't afford not to know.

When preparing external communications, the crisis management team should use the following as a guide:

- Is the message clear? (easy to understand and free from jargon?)
- Is the message consistent?
- Is the message focused? (covers most important points)
- Is the message constructed with appropriate tone and appeal? (creates a sense of urgency for action, reassures the audience that answers are being sought and does not confuse or frighten)
- Does the message provide answers to the who/what/when/where/why?
- Is the message responsive to audience concerns? (Information that is relevant and important). Protocols should be established to ensure that the core of each message is consistent while addressing the specific questions from each audience.

For internal communications, it's essential employees are kept fully informed to mitigate any rumours, uncertainty and speculation throughout the workplace.

Employees need to be informed about what they should be saying and what they should be avoiding if there are enquiries from external parties.

Although desired, it's difficult to be one step ahead in a 24/7 news cycle. In a business crisis, your employees are the organisation's eyes and ears to help stay ahead. Informing employees there is no change in a situation is just as critical as communicating when things have altered significantly.

7. Train employees

Ensure employees know what to do in the event of a crisis and have the necessary skills to deal with irate customers or inquisitive outsiders. To maintain consistency, draft a script that can be used for verbal and written communications. Pre-scripted messages should be developed by the crisis management team and stored on a remotely accessible server for quick editing and release when required. Employees should also be aware of the crisis communications plan and the roles and responsibilities of each person within the crisis management team.

8. Keep communication lines open

Once a crisis has subsided, your organisational goal is to restore the status quo. The crisis management team needs to clearly communicate the end of the crisis, encourage the state of normality and alleviate any residual anxiety.

Organisation contact details are to be shared to encourage internal and external parties to get in touch with any queries or concerns. All company social media networking sites, landing pages, website links, enquiry channels etc. are to be regularly monitored and assigned to the correct people to respond swiftly.

9. Assess the outcomes

Post crisis analysis can help determine the 'success' of the communications plan and highlight what worked well and if any improvements need to be made.

Assess how well external audiences were informed and seek feedback from employees about internal communications. It is important to learn from the crisis experience and update the crisis communication plan in light of the most recent experience.

Review the cause of the crisis, the communication, the messaging, the outcomes and the recovery. This also helps with entry into the next phase of risk management and the rebuilding process phase, where a new mindset is introduced as well as new procedures.



Reporting metrics for pre, during and post-crisis

We know efficient and effective management of business operations (including communications) are essential. Yet further understanding crisis management metrics can help your organisation survive continuing crisis. Some important performance metrics to consider; Reputation Analysis, social and traditional media monitoring, including coverage by region, share of voice and client satisfaction/dissatisfaction via sentiment analysis.

Reputation Analysis

This should be the first metric measured. [Reputation Analysis](#) should be conducted on an ongoing basis; so there is a benchmark before crisis to compare to during crisis and then again after the crisis management framework has been deployed. Conducting Reputation Analysis enables you to assess whether organisational reputation has been affected and to what extent.

While intangible, reputation should be an important factor for any brand, business or organisation, and global crises such as Coronavirus prompts organisations to assess how they are performing outside the regular course of action.

Crisis conversation volume

Conversation volume can be media mentions monitored over a specific time period, identifying which media outlets were prominent and the total volume across traditional and social media.

It's also important to understand the keywords or phrases most often mentioned in the conversation. The Coronavirus crisis has rapidly become one of the most significant news stories of this century. Understanding the keywords and phrases most often mentioned around the topic can tell a story. [Tracking the media coverage](#) and latest developments on crises are crucial.

Crisis share of voice

Is your organisation synonymous with the crisis or just a secondary factor? Which voices and outlets are amplifying your crisis?

Share of voice has the advantage of understanding where your organisation sits against competitors on a particular topic.

It gives a more accurate picture of perception pre, during and post crisis and allows you to deep dive into the data and uncover insights to inform various strategies.

Spokespeople mention volume

Who are having the conversations (individuals, groups, influences etc) about your organisation or the crisis?

Are they subject matter experts?

Do they have authority?

How is your spokesperson or spokespeople fairing?

Are there external parties or spokespeople talking about your organisation's crisis and making white noise?

What are the total number of mentions involving your spokesperson?

Sentiment analysis

Monitoring the negative, neutral or positive sentiment about your organisation pre, during and post-crisis can be helpful when determining how your organisation is being portrayed in the media and wider audiences. Sentiment analysis tools can quickly focus your organisation on critical issues and potential crises.

All in one media monitoring and measurement provides one of the most important tools for alerting organisations of an emerging crises and determining how best to respond.

Conclusion

Even though some events are unpredictable and inevitable, their outcome can be minimised and controlled with a good crisis communication plan. Combining media intelligence with a continuity plan will promote a strong recovery.

Dealing with a crisis is stressful at the best of times, but when you need the support to know what is being covered and where, we're here to help.

For more information on how your organisation can be better prepared for a crisis, [get in touch with us today](#).

About Isentia

Isentia (ASX:ISD) is APAC's leading integrated Media Intelligence and Insights business with operations in 11 markets. Isentia blends market-leading monitoring experience with analytics to help the world's biggest brands uncover the whole picture – and act on it. Powered by cutting-edge technology and a team of world class experts, our mission is to help businesses leap-forward where only genuine insight can take them. To find out more about how we inform better decisions, please visit www.isentia.com



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