CRISIS MANAGEMENT

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Definition of crisis management:

- Crisis management is the process by which an organization deals with a major unpredictable event that threatens to harm the organization, its stakeholders, or the general public .
- The overall coordination of an organization's response to a crisis, in an effective, timely manner, with the goal of avoiding or minimizing damage to the organization's profitability, reputation, or ability to operate.
- Crisis management involves identifying a crisis, planning a response to the crisis and confronting and resolving the crisis.

crisis management

Plan for	Ultimate goal
Predictable and quantifiable events	Minimize the impact
Unexpected and unwelcome events	Resume normal operations

Questions to Ask

What are the worst things that can happen to my organization?

What can we prevent?

What are we willing to do to prevent the event/incident?

Can we afford the risk?

How will we deal with it?

What is the reporting and communication process during the crisis?

Crisis management objectives

The credibility and reputation of organizations is heavily influenced by the perception of their responses during crisis situations so Crisis management consists of:

Crisis management has four objectives:

- Reducing tension during the incident.
- Demonstrating corporate commitment and expertise.
- Controlling the flow and accuracy of information.
- Managing resources effectively.

Crisis Management requirements

- Respond to a crisis in a timely fashion makes for a challenge in businesses.
- Must be open and consistent communication throughout the hierarchy to contribute to a successful crisis communication process.
- Methods used to respond to both the reality and perception of crisis

Problems and Challenges in Crisis Decision - Making

- Surprise and hesitation. The shock of a crisis can create a delay in response that allows your critics and the media to fill the gap with negative comment and speculation.
- Pressure and stress must be channeled by the discipline of a crisis strategy.
- Mistaking information distribution for communication.
- Treating key audiences as “opponents”.

SO

Good communication is the heart of any crisis management plan. Communication should reduce tension, demonstrate a corporate commitment to correct the problem and take control of the information flow. Crisis communications involves communicating with a variety of constitutes: the media, employees, neighbours, investors, regulators and lawmakers.

Crisis management – Risk management

- Good crisis management is essential, but never a substitute for daily risk management processes.
- Risk management processes should apply to all customers, although depth and detail may depend on the transaction and customer. Transactions involving credit or other types of financial risk should incorporate a risk management process.
- Despite a solid risk management process, there will be problems because we cannot predict all crisis events and protect against them. Be prepared to deal with a crisis event and take action immediately – identifying and assessing issues and options and obtaining expert advice as needed.

THANK YOU