

**Cihan University Sulaymaniyah (CUS)**

**Business Administration Department**

**Crisis Management – Fourth Stage**

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## **PART TWO**

### ***BIG NOTES***

- ✓ *Any underline words or sentences can be as a blank.*
- ✓ *Question context is changeable.*
- ✓ *Answers must be in clear way (any answer not clear will be ignored).*
- ✓ *Any question you need to mention some examples or a case study **DON'T USE REAL NAMES.***

**Q1- Crisis management has four objectives, list them.**

1. Reducing tension during the incident.
2. Demonstrating corporate commitment and expertise.
3. Controlling the flow and accuracy of information.
4. Managing resources effectively.

**Q2- What are the crisis management requirements?**

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

**Q3- There are some problems and challenges in crisis decision making, what are they?**

1. 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.
2. Pressure and stress must be channelled by the discipline of a crisis strategy.
3. Mistaking information distribution for communication.
4. Treating key audiences as “opponents”.

**Q4- There are Seven Guiding Principles of an Effective Crisis Management Program, list down all of them.**

1. Ensure consistent leadership of your program - Communicate regularly.
2. Empower– delegate authority.
3. Involve all parties (domestic and international) at the right level and frequency.
4. Understand your risks and address them formally- disasters will affect everyone: your operations, suppliers, customers, partners, governments, emergency services, health care, utilities, etc.
5. Senior management must approve the enterprise-wide prioritization of risks and response strategies.
6. Gain confidence through practice- Knowledge and familiarity will reduce fear and confusion.
7. Keep it simple-Simplicity promotes better understanding and greater participation.

**Q5- Business impact analysis (BIA) definition.**

- ❖ Business impact analysis (BIA) is a systematic process to determine and evaluate the potential effects of an interruption to critical business operations as a result of a disaster, accident or emergency.
- ❖ A BIA is an essential component of an organization's business crisis plan; it includes an exploratory component to reveal any vulnerabilities and a planning component to develop strategies for minimizing risk.
- ❖ The result is a business impact analysis report, which describes the potential risks specific to the organization studied.

## **Q6- How to conduct a BIA?**

generally, a multi-phase process that includes the following steps:

### **1. Identify critical business processes**

- a) Gathering information from: function, processes.
- b) Determine time critical applications systems, data, and telecom.
- c) Determine required availability time (s) for functional departments.
- d) Determine interdependencies between processes.
- a) Determine recovery resource requirements.

### **2. Evaluating the collected information**

- a) The processes or functions performed by an organization.
- b) The resources required to support each process performed.
- c) Interdependencies between processes and/or departments.
- d) The impact of failing to performing a process.
- e) The criticality of each process.

## **Q7- The role of BIA in crisis recovery planning**

1. As part of a crisis recovery plan, a BIA is likely to identify costs linked to failures, such as loss of cash flow, replacement of equipment, loss of profits, staff and data.
2. BIA report quantifies the importance of business components and suggests appropriate fund allocation for measures to protect them. The possibilities of failures are likely to be assessed in terms of their impacts in areas such as safety, finances, marketing, business reputation, legal compliance and quality assurance.

3. Where possible, impact is expressed monetarily for purposes of comparison. The BIA should assess a disaster's impact over time and help to establish recovery strategies, priorities, and requirements for resources.

#### **Q8- BIA vs. risk assessment.**

- ❖ Business impact analysis and risk assessment are two important steps in a business continuity plan. A BIA often takes place prior to a risk assessment. The BIA focuses on the effects or consequences of the interruption to critical business functions and attempts to quantify the financial and non-financial costs associated with a disaster. The BIA looks at the parts of the organization that are most crucial. A BIA can serve as a starting point for a crisis recovery strategy and resources and materials needed for business continuance.
- ❖ A risk assessment identifies potential hazards such as a hurricane, earthquake, fire, supplier failure, and evaluates areas of vulnerability should the hazard occurs. Assets put at risk include people, property, supply chain, information technology, business reputation and contract obligations.

#### **Q9- What is a crisis management plan?**

1. Individuals need to adopt a step-by-step approach during critical situations. Planning is essential. Getting hyper does not solve any problem, instead makes the situation worse. It is a crime to take impulsive and hasty decisions during crisis. It is essential to think rationally and devise strategies which would work best during emergency situations. Complaining and cribbing lead you nowhere.

2. Crisis Management Plan refers to a detailed plan which describes the various actions which need to be taken during critical situations or crisis.
3. Any plan prepared by superiors, members of crisis management team and related employees to help organization overcome crisis in the best possible way is called crisis management plan.

#### **Q10- Why crisis management plan?**

1. CMP helps the employees to adopt a focused approach during emergency situations. It gives a detailed overview of the roles and responsibilities of employees during crisis.
2. CMP elaborates the actions to be taken by the management to save organization's reputation and standing in the industry.
3. Individuals representing the crisis management team formulate CMP to reduce the after effects of crisis at the workplace.
4. CMP helps the managers and superiors to take quick and relevant actions as per the situation.
5. CMP protects an organization from inevitable threats and also makes its future secure.
6. Such plans reduce instability and uncertainty amongst the employees and help them concentrate on their work.

#### **Q11- Explain the characteristics of CMP.**

1. Crisis Management Plan should be made in the presence of all executives. Every member of crisis management team should have a say in the plan. It is important for each one to give his / her valuable inputs and suggestions.

2. Crisis Management Plan should take into account all identified problem areas and suggest a possible solution for all of them to help the organization come out of crisis as soon as possible.
3. Make sure the plans are realistic and solve the purpose of saving organization's reputation and name.

**Q12- What are the crisis management plan infrastructure?**

1. Crisis management team
2. Communication or Crisis Command Center
3. Roles and Responsibilities
  - A. leaders
  - B. employees (staff)
4. budget and Equipment
5. Media Area

**Q13- Common Mistakes of CMP.**

- ❖ Putting news media ahead of employees  
Employees want, deserve news FIRST
- ❖ Lack of comprehensive media strategy
- ❖ Ignoring the "Window of Opportunity"  
once "window" closes it becomes difficult to change perceptions
- ❖ No clearly assigned roles  
Lack of role clarity guarantees confusion; know leaders, doers

❖ Limit communication due to litigation fears

Litigation usually follows adversity

❖ Untested crisis plan

Single most important mistake also, if developed in isolation

**Q14- There are 10 steps to proactive crisis planning.**

1. Review existing policies on crisis communication and management
2. Review guidelines and procedures for implementing policies
3. Review the goals of crisis plans
4. Review crisis team procedures and members
5. Build relationships with community agencies, volunteers and opinion leaders
6. Dialogue with the community
7. Divide planning into manageable sections
8. Prepare tool kit and resource list (“go box”)
9. Determine format and prepare written plan
10. Provide training for all staff