



Conference KeyNotes

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2009 Corporate Security, Business Continuity and Crisis Management Conference

As a community of business leaders, The Conference board convenes senior executives to share cutting-edge ideas and best practices. These *Conference Keynotes* summarize the discussions held by approximately 60 senior executives who attended *The 2009 Corporate Security, Business Continuity and Crisis Management Conference* in New York in October 2009. The views expressed are those of the presenters and participants of the conference.

Key Issues Page 2

- A crisis management plan must be comprehensible, flexible, and tested
- Resilience and recovery: A new focus for security preparedness
- Human factors and leadership are at the heart of crisis and business continuity planning
- Emerging role and impact of social media in crisis management
- Tools: Plans, techniques, and partnerships

Benchmarks Page 5

- More than half of companies believe operational risk is greatest risk to their organizations
- Only 13 percent of companies have fully integrated social media into their crisis communications
- Half of companies attributed past good crisis outcomes to accountable and transparent senior leadership

Action Plans Page 6

What Conference Participants Plan to Do Differently



KEY ISSUES

Crisis management today encompasses a growing range of risks across the enterprise, risks to corporate security and business continuity, threats of natural disasters, workplace violence, and criminal intent. Prevention is important, but a growing focus today is learning how to manage through crisis, recover, and develop greater resilience. Leadership is vital in setting direction, and social media is emerging and changing the dynamics of crisis communications in ways organizations are only beginning to understand.

A Crisis Management Plan Must Be Comprehensive, Flexible, and Tested

All crisis management must start with a tested plan. An untested plan may actually be more dangerous than no plan at all.

- A comprehensive plan is necessary because of the unpredictability of crisis. A plan that takes all known possibilities into account is the best way to limit surprises when disaster does occur.
- Flexibility means being able to turn on a dime during a crisis. The way to achieve this is to know your critical business functions. Identify minimal staffing levels; determine work that can be done remotely and get the IT support to make it happen. Connect to the community at state, county, and local levels for help in tracking casualties and supply chain outages.
- Testing your plan means exercising it. Exercising plans identifies gaps, overlaps, and interdependencies, increases familiarity with roles and responsibilities, allows people to experience crisis-level stress, and tests decision making, tools, teams, response time, and facilities.
- Thoroughly document your crisis exercise. This increases everyone's knowledge and helps avoid litigation.
- Keep it simple where you can. Budget on a shoestring, as financial resources may not be available when you need them.

Resilience and Recovery: A New Focus for Security Preparedness

While much of the prior focus of crisis management has been on preventing threats from abroad, resilience is the direction of the future. Hazards are a part of life. Resiliency is the ability to withstand, to rapidly recover, and to adapt. Resiliency has security, economic, civic, and social value.

- Building resilience within organizations and communities relies heavily on partnership: taking a wider view, out of jurisdictional silos, to develop networks of local, regional, and international agencies and resources.
- While assets (bridges, rail lines) are valuable, most important is the continuity of service that these infrastructures provide. If a port is disrupted, for instance, focus needs to be on how shipping will continue.
- Initiatives on resilience include development of a standards-based framework for independent verification of supply-chain resilience, much in the way that ISO 9000 verifies continuity of quality.
- Rating agencies, which previously focused on financial risk, are broadening their view to encompass risk across the enterprise, looking specifically at the cultures and strategies of companies and their resiliency under stress.
- The divide between homeland security and national security may fade, replaced by an approach that focuses on resilience and risks to the country's sprawling infrastructure. In this new risk atmosphere, rebuilding aging infrastructure may hold more economic opportunity than defense spending or "green" initiatives.

Human Factors and Leadership Are at the Heart of Crisis and Business Continuity Planning

There is no business recovery without people, people who are healthy enough to return to work, who can be productive, who are assured of their safety and no longer afraid, who have had their trust in leadership established and their loyalty rewarded.

- Crisis leadership begins with understanding how stress affects people. Effective leaders communicate competence and compassion. They clarify what has happened, present objective and credible information, reduce anxiety, and return a sense of control. They articulate a vision of the new normal, an expectation that life will get better.
- Bad handling of a crisis often happens when good people do the wrong thing under difficult conditions. This happens because of physical and mental stress, an alien environment, relegating decisions to technicians, rationalization, self deceptions, and lack of consensus on the group's values.
- Ethical infractions are only sometimes the cause of crisis, but ethics is always crucial to managing a crisis. Good organizational ethics may help prevent or minimize crises and are essential to recovery from one.
- Human impact teams, which assist employees and families in a crisis, are a proactive step toward business resumption. They focus exclusively on people issues, providing counseling, help, and resources. Later, they facilitate return to productive work.
- Workplace violence presents two challenges: minimizing the probability of real violence and managing perceptions of those affected by threatening behavior. Skilled threat specialists can align themselves with the threatening person and move him or her in a positive direction, allowing him or her to feel heard and understood, giving a sense of success, fair treatment, and expanded options.

Emerging Role and Impact of Social Media in Crisis Management

Use of social media in disasters is becoming routine, yet it remains a dilemma for many businesses. Social media can facilitate resolving a crisis – but it can also trigger one. Facebook, Twitter, informal networks, and blogs are fast, effective ways to distribute information and pull together a community of people. Yet half of U.S. companies ban workers from using social networking sites while on the job.

- With social media, consumers are the producers. Citizen journalists often get there first and report out, before and through broadcast media. Social media creates two-way, real-time distributed conversations, which can be invaluable in a crisis. The conversations are already underway. Ignore them at your own risk.
- Using social media enables a business to be responsive, protect its brand and reputation, maintain business continuity, ensure human continuity, and demonstrate corporate social responsibility.
- With social media, employees, shareholders, and clients are likely to know about an event before company management does. Businesses can use social media as well as regular channels for confirmation, updates, corrections of rumor, providing welfare checking for employees, status of networked facilities, and availability of resources and supplies.
- Social media allows people to stay connected in a disaster. People turn first to one another in a disaster, a concept called “milling,” to find out what has happened and decide what to do. During campus violence, Facebook helped identify victims. In famines and plagues, YouTube illustrated hygiene. Cell phones relay pictures from crash sites. Twitter gives real-time status on brush fires and earthquakes. Wiki-style networks allow groups to collaborate on problems.
- The social media challenge for organizations is how to enter the conversation. As active participants, they can monitor the chatter of the crowd and insert correct information, preventing the viral spread of unchecked rumors.

Tools: Plans, Techniques, and Partnerships

Prepare and train for stress so your response is automatic. Listen to technical advice, but don't let it be the deciding factor. Maintain open and honest communications. Avoid the temptation not to tell the whole truth. Make your ethical standards tight enough to tie your hands.

- A national department store chain shared its experience managing through a pandemic flu. National directives were helpful, but needed to be localized. Coordinating before with local agencies was essential, as was daily communication to keep anxiety low.
- Human impact teams can do a wide array of jobs. They can serve as family representatives and communications liaisons. They can account for people and do next-of-kin notification. They can serve as a hotline and a conduit for health services, financial aid, claims and benefits, and memorials and outreach. They can liaise with contractors, international entities, and work with those in the job re-entry process.
- A workplace violence program should have the following components: policy, threat notification system, response team and manual, background checks, hostility training, tracking of threatening situations, physical security audits, domestic violence program, employee orientation, and post-crisis preparedness.
- Automated employee notification systems are software-driven systems that are available to organizations. In a crisis, the systems quickly contact and verify responses from employees, sharing news, vital information, and advisories.

BENCHMARKS

Conference participants were polled on the following questions:

Chart 1

How many employees does your organization have?

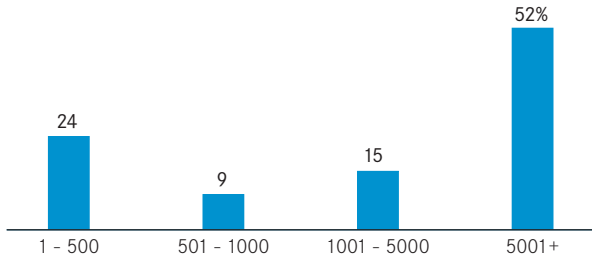


Chart 2

Which of the following risks do you perceive to be the greatest potential threat to your organization?

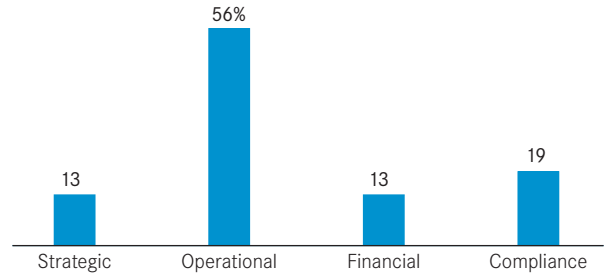


Chart 3

Which best describes your organization's use of online networks/social media?

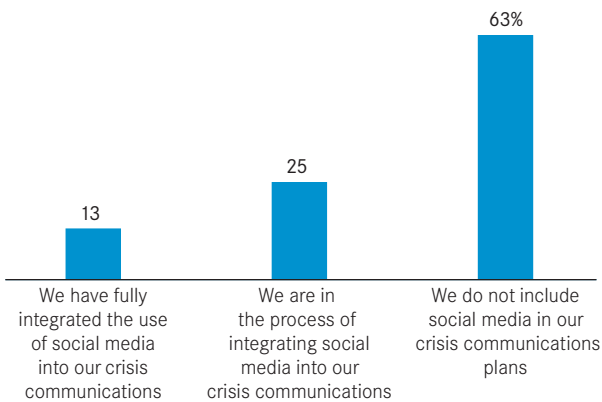


Chart 4

Which of the following have most contributed to positive outcomes of your past crisis communication management?

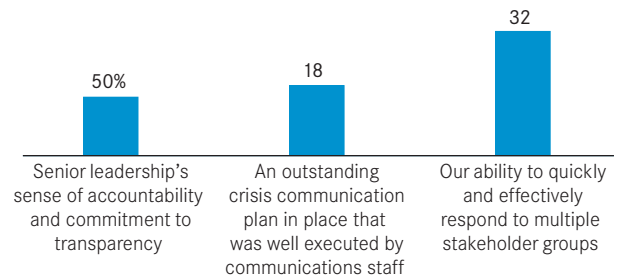
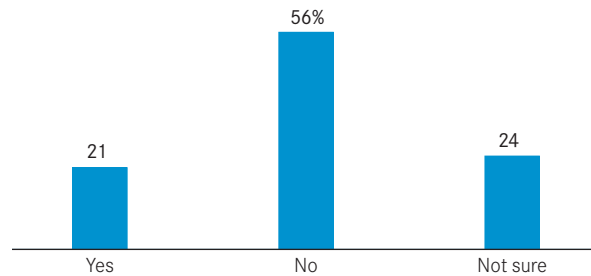


Chart 5

Since the economic downturn, has your organization seen an increase in threats of workplace violence?



ACTION PLANS

What actions will participants take after the conference? A post-conference “action survey” highlights a range of objectives.

- Brief corporate management and commit them to an exercise date.
- Do crisis exercise plans at our sites as well as at corporate.
- Contract consultants to review and enhance our continuity plan.
- Review corporate level of assistance available.
- Look at how social media fits into the current crisis management plan.
- Look at how to integrate social networks into crisis communication plans, especially in our accounting for people.
- Implement a collaborating tool with local agencies for using social media before our next joint exercise.
- Give external crisis management standards (ASIS, NFPA 1600) to internal audit to assess all programs.
- Restructure and enhance our crisis management policies and programs.
- Determine impact on our company of the new private sector initiative on supplier resilience (PS-Prep).



For more information

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Other Strategic Outsourcing Resources from The Conference Board

Research Reports

*Protecting Critical Infrastructure:
A Cross-Border Approach*
Report 1456, November 2009

Managing Reputation Risk and Reward
Report 1442, March 2009

Assessing Offshoring Risks
Report 1431, January 2009

Executive Action Reports

Key Questions in Pandemic Planning
Executive Action 303, May 2009

*Action Plans for Dealing with a Global
Pandemic*
Executive Action 301, May 2009

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Corporate Security Network

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