

CRISIS MANAGEMENT

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I. SCOPE OF THE PRESENTATION

The purpose of this presentation is to open the eyes of Innkeepers for the need of a crisis-management plan. In today's world, planning for a crisis is as important as planning for the future business of the hotel or restaurant.

When a crisis occurs, you do not want to scramble to figure out what to do, who to call, and how to recover. Also, you want to start planning for potential litigation and claim for reimbursement from insurance carriers.

We will discuss briefly the reasons why to have a plan, suggest what may be in your plan, if you don't already have one, and provide real life experiences. We hope this presentation is at least helpful to those of you who do not yet have a plan.

II. WHY CRISIS MANAGEMENT PLANS ARE NECESSARY (PURPOSE)

Implementing a written emergency plan is the initial step in being prepared for a crisis. To implement such a plan, it is best to begin with identifying all potential hazards that might cause a crisis incident. Naturally different areas are prone to different natural disasters. Natural disasters are in the form of floods, hurricanes, fires, tornados, earthquakes, and even tsunamis. A crisis can also result in the event of an explosion or a bomb threat requiring immediate evacuation. Demonstrations and organized protests can escalate into a crisis incident.

A crisis resulted during a power outage such as the black out of August 2003 when power was lost to many hotels for an average of 16 hours in northeastern United States and Canada. In a study conducted by Cornell Professor Robert Kwortnick of "93 hotels, from economy to luxury properties," entitled, "*Cornell Study Gives Hotels Mixed Grades During the Blackout of '03*," Professor Kwortnick states, "A number of hoteliers considered the black out to be a one-time event, yet extended power outages due to weather and other factors are more common than people think."

"Organizations can go a long way to emerging from such incidents with their reputations and/or corporate image intact," states Hotel Asia Pacific columnist Bert van Walbeek in his article entitled: "*Crisis Management: Could You Cope If the Unthinkable Happened - HOTEL Asia Pacific*." Bert van Walbeek further states, "How well you respond depends on how well you are prepared" and "public perception of your company's reaction to a crisis is as important as your operating response."

In the *Human Resources - Business Section*, of *The Press World Wide Web Service*, published August 17, 2003, in an article entitled "*Recent Evacuations in Philadelphia Illustrate The Need for Emergency Response Plans*," Rich Cordivari, Vice President of Secure Defense Systems is quoted saying "employers can dramatically reduce the chance that a bad situation will become worse if they take the time to develop a plan that will direct their response to the variety of situations they may have to deal with. The idea is to train people to act instead of react in an emergency."

The World Tourism Organization (WTO) stresses "the importance of the tourism industry working together," in its *Second Report On The Impact On The Tourism Industry Of the 11 September Attacks*, <<http://www.hospitalitynet.org>>.

III. IDENTIFY POTENTIAL HAZARDS

Determine potential hazards based on the location of your organization. Prepare for the unexpected disaster as well as those you can anticipate.

IV. IMPLEMENTING A WRITTEN EMERGENCY RESPONSE PLAN

Keep your emergency response plan simple using bolded headlines and sub-headlines in large type. Make your emergency response plan easy to read so procedures can be understood and followed during a moment of real crisis. Implement the use of flow charts and emergency check lists.

The Homeland Security Emergency Exercise Program provides that the anatomy of a crisis is planning, prevention, response, and recovery.

V. CONSIDERATIONS FOR YOUR EMERGENCY RESPONSE PLAN

Consider safety first in making sure to protect your guests and employees by keeping them safe.

Each facility is different. Know your facility's specific needs and design your emergency response plan to accommodate those unique needs.

Keep your premises safe during an emergency. Designate key personnel in your crisis management team to maintain the premises protecting the entrances and exits during an emergency. Be prepared prior to a crisis to hire additional security personnel when necessary.

Know your local emergency personnel available to you who are readily accessible to assist during an emergency.

You might consider an emergency notification system to inform your guests who have made reservations who have not yet arrived at your establishment of a crisis and indicate how you intend to accommodate your guests for the impact the crisis will have on their travel plans.

VI. AN EMERGENCY PLAN SHOULD INCLUDE

A. Your emergency response plan should list key personnel designated as your crisis-management team. Certain key personnel should be designated to take charge of enacting the plan. Those key personnel designated to take charge of enacting the plan should be trained to recognize a crisis and be readily familiar with the initial steps of enacting your emergency response plan to react appropriately.

Your plan should also clearly identify and outline the chain of command in your crisis-management team identifying the responsibilities for each member of your team. Your emergency plan should identify those team members designated for enacting the plan, for the managing operations during the crisis, and for post-crisis responsibilities.

Cross-training your crisis-management team members helps you to prepare for the unexpected in the event of a real crisis when the crisis does not happen as you planned. Cross-training insures that all responsibilities are managed in the event that a designated crisis-management team member is not working

or is on vacation when a crisis occurs. Consider designating night-time and day-time crisis-management teams to cover a crisis at any hour.

B. In planning for a crisis, your emergency response plan should define what constitutes a “crisis.” This section should direct those key personnel designated to enact the plan to access the crisis, determine the magnitude and type of crisis, identify the location of the crisis, and if possible isolate it.

Identify where you would be vulnerable or threatened during a crisis.

“Crisis-management experts recommend adopting a low threshold when defining a crisis, erring on the side of caution and assuming that a small episode can escalate into a crisis at warp speed.” “We all need to sharpen our skills at predicting and preventing such situations.” See, *Crisis Management: Could You Cope If the Unthinkable Happened - HOTEL Asia Pacific* by Hotel Asia Pacific columnist Bert van Walbeek.

C. Your emergency response plan should include a crisis prevention plan. Your emergency response plan should indicate steps to avoid or mitigate a potential crisis. Avoid a lapse in security personnel during a crisis. Perform background checks both internally in hiring personnel and externally in knowing your suppliers and the individuals making deliveries. See, *National Restaurant Education Foundations’s Food Security, An Introduction*.

D. Your emergency response plan should include an emergency communications plan. An established procedure should be included to notify the employees and warn the guests of an emergency when the crisis occurs. Do not delay in warning guests of a crisis. It is critical to remain calm. Keeping guests informed will maximize their confidence in your crisis management and minimize frustration, anxiety and rumors resulting.

E. Your emergency response plan should contain contact information to summons the local police and fire departments as well as emergency response personnel during an emergency.

F. Your emergency plan should contain an approach to monitoring and reporting the crisis. An established plan should discipline the release of information thus allowing you to control the information released. Designate a spokesperson who is trained in being interviewed by the media.

G. Your emergency response plan should have an evacuation plan with alternative routes to evacuate should an alternative route become necessary. Your evacuation plan should be generously posted throughout your facility for easy access for your guests and employees. Your evacuation plan should show alternative routes, indicating multiple exits and those exits most appropriate for each specific location.

H. Your emergency response plan should include a business recovery plan. How you handle post-crisis recovery is critical to restoring consumer confidence in your business.

Your business recovery plan should include steps necessary prior to resuming operations. Key personnel in your crisis-management team should be designated as the recovery team. The recovery team’s responsibilities might include accessing the damage, conducting an investigation of the crisis incident, contacting insurance carriers and/or coordinating with government agencies for assistance. See, *FEMA’s Emergency Guide for Business & Industry* attached hereto.

After a real crisis, you might consider offering counseling for your crisis-management team members. Consider rewarding the crisis-management team members who demonstrated professionalism during the crisis incident.

VII. ONCE AN EMERGENCY RESPONSE PLAN IS CREATED

Once an emergency response plan is created, for it to be effective, employees must be trained, rehearsal emergency drills should be conducted testing the written procedures. Such rehearsal emergency drills should be conducted in conjunction with your local police and fire departments, and emergency response personnel. Testing the written procedures in mock emergency drills will make the event of an actual emergency less dramatic.

Store your emergency response plan in a logical place. Know the location of your crisis-management team members.

Be sure to keep the information in your emergency response plan updated, such as current contact information which may frequently change. Consider that when a crisis occurs some of your crisis-management team may be on vacation.

In the *Human Resources - Business Section, of The Press World Wide Web Service*, published August 17, 2003, entitled "*Recent Evacuations in Philadelphia Illustrate The Need for Emergency Response Plans*," Rich Cordivari, Vice President of Secure Defense Systems advises, "Don't wait until an emergency occurs to find out that a person with important responsibilities is no longer employed with your company."

Continually research for new developments in crisis management planning to update your emergency response plan. Explore real life examples of crisis events. Every crisis leads to the discovery of new information that can be implemented into your emergency response plan.

Most importantly, learn from rehearsal emergency drills. After each rehearsal emergency drill, meet with your crisis-management team to discuss the drill and modify your written procedures accordingly.

Preparing a successful emergency response plan requires time, effort and structure to be effective. The more effective your emergency response plan is in a real crisis determines how valuable it will be for your business.