

Crisis Management Planning

Does it Work and Why Do it?

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Crisis Management Planning

This presentation
will explore:

- What is Crisis Management?
- What does good look like?
- What does bad look like?
- Working backwards – what are the elements we need to reach a good end state?
- Is risk management flawed or are we flawed in its approach?

What is Crisis Management

- A crisis is an event or set of circumstances that can severely compromise or damage the marketability and reputation of a destination.
- Crisis Management is the planned and deliberate means by which a destination may mitigate the disruption



A black and white portrait of Winston Churchill, showing him from the chest up. He is wearing a dark suit and a white shirt. His expression is serious and contemplative. The background is a soft, out-of-focus grey.

Some Quotes

Winston Churchill –

‘Plans are of little importance – but planning is essential’ – or ‘let our advance worrying become thinking and planning’

‘To Build may have to be the slow and laborious task of years – to destroy can be the thoughtless act of a single day’



Why Do Crisis Management Planning?

- Prepare your destination for a shock
- Start to understand what might cause that shock and consider what you can do that is within your control
- Build relationships with your colleagues and others in your destination
- Helps you Prepare, Respond and Recover
- Communication – When, Where, Why and How
- Learn
- Come back stronger with an excellent reputation in the market place

Prepare Your Destination

- Understand the Risks
- What is Your Appetite for Risk
- Controls – What Can Be done
- Build Relationships – the act of planning
- Accountabilities – clarify and ensure people understand
- Governance – Why, How and When are decisions made
- Communication – internally and externally



Risk Management

- Consequence and Likelihood – work through the risks, and describe the hazards
- Hazards include things you know will happen. Risks are the uncertainty
- Re-think risk management using the pandemic as an example

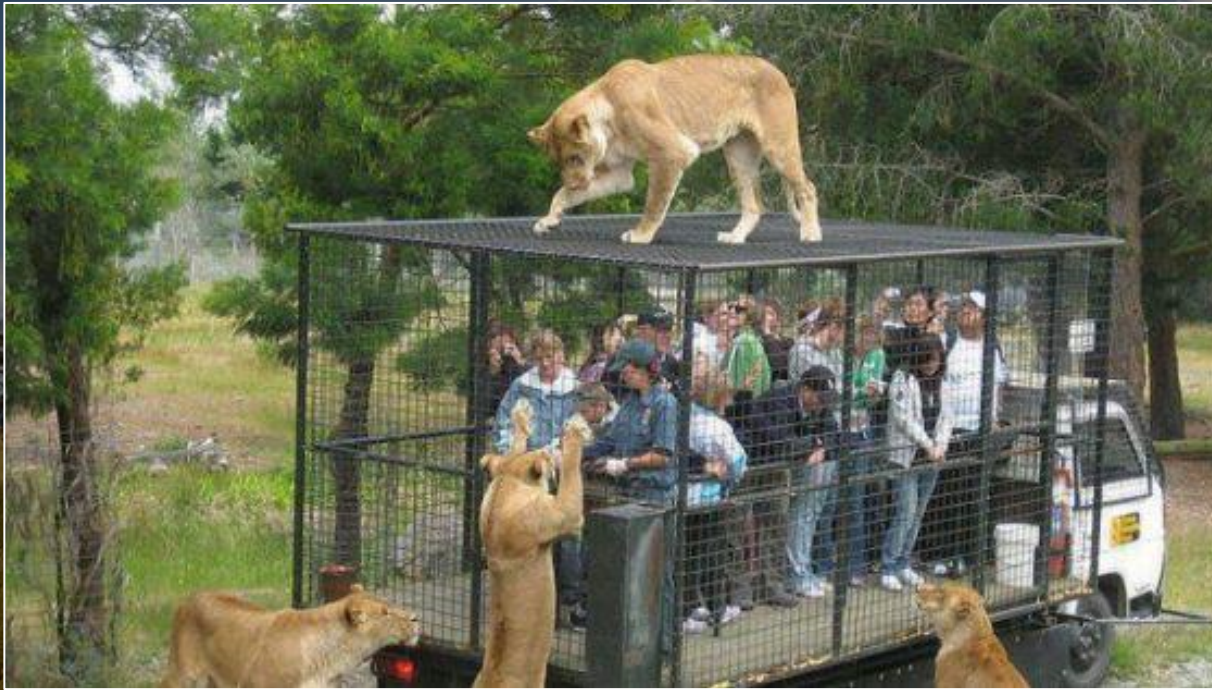
Global Pandemic

Major Bushfires

Likelihood	Consequence				
	Catastrophic (5)	Major (4)	Moderate (3)	Minor (2)	Insignificant (1)
Almost Certain (5)	Extreme	Extreme	Major	Major	Medium
Likely (4)	Extreme	Extreme	Major	Medium	Minor
Possible (3)	Extreme	Major	Major	Medium	Minor
Unlikely (2)	Major	Major	Medium	Minor	Minor
Rare (1)	Medium	Medium	Minor	Minor	Minor

Risk Control Effectiveness

Low Risk



High Risk



Residual Risk is determined by the effectiveness of controls.

Example A – Cyclone in Cook Islands

- 80% of the GDP is tourism related
- It sits within the Pacific Cyclone band – it will occur (the hazard)
- The risk to human health and to the economy is relatively high
- Controls can be put in place to reduce the risks to a level that meets your tolerance
- Controls include cyclone shelters, evac routes, warning, and others include market awareness,
- Tolerance for loss of life and economic ruin is low
- Recommended plan included governance, communication and physical controls

EXTREME

Extreme risks that are likely to arise and have potentially serious consequences requiring urgent attention, effective treatment or planning to reduce the consequence

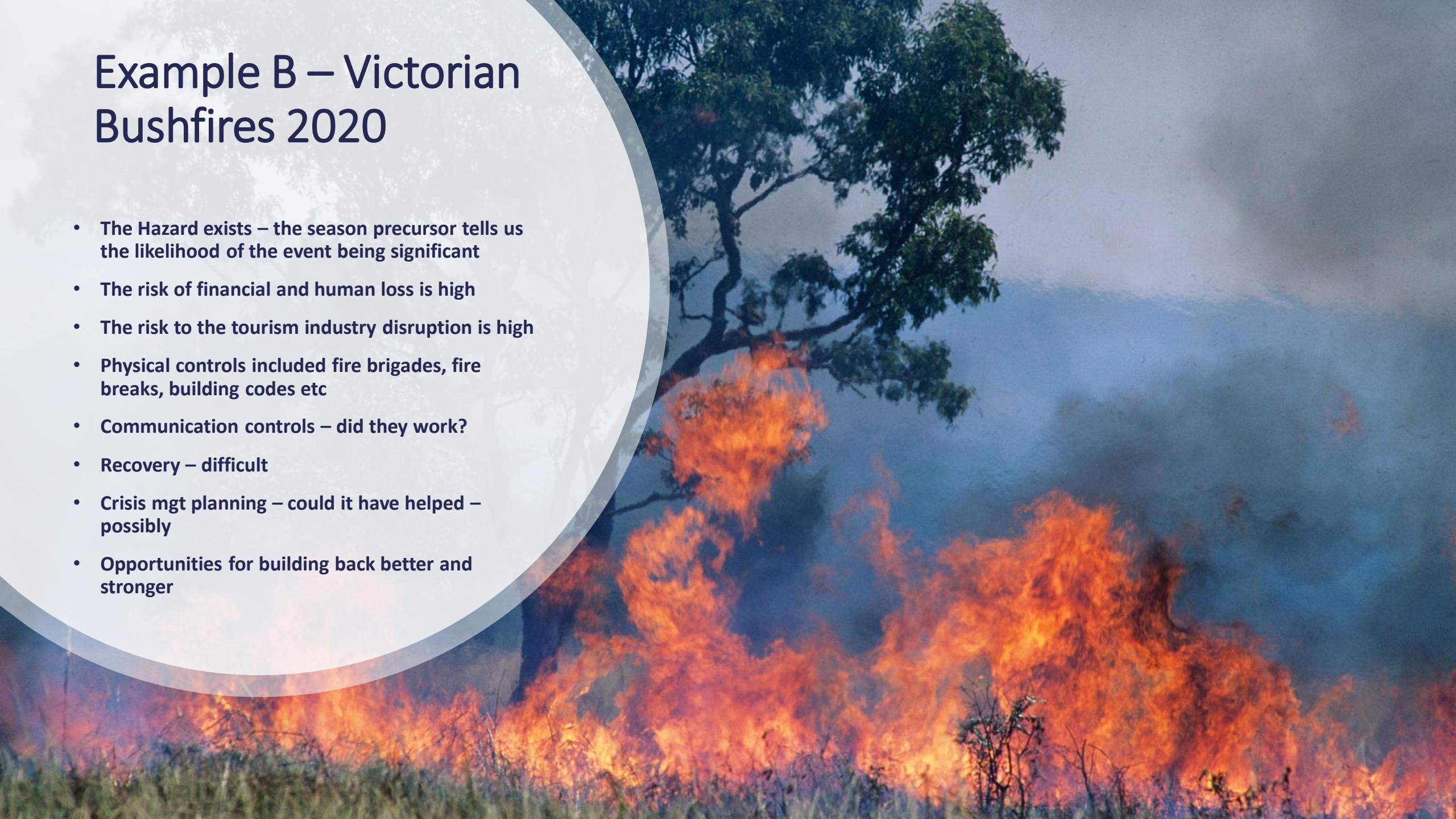
MAJOR

Major risks that are likely to arise and have potentially serious consequences requiring urgent attention or investigation, or planning to reduce the consequence or likelihood



Example B – Victorian Bushfires 2020

- The Hazard exists – the season precursor tells us the likelihood of the event being significant
- The risk of financial and human loss is high
- The risk to the tourism industry disruption is high
- Physical controls included fire brigades, fire breaks, building codes etc
- Communication controls – did they work?
- Recovery – difficult
- Crisis mgt planning – could it have helped – possibly
- Opportunities for building back better and stronger





Some Elements that a Destination Well Prepared has.....

- Regular industry communication – formal and informal
- A documented assessment of risks and controls (does not have to be fancy) and who is doing them
- Go Hard and Go Early - Go Honest – Communications in a Crisis
- Little things like refunds, re-bookings, email updates on positive stories
- Feed the media – they will feed themselves otherwise
- A pathway to recovery is available as soon as practical
- Response tested annually.

A Destination (or sector) Without Crisis Management:

- Response to the crisis will be mixed
- No consistent messaging or re-assurance to the market and to customers
- Media will create the story
- Recovery will be stilted and disjointed
- Tensions that exist at an interpersonal level within the industry will be magnified
- Cruises – 2020?



The background of the slide features a warm sunset scene with the sun low on the horizon, casting a golden glow. In the foreground, several dark silhouettes of flower buds on thin stems are visible, some of which are partially illuminated by the sunset light.

Summary

- Crisis Management is worth starting – you never know when one will hit
- If one doesn't hit – you are better off anyway
- Perfection is the evil of good – make a start
- Test your controls – make sure they are effective (insurance for example)
- Some great resources are available
- Seek help if you need it – many tourism people are skilled in communications but not emergency management and risk controls