



Communication - A Protective Shield During Business Disruption

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When SARS hit in 2003 the potential impacts were seen to be enormous, scary, fatal and highly disruptive to business and society in general. For those caught in Hong Kong or Toronto it was all of these things but for the rest of the world it rapidly became another example of an over zealous media scare.

We are trading in a hazardous century and that's likely to get worse! In the business environment of today the perception can often be worse than the reality but it can cause untold damage.

The early years of the 21st century have exposed our sensitivity to risks (real and imaginary) yet the diversity of risk and the media fascination has been echoed in the risks to which we have been exposed; in the past couple of years the potential events threatening companies is staggering and it seems to continue unabated.

We have global terrorism to cope with on a scale no one really wishes to ever experience. The threatened impacts ranging from suicide bombings to CBN weapons, with consequences so large they impact business internationally not just those local to the incident. September 11th 2001 taught us all kinds of lessons, particularly about business's vulnerability to the consequences of terrorist attacks. The rules changed that day and we are all still trying to work out what that means for each of us. What we know very clearly is that every business of any size must consider the terrorism threat and have strategies in place to deal with such a threat.

We trade in a market place where the values of our companies is not a matter which they and their performance alone can determine. Interaction and co-dependence is a central feature of a mature business environment. Failure of infrastructure, supply chain or competitor can influence the effectiveness of our organisation.

The discovery of a cancer causing substance in Premier Foods products had an immediate impact on their business. The influence of stakeholders and customer demands resulted in decisions being made and complex communication networks forming which escalated the issues into national news. Five hundred products affected, supermarket impacts and the reputation of Premier Foods, the Food Safety Agency and the supermarkets all being put under the spotlight.

There are the obvious natural phenomena, of course, to which we and our predecessors have been exposed. The difference now, in this the 21st century, is that the ferocity and frequency of storms, floods, droughts and famines are magnified by the effects of global warming and a hyperactive media.

RECENT ISSUES AND EVENTS

SARS
Tsunami
WTC
Madrid
Bali
Sudan 1 cancer
MRSA
Avian Flu
Global Warming
Oil pricing
War
IT Security



What happens when large areas of Paris, London, New York or Tokyo are hit by flooding? "The day after tomorrow," images could easily be viewed as reality not cinematic fantasy.

Because of the way we travel and communicate, we are subject to pandemics, or threatened pandemics. The SARS episode cost no more than 1-thousand lives but disrupted trade and commerce for months.

It resulted in 8,400 cases of the disease worldwide with about 1000 deaths. When put into the context of the recent World Health Organisation warning that when the Avian flu pandemic hits, the best case scenario suggests a death toll of 2 to 7 million worldwide with tens of millions of people catching the disease, the impacts and risks of SARS pales in comparison. Such projections show SARS to have been no more than a global sneeze by comparison. Are our globally inter-dependent trading systems ready for such a crisis? Almost certainly not!

There are other areas of risk to which earlier generations of entrepreneurs and managers have not been subject in quite the same way as current businesses. In many fields the activities of regulatory bodies and legislation are now a daily reality. Companies must account for themselves and are answerable in ways earlier generations of managers would not have even considered. This means that businesses which transgress, or even break the law, must take account of reputational and communications issues.

The whole field of communications and reputation management come into focus when managements consider their approach to an increasingly hostile and negative media.

In the 1990s news and information became global commodities which were traded on a 24-7 basis. The media acquired an ability and a will to challenge what businesses do and call them to account for those actions. (Whether the fairness of the media's own methods and systems should also be subject to scrutiny is for another day). The fact of the matter is that an aggressive, even predatory media, is a further 21st century danger which the business community must manage.

As the challenges grow the demands on organisations to establish effective response arrangements is not only being driven through regulatory requirements but by shareholders and customers. Resulting in significant growth in business continuity, risk management, corporate social responsibility and governance issues at board level.

With mounting internal and external pressure many organisations spend significant amounts on establishing risk management processes. But often these fail to deliver because of fundamental challenges in communications. It seems that the more sophisticated we become the less able we are to express our ability to handle risk.

Because the risks to which businesses are exposed are so great and so diverse, managements are increasingly recognising the need to make sure that their businesses are in shape to face up to a series of worst case scenarios. They accept the need to risk assess their own activities and take appropriate defensive measures. The aim has to be that, despite the risks and despite the inter-dependence from which we all benefit in good times and from which we all suffer when wheels fall off, business continuity can be achieved with the right level of preparation, training and corporate cultural change.



Placing communications expertise at the heart of a business continuity process is an essential ingredient for success. Not only during periods of invocation but in the preparation, maintenance and testing phases. Good stakeholder communications acts as the lubricant for internal processes and as the shield for corporate protection. But only where proper processes, procedures and training have been implemented.

Early warning and professional response are not sufficient to handle risk driven crises, there have to be systems in place which deliver good internal interaction between the risk professionals and the communication specialists.

Disruption can arise from failures in social or technical areas. The human factor deserves as much focus as the technocrat. Do we have the ability to achieve "business as usual" if our IT system takes a major hit (from whatever source)? What if the staff are afraid to come to work? Could we cope? If the transport infrastructure is damaged, could we keep things going if key suppliers fail?

Of course, it is not possible to predict the nature, let alone the timing, of every type of crisis which might strike. The trick is to take the necessary steps to have in place systems, expertise and confidence which will perform well when crisis hits, whatever its nature. That means the development of effective strategies, policies and systems. It means effective and robust training. It means good communications within the company which ensures everyone knows what is required of him or her. It also means effective external communications. It means a corporate culture which is determined to thrive in difficult times as well as in good.

Can we predict the future and control the risks; obviously not and the future offers opportunities not just failures. React better than your main competitor and the future is indeed bright. One of the best ways to get an advantage is to ensure the response arrangements can handle the demands for risk communication.

The acceptance by senior managements that business continuity is as important an issue as sales or marketing, production or unit costs has led to the development of strategies, policies and cultures which focus, during the good times, on how to cope with the bad times. We are not just talking here about trading cycles and balance sheet performance. We are taking about events and occurrences which (literally or metaphorically) fall out of the sky.

The ability to cope with such occurrences, wherever they measure on the Richter scale of disruption, risk and crisis, is an asset which managements can readily acquire for their companies. Do it now before it's too late.

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