

Crisis Leadership: Do You Have What It Takes?

How ready are you to lead your organization through a crisis? How much time have you invested in preparing yourself and your colleagues for crisis events? While crises are common, **truly successful crisis leaders are less common**. Read on to learn how to manage through tough times and bring your team – and business – through to the transition and into an unfamiliar routine by building a resilient culture that can adapt through adversity.

What is a crisis?

Numerous events can become a crisis. Whether brief and dramatic, like an active shooter, or long and drawn-out like a global pandemic, leadership plays a critical role in how your organization reacts and survives. Regardless of the scenario, all crises follow the same pattern:




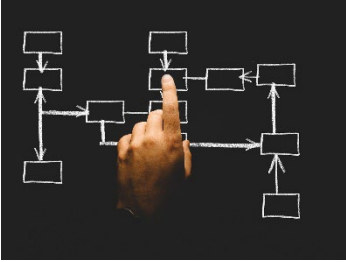




It begins with an emergency. Maybe there is no way we could have anticipated it. Maybe we did, and we have a response ready. Maybe it's a [Predictable Surprise](#). Regardless, it's on our doorstep and we must see it through.

An *emergency* is a short-term event that evolves into the actual crisis as the initial shock wears off and we begin to comprehend the impact. The impact(s) drive an emotional response, which results in calls to action. Keep in mind that as people talk to each other and process the shock of what has happened, emotions become clearer and more defined, and will likely escalate in intensity. Calls to action follow from there: thoughts and prayers, civil action, social justice – anything can become a call to action and, depending on the crisis, this can create a secondary crisis that affects your organization's reputation, financial bottom line, or more.

Types of crisis impact

A crisis can affect your organization in one or more ways. The six most common impacts you need to consider:

 <p>Customer Impact: When and how will they learn of the crisis? What can you do to keep them as a customer?</p>	 <p>Financial Impact: How will this affect your bottom line? What can you do to protect your business' financial interests?</p>	 <p>Regulatory Impact: Will there be fines or penalties? Are you at risk of losing contracts or clients due to non-compliance?</p>
 <p>Organizational Impact: What is your strategy to address a full or partial shutdown?</p>	 <p>Reputational Impact: What is your plan to get ahead of the story and reestablish credibility?</p>	 <p>Human Impact: What support services can you offer to assist your people?</p>

Each of these impacts can be catastrophic on their own, and when you are dealing with multiple impacts, the value of great leadership is even more pronounced.

Customer impact

If the crisis is covered by news outlets (local to national) or even mentioned on social media, your customers will hear about it. Every day we hear about various boycott efforts. This could be a concern for you if your customers are the public. But think about customers in your supply chain, too: for example, if you have a fire in your warehouse and lose product that they need for their own supply chain, what can you do to still meet your commitment? When you are in a crisis, have a plan to communicate as soon as possible to your customers so they know what is happening and how you plan to move forward to ensure you meet their needs.

Financial impact

Crises come in all shapes, sizes, and severities. Whether it's tornado damage to your building, a data breach, or a global multi-year pandemic, assess your risk *now* and determine your risk threshold. While financial losses may be unavoidable, you may be able to mitigate some risks, and by doing that homework before the crisis you may survive the long-term effects.



Regulatory impact

If you are in an industry with local, state, or federal regulations, ensure that you have plans and reporting policies in place to maintain your compliance. For example, perhaps data breach is a high risk to your regulatory compliance. How often and how effective is your employee training? When did you last review your IT Disaster Recovery plan?

Organizational impact

Whether you provide services or produce goods, you always want to have Plans B, C & D to keep the doors open. Do you know what your Minimum Business Continuity Objectives (MBCOs) are? MBCO is the quantifiable lowest level of critical operations that you need to have to continue operating. A candymaker may have an MBCO of 60% of their normal candy production for up to five days. An online shopping site may have an MBCO for a single facility of fulfilling 83% of orders per day for up to two weeks. A non-hospital healthcare facility with 3 Healthcare Providers may have an MBCO of seeing 38 non-Medicaid patients per day for 10 days, or 50 Medicaid patients per day for 5 days. MBCOs are unique to every business and *each critical workstream* within that business.

Reputational impact

Businesses rise and fall on their credibility. If your CEO commits a gross error in judgment, or a board member's unsavory connections are exposed, your entire organization and all your employees are now at risk. It doesn't have to be a momentary embarrassment; it could be a product recall or service failure that brings about a crisis. Make sure you have the right policies in place to avert or rapidly manage a blow to your reputation.

Human impact

The most important and most common impact is human. People can be emotionally, physically, or financially affected by a crisis. As an organizational leader, it's on you to alleviate distress and reassure your team, customers, and community that the right steps are being taken.

What is crisis leadership?

Crisis leadership is the culmination of behaviors and actions that make or break the future. Do you know your business' vision and values? What is the core mission of your business? By expressing a set of indispensable characteristics, you can lead your staff through any crisis.

Benefits of crisis leadership

- ❖ **Reduction in turnover:** Great talent is hard to come by and even harder to keep. Don't let poor leadership fuel a mass exodus and subsequent hiring crunch. Empathy, expressed trust, decisiveness and sticking to your organization's vision and values are some of the ways you can hold onto your most important asset: your staff.
- ❖ **Improved daily work:** Did you know that the flexible thinking that is encouraged in workplaces that practice business continuity management (BCM) results in better day-to-day problem solving among employees? Employees will follow your example; a well-prepared expert can be a beacon in a dark moment.

- ❖ **Longevity:** Poor leadership can drive an organization into failure with astounding speed. Honing your crisis leadership skills can not only save your business in the short term but it can establish your team as an industry leader as a great place to work and encourage high customer satisfaction scores.

Pillars of crisis leadership

The goals are clear:

- ❖ Survive the crisis: physically, logistically, financially
- ❖ Rebuild into an optimized routine
- ❖ Continue operations

These goals translate into your crisis toolkit. To survive and thrive, you need:

- ❖ A resilient workforce
- ❖ Outstanding leadership
- ❖ Business Continuity Management

These interdependent facets are dependent upon one thing: a prepared leader.

Characteristics of an outstanding crisis leader:

Communication is the hub of the wheel. Communication drives everything that happens during and after a crisis. Your entire communications style, from verbal and non-verbal cues, voice tone, speed of speech, what you say and when – will determine the level of resiliency your staff has, the level of confidence your customers have, and how long your organization will survive post-crisis. Learn the ins and outs and how to improve your daily communication.



Empathy goes hand in hand with communication. Big emotions are part of any crisis, and you must be prepared to acknowledge them. Learn about empathy vs. sympathy, leading from the front and leading from behind, and why empathy plays such a significant role in employee retention.

Are you a role model? Employees mimic your behavior. It takes the right touch to inspire others to focus on what they can do and how they can do it. Think of your organization's vision and values. Do you lead each day with them? Being a great role model improves corporate culture and fosters a better working environment. In bad times, the way your staff perceives you may be the thing that helps or hinders their confidence and their resilience.

Integrity. Seems like this goes without saying but think of leadership examples where you couldn't entirely trust what you were being told. Do you follow through on what you say? Do you tell the truth? Do you start a fire and then expect applause for calling in the fire department?



Competence is never overrated but often overlooked. The head of FEMA when Hurricane Katrina hit was a man with no experience in federal government or emergency operations. Prior to his appointment to FEMA, Michael Brown spent his career supervising judges for Arabian Horse competitions. You must understand the core workings of your business to successfully lead it. You don't need to know how to fix a flux capacitor, but you should know if there's one in the widget you manufacture.

Can you be brave if you aren't afraid? *Courage* and tenacity in hard times will encourage others to carry on despite obstacles. Courage comes in many forms.

In the moments between decisions, doubt flourishes. Be ready to make *decisions* to lead the company, and then communicate what those decisions are. We can't always make the right decision but having an action plan and telling others what to expect, a timeline, and any further actions will help effected parties focus forward. You'll have to evolve as you go, but the point is that you are moving forward and bringing the team with you.

Communication is the thread tying all these characteristics together.

After the crisis: persist or reset?

There are benefits and drawbacks to both options. Hanging on to "what's still the same" may provide short term comfort at a difficult time, but the short-term discomfort with a reset can lead to great opportunities. We'll walk through how to prepare your team – in normal times – for the resiliency they'll (and you'll) need for everyone to move forward together.

Managing recovery

How does your organization rank on the Compassion Competency Index? How do you support your staff? Planning for recovery includes support planning as well as logistical planning. Make sure you are ready when the moment comes.

Part of recovery is reviewing continuity management plans for lessons learned and improvements. Unsure about Business Continuity? We'll walk you through high-level concepts that organizations of any size can apply. Will you be surprised to know that communication is key to a great BCM plan? Leadership encompasses knowing how to lead and making sure that everyone knows their role. BCM keeps you operational, and your leadership skills will keep you in business one, ten, or twenty years down the road.

Want to learn more? Join us for Crisis in Leadership seminars and become the leader that every organization needs.

Download available for self-paced learning at <https://firstdefsolutions.com/about-us/#crisis>