Ansvar Broker Education Series:

Avoiding a Crisis through Risk Management
Warren Hutcheon
CEO
GET CLIENTS CRISIS READY:

UNDERSTANDING RISK, ISSUES & CRISIS MANAGEMENT

Ansvar Insurance
Broker Education Forum

In Confidence

Allan Briggs
May 2014
SUMMARY

Introduction
  • Briggs Communications & how we know about crisis

Context
  • Our networked & social business environment
  • The link between reputation & crisis management

The Problem
  • What could possibly go wrong for your clients?
  • How crises look; how crises feel

Challenges & Opportunities
  • Common barriers to crisis preparedness & opportunities to improve

Our Solution
  • The resilience paradigm
  • Our 5 Step Crisis Ready Process
  • How we add value
WHY WE DO CRISIS WORK…

79% of business decision-makers believe they are only 12 months from a potential crisis
(Burson-Marstellar 2011 global survey)

Communication is critical to risk, issues & crisis management

Our approach based on 25 years’ experience + theory/research + industry thinking

• Black Saturday, Kerang Rail Accident, Gangland Shootings
• SES volunteer drowning
• Non-profit foundation / family violence sector
ENTERPRISE ENVIRONMENT

We all do business in a networked and social world…

• Technology and social media facilitate citizen journalism everywhere
  • Inside & outside organisations

• Global markets and competition

• Increasing public/media scrutiny & customer demand for transparency and quality
  • Customers have choice and shop around
  • Customers, stakeholders & media talk publicly. A lot!

• Heavy regulation
  • OH&S
  • Health & aged care compliance

• Litigious society – civil, criminal, coronial, royal commission investigations
Perception IS reality…

*Risk = Hazard + Outrage*  (Dr. Peter Sandman)

Enterprise risks are reputational risks:

- Personal injury
- Economic loss
- Environmental damage  > BECOME reputational threats
- Business interruption
- Legal proceedings
WHY MANAGE RISK, ISSUES & CRISIS?

Reputation is an Asset; Crisis is an Opportunity

“The Chinese use two brush strokes to write the word ‘crisis.’ One brush stroke stands for danger; the other for opportunity. In a crisis, be aware of the danger – but recognise the opportunity” (John F. Kennedy, 1959)

Risk, issues and crisis management
> Reputation Management > Business Resilience

• Reputation increasingly important

• Health, aged care, education & non-profits

Reputation “number one risk” for providers

By Darragh O’Keefe on April 30, 2014 in Industry
OPPORTUNITY: REDUCE RISK & OPTIMISE RESPONSE

Risk Management is part of best practice Crisis Management

“People will treat you the way you allow them to treat you” (Dr. Phil)

If your clients don’t plan & prepare they give up the right to have any control over a situation & its outcomes

• Reputational risk response strategies:
  • These days, its impossible to avoid reputational risk
  • May or may not insure against it
  • But, can always reduce risk through a process of planning & preparation

• Risk & issues management: prevention & early intervention
A CRISIS: HOW IT LOOKS

What could possibly go wrong for your clients…?

Crises are caused by diverse threats and events –

• Malpractice/misconduct
• Protest/activism
• Investigation/Inquiry
• Technology failure
• Natural disaster
• Criminal malevolence (alleged or actual)
Doc on porn charges

ERIN PEARSON AND MANDY SQUIRES • GEELONG ADVERTISER • APRIL 06, 2014 8:59AM

LAW & ORDER

Geelong cardiologist Sandy Black placed on sex offenders register for 15 years

KAREN MATTHEWS • GEELONG ADVERTISER • MAY 07, 2014 8:32AM

A former senior Barwon Health employee faces police investigation. Source: News Limited
CRISIS: CATHOLIC CHURCH

The Shame of the Catholic Church
DURATION: 1 HOUR
Decades of clerical abuse and cover up have left the Catholic church in Ireland at breaking point. Now Darragh

Police slam Catholic Church over abuse
BY PAUL MULVEY | AAP | OCTOBER 19, 2012 7:03PM
THE Catholic Church has put its own reputation at risk by destroying evidence of sexual abuse and again

Hang your heads in shame, Denis Napthine tells Catholic leaders
HANNAH JENKINS | THE AUSTRALIAN | NOVEMBER 13, 2013 3:56PM
Church does not check a transferring priest’s reputation, abuse inquiry told Catholic bishop of Lismore says there were no specific reputation checks comparable to reference checks for other jobs
'Ashamed' Salvation Army paid $15m to child sex abuse victims, inquiry told

STUART RINTOUL | THE AUSTRALIAN | APRIL 4

THE Salvation Army has told a Victorian royal commission into the treatment of children that occurred more than $15 million to victims of sexual abuse. Abusers visited Salvation Army boys home at night: inquiry

Australian panel told of sexual abuse of boys at Salvation Army homes

By Jethro Mullen and Jessica King, CNN
January 29, 2014 -- Updated 1459 GMT (2259 HKT)

'Shocking' Salvation Army abuse claims in Australia

Dreadful claims of harm to young boys at Salvation Army homes revealed by Royal Commission

Sex abuse has brought disgrace and shame on Salvation Army, officer says

DAN BOX | THE AUSTRALIAN | FEBRUARY 27, 2014 1:34PM
CRISIS: SALVATION ARMY

Followed by Jacqui Street and 3 others

Sarah Dingle @sarin1 · Apr 1
Salvation Army abuse victim calls on public to rethink Red Shield donations. Audio up @amworldtodaypm #royalcommission abc.net.au/worldtoday/con...

Expand Reply Retweet Favorite

ABC News 24 @ABCNews24 · Apr 1
Watch LIVE: The #RoyalCommission is holding a hearing into the handling of abuse claims by the Salvation Army ab.co/abcnewsnow

Expand Reply Retweet Favorite

YouTube

The Australian @australian · Apr 14
TWO Salvation Army officers lied over their account of the handling of a child’s sexual abuse, the NSW government says ow.ly/vK4q

Salvation Army couple ‘lied to church’ over standing down, NSW...

THE NSW government intends to make a formal submission to the royal commission alleging two senior Salvation Army officers lied over their account of the church’s handling of a child’s sexual abuse.

View on web

SBS News @SBSNews · Apr 7
The Salvation Army’s system for compensating victims of abuse is under scrutiny at an inquiry in Sydney bit.ly/1sqQ7OT

Expand Reply Retweet Favorite

Great Big Newt Tax @NewtonMark · May 7
Red Shield Appeal won’t fund sexual abuse compensation. Might fund sexual abuse though so YOLO. arse.at/4k3j

View summary

Peter Fox @Peter_Fox59 · May 7
Salvation Army promises that Red Shield Appeal won’t fund sexual abuse compensation payments
CRISIS: AGED CARE


'A firefighter's worst nightmare' as multiple deaths confirmed after fire breaks out in nursing home

Court told how a nursing home went to extraordinary lengths to hide the truth about the death of someone's mum

Aged care home covered up death of resident
A CRISIS: HOW IT FEELS

• High pressure: dynamic & complex

• Fast-moving: news spreads quickly
  • Social media response within 20mins
  • Traditional media response within 1hr
  • Need to fill the void, or media fill it for you

• Frustrating
  • Journalists & traditional media are persistent & ruthless
  • Others will use an incident to promote their cause

• Fatiguing
  • Immediate situation & aftermath may last days, weeks, months
A CRISIS: SINK OR SWIM?

Outcomes encompass anticipated & unanticipated issues

• Success comes down to communication internally & externally
  • Best practice built on: right information; right people; right time

• Halo effect: what you say impacts on many
  • Individuals
  • Community
  • Stakeholders – shareholders etc
  • Broader industry

• Crises make or break leaders and reputations
OVERCOMING CHALLENGES

Barriers to preparedness & opportunities to improve

When organisations are:

• **Complacent**
  - Transition to: Understanding communication environment & their exposure

• *Uneducated* about risks & consequences
  - Transition to: Recognising reputational value & consequences of enterprise risks

• **Incapable & inexperienced** in crisis communication
  - Transition to: Skilled & rehearsed to manage reputational risks, issues and crises
OUR SOLUTION

Best practice Crisis Management – the resilience paradigm

We *build* crisis management *capabilities* > We *embed* them in *processes*

But first…Clients have to:

- **Accept** a crisis will happen
  - The reality: *not IF but WHEN*
  - Executives must prioritise preparation – cultural leadership, budget & time

- **Expect** crisis
  - Only cyclical processes & automation will maintain a state of crisis readiness

- **Act** on exposure
  - Engage specialist advice & do the work before it happens
The crisis management lifecycle

1. Detect & Mitigate
2. Plan & Prepare
3. Respond & Contain
4. Recover
5. Learn

Briggs Communications
Five Step Crisis Ready Process™

1. Diagnosis
2. Planning
3. Training
4. Scenario Testing
5. Evaluation & Adaption

Talent | Training | Crisis
Suite 5, Level 10, 118 Queens Street, Melbourne VIC 3000  T: 03 9602 4310  W: briggscommunications.com.au
THE SOLUTION

How it looks…

*Competent; Confident; In Control*

- Effective, not just compliant
ADDING VALUE

Building business resilience & contributing to strategic goals

When organisations prepare for crises they:

• Identify underlying problems and ways to integrate/reduce risks across other areas of business

• Gain a deeper understanding of their business environment

• Uncover opportunities to share applications, systems, experience and knowledge across business divisions

• Acquire skills, management structures, leadership confidence and employee engagement that enhances performance parts of daily business

• Have promotable outcomes that can enhance their reputation among customers, investors, regulators etc
WHAT COULD POSSIBLY GO WRONG?

Risk, issues & crisis management is about effective communication
Questions?
Thank You
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