

CAN YOU REALLY PLAN FOR A CRISIS?

ASSESSMENT OF VULNERABILITIES HELPS TO PREPARE FOR A CRISIS

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Just when everything is going great, disaster hits. Like bees to honey, the media, politicians and regulators swarm in, microphones in hand.

Is there anything you could have done to see the crisis coming?

Crisis situations can take many forms and usually are unpredictable. They often are beyond your control, and are a test of your company's character and reputation. How your company responds when the chips are down speaks volumes to your strategic stakeholders about your credibility and integrity.

Of course, there is no way to know exactly what the situation will be or when it will hit—that is simply the nature of a crisis. However, a glimpse into the future to assess the most damaging and most likely situations will help you prepare.

PRIORITY RANKING OF VULNERABILITIES

The grid to the right is an easy tool that will help assess your most costly vulnerabilities and prioritize where to begin your crisis planning process.

Make two separate lists, dividing each into priority categories that are color-coded red, yellow and green. One list includes those vulnerabilities/crisis situations that are most likely to occur. The other list includes those crisis situations that would be most damaging to your business.

The next step is to review both lists and identify the crisis situations that are most likely to occur and would cause serious damage. Identify any vulnerability that you rated "red" on both lists, followed by those rated "red" on one list and "yellow" on the other.

Concentrate crisis planning on those situations in the red and yellow zones. The attached worksheet and matrix represents the potential crisis situations of a fictitious manufacturer of consumer glass products.

Crisis Assessment Grid

Likelihood	<u>Zone 2</u> Most Likely Least Damage	<u>Zone 1</u> Most Likely Most Damage
	<u>Zone 4</u> Least Likely Least Damage	<u>Zone 3</u> Least Likely Most Damage
	Damage	

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VULNERABILITIES WORKSHEET
MANUFACTURER OF CONSUMER GLASS PRODUCTS
POTENTIAL CRISIS SITUATIONS

<p style="text-align: center;"><u>MOST LIKELY TO OCCUR</u></p> <ol style="list-style-type: none"> 1. Glass chips or fragments injuring a customer 2. Negative rumors about quality of product seriously hurting sales 3. Slowness in manufacturing sufficient quantities of products, damaging relationships with distributors 4. One of senior management leaving the company to join a competitor 5. Negative media coverage that causes a strong downturn in sales 	<p style="text-align: center;"><u>MOST SERIOUS DAMAGE</u></p> <ol style="list-style-type: none"> 1. Consumer death blamed on product 2. Major litigation against company that significantly damages company's reputation 3. Negative media coverage that causes a strong downturn in sales 4. Unexpected resignation of chairman 5. Glass chips or fragments injuring customer
<p style="text-align: center;"><u>COULD OCCUR, BUT UNLIKELY</u></p> <ol style="list-style-type: none"> 1. Sudden death of chairman/CEO (who currently is 72-years old) 2. Fatality in one of the manufacturing plants 3. Political actions causing serious damage to company and/or industry 4. Disgruntled current or former employee causing serious injury or fatality within the company 5. Major litigation against the company that significantly damages the company's reputation 	<p style="text-align: center;"><u>WOULD CAUSE DAMAGE, BUT MANAGEABLE</u></p> <ol style="list-style-type: none"> 1. Negative rumors about quality of product seriously hurting sales 2. Sudden death of chairman/ceo 3. Sudden plant closing 4. Fatality in one of the manufacturing plants 5. Disgruntled current or former employee causing serious injury or fatality at the company

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VULNERABILITIES MATRIX
MANUFACTURER OF CONSUMER GLASS PRODUCTS
HIGHEST PRIORITY POTENTIAL CRISIS SITUATION

<p>MOST LIKELY / SERIOUS DAMAGE</p> <ol style="list-style-type: none"> 1. Glass chips or fragments injuring consumer 2. Negative media coverage that causes a strong downturn in sales 	<p>MOST LIKELY / MANAGEABLE DAMAGE</p> <ol style="list-style-type: none"> 1. Negative rumors about quality of products seriously hurting sales
<p>COULD OCCUR, NOT LIKELY IN NEAR TERM / SERIOUS DAMAGE</p> <ol style="list-style-type: none"> 1. Major litigation against the company that significantly damages the company's reputation 	<p>LESS LIKELY TO OCCUR IN NEAR TERM / DAMAGE MANAGEABLE</p> <ol style="list-style-type: none"> 1. Fatality in one of the manufacturing plants 2. Disgruntled current or former employee causing serious injury or fatality within the company 3. Sudden death of chairman/ceo

The vulnerabilities matrix helps to identify the areas on which the company should focus to help prevent them from becoming major problems. The process also provides a focus for the company's future crisis-planning activities. Any resulting crisis management/communications plan for this glass manufacturer must address these areas adequately and be executable if any of the potential crisis situations occurred.

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