

# Being prepared for crisis

Jim Truscott heads a Perth-based crisis management consultancy that deals with issues ranging from business continuity planning to counter-terrorism planning and exercise.

On July 17, he had to deal with what he teaches his clients to be prepared for. He lost one of his staff during the simultaneous bombing of the JW Marriott and Ritz-Carlton hotels in Jakarta. The attack left nine dead and 53 wounded.

"It was a tragic event. He was at a monthly meeting in Jakarta," said Truscott, CEO of Truscott Crisis Leaders, in an interview not long after the bombings.

The attack highlighted security issues in the region but Truscott says when it comes to crisis management, most businesses are generally concerned with business risks.

"Security is an aspect of doing business but the things that really worry people still are inappropriate behaviour by senior people," he said.

Different sectors and companies have different labels for crisis management but words like incident management, IT disaster recovery, business continuity management and crisis management refer to the same thing.

"They are all adjectives which describe how a group of managers come together to focus their energy on problem-solving," says Truscott.

Truscott Crisis Leaders works with roughly 170 companies around the region, including BHPBilliton Indonesia, Kimberly Clark South Asia, Sydney Airport and Virgin Blue. Last year, its revenue was A\$2.1 million (RM6.4 million).

Truscott was in Kuala Lumpur to conduct training for ExxonMobil Malaysia in media awareness for front-liners and leaders of the organisation.

Leadership is vital in crisis management which can only succeed with a leader who is able to set the agenda and drive the team forward, says Truscott.

"It (leadership) is the ability to adroitly manipulate resources and get things lined up as you want them. But at the end of the day, you need to inspire people, you're talking about situations here where people may generally be concerned about their physical protection," he says.

The chief executive of the company should be the leader but Truscott says it is a common technique for companies to have a chief of staff run the actual team deliberations, which then enables the chief executive to

engage the board of directors.

He says managers do not get paid for what they have to do today but for what they might have to do tomorrow, so it is about how they're going to work their way towards achieving leadership, particularly in crisis situations.

As some of the risks, especially business risks, could be insidious, crisis recognition is a must in crisis management, says Truscott. Executive misconduct and unethical misbehaviour could be particularly hard to detect.

Since the global financial crisis, companies are more wary of executive misconduct, ethical misbehaviour and incompetent management, says Truscott.

"You've got to recognise that you're in trouble. It's this skill of recognising we're now in a situation that requires us to act differently. You know there are bigger issues at stake here and normal day-to-day problem-solving, decision-making is not enough," he says.

Once the crisis has been identified, what's important is the company's ability to activate the appropriate management team and immediately notify its internal and external stakeholders.

The crisis management team would

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then need to decide on the kind of strategy or solution they would use to alleviate the crisis.

"What's been proven in more recent years with these large corporate scandals — if you're guilty, don't try and distance yourself from it. Confess and then focus your strategy on how you're going to recover, as best as you can," he says.

With the strategy in hand, the team needs to communicate it to the people around them like employees,

shareholders and the media. "It's one thing to have come with all this smart ideas but you actually have to get people to believe your smart ideas for you to be successful in implementing that chosen course of action," says Truscott.

Crisis management is very much about restoring a company's reputation and sometimes, how a company reacts in a crisis could actually help maintain or improve its reputation in the shareholders' and public's view, he adds.

Truscott gave an example of an Australian oil and gas company which reacted quickly to a helicopter crash that took place in April 2006 at one of its operations at Papua New Guinea's Moran oilfield. The crash caused the deaths of three workers and left one worker injured.

The company reached out to the families of the employees involved and provided them support and counselling. It also communicated with investors and the media.

"Because they were able to act quickly, they were able to... minimise the damage to their reputation. They went about to reach out and explain to stakeholders what was happening and people considered them to be a responsible company, the way they went about it," says Truscott. **E**