

CORPORATE EMERGENCY RESPONSE THE ART OF DESIGNING BRIDGES

You will have all seen the WWII movie about the paratroops who had to seize the 'Bridge Too Far' at Arnhem in Holland in September 1944 with tragic consequences. Well, some 26 years ago when I was a Combat Engineer I was tasked by my Commanding Officer, now the Governor of Western Australia, to build a light aluminium floating bridge across the Hawkesbury River near Richmond in New South Wales. Well, my troop of some 40 men did just that throughout the course of very long night but much too our dismay when dawn broke there was some 5 metres to go. Our crisis commenced. You see the logisticians had decided in their wisdom that bridge sections would be measured in metres and not yards – hence a bridge too short. Needless to say, Colonel Sanderson, as he was known then, was not impressed.

So what you are thinking now? No one died, but we failed in our task, albeit it was only training and not a real crisis situation. The consequences for the Logistic Corps were not very savoury as they had failed to tell the Corps of Engineers that they had changed the inventory system for bridging pontoons from yards to metres. Of course the consequences could have been dire if a brigade of troops and vehicles had been waiting to cross. I am sure many of you have similar crisis experiences, some perhaps leading to loss of life, damage to property or impacting upon the environment. Others even having business and reputation impacts.

I wish to tender my experience as a Crisis Engineer in bridging the gap, primarily corporate experience in the private sector to benchmark current practices and trends in Crisis and Consequence Management. I specifically refer to the discipline now known as Corporate Emergency Response; the management tool used to bridging the gap between Crisis and Consequence Management in business. What began as Emergency Management some years ago, has evolved through Disaster Recovery into Business Continuity and Crisis Management and it now being driven by comparative costs into Disaster Avoidance. This is my message to you.

On another occasion as a Combat Engineer I was tasked by Colonel Sanderson to destroy a two span reinforced concrete bridge on the Hunter River in New South Wales. You see the Singleton Shire in its wisdom had built the bridge at a bend in the river alongside a low level causeway. Then came the flood, and the bridge turned into a jetty as the bend in the river became a billabong. They should have moved the road rather than seeking to bridge the gap and brave the storm in the same location. There is no doubt that failing to plan is planning to fail, so what can we learn from that experience in relation to other presentations at this conference?

We must all relate to a common language otherwise what I am about to say will not make sense. In business, Emergency Managers look to patching the hole in the fence, and their plans and actions are focused on getting back to the past – solid status quo. They look towards the bottom of this bridge abutment. In business, Crisis Leaders look to open paddocks beyond the hole in the fence, and their strategy focuses on getting back to the future and the opportunities that await them. They look towards the top of this bridge abutment. In this sense, business and government for that matter, more frequently uses the 'Business Continuity' expression when referring to Consequence Management. It is based upon the premise that business seeks to keep profits greater than those of its competitors.

It is in this sense that, in part driven by increasing regulatory controls on Risk and Business Continuity Management, and in part spurred on by the need to turn security into a profit rather than a cost centre through a recognition that a secure workplace is part of an employer's duty of care, that Corporate Emergency Response has evolved to span the gap. Whereas Crisis Leaders may have previously left Emergency Managers to regain control of risk events, there is now a business imperative given the nature of CBD scenarios to undergo leadership compression and for Chief Executives to often become involved in the immediacy of the risk issue. The best organizations will be able to account for all employees with 20-40 minutes of evacuating facilities, even large industrial sites. It is all about workforce survival and workplace agility. How many of the organizations that you represent here can do that?

Mass casualty plans, EAP Providers, NEC, virtual meetings, Call Centres, loud hailer and Rendezvous, lost communication procedures, Government security clearances are the tools for dealing with casualties and improving communications. Mass casualty plans are now standard as terrorism puts every public gathering place at risk. First responders reacting appropriately in the initial 15 minutes, with shirtsleeve fire-fighting by First Responders, is when there is most impact in saving life.

All organizations have Employee Assistance Providers on call, and the best have well developed systems for providing peer support or fast buddies to use the expression adopted by Singapore airlines. It is now normal to store the list of nominated emergency contacts for all employees in fire proof safes and to have duplicate copies off site. The best companies continually account for all people on site and are able to do immediate name calls and head counts when evacuating facilities. Invacuations, staying on site with the air conditioning switch off, is as equally important as traditional evacuations when dirty bombs are involved. In high-rise buildings elevators maybe the fastest way out regardless of warnings.

Virtual Crisis Team meetings are now the norm as indeed are fully equipped alternate locations and satellite phones. The best organizations still resort to old fashioned switchboards in time of crisis through the use of internal call Centres and hotlines to contact employees. Loudhailers are as important as ever in addition to rendezvous points in the absence of sirens to directly alert people to serious incidents. A common point of contact in the event of an emergency is essential as is a community system for lost communications, lost communications procedures for all travelling employees, GPS tracking of assets and security clearances for senior management to rapidly open channels of communication.

Do you think we need a national emergency readiness standard for business, as an extension of national liquid fuel Emergency Response plan or the National gas ER protocol which is under discussion? Should such a protocol be voluntary, or a factor in obtaining terrorism insurance? Is close government-corporate coordination, or public-private partnerships, really such an advanced management concept? To my mind, there is no doubt that some day, maybe quite soon, a company chairman or its directors will be imprisoned for failing to ensure best practice for the security of their assets and workforce.

So what is business doing about the span between Crisis and Consequence Management? First and foremost it is about living with the gap, accepting that it is part of the cost of doing business. The Director-General of the UK's MI5 national security agency, told business last year that the most effective thing they can do to protect themselves against terrorism is to develop a simple but effective Business Continuity plan and to ensure that such plans are considered at board level, and not left to specialists. Perhaps a statement of the obvious. Can I ask with a show of hands, of those organizations that you represent here, who knows that such a plan exists?

Some Business Continuity Practitioners say that to have an effective consequence management requires an allocation of 1% of operating costs. What organization here does that? Very few organizations in our experience spend anywhere near such an expenditure; in deed most companies only have segments of Business Continuity Plans. We estimate that less than one half of the ASX200 companies, perhaps only one third have holistic Business Continuity Plans, let alone Crisis Management plans.

Should they be worried? Yes and no, because without risk there is no reward, and business cannot increase market share with only an inward focus on saving your butt and downstream defensibility - a theme I will return to shortly. However there is a definite trend towards all organizations having plans to operate from alternate premises for periods of time with variable plans for accessing information from a variety of locations. Again with a show of hands, what organizations here can do that?

Measuring the gap between normal Line Management and Consequence Management is about making judgments about the potential risk or issue at stake. Risk Management and Threat assessments are now part of the vernacular of business. Gap analysis and zero-gap mentality in safety, environmental and financial terms is now seen as drivers of Corporate Governance as much as executive behavior. For example, most Stock Exchanges will now not allow companies to list without a demonstration of a Risk Management framework. Regulators are demanding tight controls on Business Continuity plans in the financial sector and an increasing focus on interdependencies with suppliers and vendors across the board to ensure they meet recovery standards.

It is still amazing how many organizations still do not have holistic registers of commercial exposures and operational risks. How many organizations here have such a register? Can we have a show of hands if you are aware that your organization has a profile of the top five risk-issues along with treatments in the form of insurance or contingency actions or even just an identified break even point?

On another occasion as a Combat Engineer I was tasked by Colonel Sanderson to move a brigade of tanks across the Darling River in western NSW. Of course the exercise planners had measured the gap to allow the logisticians to administratively position a fancy new Medium Girder Bridge literally at the back of Bourke. When we neared the river during the exercise, I sent out night-time patrols to tactically measure the gap and to my dismay found out that while the width could be bridged with two spans such was the steep angle of the banks that our span junction set was not high enough. This set the cat amongst the pigeons and my professional assessment was at stake until proven absolutely correct. We eventually got a tank ferry up from Sydney, but what it proved was that crisis and consequence planners often think only in one dimension.

Their risk assessments often focus on the hazard and they forget about outrage or are unable to quantify power and passion. In these days when anyone can be a blogger and the news formula equates to 'shock, horror, gasp,' human interest rules. Equally critical to crossing any gap between crisis and consequence management is the ability to secure the far bank. This only comes through an understanding of life on the far side, the other person's perspective, and in the case of terrorism, the dark side, it is all about understanding their modus operandi.

Of course we need to recognize the role that technology provides in being able to be simultaneously on both sides of the gap. There are some amazing trends in Virtual Crisis Management Environments that allow stakeholders to connect, communicate and continue seamlessly. For example, same time and same place collaborative software and crisis portals are becoming more prevalent for travellers as are 1800 numbers for hotlines and traditional switchboards which answer multiple calls.

At the National Road & Rail Summit in Sydney late last year I was amazed that there was so much focus on regulating and law enforcement in deference to the imperative to seize business advantage in the insecure world that we now live. With terrorism and the Osama bin Ladin franchise, business must seek to increase the gap between day to day management and Crisis Management. But in hardening business to withstand the knocks, how much BC Management is really enough, and is Business Continuity, a fact or just another management fad that will disappear in time? Ask yourself this question? Is the opinion of this conference that governments should provide Disaster Recovery Centres for business in the same way that Fire Brigades have been traditionally provided for other forms of property? What is so different between defeating hackers or arson?

Our experience with public and private organizations indicates that those who have well-developed plans for Business Continuity have found that as much risk stems from interdependencies with 2nd and 3rd parties to the point where Business Continuity clauses now feature in contractual clauses and service level agreements. While future value is always linked to taking risk, if you do not have a plan there should at least be a well-documented analysis that justifies your position in the event of legal action by stockholders. Directors could be liable if they knowingly neglect this exposure. This is now termed downstream defensibility, a euphemism for saving your but.

In many ways to combine Crisis and Consequence Management in the one phrase is a contradiction in terms as the best organizations now use the discipline of Crisis Management as much as a preventative tool and much as they do as a preparatory tool for what is considered inevitable. It is from this pre-emptive defence perspective that the best organization actively plan, practice and prepare for interruption. The caption in the New York Times reads 'Prepare for Crises; Its part of Business' but should it be left to Crisis Governance or should there be Government Guidance? Should we follow in the footsteps of the UK Civil Contingencies Act which requires operators of utilities to legally attend resilience forums and disclose business information?

Business Continuity rules and regulations aside, Consequence Management thinking does not cater for, or take advantage of dangerous opportunity; the vision to be able to go over or around the gap. If you want to practice explorers of consequences then you need to give them discontinuity problems that they have not solved before. What we are seeing in many Boardrooms is a recognition that Crisis Leadership is more than Crisis Management, indeed a possibility that Crisis Leadership may even replace Line Management as it becomes central to organizational power in an era where access to 24/7 information equates to speed and profit. Who can see that happening in their organization in the future?

Well what have we learnt in the last hour. Crisis capabilities have certainly matured across sectors, driven in part by attitudes to Corporate Governance. To some organizations, Crisis Management is still just hot Issues Management in a hurry. Many PR people think like that. To others Crisis Management has become Corporate Emergency Response in the aftermath of safety and security incidents. To others still, Crisis Management is a subset of Business Interruption and Disaster Recovery synonymous with Consequence Management. Most organizations perceive it as a tool to treat danger and less so, opportunity. All organizations see Crisis Management as the tool to regain the status quo or the immediate past.

The best organizations now use Crisis Leadership to exploit the future. They are not so much focussed on fixing the hole in the fence as they are of exploiting the opportunities of the open paddock beyond. Business thrives on instability and there is plenty of room at the top. If you wish to lead in business you must be able to function in a non-business as usual environment and to be able to capitalize on negative events. If you want to have a healthy appetite for risk then you need to have a finely tuned Crisis Leadership capability to stay at the top. It is not recognition of management failure, but rather a mechanism for seizing opportunity and generating business tempo. Ladies and Gentlemen do you have any questions of me?

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