IMPLEMENTATION OF THE CRISIS MANAGEMENT SYSTEM

Gjergji MULLA[1], Alkid ADEMI[2]

[1]University of Tirana,[2] Head of Analysis and Programming Sector at Bank of Albania
gjergjimulla@gmail.com, aademi@bankofalbania.org

Abstract

The purpose of the article is to describe how to setup a crisis management system for and organization as an integrated part of the business continuity plan. Disaster might occur anytime, so each business must be prepared in advance in order to face such events. Depending on the size and nature of the business, we design a plan to minimize the disruption of disaster and keep our business remain competitive. A crisis management system allows an entity to respond to a crisis. Its purpose is to put in place resources as quickly as possible to minimize the impact of the crisis. The crisis management system is an inseparable part of the Business Continuity Plan, regardless of the scenario and scope being dealt with. A crisis management system is a set of technical and organizational resources that enable an organization to deal with a crisis. It allows a chain of command to be maintained, and helps with the management of risks. A crisis is defined as an event that disrupts the smooth running of an entity, by affecting its activities directly or indirectly.

In order to prevent all types of crisis, a crisis management system must be set up within each organization

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Introduction

The crisis management system is an integral and inseparable part of the Business Continuity Plan, regardless of the scenario and scope being dealt with. Any organization has set up and maintains a crisis management system, enabling it to manage crises whatever their origin or scale. The system should be tailored to the organisation, and is based on structures and procedures that ensure its effectiveness. The overall crisis management system aims to allow appropriate, consistent, synchronised and effective management of situations that may affect an organization, whether or not a prior scenario for the crisis has been determined.

Each organization should be fully responsible for defining and developing its crisis management system and for keeping it in operational condition. The crisis management system must undergo periodic testing and permanent controls to ensure that it is operational.

Level of Crisis

In general there are four levels of crisis to be consider:

- organization crisis
- resource community crisis
- national crisis

Crisis co-ordination and management are handled at the appropriate level depending on the crisis:

- for an organizational crisis, the organization concerned will co-ordinate and manage the crisis.
- for a cross-functional (resource community) crisis, the organization responsible for the resource community co-ordinates and manages the crisis, depending on the system adopted.
- for a national crisis, crisis co-ordination and management are handled by a system that includes a 24/7 watch facility and crisis units. The system also uses crisis correspondents appointed by each organization.

An entity's crisis correspondent is its point of contact with other entities, particularly when:

- an alert is received before a crisis has started,
- there is an identified crisis that requires co-ordination between the entities involved,
- an alert has been issued as a result of a crisis that requires disclosure at the national level.

Types of crisis

The categories used to describe the crises faced by any organization are the following:

Localized crisis: this is a crisis arising from an incident resulting in the organization environment. In this case, only the organization is affected. Other companies, public services and critical operators (telecommunication, power supply etc.) are not affected.

The organization is the only one making decisions on the crisis and on what action to take. For example, crises related to the following incidents are defined as "localized": the destruction of a building by fire (internal cause) and a long-term power cut limited to the district in which the IT production centre is located (external cause).

Systemic crisis: this is a crisis caused by an incident resulting in an entire geographical zone being affected. The impact of such an incident is felt by some or all companies, public services and critical operators in the affected area.

In this case, entities in the zone affected depend on decisions made by the public authorities, working with other companies in the same zone and suffering from the same problem. They must take this into account in their crisis management system.

Both localized and systemic crises can concern:

- a single organization, if the effects of the incident are restricted to this single organization; for example a fire at the head office of a Regional Bank,

-a group of organizations, if the consequences of the incident spread directly or indirectly to more than one organization; for example a bird flu pandemic or flooding of the Seine.

Organization of a crisis management system.

The following functions must be part of the Crisis Management System

- a decision-making function;
- a operational-management function;
- a communication function;
- a business-continuity function.

The decision-making and operational-management functions rely on two crisis units (the "Crisis Management Team" and "Crisis Operational Team") whose task is to implement resources in order to resolve the crisis and bring activity back to normal.

The Crisis Management Team handles the Decision-Making functions and the Crisis Operational Team handles the Operational-Management functions.

A crisis team consists of permanent and non-permanent/occasional members:

- Permanent members (including at least a crisis manager, a crisis secretary, a head of communication, the BCP head, HR, Heads of technical units, the head of Risk Management and permanent controls and the heads of operational activities) must be present as soon as the crisis unit becomes operational;
- Non-permanent and/or occasional members consist of experts (health, legal, communication, etc.) called upon by the crisis unit depending on the type of the crisis and how it is developing.

Crisis Management Team functions

The decision-making functions that are handled from Crisis Management Team must at least:

- Validate the decision to move to a crisis footing.
- Ensure the implementation of initial measures.
- Decide which direction the entity will take during the crisis.
- Draw up and validate the plan of action intended for operational staff.
- Validate the triggering of BCPs.
- Co-ordinate and arrange external and internal communication.
- Contact specific business lines where necessary.
- Establish a link with the operational function.
- Validate the end of the crisis.
- Announce the return to normal.

Crisis Operation Team Functions

The operation-management functions that are handled from Crisis operation Team must at least:

- Carry out diagnostic and impact analysis work and refer to experts if necessary.
- define the crisis.
- Put forward the operational action plan to be validated by the decision-making function.
- Execute the operational action plan validated by the decision-making function.
- Adjust and pass on the decision-making function's directives to business lines.
- Co-ordinate the crisis actions contained in the detailed action plan.
- monitor operational plans.
- Carry out reporting to the decision-making function: centralization, consolidation and formatting of business-line information.
- Draw up return-to-normal scenarios.
- Organise the return to normal.
- Ensure that events dealt with and decisions taken during the crisis are traceable by using a crisis journal.

Communications Team Functions

The Communications Team is responsible for the creation of:

• A communication system: This system is necessary, and requires appropriate and consistent communication. Each Entity, Resource Community and Business Line is advised to prepare and co-ordinate its communication plan.

The crisis communication plan must specify, with respect to a predefined audience, the issuers, the message validation process and the practical communication arrangements, based on the relevant principles and procedures.

The crisis communication plan must cover and co-ordinate internal and external communication:

- Internal: aimed at employees, staff representative bodies
- External: aimed at the media, customers (markets), supervisory authorities, public authorities etc.

A crisis correspondent function: This function is defined as the point of contact with other entities, particularly in the following cases:

• If an alert is received before a crisis has started,

• If there is an identified crisis that requires co-ordination between the entities involved,

Business Continuity Team Functions

During the crisis, and until it is resolved, activities must be maintained. The Business Continuity Team must ensure the smooth activation, and deactivation, of the Business Continuity Plan should this be deemed necessary. Although they do not have direct involvement in resolving the crisis, they play a co-ordination and information role as part of the decision-making and/or management functions. Entity Business Line BCP coordinators will help to achieve the above objective.

Keeping the crisis management system operational

Keeping the crisis management system operational means ensuring that the crisis management system covers the functions it is supposed to cover and that its documentation is valid. For the crisis system to remain operational, all information concerning the system must be updated and checked regularly.

The organization assesses whether or not the crisis system is operational through regular tests (at least once a year). Each organization, must regularly check and update the contact details of its crisis correspondent, along with documentation relating to the crisis management system.

Conclusion

With increase of different type of incidents, the business has become more vulnerable than before. So we have to take care and prepare our business before such disaster or crisis will effect our organization environment in order to be able to mitigate them. In order to prevent all types of crisis, a crisis management system must be set up as described above within each organization.

The crisis management system should properly respond to the crisis by puting in place the necesary resources as quickly as possible in order to minimize the impact of the crisis. All the set of technical and organizational resources that enable the organization to deal with a crisis should be properly define in the plan.

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