

MARSH



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

March 13, 2008

When it Can't Happen Here Does Preserving Your Institution's Reputation


Kevin Donahue, Senior Consultant

Liz Thompson, Senior Consultant



Agenda

- What is Crisis Management?
- Phases of Crisis Management
- Principles of Effective Crisis Management
- Case Study Exercise: Product Recall



“During the next five years, 83 percent of companies will face a crisis that, ...as a result of the way it was managed..., will negatively impact share price between 20 and 30 percent.”

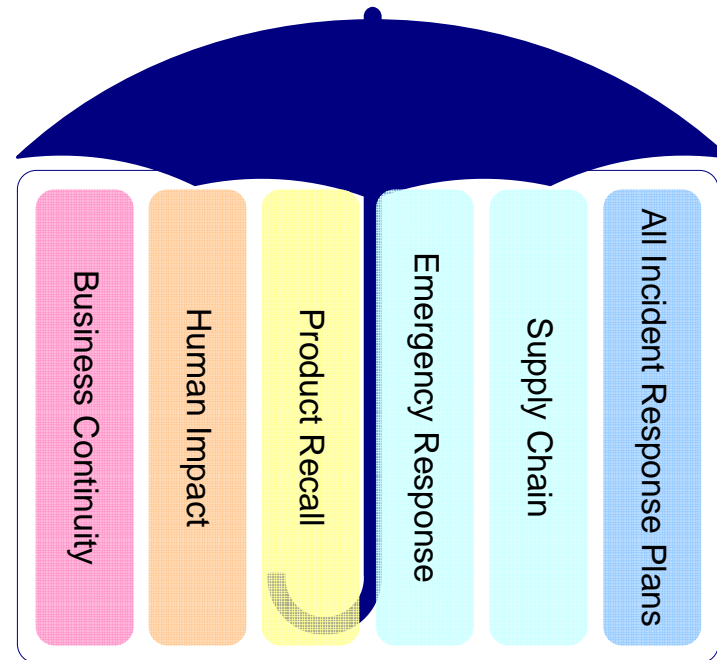
– Oxford Metrica

Corporate Governance **Fraud** **Pollution**
Pension & Benefits Issues **Unionization** **Patent Infringement**
Product Recall **Mergers & Acquisitions** **Leadership Transitions**
Reorganization **Theft** **NIMBY**
Strike **Supply Chain Interruption** **Construction Accidents**
Employee Theft **SuperFund** **Pandemic** **Lawsuits**
New Regulations **Privacy Breaches** **Environmental Issues**
Bankruptcy **Executive Malfeasance**
Government Investigations **Disgruntled Employees** **Layoffs**
Facility Expansions **Plant Fire** **Regulatory Compliance**
Labor Disputes **Data Security** **Litigation** **NGO Activism** **Food Tampering**
Management Changes **Hurricanes** **Community Issues**
Regulatory Probes **Government Investigations** **Tornados**
Toxic Spills **Change Management** **Workplace Violence**
Medical Malpractice **Fires** **Shootings**

What is Crisis Management?

- Crisis Management is the strategic process that helps senior leadership prepare for, prevent, manage and recover from issues and adverse events that threaten their people, value, brand, finances, operations, business objectives and, of course their reputation. As a strategic tool, the Crisis Management Process:

- Identifies issues and risks
- Helps prevent potential crises
- Provides a roadmap to manage the crisis
- Guides decision making at all levels of the university
- Directs and integrates incident response plans
- Instills stakeholder trust and protects the brand



Phases of Crisis Management

Reputational risk & crisis readiness review –
Analyze capabilities, needs, risks and vulnerabilities

Strategy development –
Design, deploy and enhance reputational risk, crisis management and strategic communications programs

Training –
Tabletops, drills and full scale



BEFORE

Identify
Assess
Prepare
Prevent

Why Crises are Difficult to Successfully Manage

- Limited information
- Time restrictions
- Increased external pressures
- Impact of decisions (intended and otherwise...)
- Dual operations
- Increased number of players and decision-makers
- Stress



Goals of Effective Crisis Management

- Be proactive
- Influence the crisis
- Minimize disruption
- Shorten disruption
- Minimize permanent change
- Protect quality standards



Achieving Crisis Management Goals

- Contain damage
- Face reality
- Plan and coordinate
- Recognize dangers and opportunities
- Define issues and respond
- Maintain routine operations
- Prevent repetition



Key Enables to Help Manage Crises Effectively

- One crisis management plan
- A team with a designated leader
- Clear roles and responsibilities
- Notification process
- Concept of operations
- Incident Management Capability (connection to emergency response, EHS, etc.)
- Post-incident review process
- Training and exercising

MARSH



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Group Exercise

MARSH



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Kevin Donahue, Vice President and Senior Consultant
Reputational Risk & Crisis Management

+1 (212) 345-2765

kevin.donahue@marsh.com

Liz Thompson, Vice President and Senior Consultant
Reputational Risk & Crisis Management

+1 (612) 692-7781

liz.thompson@marsh.com

Ilene Merdinger, Global Practice Leader
Reputational Risk & Crisis Management

+1 (212) 345-1690

ilene.merdinger@marsh.com