

The background of the slide is a top-down view of a white desk. In the top left, a portion of a silver laptop is visible, showing its keyboard with white keys and black lettering. To the right of the laptop is a grey, textured notebook with a black pen resting on it. In the bottom right corner, a pair of white earbuds with a thin white cord lies on the desk. Below the earbuds is a spiral-bound notebook with a silver metal spiral binding and a wooden pencil resting on its pages. The overall lighting is bright and even, creating a clean, professional aesthetic.

RISK NZ

WELCOME TO THE RISK NZ LUNCHTIME SEMINAR SERIES 2019

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CRISIS MANAGEMENT IN COMPLEX ORGANISATIONS WORKSHOP AND DISCUSSION FOR RISK NEW ZEALAND

FACILITATED BY GILES CARTER AND MARC ARMITAGE

CONTENTS

- Introduction
- Crisis Management Principles (General)
 - Principles and Resources
 - Understanding your Crisis Context
 - RRRR / PPRR
- Implementation in Large and Complex Organisations
- Crisis Leadership
- Training and Exercises
- Benefits and Challenges
- If time permits: Case Studies and types of Crises

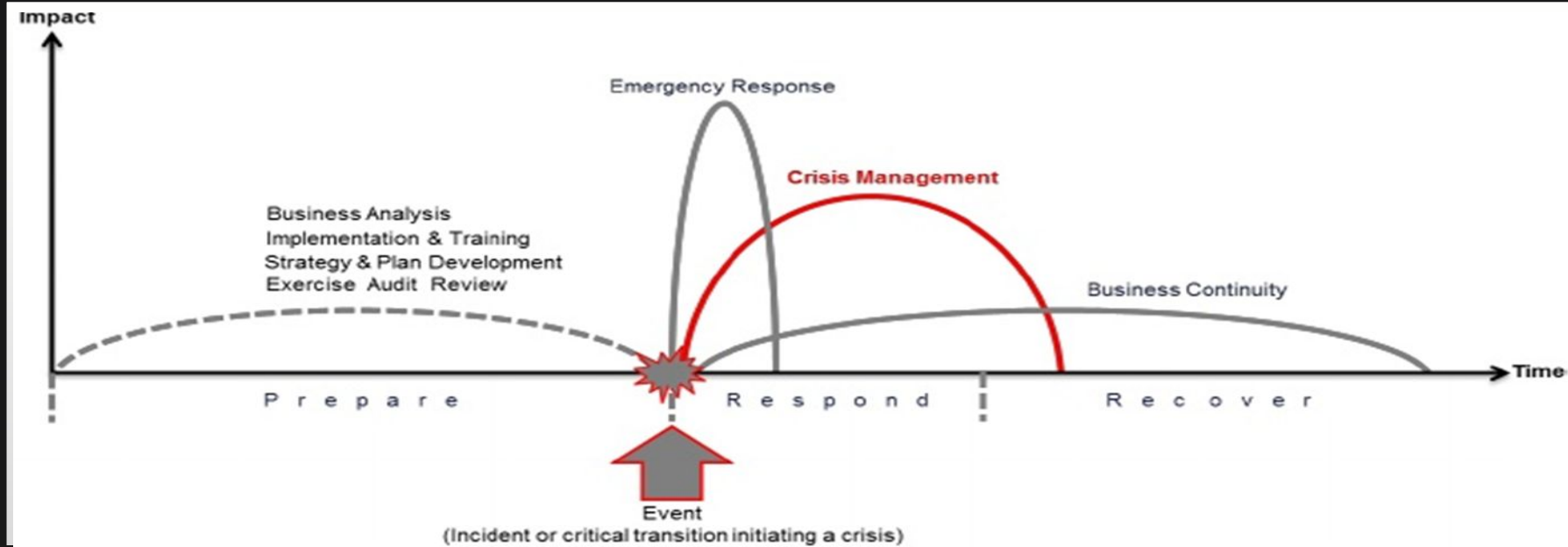
CRISIS MANAGEMENT PRINCIPLES

- Key Resources
 - New Zealand Government CIMS (Coordinated Incident Management System)
 - Risk Reduction, Readiness, Response, Recovery (Almost identical to PPRR)
 - History – very similar to other systems such as the AIMS and ICS (ICS generally considered the ‘Godfather’ of Incident Management Systems)
 - Contains a number of principles and tools which can be of use to your organisation.
- ISO 22320: Security and Resilience – Emergency management – Guidelines for incident management

CRISIS AND CONTEXT

- Importance of organisational context
- Credible Risk Scenarios
- Taking a wider view of consequence.

	CONSEQUENCE				
	Insignificant	Minor	Moderate	Major	Catastrophic
Financial	<ul style="list-style-type: none"> Financial loss of less than \$100 000 	<ul style="list-style-type: none"> Loss or costs greater than \$500 000 and less than \$1 million 	<ul style="list-style-type: none"> Loss or costs greater than \$1 million and less than \$5 million 	<ul style="list-style-type: none"> Loss or costs greater than \$5 million and less than \$15 million 	<ul style="list-style-type: none"> Loss or costs greater than \$15 million
People	<ul style="list-style-type: none"> No injuries 	<ul style="list-style-type: none"> Injuries requiring first aid treatment / minimal psychological trauma 	<ul style="list-style-type: none"> Injuries sustained requiring medical treatment and counselling 	<ul style="list-style-type: none"> Serious injury requiring extensive medical treatment and counselling 	<ul style="list-style-type: none"> Death
Reputational	<ul style="list-style-type: none"> No harm or reputational damage. No political embarrassment 	<ul style="list-style-type: none"> Minor harm or reputational damage. Minor breach of political sensitivities 	<ul style="list-style-type: none"> Moderate harm or reputational damage. Moderate breach of political sensitivities 	<ul style="list-style-type: none"> Major harm or reputational damage. Major breach of political sensitivities 	<ul style="list-style-type: none"> Catastrophic harm or reputational damage. Catastrophic breach of political sensitivities
Information Security	<ul style="list-style-type: none"> No compromise of intellectual integrity 	<ul style="list-style-type: none"> Minor compromise of intellectual integrity 	<ul style="list-style-type: none"> Moderate compromise of intellectual integrity 	<ul style="list-style-type: none"> Significant compromise of intellectual integrity 	<ul style="list-style-type: none"> Material compromise of intellectual integrity
Business Processes	<ul style="list-style-type: none"> Delays to operational activities less than 0.5 days Facility remains available for business operations and use 	<ul style="list-style-type: none"> Delays to operational activities between 0.5 – 1 day Minor restriction of access to facility 	<ul style="list-style-type: none"> Delays to operational activities greater than 1 day but not more than 3 days Moderate restriction of access to facility 	<ul style="list-style-type: none"> Material delays to operational activities greater 3 days but not more than 7 days. Major restriction of access to facility 	<ul style="list-style-type: none"> Material disruption to operational activities greater than 7 days Facility not able to be occupied for one month or more



CRISIS SPECTRUM

IMPLEMENTATION IN LARGE AND COMPLEX ORGANISATIONS

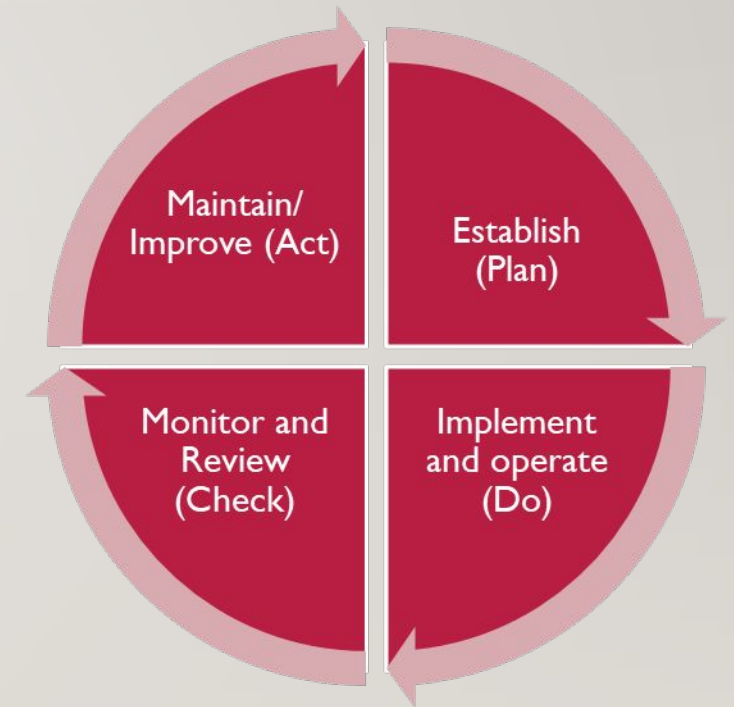


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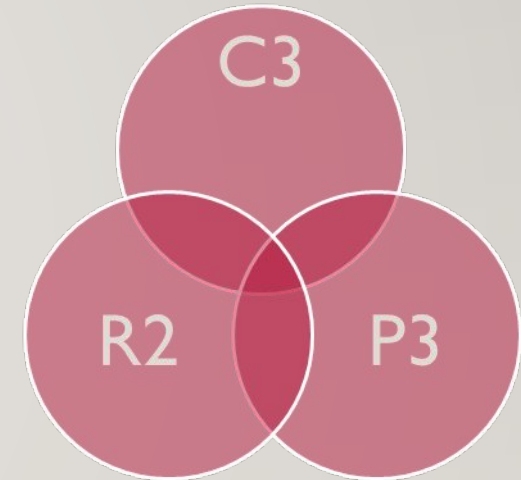
IMPLEMENTATION IN LARGE AND COMPLEX ORGANISATIONS

- Corporate posture
 - Culture
 - Behaviours
 - Attitudes
 - Risk Appetite
- Strategic
 - Governance, Policy, Procedures
 - Organisational resilience
 - Leadership, Direction, buy in



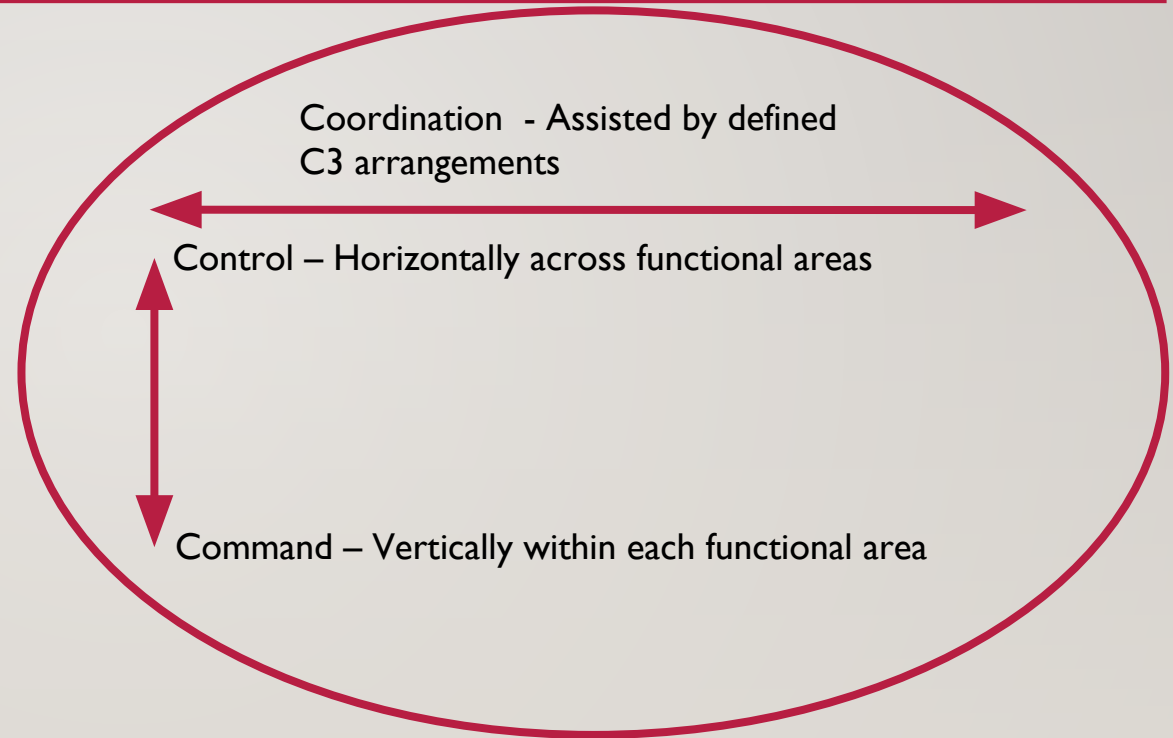
IMPLEMENTATION IN LARGE AND COMPLEX ORGANISATIONS

- Operational
 - Functional accountability
 - Key stakeholder engagement
 - Framework
 - Relationships
- Tactical
 - Environment, risks, resource, Q+T
 - Enable, educate, (shape) environment, encourage, evaluate



CRISIS LEADERSHIP

- Objectives
- Structure
- Functions
- Strategic/ Operational/ Tactical
- Who/ What/ When and Where
- Resilience
- Criteria/ Succession/ Rotation



TRAINING AND EXERCISES

- Credible risk scenarios
- Understanding your risk (links to risk reduction & readiness)
- Timings can be more valuable than others
- **Know what you are training and exercising for**
- An exercise is an opportunity – not something to be feared

TRAINING

- Building resilience in personnel
- Roles and Responsibilities
- Train to level
- Use of experiential training
- Education and Awareness (of all employees)

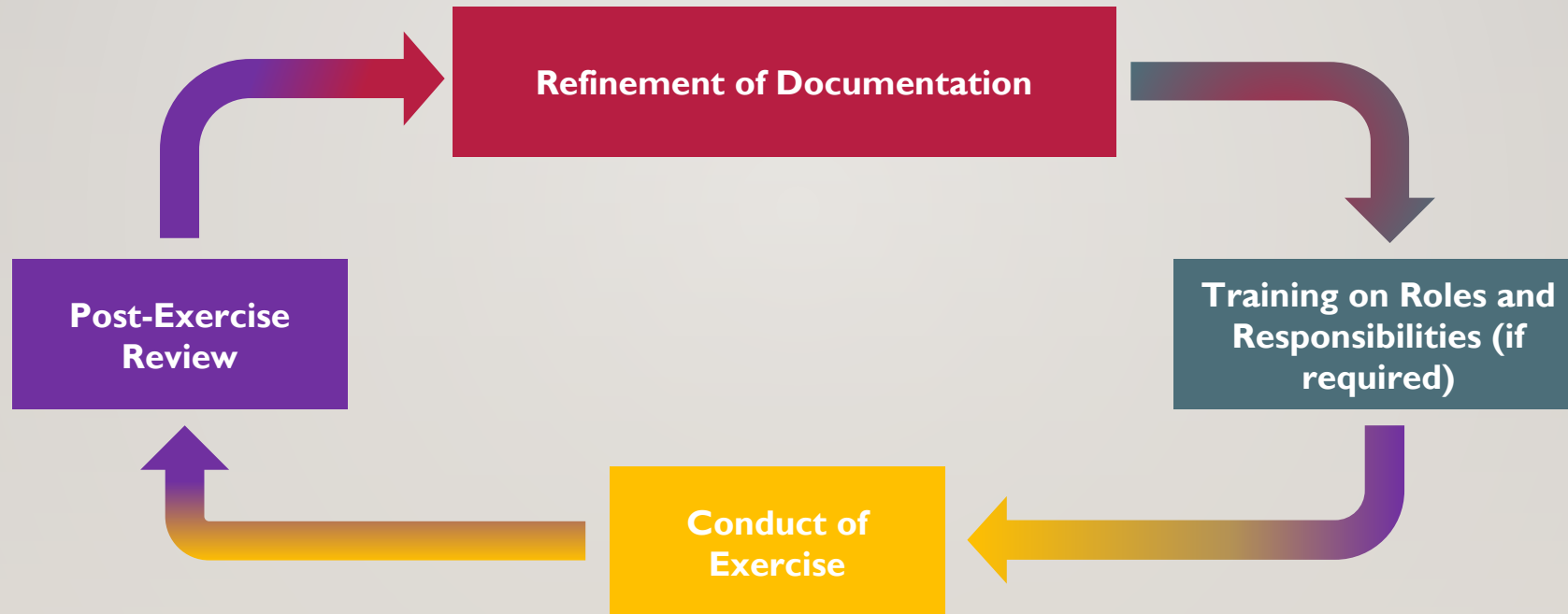


EXERCISES



- Objectives – objectives – objectives. Importance of linking it to the key strategic (and business) objectives of the Organisation.
- Integrity within the organisation
- Use credible risk scenarios
- Honest PXR – recommendations must be actionable, accountable and time-bound
- PXR – value add over time

CONTINUOUS IMPROVEMENT CYCLE



BENEFITS AND CHALLENGES

Benefits	Challenges
Interoperable (internal / external)	Incorporating it into BAU
Reduced Risk Exposure	Operational Tempo
Organisational Resilience	Priorities
Reputation / Brand Resilience	Resources
Compliant (Legal/Regulator)	Skill Fade
Insurance Confidence / Premiums	Succession Planning (one deep)
Business Surety	

SECONDARY CRISES (REPUTATIONAL)

- The concept of a ‘double crisis’ or ‘secondary scandal’. Initial management of a crisis creates an additional issue to be managed – often reputational in nature.
- Difference between a ‘crisis’ and a ‘scandal’ is often linked to the psychology of blame.



PRODUCT RECALL: DISCUSSION

- In the last 10 years in Australia/New Zealand, there has been an average of 63 food product recalls each year
- The best year was 2013, with 42 recalls, the worst year was 2015 with 81 recalls.
- In the recalls over the last 10 years, of the 7 categories of causes, the 3 most common were:
 - Undeclared Allergen (230)
 - Microbial contamination (174)
 - Foreign matter (108)

KRE: DISCUSSION



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QUESTIONS





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