

## Crisis Management in Action

Readiness, response, recovery – and a stronger future

No one knows when a crisis will demand the best your organization can deliver. These are moments of truth that test your preparedness, resilience, and character. With dedicated crisis centers around the world, Deloitte member firms (“Deloitte”) can deploy globally and act locally—so you can rise to the occasion and create an unforeseen advantage.

### What is a “crisis?”

The word evokes a discrete point in time. When we think about disasters, crimes, confrontations, or breaking news, it's natural to think in terms of the critical moment. But a crisis can be far greater than a single incident. In fact, a crisis can be a single mega event or a combination of issues and events that collectively threaten an organization's strategic objectives, reputation, or even its viability.

Some crises have external origins – in 2013, there were more than 300 natural disasters around the world – but the Institute for Crisis Management has found that half of all crises start with executives and managers, while one-third are caused by employees.<sup>1</sup>

### The stakes

Organizations encounter and effectively manage minor crises every day. The crises that require coordinated planning are the mega events that test an organization's character – and may put its reputation, shareholder value, or even existence at risk.

In a 2013 Deloitte Touche Tohmatsu Limited survey, business leaders identified reputation as their number-one strategic risk.<sup>2</sup> And while reputation appears intangible, it accounts for about

one-quarter of market capitalization. A 2012 study found effective crisis responders retained much more shareholder value in the first 250 days than ineffective responders.<sup>3</sup>

### The Deloitte Approach

Deloitte's crisis management approach is designed to stay ahead of growing threats caused by major crisis events. It begins by identifying and preparing for strategic risks, and spans a broad portfolio of activities including simulation, monitoring, response, and communications—an integrated system, at the ready for clients in need.

Deloitte crisis management teams are made up of experienced member firm specialists and leaders with years of real world experience in a wide range of industries across both the public and private sectors.

<sup>1</sup> Institute for Crisis Management—Annual ICM Crisis Report, May 2013

<sup>2</sup> “Exploring Strategic Risk”, [www.deloitte.com/strategicrisksurvey](http://www.deloitte.com/strategicrisksurvey), Oct. 2013.

<sup>3</sup> “Reputation Review” (Oxford Metrica and Aon, 2012)

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Because crisis is unpredictable—due to the magnitude of chaos and distress that it can cost organizations—executives need a documented crisis management plan in addition to their more conventional risk management strategies. When a real crisis emerges, a traditional business continuity plan may be insufficient, especially if it hasn't been tested.

The mistake many organizations make is to focus their crisis planning on reactive measures. With a broad, lifecycle approach to risk awareness, scenario planning, and simulation, you can help retain control of the process even when you don't have control of events. You can build in the resiliency that has the potential to turn unforeseen events into unforeseen advantages.

## Deloitte capabilities include

- **Crisis Simulation**—the only way to know if your “model” will work when crisis strikes. During a crisis simulation, Deloitte stress-tests crisis response plans in a simulated environment to evaluate crisis preparedness. An immersive experience helps executives identify potential gaps in their overall crisis readiness.
- **Real-time Response**—rapid-action teams with demonstrated experience in the relevant functions, sectors, and event types, all operating under a Crisis Management Office. This structured approach and global network of specialists provides Deloitte clients with tailored support within 24 hours of any event.
- **24/7 Monitoring**—necessary to track all the relevant sources of data for potential business disruptions and to follow post-crisis developments. Deloitte's proprietary solution allows you to constantly track and monitor sources of

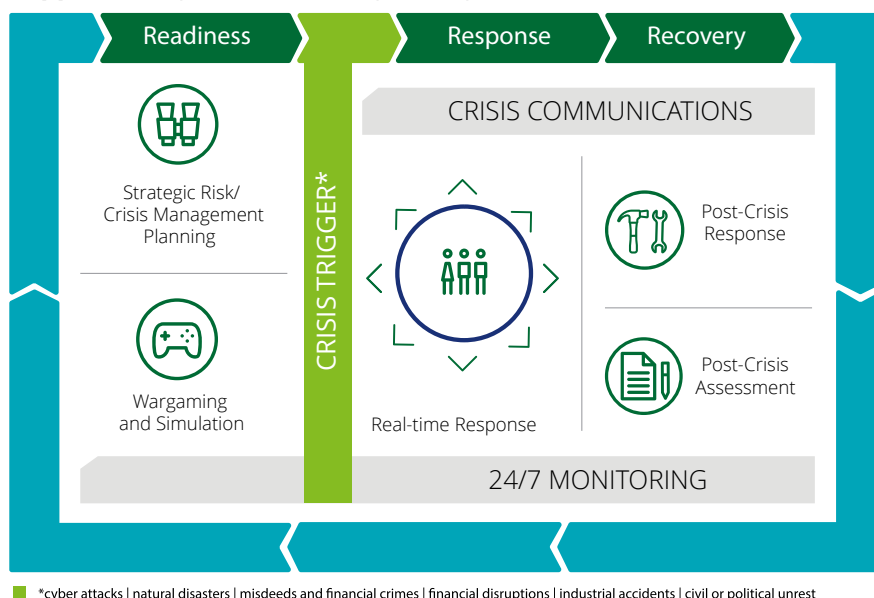
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## Deloitte's Crisis Management Lifecycle

### Support and guidance through integrated services



internal and external data to provide real-time situational awareness, and identify leading indicators for potential crises.

- **Crisis Communications**—communication during the time of crisis is critically important to not only manage the inflow and outflow of pertinent details to all stakeholders but to also control your message and to protect your company's reputation. Deloitte works with clients to help them navigate critical messages across social and traditional media channels to inform stakeholders while pre-empting reputational threats.

## The Deloitte Center for Crisis Management offers

- A team of member firm professionals that work globally across 12 centers for quick mobilization to help companies contain risk at the earliest point possible
- Experienced crisis leaders who have

worked in the areas of cybercrimes, finance, forensics, natural disasters, restructuring, and communications

- “Surge resources” in project management, technology, forensics, risk, finance, operations, and other areas where minutes count
- Integration with Deloitte's full-lifecycle crisis management operations for help coming back stronger from the current incident—and preventing the next one

For additional information please visit [www.deloitte.com/crisismanagement](http://www.deloitte.com/crisismanagement).

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