



# **Crisis Management – Are You Prepared?**

Insights

5.31.17

Newspaper headlines, television airwaves, and social media links are filled with companies dealing with crises on a near-daily basis. Just as Samsung learned in 2016 when its phones were catching on fire, and as United Airlines learned in April when news of the forcible removal of a passenger from one of its aircraft dominated the headlines, a crisis can happen in seconds and spread across the world in minutes. No matter how well you prepare, you could be next. Is your property prepared to handle a crisis?

## **The Risk Is Real**

Millions of people visit hotels, resorts, and restaurants every day, and with them comes the risk of a crisis – an event or occurrence that causes or threatens to create negative impact on business operations, employees, guests, and your reputation.

Hospitality employers have faced many high-profile tragedies in recent years, such as the 2005 disappearance of Natalee Holloway at a resort in Aruba, the 2016 terrorist attacks at hotels in Burkino Faso, Egypt, Libya, Mali, and Tunisia, the June 2016 death of a child attacked by an alligator on a Disney World property in Florida, and the tragic shooting deaths of 49 people at Pulse nightclub in Orlando that same month.

Besides abductions and deaths, you must also be prepared for a whole host of other possible crisis events that could occur at your property. Some of the more common crises include floods, hurricanes, and other weather-related incidents; structural integrity issues such as the collapse of a roof or similar property damage; breaches of systems integrity due to hacking, malware, or intentional disruption of your website or reservations system; social disruption, such as a community or activist group disrupting or targeting an event; workplace violence incidents; and public health emergencies, such as e-coli or salmonella poisoning, just to name a few.

In reading through this list of possible issues, do you have confidence your employees and management team can respond effectively and appropriately to each and every example? How would you deal with those affected? Who will handle contacts with media outlets? The government? Guests? Who will communicate to the general public via social media? Keep in mind that your response will be scrutinized by your owners, investors, the public, the media, and many others. Each event might be unique, but your response must be both timely and effective no matter the circumstance.

## **You Need A Plan**

If you haven't yet developed a written crisis management plan, you should begin work on one right after finishing reading this article. Your plan should include:

- An easy reporting procedure for all employees, guests, and visitors to report a potential issue or crisis;
- Procedures to protect any individual (employee, guest, or member of the public) who may be endangered;
- A mechanism to evaluate whether the issue requires involvement of law enforcement, a crisis consultant, or other professional; and
- A method to keep key stakeholders informed.

Having a plan in place ahead of time is critical because you will not have much time to react once an event occurs. Remember, everyone now has a video camera on them and the ability to instantaneously broadcast any event to the entire world. You need to be prepared to get in front of the situation rather than simply reacting to whatever transpires.

Your goal should be to accomplish several key tasks within one hour of the event. First, your senior management team must have a full understanding of the crisis and you should designate a trained spokesperson to communicate on behalf of the property. Also, within an hour, you should have prepared a list of action items for personnel to handle, while also developing a series of talking points for all managers to use as the event unfolds. By then, you should also have determined whether to establish a notification system to keep employees and guests apprised of updates.

Regardless of whether you set up such a system for employees and guests, you should definitely establish one for key personnel. Immediately after an event has been reported, all members of management and security or loss prevention officers should mobilize and coordinate through a prearranged method of communication such as a call-in conference line. The conference line should be used to discuss the nature of the incident so that everyone is on the same page. Include a thorough discussion on how your property will interact with employees, vendors, current guests, and incoming guests about the situation. You should also discuss the potential for escalation, while assessing further vulnerabilities to your property, both physical and reputational. An event may require that the conference line remain active for some period of time to include regular updates.

At the next stage, your senior management team must implement a communication plan. Will you issue a formal statement to the media and on your website? The team must determine how to communicate with current guests about the crisis event and provide them with critical information. The team must consider incoming guests and determine whether and how to communicate about the status of their reservations. Finally, how will you reach family members and friends of your current guests to provide information about the well-being of their loved ones? These are all essential items to include in your plan.

Additionally, it is critical to develop a working partnership with law enforcement at the local, state, and federal levels. Some critical crisis events, such as a major fire or terror threat, will require you to “turn over” your property to law enforcement activities. Other events will simply require cooperation and partnership with your senior management team. In any event, designate a senior leader to coordinate with the authorities.

### **The Recovery**

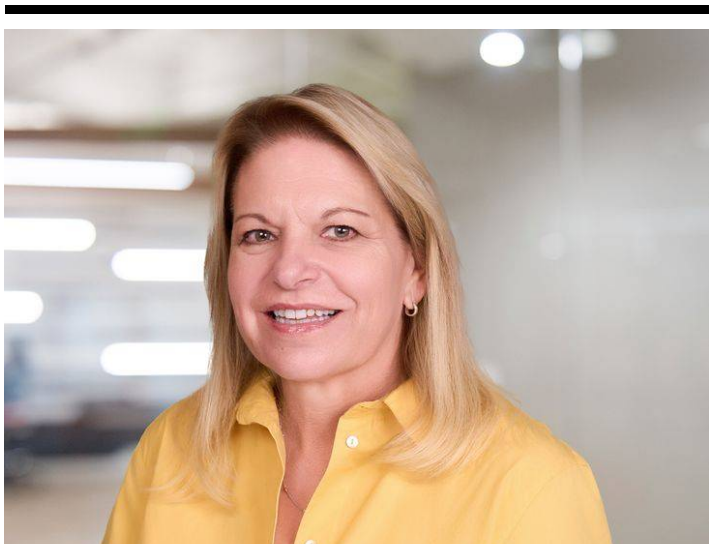
Once the crisis situation had been resolved, you should compile a timeline and inventory of events. Convene with legal counsel to conduct a review of the lessons learned, including an assessment of the following:

- Did the management team follow the crisis management plan?
- If not, what prevented compliance?
- Do you need to follow up with any stakeholders?
- What outstanding issues need to be addressed?
- What could you have done better to communicate about the incident?
- Did you handle the media coverage appropriately?
- Should your crisis management plan be revised?

A crisis event that is not well-managed can damage or destroy years of hard work and a solid reputation in a matter of hours. That is why it is critical to create your crisis management plan *before* the crisis hits, when everything is running well and your management team is thinking clearly. Remember, you are operating in a world where anyone could be watching your actions, so you should assume that everyone is watching how you handle the crisis.

*For more information, contact the author at [ALureryan@fisherphillips.com](mailto:ALureryan@fisherphillips.com) or 404.240.4219.*

### ***Related People***





**Andria Lure Ryan**

Partner

404.240.4219

Email

## ***Service Focus***

Counseling and Advice

## ***Industry Focus***

Hospitality