

Crises Management for Public Utilities

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Crisis Management for Public Utilities

7 Contact Hours

9 CC10 Hours

Public utility managers and operation's staff will often have no problem with responding operationally to extraordinary events; however, crisis management while integral to the success of controlling these events is not necessarily intrinsic to the operator or superintendent. They often experience a struggle determining how to proceed when actions or inactions result in adverse public scrutiny and/or negative media attention. Topics covered will include management response failure; five phases of crisis management; attributes of a crisis; companion formula; and discuss the decision checklist used to handle the crisis. In addition to this, the course will cover media relations relating to the public works utility while allaying fears and restoring trust and confidence in the facility.

1. Describe the five stages of a crisis;
2. Analyze decision making;
3. Prepare for the unpredictable and react accordingly;
4. Clarify roles and responsibility with in the Public Utility;
5. Improve response performance within the Public Utility using crisis management skills;
6. Discuss in detail the role of the media and how to allay the public's fear while restoring their trust.

Crisis defined and 5 stages of a crisis (30 min)

Crisis Management is Generic (60 min)

Th Five Phases of Crisis Management (30 min)

Attributes of a Crisis (60 min)

Preparation and Preparing for the Unpredictable (60 min)

Rehearsal – Operational and Political (30 min)

Responses to a crisis and Decision Making (60 min)

Working with the Media (60 min)

Response Templates (30 min)

Crisis Management for Public Utilities

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Philosophy

Public Utility leadership has no problems responding operationally to events from the routine to the extraordinary.

However, despite a general philosophy of how to respond administratively to a given crisis, there is often a struggle with how we should proceed when our actions or inactions result in adverse public scrutiny and/or negative media attention.

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Credits

Slides 4 thru 24 are taken, in part, from a lesson plan authored by David B. Mitchell, J.D. entitled:

*"NO SURPRISES...
A CRISIS MANAGEMENT PRIMER"*

Used with permission

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Primer for Crisis Management

A crisis is an unstable time or state of affairs in which a decisive change is impending – either one with a distinct possibility of a highly undesirable outcome or one with the distinct possibility of a desirable and extremely positive outcome. It is usually a 50-50 proposition, but you can improve the odds.

(Steven Fink – Author & Crisis Management Expert)

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Crisis Defined

A low probability,
high consequence event

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Five Stages of a Crisis

- ▶ 1. Pre-crisis stage
- ▶ 2. Acute stage
- ▶ 3. Chronic stage
- ▶ 4. Crisis resolution stage
- ▶ 5. Learning stage

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What if...?

Crisis conscious
leadership
constantly ask
themselves,

"What if...?"



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Response Failure

Failure to effectively respond to
or resolve any crisis

ARE MANAGEMENT FAILURES

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A QUOTE!

“He who excels at
resolving difficulties
does so before
they arise”

(Sun Tzu, The Art of War – Chapter 3)

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Crisis Management is Generic....

Long before its actual occurrence, a crisis sends off a repeated and persistent trail of early warning signals....
Crisis managers must be alert to those signals.



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Crisis Management is Generic

An organization must test prevention and preparation mechanisms, in place, if it is to avert disasters

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Crisis Management is Generic

An organization should have tested its "in place" damage-limitation/mitigation mechanisms

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Crisis Management is Generic

An organization should have tested "in place" short and long-term recovery mechanisms

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Crisis Management is Generic

Crisis management is sufficiently complex that organizations should have a permanent, trained, on call crisis management team/work group.

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The Five Phases of Crisis Management

1. Signal detection
2. Preparation/prevention
3. Containment/damage control
4. Recovery

Learning

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Attributes of a Crisis

1. *Time passes quickly*

When interviewed, participants and victims of crises felt time was very short and a need existed to make decisions more quickly than otherwise



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Attributes of a Crisis

2. Highly specialized knowledge becomes exceedingly important: This is generally, knowledge, not contained in "SOP's" or used for daily decision making. An example is the floor plan of the American Embassy in Iran needed by DELTA during the hostage crisis. (none could be found in the U.S.)

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Attributes of a Crisis

3. Ad-hoc decision-making processes are deployed: Standardized decision-making processes are usually not appropriate. Ad-hoc decision-making groups gain legitimacy they might not have under normal conditions. These groups usually include a small number of players and generally dissolve after the crisis is resolved.

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Attributes of a Crisis

4. Decisions usually carry consequences: Decision-makers will generally realize the potential consequences of their decisions. They also see the crisis as the turning point for better or worse i.e., wrong decisions produce negative consequences.

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Attributes of a Crisis

5. Avoidance of disaster and failure: Most participants feel the principle driving point is to avoid disaster and failure (mine field avoidance). Few see it as an opportunity to manipulate a successful outcome. A crisis should be seen as an opportunity to create or adjust outcomes that will legitimize actions that might not have otherwise come about.

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Attributes of a Crisis

6. Crisis are remembered. Whereas normal business usually is not. Lessons are derived from crises and they become historical reference points that serve as guides for future behavior. We manage for tomorrow based on what happened yesterday. Decision makers are remembered for how well they handled the crisis.

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Attributes of a Crisis

7. Crises are surprises to decision makers and thus, are viewed as threats to highly valued agency image and services. Contingency plans that include early warning indicators can better prepare decision makers for a crisis.

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Attributes of a Crisis

8. Goals and objectives vary:
Many people see the same crisis differently in terms of goals and objectives. A single set of agreed upon goals and objectives are what is needed for a crisis management team to operate effectively.

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Attributes of a Crisis

9. A crisis "turned sour" can ruin the career of the decision maker.

10. Remember, you are not paid to take risks, you are paid to know which risk is worth taking.....

There is a difference!

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Companion Formula

What are the

Strengths

Weaknesses

Opportunities

Threats

of each event and our response?

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Decision Checklist

Analyze the decision through these venues:

- Legal
- Ethical
- Moral
- Political
- Economics
- Quantitative



run the scenario and response...does it work?

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Preparation

3 Part Plan:

Predict – “What if” scenarios – “What *potentially* could happen?”

By the way, they **will** happen in form or another.

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Preparation

Prepare – Practical precautions

Generic tabletop exercises that prepare the agency, entity and individual specifically and collectively

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Preparation

Practice – What to do & how to do it

These periodic exercises will prepare your agency's response:

- A. Tabletop
- B. Simulation
- C. Interactive
- D. Roll Play

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Preparing for the Unpredictable

1. Test & evaluate plans, policies, and procedures
2. Provides training on roles and responsibilities
3. Reveals gaps in resources, personnel and equipment
4. Improves inter-agency cooperation

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Preparing for the Unpredictable

- 5. Clarifies roles and responsibilities
- 6. Prepares for the real thing
- 7. Reveals gaps and weaknesses
- 8. Improves agency performance

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Rehearsal-Operational

Full dress rehearsal: Mock situation

- 1. Incident - realistic
- 2. Initial response
 - on scene leadership
 - communications
 - available resources
 - perimeters
 - interjurisdictional

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Rehearsal-Operational

- 3. Briefings/situation reports
- 4. Decision making process
 - a. Policy & Procedure
 - b. Tactical – short term
 - C. Strategic- long term
- 5. Stabilization – exit strategy
- 6. Debriefing/After action
- 7. What's Next?

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Rehearsal-Political

Political Decision Making:

- Approach to the issue
- Participation
- Specific strategy choices
- Specific information releases
 - > who releases?
 - > what do we release?
 - > when do we release?

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Rehearsal-Political

Political action – proactive strategies

- *passive reaction:*
 - make no attempt to play a role
- *positive anticipation:*
 - active stance factoring in your policy
 - try to anticipate future questions and issues.

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Situations

Events in Public Utilities have a tendency to challenge administrators for a number of reasons. These issues cross the entire spectrum and fall into several categories:

- Happened - not our control
- Happened - we not involved
- Happened - we own it
- We did it – we shouldn't have
- We didn't – we should have

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Assumptions

There are usually two assumptions before, during and after a crisis or situation; we have to prepare for and deal with both:

1. That which *actually* happened:
(Reality)
2. That which people *think* happened:
(Perception)

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Assumption - Rebuttal

How do we deal with these two assumptions?

1. What actually happened
-Report the facts
2. What people think happened
-Report the facts
-Stay focused on the facts

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Crisis Questions

Questions most asked – no order

1. What happened?
2. Who is responsible or to blame?
3. Why didn't you prevent it?
4. What are you doing about it?
5. Is this under control?
6. Can it happen again?
7. Is there an investigation-who's doing it?

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Preemption

Your best defense is a good offense

1. This is what happened
2. We do not tolerate and/or condone
3. This is what we are doing about it
4. Here is how we will prevent this from happening in the future

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Some Responses

If public trust and confidence are the issue:

- It's our fault
- It should not have happened
- We are working with -----
 - to find out.....
 - to ensure.....
 - to prevent.....

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Some Responses

If there has been a good faith mistake, focus on the process and how we will prevent this in the future.

- ✓ Limit reference to changes in policy or or procedure – “we are reviewing”
- ✓ Limit comments that can be used against you legally, civilly or politically
- ✓ Don't add names or other issues to the event

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Some Responses

The common denominator between good responses is a conveyance of honesty and credibility. It's not so much what we say, as much as **how** we say it and that we meant what we said. We need to project a presence and response that shows we care and are concerned about what happened. This is not the time for slick sound bites.

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Legal, Ethical & Moral

Legal = Authorized or based on law
Ethical = According to principles of right and wrong that govern the conduct of professionals
Moral = Concerned with principles of right and wrong in relation to human action and character

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Problem Solving

Problems versus Symptoms

A problem is the difference between an existing situation and a desired situation.

A symptom is a physical manifestation of something that is contributing to or exacerbating the real problem.

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Problem Finding

Problem Finding:

1. State the problem
2. Collect relevant information
3. List causes for the problem
4. Select the likely cause(s)
5. Suggest alternative cause(s)
6. Evaluate – Go to decision making

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Decision Making

1. Define the problem
2. Gather facts & analyze the problem
3. Develop alternatives
 - a. Brainstorm
4. Evaluate the alternatives
 - a. Desirable outcomes
 - b. Undesirable outcomes

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Decision Making

5. Select an alternative
 - a. Experience
 - b. Advice from others
 - c. Hunch and intuition
 - d. Experimentation
 - e. Mathematical approaches
- ➔➔ACTION←←
6. Follow-up and monitoring

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Media Relations

POLICY

Public Utility agencies should fully and impartially cooperate with authorized news media representatives in their efforts to gather factual, public information pertaining to activities of the entity/agency as long as these activities do not interfere with entity/agency operation, infringe upon individual rights or violate the law

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Working with the Media

Every agency has an image, you control it, or the media controls it. Silence on the part of your agency means that only the **other** half of the story will be told.

- ⇒ Without sources the media will speculate
- ⇒ Asking tough questions is a reporter's job
- ⇒ Agency has time to research the facts
- ⇒ All reporters are skeptical

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Working with the Media

Learn to control the interview:

- ⇒ Know the story angle
- ⇒ Be polite and about business
- ⇒ Be informative, accurate, consistent
- ⇒ Utilize every opportunity to make a point
- ⇒ Use examples, visual and/or verbal
- ⇒ Stick to the message – Stick to the facts
- ⇒ Don't be afraid of conflict
- ⇒ Be responsive

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Media Don'ts

- 1. Talk about anything you don't know
- 2. Bluff or lie
- 3. Be afraid if you don't know the answer
- 4. Give the interviewer ammunition
- 5. **Go off the record –**
 "There is no off the record"
- 6. Get angry
- 7. Offer personal opinions

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Media Don'ts

- 8. Use no comment
- 9. Beat around the bush
- 10. Get trapped into statistics
- 11. Look at the monitor
- 12. **Speculate**
- 13. Use utility jargon or slang
- 14. Provide information that will prejudice any other entity/agency

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Final Thoughts on Media

Remember....

Bad news **cannot** be suppressed!

Always project a positive and professional image; **You** are representing your entity/agency

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Response Templates

When a crisis occurs, we may have to make a spontaneous press/public information comment. Obviously, we need to avoid making any statements until we have gathered the facts, but there are times when circumstances dictate an immediate comment or "sound bite". The following are some suggested "spur of the moment" comments or blurbs:

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Response Templates

- 1.This incident is still developing, we will provide an initial release shortly
- 2.These allegations have raised some serious questions which we are looking into
3. We are conducting an in-depth investigation
4. As information becomes available, **and we verify it**, we will get it to you
5. We are disturbed by this type of incident and are committed to a search for the facts

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Response Templates

6. We are working and coordinating this matter with.....
7. I have just arrived and as soon as I am briefed on the situation, I will meet with you
8. This is a personnel matter and state law and/or internal policy prohibits me from commenting at this time
9. I cannot comment in any detail except to confirm the fact that.....
10.will be making a comment on that aspect

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Response Templates

- 11. Our investigation has found no information to support those allegations
- 12. I am not going to speculate, however, I will confirm the fact that.....
- 13. Without compromising the situation, allow me to clarify what we know at this point
- 14. We need your assistance in sharing this information with the public

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Response Templates

This is the most important comment to make when your agency is attacked:

"This isolated situation concerns me. I will not tolerate or condone this type of action. However, this incident should not detract from the dedicated men and women of this outstanding entity/agency who serve the citizens of this community on a daily basis."

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Conclusion

Public Utility agencies will always be faced with assorted crises of varying intensity and time frames on a routine basis. Our response to those situations should be anything but routine. How we attempt to resolve those situations is the first step in allaying fears and restoring trust and confidence in our agency/entity.

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