

EFFECTIVE CRISIS MANAGEMENT

Atul Juvle
atulgjuvle@gmail.com
+91-99208 24036
19th March, 2023



©AsiaTravel/shutterstock



Atul Juvle

Academics

Atul Juvle after completing his **M.Com.**, **CAIIB** and **LLB**, has done his **MFM** from Jamnalal Bajaj Institute of Management Studies.

He has also done **Certified Fraud Examiner [CFE]** from US and Member of the Chartered Institute of Arbitrators [**MCI Arb**] – UK.

Professional Journey

Mr. Juvle has a professional experience of over 3 decades+ with 2 decades+ as General Counsel. Worked with **Bank of India, Shriyam Securities, Tata International, OTIS elevator, HDFC Life & Godrej Agrovet.**

Currently employed with **Schindler India** as **General Counsel, Compliance Officer, CS - India & S.A.** (includes heading Code of Conduct, Data Privacy functions).

Award & Accolades

Mr. Juvle has been featured as Top GC in the Forbes India Legal Power List, for 2 consecutive years 2020 & 2021.

He has also featured in the Top 100 India GC list- 2016-2022 published by Legal 500, UK

Industry Presence

2018-2023 : CII - National Regulatory Committee

2021-2022 : Advisory board Member - Indian Business School, Powai

2020-2022 : National IPR Committee- ASSOCHAM

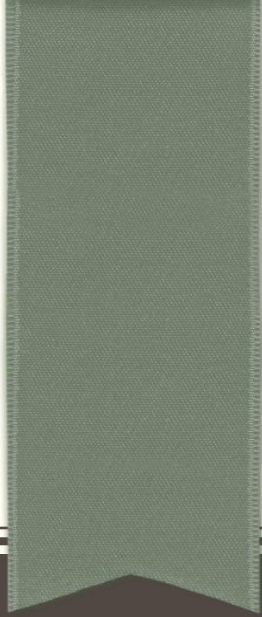
Disclaimer

Information/ opinions shared in this PPT is Privileged and meant only for the permitted recipients. The information shared /views expressed are in personal capacity and should never be considered as views of SCHINDLER INDIA/GROUP.

Reproduction/recirculation is prohibited, except for the personal use of the permitted recipients.

Flow of SESSION

- **1. Relevance**
- **2. CRISIS- Introduction**
- **3. CRISIS – management planning**
- **4. CRISIS – management handling**
- **5. Communication**
- **6. First 24 hours**
- **7. Effectiveness**



RELEVANCE

Year 2022



Recent Trends / Incidents

Discussion

Year 2023... examples for academic purpose.

Jan1, Blast in factory at Solapur leaves 3 killed



Jan 2, Accident in Nashik factory leaves 2 killed & 17 Injured



March - Independent Director's 67 pages resignation



Legal Relevance

*** KMP - Officer in default**

*** Section 205-**

*** Report Board about Compliance**

*** Section 134 (5) (f) Board of Director Responsibility statement- Compliance certificate**

EFFECTIVE CRISIS MANAGEMENT Training - (ECM)

INEVITABLE

FOR ANY COMPANY

Only choice is Formal OR Informal ?

Objective of Session

■ We are here ? 



■ We want to be here





UNDERSTANDING- C R I S I S

CRISIS

- **Negative Impact**
 - **Serious Legal consequences-
IMPRISONMENT?**
 - **Huge financial penalties**
- **REPUTATIONAL RISK**
- **HARMFUL - business in future**
- **Negative visibility on stakeholders**

Common features of CRISIS - 1

- 9 out of 10 crisis happens when you are asleep
- Requires actions / decisions **PROMPTLY**
- **Time is always short.**
- There is sense of loss of control

Common features of CM- 2

- **Routine business continuation becomes difficult.**
- **Demands are made to identify someone to blame.**
- **Huge Reputational damage risk**

WHY- Crisis Management Training ?

- **1. Prevention**
- **2. Successful handling of Crisis**
- **3. Business Continuity**
- **4. Mitigating Reputational Risk**

Effective Crisis Management

WHAT MATTERS ?-

AWARENESS,

APPROACH,

UNDERSTANDING.

Some basics

RISK- a perceived / anticipated loss potential

ISSUE- an unsettled RISK, which is ready for decision

CRISIS- an ISSUE out of hand

DECIDE FIRST

▪ RISK is an ISSUE

▪ OR

▪ CRISIS?



CRISIS MANAGEMENT PLANNING

To START with Preparedness

1. Awareness -----Training-

**2. Identified Senior Person Responsible- Crisis Manger .
If possible TEAM with Manager**

3. RISK INDENTIFICATION

at least once in year with 3 years perspective

3. RISK IDENTIFICATION

- Potential risks can be :
 - Operational- **Factory FIRE/Accident**
 - Financial
 - Property related- **without OC- Fire**
 - Industry specific- **pollution**
 - Industry in general- **General trends in economy / Global**
 - **Complaints / Surprises - Incidents**
 - Past history, if applicable

3. RISK- analysis

▪ LIKELYHOOD

- REMOTE

- UNLIKELY

- LIKELY

- VERY LIKELY

▪ SEVERITY

- MAJOR

- SERIOUS

- SIGNIFICANT

- MINOR

4. Issue Management Plan

1. Anticipate Issues / risks

2. Analyse

3. Inform Crisis Manager/Committee

4. Have policy / procedures in place

5. CRISIS Management Policy

**Practical HINTS
on this are covered at the
End of Presentation.**



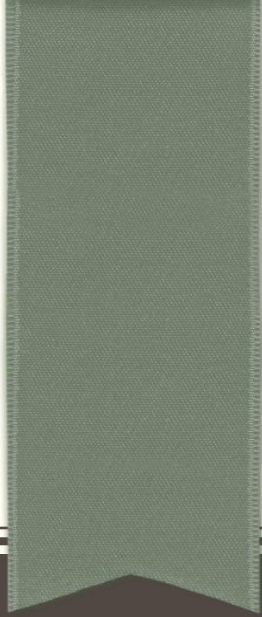
CRISIS MANAGEMENT HANDLING

Crisis handling - Procedures

- **Intimate- Crisis Manger & Management**
- **Hold first meeting in maximum one hour**
- **Invite / take Relevant persons including subject matter experts on VC / Call, if personal meeting is not possible.**
- **Activate Policy- to stop loose talks**

Crisis handling - Procedures

- **ASAP draft & issue FIRST Communication**
- **First communication- Internal & External**
- **Remain closely connected**
- **Take care of First 24 hours- minutely**
- **Follow & Repeat the process for next 72 hours**



CASE STUDIES

CASE Study- 1

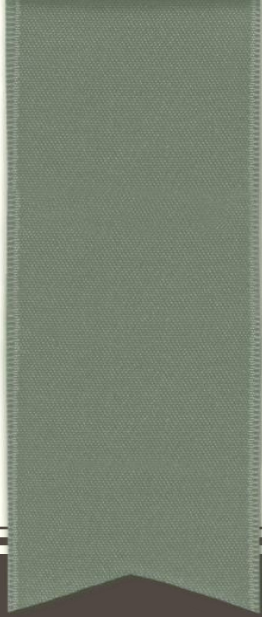
- Company X- is in the business of – consumer eatable industry. Some one circulates- **clip on what's app-** One of the super selling Item of Eatable- contains- harmful, low value ingredient- Clip ends without any other comment.
- **Indirect Message to Viewers** : (a) Item- Hazardous for health (b) Item becomes cheaper for company but expensive for consumer.
- Clip becomes viral on media with circulation crossing 1 million, in one week's time

CASE Study- 1- KEY

- Is it risk / issue or crisis?
- 1. Activate- Crisis Management Plan
- 2. Legal action
- 3. Media publicity
 - False clip which is viral
 - Legal action- seriousness
- 3. Marketing Publicity –
 - 1st after 3 months &
 - Repeat as per requirement.

CASE Study- 2

- **Company is in Airline business- while checking / closing verification, Airline Crew- gets arrogant with one of the Passenger. The Passenger responds in the same tone. Then Crew miss-behaves with the Passenger.**
- **One of the passengers on the flight, video shoots the same. He circulates the clip within his group. Clip becomes viral within an hour in media.**



COMMUNICATION

Communication- Basic Rules

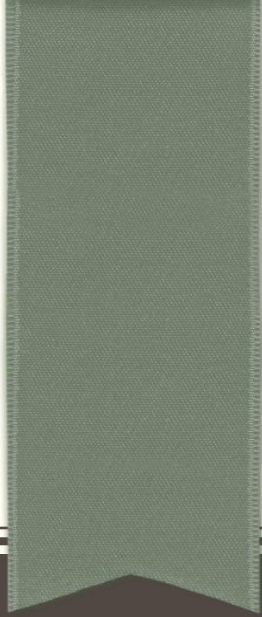
- 1. Only TRUTH
- 2. Always *Internal Communication* first
- 3. No speculation, on *what you don't know* ?
- 4. Match Speed of Communication

Communication- Basic Rules

- 5. Avoid re-iterating incident
- 6. Limit answers to questions
- 7. Know the TARGET audience.
- 8. Most Important - *Never forget Basic Rules*

Target Audience- indicative list

- **Media- News / TV channels /Social media**
- **POLICE**
- **Employees**
- **Customers & Creditors**
- **Regulators**
- **Vendors**
- **Stock market- if applicable**
- **Stakeholders**



FIRST 24 HOURS

First 24 hours- 1-

▪ **NO Comments-**

is **ABSOLUTELY RUDE & BAD ANSWER**

- Buy time & but work expeditiously
- Strictly Stick to commitments on **TIME**
- Keep monitoring all the developments / news closely
- **ONE SPOKES PERSON**

First 24 hours- 2-

- Get all the questions/information from source
- Repeat Important points of Message

▪ ONE SPOKES PERSON

Practical COMMUNICAITON suggestions

- We **MUST** express our **CONCERNS**
- We **MUST** express our **SYMPATHY**
- **BUT** ensure *not to take RESPONSIBILITY* unless the causes become clear
- Avoid **REGRET**- unless required
- Please keep Human Touch in communication
- **ONE SPOKES PERSON**

First 24 hours - 4

- **Internal Communication- Employees/ Vendor / Customers / other relevant stake holders GROUPS.**
 - This group should not get the information from Outside.
 - Activate CM-Policy to avoid loose talks

- **Check Regulatory requirements :**
 - Disclosure requirements- COMPLY immediately
 - Fines/ penalties- if applicable
 - **IMPRISONMENT ?**

First 24 hours - 5

- Check **INSURANCE** cover :
 - Necessity,
 - Applicability,
 - Availability,
 - Complete process lodging intimation.
- Ensure to cover ***Social Media***

First 24 hours - 6

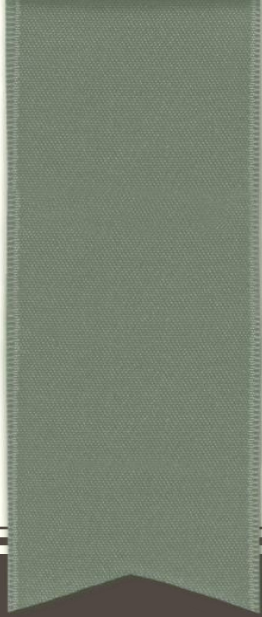
- **Actively engage- All the Internal relevant subject matter EXPERTs**
- **Based on requirement hire External consultants**
- **Work on RRCA- Relentless Root Cause Analysis**
With Internal subject matter experts

NEXT 72 Hours- 1

- **Work closely & collectively Internally**
 - **Experts**
 - **Legal**
 - **Executive Team- CCMT-**
- **Keep monitoring all the news/ developments closely**
- **ONE SPOKE PERSON**

NEXT 72 Hours- 2

- Internally review
 - RRCA- Report
 - Damage saving actions
 - Process improvement to avoid repetition
- Keep monitoring all the news closely
- **Communication - Final**
- **ONE SPOKES PERSON**



CASE STUDIES

CASE- Study- 3- 7 firemen died in lift

- In a high rise building, fire broke out on 14th floor in the evening. The Residents of that floor were on overseas vacation. Other residents of the Building phones up Fire Brigade. Fire- Rescue-Team comes and cools the fire and finishes job around 9 p.m.
- At about 11 p.m. one of the resident, again sees some fire on same floor, so he phones up Fire Brigade. Two Fire-Rescue-Teams visit the society around 11.20 p.m. Team-1 visits to take over the charge of incident. Society Residents offers Team-2 cup of Tea / Coffee. While discussion were on, all realise that the half an hour is over, but the Team-1 has not returned. Team-2 starts checking and finds all 7 firemen dead by suffocation in elevator on 14th floor.

How it was handled

- **Facts check at site**
- **Root cause analysis**
- **Deciding & taking care – Target Communication Points-**
 - **POLICE.**
 - **Fire brigade,**
 - **Govt Authority,**
 - **Residents,**
 - **Media**
 - **Employees**

CASE- Study- 4

- **Company X is in business of providing IT services to Banks and one fine morning- it discovers Data Breach of its clients.**

CASE Study- 4- KEY

- **IT is a BIG RISK likely to become crisis**
- **Activate- Crisis Manager & Management.**
- **1. Internal RRCA- Corrective Action.**
- **2. Media Communication.**
- **3. Learnings to be covered in future trainings**

CASE- Study- 5

- **Factory Manager reports Accident on Sunday afternoon. The Housekeeping man who was washing Roof top fall from the Top and now serious**

CASE- Study- 6

- **MNC operating in one country successfully for over 50 years. Its in ready-to-cook food business. One fine morning receives an Regulatory order that one product is – sub-standard as per regulations prevailing in that country.**
- **It becomes breaking news.**
- **Immediate impact –**
 - Majority customers stop purchasing that item.
 - Vendors are afraid to keep stock due to risk of Regulatory action.
 - Huge loss of business- Sales impact + Sales return impact



EFFECTIVENESS ?

Four criteria of EFFECTIVE CM

- **Was the damage control successful?**
- **Did the Mitigation plan / measures helped?**
- **Lesson learned have been understood?**
- **Have the lessons c/f in Training?**

Common mistakes of CM

Limiting communication due to litigation fear

No crisis Plan- assuming nothing will happen.

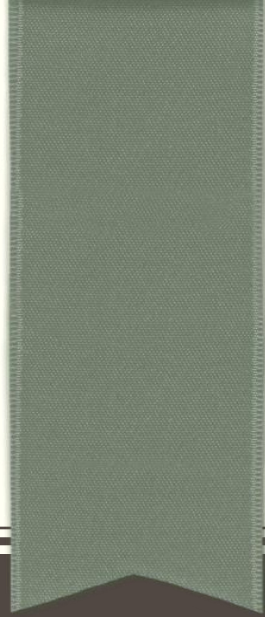
I can handle, we have handled Covid

In short to NOTE

- **Never overlook ISSUE and ensure closing at first level**
- **Don't forget Communication suggestions**
- **Revisit the training / learning**
- **Become smart from others experiences**

Questions ?

THANK YOU



POLICY- PRACTICAL HINTS

Practical Hints- POLICY- 1

- 1. Define / elaborate : **CRISIS**
- 2. Identify Crisis representative for each department / function / branch / office
- 3. Form Central Crisis Management Team
- 4. Laid down procedures to be followed
- 5. Policy to include- Contact no with email IDs of CCMT Members

Practical Hints

- **6. CCMT Members details to include details of their Deputies**
- **7. Steps to be followed before/during/after- CRISIS**
- **8. Training – Awareness. Annual**
- **9. Risk identification – for three years- bur Review every year**
- **10. Share learnings from Industry / economy incidents- BEST PRACTICE**

Crisis-Manager / Management Team

- 1. Identify a Crisis Manager / form a TEAM .**
- 2. Basic criteria for Members selection**
Availability / accessibility for two way communication = 24 x 7 x 365 days
- 3. Contributing Members in TEAM**