

# Performance During Crisis

Why plan for something that may never happen?

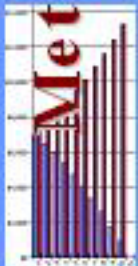


# A Typical Client



- Family-owned
- 15+ years of operation
- Employed 8
- Manufactured inks
  - Potato chip bags
  - Cookie wrappers
- Operated safely
  - No violations
- Shared building with a paints and finishes manufacturer

Metrics



# One night in November 2006



**Something exploded!!!**

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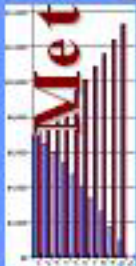


# The Aftermath...



- Impact of 2000 lb bomb
- Building destroyed
  - Other business destroyed
- 90 homes and buildings damaged or destroyed
  - 25 a total loss
- Only 10 people hurt
  - Cuts and bruises
  - Treated and released

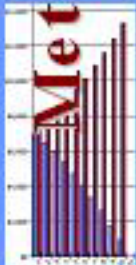
Metrics



# \$Millions & Months to Restore



Metrics



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# What could possibly happen?

Fire

Owner  
illness/death

Employee  
injury/death

Product  
failure

Natural  
disaster

Lawsuit

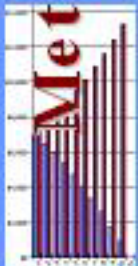
Customer  
injury/death

Embezzlement

Workplace  
violence

Loss of customers

Metrics



# Crisis Planning Is Important

- CONTROL
- Protect investment and assets
- Mitigate disruption of regular business
- Minimize dangers and problems
- Eliminate confusion and rumors
- Protect reputation



# Scenario Planning Is Key

- Consider the possibilities
  - Where is your business vulnerable?
- Will you recognize a crisis before it happens?
  - What are the triggering events?
  - What are the early warning signals?
- Who will manage the crisis? **OWNER/MD!**
- Who needs to know about it?
  - Partners, employees, neighbors, vendors, customers
  - What are the critical messages?
  - How will you communicate?





# What does a crisis plan look like?

- **Fire**
  - Insurance
    - Building & Contents
    - Liability
  - Alternate location
  - Exit Plan
    - Conduct drills
  - Prevention
    - Scheduled maintenance
    - Safe storage
    - Safety education
    - Fire department inspections



# What does a crisis plan look like?

- **Owner illness/death**
  - Insurance
    - Key person
  - Succession Plan
    - Share with key people
  - Will
    - Updated
  - Interim manager
    - Keep owner informed



# What does a crisis plan look like?

- **Product Failure**
  - Recall plan
    - Communications
    - Product replacement
  - Insurance
  - Restore confidence
    - Customers
    - Resellers
  - Media plan
    - Spokesperson – **owner/MD**
    - Key messages
    - Key audiences





# The \$200k Question

Have you thought about it?

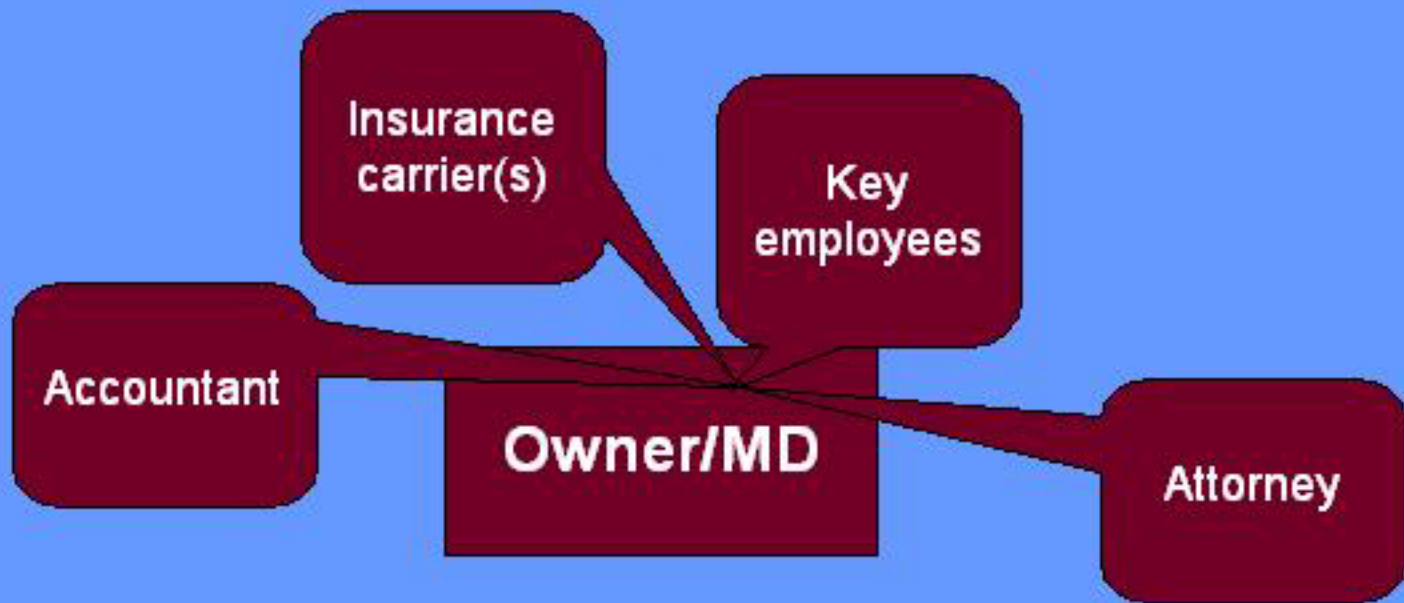


# In Times Of Crisis

- Owner/MD is key person
  - Quick and smart decisions needed
- Make sure required resources are immediately obtainable
- Define and rank triggering events by impact on business
- Assess potential damage
  - Operations, employees, sales & profitability
- Keep key audiences informed
  - Employees, customers, vendors, partners and media
- Create checklists of tasks to be performed



# Small Business Crisis Team



Smaller is better!

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# Why plan for what may never happen?



So when it does...you'll be prepared!

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