Does Your Business Need
a Crisis Management Plan Workbook?

Larry G. Holloway, CSP, MEP
President
LGH Safety Services, LLC
Kingsport, TN

Background

Over thirty years of experience in the chemical industry has provided my background in the crisis management arena. This particular industry has been in the foreground of developing comprehensive plans. The nature of the business coupled with the potential for significant events and the catastrophic accidents that occurred have nurtured an atmosphere where crisis management skills are critical to the existence of every chemical company.

Introduction

Crisis Management actually got its start in this country when the United States Department of Labor was established on March 4, 1913. The Department's stated purpose was "to foster, promote and develop the welfare of working people, to improve their working conditions, and to enhance their opportunity for profitable employment." Since this beginning many boards, organizations, and acts have been formed to help fulfill this purpose.

On December 29, 1970, the Occupational Safety and Health Act was signed into law to protect the worker and workplace safety. The Occupational Safety and Health Administration (OSHA) was formed as part of this Act on the same day. Since its inception many positive changes have taken place under the mandated regulations.

OSHA promulgated the Process Safety Management (PSM) regulation on February 24, 1992 to prevent disasters such as the 1984 Bhopal Disaster. This regulation is intended to prevent or minimize unexpected releases of toxic, reactive, or flammable liquids and gases in processes involving highly hazardous chemicals. This landmark legislation targeted facilities that use certain chemicals in excess of listed threshold quantities. It put into place fourteen requirements that had to be addressed for each of the covered processes on each site. A graduated timetable was also developed which required a 25% completion rate for each of the 4 years from May 26, 1994 through May 26, 1997.

The EPA promulgated the Risk Management Program Rule (RMP) on June 21, 1996, which requires companies of all sizes that use certain flammable and toxic substances to develop a Risk Management Program. The RMP includes hazard assessments that detail the potential effects of an accidental release, an accident history of the last five years, and an evaluation of

worst-case and alternative accidental releases. A prevention program must be developed that includes safety precautions and maintenance, monitoring, and employee training measures. An emergency response program must also be developed that spells out emergency health care, employee training measures and procedures for informing the public and response agencies should an accident occur.

Another organization, the American Chemistry Council (ACC) (formerly Chemical Manufacturing Association and Manufacturing Chemists Association) has provided beneficial initiatives such as Responsible Care®, CHEMTREC®, and TRANSCARE®.
Since the passage of PSM, RMP and the ACC initiatives, the chemical industry has gained a great deal of insight in the field of Crisis Management. These regulations and initiatives have allowed the chemical industry to look at their processes in the detail that few companies have done previously. These data have influenced the creation of elaborate plans for this industry. These principals can be applied to any industry or business or even to schools.

Crisis Management involves the following basic steps: 1) identification of hazard, 2) risk assessment, 3) corrective or preventive measures, 4) response, 5) mitigation, 6) investigation, 7) aftermath, and 8) rebuild.

This paper helps businesses determine the detail needed for a crisis management plan. The assessment phase is enhanced through the use of a list of non-obvious crises such as kidnapping, sabotage of product, civil protest, work stoppages, evacuation of expatriate employees and dependents, product recall, information crisis, and others. The process can be used for single site businesses, multiple-site domestic companies, and international companies. The degree of complexity increases with the size of the company. A single-site company would need one plan where a large company, with many sites, would need a plan for each site and a corporate plan that interfaces with the individual plans. An organizational workbook is used as a tool to give a roadmap to follow during an emergency.

Assessment

The crisis management plan starts with a thorough assessment of the company and the surrounding sites that could impact the company. This step can become very involved depending on the nature of your business and the nature of neighboring businesses. The hazards associated with your business are usually fairly easy to identify. Think about your business and what situations can cause a crisis. Then consider the businesses that have hazardous material that are in about a 10-mile radius of your plant. These businesses can be identified from the Tier II reports that are available from your county EMA Director. The following list identifies situations that should to be considered:

1. Fire – potential from internal and external sources
2. Flood – where can water come from to impact business – internal and external source
3. Severe Weather – snow, rain, hail, wind, lightning, tornado, hurricane, tsunami
4. Explosion – internal and external sources
5. Hazardous Vapor Release – internal and external sources
6. Power Failure – partial outage and complete failure
7. Water Outage – internal and external sources
8. Waste Water Treatment Outage – Company or Municipal facility

9. Raw Material Supply Disruption –
10. Transportation disruption –
11. Product Recall -
12. Terrorism/Sabotage – toward company people, property, or product
13. Kidnapping – foreign countries
14. Civil Protest/Employee Strikes/Work Stoppages –
15. Hot-Air Balloon Landings – most unusual occurrence
16. Pandemic –
17. Computer System Outage -

Types of Crisis Management Plans

Three types of crisis management plans will be reviewed in this paper. A small single-site company will benefit from the standard form crisis management template. This plan needs to interface with local responders, but a corporate crisis management plan is not needed. A company that has multiple sites in this country will need a local plan for each site and they must compliment a corporate plan. They must use the same terminology and interface seamlessly with each other. An international company will need plans that take into account any unique cultural or regulatory requirements that exist in the foreign country. The third type is an organizational workbook plan that addresses the details or "nuts and bolts" of an emergency. The first two types of plans will identify basically what needs to be addressed, and the organizational workbook lists the groups involved in an emergency/crisis, the responsibilities of each group, its membership, and who actually does the work. This is developed in a flowchart type of format that is easily understood and used when an emergency occurs. The scope of this paper will address the development of Crisis Management Plan Organizational Workbook Template.

Develop Crisis Management Plan Organizational Workbook Template

A workable team organizational structure is needed that compliments the company's business structure. This organization would have a management team that is led by the Site Manager. During a crisis there are various elements that must be provided. They differ in complexity based on the size of the emergency but they are always present and they must be addressed in a predictable manner that everyone understands and supports. The following diagram depicts a possible structure for the team organization.
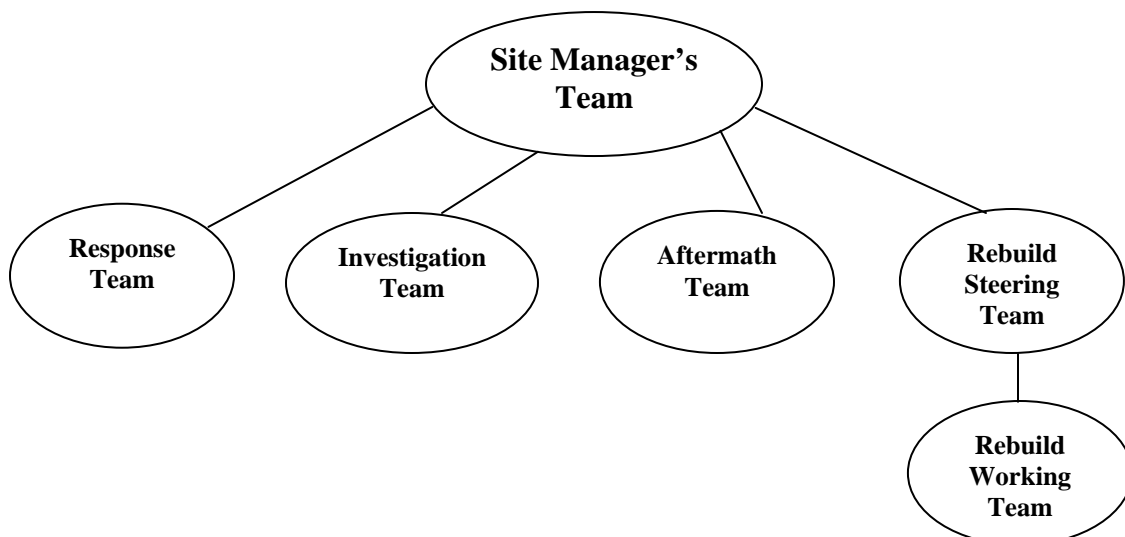
<u>Site Manager's Team</u>
This team has the following responsibilities:

- Manages and coordinates Crisis Teams' efforts
- Fills roles of Incident Manager and Information Officer
- Makes Plant-wide response decisions to control/terminate incident based on information supplied by Response Team
- Reviews all information prior to release to the public or outside agencies
- Members lead Rebuild and Aftermath Teams
- Commissions support for Crisis Teams from other specialists as needed
- Communicates need/recommendation for potential implementation of Corporate Crisis Communication Plan
- Critiques each event

The Site Manager has the following responsibilities:

- Activation – The Site Manager or designate will decide whether to activate the formal Crisis Management Plan
  - o Immediate Actions Required
    - Assess the magnitude of the event
    - Determine whether or not to activate the Crisis Management Plan
    - Assess event to determine probability of initiation by terrorism, sabotage or other form of intentional harm
    - Notify and update corporate management

Site Manager's Team Membership:

- Site Manager
- Communications and Public Affairs representative
- Legal representative
- Management representative from On-Call schedule
- Safety Representative
- Engineering Services representative
- Human Resources representative
- Special Projects representative
- Utilities representative
- Security representative if terrorism or sabotage is suspected

<u>Response Team Responsibilities</u>
- Makes tactical decisions to mitigate the event including protection of life, property, and the environment
- Communicates with Site Manager's Team
- Led by Fire Captain on duty (Incident Commander)
- Initiates Investigation Team
- Notifies Public Affairs On-Call person
- Secures scene

- Preserves evidence
- Provides safe location for witnesses
- Terminates the emergency

Response Team Membership:

- Incident Commander – Fire Captain on duty
- Safety Officer
- Scene Commander (Fire Fighter) – as needed
- Planning Sector Officer
- Building Representative – building supervisor or department head from affected area
- Agency Representative – designated by Incident Commander
- Security Sector (Fire Fighter) – designated by Incident Commander
- Staging Sector (Fire Fighter) – designated by Incident Commander
- Medical Sector (Fire Fighter) – designated by Incident Commander
- Fire Equipment Specialist – as needed

Investigation Team Responsibilities
- Determines Root Cause(s) of incident
- Ensures proper investigation technique is used based on severity of incident
- Gathers the evidence from the event
- Assists Legal in preparation of official report
- Presents report of findings to appropriate members of Site Manager's Team

Investigation Team Membership:

- Principal Investigator – from Call List
- Process Experts from affected area – assigned by Division Management
- Plant Protection – Technical Staff – On-Call person
- Plant Protection – Safety – On-Call person
- Technical Specialists (as needed)

Aftermath Team Responsibilities
- Resolves all liability issues resulting from emergency
  - Attorney/Client determination
  - Lawsuits
  - Stakeholder issues
  - Shareholder issues
  - Regulatory issues
  - Insurance claims
- Accounting issues
- Coordinates site visits by outside agencies
  - Maintain recording process to keep track of outside agency representatives on site and provide appropriate escorts (Technical and/or Legal)
- Controls records following work of investigative team

- Provide timely updates to community after initial incident is over (Review through Site Manager's Team)
- Coordinate with Rebuild Team to avoid creation of spill during cleanup

Aftermath Team Membership:

- Site Manager
- Affected Division Superintendent(s)
- Non-affected Division Superintendent – assigned as needed
- Plant Protection
- Community Relations
- Human Relations Business Accounts
- Operations Support Services Division
- Legal

Rebuild Steering Team Responsibilities

- Identifies and implements corrective actions to return facility to normal production
  - o Damage assessment – determine what has/can be isolated
  - o What can be restarted and what is the restart sequence
- Facilities cleanup
- Coordinates engineering, procurement, and construction of replacement plant
  - o What is truly "Broken" and needs immediate/long term attention
- Obtains new/revised permits
- Commissions Rebuild Working Team
- Implements process to share learnings
- Product supply/interruption issues (products identified, shortages identified, supply chain notified

Rebuild Steering Team Membership:

- Site Manager
- Operations Support Services representative
- Affected Division Management representative
- Plant Protection Technical Staff representative
- Maintenance and Services Division representative
- Environmental Affairs representative
- Contract services representative
- Reliability representative
- Utilities representative

This workbook structure has served as a good organizational tool, but as with all tools there is room for improvement and customization for each company. Each section of the above workbook may need to be expanded with an additional section that addresses an element in greater detail. This could be a detailed description of a "Mutual Aid" agreement or a "Memo of Understanding" between your company and area responders or suppliers or neighboring businesses. When a crisis occurs, it affects not only the company but also the entire surrounding

community by disrupting the lives and livelihood of the entire area. Granted, this structure was developed from a chemical company point of view, and it may have additional elements that are not needed for another type of industry.

Summary

This paper described how to develop a Crisis Management Plan Organizational Workbook that can be adapted to a wide variety of industrial/business settings. This Plan can be used as a companion to the more detailed Corporate or Local Crisis Management Plans that may be a part of the business environment. The example plan was used as a template in a chemical company setting and it should be considered as a near worst-case environment. The nature of the chemical industry has fostered an environment where additional levels of safety are a way of life. This workbook also follows the required principals for National Incident Management System (NIMS) compliance protocols, which ensures a compatible structure for interface with other groups during the crisis. NIMS provides an environment for the organizations to work effectively and efficiently to prepare for, prevent, respond to and recover from domestic incidents, regardless of cause, size or complexity. The purpose of this paper is to share a technique that has been used effectively in a chemical company setting and apply it to other business settings.