CRISIS RECOVERY: 14 TIMES THE PAIN IS A HIGH PRICE TO PAY

Athletes who run half-marathons know that after the stress of running 21+ kilometres in one to two hours it takes one to two weeks for your body to fully recover and it's even longer for a full marathon.

Similarly, organisations that are embroiled in an incident also require time to 'recover'. Take for example BP's tragic Deep Horizon disaster in the Gulf of Mexico which saw 11 workers killed and a massive oil leak which took 87 days to cap.

Using the marathon runner's ratio (1:14) BP's recovery period would last 1,218 days or over three and a half years.

So far it has lasted some 1,488 days (as at September 19) and recent US court decisions on the Deepwater Horizon disaster will push this beyond the 1:14 ratio.

The PTTEP Australasia Montara oil spill and leak, Australia's worst, began on August 21, 2009 and was not plugged until 74 days later (November 3). While there is still agitation around affected Indonesian citizens, the issue was finally "signed-off" after the company was fined and then admitted responsibility in August 2012.

Ok so that's 169 days beyond the 14:1 ratio.

Putting a definitive figure on the recovery period (maybe a paper for an honours student) is difficult, however the important lesson is to understand that recovering from a disaster, crisis or incident has two phases - the immediate remediation of the physical business and the longer-term implications for your organisation's reputation.

Certainly BP was able to get the well secured and plugged, and it has since progressed with its core business, but the cost in terms of dollars and reputation has been staggering and recovering that reputation will take many more years.

Behaviour is critical

One of the most critical points to consider in a successful recovery process, and thus the prospect of reducing the recovery ratio, is your organisation's behaviour before and during a crisis. If your stakeholders believe you had not communicated effectively, withheld information, or lied, the odds of getting back to normal business will lengthen considerably.
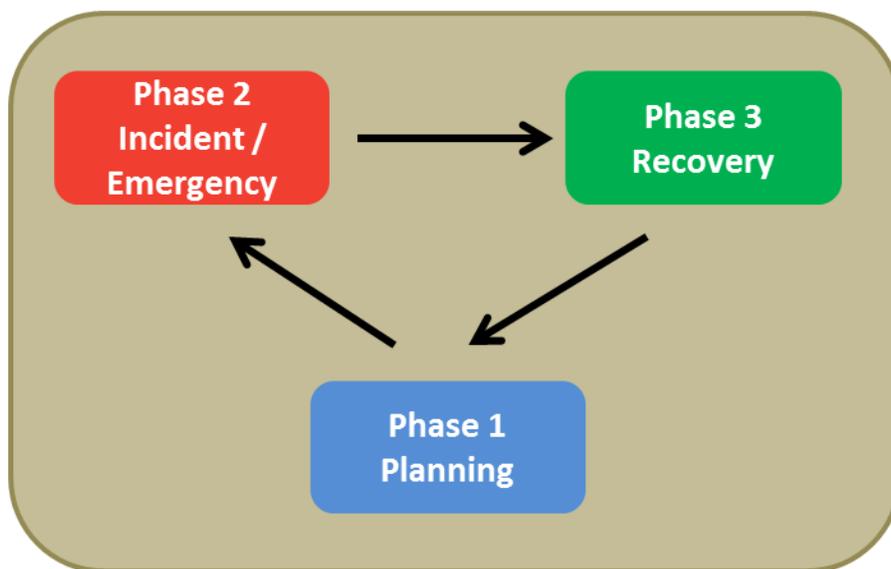
Business recovery starts with an engaged stakeholder relations program for your organisation. A critical key is to demonstrate your worth – beyond employment numbers - both locally and to broader communities. It is too late to do this when you are in the middle of a crisis.

4 Steps to Recovery

1. Having a Disaster Recovery Plan – without this you simply may not recover. The plan should:
    - Provide business continuity options during the recovery period
    - Establish recovery teams for both business and reputation
    - Engage experts in the fields you need
    - Undertake continuous monitoring of the financial health of your business
2. Regularly practice and review that plan and actively challenge it. Be prepared to re-write and re-test the plan.

3. Be opportunistic and prepare to communicate your status, needs and timings. Make use of social media networks, groups and key communicators.
4. Pay attention to your stakeholders so they can:
    - Forgive you
    - Support you
    - Re-engage with you and your products/services.

Still the most quoted and exampled response of successful stakeholder communication was the response from US pharmaceuticals giant Johnson & Johnson to the deliberate sabotage of their biggest selling over-the-counter pain relief medication, Tylenol. In 1982 and again in 1986, an unknown person or persons added poison to tablets in a number of Tylenol bottles, killing seven people. The company's responses, particularly to the second event, was a model in communicating with all stakeholders that allowed them to not only resume their business but be even more trusted as a consequence of those responses.

Stakeholders can put up barriers to short-term and longer-term recovery. Best practice incident and crisis planning must also include disaster recovery planning.

Richard Taylor
Senior Consultant

+61 8 9381 2144

www.publicrelations.com.au