



Wondering how to stay ahead of a crisis? Acquire a crystal ball—or follow these practical steps

Who hasn't felt the effects of information overload? It seems the world is navigating a river of social media posts, texts, viral videos, emails, articles we've bookmarked but never read, and more.

A data deluge

This volume and velocity of data does have an upside—enabling more informed decision making, for example. But it has a downside as well, as it limits the capacity for wonder. Time that could be spent on serious contemplation about what may be coming next has been diverted to scrolling through a digital deluge of data.

Now consider this same volume of velocity of information and the impact it has on crisis management. During a critical event,

the demand for a crisis manager's attention is extraordinarily high. And the need to rapidly sift through mounds of information leaves little time to consider what impact today's decisions—made in the heat of the moment—may mean for the future.

The role of the soothsayer

One of the most important figures on a crisis management team is the one who holds the crystal ball: the proverbial soothsayer. Most crises have a well-defined life cycle, from the incipient event, to the emergency and response phase, to recovery. The activities associated with each phase are well-defined and often predictable. But taking a myopic approach to crisis management—without alignment to an overarching crisis strategy—puts the decision maker's focus solely on immediate actions.

As a result, actions that need to be taken days or months after the crisis event may be overlooked. And little thought may be given to the ripple effect today's judgments will have on future efforts or decisions.

The ability to gaze into the future of an unfolding crisis requires one of two (and ideally, both) attributes:

1. An unparalleled knowledge of the organization in crisis, as well as where potential roadblocks or challenges may lie
2. In-depth experience with crisis management, having observed and learned from the mistakes of others in similar situations

The individual tasked with the responsibility of soothsayer must be a trusted adviser to the executive in charge of crisis decision making in order to exert any credible influence on the process.

The band-aid effect

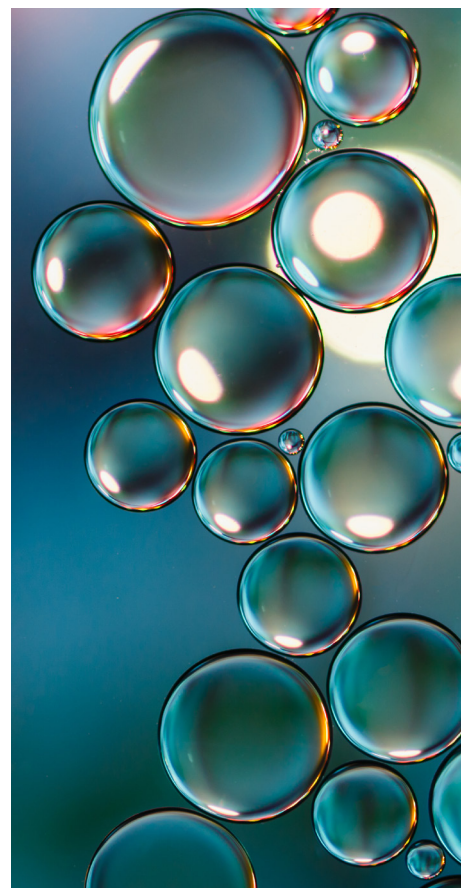
What's more, there's generally no lack of volunteers to lend a helping hand in a time of crisis. But using individuals in a "band-aid" capacity can keep them from meeting their day-to-day responsibilities—which, in turn, will likely also have a negative impact on the organization. This is a conundrum for the "official wonderer": How will he or she evaluate and choose a solution while keeping the organization's long-term vision of success in focus?

Most reviews of crisis activities reveal that when decisions like these are made in a forced environment, the unintended impacts of resource diversion can become as critical as the crisis itself.

Managing tomorrow's impacts today
You can get ahead of these potential impacts now by following just a few steps:

1. Identify the individual within the executive group who will be responsible for the "crystal ball," so he or she understands the role upfront.
2. Have that individual review the crisis plan's staffing strategy and possible impacts of resource diversion to gain an understanding of surge resource requirements.
3. Make sure the individual is involved in the crisis decision-making process with a focus on future impacts of decisions (e.g., costs, unintended consequences, liability.)

Understanding the possible impacts of decisions on future efforts is a key component to successful crisis management. Take time to wonder now, so you're not wondering in the future: How did we get into this mess?



For more information,
please contact:

Rhoda H. Woo

Managing Director

Deloitte & Touche LLP

+1 212 436 3388

rwoo@deloitte.com

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.