Crisis Strategic Planning: Finding the Silver Lining

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Overview

- Introduction: Resilience in the face of a risky world
- From crisis comes opportunity to change
- Key factors in resilience to crisis
- Crisis strategic planning: a definition
- A model
- Two case studies
- Lessons learned
Resilience in the face of a risky world

- The world is a risky place
- This same world is full of opportunities
- Crisis are often the confluence of risks and opportunities
- Organisational leadership and their approach to crisis are crucial to ‘finding the silver lining’
From Crisis Comes Opportunity to Change...

- When life is comfortable – change is hard to initiate:
  - No sense of urgency: “why fix what isn’t broken”?
  - Incremental rather than radical change.
  - Prevailing cultures can be very resilient!

- Creating the Crisis to Drive the Change
  - New CEO → Restructure to create culture change
  - Remove the comfort zone
  - Show them the light at the end of the tunnel…

- A disaster/crisis presents the same pre-conditions for change!
Key factors in resilience to crisis

A Resilient Organisation is one that is not only able to survive, but also to thrive, in the face of adversity.

Factors contributing to Resilience

- Organisational Culture
- Situation Awareness
- Management of Keystone Vulnerabilities
- Adaptive Capacity
Factors contributing to these Resilience Qualities

- Organisational Ethos
  - Effective leadership
  - Commitment to resilience
  - A culture of unbound communication
  - Collaborative resilience planning with stakeholders
Factors contributing to these Resilience Qualities

- Situation Awareness
  - Staff understanding of roles and responsibilities
  - Awareness of connectivity within an organisational network
  - Understanding of challenges and consequences
  - Clear and well communicated recovery priorities
  - Monitoring of strong and weak signals
  - Discipline of well informed decision making
  - Understanding of Insurance Provisions
Factors contributing to these Resilience Qualities

- Management of Keystone Vulnerabilities
  - Quality of planning strategies
  - Participation in exercises
  - Engagement of staff
  - Capability and capacity of internal & external resources
  - Strength of connectivity with key organisations
  - Effective identification and analysis of vulnerabilities
  - Clear ownership for vulnerability management
Factors contributing to these Resilience Qualities

- **Adaptive Capacity**
  - Minimisation of *silo mentality*
  - Proactive management of *communications and relationships*
  - **Strategic vision & a positive outcome expectancy**
  - *Information & knowledge* management
  - Leadership, *management & governance structures*
  - Innovation & creativity
Crisis strategic planning defined

- **Crisis management:**
  - **Definition:** Crisis management is the systematic attempt to avoid organizational crises or to manage those events that do occur.

- **Strategic planning:**
  - **Definition:** Strategic planning is the formal consideration of an organization's future course.

- **Crisis strategic planning:**
  - **Definition:** Crisis Strategic Planning is the process of searching out and developing opportunities in the midst of crisis. It is the integration of Crisis management and Strategic planning.

- Avoiding ‘crisis myopia’ and finding the silver lining.
Crisis strategic planning in Context

- Situation awareness: Threats & Weaknesses = risks & vulnerabilities
- Planning Strategies
- Management of key vulnerabilities
- Culture and Communication
- Adaptive Capacity
- Day-to-day Resilience

Reduction | Readiness | Response | Recovery

Event

Strategic/Response & Recovery

Organisation culture and leadership

Tactical/Response

Strong signals (SA and KV)

Weak signals: Unsubstantiated rumour, suggestion, media monitor

Existing mission/vision

Apply/build a crisis plan

Proactive

New opportunities, scenario planning, alternatives, SWOT

Reactive to emerging issues, priority on the urgent

Decision

Making crisis & unclear

Implementation plan developed in parallel

Painting the vision

Carry out tactical actions
Crisis Strategic Planning: a model

RESPONSE & RECOVERY IN PARALLEL

Organisation culture and leadership

Strategic/Response & Recovery

Existing mission/vision
Proactive
New opportunities, scenario planning, alternatives, SWOT
Implementation plan developed in parallel
Decision making in crisis & under uncertainty
Drawing the vision

Strong signals (SA and KV)

Application/Build a crisis plan
Reactive to emerging issues, priority on the urgent
Carry out tactical actions

Tactical/Response

Weak signals (SA)(assisted by e-rumour, e-suggestion, media monitor)

Existing mission/vision

Legend: SA – Situation Awareness
KV – Keystone vulnerabilities
AC – Adaptive capacity
Two case studies: a thumbnail sketch

- University of Loyola New Orleans:
  - Hurricane Katrina, August 2005
  - The diaspora
  - Regathering the scattered students and staff
  - 40% reduction in income is its own crisis!
Two case studies: a thumbnail sketch

- California State University, Northridge
  - The Northridge California earthquake of 1994
  - Camping out after the destruction
  - Local campus with local students
Organisations perform well when they have a single unifying purpose to work collectively towards...

- **CSU Northridge**
  - Existing charter for the University provided a core framework for all response and recovery decision.
  - ‘Classes must start again ASAP’ - This was a non-negotiable baseline for all staff

- **Loyola**
  - Had strategic plan but in need of revamping. Had begun process prior to Katrina
Organisations need to be **proactive** in seeking out new opportunities. It also requires a **realistic optimism** that the organisation can and will emerge from the crisis better than it was before.

**CSU Northridge**
- Emerged as a modern campus (funded by others!)
- More student focused institution

**Loyola**
- Academically robust strategic plan.
- Review all programmes in light of new reality
- On-line learning initiative
In rapidly changing environments, Plans A, B, and C should be developed simultaneously.

- CSU Northridge
  - 1 week lost...
  - All effort went into rehabilitating buildings until the realisation dawned that continuing aftershocks made this unrealistic.

- Loyola
  - Campus on high ground, but...
  - Collaboration with AJCU
  - Law school moved to Houston temporarily
Aim for group decision making so all viewpoints can be heard before moving towards more unilateral decision making. The value of a ‘safe’ sounding board for leaders should not be underestimated.

- **CSU Northridge**
  - ‘Inner circle’
  - Predominantly command and control type decision making
  - Chancellor as ‘off-campus’ support for President

- **Loyola**
  - Normally collegial decision making more autocratic during response phase
  - AJCU friends as sounding board
  - Decision to re-open in New Orleans! (January 2006)
Staff need to believe that the recovery of the organisation is not only possible, but could also be the catalyst for positive change.

CSU Northridge
- “We will be back, and back better”
- “Acting as if we could…”

Loyola
- Pay the faculty and staff
- Students in the diaspora: had to become more student focussed
Apply/Build the Crisis Plan

- Immediate application of an existing crisis plan creates **purpose** and fresh **hope**. It demonstrates forethought and creates **confidence in leadership**

**CSU Northridge**
- Had a great plan, but it wasn’t effective

**Loyola**
- Existing crisis plan worked but weaknesses in face of Katrina…
- Recovery phase improvements were made in crisis plan
Reactive to emerging issues

- **Good situation awareness and principles** for setting priorities required when facing a flood of urgent strong signals

- **CSU Northridge**
  - Ongoing aftershocks meant rethinking recovery strategies

- **Loyola**
  - Inability to occupy campus required admin relocation, but where?
  - Computing facilities, but no essential services...
  - Collaboration with AJCU and sister universities
Decisive action required informed by group processes for best solutions. Tactical actions should be aligned to new opportunities whenever possible.

- **CSU Northridge**
  - Accessing a fleet of trailers

- **Loyola**
  - Mandatory evacuation of campus after consultation with crisis team.
  - Communication and computer issues required lateral thinking
Create space for strategic thinking in the face of crisis

- Create the space for strategic thinking, by either using a different team (need to ensure they are in touch with the tactical reality) or refocusing the tactical team periodically on strategic issues (Need to lower the adrenalin)

**CSU Northridge**
- ‘Inner Circle’ all involved in both tactical and strategic management
- Lots of ‘hugging’ and off-campus retreats

**Loyola**
- 3 VPs and the President in Alexandria (220 miles)
- Sharing a meal
- Stress relief at the gym
The ‘real’ values of the leader and organisation reveal themselves in a crisis. Sound planning will never substitute for effective leadership.

- **CSU Northridge**
  - Superb leadership
  - Flattening of the traditional hierarchy
  - Marked shift away from consultative environment

- **Loyola**
  - Leader was on ‘the front’
  - Marked shift away from consultative environment
  - Communication for a diaspora
  - Mobilising faculty and staff to reach students
Success & failure factors

- **Success factors:**
  - Clear mission and focused goal: “We will re-open!”
  - Great leadership
  - Strong community engagement
  - Shared membership across strategic and crisis teams

- **Failure factors**
  - Didn’t do implementation plan in parallel
  - Lack of sound engagement with faculty
  - Prior planning too narrowly focussed
Lessons learned: did they ‘find the silver lining’?

- Recovery is always possible
- Symbiotic relationship with wider community
- Interdependence with ‘competitors’
- Importance of planning, but criticality of leadership
- Crisis is a great way of grounding strategic plan
- Change rarely occurs without some kind of crisis
Can you see any silver lining?

- Imagine you are the Managing Director of a major public hospital
- Pandemic is breaking out…it is expected to arrive in your region at any time
- You have management plans in place but fully expect them to prove ineffective

- With your neighbour, identify three benefits that could emerge from this crisis that could transform future healthcare?