Crisis Article – Leisure Directions

The publication of a national security strategy on 19th March confirms the view that we live in a risky world. This strategy brings together an assessment of the major risks to the country including floods, pandemics and terrorism. It comes hot on the heels of a report on travel and tourism by the World Economic Forum that showed that the UK was ranked 120 out of 130 countries on security issues and this was affecting UK competitiveness. One of the most significant factors was the cost to tourism businesses of anticipating and dealing with security threats.

We have always lived in an uncertain world, but extreme weather events are becoming more common. The last 7 years have tested most businesses as war, terrorism, disease and natural disasters have disrupted travel plans, worried potential visitors and led to significant loss of life.

These events on the global stage may not seem very relevant to an individual business, but words like “resilience”, “preparedness” and “contingency planning” are featuring in more and more boardroom discussions. The best companies are taking this issue out of the health and safety silo and thinking through the wider issues that could affect the business.

Those in travel and tourism are especially vulnerable. As well as the traditional risks that may disrupt premises such as a fire or a flood, we are also at risk of losing customers because they are discouraged from travelling too far from home when war or disease hits the headlines. SARS depressed travel to Europe from Asia and Australia as people put their plans on hold. The good news is that the public response to the unexpected is becoming more sanguine. Crisis events are having an effect but people are very committed to their holidays and recovery times following a crisis are getting shorter. Even so, any travel business should think through this issue as part of its general business planning.

As a minimum a company needs to have a contingency plan. In the past a traditional plan focused on stabilising the situation and generally assumed that the risk was something within the control of the company – fire, electrical, IT failure. Forward looking companies are recognising that many risks are totally outside their control and that their survival depends on building good relationships with the police, emergency services, their staff and customers. Fortunately, it is a two-way relationship. The police have set up the National Counter Terrorism Security Office with a mission to support and advise businesses – especially those in tourism and hospitality – and there is an almost overwhelming amount of advice available. The police have made crowded places a priority – this includes bars, theatres, shopping centres , visitor attractions– and will visit and provide free advice and training.

The policy issues that need to be debated in advance cover practical questions like: Do you stay open or close? Do you give refunds/accept cancellations? Do you want staff to come to work or stay at home? The answers to these questions cannot be written into a plan but they must be

debated by the Board and shared with those charged with making executive decisions on the day. Good practice is to involve all senior managers in the plan and carry out regular rehearsals. The recent evacuation of the Royal Marsden Hospital in London following a fire was a textbook example of calmness under pressure. This was because of a good plan and frequent rehearsal.

The national security strategy emphasises the responsibility of the citizen as well as government. This also extends to businesses. A key factor in establishing a “Business as Usual” atmosphere after the London bomb attempts in June 2007 was the decision of West End theatres to continue with their performances. Each theatre may have seen the decision as one that affected their trading position, but in reality they were pivotal in setting a mood for the rest of London. This greater responsibility should be part of a policy discussion that might encompass the role of hospitality businesses in providing temporary refreshments, accommodation etc.

Perhaps the most critical element – and one that is hardest to plan for – is the people that work in the business. A contingency plan needs to work with a ‘command and control’ structure to allow for fast decisions and clear lines of responsibility. Most people react magnificently – but managers needs to be warned that people react in unexpected ways in a crisis situation and the plan needs to accommodate the loss or absence of key people. Good practice suggests that the business establishes two teams –one to deal with the immediate response and one to focus on rebuilding. For a small business this may seem unnecessary, but there is lots of evidence that people work incredibly hard in the first few days and get exhausted. They will often have a delayed emotional response to a situation that will show itself in sickness or stress.

Practice, practice, practice is the advice given to businesses when thinking about how to prepare staff for the unexpected. In reality you cannot stop the world that often to have a full-scale rehearsal. It is essential to involve staff as much as possible – even accepting that in a high turnover industry like tourism and hospitality there will always be new people that are not fully briefed. Every business that has carried out a rehearsal comments on how much they learn from the exercise. An added benefit is that the staff themselves see it as a responsible and valuable thing for the company to be doing and feel more valued as a result. The irony is that no matter how much you rehearse, the crisis you face will be unexpected. The purpose of planning and rehearsing is not to have all the answers but to instil understanding. Preparedness is a state of mind and a way of behaving that should fit with the values of the company.

PR professionals will quote many examples of companies that have turned a disaster into a triumph – and there are many companies that live through a crisis and acknowledge afterwards that it wasn’t all bad. This doesn’t happen without a strategy, a genuinely effective response and a sensitivity to those harmed in any incident. The best recent example was the response of Glasgow Airport to the terrorist attack in June 2007. The company recognised

that making sure everyone was safe and then getting the airport operational had to be their main priority. Running alongside these operational decisions was the development of a “good news” story that constantly updated the press and public about the progress that was being made. This was followed by investment in advertising to celebrate the speed with which the airport reopened and culminated in thanking the people of Glasgow for their support and inviting them to be proud of the way Glasgow responded. The foundation of this PR success was operational effectiveness, but many companies respond magnificently and tell no one.

Your customers are watching you. One of the side effects of being in the media spotlight is that your present and future customers are forming views about the company. The way you respond, the way you talk about the response, the way you treat your staff all send messages to customers about what kind of business you are. The core values of the company don’t change; they will just be visible to a wider audience.

It would be easy to be overwhelmed by worrying about all the threats that exist and many businesses do not have any kind of plan because they are daunted by the subject. Planning for the unexpected is a simple process of good management and applied common sense. Do it today.

Mary Lynch is a former Chief Executive of the English Tourism Council and author of ‘Weathering the Storm’ a crisis management guide for tourism businesses available from www.lynchassociates.co.uk