

Ask The Expert: Improving Credibility During A Recession

Recession plays a key role
in business continuity

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Question: As we move into this recessionary time frame, and all resources are being scrutinized, reallocated and in many cases, staff functions, including CPM are being trimmed, how can I maintain the importance of the function and my relationship with the boss without sounding like Chicken Little?

Answer: Virtually every staff function and many operating activities are being or will be adversely affected by the downturn. To understand the depths to which the economy may plunge, expect more bad news. Actually, it is at these times when new ideas and better relationships are formed, if you are prepared.

One recommendation is a powerful and appropriate technique for keeping management ahead of the vulnerability curve, even during these lean times. This approach could resolve at least a portion of the concerns in the question. It is a process called exposure management and surveillance. You may already have a similar process. I am suggesting to carefully refine it and, make it a much more important and strategic activity.

This approach has five specific goals, including alert top management to possible threats and opportunities, and the patterns they represent; anticipate the organization's planned and unplanned visibility internally and externally as well as other related threats; repair management to act promptly conclusively, and pragmatically once they recognize that an adverse scenario is unfolding; work preemptively to mitigate and perhaps eliminate potential problems and threats; and finally, estimate the potential organizational impact and exposure from threats, opportunities and other related circumstances.

The key ingredient is a periodic two-page report that is a recap or catalogue of current and future exposures of concern. Recognize that such a report would have high sensitivity and the distribution would necessarily need to be quite selective.

The accompanying figure is one format for part of the exposure management reporting activity. Your list of decisions, events and activities to monitor might be quite different from those shown

here. Your list of adverse impacts and threats also might be different.

The objective is to establish a process for managing potential exposures to the company in an affordable, doable and strategic manner. Generally, these reports should only be issued when you have sufficient information to fill one page in abbreviated fashion. This may trigger management to ask for a presentation on these matters, which you can complete in 30 minutes.

Resist the urge to make this into any kind of a regular, large-scale report. It should be released on an irregular basis to prevent its beginning to look like a regular publication. It might be best to prohibit copying. Allow only limited distribution, and hand them out in offices and in-baskets. Number and retrieve all copies. Make this a truly strategic and powerful document.

The process has two features. You are actually metricizing the likelihood, impact and collateral damage related to a specific events, threats or circumstances. And this is a strategic process to keep management clued in, participating and on the look out for potential issues that the surveillance process needs to monitor. This the essence of what you do every day.

It is simple, sensible, affordable and doable with existing resources, and strategic—meaning it will help the boss get to the future with fewer disruptions and a higher sense of readiness in the event of a disruption.

The Exposure Management and Surveillance Process figure is taken from *Why Should the Boss Listen to You? The Seven Disciplines of the Trusted Strategic Advisor*; by James E. Lukaszewski, page 139; Copyright © 2008 by James E. Lukaszewski; This material is used by permission of John Wiley & Sons, Inc.

About the Author

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Phase I
Identify Corporate Exposure Sources, Issues, and Threats

A. Identify Actions, Decisions, Events, And Activities to Be Monitored
(Select those with special significance for impact and threat analysis in 'B.')

___ Activist Demonstrations/threats
___ Angry Neighbors
___ Competitive Breakthroughs
___ Congressional Testimony
___ Corporate liability
___ Criminal Investigations
___ Employee unrest
___ Executive speeches
___ Government investigations
___ Hazardous waste
___ High-profile litigation
___ International Sanctions
___ Key executive public appearances
___ Labor Negotiations or Actions
___ Major Site – Specific Issues
___ Risk management plan (RMP)
___ Serious environmental cases
___ Significant news interviews
___ Superfund
___ Whistleblowers

B. Forecast Impact/Threat level

1. (Score each of these items a value of 1-10, where 10 equals the highest level of impact)
2. (Score each of these items a value of 1-10, where 10 equals the highest degree of threat)

___ Adverse court decisions
___ Angry employees
___ Anti-corporate action
___ Congressional hearings
___ Emergency potential
___ Emerging issue or problem
___ Exquisite threat
___ Indictment of managers or employees
___ Internal documents leaked
___ Major management decisions
___ Major media story
___ Plant closing
___ Product problems
___ Prosecution
___ Protestors
___ Regulatory problems
___ Takeovers
___ Whistleblowers

Phase II
Combined Score

(Add the impact and threat numbers together to determine a combined score. List up to five items with the highest scores here – in descending order or highest score to lowest). These are your highest priority issues for exposure management, surveillance and readiness activity.

Issue or Threat (up to five)	Score
1. _____	
2. _____	
3. _____	

Phase III
Issue Confidential Limited Distribution Exposure Reports

(Write a synopsis for each of the issues or threats listed in Phase II. Each synopsis should explore why the issue or threat is of utmost importance to the organization, the specific impact to be expected, and the consequences failing to be ready.)

- Number all copies.
- Prohibit any duplication or faxing.
- Collect copies after 72 hours.
- Revise surveillance and exposure goals and adjust readiness plans to reflect new information, and current situation, quarterly.

Phase IV
Meet Quarterly for Exposure Review

- Identify new vulnerabilities
- Eliminate old vulnerabilities
- Provide feedback for revisions to response plan

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FIGURE 8.1 – EXPOSURE MANAGEMENT AND SURVEILLANCE PROCESS