

Crisis! The Urgent Need for Preparation

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This just in. As we were finishing this article, swine flu broke out and killed dozens in Mexico. Cases were reported in the United States and New Zealand. No one knows what will happen. We ask whether governments around the world are prepared, and we hope they are. We also realize that it's too late to ask whether we're prepared. As we'll see, managing such a crisis requires making difficult decisions under extreme pressure, which in turn requires a special kind of preparation.

Before three months had ended in 2008, 23,500 people had become infected with dengue fever in Rio de Janeiro. Thirty had died. Chaos set in, exacerbated by conflicting messages from public officials.

The surge in dengue fever overwhelmed hospitals, causing disruption in medical care and administrative disarray. During the week of April 1, the military had to intervene in the worst-hit areas of Rio by setting up tents with emergency hospital care.

As of April 3, 2008, the epidemic had infected 55,000 people. Deaths totaled 67. Nearly half were children younger than 13.

The dengue outbreak was blamed on several factors. Critically important, though, is that it was not a surprise. Everybody knew it could come. Yet despite that knowledge, the cost in lives, suffering, public funds, and public confidence was greater than it had to be. As President Lula said, "all levels of government have mishandled the crisis." But how can that happen when everybody knows the danger and the stakes are so high?

The Urgent Need for Preparation

Developing countries are not the only ones mismanaging crises. New Orleans, in the United States, is located in an area highly vulnerable to hurricanes, and analysis had shown that the city's flood protection was inadequate. Hurricane Katrina killed 1,836 people in August 2005, cost over \$80 billion in damage, and flooded 80% of the city. Yet analysis — the Hurricane Pam simulation — had revealed the dangers in July 2004.

A significant increase in natural disasters is expected due to global warming. As an example, the flooding in Brazil's Santa Catarina state in 2008 left at least 50 dead and more than 20,000 homeless. The rain-fueled flooding in southern Brazil affected 1.5 million residents and cut off five cities from the rest of the nation. Of course it's impossible to say that a given disaster is (or is not) the result of global warming. Then again, it's not likely that global warming is going to make the earth a calmer and more-hospitable place.

According to a study by the World Economic Forum, levels of risk are rising globally. People cannot prevent hurricanes, floods, flu, or mosquitoes, which makes good preparedness that much more important and the inadequacy of current preparedness, in business and government, that much more dangerous. And we haven't even begun to talk about man-made crises such as energy blackouts, infrastructure collapse, and industrial accidents.

Caring Isn't Learning

On July 17, 2007, TAM flight JJ3054 crashed at Congonhas airport in São Paulo, killing all 187 people aboard. The Brazilian Public Safety Ministry attributed the crash to four problems: a failure to close the airport in heavy rain, faulty construction of runways, inadequate alarms in the cockpit, and insufficient pilot training. The August 2007 cover of Exame magazine put it more succinctly: "A country that doesn't learn."

Notice that the headline was not "a country that doesn't care." Countries care about aircraft accidents. They care about dengue fever, hurricanes, earthquakes, pandemic flu, and more. Countries invest in supplies, personnel, and plans. But, based on results, it's not enough.

We must stop confusing caring with learning and we must stop confusing stockpiles of supplies with preparation. We must stop blaming unskilled people for failing the first time they handle a major crisis. And we must stop expecting unskilled people to handle major crises. We must help crisis decision-makers get the skills they need.

How do we help unskilled people become skilled? Experience is critical, but on-the-job-training during a crisis is too late. We need to learn not *from* tragic experience but *before* tragic experience. Moreover, we must expand our view of *what* we must learn and *who* must learn it. It's not only about first responders practicing moving supplies and equipment. It's also about senior officials practicing the tough decisions they're expected to make and coordinate under enormous pressure.

The good news is that it can be done and it doesn't have to bankrupt us. In fact, it saves money as well as lives.

Better Crisis-Management Skills

Preventive action, in terms of long-term investments and policies, is necessary. But money and materiel alone don't solve mismanagement. The cure for crisis mismanagement is better crisis-management skills, and that means helping leaders build the skills they need.

We emphasize that "better crisis-management skills" does not imply replacing managers themselves. We emphasize also that it is unreasonable to expect anyone to manage a crisis well when that person has little or no relevant experience. So, we need to *safely create* that experience *before* a real crisis hits. We need to invest in crisis-management skills for those leaders, in government and in industry, in whom we entrust our lives and prosperity. We need to invest in those skills not only because they pay off for us all but also because (thankfully) few people have had real-life experience managing large-scale disasters.

We say crisis-management *skills* because no one knows in advance what crisis he or she will face.

First responders — law enforcement, fire fighters, medics, the military, and so on — have protocols and frequent training. Not so for officials and managers in government and business who will lead in a crisis. Like first responders, these decision-makers need to practice crisis skills safely and effectively. Teams with excellent skills can make and coordinate better decisions under pressure. They can be the heroes who prevent or reduce damage when a crisis hits.

The key is a good, fast, cost-effective, safe way to get the advantages of experience.

Rehearsals and field exercises are necessary but not sufficient. They highlight certain issues — radios on different frequencies, equipment in the wrong place, even missing keys — but rarely those involving teamwork at senior levels or the cascading effects when everything goes wrong. Rehearsing isn't even practical when the scenario is too big or complex, yet that's exactly where we most need preparation.

The ideal is for them to say, “gee, that felt just like the simulator” after they handle a crisis. Which is exactly what some simulation-trained leaders have said after successfully handling a crisis.

Simulating Crises for Decision Makers

When a crisis hits, teams in government and in business need to already know what they’re going to do and how they’re going to do it. Just as airline pilots receive real-world training in flight simulators to face all types of emergencies, crisis decision-makers need specialized simulation training, too.

Specialized simulations create the experience of real-world chaos that exists during a crisis. They stress-test response plans, options for action, and decision-makers themselves. (By the way, we don’t mean testing decision-makers in the sense of grading their performance in the simulator. After all, no one is born knowing how to handle a dengue-fever outbreak or a Category 5 hurricane. Rather, what we mean is the proven, common-sense approach of learning in an environment as close to the real thing as possible.)

Benefits of simulation-based training include:

- **Deeper comprehension** Knowledge of a specific crisis and its forces helps people build skills to make better decisions under pressure.
- **Broader proficiency** Experiencing multiple crises and scenarios helps people build creativity and confidence.
- **Better-prepared teams** People will learn how to interact in a crisis, and how their decisions may help or inadvertently hurt people in other departments or agencies.
- **Clearer investment priorities** By stress-testing plans and people before a crisis hits, companies and countries learn where to prioritize proactive investments.

We wouldn’t certify an aircraft as airworthy just because it flies smoothly in a wind tunnel or in clear skies. We also want to demonstrate it’ll fly safely in a bad storm or when an engine fails. Stress-testing plans and decision-makers help make them each crisis-worthy. Then we can say confidently, and accurately, that we are prepared.

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