



Issue 5, Year 2002

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Are your china operations prepared for a crisis?

Authors note: "Having spent more than half my life working in the Greater China region, I can attest to the critical importance of teamwork in a crisis. While teamwork is the essential element in crisis management anywhere, it is especially important in China's well-known "issue rich" environment. This article was originally written for a global audience and is completely applicable to China, already a major global player. I have made editing changes in this version to address some of the more "China-specific" factors which impact the development of a High Performance Crisis Team in China and added some "China anecdotes" to illustrate key points.

In light of recent corporate scandals and the diversity of operating structures of many organisations in China, Lehmanbrown has invited David Chard to present a very important, yet often ignored, business issue for all companies with operations in China - "Crisis Management".

Risk, whether it be financial, legal, operational, brand management or public relations, must be a controllable element in any business organisation. Once these risks are identified, a team and appropriate strategy must be put in place to limit any damage caused by crises or events such as September 11, information shredding or even a disgruntled ex-employee out for revenge.

High performance teamwork is essential to successfully addressing the challenges of a crisis and being able to emerge with the least overall damage to a company's reputation and other assets. In fact, most of the traditional crisis literature stresses the importance of identifying and training teams and conducting crisis scenario drills. **However**, the available crisis literature gives little attention and almost no specific guidance as to how these teams-in-training should operate, how they can best be evaluated, and how they can most effectively extract vital learning from the scenarios they have

experienced.

In other words, lip service is offered that "the essence of success in a crisis is teamwork," but it is simply assumed that once a crisis team is appointed it will be able to operate effectively. As anyone who works in a modern organization would agree, this assumption is a huge leap of faith; the typical team, even under the best of circumstances, is hugely dysfunctional (just read today's Dilbert comic).

"Is it reasonable to expect that under the added stress and trauma associated with a red-hot crisis, the crisis team suddenly will be able to operate as a seamless high-performance team? On the contrary, the normal breakdowns that block team performance are always exacerbated by the stress of a grueling crisis situation. Add in the extra challenges of language, cultural, regional and regulatory differences found in China and you have a formula for a disaster in the making. Failing to properly prepare your team in China is folly of the highest order." David Chard, CCG Worldwide

The following are some problems common to crisis teams everywhere, and some principles that can be extracted from them to help build a High Performance Crisis Team.



1. Poor Organization

While a crisis team usually has a designated leader, this leader seldom has any working experience with the team: despite belonging to the same organization, they simply never interact as a team; until the crisis hits. *So, even though the goals or mission of the crisis team are clearly spelled out, the specifics of how these members would operate and interact with each other are seldom explicitly detailed and communicated in organizations.* This "fuzziness" about roles and responsibilities results in many breakdowns and recriminations due to the lack of alignment among the team members at the outset of a crisis.

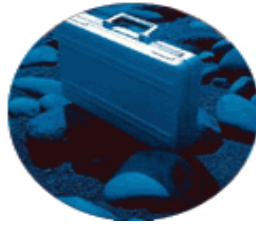
China: I once trained a team in China comprised of 14 individuals who were stationed at six different locations in China. They had been "assigned" to the crisis team but had no clear idea as their individual responsibilities in a crisis. At the opening of the first day of training, it was immediately apparent that they had never even met each other before and knew each other mostly in terms of their email addresses! Their names appeared on the list as "crisis team" yet there was no explicit understanding as to how they would operate in a crisis across a vastly diverse geographic region. How effectively do you think they would have been in the face of a real crisis?

In the initial stage of team development, people tend to simply assume that their expectations, values and mental models are shared by the others, and the result is often chaos and additional, unnecessary stress on the group. As a result, in many actual crises observed by the author, much critical time is wasted on reframing the groups' shared understandings—very much at the expense of the crisis they're trying to manage.

Good organization, and the checking of assumptions, are qualities of a good team and must be explicit steps in getting a crisis team ready to operate. This is especially valuable at the stage of crisis preparation when the team has the luxury of working out a clear operational plan before a crisis has struck.

Bottom Line: *Getting everyone on the same page regarding operating norms, roles and*

responsibilities is not an activity the team should have to spend precious time on during an actual crisis.



2. Lack of a Shared History

Oftentimes there is very little alignment among team members of the same organization about "what is so" regarding their company. The normal process of attrition and turnover ensures that the "institutional memory" of any organization is routinely diluted, unless specific steps are taken to prevent this from happening.

This can have serious impact on the performance of a crisis team operating under the scrutiny of a broad group of stakeholders and must be unequivocally addressed as a part of the crisis preparedness process. *On almost every occasion when implementing a crisis simulation, there occurs a recognizable type of dysfunction related to this "memory gap":* The members disagree about their own history as a company; about their mission, vision, and values; and about specific policies that are being impacted by the risk scenario. A serious information gap emerges, and this becomes an added and unnecessary stress factor. What if the lack of alignment results in giving out inaccurate statements that will come back to haunt the company later? (And why is it that the public (and the media) often have a better memory about a company's historical track record than the company itself?)

China: Organizations in China tend to have a higher turnover rate, for a variety of reasons. It is especially important then to be aware of the attending gaps in "shared history" and to take steps to ensure that all the players stay "on the same page" regarding the company's track record.

In addressing this "memory gap" all developing crisis teams should be taken through a specific Shared History exercise to review their shared understandings, uncover gaps, and create a new sense of connectedness and alignment among team members. *In the author's experience, it is usually during this exercise that "skeletons" will emerge from the collective memory that had been overlooked previously and that need to be factored into the organization's risk profile.*

During one such exercise in Beijing, several team members recalled some embarrassing "skeletal" incidents from only two years before about which the other members were completely unaware; without this exercise the group as a whole could easily have been blindsided if these issues were to emerge in the public spotlight.



3. Unskilled Information-Sharing

In the heat of a crisis, time and time again it is the inability to rapidly and skillfully share vital information across organizational function groups that most seriously threatens a crisis team's effectiveness. This usually emerges amidst cries of, "Why didn't you say so earlier?" or, "When did you know this?" or worst of all, "What do you mean you assumed this wasn't important?" As any

crisis coach will tell you, *it isn't that people are actively withholding information; rather, they just lack an agreed-upon process and shared expectations regarding what skillful information-sharing looks like.*

The unshared information does not always consist of the facts about what happened in a particular situation, but rather what it meant from the perspective of one individual. *Often, crisis team members are silent when they should be sharing their hunches and insights as a part of the collective insight needed to reach good decisions.* Crisis teams can learn to use an Action Learning methodology called "Stop/Reflect/Write/Report," which ensures that all types of information-including facts, observations, assumptions, hunches, insights, ideas, comments, suggestions, fears, and analyses-can be rapidly shared among team members at any stage of the crisis scenario. This simple exercise has saved many a crisis team from imminent disaster.

Ordinary "discussion" is simply not effective as a process to ensure that vital information is shared rapidly by teams under stress. It is a huge time-waster, often characterized by one or two "alpha" individuals who tend to dominate the group's thinking process. Opportunities are lost, key insights end up missing, information is withheld, and people are shut down. While this is always the case in "normal" organizational situations, the impact of this type of dysfunction is multiplied in a crisis and could mean the difference between a swift recovery or the destruction of the company's reputation.

Bottom Line: *All crisis teams must be steeped in an effective, agreed-upon methodology for rapid information-sharing in real time.* It should not be assumed that a crisis team knows how to communicate with each other in the heat of a crisis. Yet, typically, most crisis preparedness efforts focus on "hardware" issues and naively assume that the crisis team knows how to communicate.



4. The Wrong Question Is Being Asked

Every crisis response should begin with asking the right questions. Most teams lacking this orientation can spend considerable time working on one so-called "obvious" question or area of concern simply because it was the first one to come up. Imagine the collective shock that comes with the realization that there is actually a long laundry list of questions that also need to be addressed-some of which make the original question or problem pale in comparison. The right type of effort has been applied to the wrong area.

One of the first issues for the crisis team to address is determining what questions are implied by the crisis situation. Once this list is available for consideration, the team can rapidly agree on priorities and develop a sense of confidence that they are indeed making the best use of their valuable time.

China: Some organizations in China still tend to be organized according to strict hierarchical assumptions: whoever has the biggest title dominates the discussion and makes the decisions. Under this "dominator" model it is easy for the team to become "grooved" by the questions the leader happens to be asking at the time. Crisis teams need a collaborative leadership model whereby the leader has been trained to harness the power of the "group mind" based on a series of pertinent questions-and then make a decision based on the collective insights of the group. To make this work, the group must learn to be ever-vigilant about the nature of questions they are asking.

Bottom Line: Crisis teams must learn how to observe themselves while still in action, to constantly be aware of what questions they are asking and to insert new questions into the process on a regular

basis. It is vital to have one member of the team assigned as an observer, to log the content and quality of conversations and this be in a position to "notice" when the team is getting caught in a side-track when they would do better to focus on more pertinent evolving issues.



5. Champions Need Coaches

While it has long been recognized that all teams need good leadership to be effective, the notion of having a coach on the sidelines acutely observing and tracking the behaviors and processes being used by the leader and team is a fairly recent breakthrough in organizational thinking. *The job of the coach is to skillfully observe the organizational habits and processes that add up to the dysfunctional teams so typical in modern organizations. He or she should be focused on the real-time behaviors of teams and individuals as they emerge during training and testing.* The coach is empowered by the team to intervene with a live, just-in-time learning opportunity that addresses the learning needs of the team at that particular moment. Once the lesson has been learned, the coach steps back again to observe, ready to intervene only as needed. The coach is highly skilled in spotting "the teachable moment" when a particular lesson is most needed and receptivity will be highest.

China: During one notable training experience in Guangzhou, the crisis team had spontaneously divided itself into three distinct groups. Each group became deeply engrossed in solving a different set of issues. *Unfortunately, the three sub-teams were not communicating with each other and none of them were actually focused on the most important issue: a TV news team was on the way to their location and expected to get a live statement representing the company's response to the crisis!* As coach, I got them to notice what they had been doing, reconfigure as a team and get themselves ready to address the media within 20 minutes. (I intervened just after one team's self-appointed leader had "stormed" the white board demanding everyone to "shut up and pay attention.") Needless to say, the intervention of a coach was invaluable to the success of this team. Red-faces abounded when the group became aware of how unskillfully they had been operating! This was a classic "teachable moment."

Champions have coaches because they know they cannot simultaneously swing the racket and observe themselves swinging the racket. *And if ever there were a need for a champion team, it's in the pressure cooker of a crisis.* Team leaders who have worked with a coach can attest to the fact that having a skilled learning coach as a member of a crisis team can make the difference between simply fixing flat tires and breaking through to the highest possible levels of performance demanded by a crisis.



About the Author

David Chard is president of Seattle-based Crisis Consultants Group Worldwide, a global network of crisis preparedness trainers and rapid response crisis experts. With over 20 years' experience in international public relations and crisis communications, Chard focuses on helping multinational organizations develop high-performance crisis teams before a crisis hits. He is also a certified Learning Coach using the methodology of Action Reflection Learning (ARL) developed by Leadership

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David Chard , Beijing.

This article originally appeared in the July / August 2001 Issue of "Contingency and Planning Magazine." By special arrangement, the author has updated the article for this issue of "Peeling The Onion".

Special Seminar Opportunity - "Crisis Preparedness for Managers in China"

LehmanBrown China is pleased to announce that by special arrangement with Crisis Consultants Group Worldwide, David Chard will be coming to **Beijing** in November 2002 to carry out two action-packed seminars entitled "Crisis Preparedness for Managers in China."

Based on his 25 years of professional crisis management experience in the Greater China arena, these seminars represent a "must have" learning opportunity for senior management concerned with developing an effective crisis preparedness and response capability.

For registration information visit: www.lehmanbrown.com/CrisisSeminar.htm or for phone registration call: **Rachel Wan, Tel: (86 10) 8532 1720** today.

Space is available for a maximum of 35 participants at each 1.5 day seminar so be sure to book early. Crisis Preparedness for Managers in China is proudly sponsored by LehmanBrown China in association with Crisis Consultants Group Worldwide.

Mr. Chard, who will be in Beijing in November 2002 to conduct two special seminars entitled "Crisis Preparedness for Managers in China" has over 20 years experience as a professional communicator in the Greater China region.

"Peeling the Onion" is a series of newsletters designed to assist in the financial and accounting control of your China operations. We would love to hear what issues you would like to know about in coming articles, so please contact us with any questions."

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