

The Role of Security During a Crisis In An Emerging Market



This paper highlights the crucial role that security plays within the Crisis Management process in an emerging market.

A crisis situation can potentially have an extraordinary impact on the daily business activities of a business in addition to significantly jeopardising shareholder or investor confidence. Compounding these issues is the potential negative impact on the brand name within the public and media arenas. To appreciate the potential negative effects of a mishandled crisis an organisation must have an understanding and appreciation of the brand name's reputation. Essentially an issue will evolve into a crisis when not handled correctly or more importantly not communicated efficiently. The communication process of crisis management is an essential tool in ensuring that public relations are maintained and thereby mitigating negative publicity that may compound the financial impact of the crisis. Obviously a crisis cannot be simply defined by its financial impact and additional factors such as health, safety and security of staff or members of the public may outweigh the financial definitions of a crisis. In emerging markets a crisis is often seen as a part of conducting everyday business. However it is in emerging markets that a crisis can easily take place and escalate in to what can be termed as a disaster. Containing a crisis in emerging markets requires considerable experience knowledge an insight into crisis management, public perception, government regulation and security concerns or risks.

Crisis events may occur from a natural disaster such as earthquake, hurricanes, flooding or may result from civil disorder, political instability or even fuel shortages. The most anticipated crises to occur are:

- Environmental pollution
- Product defect
- Sabotage (industrial or corporate)
- Death of a senior management member
- Kidnap of senior staff
- IT collapse
- Industrial dispute
- Fraud

While the above is not exhaustive it does highlight the significant issues that will have an effect on both finance and personnel within the company. The financial implications a crisis is often exaggerated due to after action lawsuits which have a significant impact from a financial standpoint in addition to public perception. During a crisis a company leaves its policies, business activities and personnel open to scrutinising from national and international media. This media attention is generally slanted in a negative fashion and quite often will know no boundaries. A clear communication process can control this issue and can even allow the media to be used in a positive light in terms of managing the crisis.

Most Crisis Prone Industries 2008

1. Banking
2. Food Industry
3. Security Brokers/Investment Co.
4. Petroleum Industry
5. Insurance Industry
6. Automobile Manufacturing
7. Pharmaceutical Companies
8. Software
9. Aircraft Industry
10. Telecommunications

The Crisis Management Team

While many academic studies and journals recommend different Crisis management models it is often a company's own internal structures and location that will dictate the composition of the Crisis Management Team (CMT) and their respective duties. This may be further complicated due to the requirement for a corporate level CMT. However in assessing the operational CMT (or quite often known as Country CMT) that will effectively handle the crisis on the ground the general composition will be as follows:

- Crisis Team leader (generally executive level within company, Country COO or CEO)
- Crisis Team co-ordinator
- Security & Risk Manager
- Public Relations Officer
- HR director
- Financial Dept

While this is the initial list it can be expanded to fit any given crisis situation. For example in a kidnapping crisis a considerable amount of time and finance will have to be afforded to speciality skills such as negotiators and counsellors.

In addition in any given crisis a select group of advisors will be required in support of the CMT. These advisors may be internal or external to the company and can range from legal support through to governmental aid.

In emerging markets companies that have invested significantly will often receive offers of support in many areas during a crisis. This support may or may not prove beneficial however it is vital that the flow of information is controlled when liaising on such offers.

The CMT Leader typically makes executive decisions based on the internal and external knowledge presented to him/her in relation to the relevant subject matter. This position must be held by a proven leader within the company as they will be expected to provide clear guidance and leadership throughout the crisis.



Security Function Within The CMT

Typically in an emerging market the security manager or provider will have a specialised background and will be an integral part of the CMT. More often than not the Security Manager will have a military or police background in addition to a formal education in security risk. Based on this the CMT Leader may find that the team’s most crucial tool lies in that of the security manager. The Security Manager will generally take into consideration areas of operations such as security, logistics,

and facilities control. As such within the Crisis Management Plan and during the Crisis the following areas will be addressed:

- Security
 - Health, Safety & Security of all personnel
 - Security awareness of staff
 - Security and Continuity of CMT (both in planning and action phases)
 - Continuity of security in compounds & offices
 - Business Continuity requirements
 - Technical Surveillance Counter Measures (de-bugging of offices etc)
 - Liaison with national security agencies
 - Liaison with suppliers/contractors own security structures
 - Screening of all external advisors
 - Selection & setting up of CMT locations
 - Implementation of counter surveillance of all staff if relevant to crisis
 - Aiding in first response for arrival of specialised teams (kidnap negotiators etc)
 - Evacuation of staff and personnel

- Logistics
 - Supply and stock of emergencies rations (food & water, relevant during natural disasters)
 - Requirement for vehicles in extraordinary circumstances (Armoured or soft skin)
 - Supply of fuel (and security of fuel)
 - Planning of routes (particular to CMT)
 - Security of transport
 - Accommodation of external advisors or experts
 - Requirements for Medical Evacuation of staff (generally dictated by insurance policies)
 - Any requirements applicable through a CSR policy

- Facilities Control
 - Upgrading of physical security during a crisis
 - Technical Counter Surveillance Measures (TCSM - debugging)
 - Business continuity in relation to IT rooms, Switch Rooms etc
 - Life support requirements
 - Medical facilities and capabilities
 - CCTV, alarms, lights and access control

Crucially the key to success with security during a crisis lies in the contacts and networking previously carried out by the security manager. The security element of the CMT will quite often adopt additional responsibilities that are not normally within their remit such as planning for Medical Evacuations under the stipulations of medical insurance policies. As can be seen from above the role of security within the Crisis Management Team is significant and can often handle the more operational aspects of the management team. Crucially a well selected security manager or provider will prove essential to the success of the CMT to navigate through a period that can potentially affect staff retention, profit margin, shareholder confidence and crucially brand name reputation.

Reconnaissance Group

Reconnaissance Group has facilitated CMT as internal advisors and external experts extensively since its inception. The company operates in a highly discreet manner as we realise that our involvement is to aid our client in an efficient as possible manner. We specialise in networking extensively in our markets and aiding our clients through these networks thereby enabling business in abnormal business markets. Our key services aim to mitigate risks and aid our clients through the Crisis Management Plan

- ❖ **Close Protection**
- ❖ **Security Risk Assessment**
- ❖ **Security Cost Analysis and Cost Reduction**
- ❖ **Security & Risk Management (Interim & Long-Term)**
- ❖ **Due Diligence**
- ❖ **Contingency Planning**
- ❖ **Crisis Support & Management**
- ❖ **Incident Response & Assessment**
- ❖ **Project Management**

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