

**Unexpected, Unprepared, and Potentially Disastrous...**

**The Need for Crisis Management  
Systems in Clubs**

*presented to the*

**Club Managers Association of America  
80<sup>th</sup> Annual Conference**

by

**Professor Gary A. Hamilton, JD**

*Gary A. Hamilton, J.D.*

*Club Managers Association of America*

*California State Polytechnic University*

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**CRISIS**

- **Formalized Planning**
  - **evaluation of action plans**
  - **working relationship with regulatory authorities**
  - **working relationship with media**

*Gary A. Hamilton, J.D.*

*Club Managers Association of America*

*California State Polytechnic University*

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## **PREPARATION: PLANNING FOR CHAOS THREE APPROACHES**

- **Comprehensive Assessment**
  - A detailed, systematic and tested action plan
  - Clearly defined duties and lines of authority
  - Proactive use of media via trained spokespersons
  - Senior management involvement

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*Club Managers Association of America*

*California State Polytechnic University*

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## **THE POSSIBILITIES ARE INFINITE**

- **Product recall and defects**
- **Environmental accidents**
- **Avian Flu Pandemic**
- **Computer breakdowns**
- **Food borne illnesses**
- **Sexual harassment**
- **Occupational health diseases**

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*Club Managers Association of America*

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## **CRISIS POSSIBILITIES ARE INFINITE**

- **Explosions**
- **Violence**
- **Natural disasters**
- **Fraud and extortion**
- **Discrimination allegations**
- **Security breaches**

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*California State Polytechnic University*

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## **THE UNMANAGED CRISIS: Hidden Costs and Ripple Effects**

- **Multimillion dollar insurer insolvencies**
- **Explosive health care costs**
- **Workers compensation claims**
- **Diminution of club assets**

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*Club Managers Association of America*

*California State Polytechnic University*

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## **THE RESULTS OF UNMANAGED CRISIS**

### **The Hidden Costs and Ripple Effects**

- **Increased negative media coverage**
- **Increased governmental scrutiny**
- **Club reputation/good will affected**

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*Club Managers Association of America*

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## **RISK MANAGEMENT CONSIDERATIONS**

- **Pre-Loss Planning**
- **Contingency Planning**
- **Post-Loss Recovery**

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## **CRISES MANAGEMENT PLANS**

### **The Six Stages**

- 1. Risk identification**
- 2. Advance preparation**
- 3. Risk escalation**
- 4. Emergency response**
- 5. Disaster recovery**
- 6. Post crisis recovery**

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## **RISK IDENTIFICATION**

### **Assessment of "Worst Case Scenarios"**

#### ***Identify:***

- Critical functions and assets**
- Financial dangers**
- Potential third party liability**
- Possible ripple effects**

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## **RISK IDENTIFICATION**

### **The Key Questions**

- **What can happen?**
- **What operations will be affected?**
- **What is the overall impact?**
- **What steps can be taken to avoid the affects?**

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## **ADVANCE PREPARATION**

### **The Key Elements**

- **Minimize disruption/damage/ and limit escalation**
- **Establish continuing operations, procedures**
- **Identify staff, experts, equipment, and supplies**
- **Delineate tasks**
- **Assign responsibilities**
- **Establish emergency operating procedures**
- **Establish lines of communication**

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*Club Managers Association of America*

*California State Polytechnic University*

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## **ADVANCE PREPARATION**

### **Communication Links Required of the Crisis Team**

- **Employees**
- **Senior management**
- **Board members**
- **Media**
- **Government officials**
- **External Stakeholders**
- **Bankers**
- **Suppliers**
- **Members**

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## **COMPOSITION OF THE CRISIS TEAM**

- **Risk Manager**
- **Legal Counsel**
- **Director of Public Affairs /Communications**
- **CFO**
- **COO**
- **Directors of**
  - **Security**
  - **Personnel**
  - **Safety**
  - **Marketing**

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## THE CRISIS SPOKESPERSON

### *Ground Rules*

- **Honesty**
- **Immediate response**
- **Access to CEO/Decision maker**
- **Media kits**
- **Prior experience/Media relations**
- **High "Q" rating**
- **Decision maker as "Star"**

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## EMERGENCY RESPONSES

### **Life In the Eye of the Storm**

- **Focus on protecting lives and assets**
- **Identify the problem source, isolate it and measure its severity**
- **Exercise flexibility**

**Goals: minimize operational interruption, reduce the financial impact, maintain vital functions**

**Record keeping: log decisions and activities /video**

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## **DISASTER RECOVERY GOALS**

- **Minimize disruption and damage**
- **Prevent escalation**
- **Effect a rapid, smooth transition to alternate modes of operation**
- **Minimize economic impact**
- **Restore normal operations as quickly as possible**

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*Club Managers Association of America*

*California State Polytechnic University*

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## **SHORTENING THE CRISIS LIFECYCLE The Seven Steps to Success**

- 1. Develop a crisis communications plan**
- 2. Perception is reality**
- 3. Treat the event seriously**
- 4. You only know what has been confirmed**
- 5. Communicate early and often**
- 6. It ain't over till it's over**
- 7. Get back to business**

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## **Loss Prevention**

- **Large clubs with higher exposure to risks, both natural and otherwise, need more detailed plans than smaller clubs.**

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## **Crisis Management: Keys To Documentation**

- **An Up-To-Date Inventory**
- **Videotape**
- **Current Appraisals**
- **Off Site Storage**

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## **“Hot Button Issues”**

- **Pesticide Use/Storage**
- **Terrorist Threats**
- **Pandemics**
- **Water**

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## **Crisis in the Workplace: Composition of the Crisis Team**

- **Club Manager**
- **Risk Manager**
- **Legal Counsel**
- **Board President**
- **Director of Public Affairs  
/Communications**
- **Security/Safety**
- **Personnel**

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## **PUBLIC RELATIONS AND THE LEGAL SYSTEM**

- **Positioning**
- **Balance**
- **"Wordsmithing"**
- **Avoiding "Tunnel Vision"**

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## **DEALING WITH THE MEDIA**

- **Perceptions are Critical**
  - **Reality orientation**
  - **Personalized imagery**
  - **Truth as a weapon**

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## DEALING WITH THE MEDIA

- **Time is of the Essence**
- **Volume of Information is Equated with Superior Knowledge**
- **Image is Everything**

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## DEALING WITH THE MEDIA

### *Don't*

- **Talk about litigation issues**
- **Talk about financial projections**
- **Make testimonials or endorsements**

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## DEALING WITH THE MEDIA

### *Do*

- **Identify one "point person" to manage the flow of information**
- **Consider the reaction of the public not just the reporter**
- **Choose 2-3 main points to convey**
- **Consider how your customers will react**

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## DEALING WITH THE MEDIA

### *Do*

- **Avoid responding to hypothetical**
- **Be concise**
- **Don't offer information beyond your prepared statement**
- **Relax**

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***Gary A. Hamilton, J.D.***  
*Professor, The Collins School of Hospitality Management*

*Gary A. Hamilton, J.D.*

*Club Managers Association of America*

*California State Polytechnic University*

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