

# 608 No One Thought THIS Could Happen! Crisis Management in Nonprofits

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Ellen R. Dunkin General Counsel Risk and Insurance Management Society, Inc.

**Paul D. Rytting** Director, Risk Management Division The Church of Jesus Christ of Latter-day Saints

#### THE ROAD TO EFFECTIVE LEADERSHIP

#### Faculty Biographies

#### Mark E. Chopko

Mark E. Chopko, general counsel, United States Conference of Catholic Bishops, Washington, DC. The conference provides a framework by which the Catholic Bishops of the United States can address important issues of national policy and matters affecting church life. The general counsel is the chief legal officer and supervises a six lawyer corporate legal staff.

Mr. Chopko was formerly assistant general counsel, United States Catholic Conference, Inc., national conference of catholic bishops; senior attorney and attorney, U.S. Nuclear Regulatory Commission; and trial counsel, Cornell Legal Aid Clinic. In January, he will have served 20 years as general counsel to the bishop's conference.

In addition to his conference legal duties, Mr. Chopko is also an adjunct professor of Law at Georgetown University where he co-teaches a seminar on church-state law. He serves as an advisor to a project of the American Law Institute restating the law of nonprofit institutions. He is a member of ACC's Nonprofit and Association Committee, as a member of the religious liberty committee of the National Council of Churches, and a Fellow of the International Academy of Freedom of Religion and Belief.

Mr. Chopko graduated with a B.S. summa cum laude from the University of Scranton in Pennsylvania and received his J.D. cum laude, from the Cornell Law School in Ithaca, New York.

#### Ellen R. Dunkin

Ellen R. Dunkin is general counsel of the Risk and Insurance Management Society, Inc. ("RIMS") in New York, a non-profit organization dedicated to advancing the practice of risk management, a professional discipline that protects physical, financial and human resources. Her responsibilities at RIMS include providing advice to the organization, its staff and volunteer leadership on a wide range of legal issues. She is also the Director of Government Affairs at RIMS. In this capacity, Ms. Dunkin oversees the society's government and legislative affairs program and volunteer committee, and provides advice and assistance in the drafting of legislation, commentary, white papers and congressional and regulatory testimony.

Prior to joining RIMS, Ms. Dunkin served as senior attorney at Marsh & McLennan Companies, where she provided counsel in the areas of securities regulation, mergers and acquisitions, executive compensation and employee benefits. Previously, Ms. Dunkin was a corporate associate at Willkie Farr & Gallagher in New York.

She is a former Chair of ACC's Non-Profit Organizations Committee, and a member of ACC's Committee on Small Law Departments. She served on the Association of the Bar of the City of New York's hurricane Katrina working group and is a former member of the Association's non-profit committee. Ms. Dunkin has also served as president and director of the Mamaroneck Schools Foundation in Mamaroneck, New York.

Ms. Dunkin received her BA from Albany State University and graduated from St. John's University School of Law, where she was an editor of the Law Review.

#### Paul D. Rytting

Paul D. Rytting is the director of risk management for the Church of Jesus Christ of Latter-day Saints (LDS) in Salt Lake City. His responsibilities include administration of the risk management functions and services (safety, insurance, claims, litigation, contingency planning, etc.) for LDS Church operations in over 150 countries.

Prior to working w/ the LDS Church, Mr. Rytting was a litigation attorney with the law firm of Hanson, Baker & Ludlow in Bellevue, Washington.

He currently serves as a member of the board of directors of several corporations and non-profit organizations.

Mr. Rytting received a B.A. and J.D. from Brigham Young University in Provo, Utah.



#### Scope

Not just the Great but the Small

Not just the well-heeled but the "draftee"



# **Definitions/Concepts**

 Emergency: Unexpected or sudden event, serious or urgent nature,

requires immediate action

- Crisis: Emergency "gone wild", widespread or longer term event
- Business Continuity vs. Crisis Plan

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2 JANUARY 2006

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THREE DIE IN CRASH NEAR TEMUKA

#### 6 JANUARY 2006

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19 March 2006 – Charlotte North Carolina Stake Center 21 March 2006 – Bishop California Meetinghouse 22 March 2006 – Henderson Texas Meetinghouse 23 March 2006 – Roswell New Mexico Stake Center

#### **MARCH 2006**

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NewsRegister.com

Lost Boy Scouts found Published: June 24, 2006 By PAUL DAQUILANTE Of the News-Register

Max Meehan won't soor forget his first visit to the Lost Lake Resort and Campground, located about 23 miles southwest of Hood River, on the north side

of Mount Hood. So, is he anxious to return anytime soon, or ever again, for that matter?

Special Sections

Special Reports

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MEET MCMINNVILL & YAMHILL COUNTY

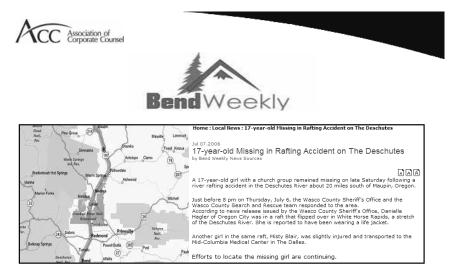
5

McMinnville Boy Scouts, from left, Zackery, Britt, Ryan Short and Max KATU TY video — are all smikes and being located late Thursday morning. They spent Wednesday night in Hood River County's Mount National Hood Forest after getting

lost. Photo courtesy KATU Channel 2

"Not really," said the 14-year-old McMinnville High School freshman-to-be

23 JUNE 2006



6 JULY 2006

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- The Next 48 (+) Days
  - Emergency becomes crisis, acute to chronic
  - Inability to contain / deflect media
  - Actions create ADDITIONAL issues

Devising an Action Plan on the run

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### **Crisis and Disaster Response**

#### Planning and Preparation



# Taking a Strategic View

- Crisis Catalysts:
  - External
    - Acts of God, Environmental Impairment, Third-Party Acts
  - Internal
    - A situation that may or may not disrupt normal operations but has adverse impact

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#### **Developing a Business Continuity Plan**

- Reasons:
  - Staying in Operation
  - Staying insurable and reducing rates
  - Credit ratings
  - Stakeholder responsibilities to employees, shareholder, members and the public
  - Legal liabilities

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#### **Disciplines of Planning Process**

- Risk control to prevent and mitigate incidents
- Emergency response to stabilize incident
- Crisis communication management for short term
- Business recovery for long term
- Site restoration

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# **Crisis Management**

- The Crisis Management Team
  - Leadership & Communications
  - Finance
  - Legal/Risk Management
  - IT
  - Other Critical Functions
    - Security/HR/PR
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#### **PR & Crisis Communications**

- Identify primary and secondary spokespersons in advance
- Develop talking points
- \*\* A telephone tree is NOT a crisis communications plan



# **Crisis Communications**

- Critical 48 Hours
- Ownership by key "leaders"
- Clarity & Accuracy: Don't speculate
- Limitations: Follow-up
- Information Flow
- Manage the Perception: Caring & Competent
- Critical Next 48 Hours .... Etc.

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### **Crisis Communications Plan**

- Define responsive strategies
- Assign resources and duties: Who should speak and who shouldn't? Who's in the loop and who's not? What materials do we need on hand?
  - How do we reach key people?
- Target key audiences with message
- Provide public information

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### **Targeting Communications**

- Community served
- Key donors
- Staff and volunteers
- Regulators
- Law Enforcement

#### THE MEDIA ISN'T THE ONLY AVENUE

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### **Some Action Principles**

- Be Proactive
- "Many brains, one mouth"
- Communicate Early & Often
- "Have a bad day yourself!"
- "Don't break into jail"
- "Quit while you're behind"
- Mop up

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# **Media Questions**

- What happened? Why?
- When & Where? Who was involved?
- What are you going to do?
- Who's at fault?
- Has this happened before?
- What do you have to say to \_\_\_\_\_?
- What happens next?
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#### The longer an event lasts, Less confidence in favorable end

- What are we doing *now*?
- What's the timeline for resolution?
- What happens next?
- When do you tell the media?

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### What have we learned?

- Need a strategic vision
- Need a Business Continuity Plan
- Need a Crisis Communication Plan
- Need to Test, test, test



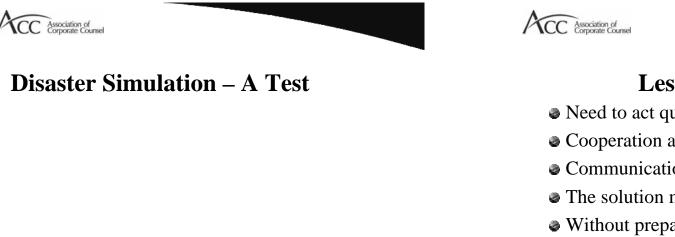
# Testing

- Create scenarios:
  - Man-made disaster: blackout, terrorist activity
  - Natural disaster: hurricane, snow storm, fire
- Set up test for different times:
  - 1:00 p.m. Tuesday
  - 1:00 a.m. Wednesday
  - 9:00 a.m. Saturday
  - 8:00 a.m. Thursday

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# **Lessons Learned**

- Need to act quickly
- Cooperation and team input paramount
- Communication is key
- The solution might be right in front of you
- Without preparation success is almost impossible

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# **Self-Examination**

- Use of jargon or technical language
- Use of ambiguous language
- Managing the Wrong Issue
- Dealing with the Uncooperative Client
- Empty Promises (large & small, substance & process)
- Blaming the Media
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# **Recovering from Crisis**

- Restoring trust and confidence
- Healing
- Accountability
- Regulatory curiosity
- Litigation

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# **Doing the Right Thing**

We are judged by our worst cases, not our best

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