



theUriahgroup

A Food Security Primer: Risk to Recovery

A Six-Part Series

Part 6: Recovery

It was our worst nightmare. All around was destruction, not a physical destruction, but a devastation of the soul of our business family. The attack was senseless and unexpected, targeted at the innocent, using our business as the delivery weapon. Three people were dead. Although the local hospitals had released the last of the patients earlier in the week, the lengthy rehabilitation was just beginning for some victims — as well as for the business.

The recovery process of the business must begin with demonstrative and deliberate actions. The recovery hole we are in is deep and, with the “help” of our friends in the media, getting deeper. The financial impacts are beginning to hammer the business, with creditors patiently standing in line for remittance before the end. Our customers are recovering as well and not able to provide any comfort or commitment for the future. Our employees are afraid to return to the facility, but at the same time are beginning to fear for continuation of their jobs. The government agencies are standing by to assist, but their actions are fragmented and uncoordinated. It is clear that the business will have to take the lead to find our way out of this mess.

In the various food security exercises we have run for industry and government, the recovery phase is the least understood. When an event occurs, you can be sure you will have lots of “help” in investigating and responding to the well-being of the public and your customers. But when the smoke clears, and the emergency responders have returned to the ready status, you will be left standing with the shambles of your business.

Planning for recovery in advance of an event is of utmost importance. Because an event is highly unlikely to occur, it's hard to target significant resources practicing. But recovery should be planned for and discussed at the senior management level, with actions and processes documented and distributed. Understanding recovery as a process will prepare the business leadership team for the challenge of rehabilitation. To this end, leadership is critical. In every successful recovery we have studied, a common element is aggressive early action by the company from empowered managers who can make informed decisions on the fly. It is also important for the leadership to be trained in maintaining balance during the crisis. Avoid becoming a part of the chaos; instead leverage the activity toward containment and resolution.

Although we expect that every situation we face in food security will be unique, there are commonalities. We divide these common elements into three action-oriented categories for your attention.

1. Communications: With chaos ruling the day, you must use every aspect of your organization to communicate with your constituents. If you don't have a professional on your staff, get one. This is no time for amateurs. Be factual and truthful with all concerned in a crisis. If you lose your credibility with the media and the public, the game is over. Given that, a key theme of our approach to communications is to do everything with the target audience in mind.

a. **Identify the target.** Is it employees, investors, customers, media, community, government regulators? Understand your stakeholders.

b. **Develop the message for each of your targets.** Consolidate these messages to be focused and to the point for your constituents. Stay on message. When management begins to wander or freelance, the wheels come off.

c. **Coordinate the message and its release with authorities.** Nothing will undermine the confidence of your constituents in your business and industry than multiple contradictory messages released and debated in the media.

d. **Communicate with the target in mind.** What medium is best suited to deliver your message to your internal and external target audience? Is it electronic, printed, or personal? Having employees hear the message on the local evening news may not be the best delivery method. There again it may be the only way in some circumstances.

2. Operations: The business is reeling from the incident and the response. You must have the confidence and direction to stabilize the business operations environment and to begin the recovery process. Remember: The government doesn't have a clue how your business runs. You cannot expect help without taking the step forward to lead and ask for their help. It's up to you.

a. **Business Operations:** As we've discussed in the Prevention article, contingency planning is a must. Hopefully, you thought through in advance the contingencies of the business in crisis to ensure a successful restart for not only your business but also for your suppliers. Recovery of critical data and re-establishing the infrastructure as quickly as possible will give you the backbone to begin the re-start in an orderly fashion. You need to be addressing personnel issues at this point. What size staff and skills do you need and for how long?

b. **Product:** Of course, the product is at the heart of the recovery. Was there a recall? Is there a contaminated inventory issue? Can you salvage any of the product without perceived endangerment of your employees or staff (note... perceived)? How do you dispose of the contaminated product? And if there is a recall, is there an evidentiary retention issue to be addressed?

c. **Facility and Assets:** It's wishful thinking to expect that law enforcement and other regulatory agencies will be reasonable in regard to the business and its assets, including facilities. They are in the business of protecting the public, and your business is considered a threat to the public until the investigation is completed and you are cleared. For the sake of your business, you must maintain control of your assets as long as you can. If you cannot maintain control of all of it, battle to compartment their control so you can minimize the assets you lose to the authorities. Cooperate with the authorities, but immediately initiate a response.

d. **Legal:** As distasteful as it may sound, you need to begin preparing for the possible legal proceedings. Support both the health and criminal investigations, as well as any internal corporate audits. Provide the personnel and records access, but here again, don't lose control. Remain as involved in the investigation as the authorities will allow. The most important aspect of recovery from a legal standpoint is to document everything: activities, phone calls, conversations, releases...everything.

e. **Industry Support:** In an intentional attack on the food supply, we are all in this together, government and industry. Don't hesitate to reach out to your local chamber, the associations, and the government regulators. The sooner we realize that this is an attack not on a single company but an industry and our food supply, the sooner the cavalry will arrive. We are all in this together.

3. **Financial:** Cash is the name of the game. All the planning for communications and operations recovery is for naught when you can't fuel the business financially. But it's not as simple as keeping the company's head above water. There are issues that your employees, as well as the ownership and the government, are facing.

a. **Company:** Your CFO or accountant can pull together the financial contingency planning. There are countless considerations such as cash on hand, pension funds, equity, etc. Do you have access to these funds? What are your accounts payable and accounts receivable? Will creditors provide the leverage to maneuver funds? Cutting costs? How, how much, where, and when? Is bankruptcy an option? Is there an opportunity to sell the business or to partner with another business through the crisis? Does the ownership have additional assets to carry the business through the crisis?

b. **Employees:** How do you take care of your team while the building is burning? You don't want to lose them to a competitor or another job, but if you don't have a job for them you need to let them get on with their lives. Support them all you can. Help in lining them up with the state unemployment office. You may also use this incident to reassign staff and create a new team for the recovered business. The employees of the business are the foundation of a successful organization. We need to use this incident to demonstrate our commitment and further instantiate the business family.

c. **Outside financial assets:** We would all like to believe that our bank, insurance company, and the government will come to our financial aid in a time of crisis, but you can't count on it. Be aggressive and upfront. Much like the media approach above, be factual and truthful. We need their help through the crisis. It is in their best interest to support us and keep us operationally solvent and generating jobs, orders, revenue, and tax base. We need to have established a close working relationship with these players before the incident. As we stated earlier in this series of articles, the time to be exchanging business cards is not over the bodies of the victims or the remnants of the business. The time is now.

If your stomach turned reading this, good. We accomplished our mission. You need to have that risk adverse frame of mind to prepare and respond effectively to such an incident. I am proud to say that in ten years of duty as a ship's officer with the U.S. Navy in the 70's, I never lost a sailor. Why? Because I was scared to death constantly. I prepared for the worst, and trained my team to handle it. When it did — and it did — we were ready. In the food business, we should also prepare for the worst. This means planning, prevention, response, and recovery.

The government can only do so much. We, as an industry, must do the rest or be prepared to pay the consequences. ■

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