



Crisis Communication Simulation: Scenarios

Safe First not so safe anymore? Safe First
Insurance Ltd in turmoil

A simulation designed for academic purposes to illustrate the challenges and the importance of effective communication during crisis situations. Ideal for use in advanced leadership communication classes; media/PR classes; executive workshops for business leaders and/or strategic communication professionals.

This document contains the simulation scenarios.

Prepared by Theomary Karamanis, Ph.D., SCMP
Senior Lecturer of Management Communication
Cornell SC Johnson College of Business

Disclaimer

This simulation is fictional and was written for pedagogic purposes. The events depicted in the following scenarios are fictional and based on the author's own experience with crisis situations. Any similarity to any person, living or dead, or any organization, currently operational or not, is merely coincidental.

Background

You are employed by Safe First Insurance, a leading insurance company in the United States. The company was founded in 1967 and is now a public company. The last annual report clearly showed the company is financially stable, with promising prospects. Share price has also been stable in the last five years.

Revenue: US\$ 25B; Net Income: US\$ 2B; Total Assets: US\$ 73B; Total Equity: US\$ 16B

Safe First is number 3 (three) in market share in Life, Health, Pensions and number 7 (seven) in General Insurance. The company has no international operations at this time, but is looking into expanding to Canada. The company's headquarters are in Atlanta, Georgia, while there are 224 satellite offices across the US. The company has 27,800 full time employees and sells insurance products both directly and through agents and brokers.

Products include life, health, pensions and employee benefits, as well as general insurance, both business and residential (car and house insurance, house insurance, personal accident and travel insurance).

In general, the company enjoys a good reputation and is known to be settling claims relatively quickly and effectively. The company brand has top of mind awareness in its key markets and the last advertising campaign was very successful. Safe First has had decent public relations in the past, but no close connections to the press whatsoever. Generally speaking, the company's reputation is not in jeopardy, but it could use a boost to differentiate itself from the competition.

Module 1: Transparency and Early Announcement

Day 1, 1pm

A bomb goes off at the 3d floor of Safe First's HQ offices. The Police are notified and are now at the building, inspecting it. The building is seriously damaged and has been evacuated. Ambulances arrive and Emergency Medical Technicians work with the Police to get into the building. Staff members are panicking and a number of employees are reported missing from the first count. The media are already at the venue, but the Police are keeping them away. Everything seems chaotic. Few details are known at this point as to the severity of damage and casualties. The company's Business Continuity Plan is immediately activated. You are the crisis management team. You are notified immediately and you meet to decide on course of action.

Corporate Communication suggests the release of the following public statement:

Safe First Insurance wishes to inform the public and all its stakeholders that a very serious and unfortunate incident has occurred at one of its office buildings. Preliminary information indicates that what seems to have been a bomb has exploded at the 3d floor of Newtown Center at our headquarters in Atlanta, Georgia. At this time, we do not know the cause or other details about the incident. We are confident that the Police will find the perpetrator soon.

The building has been evacuated and a number of employees have been reported missing. Law enforcement officials and other security personnel are investigating and will provide updated information as soon as possible. Safe First's emergency response plans have been activated and a crisis management team has already been mobilized to respond to the situation.

We would further like to assure the public that we are committed to doing everything in our power to effectively manage the situation, provide assistance to everybody affected and restore business operations as soon as possible.

We shall be issuing regular updates as soon as information becomes available.

Workgroup Task-ALL Groups

You are the crisis management team. Review the above statement and discuss whether it should be released and when. Consider withholding any type of public statement until you know more about the situation. Should you decide to go ahead with an early announcement, please review and revise the content as needed.

Module 2: Developing Key Messages

Follow Up Public Statement

Day 1, 2-5pm

The situation is under development. These are the facts as they unfold:

1. The bomb has killed three Safe First employees that have been identified by their ID badges to be:
 - Sunita Persad, female, 25 years old, Administrative Assistant
 - Camille Pierre, female, 42 years old, Accountant
 - Ryan Collier, 34 years old, Security Officer

One other person has been killed. It's Kevin Baker, male, 62 years old. This was a Safe First customer conducting business at the office.

2. 15 people, staff members of Safe First, have also been injured. They are all transferred to the nearest private health facilities where they are receiving medical treatment. Two of them are at the ICU in critical condition. The doctors are monitoring their status, but the prognosis is not very encouraging. They say they will know more in 24 hours.
3. One of the employees says that a bomb threat call was made to the office some time in the morning, but it was dismissed as a prank. However, she was not the one taking the call; she heard it through the grapevine. This is being investigated.
4. There are severe damages at the building; the 3^d floor is completely destroyed and serious damages have been caused to parts of the 2nd and 4th floors. There is a need to relocate staff.
5. The IT server and communication rooms are severely damaged; effectively IT systems are down in the building.
6. There is loss of physical documents, including customer files, working papers, staff files, etc.
7. There is no access to the building to remove cars or personal belongings. The Police are on site and communicate with the crisis management team. They give you the following general directions, as they pertain to bomb affected areas:

What should you do if you are in the immediate area of the blast but have not been injured

- Follow emergency responders' and health officials' directions.
- If you or others have life-threatening injuries, such as severe bleeding or burns, chest pains, or difficulty breathing, provide first aid and seek help from officials or others at the scene. Call 999 if no one is at the scene to help you.
- If you are indoors and your building is not damaged, stay there until officials tell you it is safe to leave. Stay indoors to avoid injury from debris.
- If you are in a vehicle, follow emergency workers' directions, avoid the area, and continue to listen to the radio for up-to-date information.

What to do if you live in the surrounding area (clarify surrounding area as needed)

- If you live in the area surrounding the blast(s), stay away from the area of the blast and follow the officials' instructions.
- While the physical injuries from this bomb may be limited to people in a small area, the intent is to cause widespread fear and uncertainty.
- Emergency responders and police officials are on the scene and are working to determine if there are any other threats in the area.
- To stay as safe as possible avoid public transportation until officials tell you otherwise.
- If you have loved ones who are not with you, and who are not in the area of the blast(s), call them and avoid driving if at all possible to keep the road open for emergency workers.
- To help protect your pets, confine or secure them by bringing them indoors.
- Stay informed by turning to the radio, television or Internet news for updated health and safety announcements.

Workgroup Task-ALL Groups

You are the crisis management team. You need to prepare a public statement to inform people about the incident. Review the above information and complete the message map template. You will need to focus on three key messages and supporting information, but if you feel you need to include more key messages, feel free.

Tools:

- Message Map Template
- Developing Key Messages During a Crisis
- Guidelines on how to Prepare Messages and Deliver Messages during emergencies
- Communication during an emergency: Decision Making Tool

Time: 30 min

Debrief Tool: Crisis Message Evaluation Tool

Module 3: Communication Coordination during Crises

Partner Identification and Communication Coordination

Day 2

The public statement has been released. This is a top story on the evening news. Calls to the company are abundant—from customers, from media, from agents, from sister companies. Everybody is still in shock. The crisis management team is fully mobilized and is now meeting to coordinate its emergency communications.

The team needs to identify all Safe First partners in this emergency, all stakeholders and prepare a communications plan for each one of them.

Workgroup Task-ALL

1. Identify all stakeholders and all potential partners in this crisis communication.
2. Complete the channel map template for your assigned target audiences.

Assigned Target Audiences

- Workgroup 1: Victims and Families of Victims;
- Workgroup 2; Media/General Public;
- Workgroup 3: Government, Regulators, Authorities
- Workgroup 4: Internal Stakeholders (Safe First Managers and Staff; Clients; Agents/Brokers)
- Workgroup 5: Customers

Time: 20 minutes

Tools:

- Emergency Communication Coordination
- Crisis Communications Channel Map Template

Module 4: Follow-up Stakeholder Communications

Development of Follow Up Communications for Stakeholders

Scenario

Days 2-3

As the situation unfolds, the crisis management team is working 24/7 to respond to the crisis. Among other things, it needs to prepare appropriate communications addressing the concerns of its stakeholders.

In the meantime, there have been some new developments:

1. All Safe First buildings across the US have been inspected. There is no indication of any other bombs anywhere.
2. Even though there have been rumors about terrorism, officials believe that this was not a terrorist attack but an isolated event. There are suspicions that a former Safe First employee has planted the bomb. This is being investigated.
3. This has been declared as a major interruption in business. The estimated outage is three to four weeks. The building remains a crime scene for the next two weeks.
4. Clearance is given for staff to enter the building with supervision to remove their cars, personal belongings and other items, effective [insert date].
5. IT recovery is underway. Systems affected include email and the Safe First file server; files and data from the date of the incident are lost. All communication to Safe First network is down.
6. One of the persons at the ICU has passed away, but it was because of existing medical conditions, worsened by the injury. The other one will survive, but will need expensive reconstructive plastic surgery. 10 out of 15 injured staff members were released from the hospital with minor injuries. The other 5 remain hospitalized, but their injuries are manageable and the diagnosis is good.
7. Some affected staff members are blaming Safe First directly or indirectly for the incident, citing unacceptable security measures and inadequate response to the crisis. A few have called in radio shows to complain and some are threatening with law suits.
8. You have already received numerous calls from brokers concerned about the company's ability to continue operations.
9. The company's Chairman has already made a statement to the press regarding their "deep distress over the situation", assuring the public that they will "investigate the circumstances over which this terrible event took place and will act accordingly".

Workgroup Task-ALL

Based on the above information, as well as the stakeholder map and the channel map template that you have developed for your target audiences before, please prepare a Message Map Template for each of your target audiences. [You will need to focus on three key messages and supporting information, but if you feel you need to include more key messages, feel free.]

Assigned Target Audiences

- Workgroup 1: Victims and families
- Workgroup 2: Media
- Workgroup 3: Government, regulators, authorities
- Workgroup 4: Internal Stakeholders (staff, agents, brokers)
- Workgroup 5: Customers

Time: 20 minutes

Tools:

- Crisis Communications Channel Map Template
- Message Map Template

Module 5: Public Meetings and Press Conferences

Press Conference/Public Meeting

Day 3

There is a press conference organized for today at 1pm to address issues regarding the situation. The general public is also invited to attend.

Some new facts have emerged:

1. It has been confirmed that the bomb was planted by a former Safe First employee, Derek Hunt, male, 35 years old. He was let go a couple of years ago after a bad annual performance. This person has a number of mental problems. He has been diagnosed with bipolar disorder and multiple psychoses. His wife has issued a restraining order against him. While employed at Safe First, his colleagues had complained about him and HR had always been concerned. He worked for the company for three years before he was let go. Nevertheless, he was let go only after proper procedures; his dismissal was performance-based. The person is now detained by the Police. He has already confessed to the Police. It has also been shown that somehow he used his ID badge which had not been deactivated/returned to enter the building.
2. Further, Hunt made a public statement in front of the media, as he was being taken inside the police station: "I'll get back at you for this. You will remember my name. There is more coming". This has caused a lot of speculation and fear among the staff and the public. The doctors however say that he is going through his "mania" phase, he is on a "high" and he has feelings of grandeur. The Police has assured you that they will keep him under surveillance at all times. They have also searched his home and have removed all explosive mechanisms and material.
3. Ryan Baron's wife was three months pregnant when she heard the news about her husband's killing on the radio. She was driving at the time. She had an accident which caused her a miscarriage. This was a top story. Her family's lawyer has also been in contact with Safe First's legal department. They will sue, unless the matter is "settled outside the courtroom".
4. There have been rumors that the CEO's position at Safe First is at risk. Some are speculating he will resign.
5. Six affected employees who have sustained minor injuries have come forward and are willing to talk to the media in favor of the company. They are grateful for everything that Safe First has done for them, they do not place blame to the company at all and they are frustrated with all the negative publicity. They have not talked to the media yet, because of company instructions to that effect.

Workgroup Task-Head Table and Support Group

As spokespersons, you need to understand the issues and concerns of the public and use this knowledge to inform your message development. Prepare 3 brief key messages along with supporting evidence regarding Safe First's response strategy, which you would want to communicate during the press conference. Prepare yourselves for difficult questions.

Workgroup Task-Reporters, Citizens and Support Group

You have been invited to attend a public meeting/press conference to discuss the recent bombing at Safe First and its response strategy. Based on the information above, prepare a list of difficult and challenging questions for the spokespersons.

Time: 20 min

Tools: Media Guidelines and Scripts for Crisis Communication Team