

Risk Management Scenarios

INSTRUCTIONS: Use the following (hypothetical) information about ILC for the purposes of discussing the scenario assigned to your group. Each group will answer the questions on the Risk Management Worksheet about the scenario assigned to their group. Make up any additional information you need. Assume hotels mentioned are major brands.

The International Luck Corporation (ILC) is a corporation headquartered in Washington, D.C., USA, but also has offices in Barcelona, Spain, Singapore, and Rio de Janeiro, Brazil. ILC manufactures and sells fortune cookies, crystal balls, and talismans of all types.

The ILC Meetings & Events Department has a staff of about six. ILC holds approximately 10 meetings a year, including an annual shareholders meeting, a board of directors meeting, a retailers showcase exhibition, an international sales meeting, and an incentive program. Most events (except the incentive program) are held in the U.S., but some are held near the locations of the various corporate offices or in emerging markets.

Scenario 1

Meeting: ILC Annual Board Meeting

Attendees: Approximately 50 people are attending, including the board members, their spouses/partners/guests, and senior management from all the ILC offices.

Hotel: Hotel Oz, Tulsa, OK

On the first full day of the meeting, three separate meetings are being held on three different floors of the hotel. On the penthouse level, the board is meeting with senior staff. In the third floor ballroom, a program for the guests/spouses/partners is being held. On the basement level (what the hotel euphemistically calls "the meeting center"), the business development staff from each ILC office are meeting. Suddenly, you hear what sounds like a freight train headed for the hotel. Then the hotel alarm begins to sound. Tornado!

Scenario 2

Meeting: ILC Annual Shareholders Meeting

Attendees: 1000 shareholders, ILC senior staff

Hotel: Hotel Altruism, San Diego, CA

ILC shareholders are very concerned about their karma, so many of them like to participate in a volunteer project in conjunction with the annual shareholders meeting. ILC asks the hotel to recommend a local project and the hotel gives puts them in contact with School Makeover, Inc., a local charitable organization that conducts school clean-up and painting projects. The project is going fine until Brandy (an ILC employee) gets hit in the head with a bucket of paint. Around the same time, a shareholder named Lola (who was picking up lunch for the group in her own car) has hit and injured a pedestrian on her way back to the project site. Ultimately, the injured people threaten to sue ILC, Hotel Altruism, and School Makeover, Inc. So think about all three organizations and their inter-relationships.

Scenario 3

Meeting: ILC Senior Staff Meeting
Attendees: 40 senior staff and contractors
Hotel: Hotel Arteri, New York, NY

Every year, ILC senior staff from each office and ILC outside accountants and attorneys meet to tweak the annual report and prepare a “State of the Corporation” summary for shareholders and staff. The meeting is being held on the 34th floor of the Hotel Arteri in downtown Manhattan. In the middle of the first day’s meeting Rich Fud, Esq. (ILC’s outside counsel) suddenly stands up and clutches his chest, falling to the floor. For a moment, everyone just stands there watching him have an apparent heart attack.

Scenario 4

Meeting: ILC international sales meeting
Attendees: 100 ILC staff, including business development staff, senior management, and meetings staff; 30 spouses/guests/partners.
Hotel: Hotel Yummy, Kansas City, MO

Catering Co.: Tomaine’s Catering

Attendees meeting at the Hotel Yummy gather for an off-site welcome reception catered by Tomaine’s Catering on the first evening (because, let’s face it, they rarely miss the food and beverage opportunities). Around midnight, you start getting phone calls from the ILC meeting staff, then individual attendees, and then hotel staff. People are getting violently ill and, after some investigation, you discover that three people have been taken away to the hospital by ambulance.

Scenario 5

Meeting: International Summit on Luck (a 2 ½ day conference held in an emerging market to which competitor organizations, the public, high-level speakers and the media are invited to discuss the concept of “luck”).
Attendees: Approximately 150 people - approximately 75 from North America, 25 from Europe, and 30 from the Middle East, and 20 from elsewhere.
Hotel: Hotel West in Amman, Jordan

The language of the summit is English and the program includes addresses by top business leaders from all the countries represented as well as breakout think tank sessions. In the middle of the second day, a bomb goes off in the restaurant (located just outside the meeting space). The result is immediate and devastating.

Risk Management Worksheet

10 Risk Management Tools

1. Crisis Plan
2. Staff Training
3. Equipment and supplies
4. Careful choices
5. Event documentation
6. Contracts
7. Insurance
8. Using Experts
9. Pre-event communications
10. Post-event communications

1. What may be impacted if this scenario occurs?

Note 1: More than one thing may be impacted.

Note 2: Think about the perspectives of ILC, the hotel, and vendors/suppliers.

2. How can you plan and prepare for this (or similar) scenarios?

Which of the 10 risk management tools (or others) will be most instrumental in either (or both)...

- Decreasing the probability that this crisis will occur?

- Lessening the impact if this crisis occurs?

3. How can the repercussions (the fallout) of this crisis be minimized and contained?

10 Risk Management Tools

Descriptions of what may be included in each of the 10 Risk Management Tools. This is not an exhaustive description of each.

1. Crisis Plan (sample table of contents)

- *Executive summary*
 - Purpose, types of emergencies addressed, and where operations will be managed.
- *Introduction and policy statement*
 - CEO/President statement and establishing an organization-wide affirmative policy for risk management and planning.
- *Meeting/Event Summary*
 - Specific information about the meeting, including dates, facilities, brief description of attendees and objectives of the meeting. Supplement with appendices if necessary.
- *Staff roles*
 - List risk and response team members and areas of responsibility (pre and post-crisis).
- *Emergency Response Procedures*
 - Naturally-occurring incidents
 - Human caused incidents
- *Facility map*
 - Including identification of emergency equipment (AED, fire extinguishers, first aid station or supplies) and evacuation location
- *Communication List*
 - Staff list
 - Code staff who speak different languages (including sign language) and who are certified in first aid, CPR, and other life-saving techniques.
 - Media
- *Appendices, Forms*

2. Staff Training & Drills

- CPR/AED/First Aid
- Emergency, crisis and disaster drills and exercises

3. Equipment and supplies

- Automated external defibrillators (AEDs)
- First aid kits
- Flashlights
- Walkie-talkies
- Other

4. Careful choices

- Thoroughly research facilities, vendors, suppliers, and groups
- Site inspection checklist
- Check permits, licenses, references

5. Event documentation

- Facility emergency numbers, maps, and locations
- Emergency procedures
- Forms and other documentation distributed on-site

6. Contracts

- Indemnification
- Damages clauses – force majeure, cancellation

7. Insurance

- Liability insurance
- Event cancellation insurance
- Proof of insurance from vendors, suppliers

8. Using experts

- Plan development
- Staff training & Drills
- On-site medical
- Security

9. Pre-event communications

- Registration information – emergency contact, special needs
- Emergency contact information

10. Post-event communications

- Crisis communications – media, employees, families

Risk Management Resources

Crisis Plans

Destination Marketing Association International (DMAI)

www.destinationmarketing.org (Resources – Resource Center – Crisis Management)

International Association of Exhibitions and Events (IAEE)

www.iaem.org (Industry Resources – Center for Exhibition Safety & Security)

Convention Industry Council (CIC)

www.conventionindustry.org (Industry information – Resource Center – Travel Safety)

NFPA1600 Standard for Disaster/Emergency Management and Contingency Planning -

<http://www.nfpa.org/PDF/nfpa1600.pdf?src=nfpa> (not meetings industry specific, but a great resource)

Emergency Management Guide for Business and Industry (FEMA 141)

<http://www.fema.gov/business/guide/index.shtm>

Training & Equipment

American Red Cross – <http://www.americanredcross.org>

American Heart Association (including international training centers) – <http://www.americanheart.org>

HeartSaver CPR/AED & First Aid (will travel to train groups) - <http://www.gwemed.edu/training/>

Attainium (disaster drills and exercises) - <http://www.attainium.net/>

Galls (provider of first aid and emergency equipment) – <http://www.galls.com>

Insurance

Aon Insurance – <http://www.asae-aon.com>

MEDEX – <http://www.medexassist.com>

Services

Medical

Worldwide Assistance Services, Inc. – <http://www.worldwideassistance.com>

GW On-site (physicians in DC that will make “house calls” to hotels) - www.gwonsite.com

Inn-House Doctor - <http://www.inn-housedoctor.com/>

In House Physicians – <http://www.inhousephysicians.com>

Security

Allied Intelligence Worldwide – <http://www.alliedintel.com>

Crowd Dynamics (International Crowd Safety Consultants) – <http://crowddynamics.com>

Communications

Crisis communications tips - <http://usinfo.state.gov/products/pubs/pressoffice/crisis.htm>

Risk Management Resources

Risk Management Resource Websites

Contingency Planning World – <http://www.business-continuity-world.com>
Crime Statistics (US and by State) - <http://www.disastercenter.com/crime/>
Emergency Management.net – <http://www.emergency-management.net>
GW Institute of Crisis, Disaster, and Risk Management – <http://www.gwu.edu/~icdrm/research.html>
International Association for Medical Assistance to Travelers (IAMAT) – <http://www.iamat.org>
Ijet Travel Risk Management – <http://www.ijet.com>
Nonprofit Risk Management Center – <http://www.nonprofitrisk.org>
Risk Management Resource Center – <http://www.eriskcenter.org>
Safety Online – <http://www.safetyonline.com>
Travel Medicine – <http://www.travmed.com>
World Health Organization – <http://www.who.int>

Publications

Contingency Planning magazine – <http://www.contingencyplanning.com>
Journal of Homeland Security and Emergency Management – <http://www.bepress.com/jhsem>

Associations

Association of Contingency Planners (ACP) – <http://www.acp-international.com>
American Society of Industrial Security (ASIS) – <http://www.asisonline.org>
Business Continuity Planners Association (BCPA) – <http://www.bcpa.org>
Disaster Recovery Institute - <http://www.drii.org/>
Risk and Insurance Management Society, Inc. (RIMS) – <http://www.rims.org>
The Business Continuity Institute – <http://www.thebci.org>

Laws and Regulatory (U.S.)

ADA Home Page (U.S. Department of Justice) - <http://www.usdoj.gov/crt/ada/adahom1.htm>
American Society of Composers, Authors, and Publishers (ASCAP) – <http://www.ascap.com>
Broadcast Music, Inc. (BMI) – www.bmi.com
FindLaw – <http://www.findlaw.com>
Hotel and Motel Fire Safety Act (Public Law 101-391) - http://www.emergency-management.net/act_fire.htm
Volunteer Protection Act (Public Law 105-19) - http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=105_cong_public_laws&docid=f:publ19.105.pdf
SESAC, Inc. – www.sesac.com
U.S. Copyright Office – <http://www.copyright.gov>
U.S. Patent and Trademark Office – <http://www.uspto.gov>

U.S. Government

Centers for Disease Control and Prevention – <http://www.cdc.gov>
Federal Emergency Management Agency – <http://www.fema.org>
National Weather Service (NOAA) – <http://www.nws.noaa.gov/>
Occupational Safety & Health Administration (OSHA) – <http://www.osha.gov>
Ready.gov – <http://www.ready.gov>
Transportation Security Administration – <http://www.tsa.gov>
U.S. Department of Homeland Security – <http://www.dhs.gov>
U.S. Department of State Travel Warnings - <http://travel.state.gov/travel/warnings.html>
U.S. Department of State travel registration with Embassy or Consulate (for U.S. citizens) - <https://travelregistration.state.gov/ibrs/>