

HAVE YOU RSVP'D YET?

2014 EPICCC AGM

You're invited to join us for the 2014 EPICCC
Annual General Meeting

This year we will have a special presentation
from a guest speaker.

Greg Solecki

City of Calgary, Manager of Emergency &
Continuity Management

Greg was heavily involved with responding to the
Calgary floods in July 2013 as well as continuity
of local government operations and recovery
efforts. Come join in an afternoon of networking,
learning and fun.

Complimentary Food & Beverages provided.

May 13th, 2014
3:00pm – 6:00pm

Location: The Coast Plaza Hotel & Suites,
1763 Comox St., Vancouver BC
Barclay Room

Attendance is free and open to anyone.

RSVP to info@epicc.org by Tuesday April 28.

Space is limited!

INTERESTING ARTICLE!

The Crisis Management Lesson from Toyota and GM: "It's Our Problem the Moment We Hear About It"

by Ben W. Heineman, Jr.

Delay in confronting crises is deadly. Corporate leaders must have processes for learning of important safety issues. Then they must seize control immediately and lead a systematic response. Crisis management is the ultimate stress test for the CEO and other top leaders of companies. The mantra for all leaders in crisis management must be: "It is our problem the moment we hear about it. We will be judged from that instant forward for everything we do—and don't do."



These are key lessons for leaders in all types of businesses from the front page stories about Toyota's and GM's separate, lengthy delays in responding promptly and fully to reports of deadly accidents possibly linked to product defects.

The news focus has been on regulatory investigations and enforcement relating to each company, but the ultimate question is

why the company leaders didn't forcefully address the possible defect issues when deaths started to occur.

On the recent regulatory front:

- Toyota just agreed to pay \$1.2 billion in a deferred prosecution agreement with DOJ and accept a safety monitor for failing to disclose to regulators—and indeed misleading them—about accelerators that became stuck on certain types of floor mats or because of certain elements in the accelerator itself. The problem of uncontrolled speeding and deadly crashes began to appear in 2007, but it took four years, and deceptive statements, before Toyota disclosed earlier understandings about the causes and recalled millions of vehicles. The company has also settled class actions and has individual suits still pending.
- GM delayed from 2005, when the issue first appeared, until recently to recall 1.6 million Chevy Cobalts with an ignition defects that, under certain conditions, would turn off the engine suddenly and disable airbags, leading to a number of crashes and at least 12 deaths. The company is now facing the prospect of multi-front investigations from Congress, the National Highway Safety Administration and the Justice Department about why and how years passed before GM addressed the issue. New GM CEO Mary Barra has personally taken over the internal investigation, oversight of litigation and the response to government entities. She has said in a video to employees: "Something went very wrong in our processes in this instance, and terrible things happened." Although, in contrast to Toyota, GM is just at the beginning of extended regulatory and possibly enforcement actions, the delay in dealing with the ignition issue is, like

Toyota's accelerator issue, likely to be a major problem for the company in years to come.

But, the deeper question is why these delays occurred in the first place. And it is on this question that business leaders should ponder whether they have robust systematic processes in place for personally leading or overseeing these threats to people and to the company.

The importance of thinking seriously about this set of issues is driven home by the failure of GM to address the ignition issue, even though the example of Toyota's delay and lack of candor on the accelerator issue was a huge international story three plus years ago.

In a nutshell, CEOs and other top business leaders (with oversight of systems and processes by the board) must have a well-thought out approach to managing this type of health and safety crisis.

- Preventive systems and testing should be in place to reduce the issues to an absolute minimum.
- As Toyota and GM have belatedly done, the CEO should appoint a head of safety and rapid response teams to receive reports of serious harms to persons or property that may be linked to product issues.
- Just as the general company ombuds system reports concerns to the top of the company about serious commercial, legal or ethical issues, the rapid response team should take any issue of potential consequence to the CEO or other high business leaders.
- Most importantly, the CEO or top business leaders should then form appropriate multi-functional teams relating to: design problems and solutions; internal personnel and processes; duties to

regulators; management of litigation; a communications strategy with various constituencies; and any other relevant functions.

- The CEO or top business leaders must have prompt, periodic, direct reports until there is a good understanding of the interrelated issues. Then they must make decisions on an appropriate response. On these important safety issues, the CEO should also keep the board informed.
- Both during formulation of the strategy and after, the CEO or top business leadership must ensure that all communications to all constituencies must be strictly accurate. It is better to say nothing—and develop accurate facts—than to issue deceptive or incomplete statements.
- Once decisions are made about strategy, the CEO must oversee implementation to make sure, as appropriate, that it is meticulously carried out, changing systems both with respect to specific issues and more broadly as necessary, dealing humanely with people injured, and communicating fully and transparently with regulators, media, and other constituents.

To take these fundamental steps is to pass the stress test. And the striking examples of Toyota and GM are an occasion for companies to review whether processes are in place to ensure that they are taken in the event of such a crisis.

Many commentators are speculating about whether the Toyota settlement with the Justice Department will be the template for a future GM resolution. To me, the more critical question for *all* companies is how expeditiously to handle these crises at the outset in order to avoid the unconscionable delay—and the searching regulatory problems that follow, as the Toyota and GM

cases show.

It is our problem, the moment we hear about it.

Reference link for this article:
http://blogs.hbr.org/2014/03/the-crisis-management-lesson-from-toyota-and-gm-its-our-problem-the-moment-we-hear-about-it/?utm_source=Socialflow&utm_medium=Tweet&utm_campaign=Socialflow

Want to Know how you can Protect your business from a Disaster?



If you're not willing to lose it all (and who is?), there are resources at your disposal to help you prepare. In addition to this primer, there is training through a variety of organizations, consultants ready to give you a crash course and online tools.

Check out: [Alberta Venture's Guide to Disaster Planning](#)

<http://albertaventure.com/2013/09/guide-to-disaster-planning/>

Other resources available to help you prepare:

1) www.epicc.org and download the Earthquake Preparedness Guide for Business

2) The Institute for Catastrophic Loss Reduction has a suite of tools for businesses to use to prepare for and recover from disasters at

www.iclr.org.

3) The federal government has a guide to business continuity planning at www.publicsafety.gc.ca.

Other resources can be found through the Canadian Red Cross (www.redcross.ca), the Disaster Recovery Information Exchange (www.drie.org) and the Disaster Recovery Institute Canada (www.dri.ca).

“Asymmetric” Helps Define Disaster Resilience (Column)

By: Eric Holdeman

The word “asymmetric” is most typically associated with “asymmetric terrorism” in today’s emergency management vocabulary. However, I see the word “asymmetric” as being helpful in defining what we mean by [disaster resilience](#).

Resilience is a fairly new word that’s become almost as popular as “paradigm” was years ago. People drop it into their conversations and writings regularly. My day job even has the title “director of regional disaster resilience.” Sounds good, but what does it really mean to obtain disaster resilience and what does resilience look and feel like?

Resilience isn’t easily defined or executed. It’s the combination of many factors and actions by multiple individuals and groups. Typically it’s not the No. 1 priority for any institution or government, yet taken as a whole, the investments in resilience pay huge dividends when disasters do strike.

Resilience has most frequently been used for the [disaster recovery](#) phase of emergency management. Well trained and exercised people make better decisions faster, thus speeding up the response and recovery process. Mitigation measures, when implemented before the disaster, can eliminate or minimize damages from natural and technological disasters, thus providing resilience.

Disasters are becoming almost routine from a news perspective. In the last three years, the federal government has spent an average of \$85 billion each year. The number of annual billion-dollar disasters is escalating. While severe weather accounts for most disaster costs, there are other human-caused disasters lurking. Consider that one estimate of the physical damage and economic impacts from the 9/11 terrorist attacks is \$178 billion.

You can’t pin the disaster resilience responsibility on just one function of society. Responsibility for resilience is also asymmetric. Governments at all levels, the private sector, nonprofits, tribes, neighborhoods, families and individuals all have responsibility for achieving a measure of resilience. Ever since 9/11, the burden of government funding of preparedness and disaster resilience has shifted to the federal level. While extensive federal grant funding wasn’t supposed to

you only have to look at the budgets of many states and local communities to see that it has replaced state and local dollars that were there before. Now with the drawdown of federal grants, the pinch in emergency management budgets is being felt severely. From a funding standpoint, disaster resilience will suffer until all parties share the funding burden.

[Public-private partnerships](#) are also critical if a community and region are to become truly resilient. The significant concentration of critical infrastructure in the private sector begs us to have closer working relationships and plans. The interdependencies between infrastructures and a functioning economy require us to work more harmoniously and to put aside jurisdictional rivalries to achieve stronger regional collaboration.

While individual deeds are appreciated and single-discipline actions that work to build capabilities enhance resilience, group action that’s multi-jurisdictional and multi-disciplinary becomes a force multiplier when it comes to disaster resilience. To achieve resilience will require “bending” the stovepipes to allow for better coordination and eliminate duplicate efforts.

Lastly, resilience is asymmetric because the path to resilience isn't predefined. It has many shapes and sizes, all defined by the actions taken, or not taken, by people and institutions as they make their choices in building and designing for the future.

Reference attribution and a link
<http://www.emergencymgmt.com/disaster/Asymmetric-Define-Disaster-Resilience.html>

News Flash!

B.C.'s emergency management agency (EMBC) is not adequately prepared for a catastrophic earthquake, according to the province's auditor general Russ Jones.

The provincial government promised to fix the problem after report by Auditor General. It said that British Columbia is not prepared for a catastrophic earthquake.

You can read more from the article that was recently in the Globe and Mail

<http://www.theglobeandmail.com/news/british-columbia/if-a-major-earthquake-hits-bc-government-wont-be-ready-report/article17665673/>

Please submit your questions and comments to Executive Administrator,

[Lesley Carew info@epicc.org](mailto:info@epicc.org)

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