Managing Customer Experience(CX) in a Time of Crisis

suyati
access to fluid cx

TABLE OF CONTENTS

- Introduction
- What is a crisis management plan?
- The steps to create a crisis management plan
- Critical steps to take during a crisis
- Steps to manage customer experience during a crisis
- Conclusion

Introduction

For any business, a crisis spells bad news. It brings operations to a standstill, depletes the sales pipeline and disrupts all future plans of growth. Most importantly, it throws a spanner into meticulously designed customer journeys. During a crisis, customer wants are drastically rewired. Essentials become top-priorities while every other add-on is stripped down to keep operational costs down.

During a crisis, any customer-centric business would want to rethink its customer experience strategy. It calls for a whole new approach — one that carefully inspects the top-priority customer wants, the tools to deliver them and the action items to strengthen customer relationships that will withstand the crisis and beyond.

Here is an open secret — how your business interacts during a crisis will have a lingering effect in customer minds. The level of trust and loyalty that customers currently have and would continue to have in the future depends heavily on the current actions of your business.
In fact, how your business acts at the time of a crisis will define your brand for decades.
That makes customer experience management during a crisis period crucial for the long-term growth of a business.

To mitigate the risk of a crisis and to manage customer experience during a crisis needs a strategic approach. That approach usually takes the form of a crisis management plan.

This eBook lays out the elements of a crisis management plan, and shows how your business can create one to manage customer experience during turbulent times. A crisis is not a one-off incident. It is more like a huge wave that begins as a ripple before taking a monstrous size and form. This eBook will also tak you through the various stages of a crisis and the critical steps to be taken at each stage to keep the risk low and CX high.

WHAT IS A CRISIS MANAGEMENT PLAN?

A Crisis Management Plan (CMP) is a document that outlines the activities a business must kickstart in the event of a crisis. A crisis can be classified as an event with long-term impact that can affect current operational stability, profitability and business reputation.

Two best examples of crises are the Global Recession of 2008 and the COVID-19 pandemic.

There are several other crises that a business might have to undergo from time-to-time. They include:

- Natural disasters like hurricanes, floods, earthquakes, volcanic eruptions, droughts, etc.
- Biological hazards like virus outbreak, epidemic, pandemic, foodborne illnesses, etc.
- Man-made accidents like fire, electrical hazards, ocean spills, mine accidents, oil rig explosions, etc.
- Technology-based incidents like virus attacks, botnets, identity theft, malware attack, brute force attacks, etc.

All these crises have some things in common.

- They are hard to predict
- They spread quickly
- They force businesses to take action
- They cause disruption to the current flow of events

THE ELEMENTS OF AN EFFECTIVE CRISIS MANAGEMENT PLAN (CMP)

Although a CMP is a single piece of document, it is created through elaborate planning, creation of new processes and continuous testing and training. Ideally, the CMP should prepare the business to face the sudden consequences of a crisis.

That said, every CMP should have a set of elements to make it an effective one. They are:

- A possible list of crisis scenarios
- A set of response modules
- A map that connects modules to crisis
- A chain of command
- Activation protocols
- A war room (virtual or offline) set up

- Backup resources
- Regular mock drills
- A thorough post-crisis review

Here is a detailed look at each element of the CMP.

A POSSIBLE LIST OF CRISIS SCENARIOS

A business will not know with certainty what kind of crisis will chance upon it. However, it is possible to create a broad range of potential crisis scenarios that the business might possibly have to face.

For example, Japanese corporations are always geared up to face earthquakes. Similarly, a business can decide on a possible list of crisis scenarios that it should be prepared for. It could be a bomb scare, a fire accident, flash flooding, power grid outage, internet outage, botnet attacks, and so on. The list need not be an exhaustive one, but an inclusive one that could be expanded with time and experience.

A SET OF RESPONSE MODULES

Once the possible list of crisis scenarios are identified, it is possible to create a set of response modules for each crisis. The response module is basically the plan of action that should kick into place in the event of the crisis or its possible happening.

Ideally, such a response module should be flexible in nature so that the leadership team can mix and match components to put an effective CMP in place. The flexible nature of the planning module is extremely important because it is possible to predict with certainty the actual nature of the severity of a crisis. As a result, plans that are set in stone may not help in meeting crises. They will create inadequate responses to the crisis leading to further business loss, bad reputation or even fatal accidents.

For example, in the event of a fire, the first action should be to evacuate all employees from the building, prevent people from getting into the premises and subsequent damage control of the property. The priority should not be to make a media announcement.

However, in the event of a public gaffe by the business, the first response should be a press release followed by communication to employees and the actions they must take to prevent the situation from becoming worse.

A MAP THAT CONNECTS MODULES TO CRISIS

When a crisis hits, it hits really hard, throwing all sanity and rational thinking out of the door. A business cannot afford to work in such a fashion. Hence, the need to create a map of sorts that would connect each response module to the crisis.

For example, in the event of a natural disaster, the response module to be chosen should include evacuating property inhabitants, preventing further access and reaching out to fire services or law enforcement for support.

Such a map would also enable the leadership team to make quick decisions without losing any further time in thinking of a plan of action.

A CHAIN OF COMMAND

In any organization, a chain of command shows how decision-making power flows from the top to the bottom of the organizational pyramid. However, during a crisis, such a rigid hierarchy could create roadblocks to rapid decision-making. At the same time, there is also the need to establish accountability as to who has to do what to contain the situation.

It is here that a decentralized chain of command would help. The chain of command would have a leader who would be entrusted with impromptu decision-making. The rest of the team has to follow the leader to ensure a smooth handling of the crisis. Otherwise, each person will act upon his own self-interests and impulses adding to the chaos.

The chain of command does not have to specifically identify personnel by name or role. Instead, it could be a generic position that anyone can fit into to face the crisis. For example, the head of facilities management can take over access control and security in the event of a security breach or natural calamity.

ACTIVATION PROTOCOLS

Activation protocols are basically triggered to help identify the organizational response to the crisis. This is similar to the color-coding of incidents in hospitals where code blue could refer to an incoming patient with cardiac arrest while code red indicates smoke, fire or fumes in the premises.

The activation protocols give clear information as to whether the crisis is still ongoing or it has been controlled within the safety threshold. Ideally, the CMP should have a definite process of how to communicate to employees the situation, the ongoing steps to control the situation and a communication indicating a conclusion of the crisis.

A WAR ROOM (VIRTUAL OR OFFLINE) SET UP

During a crisis, there should be a war room set up, either virtual or offline, where leaders and first responders can assemble for discussing an immediate set of actions. In a business scenario, it could be a dedicated communication channel, email thread, IM channel or video. The CMP should lay down what sort of a war room would be created for each type of crisis.

For example, in the event of negative news against the company, the PR manager's office would become the war room where PR and legal executives would assemble.

A war room of that sort helps keep discussions private without making it public to all those who may not be concerned. Also, it helps keep sensitive decision-making under wraps. This would help in controlling any org-wide panic that could set in due to wrong assumptions or interpretations of discussions.

BACKUP RESOURCES

The CMP should identify critical backup resources that could be called for in the event of a crisis. For example, a backup power source in the event of a grid failure. Or remote working plan when the property needs to be locked down. These backup resources and vendors, if proactively identified, would help minimize the time required for the business to get back on track during or after the crisis.

REGULAR MOCK DRILLS

Crisis management would fail to work as planned if it is not simulated periodically. For the best execution of the CMP, there should be periodical exercises that check the presence and actions of the response team, inventory required for crisis management and its awareness. Hence, the need to include regular mock drills (preferably bi-annually) to ensure its readiness.

A THOROUGH POST-CRISIS REVIEW

A post-crisis review is like the litmus test of the crisis management plan. It proves whether the CMP was adequate to manage the crisis situation. It will also bring to light the many aspects of the CMP that worked, the ones that did not work and areas of improvement that can be introduced. The prime benefit of a post-crisis review is that it enhances organizational readiness for future plausible crises.

THE STEPS TO CREATE A CRISIS MANAGEMENT PLAN

Creating a crisis management plan calls for unified efforts from all sections of the organization. Especially creating one that wants to reduce business impact while sustaining customer experience is a daunting task.

Here are some steps that will guide your business towards creating a reliable crisis management plan without compromising on the customer experience.

- Assess the risks
- Estimate business impact
- Create response modules
- Identify first responders
- Establish communication methodology
- Train users

ASSESS THE RISKS

In the event of a crisis, what kind of risks would your business have to face? Is it negative reputation or loss of property? Or worse, will it affect customers in any way? On the flip side, will it be a ripple effect that will detrimentally affect customer experience and force them to migrate to competitors? Assessing these risks is the first step to creating a crisis management plan.

ESTIMATE BUSINESS IMPACT

How will the crisis impact the business? Is it economical or psychological? A good place to begin would be identifying the decrease in revenue due to the crisis situation. Alternatively, it could also be an estimate of the increase in expenses to overcome the crisis situation. While the loss of revenue is something that the business has to accommodate, the increase in expenses should be planned to ensure that customer experience is not significantly affected.

For example, vanity features could be restricted during a crisis period. However, essential features or services that the customers depend on should not be affected by any means.

6 steps to create a crisis management plan

- Assess the risks
- Estimate business impact
- Create response modules
- Identify first responders
- Establish communication methodology
- Train users

CREATE RESPONSE MODULES

As discussed earlier, response modules are an essential element of a crisis management plan. They will help the business to take spontaneous action before the crisis situation goes out of hand.

The response modules should be created for each crisis scenario as identified in step one. It should also take into account the business impact as discussed in step two.

While creating the response module, care should be taken to plan for contingencies. For example, the resources that are counted on as 'always available' may not be available during the crisis. The response module should be flexible enough to take into consideration these contingencies.

IDENTIFY FIRST RESPONDERS

Your crisis management plan will kick into action only if there are reliable team members who can make it work. That makes it necessary to identify key responders. The ideal first responders would have the following skillsets:

- Leadership skills
- Technical expertise
- People skills

Key responders could be business unit managers, key employees, and people on the ground who are capable of taking independent decisions and seeing them to completion. These first responders should also be empowered with decentralized decision making so that they are not restricted in decision-making that is in the best interests of the customer.

TRAIN USERS

Crisis management is a people process. It is necessary that the concerned users, including the first responders and their subordinates, understand the gravity of the situation and act accordingly. In fact, there is no room for mistakes during a crisis situation. That makes it necessary to train users and familiarize them with each phase of the crisis management plan. This includes incident reporting, sending out updates to the rest of the organization, issuing a press release, and informing customers of the current situation and the remedies planned.

Creating a crisis management plan does not end with this. It is necessary to revisit it from time to time so that it remains updated with changing times.

CRITICAL STEPS TO TAKE DURING A CRISIS

We have so far seen the various elements of a crisis management plan and also to create a plan. Now, what happens when the crisis actually takes place?

Here are some of the first steps that can be taken in the event of a crisis.

- Spokesperson response
- Proactive damage control
- Case escalation
- Social media response
- Customer feedback collection

To-do in the event of a crisis

- Issue a spokesperson response
- Engage in proactive damage control
- Escalate and resolve individual anomalies
- Issue a social media response
- Collect and analyze customer feedback

SPOKESPERSON RESPONSE

When a crisis strikes, news spreads faster than your business can control. Such uncontrolled distribution of news could lead to miscommunication or even a wrong portrayal of the actual incident. Hence, the need for a spokesperson response. A spokesperson response is one that comes directly from a trusted and authoritative source within the company. It could be the CEO, the legal representative, or someone who is designated to represent the company in public. A spokesperson response is more authentic and can appease the worries that your customers, vendors and other stakeholders could possibly have.

PROACTIVE DAMAGE CONTROL

Proactive damage control are the steps taken to prevent any further damage from happening. For example, in the event of a data breach, backing up all customer data prevents any unauthorized access or further loss of records. Similarly, the business can take proactive measures to prevent incidents that could impact customer experience.

CASE ESCALATION

Case escalation refers to the process of preventing a crisis from happening. It thwarts a single incident from turning into a tipping point for the crisis. In case escalation, the incident is notified to a superior or someone who is entrusted to take independent decisions. For example, a single customer complaint from being over-blown into a Twitter storm.

SOCIAL MEDIA RESPONSE

Social media has become the new mouthpiece for businesses. Although press releases remain the official means of breaking news to the world, social media overpowers it in several ways. It offers a quick way to spread information, reaches a specific target audience and also opens the channel of communication with customers. A social media response is typically useful when the risk of a wrong social media post going viral is high and there should be an official intimation from the brand to clear the air.

CUSTOMER FEEDBACK COLLECTION

There are crises that your customers could be silently experiencing. The risk with these crises is that they increase the churn rate. It will be too late by the time you get to the bottom of the issue and take any action to resolve it.

A business that does not have the practice of collecting feedback from customers might totally be unaware of this silent threat. If your business does not have the practice of collecting customer feedback, now would be a good time to start. Its benefits are two-fold.

First, the feedback gives insights into customers' pain points, their favorite features and areas of improvement. Secondly, it gives a hint about an upcoming crisis that can be thwarted through preventive actions.

STEPS TO MANAGE CUSTOMER EXPERIENCE DURING A CRISIS

A crisis is a period of uncertainty. In extreme cases, it could also be a situation during which customers could be experiencing mental and physical agony. Any action that the business takes must be done with caution.

Here are some ways customer experience can be managed during a crisis situation.

FOCUS ON CARE AND CONCERN

As a business, it is natural to overlook the fact that customers are emotional beings who want personal support and assistance in times of uncertainty. During a crisis situation, focus on providing care and concern. Approach them with any additional assistance you can provide. Forget overt, and covert, sales and marketing tactics.

PRIORITIZE EMPLOYEE AND COMMUNITY SAFETY

Mark Cuban, the American entrepreneur, says that how a business deals with its employees and customers during a crisis will create an impression for decades to come. During a crisis, employee and community safety should be the priority of a business. Sales and revenue can be resumed, but a negative image of being a selfish enterprise will stick on forever.

SERVE CUSTOMERS WHERE THEY ARE

A crisis is also an excellent opportunity to scale up customer experience. New innovative models that help serve customers better could be attempted during this period. In fact, it would be a wise move to serve customers where they are instead of approaching the traditional brick-and-mortar or online-only model.

MIGRATE CUSTOMERS TO DIGITAL CHANNELS

After the crisis has subsided, the brick-and-mortar model would require some time to rebound to normalcy. During that period digital channels like eCommerce, mobile app and web apps could act as the best choices.

BUILD AGILITY

A crisis would throw a spanner into the usual way of working for a business. Tried and tested business processes may have to be rewired to work around the crisis. A good way to find workarounds would be to create 'test and scale' labs where new processes can be created as pilots before scaling them across the organization.

IN A NUTSHELL

A crisis is an uncertain event. It cannot be predicted. When it hits, it could take any shape and size, from a small incident to a huge one that could bury the future viability of the business. During such a stressful period, customer experience could go for a toss. The business cannot be blamed for focusing on business operations and
viability.

However, in this age, where customer experience decides the long-term relationships with customers, a business cannot afford to deprioritize customer experience, even when a crisis is raging.

It must create a crisis management plan. There are several aspects to an effective crisis management plan that would enable the business to serve its customers better. A proper CMP can help the business tide over a crisis without scathing effects and also deliver a memorable

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