

Dealing with a major crisis is not a challenge many resort developers would relish, but it's one everyone should be prepared for, as GAYLE GREEN reports.

Life after crisis

It's something everyone working in the tourism industry dreads – the occurrence of a major crisis directly affecting them, their customers and their business.

In recent years several international disasters have left thousands of victims in their wake and heavily impacted on tourism. The 9/11 attacks in 2001, the Bali bombings in 2002 and 2005, the Asian SARS (Severe Acute Respiratory Syndrome) outbreak in 2003, 2004's Asian tsunami, and Hurricane Katrina, in New Orleans, 2005.

More recently there have been Hurricane Dean in the Caribbean and Mexico, Tropical Storm Noel in the Dominican Republic, Haiti and Cuba, and the fires in California, Northern Greece and the Canary Islands to name but a few.

So what should you do if you are unfortunate enough to fall victim to a natural disaster or terrorist attack? What are the key stages of handling such a crisis? How do you get your business back to normal afterwards, and more importantly how do you prepare for such an event affecting your business?

According to tourism crisis and recovery specialist Dr David Beirman, director of Struan &



Dr David Beirman





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Associates and former director of the Israel Government Tourism Office (Australasia and SW Pacific), preparation or contingency planning is the most important factor in crisis management within tourism.

“Contingency management is vital,” said Beirman. “Organisations should prepare for crises by looking at the primary risks affecting them or their destination and assessing how they would deal with them.”

There are two types of crisis events according to Beirman – those which are beyond the control of management, such as natural disasters, acts of war or terrorism and political upheavals. Then there are those which result from a failure of management or lack of contingency measures, such as a business collapse due to financial fraud or inappropriate strategic management, destruction of a business by fire or flood without adequate backup procedures or insurance cover, or a damaging staff turnover or loss of management.

PERCEPTION IS POWERFUL

Beirman believes the key to successful crisis management is recognising the power of perception.

He said: “Perception plays a key role in the handling of a crisis. Take the SARS outbreak in Thailand in 2003. There were only nine cases of SARS in Thailand throughout the whole year, but the perception was that the whole of South East Asia was riddled with it. Tourism dropped by one million people in Thailand and the country lost US\$2.5 billion tourism revenue as a result.”



Peter Tarlow

By contrast, Beirman cites 9/11 and New York as a good example of how a major disaster can be handled well.

“Following 9/11 there was a great deal of solidarity in the city and it was a very well-managed programme of recovery which created a positive perception of the city,” he added.

World-renowned travel safety and security expert Dr Peter Tarlow believes a well-managed crisis should be people-focussed.

An example of where this didn't happen, according to Tarlow, was when Hurricane Katrina hit New Orleans in 2005 causing severe flooding, and devastating 80 per cent of the city. Tarlow believes the city is still suffering from a loss of tourists and

convention business as a result of the way the authorities handled the crisis.

He said: “The biggest mistake they made was to come across as saying they were interested in their economic recovery but not in their people. They haven't shown that they have learned how to take care of their people if there was another storm, so tourists don't want to go back there.”

PREPARATION

Vic Faulkner understands the importance of crisis planning more than most. He is group managing director of Royal Resorts, which has developments in Indonesia, India and Thailand. The group was affected by the Bali bombings in 2002 and 2005, and the tsunami on December 26, 2004.

All Royal Resorts have crisis plans in place and for Faulkner the key to their success is making sure staff are fully trained and updated on the plans.

He explained: “Unfortunately it's in the nature of crises that they occur without warning, so the biggest challenge is maintaining the level of awareness and preparedness at all times, and making sure that actioning the crisis plan becomes automatic.

“Training of staff is done regularly so that new recruits are always up to speed and existing staff members have a fresh sensitivity to the crises that can present themselves, as well as the relevant plans to deal with them.”

Jose Carlos Vizcaino is also aware of the importance of crisis planning. As audit manager for the Anfi Group, which has resorts in Gran Canaria, he saw first-hand the devastation caused by last year's fires on the island.



Vic Faulkner

He said: “The Anfi Group resorts were not at risk during the fires, and the situation on the island was totally controlled by the government and local authorities. Fortunately, there was no impact on the beach and immediate tourist locations.”

Nonetheless, the Anfi Group offered 10 courtesy





Pictures such as this one of Phi Phi Island in South Asia following the 2004 tsunami appear everywhere in the media during the weeks following a disaster and yet airports quickly re-open, many areas are largely unaffected and resorts open for business. It's important to establish clear and effective communication plans before disaster strikes to minimise the economic damage to both resort and the local community by getting the message out that it's business as usual.

apartments to the local authority to accommodate affected families.

As one of Europe's largest resort developers, the Anfi Group has crisis plans in place which are aimed at reducing risks and minimising the impact of major disasters.

The group also operates an emergency plan which is regularly tested through theoretical and practical sessions, to ensure staff are prepared and know what to do in the event of an emergency.

Vizcaino added: "Our resorts' infrastructure and locations have been crucial in devising our plan. We have carried out specialised training of key staff members with a full working knowledge of the resort. We have also tested our disaster emergency plan, having performed several full-scale fire drills in order to detect any areas of improvement."



Jose Carlos Vizcaino

COMMUNICATING IN A CRISIS

Clear and accurate communication is another key factor in the success or otherwise of a crisis plan.

Following the Bali bombing in 2005, there was a total information blackout on the island for several hours, which made communication impossible.

Faulkner said: "Not only is it important that staff on the ground are able to communicate with each other in order to implement the crisis plan, it is also important that those outside the crisis area are kept informed of developments.

"In Bali landlines and mobile phones were all suspended. Not only did this exacerbate the anxiety of everyone on the ground, it made it impossible to reassure those overseas that our guests were fine. In any crisis situation, lack of knowledge about what is happening is the biggest threat to your plan."

As with all events, the media can play a huge role in communication following a crisis. For Beirman, this can pose a real threat to tourist destinations. A badly reported story, as in the case of SARS, can have a hugely detrimental effect on tourism numbers. His solution to this problem is to befriend the media in times of a crisis.

He explained: "The media can be an ally or an enemy. But it

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TAKE A TIP

Dr David Beirman's Top Tips on Crisis Management are:

- Assess the risks in advance and prepare a good contingency management plan
- Make sure all staff are fully briefed and minimise the number of people speaking publicly
- Communicate honestly to victims, primary stakeholders and the media
- Isolate the problem and place it in context
- Aim to build back better.

must be treated as a potential ally. Reporters should be treated with respect.”

Beirman believes if you can work well with the media it will become one of your strongest channels of communication, which is vital as part of the recovery process in ensuring visitors aren't deterred from travelling to your destination.

But there are warnings that come with this message. Beirman said: “It's very important that everybody within the organisation is properly briefed on the situation, particularly the positive messages, and that everybody has the same information.

“It's also important that you are completely honest and transparent. You will always be caught out if you lie. Building trust is very important in dealing with a crisis. And how you respond in the first hour is critical. As part of good planning, there's a need for businesses to allocate spokespeople who can respond accurately and immediately.”

The media may be a quick and highly effective channel of communication in times of crises, but there are also more local communication channels that can be utilised and over which resort developers have more control.

Tarlow recommends tourist operators keep a list of all guests' mobile phone numbers so they can be contacted quickly in the event of an emergency. In addition and where possible, phone hotlines should be set up, and internal television services and websites can also be used to get a message out quickly and accurately.

Faulkner added: “We've found that email and related channels often still work even when many telephone systems are disconnected. They're not as instant a form of communication, but are nevertheless still very useful.”

RECOVERY

Following a crisis, successful recovery is essential to get back up and running, but this shouldn't be at the expense of your business. In other words, recovery is not about offering so many incentives to attract people back that you end up losing money.

Beirman recommends a recovery plan that includes value-added incentives with high perceived value but low costs such as joining forces with other industry partners to offer dining reductions and attractions tickets, or offering guests a 'thank you' gift for their visit.

And, he says, working as a team with stakeholders and the local community is vital to recovery success.

He said: “A crisis presents an opportunity to re-image your business and destination. In recovery don't just aim to get to where you started. Build back better.”

In the event of a crisis, both Beirman and Tarlow advise seeking help and guidance from a number of sources including the emergency services, local tourist bodies and local authorities and governments.

Beirman said: “Whether it's local, regional or national government, they will get involved. They also play an important role in financing recovery campaigns. In fact the majority of successful recoveries are financed by governments.”

HELP IS AT HAND

The United Nations World Tourism Organisation (UNWTO) is one tourism body that takes crisis management very seriously. In March this year it restructured and established a Department for Risk and Crisis Management.

Dr Dirk Glaesser, chief of risk and crisis management at UNWTO, said the organisation is addressing crises in two ways. Firstly it gets involved in behind-the-scenes groundwork resulting in practical guidelines, standards and publications for the industry. And secondly, by getting directly involved in crises such as the 9/11 attacks when it established a Recovery Committee, and the tsunami when it formed a special Task Force to co-ordinate recovery.



Dirk Glaesser

Like Beirman and Tarlow, Glaesser believes the



WHERE TO LOOK FOR HELP...

■ The UNWTO Handbook on Natural Disaster Reduction in Tourist Areas, Tourist Safety and Security – Practical Measures for Destinations, and Tourism Signs and Symbols is a useful read. More information is available by logging onto www.unwto.org

■ Dr David Beirman, in association with E-Turbo News and Icon Tourism, has developed a Guide and Action Plan for Crisis and Recovery Management for Tourism. The guide outlines the key stages to developing a crisis management plan and how to handle crises.

■ Dr David Beirman has also produced a Tourism Risk, Crisis and Recovery Management Training Module for Travel Industry Professionals. Both the guide and the module are available by emailing him on davidbeirman@yahoo.com.au

■ The Pacific Asia Travel Association (PATA), has produced a Risk and Crisis Management Training Module which is available on CD at www.pata.org

■ The APEC International Centre for Sustainable Tourism has recently published a Tourism Risk Management Guide, which is available free of charge to tourism businesses in a number of different languages and can be downloaded from: www.apec.org/content/apec/publications/all_publications/tourism_working_group.html

people element is the most important part of handling any crisis: “The well-being of guests is very important as they are very vulnerable during those moments. They might not speak the language of the country, not know the customs and infrastructure and are certainly not prepared for a stay beyond their planned holiday.”

He added: “Planning is the best way of reducing the impact of any event which might harm a tourism enterprise or destination. Although many plans never happen to be applied exactly the way they were written, the anticipation of scenarios and the implementation of clear instructions and measures have always been an important contribution to effective crisis management.” (V)

