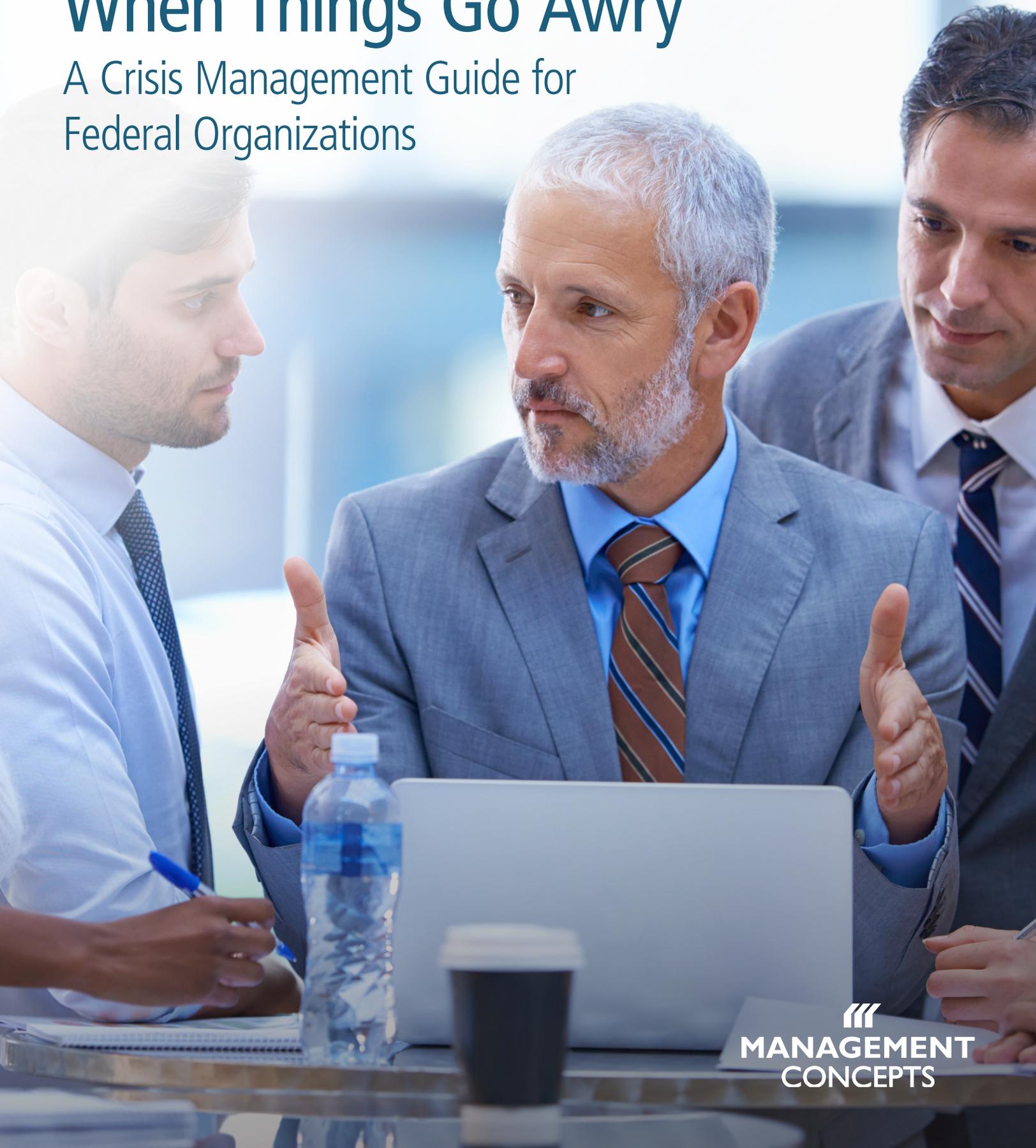


EBOOK BY MARK A. HOBSON, SPRING 2022

When Things Go Awry

A Crisis Management Guide for
Federal Organizations




**MANAGEMENT
CONCEPTS**

Why Worry About What Could Go Wrong? 2

Contingency Planning..... 2

 A Phased Approach..... 3

 Risk Mitigation..... 4

 Case in Point — Attention to Detail is Essential..... 4

 Case in Point — Consequences of Poor Planning 4

 Risk Reporting Matrix 5

 Risk Mitigation Plan Implementation 5

 Case in Point — Policy Considerations 6

 Practice Makes Perfect 6

 Case in Point — Don’t Skip the Dress Rehearsal..... 6

 Risk Mitigation Champion 6

 Leadership Development 7

Responding When There is No Plan 8

 Acknowledge and Identify the Issue..... 8

 Case in Point—Double-Check Your Specs 8

 End-User Input 8

 Root Cause Analysis..... 9

 Case in Point—Communication Failure 9

 Develop a Strategy for Immediate Response 10

 Time 10

 Implement the Strategy 10

 Resource Allocation..... 10

 Prevent Future Occurrences 12

 Department of Defense (DOD) Resource 12

 Federal Emergency Management Agency (FEMA) Resource 12

 Occupational Safety and Health Administration (OSHA) Resource 12

 Meticulous Follow-Up 12

Last Words 13

About the Author..... 13

Bibliography 14

Why Worry About What Could Go Wrong?

Despite our best efforts, problems are inevitable. According to the Department of Homeland Security's *National Preparedness Report*, there have been 4,498 disaster declarations since 1953 that range from fires, floods, pandemics, hurricanes, tornados, and more. In 2021 alone, the report cites 22 billion-dollar disaster declarations.¹

If there is one thing we can be certain of, it is that things will go wrong.

While your organization may not be facing national-level issues at this moment, you will face significant unexpected situations. These challenges can come from internal sources or seemingly random external sources. For example, in May of 2021, the Colonial Gas Pipeline was shut down by a cyberattack. Gasoline deliveries were halted for a large portion of the northeastern United States, creating challenges for organizations up and down the seaboard.² The pipeline carried 2.5 million barrels a day, representing nearly 50% of the East Coast's total supply. The disruption resulted in higher costs at the pump, panic buying, and stations running out of fuel. Washington, DC was reporting 90% of stations had "no gas" signs up.³ The impact such events have on mission success can be vastly mitigated by predicting and preparing for challenges.

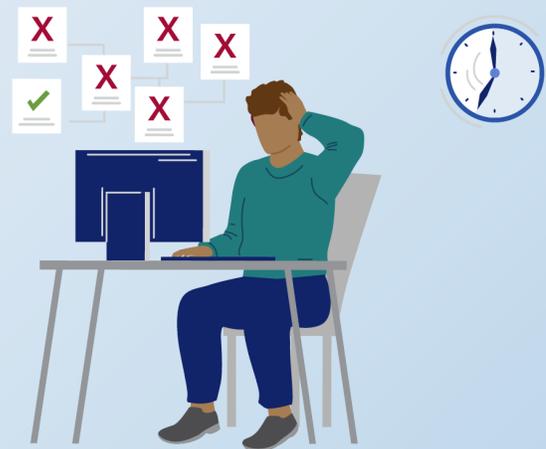
Contingency Planning

It is best to predict and plan for the inevitable. In other words, develop a contingency plan long before problems arise. Any leader who has managed a crisis knows there is no magical way to set things right. Committing time and effort to prepare, plan, and practice strategies for crisis mitigation is the only surefire way to limit potential consequences.

An effective risk mitigation plan will help identify and address possible challenges if and when they occur. By having plans in place to address a scenario, leaders can implement tactics to improve the chances of a successful response.

The time-honored phrase, "If you fail to plan, then plan to fail," perfectly illustrates this sentiment.

"If you **fail** to **plan**,
then plan to fail."



¹ U.S. Department of Homeland Security 2021

² Wilkie 2021

³ Bordoff 2021

A Phased Approach

Tackling a major issue one phase at a time makes a seemingly impossible challenge manageable. To begin with, you need to acknowledge the issue and accurately define the problem. Then, evaluate and select a strategy to address the issue. Next, define the implementation of the strategy. It is critical to define the roles and responsibilities of all involved and establish timelines and deliverables at this point. Also important are allocation of resources for successful implementation, monitoring implementation activities, and adjusting the strategy as necessary.

Finally, determine how to prevent future occurrences of the issue and gather lessons learned about the response. Following this process maximizes your chances of successfully responding when things go awry.

PHASE I ————— PHASE II

THE PROBLEM

- Name the issue
- Clearly define the problem



THE PLAN

- Evaluate every available option
- Choose the best strategy



PHASE III ————— PHASE IV

THE PERSONNEL

- Recruit a senior leader to champion the plan
- Assign roles and responsibilities



THE RESOURCES

- Determine what will be needed and when
- Allocate financial resources and equipment



PHASE V ————— PHASE VI

THE IMPLEMENTATION

- Practice implementation regularly
- Revise plan as needed



THE DEBRIEF

- Review lessons learned
- Prevent future occurrence



Risk Mitigation

The best approach is to predict potential risks and develop plans to mitigate risks or overcome challenges before they occur. The Office of Management and Budget (OMB) issued OMB Circular A-123, "Management's Responsibility for Internal Control," which clearly addresses risk.⁴ In addition, *Federal Acquisition Regulation* (FAR) 7.105, "Contents of Written Acquisition Plans," calls on program officials to consider technical risks, potential costs, schedule risks, risk reduction efforts, and the consequences of failing to achieve goals. Here are a couple of practical examples:

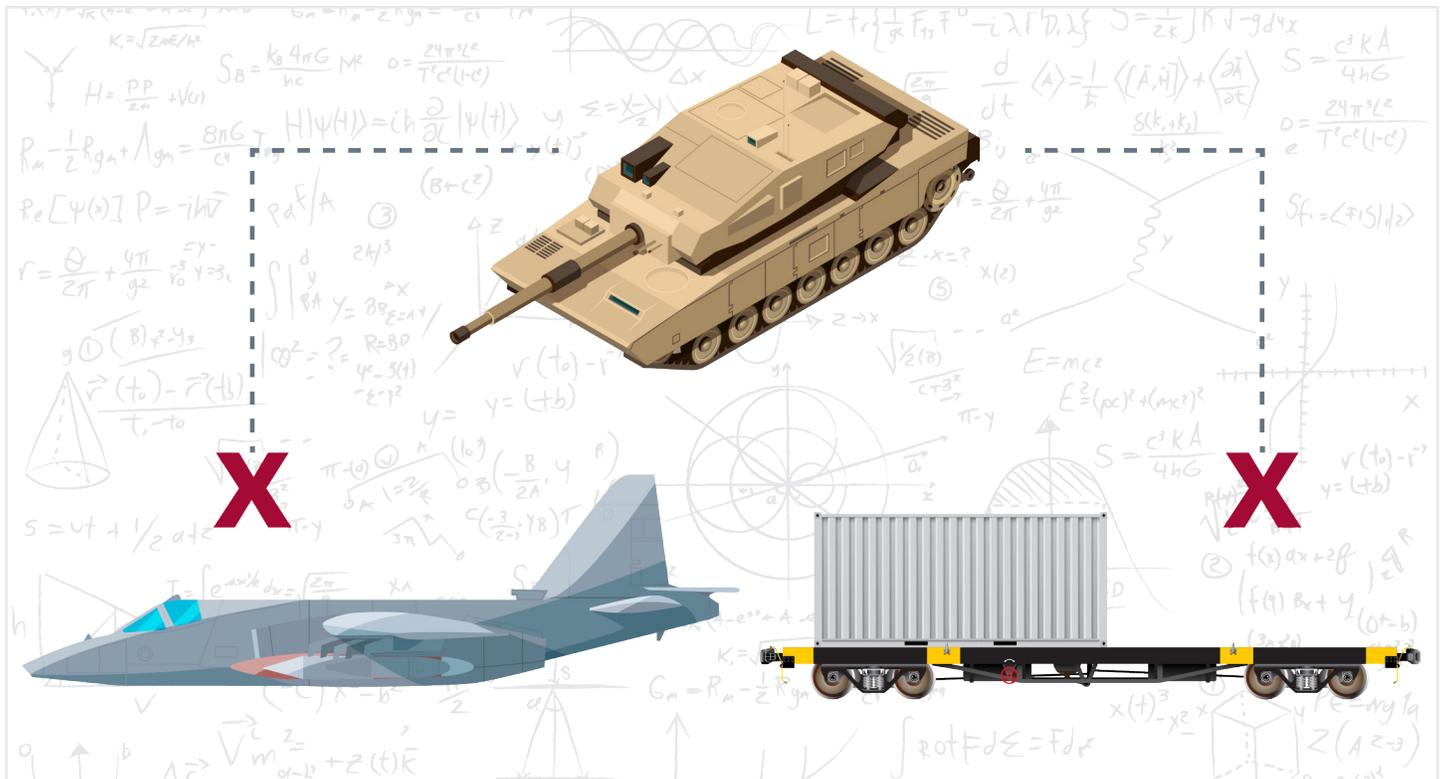
✔ Case in Point — Attention to Detail is Essential

Recently, a contracting officer and program manager failed to consider data rights as called out in their acquisition strategy risk assessment. It was only after the contract was awarded that the mistake was recognized, crippling the government's ability to manipulate code on the project without the contractor's consent. In any program, this early consideration of challenges is invaluable.

The planning process starts with the key players on your program brainstorming all the possible things that could go wrong. Make certain this team includes all the expertise you need — from leadership to end-users — to fully assess risks throughout the project's lifecycle. If your program will involve maintenance and sustainment, make sure your supply and logistics personnel are involved in risk planning.

✔ Case in Point — Consequences of Poor Planning

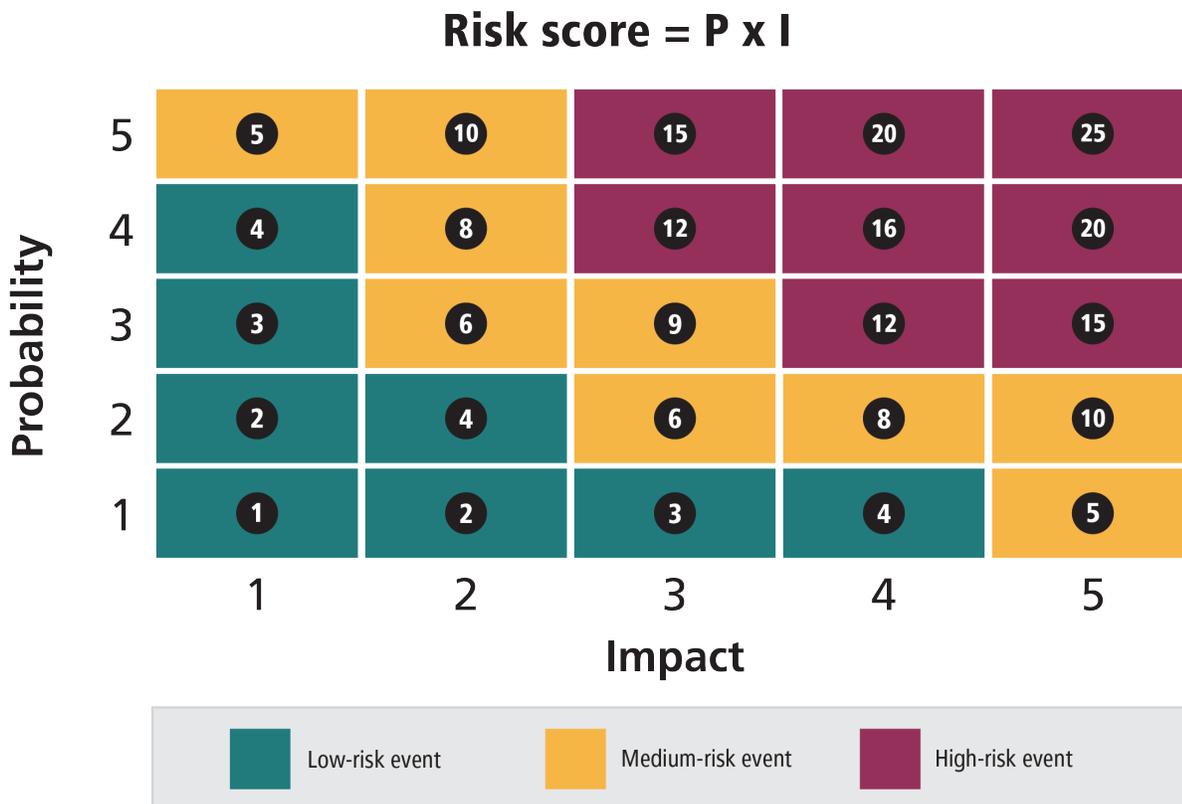
When the Army procured their M1 Abrams tank, the risks associated with transporting the tank were not adequately considered. When the tank was delivered, it was too wide to fit on the Air Force C-5 transport slated to fly the tanks. In addition, the new tanks were also found to be too large to fit on the rail cars intended for their transport. Accurate identification of all potential risks to a program is critical because one wrong move can result in an expensive cascade of difficulties.



⁴Office of Management and Budget 2016

Risk Reporting Matrix

Once risks are identified, they should be analyzed for their likelihood and potential consequences should they occur. Risks can then be charted with these factors in a Risk Reporting Matrix. The risks with the highest likelihood of occurrence and the greatest consequences should have plans created to address them. Risk mitigation plans determine what actions need to be taken, when, by whom, and with what allocation of resources. A thorough analysis of how your organization has responded to things going wrong in the past will help to reveal what went well and what did not. This reflective process is integral to effective future planning.



Risk Mitigation Plan Implementation

After developing a risk mitigation plan, you must ensure your organization has the training and policies in place that will bring these plans to fruition. The Office of Federal Procurement Policy (OFPP) *Emergency Acquisitions Guide* offers powerful advice on how best to consider these areas when preparing for contingencies.

The OFPP Guide recommends consideration be given to any staff members who implement the plan.⁵ In federal contracting, this includes a list of required classes and training focused on the tools and skills needed for contingency contracting. The equipment for contracting contingencies has evolved into deployment kits that contain laptops, satellite phones, printers, forms, customer education guides, and basic office supplies. Once the training is complete and the equipment is in place, the OFPP Guide recommends considering any organizational policies that may interfere with the execution of your plans. Most government contracting offices have policies in place that require review and approval for certain acquisitions. These review policies take anywhere from 5 to 10 days to complete. When things go wrong and time is crucial, there has to be some relief from this review schedule. Considering these policy implications in advance can facilitate a successful response.

⁵Office of Federal Procurement Policy 2011

✓ Case in Point — Policy Considerations

When Hurricane Sandy struck the U.S. East Coast in 2012, many contracting officers from across the country were deployed to assist with the disaster. Unfortunately, when some of the contracting officers arrived, they could not buy emergency supplies and services because their warrants were not valid outside of their home region. This oversight left contracting officers without the authority to buy critically needed supplies and services. They were sidelined, waiting for new warrants to be issued by local authorities.⁶ Evaluating existing organizational policies for potential impact on risk mitigation plans is essential for responding to emergencies.

Practice Makes Perfect

When risk mitigation plans are complete, they need to be rehearsed. Every federal agency with a national contingency responsibility practices the execution of its plans. This ensures staff members have the skills to execute the plan and that any equipment is available and operational.

✓ Case in Point — Don't Skip the Dress Rehearsal

In one example, a robust contingency contracting plan was firmly established. Personnel were fully trained and deployment kits were stocked and ready to go. When an emergency occurred, and the kits were opened, many of the items had been cannibalized for routine use at the home office. The kits had not been touched in more than two years. When the few laptops in the kits were turned on, it took more than 48 hours for the computers to load all the agency updates before they were functional. This demonstrates how essential it is to regularly rehearse incident responses with the actual people and equipment that will be relied on in an emergency.

“Without a **champion**,
risk mitigation plans
wither away.”



Risk Mitigation Champion

While risk mitigation planning needs to be institutionalized and part of organizational policy, the final and arguably the most important aspect of risk mitigation planning is ensuring the commitment of a senior leader. The risk mitigation champion's commitment needs to be visible and consistent. Without a champion, risk mitigation plans wither away.

In addition, senior leaders should publicly recognize and reward individuals involved in risk mitigation planning and ensure it is part of the organizational policy and tracked with performance metrics.

⁶Gibbens 2019

Leadership Development

We are not born with the tools we need to plan for things going awry. A thoughtful analysis of strengths and weaknesses leads to self-improvement opportunities that will enhance our risk mitigation skills. Federal Emergency Management Agency (FEMA) Manual 8600.7 provides for standardized training for the Federal Coordinating Officer (FCO) Professional Cadre. This program prepares FCOs to lead all aspects of disaster response. The training includes risk mitigation training for managers, leadership training, and planning skills.⁷ While FEMA formally prepares its leaders to react to disasters, other agencies take a less proactive approach.

Now that we have made the case for developing crisis mitigation plans and discussed how to do so, we delve into the unfortunate reality that many times, the challenges we face may be completely unforeseen. What should be done when a crisis occurs and there is no mitigation plan in place?



The reports that say that

something hasn't happened

are always interesting to me because as we know, there are known knowns.



THERE ARE THINGS WE KNOW WE KNOW.
AND WE ALSO KNOW THERE ARE
KNOWN UNKNOWNNS.

That is to say, we know there are some things we do not know. But there are also unknown unknowns — the ones we don't know that we don't know. In a look throughout the history of our country and other free countries, it is the latter category that tend to be the difficult ones.⁸

Donald Rumsfeld, former Secretary of Defense

⁷Federal Emergency Management Agency 1999

⁸ Rumsfeld 2002

Responding When There is No Plan

When things go wrong, your first reaction should be to look to any preplanning you have in place to address the issue. If plans don't exist, an effective response should include the following phases:



Acknowledge and Identify the Issue

When things go awry, time is often of the essence. This is when we need to stop and think. A classical adage advises that when dealing with stressful challenges, "make haste slowly." Consideration must not only include how to stop the bleeding but how to identify the underlying source of the problem (i.e., root cause analysis). Failure to accurately define the problem can lead to wasted efforts and potential failure.

✓ Case in Point – Double-Check Your Specs

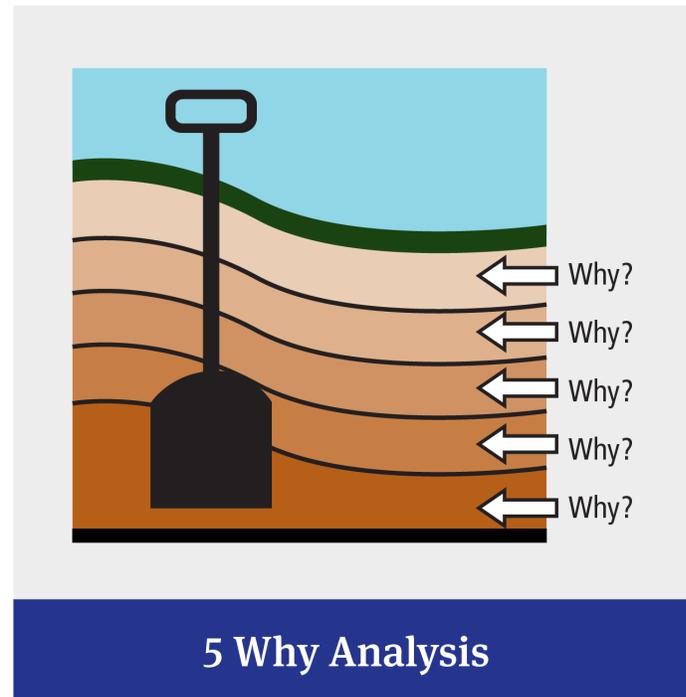
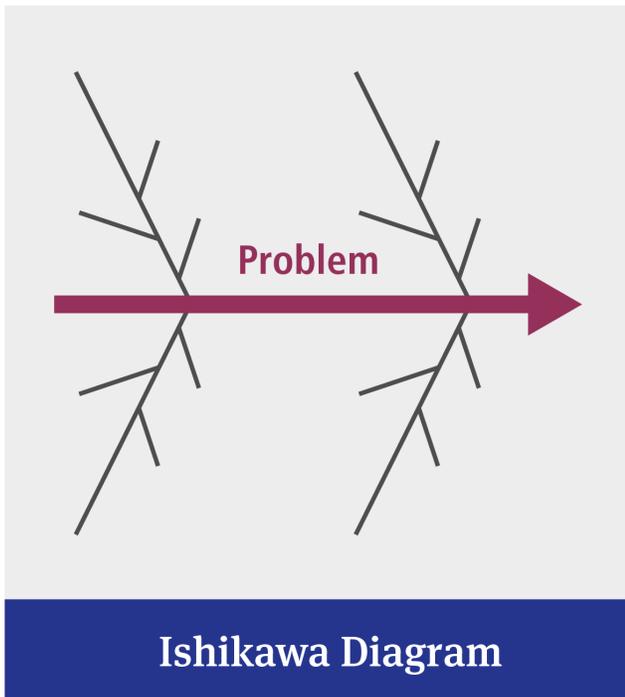
Another example of the need to verify what is needed comes in the story of a combat operations command that required a new tactical radio communication system urgently. The system was quickly procured and delivered. Operationally, the new system worked very well — unless it was raining. The acquisition did not specify that the radios should be waterproof. This oversight had the potential to impact soldiers in the field. Be sure to double-check your specifications, especially when the need is urgent.

End-User Input

Accurate problem identification is a team effort. The leader of the effort must ensure the proper team members for the situation are gathered to address the issue. Failure to include input from end-users of the final solution can lead to disaster. Problem analysis techniques can help leaders and their teams organize and direct team efforts that include end-user input.

Root Cause Analysis

Use of Cause-and-Effect Analysis, Ishikawa diagram, or 5 Why Analysis are all techniques useful in identifying root causes of problems. The leader must ensure all team members understand their roles and responsibilities. There is no time for duplication of effort.



✓ Case in Point – Communication Failure

Open lines of communication are critical. Miscommunication and inaccurate assumptions can derail an emergency response. In late 2001, a government contracting officer was deployed to a remote base to support U.S. operations in Afghanistan. At a time that every acquisition was urgent, a request for a large-screen color television was presented. The contracting officer made an incorrect assumption and put this requirement at the bottom of the stack.

It turns out the intelligence community needed to project air support images to this TV to accurately assess battle damage. The intelligence team had forgotten to pack this equipment for the deployment. No one was talking to each other. The problem was never defined. Open lines of communication didn't exist. Unsupported assumptions were made.

Addressing these issues by acknowledging and defining the problem lays the foundation for a successful response.

Develop a Strategy for Immediate Response

The second phase of crisis response involves quickly developing a strategy. Once your team has a clear understanding of the problem, the focus will shift to determining an appropriate response. In this phase, your team of experts will brainstorm potential solutions and select the best option. The U.S. Army has developed a widely recognized process to evaluate and select solutions to problems in their Course of Action (COA) briefing process, which is codified in the *U.S. Army Handbook No. 15-06 Military Decisionmaking Process: Lessons and Best Practices*.⁹ To begin strategy development, the handbook suggests that a COA brief be developed for the senior decision-maker. After brainstorming solutions, the top three courses of action, the pros and cons of each, and a recommendation for the senior leader are included in the COA brief. When the final solution has been accepted, the risk mitigation process is applied to consider what could go wrong with the selected solution and consider ways to mitigate those risks.

Time

When things go awry, time is always a factor. Despite a sense of urgency, it is important to follow a structured decision-making process, albeit quickly. A hurried, faulty solution can be as catastrophic as the original problem. There is one caution to this process. Do not go into analysis paralysis and let perfection become the enemy of good by striving for a 100% solution. Instead, make the best call you can with the information you have.

Implement the Strategy

The third phase of crisis mitigation is implementing the selected strategy. Care must be taken to identify a responsible party to lead the effort. This leader will be responsible for communicating the strategy to all parties and fully defining roles and responsibilities for each. Failure to communicate this plan can have devastating results.

As an example, there was a mid-air collision of two aircraft. The crash site was spread across a wide desert area without road access. The responding security forces had no four-wheel-drive vehicles to penetrate the crash site, so the plan called for the rental of 15 four-wheel-drive trucks. The office charged with renting the trucks was never read in on the details and sent two-wheel-drive trucks. Fortunately, the error was caught in time to avoid mission failure, but this illustrates how essential it is to have open communication and clearly define roles and responsibilities.

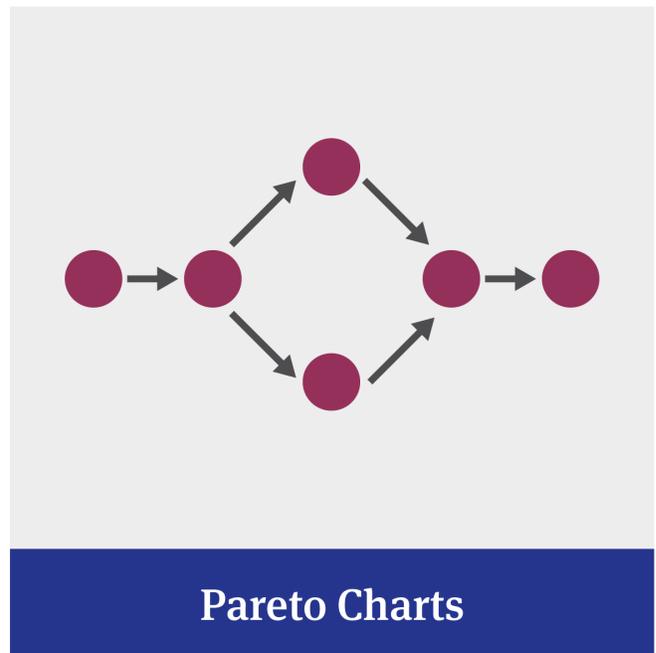
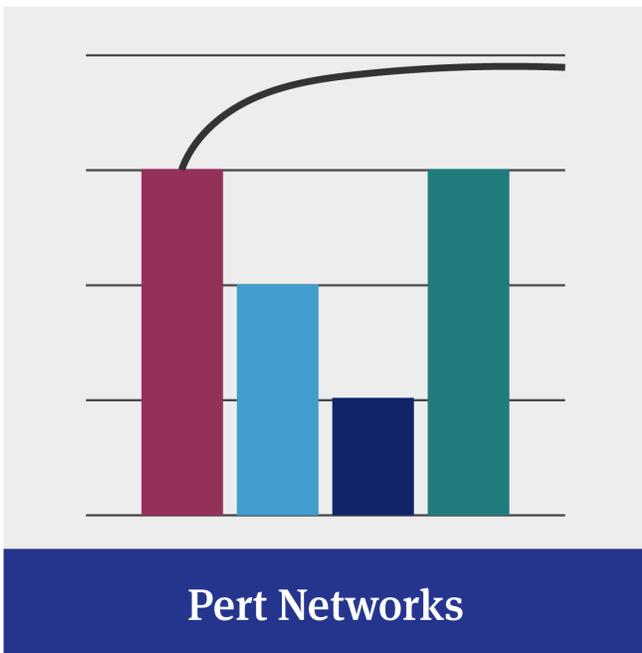
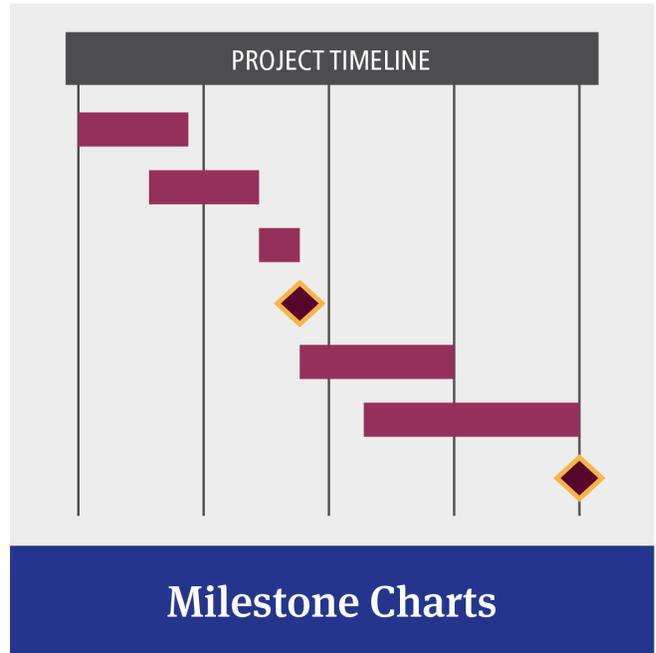
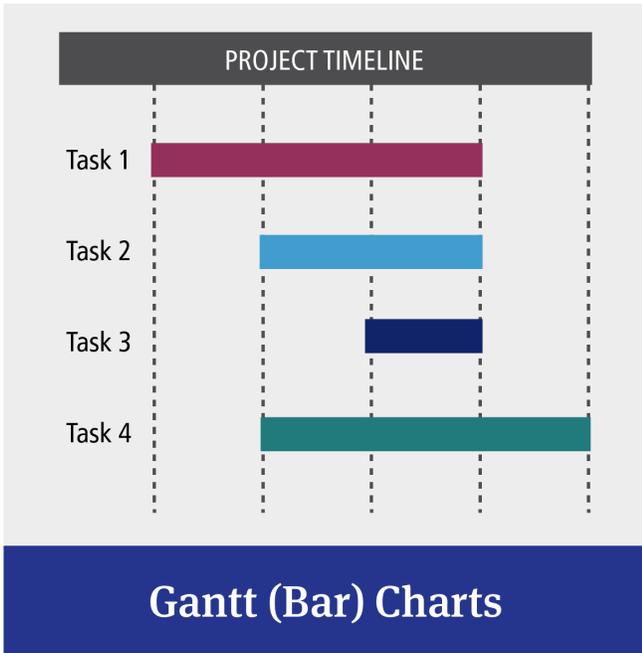
Resource Allocation

The leader must also ensure that all resources are available and committed to the response effort. This step demands that senior leader buy-in has been secured in the planning process. Without firm support for required personnel, funding, and equipment, response efforts grind to a halt.

Recently, a federal agency concluded a robust contingency planning effort. Part of this effort directed organizations to support the plan to create contingency kits with all required emergency response equipment. Unfortunately, no funding was provided to purchase or refresh equipment when needed. The end result was that the kits were never stocked and were not available for emergency response when needed.

When the plan is fully implemented, leaders must monitor the progress of plan execution. Timelines for milestone completion must be tracked and monitored. The response leader must have real-time visibility into the execution of the plan to allow quick changes in the course if plans run into trouble. Without effective monitoring of strategy implementation, we are left to rely on hope, and hope is a terrible strategy when things go wrong.

⁹U.S. Army 2021



The final phase in crisis mitigation is preventing future occurrences. Document each step of the process to allow future planners and auditors to fully understand what happened and why.

Prevent Future Occurrences

Developing an after-action report records what happened, evaluations of the causes of the problem, and recommendations for keeping the problem from occurring again. Once this report is complete, leaders can begin the challenging task of settling on changes in staffing, policies, processes, and equipment to better respond when things go south. Here are a few examples of policies and procedures in place at federal entities that exist to provide this protection:

Department of Defense (DOD) Resource

DOD's Defense Contingency Contracting Handbook requires that after-action reports are generated for all aspects of contingency deployments.¹⁰ DOD asks responders to define the type of emergency and associated needs, the types of actions taken, sources used, logistical challenges, and an overall assessment of what went well and what went wrong.

Federal Emergency Management Agency (FEMA) Resource

One example of FEMA's after-action reporting is the *2017 Hurricane Season FEMA After-Action Report*.¹¹ This report made firm recommendations for hurricane response improvements in scaling the level of FEMA's response, staffing, logistics, and emergency housing. FEMA's extensive use of after-action documentation demonstrates criticality to senior leaders who identify changes that improve future incident responses.

Occupational Safety and Health Administration (OSHA) Resource

The OSHA Step-by-Step Guide: Incident Investigations describes capturing recommendations after incident investigations.¹² It suggests that recommendations include risks related to the specific problem, similar situations, management deficiencies, effective controls, prevention, and follow-up actions.

Meticulous Follow-Up

Once organizational improvements have been identified and recommendations have been accepted, leadership must ensure that the parties responsible for implementing changes are identified, timelines are set, and follow-up reviews are scheduled through completion. They must ensure that resources are available to implement and sustain these changes. Of equal importance is that these changes become institutionalized through concrete organization policy modifications. A change management plan should be established to provide the details of how, when, where, and how often changes are communicated. Once a policy is issued, senior leaders also need to consider how they will confirm that everyone fully understands the policy. After confirming proper interpretation, the next step is confirming compliance. How will compliance be measured, by whom, and when? Simply issuing a new policy and hoping it is fully understood and implemented properly is often a long shot.

¹⁰ U.S. Department of Defense 2012

¹¹ Federal Emergency Management Agency 2018

¹² Occupational Safety and Health Administration 2018

Last Words

Problems can arise from within your organization or from completely unexpected sources outside the organization. The question is not *if* but *when* things will go wrong. An organization can drastically reduce the impact of things going awry by planning for problems before they occur.

A risk mitigation plan that predicts what might go wrong and prepares response plans can drastically improve the odds of a successful response to challenges. If plans don't exist to address risks, following a structured response can help improve the chances of successfully dealing with contingencies.

The best way you can prepare for an unfortunate incident is to understand that you must acknowledge and clearly define the problem when the time comes. Once you understand the problem, develop and then implement a strategy that addresses the problem. Finally, assess the incident and how future occurrences can be prevented.

Planning for crisis is not complicated. It simply takes time and effort. Thomas Jefferson once said that "the harder you work, the luckier you get." Planning for when things go wrong is hard work. The "luck" is successfully navigating challenges without devastating impact. Louis Pasteur, the renowned French chemist, said it differently: "Fate favors the prepared mind." Make your own luck. Prepare your own fate — plan for things going wrong before they ever do.

About the Author

Mark A. Hobson is an instructor and subject matter expert for Acquisition and Contracting at Management Concepts. Mr. Hobson teaches many courses that satisfy FAC-C, FAC-COR, DOD COR, and DAWIA contracting certification requirements.

Prior to facilitating for Management Concepts, Mark had a successful career in the U.S. Air Force. In that capacity, he led the creation of the Installation Acquisition Center (IAC) at Wright Patterson AFB, enabling strategic sourcing of over \$15 billion of annual Air Force enterprise-wide installation spending. Before that role, he served there as Chief, Resource Management Division, where he was the senior contracting lead on contracting resource allocations and funding decisions.

Mark holds a Master of Science degree in National Resource Strategy from the Industrial College of the Armed Forces, a Master of Science degree in Military Operational Art and Science from the Air Command and Staff College, and a Master of Science degree in Contract Management from the Air Force Institute of Technology. In addition, he holds a BS degree in Elementary and Special Education from Western Kentucky University. He currently holds Professional Designation in Contract Management from the Air Force Institute of Technology and Level III – Co and Acquisition Professional Development Program Certification.



Bibliography

NOTE: Unless otherwise cited from a source below, specific examples and anecdotes mentioned within this eBook are taken from first-hand knowledge of the author in his capacity as an acquisition professional in the U.S. Air Force.

Bordoff, Jason. "The Colonial Pipeline Crisis is a Taste of Things to Come." May 17, 2021.
<https://foreignpolicy.com/2021/05/17/c...tivity-power-grid-russia-hackers/>

Federal Emergency Management Agency. *2017 Hurricane Season FEMA After-Action Report*. July 12, 2018.
https://www.fema.gov/sites/default/files/2020-08/fema_hurricane-season-after-action-report_2017.pdf

Federal Emergency Management Agency. *FCO Credentialing Program Concept of Operations*. Manual 8600.7. November 18, 1999.
https://www.fema.gov/pdf/library/8600_7.pdf

Gibbens, Sarah. "Hurricane Sandy, explained." *National Geographic*, February 11, 2019.
<https://www.nationalgeographic.com/environment/article/hurricane-sandy>

Occupational Safety & Health Administration. *A Step-by-Step Guide: Incident Investigations*. December 2018.
https://www.osha.gov/sites/default/files/2018-12/fy11_sh-22246-11_IncidentInvestigationGuide.pdf

Office of Federal Procurement Policy. *Emergency Acquisitions Guide*. January 14, 2011.
https://www.whitehouse.gov/wpcontent/uploads/legacy_drupal_files/omb/assets/procurement_guides/emergency_acquisitions_guide.pdf

Office of Management and Budget. "Management's Responsibility for Enterprise Risk Management and Internal Control." OMB Circular A-123. July 15, 2016. https://www.osec.doc.gov/opog/privacy/Memorandums/OMB_Circular_A-123.pdf

Rumsfeld, Donald. "Defense Department Briefing." C-SPAN, February 12, 2002.
<https://www.c-span.org/video/?168646-1%2Fdefense-department-briefing>.

U.S. Army Center for Army Lessons Learned. *Military Decisionmaking Process: Lessons and Best Practices*. Handbook No. 15-06. March 15, 2021. https://usacac.army.mil/sites/default/files/publications/15-06_0.pdf

U.S. Department of Defense. *Contingency Contracting Handbook*. June 2012.
<https://www.acq.osd.mil/dpap/policy/policyvault/usa003839-12-dpap.pdf>

U.S. Department of Homeland Security. *National Preparedness Report*. December 2021.
https://www.fema.gov/sites/default/files/documents/fema_2021-national-preparedness-report.pdf

Wilkie, Christina. "Colonial Pipeline paid \$5 million ransom one day after cyberattack, CEO tells Senate." CNBC. June 8, 2021.
<https://www.cnbc.com/2021/06/08/colonial-pipeline-ceo-testifies-on-first-hours-of-ransomware-attack.html>



**MANAGEMENT
CONCEPTS**

Since 1973 Management Concepts has designed and delivered scalable, customized, and targeted training solutions for the federal government.

From individual course delivery to comprehensive organizational plans, our singular focus is identifying and addressing workforce skills gaps.

8230 Leesburg Pike, Tysons Corner, VA 22182
800.545.8579 | [ManagementConcepts.com](https://www.ManagementConcepts.com)

