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Kansas City-area companies use crisis management to navigate choppy economy

Kansas City Business Journal - by [Mike Sherry](#) Staff Writer

The way Stephen Pruitt sees it, the recession isn't all that different from a lightning strike or hailstorm.

"Natural disasters come upon us without any warning, through no fault of our own," said Pruitt, a finance professor at the **University of Missouri-Kansas City's Henry W. Bloch School of Business and Public Administration**. "It's like — boom.

"This economic tsunami has done much the same thing."

Thus, Pruitt and others said that business leaders can benefit by pausing from the day-to-day struggle to keep the ship afloat and revisit some of the core principles of good management. The basic concept, they said, is to apply crisis management approaches to the recession.

That's exactly what Grant Burcham has done as CEO of **Missouri Bank & Trust Co.**

Burcham said the bank's crisis management plan calls for personal communication with its clients. So when the financial crisis hit a year ago, bank employees e-mailed and called customers to say that Missouri Bank — which caters to small businesses and entrepreneurs — was doing fine despite all the negative news about the banking industry.

"We felt like we were being unfairly lumped into a large group of banks that bore no resemblance to us," he said, "and we needed to set the record straight."

The bank didn't forget its internal audience either.

"One of the first things we did," Burcham said, "is we went around to each of our branches, each of our departments and said: 'All right, here's the deal. Here's what you are reading; here's how we are doing; here's our impressions on this thing; and here's really what you need to know. And are there any questions, and nothing is off-limits.'"

That's a smart move, said Eric Morgenstern, president of Morningstar Communications in Overland Park.

Morningstar refers to the kinds of conversations Missouri Bank had with its employees as internal marketing rather than internal communications. That's because employees, suppliers and other stakeholders are a company's "personal brand ambassadors," Morgenstern said.

"They represent the organization 24 by 7," he said, "and if they are on board with what we are doing, then they can help communicate that through words and actions to the people that matter most to them."

Service Corp. International has taken a page from the crisis communications plan developed by Morningstar by distilling its messages to key points as it communicates externally and internally during the recession, said Lisa Marshall, SCI's managing director of corporate communications. The main message, she said, is that the Houston-based owner of funeral homes, cemeteries and crematories is focusing on its core mission, is not getting distracted and is taking the steps needed to navigate the economy.

During a recession or any other crisis, actions can speak louder than words, said Caren Siehl, a professor at the **Thunderbird School of Global Management** in Phoenix. One of the school's offerings, "Leading and Managing in Turbulent Times: Global Leadership," teaches managers how to react to the financial crisis.

In tough times, Siehl said, the knee-jerk reaction for managers might be to respond like the captain of a sailboat in rough waters.

Although instincts may tell them to tighten the sails or, in a business sense, tighten control of the organization, the opposite approach is the better course, she said. That means listening to the viewpoints of others.

"During times of uncertainty," Siehl said, "you want more brainpower working on things."

She said listening also includes incorporating feedback that managers receive regarding the effects of their behavior on the organization.

In times of crisis, Siehl said, self-control is "absolutely essential" to maintaining calm within the organization.



Dave Kaup | KCBJ

Grant Burcham, CEO of Missouri Bank & Trust Co., says the bank uses personal communication to reassure clients and staff during the financial crisis, just as it would during a natural disaster. Burcham shares his office with a lifelike security guard named "Art."

Listening also might include seeking advice from outside experts, said executives of health care consulting firm **B. E. Smith Inc.** in Lenexa.

Patricia Burns, a vice president of B. E. Smith, said the company recently sent a consultant into a hospital that was facing a review from the federal **Centers for Medicare & Medicaid Services** after a patient complained about not receiving the correct medication. The problem was fixed, and the threat of lost financing was averted, Burns said.

Therefore, part of being prepared for a crisis is knowing beforehand whom to call on for help, said Julee Thompson, senior vice president of consulting solutions for B. E. Smith.

Morgenstern said responding to the recession includes much more than simply tending the balance sheet. Perception can become reality after the economy turns.

He said business owners should ask themselves: "When people think of me, what is my legacy on this situation? What do I want people to say? They were responsible, they showed integrity, they showed compassion — or some other negative attributes?"

EDITOR'S NOTE: The *Kansas City Business Journal* is redirecting the Growth Strategies section to help companies and entrepreneurs navigate the tempestuous economy. Survival Strategies will explore how businesses approach the downturn, from simply holding steady to capitalizing on weakened competition to positioning themselves for better days ahead.

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