

Risk Management Close to Home

The second in a series of managing risks to your company

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Our last TMA article on Risk Management examined catastrophic events impacting three independent security alarm companies. As a refresher, in scenario one, an armed guard, while working for the alarm and response company, murdered a young woman in a brutal attack. The suspect was arrested for murder and the parents of the victim sued the company for negligent hiring, retention, and supervision. The incident garnered national news, and the company was featured in a 60-minute segment. The owner sold the company, and 72 employees had to seek alternative employment. In the second scenario, a central station employee was stabbed by her ex-boyfriend in the company parking lot and subsequently ran over by the assailant; all witnessed by the employees on video located inside the secured central station. In the third scenario, an employee, while driving home, stopped at a bar and consumed alcohol. While driving home later that evening, the

employee was involved in a catastrophic accident, the other driver lost their life, and the alarm company employee was arrested for driving under the influence and vehicular manslaughter.

Although different in nature, these three events have had an impact on hundreds of people. The most directly impacted are the surviving victims' families. They experience the grief and hardship of losing a loved one. Though catastrophic, these victims have support mechanisms such as friends, Church community, supportive family members, and the court system, be it criminal, civil, or both.

When a company gets sued for acts committed by their employees, as in two of these scenarios, there is no support system, no one to turn to. Your company has substantial contracts, vital legal help, and insurance coverage, but they are in place to protect the company, not your well-being, nor the well-being of

your employees. Sure, we have EAP programs that help the employees, but they are generally offered as a free and confidential assessment, short-term counseling, and follow-up services to employees who have personal or work-related problems.

So who takes care of your company and your employees long term? The answer is you. No one said leadership is easy, and it's tested more during a crisis than any other time in a career.

Planning for a catastrophic event begins long before the event occurs, and by taking the necessary steps up front, you'll be an influential trailblazer by leading the company and managing the crisis. Many CEOs try to do both. You simply can't. And although pre-event planning may not entail knowing the exact situation that may impact your company, if the plan is solid and the team knows how to activate and follow the program, the chances of business survival are excellent.

In part three of this series, we'll outline the four steps in crisis planning, and in part four, we'll demonstrate the financial benefit afforded to your company, your employees, and stakeholders in leading your way out of a crisis. 

Kirk MacDowell, CEO and Founder of MacGuard Security Advisors, LLC, a consultancy specializing the electronic security industry. Services include business operations assessment, critical projects leadership, and industry analysis. He also assists companies in identifying various growth opportunities such as attrition mitigation, new channels to market, strategic alliances and robust M&A candidates.