

CRISIS COMMUNICATIONS 101

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Bad things happen to good companies all the time and worse things happen to bad companies. Even though businesses can't prevent a tragedy or crises, steps can be taken to mitigate their effects.

A crisis situation presents enormous threats and represents significant risk to the company's reputation, operations, market share, sales, employee morale, and overall financial performance. There is little room for error and response time must be quick.

Initially, in most crisis situations, the business being affected is so surprised or concerned about the potential consequences that very little attention is paid to how to communicate. However, eventually, the stakeholders in that business – the employees, the customers, the regulatory bodies, and the community and general public (directly and through the media) – want to (have to) know what happened and what is being done to resolve the problem and prevent future similar occurrences.

Effective communications during a crisis situation involves three essential elements: planning, identification and management.

Planning

The U.S. Secret Service has a saying, "Plan for the worst and hope for the best." Excellent advice because proper planning – in any form of communication but especially in crises -- can have a huge impact on whether or not the situation is resolved successfully.

Unfortunately, few companies make the necessary investment to plan for a potential crisis, which means their first response to any damaging event or issue is a reactive, defensive one, rather than the opposite.

Nowadays, when almost all significant problems are accompanied (or preceded) by litigation and media interest, getting put on the defensive out of the gate is a risky strategy and an expensive position to overcome.

Companies must establish early warning alarms to identify problems likely to create larger emergencies and appropriate planning enables them do so. Such planning usually begins with an audit: What is the "business" of the business and where might likely problems occur? For instance, if the business provides financial services to clients, there is the risk of a severe

market downturn or employee embezzlement of client funds, etc. If the business is a manufacturing plant, improper training on the use of machinery should be a concern.

Once potential “hot-spots” are identified, the plan should offer recommendations and solutions to mitigate potential damage. For instance, consider Domino’s Pizza.

The company used to have a “30-minute or it’s free guarantee” on all its deliveries. Such a policy was great marketing but it created a disastrous downside: inexperienced teenage drivers speeding through neighborhood streets in order to get to customers’ doors before the deadline. On several occasions accidents occurred that caused Domino’s significant financial pain (litigation in addition to activists pressuring their local governments not to allow Domino’s operating licenses in their communities) and negative, reputation-busting publicity. Eventually, after significant suffering, the company was forced to drop its guarantee.

A crisis communications plan would have identified the threat the guarantee created and sought to offer solutions to mitigate potential damage. As an example, given the delivery guarantee, the company might have demanded that its drivers take a company sponsored safety course and/or it might have refused to hire any drivers that had received speeding tickets, etc. With such policies in place, if an accident did occur, Domino’s would not have been so vulnerable to charges that it did not care at all about safety and the bad publicity would not have been as damaging to its business operations.

In addition to identifying threats, a good crisis communications plan will also contain an outline of how the company should respond internally and externally when a crisis actually occurs. This includes everything from the intellectual to the practical; from creating a response protocol and suggested structure to message creation in different scenarios to listing the members of crisis response team and their contact information.

A final note about planning: A plan must always be tested. Crisis communications planning is important, not necessarily to see if the plan works but, instead, to see if it doesn’t. Actual crisis strategies will always deviate from plans, but a plan helps a company roll with the inevitable punches. Additionally, plans mitigate the denial, anger and depression most executives (and institutions) experience – emotions that become immobilizing if not dealt with properly.

Identification

Proper planning enables a company to properly identify and respond to early signs of impending problems instead of denying that they exist. Of course, even without a plan as most companies find themselves, at some point, albeit farther down the road than companies with good plans, even the most shortsighted firm will recognize when it is in trouble.

A business must be able to answer two questions and then deal with the answers appropriately. Is a crisis occurring? And is it an emergency or a problem? Emergencies must be

dealt with immediately. Problems, on the other hand, need to be tackled quickly (but not necessarily immediately).

Problems that linger or are not dealt with properly tend to snowball and lead to emergencies. As one leads to another, the failure to deal with each can lead to institutional paralysis. The number one thing a company must always possess is its ability to make decisions. A company that fails to act will be quickly become a company unable to survive.

A rule that applies to both the identification and management stages of a crisis communications situation is that public opinion is not about reality, rather it is about perception. Therefore, perceived threats and problems are just as important as real ones; they too, must be identified and dealt with appropriately.

Managing

Because public opinion is all about perception over reality, public and internal communications must establish perceptions first. The public is very skeptical. More and more frequently, companies and governmental agencies are “guilty until proven innocent.” Arrogance, saying “no comment,” and/or responding with terse denials about questioned ethics are seldom, if ever, successful crisis communications strategies.

Unlike a court of law, in the court of public opinion the defense should (most) always take the stand. The press is driven by their need to tell a story. Failure to provide a coherent explanation about matters under question means the media will fill their stories with messages detrimental to one’s own.

Businesses should not stay silent and what follows are 11 recommendations to manage communications in the media:

- 1.** Designate one person to act as a spokesman for the organization. This is rarely ever the company’s lawyer. The spokesman is usually the CEO or other top executive. However, top executives are not always the best spokespersons. Sometimes technical experts or third-party allies are best. Deciding who speaks is critical and says a lot about how serious the company considers the problem. Do not have the CEO respond to a minor problem – the press will think it is more important than it is. Do not have mid-level spokespersons talk to the press if a tragedy occurred (i.e. health effects, loss of life, etc.) because the company will look callous.
- 2.** Develop message points based on facts. When responding to questions remember to communicate the truth (as much as needed to fulfill the public’s need to know) and to comfort all affected audiences by exuding compassion and an understanding of their concerns.
- 3.** Media train the spokesperson. Next to planning (and especially in its absence) media training is the single most important factor in dealing with a crisis.

4. Communicate to internal audiences first. Making sure internal audiences hear the story from organization leaders before hearing it from the media builds and enforces trust. Internal support is critical because this audience is often used by the news media to perpetuate unflattering messages.

5. Educate the media. The media are the intermediaries between the organization's story and the public and the more they know and understand the issues at stake, the better off the organization will be. Messages should demystify complex arguments and provide as much information as possible in order to create an on-going, beneficial dialogue.

6. Fix the problem. As the saying goes, "where there's smoke there's fire" and essential to any crisis situation is the organization's efforts to fix the underlying problem causing it. Additionally, the company should approach the "repair phase" as an opportunity for a new position in the market place. For instance, if the company has a horrible record of hiring, promoting, or retaining minority employees, the company should create new policies to ensure future success and take the lead amongst its competitors in the market as an innovator. This is more than "spinning" the negative story to the press. It is providing a material solution for the problem in order to save and even promote the brand.

7. Think creatively. Look for alternative methods to solve problems, not necessarily through a dialogue in the press. What are the politics of the situation? What position do the effected parties hold in the community? Does the company employ a lot of people? Who do they know and how can those relationships be leveraged? For instance, the publisher of a small town newspaper might sit on the community relations board of the town's big regional hospital. If a crisis break out that threatens the hospital's reputation is it possible that the relationship can be leveraged so that the local paper provides balanced rather than negative coverage?

8. Aggressively argue and prove your case. Take the initiative rather than surrender it. One of the biggest mistakes businesses make in crisis situations, is that they "go dark" and let their critics define the issues and determine the implications.

9. Use independent experts and third party allies to help the media and public understand the issues at stake.

10. Manage your expectations. Note the option in the question above: balanced versus negative coverage not favorable versus negative coverage. This is a very important distinction. Expectations of management must be tuned to the fact that in most crises the best coverage to hope for is balanced, the alternative being negative. Given the circumstances of most crises, favorable coverage of a company experiencing one is extremely rare.

11. Hire professionals to plan for, identify and manage crisis communications situations. Many times, companies defer to their crisis communications activities to their legal counsel. Unfortunately, the results can be devastating. The law may save a company in the courtroom, but companies need the public to purchase their products and use their services after the crisis

(or successful litigation) is over. Communications strategy should supplement and support the legal strategy and at the same time remain independent. Therefore, in a crisis situation, if the company hasn't hired professional communicators, this should be the attorney's first recommendation.

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