

Crisis Management

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Agenda

- What is crisis mgmt?
- Phases of crisis management
- Historical cases
- Strategies for handling a crisis

- Crisis Management is a **team effort**
- Effective crisis management depends on a coordinated effort between leadership, communication experts, and subject-matter experts

Crisis Defined



Danger



Opportunity

Potential Harms



Reputation



Financial



Legal



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Potential Rewards



Loyalty



Growth



Team Dev



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Crisis Communication

- The effort taken by a company to communicate with the public and stockholders when an **unexpected event** occurs that could have a negative impact on the company's reputation.
- This can also refer to the efforts of business or governmental entities to inform employees or the public of a **potential hazard** such as an impending storm which could have a catastrophic impact.

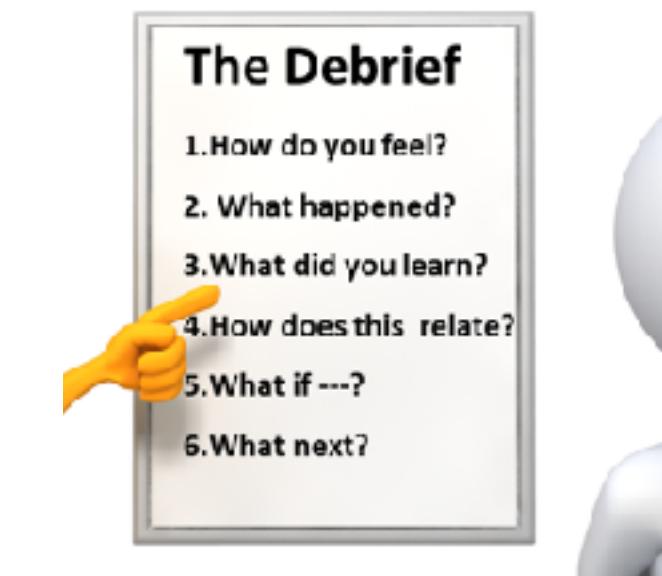
Phases of Crisis Management

systems
basic management
planning process
formalized

Planning



Response



Post-Crisis

Pre-Planning

- Lack of planning is the number 1 contributor to poor crisis management
- Crisis communication plans should:
 - Designate staff to crisis team
 - Blueprint for handling crisis
 - Draft messages for anticipated situations

sys
basic m
planning
proces
form

Pre-Planning

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- Effective crisis management is not following a recipe/checklist, but **adapting** to current circumstances
- Remember not responding is a message
- Initial response should be (1) be **quick**, (2) be **accurate**, and (3) be **consistent**

Pre-Planning

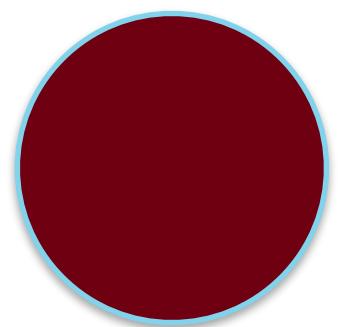
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- Team simulations better prepare a team for real events
- Assess your risk exposure and prepare for the most likely crisis events your team will need to respond
- Prepare leadership to handle the media and be aware of the organization's crisis strategy

Crisis Response



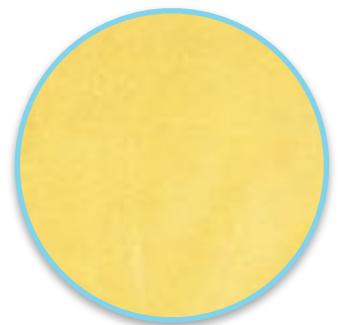
- OODA Loop - **Observe, Orient, Decide, and Act**
- Speed is essential, but so is accuracy
- Gather response team and execute crisis management plan
- Adapt to current crisis



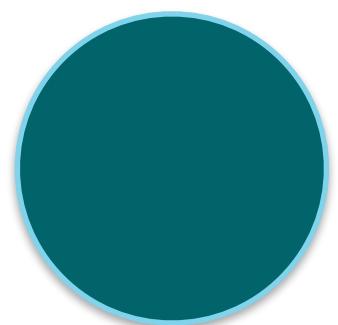
Stop and gather the facts



Assemble the team and execute plan



Prepare as accurate as currently known response



Communicate response



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Stop and Gather Facts

- Not all the facts may immediately be known
- Gather as much accurate information as possible
- Realize a fluid situation may result in changes to
“facts”

Assemble the team

- Your team has prepared for this moment
- Follow the plan
- Bring in additional assistance as warranted



Preparing an accurate statement

- Acknowledge what is unknown and what information might change
- Be forthright
- Acknowledge sources of information and interrupt as best for the audience
- Get multiple opinions on statement before release

Communicate Response



- Depending on crisis and audience
 - Press Release
 - News Conference
 - Social Media Post

Crisis Response



- “No comment”
- Untrue statements
- Blaming
- Making false promises

Crisis Response



- Focus your message
- Be polite/respectful
- Engage the audience
- Be as transparent as possible
- Offer to follow-up on unknowns

Post Crisis



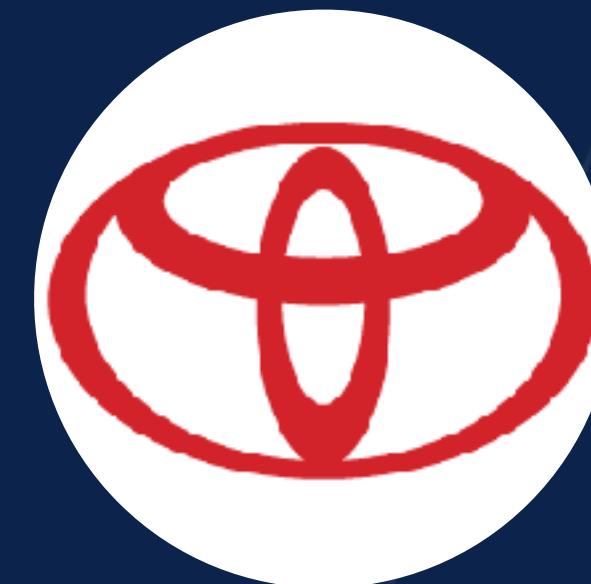
- An after action review (AAR) is a structured review or de-brief process for analyzing **what** happened, **why** it happened, and **how** it can be done better by the participants and those responsible for the project or event.
- Learning rather than blaming

Post Crisis



- **Update** crisis communication management plans
- Update/Create team training materials and simulations
- **Celebrate** accomplishments and noteworthy efforts by team

Historical Cases



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Historical Cases

Core Issue

Product Tampering

Speed of Response

Fast

Performance

Excellent

- In the fall of 1982, 10 individuals died from product tampering which caused a nationwide panic
- Johnson and Johnson quickly recalled all Tylenol, established a hotline for customers, and implemented new tamper proof bottles



Historical Cases

Core Issue

Environmental Disaster

Speed of Response

Slow

Performance

Poor

- On March 24, 1989 the Exxon Valdez struck a reef and started leaking oil into Prince William Sound Alaska
- Slow initial response, scapegoating strategies, and poor optics hurt credibility
- Leadership was not media trained and prepared to respond to crisis



Historical Cases

Core Issue

Product Recall

Speed of Response

Initial Slow, but improved

Performance

Above Average

- Floor mats and gas pedals were causing some unexpected vehicle acceleration issues for some owners
- Toyota attempted to gather the facts and were faulted for a slow response
- Most PR analyst concluded that overall Toyota's performance was strong



Historical Cases

Core Issue

Change of terms

Speed of Response

Slow

Performance

Poor

- In the fall of 2011, the bank announced a new monthly fee for debit cards
- Initial shifted blame to gov't regulation
- Did not anticipate negative backlash and had no strategy in place
- After a month of consumer pressure and negative press, the fee proposal was withdrawn



Historical Cases

Core Issue

Giffords Response

Speed of Response

Fast

Performance

Excellent

- As the only level 1 trauma center for Southern Arizona, UMC had a mass causality crisis communication plan in place on the day of the Giffords shooting
- Career communication staff immediately went into action and work on a Saturday
- While the trauma team worked in the OR, the communication team prepared to brief the media and community



Historical Cases

Core Issue

Giffords Response

Speed of Response

Fast

Performance

Excellent

- The communication team helped prepare the doctors for media briefings and managed briefing
- Media were apprised of the timing of regular updates
- Internal staff were briefed and reminded of patient confidentiality regulations





Strategies for handling a Reputation Repair

Strategies

- **Attack the accuser:** crisis manager confronts the person or group claiming something is wrong with the organization.
- **Denial:** crisis manager asserts that there is no crisis.
- **Scapegoat:** crisis manager blames some person or group outside of the organization for the crisis.

Strategies

- **Excuse:** crisis manager minimizes organizational responsibility by denying intent to do harm and/or claiming inability to control the events that triggered the crisis.
- Provocation: crisis was a result of response to some one else's actions.
- Defeasibility: lack of information about events leading to the

Strategies

- **Justification:** crisis manager minimizes the perceived damage caused by the crisis.
- **Reminder:** crisis managers tell stakeholders about the past good works of the organization.
- **Ingratiation:** crisis manager praises stakeholders for their actions.
- **Compensation:** crisis manager offers money or other gifts to victims.
- **Apology:** crisis manager indicates the organization takes full responsibility for the crisis and asks stakeholders for forgiveness.