

Crisis COMMUNICATION

practical PR strategies for reputation
management and company survival



Edited by PETER F. ANTHONISSEN

Book Crisis Communication

Practical PR Strategies for Reputation Management and Company Survival

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Recommendation

The wholesome athlete you feature in your TV ads just appeared on the evening news dancing naked on a nightclub table. Your food product is suddenly making kids' teeth fall out. Your overseas factory looks like an environmental war zone, and your flagship store seems to be burning to the ground. What do you tell the public? While others deal with the crisis itself (slamming the jock into rehab, calling hordes of dentists, greening up the pollutants and getting everybody out safely), how do you contain the public-relations impact of the disaster, and maintain the viability of your company and your brand? As a senior communications executive, you must be prepared for the most traumatic corporate crisis. Are you ready to be honest with your public and your stakeholders about whatever disaster erupts? While a crisis can take many forms, dealing with its communication aspects is more of a science than an art, and sometimes even offers an opportunity to showcase your firm in a positive way. Crisis communication demands preparation and know-how. For that, turn to editor Peter F. Anthonissen and the 19 other experts who contributed to this anthology. *BooksInShort* recommends this savvy guide to CEOs, executives and corporate communication managers. Read it before something happens.

Take-Aways

- Corporate crises can take a million different guises. Any one of them can ruin your organization.
- Prepare by developing a crisis communication plan in advance.
- Take advantage of the Internet during a crisis to tell your side of the story.
- Release information quickly when disaster occurs. Deal only in facts, not speculation.
- Never lie. Do not try to hide or bury bad information.
- Choose the right spokesperson or spokespeople. Ensure that they are properly trained and credible.
- Give senior executives media training.
- If there is bad news, present it yourself on behalf of your company before the press or an antagonistic interest group get wind of it.
- Focus on your core audiences, including customers, employees and shareholders. Target your messages toward them.
- A favorable public image is crucial during a crisis. Build yours in advance and manage your crisis communications to protect it.

Summary

A Crisis Will Occur – Be Ready

Corporate crises inevitably happen and usually at the worst possible times. Crises by definition command public attention, disrupt normal activities, require a coordinated response and threaten your business. They can present themselves as any one of a multitude of devastating events. Your company must be ready to deal

with the worst case. This is a tall order. Communicating in a credible, effective way with staff, stakeholders and the public during a crisis is challenging. To hit that goal, corporate communication professionals must prepare for such events by developing complete crisis plans in advance.

“How an organization communicates when hit by crisis can often make or break it.”

If the crisis specifically involves your business or your product, be aware that negative perceptions may quickly deluge your company. Even the way you handle a natural disaster can boost or burn your organization. Other than effective action to deal with the impact of the crisis itself, the most important thing you need to control is your message. A crisis creates an information vacuum. Take the initiative to ensure that your company fills it. If not, the media, abetted by anyone who wishes to harm your company, will take over. Have a prepared crisis team you can muster in a hurry. Establish procedures that describe how your organization will communicate with the public, staff and stakeholders. Choose your communication targets, tools and messages. Take control.

“For corporate leaders...the chance that they will be confronted with one major crisis or another has never been as great as it is today.”

Corporate risk managers used to specialize mostly in insurance, but now they must handle a multitude of scenarios. They need to ascertain the risks and corporate vulnerabilities of all kinds of fiscal and practical hazards; from accidental pollution and corporate theft to recalls and brand damage. The communications director, and any PR staffers or consultants, must work with the risk manager to minimize exposure, and preserve the company's good name and image. Negative media attention amid a crisis can deeply injure a company's reputation and public image. Nevertheless, companies can survive such episodes and emerge stronger. The way your company would fare in the event of such a crisis rests on “your ability to plan and communicate proactively.” Take these steps immediately after any crisis that garners bad press:

- Survey your prime constituencies to determine the extent of the damage.
- Establish a series of objectives that will enable your firm to restore its reputation. This may include enhancing employee morale, rebuilding market share and so on.
- Focus your communications on core audiences.
- Use advertising and PR to enhance your firm's image. Measure your results.

“Most crises develop with great alacrity and news of the crisis travels...with the same speed.”

A positive image is a vital component of any corporate strategy. It is your most valuable resource during any crisis, so your firm must invest in reputation management long before a crisis occurs. Of course, a positive image also provides a distinct competitive advantage. To attain a positive image, your company must project credibility, expertise, responsibility and exemplary values. It must factor “social considerations” into all of its activities. Business author Charles Fombrun says companies with positive public images “not only do things right,” but also “do the right things.” Your company needs to be strategic and visionary about how others will perceive it. Develop a formal “strategic roadmap” to attain your important public image goals.

The Internet's Impact on Crisis Communication

The Internet is an awesome communication medium. It can turn a local corporate crisis into an event of worldwide significance in just a few hours, as news flies at lightning speed. Turn it to your advantage during a crisis. Use your company's Web site, along with webinars and podcasts, to publicize your story the way you want it told. Set up a crisis communications site, and make it the most reliable source of information for the media and the public. Proactively develop a “collegial relationship” with bloggers and include them during a crisis. Trying to plug your firm to bloggers or to communicate with them in corporate-speak will fail. Avoid defensive or legalistic responses to Internet questions and comments. Be ready to provide as much quick, content-rich information over the Web as possible. Offer “dynamic resource links” and “click-to-phone links” to your senior communication executives. Traditional media is rigidly linear: It broadcasts a message that people passively receive. In contrast, the Internet is omnidirectional. It represents “listening and sharing, not just talking,” and that is how your firm must operate on the Web in crisis mode.

The Issue of Fraud

In any crisis, fast action is crucial. This is never more valid than in a situation involving corporate fraud. When fraud occurs and news of the scandal is released, your company must immediately promote its position as if it were involved in a “public referendum” regarding its ethics and probity. It is. Time is of the essence. Your company's reputation for integrity is an incredibly valuable asset. Fraud can ruin a stellar corporate reputation in days. Work quickly to demonstrate that the fraud claim has no substance. If it does, publicize that the company will address it as transparently as possible. Never deny a fraud that clearly occurred. And do not delay your press release regarding it. To the public, delay and denial add insult to injury. Gather information quickly and use respected third parties to validate the facts you issue.

Communicating in a Financial Crisis

How your company communicates during a financial crisis can make all the difference. Your initial messages are the most important. Your spokespeople must be fully responsive, and never evasive or overly optimistic. Credibility is vital. Integrate all your internal communication functions long before a financial crisis occurs. Otherwise, the media will exploit any differences. Set up an advance plan to coordinate all financial and corporate communications, including all national and regional offices. Avoid taking an overly defensive approach to a financial crisis by handing the problem over to your lawyers. This response will make the media and critics suspicious of your actions, and they will attack and exploit. Make sure your executives are ready to communicate “eyeball-to-eyeball” with investors who need to know that someone is in charge. A Webcast is a good way to get your message out fast.

“Building an image doesn't just happen. It requires a disciplined approach similar to building a great skyscraper or an award-winning new community.”

The media relishes reporting on mergers, acquisitions, divestitures, reorganizations and corporate restructuring; areas where your employees, customers and shareholders logically have a keen interest. Communicate frankly with these stakeholders about any corporate reorganization and restructuring, and be ready to communicate credibly with the public. Fully explain your company's goals and plans. Stress “business continuity” and explain all the steps your firm is taking to ensure

minimal disruption regarding employees. Always publicly demonstrate your concern for your employees and customers.

Prepare Senior Managers to Communicate in a Crisis

The best crisis communication plan and personnel won't help your company if some senior executive mouths off the wrong way during a crisis. Of course, senior managers must be as expert in dealing with a crisis as they are in communicating about it. Train your top people how to respond to media inquiries during a calamity. Usually, this involves fully preparing one senior executive to act as primary spokesperson, and perhaps others as subordinates, aided by the communication managers who routinely handle press activities. Have them practice in front of the camera, since it never lies. Hire journalists to ask practice-session questions, but don't use local reporters or anyone who would be professionally involved in covering your company's crises.

“Organizations with a good reputation, impeccable history of positive contributions to the community and leaders who walk the talk in all that they do are given the benefit of the doubt in negative situations.”

During crisis press briefings, heed these words of advice: Use note cards, not pages of information. Memorize your primary messages. Never guess at the podium. Deal only in facts. Be completely truthful. Don't use jargon. Round off numbers to make them memorable. A press briefing is not a social affair, so introduce yourself briefly and then get down to business. Speak in short sentences. Be conscious of sound bites. Keep your emotions to the minimum, except when you speak about the people a crisis affects. Never get angry with reporters, even if it is justified. Speak slowly. Reporters need time to process – and write down – what you say. End the press briefing when you want, not when the media requests.

Cool Down Corporate Scandals Without Delay

Crisis communication is a fully examined, researched specialty with a menu of best practices. However, many companies continue to manage crises in a ham-handed fashion. Too often, senior managers let minor problems bloom into major catastrophes while they delay. Educate your top managers about the inherent risks of letting a PR problem fester and get out of hand. Trying to conceal problems or consigning them to lawyers just lets small issues become major catastrophes.

“‘No comment’ just won't cut it any more.”

Special concerns arise when you are dealing with courtroom trials, food-related health concerns and environmental issues. Consider these tips:

- **Facing judgment** – When a crisis occurs, a corporation often faces legal challenges as well as PR challenges. Having your company lose in court or get socked with an expensive settlement creates a new host of communication issues. When both legal and PR considerations are in play, coordinate your communications regarding the courtroom and the court of public opinion. Expect coverage of the trial or settlement to be as extensive as the coverage concerning the original crisis. Make sure your senior managers and attorneys fully understand that the potential loss extends far beyond the court. An expensive trial judgment or settlement is bad enough, but a loss of reputation can be even more devastating. Regardless of legal liability, a company should always take the moral high ground. This is the correct thing to do and, in the long run, it is the least expensive path. Plan all of your actions and communication activities accordingly.
- **Edible disasters** – To survive in the intensely competitive food industry, some companies have cut back on safety procedures and controls. This can be dangerous and, sometimes, even fatal for customers. As interest groups become more aggressive about food safety and health issues, food companies have little or no margin for error. They need full crisis management and communication plans in place for all of the risks they face. Failure to prepare comprehensively can have dire consequences. Food companies should institute proactive PR to engender trust in their brands and their products.
- **Ecological crises** – In a corporate environmental crisis, “if there's bad news, make sure it comes from you.” Trying to contain or to bury the information will almost certainly provoke a PR disaster. Instead, release everything you know about the environmental event as soon as you know it. That will give you better control of the information and how the public learns about it. Be as transparent as you can. Demonstrate responsibility. Let people know your company is just as concerned as everyone else, indeed, more so. Watch out for little things. Even a minor misstep in how you communicate about environmental issues can deeply color the coverage. If an apology is in order, make it as quickly as possible. Let the public know that your company is on their side. Handling things any other way will blow up in your face.

Create “Crisis Communication Checklists”

The middle of a corporate crisis is no time to create action plans and the vital checklists you need to cover all your communication bases. Plan in advance. Include all possible factors, for example: What crises could your company confront? Who do you need to contact? Who should be on the crisis communication team? Who will be the primary spokesperson? What advance training will he or she need? Where will the company put its crisis center? What equipment needs to be there? Who are the media people you must contact? What information must you provide? Hundreds of similar questions abound. Answer them in advance, not while your firm deals with disaster. You'll already be putting out a fire; try not to start another one.

About the Author

Peter F. Anthonissen has advised many *Fortune* 100 companies on crisis communications. Nineteen other international crisis communication experts contributed articles to this book.
