

TELLING THE WORLD: Communications for companies in Crisis



In the spotlight: a thorough communications plan can help get out a key message in the panic of a crisis.

The last thing most companies want to do is to tell the outside world about their troubles. But a communications plan is one of the most valuable assets a company can have when a crisis hits. Jonathan Bernstein writes.

All companies are routinely faced with minimising the impact of crisis scenarios on their ongoing marketing programs. However, not all companies are aware of the difference between marketing in routine versus crisis situations. Marketing's routine function is to build the value of the business. Marketing's crisis communications function is to preserve the value of the business.

What are your chances of having to deal with such a situation? The truth is, there's no such thing as a business in which crises don't occur. Even if any of your external or internal audiences think or might think there's a problem, then your communications program needs to address their concerns, because perception is as damaging as reality.

This leaves you with two choices: either you can prepare for crises, or you can react when they happen. The longer it takes to react effectively, the greater the potential for damage. This is increasingly true in our world of instant communication, a world where bad news is the favorite menu item of sensation-hungry media audiences. In fact, doing nothing – or going into a state of paralysis – is the most dangerous thing you can do. Marketing and public relations becomes even more important during a crisis.

Very few crises are total surprises. Usually, key executives are privy to information which suggests the possibility or probability of a crisis. Should this occur, contingency planning should start immediately. The are 10 steps in effective crisis communications.

1. IDENTIFY YOUR CRISIS COMMUNICATIONS TEAM

A small team of senior executives should serve as your company's crisis communications team. Ideally, the company CEO will lead the team, with the firm's top public relations executive and legal counsel as chief advisers. If your in-house PR executive does not have sufficient crisis communications expertise, an agency or independent consultant with that specialty should be retained. Other team members should be the heads of major company divisions, to include finance, personnel and operations.

Let me say a word about legal counsel. Often, during a crisis, a natural conflict arises between the recommendations of the company's legal counsel on the one hand, and those of the public relations counsel on the other. While it may be legally prudent not to say anything, this kind of reaction can land the company in public relations "hot water", which may be potentially as damaging, or even more damaging, than any financial or legal ramifications. Fortunately, more and more legal advisors are becoming aware of this fact and are

"It can't happen to me"

When the CEO or CFO of a healthy firm, which is not in crisis, looks at the cost of preparing a crisis communications plan, there is a tendency to think "it can't happen to me" or "if it did happen, we could handle it relatively easily".

But the delay-related damage caused by lack of planning can easily double or triple the time and cost of damage control. Delay can also result in irreparable harm to the company. At the same time, it takes only a one-time plan, with minor updating, to serve as a template and operating basis for all future crises.

If companies undertake even basic planning, they'll be among the rare exceptions to the head-in-the-sand attitude that most companies have towards crisis communications. A corporation named Exxon comes to mind...but maybe they thought Valdez couldn't happen to them.

working in close cooperation with public relations personnel. The importance of this understanding cannot be underestimated.

2. IDENTIFY SPOKESPERSONS

Within each team, there should be individuals who are the only ones authorised to speak for the company in times of crisis. The CEO should be one, but not necessarily the primary spokesperson. The fact is that some chief executives are brilliant business people but not very effective communicators in person.

This doesn't matter for written communications and may not matter for some audiences (see discussion of audiences below). Often, however, image communicates as strongly as facts, as politicians know very well. Hence, communications skills should be one of the primary criteria when choosing a spokesperson.

3. SPOKESPERSON TRAINING

Two typical quotes from well-intentioned company executives show how important it is that your spokespersons receive professional training in how to speak to the media:

- "I talked to that nice reporter for over an hour and he didn't report the most important news about my company"; and

- "I've done a lot of public speaking. I won't have any trouble talking to the press."

Regarding the first example, there are a good number of *60 Minutes* victims who thought they knew how to talk to the press. In the second case, most executives being interviewed have not learned how to make sure they get across "the most important news" to the interviewer.

Also, analysts, institutional investors, individual stockholders and other key investment community audiences are just as capable of misunderstanding or misinterpreting information about your firm as the media, and it's the spokesperson's responsibility to minimise the chance of that happening.

A trained spokesperson is prepared, and ready to respond in a way that maximises the chance of a story or analyst's evaluation coming out the way they want it to.

4. ESTABLISH COMMUNICATIONS PROTOCOLS

The initial crisis-related news may be received at any level of a company. A janitor may be the first to know there is a problem, or someone in personnel, or notification could be in the form of a midnight phone call from an out-of-town

executive. Who should be notified, and how can they be reached?

An emergency communications "tree" should be established and distributed to all company employees, telling them precisely what to do and who to call if there appears to be a potential or actual crisis. At least one member of the crisis communications team, plus an alternate member, should have their office and home phone numbers included on the emergency contact list.

5. IDENTIFY AND KNOW YOUR AUDIENCES

Who are the audiences that matter to your firm? Most firms care about the media, customers and prospects. Private investors may be involved. Publicly held companies have to comply with stock exchange information requirements. You may answer to local, state or federal regulatory agencies.

For each audience, you need to have, in advance, complete mailing, fax and phone number lists to facilitate rapid communication in times of crisis. And you need to know what type of information each audience is seeking.

6. ANTICIPATE CRISES

As part of being proactive and preparing for crises, gather your crisis communications team for long brainstorming sessions on all the potential crises which could occur at your organisation.

You may realise that some of the situations are preventable by simply modifying existing methods of operation, and you can begin to think about possible responses, about best case/worst case scenarios and the like. Better now than when you're under pressure in an actual crisis.

7. ASSESS THE CRISIS SITUATION

Reacting without adequate information is the classic "shoot first and ask questions afterwards" situation in

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which you could end up being the primary victim. But if you've carried out the first six steps, it's a simple matter of the crisis communications team receiving the information, ensuring the right type of information is being provided, and determining the best way to react.

If you haven't prepared in advance, your reaction will be delayed by the time it takes your in-house staff or quickly-hired consultants to run through steps 1 to 6. Furthermore, a hastily created crisis communications strategy and team are never as efficient as those planned and rehearsed in advance.

8. IDENTIFY KEY MESSAGES

You already know what type of information, categorically, your audiences are looking for. Now, what do you want them to know about this crisis situation? Keep it simple. Have no more than three main messages for all audiences and, perhaps, a few messages targeted at specialty audiences. In a hypothetical "death under suspicious circumstances" scenario, a key message might include:

- We deeply regret this tragic loss of life, and we are cooperating fully with the police department and coroner's office to confirm the cause of death;
- This organisation has a superb safety record and meets all regulatory requirements for health and safety; and
- We will provide the media with updated information as soon as it is available.

9. DECIDE ON COMMUNICATIONS METHODS

There are many different ways to communicate about a crisis situation, internally or externally. Employees, clients, prospects and investors can be briefed in person, or sent letters, newsletters or faxed messages.

The media can receive press releases and explanatory letters, or attend one-on-one briefings and press conferences. Each of these options and the many others available have a different type of impact and must be evaluated

by a professional who thoroughly understands the pros and cons of these various methodologies as applied to each company's needs.

10. RIDING OUT THE STORM

No matter what the nature of a crisis, whether it's good news or bad, no matter how carefully you've prepared and responded, some of your audiences are not going to react the way you want them to. This can be frustrating. What do you do?

Take a deep breath. Take an objective look at the reaction(s) in question. Is it your fault, or their unique interpretation? Decide if further communication with that audience is likely to change that impression for the better or the worse and if it is worth the effort.

Jonathan Bernstein is head of Bernstein Communications Inc, a US public relations agency specialising in crisis prevention, response and issues management (www.bernsteincom.com). ■

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