



PRNews

Crisis Management Guidebook

 volume 3

Why Preparation Is Key to Crisis Communications

By Tracy Olmstead Williams

The single most important thing you can do to prepare for a crisis is develop a solid reputation, as a good employer and corporate citizen.

Every new day seems to bring yet another lesson in how to conduct crisis communications. Companies that previously seemed to be weathering the financial storm are now buffeted by new winds. The delayed response from the management of Domino's Pizza after two employees posted prank videos online showing them mocking food safety while making pizza in the spring of 2009 showed that a company can be essentially blameless but still mishandle the timing and execution of their response. Domino's was predictably outflanked by social media. The company responded to consumers who had seen the video in an effort to cap their exposure. But then the pranks moved to Twitter and awareness of the incident grew exponentially. Only belatedly did the company respond with its own ineffective counterstrike YouTube video and set up a corrective Twitter account.

Crisis communications today requires new speed, skill and sophistication, but the basic rules are unchanged: 1) Own it, take responsibility for the situation; 2) Tell how you're going to solve the problem and make it right; 3) Implement the solution impeccably and openly; and 4) Keep the public informed as you go.

Today, your defensive perimeter must already be in place. Secure domain names online before squatters do: Build your online communities in advance, so they're ready when you need them. Study and understand the benefits and also the limitations of any technology you decide to use in your communications efforts. There's no substitute for personal hands-on experience to provide insight into the benefits and perils of Twitter, Facebook, YouTube and e-mail campaigns. And in a world of news satire, you cannot afford a tin ear. A joke at your expense is often very expensive—especially if you don't "get it" immediately.

IDENTIFY YOUR AUDIENCES AND UNDERSTAND YOUR COMPANY

It's easy to focus too much on the media as you

work to manage a crisis. Whether it's a Chapter 11 reorganization that will ultimately make the company stronger, a much-needed merger that will create synergies that lead to better products or the closing of a sales office in a saturated market, there are a number of audiences that take precedence over the media. Direct communications with employees, investors and key customers is often critical to making them feel respected and valued. The media, which support your outreach and validate your story, sometimes must be considered follow-up.

The single most important thing you can do to prepare for a crisis is develop a solid reputation, as a good employer and corporate citizen. People will come to appreciate you for practices that shouldn't be unique but often are in the business world. This requires an ongoing communications effort to spotlight best practices and position for future defense.

The most important carriers of this message are the people you directly touch each day—employees, customers and investors. Develop strong, easy to understand and jargon-free messages that resonate with everyone. Being a friend to the media by providing comment on your industry establishes expertise and trust. Be proactive. Work with your public relations counsel to cooperate with all the outlets when times are good and no crisis clouds the air. Prepare to move quickly. The window of opportunity can often close in as little as 30 minutes when an interview opportunity presents itself. Don't let people assume they know what your company is all about. Tell them again and again. It's an effort that will pay dividends when the challenge of crisis looms.

BUILD YOUR 'MURDER BOARD'

When bankruptcy, layoffs, an office closing or a controversial merger present itself, you have advance notice and should develop a plan specifically designed to manage it. If your company is not large enough to have a full-time crisis communications team, designate a leader and the specific members of the group well before the planned announcement. Enlist people with related skill sets. Writ-

ers, trainers and HR executives all bring important perspectives and critical thought. Identify the best players and get them working together. This team will implement the plan and serve on the “murder board,” composed of your CEO, board members, legal counsel, accountant and marketing departments. This team will flesh out the toughest questions and the worst-case scenarios. They will lend critical thought to the company’s responses and help make them bulletproof.

Unless you are reacting to a crisis that is already public knowledge, timing can be managed in most newsworthy situations, and so can the message. A bankruptcy need not sound as bad as the AIG bonuses, if you take the time to educate the public that bankruptcy often doesn’t mean liquidation. After all, it can mean the rebirth of a worthwhile company that fell victim to unforeseen regulatory changes and evolving economic conditions out of the company’s control. You know that. You must not be the only one who does.

In the first three months of 2009, more than 20,000 businesses filed for bankruptcy in the United States. According to federal bankruptcy court statistics compiled by Automated Access to Court Electronic Records, businesses nationwide filed an average of 206 bankruptcy petitions daily when the recession began in December 2007. As of March 2009, that average increased to 357 a day. Some brands may be lost forever, but others will morph because few will blame the brand for the bad economy.

In the meantime, vendors need to be reassured, preferably in advance of hearing bad news in the newspaper or on the evening news, that they are still going to get paid. Otherwise, they’ll stop doing business with you. Customers need to be reassured that they’re not going to lose service. Sales teams need ammunition to combat all of the things your competition is going to say as they try to benefit from your perceived misfortune.

Once your messages are crisp and “bullet proof,” be prepared to engage across the spectrum of communications platforms—from Twitter, which has essentially become a 140-word wire service, to more traditional forms of print, broadcast and electronic communications.

LEVERAGE ALL COMMUNICATIONS OPTIONS

Well-structured and vetted letters customized for each target audience should be timed to coincide with any public announcement. Many of the messages will be similar, but it’s important to tailor your text for each audience. Make it easy for people to find updates by leveraging your corporate Web site, blogs, social networking sites and text messages. Just make sure you involve experts in each area of communications technology you tackle. If you’ve never posted a video online, don’t pick a crisis situation to cut your teeth on the medium.

Be open with your crisis communications team but maintain confidentiality. Successful crisis communications depends largely on the managed flow of information, but people, regardless of which audience they represent in your plan, respond best to the truth. It’s good to provide assurances but only if you are sure of them. It’s important to explain how you expect the situation to unfold in as much detail as is appropriate, and then back up your words with actions and continued communication.

Johnson & Johnson and CEO James Burke became the best example of how to handle a crisis when tainted Tylenol capsules were discovered in Chicago in 1982. Burke immediately took responsibility and aggressive action. Although the market share of Tylenol initially collapsed, it rebounded in less than a year on the strength of new triple-sealed packages, heavy price promotions and open, honest communications. Tylenol became the industry-leading, over-the-counter pain reliever just a few years later.

Good crisis communications protects jobs, retains customers and helps keep the business world functioning with accurate, organized responses that cater to every interested party. There can be enormous consequences to companies whose customers, investors and employees feel betrayed or worse. There won’t always be time to prepare in advance, so commit the necessary resources to develop a crisis communications team now, even if all of the members have other full-time assignments.

Get started by engaging today, so your business is credible when it counts the most – in a crisis. **PRN**

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