

Crisis Communications: Fundamentals of Planning, Response and Recovery

**PRSA Southwest District
Conference
March 2006**

Agenda

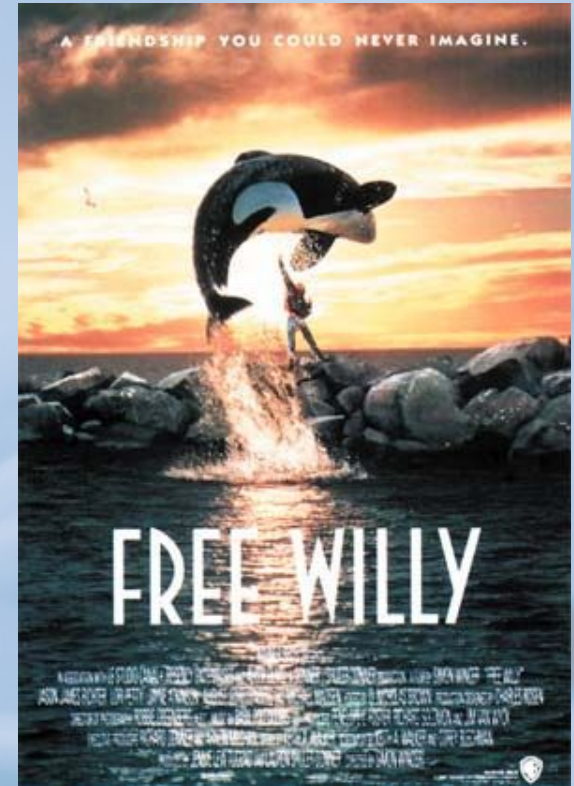
- Crisis fundamentals
- Crisis planning
- Crisis response
- Crisis recovery

Fundamentals of Crisis Communications

- Have a plan, but don't expect too much from it
- You're going to be expected to do extraordinary things
- Media coverage is going to be worse and last longer than you ever expected
- There are always opportunities to turn the corner

Quick Case Study: Keiko the Killer Whale

- Star of “Free Willy”
- Rescued from Mexico City in dramatic airlift
- Millions raised from children, private donors
- Became biggest tourist attraction in the Pacific Northwest



Keiko Case Study

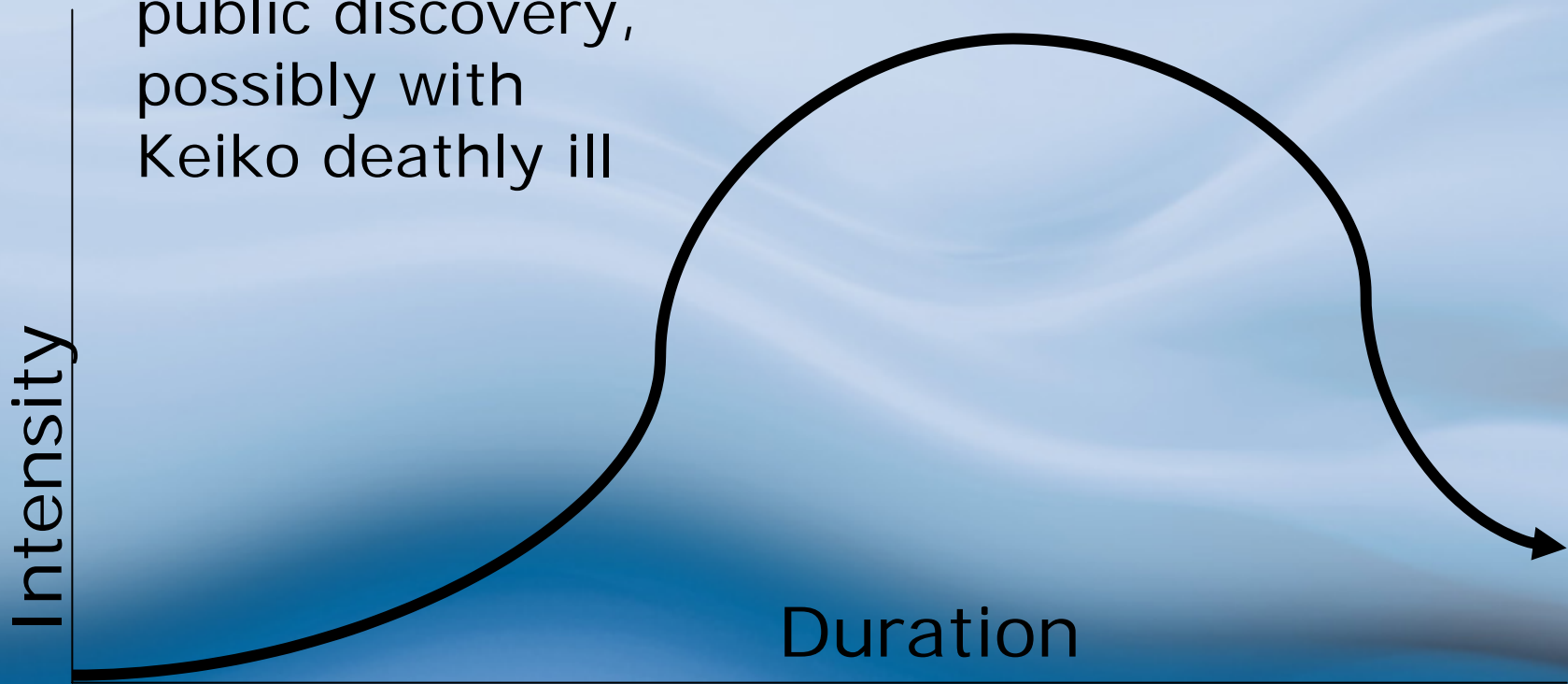
- Foundation that owned whale seized control of care
 - Controversial methods prompted questions about health and well being
- Oregon Coast Aquarium's staff raised concerns to leadership and rumors spread

Keiko Case Study

- Situation:
 - Hostile takeover of aquarium asset
 - Inability to assess health of whale
 - Internal discord and questions about leadership
 - Research found Aquarium had become Keikofied
- What are the options?

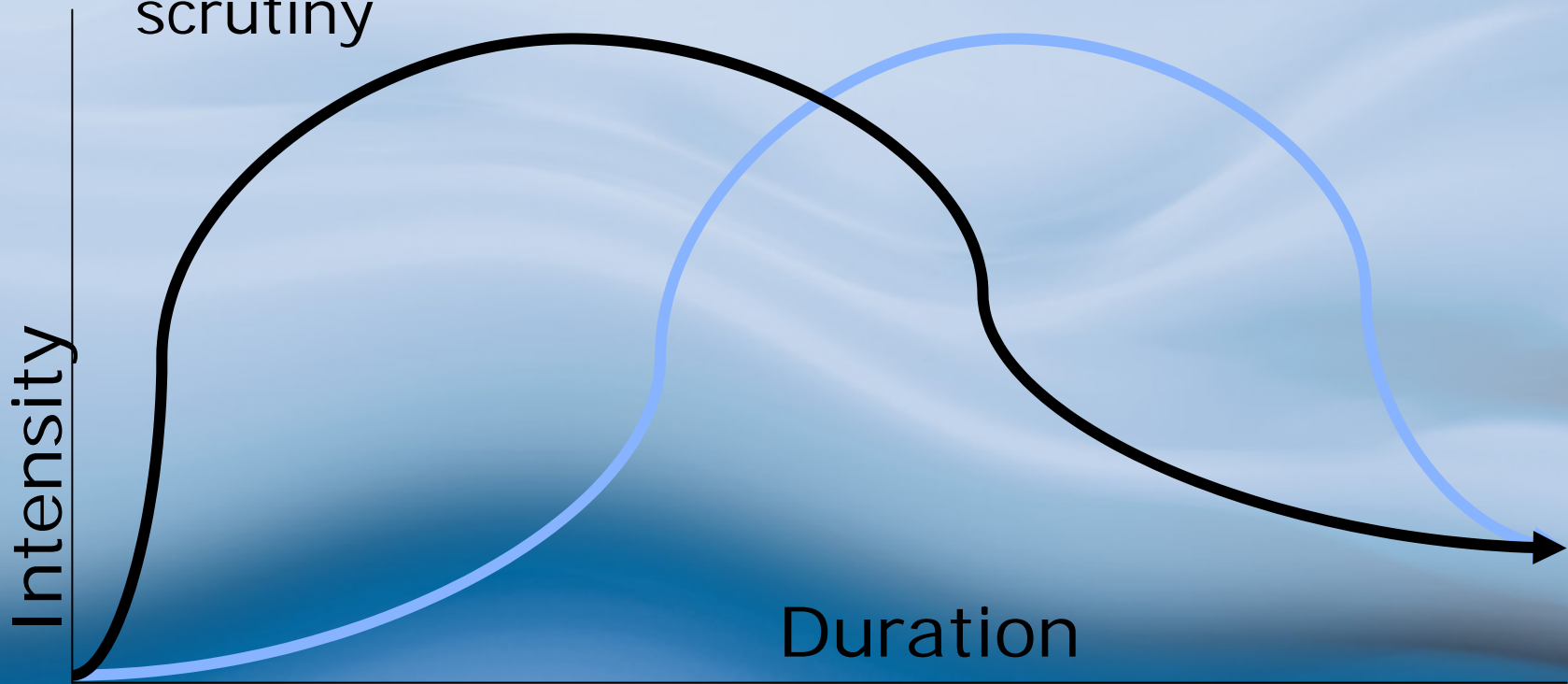
Keiko Case Study

The path they were on would continue to delay action until eventually there would be a very public discovery, possibly with Keiko deathly ill



Keiko Case Study

An alternative would be to speed up the inevitable by taking swift action and invite scrutiny



Keiko Case Study

- We took action
 - Called for independent evaluation of whale's health
 - Worked hard to build internal consensus to encourage one voice
 - Actively sought third party endorsement

Keiko Case Study

- Simultaneously, we crafted an exit strategy
 - Keiko was a destructive force for the aquarium brand
 - He was a temporary exhibit, not under aquarium control
 - It was crucial to spread the vision of a post-Keiko future

Keiko Case Study: Evaluation

- Maintained a high approval rating (74%) through Keiko's departure
- Succeeded in protecting Keiko and won back control of his care
- Established leadership as among the best, earning an exceptional bond rating for a \$14 million expansion

Fundamentals: Definition of “Crisis”

A crisis is an unexpected and uncontrolled event or series of events that disrupt normal operations for a prolonged period and cause unwanted public scrutiny

Developing a Crisis Plan that Works

- Keep it simple
- Focus on functional aspects of response
- Build out crisis infrastructure
- Examine and mitigate vulnerabilities

Planning: Keep the Plan Simple

- The process of planning involves an objective inward-assessment
 - Examine operations and processes
 - Evaluate and catalogue assets
- Good plans can be hundreds of pages
- Better plans are just a few pages

Planning: Functional Aspects of Response

- Who is on the Crisis Response Team and who are their alternates?
- At what point do you activate the Crisis Response Team?
- How can they be reached 24x7?
- Who is on-site spokesperson for each facility?
- Who is corporate spokesperson?

Planning: Crisis Infrastructure

- Crisis communications library
 - Fact sheets, bios, aerial photos, database of contacts
- Communications infrastructure
 - Offsite crisis response facility
 - Satellite phones, VoIP capabilities
- Consider having a “dark” crisis response Web site ready
 - www.yourcompanyanswers.com

Planning: Vulnerability Assessment: Breakout

- Over the next five minutes, break into groups of four to brainstorm the conceivable crises that could hit your respective organizations
 - Not in your control
 - Disrupt normal operations for a prolonged period
 - Cause unwanted public scrutiny

Planning: Vulnerability Checklist

- Fatality: an employee or customer dies as a result of your organization's processes or products
- Succession: the organization's leadership is in question due to the death or failing health of a chief executive
- Security: a breach of the organization's security that puts employees or the community at risk

Planning: Vulnerability Checklist

- Activism: the organization is the subject of organized criticism or protest
- Health and safety issues: the brand is associated with harmful outcomes
- Employee discord: current or former employees publicly attack the company's leadership or processes
- Workplace violence: an employee is harmed or threatened on the job

Planning: Vulnerability Checklist

- Forces of nature: such as fires, floods, hurricanes, tornados and earthquakes that threaten operations
- Litigation: the company or executive is the subject of significant legal action
- Hostile takeover: effort to seize control of the organization
- Regulatory: the organization's practices lead to an investigation or penalty

Planning: Vulnerability Checklist

- Quality issues: doubts are cast on the suitability or value of the product or service
- Legislation: If actions of lawmakers put the organization's survival at risk
- Racial issues: the product or services takes on a racial connotation
- Environmental issues: segments of the public have concerns about the organization's environmental impact

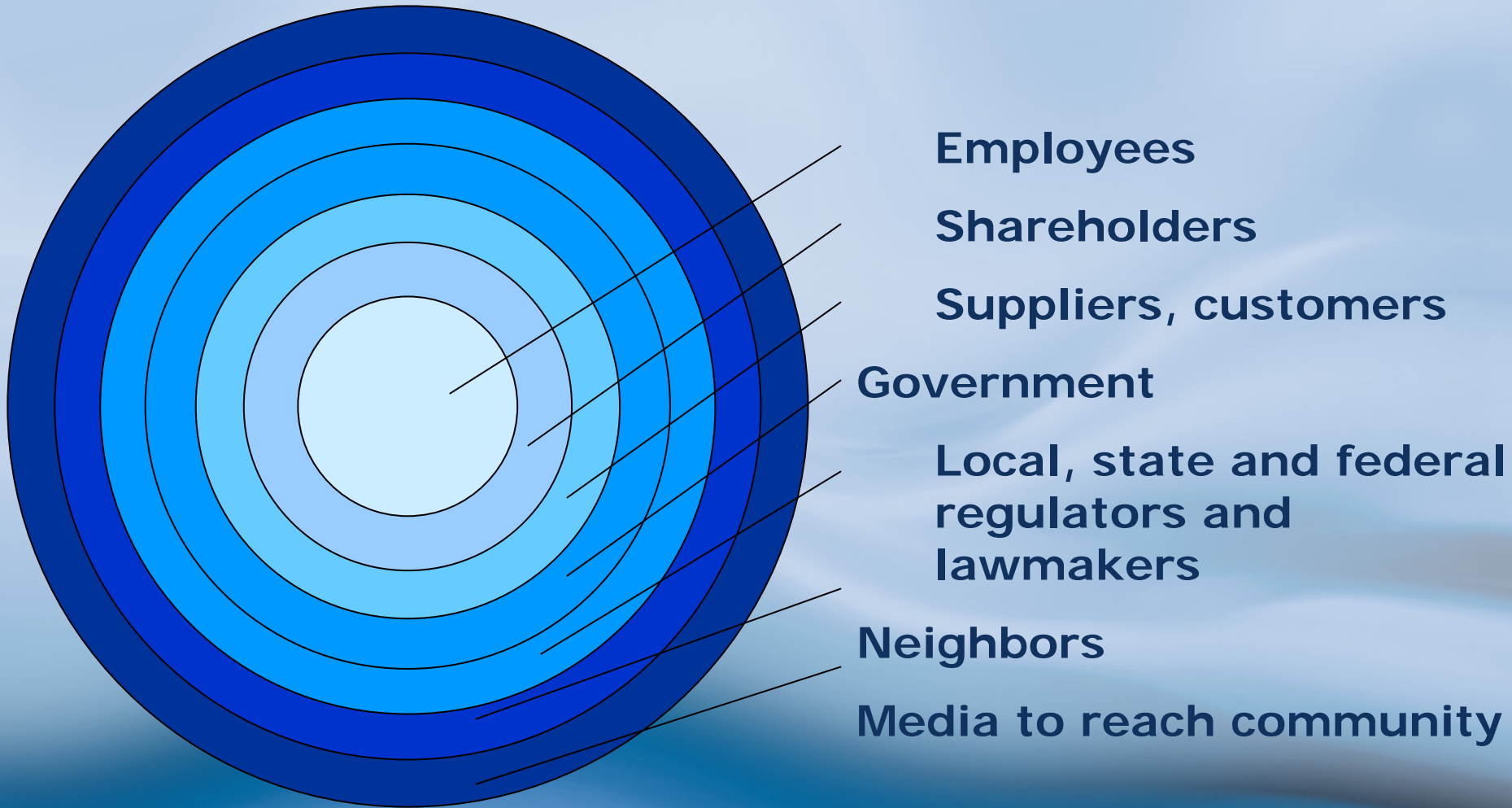
Planning: Vulnerability Checklist

- Animal rights issues: concerns about the company's impact on animal life
- Human rights issues: concerns about the company's treatment of people
- Implication by association: a company or its products are in league those who have a poor image
- Criminal acts: someone associated with the brand appears to have committed a criminal act

Prioritizing Target Audiences

- Insiders
 - Employees, shareholders, suppliers, customers
- Government
 - Local, state and federal regulators and lawmakers
- Neighbors
- Media to reach community

Prioritize from the inside out



Guiding Principles of Crisis Response

- Quickly assess situation and lay out options
- Your first concern should be the health and safety of anyone involved
- Express concern and sympathy
- If the case, emphasize that there will be a complete investigation and your organization will fully cooperate

Guiding Principles of Crisis Response

- Stick to the facts
 - Focus on the 5 Ws
- Never guess or speculate about information you don't know
- Don't drink the Kool-Aid in the cult of personality
- Making a statement quickly can help define the story
 - You can't wait for comprehensive information

Crisis Response Realities

- In a crisis, confusion and inaccurate information dominate
- The media deals in black and white and simplicity, but a crisis is shades of gray and complexity
- Media will assess blame
- Media often gets information you don't have

Specifics of Crisis Response

- Scheduling and adequate staffing can't be overlooked
 - 24x7 means 158 hours per week
- Be ready for a crush of calls from media, customers and others
 - Your infrastructure may not handle the volume, contributing to confusion and perceptions of poor response

Think Actions Over Words

- Executives will want to defend themselves and company
- Open letter advertisements are standard, but lack credibility
- Best examples of open letters express thanks to those who helped bring situation under control

Think Actions Over Words

- Look for opportunities to for top leadership to exhibit concern and control
- Resist blatant photo ops
- Document your organization's efforts, but resist the temptation to self-promote too soon

In the Media Spotlight: The Critical 10 Minutes

- Today, everyone with a nice phone can be a “journalist”
- Video and photos can be posted on the Web within minutes
- Speculation takes on a life of its own, so stating facts can quell rumors

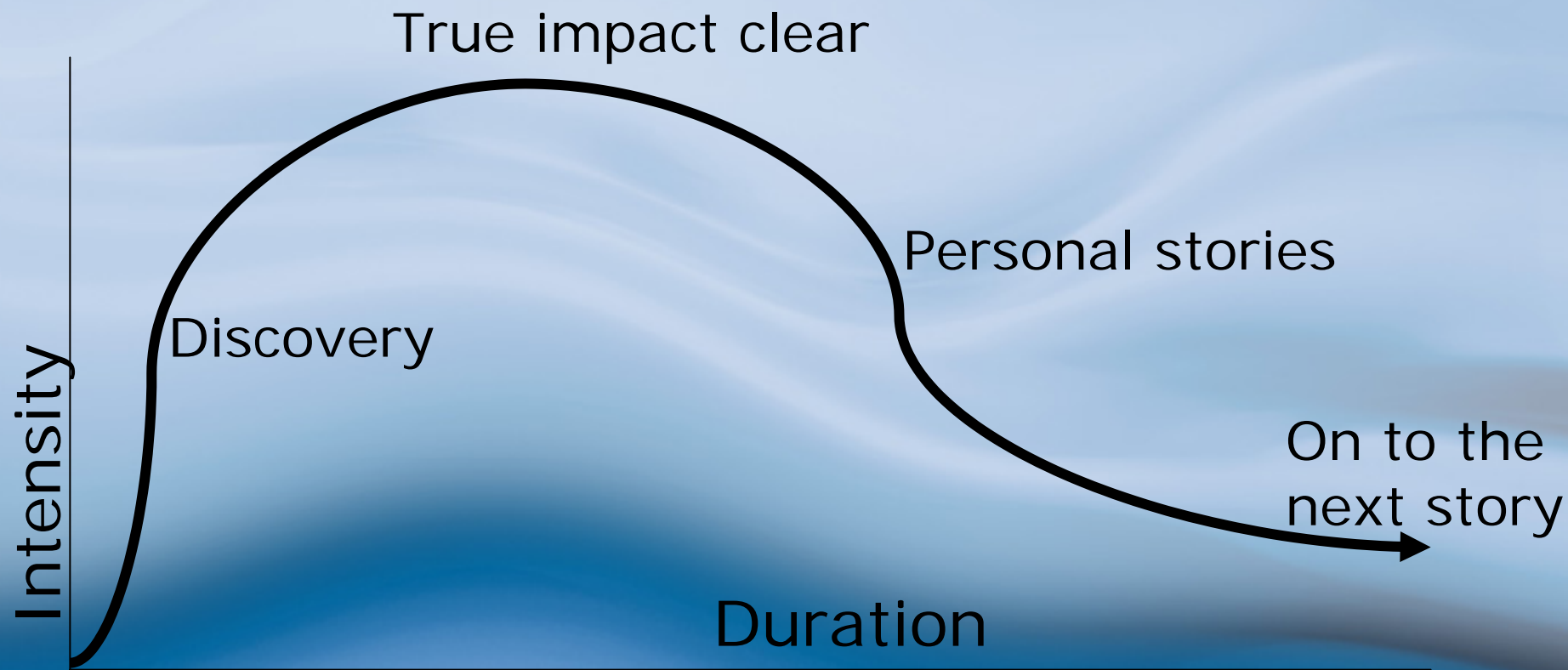
Crisis Scenario: Address the Media Moments After Crisis

- What happened?
- Where did it happen?
- Do we know what caused it?
- Who was involved, effected?
- When did it happen?
- When did we find out about it?

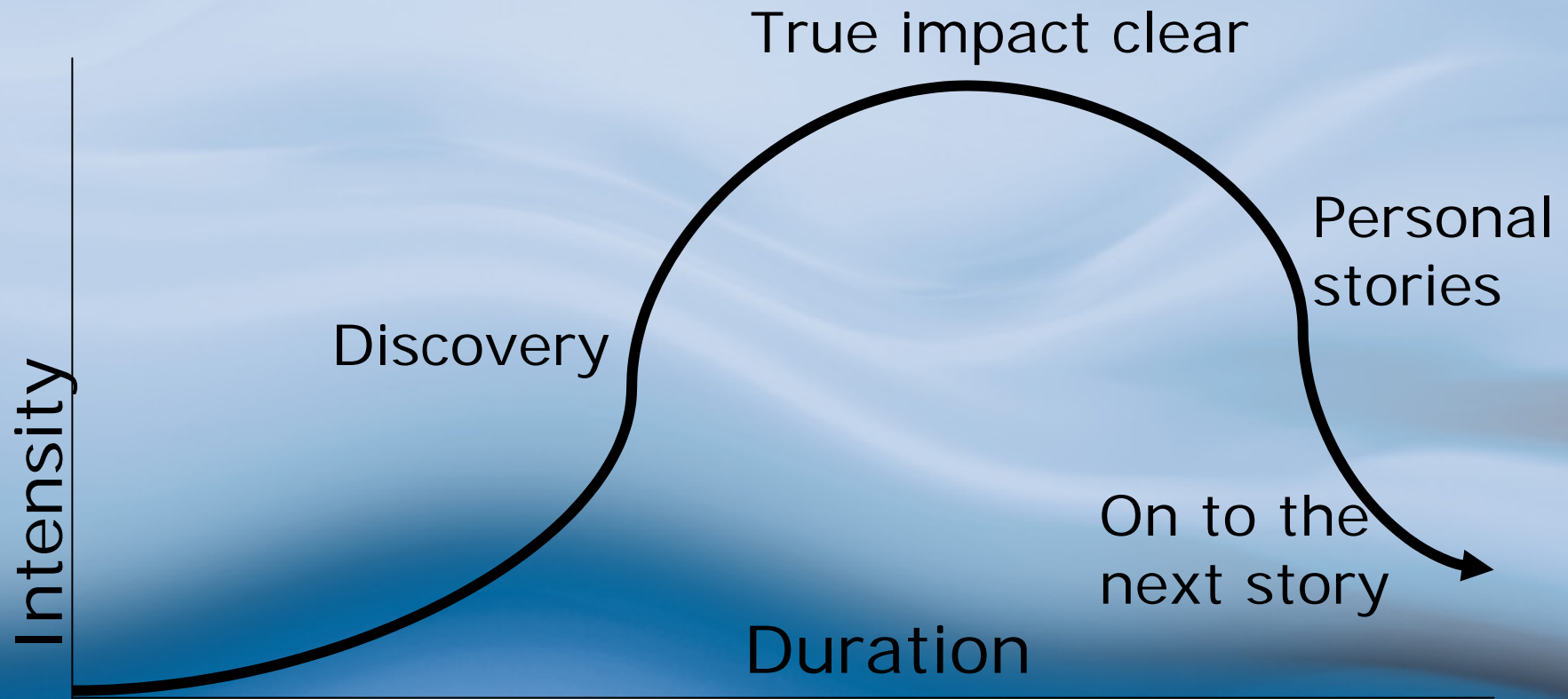
Evaluation Criteria

- Confident, at ease?
- Express concern?
- What was the message?
- Focused on interests of audience?
- Avoid jargon?
- Assert “control” over the situation?

Crisis Recovery: The Crisis Lifecycle



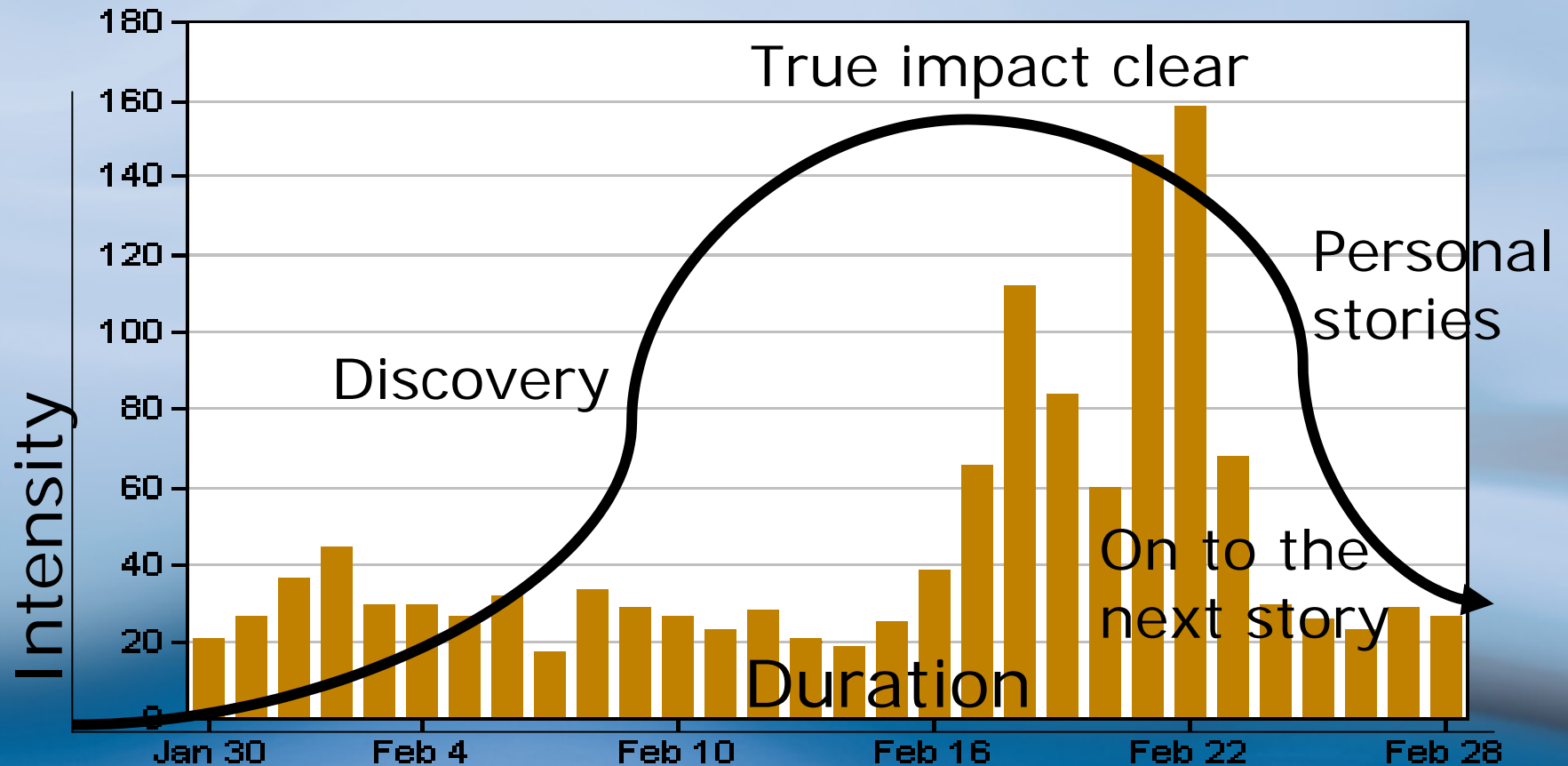
Crisis Recovery: The Crisis Lifecycle



Does that look familiar?

Source: www.Technorati.com

Posts by day about "(radioshack)" in the last 30 days



Examples of Organizations that Recovered Quickly

- Southwest Airlines – Plane skids off runway
- City of New York – Terrorist attacks
- NASA – Columbia disaster
- Johnson & Johnson – Tylenol tampering
- Pepsi – Syringe hoax

What They Had In Common

- Visible senior leadership
- Immediate expressions of concern and sympathy
- Rapid unequivocal action in the public's interest

Organizations that Failed to Recover Quickly

- Merck – Product recall
- Exxon – Environmental disaster
- Tobacco industry - Lawsuit
- Firestone – Faulty product

What They Had In Common

- Leadership was late to show
- Slow to express concern or sympathy
- Slow to take definitive action
- Lied and/or stonewalled

Summary

- The greatest value of a crisis plan is the process of planning
- Once you have a plan, practice it and update it at least annually
- If a crisis occurs, tell your own bad news
- Look for the opportunities

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