



CRISIS

COMMUNICATIONS:



HOW TO RECOVER FROM A BLACK EYE

A company's reputation—how it is perceived through the eyes of its customers, suppliers, employees and investors—is as good as money in the bank. It can take years of dedicated service and countless dollars spent on marketing and outreach to establish a favorable standing among its public, yet all that careful image crafting can be destroyed by one poorly handled media crisis. BY PAULA L. WEIS

For BGAs and life insurers whose primary product for sale is trust, long term viability is based almost entirely on safeguarding the perception among consumers that their trust is well-placed.



In public relations terms, a crisis is any event that draws intense, negative media coverage and interferes with normal business activity. Crises can cost organizations millions of dollars to repair or can potentially put them out of business for good.

For BGAs and life insurers whose primary product for sale is trust, long term viability is based almost entirely on safeguarding the perception among consumers that their trust is well-placed. A solid, thorough crisis communications plan can help agencies not only ensure this trust remains unshaken, but can also inoculate them against potential crises in the future.

Three Keys to Managing a Crisis

Crisis communications refers to the flow of information during a catastrophe among an organization, its employees, the media, the government, law enforcement and the general public. A crisis communication plan is a type of insurance policy for the long-term health of an organization. Failure to address and contain a crisis can have lasting consequences for an organization.

Communications expert Dan Keeney identifies three fundamental elements of managing a crisis.

“Planning and recovery are the bookends of a good plan, and in

the middle of that is response,” said Keeney, president of DPK Public Relations, a Dallas-based communications firm specializing in crisis communications planning, response and recovery. “Companies should be consciously working to emerge from a crisis a better organization than they were when they went in.”

If you don’t emerge from a critical situation a better company, according to Keeney, you’ve really missed a significant opportunity in the organization’s life.

Phase One: Planning

First and foremost, companies must clearly define their unique meaning of the term “crisis.”

“There are issues and there are crises,” said Keeney, who has led numerous high-profile communications initiatives in his 24-year career. “A lot of times organizations think they are in a crisis when in fact they’re just having a bad day, and it’s something you can easily see the end of.”

A true crisis, he said, happens when you just don’t know what course it’s going to take and you’re unsure of whether or not you’ll be able to turn the lights on for another day.

“These days, when I say crisis, I’m not talking about someone writing a negative story in the newspaper,” said Keeney. “This is more like some event or series of events that jeopardize the normal operations of an organization.”

For some organizations, a crisis is nothing short of a fatality.

“If what we do kills somebody, then that’s a crisis,” Keeney explained. “For other organizations, such as those in the life insurance industry, it might be the catastrophic loss of one of the company’s providers.”

This definition of what constitutes a crisis in a fundamental part of any crisis management plan, along with a couple of bullet points that make it clear to anyone looking at it.

“Every organization is different in that regard, but you want to identify what a crisis up front before anything happens,” said Keeney. “You want to be able to flip a switch and immediately say, ‘Okay, we are now in crisis mode.’”

Simplicity is key to an effective crisis communications plan.

“You don’t want a plan to be cumbersome, even for big companies,” noted Keeney. “Instead, boil it all down so it fits on the back of a business card, so that people will actually read and use it.”

Keeney also encourages companies to identify potential liabilities that may eventually play out as media crises, and to prioritize them by the most likely to occur within the next five years.

“I once went through the process of identifying potential liabilities with a zoo I work with, not exactly a dangerous industry, and they came up with a list of more than 10,000,” explained Keeney. “So a group of people sitting around a table could easily identify just as many potential pitfalls for life insurance.”

Organizations should revisit the liabilities list every year, and redefine the list as needed.

“In the process of developing a list of a dozen or so vulnerabilities and working to specifically address them, you almost eliminate the likelihood of them becoming crises,” said Keeney. “They might become problems, but

because you've consciously planned for those specific events, you almost take them out of the possibility of going unnoticed so long that they become a real crisis."

In concept, Keeney notes, a plan can actually diminish the likelihood of a problem occurring.

"That's really in the vein of the insurance industry's way of thinking," he said. "Because if you're sitting there eliminating vulnerabilities, you don't really need to insure yourself against them."

Phase Two: Response

Once a crisis occurs, a fast, concise response is in order. The mantra of most crisis communicators is "Tell it all and tell it fast." It is better for negative information to come directly from the organization in the form of an honest apology than from its critics in the form of a damaging indictment.

Honesty is always the best policy in terms of managing a crisis, according to Christopher Bonner, president and founder of Bonner Consultants, Inc., in McLean, Va.

"Use candor immediately if there has been any kind of report that could be perceived as a crisis," said Bonner, whose 35-year career has included stints as a Pulitzer-nominated journalist, association executive and communications advisor to multi-national corporations. "The answer should never be 'no comment,' because that affirms a bad story."

Instead, Bonner recommends companies demonstrate that they are taking the matter seriously, whatever the dilemma may be.

"First and foremost, you have to acknowledge the situation," said Bonner. "Your initial response should indicate 'we take these matters very seriously and our primary goal is always to maintain and keep the faith with our policyholders and many satisfied customers.'"

To do this, Bonner advises companies to generate a quick statement, which is almost universal, regardless of the situation.

"The statement gives a very basic look at the top-level terms—the 'who, what, when and where' of the situation," Bonner explained. "It also needs to include some degree of expressed concern about what has happened and should describe what the company is doing to mobilize its resources to assist in the fact finding and resolution."

Dan Keeney concurs, but takes the response tactic one step further, encouraging companies to consider the source of the information.

"I'm always of the opinion that having the PR person be the spokesperson in a crisis is the first mistake a lot of organizations make," noted Keeney. "The public relations folks are regarded with not as much credibility afforded a CEO or other executive, who carry a great deal of credibility just through their stature and their position."

Keeney also urges companies to resist the bunker mentality to hide or wait it out.

"It's important to be ready to accept responsibility for whatever has happened, even if there are other organizations involved," said Keeney. "Come out right away and say, 'We screwed up and in the future, this is how we're planning to operate in a different way.'"

The fact is, according to Keeney, if you aren't communicating as an organization when there's a problem, others will fill that vacuum of information with speculation.

"If it's a really bad problem, you'll end up with plenty of people filling the news hole with their own point of view, which might be directly counter to your company's point of view," he said. "And if you're second to communicate,

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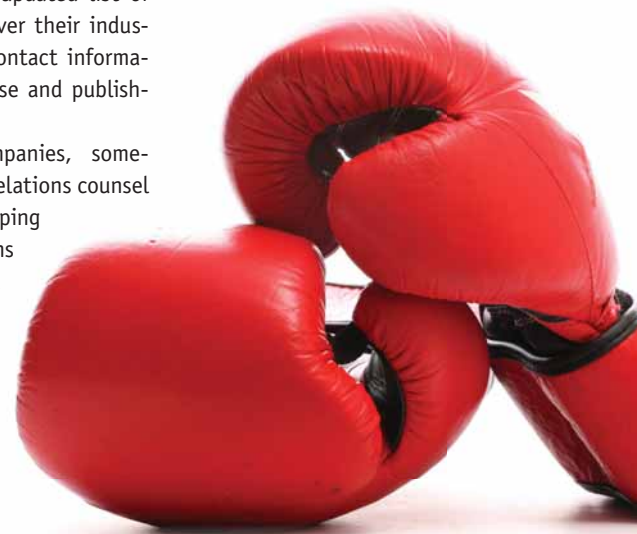
you're going to end up in response mode for ever."

Both Keeney and Bonner encourage companies to establish relationships with the media before a crisis occurs by cultivating a relationship of openness and trust between the organization and the reporters who cover it.

"Reach out to news media before there is a crisis and meet the people who write the news and do broadcasting in your local area or the industry in which you do business," said Bonner. "It is better to have a relationship going in, then to be just a voice at the end of the telephone when they end up calling you for comment."

This relationship building can be accomplished by pitching stories, ideas and expert commentary to reporters in good times, not just times of crisis. To facilitate this, companies should keep an updated list of the reporters who cover their industry, including their contact information, areas of expertise and publishing deadlines.

"For smaller companies, sometimes outside public relations counsel can help with developing a crisis communications plan in advance," said Bonner. "Part of that planning is doing some relationship-building with people who still buy ink by the barrel, as well as all the new electronic channels."



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Phase Three: Recovery

Handled well, a crisis can also be a period of great growth and improvement for an organization.

"There's no better time to make painful changes than when you're already in pain," said Keeney. "A crisis gives organizations an opportunity to

connect in a personal, more meaningful way with their community, their customers, then they every have."

There comes a time, typically after a couple days or up to a week after an event, where the calamity ceases to be a crisis and ends up being a management challenge. When that time arrives, Keeney suggests companies declare the crisis over in an emphatic way.


He calls attention to the Virginia Tech shootings as an example. After the campus shootings, the response team came to a point where they found themselves announcing a press conference to communicate the very same things that were reported the day prior.

"The team that was responding to the campus shootings came to a point where they said 'We're going to have a news conference tomorrow in which the same exact information is going to be communicated as was communicated in our news conference today,'" explained Keeney. "It became rather pointless, so the school said, 'Let's take this opportunity to declare the crisis over,'" said Keeney.

The spokesperson gathered the media into a room and said "We appreciate the news crews being here, but we are now at a point

where the developments are no longer such that we're going to continue having news briefings, and we now declare the crisis over."

And it was over just like that.

"It just shows that companies have the power to manage type of situation if they seize it," said Keeney. "If you can take advantage of those moments, you are in the drivers' seat to say specifically what your company is doing on a going-forward basis to improve the situation." 

Paula L. Weis is a Memphis-based writer, editor and public relations specialist with more than 13 years of experience developing profile communications initiatives for international trade associations, newspaper publishers, high-tech companies and small start-ups. Whether she was climbing in the boxing ring to present awards to military fighters vying for a bid to the Olympic trials or planning an interactive Disney World exhibit showcasing manufacturing careers, her passion for unique promotional strategies and willingness to take the road less traveled have set her clients apart from the crowd. Paula's work has been recognized by the InHouse Design Industry and the American Society of Association Executives.



Case Study: Crisis Communications in a Networked World

The power of managing reputation is democratic in the age of social networking, Twitter, Google news alerts and blogging. A dissatisfied customer or disgruntled employee can easily get on the Internet and influence a company's reputation with just a few comments. Companies should have listening mechanisms in place so they can be aware of what people are saying about their business.

One organization that has embraced technology as a means of reputation management is Comcast, the cable television giant. If someone logs onto Twitter and writes anything negative or positive about Comcast, a human being who operates under the label "Comcast Cares" will contact them within a minute. This sort of immediate response is facilitated by a simple search mechanism on Twitter.com that alerts a person at Comcast any time the company's name is mentioned.

In an industry renowned for terrible customer service, the Comcast technique is a unique model for rapid crisis intervention. By jumping in the middle of a potentially grueling problem and presenting the company as helpful and concerned, Comcast sets the standard for organizations in other industries, including life insurance, to follow.

