

**DOES ANYONE HAVE ANY QUESTIONS FOR MY ANSWERS?  
CRISIS MANAGEMENT AND CORPORATE COMMUNICATIONS**

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Reputation Reputation Reputation If it is true that there are only three things that matter in business....then, is this a crisis? .....Indeed, is this a crisis? ...Or is this a crisis? Crises are all about communications? Okay then, ask yourselves this question? ..... Is it really only a crisis when media become involved in an unmanaged way? ..... Is it true that if the public are 100% confident that an organization is in 100% control of an issue, that there is no crisis? ..... It is important that we agree the ground rules as to what actually constitutes a crisis as we work with many companies with different thresholds and varying levels of capability from Bangkok to Brisbane. Hot issues and emergencies are just when something abnormal has happened and management adopts a team approach to solve the problem. They are usually resolved within hours. True crises however, are when management has lost control of the business agenda be it for reputation, liability or business continuity reasons and the phones run hot as external stakeholders drive the business agenda. In these situations we see many Management Teams struggle to manipulate multiple stakeholders simultaneously. It does not come naturally for most business people accustomed to vertical line management. When companies flatten out to engage multiple stakeholders simultaneously, empowering the switchboard operator with the same authority as the MD, some rise to the occasion, some stumble through and some fail.

What we have experienced since 2000 is the maturing of crisis capabilities across sectors, driven by attitudes to both Issues and Business Continuity Management, in part by Corporate Governance and Risk management guidelines from Stock Exchanges, regulators and Peak bodies. To some companies, Crisis Management is still just hot Issues Management in a hurry; Special Situation Management to quote Phillip Morris. To others Crisis Management has become corporate Emergency response in the aftermath of safety and security incidents. To others still, Crisis Management is a subset of Business Interruption and Disaster Recovery, almost a last-resort risk treatment. Most companies perceive it as a tool to treat danger and less so, opportunity. The reality is that the majority of these philosophies are just planning for what is regarded as inevitable. But what we see evident in the best companies is those that plan for the unthinkable. Ladies and gentlemen, (emphasis) these are those that recognize the difference between Crisis Management and Crisis leadership.

All companies see Crisis Management as the tool to regain the status quo or the immediate past. The best companies now use Crisis Leadership to exploit the future. They are not so much focussed on fixing the hole in the fence as they are of exploiting the opportunities of the open paddock beyond. How do you get back to the future? Indeed how do you create and sell the future?

The best companies use a team problem-solving and decision-making capability like this. This is wetware; the disciplined process for developing and implementing strategy under pressure. In car racing, if you feel in control, then you are not going fast enough. In business, you must take risk to seize reward. If you want to have a healthy appetite for risk then you need to have a finely tuned Crisis Leadership capability to stay at the top. Some of our clients will invoke their Crisis Leadership Teams, two and three times in one month. It is not recognition of management failure, but rather a mechanism for seizing opportunity and generating business tempo. The emphasis here is as much on developing and implementing strategy under pressure as it is on articulating strategy to stakeholders. It is one thing to tell it all and tell it fast. It is quite another to work out what to tell and how to tell it to whom.

While normal business strategy invariably involves some aspect of cost leadership and differentiation of product, in crisis situations there are options for strategy to also be a plan, a ploy, a perspective, a pattern or even a process. It could be to go quiet, to hide behind your joint venture partner, to go for a late start-up or to bring on the shutdown or an early admission strategy and so on.

This is the changing business environment. Those that choose to paddle their canoe in this sea have developed the capability to Eskimo roll in any sea in order to regain their commercial position and claw their way towards superiority and even dominance. So that is what is happening in boardrooms across the country. Even public sector organizations are rising to the challenge.

What does a Crisis Leadership Team look like and how do they do it? It is like a game of chess on a snakes and ladders board. The King is the leader in the true sense of the word. Decisiveness and commercial bravery is required. Crisis Leaders are not afraid to ask advice and receive a contrary opinion. The Queen is the relevant business adviser who is all-powerful in understanding the intricacies of the business. Under pressure many Queen's in Crisis Leadership Teams want to become Kings. The Castle represents the lawyer and HR, always dealing with agreements and the human dimension. Lawyers need to be chosen carefully in Crisis Leadership Teams. You need someone who does not work in secrecy, who can work quickly, and who can work in a team with Corporate Communicators. There is often a clash between counsel and Public Affairs. Public Affairs advocates telling it all, telling it fast and telling it truthfully. Lawyers advocate saying nothing, doing nothing and admitting nothing. Do not let lawyers slow down the crisis agenda. Take good legal advice but avoid being gagged on disclosure. Lawyers tend, like accountants, to seek the known position. They are trained to do so, and trained to give advice, which takes account of even the remotest possibility of something going wrong. The Bishop is like the Corporate Communicators who are always dealing with variations of themes, and for whom perceptions are as equally if not more important than facts. Crisis Leaders need to be conscious of the pressure they are under, but let them know that controlling crises is more than media relations. The Knight is like your manager who must jump down into the melee and report back. They are a valuable conduit for checking and double checking facts – the hallmark of an effective Crisis Leadership Team. The Pawns are your employees; the best ambassadors that you can have in crisis. It is an imperative they understand the modus operandi when you ask them to pull together to survive as a company.

What does a Crisis Leadership Communications Team look like and how do they do it? The best companies all have Support Teams and well organized internal Call Centres. The best companies prepare these teams to match the capability of the strategists in the Boardroom. They all have advanced Virtual Crisis Management Environments, taking monitoring and data mining to an art form. They have learnt that monitoring means ground truthing by direct and proactive contact with journalists and stakeholders – an expression from the first Gulf War. They have learnt the skills to convert current information into media intelligence. They have learnt that business intelligence is the basic skill of a Corporate Communicator. They understand that without this, the formulation of strategy is impossible and that getting inside your competitors decision cycle is all that counts. These companies understand that the media is the world's largest data base and that monitoring is all important to extract this knowledge. A truism when recent events have demonstrated that CNN knows more about the Philippines than the CIA, and that business intelligence provides the only sustainable competitive advantage. Just as Chief Information officers are evolving towards Chief Knowledge Officers, managers of the immediate past, so to do we predict that Corporate Affairs managers will evolve towards Chief Intelligence Officers and become managers of the future.

The best Communications Teams understand that the message heard by the stakeholder must be that of the company spokesperson, and not that of a media observer. The key ingredient being the flow of timely and accurate information. Information and information delivery systems are the most valuable component of an organization in crisis as its effective use serves as the basis of launching counter-attacks. It is also the most effective vehicle in restoring business systems and public confidence. The best companies have predetermined communications plans to address audience-specific concerns with predetermined communications channels to deliver specific messages to multiple and diverse stakeholders.

Automatic SMS and email messaging of members of the Crisis Team is the norm as indeed are fully equipped alternate meeting locations and satellite phones. Their supporting Crisis Communications Teams also revel in Virtual Crisis Communications Environments. In these full equipped VCME rooms they have the ability to launch dark web sites from their desktops. The best companies resort to old fashioned switchboards in time of crisis but they use the Internet to reduce overwhelming calls to manageable proportions. Internet and email allow the best Crisis Communications teams to collaborate virtually with members contributing from any location. The days of a Crisis Leadership Team and its Communication Team meeting physically are long gone. Crisis portals inform disparate groups although traditional runners are still used to move critical information where wetware remains supreme. They also use 1300 numbers for employees and customers to call for up to date information.

We are all immersed in the media, and it only takes a small extra step to be able to understand their crucial in-crisis need. That step consists of analysing the media instead of just using them for education or entertainment. You can woo the media all you like beforehand but it is really analysis and getting your messages across that will win on the day. Having a Communications Team manned by trained office staff or PR consultants is pretty standard these days as many Corporate Affairs managers are a team of one, but media analysis is the crux in being able to manage the media. In short you must monitor, analyse and respond.

Determining the Single Overriding Communications Objective is the most critical output of analysis. SCAME is an effective tool that our clients use to convert current information into media intelligence. Source is the media or writer; who released the material with what authority; whether their view is representative; the credibility of the author in the eyes of their target audience. Content is the crux of the story in key points, the key messages, which give their communications objective. Does it give us a hook which we can take advantage of? Audience is whom you think they are trying to communicate with; apparent or unintended. Media is the actual medium used, be it hard or soft and why. Effect is your evaluation through a quick SWOT of what you have just done. Does it present you with an opportunity to be harnessed or a threat to be overcome? If you remember nothing else from my presentation, except the funny little Director of JTA Crisis leaders with glasses and big ears then remember SCAME.

Let me tell you some stories from Beijing to Bourke Street, Bangkok to Brisbane. Recognition of crisis situations is a problem for some organizations that have no distinguishable thresholds while others are not scared to invoke the crisis committee. Some of these organizations have simple activation plans. Some documentation borders on doctrinal manuals when you least need this verbiage. It is established practice now to activate the Communications Team immediately the Crisis Leadership Team is activated as it is better to be twiddling your thumbs rather than being caught out and not being able to manage large flows of information. A significant utility in Melbourne which relies on PR consultants has handled furor over double billing in its stride. A mighty Australian conglomerate has a lean and mean Public Affairs structure and deals with senior leadership succession and major business discontinuities with relative ease. A major financial institution has a Communications Team on a separate floor and it has pushed through the cataclysmic loss of a processing centre in a matter of hours. A large international miner has centralized all of its External Affairs assets while another miner again is so centralized that its Public Affairs function equates more to a smell of an oily rag. The largest global oil company is so centralized in its approach to Corporate Affairs that it borders on autocracy in the countries in which we provide assistance. Whatever their size and shape most organizations that we help to prepare and practice have pushed past debates over Oxford versus Eaton language in the first media release and have pre-authorized commitments allowing lower order parts of the organization to issue holding statements. Invariably we would have to say that comparatively few organizations are well prepared. Most support staff focus on the marketing or community affairs functions as opposed to Issues Management as the core discipline and there is a marked tendency for Public Affairs managers to want to get on the phone, to leave the strategy room and to fight the war of words themselves. Many get caught up in the heat of the moment, much to their chagrin when the executive group turns ninety degrees when they are out of the Situation room.

There is often vexed discussion in the boardroom about the need to inform the market through a Stock Exchange release as opposed to a holding statement to channel the media. Some Communications Teams to their credit have well developed Q&A, recognizing that there are no embarrassing questions and only embarrassing answers. Some have organized press conference facilities off sites and media information packs ready to go. Few switchboards are able to cope these days with almost all companies opting for direct-in-dial, so the best have well-established Call Centres and practice their telephone responders regularly. There is a surprising lack of Satellite Phones even though most are cognizant of the need to be able to go to alternate sites in the aftermath of disasters, let alone make contact with disparate parts of their organization. The best empower their Field Managers to talk to the press recognizing that there is no alternative. In the boardroom there is a tendency not so much for executives to clam up, but to get frozen into inertia; an inability to overcome anxiety and stress. Consequently the best Communications Teams know their history of behavior and past misdemeanors as they recognize that it is difficult to counter prevailing opinion without the facts, and that in the court of public opinion, a person or organization is guilty until proven innocent. As most Crisis Communications Teams have been stripped to the bone leading some Crisis Teams to feel pressured to go for media conferences early to overcome lack of preparedness, the best have established protocols between HR and Corporate Affairs as to who leads on internal communications with affected people; a powerful tool for harnessing internal resources which is often forgotten. Best practice is every one of your employees becoming an Ambassador by keeping them informed.

*In managing on the dark side of excellence it is easy to be critical. In an era where human error, lack of judgment, lack of anticipation, corporate greed or mechanical failure may combine in some manner to guarantee that a major crisis will present itself, no company is perfect. What we find in planning and preparing, is that Crisis Leadership Teams mature from practice. All executives emerge with cohesion when they participate in these extreme leadership sessions and prove that they can align their communications with the operational response,*

*If you wish to lead in business you must be able to function in a non-business as usual environment and to be able to capitalize on what is considered to be negative events. Best practice is regular practice. Whether you in-source or out-source PR staff is a little irrelevant as best in class is benchmarking and learning from others mistakes and successes. In crises an organization has no friends, only varying degrees of enemies. Always lurking is the competition, whose best interests are served by your nightmare. Circumstances such as these demand leadership.*