

DOES ANYONE HAVE ANY QUESTIONS FOR MY ANSWERS?

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Reputation Reputation Reputation. If it is true that these 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 really important that we agree the ground rules as to what actually constitutes a crisis as we work with many companies with different thresholds. Hot issues and major 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 are when management has lost control of 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.

Crisis capabilities have certainly matured across sectors, driven in part by attitudes to Corporate Governance. To some companies however, Crisis Management is still just hot Issues Management in a hurry; Special Situation Management; and many of you may think like that. 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. 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. 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? The best companies develop strategy in a team like this. This is wetware. This is 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.

Business thrives on instability and there is plenty of room 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.

Corporate governance is the strategic response to risk and crisis leadership is your strategic reserve. Those that choose to paddle their canoe in this sea have developed the capability to capsize and recover 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. There are some indications that Crisis Leadership may even replace line management as it becomes central to organizational power in an era where information equates to speed

What does a Crisis Leadership Team look like and how do they do it? Well 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. They are big picture- people types. The Queen is the relevant business adviser who is all-powerful in understanding the intricacies of the business. Under pressure many Queens want to become Kings. The Castle represents the lawyer and HR, always dealing with agreements. Lawyers need to be chosen carefully. You need lawyers who do not work in secrecy, who can work quickly in a team with Corporate Communicators. There is often a clash between counsel and communications. Corporate Affairs advocate telling it all, telling it fast and telling it truthfully. Lawyers advocate saying nothing, doing nothing and admitting nothing. Take good legal advice but avoid being gagged on disclosure. Lawyers tend, like accountants, to take 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 that Corporate Communicators are under, but understand that controlling crises is more than dealing with the media. 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 and as Communicators you need to be ready to deal with this. The Knight is like your manager who must jump down into the street and report back. They are a valuable conduit for checking and double checking facts – the hallmark of an effective Crisis 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. Who can see CL moving from the periphery to the mainstream of companies. Many companies say to us that they continuously operate in this manner unintentionally. Political cabinets do it all the time.

The best companies prepare their Communications Teams to match the capability of the strategists in the Boardroom. They all have advanced Virtual Crisis Management Environments, taking monitoring to an art form. They have learnt that monitoring means ground truthing by direct and proactive contact with journalists and stakeholders. 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. Recent events have demonstrated that CNN knows more about the Philippines than the CIA, and that business intelligence, simply learning faster than your competitors, 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. Who would rather be called Chief Intelligence Officer than Director Communications? Who would get paid more?

These days the best Crisis Communications Teams launch their counter-attacks from Virtual Crisis Communications Environments. They have the ability to launch dark web sites from

their desktops. Interestingly the best companies resort to old fashioned switchboards in time of crisis but they use the Internet to reduce overwhelming calls to manageable proportions. The days of a Crisis Teams meeting physically are long gone. Portals inform disparate groups although traditional office 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. I dare say that you all well appreciate the power of VCME in winning competitive edge.

You can woo stakeholders all you like beforehand but it is really media analysis and getting your messages across that will win on the day. Having a Communications Team manned by trained but non-PR office staff 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.

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; Content is the crux of the story in key points. Does it give us a hook which we can take advantage of? Audience is whom you think they are trying to communicate with; Media is the actual medium used and why. Effect is your evaluation. Does it present you with an opportunity to be harnessed or a threat to be overcome?

Let me tell you some stories from Beijing to Bourke Street. Recognition of crisis situations is a problem for some organizations that have no distinguishable thresholds while others are not scared to invoke the crisis team. Some of these organizations have simple activation plans. Others have fat plans that spell failure in the war of words. It is established practice now to activate the Communications Team immediately the Crisis 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 major gas and power utility in Melbourne which relies on PR consultants has handled furor over double billing in its stride. A mighty Australian conglomerate in Perth has a lean and mean Public Affairs structure and deals with senior leadership succession and major business discontinuities with relative ease. The top financial institution in Melbourne 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. The second largest miner in the world has centralized all of its External Affairs assets while another large Australian 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 advise 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.

Most Communications Teams 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 having direct-in-dial telephone systems, 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 Frontline to talk to the press recognizing that there is no alternative. Higher up in the boardroom there is a tendency not so much for executives to clam up, but to get frozen into inertia; Consequently the best Communications Teams know their history of behavior. as they recognize that it is difficult to counter prevailing opinion without the facts.

Most Crisis Communications Teams have been stripped to the bone leading some 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; forgotten. Best practice is every one of your employees becoming an Ambassador by keeping them informed.

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 negative events. Whether you in-source or out-source PR staff, best in class is benchmarking and learning from others mistakes and successes. 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. 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 perception leadership.