

EXECUTING PROPER COMMUNICATION DURING A CRISIS

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Good morning ladies and gentlemen. I am the BCP for Qatar Petrochemicals Company; a manual workaround solution in continuity communications terms. In this session we will seek to benchmark your virtual press office in the war of words; what you do when it hits the fan; communicating in the golden hour and beyond; the real 60 Minutes. We work with many companies across in the Gulf and across Asia assisting them to develop and implement reputation strategy under pressure. So what is it that is so important about the war of words in recovering from a business outage? Should we be silent or counter-attack in the court of public opinion? Well for starters, who here has virtual press office?

Some researchers say that 80% of media disasters can be avoided. Whether that is true or not, there is no doubt that the first 24 hours are absolutely critical in shaping perceptions. If you do not have anything in place prior to the situation occurring, then you are continually playing catch-up. Just being seen to be in control can be the difference between failure and success and there is no more tangible way to demonstrate this than when dealing with a barrage of media inquiries. In this session I will explain how you activate your virtual press office with prepackaged media to go, and how the Corporate Affairs Team in the perfect world monitors, analyzes and responds to media coverage with strategies ranging from silence through to counter-attack

Reality is that unless you are prepared, even five minutes of fame when you are in front of the cameras could spell disaster. There was a large disaster at an ExxonMobil gas plant outside Melbourne known as Longford some years ago which caused death and Melbourne was without power for three days. Immediately after the court case in which ExxonMobil was convicted of 11 charges, Mr Olsen as MD and the public face of Esso chose to hide behind the lawyers and only got 5 seconds of TV. The Process worker who Esso had blamed said that Esso had still not changed its culture after two years and he got three minutes of prime TV.

In climbing out of the credibility hole, does it matter if you lie? Is this just positioning the business or it is telling porky pies? Tell it all and tell it fast or? Is it appropriate to say nothing, do nothing and admit nothing? The famous British spy Kim Philby must have had legal training in Russia because he said admit nothing, deny everything and keep the interrogators talking until you find out how much they really know. Is that how a responsible business behaves? How do you overcome legal barriers to communicating? Are there precedents or do we shut up? What do you think? How do you represent industrial murderers? Ask yourself this question. Do you leave the company if this happens or stay on? What do you do if you destroy the livelihood of employees? What about the precedent established about the disaster at Longford outside Melbourne? Should we worry about explaining that the families or the community? Should employees talk to the media? Who won't talk to the media? What's wrong with talking to the media? With a show of hands, who here has never spoken to the media? Can a good business behave badly? Are we talking about bad hair days or something more insidious? Who thinks that the media is the enemy? Can you explain kickbacks? How do you explain after sales service fees to the media?

While there is much crossover in managing ongoing issues and satisfying media demands in crises, there are also differences. This is because developing and implementing crisis strategy under pressure is much more than just handling the media. What has been proven is that implementing strategy by direct contact with stakeholders far more effective than engaging them through the media, unless of course it is the media who are the key stakeholder. Direct contact with stakeholders is of absolute importance in ensuring that they understand the facts. But it is also true to say that the media can play the single biggest role. We are all immersed in the media, and it only takes a small extra step to be able to understand their in-crisis needs. This step consists of analyzing the media instead of just using them for education or entertainment. You must continually monitor, analyze and respond.

It is important to understand the magnitude of a true crisis situation. They are when management has lost control of the agenda be it for reputation, liability or business continuity reasons and the phones run hot as external stakeholders seek to drive your agenda. If you know about it beforehand, it will probably not be a crisis. We are talking about people-stopping, show-stopping, product-stopping, reputation defining events. With a show of hands, can I ask if any of you have ever been involved in such a crisis situation? This is what happens inside the Boardroom or virtually by teleconference. This is the Eskimo Roll for Executives. They follow a disciplined process for arriving at strategy. They work in a combination of team sessions and team timeouts. At any time they may leave the plenary session and personally engage stakeholders. It is the job of the Corporate Affairs member to continually keep you up to date with what the CMT are doing. Note that it is also normal for a minder to sit behind the Corporate Affairs member inside the CMT room. Who has been in a Boardroom when the Chief Executive and their direct reports are meeting like this? Hands up if you sat at the table? Hands-up if you see yourself as a minder supporting the person at the table? Hands-up if you see yourself outside the Boardroom and in the media office?

What is so different about strategy in crisis? It is important to understand that normal business strategy will simplistically involve some aspect of price or quality, the vertical and horizontal axes on this slide, however in crisis situations the pathway to the future can take on many forms. It could just be a simple plan that is devised ahead of time, either documented or just thought through. It could be a pattern of consistent behavior or a position seeking to achieve advantage through cost or product differentiation. It could be a perspective, perceptions shared by other groups or a ploy which outmaneuvers through threatening actions like naming and blaming. It could be early admission of liability or delayed start up. Whatever the circumstances, successful strategy comes from having vision.

I liken the many additional forms that strategy can be articulated in crisis situations like running from a bear, one need not run faster than the bear, just faster than the next person. In situations where you are dealing with friends, enemies and fence sitters, it is absolutely critical to not see the media not as a threat, but rather as a resource to be exploited. In your notes you will see several examples of the forms that strategy can take when it comes to cash flow, industrial relations, public perception, top management succession, hostile takeover, product failure, adverse international events and the like. Take a moment to study them.

Now this is what it looks like outside the crisis room, where I imagine most of you will see yourselves sitting. The job here is to provide analysis to help the Management Team make decisions and then to help them implement strategy. We are all about converting media information into reputation leverage to support the subsequent implementation of strategy with stakeholders. When does all of this stop? Well it is a bit like running from that bear. You can rest after the bear rests; not before. Customizing the overall response is the job of the Crisis Team leader and it will require Corporate Affairs to respond appropriately. It is better that the Media Support Team standby and even twiddling your thumbs rather than being caught out and not being able to manage large flows of information. You will simply operate as a complete team or in shifts until the company can return to normal operations. Telstra has a Media Team of 5 people and relies heavily on 40,000 employees to propagate its message. You have the option to take telephone calls yourselves or to use the telephone responders in the Call Centre for this purpose. Our advice is to resist the urge to engage the media yourself and use the Call Centre to be your buffer using the block and log method otherwise you just become a switchboard. How many of you are a CA team of one? I always remember the image of the media adviser supporting the CEO of a failed airline called Ansett when they arrived in Australia from NZ and the advisor was answering two mobile phones simultaneously on the tarmac. How many of you can activate an internal call Centre to augment reception?

So what does the ideal Corporate Affairs Team consist of? In the perfect world, the Team Leader is the senior person in the media office, not the CA member in the Boardroom. It is very common for one person to sit behind the CA manager as a minder, another to be a runner between the Crisis room and the Media office and Call Centre; another still to man a hotline and one more to actually draft documents. Of course many Corporate Affairs staffs are teams of one so that there is frequently reliance upon PR Consultants and Media Monitors when you need to surge. Don't forget IT for Internet and Intranet uploads. Who can upload a message to their website from their desk?

Let's assume we have been called out and we have just arrived in your Media Office. The best teams will have actions of the first person to arrive and key actions to be assigned by the team leader to team members so that office rhythm is set from the outset. They will also have a Corporate Affairs kit in the Recovery Box and a grab bag for when they leave the office to do battle in the street. Who here has a grab bag ready to go in their office to be able to upload information from an external location? Who thinks that this is a waste of time?

Media monitoring is all about finding the answers to the who, when, what, where, why and how type questions known as 5W + H. The reason for this is that spot news is usually written in the reverse pyramid format as it helps the editor. So find out what has been said by your company and to whom, particularly media. Monitor the Internet, newspapers, radio and television. Find out what they are reporting, the source of the information and how accurate the information is. Then pass these facts to the Corporate Affairs member in the CMT. Media alerts by proactively talking to journalists to find out what they think provides very effective monitoring particularly of rumors, but you need pre-established relationship to make media alerts effective. The best companies have a list of journalists in the room who they can call to put out a media alert. Again with a show of hands, who could do this right now? If using PR consultants, be sure that that they can work to your speed, in your office with your computer log-ons or often you are

no better off. How many here have PR consultants on retainer? Keep your hands up if they have a company logon? Keep your hand up if they can access your building out of hours?

Assisting the CMT to determine its key message is the most critical output of analysis. This must be done quickly as the message heard by the stakeholder must be that of a spokesperson and not that of a media observer. The aim is to regain control by providing a key message that is consistent with crisis strategy, noting that this could be silence or hide behind a partner. It could be to admit guilt or counter-attack if you are absolutely sure of your facts. It is up to the CMT, based upon your monitoring and analysis to decide what strategy to implement. Whatever the chosen strategy, given the emotion when stories break, messages must be developed carefully, in an appropriate and sympathetic way. This is people and environment issues before property and money. It is all too easy to let the pressure of a crisis get the better of you and to focus on business implications first, but no one wants to hear how much it costs when your company has put lives at risk, or worse.

A useful communications tool is to consider the target audience in terms of friends, enemies and fence sitters. Friends are convinced but you have little or no credibility with the enemy. Nothing you can say will change their minds. So the communications battle is often determined by whether or not you effectively influence the fence sitters. Effort is often wasted by talking too much to the friends as it is easier, and they are already on side anyway. It can also be wasted by trying to change the minds of those who are against you. So focus on the fence sitters.

As Groucho Marx said, Are you going to believe what you see or what I'm telling you? The credibility of the person speaking is more persuasive than the appeal to logic or emotions. You are persuaded not so much by content, but by the person who is persuading you. Research into first impressions shows that viewers base 55% on how you move, 38% on how you speak and only 7% on what you say that is content and language. What are you thinking of me right now? Are you listening to me or are you watching the funny bloke with big ears and glasses? That means we must be seen as more trustworthy and transparent than anyone else. Look at the person next to you. What are your very first impressions .but don't tell them of course

If you have lost credibility you can try to borrow someone else's. If the fence sitters do not think much of you, but they may high respect for someone else who will speak out on your behalf. However there is really no other option than being 100% honest in everything you do. Some years ago there was an aircraft crash. It was a Boeing airframe and they invented a story that it was due to terrorists so that there were no claims made against the airframe. Three terrorists groups rang up and claimed responsibility. The cheapest form of terrorism you can get. Of course Boeing has to apologize and so much for their credibility.

In such situations you need to get your lawyers behind you. As communicators you tell it all, tell it fast and tell it true whereas lawyers will generally advocate saying nothing, doing nothing and admitting nothing. They are trained to do so; it is why we use them however are many precedents to overcoming legal barriers to communicating. Equally employees and families must be told first and fast. The employee must be the first

ambassador of the company like Telstra. Rumors must be controlled. Employees need to know who the spokesperson is. Any employee who can answer a phone is effectively a gatekeeper of information and they need to feel that the company is in control. The Media Support Team should take responsibility for all internal and external communications to ensure consistency of updates. We see many companies angst over releasable information to employees, whereas the best companies brief their receptionists within minutes effectively constituting a media release. With Releasable Information do not speculate. Show concern, reassure control and invoke commitment – the three C's Hands-up who has a script at Reception ready to go?

In terms of more formal messaging those issue briefs and fast facts that took so much effort to produce in normal times will be so useful in continually striving to reassure control of an event. The Crisis team will formulate the reputation strategy but it maybe left up to you in the Support Team to decide what information is going to be released and in what manner. It is essential that you receive direction on sensitive issues; best written in the form of Q&A and cover such topics as Industrial Relations, environmental and safety matters, and previous prosecutions and accidents. How many of you have a list of sensitive issues like this? How many are in the form of prepared Q&A??

Aim to be first with the news by being pro-active and consistent. Work through the Q&As; a powerful tool for articulating strategy. If you are not ready to answer broader questions you can try to ring fence on time and topic by limiting the duration and theme of the interview or media conference understanding that silence is the kiss of death. Be prepared by having your most credible and knowledgeable spokesperson available 24/7. For this reason spokespersons often separate themselves from the Boardroom so they can focus on preparation. The media will have little interest in anyone other than a senior company figure; concerned, controlled and committed.

A press conference is an opportunity to deliver one message to a large number of media, but do not feel compelled to schedule a conference until you have developed your reputation strategy and done your homework. You may recall the Nine Network's 60 Minutes coverage of Esmeralda, the Australian mining company at the centre of the major cyanide spill in Eastern Europe a few years ago. It highlights the dangers of appearing on the media unprepared. The visual images were powerful. Huge fish belly up in the river being pulled out by locals with pitchforks. It is difficult to combat these emotive images. But the company wasn't very smart in thinking about and managing the visual image they wanted to portray. The CEO was interviewed in a five star hotel room and was dressed immaculately in a suit and tie. Even if you didn't hear what he was saying the visual message was one of being aloof, uncaring and remote. They missed a golden opportunity to do the interview on location at the site of the spill, sleeves rolled up and giving the impression of doing something about the situation and being in control. In fact the image just reinforced typical community perceptions of the mining industry as reaping huge profits while being dirty, dangerous and environmentally unsound.

Ladies & Gentlemen, In today's media the news can travel around the world in the time it takes to send a SMS or upload a blog. In this environment you must be prepared to face the media through a sudden phone call, or as you walk out of your office. A crisis is no time to dither so act decisively.