Crisis Intelligence Communication 101



In 5 easy steps

This is a tip sheet prepared by



WHY CRISIS MANAGEMENT MATTERS

Any organisation can experience a crisis. A crisis is a situation that threatens – or has potential to threaten – your people, operations, assets, environment, reputation, or long term prospects, and requires immediate attention.

Research estimates somewhere between 25 and 80 per cent of a company's market value is directly attributable to its reputation¹²³⁴, and a recent Deloitte study⁵ found that 48 per cent of the 300 board members surveyed said their company's reputation and employee morale was the area of the business most affected by a past crisis.

Often, when we start work with clients, we find a significant gap between how crisis-ready an organisation thinks it is, and how ready it actually is. Deloitte's study agrees this gap exists, finding that 'Board members see threats but their companies aren't ready to handle them.'₅

ASK YOURSELF: 'ARE WE REALLY PREPARED?'

- Are you ready to manage the operational and reputational impact of a significant product failure, serious corporate misdeed, natural disaster, or malicious attack?
- Does your organisation have a crisis management plan, or a distinct 'playbook' for key crisis scenarios?
- Is your team trained to communicate with internal and external groups, including media representatives, in a crisis?

When a crisis occurs, effective communication – including media response – will be central to your organisation's ability to protect or repair its reputation, and recover from the event.

As a crisis management specialist, Briggs Communications has prepared this tip sheet outlining simple steps that will help you communicate effectively during a crisis.

Burson Marsteller's 2013 Crisis Survey found that 'whilst three quarters of business decision makers believe a crisis plan would benefit their company, only 51% of companies have one.' ⁶

1 Cole, S, 2012, 'The Impact of Reputation on Market Value', World Economics Vol. 13 No. 3,

 $http://www.reputationdividend.com/files/4713/4822/1479/Reputation_Dividend_WEC_133_Cole.pdf$

 ${\small 2\ Weber\ Shandwick,\ 2012,\ CEO\ Spotllight:\ The\ company\ behind\ the\ brand:\ the\ reputation\ we\ trust,}\\$

https://www.webershandwick.com/uploads/news/files/CEO_Spotlight_ExecSummary.pdf

3 Brigham, A and Linssen,S, 2010, 'Your Brand Reputational Value Is Irreplaceable. Protect It!' Forbes, http://www.forbes.com/2010/02/01/brand-reputation-value-leadership-managing-ethisphere.html

4 Eccles, R, Newquist, S, Schatz, R, 2007, 'Reputation and Its Risks', Harvard Business Review, https://hbr.org/2007/02/reputation-and-its-risks

5 Dent, P and Deloitte Touche Tohmatsu Limited and Forbes Insights, 2016, A Crisis of Confidence, http://www2.deloitte.com/global/en/pages/risk/articles/a-crisis-of-confidence.html

6 Burson Marsteller, 2013, Crisis Survey 2013, http://www.burson-marsteller.com/what-we-do/our-thinking/crisis-survey-2013/

IT COULD HAPPEN TO YOU

Whatever the crisis type or cause – from cyber attack to internal corruption or natural disaster – the situation is likely to attract intense public attention. In some cases, a media issue itself may become your crisis.

When a crisis befalls your organisation, news media and your stakeholders scrutinise, and often speculate about, everything you do, don't do, say, and don't say. Social and broadcast media coverage compresses timelines, quickly amplifying problems and escalating the situation's impact. The sheer volume of demands is often overwhelming.

Inadequate communication during a crisis is a common and critical shortfall, which inevitably detracts from an organisation's recovery effort and is often central to response failures and reputational disasters. The complexities and pressure that come with a crisis can lead people to make poor decisions, or deliver poorly-conceived public statements that are easily misconstrued.

VOLKSWAGEN CASE STUDY

In 2015, VW's emissions scandal caused the group's first quarterly loss for more than 15 years. To date, recall costs have exceeded \$18.2 billion (USD) and the company reported a full-year loss of \$1.53 billion (USD)⁷.

VW's public response to the emissions scandal was ineffective from the outset. The company did not communicate accurate facts; in September 2015 VW initially stated 11 million four-cylinder diesel vehicles worldwide were fitted with deceptive software. Later in November 2015 the U.S. Environmental Protection Agency and the California Air Resources Board suggested VW had also installed this software on thousands of Audi, Porsche and VW cars with six-cylinder diesel engines. VW initially rejected this new allegation, but later admitted illegal "defeat devices" had been installed in many six-cylinder engines since 2009. ⁷

VW's message strategy was fatally flawed with devastating results. In October 2015 VW's top

U.S. executive, Michael Horn, testified before Congress. He apologised for the scandal and blamed it on "a couple of software engineers," denying broader internal awareness and evading full responsibility for the breach. As a result of the scandal, U.S. sales of the VW brand are down 13 per cent for the period January-May 2016 and VW has agreed to settlements up to \$15.3 billion U.S.



RESPOND TO THE MEDIA IN 5 KEY STEPS



STEP 1. CLARIFY: ESTABLISH THE FACTS

When a crisis occurs, you need to communicate quickly, but you must focus on facts to inform decisions and communication as much as possible. Disseminating accurate information to your stakeholders and the media is crucial, so establish the known facts *before* you begin communicating anything beyond a generic holding statement.

Clarify basic details about the situation (who/what/when/where) from an authoritative source. You don't need to have many details to craft an initial message, and more details will become available for subsequent communications as time goes on, so don't be tempted to assume and speculate beyond fact, or you will encourage misinformation and rumour among your audiences, including news media outlets.

Start with the facts, stick to the facts, and correct misinformation or commentary that strays from the facts.

Once you have established the facts, follow steps 2 - 5 to draft your messages.

RESPOND TO THE MEDIA IN 5 KEY STEPS

STEP 2. DESCRIBE: THIS IS WHAT WE KNOW & STEP 3. IDENTIFY: THIS IS WHAT WE DON'T KNOW

Open your message by stating the basic verified facts known about the situation. This may include some or all of the following: what has happened, when and where it happened, who is involved and affected, how and why it happened. Leave out any points you don't know yet, and acknowledge them as, 'What we don't know'.

This is your organisation's chance to assert some control in the dialogue about the crisis by owning both the known and unknown aspects of situation. Convey to your stakeholders and media outlets that you are in control of the situation and are a credible information source.

Lack of communication is the most common complaint from employees, customers and other key stakeholders in a crisis. If you allow a communication void to open during a crisis, you invite others to fill it with rumour, unfounded or fallacious commentary and guesswork, which inevitably detract from your ability to manage the immediate situation, and long term implications, including damage to your organisation's employee morale, reputation and brand.

As time progresses and more verified information becomes available, your description of 'What we know' will grow, and 'What we don't know' will shrink.

"If you don't prepare, you're likely to come undone at a critical time. Invest and practice your 5 step response; this practice will pay off when you need it most." Allan Briggs, Managing Director, Briggs Communications

STEP 4. EXPLAIN: THIS IS WHAT WE'RE DOING

Explain what your organisation is doing to resolve the situation and set things right; this is your organisation's opportunity to demonstrate responsive and proactive leadership during a crisis.

Reassure your stakeholders by explaining what action the organisation is taking now, and planning to take next. This might cover emergency response, investigation, compensation, prevention or mitigation measures. In initial messages, focus on the immediate response actions underway, and subsequently cover longer term recovery and repair activities.

If you fail to explain what action your organisation is taking to resolve the situation, your stakeholders are likely to assume (correctly or incorrectly) you are doing nothing, and the media dialogue and public perception about the crisis will reflect this.

RESPOND TO THE MEDIA IN 5 KEY STEPS

STEP 5. INSTRUCT: THIS IS WHAT WE WANT YOU TO DO

Give your stakeholders clear instructions so they know what the organisation wants them to do.

Each situation will affect different groups in different ways and to varying degrees, so you need to tell people what action they should take and how to access further information that is relevant to the situation, and to them. This could include telling people how to protect themselves, how to avoid compounding the problem, or where to direct their enquiries. Clear instructions are especially critical for crises involving health and safety risk.



Speed – distribute timely information to relevant stakeholder groups. Aim to have an initial message published through online channels within the first 20 minutes and traditional channels within the first hour.

Accuracy – carefully check all facts, only communicate verified information, correct misinformation and dispel speculation.

Public safety – always prioritise safety messages above all else.

Consistency – align all messaging across your organisation and ensure your communicators, spokespeople and frontline personnel receive key messages with regular updates.

Multi-channels – use multiple communication channels to reach your audience groups.

Concern – express sympathy and support for people involved or affected (and ensure your organisation is ready to provide support to victims and their families, including employees).

ABOVE ALL ELSE - BE PREPARED!

BASIC BEST PRACTICES⁸ TO PREPARE YOUR ORGANISATION FOR A REALLY BAD DAY:

DO



Have a crisis management plan describing your crisis management arrangements.



Draft a suite of generic message templates that are suitable for your primary communication channels (e.g. website, social media, media release).



Have a designated crisis management team comprising people who are carefully selected, properly trained, adequately supported and secure in their roles, responsibilities and procedures.



Train your spokespeople to perform in a high-pressure media environment.



Regularly review, test and improve your arrangements (at least annually) so they are current and relevant to your risk environment.

DON'T



Fail to communicate with your key stakeholder groups during a crisis.



Overlook the immediacy, reach and amplification social media channels bring to an issue or incident.



Underestimate the intense demands, inconvenient complexities and compressed timelines that characterise a crisis.



Forget the importance of risk management in preventing and mitigating crises.

TEST YOUR READINESS

To be successful, your organisation's core values must underpin your crisis response strategy and communication authentically; it's very hard to achieve this if you don't prepare and test your arrangements before the day comes.

In most cases, an effective crisis response – that minimises negative impact on an organisation's stakeholders, reputation and bottom line – is the result of detailed planning, preparation and rehearsal, not good fortune!

Is your organisation prepared for a crisis? Take a test to find out by clicking here.



Contact Briggs Communications today to speak to a specialist or arrange a meeting:

Ph: (03) 9602 4310

E: office@briggscommunications.com.au

W: www.briggscommunications.com.au

