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ARE YOU READY TO SAVE YOUR COMPANY? HOW TO HAVE A SMART APPROACH IN THE EVENT OF A CRISIS

Even the best-run companies in America know that they have to be prepared for a crisis. The time and effort your organization puts into this preparation can mean the difference between recovering and closing your doors. Savvy executives know that if you fail to plan crisis communication procedures, it will quickly spiral out of control, and your chances of recovering greatly diminish.

A textbook case of how it can go all wrong is the way the Boston Archdiocese's handled the revelations about pedophilia among priests. While the Church made many mistakes, it was the shocking evidence of the archdiocese's cover-up that ultimately destroyed credibility. While the crimes were horrific, the church's complicity with the criminal acts and hiding the evidence were what really outraged the public. When thousands of documents detailing Cardinal Bernard Law's knowledge of the priest pedophilia plaguing parishes were finally uncovered, the crisis that had begun almost a year earlier erupted with new force, resulting in the long-awaited resignation of Cardinal Law.

Because the situation was so disturbing, the focus of the Catholic Church story has largely been on the horror of the events, but the importance of examining this case in terms of crisis management is undeniable. What we witnessed was a devastating lack of the fundamental rules of crisis management. By evaluating a situation of this magnitude from a crisis management perspective, we can learn how to prevent any business crisis from spinning out of control.

A helpful way to view the crisis is to think of it like an illness. "Like a cold, if we take correct preventative action, we can avoid a crisis," says renowned crisis communications author Stephen Fink. And just like a cold, when the germs are too strong to fight, you may still get sick. But if the situation is handled correctly, the crisis can be nursed with care until the situation is remedied, so it is shorter and less debilitating.

Here are some crisis management tips every corporation should practice:

1. Take immediate action if a problem arises, either internally or externally.

This is why companies have and fully utilize crisis management plans and experienced PR teams: press releases and conferences communicate what to avoid the appearance of a cover-up. What should have been managed properly and promptly by the archdiocesan personnel was swept into file cabinets and ignored. No matter how much power it yields, an organization cannot subscribe to the “if it ain’t broke, don’t fix it” philosophy. Remember, the longer something is covered up, the deeper the grave the company has dug for itself in the end.

2. Keep employees in the loop.

GEICO Auto Insurance learned this lesson the hard way in its early years, when the management communicated only with the media during a bankruptcy crisis, and left their employees reading about the company’s status in the morning papers. Soon, their own employees doubted them more than the media did. While communicating with the press is definitely key to coming out of a crisis on top, management must also remember to keep their employees informed to maintain a culture of trust, understanding and support. Utilize internal memos, meetings, and the company intranet to keep employees updated.

3. Admit your mistake.

If your company has made a mistake, admit it. If you’ve been wrongly accused, state your innocence and be able to back it up. Always tell the truth, because if you weave a web of lies, it will come back to you tenfold. Complexity of the situation cannot be an excuse; Enron’s complex web of deceit was still ultimately uncovered and understood. Even if your company has done something to seriously injure its credibility, companies that offer a public, heartfelt apology are more likely to earn back respect and credibility than companies who continue to shift the blame elsewhere. Consider the Exxon Valdez oil spill: the CEO and other members of the top management refused to take the blame that was obviously theirs and ended up with a disgruntled and angry public.

4. Resignations are an option.

The importance of Cardinal Law’s resignation from the Boston Archdiocese should be a model for other organizations undergoing a similar destruction of reputation. A resignation—forced or voluntary—should not be seen as a cop-out, but rather as a necessary step in a recovery back to credibility. Think of it as damage control. How could a company move on with the same management that caused the loss of credibility in the first place?

Let’s say for a moment you have a dead tree in your yard. Even if the tree is well-rooted in the soil, and has had a history of flourish and plentitude, when it becomes dead wood, it becomes a hazard to your property. To reduce that hazard, you have the tree uprooted. The weakened soil is cultivated until it becomes fertile enough to plant again. Resignations are very much like a

removal of a dead tree—you directly uproot the problem from the company, tend to its damaged culture, and start fresh with a new leader.

5. Write a communications plan.

Be sure that every key person in your organization knows who to call, who to bring into the situation and what the plans are in the event of a crisis. Give those who will be dealing with the media, employees, investors and other key constituents full access to decisions as they are happening and be sure everyone is in the loop on your goal for appropriate full disclosure. Lawyers, outside consultants, key decision makers and others have to be on the same team before any crisis so there is no question about who is in charge or what your highest values are if it ever happens.

6. Train your spokespersons.

Whether your executives or your public relations director are handling the brunt of communications, nothing is more important to rebuilding credibility than handling the media and the public in a crisis. You can make all the right decisions, but if you don't communicate effectively you may still lose the battle for hearts and minds. Make sure the people who are handling the calls, dealing the public and talking to the press are well-trained.

A crisis can be an opportunity to build credibility if you handle it correctly. Remember, like a cold, you can prevent a crisis: if you keep a watchful eye out for its signs, you can have control of its destructive forces. And if you find yourself tumbling in the depths of an unavoidable crisis, recall the tips above. With care, you could just save your company from those scathing newspaper headlines.