



Chapter 3  
**Crisis Time**



## What You're In For

- ★ Crisis, Crisis And More Crisis
- ★ Downsizing, Layoffs Or VSS Need Good PR Handling
- ★ If Your Company's Image Is Tarnished, Rebuild It
- ★ Nasty Rumours – How To Counter Them
- ★ Nine Signs Your Company Needs PR, Badly



## CRISIS, CRISIS and MORE CRISIS

*“When there are lots of alligators in the swamp,  
the fact that one is more friendly  
than others is of scant consolation”*

- Rod Eddington

### In this chapter:

- ★ Crises are bound to happen to your organisation
- ★ Some points to consider when a crisis hits you
- ★ Two important audiences during a crisis -- external and internal

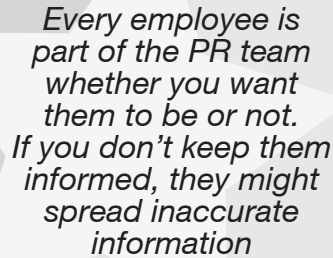
**A**nd Rod Eddington, former CEO of British Airways, is a man who knows a crisis or two. CEOs like him also know that having a good crisis communications plan is like having a good first aid kit. It's even better when you have people around you trained in dispensing first aid, because like accidents on the road, you never know when your business is going to be hit with the big “C” word — CRISIS.

From environmental problems, management changes to bankruptcy, food poisoning to fatal accidents at your workplace — all businesses are faced with a crisis at one time or another. The trouble with a badly handled crisis is that it dents your reputation and the cost goes well beyond temporary loss of sales. In fact the cost hits you in the form of reputation, future goodwill and other intangibles which translates ultimately to bottom-line values.

So, is your organisation ready for such devastating events that could decide whether you as CEO survive or vanish?

The problem is that chief executives simply fail to understand that crisis management is an on-going process and doesn't start only when a crisis actually happens.

It's incredibly amazing how many companies prepare for physical emergencies — fire, flood and even blackouts — have succession plans, have computer-crash plans, but **DO NOT HAVE A CRISIS COMMUNICATIONS PLAN**. As a result, their response to crisis is slowed dramatically, creating even more damage.



*Every employee is part of the PR team whether you want them to be or not. If you don't keep them informed, they might spread inaccurate information*

Before you decide to have a crisis communications plan drawn up by either a public relations consultant or your own PR department, you need to understand the five tenets of crisis communications.

Firstly, crisis communications must be:

1. **PROMPT**, or else rumours and innuendos will fill in the blanks.
2. Be **HONEST**, or it will come back and bite you!
3. **INFORMATIVE**, give enough information to create a story without legally compromising your situation.
4. **CONCERNED**, show the public that you care.
5. **TWO-WAY**, allow for interaction with all your important audiences.

Having said that, it's an oddity that most people think the media is the most important audience in a crisis. Well, they're not — not in terms of priority. The most important are your employees. Every employee is part of the PR team whether you want them to be or not. If you don't keep them informed, they might spread inaccurate information and sometimes out of resentment, add their own negative spin. If you inform them properly and prepare them with simple messages, then everyone they have contact with, inside and outside the company, gets those messages.

This is where media training comes in! Playing with the media is a game that no organisation can afford to lose. At worst, your reputation is at stake. At best, you forfeit a chance to build important relationships which can benefit the company and your clients. Journalists may make the rules, but media training helps you learn to play the game to your advantage.

*Pick the most awkward time of the day to do a crisis communications drill. Wake up your PR director if you have to*

Media training teaches key executives to shape an interview in a way which still gives the journalist what he's looking for — newsworthy information — while reducing the chances of inaccurate facts and quotes being used. I repeat, reducing, not eliminating.

On the other hand, you may think by not giving the interview, you won't be misquoted? No way! Then the journalist just gets quotes from someone else, maybe from less accurate sources, and directly or indirectly, imply that you're hiding something.

The media training process typically includes education on how to prepare for an interview, what the "rules of the game" are, how to make sure your key messages get across no matter what's being asked, and very specific, personalised instruction on how you can be a better interview subject. After completing media training, then comes the time to TEST the crisis communications plan a-la a fire drill.

Pick the most awkward time of the day to do a crisis communications drill. Wake up your PR director if you have to, and you'll get an accurate picture of how fast or slow your organisation responds to a crisis.

That's not the end of the story! The Internet has created not only new avenues for business and information, but also a tool for crisis creation. Be it "anti-corporate activism," on the web or old-fashioned terrorism in an electronic form, your crisis communications plan had better be ready to deal with threats from cyberspace.

The perpetrators could be anyone from customers with a legitimate gripe that they haven't been able to solve by other means, to employees of a competitor who are spreading disinformation to damage your business. Other possibilities could be investors seeking to make some fast money from swings in your company's stock price, activists trying to get your company to stop doing something or disgruntled employees seeking revenge.

Internet monitoring is a critical early warning system to identify crises before they expand at Internet speed. Ideally companies should provide an e-mail address for the public to get in touch with during a crisis. By providing online access, companies will reduce the number of phone calls they will receive, which have to be dealt in real time.

Plan now on how to use the Internet during a crisis. Make sure your crisis plan integrates the Internet with other media and communications channels. Have it ready to swing into action when a crisis hits.

It's never a matter of IF. It's a matter of WHEN.

**Conclusion:**

- ★ Crisis planning starts right now
- ★ You can already list down potential crises
- ★ You can't hide from a crisis but you can manage it



## DOWNSIZING, LAYOFFS OR VSS NEED GOOD PR HANDLING

*“Love is grand; divorce is a hundred grand”*  
- Unidentified PR man

### **In this piece:**

- ★ Retrenchment will never be a positive word
- ★ Always consider retrenchment as a major crisis
- ★ How to minimise the blow

**Y**ou read everyday about those cost cutting measures involving the reduction of personnel in companies stretching from the US, Europe to across Asia. On and off, all kinds of euphemisms are bandied about by companies throwing out staff to cut costs and survive troubled economic times.

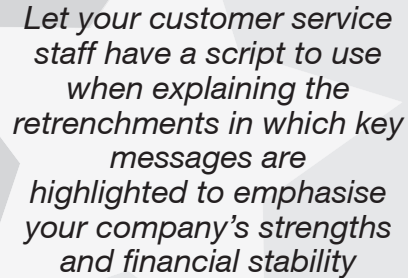
Some call it downsizing, or voluntary separation or even better, “right-sizing” and every time this takes place, managers making the announcement cringe at the thought of breaking the news to their staff. Even worse, is the thought of letting the press know about this. It leads to a lot of hiding-behind-a-rock where the entire management refuses to answer calls from the press.

But hey, let’s take a reality check. Although a layoff is not the kind of news companies like to generate, let’s not forget those individuals who receive termination slips and become jobless. They will certainly gripe to the press through a number of avenues. This can be direct or more often, indirect. Those who are members of unions will get the local union to tell their story to the press or go through a political party of their choice.

Having received these reports of retrenchments, the press are then on to a hot story that can spawn a whole host of similar job-loss stories. This scenario will no doubt put management on the defensive and it is

back to hide-behind-the-rock syndrome of doing everything possible to fend off the press. Usually, this just means saying “no comment” or some other garbled message declining requests for interviews.

For those chief executives who are more media-savvy and have good PR firms working for them, these challenges can quickly be turned into positive media opportunities. The key lies in planning ahead and here are some points you will want to work on:



*Let your customer service staff have a script to use when explaining the retrenchments in which key messages are highlighted to emphasise your company's strengths and financial stability*

### **Have a plan in hand**

Make sure you have taken the time to cobble together a crisis management game plan well before going down the road of making staff retrenchments. The plan already identifies spokespersons and the PR sequencing in releasing information.

### **Tell all your staff**

Don't leave out anyone. Make sure you tell every individual working in your company - both those who are staying and those leaving. For those staying, they need to know where the company is going and what fresh opportunities there will be in the near future resulting from the company's “right-sizing”.

### **Tell your clients too**

People who do business with you will be alarmed if they hear the news from third parties about you sacking hundreds of people. Doubt will creep in whether your company will go under. When your clients are worried, they may switch suppliers, or your competitors can use this to show you in a bad light and undermine your credibility.

Let your customer service staff have a script to use when explaining the retrenchments in which key messages are highlighted to emphasise your company's strengths and financial stability.

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## **Keep the media posted**

Your news release should lead in with positive news before touching on the announcement of retrenchments. Mention first about the wider restructuring, which could include the recruitment of new senior managers.

This takes the bite away from the actual streamlining of the workforce and will steer the journalist in a more positive direction. You can also include other positive points such as strong cash reserves, investor confidence, board of directors' support and new contracts.

## **Statement from the CEO**

Let's say you as the CEO are not available. This doesn't mean you can't communicate with the media. A prepared statement should be written for you which can be your first point of contact with the media even if you can't do a face-to-face interview. At the outset, I would reckon this is the "best foot forward" to take as it lends to more accurate reporting.

## **Interview time**

Later on, when matters cool down and as CEO you have had a chance to collect your thoughts, you should encourage face-to-face interview opportunities. At this point, all the potential questions are identified before hand and so are the answers. These are then rehearsed with tough queries prior to the interview.

You would do well asking journalists to submit questions in advance of the interviews and on those occasions you cannot attend an interview, written answers are quite acceptable as they are considered direct quotes from the chief executive.

## **The right editors**

As newspapers and TV shows have specialized segments, remember that you should contact the business editors rather than the general news desk.

## **Keep up the news momentum**

Just because this is retrenchment season doesn't mean you only focus on "defensive" news. On the contrary, this is a good time to push out as many success stories as you can, to balance the not-so-good news.

Also, over-concentration on the layoff issue makes you seem overwhelmed with this one problem, indicating that little else of a positive nature is happening within the company.

***“Friends may come and go,  
but enemies accumulate”***

- Thomas Jones



## IF YOUR COMPANY'S IMAGE IS TARNISHED, REBUILD IT

*“What people say behind your back is your standing in the community”*

- Old adage

### In this chapter:

- ★ 8 points on how to recover from bad reputation
- ★ Recharge your communications department
- ★ Go on a “roadshow” to promote your company

**S**o your organisation has been battered from all sides. The economy has been bad to your company and business is slow. What are you going to do about it from a purely communications point of view? How are you going to go about rebuilding the name and brand that have both been hit badly?

Before we go into what you can do, you need to know an old saying in PR — that impression is immediate but perception takes time. You need time to convince people to believe you. You need time because today, people have less time — to concentrate, to comprehend and to understand.

With almost every company now having their own communications department, we can say that the competition to get your news out is ten times tougher than before. Every PR director is squeezing their company's name into the daily limelight, and this forces you to work extra hard to get that media space — which is becoming scarcer everyday.

Let's say you've been hired as CEO to replace someone after a series of non-stop crises that have tarnished the overall image of the company. Why don't you give these suggestions a try. Though not all of them will apply to your specific situation, no doubt, some will.

## 1. Publicise your company's strong points

Yes, this is something you already know. But it will be good to emphasise this so that when publicising your company's strong points, you'll do it with careful planning. It is through planning that you will be able to "stretch" a positive campaign without repeating yourself.

Let's say your company is known for its tasty soy sauce – publicise that! After that, also publicise the advanced technology that goes in preparing the products. Then, work on your customer service centre, prompt delivery and nutritious value and so on. By breaking your company's strong points into several headings, you will get better acceptance and lots of inches in the print media.

## 2. Create awareness on your industry

Let's go back to that soy sauce as an example. Just going about selling your soy sauce products alone will not generate trust and reasons

enough to consume your product. However, selling the "idea" of having delicious meals with soy sauce will gain better acceptance. This is the same formula used by other products such as cigarettes – which depicts smoking as a "lifestyle" statement. It's not what you smoke, but how you smoke.

*Your nominated spokesperson is the voice and face of your organisation. If he is below par, the CEO should step in to take that person's place*

## 3. Talk about future plans – not past failures

The public wants to know about the future of your company, so you need a game plan for the next few years. Sharing your company's activities should also be divided into short-term and long-term. Short-term plans must be explained in detail compared to long-term plans. A CEO who discusses future plans will project vision, direction and inspire hope in a company. Decide on whom your key audiences are; what your key messages should be to each and how you can best deliver them.

## 4. Replace that incapable spokesperson

Your nominated spokesperson is the voice and face of your organisation. If he is below par, the CEO should step in to take that person's place. If you're a bad spokesperson yourself – get training or get someone else.

## **5. Reorganise your PR department**

Cut down on the process of approval – on anything and everything. Be it news releases, response to the media or responding to public complaints. Time is crucial and it will determine the negative or positive outcome.

Reset your PR department's goal to suit the current scenario and stick to it until there is a need to change them again. If previously your department's goal is to maintain a favourable image, now the theme should be making an impressive image.

## **6. When in doubt, communicate**

At times like this perception can quickly become reality. The worst thing you can do is go into hiding. Silence breeds suspicion, discontent and speculation, both externally and internally. Open up the lines of communication with your retailers, customers, investors and staff. And keep them open.

See this period as an opportunity for building relationships for the future. If your company and its senior people are prepared to actively work with the media, then you will build excellent goodwill which will be even more valuable when the good times return (as they surely will).

## **7. Get yourself and key people out of the office**

Whether it is customers, the trade, media or shareholders – they all depend on individuals within your company. The CEO and others have to show leadership; if you are cutting back on promotion of products, then the corporation has to be marketed and promoted through its key people.

## **8. Communicate internally**

Never (repeat, never) neglect your internal audience. They play a major role in convincing the outside audience what your organisation is really like. Employees of your company might spread rumours if there are no proper statements made to them. The public will believe rumours from your employees because “they work there”. Progressive companies and management realise that morale, confidence, perceptions and expectations within have to be maintained until better times.



## NASTY RUMOURS – HOW TO COUNTER THEM

*“Never believe a rumour until it’s officially denied”*  
- Old adage

### In this piece:

- ★ The power of rumours
- ★ Keeping a lid on rumours
- ★ To respond or not to respond

**R**umour has and will always be one of the unavoidable elements in the world of communications. Rumours are unofficial interesting stories or pieces of news that might be true, or perhaps invented, which quickly spreads from person to person.

“A rumour goes in one ear and out many mouths” reads an ancient Chinese proverb. In original Latin, “rumour” was a synonym for “noise.” Rumours, gossip and hearsay have long been regarded — and derided — as forms of idle, destructive chatter.

There are good rumours and bad ones as well. We, without realising it, take active part in spreading it to our own communities and sometimes, we help the rumour gain currency by letting it stray from the original version.

For the record, let’s examine how rumours start. The first possibility - people usually remember sharp details and forget those that were not so vivid. Second, what people notice and remember depend a lot on their own interests and experiences. Third, people frequently see what they expect to see, whether it was really there or not. Fourth, people fill in gaps to make a story more believable. Five, people build up a story in retelling it. Six, people often shorten a story in retelling it.

To top this, there is now the Internet, amplifier for rumours. The Internet is a powerful tool that has, in the past few years, provided the means for developing a vast network of online communities, but the Internet can also be devastating when it comes to helping rumours spread faster.

*It is not advisable to create your own rumours to counter attack the previous rumours*

The power of words, flying around the world in minutes, and even seconds, can virtually destroy the life of any one of us through destructive rumours. We are constantly bombarded, on a daily basis, with information via e-mail, the web, chat interfaces and newsgroups. That is why it is so important to learn how to recognise and control rumours, before they fly out of control.

A CEO's concern is not only how his company will handle a crisis, but also how it keeps a lid on inevitable rumours.

### **How to minimise the damage**

Remember that no matter what you say or do SOME people are going to believe the rumours. Your goal is to mitigate damage since it is next to impossible to make everyone believe your side of the story.

#### **1. Always find a credible news platform to tell your side of the story**

When a damaging rumour is detected, always trust an important daily or a credible TV news channel to do the trick.

For a very damaging rumour, a news story should be the most practical solution. Wide news coverage will help stop a spreading rumour and in crafting your messaging, you should be indirect. This is because, if the rumour is really intended to be circulated, the rumour monger will see your statement or story as a victory to him.

#### **2. Your response to a rumour should be indirect**

For example, if there is a damaging rumour about the demise of your chairman, you should highlight your chairman in action by making him appear in the news commenting on current issues. His statement will instantly kill the rumour.

### **3. It is not advisable to create your own rumours to counter attack the previous rumours**

Rumour doesn't come with a solid messaging structure. Therefore, you will never have control over the final result. Unlike a news release that gets printed on paper, words communicated through rumours can take a different course upon reaching your target audience.

### **4. Calm is key!**

Always be calm, even baffled, when the rumour is mentioned. If you act unprofessionally in protest, it looks like you have something to hide. Even if you do have something to hide, playing it cool is always best.

### **Not all rumours are bad**

In the glamour world of entertainment, different rules apply compared to the PR used in the business world. In the former, rumours sometimes are more important than facts. Well, in the world of entertainment negative rumours sometimes drive more album sales for singers, or bizarrely, bad relationships attract more audiences to see the actors' movie.

That is why they have gossip columns in entertainment magazines and in newspapers. The bigger the celebrities, the bigger the rumour gets. And believe it or not, there are many people out there making a living from creating entertainment rumours.

#### **The truth is:**

- ★ People believe rumours more than facts
- ★ Keeping quiet may not always be the best approach
- ★ Releasing information through a credible platform will keep a balance on the situation



## NINE SIGNS YOUR COMPANY NEEDS PR, BADLY

*“Coast and you will go downhill”*

- Dave Robertson, swim coach

### Here you will:

- ★ Learn how CEOs deal with non-performing PR departments
- ★ Be a better PR boss
- ★ Don't let your PR department slide into “relax” mode

In house PR departments are well regarded for being “activity-oriented” running from pillar to post, perennially busy — with little to show in the way of concrete results. Some of this are self-inflicted, but the CEO's attitude contributes quite a bit to this state of affairs.

PR departments need to be elevated to doing more important things, especially in assisting the CEO project the right image for the company – and himself. So it is time for some house cleaning.

CEOs can look for simple telltale signs your PR department isn't working as it should. For starters, many in your company probably don't understand PR, believing this particular department only becomes active when there is a launch of a new product or service, a crisis or when VIPs come to visit.

See if you can trace these signs:

### 1. Don't know the headlines

When you step in your office tomorrow, try asking your PR staff about the morning's headline news and see if they are aware and understand it. If they say they have yet to flip through the papers, you're in trouble. Why? Keeping up with the news is important. This is one way your PR

department can understand trends in the market, your industry, politics, business and the rest.

Then, take some time to find out what happened globally via the Internet. Again, are sure you have the right kind of people working in your PR department?

## **2. Everyone is busy from 9 to 5 only**

Nine to five only? What kind of a public relations department is that? Do you really think the world stands still after five?

## **3. The media never call**

Well, they should. But if they don't, you have to make yourself known to them. Has your PR staff visited them lately? Have they explained what your organisation does? Why is it that your competitors are always getting the media coverage and the PR mileage? Check again whether your PR department has offended them, and if that is the case, solve it fast.

*Yes, you have only  
8 hours or the next  
TV news bulletin --  
whichever comes first.  
More than that spells  
disaster!*

Your PR department must always be helpful to the media. When the press have an enquiry, make sure the PR staff follow-up by assisting the journalist get the right information. Put in the extra effort to accommodate their requests. Your PR department may be famous only for irrelevant story pitches, annoying phone calls, not understanding the publication or TV station or not understanding the editor's, reporter's and writer's beat.

## **4. You have to explain about your organisation (every time)**

When meeting your potential client or people from other organisations, it seems normal to take the effort to explain about your company. Why is that? If you have a PR department (a department that's supposed to educate the public about your organisation) why is it people still don't know about you? Well, try harder on those PR plans. Now you know it's not working.

No positive media coverage is a bad sign. The amount of media coverage one company needs may differ from another, but you need to maintain brand awareness and interest. It's easier to maintain than to start all over again.

## **5. Your response time is more than 8 hours**

Yes, you have only 8 hours or the next TV news bulletin -- whichever comes first. More than that spells disaster! Remember, the press works on deadlines. Delays mean the space will be filled with rumours and less accurate information that will be very hard to correct later.

## **6. Your PR department can only be contacted from 9 to 5 (excluding public holidays)**

Crisis and tide, as we know it, wait for no man. How do you respond to enquiries when your PR department is finished for the day? What if a crisis happens during a public holiday? The crucial part in handling situations like these is to create a system that allows your department to be contacted even during public holidays. Mobile phone numbers should be handy but it is also practical to assign some senior staff to be responsible to answer queries (before your team can come up with an official statement).

## **7. Don't know what your competitors are doing**

It's bad enough if you don't know what your competitors are doing. But it is even worse when you don't know who they are. To put it bluntly, your plans and strategies are useless without taking into consideration what your competitors are up to.

## **8. People have a bad impression when they call**

Telephone etiquette and front desk personnel have always been key yardstick to measure the professionalism and efficiency of an organisation. Ask your friend to call your office and rate how your receptionist answers the call. Throw in a few hard questions and see what answers she came up with. Send someone to visit your office too.

## **9. When they have nothing to do**

Idling is a bad word in PR. When your PR staff are idle with nothing to do, it means they are not trying hard enough. So call them in and make them try harder.

### **Conclusion:**

- ★ A PR department should be pro-active -- planning and executing PR activities