
INSURANCE AGAINST DISASTER

The public's judgment of a business owner's response to a crisis many times will be - and in fact, has been - much harsher than the judgment given to the business failure itself.

In most cases, public perception will be driven by an ever-vigilant media that serve as the monitor for what is good - and bad - about a business' crisis response. Often, comparisons to similar incidents are the benchmark for the final judgment of whether a business did right, or wrong, in responding to a crisis.

While crisis management is about much more than just handling the media, it is also true to say that they can play the single biggest role in a crisis / opportunity. First we need to realise that we are all media 'experts'. We spend a large part of our lives reading, watching and listening to their output. We are immersed in the media - so it only takes a small extra step to be able to understand all we need to know about them. And that step consists of *analyzing* the media instead of just using them for information, education and entertainment.

We all know that there is a 'commercial imperative' running right through the media. The unseen hand of selling advertising space drives everything. Early in their careers journalists are told that the only way to write is with a grabbing first sentence, all the facts condensed into the first two paragraphs, and the whole thing written from an angle which tells only a fraction of the full story, and which meets the editor's definition of 'newsworthy' - that is, written in a way which ultimately helps to sell advertising space.

So if the media are driven by this commercial imperative what *can* we do to gain some kind of control over what they are reporting? The answer is to be helpful, give them what they want and learn to work together. You will seldom get them to do it all your way but you can vastly improve positive coverage and diminish negative coverage about you by following two very simple rules:

- Know the journalists; and
- Give them a story

Know the Journalists

Be aware of the different requirements of the different types of journalist, for example:

- editors
- news editors
- page / section editor
- correspondent / specialist
- reporters
- picture editors
- local media
- trade
- broadcast

All have different needs, different deadlines and different places in the pecking order.

Above all, be aware of the vital importance of human chemistry. If you want to do business with a major customer do you do it at arm's length? Of course not. We do business with people we know, like and trust so we go to great lengths to get our key audiences to know, like and trust us – everything from golf to dinner with respective spouses. Journalists are no different, yet even a high proportion of PR professionals try to do it all by telephone and press release. If you want to win them over you must look for every opportunity to get to know them fact to face. Once you do, you will find that they differ from each other as much as people do in any other walk of life, so some you will simply get on with alright, some you will not get on with at all, and some you will click with and cultivate an invaluable mutual relationship.

These principles also apply to journalists who approach you 'cold'. Instead of just responding, ask yourself if this journalist might be useful in future and look for an opportunity to build the bridge with a meeting or a follow-up to the story. Of course, when a crisis actually strikes, you cannot expect to develop relationships with every journalist likely to be working on the news desk that day. What you *can* do, though, is to:

- Try to establish *some* sort of relationship via face-to-face meetings and briefings and by coming across to them as a reasonable and helpful human being.
- Feed your regular contacts with exclusives and thorough briefings. Sometimes a specialist journalist who knows your subject or organisation will take over the story.

CRISIS MEDIA BATTLEFIELD PRINCIPLES

A crisis doesn't happen on your schedule. It's sudden. It's surprising. It's out-of-the-blue.

- There's an explosion at the plant.
- The union calls a wildcat strike.
- A sexual discrimination suit is filed against the CEO.
- Cruise ship passengers contract a mysterious illness.

How well one responds to this immediate emergency may mean the difference between sudden death and survival for a CEO and his or her organisation. In such a critical situation, the organisation doesn't have much time to get its act together. The early hours set the tone. Indeed, the CEO must be perceived as the person "in charge" in the "golden (first) hour" after the crisis becomes public.

Stated another way, public perception of "who's winning, who's losing, who's at fault" is moulded in the initial several hours. ***So he who hesitates, loses.***

Handling the media, of course, is the most critical element in crisis. Normally, treating the press as "friendly adversaries" makes great good sense. But.....when crisis strikes, the media turn crazy. Anything goes to get the story. And an "us vs. them" mentality prevails.

Therefore, in addition to early mobilisation and action, handling media relations in crisis mode demands knowledge of certain other "media battlefield principles." Among them:

1. Set up media headquarters

In a crisis, the media will seek out the organisational "soft spots" - where the firm is most vulnerable to being penetrated. To try to prevent this - you can never guarantee unauthorized leaks - organisations in crisis must immediately establish a media headquarters, through which all authorized communication must flow.

It is the responsibility of this central agency to issue all statements from the organisation. Likewise, any request for information about the crisis or response to it must flow through the media headquarters.

2. Establish media rules.

In a crisis, the media are sneaky.

Their goal is to unearth any salient or salacious element that will advance the story line of the crisis. In this respect, they are operating very much at cross-purposes with the organisation, which is desperately trying to put the crisis behind it.

Because the media in crisis have no "scruples," it is obligatory that the organisation in the crucible set firm rules - what parts of the operation are "off limits," what executives won't be available, etc. - for the media to follow.

Stated another way, in a crisis, the media must be "minded."

3. Media live for the "box score."

Crisis specifics make news. The grislier the better.

- How many were fired?
- How many were displaced?
- What was the cost of the damage?
- How much was extorted?
- How many perished?

In press parlance, crisis is about numbers. And while you may not wish to part with too many too quickly, you must be aware that specific counts is what the media want.

4. Don't speculate.

If you don't know the numbers or the reasons or the extent of the damage - don't pretend you do. Speculation is suicidal in crisis.

After Boston Celtic star Reggie Lewis was hospitalised with an irregular heartbeat, his doctor speculated that "with moderation," Lewis could begin working out again. In the player's first return to the practice court, he keeled over and died.

The lesson: Don't wishful think. Don't speculate.

5. Feed the beast.

The media in crisis are insatiable.

The Internet, cable news and the wire services must be fed - 24/7. In the 21st century, the media never sleep. And in crisis, neither should you.

"Nature abhors a vacuum," goes the old saying. And in crisis, any "vacuum" will be filled by your enemies. That's what front page victims like Martha Stewart, who steadfastly maintained their silence in the face of withering personal attacks, learned the hard way. Stewart lost her credibility largely because she refused to "feed the beast." So a smart organisation in crisis will strive to keep the media occupied-even "distracted" -- with new information that advances the story.

6. Speed triumphs.

The media talks about their quest for "objectivity." But in a crisis, accuracy falls victim to speed every time. The victory goes to he who "breaks" the story; who gets there before everybody else. If that means the facts are slightly off or the wrong information is reported - so be it.

In crisis, it's speed first, accuracy second.

This sad but true fact holds major implications for public relations people, who must monitor what is being wrongly reported, so that it can be nipped quickly before others run with the same misinformation.

7. Be careful with radio.

Radio rarely shows up at the scene of crisis. But that doesn't stop it from reporting on what's going on."

Accordingly, misinformation conveyed by erroneous radio news reports is an omnipresent danger in crisis. Second hand reporting is always dangerous, and with news radio rebroadcasting the same misinformation every 20 minutes - monitoring the radio becomes a public relations necessity.

8. Lower standards prevail.

They'll deny it, but journalists lower their standards in crisis.

As noted, speed is of utmost consequence. Getting there first. Filing before others. Therefore, the propensity to move from fact to error is much more rapid than normal.

Again, monitoring the 'Net, the radio, cable and the major media becomes a front line crisis public relations responsibility.

9. Cable Rules.

Cable TV is a 21st century phenomenon. NDTV, Aaj Tak, STAR News, CNN, BBC, CNBC, et al. They compete viciously with each other all the time - one of the last bastions of Indian reportorial competition. Which is good.

What's less good is that in a crisis, the drumbeat of incessant hammering is relentless.

Once a crisis "victim" gets caught in the cable spotlight, it is close to impossible to be extricated. Round-the-clock the skewering continues, on talk show after talk show, "expert" after "expert."

Cable TV, like radio, like the Internet, must be monitored scrupulously in crisis. The organisation's very survival may depend on it.

**A SYRINGE IS DISCOVERED IN A CAN OF PEPSI
PEPSI RESPONDS BY CALLING FOR DIRECT AND IMMEDIATE ACTION IN 1993**

On June 10, 1993, an elderly couple claimed that they had discovered a syringe floating inside a can of Diet Pepsi. For the next two weeks, the management of Pepsi-Cola worked round the clock to mount a massive public relations campaign.

Media relation executives used television to launch offense strategies. One video release illustrated the high-speed can-filling lines, eliminating the public's fear of an unsafe canning process. Another pictured a woman who was caught at a convenience store inserting her own syringe into an open Diet Pepsi can. Pepsi cooperated fully with the FDA and its investigative efforts.

On June 21, 1993, Commissioner Kessler held a press conference calling the Pepsi-Cola controversy a hoax. Pepsi administrators then placed ads in newspapers and periodicals that read

"PEPSI IS PLEASED TO ANNOUNCE...NOTHING."

LOCAL KNOWLEDGE – THE COCA-COLA PRODUCT SCARE IN BELGIUM

A corporate crisis is not just an explosion, fire or oil spill. If your product is making consumers ill, that too could have huge reputational repercussions if handled incorrectly. It needs swift action both operationally and in communication management.

The crisis

Coca-Cola got this wrong when on 9 June 1999, 120 Belgians, including 40 school children, were taken ill after drinking some of its products. Coca-Cola's Atlanta headquarters was responsible for communicating with the public from the outset of the crisis. But, at a time when food safety was a major political and media issue in Europe following BSE and dioxin scares, Coca-Cola misread the public mood and underestimated the scale of the crisis it had on its hands. The company's initial key message – that there was no risk to public health – was thus inadequate.

Coca-Cola's failure to recognise public concerns led to people believing the company didn't care. It was only when consumers stopped buying Coca-Cola products and the Belgian and French governments asked the company to withdraw its products from the market that the Company issued an official public message and the Chairman and CEO, Douglas Ivester, visited Europe. Although Coca-Cola swiftly issued a partial product recall it decided against withdrawing all of its products. This led to governments across Europe adopting precautionary measures and banning Coca-Cola products. This was a huge blow to the image of Coca-Cola.

The outcome

Coca-Cola has estimated that the crisis cost the company £66 million. It led to product bans in Spain, Germany and Saudi Arabia. The Chairman and CEO resigned and the company was forced to invest even greater sums to win back lost market share and rebuild its tarnished reputation.

The lesson

When a product crisis occurs, it is essential that companies communicate what has happened, how it happened, what action has been taken to remedy the situation and what precautions, if any, customers should take. Coca-Cola did not do this quickly enough. It is also essential to understand the country you are operating in and any political or cultural issues that may affect the public and political response. Again, this is something Coca-Cola failed to do.

(Excerpted from the workbook of PR Pundit's workshop held in Mumbai on September 10, 2003)