

WHITE PAPER

A REPORT TO THE COMMUNICATIONS INDUSTRY

CRISIS MANAGEMENT

By: Edward M. Stevens, APR

Submitted by:

An Award Winning Communications Firm

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INTEGRATED MARKETING
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CRISIS COMMUNICATIONS

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Stevens Strategic Communications has been involved with the top crisis stories of the past two years – salmonella food poisoning and the gulf oil spill.

Our work on salmonella food poisoning product recall won The Best of Show in the Public Relations Society of America's Cleveland Rocks Awards competition.

Crisis preparation starts with the creation of a crisis plan. Does your organization have one? Maybe it is time to contact Stevens Strategic Communications. We can work with your crisis team to produce a crisis plan that is appropriate to your needs.

In this white paper, you will be exposed to the ins and the outs of crisis planning. We hope it helps you.

Let us know if we can be of service.

Sincerely,

Edward M. Stevens, APR
President



Public Relations Global Network
Connected Thinking. Globally.

INTEGRATED MARKETING, CORPORATE AND CRISIS COMMUNICATIONS

TABLE OF CONTENTS

1.	MAKING THE CASE FOR A CRISIS MANAGEMENT PLAN	4
2.	CRISIS DEFINED	5
3.	EXAMPLES.....	5
4.	TYPES OF CRISIS.....	6
5.	EXAMPLES OF EMERGENCY LEVELS.....	7
6.	CRISIS MANAGEMENT VS. CRISIS COMMUNICATION.....	7
7.	CRISIS COMMUNICATIONS PLAN	8
8.	VULNERABILITY AUDIT.....	9
9.	FOCUSING ON THE RIGHT ISSUES.....	10
10.	CHAIN OF COMMAND, EMERGENCY RESPONSE TEAM COMPOSITION & DUTIES	11
11.	DEPICTION OF ACTIONS BY ERT MEMEBERS	12
12.	THE CRISIS ENDGAME...DEACTIVATION/RECOVERY.....	13
13.	CRISIS COMMUNICATIONS, THE SHORT COURSE	14-15
14.	A CRISIS MANAGEMENT SCENARIO	16-17

MAKING THE CASE FOR A CRISIS MANAGEMENT PLAN

How prepared is your organization to handle a crisis?

- If a crisis event occurred, who would be notified? How?
- If the event occurred at 2 a.m., Sunday, how long would notification take?
- Does your organization have a crisis plan? How is it coordinated with the plans of the organization's other facilities or key stakeholders? How often is it tested? Do off-site emergency responders participate in the testing of the plan?
- What kinds of crises could affect your organization? How would the public response to the occurrence of one of these events affect the organization? What plans are in place to contain or minimize the impact of such events? What is being done to prevent these events?
- Who is the designated spokesperson in the event of a crisis? What training has he/she had in dealing with tough questions from aggressive reporters? If the crisis lasted days, weeks, or months, who would relieve the spokesperson and other responders? Who decides what information is disclosed? Who approves public statements for release? What is the approval process for public statements? How long would it take to get the first statement prepared, approved and delivered? How would it be delivered?
- Where would media briefings be conducted during a crisis? Who would manage/coordinate it? Could your telephone system accommodate 500 or a thousand incoming calls? How would you send fax messages to 40 recipients within 15 minutes? Or emails?
- Who are your audiences? How do you communicate with them?
- What crises have occurred in the industry recently? How were they handled? How did it affect your organization? Are there lessons for us?

CRISIS DEFINED

Any event that disrupts normal business operations, evokes scrutiny by regulators and/or news media and threatens the reputation and profitability of the organization.

Attributes:

- Occurs suddenly, requiring immediate attention
- Stops or interferes with business
- Out of control, with potential to escalate
- Provokes regulatory or even legislative intervention
- Requires extensive use of resources
- Potential reputation damage
- Potential for extended duration

EXAMPLES

- Fire, explosion that significantly damages facilities, causes injuries
- Death of CEO or other senior management
- Spill of toxic or hazardous materials
- Product failure, recall
- Computer failure
- Litigation
- Hostile takeover or merger
- Regulatory or news media scrutiny, investigation
- Campus shooting
- Social Media attacks
- Scandalous behavior of leadership

TYPES OF CRISIS

Spontaneous, unexpected

- Fire, explosion
- Tornado
- Workplace violence
- Oil spill
- Salmonella food poisoning

Emergent

- Safety record
- Media/regulatory investigation
- Lawsuit

Intangible, perceived

- Unfounded rumor (Procter & Gamble logo)
- Minor spill of toxic material seen as threatening
- Stock market fluctuations

Extraordinary, weird

- Coca-Cola syringe
- Domino's Pizza on YouTube

EXAMPLES OF EMERGENCY LEVELS FOR BUSINESSES

- **Level 1:** Emergency is handled by trained personnel from your organization. Minor fire. Employee experiencing heart attack.
- **Level 2:** Emergency is handled by staff, but requires help from others, other departments, management oversight. Fire is extinguished, but damage is significant. Employees complain about smoke inhalation.
- **Level 3:** Fire requires off-site help from police and fire, or EMS. Senior management oversees. Likely investigation by fire marshal. Coverage by local news media.
- **Level 4:** Fire severely damages facility, injures several people, spreads to nearby facilities, disrupts other businesses, prevents your business from continuing, employees sent home, vendors can't make deliveries. TV crews got spectacular shots of people being rescued from third story by hook & ladder fire crews, local politicians are calling for full investigation in possible fire code violations and emergency preparedness training of employees. Affected businesses threaten litigation. Likely civil suits from the injured.

CRISIS MANAGEMENT VS. CRISIS COMMUNICATION

Crisis communication is a subset of crisis management. In reality, however, they should be so tightly coordinated that they become one. The components of crisis management: operations function, in charge of containing and resolving the crisis; management function, charged with activating emergency response teams and supporting the effort by operations; communication function, charged with assuring that communication is coordinated internally and externally, and for informing various audiences during and after the crisis.

CRISIS COMMUNICATIONS PLAN

Elements:

- Corporate or organizational philosophy & values
- Goals & strategy
- Emergency Response Team
- Communication plan
 - Scope
 - Action levels & activation
 - Team members & responsibilities
 - Deactivation, debriefing, recovery
- Maintenance
- Training

VULNERABILITY AUDIT

Develop a list of crises that could occur at your organization or could affect your organization.

Interview or survey:

- Senior management
- Other managers, supervisory personnel
- Employees
- Distributor, sales reps
- Key customers
- News media, trade media that routinely cover your business
- Trade associate officials
- Suppliers, vendors
- Retail investors
- Stock analysts, institutional investors
- Emergency responders—police, fire, hospital personnel, HAZMAT personnel
- Information systems experts
- Internet consultants

FOCUSING ON THE RIGHT ISSUES

Analyze your list according to the following:

Likelihood of occurrence:

- Very likely
- Possible, but not likely in the near term
- Not likely to occur

List according to potential damage to the organization:

- Potential for serious damage
- Potential for damage but could be managed
- Small potential for damage and easily managed (Note: Damage refers not only to safety issues and physical damage to facilities, but also to the potential for public outrage and damage to the company's reputation.)

Combine the two lists:

- Very likely to occur/seriously damaging
- Likely to occur/damaging but could be managed
- Possible, but unlikely in near term/could cause serious damage

Other considerations:

- Would it be a spontaneous crisis, or emergent?
- Would the company be the victim, or culprit?

Both of these factors will affect how you respond to the crisis and how you frame your messages.

CHAIN OF COMMAND, EMERGENCY RESPONSE TEAM COMPOSITION & DUTIES

Chain of Command:

1. Senior Management has ultimate authority over handling of the crisis.
2. Senior Management exercises that control through the Emergency Director (ED).
3. The ED interacts with senior management, with the Operations Coordinator (the person overseeing the crisis from operations perspective), the Communication Coordinator, and the support staff: legal, human resources, financial, administrative, information systems, other.

Duties of Emergency Director: Responsibility for overall response. Interacts with key government/regulatory officials. Interacts with community leaders. Interacts with media (could be the spokesperson, or could delegate). Designates responsibilities to Crisis Response Team members.

Other team members can include any combination of the following:

- Emergency Manager: Serves as alternate for Crisis Manager. Oversees operational, distribution, marketing and administrative activities related to the crisis.
- Communication Coordinator: Oversees public, community and media relations. (Could be designated spokesperson. Responsible for press releases, media briefings, contacting third-party experts, etc.)
- Legal Coordinator: Coordinates legal support for the crisis.
- Logistics Coordinator: Responsible for accommodations, catering, transportation, telecommunications and other needs related to the crisis.
- Administrative Coordinator: Responsible for facilities, documentation and other clerical support, round the clock telephone coverage.
- Human Resources Coordinator: Oversees, with Emergency Director, next of kin notification, counseling and other employee assistance hiring of temporary personnel or consultants needed to assist with crisis.
- Other: Specialist or technical experts, facilities services personnel, experts in electrical, architectural or sewer system design, as needed.

DEPICTION OF ACTIONS BY ERT MEMBERS

In addition to listing ERT positions and roles, the plan also describes actions and specific responsibilities for each team member. For example the Action section for the Communication Coordinator might include the following:

Actions:

Communication Coordinator:

1. Upon being notified by the Emergency Director of the emergency and updated on the situation, initiate the call tree by telephoning the Emergency Manager, Legal Coordinator and Communication Representative.
2. Instruct the CR to report to the emergency site after making her telephone notifications.
3. Report to HQ and contact the ED for an update on the situation, including casualties/injuries, damage to facilities, status of containment, assistance from off-site emergency responders, media presence, etc.
4. Begin writing a brief press statement beginning with, "This is what we can confirm at this time..."
5. When the statement is completed, proceed with getting approvals.

Each position is described in detail, including alternative actions to be taken depending on how the situation unfolds. Take the above action #5, for example:

When the statement is completed, proceed with getting approvals.

- If a person on the approval list is unavailable, contact his/her alternate.
- If the alternate is unavailable, notify the Emergency Director.

THE CRISIS ENDGAME...DEACTIVATION/RECOVERY

When the initiating event of a crisis—the fire, explosion, tornado—is under control, the tendency of some people is to heave a sigh of relief and say, *“Thank goodness, that’s over.”*

But, as Yogi Berra would say, *“It ain’t over ‘til it’s over.”* And, if badly managed, the aftermath of a crisis can be more devastating than the initial event.

Example:

In 1985, the Davis-Besse Nuclear Power Station experienced an unscheduled shutdown due to the failure of several pieces of equipment. The actual event lasted 20 minutes. It resulted in no injuries or radiological threat to employees or the public and no damage to the plant itself. In fact, the plant could have been restarted within a week. Because of the aftermath, however, which included regulatory issues as well as the company’s public image, the plant remained closed for 18 months and the cost of changes in hardware operating procedure exceeded \$180 million. It took several years and millions of dollars more in expenditures to restore the company’s reputation.

CRISIS COMMUNICATIONS, THE SHORT COURSE

- The Emergency Director is notified of an emergency by the on-duty manager of operations. The ED, working with operations and the Public Relations VP, assesses the situation and determines she will activate all, or part of, the Emergency Response Team.
- When the Emergency Response Team is activated for an emergency, initial steps should include immediately securing the emergency site, the business premises and phone—land line or cellular—for team members' use.

Other initial goals:

First two hours:

- Notify team and other support—public relations, human resources, legal, liaison with senior management, financial, insurance, marketing reps, logistics and administrative
- Send crisis team members, including communication rep, to the crisis site
- Activate response center
- Based on information from the crisis site, prepare brief statement for media inquiries
- Contact local emergency response teams and government officials. Appropriate government officials should be copied on all press releases, preferably before the media.
- Personal visit by a hospital representative to affected families at their homes or at the hospital
- Depending on media interest and presence, prepare for a media briefing
- Crisis response and crisis communication teams are operational at the crisis site

CRISIS COMMUNICATIONS, THE SHORT COURSE (continued)

Hour three:

- Open media information center
- Begin non-critical notifications—vendors, insurance carriers
- Establish liaison with local emergency operation centers
- Contact government agency public information officers
- Conduct first hourly media briefing
- Keep senior management briefed

Hour four through culmination:

- Begin senior management involvement, as appropriate
- If the crisis appears to require extended time to contain or resolve, logistics must make the appropriate preparations—lodging for team members, catering, clothing, etc.
- Assistant Crisis Manager should begin preparing for a shift change
- When crisis is under control, initiate deactivation/recover phase

A CRISIS MANAGEMENT SCENARIO

- Event is discovered and alarm is sounded. Operations determines emergency warrants alerting the Emergency Director.
- After assessing the emergency with Ops and discussing it with the Public Relations VP or similar title, the ED activates the Emergency Response Team. Members are notified by call tree process and begin reporting to appropriate locations.
- Communications Coordinator sends communications rep to the site, the rest report to the Emergency Information Center at HQ.
- CC contacts ED for update and writes brief statement. Gets approval from appropriate management, who have been alerted and are expecting the statement.
- Statement is sent to telephone operators, communicators, governmental affairs, sales and marketing, others who may get queries. (Note: When possible, keep government officials, especially local officials, updated on the crisis before the media.)
- Based on media interest, preparations are made for a press briefing at the Emergency Information Center at HQ.
- Designated employees monitor news media coverage, taping news shows, clipping newspapers during the crisis.
- Briefing conducted, with another briefing slated in an hour. Media requesting to visit the site are given the location and contact person there. The communications rep at the site links media with the ED, or handles interviews and takes them to area for photographs.
- Preparations are made for staffing the EIC for at least 24 hours. Food, lodging, shift change for ERT members and others.
- CC updates media at next briefing; what, where, when, how, injuries, number of people on site, agencies handling the emergency, etc.
- Emergency is contained, event is declared over. Media is given a recap of the crisis and updated on status of investigation into cause, damage, status of injured, when facility will reopen.
- Within a week, all participants—employees and others—are debriefed. Based on feedback, appropriate revisions to hospital policies and the emergency response plan are made.

A CRISIS MANAGEMENT SCENARIO (continued)

- Employees are recognized for heroic actions during the emergency. Depending on the severity and stress cause by the event, particularly if there were casualties, employees are offered counseling.
- Notes of appreciation are sent to appropriate government agencies involved.
Note: Be cautious in thanking news reporters.