



Crisis Communications Planning and Implementation

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What is a crisis?

“A significant business disruption which stimulates extensive news media coverage. The resulting public scrutiny will affect the organization’s normal operations and also could have political, legal, financial and government impact on its business.”

Crisis Management and Communications,” *IABC Strategic Communications Series*, Robert Irvine and Dan Millar

“A crisis is a major occurrence with a potentially negative outcome affecting an organization, company or industry, as well as its publics, products, services or good names. It interrupts normal business transactions and can sometimes threaten the existence of the organization.”

Kathleen Fearn-Banks, *Crisis Communication: A Casebook Approach*

“A crisis is an event or activity with the potential to negatively affect the reputation or credibility of a business. It is typically a situation that is – or soon could be – out of control.”

Jeffrey Caponigro, *The Crisis Counselor*

While we tend to think of crises as major events such as natural disasters, explosions, fires, airplane crashes and the like, most of the crises communicators will deal with are far smaller occurrences. They will probably not involve material damage, deaths, injuries or threats to safety and security.

The issue at the centre of most of the crises you are likely to face will be potential or actual damage to reputation and therefore, to the continued success of your organization or an individual or individuals within it.

These crises could include events such as financial irregularities like fraud and theft, physical or sexual abuse of members, volunteers or participants, mistreatment of employees or other stakeholders, sub-standard events and services, personal misconduct by a senior executive or an attempt to cover up wrong-doing.

The actions that will lead to these crises may have been going on undetected or ignored within the organization for some time and may only surface and become a crisis as a result of a whistleblower or media investigation based on a tip-off.

The first time that you may know of the crisis is when you get a call from a reporter asking for comment on information they have received, or when you are alerted to it by a stakeholder, such as a parent, employee or volunteer.

In cases like these, you will obviously not need to implement the type of full-blown crisis response that would be necessary for a major disaster. Nevertheless, your primary objective will still be to minimize damage to your organization's reputation.

The way in which you communicate with the media and any other stakeholders that may be impacted by the issue will be guided by the same principles and actions that you would apply in the case of a major disaster.

What is crisis response?

Crisis response is the way in which an organization or individual responds to a crisis. This response can be based either on a pre-prepared plan, or it can be *ad hoc*. The objective of crisis response is to end the crisis as quickly and safely as possible so as to minimize disruption to the organization or to the life of an individual and to minimize damage to reputation.

Crisis communication is an important element of crisis response, but it is not the only element. Other important aspects of crisis response include operational issues (for example, getting your organization up and running and focused on its mission and goals, labour relations [ending a strike], financial [negotiating with bankers to secure finance to keep an organization going], regulatory [government relations] and logistic [finding an alternative supplier or venue]).

What is crisis communications?

Crisis communications needs to be seen in the broader context of crisis response. If we accept that a crisis is an event that has the potential to seriously damage the reputation of an individual or organization, then crisis communications must be designed and implemented to minimize that damage.

What's the difference between a crisis and an issue?

Teresa Yancey Crane, founder and president of the Issue Management Council, an organization for corporate issue managers, was part of the team that created the original Issue Management Process Model in 1977.

She describes an issue as "a gap between your actions and stakeholder expectations." Issues management is the process of closing the gap before the issue can develop into a crisis.

Therefore, issues management is very much part of risk identification and management.

For example, an organization may start to be perceived by its stakeholders as conducting its business in a way that damages the environment. A gap between the company's actions and stakeholder expectations is established and starts to grow. If the organization ignores the gap, stakeholders could take action such as protests or the boycott of products, events and services. The issue could then become a crisis.

Communications around an issue that is being addressed tends to be more proactive (“here’s what we are doing to address the issue”), whereas crisis communications is typically more reactive in response to a rapidly moving series of events.

It’s not always possible to differentiate clearly between issues and crises. An event that would be an issue for a large organization could be a crisis for a smaller one. The rule of thumb should be: does it have the potential to seriously damage the organization’s reputation and threaten its business.

In general, crises emerge suddenly – an accident or a disaster, or another unforeseen event. However, crises are often predictable if known issues are left unaddressed.

How do crises become crises?

Although a crisis can be a sudden unexpected event such as a natural disaster or accident, many crises have a clearly identifiable progression – from problem to issue to conflict to crisis.

For example, a “problem” could be friction between an organization’s manager and a program leader over safety related to program participants. The problem is not adequately addressed by the manager, so the program leader complains to fellow program leaders who agree with his or her concerns. The “problem” has now become an “issue” because it could potentially impact program leaders’ morale, program delivery and related activities. At this stage, it could still be resolved without progressing further.

However, if the manager becomes aware of the grumblings among the program leaders and decides to confront the complainer, warning that if he/she does not stop spreading dissent he/she will be fired. The “issue” has developed into a “conflict”. The program leader goes back to work and within a few days a program participant is seriously injured.

The program managers stop all activities and alert the media. The chain of events that resulted in the injury to the program participant soon becomes public knowledge through extensive media coverage. The issue has now become a “crisis”; all programs have come to a standstill, key stakeholders start to perceive the organization negatively and its reputation is under serious threat.

The point is that many crises can be avoided if the problems that cause them are dealt with early on. The challenge is to recognize the problems that could develop into crises.

What does an emerging crisis look like?

Typically, a crisis for which an organization is not properly prepared develops along the following lines:

- Surprise: It seems that most emergencies occur when you least expect them.

- Insufficient Information: Seldom do you have all the facts and often you receive conflicting reports about what has happened.
- Escalating Flow of Events: Things seem to speed-up and become more serious as you try to get more information.
- Loss of Control: Circumstances often become overwhelming, which can lead to a feeling of helplessness.
- Intense Scrutiny from the Outside: Especially if your organization serves the public. Problems will be magnified and quickly judged by the media, the public, local officials and your stakeholders.
- Panic or "Siege" Mentality: Under such pressures, it is not uncommon for some organizations to withdraw into a cocoon and do nothing — the worst thing to do.
- Short-Term Focus: Often, organizations become so focused on the immediate situation that they lose sight of the big picture and possible long-term ramifications of their initial response.

So what do you do? First: reach for your crisis communications plan – (Oh, you don't have one.)

Second: Forget about your key messages: Saying that your top priority is the safety of welfare of the people you serve will not go over too well when an employee or volunteer is facing allegations of sexual abuse.

Be ready: The media will be there in minutes if it's a big, public crisis like an accident. A less spectacular event like a financial crisis could take a while to filter through. But the sooner you start preparing to respond to the media, the better you will fare when they arrive.

- Gather and only deal with facts.
- Acknowledge the situation.
- Take "ownership" of the issue.
- Assess legal liability – work with your lawyers and agree on how and when you will communicate.
- Demonstrate care, concern and empathy.
- Consider how and when you want to release information – face-to-face is not always necessarily the best way.
- "Tell it all, tell it fast" – but be well prepared (at a news conference, on a radio talk show, one-on-one interviews etc.)
- Reach out to all target audiences and use all available channels – print, radio, TV, social media, e-mail, telephone etc.
- Review and modify actions as needed.
- Monitor the media including social media.
- Correct the record.

And don't forget your employees/volunteers/partners/sponsors – they are often the most important audiences in a crisis. Their support and understanding could make the difference in how well you emerge from the crisis.

Getting buy-in for crisis communications planning

Most organizations do not have crisis communications plans. Many don't even have formal crisis response procedures or risk management programs other than a financial risks assessment mandated by their bankers.

Because crises usually happen suddenly and unexpectedly, they can cause panic, particularly if an organization is unprepared for them.

Panic can lead to several types of behaviour including denial, defensiveness, cover-up and minimizing the impact of the event – all of which have the potential to exacerbate the crisis.

Ideally, a crisis communications procedure should be a key element of an organization's overall communications plan, which in turn should be part of the overall business plan.

However, in reality many organizations see communications primarily as a marketing and promotions function and either don't give much thought to crisis communications, or believe that they will handle it if it ever becomes necessary (which many think will never happen anyway).

A good way to convince an organization's leaders that crisis communications planning is an essential aspect of the organization's overall communications function is to provide evidence of what has happened to similar organizations when they have faced crises.

By not only posing the "what if" questions, but also providing answers and showing examples of what can happen if the organization is not prepared for a crisis is often an effective way of getting leaders' attention.

A communicator's role in developing a crisis response plan

Once the organization's leaders accept the need for crisis communications planning, the task of putting a plan together may be delegated to a communications officer/volunteer. If the organization does not have a crisis response plan, the same person may also be asked to take on that task. This is not necessarily a bad thing.

Crisis communications planning must be a major part of crisis response planning. As a communicator, you need to be at the crisis response planning table to contribute what you know about your organization's audiences and what you will need to tell them in the event of a crisis.

It is obviously important to have a clear understanding of the operational aspects of your organization and how operations managers would respond in a crisis. You would need to guide them in the communications aspects of their response and also insist that they keep you fully briefed on their response as it evolves.

What your crisis communications plan should look like

Determining crisis scenarios is an important element of crisis communications planning, but it is not the most important. It's impossible to know for sure how every potential crisis will play out from beginning to end, so it is probably a waste of time to try to plan in detail for each one.

What's more important is to have policies and procedures in place so that everyone involved in crisis response knows exactly what they are supposed to do.

Remember, stakeholder perception of how you deal with the crisis, both operationally and from a communications perspective, could have a significant impact on your reputation as the crisis unfolds and in the aftermath.

The reaction of stakeholders is likely to be far more positive – even in a difficult situation – if you are seen to take charge of the response and to communicate accurately and often so that no one is left wondering what's going on.

Leaving the media and other stakeholders to look for outside sources of information – which may or may not be accurate – about your crisis could compound any damage you may suffer.

While the content of crisis communications plans will obviously vary depending on the size and complexity of the organization, in general the plan should include:

1. A mandate for your organization's crisis response and communications team so that everyone knows what they are there for and what they are supposed to do.
2. The names and 24-hour contact information of the members of the crisis response team.
3. Alternative meeting points and means of communication in case you cannot meet at your offices.
4. A list and contact information of key stakeholders.
5. One or more identified and trained media spokespersons.
6. One or more writers with access to equipment to produce and distribute information bulletins.
7. The names and 24-hour contact information for external communications support (a national parent association, agency or consultants).
8. One or more media relations officers with the equipment to contact and to be contacted by the media.

9. A current media list for your area.
10. A media holding area and a procedure for receiving and briefing media who may arrive at your premises.
11. One or more people to contact and talk to other stakeholders such as employees and their families, volunteers, members, suppliers, the authorities, elected officials, community representatives etc.
12. Pre-prepared background information on your organization.
13. A pre-prepared new release template.
14. A schedule for regular testing of your crisis response program.

Dealing with the media during a crisis

Crises tend to be uncontrollable, particularly in the early stages. There may be a great deal of conflicting information, or there may be a shortage of accurate facts. Rumours will swirl.

Crises generally attract immediate and sustained media attention, which in turn plays a major role in shaping public perception. Dealing with the media during a crisis is often challenging and tense.

Typically, the media will be looking for someone to blame – and that could be you. Avoiding the media will only prolong a negative story, so try to be as accommodating as you can.

The way in which you interact with the media in the early stages of a crisis is crucial; it typically sets the tone for ongoing coverage and establishes the type of relationship you will have with the media during the crisis.

Don't let other people or groups tell your story – which will happen if you don't communicate quickly and regularly. Regard the media as an important element in your crisis communication – a conduit to your stakeholders – rather than as an enemy to be kept at arms length.

During the planning phase, identify one or more media spokespeople and provide them with media coaching so they know what to expect when they face the media during a crisis.

In a serious crisis, particularly when people have been killed, injured or harmed in some way, it is usually best to have your most senior leader as spokesperson to signify that you are responding at the highest possible level. A more junior spokesperson could be perceived as an attempt to minimize or ignore the severity of the situation.

Pre-planning will help you avoid some of the common mistakes in communicating with the media during a crisis such as delaying your media releases because the leadership can't decide what to say or how to say it.

Another common mistake is to minimize the fears and concerns of stakeholders or other people who may have been affected by the events that resulted in the crisis. No matter how trivial those fears may appear to you, don't be tempted to downplay them.

Also, never under-estimate the length and severity of the crisis. Ideally, you want it to be off the front page in a day or two and out of the media within the week. However, crises have a tendency to expand as the media investigates and explores new angles. Be prepared to stay focused on your crisis communications activities for as long as it takes for the issue to work its way out of the media.

But remember that it's not only media attention that defines a crisis. Consider who will be impacted by the crisis and make sure you communicate with all stakeholders, including – most importantly – employees, volunteers, program participants, partners and sponsors. Key stakeholders should hear about the crisis and your response from you rather than from the news media.

As a communicator, you will need to answer the following questions:

- What's really happening?
- How will it affect me?
- How/why did it happen?
- What are you doing about it?
- What do I need to do?
- Can you give me specific details and instructions?
- When will things get back to normal?
- What reassurances can you give me?
- Who can speak about it?

Don't be reluctant to bring in help if you need it, either to support your media relations or other stakeholder outreach. This could include staff from other locations including the national association to which you may be affiliated, a communications agency or consultants. Remember that other functions within your organization – including communications - will probably have to continue or be re-started while the crisis is still unfolding, and you will not be able to do everything on your own.

Testing your crisis response plan

It's important to test your crisis response plan, including the communications element, at least once a year. This can be done by simulating a crisis similar to one that is close to what you may experience based on what your organization does.

You could either manage the simulation yourself or call in external support. It's important to carefully document and – if possible – film the response so that you can learn from it and revise your plan if necessary.

Media Clips

August 21, 2010

New York Times In Case of Emergency: What Not to Do

By PETER S. GOODMAN

WHOEVER suggested that all publicity is good publicity clearly never envisioned the wave of catastrophe engulfing high-profile corporations over the last year, laying waste to some of the most meticulously tailored reputations on earth.

Toyota, celebrated for engineering cars so utterly reliable that they seemed boring, endured revelations that its most popular models sometimes accelerated for mysterious reasons. The energy giant BP, which once packaged itself as an environmental visionary, now confronts the future with a new identity: progenitor of the worst oil spill in American history. And the Wall Street icon Goldman Sachs, an elite player in the white-collar-and-suspenders set, found itself derided in Rolling Stone as “a great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money.” Last month, Goldman agreed to pay \$550 million to settle federal securities fraud charges.

“These were real reputational implosions,” says Howard Rubenstein, the public relations luminary who represents the New York Yankees and the News Corporation. “In all three cases, the companies found themselves under attack over the very traits that were central to their strong global brands and corporate identities.”

Image implosions, of course, haven’t been confined to the business world. The basketball wizard LeBron James found himself scorned as a narcissist after his nationally televised abandonment of Cleveland. Taped conversations of the Hollywood star Mel Gibson with his former girlfriend have secured him seemingly permanent billing as The Worst Guy Ever.

But for members of the protective tribe known as the crisis management industry, the scandals capturing headlines in the corporate realm involve far higher stakes, threatening the lifeblood of global behemoths worth hundreds of billions of dollars. The calamities have served up a lifetime supply of case studies to be mined for lessons on best practices, as well as pitfalls to avoid when disaster arrives.

As conventional wisdom has it, the three companies at the center of these fiascos worsened their problems by failing to heed established protocol: When the story is bad, disclose it immediately — awful parts included — lest you be forced to backtrack and slide into the death spiral of lost credibility.

Exhibit A in the lesson book on forthright crisis management is the mass recall of Tylenol in 1982, after the deaths of seven people who ingested tainted painkillers. Johnson & Johnson promptly acknowledged that some of its product had been poisoned and pulled bottles off store shelves.

In the view of many who are paid to extract corporations from terrible situations, Toyota, BP and Goldman exacerbated their woes by either declining to fess up promptly, casting blame elsewhere or striking adversarial postures with the public, the government and the news media.

“Companies that typically handle crises well, you never hear about them,” says James Donnelly, senior vice president for crisis management at the public relations colossus Ketchum, who — like many practitioners contacted for this article — required elaborate promises that he would not be portrayed as speaking about any particular company. “There’s not a lot of news when the company takes responsibility and moves on. The good crisis-management examples rarely end waving the flag of victory. They end with a whisper, and it’s over in a day or two.”

Alas, recent months have featured little whispering and a good deal of high-decibel theatrics: sirens headed to another Toyota accident; recriminations over how birds in the Gulf of Mexico became covered in black goo; debate over the propriety of Goldman selling investments engineered to fail. The basic facts were so unpalatable that they subdued the cleansing power of the American industrial additive known as spin.

Which raises a question: Are some crises so dire that public relations victory is simply not on the menu? And, if so, what's an embattled company to do?

Eric Dezenhall, a communications strategist in Washington who worked in the White House for President Ronald Reagan, argues that the standard playbook is useless when the facts are sufficiently distasteful. (He would know. He once represented Michael Jackson after allegations of child molestation.)

Mr. Dezenhall is particularly scornful of the classic imperative to "get out in front of the story," as if swift disclosure provides inoculation against all ugly realities. When the facts are horrible, he argues, the best P.R. fix may simply be to absorb the pounding and get back to business, while eschewing the sort of foolish communications gimmicks that can make things worse.

Consider Tiger Woods. His now-infamous fondness for women other than his wife enthralled the nation, all the while torturing corporate sponsors who paid gargantuan sums to associate their brands with his winning image.

"What was Woods supposed to do?" Mr. Dezenhall asks in an essay in the publication *Ethical Corporation*. "Call an immediate press conference and rattle through a list of lady friends declaring, 'Tiffany, yes; Trixy, no, Amber, don't remember ...'? And if Woods had pre-empted with a confession, would this have caused the news media, bloggers, pundits, Hooters waitresses and everyone else to collectively reward him with their silence? Not a chance."

Much the same can be said for BP, Toyota and Goldman, he suggests, with attempts to win public affection almost certain to be viewed as insincere so long as real problems persisted — oil spilling into the ocean, cars crashing, Wall Street profiting while ordinary people suffered.

"The two things that are very hard to survive are hypocrisy and ridicule," Mr. Dezenhall says. "It's the height of arrogance to assume that in the middle of a crisis the public yearns for chestnuts of wisdom from people they want to kill. The goal is not to get people not to hate them. It's to get people to hate them less."

A Disaster, Made Worse

Putting aside the limitations of crisis management, those in the trade generally share a sense that the companies at the center of recent events committed grievous errors. At the top of the list is BP.

"It was one of the worst P.R. approaches that I've seen in my 56 years of business," says Mr. Rubenstein. "They tried to be opaque. They had every excuse in the book. Right away they should have accepted responsibility and recognized what a disaster they faced. They basically thought they could spin their way out of catastrophe. It doesn't work that way."

Not so, protests the energy company. "From the beginning of the crisis, BP stepped forward and accepted responsibility," says Andrew Gowers, who oversees BP's communications. "We mounted a massive maritime response. It was the largest response there's ever been."

For BP, any spill threatened to undermine its image as a new breed of energy company, one sensitive to the environment. In an advertising campaign started in 2000, BP reinterpreted its initials to stand for Beyond Petroleum, featuring solar panels and wind turbines.

“BP made a decision years ago to hold themselves up as a paragon in a pretty controversial industry,” says Eddie Reeves, a former vice president for media relations at Merrill Lynch. “I remember hearing somebody talking about how Beyond Petroleum was going to be the poster child for this new environmental mind-set, and somebody else saying, ‘Yeah, that’ll work until they have their own plant explosion.’”

BP was no stranger to accidents. An explosion at a refinery in Texas in 2005 killed 15 workers, prompting a federal fine of \$50.6 million. The next year, an oil pipeline leak in Alaska brought BP \$20 million in penalties. But those events became footnotes after the lethal explosion at an offshore oil rig in the gulf in April.

The company issued early estimates suggesting that little oil was reaching the water, perhaps 1,000 barrels a day. Outside scientists challenged that figure and pressured the federal government to expand the estimate to five times as much. So it went for weeks, the numbers swelling and each revision calling into question the veracity of anything BP might say.

In the end, consensus estimates assume that nearly 60,000 barrels a day were spilling into the water, with the total volume close to five million barrels.

“BP lost a lot of credibility when it turned out they weren’t being forthright about how much oil was spilling out,” says Lucio Guerrero, who, as former spokesman for Rod R. Blagojevich, the impeached governor of Illinois, has intimate knowledge of the art of trust management. “Once you lose credibility, that’s the kiss of death.”

BP counters that it offered the best real-time numbers it could, while always stressing that estimates were subject to change.

“There was enormous pressure to mention a number,” says Mr. Gowers. “We did not underestimate the scope of the spill.”

On the highlight reel of BP’s missteps, strategists cite its effort to deflect blame for the spill by pinning responsibility on contractors. That made BP appear callous, as if it were focused on avoiding legal liability rather than doing right by those whose lives had been upended — the families of the 11 rig workers who died in the explosion, and communities that draw their livelihoods from the gulf. (BP declined to comment on such assertions.)

The company had to contend with a classic corporate quandary of balancing advice from counselors with starkly different considerations, according to people familiar with BP’s deliberations who requested anonymity because the advice was confidential.

In times of crisis, communications professionals and lawyers often pursue conflicting agendas. Communications strategists are inclined to mollify public anger with expressions of concern, while lawyers warn that contrition can be construed as admissions of guilt in potentially expensive lawsuits.

For BP, this tension burst into view in May, when executives went to Capitol Hill with officials from two of its contractors: Transocean, which owned the offshore rig that exploded, and Halliburton, which aided BP in drilling. Executives from the three companies each disowned culpability while pointing fingers at one another.

“What that screamed is the lawyers are in control,” says Mr. Reeves. “All it did was get everybody all the more peeved at them.”

Many analysts say BP erred in putting its message in the hands of its C.E.O., Tony Hayward. Inclined toward pinstriped suits, Mr. Hayward found himself in coastal communities in the American South, where shrimpers donned

stained coveralls in pursuit of a catch now polluted by his company's gushing inventory. His words of regret were delivered with a British accent, and he complicated his task with a series of tin-eared utterances.

"The Gulf of Mexico is a very big ocean," Mr. Hayward told The Guardian amid debate over the extent of the spill. "The amount of volume of oil and dispersant we are putting into it is tiny in relation to the total water volume."

Four days later, he told a TV reporter that "the environmental impact of this disaster is likely to have been very, very modest."

When he apologized to those harmed by the spill — telling a television interviewer, "We're sorry for the massive disruption it's caused to their lives" — he tacked on two sentences that would overshadow all else. "There's no one who wants this thing over more than I do," he said. "I'd like my life back."

With this, Mr. Hayward opened the gates to Sound-Bite Hell. Gangs of reporters deployed to the spill now had a cartoonish narrative to lean on, instead of the discomfiting mélange of scientific conjecture that had been their story before: Here was the evil corporation, headed by an unfeeling rich guy with a fancy accent (no matter that Mr. Hayward wasn't born to wealth and attended none of Britain's patrician schools).

Pundits gleefully pointed out that the life he yearned to reclaim featured millions of dollars in compensation, a point reinforced when he took leave of the disaster to spend time with the family — at a yacht race.

Eventually, BP minimized Mr. Hayward's presence, unleashing ads featuring BP employees from gulf communities who were working diligently to clean up the mess — a decision that draws praise from crisis managers as a better way to convey concern.

"The ads they have up with the New Orleans-area natives who work for BP are much better," says Mr. Reeves, the former Merrill Lynch executive.

Later, Mr. Hayward handed the reins of BP to Robert Dudley, who brought street cred as a competent operator along with a useful pedigree as a Mississippi native with an accent to prove it.

Mr. Hayward's travails illustrate another perilous lesson from the crisis-management handbook: Although strategists constantly hector executives to stick to the script, ad-libbed gaffes are common. Some of this is rooted in the culture of C.E.O.-dom. Bosses are accustomed to being obeyed as authorities, making them confident in their abilities to charm and persuade — a trait that can cause trouble when the audience is no longer a room full of underlings but a panel of Congressional interrogators or a pack of reporters wielding recording devices.

Yet, in the end, there may have been little that BP could have said to ameliorate public anger while the oil continued to spew, flooding the national consciousness — particularly given the modern realities of 24-hour cable news. More than any other company in crisis, BP had to contend with the power of a stark and ubiquitous image: oil gushing into water. As it tried and failed to plug the leak with various Rube Goldberg contraptions, any communications strategy was prone to backfiring.

"BP could apologize every day," says Keith Michael Hearit, a communications professor at Western Michigan University. "They could have a situation where the C.E.O. goes on an environmental pilgrimage and falls on his knees going up a mountain, and it wouldn't do them any good. Until the oil stopped, there was nothing that could be done to make it better, but there was plenty that could be said to make it worse."

Squandered Good Will

Toyota had a stronger hand to play, strategists say. Rare is the consumer with affection for an oil company, but Toyota enjoyed immense good will. It was the world's largest automaker, with reasonably priced cars that delivered excellent gas mileage and performance. It had cultural stereotypes working in its favor — the image of the disciplined Japanese corporation with uncompromising quality standards.

All of this suggested that Toyota might have won the public's understanding had it been seen as forthright.

"When you're in the mix of these really obtuse situations where nobody really knows the facts, in some sense the facts are less important than your posture toward the facts," says Mr. Reeves, the former Merrill Lynch media relations executive. "People are reasonable. They know companies make mistakes, and people will forgive an honest mistake. They will not forgive a dishonest cover-up."

Strategists express amazement that a company with Toyota's reputational advantages repeatedly dismissed reports of problems, communicated mainly through press releases — which underscored a fortresslike position — and then begrudgingly confirmed bits of evidence, ensuring that the story would play out in damaging increments.

"Toyota blew it," says Brad Burns, who ran communications at WorldCom, the telecommunications giant leveled by a 2001 accounting scandal. "It's been the proverbial death by a thousand cuts. They knew they had problems long ago, whether it was a mechanical issue or operator error, but they knew they had an issue they had to deal with.

"And rather than put public safety over profits, they appear to have listened to the product liability lawyers and they totally lost it. It's brand damage."

Mr. Burns says his experience at WorldCom — which reckoned with the scandal before selling itself to Verizon in 2005 — laid bare the benefits of transparency.

"The quicker you apologize and make it right, the faster it goes away," he says. "The longer you stonewall, the worse it gets." ("Oh, by the way," he adds, "it didn't help when your former management team is walking around in handcuffs.")

Toyota's communications coordinators say the company never ducked problems, even as they wish they had been quicker to deploy top executives.

"We made lots of mistakes," says Jim Wiseman, a communications executive at Toyota Motor North America. "We could have been out there even more. We should have been. We're trying to take various actions to learn from this."

The crisis began last September, as the National Highway Traffic Safety Administration issued an alert that floor mats in some Toyota vehicles appeared to ensnare gas pedals, causing surges in acceleration. The same day, Toyota announced the recall of 3.8 million vehicles.

The administration concluded that the mat problem was probably to blame in an earlier crash of a Lexus — an accident that killed four people.

A week after the recall, Toyota's C.E.O., Akio Toyoda, issued the first in a string of apologies. "Four precious lives have been lost," he told reporters. "Customers bought our cars because they thought they were the safest. But now we have given them cause for grave concern. I can't begin to express my remorse."

Yet even as Mr. Toyoda apologized, the company offered what later looked like false reassurance, emphasizing that if customers removed questionable mats, there was nothing else to worry about. Toyota asserted in a press release that a review by the safety administration had turned up no other problems with Toyota vehicles. That brought an immediate rebuke from the federal agency, which branded the claim "inaccurate and misleading."

By late November, Toyota had announced that it would fix gas pedals on four million vehicles to further prevent them from catching on floor mats. The company again declared the problem contained. “We are very confident that we have addressed this issue,” a Toyota spokesman, Irv Miller, said at the time.

Yet the next month, four people died in Texas when a Toyota Avalon sped off a roadway and into a pond. The police found the floor mats in the trunk of the car. Toyota says that the cause of the crash has yet to be determined.

As reports mounted that gas pedals might be sticking even when floor mats were not implicated, Toyota wrestled internally with how much to disclose, according to documents later given to government investigators.

On Jan. 16, as Toyota executives prepared to travel to Washington for talks with regulators, Katsuhiko Koganei, a communications coordinator at Toyota Motor Sales USA, sent a note to his colleagues urging that the company not discuss mechanical problems in gas pedals aside from the floor-mat issue, because neither the cause nor the proper remedy for such troubles had been identified. He added that if executives broached the subject, that “might raise another uneasiness of customers.”

Mr. Koganei’s e-mail prompted an agitated response from Mr. Miller. “We have a tendency for mechanical failure in accelerator pedals of a certain manufacturer on certain models,” he fired back. “The time to hide on this one is over. We need to come clean.”

Later that month, as Toyota announced the recall of an additional 2.3 million cars, it acknowledged that gas pedals were sometimes sticking even when floor mats were not an issue, while emphasizing that no serious accidents were linked to the problem.

“Our investigation indicates that there is a possibility that certain accelerator pedal mechanisms may, in rare instances, mechanically stick in a partially depressed position,” Mr. Miller said in a press release.

According to another Toyota spokesman, Mike Michels, the company’s carefully calibrated language was written with the misfortunes of another automaker in mind: Audi.

In the mid-1980s, Audi 5000 vehicles were recalled after reports of sudden accelerations blamed for hundreds of crashes. Audi went on the offensive, contending that drivers had errantly hit the accelerator when they intended to hit the brake. Audi later claimed vindication from a National Highway Traffic Safety Administration review, but blaming the customer proved a costly public relations strategy.

A quarter-century later, as Toyota acknowledged rare problems with its accelerators, it was leaving itself room to argue later that sometimes drivers were at fault — while pointedly avoiding saying so directly.

“The lesson from Audi is no matter how convinced you are that the driver has made a mistake, it is very sensitive to suggest,” says Mr. Michels.

Like BP, Toyota had a corporate steward from another country who sometimes stumbled before an American audience. As he apologized to lawmakers on Capitol Hill, Mr. Toyoda spoke heavily accented English and read haltingly from his notes as a gray-suited assemblage of minders sat behind him, shifting nervously as he struggled to pronounce “condolences.”

“I said at the time, ‘Oh my God, he’s not communicating with us,’” recalls Mr. Rubenstein, the longtime P.R. executive. “He should have somebody that really knows our American society.”

Mr. Michels argues that no one could have substituted for the chief on Capitol Hill. “You would have had members of Congress pointing out that he wasn’t there,” he says.

But Mr. Toyoda’s Congressional performance may have also supplanted a positive image of the supremely efficient Japanese corporation with another Japanese stereotype: a deep-seated aversion to shame.

“They believed in the Japanese strategy of putting a lid on it and maybe it will blow over,” says Howard Anderson, a crisis management expert at M.I.T.’s Sloan School of Management. “Stonewalling only gets you into more trouble.”

Yet seeking a way around a painful public reckoning appears to be a nearly universal approach to corporate crises. In the long run, the best course for an embattled company may be swiftly owning up to its errors. But to human beings stuck with the task of disclosing embarrassing details here and now, dissembling and delaying may beckon as the easiest way to get through the day.

One strength of human beings is their ability to learn from mistakes — governed, as they are, by fear and shame. But corporate bureaucracies are essentially structured to tune out sentiment in the pursuit of profit, making them less prone to absorbing lessons of previous disasters.

“We tend to anthropomorphize corporations,” says Mr. Hearit at Western Michigan. “There’s this myth of managerial rationality, the idea that corporations can learn. Well, they have no soul to kick. You can’t put a corporation in jail.”

Above all, crisis management is conducted with stress and sleeplessness layered atop the usual factionalism and politics afflicting any big organization. Mr. Dezenhall, the strategist, is amused by crises as glimpsed in movies, where people sit at banks of synchronized computers, speaking calmly into headsets.

“The reality is absolute chaos,” he says. “Nobody knows what the facts are. The lawyers are trying to get the P.R. consultants fired and the P.R. consultants are criticizing the lawyers. Everybody despises each other. It’s a totally unmanageable situation. A corporation in crisis is not a corporation. It is a collection of panicked individuals motivated by self-preservation.”

A Laser Focus on Profits

If there was panic and chaos inside Goldman Sachs, the company kept it hidden, maintaining a consistent communications posture throughout its brush with unwanted scrutiny: Yield little.

Yet in opting to mount an aggressive defense, the company appears to have intensified criticism. As many communications experts see it, Goldman took a series of unsavory but not crippling disclosures about how it profited before, during and after a global financial crisis and — through a public relations strategy built on arrogance and insensitivity to the national mood — turned itself into a symbol of Wall Street shenanigans.

Given the loss of jobs, homes and savings attendant to the financial crisis, Wall Street was bound to face sharp questioning about its role in the collapse. Goldman, in particular, seemed certain to confront special scrutiny by dint of its hefty profits, its proximity to pivotal moments in the crisis, and its former executives’ ubiquity in Washington’s corridors of power.

Goldman’s first round of questioning began in the wake of the \$85 billion federal bailout of the American International Group, the insurance giant, in 2008. Goldman owned insurance policies from A.I.G. on some of its mortgage investments. Analysts, journalists and federal authorities all raised questions about whether Goldman unfairly benefited from taxpayer funds used to bail out A.I.G.

Such questions were fueled by the résumé of a prime architect of the bailout, the Treasury secretary Henry M. Paulson Jr., who had formerly led Goldman. (Mr. Paulson has said that he never took action to specifically benefit Goldman, seeking only to buttress the financial system as a whole.)

Like Toyota, Goldman has had internal debates about how forthcoming to be in confronting sharp questioning, with some insiders advocating a swift, unabashed disclosure of its dealings with A.I.G. to avoid inflaming public anger, according to people familiar with the deliberations who requested anonymity because the talks were confidential.

As Congress kept examining Wall Street's role in the crisis, federal investigators made Goldman the first major firm to face legal charges associated with the nation's housing debacle.

In April, the Securities and Exchange Commission filed a lawsuit accusing Goldman of securities fraud in marketing a mortgage investment that was built to fail without fully informing clients of its provenance. The hedge fund manager who selected contents of the investment, John A. Paulson, profited mightily, but the banks on the other side of the deal lost more than \$1 billion, according to the S.E.C. suit.

Some analysts contend that Goldman, in adopting a defensive posture to queries about how it snared a large piece of the A.I.G. bailout, effectively put itself in front of an onrushing train: an S.E.C. determined to find a high-profile case that would eclipse criticism that it had failed to police Wall Street effectively.

Once the S.E.C. filed its case, bloggers and pundits seized it as proof that Goldman was rigging the financial game. Others criticized the lawsuit as flimsy.

Goldman maintained that it had done nothing wrong, asserting it had merely enabled sophisticated investors to make opposing bets on the mortgage market.

Analysts say that this may have been a smart legal defense — Goldman ultimately settled the case for a sliver of its profits — but in the public eye, it intensified views that Goldman hadn't played fair. Never mind its supposed role in enabling American commerce: Goldman was now dismissing allegations of fraud by arguing that, in essence, it had been running a giant casino, in which it had inside information.

How badly did these revelations play? Mr. Anderson, at M.I.T., sees parallels to the sexual abuse scandal in the Roman Catholic Church.

"The priests thought they should be protecting one another rather than the children in their care," he says. "Goldman now has the same problem. It turns out it's, 'We make money for ourselves first, and our customers second,' when it should be the other way around. This is going to hurt them for years."

Goldman faced an added complication in that its business was arcane and many of its products were exotic. Toyota and BP faced more clear-cut crises that could be conveyed with a simple image or sentence: you could see the oil sully the gulf, the cars careering out of control. Goldman was accused of failing to disclose details of something called a synthetic collateralized debt obligation, a term that made readers seek refuge in the sports section.

Experts say murkiness could have worked in Goldman's favor, had the company adopted a conciliatory stance. But Goldman has concluded that the obscurity of the bank's business may be the source of its problems, says its head of corporate communications, Lucas van Praag.

"The issues we have aren't rooted in bad communications," he says. "They're a direct function of our business model. One of the things we've learned is it may be perfectly legal but if it's too complicated to explain to ordinary, rational people, then maybe it's a business we ought not be in."

Like BP, Goldman saw its troubles aggravated by ill-advised sarcasm from its C.E.O., Lloyd C. Blankfein, who told a reporter for The Sunday Times of London that he considered banking as “God’s work.” Here was another story kit thrown to the press corps, an easily digested narrative to replace the tedious work of explicating Goldman’s mind-bending financial arrangements.

Some argue that Goldman’s notoriety may matter little to the bank’s main constituents: shareholders and clients. Toyota and BP both sell products to ordinary consumers, making image maintenance a crucial concern. Goldman, on the other hand, generally confines its work to serving extremely wealthy people, companies and governments. Its success depends not on being liked, but on being respected for a pursuit that sometimes pulls in the opposite direction — racking up profits, even amid calamity.

Analysts say Goldman’s P.R. woes are compounded by a reality bigger than any one institution: it is a leading investment bank at a time when investment banks are as beloved as bedbugs, airlines and Congress.

“It’s a problem of making obscene amounts of money in ways that no one understands in the middle of an economic meltdown,” suggests Mr. Dezenhall. “I don’t think there is a way to make people love a bank that earns money in the middle of a recession.”

Back to Their Basics

Children stuck on scary roller coasters sometimes close their eyes and wait for the ride to end. So, apparently, do grown-ups heading giant corporations in crisis. This is the conventional explanation for how three enormously successful enterprises managed to prolong and deepen their public relations agony.

“These companies made the same mistakes,” says Mr. Rubenstein. “They broke the cardinal rule of crisis management: They didn’t seem to have a crisis plan in hand. They sought to minimize the extent of their problems, and they never seemed to display an understanding for the situation they were in.”

But maybe they did understand, and what they grasped keenly was that all of their options were poor. There was nothing they could do short of returning to their fundamental reasons for existence: making petroleum products, making cars, making money.

“We can sit in front of cameras and beat our breasts all we want, but what’s going to count is whether we’re able to keep making high-quality products,” says Mr. Wiseman at Toyota.

Five years ago, Tyco International, the electronic security and financial services company, was defined in the public realm by the extravagances of its C.E.O., L. Dennis Kozlowski, and his finance chief, who together were convicted of looting millions from company coffers. For his wife’s birthday, Mr. Kozlowski spent some \$2 million on a bacchanal at a Sardinian estate, where an ice-sculpture replica of Michelangelo’s David served a stream of vodka from its genitalia.

Here was a seemingly fatal public relations issue. Yet, today, Tyco is still going. It endured not by spinning the unspinnable, but by quietly amassing contracts.

“It wasn’t getting the chief executive on TV holding a puppy,” says Mr. Dezenhall. “You have to have a realistic expectation of what communications can accomplish. Nobody ever says: ‘Oh, that’s wonderful communications. We feel good now.’”



Canadian Centre for Emergency Preparedness

Crisis Communications Plan

Date Created: *mmm dd, yyyy*

Date Revised: *mmm dd, yyyy*

Purpose of the Plan:

<This section documents the main goals of the plan – for example:>

A crisis communication plan provides policies and procedures for the co-ordination of communications within the organization, and between the organization and any applicable outside agencies (e.g. - the media, regulatory agencies, customers, suppliers, stakeholders, board of directors, shareholders, unions and the public) in the event of an emergency or controversial issue. Emergencies may include fires, bomb threats, natural disasters, or major crimes. Controversial issues may include police investigations, protests or other situations that demand a public response.

This plan not only addresses media relations and communications issues, but also includes procedures for the rapid assessment of potentially harmful situations and the methods for responding to these situations quickly and effectively.

It is the goal of this crisis communications plan to establish guidelines for dealing with a variety of situations, and to ensure that staff and communicators are familiar with those procedures and their roles in the event of a crisis. The plan is designed to be used in conjunction with the normal decision-making hierarchy of the organization and does not supplant that decision-making process.

Plan Objectives:

<This section documents specific objectives – for example:>

1. To factually assess the situation and determine whether a communications response is warranted.
2. To assemble a Crisis Communication Team that will make recommendations on appropriate responses.
3. To implement immediate action to:
 - Identify those parties that should be informed about the situation.
 - Communicate facts about the crisis.
 - Minimize rumours.
 - Restore order and/or confidence.

Readiness Preparation:

<This section documents the infrastructure and procedures in place prior to an emergency.

Subsections should include:

- *Inventory of potential crisis and public relations vulnerabilities*
- *Makeup of the Crisis Management team*
- *Team Assignments and Responsibilities*
- *Location of the Emergency Operations Centre(s)>*

Response:

<This section documents how the organization will respond to an event or incident. Subsections should include:

- *Assessment Procedures*
- *Designation of a Spokesperson or Spokespersons*
- *Internal Communications External Communications Rumour Control*
- *Response Activity Checklist>*

Follow Up:

<This section documents communications protocols within the organization and with outside agencies as well, including relationships with the media, both after the event, and before. Provisions for assessing and documenting the nature and severity of the incident are also documented in this section.

*Follow up information, Thank You Letters, Etc. Rumour Control
Post-mortem Meeting(s) Plan Update>*

Appendix A: Contact Log

< A log should be established to record all telephone calls from the media or other parties inquiring about the crisis. This will help to ensure that the many call-backs required are not overlooked. It will also assist in the post-crisis analysis.

The contact log should contain the following information:

Date | Name, Title, Company and Telephone number of caller | Questions(s) asked | Person responsible for response | Additional follow-up needs>

| Date | Caller | Topic | Follow Up |
|------|----------------------------------|-------|-------------|
| | Name: Title: Company: Telephone: | | By: Action: |
| | Name: Title: Company: Telephone: | | By: Action: |
| | Name: Title: Company: Telephone: | | By: Action: |
| | Name: Title: Company: Telephone: | | By: Action: |
| | Name: Title: Company: Telephone: | | By: Action: |
| | Name: Title: Company: Telephone: | | By: Action: |
| | Name: Title: Company: Telephone: | | By: Action: |

Appendix B: Emergency Operations Centre

<This section provides detailed information for each EOC location. For each EOC state the location, directions on how to locate, physical layout and supplies required.>

Appendix C: Sample Scripts

<This section will contain some pre-formatted press release or press conference scripts which can be used or modified quickly during initial incident response, during the on-going crisis and follow up.>

Sample News Release

A _____ at _____ involving _____ occurred today at _____ . The incident is under investigation and more information is forthcoming.

A (what happened) at (location) involving (who) occurred today at (time). The incident is under investigation and more information is forthcoming.

For example:

An explosion at 1210 Market Street, the main plant for the Acme Toy Company occurred today at 3 p.m. The incident is under investigation and more information is forthcoming.

You could put down a definitive time for the next news conference or release of information if you know it but it is not necessary. This will not solve your problems, but may buy you enough time to prepare for the next news conference or release.

You could also add information if it is available such as how many casualties there are known up to this point or any other pertinent information available. Once again, this information should be definitive and not speculative, verify everything you say. This will help your credibility in the long run.

Appendix D: News Conference Guidelines

<This section documents guidelines for conducting a news conference. For example:>

1. When you notify media of news conferences/availabilities, be sure to define what kind of event you are having. News conferences are held to announce something for the first time. Press availabilities are held simply to make individuals available to answer questions or demonstrate something.
2. Don't call unnecessary news conferences/availabilities. If it's not worth their time, the media will only be angered.
3. If holding a news conference, try to tell media in advance some details of what you will be announcing.
4. Gauge the size of your crowd carefully when reserving a room; better to have too much than too little space. Make sure microphones, chairs, lighting and water are in place at least 30 minutes prior to the event.
5. Decide format in advance -- who will introduce speakers, who decides when question/answer period ends, and other details.
6. Decide in advance whether handouts are needed. If speaker is giving a talk for which there is a text, you may want to wait and hand out material after the talk so media will stay and listen. However, it's advisable to tell the media you will provide a text of the speech so they are not irritated by having to take unnecessary notes.
7. Check to see what else is happening in your organization or in the community before scheduling a press conference.
8. Consider whether you need to let other organizations and agencies know you are having a news conference. (You may wish to invite others to attend or participate in your event.)
9. Decide who will maintain control at the news conference, who will decide where cameras are set up, who sits where.
10. Try to plan the length of the news conference, but be flexible.
11. Consider the time of the news conference. If you want to make the noon, 6 p.m. or 11 p.m. TV and radio news, you need to allow time for crews to travel and edit tape.
12. If you are going to set restrictions on an event such as limited photo access, try to put the restrictions in writing and communicate to the media at least 24 hours in advance.

Appendix E: Media Relations Reminders

<This section documents guidelines for dealing with the media. For example:>

In General

1. Always return media calls. The more co-operative you appear the better.
2. Communicate with the media -- talk to them as well as listen to them. During crisis time, you may learn a great deal from the media that can be useful to you in further dealing with the crisis.
3. Avoid antagonizing the media. A short tone at a press conference, during a phone call, or elsewhere can affect your future relationship with an individual or other media who may hear the conversation.
4. Consider establishing a dedicated call-in phone line that will offer information to media or others.
5. Information on news conferences, rumour control information, newly acquired information, can be placed on a tape that can be updated. This is particularly useful when regular phone lines are tied up with calls.
6. Consider how information you release to media may affect other agencies, businesses or individuals.
7. If you say things that may result in media calling other agencies, call those agencies first to warn them of impending calls.
8. When talking to the media, be sure to give credit to other agencies, groups or individuals working on the crisis, including your own staff.
9. Try to be pro-active with new information. Even though things may be frantic; if you acquire new information regarding the crisis, reach out to the media.
10. Be honest. Don't make false or misleading statements.

Handling Media Interviews

How to prepare for Broadcast Interviews:

- Prepare "talking paper" on primary points you want to make.
- Anticipate questions and prepare responses.
- Practice answering questions.
- Cover controversial areas ahead of time.
- Know who will be interviewing you, if possible.
- Determine how much time is available.
- Audiences often remember impressions, not facts.

Do's and Don'ts during the Interview process:

- Do build bridges.
- Do use specifics.
- Do use analogies.
- Do use contrasts/ comparisons.
- Do be enthusiastic/animated.
- Do be your casual likable self.
- Do be a listener.
- Do be cool.
- Do be correct.
- Do be anecdotal.

- If you don't have the answer or can't answer, do admit it and move on to another topic.
- Don't fall for that "A or B" dilemma.
- Don't accept "what if" questions.
- Don't accept "laundry list" questions.
- Don't go off the record.
- Don't think you have to answer every question.
- Don't speak for someone else - beware of the absent-party trap.

How to Handle Yourself during A TV Talk Show Interview:

- Audio check - use regular voice.
- If makeup is offered, use it.
- Sit far back in the chair, back erect...but lean forward to appear enthusiastic and force yourself to use hands.
- Remember...TV will frame your face - be calm, use high hand gestures, if possible.
- Keep eyes on interviewer - not on camera.
- Smile, be friendly.

Tips on Appearance:

- Avoid wearing pronounced stripes, checks or small patterns.
- Grey, brown, blue or mixed coloured suits/dresses are best.
- Grey, light-blue, off-white or pastel shirts or blouses are best.

How to Respond During a Newspaper Interview:

- Obtain advanced knowledge of interview topics.
- Make sure you are prepared in detail; print reporters are often more knowledgeable than broadcast reporters and may ask more detailed questions.
- Begin the interview by making your major points in statement form.
- Try to maintain control of the interview.
- Don't let reporter wear you down.
- Set a time limit in advance.
- Don't get so relaxed that you say something you wish you hadn't.
- Avoid jargon or professional expressions.
- Reporter may repeat self in different ways to gain information you may not want to give.
- Don't answer inappropriate questions; simply say it is "not an appropriate topic for you to address at this time."
- Be prepared for interruptions with questions...it is legitimate for reporters to do that.
- Do not speak "off the record."
- Remember, the interview lasts as long as a reporter is there.

After The Interview:

- You can ask to check technical points, but do not ask to see advance copy of the story.
- Never try to go over reporter's head to stop a story.
- Do not send gifts to reporters - it is considered unethical for them to accept them.

Exercise Log

<This section logs the date, type of exercise and any pertinent comments each time the plan is exercised..>

| Date | Type of Exercise | Comments |
|------|------------------|----------|
| | | |
| | | |
| | | |

Document Revision History

<On the last page of the plan, you will track all revisions made to this document in the following table. Make an entry when the plan is first created and put in "Plan Created" in the Revision column. Keep the title page of the plan updated as well with the creation date and last revision date.>

| Date | Author | Revision |
|------|--------|----------|
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