

## BC Communications Forum 2015

### Speaker notes for Perilous PR – managing crisis today presentation

Welcome! I am Deborah Folka and this is Perilous PR. [Slide](#)

[Slide](#) Our hour together is designed as a **discussion** and examination of the current state of crisis communications management. Your participation is very important to its success for all of us. Our topic today:

*During a crisis, communication is critical and today, with everything moving at ‘warp speed,’ more perilous than ever. Are the principles of good crisis communications outmoded given the demands of the digital age? Do we need new guidelines...or just do more and do it faster?*

**Two things** I want to ask before getting started:

- 1. How many of you have managed a crisis?**
- 2. What do you want to learn today?**

[Slide](#) It’s my position that **the Internet** – a game changer on a par with the Gutenberg press in the 1400s and perhaps even bigger – has **forever transformed** how we communicate and it has had **a profound impact on managing crises**. There are both positive and negative impacts at play...with the majority of impacts positive, I believe.

[Slide](#) The Internet has made it **easier and faster to convey information** and to find information. It has also made it easier for people to get in trouble when they thought they were not in the limelight (ask Ray Rice or Centreplate’s former CEO Desmond Hague), to dig themselves in even deeper (ask Donald Sterling or Brian Williams) and for negative stories to be broadcast more widely...and to live forever.

Just a few years ago, no one outside of Toronto would have known much about the antics of Rob Ford, but the **wonders of the Internet ensured he embarrassed Canadians on a global scale**. Likewise Jian Ghomeshi.

There’s also more of a chance that **everyone will get it absolutely wrong**...or that the first version of the story told far and wide and repeated ad nauseum on Twitter and YouTube...will not be even half of the story, never mind accurate. We are very **quick to judge** with our rapid-fire texts/tweets, aren’t we? We are very loath to

forgive or give people a second chance. Ask Justine Sacco or that Tim Horton's employee.

**Weber Shandwick's 2013 report, Safeguarding Reputation** estimated that 63% of a company's market value is attributed to reputation – and it can take three and a half years for a company to fully recover from an issue that has damaged its reputation. There are some significant examples of this: in 2012 nearly \$2.2 billion was wiped off Goldman Sachs market value when an employee criticized the CEO in the New York Times, and in the same year, a printing firm mistakenly leaked news of a drop in Google's profits, knocking \$24 billion of its value in eight minutes as shares were suspended.

On the plus side of the crises/Internet equation, we now have so many more ways to connect directly to our key audiences. [The Positives Slide](#)

*E.g. the Chicago Symphony Orchestra visited a city in southern Arizona to play a fund-raiser for the local arts community. I was working as the cmu mngr for one of the groups and the event ended up being canceled at the last minute because of severe winter weather in southern Utah – snow stopped the train carrying the musicians' instruments. The musicians themselves came by plane and some had their little instruments with them...and there was the conductor...but no way for the performance to happen. We did what we could to be in touch with the ticket holders – phone, fax, asking media to make the cancellation announcement and greeters at the door to the performance hall – but it was a nightmare. Think if we'd had access to social media channels! It would have been SO much more efficient, easier and likely everyone would have known sooner. The only bright spot: some of the CSO musicians went off to a local jazz club and jammed there, so I called the newspaper music critics and they "reviewed" the performance with a great photo, along with the sad story of the cancelled fund-raiser. Again, think how this could have played so well on YouTube and been re-Tweeted etc. We got a lot of sympathy donations after the newspaper articles, but it was still a financial disaster and a hit to the organizations' reputations.*

[More Positives Slide](#) Also, it's my opinion that once the Internet's '**persecution pendulum**' swings back to centre and someone **comes up the winning financial model for good journalism** to survive and thrive (a vigorous and professional press – holding feet to the fire, but checking facts and producing information we can TRUST), the glare of omnipresent media will have a **positive effect on corporate, personal and institutional behavior** and **ethical considerations**. I find it's much easier to get the attention of leaders in virtually any sector when they see one of their own savaged on social media and they know they've been 'guilty' of similar crimes, misdemeanors or even just dumb or thoughtless behaviors. Think

about the Portland Housing Society – the best of intentions, the worst of outcomes, right?

How can we help Slide. So given this massive sea change and the proliferation of communications opportunities today, **how do we as professional communicators help our clients** and employers cope when there is a crisis and grave risk to the organization's reputation? Do the same principles of crisis communications management apply today? Or are they outmoded? Does the warp speed and endless channels available on the Internet mean we can never catch up or never measure up and never win?

To help us discuss these questions, I've brought a couple of **case studies** I'm going to distribute, giving you the chance to get together in small groups to mull them over and decide how you would approach them.

But before we get to that, I just want to provide a little refresher on some basic principles and facts about crisis communications management:

### Goals of CCM Slide

- Resolve the situation
- Minimize the damage
- Stop the spread of gossip and misinformation
- Be seen to be doing so

### **Principles of crisis communications** Slide

- Take responsibility
- Show leadership
- Take control of your story
- Apologize (if necessary)
- Make operational changes (if necessary)
- Repair lost trust
- Review

### **Then and Now** Slide

- Traditional media channels --- print, broadcast, telephone, in-person

- PLUS digital media channels -- explosion of technology and ways to communicate
- Do the principles apply?
- How do we manage today?

How different are things? Thoughts?

### Then or Now? Slide

*There is no reason for any individual to have a computer in his home.* ~ Thomas J. Watson, CEO, IBM, 1958

*A lie gets halfway around the world before the truth has a chance to put its pants on.*  
~ Winston Churchill, Prime Minister of England, 1943

### **The opportunities** Slide

- Faster
- Broader reach
- More targeted
- Enhanced engagement
- Smarter technology
- Information access easier
- Often cheaper

### **The challenges** Slide

- Faster
- Broader reach
- Anonymity – the ease/danger of public shaming
- Questionable sources/no fact checkers
- Selecting the right channels
- Diatribes, not dialogue
- More expensive

### TWO SLIDES: CASE STUDY # 1, CASE STUDY #2

### **The future** Slide

- Proliferation of new media will go on

- Insistence on accuracy, fact-checking in reporting will increase
- Public concern for ethics will rise
- Privacy concerns will increase
- Leaders' awareness of risk will increase

**Your to-do list when you leave: [Slide](#)**

- Review your crisis communications plan
- Spend time brainstorming with your leadership talking about 'what could happen'
- Update your crisis contact list
- Review your issues management files
- Provide interview/media training for your leadership/spokespersons
- Stage a mock crisis and practice

**Practice** – whether it's tabletop with your cmu staff or full-scale with simulation and involving the whole organization – is essential. It will show you where you're strong, where the weak links are and how people react under pressure.

**Questions? [Slide](#)**

## Case Study #1

**\*419\***

The computers of a few employees at a professional services firm were hacked and persons from Nigeria downloaded email addresses and attachments, some of which contained sensitive identity, financial and personal information. The firm did not become aware of the security breach for many hours and in that time, the hackers penetrated their system quite thoroughly.

When the firm's IT manager informed the partners, they sought legal, public relations and forensic IT advice. Though the hack involved some client files, it didn't involve all of the firm's clients. However, some of the clients involved were high-profile individuals and in addition to the basic hack scandal story, their name-recognition added just the spice to the story that the media would appreciate.

- What are the public relations objectives for this client?
- Who are the stakeholders?
- What are the key messages?
- What are the communications vehicles?
- What are the communications and operations options for this client?
- How will the outcomes be monitored and evaluated?

## Case Study #2

### Striking the wrong chord

You are the communications and marketing director for your city's largest performing arts organization. The artistic director, a high profile figure internationally, has been hit with a paternity lawsuit. He refuses to speak to anyone about it – not you, not the Board, not the organization's lawyer. The organization's staff, performers, management and Board are torn in their attitudes toward the situation and everyone is frustrated. Half believe it's his personal life, should be respected and has nothing to do with his professional capacity or the organization. The other half think he's behaving irresponsibly, is not showing leadership and should accept his responsibilities as a public figure.

Tests prove his paternity and the court orders your organization to garnishee his wages for the next 18 years of child support.

- What are your public relations objectives for your employer?
- Who are the stakeholders?
- What are the key messages from the organization?
- What traditional and digital media will you use for your messages and conversations?
- Can this be managed...is there even an opportunity for a positive outcome?
- How will you monitor and evaluate the outcomes?