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Code Red? Keep Cool

How best to manage corporate communications in times of crisis.

by Geoff Griffin

It has been said that true character is revealed during a crisis. What sort of character will your company show when faced with difficult circumstances? You're more likely to be seen as noble rather than nervous if you've already outlined your response in advance with a crisis communications plan, and then stick to that plan during the actual response. Keep in mind that in the current economic situation, the term "crisis communications" can be given an expansive definition that includes any time a company has to deliver bad news, such as announcing layoffs or plunging profits.



Experts from three Utah public relations firms offer the following advice on how to help your company put its best foot forward when things are at their worst.

1. Plan ahead

"The biggest thing we recommend to our clients is don't wait for a crisis to come up with a crisis communications plan," says John Youngren, vice president of strategic communications for Love Communications. This requires getting key people together and, as grim as it might seem, going through a list of every single thing that could go horribly wrong in your industry. John Pilmer, president of PilmerPR, recommends including public relations and legal experts in such meetings, and notes that the old saying, "the best defense is a good offense" applies when planning for crisis situations. Youngren says this is a time to "develop an outline of what to do," including a "ready-made to-do list" that lets employees know the chain of command and protocols that should be followed in various situations.

2. Develop your message

The planning phase is also the time to decide, "What is the message you want to send?" according to Jeri Cartwright, president of Cartwright Communications. "You don't just want to answer questions after something happens. You want to send your message and develop a two-way conversation." Cartwright advises that both during the planning stages and in the midst of a crisis, companies give their spokesperson a trial run of mock interviews where they face tough questions. "When you speak it out loud, something happens," she says. "It becomes your own story."

3. Select a spokesperson

Everyone in the company should know who will act as the sole spokesperson during an event. This is the one person who will deliver messages at press conferences, and, as Youngren puts it,

“communicate with authority to the media.” In some cases, this may be a public relations person rather than the CEO, because the spokesperson can offer some distance from the situation. Furthermore, Youngren notes that sometimes when people observe the CEO becoming too involved in addressing the media, they may start wondering, “Shouldn’t he be out doing something about the problem?” However, Pilmer points out that in some cases, particularly with larger organizations, “It’s critical that the CEO be the front person.” Cartwright notes that in cases where an entire industry is facing a problem, a CEO may want to defer to a trade association representative as the leading source of information. She says that in those cases, CEOs should ask themselves, “Am I really the most qualified person to do the interview?’ If not, you may just create more problems. A trade association offers a neutral person who speaks for the industry as a whole. They can give the big picture.”

4. Don’t be a stranger

Pilmer recommends that, “in the middle of a media swarm,” it’s important to communicate “rapidly and frequently with your key public.” That key public can include everyone from the media to shareholders to employees. This is also a time to use “the goodwill you developed ahead of time” with the media. Any time there is new information, it should be communicated as soon as possible through press conferences, Web site updates and other platforms.

5. Be honest and apologetic

“The Pollyanna style right now has no credibility,” says Cartwright. “You have to acknowledge problems, but you can also be too blunt, and that creates fear. People need to be told the facts, but they also need to hear hope.”

Part of that mix of facts and hope may require an apology, even when you think your company wasn’t necessarily at fault.

“In Japan they have a saying, ‘If you have to bow, bow low,’” says Pilmer. “If you need to apologize, act quickly and make restitution, even if it’s not your fault.” He goes on to add that it’s a matter of deciding, “Would you rather fix the situation or fight about it?”

While honesty, contrition and avoiding “no comment” are all good goals, all three PR experts are in agreement that hypothetical questions should never be responded to under any circumstances.

Pilmer points out that there have been companies that have responded particularly well under pressure — specifically, Johnson & Johnson during the Tylenol tampering scare of 1982, and Schwan’s frozen food company during a 1994 salmonella outbreak — that not only recovered to regain market share, but gained additional credibility in the process.

While you never want to have your company placed in a situation that requires crisis communications, if crisis reveals character, and your company performs well in a crisis, the end result could be, as Pilmer puts it, a situation that goes “from crisis to opportunity.”