

**CRISIS
SITUATION**


How to communicate during a crisis

When a crisis hits, the reputational and long term damage can be greater than the immediate economic and other costs of the event. However, a crisis that is well-managed can actually enhance the reputation of the company.

By

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On 4 November 2010, a Qantas Airbus A380 took off from Singapore Changi Airport. Shortly after, when the plane was cruising above the Indonesia island of Batam, one of its Rolls-Royce Trent 900 engines failed. According to an official report by the Australian Transport Safety Bureau (ATSB), the incident sent debris into the aircraft's left wing and fuselage and some landed on Batam. ATSB also reported that "there was significant damage to the aircraft's electrical, hydraulic and other systems."

Fortunately the pilot was able to steady the plane and land it safely. Qantas then proceeded to ground its entire fleet of A380s while it investigated what happened. Simultaneously, Qantas communications team went into full swing, reassuring passengers on its safety protocols, effectively laying the blame on Rolls-Royce.

While the British engine maker immediately said it was investigating, in depth communications about the incident was too little too late. In June 2011, six months after the mishap, Colin Smith, Rolls-Royce's Director of Engineering and Technology, admitted the company had "fallen short" of "the high standards of safety, quality and reliability that our customers and their passengers are entitled to expect".

What Difference a Crisis Response Makes

Qantas, in common with most airlines, has a finely honed crisis communications process structured around the understanding that the maintenance of its business model relies on convincing the public that it is the safe way to fly.

Airlines control very few of the levers – from the way their aircraft and engines are built; how they are likely owned, and quite often maintained by other companies; they fly in and out of airports owned by other organisations and usually rely on air traffic control run by national governments. That is why when there is any air crash or near

miss, the airline almost always toots their own horns, praising responsiveness of air crew or their well-oiled emergency procedures, both of which are two of very few areas airlines control.

Rolls-Royce, on the other hand, is an engineering company and, as such, has a culture where people want to be sure of the facts before they say anything. The company's delay in communicating effectively with the media and its customers (the airlines, and you and me) has been characterised as a poor response to the crisis.

The contrast between Qantas' communications reaction to this crisis and that of Rolls-Royce shows the challenges companies face when they are thrown into this sort of maelstrom. The damage caused to Rolls-Royce's reputation is hard to measure, but since then it has issued five profits warnings and changed its chief executive. Question is: could Rolls-Royce have communicated better?

Expect the Unexpected

So what can companies do to ensure their communications are not flat-footed by a crisis?

The next two pages set out the preparation that a company should make way before such a crisis happens, and the practical actions that a board can take to avoid the common mistakes in communications when a crisis does hit.

As Prussian Field Marshall Helmuth Graf von Moltke famously said, "no plan survives contact with the enemy". No one can legislate for Tony Hayward, then CEO of BP, telling journalists, "I want my life back". However, preparation, planning and understanding how you communicate – and why – will enable you to adjust your plans when events come to blow you off course.

A well-managed crisis can actually enhance the reputation of a company. A crisis is not all gloom and doom.

Crisis Communications

PREPARING FOR A CRISIS

1. Prepare and update a risk register

The process starts many weeks, months or even years before a crisis hits. The risk register details the potential risks to the business, be they operational, financial, regulatory or reputational, and is usually maintained by a team led by the chief risk officer or the CFO. What enlightened companies do is involve their communications team in the risk assessment and mitigation process – giving views on what the reputational impacts of any issues are, spotting additional risks and offering mitigation strategies.

2. Identify and monitor all communication channels

This will involve working out what channels are being monitored, and who should be

monitoring them. This should cover conventional and digital media, including social media. With many journalists, non-governmental organisations and other opinion formers using Twitter in particular, social media monitoring is critical so you know what is being said. This does not mean you have to engage on social media – often the best strategy is to take the conversation “offline” by contacting the journalist or opinion former directly.

3. Map relevant social media influencers

Often social media is the “canary in the coalmine”, telling you of issues before the phone call comes from the media, or alerting you of developments in a crisis as they occur. In a crisis you need to know who is influential on social media, and who your friends are. You need to make your friends influential and the influencers, your friends. Trying to do this in a fast moving crisis is extremely difficult so trying to map influencers ahead of time is an extremely worthwhile exercise.

4. Confirm escalation procedures

Escalation procedures need to be sorted out so that communications can be quickly signed off. Here, businesses can learn from large pressure groups such as Greenpeace and Friends of the Earth, which despite having thousands of staff in scores of locations, have a developed and devolved communications structure which allows them to respond rapidly to any events.



COMMUNICATING IN A CRISIS

1. Brief your employees

If you have consumer-facing employees – say in call centres – they need a script for what to say to the media when a crisis strikes. Simply referring to corporate communications may suffice, but sometimes, especially when there are fatalities involved, they may need to show empathy without opening up the company to any liability. This is why tone is important in a crisis communications situation. Apologies are essential – but increasingly, they are not enough. They have to be sincerely and swiftly given and the organisation has to give an indication of how it will fix the problem.

2. Know your media engagement guidelines

In a crisis, it is crucial to take control of communications. You need to decide who your spokesperson or people will be. This has to be someone who is senior enough to affect change – I call it the “responsible adult”. If the spokesperson is too junior – say a press officer – then the media simply will push for a more senior person and, in a consumer-facing situation, the public simply will not feel it is being dealt with at a high enough level.

3. Empower your crisis team

The crisis team needs to include operational management, government relations, media relations, investor relations, internal communications and legal. All communications to all channels need to be consistent. The legal team needs to feel they have enough control over what is said



without taking control of communications. This is a tricky balance and if you get it wrong you could end up like BP was during the Deepwater Horizon disaster – so concerned about the legal issues that the communications came across as bland and lacking empathy. The communications team needs to be the internal journalist in the team. They have to ask the difficult questions and dig out the truth. It is a natural inclination of managers in a business to try to cover up their mistakes, but if they do not give the crisis team all the relevant information, the potential for greater disaster increases.

4. Determine the desired outcome

One of the most important things to do at the beginning of a crisis is to assess “what good looks like”. It is almost impossible to get back to where you started – the data has already been lost, the dam has already been breached, the senior executive has already resigned – but you need to work out what is a reasonable place for you to be when the dust settles. This desired outcome determines your strategy and enables you to keep focused on what you need to do and how you need to do it. ■