

—THE CRITICAL NATURE OF CRISIS RESPONSE—

PREPARATION AND POISE ARE KEY TO PRESERVING BRAND VALUE WHEN THINGS GO AWRY



anthonyBarnum
PUBLIC RELATIONS

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Founded in 2007 in Austin, Texas, **anthonyBarnum** is a national public relations and social media firm specializing in complex industries including technology, real estate, professional services firms and health care. Our approach is distinguished by the ability to create systematic campaigns with quantifiable and measurable results that impact companies' most critical marketing objectives through advanced strategies.



THERE ARE SPECIFIC THINGS ANY COMPANY CAN DO TO PREPARE FOR,
PREVENT AND – TO SOME DEGREE – CONTROL CRISES WHEN THEY HIT, IN
ORDER TO KEEP THEM FROM SPINNING WILDLY OUT OF CONTROL.



As 2017 rolled into view, Oscar Munoz, CEO of United Airlines, was flying high. The airlines' stock had almost quadrupled since 2013, and at the beginning of March, PRWeek named him 'Communicator of the Year,' citing not only the company's performance, but Munoz's ability to create a compelling vision, share it with employees in a compelling fashion and build rapport with union groups.

Then, on Sunday, April 9, everything seemed to fall apart. United Flight 3411, in Chicago and bound for Louisville, Kentucky, was full. Passengers had fully boarded and were awaiting takeoff when the airline realized it had four employees it needed to get to Louisville to ensure that the next day's flights would all happen on time and run smoothly. Managers at the gate offered passengers monetary compensation for giving up their seat, but no one volunteered. So, the airline chose plan B: Triggering the ticket contractual language that allowed it to bump passengers from a flight, even if they hadn't volunteered.

The problem was that one of those chosen customers, David Dao, refused to comply, and insisted on staying in his seat. After labored attempts at negotiation, United called the Chicago police force, which then sent officers to ensure Dao got off the plane. As most people reading this already know, Dao still refused to give in, even to the police. He was forcibly dragged out after a fracas that bloodied his mouth. The whole debacle was captured on video via multiple other passengers with ready cell phones, who immediately broadcast the video, where it went viral and became a bit of an international sensation.

Things didn't get better. Munoz issued an initial statement that wasn't so much an apology as a legalistic statement of concern that a customer had to be "re-accommodated," which was widely mocked. "It's kind of like how we re-accommodated El Chapo out of Mexico," jibed late-night comedian Jimmy Kimmel.

Over the next 24 hours, according to Brandwatch, brand mentions on social media flew from the low thousands (90 percent positive) to 1.5 million (70 percent negative). Also, on Monday, April 10, the hashtag #BoycottUnitedAirlines was tweeted 7,615 times, and retweeted 16,597 times (and there were plenty of other variations...).

On Tuesday, April the 11, the airline's stock fell almost five percent – losing close to \$1 billion in market value – and over the next few days, the airline fumbled its way to a second, sincerer apology. Shortly following this stock dive, an announcement was made that Munoz, who was expected to be promoted to chairman of the United Board in 2018, would remain CEO, but no longer had that prospect of the promotion in the foreseeable future.

Worse, the incident created a pile-on of momentum. All across the nation, passengers were eager to recite their negative recent experiences with United, and reporters were eager to publish those accounts. Lawsuits have already been filed, and congressional hearings are pretty much an inevitability at this point. One of the truest comments from any of the nation's editorial boards was from the Chicago Tribune, which called the incident a sad sign of the 'steady descent of our society.'

The situation was a mess.

What could have been done in the face of such an unexpected event to alleviate or better handle the incident? It involved almost a perfect storm of unexpected events: A delayed schedule, fully booked flight, recalcitrant passenger, misinformation, bystanders armed with cell phones, and a receptive public already annoyed with airline service. While there are processes and protocols that need to be re-evaluated, so too does the PR response.

This ePaper is about helping to prepare for such moments. There are specific things any company can do to prepare for, prevent and – to some degree – control crises when they hit, in order to keep them from spinning wildly out of control.

Here are some tips on how anthonyBarnum works with clients to help prepare for those inevitable moments when everything goes wrong. Clients use them as a lever to, not only preserve existing brand equity, but in the best cases, use crises to build reputation, trust and confidence.





IMAGINING DISASTER

The most essential component of effective crisis management is preparation. There's quite a bit of groundwork and research involved, including: Thinking through likely worst-case scenarios in advance, identifying key stakeholder audiences, appropriate company spokespeople, effective distribution channels, key messages, internal timelines and coordination charts, and finally, practicing responding to the media.

Crisis preparation falls into three general categories of anticipating risk scenarios, building and documenting specific tactics, and practicing crisis response.

- Anticipate Crisis Scenarios.** The first and essential part of crisis preparation is vulnerability assessment. What are the three, five or 10 most likely things that can and might go wrong at any given company? Crises can happen in all sorts of ways: There can be a natural crisis (earthquake, etc.), corporate deception, personal scandals among senior managers, workplace violence, rumors and more.

It's important to evaluate scenarios, brainstorm and think through risks.

External	<ul style="list-style-type: none"> • Political pressure • Regulatory changes • Religious, cultural, political controversies • Societal outrage 	<ul style="list-style-type: none"> • Health scares • Hostile takeover bids • Natural disasters • Political unrest • Sabotage & extortion
Internal	<ul style="list-style-type: none"> • Corporate/strategic failure • Corporate governance failure • Fraud/malpractice • Poor employee behavior 	<ul style="list-style-type: none"> • CEO dismissal • Employee injury/death • Industrial dispute • IT system failures • Product quality recalls
	Issue-driven	Incident-driven

Sources of crises can be internal or external, and they can be issue-driven or incident-driven. Chart out every possibility you can imagine.

- **Build and Document Tactical Plans.** Good crisis response requires that companies have in place, not only a set of possible scenarios, but a set of response modules, present activation protocols and clear communication channels. Analysis should span:

- **Scope Assessment Questions.** When a crisis hits, a brand needs to know how many people are aware of the incident, whether the media is covering it and what the potential financial impact is.
- **Establish Quantitative Thresholds.** Predefined, agreed-upon thresholds help companies distinguish between an 'issue to watch' and a 'full-blown crisis.' Discuss and decide what number of online impressions, level of customer complaints, financial impact and other indicators take an incident from an issue to a Tier 1 crisis.
- **Appoint a Crisis Team.** This should include, not only people from senior management and designated spokespeople, but representatives from every key constituency in the company, from HR and legal to IT and finance accounting. In some companies, it makes sense to include an operations chief and an environmental health and safety department representative, too. Define roles, responsibilities and make sure everyone has relevant contact information: The key functions of a crisis team are internal coordination and an agreed-upon escalation protocol. The different professional expertise also enables the team to address the issue on multifaceted levels.
- **Identify and Train Spokespeople.** A good spokesperson needs the right skills, the right position title (for credibility) and the right training. Choose carefully. For instance, a CEO does not always need to be the face of the organization during every crisis. The CEO should be saved to respond at the highest-level crisis. Choose appropriate communicators for each platform, including the social media, print media and broadcast media leads.
- **List Company Stakeholders – and Develop Platforms to Reach Them.** The bigger a company is, the more stakeholders it has. Stakeholders may include board members, customers, shareholders, employees, regulatory agencies, partner organizations, vendors, subsidiary brands, the media, the general public, lenders and volunteers, among others.

Some stakeholders are best communicated with on Twitter, while others are better served with an in-person meeting, phone call or via media statements. Online communications is increasingly key, and a good number of brands these days have developed entire micro-websites specially for crises that are kept dark 99 percent of the time, but can immediately be rolled out when a crisis hits.

- **Develop a Crisis Checklist and Worksheet.** Plan what steps every employee needs to take in the moment. Developing this to-do list in advance allows the organization to carefully consider and outline important steps.
- **Establish Notification and Monitoring Systems.** Set in place methods to gather information about what customers, the media and other stakeholders are saying about the brand, through social media monitoring, email news alerts and customer service updates. Gather the email addresses and mobile phone numbers of everyone who's a spokesperson or is on the crisis response team, and let them know when to expect notification and how to escalate when necessary.
- **Design Logs to Track Communications.** Brands in crisis need to track their communications, including who's made inquiries, what was said by whom, when it was said, how it was said and to whom it was said.
- **Draft Initial Messaging.** Brands that take the time to develop messaging in advance for various scenarios—even if during a real crisis that messaging just serves as a placeholder while further messaging is developed – will find themselves far better off than rivals when crises hit. 'Holding statements'— even simple ones such as 'we have implemented our response plan' or 'we will be supplying additional information when available and posting it here' – will assure stakeholders that a process is in place and the brand is actively engaged in responding to a crisis when it hits.

- **Practice Crisis Response.** Once a brand has defined scenarios and created structure around the response protocols, it's important to conduct a run-through. Teams should rehearse responses at a regular cadence, depending on the likelihood of crises. A key part of stress testing responses is to switch up unexpected variables to ensure the team.

In one scenario, for instance, a company might want to run through a case where a key spokesperson is sick when a crisis hits. In another, two crises might hit at once. A third scenario might imagine unexpected backlash in response to existing messaging, and in a run-through, the team will need to change the messaging and escalate in near real-time.

One point cannot be stressed too much: To successfully prepare, it's critical to have senior management support. Crisis preparation, after all, requires a serious commitment of time and resources. It only takes one crisis to realize the best outcomes involved with well-prepared executives.

For internal communications executives who recognize the importance of a plan, but are meeting reluctance among executives, try to demonstrate, with case studies and examples, how wildly and quickly an unfortunate incident could affect the company's relationships with customers, investors, suppliers, employers, regulatory agencies and lenders — not to mention, its general reputation and brand perception with the public. There are numerous examples of failed responses to crisis.



REAL-TIME RESPONSE: THE FOLLOW-THROUGH

When a company is well-prepared, actual response to a crisis becomes, if not actually easy, at least a moment that responders feel well-equipped, organized and able to take on. Preparation builds confidence.

The more composed and aware management is when a crisis hits, the more likely it is that the public will meet a company's response with trust and continued brand loyalty.

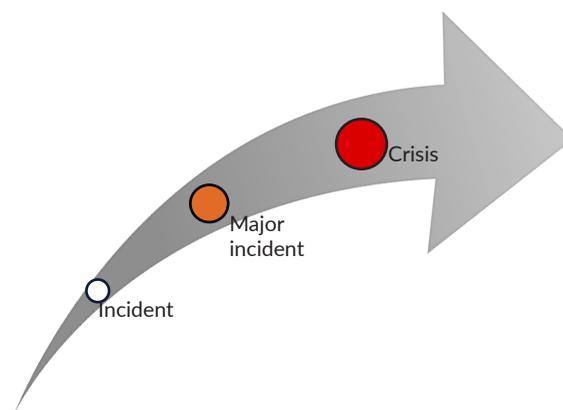
"Good preparation and quick response can often prevent a troubling issue from escalating into a major crisis," explains anthonyBarnum's CEO and founder, Melissa Anthony. "Moreover, planning helps catalyze prevention because the very act of doing problem analysis highlights risk—and that prompts businesses to pay attention to important issues and address them preemptively."

When a crisis hits, well-prepared clients:

- **Assess the Crisis.** This is the first step a company can't take in advance—but in many ways, it's a relatively straightforward process. During preparation, a brand has set up platforms and thresholds to monitor, types of information to record, and processes for analysis and escalation. Assessment, then, is relatively mechanical.

On the other hand, if a company hasn't done any preparation, its reaction and response time will be delayed. In the time it takes to hastily call together in-house staff or quickly-hired consultants to run through all the essential steps of establishing process, social media has gone wild. And there's more bad news for the unprepared: Beyond the delay, any hastily created crisis communications strategy will almost surely never be as efficient as those planned and rehearsed in advance.

- **Finalize and Adapt Key Messages.** With the creation of statements available as a starting point, the crisis communications team must continue developing crisis-specific messages required for any given situation. The team already knows, categorically, what type of information its stakeholders are looking for. What should those stakeholders know about this crisis? Keep it simple. Have no more than three main messages that go to all stakeholders, and, as necessary, some audience-specific messages for individual groups of stakeholders.
- **Conduct Post-Crisis Analysis.** Ask after every crisis: 'What did we learn from this?' Make a specific and detailed list of both things that were done right, and things that were handled poorly.



Fast, honest and effective response can sometimes nip a potential crisis in the bud, and prevent it from escalating into a more serious brand problem.



FIVE TRENDS IN DIGITAL CRISIS MANAGEMENT

In the last decade, online environments have become increasingly important for brands to consider in both monitoring and responding to crises. About four in 10 Americans rely on online sources for news, a 2016 Pew Research study found, and that number is even higher among young people. Here are five key aspects of online communication that every crisis response team should be aware of:

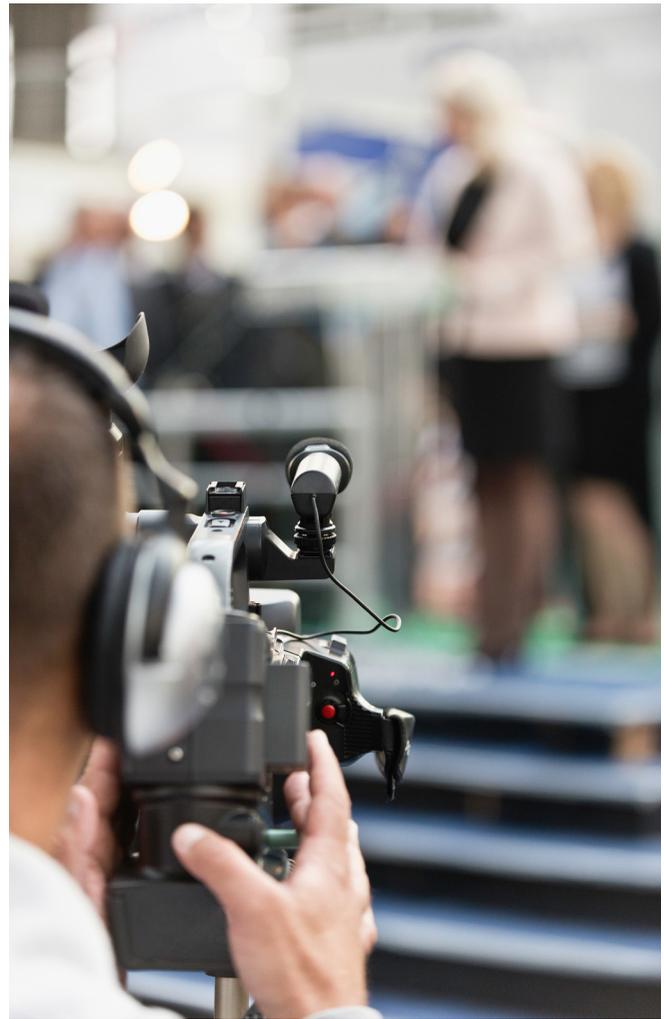
1. Everything happens at lightning speed
2. People demand hyper-transparency
3. Dialogue is as important as message delivery
4. Reputations are built and broken via online search
5. Brand detractors have the same technology brands do

Online monitoring and reaction is an essential part of any crisis response. Beyond maintaining acute awareness of people angry about customer service, keep a special eye out for complaints in online review guides (Yelp, Google+, Facebook, etc.), parody accounts created by people intentionally seeking to damage a brand, and false information about brands that goes viral and should be quickly caught and rebutted.

SEVEN INEXCUSABLE MISTAKES

IN CRISIS RESPONSE:

1. Denying that a problem exists
2. Minimizing the problem
3. Misleading the public
4. Blaming someone else
5. Not responding
6. Taking too long to respond
7. Lying



THE CORE OF BRAND VALUE IS INTEGRITY

Wild and unexpected things happen in the world, and no business can expect to preempt every conceivable issue and never experience crisis. But brands can usually stop minor crises from exploding into major ones. The three main reasons they escalate include: inadequate planning, failure to gain support from senior management for that planning, and failure to include the entire business in the planning and testing of recovery efforts.

Businesses that don't yet have all their preparation efforts in place or have just built pieces of a crisis response don't need to feel overwhelmed. The important thing is to start today by documenting at least one thing that will help the business better respond to a potential crisis, share that with others and build on it. Crisis communication response plans, after all, are never final, and should be continually adjusted to meet current realities and regularly reviewed.

A quick, coordinated and honest response to a crisis is the best policy—and can win companies credit from their various stakeholder audiences.

It's easy for brands to be honest and responsive when they have good news. It's how people manage things when times are tough that reveal true character.



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P U B L I C R E L A T I O N S

Contact us for more information on how your organization can benefit from high-impact public relations and social media.

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