

4imprint®
Blue Papers™



Facing a PR crisis

Facing a PR crisis: The vital first response

*"You may not realize it when it happens, but a kick in the teeth may be the best thing in the world for you."*¹

—Walt Disney

*"In the middle of a difficulty lies opportunity."*²

—Albert Einstein



Speeding bullets are of little concern to superheroes like Superman and Wonder Woman. But for mere mortals who lack chests of steel and magic bracelets, metal projectiles can be crippling, if not deadly. And in the business world, these bullets don't even have to be real to cause real harm.

So what is a speeding bullet of business?

One with potential fatal firepower is the PR crisis, which all businesses will eventually face. PR crises range in magnitude and impact. They can come in the form of a disgruntled customer over bad service, a hostile takeover, a nasty lawsuit or a recall of your company's products. When Johnson & Johnson faced a giant PR crisis in 1986, its top officials stepped up. In "Crisis Management Moments," Steven R. Van Hook, founder of Worldwide Media Relations, wrote:

*In 1986 someone put capsules poisoned with lethal amounts of cyanide in Johnson and Johnson bottles of Tylenol on store shelves. Before anyone could do anything, seven people died from the poisoned medicine. The company met the crisis head-on. First, they spent \$300-million recalling all samples of the medicine bottles. Then the company introduced new tamper-proof medicine containers that changed the entire industry. But most importantly, the company was prepared, it acted coolly, they answered the tough questions, and in the end maintained their dominance in the market. They used the media to demonstrate their concern and their determination to resolve the crisis. It was a message of courage and leadership through effective public relations.*³

¹ Walt Disney, http://thinkexist.com/quotes/walt_disney/

² Albert Einstein, http://thinkexist.com/quotation/in_the_middle_of_difficulty_lies_opportunity/10122.html

³ "Crisis Management Moments," by Steven R. Van Hook, <http://aboutpublicrelations.net/aa021701a.htm>

Johnson & Johnson's response is a classic example on how a business should tackle a PR crisis—quickly, honestly and effectively.

Before we hit dos and don'ts of the vital first response, let us look at some missteps and saves in PR crisis management.

Keeping the faithful

When Apple brought the iPhone to market in June 2007, fans lined up, eager to fork over the \$600 for the sleek, hot gizmo. Tech heads raved. Sales soared. Apple could do no wrong ... until two months later, when Steve Jobs, CEO of Apple Inc., reduced the price of its highly touted iPhone by a third—\$200. (The company has had a long-standing reputation for not discounting its products.) Fans roared their disgust. "I feel like I have been ripped off by Apple,"⁴ one said.

Jobs' first response was to dismiss the angry voices. "That's what happens in technology,"⁵ he said. In other words, technology is fluid. Deal with it.

But Jobs' high-and-mighty stance quickly folded after early iPhone buyers flooded Apple message boards with angry and disappointed messages. A day after the price-reduction announcement, Jobs came back with a remarkable concession. He wrote in an open letter to iPhone customers:

*"... even though we are making the right decision to lower the price of iPhone, and even though the technology road is bumpy, we need to do a better job taking care of our early iPhone customers as we aggressively go after new ones with a lower price. Our early customers trusted us, and we must live up to that trust with our actions in moments like these."*⁶



Apple acknowledged that it had abused its core customers' trust and extended a \$100 store credit to the early iPhone buyers.⁷ That move appeared to have mollified its loyal fans, and the Apple brand, for the most part, remains intact.



⁴ "Some early iPhone buyers irked; others have no regrets," by [Jim Hopkins](#) and [Michelle Kessler](#), USA TODAY, Sept. 5, 2007

⁵ Ibid, Hopkins and Kessler

⁶ Open iPhone Letter by Steve Jobs, <http://www.apple.com/hotnews/openiphoneletter/>, Sept. 6, 2007

⁷ "iPhone Owners Cry Foul Over Price Cut," by Katie Hafner and Brad Stone, New York Times, Sept. 7, 2007

How not to respond to a crisis

When Vice President Dick Cheney accidentally wounded a fellow hunter in Texas on a Saturday in February of 2006, the national media went ballistic when the news wasn't disclosed until a day later. Even President Bush initially got an incomplete report on the shooting.⁸



Two days after the accident, Cheney remained out of the public eye. For a public official, a person who holds the second-highest public office in the United States, Cheney's non-actions were a public relations nightmare.

Michael Hubbard, who blogs about crisis public relations, wrote:

*"(Cheney) did not communicate with the public nor the administration in Washington about the incident until well after the incident had occurred. His actions made it appear to the public as though he were hiding something. When he finally addressed the public, it was too little too late. His mistake continues to be the foundation of many jokes to this day."*⁹

Hubbard was right. Late-night talk show hosts piled on Cheney. Even President Bush made his second-in-command the butt of a joke. During a speech at the Alfalfa Club in January, Bush said: "When I was here last year, my approval rating was in the 30s, my nominee for the Supreme Court had just withdrawn and my vice president had shot someone—ah, those were the good old days."¹⁰

When the going gets tough ...



Cheney could have avoided many of his problems if he or his handlers had read the government's official crisis communication tips¹¹, readily available online. These tips easily apply to both public and private sectors.

In a crisis, bring all the key players into a room and get the facts straight. Never tell more than you know, don't freelance what you think, and constantly update reporters," said Susan King, spokesperson at two federal departments during the Clinton

⁸ "No End to Questions in Cheney Hunting Accident," by Anne E. Kornblut and Ralph Blumenthal, *New York Times*, Feb. 14, 2006

⁹ "All Together Now," by Michael Hubbard, <http://crisispublicrelations.blogspot.com/>, April 18, 2006

¹⁰ Dan Froomkin, columnist, *Washington Post*, Jan. 30, 2007

¹¹ http://www.washingtonpost.com/wp-dyn/content/blog/2007/01/30/BL2007013000803_5.html

¹¹ Crisis Communications, U.S. Government, <http://usinfo.state.gov/products/pubs/pressoffice/crisis.htm>

administration. “Reporters have to get information, and if you don’t give them anything, they will report rumors.”¹²

The government divides crisis communications into before, during and after the crisis. Here are some of the highlights:

Before a crisis:

- Maintain trustworthy, credible relationships with the media all of the time. If you do, the media will be less suspicious and more cooperative in the midst of a crisis.
- Select someone to be the crisis manager.
- Have the crisis manager collect information on potentially troublesome issues and trends. Evaluate them, gather data on them, and develop communications strategies to prevent or redirect their course.
- Identify members of a possible crisis management team. Have in place their roles, actions to be taken and possible scenarios. Have a list of their office, home, and cell or mobile phone numbers. Also have copies of their biographies. In a crisis, the press may want to know the backgrounds of those dealing with it.
- Give designated spokespeople training in dealing with the media.
- Determine the message, target and media outlets that could be used in various crisis plans.



During a crisis:

- When a crisis hits, immediately get the word to the press. Otherwise, the media will get their information through other means.
- Set up a 24-hour crisis and media center at a central place from which news is released, rumors dealt with, facts gathered and briefings held.
- Immediately “go public” with a trained spokesperson at the scene to conduct press briefings. Let the media—and therefore the public—know that you are dealing with the situation.
- Say what you know and only what you know. Don’t speculate. Don’t be bullied into saying anything based on rumor. If you don’t know something,

¹² *Ibid, Crisis Communications, U.S. Government*

admit it. Saying “the matter is under investigation” may be the best response.

- Gather information as quickly as possible. Determine the basic who, what, when, where and how. You might not get the “why” until later.
- Get the government or agency leader and other top management to the crisis center. Cancel other plans. People want to see the leader, not just the public-affairs staff. Having top management in front of the press during a crisis lends credibility and shows that the organization is not treating the situation lightly.

After the crisis:

- Evaluate the effectiveness of the crisis plan and how people responded.
- Correct problems so they don't happen again.

The crisis communications kit

Don Crowther, author of *Media Relations Power* and president of 101PublicRelations.com, said every company should have a crisis communications and management plan.

“It’s how you handle that crisis with the media which will likely determine whether the crisis builds or seriously damages your company,”¹³ he wrote.

Crowther developed a starter list of seven must-have items in any crisis communications kit:

1. A list of the members of the crisis management team, which should include, at minimum, the CEO, a trusted assistant/top manager from the CEO’s office, heads of each department, public relations and marketing team members, legal and security.
2. Contact information for key officers, spokespeople, and crisis management team members.
3. Fact sheets on the company, each division, each physical location, and each product offered.



¹³ “7 Must-Have Elements in Every Crisis Communications Kit,” by Don Crowther, http://www.globalprblogweek.com/archives/7_musthave_elements_.php

4. Profiles and biographies for each key manager in your company.
5. Copies of your company, division and product logos, your press release format and the scanned-in signature of your CEO available digitally.
6. Pre-written scripts answering key questions that you have generated through your crisis scenario analysis. Included in these scripts should be the words you use to say “we don’t have that information yet, but will let you know as soon as it becomes available.”
7. Contact information for each of your key media contacts both locally, nationally, and if appropriate, key financial press and analysts.

Taking care of business

Judy Hoffman, founder of JCH Enterprises, which specializes in crisis communications, said ignoring the media during a crisis is not an option. In other words, you must find a way to deal with the media, especially in the aftermath of something that reflects poorly on you and your business. Hoffman offers four things you absolutely must avoid at all costs.

1. Saying “No comment.” That two-word phrase only convinces the reporters that you’re hiding something and that you need thorough investigating. However, that doesn’t mean that you must always answer the reporter’s questions. Hoffman suggested instead saying, “I’m sorry, but I simply cannot answer that question because _____” and give the reason. Then give the reporter information that he or she can use for a story (preferably one of your positive key messages.)
2. Lying. Do not lie. This temporary avoidance of immediate pain is not worth losing your most important asset—your credibility.
3. Losing your temper. Losing your cool will only get you air time that will be repeated in a loop—not a good way to promote your corporate image.
4. Losing eye contact. When answering questions, look at the reporter in the eye with a steady, but not unfriendly, gaze. This is especially important during TV interviews. If you drop your eyes to the floor or roll them, you risk sending a message that you are untrustworthy.



Not all PR crises have to be dire. Take the case of Detroit Lions receiver Roy Williams, who told a radio interviewer that he had a no-tipping policy when it came to pizza deliveries. Now the NFL star has a reported salary of \$1.5 million. Williams quickly learned that millionaires who stiff pizza delivery people are regarded as society's lowlifes.¹⁴ He got reamed by the traditional media and pizza-loving bloggers.

But one company benefited from Williams' public faux pas. Pizza Hut.

Pizza Hut President Scott Bergren quickly jumped into the fray by writing Williams a letter, which was also sent to the Detroit Free Press. Bergren wrote:

We'd like to issue you a challenge. Agree to work as a delivery driver for Pizza Hut for just one day in Detroit, and we'll forgive all your previous tipping transgressions.

Furthermore, we'll collect all the tips you receive and donate them to the World Food Programme as part of our World Hunger Relief Week, which is kicking-off October 14.¹⁵

The publicity stunt was brilliant. Williams agreed and delivered pizza for a day. He learned firsthand the stinging disappointment being stiffed a tip and became a converted tipper. Pizza Hut got, in effect, a day-long free ad. With a dash of creativity and a pinch of humor, Williams (and Pizza Hut) diverted what could have been a PR crisis into a national feel-good story.

Public relations isn't rocket science, but it does take a great deal of planning, forethought and practice. Nearly every organization, at some point, will be faced with uncomplimentary press or a situation that requires communicating openly with the public. That being said, don't assume your team knows what to do. As the Boy Scout motto says: Be Prepared!



¹⁴ "Pizza Hut Prez Challenges Lions Roy Williams", <http://www.detroitcity.com/blogs/viewblog.php?id=750>, Oct. 4, 2007

¹⁵ Letter from Scott Bergren, President, Pizza Hut, to Roy Williams,

Here are a links to a few websites that offer tips on crisis communications and management:

At this site you can find the complete U.S. government crisis communications tips:
<http://usinfo.state.gov/products/pubs/pressoffice/crisis.htm>

For more information on crisis management and communications, visit [Crisis Communication Planning: Organizing and Completing A Plan That Works](http://www.101publicrelations.com/crisis-communication.html) <http://www.101publicrelations.com/crisis-communication.html>

4Hoteliers offers articles on effective decision-making for executives and managers. While the information targets hoteliers, the basic tips apply to most businesses.
http://www.4hoteliers.com/4hots_mshw.php?mwi=16

Access crisis management expert Judy Hoffman's "*The Four Fiascos of Dealing with the Media*" here: <http://www.bernsteincrisismanagement.com/nl/crisismgr050415.html#cmu>

