

Crisis Communication Plan, the Armor for Protecting the Reputation of Companies: a Luxury or a Necessity?

Katerina G. Skourtanioti

Georgios V. Lykos

Nikolaos P. Ventikos, Phd

ABSTRACT

*Crises do not follow an agenda; they simply do not follow the calendar. Most importantly, the big question is not **IF** a crisis will happen, but better **WHEN** this will happen. Positive reputation... Is this important? This is probably a rhetorical question. Companies try to build and strengthen their reputation on a day-to-day basis. This is a very crucial and difficult task; reputation is one of the major assets of each company. They need to protect their reputation and to develop best practices. In effect how companies protect their reputation in case of an environmental accident? What do they do? This is the nodal question discussed hereafter in this brief communication. A crisis communication plan is a vital part of the emergency preparedness and response. Such a plan, which has been integrated with operations plans, understood and practiced by company employees, could provide a platform for companies to deal effectively with unexpected and often very dangerous situations that could harm the environment and protect the reputation of the company involved.*

INTRODUCTION

A major crisis especially an environmental one, will create a huge demand from the media and other stakeholders. According to stakeholder theory (Friedman et al. 1984), stakeholders are any group involved and contributed with the organization with whom positive relationships must be prevailed to survive a crisis. In other words, stakeholder theory, attempts to address the “principle of who or what really counts” (Freeman, 1984).

It is impossible to create a crisis communication plan during a crisis. The most challenging part of the crisis communication management team is to reacting – and with the right response - quickly. Press conferences could cover some of the increasing demand from different media and thereby potentially different stakeholders but the need for exclusivity will not be met. A specific communication strategy must be adopted. This strategy is not more than the intention of the company to keep the public informed about the effects of an environmental incident and what is being done to address those effects.

In this paper a framework of an effective crisis communication plan and the importance of proper preparation for companies in high-risk industry will be presented.

CRISIS MANAGEMENT, CRISIS AND CRISIS COMMUNICATION

Katerina Skourtanioti is a strategic communication and crisis management expert. Managing Director at VenLyS, Athens, Greece. Georgios V. Lykos is Lt. Commander Engineer in Hellenic Navy, Phd candidate at Laboratory for Maritime Transport in National Technological University of Athens (NTUA), Member of Maritime Risk Group (MRG), Greece. Dr. Nikolaos P. Ventikos is Assistant Professor at Laboratory for Maritime Transport in National Technological University of Athens (NTUA), Manager of Maritime Risk Group (MRG), Greece.

There are a lot of sources of international literature that describes the definition of crisis management, crisis communication, but there is not a specific and accepted definition about crisis (Friedman, 2006; Coombs, 2014; Stocker, 1997; Chong, 2004; Barton, 2001).

Crisis management can be defined as the process whereby strategies are planned and applied in order to avoid or alter the possible impact of crisis events on an organization (Stocker, 1997), and according to Chong (2004), crisis management is a vital part of strategic planning and management. In general, *crisis management* can be described as the process by which an organization reacts with an unexpected and very often, dangerous event that threatens the organization or the general public. Crisis management process is varied. It includes media relations, risk-assessment, decision-making, crises emergency plans, crisis termination and definitely it is not an easy task. *Crisis* has a very broad meaning. Crises damage the reputation and such changes can affect on how stakeholders interact with the organization (Barton, 2001). Another definition that could be proposed in this paper is that a crisis is a sudden, unexpected event that threatens an organization.

According to Fearn-Banks (2007), crisis communication is the interaction between an organization and its stakeholders before, during and after a crisis. Generally, a *crisis communication* could be introduced in this paper as a strategic process that builds, promotes, and protects relationships with various stakeholders within a constantly changing environment before, during and after a crisis. The study of crisis communication relies plenty on case studies. Situational Crisis Communication Theory (SCCT) provides “an evidence-based framework for understanding how to maximize the reputational protection”. This theory relies on experimental methods (post - crisis communication) rather than case studies and begins by explaining the reputation threat and the formation of reputations and then moves to the theory of situational crisis communication theory and its application in protecting the reputation of an organization during a crisis event (Coombs, 2007).

In the end, even if no incident is ever the same, stakeholder’s reaction and behavior to a crisis can be predicted and companies can be more prepared to possible crises and threats to their reputation.

CASE STUDIES

On 20 April 2010, while drilling at the Macondo Project at the Gulf of Mexico, an explosion on the rig caused and killed 11 crewmen (source: www.bp.com). The resulting fire could not be extinguished and, on 22 April 2010, *Deepwater Horizon* sank, causing the largest offshore oil spill in U.S history. The Deepwater Horizon explosion showed that BP was just following history. This oil spillage leak was the latest in a long line of crises for the oil and energy industry. What about the Exxon Valdez disaster? These disasters are etched into our memories as crisis communication examples and damaged reputations of high profile organizations around the world.

On March 24, 1989, the Exxon Valdez tanker (source: www.2epa.gov) dashed against rocks and split open in Alaska's ecologically sensitive Prince William Sound. Millions of gallons of crude oil spilled, causing enormous environmental damage. Clearly, based on these case studies, both Exxon and BP (source: www.bp.com; www.2epa.gov) were rather negligent in their internal procedures to respond with transparency to the spill and work intensively to reach the stakeholders. Especially the Exxon Valdez case study showed that leadership did little to nothing to help reduced stakeholders anxiety and the need for more information until it was too late. Instead, Exxon had no designated spokesperson, refused to communicate openly and failed to involve the media and the activists. In addition to these, Exxon:

- CEO (Rawl) refuses to be interviewed (no time for such things). The company was constantly refusing the requests for better communication;
- After 6 days of the incident, Rawl made statement to media. In his interview on TV, he was unfamiliar with latest Exxon cleanup plans;
- Exxon blamed media for making a big deal of the spill;
- After 2+ weeks, Rawl finally visited site of oil spill.

Contrary to this we have the Braer case (source: www.cedre.fr; www.ipra.org). The MV Braer oil tanker was on its way from Norway to Canada when it lost power and ran aground off Shetland, Scotland in January 1993. The 85,000 tons of oil spilt by the Braer was just over twice as much as was spilled by the Exxon Valdez. Braer disaster is a great example of the importance of a well organized and already prepared crisis communication plan. The company recognized from the very first hours that the communication response especially the very first 12 hours could

determine the survival of the company. Indeed what we have in Brear case is an open and proactive communication strategy. The crisis communication plan mobilized from the first hour. All media coverage focused on the efforts the company was making to bring the situation under control to minimize environmental impact and to have all stakeholders informed.

The most important and probably quite significant fact that made huge difference between this and the previous cases was that the actual crisis escalated to be a communication crisis.

AN OVERALL CRISIS COMMUNICATION STRATEGY

The risks that companies facing concerning reputations are already growing more complex as a result of the globalization of broadcast media and social media. Moreover the negative impact of a crisis on an organization's reputation can spread globally online in seconds. Hence, extremely challenging is the speed at which news of the crisis can spread virally via social networks.

A crisis communications strategy includes three time elements: before, during and after the crisis.

A CRISIS COMMUNICATION FRAMEWORK

The more an organization can plan ahead with scenario-based holding pre crafted press releases, key messages already identified and a ready to activate "dark" Intranet site, the better placed he will be to go out quickly and proactively (Coombs, 2011; NMA source: www.nma.org). There is one basic key option we can do to be in front of a crisis and that is preparation.

The below diagram is a proposed framework of a crisis communication plan. This plan includes several basic elements and tactics to be followed in case of an environmental crisis and covers three time periods before, during and after a crisis. The specific crisis communication plan starts with a communication auditing which is a thorough review of the company's corporate communications plan, procedures, infrastructure and resources. This includes a risk assessment and examination of relationships, protocols with external partners, subsidiaries and suppliers. It also outlines the roles, responsibilities and actions of the communications team, and the interface with the rest of the emergency response organization. Hence, senior executives at head office may be required to give interviews to the news media after a major incident.

Crisis communications training prepares them with the knowledge and skills they will need to present confidently and effectively under pressure from reporters, thereby projecting a positive image for the company.

A Crisis Communication Plan framework

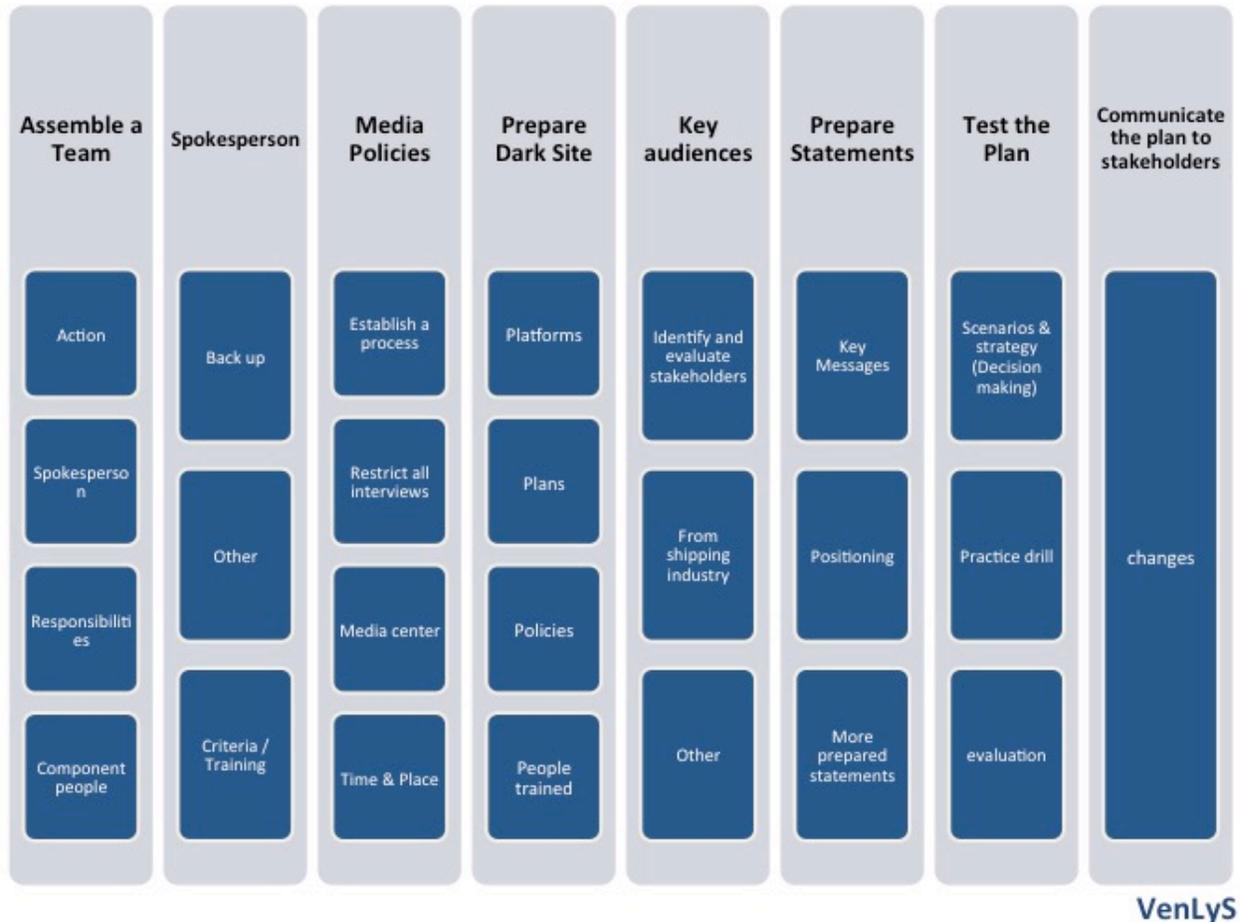


Figure 1: A crisis communication framework (Courtesy of VenLyS)

Last but not least, like any contingency process, crisis communications plans should be tested periodically under simulated emergency conditions.

DURING THE CRISIS; TIME IS EVERYTHING.

The early hours of a crisis are the most important. Good relations with the media should be established early on, so that journalists are willing to return to company as a source of support and expertise. This includes facilitating access to areas affected by the crisis, although ground rules should also be in place so that journalists do not interfere with emergency operations.

The diagram below (Coombs, 2011; Hainsworth & Meng, 1988) highlights that there is generally much more opportunity to influence stakeholder perceptions and overall reputational impact early in the crisis than later as events unfold.

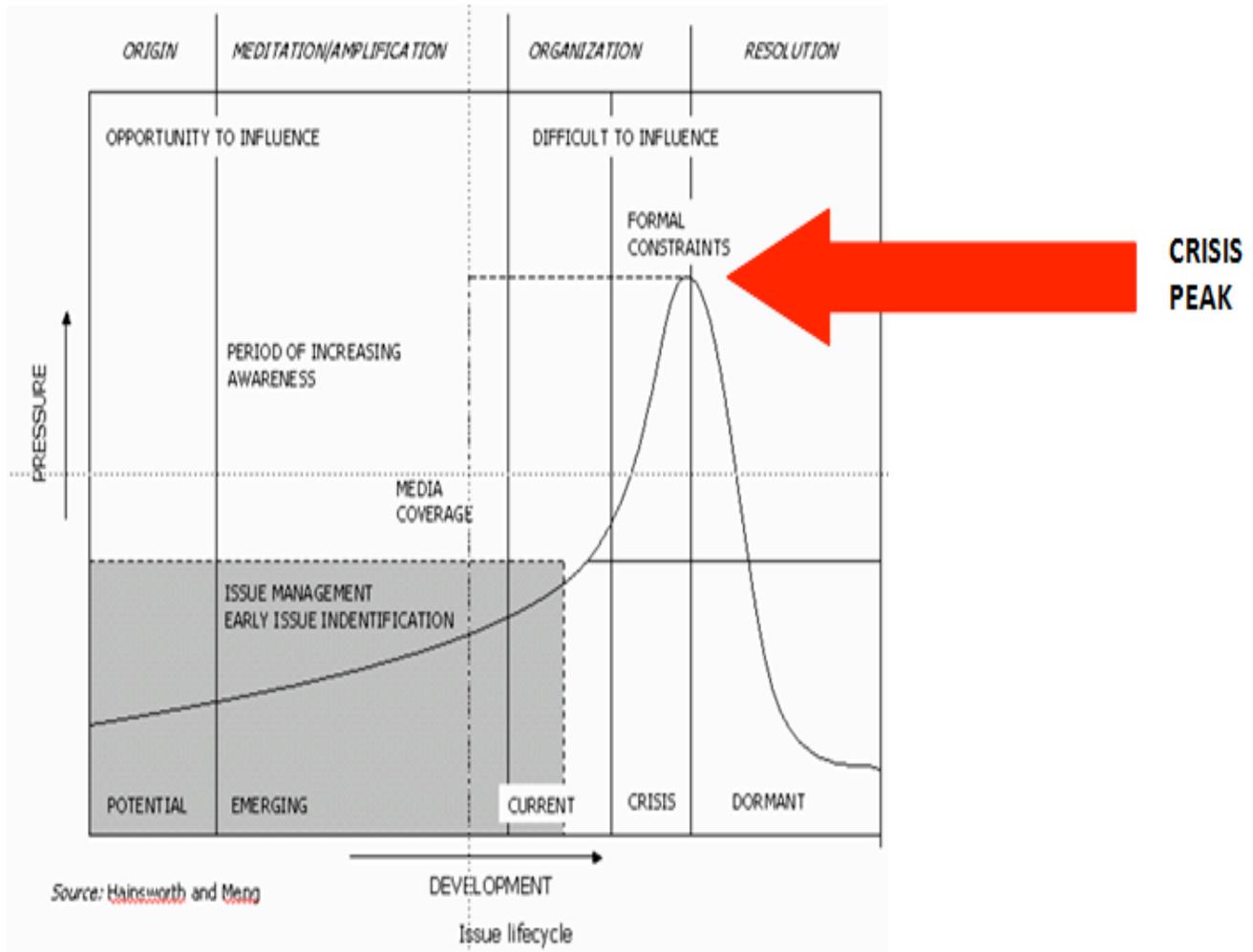


Figure 2: Issue Lifecycle (Hainsworth & Meng, 1988)

But what is an issue? There are many definitions of an issue offered by specialists, communicators and academics. According to US specialists Hainsworth and Meng “as a consequence of some action taken, or proposed to be taken, by one or more parties which may result in private negotiation and adjustment, civil or criminal litigation, or it can become a matter of public policy through legislative or regulatory action” (Hainsworth & Meng, 1988). A simple definition, which we can use in this paper, is that an issue projects the urgency to explore internal and external communication to a specific condition that could have a significant affect to the reputation and the function of an organization.

Generally, the more open, proactive, transparent, comprehensive and rapid is the response, the less adverse impact there is on the company’s reputation. There are specific elements that are expected from the company involved in an environmental crisis to be addressed in all external and internal communications about the incident:

1. Concern
2. Facts
3. Plan - Solution
4. Built trust
4. Reassurance

5. Concern

A good crisis communication program addresses stakeholders' concerns. In dealing with a crises and assessing its impact on your organization, it is vital not to overlook the importance of the people affected, through key messages and communicating concerns about the incident and the adverse impact on people and property.

AFTER THE CRISIS

This is the time to assess what went right and wrong so this will be the roadmap on what mistakes to avoid in the future (Regester et al., 2005; Hayes et al., 2010). The main question that must be asked is: "What did we learn from this?" A formal analysis how to improve various elements of crisis preparedness is another must-do key element for any Crisis Communications Management Team.

Every crisis is an opportunity to showcase an organization's character and the commitment to its organizational values. Stress, time, pressure, incorrect information is factors to a crisis event. Hence, leaders who perform well under pressure and demonstrate responsibility can effectively guide the organization through a crisis, especially an environmental one.

CONCLUSIONS

In emergencies, it's the non-action, the delay and the negligence to demonstrate leadership that causes embarrassment, humiliation and unnecessary litigation. People have the tendency to forget accidents, less willing to forgive arrogance, indifference and unpreparedness. Without preparation, by the end of the crisis the public image of the organization will be distant and not sincere. Organizations know, or at least should have an idea of their exposure to risk, which consequently can become their crisis. Helping management understands the impact of inappropriate or poorly thought out crisis response is one of the most important strategic services the public relations practitioner can provide through an organized and tailor made crisis communication plan.

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently" (Warren Ed. Buffet).

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