



MARITIME RISK

INTERNATIONAL

The Importance of Crisis Communications

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A shipment of your grapes is tainted with cyanide and hundreds of people are injured. A speedboat full of explosives crashes into your cargo ship or oil tanker with disastrous effects. A Stinger missile is smuggled into the country in one of your shipping containers and is used to down a commercial airliner.

While these scenarios may seem unlikely, the fact is that the new era of global terrorism creates a risk that many businesses previously never considered. Many think the government's terror warnings are political or overly alarmist, but when imagining the worst-case scenario, the question remains: is your company prepared to handle the public relations nightmare that even a bantam connection to a terror attack or other disaster would present? How will your business survive when it finds itself linked to a front-page tragedy?

Because of the wide-reaching effects terrorist attacks have, terrorism presents communications problems that a "normal" crisis would not. Most significantly, the crisis here is most likely not your fault. It's not your typical sex scandal or SEC investigation. Terror attacks affect everyone, and as a result, attract everyone's attention. All eyes will be on your company. Some issues to consider:

- If the attack could not have been prevented, how will you reassure people you will not be a target again? (This is impossible to do, but nonetheless people want to hear it)
- Even if the attack could not have been prevented, how could you let this happen? Outsiders to the industry may expect safety precautions that they feel are reasonable, but that industry insiders know are unrealistic/impossible/prohibitively expensive (hand-searching every piece of luggage on an airplane). How will you address the public outcry that results?
- Stylistic concerns: in what time frame should you communicate what message? Who would be the best spokesperson for your company for what message? From where should the message be delivered?

A well thought-out crisis management model will be divided into three distinct stages, used in concert with each other to form a comprehensive counter-attack to the criticism you may face. While these strategies are particularly germane to terror attacks, they are really applicable to any crisis situation. The three stages are planning: identification, and management.

Planning

The first element of a sound corporate crisis management model is thorough planning - doing everything in one's power to ensure that a crisis doesn't occur in the first place. An old Secret Service motto rings true here: prepare for the worst, and hope for the best.

High-risk organizations (like shipping or container companies) need to step back and assess their vulnerabilities with a creative eye, spotting every potential weakness in the system, no matter how slight. Low-risk or "safe" organizations need to realize that there is no such thing as a "safe" organization; with the threat of global terror, any company dealing with people or playing a role in the economy is at risk.

A crisis communications audit takes all of this into consideration as a first step in composing your crisis communications plan. This involves taking a comprehensive look at the business: its corporate structure, its physical layout, and its service processes. Organizations then must create a response protocol - everything from listing the members of crisis response team and their contact information to creating messaging guidelines for different crisis scenarios; basically, integrated and extensive planning for who does what. You may have heard the saying, "The Marines are who answer when the President dials 911." Similarly, your crisis communications team will be the first on the scene, each member with a designated duty to secure the situation.

Once the plan is in place, it must be tested. Crisis communications planning is important, not necessarily to see if the plan works but, instead, to see if it doesn't. Actual crisis strategies will always deviate from plans, but a plan helps a company roll with the inevitable punches. Additionally, plans mitigate the denial, anger and depression most executives (and institutions) experience - emotions that become immobilizing if not dealt with properly.

Identification

Perhaps the most important function of a crisis communications audit is for it to serve as a tripwire for your organization, so you can identify when you are in the midst of a crisis (it may not be obvious until it's too late). Remember, a crisis is not about reality; it is about perception, and the way the public judges your response to a perceived crisis can make or break your reputation.

It is for this reason that the company's actions in the hours immediately following a crisis are critical in limiting the impact of the crisis; its goal is to identify and define the issues or situation before someone else does.

For example, in October 2002, in an incident similar to the attack on the USS Cole in 2000, the oil tanker Limburg, owned by the French firm Euronav, exploded and caught fire off the coast of Yemen, spilling 10,000 tons of heavy crude oil into the sea. Thousands more gallons burned. It was not ruled a terror attack for nearly a month after the explosion.

Immediately after the attack, Euronav's director was getting the company's account of the incident out to the media and the public: "We believe it was a deliberate act. It was not an accident," he said. While officials from France, Yemen, and the United States wavered on their explanations for the blast, company officials maintained that it was not an accident, but a terrorist act.

Because of the consistency of this message coming from the head of the company, while the cause of the blast remained under investigation, none of the news coverage ever suggested that the blast and resulting oil spill were caused by negligence on the part of Euronav.

Management

Because public opinion is all about perception over reality, public and internal communications' must establish perceptions first. The public is very skeptical. More and more frequently, companies and governmental agencies are "guilty until proven innocent." Arrogance, saying "no comment," and/or responding with terse denials about questioned ethics are seldom, if ever, successful crisis communications strategies. Unlike a court of law, in the court of public opinion the defense should always take the stand. The press is driven by their need to tell a story. Failure to provide a coherent explanation about matters under question means the media will fill their stories with messages detrimental to one's own. Businesses should not stay silent and what follow are 11 recommendations to managing communications through the media:

- Designate one person to act as a spokesperson for the organization. This is rarely ever the company's lawyer. The spokesperson is usually the CEO or other top executive. However, top executives are not always the most effective spokespersons. For instance, sometimes technical experts are best. Choosing a spokesperson is a critical decision that speaks volumes about how seriously the company considers the problem. Do not have the CEO respond to a minor problem - the press will think it is more important than it is. Conversely, do not have mid-level spokespersons talk to the press if a tragedy occurred (i.e. major environmental damage, loss of life, etc.) because the company will look callous.
- Develop message points based on facts. When responding to questions remember to communicate the truth (as much as needed to fulfill the public's need to know) and to comfort all affected audiences by exuding compassion and an understanding of their concerns.
- Media train the spokesperson. Next to planning (and especially in its absence) media training is the single most important factor in dealing with a crisis.
- Communicate to internal audiences first. Making sure internal audiences hear the story from organization leaders before hearing it from the media builds and enforces trust. A cohesive company is much more likely to rebound from tragedy than one consumed by internal dissent during a crisis, and internal support is critical because this audience is often used by the news media to perpetuate unflattering messages.
- Educate the media. The media are the intermediaries between the organization's story and the public and the more they know and understand the salient issues, the better off the organization will be. Messages should demystify complex arguments and provide as much information as possible in order to create an on-going, beneficial dialogue.
- Fix the problem. As the saying goes, "where there's smoke there's fire," and essential to any crisis situation are the organization's efforts to fix the underlying problem causing it. This "repair phase" is an ideal opportunity for a company to stake out a new position in the market place. For instance, if a shipment is impounded for suspicion of tainted product, as a shipment of

Argentine lemons was last August, as part of its response to the situation (whether true or not) the company should create new policies to ensure future success and take the lead amongst its competitors in the market as an innovator. This is more than "spinning" the negative story to the press. It is providing a material solution to the problem in order to save and even promote the brand.

- Think creatively. Look for alternative methods to solve problems, not necessarily through a dialogue in the press. What are the politics of the situation? What position do the effected parties hold in the community? Does the company employ a lot of people? Who do they know and how can those relationships be leveraged? For instance, the publisher of a city's business journal might sit on the community relations board of the regional trucking company. If a crisis occurs that threatens the company's reputation, is it possible that the relationship can be leveraged so that the journal provides balanced rather than negative coverage?
- Aggressively argue and prove your case. Take the initiative rather than surrender it. One of the biggest mistakes businesses make in crisis situations is that they "go dark" and let their critics define the issues and determine the implications.
- Use independent experts and third party allies to help the media and public understand the issues at stake. If the event of a security breach at a shipyard for instance, representatives of the Department of Homeland Security would help assuage public fears and presumably take much of the media spotlight off individual companies operating at the yard.
- Manage your expectations. Note the option in question seven above: "balanced versus negative" coverage not "favorable versus negative" coverage. This is a very important distinction. Expectations of management must be tuned to the fact that in most crises the best coverage to hope for is balanced, the alternative being negative. Given the circumstances of most crises, favorable coverage of a company experiencing one is extremely rare.

Hire professionals to plan for, identify and manage crisis communications situations. Many times, companies defer to their crisis communications activities to their legal counsel. Unfortunately, the results can be devastating. The law may save a company in the courtroom, but companies need the public to purchase their products and use their services after the crisis (or successful litigation) is over. Communications strategy should supplement and support the legal strategy and at the same time remain independent. Therefore, in a crisis situation, if the company hasn't hired professional communicators, this should be the attorney's first recommendation.

Conclusion

Obviously, you can't plan out everything in advance. Crisis communications are responses to an event that already occurred. While good publicity in advance can help you bank reputation capital for a rainy day, you can't always prevent a crisis. With effective and diligent handling, however, you can mitigate the damage and keep your business on track when a crisis strikes.

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