

» **Stephen Carver**
Lecturer
Project Management

» Communicating in a Crisis

The Toyota and BP debacles have once again shown us the consequences of organisations failing to manage a crisis effectively. The tragedy is that it was all so avoidable. In cash terms these crises can be counted in billions of dollars but unfortunately the consequences will ripple on for many years – a high price to pay for failing to manage relatively simple crisis scenarios. It is amazing how much time and money is spent on developing and discussing strategy compared to developing the skills needed to implement it or manage it if things go horribly wrong. The rules of crisis management are really quite simple.

Prepare for the unexpected - it may be an unpleasant thought but if you run an airline, the chances are that one of your planes might crash one day. If you make food, you might experience a health scare. If you run a car company, you might have to manage a recall. If you run an oil company, you might have to manage a spill.

It is vital to work out how your organisation would react if the worst were to happen and plan and train accordingly. Whilst risk registers and contingency plans are a good start, they can fool you into thinking that you have all bases covered. Planning and training must encourage creative flexible open behaviours. It is important to remember that it is usually the crisis that you never thought of that kills you.

Preselect, train and empower a crisis team - when crisis strikes, things develop at a devastating pace and companies need to react fast regardless of time zones, corporate procedures or internal politics. Individual leaders and teams should be preselected, trained and empowered to react instantly and calmly to the situation. The consensus culture at Toyota condemned them to losing the initiative and being butchered by the media over their recall crisis. Unless you are ahead or on the curve you will always be playing catch up and the crisis will spread systemically.

Put yourself in the customer's shoes - Toyota customers were happy to pay premium prices for two key things - reliability and safety. When Toyota finally reacted, their crisis spokesmen tried to explain everything in engineering terms. What they should have done is consider what their customers may have been thinking (which is likely to have been whether their car was safe to drive). You have to build trust with your customers before their goodwill turns to anger, resentment and even personal hatred (as with BP).

Regret, reason, remedy - first you have to show that you are human by showing empathy for those people affected and express regret for what has happened. Many people fear legal consequences and are often told "never say you are sorry"; but showing that you understand the feelings of your customers is not the same as admitting liability. Secondly, try to explain in straightforward terms what has happened and the reason.

If you don't yet know, then say so and do not hide information that customers need to know. Lastly, get control of the situation by stating what you are going to do to remedy the situation.

Communicate, communicate communicate - at times of crisis, organisations often feel that they are being attacked by a hostile press and the temptation is to close the doors, call a meeting and ignore the ringing phones. While it is important to establish your message, it is vital that you are seen to be openly communicating as soon as possible – speculation fills a vacuum. Communicate to your customers via the media but don't forget the other key stakeholders including your own employees, suppliers and partners.

Know your message and stick to it - most TV soundbites are about 30 seconds which means you need to sum up your message in this time, which in reality is only about 90 words. Don't forget to take advantage of the other media routes open to you including radio, internet and social media sites such as Facebook, YouTube and Twitter.

Take control - crisis can hurt but it can also be an opportunity to show what a fine organisation you are. Case studies such as Johnson & Johnson Tylenol and BMI Kegworth show that if you are prepared and react well to a crisis, there can even be long term benefits in terms of customer loyalty and media perception. Seize the opportunity!

When one looks at 'classic' crisis cases such as Exxon Valdez, Perrier Water and Shell Brent Spar,

it never ceases to amaze that such globally powerful organisations can get things so terribly wrong.

Managing a crisis is never easy but if Toyota and BP had followed the simple steps above, they may well have now been looking at a rosier future instead of the ridicule that they will now have to endure.

As one major insurance company was delighted to say after they had successfully managed a major disaster "we don't make a drama out of a crisis". In the case of Toyota and BP it is sadly "we created a catastrophe out of a crisis". MF

For further information contact the author at stephen.carver@cranfield.ac.uk



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