Controlling a crisis - The ultimate possible disruption

By Jennifer Stein

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Corporate South Africa has seen major blue-chip brands at the centre of crises which, in some instances, have had major reputational and financial repercussions. Whether a company enjoys the size and stature of Ford, Tiger Brands or KPMG, or is a much smaller enterprise, the fundamentals surrounding reputation and perception remain unchanged, clearly underscoring the absolute need to be prepared for a crisis.

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A crisis contains the highest potential to destroy a company's reputation, brand equity and share value. While some sectors and industries are more likely to be involved in a crisis, no matter what kind of organisation, institution or business you are involved in, no-one is immune from situations which have the potential to become issues.

If not managed properly, these can fast escalate into a full-blown crisis. It's human instinct (or perhaps survival reflex) that just like people, companies think crises won't happen to them, but the probability of something happening someday is always there. Key to managing it is to understand how to minimise fall-out, maintain the brand's reputation and focus on management and mitigation.

Planning is key

A crisis is classified as a significant disruption which has the potential for stimulating extensive media coverage and public scrutiny, disrupts the organisation's normal business activities and could impact negatively on a brand's reputation, credibility and employee morale and which may impact negatively on the organisation and/or its key stakeholders. In short, it's about protecting your brand.

A crisis could be anything ranging from a poor financial performance, management changes, incidences of mismanagement or wrongdoing, a consumer complaint, product defect or recall, employee issues, labour disputes, workplace injury or fatality, or a natural disaster, terrorist threat or activist protest. Interestingly, more than 75% of corporate crisis is triggered internally.

How a company responds when disaster strikes pretty much maps the way forward and the immediate response is critical to stakeholder perceptions and the media's narrative. Planning is key – the outcome could be disastrous without careful preparation.

With effective upfront planning, most crises can be averted so what do we recommend? An in-depth crisis communication preparedness and training session where eventualities and scenarios are brainstormed and planned for, including the identification of stakeholders, development of messages and escalation processes per scenario.

Every situation is unique

Anticipating potential crises can help develop workable frameworks. But the work doesn't stop there. It's then all too easy for complacency to set in and assume that once training and preparation has been done, everything is in place to run smoothly should it be required. Theoretically yes, but annual refreshers are paramount to keeping the internal players on their toes.

Having said that, it's not a formulaic process where one size fits all. Every situation is unique and must be managed accordingly. Rigid rules or processes would be too confining to be of practical value if a real crisis develops but there are core principles underpinning successful crisis management which enable an organisation's leadership and communications team to remain focused as a crisis unfolds, which it rapidly can (thanks to social network platforms, sometimes beyond your wildest imagination).

Adding to the complexity of any issue is the inevitability of different stakeholders advocating for different approaches and degrees of transparency.

Thorough risk assessment

A legal team may urge brands to stay silent at the outset of a crisis, while the communications team will recommend a swift, transparent apology. Then there's the conundrum of when to react, if at all. React too fast and you can turn an issue into a crisis; wait too long and a small problem can fester into a messy crisis.

This goes back to planning and preparation and the critical importance of undertaking a thorough risk assessment and plan for each eventuality. In our experience, when this step has been thoroughly completed, we have successfully managed, contained and mitigated issues which have not extended beyond a small group of stakeholders.

All crises cost money, but they don't always damage brands: poor crisis management does. You can't always control what happens to you, but you can control how you deal with it, manage and contain it - a much better scenario than the other way around.

ABOUT JENNIFER STEIN

Jennifer Stein lives and breathes PR. With over 25 years in the industry she has extensive corporate and consumer PR experience across a number of sectors including automotive, IT, fast moving consumer goods, pharmaceutical, property, luxury brands and various services industries. Her areas of expertise include strategy, crisis communications, high level client service and counsel, project and budget management...

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