

Sinking roadways. Cracked bridge supports. Chemical spills. Workplace shootings. Bad news all. If serious stuff happens to your organization, what do you do?

Who You

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WHERE WERE YOU WHEN YOU GOT THE NEWS? Beth Leytham heard that a pier of the new elevated portion of the Lee Roy Selmon Crosstown Expressway slipped 11 feet into a sinkhole the same way most people did. She pulled the plastic wrapper off her morning newspaper and there was a segment of the bridge construction, buckled and drooping akimbo across the front page.

Not long after that, a friend called.

"Did you see that?" he said. "They're in trouble."

Two hours later, the phone rang again.

"I just recommended you to the Expressway Authority," said a lawyer friend.

Fifteen minutes more passed and there was a third call. When it ended, the Tampa-based Leytham Group was officially hired to handle public relations for the Tampa-Hillsborough Expressway Authority, an agency under siege with few places to turn.

Then the phone really started ringing.

Just another day at the office for Tampa Bay's reigning Queen of Damage Control.

IF YOU'RE A PHARMACEUTICAL COMPANY and the *Wall Street Journal* publishes internal documents showing that you knew for years that a widely prescribed drug of yours causes death, is that a certifiable crisis? (*Merck/Vioxx*)

If you're a governmental agency whose new metropolitan tunnel is awash in leaks and scandal, does that qualify? (*The Big Dig/Massachusetts Turnpike Authority*)

If your company's charismatic leader uses poor judgment in her non-company investments, is that a problem? (*Martha Stewart/Martha Stewart Omnimedia*)

If a violent crime occurs in your place of business, will that put you out of business? (*Radio Shack, St. Petersburg/Subway, Tampa*)

"Crisis," says Harry Costello, executive vice president and general manager of Hill & Knowlton Florida in Tampa, "is all in the mind of the guy who sees his company going down the tubes in the moment. It doesn't take flames or smoke to be a crisis."

"I think a crisis is any event that will cause significant

media attention and have potential downside to a corporation," says Jeff Tucker, CEO of Tampa-based Tucker/Hall Inc.

"I like to say a crisis is unplanned visibility," says Patricia Courtois, a partner in Sarasota-based Clarke Advertising & Public Relations. "It's an incident of major importance or consequence and it has major visibility or influence. And, at some point, it elevates risk for the company."

Honey Rand, owner of the Environmental PR Group in Lutz, has been called upon in response to her share of client crises in her specialization, environmental issues. "It's all according to how you define crisis," she says. "I had been talking to the Southern Shrimp Alliance. Asian shrimp farmers have damaged the shrimp industry in the United States. They're dumping shrimp in the U.S., which lowers the price of shrimp caught in the Gulf of Mexico and it's killing our shrimp industry. I don't represent them, but I was talking to them. This guy who was representing them stood and said, 'You're not in crisis. You're an industry in transition.' I said, 'Listen, an industry is in crisis if they believe it is. Don't get too cute.' If an organization feels there is a crisis, then there is."

"We're going to have more and more of these situations that CEOs would call a crisis event," Tucker predicts. "It's a sign of the times. The whole corporate governance arena is under more scrutiny than ever before. Business cannot conduct all of its business in private. Regulators are much more watchful than before. Our crisis practice has grown dramatically because of that. There is far more opposition to companies than before, with third-party activists constituted to cause mischief by a competitor, or real causes. Whistle blowing is another issue. So many different outside forces are at work! Most corporations have to deal with major issues or crises or disruption or interruptions monthly or daily. There's no such thing as calm."

Welcome to the crisis culture for business.

Damage control is one of those subjects few executives or business owners want to discuss publicly. For this story, the MADDUX BUSINESS REPORT talked with a number of public relations experts in handling crises, and they have all agreed to talk in general terms about what to do. But none would discuss specific client situations for reasons of confidentiality.

Gonna Call?

WOUNDED BRIDGE
Cracked supports of the new Memorial Causeway Bridge in Clearwater created a media storm the past year.



Steven P. Widoff

DON'T BOTHER LEYTHAM with the word "crisis."

"I stay away from the word and just address the issue," she says. "My experience is that clients are afraid to say it's a crisis. 'If we don't address it, it will go away.' One of the biggest mistakes is to play ostrich. They understand the facts and think, 'It's just a misunderstanding and will blow over.' That's when it starts to fester."

Sounds logical – until it's you in the hot seat.

"They just think it will go away," Leytham says. "They're afraid and they're not accustomed to the media, particularly broadcast. They hide because they're not sure what to do."

Doing nothing – right or wrong – is a no-win situation for business or government.

"A big mistake is management feeling it doesn't need to deal with the attention the matter is getting," Tucker says. "Mostly that is media attention. The phone call comes or the TV reporter shows up in the lobby with a camera crew and management doesn't know what to do. They can say, 'No

comment,' or, 'We're not going to say anything at this time.' Those are not the right things to say. I tell clients if they don't take control, they're going to lose control. There is



"A crisis is unplanned visibility." // – Patricia Courtois

no middle ground."

Sometimes those calls come and senior management honestly doesn't know what happened.

"I counsel our clients that they or someone has to take the call, understand the inquiry, figure out what to do and promise to get back to the reporter," Tucker says. "We try to find out the scope and then speedily put a plan together. One interim step I try to take is letting the media know everything we know up to that point and how it is being dealt with."

Damage control specialists demand the same intimate relationship with their clients that a lawyer gets. "We come to a meeting of the minds early on or we can't work together," Tucker says. "For example, four years ago, people working at one of our client's offices complained of losing their hair; pregnant women were concerned about their health working there. A lot was written about it. Ultimately, the newspaper wrote that the company handled it in exemplary fashion. They over-communicated with employees and answered media questions. Initially, management was reticent to do that. But it all worked out well."

THE EVOLUTION OF YOUR REPUTATION IS often affected by your response and not the crisis itself. If you step up and do what you have to do and act responsibly now, your reputation will remain at a higher level even if there is a crisis.

"Take Cargill," says Courtois (*sounds like kor-TWA*). Her agency has represented the Riverview fertilizer manufacturer since February 2004. "They told the facts when they had a spill during Hurricane Frances. Because of the wind and water, the sides of the gypsum stacks wore thin and they brought trucks there with material to neutralize the water. For Cargill, having the environmental people there, monitoring the water, talking to local citizens about the effect – it came, it went, it's over. They told the media what they were doing to contain the spill. It didn't change the crisis happening, but it protected their rep because they followed environmental procedures. When a company operates at a high level from a public relations point of view and has a dialogue with media, when a crisis happens ... There's trust in the bank. The public and stakeholders recognize that. It's all about the response and the relationships you have."

With a public organization in Florida, you can't hide, says Rand, who has worked for Tampa Bay Water as well as Mote Marine Laboratory in Sarasota. "You're better off to stand up and face it head on. Especially with our public records law. Remember what Nixon taught us – it's always worse if you lie. Once you answer the questions, the story can go away for a while."

This isn't just a cautionary tale for big, faceless corporations. An independent, small business such as a restaurant is just as susceptible to a crippling crisis as Enron. The crisis is all relative to scale. One outbreak



Remember what Nixon taught us – it's always worse if you lie.

– Honey Rand

of salmonella or botulism is enough to put the most popular dining establishment on the edge of oblivion.

"First you take the pain and do what you've got to do," advises Courtois, who was marketing/public relations manager for Tropicana before joining Clarke Advertising in 1996. "Then you must think clearly. You don't want to say somebody on your staff had hepatitis, didn't wash their hands and passed it on. You're going to lose business. But by ignoring it, you're going to lose that reputation forever. You had no control over it."

"Tell the reporters that it could happen anywhere and here's what you will do to avoid it in the future. Tell them what you're going to do about it. Tell them when it's over. Then get back to the business you're in."

Courtois says a company's reaction to crisis can be boiled down to four steps:

First, she says, name the problem. State what it is, clearly.

Second, understand there are unintended but predictable consequences. Stay factual.

Third, stay calm and keep others calm. Your actions, whether silent or official communications, will telegraph your thoughts.

Fourth, focus on the problem.

"Actions speak louder than words," says Courtois. "Be accessible. Everything you do from top to bottom in your organization communicates something about your company. You need to be aligned. There is nothing worse in a crisis than your spokesman saying one thing, your employees saying another and your CEO is nowhere to be found."

IF DISASTER STRUCK your company right now, what would you do? Do you have a plan?

The thing about a corporate or governmental crisis is that no one knows when one is about to strike. Who knew that someone would randomly poison Tylenol? Did anyone see the disaster of the World Trade Center attack coming? Did Martha Stewart not have anyone who could have helped her through one bad decision after another?

"I think every company today needs to have some form of crisis communications plan in place," Costello says. "You need to sit back and try to anticipate, what are the key issues you could face? In a plant, you could have a chemical release. Or you could have an explosion of equipment. If you're a manufacturer of a product that goes to consumers,

You can't communicate your way out of a crisis. You have to resolve your way out.

– Jeff Tucker



you have to worry about product quality and recall.

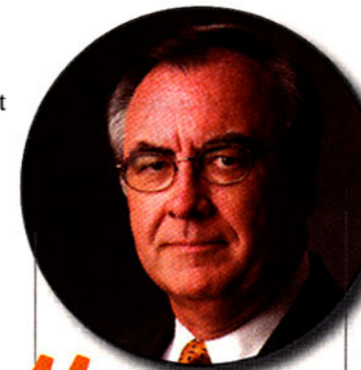
"If you're a publicly held entity," he adds, "all of the above affect shareholder value and market financing."

A crisis never occurs when it's convenient for the people in charge. What a difference a few hours can make: the same manageable trauma at 9:30 in the morning seems much worse when you're sound asleep at home and the phone jangles your nerves at 3 a.m.

Is your receptionist/switchboard operator the weakest link in your PR response machine?

"It's a very, very important position, especially if there is a crisis at hand," Jeff Tucker warns. "Those are the very first people to get a call. A security guard or switchboard operator could be the first person knowing there is a crisis when a reporter asks, 'What do you have to say about the \$100-million class action lawsuit filed against you?' Any good crisis team will have trained the switchboard in how to get the right people involved."

And a crisis will always happen when managers are not there. "You have to be sure your next level of employees are prepared to communicate as effectively



It's kind of hard to say 'No comment' when you see flames behind you or the federal government is at your doorstep.

– Harry Costello

as you are, at least until you or somebody gets there," Costello says.

"Some people are comfortable in difficult situations; some aren't. You have to know that. You're looking for somebody that has confidence and can maintain a clear mind, somebody that is not going to get emotional in the midst of the walls collapsing around him or her. You certainly want somebody that will deliver an air of confidence. I'm not going to worry about age. But how the public reacts may be based on whether that spokesman is too young, or she has beady eyes.

These are things people react to. We look to a company's senior managers as people who have an air of leadership about them. That has to be reflected not only in day-to-day activities but when they're under fire.

"What you really want," he says, "is somebody who can stand up and growl back at the wolves."

Is the press your enemy or your friend?

Neither.

A TV reporter in Sarasota once said to Honey Rand, "You use the same shovel for the bad news that you use for the bullshit."

"I'm going to choose to believe that's

12 Commandments of Crisis Communications

1. Anticipate questions.
2. Understand before you answer.
3. Bridge to key messages.
4. Don't repeat negative language.
5. Use the inverted pyramid technique (conclusion first; context second; facts and data third; background last, if at all).
6. Speak from the audience's viewpoint.
7. Avoid jargon.
8. Maintain your composure.
9. If you don't know, admit it.
10. Limit the use of "no comment."
11. Nothing is "off the record."
12. Tell the truth.

– Patricia Courtois

a compliment," she replied.

"If you position yourself correctly, the media can help you," Leytham says. "The media can communicate your side of the story."

But Tucker warns the media won't fix the problem, intentionally or unintentionally. "I tell our clients, 'You can't communicate your way out of a crisis. You have to resolve your way out. Whatever you say is just window dressing,'" he says.

For a reporter, the experts agree, the worst reaction from a business or government in crisis mode is if someone doesn't talk to them. "That's not to say I'm not going to help (the client) position it," Leytham says. "Say it this way, but tell the truth. And you don't necessarily have to tell everything." Reporters and shareholders are human. They understand mistakes and will move on. There are times you just have to take the hit. There are times, because of our humanity, that a mistake is made. I would not advocate covering up. I would gather the facts and create a plan to accept reality."

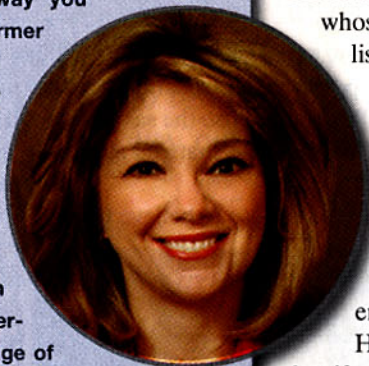
The time for educating the media, stakeholders or the general public is not during a crisis but before it ever hits. "Companies that feel like just their messages and their communications piece will resolve it are wrong. They have to deal with the issue to maintain credibility," says Tucker. "Your reputation is going to ride on the style with which you communicate

Damage Control Queen

BETH LEYTHAM EARNED THE CROWN of "Damage Control Queen" in 2004 by being the go-to person for so many brewing disasters. Highway collapse? Call Leytham. Cracks found in a bridge under construction over Clearwater Harbour? The contractor, PCL Civil Constructors, hired Leytham for six months. Desalination plant not working the way you promised? Leytham represents the former contractor, Covanta Tampa Construction.

A look at her resume helps explain why she gets those calls. Leytham cut her teeth doing public affairs and communications for the Tampa Downtown Partnership and the Greater Tampa Chamber of Commerce. She was vice president of communications for the chamber when Tampa Mayor Dick Greco made a controversial trip to Cuba. She speaks the language of business and government. Two years ago this January, Leytham left the chamber and hung out her shingle.

"You need somebody on the ground who understands the local market and the reporters – how they write, what they write, how the newspaper's editorial board is trending. I enjoy that," says Leytham. "I see both sides. I want to see everybody's perspective. It's not my job to beat up anybody. My job is to navigate through."



in a crisis. They will remember how truthful management was and how it was resolved."

So what's the worst thing a company can tell the world as a crisis hits?

"No comment."

"It's kind of hard to say 'No comment' when you see flames behind you or the federal government is at your doorstep," Costello says. "It's kind of ridiculous."

NATURALLY, EVERYONE INTERVIEWED FOR this story recommends developing a relationship – at the very least – with a crisis communications specialist before disaster strikes. If you're especially at risk, they say, put someone on retainer and teach them your business. Life will be considerably easier later when your business or career is on the line if you have a friend in the protection business now.

"When I get the phone call in the middle of the night," Costello says, "and a stranger says, 'The world is collapsing; I need you to come save me,' I'm going to say, 'Who is this?'"

Hill & Knowlton got just such a call from Coronet Industries – 45 days after *The Tampa Tribune* began an intensely critical investigative campaign against the phosphate processing company. The firm had handled Coronet's community, legislative, environment and labor issues.

"I can read stuff in the paper and laugh because I know – 'There's a phone call!'" Leytham says.

You need a crisis plan in place just as you need a business plan. Not something that gets written and debated, published in a colorful binder and then set on a dusty shelf. It could be three pages: "Here's what you do if X happens." Use your imagination, share your worst waking nightmares, create D-Day scenarios. Delegate key people as spokespeople for different situations and different times of day. Choose someone whose job will be calling key personnel together. Keep a list of people with whom you maintain cordial media relations.

"It won't help if you write the plan and put it away," Courtois says. "If your risk is high, you should review it often. Put your people through mini-training sessions. Rehearse them. Give designated spokesmen a microphone and have employees ask hard, uncomfortable questions. People watch enough news; they know the questions."

Having a crisis plan on the shelf may give you comfort but if nobody knows how to implement it, it's useless.

Or worse.

"If you're a public company and you had a crisis plan sitting on your counter and it wasn't implemented," Costello warns, "somebody could probably nail you for liability issues. After all, you failed to do what you were responsible to do." ☛

Bob Andelman's ninth book, *Will Eisner: A Spirited Life*, will be published by M Press in August.