

3x3 communication

The little 3x3 guide to
crisis communications

- in line with your strategy in every phase -

WHAT IS A CRISIS?

A sudden deterioration in the way the public perceives an organization, including the risk of permanent damage, ranging all the way to possible ruin.



- ▲ Negative headlines alone do not (yet) constitute a crisis.
- ▲ A crisis will put your strategy to the test.
- ▲ Strategy-oriented communication in a crisis will strengthen your company.

EXAMPLES

- ▲ **McDonald's** 1986 – “McLibel” – McDonald's overreacts to critical Greenpeace paper – Result: 20 years of litigation and negative publicity, lasting image loss
- ▲ **Shell** 1995 – “Brent Spar” – Controversy surrounding the sinking of an oil platform – Result: damage to the company's image and revenues, enormous costs
- ▲ **Daimler-Benz** 1997 – “elk test” – Accident during prototype test drive – Inept press relations work – Result: damage to stock price, costly retrofitting
- ▲ **BP** 2010 – “Deepwater Horizon” – Drilling platform burns and sinks – BP works hard to suppress negative coverage – Result: BP prevented from paying dividends for three quarters, consumers boycott BP stations
- ▲ **Nestle** 2010 – “Kitkat” – NGO campaign – Purely legalistic reaction – Result: loss of image



ELEMENTS OF A CRISIS



- ▲ **Pictures** will generate attention, videos even more so
- ▲ Good **story**, i.e. one that can be updated several times and is liable to generate an avalanche effect
- ▲ Business **relevance** – do stakeholders feel concerned? Stakeholders as subset of media audience?
- ▲ **Coverage**: unmanageable nowadays because of social media

RISK FACTORS

- ▲ Basic **human needs** (Maslow's pyramid: security, sex, "consumer angle" makes a subject especially attractive)
- ▲ **Emotions**, e.g. generating pity – "Goliath" harming "David"
- ▲ **New** and unusual content (Greenpeace stunts)
- ▲ **Public bias** against corporations/in favor of NGOs ("Kitkat")
- ▲ **Breach** of corporate strategy or corporate values ("elk test")
- ▲ Previous **crises elsewhere**
- ▲ **"Caravan effect"** and "viralization" (autonomous transmission on the Net, spread from YouTube to WhatsApp or Facebook)
- ▲ **Timing**: upcoming elections, conferences



WHAT CAUSES A CRISIS

▲ **Product defect / recall / incident**

Lead time: little to none

Risk to reputation: medium to high

Strategic relevance: undetermined

Avoid: lack of empathy, salami tactics

▲ **External action: criminal activity, DoS attack, NGO stunt**

Lead time: little to none

Risk to reputation: medium to high

Strategic relevance: low

Avoid: prolonged silence, slow response

▲ **Accident / natural disaster**

Lead time: none

Risk to reputation: medium to high

Strategic relevance: medium to high

Avoid: unclear responsibilities, "body count" and other speculation

▲ **Individual misconduct**

Lead time: little to none

Risk to reputation: low

Avoid: too much attention to problem, too little to solution

▲ **Compliance infringement**

Lead time: little to none

Risk to reputation: high

Strategic relevance: high

Avoid: too much attention to problem, too little to solution

▲ **Breach of strategy / framing**

Lead time: medium to little

Risk to reputation: high

Strategic relevance: extreme

Avoid: doubts regarding strategy correction

▲ **Change: job cuts / closures / bankruptcy**

Lead time: long

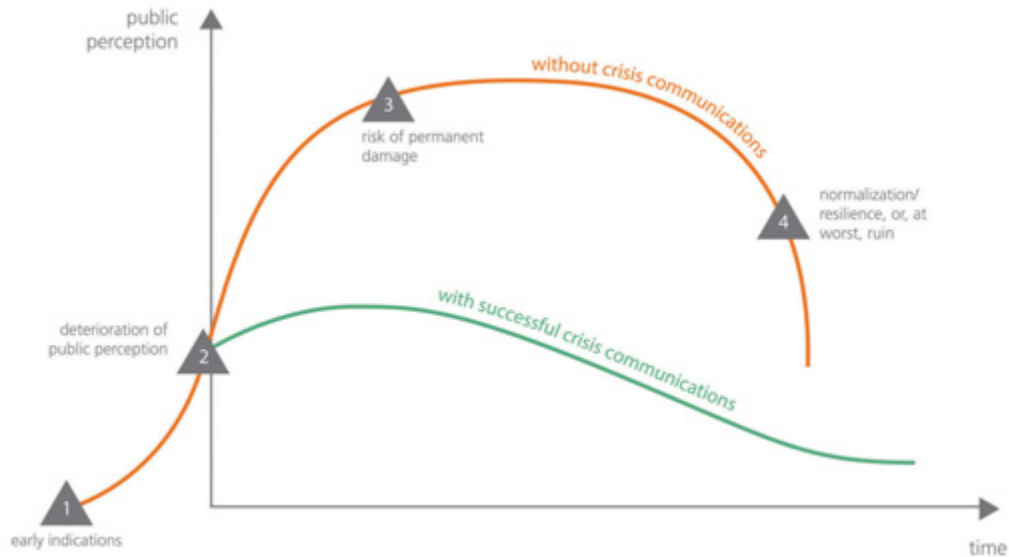
Risk to reputation: high

Strategic relevance: extreme

Avoid: lack of empathy or of long-term orientation



DEVELOPMENT OF A CRISIS



In a crisis, the public perception of a company typically rises sharply, then spends some time at a high level before eventually dropping again. The resulting growth in media coverage can overtax a company's resources, impairing its messaging capability.

This can result in damage to the company's reputation and possibly institutional paralysis. Crisis communication must strive to channel and dampen public interest.

FIGHTING A CRISIS



1. In the preparation phase, individual news items combine to create a crisis – or they do not. By the time a crisis emerges, there is no time left for preparatory measures.

2. As public perception reaches a critical point, a company goes into crisis mode, implementing the emergency measures it has been preparing.

3. The CEO's public appearance should be delayed in order to achieve maximum effect. All of a company's spokespeople need to be speaking with a single voice.

4. As the crisis subsides, emergency measures are lifted, and the company examines its performance during the crisis, drawing consequences where necessary.

CRISIS PREVENTION



Preparation (phase 1)

▲ **Monitoring**

- ▲ Observation by alert team? Agencies (which)? Both?
- ▲ Which channels to watch? Web? Facebook? Twitter? Blogs? Forums? YouTube?
- ▲ Which data? Authors? Platform count? Mention count? Propagation? Tonality? Frequency? Spread path?
- ▲ Distribution path for monitoring results?

- ▲ **Dialogue** with special-interest groups/stakeholders/media
- ▲ **Internal communications**, social media governance
- ▲ **Crisis manual**, including online edition
 - ▲ Definition of processes (e.g. emergency chain of communications) and escalation thresholds, operational and strategic levels
 - ▲ Establishment of a crisis team including contact data, shifts and on-call duty
 - ▲ Definition of responsibilities for CEO/spokespeople/IT
 - ▲ Definition of assistant teams: front office, telephone hotline, social media
 - ▲ Provision of workspace and infrastructure
 - ▲ Definition of reaction times and communications channels (internal/external)
 - ▲ Communications materials: Q&As, dark sites, press release templates for classical crisis scenarios, all reflecting corporate strategy
- ▲ **Analysis** and training
 - ▲ Recurring risk analysis in line with strategy
 - ▲ Messages relating to strategy
 - ▲ Crisis simulation, media training

Activation (phase 2)

- ▲ Sequence as per manual
- ▲ Alert crisis team
- ▲ Chain of information
- ▲ Formulation of case-specific messages
- ▲ Continuous media monitoring

Coping (phase 3)

- ▲ Speed
- ▲ Empathy
- ▲ Continuity and consistency
- ▲ Transparency
- ▲ Strategy orientation
- ▲ CEO appearances
- ▲ One-voice policy

Optimization (phase 4)

“Walk the talk” - It is communications that drives crises, but it is action that resolves them.

▲ Media analysis

- ▲ Extent of negative coverage: which target groups/ stakeholders/shareholders were affected?

- ▲ Who was/were the opinion leader(s)? Who initiated viralization?
- ▲ Whose tone was critical/neutral/aggressive? Why so?
- ▲ Which elements did the press seize on? Why?
- ▲ How did coverage evolve across the media landscape? And how did it evolve across time?
- ▲ Which new subject eventually crowded out the crisis?

▲ Debriefing

- ▲ Did we react in time?
- ▲ Did early-warning system/crisis team/communications plan work as intended?
- ▲ Were responsibilities clear?
- ▲ Were communicators' media appearances convincing? Who was the opinion leader during the crisis?
- ▲ Did the press take up the company's messages as intended?
- ▲ Did messages conform to strategy?
- ▲ What is the company's shape post-crisis?
- ▲ Do strategy/values need to be adjusted?

INEFFECTIVE CRISIS COMMUNICATIONS



- ▲ Lying
- ▲ Silence
- ▲ Denial, downplaying
- ▲ “Salami” tactics
- ▲ Confinement to technology
- ▲ Media bashing, finger pointing

EFFECTIVE CRISIS COMMUNICATIONS



- ▲ Empathy, humility
- ▲ Specific steps and timeline
- ▲ Headlines and backup stories relating to strategy
- ▲ “Three step” method for statements
- ▲ One-voice policy
- ▲ Live CEO footage and video footage gaining importance

THE “THREE STEP”

1. Link to strategy:

“It is our principle to...”

2. Application to current crisis:

“This is why we will...”

3. Loop back to strategy:

“This means that now and in the future...”



A CRISIS CHECK FOR YOUR STRATEGY



What strategy does your company have to deal with:

- ▲ Product defects/recalls/incidents?
- ▲ External action: criminal activity, DoS attacks, NGO stunts?
- ▲ Accidents/natural disasters?
- ▲ Individual misconduct?
- ▲ Compliance infringement?
- ▲ Breach of strategy/framing?
- ▲ Change: job cuts/closures/bankruptcy?

OBSTACLES AND SOLUTIONS

- ▲ **Problem: Journalists confronting you with a completely new development of which you are unaware.**
- ▲ Solution: Promise them you will investigate the matter, then quote your strategy in a way that will underscore your company's professional approach and long-term orientation.
- ▲ **Problem: The press raising concerns regarding the safety of your plant and equipment.**
- ▲ Solution: Highlight the strategic importance of safety for your company, then point to external evaluations and certifications and the fact that you meet (or exceed) all legal requirements.
- ▲ **Problem: CEO unsuited to live camera appearance**
- ▲ Solution: CEO to read statement live on the air, then leave, but head of press relations to remain on hand.



- ▲ **Problem: CEO declining to appear on camera**
- ▲ Solution: Dispense with live appearance, provide coaching and have the CEO tape his statement.
- ▲ **Problem: Journalists misunderstanding your press releases**
- ▲ Solution: Use main message as headline, include summary
- ▲ **Problem: Storm of opinion on Facebook, insufficient resources**
- ▲ Solution: Post sparingly, but crisply.

WHY JOURNALISTS LOVE CRISES

▲ **Emotionality**

Emotions appeal to the broadest public.

▲ **Pictures**

It's what TV (and not just TV) lives on.

▲ **"The Great White Criminal"**

A journalist's chance to prove he is not biased.

▲ **"Only bad news is good news"**

No one cares about good news (too bad!).

▲ **Updating potential**

Video footage can be reused.

▲ **Caravan effect and viralization**

Other media can pick up the story.



NEGATIVE EXAMPLES

- ▲ **Shell 1995 - Brent Spar:** a defensible decision (minimizing both environmental impact and costs), but lack of empathy and of strategy-oriented centrally managed crisis communications
- ▲ **Daimler-Benz 1997 - “elk test”:** unclear strategy, prolonged ill treatment of journalists in the run-up, breach of technological safety as a corporate value, denial, downplaying, no correction except under pressure
- ▲ **Nestle 2010 - “Kitkat”:** lack of speed and excess of legalism in reaction

POSITIVE EXAMPLES

- ▲ **Shell 1998 - Stavanger:** Applied learnings from Brent Spar crisis, reorganized corporate communications, strategy revision based on feedback from the public, empathy: tea and blankets for protesters in 1998 vs. water cannon in 1995.
- ▲ **Swissair 1998 - Flight 111, crash near Halifax:** effective preparation, highlighting of safety as core of company’s strategy, empathy.

MAKING COMMUNICATIONS STRATEGIC

Strategic corporate communications is about demonstrating

- ▲ What the company stands for
- ▲ What makes up its identity
- ▲ Which principles guide it
- ▲ How it proposes to deal with the crisis
- ▲ What it has learned from the crisis



DEALING WITH IMAGE DEFICITS



- ▲ Break up chains of association
- ▲ Develop a strategic perspective
- ▲ Highlight key messages and tell stories
- ▲ In change management: develop meta-messages

HOW CRISIS-PROOF IS YOUR COMPANY?

- ▲ Is your strategy correct?
- ▲ Is there potential for framing you?
- ▲ Is your CEO camera-ready?
- ▲ Are you on good terms with the media?
- ▲ Is your crisis manual up-to-date?
- ▲ Have you assigned responsibilities for communications?
- ▲ Is your one-voice policy in place? Including on the Internet? Have you assigned sufficient resources?
- ▲ Have you compiled “favorite stories” regarding your strategy?



NOTES

EXCELLENCE IN COMMUNICATIONS

3x3 communication is an experienced provider of coaching services to international company executives. Specialized training sessions prepare company representatives for appearances in case of crises. Personalized coaching sessions serve to optimize the content, delivery and personal appearance in presentations, whether in English, German or other major business languages.

Here is what customers are saying:

"...by far the best training I have attended in this century."

Stefan Brungs, head of sales and board member
Bugatti Automobiles S.A.S.

"We appreciate the way Adrian Dunskus brings together competencies from three areas, namely journalism, corporate communications and coaching."

Andreas Meurer, head of corporate communications
Volkswagen Commercial Vehicles

"3x3 communication has been coaching members of our board on a regular basis to prepare them for on-camera appearances. We value the systematic approach and also the ability to hone messages for spoken delivery."

Götz Wenker, CEO
Swiss Life Select Deutschland GmbH

"We have been working with Adrian Dunskus for years. What we value is the way he combines journalistic expertise and personal experience as a corporate spokesman. In addition, our international customers appreciate his multilingual ability, which is an important asset in preparing coaching participants for successful on-camera appearances in German, English and French."

Julia Schäfer, vice president
Emanate Relevance Marketing & PR, Munich, Germany

"Adrian Dunskus is very good at creating wording that is crisp yet still fits a company's key messages and its communications culture."

Silvio Schindler, head of Audi Consulting
a unit of Audi AG

ABOUT THE AUTHORS



Adrian Duskus is co-owner of 3x3 communication. He was born in Urbana, Illinois in 1959 and spent his childhood and youth in France, Great Britain, Germany and Japan. Following a formalized training as a banker, he earned a degree in economics at Munich University, going on to work as an economics and business editor at German Public Radio for ten years, which was followed by five years in the communications department at Viag Interkom (now Telefonica O2), a major mobile communications company. He has been a freelance PR consultant since 2002, mainly serving clients from the automotive, telecommunications and finance industry.



Susanne Pfaller, co-owner of 3x3 communication, was born in Eichstätt, Germany in 1965. She was trained as a newspaper and broadcast journalist, and went on to earn a law degree from the University of Regensburg, Germany. She has been working for German Public Radio since 1996, first as a travel editor and anchorwoman and since 2007 as German Public Radio's correspondent for the Ingolstadt, Germany area. In 2012, she was certified as a PR professional by DPRA, Germany's public relation industry association.

THE RIGHT KIND OF COACHING

How can I make sure my message gets across? To staff, investors, journalists, customers? This is the question you are facing because you need to present your company every day. But this is a question we, too, deal with because 3x3 communication wants to help you.

The team at 3x3 communication has a deep understanding of the world of PR and the media. It also brings years of experience in consulting. We offer coaching for video, audio and print messaging in German, English and French. Let us work with you to prepare interviews, statements and presentations. 3x3 communication's coaching ensures that you can reach out and touch your audience personally. Beyond basic training sessions, we also offer specialized formats to fit your individual needs:

- ▲ Strategy-oriented crisis communications
- ▲ Writing for spoken delivery
- ▲ Preparing for a panel
- ▲ Change management – communicating evolution
- ▲ Communicating as a team

TEAM BUILDING

Are you restructuring your organization? Do your teams need to create a new identity? We can help make sure that this can be seen and heard. Our team building services will let your staff view each other as part of group with a common purpose and to find the right words to express this.

Your staff will learn how to:

- ▲ Combine the right choice of words, vocal tone, body language, facial expression and gestures to create a convincing appearance
- ▲ Develop messages that conform to your strategy and work well on camera
- ▲ Communicate within a team and as a team

Individual sessions for top-level executives

Board-level managers and company representatives with special communications responsibilities can benefit from totally customized individual sessions held by our senior trainers.



3x3 communication

Adrian Dunskus
Schleiferweg 8
85276 Pfaffenhofen an der Ilm
Deutschland

Tel +49(0)84 41/400 91 30
info@3x3communication.com
www.3x3communication.com