



Keeping Hold of Reputation in a Crisis

When faced with difficult situations that are beyond their control, businesses must remain true to their behaviours and values as they respond. **David Hobbs** examines how companies have prepared for and reacted to a crisis

Failing to own up to mistakes usually makes situations worse and often ends badly. For businesses operating in a culture dominated by social media and 24-hour news cycles, any inadequacies in confronting and dealing with a crisis will be given short shrift by a voracious media, public, and often by competitors too.

However, there are still organisations not learning from their own and others' experiences and getting caught out. Essentially, they are not anticipating and preparing for trouble, as **Mary Jo Jacobi**, NED at Weir Group and a

Board Mentor at Criticaleye, explains: "Businesses are often reluctant to think the unthinkable, so they tend to get caught off guard when something bad happens," she says. "And something bad can always happen. You plan ahead for finance; you plan ahead for acquisitions and disposals; you sometimes plan ahead for operational crises; why wouldn't you plan ahead for reputation issues?"

As an executive, **Mary Jo** led reputation management for some of the world's largest corporations, including Royal Dutch Shell, HSBC and Lehman Brothers.

She believes that there are still too many companies stuck in a "it can't happen here" mentality, but acknowledges there are some that are addressing the issues. They are the ones that when they see a competitor getting into trouble, ask the questions: 'Do we do that?' and, 'Can we stop doing it?', as well as, 'Can we make sure we don't do it again?' And this is where preparation is vital.

"Companies need to create and rehearse a crisis response plan," she says. "This is not something that you draw up and just look at once a year. You need >



to review and rehearse various crisis scenarios and you need to revise the plan as your business and the micro and macroeconomics around you change.”

Tea Colaianne, NED at Watches of Switzerland and former HRD, recalls a situation in a previous role where the company played out a major crisis in the full glare of publicity. However, it proved to be a successful example of crisis management because the department that was affected had not long before undertaken a simulation scenario. “Their response to the crisis was spotless,” she says.

“The point of preparing for something going significantly wrong and having people at different levels of the organisation trained on who is responsible for what is crucial. Preparation and training are key. It’s not just a tick box exercise.”

Tania Cabrera, Relationship Manager at Criticleye, acknowledges the difficulties faced by organisations with respect to their reputations: “The best way for businesses to ensure they’re held in high opinion is through their behaviours and practices. If you want to be thought of as a great business, then you have to act like one – in times of calm as well as crisis.”

Dealing with a crisis presents a wide range of issues and questions for organisations to consider, for example who should be leading the response and what communications will be required. For **Maria Darby-Walker**, NED at Personal Group, authenticity becomes important in these instances.

“It’s really important not to batten down the hatches and disappear. You need to communicate and be open, honest and

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transparent and this is where the issue of being authentic really comes into play, particularly for CEOs. He or she needs to be themselves and show they’re on top of the crisis.

“An organisation must be true to its behaviour and values. If they say they’re an organisation that does X, then that’s what they need to do.”

If companies have open and honest communications with their employees and stakeholders all the time, then they will be believed more when addressing crises. “When something happens to your company on your watch it is your responsibility, so don’t try to shift the blame onto an employee or a third party,” says **Tea**. “You have to look at yourselves and what you can do better. The blame-game is a no-no in these situations. If companies are to have credibility, they have to be transparent, to stand up and admit things have gone wrong and not pass the buck.”

The demands of the media can force a company’s hand in a crisis more than it used to, especially via social media, which **Mary Jo** describes as “a blessing and a curse”. Referring to BP’s 2010 Deepwater Horizon oil spill, she recalls that was the first time a company had

seriously and successfully deployed social media as part of its crisis response. However, with the proliferation of social media channels and users, the pressure is now greater for quick responses while at the same companies need to be wary of a new threat – bots.

“It’s nearly impossible to know if these are real people who are affected by and responding to what you’re doing or if they’re an algorithm, or worse a troublesome player out there. Social media require immediate, professional and very careful monitoring and, secondly, very carefully crafted responses,” she warns.

Fundamentally, it comes back to preparation. As **Tea** puts it: “We’re all human beings, sometimes we just get it wrong. Sometimes we think we have understood what our role is but in practice we haven’t. But if you go through a situation like that and rehearse and stress test your processes you have a better chance to do the right thing when it happens.” ■

Featuring Commentary From:



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