



Prosper
for
Purpose

Planning Ahead: Understanding Crisis Communications

5 Steps to the Right Response

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What Constitutes a Crisis?

Devastating disasters — like BP’s Deepwater Horizon oil spill of 2010 or Equifax’s data breach in 2017 — can make headlines around the world and threaten an organization’s objectives, reputation and viability. Pandemics like COVID-19 can cause financial crises for businesses and countries. Even less-dramatic, localized events such as a product recall or negative online comment can have unfavorable consequences if a company is not prepared to react.

No matter what the industry or brand, public relations emergencies can arise at any time, striking panic in executives, board members, employees and consumers. Brands need to respond swiftly — and appropriately — to crises. Failure to do so can cause serious harm to stakeholders, contribute to profit loss or worse.

Sooner or later emergencies will arise and managing your response to unexpected events will be critical. As a PR firm, we tell our clients that it is crucial to maintain control in the midst of a crisis. Prepare your brand by considering crisis communications before catastrophe hits and things go south.

TYPES OF BUSINESS CRISES

Business crises can manifest in many different ways:

Financial Crisis

Decline in demand for product/service causes lost value in assets & revenue sources

Personnel Crisis

Company associate is involved in illegal, unethical or inappropriate behavior

Organizational Crisis

Company misconduct caused customers to be neglected, wronged or exploited

Technological Crisis

Failure of essential systems, corrupted software or hacked company networks

Natural Crisis

Natural disasters like epidemics, pandemics, hurricanes & earthquakes destroys infrastructure

Crisis Communication Management

Crisis communications usually refers to the mitigation of negative public perception of a company or organization's reputation due to damaging circumstances. From technical mishaps and natural disasters to personnel problems and organizational blunders, communications crises can be difficult to predict and even harder to recover from. But a widespread crisis, such as the 2008 recession, or a natural disaster such as the COVID-19 pandemic warrant an agile communications strategy led by experienced communications experts.

According to a [2015 Forbes Insights survey](#), fewer than half of the companies questioned said they have a process or plan in place (including identified options, actions and decisions) to deal with a public relations crisis. When asked about particular crises, 73 percent of companies surveyed named reputation as a vulnerability, but only 39 percent had a strategy to address it.

TYPES OF CRISIS COMMUNICATIONS MANAGEMENT

Depending on the type of business crisis that occurs, different management methods can be used to address the specific situation:

Responsive Management

Responsive crisis management executes a predetermined plan of action & can be used for scenarios where an immediate response is necessary.



Proactive Management

Proactive crisis management anticipates potential crises & works to prevent, or prepare for them by actively monitoring possible threats.

Recovery Management

Recovery crisis management involves issuing a public apology when unexpected events blindsides brands & its too late to mitigate the damage its caused. It can and should also be used during times of world-wide economic impact as was the case in 2008 and we are experiencing now in 2020.



Crisis Communications for Purpose-Driven Brands

Public perception has become more acute. Younger generations who have grown up with the internet and social media have high standards for the brands they buy from.

In the past, it might have only been necessary for brands to focus on their product or service but now consumers are demanding more: defined values, greater transparency, accountability and consistency.

A [2018 study from Cone/Porter Novelli](#) found that 78% of Americans believe companies should pursue more than just profit — they are expected to have a purpose and create a positive impact on society as well.

Purpose-driven brands are able to build deeper connections with customers, which creates a stronger emotional attachment. The same study found that 77% of consumers are more strongly connected to brands.

Consumers reward purpose-driven companies in a few different ways. Not only do they become devoted customers, but they also evolve into brand advocates who leave positive online reviews, refer others and share branded content.

The study further discovered that 73% of those surveyed are willing to defend a purpose-driven brand that has been spoken badly of.

While they often benefit from intrinsic customer loyalty, being held to a higher standard may mean it is even more important for purpose-driven brands to consider crisis communications preemptively as they may also have the most to lose. Loyalists may feel a sense of personal betrayal when a beloved brand is perceived as not behaving as it should.

"It's not just about what's right from the perspective of the success of your business ... it's also what's right for your customers & society."

— Reid Hoffman, Co-Founder, LinkedIn

5 Steps to Developing a Crisis Communications Plan

A crisis communications plan is the strategic management of systems and processes that enable a brand and its relevant departments to quickly and effectively communicate during an emergency situation, allowing it to protect its employees and assets, and regulate public opinion.

When the [Prosper for Purpose](#) team is hired to manage crisis communications, we always start by developing a strategic, proactive plan that will allow our clients to take the reins and control the narrative.

1.

ANTICIPATE POTENTIAL ISSUES

Create a plan of action for each type of potential business crisis by identifying example scenarios & appropriate next-steps in advance.

Business crises happen without warning, so your leadership team should spend some time brainstorming potential problems that could negatively impact your brand's reputation so you'll be prepared with a proper response when one does arise.

What if a product is contaminated or harms a consumer? What if an employee is disclosing trade secrets or confidential information? What if the company server breaks and your e-commerce site crashes for a sustained period of time? What happens if a natural disaster forces your company to close for an extended period of time?

2.

ESTABLISH A CRISIS TEAM & CHAIN OF COMMAND

Establish a team that will be tasked with implementing the crisis communications plan. Consider the internal flow of information & establish a hierarchy of decision makers.

Your brand's response team should include key executives like the CEO and COO, the head of HR, your PR firm or communications manager, legal counsel and department directors.

Think of this team as the first-responders to the communications crisis. They will be responsible for meeting frequently and making key decisions during emergencies, as well as communicating clear, consistent messaging. Throughout the crisis your PR agency and internal communications personnel will be working overtime to contain the situation — be sure the rest of the crisis team is available to support them.

5 Steps to Developing a Crisis Communications Plan Cont.

3.

CREATE A HOLDING STATEMENT

Create a holding statement to distribute to the press, customers, employees, & others as soon as you are made aware of the crisis, even if not all the details are known.

A holding statement is a brief account of the situation and is released to give your crisis response team time to act swiftly, but with diligence and credibility.

Prepare a blanket holding statement in advance, allowing for customization depending on the incident. An effective holding statement consists of a few sentences acknowledging the circumstances, providing reassurance that the company is taking necessary steps to address the situation and identifying where updates can be found going forward.

4.

PREPARE PRESS MATERIALS

Prepare a toolkit of press materials, such as company fact sheets, contact information of representatives & spokespeople, press releases, social media assets, etc. especially if the crisis is specific to your company, but potentially in other situations as well.

The truth always comes out. Trying to cover-up damages will only make matters worse. Take responsibility and practice transparency by distributing prepared press materials as needed.

Dodging press questions or replying 'no comment' is a surefire way to complicate the situation. Instead, sharing prepared press materials is a way to acknowledge the incident and show your company has nothing to hide. And don't forget, part of accountability includes apologizing.

5.

SET UP A MONITORING SYSTEM

Set up a system members of your crisis response team can use to easily monitor social media networks & track negative online mentions.

For your response team, a majority of their time will be spent monitoring and tracking allegations, questions and concerns.

Spikes in website traffic, social media engagement or online activity should raise red flags and be investigated further. Social media unfolds in real time, so manage any fallout by responding immediately and consistently with approved, predetermined key messages and materials.

Holding Statement Template

HOLDING STATEMENT TEMPLATE

Use the following template to draft a basic holding statement for your brand. Customize the template based on the type of business crisis that occurred:

Contact Information:

[Full Name]

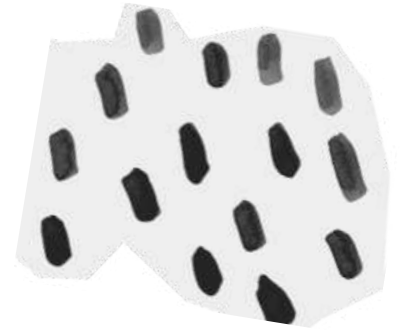
[Company Title]

[Phone #]

[Email Address]

Date: DD/MM/YYYY

Time: HH:MM



[Incident] at [Company Name]

[CITY, STATE]: _____ [company name] can confirm that at approximately __:___ [insert time] at _____ [insert location] there occurred what is presently being investigated as _____ [provide brief description].

We are currently looking into and confirming _____ [describe possible issues].
At this time, we have established _____ [provide a few facts].

Company X would like to _____ [share a sentiment showing compassion & empathy] and assure the public that we are taking this matter very seriously.

We have _____ [communicate what steps have been taken] and will provide further updates as soon as the information we receive can be verified.

Our next statement will be issued at __:___ [insert time].

[Insert Company Logo]

Recovery

There's a saying, "Don't let any crisis go to waste." While it might be shocking at first, there is truth in it. A crisis presents an opportunity for a metamorphosis moment. Who will you and your company in this moment, and who will you be when this ends?

3 Next Steps

1. Listen to the market, it will tell you what it needs.

What is YOUR market telling you right now? If you're not sure, consider sending a survey. Offer a reward for participants, for example, an entry into a random drawing for a \$50 gift card. What you learn will be much more valuable.

2. Respond with empathy.

Acknowledging that these are hard times for everyone is critical. But acknowledging is not enough. You need to lean in to more deeply serve your clients and customers. It can be business related, like a restaurant owner doing live cooking demonstrations to help people make healthful meals. Or, it could be something personal, like doing an online meditation with people even though your business is unrelated. It's about showing up. Prosper has done free virtual coffees to offer advice to struggling business owners. It feels good to do good.

3. The last thing is to pivot your messaging. So keep on marketing, just pivot enough to show you're neither ignoring the current crisis or using it to make a sale. Yes, of course it's important to keep selling but consider why your service or product is important RIGHT NOW. If it's not, either think of something else you can sell or acknowledge that while your product or service might not be critical, it serves a purpose, even now.

Contact Us

Conclusion

Don't be caught off guard! Considering crisis communications before disaster strikes can address potential issues, give you peace of mind and save your brand's reputation.

Develop a crisis communication plan to protect your business — after all, it's better to be safe than sorry.

Thanks for Downloading!

Prosper for Purpose specializes in [Public Relations for purpose-driven brands](#), including crisis communications management.

We approach PR with a proprietary process to create, communicate and deliver messages that bring value to our client's stakeholders.

As professional brand storytellers, we identify and develop our clients' unique narratives and then get to work on targeted media placements through strategic pitching and tactical follow up.

This proven process helps brands maximize positive outcomes, bring meaning to their mission and reach overall business goals.

**INTERESTED IN LEARNING ABOUT OTHER
WAYS PR CAN WORK FOR YOUR BRAND?**

Contact Us