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Readiness Is the New Lexicon of Crisis Management: Guru Advises PR to Anticipate the Worst, But the Deliver the Best



Megan Cassidy's spotlight this week: Jim Lukaszewski, Chairman and CEO, The Lukaszewski Group

As crisis coach Jim Lukaszewski has seen all too many times before, over-optimism can quickly turn into chaos and kneejerk reactions—like the rollercoaster ride we saw last week as markets, companies, investors, media and consumers alike responded to dire economic news and announcements.

"Seventy-five percent of companies don't have a plan of action in place should a crisis occur," explains Lukaszewski, who recently authored, "Why Should the Boss Listen to You? The Seven Disciplines of the Trusted Strategic Advisor." "The fact of the matter is crisis rarely kills companies. But a mishandled or ignored situation—or the creation of victims—can cause serious dislocation of business objectives, a loss in stocks, business, jobs and reputation."

So how can you avoid that kind of fallout due to inadequate crisis planning? What common mistakes do agencies, their clients and corporate communications professionals typically make when staring down bad news? What steps can you take now to protect yourself and those you serve from "the worst" while ensuring that you're delivering your "best" when it counts most? And why is crisis preparedness such a crucial issue right now as markets and confidence wavers? Lukaszewski dishes the details here:

What would you say is the number one mistake companies make when facing a crisis?

There are a few common mistakes that very smart business people make without the proper preparation for a crisis. The worst things a company can do when they are faced with a highly emotional situation are to deny or minimize of the amount of pain that a victim has been caused, or to fail to speak. So many companies think that by shifting the blame or making light of a situation that others will follow suite. All that it takes is one angry victim, or one family member who feels the situation wasn't handled properly to go to the media and topple management. Additionally, many companies fail to speak to their internal audiences. The employees can be your biggest asset or your worst downfall. People are going to talk no matter what, and if the internal staff is kept in the dark they will draw their own conclusions and make up their own stories.

What tips can you give readers to help them prepare their companies or clients for crises?

Ninety-five percent of victim-causing crises are a result of normal, everyday events. Most of these events are as a result of simple human error, and will not tarnish a company. Take the train crashes in California. The trains were up and running the next day and people were riding them. Here's the problem: Five percent are non-operating crises. These are the events that create the highest visibility and produce the most emotion and victims. Theft, extortion, layoffs, violence, personal attacks, massive business loss—these events are highly emotional, but for some reason business schools fail to prepare management for this. Managers are taught to ignore emotion, and are overly confident that smart people, such as themselves, can handle anything that's thrown at them. It's this overconfidence of managers that get them in the most trouble. What I teach them is the simple fact that the companies who come out of a crisis the fastest and with the least amount of damage are the ones who have successfully lived through previous crises. I create company-specific simulations to prepare the leaders of the company on how to act rapidly and wisely.

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How can PR secure a seat at the crisis management table?

The first step is to talk in terms of "readiness." Being ready, as a philosophy, changes the entire approach to managing adverse situations. For example, all drills are announced and people receive the current crisis materials two weeks ahead of time to study before the drill is actually executed. This enables the organization to learn more about what it knows how to do—a much more productive series of lessons than finding out what it doesn't know how to do. The readiness concept of preparation is more likely to attract management participation in the drills and exercises, because they can actually practice being leaders and victim managers instead of being pummeled by anxious reporters or the negativity of typical crisis exercises. So, "readiness" is now a management word. "Crisis management" and those who use it sound like, and will be considered, Chicken Little—and Chicken Littles are rarely invited to any table except the dinner table.

What are the "seven disciplines of a trusted strategic advisor" referenced in your new book?

1. Being trustworthy. You need to align with the boss on most issues. Too often advisors see themselves as a separate entity; this couldn't be further from the truth. You are there to be a servant to the boss.

2. Becoming a verbal visionary. Advisors must have powerful verbal skills. Too often, when the advisors are posed with an issue they will leave the meeting, do their research and come back with an answer. When time is of the essence, you have to be able to give advice on the spot.

3. Developing a management perspective. When I'm teaching these courses, I'll ask advisors how many people read the *Harvard Business Review*. No one raises their hand. How do you expect to advise leaders if you haven't looked at the organization through their eyes? Take a management course, read what they're reading, learn the ins and outs of what it is that they do.

3. Thinking strategically. Most advisors don't have any idea on how to do this properly. Every fifth CEO in this country has read the books by John Cotter. He writes classic books on strategy, and is a guru in his field. Think differently on purpose. A person who is intentionally inconsistent is of the greatest virtue as a strategist.

4. Being a window to tomorrow. If I want to advise, I look at my "War Files." I'll see patterns of what has already happened. Bosses don't just want me to tell them what to do—they want to know what's going to happen next. I've studied more than 200 different varieties of crises, and by looking at the old files, you will see patterns of what has already happened.

5. Advising constructively. This is where I'll give companies a timed exercise simulation of a possible crisis. Show the boss how to act on your advice. I'll use internal members of a company and sometimes even paid actors to help demonstrate what it should look like when the time actually comes.

6. Teaching the boss how to use the advice you give. Anyone can be a talking head when in the midst of a crisis. But the victims and the public don't want to see a representative for the company. They want to see the boss. He should be the one visiting the victims in the hospital, him talking to the media, him that is showing the emotion—not you.

What are the first steps a PR person has to take when a crisis breaks out?

First, stop the production of victims! Second is to manage victim dimension: Don't worry about the media in the beginning. Visit the victims, speak to them and show how sorry you are. Third, talk to employees. This is key in securing that your company's story is a consistent one. Fourth is to notify those indirectly affected—and don't forget that neighbors, company partners, etc. are victims as well. Finally, manage the self-appointed and self-anointed. Take a personal and genuine interest in those who have taken it upon themselves to speak about the situation.

How can PR use social media to mitigate, manage or monitor a crisis these days?

Immediacy in the execution of your plan is crucial. There are so many tools now that give you no excuse to be in the dark about what is about to happen with your company. Something as simple as a Google Alert process is so scarcely utilized. We have tools to monitor blogs—this should be a part of your plan. Review and surveil these other modes of communication. Also, create a "dark site" for your web page that is unavailable to the public until the time comes. When people are searching for answers, you want to be sure that you are the one giving it them.