

AGENDA

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How to Survive a Surprise Attack on Your Company's Reputation

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The \$20 billion Volkswagen emission scandal was one of the costliest corporate payouts in history. Several of the six executives charged reported directly to the board, and it seems Volkswagen's initial strategy was to cover up the wrongdoing. When scandals happen, if the board doesn't quickly clean house, it looks as if they're condoning the behavior.

Boards of directors must act quickly to control the message. But before issuing a statement, boards should develop a coherent strategy. Some of the questions to ask are:

Has this happened before to the company or anyone else? Trends can be your best friend or your worst enemy. Sometimes they can make your case stronger. For example, does an interest group that's bullying the company have a history of bullying others? Does the other side in a dispute have a history of trying to extort? On the flip side, if the company has a history of making the same mistake, people are less likely to be forgiving.

What is the board hoping to achieve? Is it even possible? Managing expectations can be quite challenging. Being realistic about what's possible, what's not, and how to get there will set the foundation for how the result is perceived. There's a fine line between protecting the company and wishful thinking.

What's already been said or done? If initial statements and actions were contrary to the company's goal, they must be refined without appearing to backpedal.

What do people already know? What's likely to surface? If the story is already out, or likely to become public soon, it's best to seize the opportunity by being the first to say something, and within a reasonable time frame. Doing so allows you to frame the story and set the tone for everything that follows. It also buys goodwill because the company should be viewed as being forthcoming, and not trying to hide, which makes everyone involved seem guilty.

Who are the company's key audiences? You can't effectively shape and deliver the message until the audiences are identified. It's up to the company to communicate with all stakeholders, and the story must be consistent. Failing to do so leads to misinformation, which can take the story down the wrong path. Leave one group in the dark and the entire issue could balloon out of control.

Don't become so consumed about communicating with customers that you neglect your employees. Show them trust and respect and they can be the company's biggest advocates. Shut them out and they can be your downfall.

Who may be trying to impede the company? Who may be an ally? If someone is suspected of leaking proprietary information or of being behind a negative news story, figure out who it is and what their motives might be. Conversely, don't underestimate other people's ability or willingness to help.

Think of who'd like to see you succeed, as well as those who'd benefit if you do. They're usually good candidates for partnering up.

What should you do if the media comes calling? The media isn't your worst enemy, but you might be. Don't ramble. Stick to two or three talking points and be pithy and quotable. Avoid process language; it's too formalistic.

Never repeat negative buzzwords; doing so just emphasizes what you don't want to talk about. Don't speculate or stray off-script. Never assume your comments are off the record.

What if someone approaches a board member in a casual setting? Speak casually but stick to the gist of the preapproved message. If the tone is too formal, they'll know something is up. If this satisfies their curiosity, move quickly and smoothly to another subject. If they persist, politely refer them to the official spokesperson, but don't call that person "the official spokesperson."

Never say "I don't know." It makes board members appear uninformed about what they're supposed to know. This is troublesome on two levels: Reporters will quote you, and it may open you up to greater liability. Instead say, "Let me check on that, and I'll get back to you."

It's easy to rattle off a laundry list of companies that have landed in the hot seat, but the ones that handled a crisis well are the ones you never hear about.