

# How to Prepare for a PR Crisis

For Business Owners



By Prohibition

An award-winning PR and social media agency

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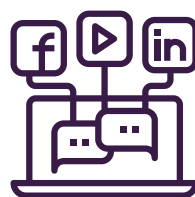
# WHAT IS A PR CRISIS?

A crisis is when an unexpected event occurs that could potentially have a negative effect on the business and its reputation or operation.

A crisis can be short or last a long period of time. Sometimes leaving a debilitating impact on a company's brand

Of course, in an ideal world, we'd all like to be crisis-free, however an element of crisis is inevitable in business. When you are running your own company, there are many different types of crisis situations that can cause damage to your brand. Some may be foreseen while others may have no warning.

So, what types of crisis can occur and how will they impact your business?



## PROBLEMS ON SOCIAL MEDIA

As new media is evolving fast and people are always connected, social media offers an opportunity for everyone to express their opinion, rate and review a brand but also give feedback to solve issues. As positive as this can be for a brand, it is a double-edged sword and can also be used negatively. It can either be an incredible asset to your business, but it can ruin your reputation in an instant.

NO MATTER WHAT CHANNEL, COMPANIES ARE ALWAYS EXPOSED TO CONFLICTS AND PROBLEMS ON SOCIAL MEDIA. SOCIAL MEDIA CRISES CAN BE ANYTHING FROM EMBARRASSING IMAGES BEING PUT ONLINE TO EMPLOYEES MISUSING COMPANY ACCOUNTS OR EVEN BRANDS MAKING RACIST, SEXIST OR DISCRIMINATORY COMMENTS.



## FINANCIAL CRISIS:

Even the most financially stable businesses will sometimes find themselves in financial crisis. Although such crisis situations should be avoided at all costs, it's important to identify what type of crisis you are facing, as that may dictate the appropriate course of action.

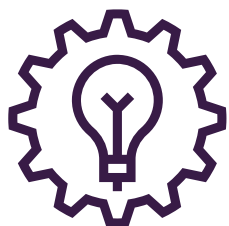
Financial crises are usually caused by large unexpected expenses or losses. It could be something as simple as a major repair bill that wasn't budgeted for or as complex as major damage from a natural disaster. The worst thing you can do at this point is panic. You want to take immediate action but make sure that your long-term goals aren't set back by the short-term crisis.



## NATURAL DISASTERS:

Natural disasters are one of the most challenging crises demands a company can face. Within minutes, a company's facility may be severely damaged or destroyed. Businesses may face serious financial loss due to physical property damage, forced production downtime, a shortage of skilled resources, liability claims and other unexpected costs.

Natural disasters are unpredictable. There's no way to know when a hurricane, earthquake, tornado or other natural disaster is coming our way. But as disaster management experts and government agencies have learned over time, it is possible to prepare for disaster. This preparation can reduce the overall 'impact' that a disaster will have.



## TECHNOLOGICAL BREAKDOWNS:

A technical failure or system crash is an unforeseen event that interrupts the normal function of a computer system. These failures are often unexpected and cause a partial or complete loss of data. Some can be as a result of human error. When it is connected to performance or security issues it can lead to lasting reputation damage.

**ACCORDING TO ONE STUDY**

**80%**

**OF CONSUMERS SAID A PRODUCT RECALL WOULD AFFECT THEIR PERCEPTIONS OF A COMPANY.**

## RECALLS:

Recalls happen when a company identifies a defect in their product that should be repaired or replaced. Companies can lose as much as 80 per cent of their brand equity if they don't properly and quickly respond to a crisis.

Further, the same study found that customers who have had a bad experience with a product or service are significantly less loyal than those that haven't. The likelihood of making repeat purchases drops significantly.



## CUSTOMER INCIDENT:

If you have experienced an incident where a customer was injured by your products and services, this could damage your reputation, as well as potentially cause financial loss due to lost custom.





## THEFT:

If your business has experienced theft of inventory or equipment, you have experienced a crisis. This could cause your business to lose money because of the items stolen. You will also have to pay for things such as insurance deductibles and additional security.


**A PERSONNEL CRISIS IS ONE IN WHICH THE EMPLOYMENT OF AN EMPLOYEE BECOMES INTOLERABLE BECAUSE OF NEGATIVE WORK PERFORMANCE, A DISRUPTIVE ATTITUDE, OR PROBLEMATIC SUBSTANCE ABUSE**

## PERSONNEL MATTERS:

Personnel issues can be part of an organisational crisis that affects the morale, productivity and profitability of an organisation. Ultimately, a personnel crisis can lead to confrontations with clients, reduced effectiveness of other employees, damage to an organisation's reputation, and severe financial losses.

The best way to keep a personnel crisis from going out of hand is to implement a crisis prevention process that enables early intervention. Careful planning can help managers identify signs of deterioration (low productivity, high absenteeism) in their employees. Handle them quickly by taking remedial actions like counselling or putting the employee on probation.



A photograph of a person's hands holding a pen over a document on a desk. A coffee cup is visible, and there are business charts and a laptop in the background.

Crisis management is the process of dealing with a situation that could seriously damage a company's reputation, sales, and growth.

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Crisis communication is often undertaken by public relations professionals and involves reacting to protect and defend a brand, individual, or organisation from negative press that threatens their reputation.

A crisis can involve anything from a natural disaster to a product recall to a terrorist attack. Whilst these are often unplanned, dealing with them in a timely and efficient way is vital. The only chance to recover from a crisis is to actively apply crisis management best practices.

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WHAT IS  
CRISIS  
MANAGEMENT  
AND WHY IS IT  
IMPORTANT

ESSENTIALLY, HOW  
YOU REACT CAN  
MEAN THE  
DIFFERENCE  
BETWEEN SUCCESS  
AND FAILURE.



## WHAT ARE THE BEST PRACTICES OF CRISIS MANAGEMENT ? AND HOW DO YOU IMPLEMENT THEM?

The first rule of crisis communication is to acknowledge the problem as quickly as possible. If you're able to do so before the news media become aware of the crisis, you can control the message and limit the damage to your reputation.

It's important to have a plan in place because even if a crisis occurs, it's not always possible to fix the problem immediately. While it might seem easier to ignore an issue or hope it will go away, this strategy rarely works. The problem may draw more attention to itself or be picked up by the news media anyway. When that happens, you want to be ready with an action plan and a unified message.

Most companies develop crisis communication plans that deal with several possible crisis situations. In each case, they outline what steps should be taken, who should do them and how they will be implemented. A crisis plan should also include guidelines on how employees should respond at different stages of a crisis.

The difference between a well-planned response and an unplanned one may result in losses in sales, stock price volatility, and negative media coverage for the company.

**IT IS NEVER A GOOD IDEA TO WAIT  
UNTIL THERE IS A CRISIS BEFORE  
THINKING ABOUT CRISIS  
MANAGEMENT.**



# THE SEVEN STEPS FOR MANAGING A CRISIS

1. **INFORM YOUR KEY STAKEHOLDERS ABOUT THE EMERGENCY SITUATION IN A FACTUAL MANNER.**
2. **RESPOND AS TRUTHFULLY AS POSSIBLE. STICK TO FACTS AND NEVER OPINIONS.**
3. **PUBLIC SAFETY INFORMATION, SUCH AS A PRODUCT RECALL, SHOULD BE COMMUNICATED AS SOON AS POSSIBLE**
4. **EMAIL, SOCIAL MEDIA, AND OTHER FORMS OF COMMUNICATION CAN ALL BE USED TO REACH YOUR TARGET AUDIENCE.**
5. **CREATE A NARRATIVE THAT SHOWS THE ORGANISATION IS OPERATING IN THE BEST INTEREST OF THE COMMUNITY.**
6. **FOR THE SAKE OF TEAM COHESION, ADHERE TO ANY CRISIS MANAGEMENT STRATEGIES IN PLACE.**
7. **USE WHAT YOU'VE LEARNED FROM PREVIOUS EVENTS TO PREDICT AND PLAN FOR FUTURE EVENTS.**



# WHAT ARE THE RULES OF CRISIS MANAGEMENT ?

## The first rule

of crisis management is to avoid a crisis. Although crises are often inevitable, it is important to do your best to proactively avoid them starting and escalating. When undertaking crisis management - proactivity is key - this involves doing regular preventative checks across all business areas.

## The second rule

is to be prepared for a crisis when it happens. When you are faced with a major problem, your first priority should be to fix the immediate situation and then devote all available resources to damage control.

It is important to understand  
are how much harm has been done and what information has been made public.

The goals of crisis management are to prevent damage to the organisation's reputation, restore calm and stability, return the organisation to its normal operations as quickly as possible, and ensure that people are safe. To achieve this, the plan must ensure that the people responsible for dealing with a crisis can communicate with each other effectively and have access to important information.

The most important things you can do in any crisis situation are:

**Decide if there really is a crisis:**

It can be hard to recognise a crisis at first. For instance, the BP oil spill began as an industrial accident but became a full-blown crisis for the company that owned the oil rig. Step back from events and determine if there's a real problem you have to deal with or if this is just an isolated event that isn't affecting your business long term. This is often where a PR can help as they offer an unbiased opinion.

**Respond quickly:**

One of the biggest mistakes companies make is waiting too long to respond. The longer you wait, the more damage can be done.

You need to act quickly and decisively to establish your credibility and reassure customers you have the situation under control.

**This can mean:**

Putting out a press release, or statement, as soon as the news breaks. Your crisis plan will help you craft a strategy, and you will need to decide what information needs to be released, who is your spokesperson and what are your key messages.

Responding quickly if you're not consistent in your message, you look confused or even dishonest.

Deciding who will handle media inquiries (this shouldn't always be the CEO) and then making that person available as often as possible.

**Ensure that there is a free flow of communication:**

When a crisis strikes, it's important to remember that open communication is the best way to resolve the situation.

Even if you are angry, frustrated or upset, these emotions should not be communicated to your audience. If you do not have the answers to questions from your customers, tell them what you know and promise to get back to them with more information as soon as possible.

Trying to hide an issue or downplay its importance will almost always result in more damage to your company's reputation than simply being honest and upfront about what has happened.

It also never hurts to apologise for any problems or inconvenience caused by your company's actions, even though you may not feel that you were responsible for what happened.

There is a big difference between taking responsibility and apologising for mistakes that aren't your fault.



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## ARE YOU PREPARED FOR A PR CRISIS?

Crisis management is about planning, preparation, and response. It will help you deal with unexpected tragedies and difficult situations.

If you're unprepared and don't have a plan in place, it's going to be much harder to handle a major disaster if it happens to you

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Trying to hide and hoping the issue will blow over is the worst possible very rarely works. Instead, prepare a thorough and honest plan for responding to three levels of PR crises:

### MINOR CRISIS

An event that gives your company a black eye but doesn't threaten its survival. For example, a customer gets angry about an error in billing or service and posts a complaint on Facebook or Twitter.

### INTERMEDIATE CRISIS

Something that could seriously damage your business but also has the potential to be resolved favourably if you respond correctly. For example, an employee leaks damaging information about your company.

### MAJOR CRISIS

Something that puts your business at risk of being destroyed or driven out of business entirely. For example:

- A lawsuit alleging dangerous product defects.
- Claims of sexual harassment by an employee might trigger this response plan.
- Corporate impropriety, such as fraud, theft, negligence, corruption, deception, poor customer service etc.



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## HOW TO CREATE A PR CRISIS PLAN AND WHAT TO INCLUDE

Creating a crisis management plan is one of the best things you can do for your business.

It's an excellent way to protect your brand, reputation and financial stability from any negative situations that may arise.

A good plan will help you save money, time and effort in the long run.

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# SOME EASY STEPS TO HELP YOU CREATE A CRISIS MANAGEMENT PLAN

## **Establish a crisis management team:**

The first step is to identify who will be part of your crisis management team — not just someone you can rely on for information and support, but also someone who is authorised to act on behalf of the company in case of an emergency.

In addition to employees, you may want to include outside contractors or consultants with expertise in related areas, such as public relations and lawyers. Finally, consider people from the outside who can help or provide expert advice. A spokesperson from a major customer or industry association would make an excellent addition to your team.

## **Assess the risk:**

Firstly, assess whether the crisis is a minor, intermediate or major crisis. Once you have established this, you can begin to predict possible outcomes and then put steps in place to minimise or ideally prevent this from happening.

## **Plan the response:**

The response phase is very important in managing any crisis and prepare answers for all:

How will I acknowledge the problem?

How will I communicate the facts to the public?

Who will speak for me, and when?

How will I fix the problem or mitigate the damage?

How soon should I respond?

**Test the plan:**

You can organise your team, but you need to test the plan in a simulated environment. Understand the process and all of the roles that are required to manage a major crisis, and then try it out. The more you practice, the better you will be able to respond if there is an actual crisis.

**Review and make updates**

Figure out what is and isn't covered by your current plan, and assess its effectiveness.

- How long does it take for communications to go from concept to implementation?
- Review the people who are involved in the plan.
- Do they have the resources needed?

Review your plans for each medium (social media, website, etc.) to see what might need additional work, or resource.

Stay up-to-date on relevant legal issues. Know what laws affect how you can respond to a crisis.



# CRISIS MANAGEMENT PLAN CHECKLIST

It is good practice to have a well thought out crisis management plan in place. It will help you to remain calm and know how to deal with any form of negative publicity at any stage of a crisis. We put together a handy checklist to see what should and should not be included.

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## RISK ANALYSIS

The first step is to identify who will be part of your crisis management team — not just someone you can rely on for information and support, but also someone who is authorised to act on behalf of the company in case of an emergency.



## RESPONSE PROCEDURE

What is your procedure for resolving issues that arise during a major crisis? Who will be making statements to the media? Will social media be used? If so, what is your social media response protocol? How will you communicate with customers and staff during a time of crisis? If you aren't sure what steps to take during a certain type of crisis, research other companies' responses to similar situations and use their strategies as inspiration for your own.





## EMERGENCY CONTACTS

A crisis management plan should include a list of the company's main contacts so that you can easily find the person you need to reach when a crisis arises. This list should include names, titles, phone numbers and e-mail addresses. The list should also include internal and external stakeholders.



## POST-CRISIS ANALYSIS

After the crisis is over, it's important to carefully assess what went wrong and how you can improve for next time. Ask yourself questions such as:

- Was the social media reaction worse than you expected?
- Did it spread further than you thought it would?
- Were there any warning signs you missed?
- Where did the crisis come from?
- Was it something that your company did, or something that was done to you (e.g., a customer complaint)?
- What was the impact of the crisis on your business?
- How many customers were affected and how did they react?
- What did they say in their messages to you?
- What have you learned from this experience that will help you better deal with crises in the future?



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## WHAT NOT TO DO IN A CRISIS

When faced with a crisis, there are some things you should avoid doing.

These actions can have negative consequences for the reputation of the organisation.

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# THE DON'TS OF CRISIS MANAGEMENT

## **Don't panic.**

It's a natural reaction, but it will only make things worse. If the situation is under control, or doesn't have legs, don't move forward with a response just yet. If the negative news is only affecting one part of your business, take a day or two to regroup before responding.

## **Don't make a statement until you have all the facts.**

When faced with a crisis situation, many people want to make a statement as soon as possible to show that they are taking control of the situation. It is important to know as much as possible about what happened before you issue a statement. Making statements without all of the facts can lead to more problems for your organisation and make it harder for you to defuse the crisis.

## **Don't try to deny or suppress the problem:**

You don't need to admit that there's been a huge mistake or lie; however, you should acknowledge that there is a problem and that you're working to fix it.

## **Don't ignore your team:**

Consult with your PR crisis team before making any statements or doing anything else in public.

## **Don't make promises you can't keep**

Such as issuing refunds for every customer who is unhappy about their purchase.

## **If you're not available to be interviewed, don't send a spokesperson or other representative in your place.**

Especially if they are less informed than you are about the issue at hand. If you can't comment right away, tell reporters when you'll be able to talk and then keep your word.

# THE DON'TS OF CRISIS MANAGEMENT CONTINUED...

## **Don't take legal action against anyone who is reporting on the crisis.**

This is rarely effective and can make things worse by giving reporters more reasons to cover it.

## **Don't attack the reporter who breaks your story.**

Or anyone else who reports on it simply because they are doing their job as journalists (unless they've lied about something).

## **Don't point fingers at others or make excuses for your organisation's actions or policies.**

When your organisation is facing a crisis, it is important not to try to pin the blame on others, such as another person or organisation, or try to justify your actions by making excuses. Doing so will only further increase negative publicity around your organisation and likely will not change any of the facts surrounding the situation.

## **Don't do it alone:**

PR crisis management is teamwork and often requires bringing in outside resources—PR firms are experienced at handling bad news and know the best way to manage it so that it doesn't blow up into a full-blown.





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## TOP TIPS TO AVOID A PR CRISIS

The truth is, you can't.

No matter how careful you are, businesses will be faced with a PR crisis.

It's unavoidable, we all make mistakes and by doing so, we can be put in a bad light to our clients, our peers, the media and potential investors.

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# TOP TIPS TO AVOID A PR CRISIS

MAKE SURE YOU UNDERSTAND YOUR STAKEHOLDERS: WHO ARE THEY, WHAT DO THEY NEED AND EXPECT FROM YOU, WHAT WOULD THEY ACCEPT AS AN APOLOGY OR COMPENSATION?

## **Always put yourself in your customers' shoes**

Ask yourself if you would like this happening to you?

## **Build positive relationships with journalists and publicists in your industry.**

Having someone on your team who's responsible for listening and responding to any negative press can help mitigate the damage done when something goes wrong.

## **Have an emergency contact list**

A list of reporters and editors at local newspapers, TV stations and online news sites that you can use if you need to get in touch with them quickly about an issue that requires immediate attention. Ask yourself do how to deal with the media in a professional manner?

## **Set up Google alerts for your business name is also a good idea.**

This means that you'll be informed instantly if something pops up on Google News or other news sites that could be damaging to your business, giving you time to respond before the problem escalates.

## **Ensure all your brand or organisation's standards and procedures are fair and clear.**

## **Make sure you have the right staff in place**

Does your staff know what they should be doing? Are they well trained?

## **Social media policies are very important,**

Especially for whoever is responsible for handling the corporate accounts/handles. Policies should include examples of what not to say or do on social media. You should also ensure that you have a social media policy for your staff.

Sometimes, trying to handle this situation yourself can result in more damage being done to your image and reputation. It's best to seek out the help of an expert who knows how to handle these situations when they arise.

There are many companies that offer crisis management services. It's important that you choose one that has been recommended by someone you trust, or has been able to solve the problem for someone else in the past.

With the help of an expert, you can ensure your company is ready to handle any crisis head-on.

A good crisis management professional should be an extension of your team.

They should have insight into what could happen with your operations based on their experience with similar companies or industries and their understanding of current business trends. Having this information at hand gives you a better chance of mitigating damage before it happens.





## ABOUT THE AUTHORS

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Prohibition PR are crisis communications experts who work with businesses facing public relations challenges.

Our team of PR specialists and communications professionals can help you develop an effective response plan that keeps you in the conversation while it protects your reputation. And we'll handle all your calls, emails and social media inquiries — no matter how many reporters are calling or what time of day it is.

Whether you're facing a small crisis or an all-out public relations nightmare, Prohibition PR can help you get through it smoothly and effectively. We will do everything we can to ensure that our advice and the actions we take are in line with best practices and where necessary, we will advise you of alternative actions or strategies which we feel may be more appropriate for your business.

We work with you to develop clear, effective messages, monitor and respond to coverage, manage reputation and image, craft soundbites and provide timely information – all while balancing the need for speed against the importance of accuracy.

Plan ahead against tomorrow's crisis. Get in touch today, [hello@prohibitionpr.co.uk](mailto:hello@prohibitionpr.co.uk)