

**Five things a CEO
needs to know
about crisis
management**

Five Things A CEO Needs To Know About Crisis Management

The buzz word of modern business parlance is 'transparency'.

Stemming very much from the global crisis, the way companies behave, act and engage with stakeholders has never been more under the microscope.

The global crash helped elevate the attraction of business news, putting it very much into the minds of everyday readers, not just those with a mind for the financial pages.

That means the role of the CEO is, in today's era of transparency, focussed upon even more than before. And in a crisis, when the role of the CEO is to lead, and to be seen as strong and decisive, the microscope is even more intense.

In these stormy waters, the leadership of the captain of the ship is paramount, and could see the company sink or swim.

If you consider the major international crises of recent years, it is invariably the performance of the CEO which is singled out for its own very demanding level of scrutiny.

Think Deepwater Horizon and you think of Tony Hayward, the then BP chief executive, getting it so badly wrong in both his choice of words and his actions.

Fresher in memory is the 2015 Lufthansa's Germanwings Alps tragedy. The most horrifying legacy of this incident in the minds

of most will be of images of the crash site, and the aftermath of the investigation into the pilot. But we also remember a strong and clear Carsten Spohr, the CEO whose performance was roundly praised in the face of such unimaginable human grief and indeed incomprehensible human behaviour.

These are extreme crises, but they are also good examples of how CEOs can lead – or otherwise – from the front.

As important as the CEO is, it must be remembered that a strong board and well drilled support staff within the company that isn't afraid to step up to the plate, will be of great support their chief executive.

Detail is vitally important in the execution of crisis communications. The tiniest error can be magnified during a crisis, every word picked over, gesture and action taken apart.

There are vital questions which need to be considered.

Should he or she be the only spokesman, or should other members of the board, perhaps with an expertise in crisis issues, be prepared to step forward?

How much should the CEO prepare, and how greatly should the CEO prepare to be the number one target of the media?

As a guide, CEOs should remember these important pointers.



1

Don't Drown In Crisis Planning

The CEO's function in business is to lead from the front and be across all major decisions.

Therefore, the chief executive does need to be involved in crisis planning.

But, just as with other areas of the business, the chief executive should not be bogged down in the minutiae of this preparation.

There are a plethora of actions to be taken before, during and after a crisis. Not all will be PR-related – many will be operational. The CEO must have trust in the teams handling what can be called the nuts and bolts of crisis. It is

another form of active delegation.

To boot, crises often move quickly. It is impossible for the CEO to know every single element.

But he or she should, without question, know and be briefed on the most important points, on the game-changers. It is therefore the skill of a trusted communications director or adviser in delivering the key points to the CEO. Whilst plans are important, each crisis has its own DNA and individual ones can be fluid. So should the CEO and the team briefing him or her.

2

Are You The Only Spokesperson?

The buck stops with the CEO but it is not viable – or always necessary – to always be front and centre.

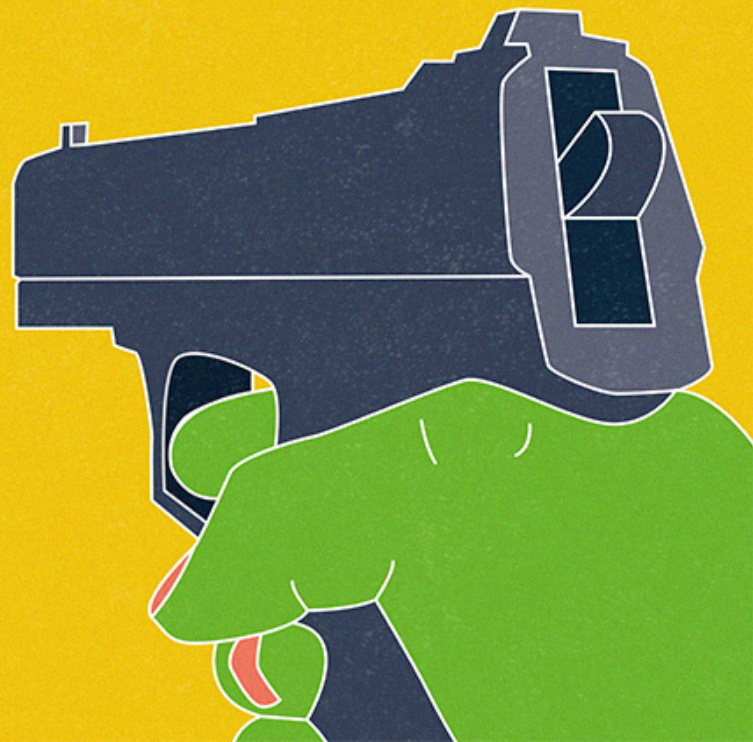
Tasks such as updating the media and issuing company statements are important and those tasks should, in the main, fall to the communications team. A collective decision should be taken as to when the CEO is used and when and where they are deployed. A chief executive with something to say at key stages will have more meaning and impact.

It is a buck-stops-here question – an apology over a situation, or a substantial response which will have a major impact on stakeholders,

should always arguably be delivered by the CEO or at least in his or her name.

Don't forget other members of the board, including the chair. They also need to remember they are ultimately accountable and there is often a very good spokesperson which is an untapped resource waiting to be deployed.

A CEO who is the sole spokesman can also become the story for the media who will be quick to find out about his or her collection of cars, houses, holidays and other unwanted items of attention.





3

Hold Your Nerve Before Rushing To The Scene Of A Crisis

The company crisis plan may well say the first thing the CEO does is get into a car and race to the hot spot of the crisis. It may even list how he or she should arrive. What it should say is that each situation should be evaluated before a final decision is made.

CEOs should not be seen as knee-jerk reactors hot-footing it to the scene of the crisis like an out of control SWAT team.

Careful and considered assessments need to be made. Will the CEO on site help or hinder? Will they be dragged directly into the crisis without being able to help the overall strategy?

If they are not at the scene, their communication teams should be able to update journalists as to where the company boss is and to make clear they are in action. He or she will be heard if not seen.

Those sitting at the very top of organisations will be used to having holidays disrupted. This is a huge factor in crises. There is nothing worse than the media reporting a chief executive continuing to enjoy a holiday while their company is in turmoil back home.

Tony Hayward, the former BP boss, is best remembered for two things during the

Deepwater Horizon disaster in the Gulf of Mexico. The first was his now infamous "get my life back" quote when he spoke about how much he wanted the situation cleared up. The second was the fact he took part in a yacht race while the crisis was continuing.

A visible, concise and well-informed CEO, speaking to the media, can be a game-changer.

One arriving on the scene unable to decipher what the direction is or successfully demonstrate leadership, is a recipe for disaster.

4

Crisis media training is vital

In most cases, media training is very important. There is an argument to say that a naturally effective and media savvy CEO should avoid in depth media training for fear of blunting his or her natural way of doing things.

But the media environment in a crisis is not a happy place to be. Media training – the kind which allows the CEO to understand and learn correct techniques and use those as a base on which to build in their own leadership personality – is a valuable tool.

It also relates to the other points made above.

When it comes to Crisis planning, the main responsibility of the CEO, and indeed the people around him, is to ensure he or she

is adequately media trained.

Pinpoint refreshers can be given as the crisis is dealt with, but the bulk of training should happen long before.

This will enable the communications team and the board to decide on how quickly the chief exec can be deployed.

If there is a requirement to be on scene quickly, this preparation is invaluable.

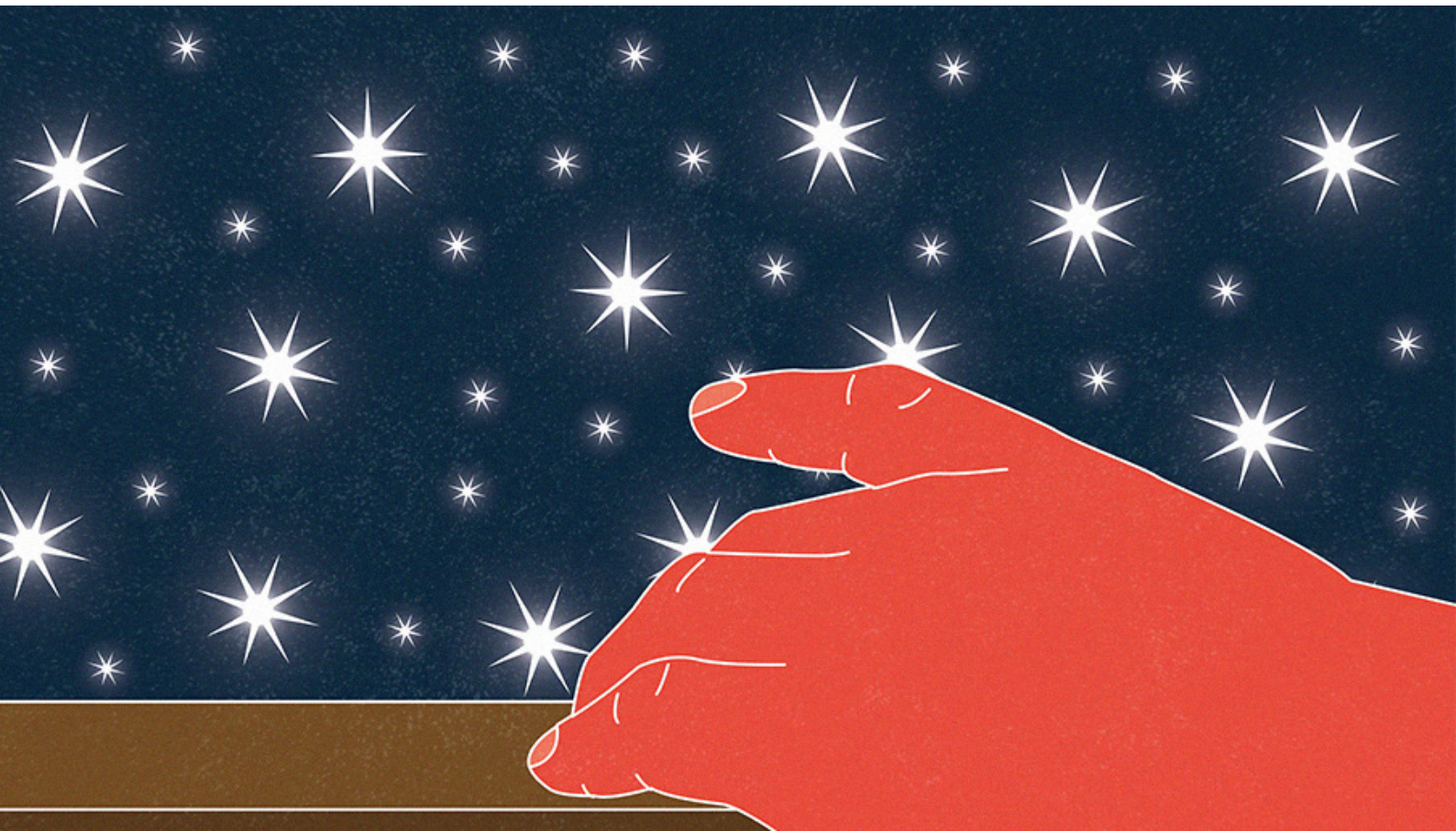
The recent case of the tragic Alton Towers Smile rollercoaster crash is a case in point.

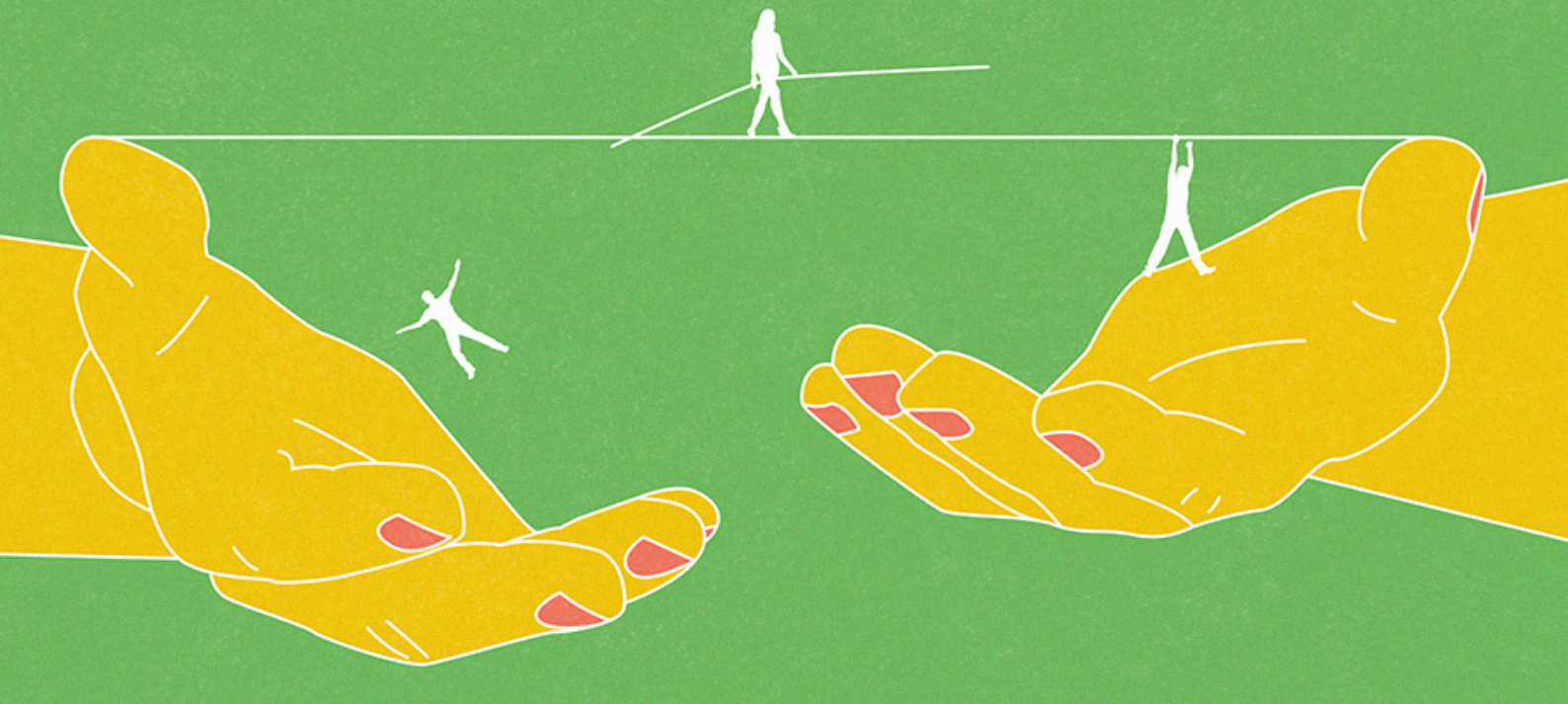
Nick Varney, the chief executive of Merlin Entertainments, which owns and operates Alton Towers, took the decision to be on the scene quickly. From there he was able to communicate effectively despite

a fast-moving situation unfolding.

Knowing how to deal with the media meant he could avoid getting dragged into speculation. He was also able to correctly express his sympathies for the victims. It meant the public were more inclined to listen to his company's point of view. This was evident with the fact that when he was grilled by Sky News presenter Kay Burley, it was her questioning of him which led to several complaints from viewers.

A CEO able to successfully deliver key messages, express sympathy and say sorry, and show leadership, is a necessity in crisis communications.





5

Balance the view of advisors

Too often, a CEO will listen to the risk assessment from lawyers.

Legal advice is very important, but if this should clash with how the company is perceived by the public, then the situation needs careful consideration.

In the case of Alton Towers, one of the notable points of Nick Varney's line of communication was the fact he didn't try to shift blame or responsibility, underlining his thoughts were on getting the facts and that his thoughts were with the injured.

The role of the communications team is to help ensure the company communicates effectively and, in times of a crisis, does not

make enemies of the public.

The role of the legal team is to make sure the company is properly advised on the legal risk caused to the corporation.

Often, the two do not sit comfortably side-by-side.

It is for the CEO to strike the balance, again showing leadership in doing so, and ensuring the ethos and morals of the company flows through the decisions made.

A crisis can be a good time for the CEO to reassert what those morals are.

Keeping this in check will often shape and steer the wider crisis strategy.

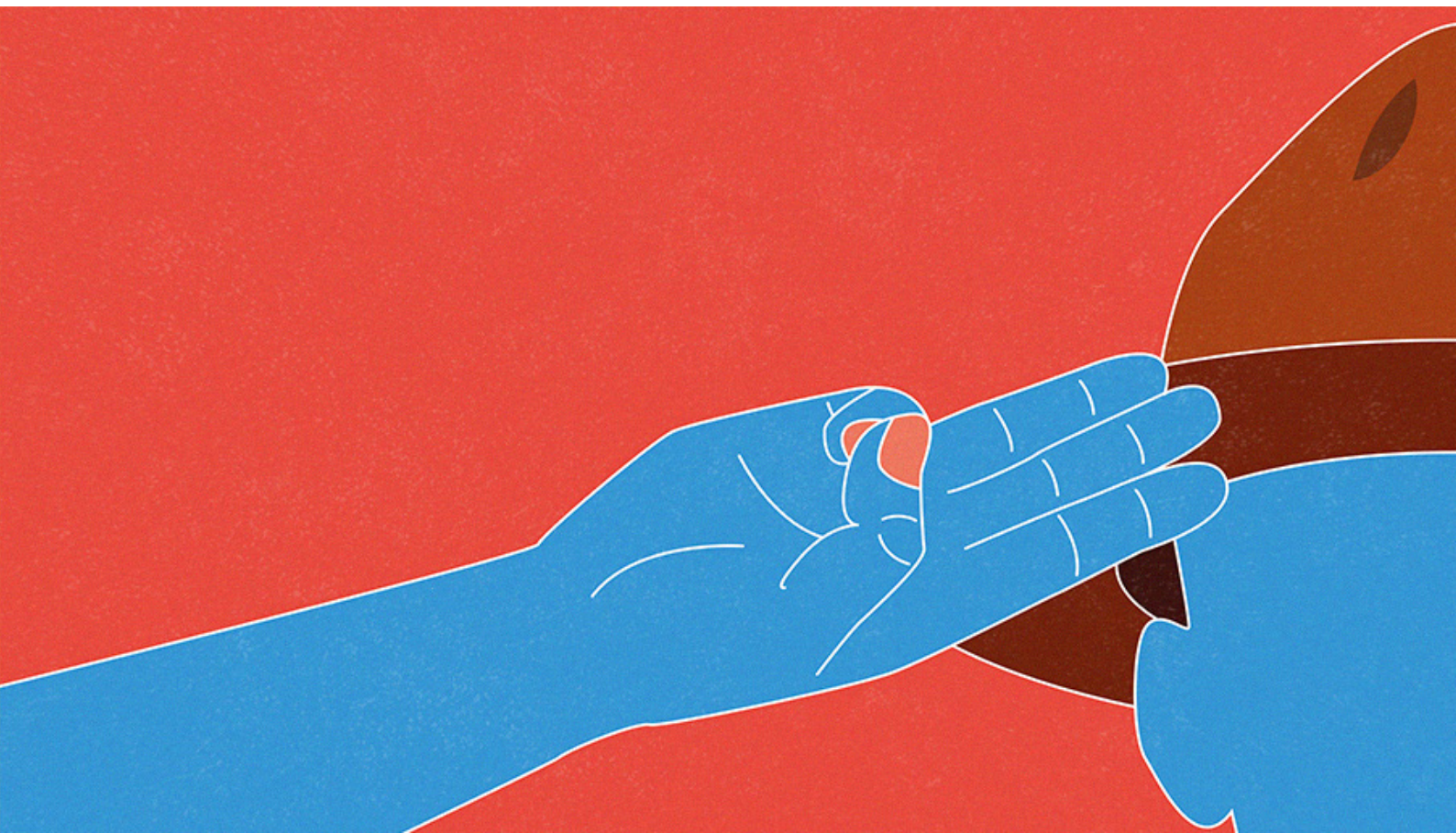
6

Be prepared for the unexpected

The article headline mentioned five important points – however, this is the sixth though? That’s right – the point being it may not all be over when you think it is.

Be prepared for journalists who may continue to dig away now your company is in the spotlight. Have you reviewed the procedures which may have resulted in the crisis in the first place.

It’s important to learn lessons from a crisis and not rest on laurels.



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