

22 October 2020

Crisis Management and Communications

Welcome

We invite you to ask questions throughout the session today using the Questions/Chat feature below. Thank you and enjoy the session.



Agenda

Crisis Management and Communications: A Strategic Approach

Orla Ryan, Wilson Hartnell Senior Consultant & Sinead O'Donnell, Account Director (WH)

Managing Strategic Risk at Board Level

Elaine O'Donoghue, Ervia Group Head of Risk

Covid-19 Crisis & Supply Chain Management

Eoin Butler, Replenishment Director, Supervalu

“It takes 20 years to build a reputation and 5 minutes to ruin it.

If you think about that, you’ll do things differently.”

Warren Buffett

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What is your reputation worth?

- A significant amount of every organisation's financial worth is based on its reputation
- Over 40% of the value of the businesses listed on the FTSE 100 is attributable to their reputations*
- When a crisis hits, if it not handled correctly, it can wipe millions off your company's value

Click here for [video](#)

What is your reputation worth?

Samsung managed to **increase** its shareholder value by **20%** within 12 months after Galaxy Note recall, largely due to effective crisis management plan.





Your Feedback

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Your Feedback

Q. Has your organisation ever experienced a crisis? **65% YES / 35% NO**

Q. Do you think it was well-handled? **62% YES / 38% NO**

Q. If a crisis was to hit your organisation tomorrow, do you have an issue/crisis strategy in place to manage it? **56% YES / 44% NO**

Q. Is there a Crisis Team in place in your organisation? **67% YES / 33% NO**

Q. Have you ever done a brainstorm or mapped out potential crises your organisation could face? **33% YES / 67% NO**

Your Feedback

Q. Which of these would you consider a crisis?

(i) Product Recalls

(ii) Natural Disaster (Floods/Fires)

(iii) Employee layoffs

(iv) Violations of the law e.g. embezzlement or fraud

An Issue...

- Is not a surprise
- You have time to assess the situation
- Frequently predictable
- You can identify solutions to reduce impact
- Mostly business as usual
- No illness, injury or death

A Crisis...

- Little warning
- Requires immediate response
- Can involve illness, injury or death
- CEO presence required
- Media coverage guaranteed
- Multiple stakeholders affected – employees, customers, suppliers, shareholders



Types of Crises

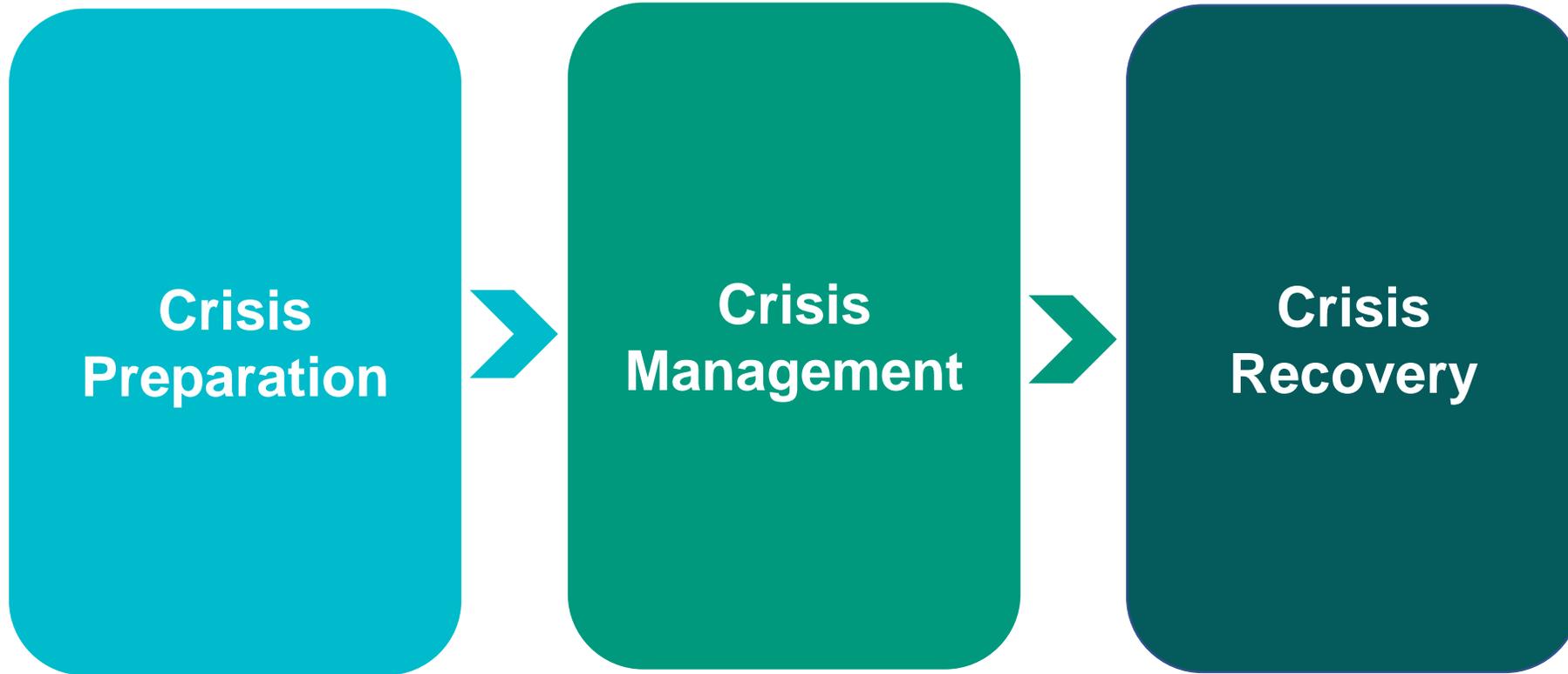
- Natural Disaster (*flood, landslide, storm*)
- Unnatural disasters (*terrorist / criminal activity*)
- Product crises (*recall, defect*)
- Policy crises (*changes to policy or procedures*)
- Process crises (*failure to deliver promised goods, incompetent customer service*)
- Employee crises (*layoffs, sexual harassment, illegal labour practices, strike, workplace injury*)
- Personal crises (*questionable decision making, conflicts of interest*)
- Wrongdoing (*violations of law, fraudulent financial reporting, embezzlement*)

**List the crises likely to occur in
your organisation.**

Which would be most damaging?

A coordinated approach to crisis management is essential to ensure a business effectively ***identifies and anticipates*** potential issues, therefore preventing crises from developing, and ultimately influencing their evolution and the outcome

Strategic Approach – Three Pillars



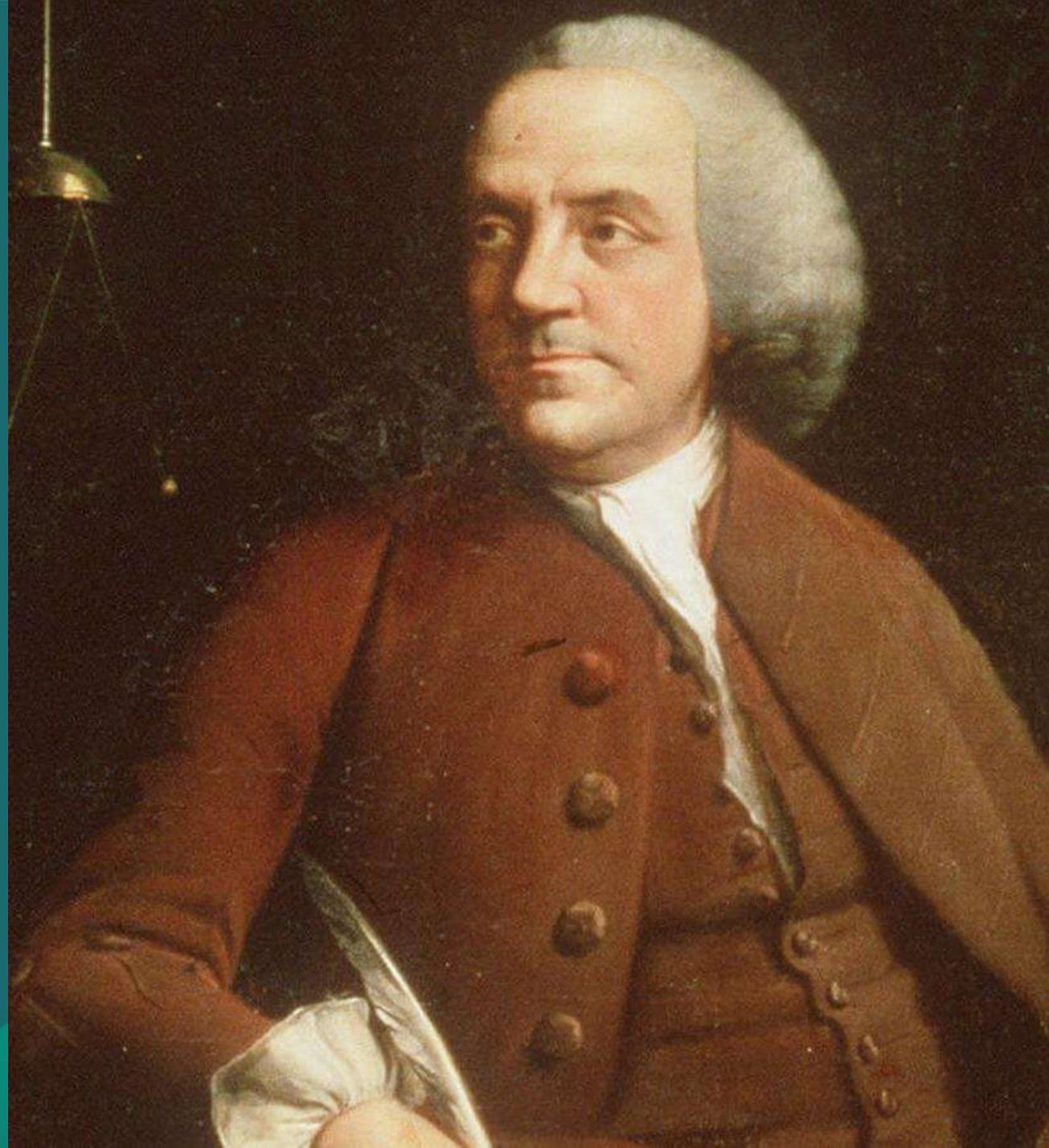


Preparation

**“By failing to prepare,
you are preparing to fail.”**

Benjamin Franklin

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Crises can vary in type, impact, level of risk

	DESCRIPTION	IMPACT
RED ALERT LEVEL 1	A HIGH LEVEL CRISIS: <ul style="list-style-type: none">• Has the potential for massive pick-up by traditional media and/or social media.• Potential significant reputation damage.	<ul style="list-style-type: none">• High impact
AMBER ALERT LEVEL 2	A MEDIUM IMPACT ISSUE: <ul style="list-style-type: none">• Potential for medium pick-up by traditional media or social channels.• Potential for reputational damage, can lead to a crisis	<ul style="list-style-type: none">• Medium impact
GREEN ALERT LEVEL 3	A LOW IMPACT ISSUE: <ul style="list-style-type: none">• A customer complaint via in-store with no risk of escalating.• Can be contained	<ul style="list-style-type: none">• Low impact

Preparation

Conduct a vulnerability audit

Anticipate crises and develop crisis response and communications plan

Identify Crisis Communications Team (CCT) and establish notification systems

Identify and media train spokespeople

Identify and understand your stakeholders

Develop sample holding statements and responses

Regular monitoring of traditional and social media to identify potential vulnerabilities

Crisis Simulation Exercises annually are key

Q&A

Managing Strategic Risk at Board Level

**Q&A with Elaine O' Donoghue,
Ervia, Group Head of Risk**



Management

“When written in Chinese the word ‘crisis’ is composed of two characters.

One represents danger, and the other represents opportunity”

John F Kennedy



Four Stages of a Crisis

1.

The Breaking News stage.

2.

The make or break, reputation forming stage.

Media will focus on victims and the response

3.

The finger pointing stage.

By doing everything right in stage 2, organisations can minimise the length and severity of this stage

4.

The fallout / resolution stage.

Activate Crisis Communications Plan

1.
Crisis Team is assembled

3.
Prioritise and engage with your key stakeholders

5.
Spokesperson(s) available, briefed and prepped

7.
Ensure all monitored and logged

9.
Ongoing monitoring of media/social channels

2.
Establish and assess facts

4.
Internal Employee Engagement

6.
Issue statements to media and across comms platforms as appropriate

8.
Halt all other marketing activity

10.
Business Continuity

How to Handle the Media

- When a crisis strikes, the media will cast you as ‘the good guy’ or ‘the bad guy’. Your response must be **tone perfect** from the start
- You must communicate immediately – ‘the golden hour’ rule
- Develop brief, factual and frequent statements
- Limit your time with media
- Never speculate – stick to the facts. Explain why it is not proper or possible to speculate

How to Handle the Media

- Never (ever) say “no comment”
- Your spokesperson must be honest and open, in so far as possible
- Remember lives must always come before things
- Make sure your receptionist / security team know how to deal with media too
- Correspondence with a state body are open to Freedom of Information

Click here for [video](#)

Apologise the Right Way

- Avoid 'half apologies' or 'if/then' apologies

“If you were offended by what I said, then I am sorry.”

- The best apologies offer no excuses and pledge specific action to ensure the mistake never happens again

“I said something offensive and I apologise. I listened carefully to your feedback and completely understand your reaction.

I will learn from my mistake to make sure it doesn't happen again. I sincerely apologise.”



KFC Chicken Crisis!

Click here for [video](#)



Disseminating Messages

Disseminating Messages

- Issue initial statement, post on social media, followed by regular updated statements
- Consumer help/information line (or regular reception) – set up as quickly as possible and staff appropriately
- Website – as a priority update the company website as statements are issued and facts determined
- Prioritise media in terms of immediacy, deadlines; reach & influence – radio; online; TV; print
- Consider other organisations that may be communicating with media
e.g. Health & Safety Authority; Food Safety Authority of Ireland; emergency services



Recovery

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Recover

The goal of the recovery phase is to move from a crisis to resuming normal business operations while continuing to build trust and confidence.

Post Crisis Response

- Apologise
- Be human and transparent
- Internal communications
- Engage with stakeholders

Post Crisis Assessment

- Review Crisis Plan and assess strengths and weaknesses
- Ensure lessons learned as identified and acted upon
- Opportunity to strengthen reputation

Q&A

Covid-19 Crisis & Supply Chain Management

**Eoin Butler, Replenishment
Manager, Supervalu**

Any Questions?

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Thank You

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