

Crisis management: an opportunity instead of a threat

 By [Marie Yossava](#)

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Benjamin Franklin said: "In this world nothing is certain but death and taxes." Marie Yossava, Director of Grapevine Communications, would add a third to Franklin's two: "Crises will happen." Speaking at Reputation Management 2003, held at the Sandton Convention Centre last week, Yossava pointed out that although crises cannot be predicted, they can be planned for.

What is a crisis? Yossava gave the following definition: "a turning point, decisive event or crucial situation whose outcome determines whether bad consequences will follow." Crisis management is the activity that enables a business or organisation to plan for, respond to and recover from such an event.

According to a 20-year study of crisis preparedness by Ian Mitroff, an American expert on crisis management, 75% of companies are not equipped to manage an unfamiliar crisis. Taking the worst scenario, 95% are unprepared. However, says Yossava, a crisis should be seen as a public relations opportunity, not a threat. Referring to the recent case in South Africa of the Pick 'n Pay 'Poisoner' scare, the company handled the case with such aplomb and PR savvy that their share price remained constant and consumers expressed a desire to continue to support the store. Pick 'n Pay CEO, Sean Summers, who worked the media constantly from the moment the scare broke, won the Business Times Leader of the Month Award for July 2003, for his handling of the extortion bid.

What did the retail group do right? They made their top personnel available 24-7 to deal with the media, to answer questions and to provide information. They made use of all channels, including sending emails to online shoppers, giving regular updates. Visible security was placed in the stores and notices and posters were placed in strategic areas in the outlets.

This could have gone the other way, says Yossava, and served to show how important crisis management is in business strategy. It is a fact that bad news sells and the media can determine the public reaction to a problem or even a hint of a problem.

Too often, crisis management is reactive instead of proactive. "A comprehensive crisis management strategy prepares an organisation for most eventualities," explained Yossava. "Strategic planning in this area is essential, as it is in any other area of business, such as budgeting and personnel planning." She pointed out that it is too late to start "filling in the blanks" while a crisis is brewing. Instead, the total business strategy should be concerned with the future, but should use the past as a source of information and use the present to implement preventative steps.

Yossava said that a common error companies and organisations make, is to see their brand as simply a logo or a slogan. "Everything is part of your brand: every member of staff, every product or service, every department and business system

and, crucially, your ability to handle crises. If you have established a solid brand image through careful business and public relations strategy, it is easier to recover when a problem arises."

A key step in creating a crisis management strategy is identifying your target audiences, which may include employees, vendors, suppliers, investors, customers, unions, shareholders and the community. The next step is to communicate with these publics - both internally and externally. "Often forgotten is the need to keep your staff happy and informed. An unhappy employee spreads negative publicity."

The media is the essential link between a company and its publics so it is vital to establish and maintain good, honest relationships with key media and journalists. "The press is your ally," comments Yossava, "so use it and don't abuse it. Establish trust," she advises, "and never lie to a journalist. It will come back to haunt you. Pre-empt media reaction by providing information and always being available for comment. 'No comment' is the death knell of a reputation. Provide training to managers in dealing with the press. Don't 'spin': the public is increasingly sensitive to spin and appreciates hard facts, even if these may not seem palatable."

It is also essential to institute and announce remedial action in case of an emergency, says Yossava. "For example, in a mining accident, you should announce and set up a full inquiry, even while search and rescue is being conducted, and you should also make every effort to provide moral and financial support to those affected."

Another piece of advice given by her, was to follow through on promises you have made in the heat of the moment. She cited the example of the rugby crisis where an inquiry was announced and three investigators appointed, but before it even began, the whole thing was postponed until next year. "This was extremely damaging and left not only the public, but the affected players dangling in mid-air. It created bad feeling even in two of the three members of the inquiry board, both of whom have threatened to resign."

Risk and reputation management is a growth industry around the world, as it is in South Africa, with many companies making use of the professional services of risk management assessors. There is good reason for using such skills. "After all," reasons Yossava, poor crisis management can lead to the loss of your business reputation; the loss of your personal reputation; the loss of clients or customers; the loss of public trust and, eventually, the loss of your business."

ABOUT MARIE YOSSAVA

Marie Yossava, founder and owner of Grapevine Communications, embarked on a PR/communications career more than two decades ago. In the past twenty years she has built a solid media relations consultancy, which focuses exclusively on media relations.

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