

Major incident crisis: A scenario. Getting and giving the right information

In these days of instant information, protecting one's corporate reputation is in equal parts challenging and essential. Challenging because today, crisis and emergency situations are most frequently reported by on-the-spot citizen journalists carrying little more than a cell phone equipped with a camera and an ability to access the web. This connection to the internet, and social media sites, such as TWITTER, provides individuals with a platform to inform the world in their own words as the situation unfolds. Protecting corporate reputation is essential because research tells us that as much as 70 to 80 percent of market value now comes from assets such as brand equity, intellectual capital and goodwill, and this makes organizations especially vulnerable to anything that damages public perception of their organization. Companies with strong positive reputations are perceived as providing more value, and because the market believes that such companies will deliver sustained earnings and future growth, they have higher price-earnings multiples and market values and lower costs of capital.

Since all companies are susceptible to crisis, the question becomes, how best to manage an unexpected situation so that the problem is resolved, employee and passenger safety is protected, environmental damaged is mitigated, business recovery is expedited, and the corporate reputation is protected? The first part of the answer is to accept that a crisis is what the public thinks it is and that any emergency event has the potential to be transformed into a crisis. It is also critical to recognize for most organizations, two potential crises unfold simultaneously: the operational situation and the public perception of the issue. For that reason, it is critical that company personnel are as well versed in how to resolve operational emergencies and as they are in how to communicate effectively. This is especially true in the early hours of a crisis, when, despite few confirmed facts, demands for information from the media, citizen journalists, passengers, customers, suppliers, regulators, government agencies, an angry public, and a host of other stakeholders, can be relentless.

Gone are the days of head office solely managing the communications of any incident; the reality in the passenger ship industry is that information about an incident can and will, whenever possible, be managed by the passengers on board your ships. As numerous incidents have demonstrated, the most common way a manageable business problem is transformed into a crisis is through unwarranted media attention. Regardless of whether that attention comes from traditional TV, radio or newspaper coverage, or from one of the many, increasingly influential, social media outlets, there is no question that media coverage influences public opinion, and public opinion influences public policy

Companies that manage crises well are those that are well prepared, not just in how to respond to an incident but how to secure stakeholder confidence in how the response is being managed. These companies depend on crisis communications plans: responsible and ethical programs designed to minimize damage to an organization's reputation through active management of employee and public communication. To accomplish this goal requires a commitment to communications; a solid understanding of our stakeholders and their information needs; of how both traditional and social media works; and, of what it takes to be a credible spokesperson. To be effective, incident communication must be transparent, efficient and accurate. In the early hours when there is little technical information confirmed, it is important to position your organization as the most timely, reliable source of information. Even in the absence of a lot of detail, companies can be positioned for success by moving quickly into the public domain with a statement demonstrating concern about the situation, explaining the action being taken to address the situation, and making a commitment to being a part of the solution to the problem.

Once that initial communication of concern, action and commitment is made, the crisis team can begin work to assess the situation and to set prioritized objectives for managing the problem. Regardless of the type of incident (equipment failure, grounding, environmental mishap, passenger security, etc.), the following checklist provides a guide to first hour response priorities.

- Commit to communications
- Gather all available information on incident
- Determine if outside assistance is required to manage the incident
- Work in co-operation with first responders/local authorities to manage physical response
- Assemble team, including external experts
- Identify stakeholders and their information needs. Liaise with employees, staff and families
- Rank critical issues: impacts of people, health, safety, environment, business ops
- Determine potential local impacts & legal issues
- Set response priorities
- Activate monitoring (social and traditional media, blogs, chat rooms)
- Identify and prepare the spokesperson
- Prepare, approve and issue initial public statement
- Handle incoming media and public calls
- Set up process for third party claims
- Prepare news release and other communications materials
- Maintain liaison to keep stakeholders informed of response
- Call regular team meetings
- Document all action taken

In this age of instant information, where rumour and speculation have unprecedented power, ensuring that company personnel understand the importance of crisis communication, and the plans in place to protect the company's reputation, has taken on increasing importance. Poorly managed crisis have the power to damage not only reputation, but also to affect hard assets such as market capitalization and share price. Properly managed, crisis events can enable companies to enhance their reputation capital and solidify their social license to operate.