How to avoid a PR disaster

As history attests, even the biggest multinationals aren’t infallible when it comes to preserving reputation in the face of a crisis. QW speaks to PR expert Sue Wolstenholme on communication strategies, Paul Simpson on the role of the quality team, and Gerald Ratner on PR gaffes.
PR expert Sue Wolstenholme explains how organisations should really communicate when something goes wrong

Thousands of press releases are sent every day by businesses in the UK alone, but despite efforts to boost each brand, research carried out by Dr Dejan Vercic in 2000 showed that “good news” stories have “little or no affect at all” on a company’s reputation. On the other hand, when things go wrong, the entire reputation of the organisation is at stake. Many organisations feel misunderstood and under-appreciated; the problem lies with the fact that when good things happen, only a few people (usually those involved) take any notice, but when something goes wrong, the world and her dog pause on their way past to have a good look.

A glass half-full
The Chinese have two words – ‘wei jei’ – that together mean ‘crisis’. Separately, they translate as ‘danger’ and ‘opportunity’. Too often we focus on the danger and ignore the most important part; the opportunity, which arises when we have our public’s attention.

To respond effectively to a crisis, it helps if your organisation’s relationships are strong beforehand. To foster the relationships necessary to build a foundation of good reputation, you should research your customers and communicate with them in their terms about their concerns, so that you matter to them.

You must also be sure to tell your own bad news as fully and factually as possible, to everyone who matters to you. If you leave it to someone else, your crisis can become their opportunity and you might never recover. Leaders must work to cultivate the relationships that they need to bring success. It’s not easy to create the depth of trust that will make these relationships last.

Last year I worked with a college after its Head of Child Safeguarding was convicted on charges relating to paedophilia and subsequently resigned. When dealing with the communication strategy for this incident, the new principal, who hadn’t been there when the arrest was made, was extremely good and keen to work to a plan.

Once the safety of all students who had come into contact with the Head of Child Safeguarding had been established, we set about listing everyone who should be told personally, and in which order they should be told. After meetings with staff, students, parents, MPs and employers, nobody betrayed the trust that the principal had placed in them. The editor of the local paper also respected the information we conveyed through face-to-face meetings and honest, open communication.

When the story was published it was supportive and factual, and, as a result of this carefully planned approach by the college, a number of lasting relationships were forged.

Owning your story
If Shell had bothered to tell the public about its reasons for sinking the Brent Spar oil rig in 1995, people might not have boycotted them for months or firebombed their petrol stations, as some did in Germany. Instead, Shell left it to Greenpeace to tell us.

The advice from Greenpeace was to protest. However, despite Greenpeace getting the facts wrong (they claimed that the sludge in the rig contained high levels of dangerous toxins, which was disproved by Norwegian scientists), the environmental group emerged with its reputation intact (unlike Shell) because we already trusted it and, above all, it brought us the news.

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Research by crisis management expert Ian Mitroff indicates that there are two types of crisis-prone organisations. The first he describes as being “destructive, exploitative, uncaring and thinking there is little to be done”. I would add ‘arrogant’ to this list. Others Mitroff called tragic.

These organisations understand the need to change, but just don’t seem to be able to do it, culturally or in resource terms. A number of public-sector organisations also fall into this category.

So where on the scale would you place BP or Tesco? Why do you think John Lewis is less likely to suffer from a PR crisis than other high-street brands? And what about the Mid Staffs hospital scandal? Four years ago at Mid Staffs NHS Trust, the hospital’s staff negligence caused many deaths (media reports showed a death toll of 1,200). The hospital felt wretched for...
ANALYSIS
CRISIS COMMUNICATIONS

the families and devastated to have caused so much harm to the NHS.

In the four years since, a new board worked with staff and Age UK to turn Mid Staffs from being a byword for bad practice into an exemplar for care and compassion, and they’ve achieved incredible results. But, although they did change the culture, and the story could have been about how this was accomplished, the focus is on the fact that many fine services for local people will now be closed and moved elsewhere.

It is possible to buy reputation insurance, where insurers pay for PR companies to work with organisations when something goes wrong. Considering how badly so many companies are suffering, many boards might find this option attractive.

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But the best insurance any organisation can have is a professionally qualified (preferably chartered) team of public relations or communications staff and advisers, to help build a secure reputation and behave in a way that will win friends, even at the worst of times.

Two plane crashes, two very different outcomes
On 21 December 1988, Pan Am flight 103 exploded in mid-air, and came down over the town of Lockerbie, Scotland, killing everybody on board and 11 people in the town. The explosion was caused by a terrorist’s bomb, which had been loaded on board at Frankfurt Airport. Pan Am tried to blame US government agencies, which were thought to have received warnings about a potential bomb. Pan Am representatives didn’t visit the site during the aftermath or give interviews. While not to blame for the bomb, Pan Am’s reputation suffered and it went bankrupt in January 1991.

On 8 January 1989, a British Midland flight crashed on the M1 at Kegworth, Leicestershire. Of the 126 people on board, 47 were killed, 74 were seriously hurt and five suffered minor injuries. One of the engines had failed and so an emergency landing was attempted at East Midlands Airport. But the pilots shut down the wrong engine, giving themselves very little chance of landing safely.

The Chair of British Midland, Michael Bishop, was quick to arrive at the scene and although clearly
upset, was immediately available to give interviews. He was sorry and he promised to find out what had happened (at that point he didn’t know himself, and, coming so soon after the Lockerbie crash, he refused to speculate). An honest, caring and speedy response from the top tier of the organisation was well received.

British Midland was named Airline of the Year the following year and in 1991, Michael Bishop was knighted. So: two very different outcomes. Where blame was unclear, in Pan Am’s case, the company suffered. Where blame was clear, in British Midland’s case, the company was forgiven.

These two incidents are not black and white and do not prove that the chairmen’s behaviours made all the difference. Perhaps cultural issues should also be considered; the scale of the incidents was very different and one occurred just before Christmas. However, Michael Bishop’s reaction was widely appreciated, which definitely helped to rebuild his company’s reputation.

I’ve just started working with a large organisation that has become the focus of aggressive media attention. They’ve been successful as a business to date, but have been working in a slightly elitist bubble. This crisis is an opportunity for them to open a number of relationships, but if they’d already been focusing on building mutually satisfying links with their public, things would be much easier for them today.

Reputation only comes from past actions and current behaviour; it cannot be built on promises and it cannot be bought. It must be earned and it thrives on well-founded and carefully nurtured relationships, which must not be made to wait.

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For a full list of references, email editorial@thecqi.org

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“MINE WAS A FATAL BLOW”

In 1991, Gerald Ratner, the then owner of British jeweller Ratner’s, made one of the biggest PR gaffes of all time when he called his own company’s products ‘crap’. QW asks him for his verdict on brand protection

Apart from calling your products ‘crap’, where did it all go wrong?

The PR company I hired was catastrophic: they alienated all my good press contacts, gave me the most rotten advice and tried to drag the whole thing out to make themselves money.

So you’re not a fan of some PR companies?

The so-called advisers who come in following the disaster have a hidden agenda. An adviser’s not going to say: “Do nothing.” These people are parasites who fly around those who are struggling. They’re only interested in making money.

How would you rank the BP oil spill or Tesco horsemeat scandal against your disaster?

I don’t think BP or Tesco’s mistakes were as bad as mine – mine was a fatal blow. They can recover, but with me – well, nobody’s going to buy Ratner stuff when it’s associated with crap!

How do you think BP responded to its disaster in 2010?

The fact that BP’s chairman, Tony Hayward – a supposedly successful, educated businessman – described those affected by the oil spill as “little people”, beggars belief. I understood it more when he said: “I want to get my life back” – although that wasn’t a clever thing to say either.

What advice would you give to a company in crisis?

If you do make a mistake, don’t broadcast it. Tesco recently took double-page ads in the papers [apologising] just as the horsemeat scandal was dying down. All that did was revive it. Let the disaster die its natural death – don’t advertise it.

What’s the best thing to say?

Everyone tends to bring in a team of ‘experts’ in a crisis. But the people who’ve succeeded in dealing with disasters are those who hold up their hands up and say: “I’ve made a mistake.” You don’t need to diagnose it, analyse it and turn it into a huge thing.

Is honesty the best policy?

Be honest and talk about how you feel rather than being overly media trained and delivering the obvious superlatives in management speak. It’s meaningless. And don’t be too defensive.

Does reputation count?

The reason John Lewis has good brand management is because it’s successful. People forgive you if you’re successful.

Which companies do you admire for their brand management?

I can’t name the companies who manage their brands well because they don’t make a hullabaloo about their problems, so you don’t remember their mistakes.