

A man in a dark suit and tie sits in a grey armchair on a boat. He is holding a black umbrella over himself. The background is a dramatic, stormy sea with dark, heavy clouds and bright lightning bolts striking down. The water is dark blue with white foam from the boat's wake.

How to Plan for Avoiding and Fielding the Flying Coconut

Presented by
Jaron P. Blandford

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Planning to Avoid Reputation Disaster



Jaron P. Blandford

859-231-8780, ext. 252

jblandford@mmlk.com

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How do reputational crises occur?

- Product or technological failures (i.e., data breaches)
- Leadership or corporate governance failures
- Ethical or regulatory or law violations
- Enforcement actions
- Whistleblower actions
- Attacks or investigations by advocacy groups
- Personnel issues

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Step One: Assess the Organization

“SWOT”:

1. Strengths
2. Weaknesses
3. Opportunities
4. Threats



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Step One: Assess the Organization

Vulnerability Assessment (based on SWOT):

Weaknesses:

What would cripple the organization?

Is there a clear chain of command?

Is there a clear line of succession?

Has everyone been trained in appropriate policies?

Threats:

Internal – misconduct, resignation, etc.

External – litigation, negative media attention

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Case Study: ESPN

Welcome to **ESPN** for your tablet.

ESPN

Desktop Version >

my **ESPN** ▾

NFL

NBA

NCAAB

MLB

NHL

Fantasy

MORE ▾

NBA ▾

Full Scoreboard

Final

MIL

85

Final

CHA

98

Final

MIA

111

Final

SAC

108

Final

MIN

111

Final

NO

89

Final

DAL

82

Final

GS

87

Final

DEN

102

Final

WSH

100

Final

PHX

99

Final

ORL

94

Final

TOR

91

Final

CLE

87

Final

DET

114

Final

HOU

98

Final

NY

85

Final

PHI

75

Final

OKC

110

Final

MEM

103

Final

UTAH

114

Final

LAL

111



Chink In The Armor

Begley: Jeremy Lin's 9 Turnovers Cost Knicks In Streak-Snapping Loss To Hornets

Chink In The Armor

Begley: Jeremy Lin's 9 Turnovers Cost Knicks In Streak-Snapping Loss To Hornets

FINAL

NOR 89

NYK 85

LeBron Drops 28 On Cavs

Kobe Goes For 36 vs. Suns

Weekend Dime: 1st Half Awards

NEWS

Hornets slow Linsanity,

Sources: Yanks, Pirate

Wakefield retires after 1

Mavs erase 15-point de

Knicks sign ex-Nugget

LeBron: Nothing for Hea

LeBron fuels Heat's rou

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Step Two: Assemble Your Crisis Management Team

Put together a team of key players who can manage and respond to a crisis.

1. Clearly delineate roles and responsibilities
2. Establish chain of command
3. Create brief line of succession for roles

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Crisis Management Team

There are a *MINIMUM* of three key players on your crisis management team:

1. The Decision Maker
2. The Spokesperson
3. The Internal Communications Manager

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Crisis Management Team

The Decision-Maker

- Usually an executive.
- Has final decision-making authority

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Crisis Management Team

The Spokesperson

- Person is the best/most qualified to speak on behalf of the organization
- Oversees all external communications - fields questions and answers factually (or demurs appropriately)
- Can be outsourced to a PR firm

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Case Study: Deepwater Horizon Oil Spill

After the spill, BP CEO Tony Hayward said the following two things to media outlets:

“The Gulf of Mexico is a very big ocean. The amount of volume of oil and dispersant we are putting into it is tiny in relation to the total water volume.”

“The environmental impact of this disaster is likely to have have been very, very modest.”

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Crisis Management Team

The Internal Communications Manager

- Choose someone who manages all communications within the organization, keeping staff aware of necessary information
- This person will make sure all communication channels within the organization are open
- This person should keep a current contact list and sets a clear chain of communication

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Crisis Management Team

- Tailor the team to your organization, but don't make it too big
- Role selection is critical

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Create a Crisis Management Plan

- Assemble your crisis management team
- List contingencies that require planning:
 - Assessed threats
 - Failures in areas of assessed vulnerabilities
 - Natural disasters
 - Crime/physical threats/incidents

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Create a Crisis Management Plan

- Plan in two key areas, based upon team roles:
 - Operational –
 - What do we do?
 - How do we continue doing it?
 - What do we need to keep doing it?
 - Communications -
 - Who do we talk to?
 - What do we say?
 - Who says it?
 - How do we say it?

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Training, Simulation and Assessment

- Training
 - Training to the plan
 - Media training
 - Staff training
- Simulation
 - “Fire Drill” – this is the simulation of a crisis management plan in action
 - Discuss hypotheticals
- Assessment
 - Post-incident, assess key areas
 - How did team perform?
 - How did the plan hold up?

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Case Study: PG&E and California Public Utilities Commission

2010 - San Bruno Pipeline Explosion

2012 – Audit shows that PG&E diverted
\$100 million from fund for safety
operations to executive
compensation

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Case Study: PG&E and California Public Utilities Commission

BUT WAIT – there's more!

- Judge shopping
- Illegal communication
- Trading of favors

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Case Study: PG&E and California Public Utilities Commission

BOTH PG&E and CPUC are cleaning house:

- PG&E officials involved in email scandal are gone
- Brown was fired, and Peevey will not seek another term
- Lax oversight of both PG&E and CPUC were partly to blame for the pipeline explosion tragedy
- New commissioner is now managing the crisis

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Questions? Contact Me!



Jaron P. Blandford
(859) 231-8780, ext. 252
jblandford@mmlk.com

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PANEL DISCUSSION

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Case Study: NBC and Brian Williams



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Case Study: Smithsonian



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