

### Planning to Avoid Reputation Disaster



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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



# Step One: Assess the Organization

#### "SWOT":

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





# 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



## Case Study: ESPN





## 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



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



#### The Decision-Maker

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



#### 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



## 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."



## 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



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



### 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



### 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?
  - o Communications -
    - Who do we talk to?
    - What do we say?
    - Who says it?
    - How do we say it?



## 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?



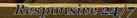


### Case Study: PG&E and

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



#### Questions? Contact Me!



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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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