

## ISSUES AND CRISIS COMMUNICATION

**PREPARING FOR DISRUPTION**

**T**he competitive threat that digital disruption poses to companies and to entire industries is now a hot topic.

Boards and management, however, often overlook a more immediate risk of possibly catastrophic disruption to their business that can be caused by a crisis. An accident or adverse issue such as product contamination, a major fire or employee fatalities can devastate a company's operations, sales, employee morale and share price much faster than online competitors can.

To minimise damage it is essential to be fully prepared to manage the sudden communication challenges you will face, including media's demands for information.

**Ensuring your company can handle a major crisis**

It is normal business practice to insure assets, maintain directors' liability cover, and have legal and technical advisers to call on in an emergency.

Likewise, sustainable organisations will have formed a relationship with a risk and crisis management communication specialist such as FCR to provide:

- Crisis communication strategies
- High-level communication counsel
- Stakeholder communication
- Media management, including social media tactics
- Incident communication procedures and manuals
- Crisis preparedness training and scenario drills
- Litigation support

**In a digital world where information can spread globally within seconds, expert communication, based on experience and sound strategies, is more important than ever.**

**FCR's experience**

FCR has more than three decades of experience as Australia's leading crisis communication consultancy.

We have helped clients to manage communication strategies during many incidents and crises, including product withdrawals, oil and chemical spills, union and environmentalist activism, and employee and customer fatalities.

During 2015 and 2016, for instance, we advised on more than 30 issues and incidents, ranging from asbestos contamination to 457 visa issues, employees accidentally killed, market collusion allegations and data security breaches.

**"I would like to thank you and your company for your support and guidance during the past two very sad months following the major accident. Your input and guidance to myself and our other managers were invaluable and extremely helpful. Your company's ability to assist us on demand was very reassuring."**

Andy Green, Stena Drilling



Photo: Tim Pascoe

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## How to prevent an incident or issue from becoming a crisis

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A disruptive incident is more likely to escalate into a crisis when an organisation is unprepared and when communication is mismanaged.

Preparedness includes developing and documenting incident procedure and communication management protocols. It involves staging scenarios and rehearsals to ensure all employees know what to do in an emergency, and how the company will communicate with clients, authorities and media. Full preparedness requires testing the organisation's operational responsiveness, teamwork and communication through emergency drills.

In the extraordinary confusion and uncertainty of a developing crisis, there is a temptation to shut down communication and delay response. This can escalate

the crisis by allowing public speculation or antagonists to fill the void, painting the situation or threat as worse than it actually is and causing customers, shareholders or regulators to over-react.

Alternatively, there is a danger in responding publicly to questions with information that has not been verified, particularly if the CEO or corporate spokesperson is unprepared for hostile media.

Deciding on the most appropriate communication strategy and determining your messages will be easier with experienced risk communication specialists to guide you.

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## Twin objectives: restoring business continuity and protecting reputation

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Executives or risk managers will have potential disruptors covered in a business

continuity plan, stipulating every action required to get the company back to normal operations, should the worst occur.

However, the way information is managed during the crisis can cause long term brand damage.

Ill considered statements during a crisis can have lasting repercussions; whether they are responses to media, or direct communications with customers, shareholders, regulators, governments, unions or activists.

In extreme cases, poorly-advised CEOs can place their company's very existence at risk when they choose the wrong communication strategy.

This is because the speed and global reach of social media, and the advent of the 24/7 news cycle, can rapidly convert perceptions into 'reality', locking public opinion against the company.

### FCR's strengths

- 30 years' experience of helping companies to build and protect their reputations.
- Top-level strategic communication counsel focused on achieving clients' business objectives.
- Specialist expertise in issues management, crisis preparedness and crisis management, particularly for the maritime, resources, transportation and financial services industries.
- A strong network of media contacts, helping ensure that your company's messages will be heard in the most critical situation.
- A 24/7 crisis hotline and immediate availability of an experienced team.
- Experience working with government regulators, and media units of state and federal politicians.
- An international network of communication specialists on call.
- Many industry awards including the Public Relations Institute of Australia's 2014 awards for Best Issues Management and Crisis Communication and Best Campaign of the Year.



**Left:** Accidents such as this petrol tanker explosion in Mona Vale that killed two people in 2013 focus public attention on corporate safety standards.

**Above:** FCR coordinated communication strategy throughout the Tampa crisis in 2001 for the Wilhelmsen Line when the container ship rescued 436 survivors at sea and captain Arne Rinnan (top) was forbidden from landing them on Australian soil.

**Above:** The Rena ran aground on Astrolabe Reef off the New Zealand coast in 2011, leaking 350 tonnes of fuel oil and losing 87 of its 1,368 containers. FCR handled media and other inquiries for owner Costamare Inc during the salvage and recovery operation, which continued for four years.

## Are you responsible?

Directors and officers have responsibility to protect the company's employees and assets against unnecessary risks. One of these assets – indeed a most significant one – is the company's corporate reputation.

Reputation and brand values are most exposed to risk when the unexpected

happens, whether fraud, fire or fatality, and it is not handled properly.

It follows that board and management have a 'duty of care' to ensure the company is as well prepared as possible to manage communication in a crisis. In this regard, you may also be responsible for subcontractors' activities under Chain of Responsibility laws.



### FCR's services

#### Issues management

- > Issue evolution tracking
- > Information management strategies

#### Intelligence

- > Media monitoring
- > Issues analysis
- > Social media monitoring
- > Post-mortem learning reports

#### Crisis preparedness

- > Training; scenarios; drills
- > Incident communication procedures and manuals
- > Stakeholder communication matrix

#### Crisis management

- > High-level communication counsel
- > Media management
- > Litigation support
- > Reputation recovery programs

**We welcome the opportunity to discuss with you how FCR can help your organisation prepare for issues and crises, and successfully navigate them, no matter what the situation.**

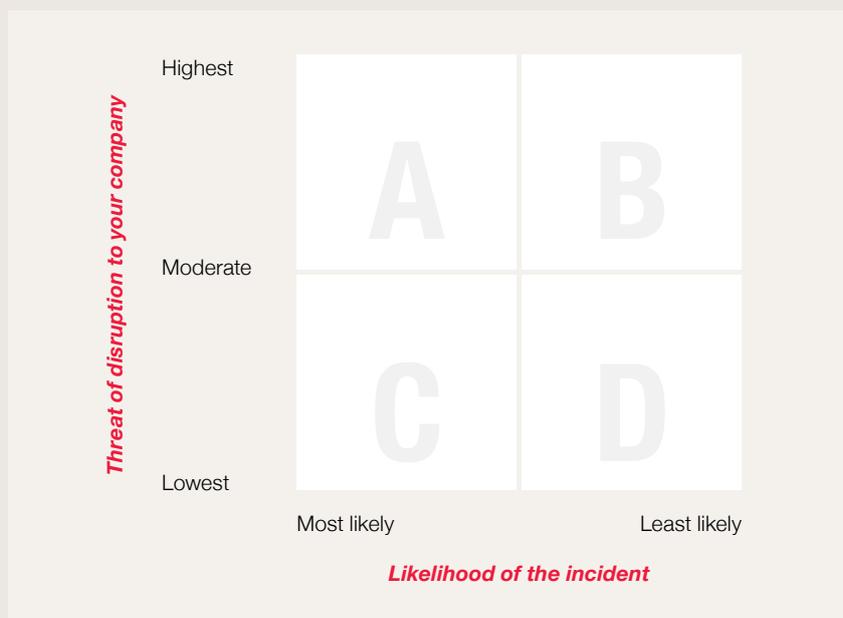
## Identifying the most likely disruption to your company

How exposed is your organisation? Below is a list of possible disruptors to business operations. There will be additional risks specific to your company. To identify the threats most likely to cause severe disruption and damage to your operations and reputation, place each threat in the relevant quadrant of the diagram.

Quadrant 'A' will reveal the risks for which you should be fully prepared, through scenario building exercises, drills and interview rehearsals.

1. Product contamination
2. Customer injury/ death
3. Workplace employee injury/ fatalities
4. Chemical spill
5. Environmental or union activism
6. Explosion, fire or flood
7. Earthquake
8. Bushfire
9. Terrorist attack
10. Supply chain collapse/ disruption
11. Computer or machinery failure
12. Contagious disease outbreak
13. Hostile takeover bid

14. Significant fraud or embezzlement
15. Key team leaving
16. Regulatory action against the company
17. City area shut-down
18. Hacking and computer systems collapse
19. Kidnap and ransom demand
20. Data security breach
21. Loss of customer details
22. Loss of other sensitive information
23. Challenge to IP
24. Asbestos or toxic contamination
25. 457 visa issues
26. Prolonged industrial dispute
27. Inappropriate subcontractor behaviour
28. Discrimination allegations
29. Legal action against the company
30. Inappropriate executive or employee behaviour.



FCR leads workshops with senior executives to explore this process and develop scenarios for the most potentially catastrophic events that might affect the organisation. This ensures communication training and drills are appropriate, realistic and valuable.

FCR is the Australian associate of AMO, the leading global network of strategic and financial communication consultancies. AMO has more than 950 communication professionals covering all major capital markets and has unrivalled experience in cross-border transactions. [www.amo-global.com](http://www.amo-global.com)



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