

Small Business Crisis Communications Plan



Improved products, events, great sales figures, or new partnerships – all good news that any company is happy to announce. But no matter what the industry, if you are in business long enough, the day will come when the news you have to break is bad.

A [2011 Burson-Marsteller study](#) found that 66 percent of the businesses it surveyed had experienced a crisis. If the company manufactured products, the percentage was even higher.

There are plenty of examples of business crises in the media on a daily basis, affecting both big and small companies: auto recalls for defective parts, data breaches and compromised account information, salmonella in eggs or e. coli on cantaloupes, and food poisoning outbreaks that compromise a restaurant's business.

It doesn't matter what the problem is, if you don't handle a crisis properly, you can alienate partners and lose business. Ultimately, you can give your reputation a big black eye and put your entire business at risk.

Every small business – whether a restaurant, a clothing store, or a consulting firm – needs to have a plan in place for dealing with a crisis.



The Big Secret

The big secret to adept crisis handling is actually nothing groundbreaking: It's preparation. When IT hits the fan is not the time to start worrying about what to do! You must be proactive. Just as you have business and marketing plans for growth, a crisis management plan lays the groundwork for your business to act in a bad news situation.

Why have a plan?

Every business is vulnerable in some way. Not only do you have to consider your vulnerabilities as they relate to your products and services, but you also have to consider any legal issues and the security of your information and data. Even if you only sell cupcakes.

Things happen quickly. News can leak and sweep across the Internet within minutes. If you're wasting precious time trying to figure out what to do and who to call, information – and damage to your business – can snowball beyond your control.

You want your business to be in control of the situation. No one wants to be blindsided by a reporter's call regarding a crisis. At best, you run the risk of looking clueless about your own business and, at worst, you could appear deceptive. Besides, you'll be playing catch-up from the start.

Preparation can minimize damage. If you're out in front of the issue, you can provide accurate information and lessen the need for any damage control to your reputation.

Being up front about issues can earn you fair coverage. Mind you, when breaking bad news, you have more audiences at stake than just the media. If you're fair and honest, you will have a better chance of fair treatment by the media, your investors, vendors, and customers.

What Constitutes a Crisis?

Today's technology and immediate communication have changed not only how we deal with crises, but also what constitutes a crisis. More than yesterday's product recall or food poisoning outbreak, modern situations that need attention can run the gamut from digital information breaches to bad reviews or rampant rumors on internet sites. Pay particular attention to the digital aspects. If your business has a computer, it's an area that deserves special attention.

Your Reputation Insurance Policy: A Crisis Plan

You have insurance for your car, your home, and the physical presence of your business. But do you have one for your reputation? That's what a crisis plan is – insurance that you will weather a business storm. And, just like other types of insurance, the price of being prepared is far less than the cost of damage to your reputation and your business. No matter who develops it for you, you need to understand what goes into a successful crisis plan.

Again, it's like an insurance policy: Pay now, or pay even more later.



The 6 Key Elements of Your Crisis Plan

1. A Crisis Communications Team – You can't do this alone. To have a successful plan, you need the perspectives of various members of your business tribe:

- the owner or the CEO. In a small business, this means YOU.
- marketing director
- legal counsel.
- a public relations practitioner. If you're a small business, it's likely you don't have one. When preparing your plan, ask colleagues which firms or solo practitioners handle crisis management. Call a few and ask about their policies, rates, and how they handle businesses that need emergency help. Even though it's optimum to have a relationship with a firm, it's helpful to have a few names to call in case a situation arises that is too complex for you to handle alone.

Depending upon the type of crisis, you will need to include people from other areas as appropriate:

- Information Technology. For a small business, this could be your internet provider, banker, or other technology consultant.
- sales
- finance (your CFO, CPA, payroll firm, or bookkeeper)
- safety (local law enforcement or private security)

Always have key numbers handy for your:

- Attorney
- Insurance agent
- Accountant
- Internet provider
- Banker
- Major vendors
- Local police department
- Key media

2. Your Spokesperson – No matter how many on the team, all the news you put out **must** come from one person. Moreover, you need to train that person on how to respond. Don't give yourself another black eye by responding poorly. (Recently, Sony's CEO came off a bit snarky and defensive when discussing the hacking of millions of credit card numbers from its entertainment system.)

Small businesses don't have a big staffs – or any staff at all. If you're a sole proprietor, you will need to be the one speaking for your company. If you've never dealt with media before, and cannot afford media training, grab a knowledgeable friend or colleague and practice.

3. Your audiences – The nature of the crisis will determine who you need to inform. These will likely include:

- Customers
- Employees
- Vendors
- Partners
- Law enforcement
- Media
- Regulatory agencies

You will also need to develop a system for communicating with these audiences.

4. Key message – Every time you speak to the media, you need to present key messages that you have developed, but this becomes critical in a crisis. In addition to presenting the facts, these ensure that you get your most important points across.

Pick *just the one or two* main points you want to get across and make sure that you state those every time you communicate, no matter which audience you are addressing

5. Practice, practice, practice – Make a list of the most likely crises that could affect

your business, develop the response parameters for each one, and then practice. Then practice some more. Train your spokesperson. Prep the relevant team members and identify the types of information you will need to gather.

Obviously the crises will vary according to industry, but don't forget to include dealing with natural disasters. Ask communities in Upstate New York how likely they thought it would be that they would have to deal with the aftermath of a hurricane. If you're having trouble coming up with scenarios, ask yourself: "What are the worst 6 things that could happen to my business?"

6. Timing – You want to get out in front of the crisis, but contact your audiences before you have all the salient facts and you'll raise more questions and look uninformed. Wait too long and you will appear unprepared and potentially leave a vacuum for others to fill with information. Today's communications happen in minutes and seconds, not hours and days. You'll have to be fast. Get as much information together and then open the channels of communication.

Rarely will the crisis itself sink your business ship. It's your response to the incident that will determine if your business emerges with its reputation and its bottom line intact.

Cyber Crises – A Category All Their Own



Even if you only have four employees and sell cupcakes, you are vulnerable to a cyber attack. If your business has a computer, accepts credit cards, or has a web site, your vulnerable. Any electronic system is a highway to personal data.

The general public is guilty of its own lax personal cyber security. A study by *Information Week* recently found that "1234" is still the most common password people use on the iPhone!

Reg Harnish, founder and chief security strategist of GreyCastle Security in Troy, New York, says that most businesses don't think about cyber security until after something bad happens:

There's been a data breach and personal information has been exposed.

An employee has downloaded child porn on a company computer (which *must* be reported to authorities).

You pull up your financial accounts to find money missing from your account.

The reality is that all businesses really **DO** need to care. A study into online security by Symantec has estimated the annual cost of such incidents at \$114 billion, with an additional value of \$274 billion placed on the amount lost by victims.

When you think about what can happen to your business electronically, here are some elements to consider:

People: Your weakest link. A stray downloaded file, phishing emails, malware. All are socially engineered to get around security. That 1234 password....

Trickle down: A breach on a vendor or provider can affect you. Earlier this year a major email service provider was hacked, affecting all of its clients' accounts.

Legal issues: Do you have access to prompt legal advice? In most cases you'll want to contact counsel before you start talking to clients and media.

Make sure you include cyber security scenarios in your list of possible business crises.

Post Mortem

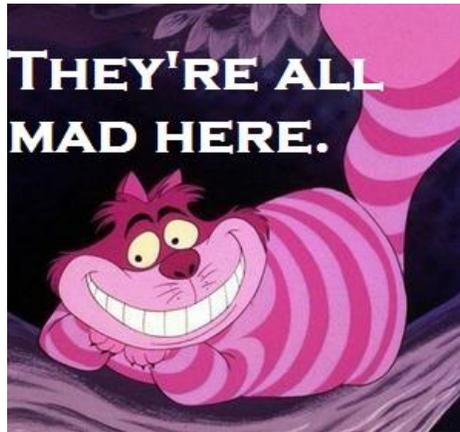


After the dust settles, it's tempting to just move on, but this is the time to evaluate what happened, how your plan worked, and if you need to change anything.

- Do you need to secure any new experts to help your business? Was your bookkeeper or accountant less than helpful? Evaluate all your providers at this point.

- Do you have new contacts in the media from the situation? Can you stay in touch with them so that you can be a resource for other, positive news stories?
- Do you need to change your business practices in any way based on what happened?
- Can you turn the story into a positive case study for your industry colleagues? Can you turn it into a seminar, newsletter story, or case study presentation?

Reputation Management



If you operate any type of retail or other business where users post reviews or comments on line, then you need to be concerned with on-line reputation management. This is a relatively new specialty and there are many experts in this new field.

The goal of monitoring social media is to find positive comments that you can highlight, and negative comments to which you can respond and neutralize. Remember that just like an indiscretion documented on Facebook, online comments can be hard to eradicate. You **must** respond to negative comments in a positive and helpful way, otherwise they just sit in cyberspace, festering, inviting comment from anyone else who has an ax to grind.

An example of letting comment fester is a retail shop in our local area. Over the past few of years, on-line comments have perpetuated a reputation for snooty or disdainful service people. None of the comments have been directly addressed in a way that internet surfers will see. The only comments and reviews one can find are generally negative.

Yes, you can hire someone manage you reputation for you. If you want to do it yourself, there are a number of ways to automate some of the process using RSS feeds. There are many, many sites that can help you search for and track what's being said about you, your competitors, and your industry. It's up to you to decide how much time and energy you wish to devote to the effort. Here are just a few of the sites you can use at no cost:

- [Google Alerts](#) – Start with this basic alert service. Set up the words and phrases you want to search and the frequency of the alerts.
- [Twitter](#) – Use the advanced search options to find what you want.
- [Technorati.com](#)
- <http://www.icerocket.com/>
- <http://www.boardtracker.com/>
- [Rollyo.com..](#)
- [Keotag.com](#)

Don't Disappoint Your Audiences



Remember that when a crisis hits, you have more than just your customers to worry about. All of your constituencies expect honest communication from you. You can lose even your best customers when you don't deliver.

A recent New York Times [article](#) explored the way expectations color how we feel about an experience. The combination of what we expect from others, as well as ourselves, and how we deal with it, affects our experience of a situation. In the Times' example, if you pay \$20K for a car that you expected to pay \$21K for, it's a bargain. If you pay the same amount for the car but expected to pay \$19K, it's an outrage.

Apparently there's a physiological reason for this, says David Rock, author and director of the [Neuroleadership Institute](#), which focuses on breaking new ground in our capacity to improve thinking and performance. When something positive happens, your brain releases the feel-good chemical, dopamine. But when your expectations are not met, the negative feelings are much stronger than the good feelings created by a positive experience.

So, the negative reaction your clients will have if you disappoint them is stronger than the positive reaction they will have when you exceed their expectations.

The lesson here isn't just "Don't disappoint."