

P R I N P R A C T I C E S E R I E S

Risk Issues and Crisis Management in Public Relations

A Casebook of Best Practice

Fourth Edition

Michael Regester
& Judy Larkin



CHARTERED INSTITUTE OF PUBLIC RELATIONS



London and Philadelphia

Contents

| | |
|---|-------------|
| <i>About the authors</i> | <i>xi</i> |
| <i>Foreword</i> | <i>xiii</i> |
| <i>Preface</i> | <i>xv</i> |
| <i>Acknowledgements</i> | <i>xvii</i> |
| Introduction | 1 |
| PART 1 RISK ISSUES MANAGEMENT | |
| 1. Outside-in thinking | 7 |
| Who can we trust? | 7 |
| Consumer power and the rise of a non-governmental order | 10 |
| Case study: Oxfam attacks Starbucks | 17 |
| Dealing with risk | 20 |
| Case study: MMR | 22 |
| Handling the organizational response | 24 |
| The advocacy approach | 25 |
| Public consultation – building dialogue into the communications process | 28 |
| The rise of the precautionary principle | 29 |
| Case study: phthalates in toys | 30 |
| Case study: Chinese takeaways hit North American and UK business | 33 |
| Summary | 38 |

| | |
|--|-----------|
| 2. Issues management defined | 39 |
| What is issues management? | 40 |
| What about the sceptics? | 42 |
| What is an issue? | 44 |
| Who should practise issues management? | 45 |
| What are the functions of issues management? | 46 |
| Summary | 48 |
| 3. Planning an issues management programme – an issues management model | 49 |
| Issue lifecycle | 51 |
| Case study: Vioxx – never ignore the warning signs | 54 |
| Case study: Monsanto wrecked brand and lost opportunity | 57 |
| Case study: Arla product boycott in the Middle East – issues management planning needs to be global | 60 |
| Case study: Sony and Dell Hell – prevention is better than cure | 63 |
| The importance of early action | 66 |
| Case study: Ribena found wanting | 67 |
| Summary | 72 |
| 4. CSR: the new moral code for doing business | 73 |
| Introduction | 73 |
| The growing business imperative | 74 |
| What constitutes good socially responsible corporate behaviour | 80 |
| New business values | 81 |
| Case study: BP's fall from grace | 82 |
| CSR best practice policy development and management | 90 |
| Summary | 93 |
| 5. An issue ignored is a crisis ensured | 95 |
| Case study: decommissioning the Brent Spar – implications for a global industry | 95 |
| Case study: the story of Bernard Matthews, his turkeys and avian flu | 105 |
| Case study: drug pricing in South Africa – the business perspective is not the only perspective | 108 |
| Case study: business response to climate change – Wal-Mart, Exxon, Virgin | 111 |
| Case study: <i>Celebrity Big Brother</i> 2007 | 117 |

| | |
|---|------------|
| 6. Implementing an issues management programme | 123 |
| Examples of issue management models and processes | 132 |
| Summary | 136 |
| | |
| PART 2 CRISIS MANAGEMENT | |
| 7. So it hits the fan – now what? | 139 |
| Case study: Cadbury salmonella outbreak | 140 |
| Case study: the Asian tsunami and the travel industry | 140 |
| Business crises | 144 |
| Case study: Sayonara Citibank | 145 |
| How the mighty fall | 147 |
| Case study: Northern Rock on the rocks | 147 |
| Case study: Piper Alpha catastrophe | 153 |
| Case study: Paddington rail disaster | 153 |
| CEOs are not infallible | 156 |
| Case study: Marks & Spencer | 156 |
| Product-related crises | 157 |
| Case study: the Tylenol tale | 158 |
| Case study: what took the fizz out of Perrier | 159 |
| Case study: Coca-Cola | 160 |
| Who will have a crisis? | 162 |
| What kind of crisis will happen? | 164 |
| Case study: Mercury Energy turns off the power | 168 |
| Summary | 172 |
| | |
| 8. Perception is the reality | 173 |
| A tale of three sorry tankers | 174 |
| Case study: <i>Exxon Valdez</i> | 174 |
| Case study: <i>Braer</i> | 176 |
| Case study: <i>Sea Empress</i> in distress | 180 |
| Summary | 181 |
| | |
| 9. The media in crisis situations | 182 |
| Case study: how an organization got it right | 183 |
| Case study: how smaller businesses survive crisis | 186 |
| Case study: Virgin train crash | 188 |
| Gaining media support | 192 |
| The media as an ally | 192 |
| Case study: Thomas Cook coach crash | 193 |
| Monitoring the media | 196 |
| Summary | 198 |

| | |
|---|------------|
| 10. The legal perspective | 199 |
| Legal pitfalls when communicating in crisis | 200 |
| Case study: <i>Herald of Free Enterprise</i> | 201 |
| So what is the lawyer's role in a crisis? | 202 |
| Compensation | 203 |
| Ex-gratia payments | 203 |
| Summary | 204 |
| | |
| 11. Planning for the unexpected | 205 |
| Calm and positive thinking | 205 |
| Deeds versus declarations | 206 |
| Planning to manage the crisis | 207 |
| Appointing the teams | 209 |
| Communication hardware | 210 |
| Crisis prevention | 212 |
| Selecting team members | 214 |
| Putting the plan in writing | 215 |
| Testing everything | 215 |
| Summary | 217 |
| | |
| 12. Crisis communications management | 218 |
| Background information to seize the initiative | 218 |
| Set up a press centre | 219 |
| Managing the press conference | 220 |
| Dealing with the television interview | 221 |
| Coping with hundreds of telephone calls | 222 |
| Responding to calls from relatives | 224 |
| Case study: misinformation over mining deaths in Virginia – in a crisis no information is more important than correct information to families | 225 |
| The news release | 227 |
| Keeping employees informed | 228 |
| Using your website | 229 |
| The role of the emergency services | 230 |
| When it is all over | 231 |
| Summary | 232 |
| | |
| <i>References</i> | 233 |
| <i>Index</i> | 236 |