REPUTATION AND CRISIS MANAGEMENT TECHNIQUES FOR THE ENTERPRISE
INTRODUCTION

A couple walks into a restaurant. They have a nice meal. Everything seems fine, until the owner hands them a note condemning their same-sex relationship. The note is uploaded to the web. Public uproar ensues.

Put your personal opinions aside for a moment and consider this: if the above happened 10 years ago, how would the story unfold? Most likely, the couple would tell their friends and family about the incident. Maybe those people would recount the tale to a few more acquaintances. But not much would happen beyond this small circle of connections.

This singular experience would have very little impact on the business.

But it’s not 2005 and, for good or bad, we are now living in a world controlled by connected consumers – a world where every single customer experience matters. In this world, the business owner would see his name plastered across the web. He would also see his restaurant’s ratings plunge to a one-star rating – his business shaken – all because of one seemingly isolated customer experience.

Today’s connected customers are in charge of your brand.

Your company might not make the mistake of sending out mean-spirited letters to customers, but it will one day make a mistake. And if you don’t have a crisis management plan that takes into account the impact of social media, you’ll see more than just your ratings go down.
FIVE CRISIS PREPARATION ESSENTIALS

There is no one-size-fits-all approach to crisis preparation. Each organization is unique, so it’s best to evaluate the needs of your brand and industry to create a customized crisis preparation model. That being said, there are five areas that every organization should cover.

1. ASSEMBLE A CRISIS MANAGEMENT DREAM TEAM

Many companies don’t assemble a designated crisis response team until they’ve already gone through a crisis. But that’s like building the life raft when the ship is already sinking. So before anything else, determine who in your organization will be tasked with driving the crisis management process. Your crisis management team should include:

CRISIS TEAM LEADER

This is the conductor of your crisis management orchestra. As the leader, they’ll be accountable for deciding the course of action and the rhythm of the group. In a smaller company, this person will most likely come from an existing department. In a larger company, you might hire someone specifically for this role.

CRISIS ANALYST

You’ll need someone who can pull in data from social media and across the web. They’ll monitor the situation in real time, advising the team of spikes in activity and trends. They will use your social listening tools and summarize feedback from your social communities. Typical actions during major crisis situations are to provide executive-summary reports for management twice a day for 48 to 72 hours, as you work through a critical issue.
CONTENT SPECIALIST

This person will be tasked with documenting the crisis as it unfolds. This will help you:

- Develop (or update) your company’s crisis management handbook.
- Keep track of all the moving parts during a crisis.
- Conduct internal research if your team needs to develop a Customer FAQ.
- Escalate information gathering and work with internal subject matter experts (SME’s) in order to rapidly deliver accurate and succinct responses as new developments occur.

CRISIS COMMUNITY MANAGER

You might have a community manager engaging on behalf of your brand on a daily basis. But is that person trained to handle engagement in crisis scenarios? Your crisis community manager needs to be able to triage messages as they come flooding in – getting the right issues to the right people at the right time. They also need to be able to handle a barrage of frustration-filled messages, without letting their own passions run high. Social media channels need more TLC than ever during a crisis and your community manager needs to be up to the challenge.

2. CREATE YOUR CRISIS CALLING TREE

Put together a crisis contact list that includes the names, phone numbers, and email addresses of department heads and members of the crisis management team. Keep this list updated. During a crisis, the Crisis Team Leader will be responsible for activating different branches of this tree, pulling in more people as the crisis escalates. In addition to the main contacts, you might also want to consider having a backup person for each department. If your CMO is scaling the Himalayan mountains and has no access to the connected world, who will make the executive decision?

30% of executives don’t understand how to mitigate risk

29% of executives say they lack understanding of sources of risk

25% of executives say their company’s budget is insufficient

Source: MyNewMarkets.com
3. DEVELOP WARNING SIGNALS

Before a big storm, there are signs. The same is true for crises. And in today’s connected world, many of these signs will emerge through social media. That’s why it’s so crucial to have a social media platform that offers both volumetric-based and influencer-based triggers.

VOLUMETRIC-BASED

If there’s a spike in activity around your brand, your social platform’s alert system will fire off in-platform messages and emails to let you know something is amiss.

INFLUENCER-BASED

If an influential figure – news outlet, reporter, blogger, celebrity, etc. – mentions your brand, that could be the precursor to viral content. Your platform’s alert system should monitor for these messages, as they indicate looming viral stories.

4. CREATE A CRISIS SCORING MATRIX

Not all crises will warrant notification of your C-level executives. Some might only require issuing a public apology through your owned channels. Others don’t require a response at all. That’s why it’s important to develop a scoring matrix for your organization that outlines different criteria for different incidents, to help you determine the appropriate actions. During a crisis, it’ll trigger immediate actions – a domino effect that will help you expedite and streamline the crisis response.

A simple example of a scoring matrix is provided on the next page.

For small incidents that occur on a frequent basis – customer complaints, for example – your scoring matrix will act as a response guide. For the BIG issues, the matrix can help you decide whether to pick up the phone and call the SVP of PR, and how quickly you should notify them.

5. PRACTICE MAKES PERFECT

Your Crisis Team Leader should schedule fire drills twice a year in order to test the effectiveness of your crisis management plan. Not only will it identify gaps in your process, it’ll help you solidify or modify roles and responsibilities, build the team’s know-how in terms of crisis management, and enable members to work together effectively.

When scheduling a fire drill, make sure that it’s testing your organization’s preparedness under both normal and less-than-desirable circumstances. Your first fire drill could occur during regular business hours. The second drill, however, should take place during off-peak hours – and during a period when a key representative is traveling.

Your brand’s crisis might not happen under ideal terms, so it’s important to be prepared for anything.
### How to Set Up a Crisis Scoring Matrix

To set up your criteria, your Crisis Team should sit down to determine what items make the most sense for your organization. We recommend using yes/no questions, such as:

- Does this affect sales?
- Does this involve anyone on the executive team?
- Have any news outlets picked up the story?

Your Crisis Team should also come to a consensus on the weighting for each criterion.

When accessing a crisis situation, one key point to note is to always round your score up. If you’re anywhere near the threshold, consider it higher priority. Also keep in mind that every organization will have “wildcard” situations (e.g., when an influential celebrity talks about your brand), which will always be treated as high-priority items.
THE BEST THING YOU CAN DO IS... PREPARE

The best way to equip your team to resolve any type of social media crisis is by being prepared in advance. This involves:

- Identifying the risks that threaten your organization.
- Developing a plan to respond and resolve those risks if ever they materialize.
- Training your crisis and frontline teams.
- The element that is often overlooked: testing your crisis plan to make sure that it works well in practice, not just in theory.

The reality is that today’s crises unfold online and in real time. This means that before you’re ready to respond to a crisis, it’s already gaining momentum and the story is being told by others. Therefore, the sooner you can get in front of the story, the sooner you can enable your crisis team to respond and communicate your key message points to your stakeholders and audiences, and the sooner you can begin to regain control of the situation and salvage your organization’s reputation and bottom line.

Some key areas that you should assess and develop a strategy for prior to experiencing a crisis include, but are not limited to:

- Understanding the expectations of your key audience groups, including stakeholders, shareholders, the media, and the general public.
- Developing a plan and strategy to effectively meet those expectations in real time.
- Developing crisis communications strategies, such as: identifying the appropriate communications platforms for different crisis scenarios, developing a crisis hashtag strategy, creating a response flowchart and setting your team up with appropriate monitoring tools.

Today’s crises are amplified by social media and today’s crisis realities tend to work against you (for example, things like real-time communication and the viral potential of emotionally charged stories). The most strategic way to give your organization a fighting chance in a crisis is to prepare your team in advance.
BRAND CRISES HAPPEN AT TWO SPEEDS

There are two types of crises: Flash Fires and Rolling Disasters.

How you handle a flash fire will differ from how you handle a rolling disaster, so it’s important to know the definitions for both.

FLASH FIRES

These are one-shot crises where the proximate issue can be resolved quickly, although the repercussions may linger. The intern who accidently tweets from the brand’s account instead of his/her personal one. The disgruntled ex-employee with direct access to your social media accounts. These crises escalate quickly and massively, but are not likely to have longevity. These stories have the potential to go viral, but can be extinguished quickly if handled correctly.

ROLLING DISASTERS

These are your bigger brand issues, like a website hack, product failure, or data breach. Rolling disasters usually start offline, but will gain huge momentum due to social. Additionally, as time progresses, updates from news outlets will continue rolling in and more details regarding accountability and impact will unfold, requiring you to stay on top of the situation. Rolling disasters require long-term crisis management.
CRISIS PLAN FLOWCHART

Is this a threat to your brand’s reputation?

- no
  - resolve through normal process
- yes
  - Is this a customer care issue?
    - no
      - resolve through normal process
    - yes
      - Can the issue be resolved?
        - no
          - activate crisis management
        - yes
          - Can the issue be resolved within social channels?
            - yes
              - Will official statement be sufficient?
                - yes
                  - resolve, then document
                - no
                  - no response, but monitor situation
            - no
              - activate crisis management

Is this a high-priority issue based on scoring matrix?

- no
  - activate crisis management
- yes
  - ACTIVATE ROLLING DISASTER CRISIS PLAN

ACTIVATE FLASH FIRE CRISIS PLAN

Is official response required?

- yes
  - resolve, then document
- no
  - no response, but monitor situation
BEST PRACTICES FOR HANDLING A FLASH FIRE

KNOW CONVERSATION DRIVERS
A celebrity who tweets about your brand will pack more punch than the average Joe. During Mother’s Day, for example, 1-800-Flowers.com tapped superstar Justin Bieber for social promotion. As a result, the brand completely owned social media conversations during the major retail holiday. Influential figures won’t always take to social to say good things about your brand. That’s why your social media management system should offer influencer-based alerts that automatically help you identify and engage early on with conversation drivers.

GET THE BIG PICTURE
Crises don’t just live on social media. They can sprout from blog posts, news articles, etc. In order to effectively manage crises, you need to look beyond what your social communities are saying. This is where adopting a social listening platform comes in handy — your platform should look for conversations about your brand across the web as a whole. It should give you a big-picture view of your organization, products, campaigns, and even competitors.

LISTEN AND ACT
Today’s connected consumers don’t want you to just listen to their issues, they want you to act. Your social listening solution should not only monitor for conversations, it should also allow you to act upon your listening insights. If there’s an issue bubbling up, having listening integrated with the rest of your social media management will help you respond to conversations in real time. Integration allows you to take steps to ameliorate the situation right away, rather than just being a helpless observer.

ACKNOWLEDGE YOUR MISTAKE
Don’t bury your brand’s mistake. The truth will find a way, even if you delete the incriminating tweet. Apologize — the sooner, the better — and offer an explanation whenever necessary.

TELL THE TRUTH
Very often, in a crisis, people will add fuel to the fire by filling in gaps with rumors, suspicions, or what they think went wrong. Providing correct information, in a timely manner, is like the equivalent of denying oxygen to a growing fire. With that said, be sure to tell the truth and only the truth. The only thing worse than not saying anything at all is to say something false.

BE HUMAN
People want to hear from people, not brands. This is especially true in the event of a crisis. So in your responses, be honest, sincere, authentic and as human as possible. Humans are more likely to forgive other humans.
DO IT QUICKLY

In September of 2013, a British Airways customer became so frustrated with the brand that he paid for a sponsored tweet to vent to the brand’s 300,000 followers. The airline took nine hours to respond, blaming the delay on their Twitter feed being open “0900-1700 GMT.” News outlets and even competitor airlines commented on the tweet before the brand did — many criticizing the brand for its radio silence.

FLASH FIRE CASE STUDY:
THE ONION GETS RAUNCHY

The Onion is famous for its biting humor. A quick glance at any of their headlines and you can see that this publication isn’t concerned with being politically correct. But even an organization widely recognized for its inappropriateness can get into hot waters.

During the 85th Oscars, the company’s official Twitter account posted a tweet calling nine-year-old best actress nominee Quvenzhane Wallis a super offensive word (that we won’t repeat here.)

The tweet, sent out at 8:42 p.m. PST, quickly made the rounds on the social media. An hour later, The Onion deleted the offending message from its feed. But the damage had already been done.

HOW THE BRAND RESPONDED:

CEO Steve Hannah issued an apology Monday morning – less than 24 hours after the tweet was published. He was genuine, professional, and apologetic. It was the perfect PR response. One section of the apology did stand out, however: “We have instituted new and tighter Twitter procedures to ensure that this kind of mistake does not occur again.”

The problem here is that those Twitter procedures should have existed in the first place. We’re no longer in the infancy of social; rookie mistakes such as this shouldn’t still be occurring.

With proper workflows, that off-brand tweet would have been killed during the first round of approvals. Additionally, if the brand had a social media platform with automated monitoring, all outbound content would have been scanned for inappropriate language. The obscenity would have been flagged and routed to an approval queue, preventing it from ever going out.

The Onion handled the incident in an appropriate manner, but better governance have easily prevent this snafu.
BEST PRACTICES FOR HANDLING A ROLLING DISASTER

ACT LIKE ANTIVIRUS SOFTWARE

Antivirus software programs work in two ways: pattern based and anomaly based. Your Crisis Response Team must do the same at the beginning of a crisis.

PATTERN BASED:
The team compares the current situation against a list of common issues/problems (by leveraging the scoring matrix), then proceeds.

ANOMALY BASED:
Something out-of-the-ordinary is happening, so the team starts activating the crisis plan — listening, monitoring, unsure of exactly what the issue may evolve into but moving early, and reassessing as frequently as needed, escalating when necessary. This may sound counterintuitive, but if something is acting out of the normal at your organization, you can’t sit idly by and wait for the issue to reveal itself.

USE YOUR CALLING TREE

Notify people on your crisis contact list based on the scope of the issue. The more severe the problem at hand, the sooner and higher up you need to communicate. If it’s a low level issue, deal with it and then notify the necessary parties. If it’s Defcon 5, notify the senior level members of the calling tree and do so quickly using the agreed upon contact methods available to you. Telephone, text, email, pager, smoke signals.

DUTIFULLY GATHER INFORMATION

Find out the who, what, where, how, why of the crisis situation. Your crisis team content specialist should document all information as it comes trickling (or pouring) in. This will be critical for your first report to the team and when you review your crisis response later. During this time, it is also essential to think like an ace reporter. Be clear on the facts, identify the potential areas of investigation and always trust, but verify everything twice, to ensure that your company’s internal SME’s corroborate, if the topic is outside of your knowledge and comfort zone.

RELEASE AN INTERNAL REPORT

Your first report to the internal team (consisting of crisis team members and those activated in the crisis communication tree) needs to include answers to at least three of the following questions:

- What is the current state?
- Which teams/departments/units are affected?
- What is known?
- What is uncertain?
- What is completely unknown?
- How long before we figure out the uncertainties?
- What’s the frequency and cadence of additional internal reports?
• Do we need to hire an external PR agency?
• Do we need people to work overtime?
• Do we need to hire a third-party consultant?
• Should we respond publicly?

SAY SOMETHING... QUICKLY
Corporations don’t want to air their dirty laundry; most company policies are designed to prevent disclosure of private information. So the gut reaction for most brands during a crisis is to resist opening up. This only exposes you to additional brand damage.

If you don’t make a statement within the first 24 hours, the public will make one for you — most likely an unpleasant one — and this story will trump any story you release yourself.

Even if it’s only announcing that you’re aware of the situation and are looking into it, say something to let people know you’re taking steps towards a resolution. Doing so can make a difference to your shareholders, customers and key business partners as it also allows them to begin their own preparation as necessary, depending on your industry and business model.

FIND YOUR FRIENDS
Activate the key audience segments that care about your brand to defend you. A third-party influential figure or a group of advocates who stand up for you will mean far more to the public than anything you say yourself.

FIND YOUR DETRACTORS
Use your social listening to find your detractors and target them individually with counter messaging. If it’s an extremely disgruntled customer, engage with them and help them find a resolution.

DON’T FORGET ABOUT YOUR EMPLOYEES
Your employees are your greatest untapped resource during a crisis. Guide your employees in their effort to speak up for the company. Not only will empowering your employees to speak on behalf of the brand increase transparency within the organization, it’ll also carry positive messages about your brand into the community in a human and genuine way.

AUTHORIZE THE NECESSARY RESOURCES
Maybe you have an internal crisis management team sufficiently equipped to handle crises. But most likely, you’re dealing with something beyond your normal capabilities. Consider having a crisis consultant or PR team with crisis management experience on retainer to expedite the process. Make sure to appoint a clear Crisis Commander and make them responsible for determining proper escalation of the crisis, looping in the right people as necessary and moving communications along the pipeline.

KEEP TABS ON THE SITUATION
Continue monitoring conversations about your brand in the weeks and months following the incident. Stay aware of new stories popping up, old ones dying down, and the general trend of conversations.
LEARN FROM YOUR MISTAKES

Crises are learning opportunities. They show you how you can improve as a brand in terms of marketing, public relations, quality assurance – even operations. During the process, your internal best friend is documentation of the facts, decisions, and actions taken, so that your team can perform a proper post-mortem and review them later. Within 48 to 72 hours after the close of a crisis, while the facts are still fresh – yet after the critical moments have passed – you should take time to call out the wins and successes of your team’s crisis response. You should also identify gaps and areas for improvement. These self-assessment learnings should be used to mentor and train your team members, revise your crisis management plans, and establish new business policies that will help expedite proper issue handling.

ROLLING DISASTER CASE STUDY: TESCO MAKES THINGS WORSE

It’s never good to add fuel to the flame. If you’re already in the middle of battling a brand crisis, the smallest oversight could make things dramatically worse.

Tesco made that mistake in 2013. Earlier that year, The Food Safety of Ireland discovered horse DNA in beef products sold by Tesco, Aldi, Iceland, and Lidl. Of the four, Tesco’s products contained the highest levels of horse DNA – a whopping 29% in one sample. A media firestorm erupted and Tesco scrambled to salvage the situation. Things were already pretty bleak.

About a week after the horsemeat scandal, the company tweeted “It’s sleepy time so we’re off to hit the hay! #TescoTweets”

Up until that point, the brand had made zero references to the scandal – not even a public apology – on Twitter. In a matter of hours, the post went viral and thousands expressed their outrage and disappointment in the company.

HOW THE BRAND RESPONDED:

The team quickly issued an apology, telling those who were upset, “I’m terribly sorry. That tweet was scheduled before we knew of the current situation. We’d never intend to make light of it.”

That tiny oversight led to a second brand crisis. A few months later, Tesco announced that its Central Europe sales were down by 5.5%. Though the ill-timed tweet was probably not the sole cause of lost revenue, it certainly didn’t help.

During a Rolling Disaster crisis, tweets/posts/shares normally adhering to brand guidelines can still be deemed inappropriate given the situation. A social media management system with a “kill switch” would have prevented Tesco’s brand-damaging content from being published by halting scheduled content. Simply putting a hold on things and taking the time to re-evaluate can go a long way in keeping a bad situation from becoming way worse.
Lately I’ve been seeing an increasing number of social media crisis management articles written by ‘experts’ in my Google News search. I’d like to start by noting here that anyone who’d like us to think that they’ve got it all wired when it comes to managing crises in social media (or anywhere else for that matter) is full of hot air, because no one has it all wired. We’re all learning — with each and every issue to which we respond. That said, I’m amazed there are still some global brands that are not investing in a social media listening and issue response strategy. That oversight creates brand risk.

Having a solid social strategy to provide effective messaging during corporate crises is certainly a good thing, and focusing on outbound messaging is well and good, but having a process for responding should come first. To have a successful outcome, begin with a plan to fix the problems you find.

“Do good things, before you say good things” should be the mantra of all who seek to protect their brands in social. Focusing on fixing the issue at hand should always come before discussing how to best communicate.

Let’s look at what one effective response model might look like:

**IS THIS A MAJOR ISSUE? WHAT SHOULD OUR RESPONSE BE?**

Not every issue discovered in social is a crisis, nor does every item need to be responded to. However, issues discovered in social may be categorized in a variety of ways to help guide an effective response.

**LEVEL ONE: IMPACT UNKNOWN**

Let’s keep an eye on this and see if it gets any traction. Begin some targeted social media listening and see if anything develops.

**LEVEL TWO: IMPORTANT, BUT ROUTINE ISSUE**

There are negative comments in social that have gained, or are gaining, traction. If your organization made a mistake, or caused this issue, and an apology is called for — make it.

**LEVEL THREE: ALL HANDS RESPONDING**

An immediate response is required. The impact to customers and/or the brand is high. Launch (1) a team to fix the problem and (2) a campaign of listening and responding to let people know what you’re doing to fix the problem.

A basic, but coordinated, issue response program could take many forms, but the following page shows one way such a response could flow.
**ISSUE RESPONSE PROGRAM**

by Rick Reed

1. **IDENTIFY AND EVALUATE ISSUE**

   Once an issue has been identified, notification is immediately sent to a defined issue-management team at a group email account. The issue-management team reviews the initial facts and determines (1) whether there is a team already working on the issue; and if not, (2) determines others to notify and/or involve, such as PR, Legal or Social Media. If there is no other team currently working on the issue, an initial phone meeting is quickly scheduled.

2. **REVIEW FACTS / ASSIGN ROLES**

   After reviewing the issue in the first issue team meeting, a couple of key roles must be established. First, identify the issue owner. This person is the ultimate decision-maker for this issue. Then, name a single person through whom all issue communication will be approved.

3. **SHOULD WE ENGAGE IN SOCIAL?**

   Also during this first meeting, the PR and social media strategists should determine whether jumping into the social conversation with a direct response will add oxygen to the fire or remove it. Your obvious goal here is to only take action that will make things better, not worse. Part of this decision process is understanding what your organization is doing to fix the problem, then deciding if, and how, to best communicate. Once a decision to communicate has been made, a message delivered early on can help reduce the number of re-tweets about your issue. Something as simple as, “We are aware of the issue and are working to fix the problem.” can help to slow the momentum that would otherwise develop.

4. **NAME THE PROBLEM**

   At the first team meeting, I also recommend that you give the issue a name. Naming the issue and featuring it in the subject line of all subsequent email and meeting requests provides all involved with a visual flag that will stand out in the daily deluge of email that floods both our attention and inboxes.

5. **FIND ANSWERS TO STAKEHOLDER QUESTIONS**

   Assign a team to develop and maintain a Backgrounder or Question and Answer (Q&A) document, for use by PR, Customer Support and others as required. Of course, “socialized” versions of each approved Q&A will be developed for social media, eliminating the “corporate speak” commonly found in formal corporate communication documents. This Q&A sub-team should report to the single communications point of contact you named above.

6. **ONGOING MONITORING**

   Establish a regular and ongoing online listening program for the issue. Assign a person to lead the effort and report regularly. Revise the Q&A document based on unanswered questions from contact centers and social posts. Distribute the revised Q&A regularly to those responsible for answering questions on behalf of your organization. Ongoing social media monitoring may be a leading indicator for understanding when the issue is over.

7. **POST-INCIDENT REVIEW**

   Conduct a post-incident review to understand what went well, how you’ll better respond next time, and improvement recommendations. It’s really not rocket science, but it can be made to seem that way. While an effective issue-management program won’t prevent every issue, by following some simple steps you’ll be on your way to reducing the issue’s unintended consequences, and may emerge from the issue with an even stronger brand.
CONCLUSION

Whether it’s an inappropriate tweet or a business-damaging scandal, unfortunate events can happen to any brand.

Reputational crises, like natural disasters, can’t be avoided. This doesn’t mean leaving your enterprise ill-equipped and unprepared to handle the storm. It means doing your best to anticipate and manage the situation. It’s bracing for impact.

Developing a well-thought-out crisis management plan (one that’s designed with social media in mind) can be the difference between brand longevity and long-term brand damage. Expecting crises, assigning leadership roles, clarifying your decision-making process and learning from every scenario – these are proven methods for maturing and developing resilience to the challenges that come in the course of today’s social business climate.
about sprinklr

Sprinklr is the most complete enterprise social technology in the world, purpose-built for global brands to drive business outcomes and manage customer experiences across all touch points. Called “the most powerful technology in the market” by Forrester Research, Sprinklr’s fully integrated social media management software powers more than four billion social connections across 77 countries. Headquartered in New York City with more than 900 employees globally, Sprinklr is revolutionizing customer engagement for more than 1000 top enterprise brands, including IHG, Intel, Microsoft, Samsung, and Virgin America, and partners like Deloitte, Accenture, R/GA, Golin, and AKQA. For more information, visit sprinklr.com or tweet us @sprinklr.