

Written remarks by Jim Goldman

Ladies and gentlemen, thank you for giving me the opportunity to speak with you today about something so critically important, and something that I have now had the rare opportunity to experience from two very distinct vantage points: Crisis communications for the majority of my career as a journalist, and for the past two and half years as an executive with the top public relations agency in the space.

I'm going to spend some time today on a kind of crash course in crisis management with a heavy emphasis on the digital tools now available to all of you; the kinds of things that can contain and control a situation in a way really never possible before.

I think we'd all agree on the absolute necessity of preparation and messaging; we get that. But we also need to understand that Twitter and Facebook and Tumblr and even Google and something called S-E-O, or "search engine optimization" are our friends, and if we know what they are, what kind of traffic they generate, who goes there for information and how to address these audiences, these sites and technologies become our allies in the battle for control and containment.

I thought today I'd offer up some perceptions around some of the crises I've been involved with. And no, while I can't mention specific client names, I can talk about some of the corporate crises I've covered, and share with you some of the lessons learned across all of these situations that might be valuable in the circumstances

you face, or the circumstances you might be facing. And then if it's ok with you, I'd like to open this up to questions. I hate lecturing. Much better at something a bit more interactive so bear with me.

The very nature of crises has changed, and rather dramatically, thanks mostly to the internet and the way the news is covered today. Today's news cycle magnifies, dramatizes, provokes and exaggerates stories. The sense of urgency is everywhere. Yesterday's snarky piece of gossip is today's headline grabbing expose, leaving individuals and companies scrambling for cover. I can tell you that at CNBC, when I first arrived, the job was very much about storytelling. By the time I left just a couple of years ago, another one of those faces in a box on the screen, storytelling had become story-yelling. Somehow, the louder you were the more relevant you must be; the more provocative you were the more insightful you must be. "News" was not the news as I had remembered it.

From a news standpoint, every story has the potential for scandal and controversy. The net makes it worse. And when you're talking Twitter, and those pesky 140 characters you get, context is a luxury no one has time for anymore. News reporting has become news analysis at best/gossip at worst, all of it masquerading as news reporting. Opinions matter; a reporter's job has changed – and significantly. Everyone with an iPhone is a potential reporter, able to post blogs and video on the net and instantly attract a massive audience. So, professional reporters have to offer more; establish their own brand and reassure editors, producers and their

audiences that they are more valuable than others who are electronically capable of doing much the same thing. You can thank the internet for all this and in many ways it's unfortunate.

I'm sure there are a lot of golfers out there in the audience and you know as well as I do that when you pair up with a really good golfer, you tend to raise your game. You play up to their abilities. Sadly, in today's media market, that doesn't happen as much as you'd hope. Bloggers play by their own rules and professional reporters are forced to keep up. Instead of dragging some bloggers up to a higher standard, reporters today are dragged down to a lower one, and it becomes a race to the bottom. Conventional rules – source development, multiple source confirmation, being right instead of just being first, are out the window.

And that makes our jobs, your jobs, that much more difficult. The knee-jerk reaction in times of crisis is to respond, to answer, to contextualize, to mitigate, to control and contain. And while we want to be ready and prepared to do all of those things all of the time, many of those things are only necessary a fraction of the time. Sometimes no response is the best response: Starving the beast instead of feeding the beast, and with the net, and digital messaging, that's a tough strategy to adhere to.

Here's an example: Let's imagine for a minute that a Tweet suggests some scandalous behavior by Port officials involving a misappropriation of funds and it

percolates up to the executive director's office. Do you respond? If so, how?

Where? How detailed? Conventional crisis management might suggest no response at all since it's only a single Tweet.

But who is the Tweeter? How many followers do they have? Who are those followers? How many times is the Tweet in question being re-Tweeted?

Conventional crisis management is out the window and a digital game-plan needs to be at the ready. Once we know who the Tweet is coming from, and can contextualize it from an audience standpoint – the Net is great for data analysis and aggregation – we can create the appropriate and measured response.

Better still, since we'll have an understanding of the various audiences we're talking to, we can, if necessary, create tailored messages to those constituencies. If we deem the Twitter conversation truly a threat, with a real expectation that the message will spread, we can launch a Twitter campaign of our own. It might be a single Tweet today, but if it captures the attention of, say, a Wall Street Journal reporter, or a Federal regulator, and they begin asking questions, that single Tweet all of a sudden spawns some pretty sharp teeth – and a possible crisis.

Critical to any digital response is linkage, and a consistency of message. Once we have tailored our Tweets to specific audiences, we want to make sure we link those Tweets, or provide links from those Tweets, to a blog posted on our website. Maybe we reference more information on a Facebook page we already have, or create as an

answer to these circumstances. Maybe there are other, third party advocates we can enlist to help us tell our story more completely with their own Tweets, blogs, Facebook updates and digital connections to their own audiences. As we create and deploy these assets, we can aggregate all of this material into a special blog-and-post-page on Tumblr. Sometimes we'll agree that a starve-the-beast approach is the best way to go, but it is so important to understand these tools. We also want to make sure that a key group of your employees understands the effectiveness, the reach, the power of these avenues so that (1) if they're communicating or posting information on their personal sites they know what the ramifications might be, and (2) if they're updating information on the organization's website – and have been properly trained to do so – they understand just how critically important these communications outlets are to an ever-growing and far flung community.

This is the age we live in now, and embracing the notion that these are the communications and information platforms that are top of mind and not an also-ran, can help you get your arms around a crisis more quickly today than ever before.

I've covered hundreds of crises, from devastating lawsuits, to criminal behavior in the boardroom, to horrific violence in the workplace, to product liability cases and in one case, a well known venture capitalist caught soliciting a child for sex online. I covered quite a bit.

In many of these cases companies and individuals didn't have any plan. I sensed during the time, and proved the point later, that most companies I covered

developed their plans as they went along. Building the aircraft in flight, as it were. And it hurt them. Their lack of preparedness, their failure to grasp the seriousness of the situation, or to understand what I needed as a reporter, or who it was they really needed to address and how, colored my coverage, raised the threat level, exacerbated a bad situation into a real crisis. And in many cases, unnecessarily so.

During the last couple of years, I've had a decidedly different vantage point. If reporting gave me a front row seat to the stories of the day, then this job has given me a backstage pass: If companies face a crisis, they tend to bring us in hopefully far earlier than when the news is breaking. At least you certainly hope so. Some companies come to us looking for a way out; I constantly preach that we, that I, am capable of giving you a path through. Some companies are looking for a way to make it, whatever "it" is, go away; I can offer more of a chance to fix it, to mitigate it, to address it and work through it but depending on the crisis and its seriousness, and thanks to Google and Bing and Yahoo, it'll never just "go away."

Surprisingly there are some pretty simple steps every company, every organization, should take to at least begin the process and have procedures in place to address a crisis as it develops. Crises vary dramatically: Everyone here works for significantly sized organizations with hundreds, if not thousands, of employees. And while we all want to think that every one of our colleagues is morally, ethically and legally balanced, we all read the newspapers, watch the news, read the web, and know it

simply isn't true. Borrowing that Boy Scout phrase of always being prepared, being aware, is that critical first step toward getting through a crisis.

A company in control in spite of "out of control" circumstances gets a better shake from the media than those who do not. Carnival Cruise Lines last week was a disaster on so many fronts; Boeing's 787 Nightmare-Liner a mess; The Nasdaq and the Facebook IPO. BP a few years ago during the spill in the Gulf was a mess. These are all financial crises and the companies affected by them should have been ready. They weren't and they're paying the price.

Livestrong in the wake of the Lance Armstrong news; Domino's in the aftermath of a few employees doing disgusting things with pizza prep and then posting it to Youtube; Tesla and its negative New York Times review: These are just a few companies that had plans in place and made it through their challenging issues to emerge stronger on the other side.

So with all that as a back-drop, let's talk a little bit more about crises and what every organization should be doing to get up to speed. Getting started, the 4 c's of a digital crisis communication plan: We conceive it; we communicate it; we control the circumstances and we ultimately contain the crisis. The fact is, crisis craves structure. Game plans, check-lists. It comes down to structure and it hinges on having these components in place BEFORE a crisis breaks. Not too many aircraft are built mid-flight. I can tell you now as a reporter and as a crisis advisor and media

relations counselor, consistency of message and the orderly sharing of it makes a huge difference in how the news is covered.

In order to create the message, companies need to convene the team. In your case, that means your board, your executive director and top staff, inside and outside counsel and your top external affairs executive, the person who has those relationships with the media, understands the landscape, and has a very good idea as to how the story will unfold, how long it's likely to dominate the news cycle, and how best, given those relationships, to message and mitigate.

From there, it's time to implement and that means tactics. Once we create the message, we want to anticipate where the media is likely to go with the story. This applies as much to a workplace violence scenario as it would a workplace corruption circumstance. If we know where the media is likely to go, we can craft the likely questions – and the most appropriate answers – and put them together in a Frequently Asked Questions document that can be posted, distributed, and used as a communication tool. It not only provides a baseline script to work from, it organizes, codifies and creates a consistency of message so there's no confusion and the right topics are being addressed with a confirmed, vetted and approved message line.

From there, it'll be time to share some personal reflections by the highest appropriate level executive we can put forward. An open letter to the community, to

the staff, a blog that includes personal perceptions is infinitely more effective than the traditional press release. A blog gives your constituencies the appearance of access to the story they may not otherwise have. A press release is impersonal; a blog post or a letter is more conversational, genuine, authentic – and ultimately more credible. It goes through the same vetting process, and has the same set of legal eyes on it before it gets released into the wild, but the style is infinitely more approachable, more real. And you see there, that term “vlog.” No reason in the world why that top executive can’t record a brief video of his comments addressing whatever scenario is unfolding, and show constituencies who is speaking; a way to show emotion, another way to connect with your audience. The power of the net, an effective digital strategy, can give your audiences access – or the appearance of access – where they otherwise wouldn't have it.

After all that, it might be helpful to have others do some of your bidding for you. Maybe there are customers, or trusted partners, or industry analysts, or business professors or members of the community who can sing your praises in the form of op-eds, blog posts of their own, media interviews. Testimonials like this can be very valuable.

And then, after the messaging marketplace is suitably tenderized, it might be time to do media interviews. Maybe. There always seems to be a rush to do media. As a reporter, covering a crisis, it never made sense to me why companies WOULDN'T want to talk. As a reporter-refugee, and now a PR guy, it rarely makes sense to me

why a company WOULD want to talk! The fact is, there are so many incredibly effective ways to communicate without the media that press interviews may indeed be a method of last resort. Not always. There is certainly power in using the media to get a message out, and depending on the kind of crisis, media interviews might be the very first thing a company wants to do: Think product recall, or consumer endangerment, or a workplace violence scenario in progress where instant, broad-based communication is an absolute necessity. But the decision to go to the media, understanding the risk/reward equation has to be discussed first.

I mentioned Vlogs earlier, the video blog: Just a word on video. It can be powerful. As powerful as a blog statement can be versus a traditional press release, a video statement can be that much more so. And video can be used in a variety of ways. The video blog; talking to reporters via Skype and not just on the phone; offering reporters the chance to do part of their interviews via a smart-phone camera so they can embed video to their online posts to show another dimension to their coverage. Organizations so often miss the chance to personalize the crisis by putting a face on it.

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Then, the Domino's example...

Listen to what he said, and to whom he said it: Shareholders, Customers, Employees. In times of crisis, everyone wants to know everything, and companies and organizations can devolve into panic mode, focused on one group at the expense of others. The good organization, the good corporate citizen, is speaking to all these groups at the same time. Crisis can shake confidence. Your job is to maintain control, stabilize confidence, and reassure ALL your constituencies.

The fact is, in a crisis situation, the stakes are higher for you, and the media covering you. Expectations change. The view of your brand might change, or be at risk of changing. And it's not just media: Stakeholders hear differently; process differently. Reason itself can be challenged and now whatever message you're trying to share is filtered through emotion, fear and maybe anger. Attention spans diminish and decisions and opinions are based not on a full picture but on the details as they emerge. And the questions you, the media, stakeholders, employees begin to ask include: Should I worry? What should I do? Is someone looking out for me? Is this a bad company? A good company? Critical questions all and while good messaging can't answer all of them, it's the tool your key constituencies will use to help them formulate their answers – the answers with which we'll all likely be much more satisfied.

The bottomline, after all this: Plans change from one company to the next, one organization to the next, one crisis to the next, but the building blocks remain the

same, and the notion of having some sense of a plan to begin with doesn't change. Simple steps are completely transferrable from one event to another and the nimble, flexible organizations that can tailor these building blocks – because they have them at the outset – are the ones who don't avoid a crisis, but the ones who can successfully navigate through them.

I'm so pleased to be here today and I'd be happy to take your questions.