

CRISIS MANAGEMENT - IS THERE A TIPPING POINT?

PROTECTING
YOUR COMPANY'S
REPUTATION
IS AN ONGOING
BUSINESS PROCESS.

If you are in business or run an organisation, you know or will quickly learn what your tipping points for growth are.

Sometimes it is self-evident through your sales figures and the ongoing demand for your product or services. But what about the tipping points for managing your risk exposure – or crisis management? At what stage should a business or organisation decide to start protecting its hard won reputation?

The simple answer is as soon as you or your organisation is open to criticism which you have little control over.

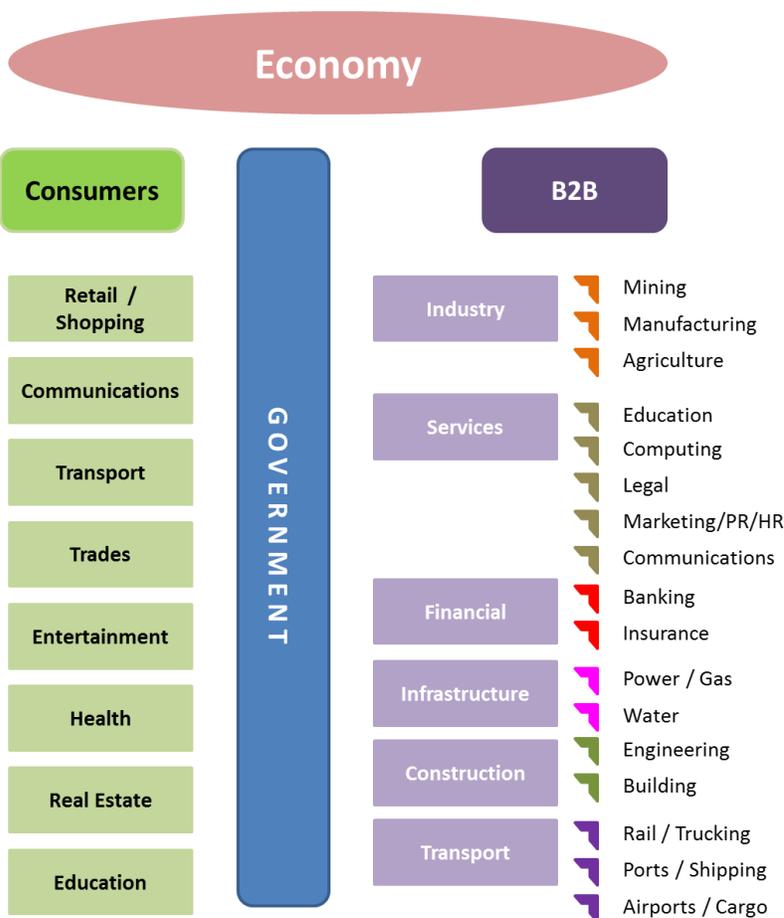
The next question that we often hear is “but how much will it cost; we can’t afford that type of help”. Our common response being: “Well, what price do you put on your company’s reputation? Followed by: “What if the criticism sets your business back for months at a time or even risks its closure?”

Of course it is the big end of town, in particular the minerals extraction and energy companies that have demonstrated the way forward. This is not surprising given the sectors’ early safety and environmental records were not great which then, and still, attract a lot of media regularity and community interest.

My experience is these operations are now better than nearly every other industry sector in not only their stewardship of people and the environment, but in the way they prepare to manage reputational threats and engage their communities and stakeholders.

The Australian economy is a complex beast, but there are some sectors that continue to have a laissez faire attitude to risk management and are then gobsmacked when they face an incident to discover just how totally unprepared they are to manage communications.

To put this into context, the nation’s economy can be separated into three broad sectors: business to consumer based, government, and business to business.



Government tends to be reasonably well aware and ready for incidents and crises; it's the other two where gaps appear.

This is particularly apparent in the medium sized business category, that is, those companies and organisations employing between 20 and 200 people; businesses and organisations that have grown through rapid expansion or tight control of the bottom line. In Western Australia, according to the Small Business Development Corporation, this category amounts to more than 6,700 actively trading businesses.

Of particular note for these entities is the omnipotence of social media which has elevated this risk faster than any other single factor in the last decade; it means that the reputation of a business or organisation can be cruelled very easily, particularly if you have a presence on these platforms, or if your activities or products are likely to attract comments on social media.

Unfortunately these businesses are regularly the ones that don't believe they are big enough to warrant a full time resource to manage their exposures. In a number of cases this is entirely true, but the very fact that they do not have any expert support in terms of preparation or back-up represents a serious risk point, in particular their ability to manage communications in the event of an incident.

It's not complicated, nor is it expensive to institute a basic 'defence perimeter'. In the case of B2B for example, is there a one-stop list of key customers and government agencies that might need to be contacted? Is there a 'holding' statement that can be quickly updated and issued or posted on-line? Does the company's leadership team know who will be the official spokesperson and is there a nominated 'vice-captain' if they're not available? Have either of them had any practice?

If none or only a couple of these exist within your organisation (and there's plenty more) then maybe it's time to have a conversation with your HSEC Manager or at least the person responsible for communications. Alternatively, or at the same time, invest in no more than a telephone call to external professionals in the field.

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