

# Panic about the Coronavirus: Steps Companies Need to Take to Address Investor Fallout

*Edward Segal, Crisis Management Expert*

Panic about the COVID-19 coronavirus among investors is spreading faster than the disease itself. Businesses and organizations that have been affected by the virus – or soon will be – should heed the words of former British prime minister Winston Churchill: “When you are going through hell, keep going.”

I dealt with a series of crises as the CEO of two trade associations and, as a public relations consultant, have counseled scores of clients about what to do and how when a crisis strikes. Here’s my advice about the steps publicly-traded companies impacted by the crisis should take as the virus and the panic continues to spread.

First, don’t add to the panic of your investors. Everything you say and do should help provide as much confidence and accurate information as you can.

Get the facts. Follow the latest news and developments about the virus. Keep a close eye on how COVID-19 is affecting any and all aspects of your business, including sales, inventory, customers, and employees.

Communicate. Tell investors, analysts, and influencers in your industry exactly how the virus is affecting your company and what you are doing or will be doing. You should be the reliable source of credible information about how the disease is impacting your business. Don’t minimize or sugar-coat the bad news. Remember that stockholders and others can get their information about your company – or the wrong information –

from a variety of sources. And always tell the truth – no matter how much it may hurt. Otherwise your credibility, and the trust investors have placed in your company – will suffer.

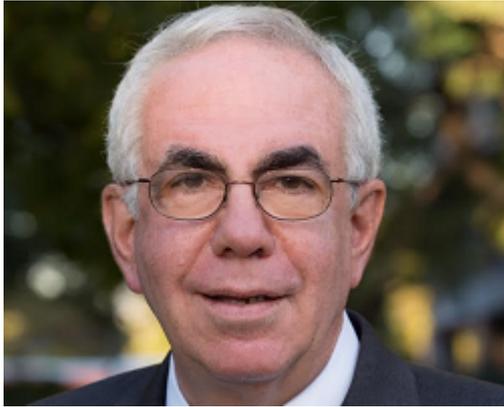
Be transparent. Post information, updates and key messages about the affect of the virus and your company and steps to address it on your website and social media platforms. Prepare, post, update, and share with investors, employees, and the media a list of frequently asked questions about the virus and how it is affecting your company. If appropriate, establish a 24/7 hotline as another way to help answer questions or concerns from worried stockholders or other investors.

If you have a crisis management plan, follow it, and test and update it on a regular basis to address the current situation. If you don't have a plan, get one now. Letting people know that you have a plan for dealing with this or any other crisis can help provide a level of confidence that you know what you are doing and are doing it in a logical, comprehensive, and coordinated fashion. Put yourself in the shoes of your investors: if you were them, what would you want to know about how you are dealing with the impact of the coronavirus?

Get the help you need. This is not the time to wing it. If there is any aspect of your crisis management plan for which you need help in implementing, don't hesitate to bring in the expertise you need to get the job done, and get it done right.

Stay ahead of the curve. As the crisis continues, work up your own confidential and worst-case projections about how the virus may impact your company, and plan your next steps accordingly – including how you will bounce back after the crisis is over.

But don't assume the coronavirus crisis will end soon. You and your investors may be in for a long and bumpy ride.



**About the Author:** Edward Segal is a crisis management expert, consultant, and author. His new book on crisis management – *Crisis Ahead: 101 Ways to Prepare for and Bounce Back from Disasters, Scandals and Other Emergencies* ((Nicholas Brealey) will be released as an ebook April 21 and as a paperback on June 16. They can

be ordered at [https://www.amazon.com/gp/aw/d/B0827JK83Q/ref=tmm\\_kin\\_title\\_0?ie=UTF8&qid=&sr=.](https://www.amazon.com/gp/aw/d/B0827JK83Q/ref=tmm_kin_title_0?ie=UTF8&qid=&sr=)

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