

Three Simple Crisis Communications Rules to Live By (PwC Just Followed The Playbook)



Simon Erskine Locke, Founder & CEO, CommunicationsMatch

During more than two decades as a corporate communications leader at major financial services firms around the world, I developed a simple set of rules that have served as my guide to managing through crises and life.

The approach PwC used during the Oscars envelope gate crisis is pretty much a textbook example of the principles in action.

First and foremost, it's important to recognize that a crisis is generally the result of a business problem, not a communications problem. Fix the problem and communicate effectively and the crisis goes away.

In this context, negative coverage is not a necessarily a measure of the effectiveness of communications, but a reflection of the issue a company is dealing with. A lack of engagement with the media, adversarial response or poor messaging may well lead to a crisis becoming a communications problem.

Of course, in a crisis nothing is simple, because no two are alike. The rules I use have provided an effective framework to

focus on what's important, address the source of the crisis, and over the longer-term reduce the likelihood of a repetition.

They are as follows:

- 1) *Identify/acknowledge the problem*
- 2) *Fix it*
- 3) *Learn (and implement) the lessons from the experience*

Identify/Acknowledge The Problem

While simple in concept, this is not always easy. A plane or market crash may be the immediate issue, but ultimately it is the cause that is most important to understand. Until that is understood and addressed, it will be difficult to move beyond the crisis.

When it comes to regulatory or product issues – “corporate ego” may blind or prevent a company from identifying, or potentially more importantly, admitting the problem. When money, legal liability or reputations are on the line and corporate culture is strong, the ability to acknowledge an issue may be hard, but it is necessary. For this reason, the ability to “check your (corporate) ego at the door” in a crisis and being prepared to stand up to lawyers to do what is right are critical. Sometimes, bringing in external crisis communications consultants may be the best way to provide the dispassionate perspective and impartial guidance required.



In PwC's case the issue was clear – they gave the wrong envelope to Faye Dunaway and Warren Beatty and announced the wrong winner of the best picture. The company was quick to admit their error, contrite and said they would conduct an investigation.

Fix The Problem

Fixing the problem may be easier than admitting it. More-often-than-not, companies get to this point after they have seen the cost of not addressing an issue. The impact on a company's reputation, stock price, lost business and fines are always far higher the cost of resolution.

A fix must address the underlying issue or at minimum detail a process that gets the company there. This should be a fundamental part of managing a crisis, because it addresses the core reasons why the crisis happened in the first place.

Wells Fargo is a case in point. Fraudulent sales were the result of pressures placed on employees to meet unrealistic sales goals. Firing sales staff without addressing the underlying cause (managing sales goals), made the issue far worse.

It may be tempting to take half measures or be vague – but it is always a mistake to underestimate stakeholders, clients and the public. They will see through obfuscation.

Again, returning to PwC, part of the issue was in the short period of time when the problem could have been mitigated, the people involved froze. Eventually, the problem was fixed and the right winner was announced, but the damage was done.

Learn (and implement) the lessons from the experience

Learning from crises may be obvious. In the glare of the spotlight it's easy to focus on the short-term fix and miss the bigger picture. Afterwards, it is tempting breathe a sigh of relief and move on. This is always a mistake.

It is essential to address as far as possible both the causes of the crisis and learn any communications lessons. Communicating the steps a company will take to address the root of the problem goes a long way to rebuilding public trust

and moving on. Getting sanctioned by regulators a second time or being found not to have addressed issues your company claims to have fixed, sets you up for a far worse outcome.

This is where PwC have been very effective and transparent. They shared the steps they have taken to avoid a repetition of the problem that occurred on Oscar night. The combination of acknowledging the problem, fixing it and then putting in place protocols that learn from the experience to minimize the chance of repetition are likely reasons why their relationship with the Oscars will continue. They deserve a lot of credit.

Humans are imperfect (as is technology), so it's important to plan for crises, but even more important to respond quickly when they happen. Providing good advice to management at these moments is critical, as is, knowing when to call in experts. We have industry leaders in this area listed on CommunicationsMatch.

When things get hot, having some simple basic steps to follow can be invaluable. This can be applied in our companies, as well as in our own lives. In fact, on a personal level, these are rules I try to live and manage by.

***About the Author:** Simon Erskine Locke is Founder & CEO of CommunicationsMatch™ a communications-industry focused search tool that makes the process of finding PR and communications-related agencies more efficient. Search is free as is listing for qualified agencies. Watch our introductory video. With more than 4,600 U.S. and International agencies and professionals listed, CommunicationsMatch is a powerful resource for businesses seeking communications services providers with expertise in areas including: public relations, internal communications, government affairs, investor relations, content marketing, social media, SEO, website development, photography and*

video. Prior to founding CommunicationsMatch, Locke held senior Corporate Communications roles at Prudential Financial, Morgan Stanley and Deutsche Bank and founded communications consultancies.