Crisis Management:

Using the power of communication to maintain business continuity





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Crisis Management: Using the power of communication to maintain business continuity

Every organization is vulnerable to experiencing a crisis. A crisis can happen at a moment's notice, causing confusion and stress and putting brand reputation and stakeholder relationships at risk. How an organization and its leaders respond to a crisis can have a long-lasting business impact.

Effective crisis management requires organizations to anticipate potential crisis scenarios and quickly respond when they happen. Organizations that prepare well for crises and ground their response in purpose, mission and values will be bestpositioned to recover from a crisis, maintain business continuity and successfully emerge from the situation.

Communication is foundational to crisis management. When used effectively, it reduces uncertainty, engages stakeholders and moves the business forward with purpose and clarity. Organizations that integrate thoughtful, proactive communication strategies into their plans can more successfully sustain stakeholder trust and loyalty to protect and preserve their brands. This guide outlines the four phases of Beehive's crisis management and business continuity roadmap:



READY: Identify likely crises and prepare a plan for managing them

RESPOND: Activate the crisis management plan with timely, consistent and authentic communication **RECOVER:**

Take time to understand how expectations have changed and what is needed to move forward RESTORE: Move the business forward with confidence for sustained growth

$\rightarrow \mathbf{Phase 1: Ready}$



Having a crisis management plan in place significantly improves an organization's chances of successfully navigating a crisis. A thorough plan enables companies to quickly and thoughtfully assess a situation and choose the appropriate response strategy. Organizations prepare for potential crises by identifying key risks and high-potential crisis scenarios, then designing plans for managing them.

Preparing an authentic response strategy requires an organization to know its customers, employees and other stakeholders well so it can meet them where they are. Proactively managing and nurturing stakeholder relationships allows the company to start from a place of trust should a crisis occur. This foundational trust will go far to protect the brand, sustain relationships and support business continuity.

Ground plans in purpose and organizational values

It's important for organizations working through the *Ready* phase to take a step back and gain a clear understanding of the current market landscape. Employees, customers and communities expect more from businesses than ever before. Recent research from LinkedIn found that nearly three-quarters of employees would take a pay cut to work for a company that has a mission they believe in and shared values. At the same time, sixty-two percent of consumers that responded to an Accenture survey said a company's ethical values and authenticity drive their purchasing decisions.



THE KEY TO CONNECTION FOR CRISIS-READY LEADERS

Leaders set themselves apart in times of crisis when they use their head and heart to respond, communicate and connect. Taking time to understand the varying needs of stakeholders — and responding accordingly — helps ease uncertainty, worry and stress. Factual messages that use clear language are essential. When leaders communicate clearly and speak from the heart to demonstrate empathy, they make deeper connections that strengthen trust. People want to work for and buy from companies that stand for something and demonstrate authenticity. This requires organizations to know, clarify and communicate their reason for existence (purpose or mission) and the values they agree to live by every day. This is especially important during crises when organizations and their leaders are under intense scrutiny by stakeholders who expect companies to be genuine, transparent, caring and driven by purpose. These behaviors establish trust, and trust is critical in times of crisis and beyond.

How to build a crisis management and communication plan

Organizations building their crisis management plan and supporting communication strategy should follow these important steps to effectively prepare for a potential crisis.



Identify key risks and high-likelihood crisis scenarios

Start your crisis management plan by identifying the key risks and high-potential crisis scenarios for your business. Examine each situation to clearly define the events or triggers that would activate a crisis response for your organization. These could include natural disasters, data breaches, public health concerns or workplace incidents. Match the correct level of response to the severity of each type of crisis. In an actual crisis, an organization would determine its severity by assessing the overall impact the crisis has on the business.

Develop crisis-ready leaders Strong leadership is always import

Strong leadership is always important, but it is especially important in times of crisis. An organization can prepare its leaders for a crisis through coaching on how to step into their defined roles and respond with transparency, clarity and confidence. Effective crisis response is a skill that any leader can learn with good coaching and practice.

X ↗ Build an immediate and long-term response plan

- O^{..} × A crisis management plan should include both an immediate and long-term response plan. It should explain how the organization intends to use communication to manage the crisis. The plan should also include:
 - A dedicated response team with clear roles and responsibilities for crisis management and communication
 - A complete internal and external stakeholder inventory, including preferred communication channels for each audience
 - Designated, crisis-ready spokespeople and leaders and identified external experts (e.g., legal, public relations)
 - Prepared, templated materials that can be easily customized and distributed using previously determined communication channels
 - A monitoring and listening process to better understand the issue, follow marketplace conversations and evaluate how best to meet stakeholders where they're at

The plan and team responsible should align closely with the organization's business continuity and compliance groups to ensure an integrated response strategy that can protect all areas of the organization.



Refresh the crisis management plan often

The organization should keep its crisis management plan fresh, widely understood and active using drills and practice opportunities. Hold crisis training sessions to evaluate the plan's effectiveness in some of the high-likelihood crisis scenarios detailed earlier. These routine training exercises ensure the plan stays current, and the team responsible knows their role should a crisis hit.

A crisis management plan readies an organization for a crisis, providing the structure and preparedness necessary to navigate future crises with clarity and confidence.

> Beehive is here to support leaders with business continuity and communication strategies.

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CRISIS MANAGEMENT → Phase 2: Respond



A crisis management plan goes from being a preparedness tool to an action plan when a crisis hits. At this point, organizations move to the *Respond* phase of crisis management and communication.

Businesses will rarely have as much information as they'd like when responding to a crisis. A clear action plan helps responders confidently evaluate the situation and choose the appropriate strategy. The severity of the crisis, determined by the overall impact to the business, will drive the correct level of response. Organizations that respond quickly with transparent and truthful information are more likely to navigate a crisis well and strengthen trust with customers, employees and other stakeholder groups. If the company made a mistake, they should acknowledge it, explain how they will correct it and detail what steps they are taking to ensure it doesn't happen again. Open, honest and consistent communication is vital. Organizations can navigate the *Respond* phase with greater success and clarity when using the power of communication to its full potential. Embrace the communication strategies below for effective stakeholder engagement.

Listen and create a feedback loop

Responding to a crisis is as much about listening as it about sharing information. Take time to listen to customers and employees to understand how they're feeling and what they need. Listening shows that the organization cares. It can also generate insights needed to genuinely address stakeholder concerns and questions and avoid a tone-deaf response.

Make listening more than just a one-time event by putting feedback loops in place. Gather feedback from stakeholders by encouraging customers, employees and partners to submit their thoughts and opinions through various tools, channels and platforms. Invest in listening tools that help the organization assess the marketplace and customer sentiment online and in social channels. Feedback received from these listening methods helps the organization understand what its stakeholders are thinking, experiencing and expecting — valuable information to better guide the organization's response and actions.

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Show up authentically, transparently and consistently

Timely and transparent communication alleviates speculation and confusion. Organizations should avoid the temptation of going into hiding or saying nothing when a crisis strikes. Doing so leads to suspicion and loss of trust. Instead, organizations should show up for their customers, employees and communities by explaining the situation and the actions they're taking to move forward.

Continuing with consistent communication is crucial after the initial response, especially if the crisis is a sustained situation. Regular and proactive updates, even when there is nothing new to share, reduces the chance that people will make assumptions based on misinformation or fear.



GUIDANCE FOR CRISIS-READY LEADERS

The Respond phase requires leaders to step up and be visible with timely, clear and transparent communication. Leaders must be willing to talk openly with stakeholders to prevent incorrect assumptions and the spread of false information.

Keep information simple and factual

Communicating accurate information simply and concisely will also help reduce speculation and assumptions, especially when delivered calmly and confidently. The amount of information in a crisis and the speed at which it can change may be overwhelming and cause people to feel uncertain, anxious or fearful.

Delivering straightforward information from credible sources ensures that everyone understands the situation, is aligned with the organization and trusts what is shared. Reliable, clear and consistent communication is vital to maintaining business continuity and establishing stability.

Use a multi-channel approach — and adjust your messages

Organizations should refer back to their crisis management plan to review the preferred communication channels outlined for each stakeholder audience. Use a variety of channels to engage stakeholders by leveraging online, offline and inperson tactics.

Be mindful of the marketing messages distributed externally when engaging stakeholders during a crisis. Business must go on, even during a crisis, but auditing and adjusting marketing campaigns ensures the organization isn't distributing brand messages that stakeholders could perceive as misguided or opportunistic.

Organizations that respond effectively to a crisis will minimize damage and more quickly resolve the situation. In some cases, a well-managed crisis response can actually generate a higher level of trust among stakeholders. How an organization responds will impact how well they can recover and restore the business.

CRISIS MANAGEMENT Phase 3: Recover —

Successful crisis management plans lead organizations through the *Respond* phase and into the *Recover* phase. Companies enter crisis recovery when they start to feel stable again. As they emerge from the crisis, they can begin evaluating and possibly adjusting or reimagining how they approach and manage their business, interact with stakeholders and respond to marketplace needs. This process starts with leaders answering challenging questions, like:

- What is core and foundational to sustaining business going forward? What do we do now to ensure continued stability into the future?
- How has the crisis changed what employees, customers, partners, communities and investors need, want and expect now?
- How can the business emerge stronger as a result of the shifts that occurred during the crisis?
- How will our products and services be relevant and valued post-crisis? How might we adapt, innovate and evolve?

Answers to these types of questions will shape plans to protect business continuity, adapt operations and position the brand for the future. A crisis can challenge leaders to think creatively and solve problems in new ways. Tapping into that mindset can positively differentiate the business going forward.

Active listening is especially important during the *Recover* phase. Tools such as surveys, feedback channels, customer calls and social platforms provide valuable opportunities to learn. The feedback and data gathered from listening can help organizations evaluate if stakeholder expectations have changed, how things have shifted in the market and if market shifts have created new opportunities for the business. In some cases, organizations emerge from a crisis stronger than before by delivering an offering that addresses a new market need that leapfrogs what the competition is doing.



GUIDANCE FOR CRISIS-READY LEADERS

The *Recover* phase is an opportunity for leaders to demonstrate progress and shift to a more forward-looking view. Encourage employees to contribute by sharing input and ideas on how the organization can recover, move forward and evolve. Use communication to maintain stability, instill confidence in the future and inspire a refreshed vision. Many companies rush the recovery process, eager to return to business as usual. Without clear and consistent communication, customers, employees and partners may be left feeling unsure about what to expect from the organization in the future. This stakeholder uncertainty can impact how quickly and effectively the company can restore business. Keep the following communication strategies in mind during the *Recover* phase to maintain focus and clarity.

Continue proactive communication — even if it feels repetitive

An organization that used transparent, authentic, honest and consistent communication during the *Respond* phase will have an easier time recovering from the crisis. Yet, even as the company stabilizes, there may still be uncertainty among key stakeholder groups. Continued proactive communication is crucial during the *Recover* phase as well. It can define and articulate the company's future vision and keep stakeholders informed about the organization's stability. Messages may start to feel repetitive, but this consistency is vital.

Tailor messages based on the audience

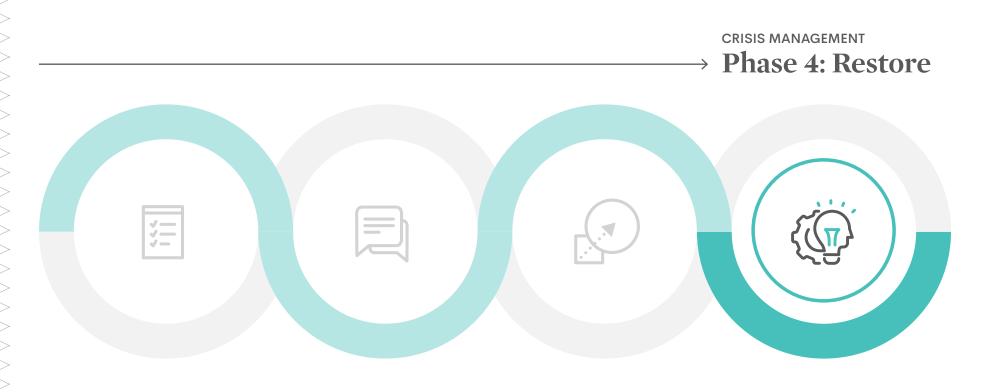
The messages an organization uses to communicate stability will typically differ depending on the audience. For example, internal communication may focus on how the organization will think and act differently as a result of the crisis and go-forward market needs. Leaders may reach out to motivate and engage employees by demonstrating their role in the organization's future. Companies often adopt change management communication strategies here to lead the organization through change. Externally, communication may continue to acknowledge the crisis but start to signal how things will be different going forward. External messages may convey support — letting customers know the organization is still there for them — and prepare them for what to expect when the company reaches the *Restore* phase.

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Meet stakeholders where they're at

A crisis can be very stressful. Each customer, employee, partner and community member responds differently. Respect these differences by acknowledging the worry, anxiety or uncertainty the crisis caused and communicate with empathy. Strengthen emotional connections between stakeholders and the brand by meeting people where they're at and avoiding rushing them through the process. Leaders during this phase should be present, engaged and focused on organizational values. Regularly sharing updates and checking in with teams is especially important during this phase.

The *Recover* phase is an opportunity for businesses to reimage their future. Communication is essential to continue moving the business forward and bring its future to life. Companies that give the business time to recover — while continuing to engage stakeholders — will be in a strong position to restore it.



The final phase of Beehive's crisis management roadmap, *Restore*, begins once an organization can shift its focus to be less on the crisis and more on the future of the business. It is a moment when leaders feel clarity about the organization's future direction, and have the operational and <u>emotional bandwidth</u> to work toward this future instead of focusing solely on regaining stability following the crisis.

Common signals that it's time to make a shift from *Recover* to *Restore* include the slowing of crisis-related media inquiries, stabilization of hiring and retention metrics and upticks in business metrics, including sales and customer retention.

Restoring a business after a crisis does not necessarily mean returning to business as usual. Crises often create new normals for organizations — and arriving at this new normal is not always a linear process. Organizations may take one step forward, then need to retreat backward. This phase is about delivering on promises made during the response and recovery and continuing to meet stakeholders where they are at. Communication is essential to guide an organization and its stakeholders through this phase.

Guide the organization to its future

Consistent communication in the *Restore* phase of crisis management enables an organization to articulate and share its go-forward plan with customers, employees and other stakeholders. Maintaining the same communication cadence from the previous phases is essential to staying connected and gaining trust with stakeholders and keeping the freshly stabilized organization on course.

The following communication strategies will support the *Restore* phase in a way that instills confidence, strengthens trust and sets the stage for long-term business success.

Realign to purpose, mission and values

The *Restore* phase is an opportunity for organizations to ensure strong alignment to their purpose or mission and supporting values. These fundamental business principles should ground every action the organization takes and every communication it shares. Organizations that step back into the market, aligned to and clearly communicating their purpose or mission while acting according to a set of shared values, will restore business in a way that creates meaningful connections for long-term success.

Focus on "why"

Provide rationale to customers, employees and other stakeholders explaining why the organization is taking certain steps or making changes. Focus on what these stakeholders gain from the go-forward plan versus what they lost from the crisis. For example, if the organization is implementing a new internal policy, explain why it is necessary and how it will improve an employee's work life. Explain how the organization's values support the new policy (e.g., ethical operations, sustainability, integrity). Being transparent and clear about organizational changes will help the company strengthen stakeholder trust.

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Shift the focus of the message

During the *Restore* phase, communication should shift to roughly 80 percent of messages being about the organization's future and 20 percent about the crisis. (This flips from the *Recover* phase when we recommend an 80 percent focus on the crisis and 20 percent on setting expectations for the future.) Use these crisis-oriented messages to provide context or rationale for where the organization is going next. Share stories internally and externally that demonstrate how the company is delivering on promises it made while responding and recovering from the crisis.

Empower leaders to lead

Clear communication is essential during the *Restore* phase to align the organization to its future direction. Leaders must step up in their words and actions by modeling future-facing behaviors and delivering messages that set expectations, inspire employees and motivate them to act. Communication teams should equip leaders with the tools and support necessary for them to be effective.



GUIDANCE FOR CRISIS-READY LEADERS

Deliver future-focused messages that motivate employees to take an active role in making the future possible during the *Recover* phase. Be visible and present and model the behaviors and attitudes expected from employees. Create excitement about the organization's future, communicate clear business rationale and connect with stakeholders in a meaningful way to drive change and growth.



Demonstrate gratitude and appreciation

Getting through a crisis is difficult for all stakeholders involved. Weave gratitude and appreciation into all messages, thanking customers and partners for their patience, understanding and ongoing support. Acknowledge them as an integral part of the business. Internally, acknowledge employees for what they have done to keep the business moving forward, despite challenging circumstances. Recognize, in a special way, any employees who went above and beyond.

Before the organization fully emerges from crisis management mode, take time to debrief on how the company handled the crisis. Get leaders together to reflect on what the company did well, where there are opportunities to improve and how it can use these insights to refine the crisis management and communication plan. Organizations that look for ways to improve will be better prepared for the next crisis and in a better position to advance the company with trust, purpose and clarity.

Move forward with clarity

No company is immune to a crisis, making crisis preparedness essential for managing and mitigating business risk. A crisis management plan creates a level of readiness that improves an organization's ability to protect its reputation, bottom line and long-term stability when faced with a crisis.

Organizations that follow Beehive's four-phase crisis management roadmap to align their plan and communication to their purpose, mission and values can successfully navigate a crisis with purpose and clarity.





About Ayme Zemke, SVP, Client Service

Ayme Zemke leads client service at Beehive Strategic Communication and is a certified crisis communication leader. She has more than 20 years of strategic communication experience and has helped many organizations prepare for and respond to crisis situations in a way that sustains trust and supports business continuity. Ayme's ability to understand people's needs and make meaningful connections helps her move businesses forward with purpose. She often speaks and writes about crisis communication, serves on the Minnesota PRSA Board of Directors and has been recognized by PR News as a Top PR Professional and PR Team Leader.

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