The following are excerpts from IABC Gold Quill Award-winning case studies.

**A National Dialogue on Energy Security**
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**NEED/OPT OPPORTUNITY /** In early 2006, it was clear to the leaders of Shell Oil Company that the company faced a crisis of reputation in the U.S. Increased global energy demand had been pushing prices up since 2003, but the supply crunch and price spikes triggered by the 2005 hurricanes created a new level of anger and ill will toward oil companies. As Shell pushed its limits to recover from storm damage that knocked out two refineries and a major offshore platform, the company also had to cope with negative press, angry customer letters, and two summonses for the U.S. head of Shell, John Hofmeister, to testify with other oil leaders before a hostile Senate audience.

In discussions with the communication team, Hofmeister pointed out that the anger and mistrust were barriers to developing public policies that could improve U.S. energy security. Clearly, this was a significant business issue for the company. Shell needed to find a way through these barriers to enable its messages to be heard within the larger discussion of energy security, economic priorities and environmental issues.

At the same time, two research studies confirmed the need for a proactive approach to improve Shell’s reputation. A public survey (Ipsos, May 2006) showed that oil companies were ranked next to last in an index of trusted industries, and internal, global Shell reputation research confirmed that although Shell is the largest U.S. gasoline retailer, it was not seen as a leader by U.S. audiences.

**INTENDED AUDIENCES /** The most direct threat to Shell came from legislators and regulators who were proposing measures that would harm its business. Proposals ranged from windfall profits taxes and other punitive financial actions to continued or increased restrictions on exploration, drilling and other domestic operations. Discussions with these officials (including the dialogue at and around the two Senate hearings) made it evident, however, that the opinions they held were primarily influenced by and reflective of their constituents’ concerns. Therefore, any strategy needed to reach two levels: policymakers (including both state and
federal lawmakers and federal energy regulators) and those influencing them.

The communication team defined this “influencer” audience as business and community leaders—those who make themselves heard to their members of Congress, regulators and other policymakers.

This program was heavily driven by audience research. Not only did the team collect feedback at every town hall meeting, but they also conducted five external opinion surveys during the course of the project to track attitudes toward Shell and industry issues and to see how the tour influenced perceptions.

**GOALS AND OBJECTIVES** / The goal was to reach deep into communities to engage with a diverse group of stakeholders in order to improve their understanding of energy issues and their perceptions of the industry. There were two primary public relations objectives:

- Raise the profile and image of Shell as a trusted industry leader (to be measured using external survey data). Given the time frame and the complexity of the issue, the team set the objective only to achieve a statistically significant increase.
- Promote advocacy among opinion leaders on the issue of energy security (to be measured using event feedback, legislative decisions, and the tone of media coverage and editorials). Although this would be difficult to measure, it would be a key accomplishment if others began repeating the messages that Shell felt were important.

**SOLUTION OVERVIEW** / The team took a grassroots approach to counter the “big oil” image with a human, face-to-face campaign. John Hofmeister was instrumental in developing the concept and was committed to going out personally to 50 cities across the U.S. to engage in a dialogue with the American people on energy security. Key to the concept was to make the “50-city tour” a true dialogue—to listen as well as speak in order to build relationships and common understanding of the issues, challenges and solutions. Although the project was originally envisioned as a speaking tour, the need to actively listen led to the development of a town hall approach to complement the speaking engagements.

The team conducted research to identify key markets and the demographics, issues and media in each of those markets. They developed three key messages that became the central theme of the tour:

1. The challenge is one of supply and demand.
2. Shell is working toward sustainable solutions based on access to supply, diversity of fuel sources and energy efficiency/conservation.
3. We all have a role to play in shaping our energy security.
IMPLEMENTATION AND CHALLENGES / The project budget was over US$1 million. Led by John Hofmeister, president of Shell Oil Company, the tour reached out to multiple audiences. Each stop was typically less than 24 hours and included:

- A major presentation (typically a luncheon) at a chamber of commerce, world affairs council or similar venue. The team was also able to schedule Hofmeister as a distinguished lecture speaker at key universities. They researched appropriate venues and contacted them typically several months in advance.

- A town hall meeting (with Hofmeister and two to three other Shell executives) to which influencers (community leaders, business leaders and nongovernmental organizations, including environmental groups) were invited. Invitations were issued by Burson-Marsteller based on their market research. In these sessions, participants were asked to give their input on priorities and solutions to energy supply issues. The team asked participants what Shell should be doing to increase domestic oil supply and what the nation should be doing to manage energy demand/consumption. Participants were also asked to provide their vision of the U.S. energy portfolio in the coming decade and beyond. Ideas were gathered and presented to the audience at the end of the meeting. (This feedback was also used on the web site.)

- Two or three (sometimes more) other engagements based on the business needs and opportunities that each market presented. These activities, arranged with the help of Shell government affairs and the diversity and recruiting departments, which participate on a 50-city tour planning team, included meetings with groups such as the Young Presidents Organization; the local National Urban League (of which Hofmeister is national board chair); and local Shell employees, wholesalers, station owners or retirees. Hofmeister has visited local high schools and universities to encourage math and science studies and had typically met with local or state government officials.

- Media outreach. The team conducted advance pitching for each market to schedule one-on-one interviews with local print media, appearances on local interview shows, and stand-up interviews with media who attended the presentation. They also arranged editorial board meetings in markets where there was significant energy controversy and submitted an opinion piece addressing an issue in one key market. In three markets, the team was able to arrange for reporters to “shadow” Hofmeister while he attended other appointments. Overlaid onto the local outreach was a national media outreach effort focused on the midpoint of the tour; a second round of national media outreach was focused on the conclusion of the tour in mid-November. This included a webcast recapping the tour and tour findings directed at media that had covered the tour or individual tour events.

- New media. The outreach effort was supported by two web sites: “Energize Your Future,” (www.shell.com/us/energizeyourfuture), which was directed at educators and students, and “U.S. Energy Security” (www.shell/usenergysecurity.com), which was directed at the broader public. Both sites offer education on energy issues; “Energize Your Future” also offers interactive games and classroom curricula, while “Shell Energy Security” offers downloads of speech-
es, podcasts, and videos from the 50-city tour and an opportunity for site visitors to register their opinions and priorities.

At the end of the tour, research was conducted to provide a quantitative view of the feedback received at the town hall meetings. The team surveyed a sampling of town hall attendees and a sampling of the general public and asked the same questions that had been asked at the tour, as well as questions evaluating attitudes toward Shell.

The key challenge was sustaining the effort over time. It ultimately took 17 months to complete the tour, and maintaining the commitment required perseverance, especially when the earliest measurement (a survey in October 2006 that became the benchmark for future surveys) showed little movement in attitudes. The planning team flagged at times and arranged a midpoint after-work celebration (attended by Hofmeister) to reenergize the team and let everyone know their efforts were appreciated.

A second challenge was managing the schedule—it was like a complex mosaic into which every piece had to fit. This was especially difficult when coordinating government officials’ schedules, media availability, and Hofmeister’s workload and other commitments.

The third challenge was keeping the message fresh and updated. The original speech evolved over time on several levels. The team shifted the focus (away from technical descriptions of solutions and more to issues and challenges) as they learned what messages were most important to their audiences. They updated messages to reflect changes in the external environment (discussions of hurricane issues, for example, became less prominent), and Hofmeister, an adept speaker who prefers to speak with minimal notes, injected fresh approaches and metaphors. The team captured all speeches on audiocassette and transcribed them to maintain a record and incorporate changes into future remarks.

**MEASUREMENT/EVALUATION** / The outreach program has been measured on several levels, ranging from immediate feedback from participants to formal opinion research. On all levels, it was successful in achieving its objectives.

Watching the presentation, it was amazing to see the audience respond. At one venue, a skeptical middle-aged man with long hair sat frowning with his arms folded at the beginning of the speech. His attitude change during the speech was visible, and by the end he was smiling, laughing and nodding his head in agreement with Hofmeister’s statements. Even a member of an environmental organization, who acknowledged that his organization was suing the U.S. government to stop Arctic development, also acknowledged his belief that the environmental behaviors exhibited by Shell are credible. Indelible images like this—and there were many similar transformations—show the power of using face-to-face communication to help change public opinion. As they left the town hall meetings, people shook the hands of Shell staff members and said, “This was time well spent.” The team collected the responses to the questions and used the data and qualitative research to develop a white paper that
was scheduled for publication in February 2008 and presented to the U.S. Chamber at a 14 February event in Washington, D.C.

Measured against objectives, the results were more than the team expected.

**Raise the profile and image of Shell:** Research conducted by Penn, Schoen & Berland Associates of critical opinion leaders showed that among those aware of the tour, Shell had a 61 percent favorability rating at the end of the tour, compared to a 48 percent rating at the beginning of the tour and a 17 percent rating among those unaware of the tour. In an analysis of attributes, Shell was ranked first as an “industry leader” by 25 percent of business leaders in November 2007, compared to 16 percent in October 2006. First-place rankings on this attribute also rose among other audiences: from 15–20 percent among community leaders and from 5–25 percent among media. In addition, Shell is now the pacesetter across nearly all audiences for being “credible,” “trustworthy” and “caring about Americans.” In the final tracking survey, there was a significant increase among NGOs citing Shell as “environmentally sound” and “cares about Americans.” Interestingly, Shell attributes declined in some areas between February 2007 and November 2007. The team mined the data and determined that this came from those who had heard about the tour early on and were now expecting the next step—actions or solutions proposed or provided by Shell. Shell is using that feedback in developing its 2008 messaging. In the town hall survey, 62 percent of those who had attended the town hall meetings were favorable toward Shell, compared to 33 percent of the general public (other oil companies also received more favorable ratings from attendees, but Shell was rated highest).

**Promote advocacy:** Two important legislative items came up during the tour and were decided in ways that aligned with the Shell messaging. At the end of 2006, Congress opened up a new area in the Gulf of Mexico for drilling for the first time in 20 years, and the 2007 energy bill passed in December 2007 without some of the punitive tax consequences that had been discussed. Both these actions reflect a slightly lowered sense of animosity toward the industry, for which the tour may have been a contributing factor, although it would be overstepping to claim a causal relationship. The team did see specific instances of advocacy among the media, including coverage by journalists who noted that the message they heard made sense, and one before-and-after editorial shift by the Albany Times-Union that was the result of a concerted pitch to arrange an editorial board meeting (the paper originally said no, then ran a negative editorial the week before the tour. The team called again and said if they were going to say those things, they really needed to meet). In Hartford, where there are specific issues about adding infrastructure, the Courant accepted an op-ed from Hofmeister and ran it the day of his speech. Overall, media coverage was extensive and was almost 100 percent balanced or positive. To date, there have been more than 150 million opportunities to see the tour message in local and national media, including coverage on the Today Show and Nightline and in USA Today. The final tour stop in Atlanta was covered by national media, including Good Morning America, CNN, CNBC Squawk Box and Fox Business News.

One mark of excellent communication is that it is two-way, and this program was a transforming experience for Shell. John Hofmeister has described it as “humbling,” and it encouraged Shell to move
forward with joining the U.S. Climate Action Partnership to work with others on greenhouse gas issues. It has also changed the way Shell approaches communication. Face-to-face outreach had not been a part of the company's vocabulary in the past; now it is a practice Shell embraces and plans to continue.
Northrop Grumman’s Katrina Response
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NEED/OPPORTUNITY / Northrop Grumman, the nation’s third-largest defense contractor, is the largest manufacturing employer in both Louisiana and Mississippi, the states most dramatically affected by Hurricane Katrina. Employees of the company’s ship systems sector design, engineer, construct and support major surface ships for the U.S. Navy, U.S. Coast Guard and international navies—work that is vital to the interests of the U.S. and its allies. On 29 August 2005, Hurricane Katrina made landfall on the Gulf coast. Directly in its path were more than 21,000 Northrop Grumman employees and their families. The majority of these employees worked at the company’s ship systems sector in several locations, including New Orleans, Louisiana, as well as Pascagoula and Gulfport, Mississippi. Ahead of the advancing storm, thousands of employees had fled to other portions of those two states and to 25 other states.

A core group of employees who rode out the storm at the company’s facilities immediately assessed the significant damage the hurricane caused. Fast recovery was essential, as Northrop Grumman’s ships businesses had accounted for 21 percent of the company’s US$29.9 billion revenue in 2004. Before full recovery work could begin, however, the company had to locate and communicate with its employees. Unfortunately, the storm had left the entire area with no electricity, limited communications and extensive damage to the region’s infrastructure.

INTENDED AUDIENCES / Northrop Grumman’s more than 21,000 Gulf coast employees were the primary audience for the company’s crisis communication initiative. Secondarily, Northrop Grumman felt it important to communicate the company’s recovery in the area to key stakeholders such as the federal government (specifically the U.S. Navy, Coast Guard and Congress), state governments, government emergency agencies, shareholders and the general public.

GOALS AND OBJECTIVES / Northrop Grumman is a company dedicated to its more than 125,000 employees and its customers. Accordingly, the team’s primary goal during this crisis was to initiate a dialogue with as many Gulf coast employees as possible in order to gauge their well-being, offer financial support, communicate the company’s resolve to begin recovery at its damaged facilities, and determine employees’ ability to return to work. To key stakeholders, the company determined that it had to make clear that, despite the significant damage the storm had inflicted, the majority of ships under construction sustained relatively minor damage, the facilities were rebounding and the company as a whole remained healthy.
SOLUTION OVERVIEW / Northrop Grumman quickly designed an innovative response to aid employees in need—a cross-company crisis management initiative that brought together corporate and sector functions such as communications, human resources, finance, law, IT and security. As part of this effort, the corporate and sector communication departments worked with the company's community relations team to develop an integrated crisis communication program, pulling together elements of media relations, employee communication and advertising, to most effectively reach the far-flung workforce and key stakeholders, despite the fact that the storm had eliminated from the area many key tools of the information age, such as electricity, telephone service, wireless communication and Internet access. This outreach program ran from 29 August to 26 September—from the storm's Gulf coast landfall until it became clear the program had achieved its objectives.

INTENDED AUDIENCES / PRIMARY AUDIENCE NORTHROP GRUMMAN GULF COAST EMPLOYEES
At the heart of the solution was a daily media advisory distributed to 3,284 members of the media throughout the region. These advisories served as the backbone of the company's communication effort during the storm and its aftermath. Although its content shifted daily, the document always contained information crucial to employees in the region, including:

1. Work schedules for each company facility in the region.
2. Ways to access company, government and humanitarian emergency relief.
3. Methods of collecting pay provided through innovative partnerships the company established with Western Union, Wal-Mart and regional banks.
4. Toll-free emergency telephone numbers—staffed by an in-house call center—for employees seeking assistance.
5. Toll-free hotline numbers for unaffected employees who wished to donate cash or vacation time.
6. Details on company-provided medical care.
7. Schedules for company-provided transportation to and from work.
8. Information regarding on-site housing provided by the company.

Significantly, these updates often included messages from the U.S. Navy, one of the company’s primary customers, which itself faced similar challenges in communicating with its personnel. The Navy recognized the value of the Northrop Grumman daily advisories and asked for space for its own messages. The team created 19 media advisories over the course of the program and repurposed each edition for use elsewhere to reach as many people as possible. The team also placed the information:
On a special section of the corporate web site.

On a recorded employee hotline.

In *Centerline*, a daily on-site newsletter distributed as workers began returning to the shipyards.

The daily advisory also became the information source of record for the company in the Gulf coast region; print and electronic media often used it verbatim.

Other tactics employed to communicate with employees included regular messages from Northrop Grumman Chairman, CEO and President Ronald D. Sugar, expressing sympathy for affected employees and motivating other employees to take steps to offer help, as well as company announcements to employees describing methods to contribute to the company’s disaster-relief fund.

As the daily advisories gained traction in their various forms, employees started reporting to work; in many cases they were newly homeless, but they heeded the call to return. Pay was not necessarily the primary motivating factor. Rather, many employees indicated they simply wanted to return to some sense of normalcy and contribute to the important reconstruction effort.

SECONDARY AUDIENCE

Key Stakeholders

The employees’ return dovetailed with the plan to reach the secondary audience, key stakeholders such as customers, shareholders, government leaders and the general public. The communication team employed several outreach tactics to convey the strength of the company in spite of the challenges, as well as the intent to rebuild and continue as the region’s economic engine. These tactics included:

- Distributing seven photo releases in three weeks showing workers repairing the shipyards.
- Creating approximately 100 updates to the company’s home page to show the Ongoing recovery of the facilities.
- Arranging media visits to the yards to report on the company’s progress.
- Producing a documentary designed to illustrate to employees, customers and other stakeholders the dramatic impact of the storm and the spirit of the workers repairing the shipyards.

Given the impact of the daily advisories, Northrop Grumman augmented its use of the regional radio and print media by creating an emergency US$3 million advertising program that incorporated many of these outlets, thus increasing message visibility while financially assisting the media, most of which were also affected by the storm. Finally, the company constructed motivational billboards designed and strategically placed to rally employees and the community with the message: “We build ships. Nothing stands in our way!”
IMPLEMENTATION AND CHALLENGES / Although the company had an established approach for communicating through crises, the severity of the storm precluded its use. For example, the plan assumed the leadership of the shipyard operations would be on-site during any given crisis. For this event, safety needs dictated that the president of the ship systems sector and the sector’s communication director remain in Washington, D.C., during the hurricane. While those executives who were on-site during the hurricane followed crisis situation procedures, tools necessary for modern communication—electricity, telephone service, wireless communication and Internet access—were not available.

In short, while the company was prepared for a crisis situation, these particular circumstances more closely resembled a doomsday scenario.

Despite the obvious challenges, the team capitalized on its assets. In the days immediately following the hurricane, the sector’s communication director took advantage of his distance and the tools available in an unaffected region. Because the storm had damaged or destroyed the homes of 14 members of his 16-person Gulf coast communication staff, he compensated by working directly with Northrop Grumman’s corporate communications team in Los Angeles—a different approach, given the company’s decentralized communication structure. The Los Angeles team built a list of 3,284 regional media contacts and used this list as the foundation for the daily advisories in their various forms, and later for its advertising target list. Many sector communicators returned to work the first week; others worked from remote locations. As this occurred, the corporate and sector teams worked in tandem, with the Los Angeles team continuing the daily advisories and Gulf coast communicators securing media coverage of the recovery and taking control of on-site communication.

Other challenges the team faced during the crisis included:

1. Communicating with a displaced workforce: In order to reach employees later determined to have dispersed to 25 other states, the company first had to gain a general sense of where the workforce had fled. Using information provided by the company’s call center and other means, the team was able to determine which major southern metropolitan areas to target with media outreach efforts.

2. Locating dispersed members of the media: A key characteristic of a crisis caused by a natural disaster is sheer scope. Unlike other crises that impact a single company or industry, Hurricane Katrina disrupted businesses throughout the region, including the media. For example, a key New Orleans radio station had relocated temporarily to Memphis, Tennessee.

3. Developing messages for each update that were acceptable to all corporate departments concerned. The team recognized each day that offering clear information often meant using language that could compromise the company’s legal position and financial interests. To address these potential conflicts, the team collaborated with—and required the approval of—each department (such as human resources, finance, law, IT and security) with a stake in that day’s advisory.

4. Inaccurate reporting of details: Although Northrop Grumman had quickly established toll-free and continuously-staffed emergency telephone call centers to aid employees, several broadcast outlets receiving Northrop Grumman’s daily advisories announced incorrect telephone numbers. As a result, hundreds of employees seeking help instead contacted communication team members
and unrelated businesses. The team corrected the media errors, but, more important, in almost every case callers were referred to the appropriate emergency contacts to receive assistance.

It should be noted that, as is often the case during crises, budget was not a primary issue. The overwhelming need to reach employees and external audiences took precedence.

**MEASUREMENT/EVALUATION** / The day-to-day outreach program ran from 29 August through 26 September 2005, when it was clear the program had achieved its objectives to reach employees and key stakeholders.

On 5 October 2005, the company credited the communication program with locating, establishing contact with, and initiating assistance for nearly all employees in the region, and for securing the majority's return to work. Specifically, by 14 September, approximately 8,700 employees in the region had returned to work full-time, reported for duty or contacted the company. By 26 September, this number had increased to more than 17,000. By 5 October, the number was more than 19,500.

Also, by 5 October 2005:

- More than 1,000 employees without homes lived in on-site, company-provided housing, including barges, modular units and a dormitory dubbed “Kamp Katrina.”
- 4,474 Northrop Grumman employees had donated more than US$850,000 to the company's relief fund.
- 2,547 employees and/or families had received monetary grants or hotel/motel assistance.
- More than 1,250 employees had gone online to request aid and receive faster relief.
- The Hurricane Katrina section of NorthropGrumman.com had logged more than 67,000 visits and had been updated more than 120 times.

Significant media coverage during the company’s clean-up period communicated to broad regional and nationwide audiences the successful recovery efforts, helping achieve the secondary goal of the program. As a measure of shareholder confidence, on 26 August 2005, Northrop Grumman’s stock closed at US$55.55. On 30 December, the last day of trading for the year, the stock closed at US$60.11.

Since the hurricane struck, Northrop Grumman’s affected facilities have delivered two new ships to the U.S. Navy, and today 11 ships are under construction. The successful communication program reached thousands of employees, informed them how to get help from the company and outside entities, and helped them return to work to achieve these production milestones.
The company’s thousands of Gulf coast employees and their families still carry burdens most people will be fortunate enough to never know. If nothing else, this award entry illustrates how quick planning, creativity, flexibility and a great deal of hard work helped ease those burdens to some degree and get the region’s economic engine running again. This, by far, is the most meaningful work most of the communication team ever has done.
**Eskom Western Cape DSM Rollout**
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**NEED/OPPORTUNITY** / Eskom is South Africa’s national electric utility, supplying approximately 95 percent of the country’s electricity needs and some 60 percent of that of the African continent. The majority of its power stations are concentrated in the northeastern part of the country. The Western Cape province, well known for its beautiful capital, Cape Town, receives about 36 percent of its electricity supply from Africa’s only nuclear power station, Koeberg. On Christmas Day (25 December) 2005, a major technical fault occurred at Koeberg power station, severely impacting electricity supply in the Western Cape. Through an unusual combination of events, including a prescheduled refueling of one of the Koeberg reactors, Eskom was suddenly faced with severe electricity shortages in the province for at least six months. The period included the wet and cold Cape winter during which electricity consumption traditionally increases significantly.

Although a comprehensive technical recovery plan was implemented and fast-tracked, electricity consumers’ assistance was required to reduce electricity consumption in order to prevent large scale and continuous supply interruptions.

An extensive demand side management (DSM) programme, consisting of six separate projects, was rolled out: More than five million compact fluorescent lamps (CFLs) and thousands of geyser insulation systems were distributed and installed door-to-door; incentives were offered to businesses to adjust their electricity consumption patterns; and a major communication campaign, incorporating advertising and public relations, was launched.

**INTENDED AUDIENCES** / The communication plan to persuade the public to use electricity sparingly and wisely was, in broad strokes, aimed at all electricity consumers in the Western Cape. However, the following specific target audiences were identified:

**Residential consumers.** Early morning and early evenings mark the highest electricity consumption in a day, largely due to domestic activities that require electricity for cooking, heating and lighting.

**Commercial consumers.** The electricity consumption in office blocks, large stores, warehouses and hotels can be reduced relatively quickly and cost-effectively by switching lights and office equipment off when they are not required, and through the installation of energy-efficient lighting systems.

**Industrial consumers with generators.** These consumers were able to supply a portion of their electricity needs themselves and had to be encouraged to do so.
The audiences were extremely hostile toward Eskom, feeling that the company expected them to solve the problem it had created.

**GOALS AND OBJECTIVES** / The goal of the DSM program was simple: Reduce electricity demand in the Western Cape by 400 megawatts per day over a period of four months. Four hundred megawatts equals the electricity consumption of approximately 250,000 homes in South Africa.

The communication objectives to support the goals were:

- Information sharing. Stakeholders had to be informed of the situation, how Eskom was addressing it and what progress was being made.
- Education and a direct call to action. Residential consumers in particular had to be educated about the need for saving electricity and provided with information on how to do so.
- Encouragement and recognition. Through regular feedback, stakeholders had to be kept abreast of progress and thanked for their contributions.

A target of 160 megawatts was set as the communication team’s contribution to the overall 400 megawatt target.

**SOLUTION OVERVIEW** / The nature of the situation, its potentially serious impact on consumers’ lives and the dependence on concerted public action to avert disaster necessitated a veritable flood of information. In addition, Eskom was being inundated with calls and demands for information from the media, members of the public and businesses.

The underlying communication strategy was the establishment of partnerships to manage the situation. The campaign’s key message, “Together we have the power to save,” played on the idea that a concerted community effort was needed to steer the region through the crisis.

Media partnerships were crucial to disseminate information and to repair reputation damage. Through the media, stakeholders were demanding information, especially early on.

Radio was a very important communication channel due to its immediacy and, especially in terms of regional and community stations, its interactive nature. Live reads, sound bites during news bulletins and regular interviews with Eskom spokespeople were key components of getting the message out.

The communication plan consisted of three main aspects:

1. Public relations and advertising support for the DSM projects, most notably the rollout of CFLs and geyser blankets.
2. Educating consumers about the need for energy conservation, how to go about it and when their support is particularly crucial.

3. The rollout of a real-time communication channel that could act as an immediate call-to-action during times of shortages.

PUBLIC RELATIONS AND ADVERTISING SUPPORT FOR THE DSM PROJECTS
The media were briefed on the full recovery project, including both the technical and DSM aspects. During the briefings, and in subsequent media releases, the six DSM projects were explained. Newspaper inserts and advertorials were used to paint the overall project picture.

Given the direct impact on approximately 300,000 households, which were being visited by field-workers to install CFLs and geyser blankets, there was a focus on providing domestic consumers with information through installation notifications, product information brochures and general media releases. Examples of topics receiving attention include: the reasons for the door-to-door rollouts, selected implementation areas, how to identify the field-workers and what to do in the case of inappropriate or unacceptable behavior (approximately 10 major cases of alleged theft were reported and the culprits dealt with).

Apart from the 3.3 million CFLs distributed door-to-door, a further two million lamps were distributed through exchange points established in community nodes, such as shopping centers, schools, municipal offices and Eskom offices. Once again, print and electronic media were used to communicate the details of the program to consumers.

As the crisis was being brought under control, the public relations focus widened to include themes such as success stories, community investment projects and international experiences in similar circumstances. While still keeping energy efficiency top-of-mind, the larger variety of messages allowed a more positive environment to develop.

During the rollout, businesses that signed up to support the savings campaign were thanked through a full-page ad in the main regional newspapers. This gesture was very positively received, with some businesses going as far as framing the ad and displaying it on their premises.

At the conclusion of the program, the results were communicated to stakeholders in the form of thank-you messages.

A focused advertising campaign aimed at consumer education was launched in the Western Cape. Consumers had to be made aware of the need to save and provided with information on how to save. Advertising was therefore highly educational.

Public relations support reinforced and elaborated on the advertising messages. Topics covered included peak demand periods; general savings tips for residential, commercial and industrial consumers; and progress being made with the recovery plan.

During the planning and production phase of a television advertising campaign featuring a popular South African talk show host, focus group research identified a number of areas where additional
consumer information was needed. These included potential damage to geysers when switching them on and off, and understanding the daily load profile and the electricity consumption of different appliances. Based on this feedback, the public relations campaign tightened its focus.

POWER ALERT
During the electricity crisis in the Western Cape, South Africa had its first taste of an organization communicating directly with the public through real-time messaging. Conceptualized by the multidisciplinary communication team, the power alert featured broadcast messages on the status of the electricity grid between 6 p.m. and 9 p.m. on the three television channels of the national broadcaster.

Power Alert depicted the state of the electricity grid through four color codes: green, orange, red and brown. Each color was accompanied by a call-to-action, e.g., red indicated significant strain on the system and consumers were asked to switch off all appliances except for their television sets.

Two messages were broadcast per hour, per station, supported by educational infomercials in the same time slot, promoting the efficient use of electricity.

The power alert project timelines were themselves an example of efficiency, progressing from concept to television feature in less than two months. Once the concept was given the thumbs-up, the development team had a mere three weeks to develop the operational centre and integrate it with the broadcasting corporation’s systems.

Not only was its target exceeded, but power alert succeeded in helping customers make the link between personal electricity use and the national supply and demand situation. The success of the tool lay in empowering electricity consumers. For the first time, consumers were provided with real-time information on the electricity supply situation in their region. In addition, they were given clear, practical ways to reduce their consumption and, in so doing, influence the situation. Finally, and probably most important, the feedback loop was closed, meaning that the broadcasts only ceased once the supply situation was restored to normal. Consumers were therefore actively and intimately involved in helping to reduce demand and reduce the threat of power cuts in the region.

IMPLEMENTATION AND CHALLENGES
The communication program faced two major challenges:

1. The emergency nature of the situation required extremely fast implementation.
2. Eskom’s reputation had suffered significant damage, and consumers were antagonistic towards the company, which, in their view, was making them pay for its incompetence.

With only four months in which to achieve a 400 megawatts per day reduction in demand, reaching as many stakeholders as possible quickly was key. In meeting the first challenge, therefore, Eskom in-
vested significant resources in the communication required to avert disaster. The total communication budget, including production, media and public relations costs, amounted to R25.5 million over six months. Producing and launching power alert came to an additional R23 million.

The second challenge was more onerous, given that it involved message credibility. The communication team addressed this matter by crafting relevant and useful messages, supplying consumers with information that empowered them to manage their personal situations. The trust this established was enhanced by messages that clearly illustrated the lengths Eskom was going to address the situation, e.g., the free distribution and installation of energy-efficient equipment.

**MEASUREMENT/EVALUATION** / The results of the campaign can be measured on two levels: the actual electricity savings achieved and the recovery of Eskom's reputation.

In terms of actual savings achieved, the overall DSM program and the communication campaign were a resounding success. The overall target of 400 megawatts per day was exceeded by 100 megawatts per day at the height of the campaign in June 2006. This was also midwinter in the cape and, due to the substantial decrease in demand, no supply interruptions occurred during this period.

The commercially-focused voluntary savings project, which was purely communication based, also exceeded its target by 10 megawatts.

Measuring the communication success of the campaign and the recovery of Eskom's reputation was done through two sets of independent research, one in August 2006 and the other in December 2006. Both sets of research results indicated that people viewed the campaign as effective, useful, easy-to-understand, believable, informative and perception-changing. Almost 80 percent of respondents claimed their behavior had changed in some way, with almost 75 percent limiting their use of electrical appliances during peak periods and one-half switching their geysers off during the day. Respondents' claimed change in attitude and behavior was supported by the Eskom consumption analyses.

The integrated PR and advertising approach proved to be effective as was evident from the high levels of awareness and variety of media mentioned. The focused call-to-action approach, using a single message, created excellent recall of key messages, and was seen as useful, easy-to-understand and changed the way respondents felt about saving electricity.

An important indicator of a mind-set shift was that respondents acknowledged their role in saving electricity, and that behavior changes, as opposed to investment in electricity-saving equipment, seemed to be driving savings.
Global Collapse, Local Confidence
Phillips Group
Parmalat Australia
Australia

NEED/OPPORTUNITY / Operating in Australia’s highly competitive deregulated dairy industry, Parmalat Australia employs more than 1,500 people nationally, and sales exceed A$650 million annually. The company maintains strong market share nationally as a brand leader in multiple categories and an overall leader in branded fresh milk in several states. A large respected contender in its industry, Parmalat Australia was thrust into crisis following the financial collapse of its Italian parent company.

Executives woke on 9 December 2003 to headlines declaring their company was finished, attributable to multi billion-dollar fraud (A$18 billion). “Europe’s Enron”—an international web of serial fraud and deceit engulfed Parmalat along with a string of subsidiaries, advisers and major financial institutions. Following the announcement, the Italian government moved into crisis management, highly respected/high profile reputations were destroyed, global operations began to crumble, and key figures implicated in the scandal committed suicide. Investigators attempted to unravel the decades of deception, and Parmalat Australia was swept up into the international turmoil that threatened tens of thousands of jobs and professional reputations worldwide. Acknowledging that Parmalat Finanziaria SpA acquired the Australian operations (formerly known as “Pauls Limited”) during the height of its deception in 1998, industry analysts assumed the worst, and speculation surrounding a local collapse and sale of assets reached epidemic proportions.

Parmalat Australia was in crisis, and public perception was set to cripple the company. Parmalat Australia was rapidly experiencing a loss of market trust and associated support from critical stakeholders due to confusion and damaging speculation caused by the financial collapse of its parent company. There was an urgent need to protect the company’s reputation, defend its market share from active competitors and manage its diverse array of stakeholders. Differentiating the profitable and viable Australian operations from the damaging events of its parent company was a critical and difficult task, especially given the daily emergence of issues outside the Australian company’s control.

INTENDED AUDIENCE(S) / Intended audiences were aligned with the company’s key stakeholder groups and prioritized by the impact of events and their ability to influence the company’s reputation and performance.
<table>
<thead>
<tr>
<th>STAKEHOLDER/DESCRIPTION</th>
<th>POTENTIAL ISSUE(S) FOR PARMALAT AUSTRALIA</th>
<th>STAKEHOLDER CONCERNS/NEEDS</th>
<th>IMPACT ON BUSINESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal stakeholders:</td>
<td></td>
<td></td>
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<tr>
<td>‣ Senior management</td>
<td>Protected by legislation but may strike or start to leave if they suspect their jobs are at risk.</td>
<td>Employment security.</td>
<td>Loss of other key stakeholder group(s) (e.g., distributors).</td>
</tr>
<tr>
<td>‣ Divisional and local managers</td>
<td></td>
<td></td>
<td>Decreased operational efficiency.</td>
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<tr>
<td>‣ Unions and employees</td>
<td>Could miss emerging issues or mismanage the media.</td>
<td></td>
<td>Additional recruitment costs.</td>
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<td></td>
<td></td>
<td></td>
<td>Further damage to reputation.</td>
</tr>
<tr>
<td>Financial institutions and insurers</td>
<td>May not support PA in light of global complications.</td>
<td>Repayment of debt.</td>
<td>Shut down.</td>
</tr>
<tr>
<td></td>
<td>Potential claims on assets.</td>
<td></td>
<td>Loss of customer contracts.</td>
</tr>
<tr>
<td>Suppliers and distributors:</td>
<td>Perceived vulnerability if liquidation involved or non-payment for supply.</td>
<td>Supply continuation and contracts honored.</td>
<td>Loss of supply and/or distribution.</td>
</tr>
<tr>
<td>‣ Dairy farmers</td>
<td></td>
<td></td>
<td>Loss of business/major customers.</td>
</tr>
<tr>
<td>‣ Materials/packaging services</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>‣ Warehousing and distribution</td>
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</table>
## STAKEHOLDER/DESCRIPTION
### POTENTIAL ISSUE(S) FOR PARMALAT AUSTRALIA
- Major customer contracts could be renegotiated with competitors if supply is in doubt.
- Consumers may doubt ongoing supply and try alternatives or link brands with negative attributes associated with deceitful parent company.

### STAKEHOLDER CONCERNS/NEEDS
- Continuation of supply.
- Contracts honored.

### IMPACT ON BUSINESS
- Loss of business/major customers.
- Decrease or loss of sales volume.
- Could rapidly undermine profitability forecasts and support from financial institutions.

### GOALS AND OBJECTIVES
The overarching communication goal developed to drive the reputation management plan was to manage Parmalat Australia’s reputation and risks, and support its recovery throughout the duration of the Italian government’s emergency administration process.

Two objectives, covering both internal and external stakeholders, were developed to address the core issues underpinning the stakeholder uncertainty that threatened the organization’s survival:

**External objective—reputation management:** Actively engage and implement a media outreach program to ensure more than 60 percent of press coverage is balanced and contains at least one prime key message per article in the period between crisis eruption (December 2003) and announcement of global group restructure (March 2004).

**Internal objective—operational stability:** Ensure a minimal loss of staff—with turnover in the six months following the crisis (January to June 2004) in line with the company’s national average in the previous six months (July to December 2003)—by maintaining trust and confidence in leadership and company’s operations.
SOLUTION OVERVIEW / A three-phased reputation management program driven by the company’s crisis status and recovery timeline (linked to the Italian government’s extraordinary emergency administration process) was implemented. The program was stakeholder-driven because although all stakeholders were impacted differently, they were equally important to the company and the loss of support from any one stakeholder group had the potential to undermine Parmalat Australia.

Phase one was to ensure operational and financial stability by establishing Parmalat Australia’s credibility and ensuring it was the main source of information about its future by:

- Providing regular information on Australian operations.
- Responding to all enquiries in a timely manner.
- Maintaining a strong message focus in communication and media outreach activities.

Phase two was to reestablish the company’s reputation and ensure continued market success through rebuilding stakeholder confidence by continuing to focus on new product lines such as “Skinny White Milk.” Third-party endorsement was used to instill confidence in Parmalat Australia’s future and to demonstrate that it was moving forward.

The purpose of the re-brand and relaunch will be to reinvigorate the company’s position within the market.

KEY MESSAGES
- Business as usual.
- Parmalat Australia is a profitable, strong and viable business.
- Banks support Parmalat Australia.
- Parmalat Australia operates independently from its parent company.
- Parmalat is committed to the Australian operations.
- Australian operations is not for sale.
- Parmalat Australia has the support of, and is committed to, its key stakeholders.

Phases one and two of the strategy incorporated six interconnecting program elements that were stakeholder-focused.
1. Employee Engagement and Internal Communication
Strategic approach: Reassure staff of employment security and operational stability through regular, timely and open communication via familiar mediums. Specific activities included:
- Regular face-to-face briefings.
- Implementation of crisis procedure guidelines.
- Provision of regular updates and memos via notice boards, e-mails and intranet.
- Staff family activities.
- Dissemination of media protocols to all staff and discussion of principles of issues management.

2. Financial Relations
Strategic approach: Ensure company financiers are kept fully informed of operational performance and developments through timely and open communication to build trust, confidence and secure continued support. Specific activities included:
- Face-to-face briefings.
- Regular correspondence (letters, e-mails).
- Teleconferences.

3. Supplier and Distributor Relations
Strategic approach: Reassurance of Parmalat Australia’s continuity of operations and commitment to honoring contracts by delivering key messages of “business as usual” and “Parmalat Australia is a strong and viable business” quickly and comprehensively to all key suppliers and distributors via existing operational channels and the media. Specific activities included:
- Stakeholder outreach through staff.
- Production and dissemination of supplier-specific updates.

4. Customer Relations
Strategic approach: Reassure major customers of continuity of supply through regular and timely communication, and rebuild trust with retail customers by consolidating and reaffirming its brand values and an extensive community outreach initiative. Specific tactics included:
- Formal presentation by credit controller to top customers.
- Face-to-face briefings and meetings, ensuring ongoing personal contact.
- Corporate social responsibility policy analysis.
Community relations campaign—conducted a public information campaign to support a police investigation into a missing schoolboy using milk carton ads.

Increased product promotions such as launch of “Skinny White Milk.”

5. Government and Regulatory Bodies
Strategic approach: Ensure support of government and regulatory bodies by cooperating fully with enquiries and ensuring regular, open and transparent communication tailored to their specific concerns (e.g., potential redundancies, projected time lines of emergency administration process). Specific tactics included:

- Face-to-face briefings and meetings with Australian statutory regulatory bodies and counterparts from government departments of commerce and primary industries.
- Disseminating announcements directly to government ministers and industry regulators as they were made public.

6. Media and Competitor Relations
Strategic approach: Ensure balanced and accurate media coverage by proactively distributing timely and open communication and ensuring availability for enquiry responses. Specific resources developed and tactics included:

- Strategy and message development.
- Tracking and analysis.
- Audience targeting.
- Media training.

IMPLEMENTATION AND CHALLENGES / Managing the barrage of emerging issues in a dynamic environment across different hemispheres in different time zones with an agenda driven by the Italian government was a challenge. The actions were outside Parmalat Australia’s control, and often media were aware of and reporting on new issues arising from Italy during the night.
MEASUREMENT/EVALUATION / The overall goal was achieved and evidenced by:

- Strong financial and business continuity: Parmalat Australia recently beat out competitors to win a major new contract with national supermarket Coles to supply their house brand milk in Queensland.
- All supply contracts were honored with no disruption or underwriting of supply.
- Existing banking syndicate supported Parmalat Australia with a public announcement.

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>MEASUREMENT</th>
<th>RESULTS</th>
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<tbody>
<tr>
<td>Objective No. 1</td>
<td>Press coverage monitoring and qualitative analysis.</td>
<td>ACHIEVED Seventy-nine percent of press coverage was considered to be balanced or positive in its reporting of Parmalat Australia, and 71 percent of articles contained one or more key messages in the period between crisis eruption (December 2003) and announcement of global group restructure (March 2004).</td>
</tr>
<tr>
<td>Objective No. 2</td>
<td>Staff turnover figures from internal HR Reports 2003–2004.</td>
<td>ACHIEVED Staff turnover for the six months following the crisis was only 2.3 percent above the national average for the previous six-month period.</td>
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</tbody>
</table>
**USAA Crisis Plan**
John R. Cook, APR
United States Automobile Association
San Antonio, Texas, U.S.

**CRISIS COMMUNICATIONS POLICY STATEMENT** / Accurate information from a primary source serves our interests better than inaccurate information from a secondary source, the latter often tending to be exaggerated and overstated.

Members, employees, the public and the news media have a legitimate interest in emergencies. They have the right to be informed, and USAA has the duty to see they get the facts. If an honest approach of cooperation is extended to these audiences, they will treat it objectively, and possibly sympathetically. Conversely, if they can't get information from USAA, they will get it from any source they can, and possibly take a more antagonistic stance toward the company.

With this in mind, this crisis communication plan is provided to offer guidelines for handling all communications in the event of an emergency.

**CRISIS COMMUNICATION PLAN / Purpose:** To establish procedures for crisis management and recovery and to establish a crisis communication team; provide guidelines for this team during crisis management and recovery.

The crisis communication team will be responsible for all internal and external communications relating to a crisis or emergency at USAA. Should there be a crisis or emergency, the senior vice president, chief communication officer, the vice president of public affairs, and the assistant vice president of public relations will be notified immediately. Upon notification, the crisis communication team will be activated and begin to implement communication procedures with USAA management, USAA general personnel, the public and the media.

The majority of crisis communication team responsibilities consist of informing and updating USAA management, personnel, the media and affected parties outside of USAA, regarding pertinent information on a crisis or emergency. This will be done through preparation of timely and accurate reports (print, audio and video), selection of appropriate spokespeople, designation of USAA liaisons to the public, establishment of policies relating to internal and external communications, and adoption of a “one voice” principle of informing all interested parties. The crisis communication team is also responsible for any logistics relating to media coverage. The team will provide on-site accommodations and transportation for the media. Media will first be routed to a media information center from which, if deemed appropriate, they will next be escorted to the crisis scene by authorized team members.
The team will also establish a separate emergency operations center for communication (EOCC). This will be the point of coordination for communication materials—updates, prepared statements, press releases, etc.—as well as a training and briefing area for USAA spokespeople.

**CRISIS/DISASTER SITUATIONS / CORPORATE/PHYSICAL PROPERTY**

Those circumstances that constitute a crisis/disaster situation for the USAA main office building, USAA Federal Savings Bank, FSOS and any other USAA holdings through destruction of physical property include:

- Natural disasters.
- Man-made disasters.
- Intentional acts of violence.
- Economy or reorganization-related office closings.
- Corporate business failures or downturns.
- Serious equipment difficulties or failures.

**USAA EXECUTIVE MANAGEMENT**

The executive management of USAA may be affected by certain situations that require quick communication action in addition to the internal/external actions needed to resolve the difficulty. These situations require coordination with the chief of staff and the crisis management team (CMT). The CMT plan is maintained by the director of security. Some of those emergency or crisis situations that may affect executive management are:

- The sudden death of a senior officer.
- A serious or debilitating accident.
- An intentional act of violence.
- The threat of violence.
- A destructive act of nature.
USAA EMPLOYEES

A crisis situation may also develop in relation to USAA employees. Some of the circumstances that fit into this category include:

- An employee death on USAA property.
- A serious accident on a USAA work site.
- A destructive act of nature.
- A disease or epidemic.
- An intentional act of violence.

In each crisis/disaster, there are common procedures and necessities in the formulation of a communications response to the situation. These include:

- Assessing the extent of injuries/damage to individuals or property.
- Determining the degree of involvement to be given to the situation.
- Establishing company policy.
- Developing a specific plan or procedure for handling crisis communication.
- Setting up an emergency operations communication center.
- Setting up a media information center (MIC).
- Communicating with management.
- Communicating with employees.
- Communicating with the media.
- Communicating with the families of victims.
- Keeping logs and supporting records of what occurred during the crisis/disaster.
- Re-establishing a back-to-normal posture for the company.
- Evaluating actions and their effectiveness.

CRISIS COMMUNICATIONS TEAM

In time of emergency, the crisis communications team is responsible for all internal and external communications, particularly communications with the media. The team will oversee crisis control and enlist the assistance of company experts who will help manage the emergency situation and facilitate its conclusion. The crisis communication team will need immediate access to all information that pertains to the crisis, and will process this information for distribution to internal and external sources.
During a crisis, the crisis communication team will act within the safety guidelines established by the USAA emergency response program.

The team will discourage USAA employees from making speculative or unauthorized statements to the media, while adopting its own high standards of accurate information acquisition and rapid distribution. Team members and spokespeople will be continuously available throughout the crisis, and will remain available until an acceptable degree of recovery from the crisis has been achieved.

TEAM COMPOSITION / Team leader: senior vice president, chief communication officer—decision maker on all crisis communication issues, chief supervisor of the crisis communication team and any USAA or external experts the team enlists to resolve a crisis, appoints the primary USAA spokespeople and oversees briefings and interviews, approves all crisis communications, designates the managers and support personnel for the EOCC and MIC, serves as the primary liaison to executive management.

Alternate team leaders: vice president, public affairs and associate vice president, PR, who act as secondary spokespeople, oversee logistics relating to media access to any crisis scene, and assist in any spokesperson briefing and rumor control.

The communication team staff is responsible for the initial drafting and updating of company statements and question-and-answer scenarios for use in media relations.

Media relations: executive director, news bureau and media placement, who acts as either a primary or secondary spokesperson, provides media escorts, prepares general crisis-related company communications and their updates, and notifies all following team members of a crisis situation.

Employee and member communication: associate vice president, marketing and communication, who is responsible for communicating the activities surrounding a crisis situation to USAA employees and members.

Media resources (video): associate vice president, media resources, who provides video and other electronic support for internal or external use.

Legal liaison: vice president, corporate counsel, who reviews all crisis communications for legal implications and acts as the USAA legal adviser during a crisis; assists in the preparation of company statements and their updates.

Security liaison: director of security, who secures the crisis area, including the roads which lead to it, and routes the media to an established media information center; responsible for contacting police or fire agencies should the need arise; manages the traffic flow; coordinates with external emergency agencies.

Facilities liaison: senior vice president, facilities—in the event of physical property damage or extensive damage of facilities-related equipment, determines the extent of the damage and conveys their
findings to the crisis communication team; may act as a primary or secondary USAA spokesperson; primary agent in implementing the overall USAA emergency response program.

**Photographic liaison:** executive director, illustrative services, who supervises photography of the crisis area for the media and/or internal publications; responsible for supply of photographs for media or internal communication purposes.

**Medical liaison:** director, health services, who acquires an accurate medical evaluation of the nature and extent of any injuries resulting from a crisis situation; helps determine if a quarantine area for affected employees should be established; should there be an employee injury not resulting in death, acts as the victim/family liaison, keeping the family apprised of the medical condition.

**Human resources liaison:** TBD

**Outside resources:** TBD

**INITIATING THE TEAM** / The notification of a crisis situation can come from any number of sources at any time. At minimum, telephone numbers for key team members will be provided to the following:

- USAA operators
- After-hours operations
- Catastrophe operations coordinator
- USAA security
- FSOs and other off-site locations
- Selected executive management

Notifications should be carried out in this general order.

1. Those who must respond to the emergency
2. Those who will be asked to comment on the emergency
3. Those with a special need to know, e.g., next-of-kin
4. The news media

Three eight-hour shifts should be established. Recommended shifts should be as follows:

**First shift:** 7:01 a.m. – 3:00 p.m.

**Second shift:** 3:01 p.m. – 11:00 p.m.

**Third shift:** 11:01 p.m. – 7:00 a.m.
GUIDELINES / PLANNING FOR A CRISIS
All planning is intended to prepare individuals and organizations to react appropriately and rapidly in the face of actual emergency situations. There are two types of reality:

1. That which actually happens (the event itself)
2. That which people think has happened; their perceptions formed from firsthand information, rumors, their social context, their prior experience and current media reports.

Planning enables communication personnel, security personnel and others involved in crisis communications to:

- Physically control the information activities at information centers and at the emergency site.
- Anticipate press behavior and manage information dissemination and rumor control.
- Understand audience behavior and how emergencies affect people’s ability to think.
- Conduct notifications and maintain protocols.
- Operate within the boundaries set by a firm list of DOs and DON’Ts.
- Familiarize themselves with the jobs carried out by all who play a role in a coordinated emergency communications effort.
- Administratively and logistically support the public relations effort.

INFORMING SENIOR MANAGEMENT
Senior management will be informed throughout a crisis situation. The crisis communication team leader, or delegated substitute, will be responsible for informing senior management. Senior management will review all company statements, press releases, updates, and other pertinent materials relating to a crisis.

INFORMATION ACQUISITION AND DISTRIBUTION ACQUISITION
In acquiring information for crisis-related communications, contact should be made with the most senior person available. Information should be cross-checked whenever possible, and clarified so accuracy is ensured. It is important to gather as much pertinent information as possible.

DISTRIBUTION
Where and when to distribute information relating to a crisis situation is a sensitive issue, and certain guidelines must be followed. It is important that the company maintain a one-voice principle when dealing with the media by having consistent written and visual communication materials and consistent messages from company spokespeople.
Communications should be of an open and candid nature, acknowledging the degree of seriousness of the crisis situation. Crisis communications team members will cooperate as fully as possible with the media in meeting deadlines, and will keep the internal information flow going to executive management and USAA employees. Only authorized communications (through photos, print materials, video or spokesmen) will be distributed.

SINGLE-SOURCE PHILOSOPHY
Controlled information flow depends on sticking to the single-source philosophy—speaking with one voice. Keeping with the single-source philosophy does not mean that only one person talks, but that coordinated public relations efforts permit the experts from each area to speak on their area of expertise. All the information that is disseminated forms one coherent story that is free of contradictions, misinformation and rumors.

Adhering to a single-source philosophy is easier if all involved in the emergency information activities determine what areas of opinion and information will or will not have multiple spokespeople.

MEDIA INFORMATION MANAGEMENT
Certain guidelines pertaining to the proper management of media-targeted information during a crisis situation should be upheld in order to ensure the flow of information, its quality and the way in which it is presented.

These guidelines include:

- Quickly securing accurate information for the designated company spokesperson.
- Avoiding the premature or unauthorized spread of information.
- Selecting a small number of very well-informed spokespeople to manage media inquiries.
- Establishing rules and procedures for dealing with the media.
- Giving regular briefings and updates to the media.
- Expressing the positive side of crisis resolution efforts.
- Compiling questions and answers on subjects most likely to be addressed by the media.

HANDLING MEDIA REQUESTS
All media requests should be forwarded to the crisis communications team. The news bureau is responsible for handling media requests.
METHODS AND TOOLS FOR DISSEMINATING INFORMATION

There are a number of methods and tools for direct and indirect dissemination of information to audiences during emergencies. Security personnel should familiarize themselves with these in order to work more closely with the public relations staff.

Public relations professionals should review these, both to refresh their own memories and to explain questions that security personnel and others might raise.

Above all, do not forget the importance of deadlines in the news gathering process. Contact local media for a deadline schedule. When adequate time is provided for the media to do their job, the chances of a frenzied rush for information under deadline pressures are reduced. This, in turn, reduces the chances of having the emergency worsened by the media. Methods, means or procedures necessary to carry out public relations tasks include:

- Press conferences and briefings.
- Broadcasts, the emergency broadcast system, regularly scheduled broadcasts and public service announcements.
- Public speaking.
- Employee briefings.
- Personal visits.

Tools and instruments necessary to carry out communication tasks include the following:

- News releases
- Telephones
- Messengers
- Telephone answering devices
- FAX systems
- Amateur radio
- Leaflets
- Posters
- Advertisements
- Word-of-mouth
- Status boards
PRESS CONFERENCES AND BRIEFINGS
Conferences, briefings and open meetings differ in the degree of formality with which each is carried out. The press conference is the most rigidly structured of the three. The news briefing, usually intended to give the press an in-depth understanding of a situation, is less formal.

Press conferences. Calling a press conference is an excellent way of informing the media and the general public of a special detail or an event, or releasing a special statement. Because of the one-time nature of press conferences, they pose disadvantages as the sole method for conducting an ongoing campaign to inform the public during and after an emergency. Calling a press conference should only be done when there is real news to disseminate.

Thorough preparation is the key to conducting a successful press conference. The purpose for holding the conference must be clear. Officials should be briefed in advance on questions they can expect and on who will be present. If important members of the news media cannot attend, every effort should be made to see they receive information after the fact on what went on during the conference.

Press briefings. During the early period of an emergency, when the event is receiving almost constant press attention, it may be advisable to hold daily briefings at the information center. Spokespeople at the briefings may vary, and may include any or all members of your crisis management team as well as outside experts, such as the fire chief, rescue workers, town mayor, etc.

The briefings should be moderated by the crisis communications team leader or information center coordinator; the security liaison should be present.

Do not leave reporters with unanswered questions, if possible. Monitor the press handling of the session in the coverage that follows. Keep a file of stories, broadcast scripts and key issues.

THE DOS AND DON’TS OF CRISIS COMMUNICATION
During an emergency, do:

- Release only verified information.
- Promptly alert the press of relief and recovery operations.
- Escort the press everywhere on the emergency site.
- Have a designated spokesperson.
- Keep accurate records and logs of all inquiries and news coverage.
- Try to find out about and meet press deadlines.
- Provide equal opportunities and facilities for print and electronic media.
- Have a clear idea of what can and cannot be released.
During an emergency, **don’t:**

- Speculate on the causes of the emergency.
- Speculate on the resumption of normal operations.
- Speculate on the outside effects of the emergency.
- Speculate on the dollar value of losses.
- Interfere with the legitimate duties of the news media.
- Permit unauthorized spokespeople to comment to the media.
- Attempt to cover up or purposely mislead the press.
- Place blame for the emergency.

Special situations may require additional directions and prohibitions for the effective conduct of public relations activities.

**ESTABLISHING PERIMETERS**

When emergencies that lead to the destruction of property and/or the loss of life occur, one of the first steps in containing the situation and initiating an orderly response is to establish a physical perimeter around the site and control entrance to and exit from the area. Perimeters define the extent of the emergency site and allow for complete screening of members of the press and the public attempting to converge on the site. Perimeters protect the public from danger. They prevent interference with the emergency responders and victims. And they permit security personnel and public relations staffers to control the flow of news media into, out of and around an emergency site.

There are three types of situations where perimeters and security personnel play a vital role in the public relations response.

The first is the “no go” situation, for example, a terrorist incident in progress where the situation is too volatile or too dangerous, or the response too precarious to permit either the news media or the public onto the site. The second is the limited access situation where only a few representatives of the media are permitted for reasons of safety or non-interference in the response, e.g., an officially sanctioned over-flight of a fire site. The third is the situation where the press have unlimited access to the scene, and indeed where press coverage in volume is indispensable to the overall emergency response, e.g., reaction to a natural catastrophe such as a hurricane.

In “no go” situations, an inner perimeter is established around the incident site itself. Outside this first security ring either at some off-site location or in a location set aside for this purpose, a press staging area might be established with its own controlled entrance and exit. Beyond the press staging area is an outer perimeter, constructed to keep the general public back from the scene. During an accident, news media are permitted to pass through the outer perimeter and to set up their equipment
at the staging area. Public relations personnel make sure that all information that can be made available gets to the staging area at scheduled intervals, and security makes sure the press is guided to and remains physically contained in this holding area.

This situation keeps the media close at hand, and permits technical and operational experts to brief them and answer questions, but it makes certain the press cannot interfere with the emergency response, the command post, emergency workers or victims, and that they cannot breach the inner perimeter.

In limited access situations, the double perimeter and press staging area permit the controlled movement of limited numbers of reporters, television crews and photographers around the site. Such control is often needed to protect the media from hazards and to prevent interference with emergency response efforts.

In situations where the press is free to go where they like, the outer perimeter serves no useful purpose. An inner perimeter, however, is still needed to insulate the command post, emergency responders, victims and others. A press staging area or an information center is still essential for gathering the press together so emergency information can be disseminated and rumors refuted. AR security personnel in these situations should be able to give the news media specific directions to the press staging area at the scene or the information center. They, however, must be specifically instructed not to talk about the emergency itself. These functions must be left to those who know what will be asked and how to respond to these questions.

WHAT THE PUBLIC WANTS TO KNOW
In any emergency, people are going to want and need to know who, what, where, when, why and how. The public, the press, emergency responders, spokespeople, and those directly and indirectly affected are going to ask:

- About casualties and the injured.
- About damage to property.
- What caused the emergency.
- How rescue and relief operations are progressing.
- What accompanying accidents may have occurred.
- What legal, financial or other actions stem from the event.
- For a description of what happened.
- About heroes and culprits—real or imagined.
- To speak to witnesses, experts, victims, those who responded to the incident and those who commanded the response.
WHAT THE MEDIA WILL ASK
During emergencies, be prepared to respond to questions about the following:

1. Casualties
   - Number killed or injured
   - Number who escaped
   - Nature of the injuries received
   - Care given to the injured
   - Disposition of the dead
   - Prominence of anyone who was killed, injured or escaped
   - How escape was handicapped or cut off

2. Property Damage
   - Estimated value of loss
   - Description (kind of building, etc.)
   - Importance of the property, e.g., business operations, historic value, etc.
   - Other property threatened
   - Insurance protection
   - Previous emergencies in the area

3. Causes
   - Testimony of participants
   - Testimony of witnesses
   - Testimony of key responders, e.g., crisis management team, police, etc.
   - How the emergency was discovered
   - Who sounded the alarm
   - Who summoned aid
   - Previous indications of danger
4. Rescue and Relief
   - The number engaged in rescue and relief operations
   - Any prominent persons in the relief crew
   - Equipment used
   - Handicaps to rescue
   - How the emergency was prevented from spreading
   - How property was saved
   - Acts of heroism

5. Descriptions of the Crisis or Disaster
   - Spread of the emergency
   - Blasts and explosions
   - Crimes or violence
   - Attempts at escape or rescue
   - Duration
   - Collapse of structures
   - Extent of spill(s)

6. Accompanying Incidents
   - Number of spectators—spectator attitudes and crowd control
   - Unusual happenings
   - Anxiety, stress of families, survivors, etc.

7. Legal Actions
   - Inquests, coroner’s reports
   - Police follow-up
   - Insurance company actions
   - Professional negligence or inaction
   - Suits stemming from the incident
SERIOUSLY ILL/INJURED EMPLOYEES / This needs to be coordinated with human resources.

1. Conscious Patients (recovery imminent)
   - Secure all necessary information from the employee to determine their personal physician and choice of hospital.
   - Secure the name of the family member to be contacted. A telephone call will be made by the director, health services.
   - Provide instructions to EMS.
   - Notify the employee’s supervisor.
   - Notify the vice president, employee relations.

2. Unconscious Patients (recovery imminent)
   - Advise EMS to transport the employee to the nearest hospital.
   - Secure the name of the family member to be contacted from personnel records; the director of health services will place the call.
   - Notify the employee’s supervisor.
   - Notify the vice president, employee relations.
   - If it is a work-related injury, notify the safety director and complete an injury report.

3. Fatal Injury or Recovery Unlikely
   - Call EMS.
   - Notify the vice president, employee relations, who will notify his or her superiors, the corporate counsel’s office and the CCO.
   - Call the USAA safety director.
   - Obtain the name and address of the employee’s family contact from personnel records.
   - The executive director, employee assistance & counseling and the director, health services (or their designees) will make a personal visit to notify the family. If possible, arrange for a close friend of the employee who knows the family and member of the clergy to accompany staff on the visit.
OBITUARIES
The following facts about deaths might go into an obituary. Only the crisis communications team leader may authorize the release of this information:

1. Full name
2. Residence
3. Place of death
4. Time of death
5. Cause of death
6. Duration of illness
7. Those present at deathbed
8. Circumstance of death and location
9. Time and place of birth.
10. Surviving relatives:
    - Spouse, address
    - Parents, address
    - Siblings, address
    - Children, address
11. Date and place of marriage
12. Date of immigration to this country
13. The date when residency began
14. Previous residence and duration
15. Last occupation
16. Education, degrees, dates
17. Fraternal orders, clubs, etc.
18. Awards and distinguished service
19. Church affiliation
20. Military record, wars, date of discharge, rank, honors
21. Time and place of the funeral
22. Who will officiate at the funeral
23. Organization to attend the body
24. Where gifts or donations should be made
25. Where and when the body will be lying in state, if applicable
26. Active pallbearers
27. Honorary pallbearers
28. Music
29. Burial place
30. Additional information

In the event of a suicide, the following additional information is likely to be asked:

31. Motives
32. Method
33. Discovery of body

RUMOR CONTROL
In an actual emergency, great importance is placed on hard information, but uncertainty often runs high. Under these circumstances, fact and rumor often blend. Developing reasoned responses to the emergency demands that fact and fiction be separated and rumors put to rest. This too requires a logical system, one that takes into account the source, content, audience, media and effectiveness of the rumor.

DOS AND DON'TS IN HANDLING RUMORS

DO:

- Assign the task of rumor refutation to a specific spokesperson or group who has the authority and competence to refute the rumor.
- Refute the rumor with logic and facts.
- Try to diminish the rumor's circulation where it is substantially true.
- Permit outside and recognized authorities to help you in refuting the rumor.
- Make sure the refutation discredits rather than validates the rumor.
DON’T:

- Refute the rumor with inconclusive facts or poorly conceived answers; that only tends to compound the problem.
- Overstate refutations. Overstatement adds weight to the kernel of truth in the rumor.
- Repeat catchy wording or themes in the rumor.
- Hoke or ridicule as a means of refutation. What happens if the rumor is essentially true, but an organization feels its survival or the successful resolution of the crisis precludes commenting?

First, this is the time when the crisis communications team and others involved in responding to the crisis or disaster search out and halt information leaks, unauthorized comments to the press and rumor mongering. Simultaneously they may choose to keep silent or explain to the media that they can neither confirm nor deny anything at this time. They may need to explain why they will not comment—e.g., safety, legal or security reasons.

INFORMATION CENTER / The emergency information center is the heart of the emergency public relations response. It must be accessible to the press but segregated from the emergency site, the command centers and/or the triage areas where victims are made ready for disposition to hospitals or morgues. It must be near, but separate from areas where rescue workers congregate or where families of victims are waiting. The primary information center may be inside a building, or in an outside area, but in all cases a number of alternate or backup locations for the information centers should be sought. The magnitude of a crisis will determine the volume of press conferences and therefore the size requirements of the central information locations. But regardless of size, each site should be situated so that the communications staff, technical experts and spokespeople can move to them quickly and securely to conduct briefings, hold press conferences, grant interviews, and issue official statements.

EQUIPPING THE INFORMATION CENTER

1. Facilities

- Primary and alternative locations
- Mobile van
- Tent or other portable structures
- Footlockers or other containers for storing and transporting supplies
2. Information Center Supplies and Equipment

- Desks or folding tables
- Chairs
- Paper
  - Typing
  - Lined pads
  - Press releases, fact sheets, etc.
  - Letterhead
  - Envelopes
- Waste baskets
- Duplicating equipment
  - Copiers
  - Small portable copier
  - Contract with duplicating center or printer
- Portable files
- Recording equipment
  - Tape recorder and cassettes
  - Videotape camera, player and tapes
- Forms and logs
- Notification sheets, checklists, telephone contact lists
- Status boards
- Technical charts and graphs
- Scissors, stapler, rubber bands, white-out, etc.
- Scotch tape and duct tape
- Word Processing Equipment
  - Manual
  - Electric
  - Converters and printer
- FAX equipment
- Dictionary and thesaurus
- Podium and sound equipment
- Battery powered PA equipment (i.e., bullhorns)
Day-Glo signs indicating “AB Media, Please Report to______”

- Sign-in sheets
- Blank press passes
- Pens and pencils

- Day-Glo hats or badges to permit easy night and day identification of communication personnel

- Visual Aids
  1. Maps
     a. Evacuation routes
     b. Locations of shelters
     c. Locations of emergency responders and equipment
     d. Facilities at specific sites
     e. City
     f. County
     g. State/Province
     h. Region
  2. Photographs
     a. Aerial views of sites
     b. Facilities
     c. Equipment and systems
     d. Key personnel
  3. Diagrams/Charts
     a. How systems operate
     b. How emergency response operates
     c. How equipment operates
     d. How processes operate
     e. Effects of incidents on:
        - Humans
        - Animals
        - Environment
        - Economy
        - Political systems
        - Industry
     f. Recovery
     g. Others
  4. Schematic drawings
     a. Building plans
     b. Site plans
c. Floor layouts
d. Others

(5) Scale models

(6) Videotapes

› Media Access Guides
  Agency regulations
  Local and state laws governing control of emergency information/media activities
  Federal regulations, laws, guidelines
  Other

3. Safety and Security Equipment
   › Badges

4. Transportation
   › Vehicles
   › Courier services

5. Means of Accessing Media Coverage
   › Radio (AM and FM)
   › Television
   › Newspaper delivery
   › Clipping services
   › Wire service ticker

6. Amenities
   › Food services
   › Portable toilet facilities or access to lavatories
   › Clock

7. Radio Equipment
8. Telephones

- Open lines for the media to use in placing and receiving calls.
- Private and secure line (perhaps with “scrambler” or encryption systems) for security liaison and public relations staff to use in sending and receiving information.
- A publicized hotline where pre-recorded information can be played for the press and the public over the telephone. This information is kept current and relevant, and the number is well publicized. Such a hotline also serves as an excellent referral tool guiding callers to other information sources when complex, or multi-jurisdictional crisis is to be handled by many organizations all at once.
- Additional telephone lines as needed or recommended by the telephone company to meet rumor control and other emergency needs.

9. Power Sources

- Electrical power
- Generators and fuel
- Batteries

CRISIS COMMUNICATION PLAN CHECKLIST

1. How does the organization’s overall policy statement on emergency preparedness influence public relations activities?

2. What is the purpose of the total plan? How does it influence public relations planning? What can be said about our preparedness for various emergencies?

3. Under what authority is the plan being prepared and carried out? Does this affect the public relations plan, public relations activities or the public relations chain of command?

4. What types of vulnerabilities are we exposed to as an organization, and what public relations exposures do they create?

5. What formal liaisons have been established with local government agencies, state or federal organizations, or others? How will these shape or direct public relations liaisons?

6. How can data available at facilities—site plans, floor plans, utility layouts, etc.—be used to
prepare secondary information center locations? What do these reveal about the safety of the press as they move through possible disaster sites? What kind of guidance must be requested from facility managers or security liaisons in preparing the emergency public relations plan or implementing public relations activities?

7. What principles underlie the organization’s emergency response? How are these to be reflected in the public relations response?

8. What warning systems are used for various sites, and for various sites of emergencies? Do these have a public relations application? Should they be incorporated into the public relations plan?

9. What does the emergency chart look like? Does that pose a public relations consideration? When? Where?

10. Describe the organization’s crisis control center, including its location, equipment and operations. How can this command center be insulated from leaks and the prying eyes of the press? When can an information center be set up nearby?

11. What procedures do you have for a shutdown? How do your public relations activities support this action?

12. What evacuation routes between buildings and in buildings are specified in the emergency plans? How can public relations activities help implement these plans?

13. What emergency shelters exist on or off the grounds? Do you have a public relations plan to notify personnel where these shelters are in the event of an emergency?

14. What mutual aid agreements do you have specified in the emergency plan? How does this shape public relations liaisons?

15. What protective equipment or structures exist? Should the public relations staff know about these?

16. What deployment plans and procedures exist? What must the public relations staff know about these to be able to activate their plans?

17. How are visitors to be cared for during an emergency? Is there a public relations plan to explain this to them?

18. What security plans have been included that cover physical security, employees’ emergency responsibilities and protection of proprietary information? Will the public relations staff have a role in explaining these?

19. What plans exist for the continuity of management? Does the public relations staff understand these? Do they know how to present this kind of information, or when?

20. What are the notification procedures and what role will the public relations department play in notifications?

21. Has personnel maintained an inventory of people with secondary skills? Does public relations
understand who the experts are? Who will be able to provide information to them or to the press in the event of an emergency?

22. What plans exist for protecting vital records? Can public relations support this in any way?

23. What emergency plans are there for providing utility and public works repairs? How might this affect the information center?

24. Describe tests and simulations used to check the emergency plans. Can public relations support these with written or audiovisual materials? Can they help design scenarios? Are simulated press conferences and confrontations with the news media useful training aids?

25. All other considerations that may be involved.
Crayon Asbestos Crisis
Stacey Gabrielle
Binney & Smith

BUSINESS NEED/OPTOPORTUNITY / Crayola is a well known and trusted brand that has played a role in the lives and development of five generations of Americans. With 98 percent unaided brand awareness among consumers, Crayola is a highly visible brand found in virtually every home and classroom in the U.S. The brand is associated with children’s creative expression, quality, safety, child development and fun.

In May 2000, the Crayola brand and Binney & Smith, maker of Crayola crayons, unexpectedly became a target for an investigative journalist who for months had been focusing on issues surrounding the presence and use of asbestos in daily life. On Tuesday 23 May, the Seattle Post-Intelligencer published the first in a series of stories alleging that asbestos fibers were present in talc used as the strengthening agent in three brands of crayons, including Crayola crayons. The initial report quoted scientific and medical experts who believed the fibers posed a potential health risk to children.

Because of the widespread use of crayons in homes and schools, the allegations soon received attention from the Associated Press. The story was quickly published in newspapers throughout the country, and broadcast nationally and locally on television and radio. The Consumer Product Safety Commission (CPSC) became involved, promising an evaluation. The result was an unprecedented and immediate threat to the Crayola brand.

ENTRANT’S ROLE IN PROJECT / Stacy Gabrielle is marketing public relations manager in Binney & Smith’s corporate communication department. She served as part of the cross-functional crisis management team working around the clock to mitigate the crisis and defend the Crayola brand’s reputation. Other members of this team included Binney & Smith corporate communication staff, scientists, management, consumer affairs specialists, product quality and safety officials, as well as former investigative journalist Mike Lawrence, the executive vice president of Cone Inc. Gabrielle’s responsibilities included developing press statements, maintaining the brand’s “Crayon Safety” press area on the Crayola.com web site, assisting with research, interviewing experts and managing B-roll production and distribution.
INTENDED AUDIENCES / While the primary users of Crayola crayons are children, parents and educators are the purchasing consumers. Quickly reaching this audience, which also included school administrators, was critical. The widely dispersed nature of this audience played a key role in the communication strategy. In addition, retailers and educational distributors that sell Crayola crayons both regionally and nationally were key audiences. Another critical audience consisted of Binney & Smith employees, especially the plant employees who make crayons. It was quickly obvious that the U.S. Consumer Product Safety Commission and its staff were an important audience. Lastly, the news media was a critical key audience, as it affected and reached all the others.

GOALS AND OBJECTIVES

1. Protect existing public trust and confidence in the well known Crayola brand during a time of uncertainty.
2. Fact-find in an effort to clarify whether there was indeed a health concern.
3. Create a climate that would facilitate corrective action if facts showed such action was warranted.
4. Stay ahead of media coverage and resolve the crisis quickly to mitigate the risk of declining back-to-school crayon sales.
5. Seek a solution that would prevent allegations from lingering and eroding brand equity.

SOLUTION OVERVIEW / Crayola recognized immediately that a rapid communication response would be necessary, as the allegations were likely to get significant media attention. Given the reputation of the Crayola brand, the organization believed the public would expect comment or action from the company, and that the risk of brand damage would be great if those expectations were not met. Further, the public would expect a timely, credible response. Given the trust the brand has earned, the communication team’s strategy was to accept responsibility for the situation while being clear that accepting responsibility was different from accepting blame.

Simultaneously, the communication team began intensive research into issues surrounding asbestos in talc, a strengthening agent in crayons, and research into issues that would arise if asbestos were truly present in Crayola crayons. While all talc supplied to Crayola is always certified as asbestos-free, and the Arts and Creative Materials Safety Institute (ACMI)—an industry association—had approved the use of this talc, Crayola hired an independent laboratory experienced in asbestos testing to examine crayons on an expedited basis. The communication team promised to make the results public and to take corrective action if it was warranted.

Despite the fact that Crayola had been notified of the allegation less than two business days before the investigative story was published, it was the communication team’s goal to maintain a continual
“visibility and voice” in media coverage. To that end, on-the-record comments were given for the initial story in the Seattle newspaper and contact maintained throughout the crisis with critical national media such as the Associated Press. Because the team believed the key audiences of parents and educators would best be reached and influenced through mass media, several video news releases were transmitted by satellite to television stations during the crisis, the first of which was quickly produced and made available on the same day the original allegations broke. These releases contained interviews with top Crayola officials and third-party experts, as well as product and manufacturing footage.

Separate communication was quickly initiated by letter and phone to key retailers and educational institutions, and to employees via voice mail, team meetings, intranet and “breaking news” editions of Crayola’s company newsletter. Information was also distributed via the 1-800-CRAYOLA consumer affairs hotline. Finally, a special “Crayon safety” area on Crayola.com was opened on the day the issue broke in the media. All target audiences were directed to this area of the site for additional information and updates. The intention of all of these efforts was to be proactive in reaching anyone who might learn of the issue, by making information accessible whenever and wherever it was needed.

Lastly, quality assurance experts and senior officials of Binney & Smith initiated contact with the staff of the U.S. Consumer Product Safety Commission. Binney & Smith offered to make test results available to the commission as soon as they became available. The company also indicated that it desired to work with the commission in an effort to clarify and resolve the issue for the public as promptly as possible. Within several days, it became clear that there would be continued disagreement among advocates in the scientific community, as well as confusion and competency concerns among the many “freelance” testing procedures undertaken by news organizations. As a result, Binney & Smith’s discussions with the CPSC and the agency’s public conclusions proved essential to resolving the crisis.

While Binney & Smith was prepared to take necessary action, the CPSC’s own test findings eventually confirmed that there was no cause for concern, and parents and educators could continue to use Crayola crayons in homes and schools and purchase crayons from store shelves. Binney & Smith’s aggressive communication strategy protected the Crayola brand’s reputation while that process unfolded over three weeks of heavy news coverage.

IMPLEMENTATION / In the aftermath of a reporter call at the end of the business day on Friday, 19 May 2000, Lexis-Nexis research was conducted on Seattle-Post Intelligencer reporter Andrew Schneider. This research showed he was a veteran journalist with two Pulitzer prizes and experience writing on health issues in general and asbestos in particular. His reports were sometimes picked up nationally. Binney & Smith immediately began to mobilize its communication resources and cross-functional team.

A concerned, committed but flexible, on-the-record response was given for the SPI story. On 23 May, the day that story broke, a press release and video news release (VNR) highlighting Binney & Smith’s response were made available to media nationwide.
On this same day, a special “Crayon Safety” section was added to the Crayola.com web site for access by the public and news media.

Informational messages were written for employees and distributed through the company intranet, bulletin boards, voice mail, internal newsletter and in-person meetings. Similar information was provided for consumer affairs center staff. Within the first two days, informational letters were sent to buyers at key retail customers, education accounts and school administrators, and talking points given to Binney & Smith’s sales force.

An accredited independent laboratory was hired by Binney & Smith to test Crayola crayons for asbestos.

While awaiting test results, the crisis team conducted detailed research into the asbestos fiber issue, using government and science web sites and publications on the Internet, as well as telephone interviews with experts, including Mike Beard, a retired Environmental Protection Agency asbestos official and chairman of a standards-setting group for asbestos laboratory testing. This research showed disagreement among scientists about what standards to use to identify asbestos in lab testing, as well as disagreement over which fibers should be covered under government asbestos regulations.

Three days after the SPI story, the independent lab retained by Binney & Smith reported finding no asbestos fibers in Crayola crayons. These results were communicated to the media via a press release and a second VNR, which included reaction sound bites from former EPA official Mike Beard. Expert reaction was posted on the special “Crayon Safety” pages of the Crayola.com web site. Updates for employees were posted on the company intranet, and information was sent to retail store customers, education distributors and to the CPSC. Small group meetings were held with manufacturing employees. Close tracking of news media and Internet response was maintained.

While awaiting the CPSC’s findings, extensive media training interview sessions were conducted with Binney & Smith CEO Mark Schwab. These sessions included issues raised in ongoing news coverage. They were instrumental in influencing management’s strategic decisions, by keeping media and public perceptions “front and center.”

Within two weeks, the CPSC test results showed no cause for concern. Children should continue using Crayola crayons. Although Crayola crayons remained safe and non-toxic, to eliminate consumer confusion and strengthen the brand heritage of trust with parents and educators, Binney & Smith volunteered to phase out the use of talc, and reformulate with an alternate ingredient to strengthen crayons within a year. Both the CPSC and Crayola issued press releases. CPSC Chairwoman Ann Brown announced the agreement live on NBC’s Today Show. Immediately after that interview, Binney & Smith released a third VNR.

Again, the Crayon Safety section on Crayola.com and internal vehicles were used to update stakeholders. Media monitoring over the next two days showed that CPSC’s comments and Binney & Smith’s voluntary decision to reformulate had quickly put the issue to rest.
CHALLENGES / Asbestos testing conducted by Binney & Smith, news organizations and public schools reported differing results. Crayola believed that was due to the difficulty of conducting such tests and especially because of disagreement over measurement standards for asbestos or “asbestos-like” fibers. In addition, the team’s research into the history of the asbestos fiber issue convinced them that it would be impossible to refute activities and create a non-controversial climate in which it was certain consumers would be comfortable. So despite the fact that there was no evidence of a health risk, Binney & Smith chose to reformulate its crayons with a talc alternative. The communication team decided this action would be consistent with the trust five generations of consumers have shown for the Crayola brand.

MEASUREMENT/EVALUATION / From 23 May – 13 June, news coverage of the crayon asbestos crisis generated more than 900 million gross media impressions, including more than 1,400 television reports (54 national) and massive newspaper and Internet coverage. Binney & Smith’s consumer affairs center received only 192 e-mail messages and only 2,021 calls on the 800-Crayola toll-free line. Despite the major media coverage, this is a far lower level of inquiry than the center has received for company-initiated campaigns. By comparison, the special “Crayon Safety” website received more than 15,000 visits during this same period. The team believes these statistics suggest consumers were getting the information and reassurance they needed through company statements, the website and media interactions.

As a result of the proactive media outreach and targeted communications to retailers, distributors and educators, only a small number of schools and stores nationwide removed Crayola crayons from sale or use during the crisis. In even these few cases, the decisions were reversed within days. Ongoing proactive communication with employees, especially with those who manufacture crayons, helped to strengthen their commitment to the company.

Public survey research showed the level of concern among consumers did not significantly increase over the three-week long crisis, even as media coverage accumulated. While roughly one-third of consumers had heard of an issue regarding crayons, only about 10 percent indicated concern. As of late September, the concerned percentage had declined to under 3 percent.

Sales of Crayola crayons have not been impacted. Proactive research and management of the crisis, combined with aggressive external and internal communication, protected the high level of brand equity and consumer trust that the Crayola brand has earned for nearly a century.

One final piece of evidence came to light in November 2000. Public opinion brand research conducted by a third party showed Crayola among the top five brands most respected by Americans.