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## Defining Crisis: It's All About Victims

**Keywords:** crisis, problem, readiness, disaster, operational, non-operational, victim, testosterosis, apology, victim recovery cycle

As we walk together through the crisis preparation and readiness process, it would seem useful to agree on or, at least, to have in mind a working definition of crisis. Typically, crises are defined in general terms with the specificity coming as a part of the readiness-and-response planning process. To get your thinking started, I prefer to define crisis with focus on victims, a concept rarely dealt with in crisis communication and operational response planning. Victims and how they are treated will determine just how much of your crisis response will be carried out successfully.

*This chapter will help you to:*

- Define a *crisis* and what differentiates it from other problems and business interruptions that an organization can experience.
- Recognize the importance of being prepared (*readiness*) in advance to communicate effectively with employees, *victims*, and the press in the event of a crisis.
- Understand what makes a person or group a victim and how the presence of victims relates to what defines an event as a crisis.
- See how to manage the victims in a crisis with the compassion, fairness, and honesty that will bring the situation under control and help the public image of your organization, while preserving, protecting, and defining your organization's reputation.

# 1.1 Crisis Management and Readiness Defined

## 1.1.1 Crisis and Components of Crisis

Simply put, *crisis* is the sudden, unexpected creation of victims.

With today's focus on extraordinarily rapid communication and the reputational threats this new environment can stimulate, it is wise to consider the significance and power of the victim dimension to dislocate, distort, and even destroy the credibility of even the most competent response and readiness processes. Simply put, *crisis* is the sudden, unexpected creation of victims, accompanied by unplanned visibility for an organization.

So let's begin at the beginning with some working definitions of crisis and the components of crisis.

1. Show-stopping, people-stopping, product-stopping, or reputation-defining, trust-busting event that creates victims and/or explosive visibility. Victims can be people, animals, living systems, i.e. forests, the atmosphere, somebody's backyard.

### Causes of Victimization:

- |                |                  |              |
|----------------|------------------|--------------|
| ▶ Abuse        | ▶ Confrontation  | ▶ Fear       |
| ▶ Arrogance    | ▶ Contention     | ▶ Lies       |
| ▶ Assault      | ▶ Deception      | ▶ Negligence |
| ▶ Bullying     | ▶ Discrediting   | ▶ Omission   |
| ▶ Callousness  | ▶ Dismissiveness | ▶ Sarcasm    |
| ▶ Carelessness | ▶ Disparagement  | ▶ Shame      |
| ▶ Commission   | ▶ Embarrassment  | ▶ Surprise   |
2. Any unplanned event that may cause death or significant injury to employees, customers, the public, or animals; or one that can close your business, disrupt operations, cause physical or environmental damage, or threaten the firm's financial standing or public image.

## 1.1.2 Nature of Crisis

From my experience, my estimated metrics for crisis management are pretty straightforward:

- ▶ 95% of all crises are the result of daily operations and present low-level threats to reputation.
- ▶ 5% of crises are non-operational in nature, highly emotional, victim producing, and represent significant threats to reputation, operations, and value.

- ▶ Berserk employee
- ▶ Bomb threats
- ▶ Business loss
- ▶ Congressional action
- ▶ Crimes in progress
- ▶ Criminal behavior
- ▶ Decapitation
- ▶ Demonstrations / protests
- ▶ Disgruntled employee
- ▶ Embezzlement
- ▶ Employee violence
- ▶ Ethics problems
- ▶ Extortion
- ▶ Kidnapping
- ▶ Litigation
- ▶ Major allegations
- ▶ Major business decisions
- ▶ Major crimes
- ▶ Major theft
- ▶ Obscene / coercive telephone calls
- ▶ Sabotage
- ▶ Scandal
- ▶ Sexual harassment
- ▶ Stock price drop
- ▶ Terrorist actions
- ▶ Web attacks
- ▶ Whistle-blowers
- ▶ Workplace violence

## Case Study: Restaurant Food Poisoning

Of the many critical situations that can befall a business, food contamination or other health threats are among the most publicly visible and important public issues. Victims are being created by the actual circumstances of the problem, and additional victims, through the intense and often explosive visibility of the situations are being created as well. For a chain of restaurants, potential victims could include customers who ate at any of the restaurant locations earlier in the day or in the previous few days.

### The Company

Dave's Diner, a regionally famous family-owned chain of full-service restaurants is located in 13 Midwestern US states. For the first time in the family's history, the last three new restaurants were franchisees in St. Louis, Memphis, and Oklahoma City.

### The Crisis

The first incidents involved two private parties at their flagship Dave's Diner in Des Moines. Reports of ill customers reached the restaurant as local emergency rooms began taking in seriously and suddenly ill patients of all kinds – children, older adults, a cross-section of individuals from the community. A local radio station, apparently tipped off by an ER worker, sent a local freelance reporter to several emergency rooms in the area to interview both staff and victims. The reporter, almost immediately, began doing live broadcast interviews with victims and their families.

### The Complexities

Before long, more than a dozen victims were reported to be in critical condition, two of them on life support equipment. The vast majority of victims were suffering symptoms ranging from explosive diarrhea to upset stomach.

As with any such situation, Dave's Diner was required to make certain notifications immediately, thus involving government agencies and other civil authorities.

With very little information to go on, the owners of Dave's Diner organization were almost immediately facing very serious public questions, most requiring some affirmative action, now. They were required to take actions and make decisions with very little information; meanwhile, negative visibility was growing by the minute. For a family company which had built up decades of goodwill, this was a very stressful situation.

Although it appeared that only the store in Des Moines was involved, media coverage seemed to be uncovering individuals with health issues who ate at other stores in the chain in the past few days. Almost immediately, customer victims began calling their local restaurant to find out who was going to pay for trips to the doctor and other situations in which these individuals and families found themselves. As news of the situation spread across the media, restaurants in other locations and states were beginning to receive calls from local news outlets.

The questions came fast and furious: How many victims are there? What are their conditions? How many hospitals are they being treated in? Is there any sense of the cause? What is the company doing about victim care, determining the causes, working with health authorities? How many stores will the company close until the mystery is resolved? Will the company take financial responsibility for the victims? How difficult is it going to be for victims to be compensated and taken care of?

Needless to say, the Dave's Diner corporate offices were navigating a gigantic legal minefield for which the company was completely unprepared.

### **The Approach**

The company chose to take a "moderately proactive" approach, which, in the long run, damaged the reputation of the company:

- ▶ All calls from victims and the media were referred to the corporate headquarters. Local store managers were not briefed on the situation and were prohibited from commenting in response to calls.
- ▶ The statement from the company was delayed. Although the company promised a statement, it took a couple of hours before anything meaningful was said.
- ▶ The company appeared to step away from taking responsibility.
- ▶ While the initial response was empathetic, seeming to recognize that there were problems, they only promised to promptly "look into" the situation.
- ▶ A spokesman for the chain, one of the members of the founding family, said the organization was evaluating "whether or not it was appropriate for the company to reimburse those making claims."
- ▶ The company professed to be cooperating with all public authorities, and urged calm as the source of the contamination or causative agents were investigated.

- ▶ The company announced that it had closed the party and convention facility, which was the location of the original outbreak of illness, along with its special kitchen, in order to find the cause.
- ▶ The company never took complete responsibility, promising that it would take, "appropriate responsibility, depending on the circumstances and what the various investigations would show."

### **The Culmination**

- ▶ Countermanding the company's decision to keep all restaurants open during the investigation, local health authorities ordered the immediate closure and quarantine of the two restaurants in Des Moines, even though victims were only coming from the banquet facilities at the older flagship store.
- ▶ By late evening of the first day, victims' families were holding large meetings organized by the news media and local health activist organizations.
- ▶ A local union (which had been trying to unionize restaurant workers for several years) seized the opportunity to establish a hotline to anonymously report operating infractions by the company, any circumstances where the restaurant was forcing its employees to cut safety corners, and any other relevant information that public authorities should consider as well as be known by the public.

### **Lessons Learned**

- ▶ Management's *failure to act* with extreme promptness and selfless responsibility corroded what had been for decades a most positive reputation. Dave's Diner was fortunate that there were no deaths in this particular case. However, there were extraordinary legal consequences and community suspicion.
- ▶ It took the executives of Dave's Diner almost seven days to apologize. Thus, the chain was deprived of the good will and support of many employees and loyal customers. Even public officials who wanted to support this really good local business in its time of need were prohibited from acting by the company's behavior.
- ▶ The long-range result for the Dave's Diner chain included lawsuits, loss of business, closure of some of its smaller locations, difficulty in signing up new franchisees, and significant delay in carrying out its intended business plan.

### **The Conclusions**

- ▶ Situations involving public health and safety require dramatic, comprehensive and conclusive responses, decisions, and actions from the very beginning.

- ▶ Every hesitation, marginal or confused response will energize victims, survivors, critics, public authorities, folks with their own agendas, and increasingly trigger social media activity, although such was not the case in this example.
- ▶ Victims, whether people, animals, or living systems, must be dealt with as promptly as possible.
- ▶ The general strategy for crisis response involves five powerful steps, each activated as quickly as possible, preferably within an hour (the golden hour) of recognition that the crisis has occurred or is occurring:
  1. Stop the production of victims. In this case, close those restaurants immediately.
  2. Manage the victim dimension. Step up, arrange for handling victim expenses, family disruptions, and fears.
  3. Communicate internally first, recognizing that such communication becomes public almost instantly. Failure to speak promptly triggers enormous uninformed communication by employees.
  4. Organize and initiate regular public communication quickly. Deal with those who opt in on their own, the news media, bloggers, and bloviators.
  5. Notify those indirectly affected who require notification or would expect notification.

## 1.2 All Crises Are Problems – Not All Problems Are Crises

The vast majority of issues and problems (operationally and otherwise) faced on a day-to-day basis are not truly crises, but rather problems and issues the organization must learn to anticipate, face, remediate, and resolve. Recognizing the nature of a true crisis means you must define carefully those situations that could become crises before including them as part of your organization's crisis readiness process and, ultimately, crisis communication strategy.

Very few problems are crises. For example, these examples are probably *not crises*:

- ▶ A long-term issue, which occasionally flares up and embarrasses us.
- ▶ A routine or predictably irritating high-profile problem.
- ▶ A disruption in an otherwise “normal” environment.

**These serious crises often have highly emotional components and are rarely studied, much less mentioned, in business management schools.**

If every adverse incident is labeled a crisis, then management will say, correctly, “Since it is not possible to prepare for everything, and we can't predict exactly what will happen, we will rely on our skills and ability to handle situations as they arise.” If this is the attitude of your management, we