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BUSINESS BOOKSHELF

Taking the offensive in PR crisis management

Damage Control: Why Everything You Know About Crisis Management Is Wrong By Eric Dezenhall and John Weber Portfolio, \$24.95, 224 pages

By Richard Evans

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Whether for greed, corruption or malfeasance, companies increasingly find themselves in the position of the accused.

Protecting corporate reputations against these attacks is no easy task. But Eric Dezenhall and John Weber, public relations veterans, believe there are some reliable rules that business leaders should follow.

The right approaches are often the opposite of what you might expect. One myth they identify is that business leaders can defend themselves by patiently explaining their position to the public and the media.

"In a climate characterized by virulent distrust of business, education doesn't defuse outrage," the authors write.

We live, it would appear, in a vindictive age. Years of high-profile corruption scandals and the collapse of companies such as Enron and WorldCom have created, Dezenhall and Weber claim, an anticorporate atmosphere in which "the public, media and government are motivated more by vengeance than [by] justice." Chief executives who don't recognize this can be swiftly destroyed.

The book is the result of long experience working in Washington, where lead author Dezenhall began his career in the White House Office of Communications during the Reagan presidency and is associated with the emergence of "the Gipper" as a "Teflon politician" who was apparently impervious to criticism or scandal.

Just as in politics, these days business "opponents don't care whether you do the right thing; they care about defeating you," the authors say.

Many PR consultants and agencies still believe that the soft approach of engaging, communicating and, when required, apologizing will best limit damage and restore public image.

This is wrong, the authors assert: The best strategy is to rarely if ever admit guilt and to meet each accusation with a counterattack.

That's how Bill Clinton defeated his adversaries in the Monica Lewinsky scandal, they say, and how homemaking expert and business magnate Martha Stewart turned around her public image after a prison sentence that stemmed from an insider trading scandal.

German carmaker Audi, on the other hand, was castigated for expressing sympathy for crash victims in the 1980s when the media and consumers claimed that its 5000 model had a flaw that made it accelerate for no apparent reason. Audi's perceived admission of guilt led to plunging sales in the United States.

More recently, pharmaceutical maker Merck & Co. recovered from legal defeats and bad press when it began to contest lawsuits strongly, trying to portray plaintiffs as selfish opportunists.

Although many companies still believe in a PR model involving conciliatory engagement with attackers, the authors endorse a political model of crisis management: "The fundamental difference is that the political model assumes the threat of motivated adversaries that want to torpedo you."

A big lesson of the book is when to be conciliatory and when to turn aggressive: When you have done wrong, repentance is required; when you have been wronged, mount a vigorous defense.

McDonald's Corp. provides a classic example of successful and repeated repentance by switching from plastic to paper wrapping, eschewing genetically modified foods and ending super-sized menus.

The mobile phone industry, on the other hand, mounted a textbook defense when some consumers blamed cellphones for tumors in the mid-1990s.

Instead of calling news conferences and over-communicating — a tactic that can backfire and increase media attention — the leading phone producers jointly commissioned independent scientific studies that vindicated them.

The authors say that success requires resources and that business leaders cannot wait until all the facts are in before deciding how to react to a market attack;

emotions rather than facts often define public image, and only an early response can prevent the public from turning against you.

Whether by employing in-house experts or undergoing external training, Dezenhall and Weber contend, top executives must be well versed in damage-control techniques in advance of an emerging crisis. Trying to learn how to respond on the hoof is risky and time-consuming.

Richard Evans is a contributor to the Financial Times of London, in which this review first appeared.