

# Book Review: Crisis management for a vindictive age

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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, PR veterans, believe there are some reliable rules 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 press. "In a climate characterised 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 anti-corporate atmosphere where "the public, media and government are motivated more by vengeance than [by] justice". Chief executives who don't recognise 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 Gipper's" emergence 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".

Many PR consultants and agencies still believe that the soft approach of engaging, communicating and, when required, apologising will best limit damage and restore public image. This is wrong, the authors claim: the real lesson is rarely if ever to admit guilt and to meet each accusation with a counterattack. That's how Bill Clinton defeated his adversaries over the Monica Lewinsky scandal, they say, and how the homemaker and business magnate Martha Stewart turned her public image round after a prison sentence for insider training.

The German carmaker Audi, on the other hand, was castigated for expressing sympathy for crash victims in the 1980s when the press and consumers claimed 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 US. More recently, the pharmaceuticals maker Merck recovered from legal defeats and bad press when it began to contest lawsuits strongly, attempting to portray plaintiffs as selfish opportunists.

While 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 what determines 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 defence.

McDonald's 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 defence when some consumers blamed mobiles for brain tumours in the mid-1990s. Instead of calling press conferences and over-communicating – a tactic that can backfire and increase press attention – the leading phone producers jointly commissioned independent scientific studies that vindicated them in the end.

The authors say 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 turning against you.

Whether by employing in-house experts or undergoing external training, Dezenhall and Weber argue, 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.

Damage Control

Why Everything You Know About Crisis Management is Wrong

By Eric Dezenhall and John Weber

Portfolio, \$24.95

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