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NEVER STOP LEARNING; How To Handle A Crisis

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4 When crises hit, people can see the true measure of a company. How you handle the tough times can make or break your firm's future.

"A company that steps up to the plate during a crisis and takes the issue head-on, an executive who chooses to apologize rather than forge ahead as if nothing happened, a company who supports employees during the roughest of times -- these are all the hallmarks of companies whose customers think favorably of and continue to do business with following a crisis," said Sheldon Baker, senior partner at Baker Dillon Group, a Fresno, Calif.-based firm specializing in product branding and crisis communications.

So what makes a good crisis management plan? Here are four areas experts say you should focus on.

** Apologize? If you've clearly made a mistake, quickly say you're sorry, Baker says.

Eric Dezenhall isn't so sure. He wrote the upcoming book "Damage Control: Why Everything You Know About Crisis Management Is Wrong," and the way he sees it, "The whole apology ethic assumes you're guilty."

Take Martha Stewart. She never apologized, and her brand survived and thrives. "Her following is women who are loyal consumers to her, and these consumers felt she was being railroaded because she is a successful woman," Dezenhall said. "A lot of what makes her successful is she's feisty and doesn't do what people want her to do. It is ultimately endearing to her audience."

** Make things right. While JetBlue CEO David Neeleman wishes he didn't have to be the poster exec for taking responsibility for a fiasco, he's doing a great job, experts say. He apologized for his airline's marathon runway delays in February. Also, JetBlue is pushing a "passenger bill of rights."

"(Neeleman) took his apology to all the accessible media outlets, including newspaper ads and utilizing video on YouTube to convey how sorry the company was to the customers," Baker said. "He further expressed empathy that goes a long way to retain public trust."

** Stand firm. Not all crises are created equally. Sometimes a company is under attack when it really shouldn't be. That's when corporate mettle is put to the test. Dezenhall says sometimes the best damage control is to fight back. He points to Microsoft's tactics during its antitrust trial.

"They engaged in a massive public relations campaign to remind the world that they basically single-handedly saved the U.S. economy," he said. "This proves there is not always a correlation between surrendering to attackers and success."

** Follow through. All the apologies in the world won't fix the problem long term if you don't make good on your promises.

Baker points to Lego's product recall in the 1990 s with its Primo Ladybird rattle, which involved three suffocation tragedies. Lego recalled this product from all markets.

"Lego became a partner for parents in order to maintain a sustainable relationship," Baker said. "They developed new safety features in their product development stages and have continued to set the standard regarding safety."

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