



10 Tips for Communicating in Tough Times

Businesses Must Pay Special Attention to Communications in Current Climate of Fear and Mistrust

FOR IMMEDIATE RELEASE

November 12, 2008

VANCOUVER, British Columbia – The current economic meltdown has inflicted what for some firms could be a death blow to corporate credibility, making public communications riskier than at any time in modern history, Vancouver public relations veteran James Hoggan said today.

“Corporate credibility has never been lower,” Hoggan said. “Multi-millionaire Wall Street CEOs, whose out-of-control mortgage businesses have undermined markets and economies around the world, insisted their companies were healthy only days before their collapse. Whether they were incompetent or dishonest, their actions have shattered public trust in private institutions.”

That makes it all the more important for companies to tread carefully into the public realm, whether they have good or bad news, Hoggan said. “The risk is huge for businesses with consumer products or services that depend on public support. And the situation is even worse for public companies that might feel the sting of shareholder panic. You have to be hyper alert to what you say, how you say it and how it is likely to be received.”

It is inevitable in difficult economic times that companies may be downsizing or restructuring. They may be announcing disappointing results, refocusing business strategies, contending with shareholder actions and, in the most dramatic cases, receiverships. The preparation of good communications in such times can be complex and fraught with landmines. But there are a few guidelines that will help everyone along the way.

10 Tips for Communicating in Tough Times

1. Prepare a Communications Plan – If the current market, or any other factor, is presenting a major challenge for your business, make sure that you are ready to respond publicly as necessary. Prepare a timetable. Set out a list of strategic messages. Pick (and train) a spokesperson. And prepare for the tough questions. It’s best – if not always possible – to control the timing of negative announcements, but you should be ready, one way or the other, when reporters start to call.

2. Rip the Band-Aid Off Quickly – Once a bad news story breaks, it’s best to release all the details as quickly and forthrightly as possible. It’s much better to suffer one very bad day in the media spotlight than to become a regular bad-news feature as details dribble out over time. There are exceptions, but getting your whole story out quickly, is usually the fastest way to get off the front page.

3. Bad News Starts to Stink When it Gets Buried –There are two kinds of news releases: candid releases about successes and failures, and baloney sandwiches with bad news hidden between thick layers of promises and excuses. Dressing up a horrible story might make the boss feel better, but a glossy wrapping on a sordid tale will only irritate reporters and insult stakeholders.

4. Choose Your Spokesperson Well – A well-informed, credible and sincere spokesperson can be a blessing in any crisis. But a spokesperson who is evasive, defensive and combative – one who takes tough questions personally – will arouse suspicion and, potentially, fear. So, choose carefully. Identify a natural communicator who is trainable – and then train them. Choose someone who is quick to grasp technical issues, but plainspoken. And choose an employee, not an outside consultant who may be seen as a “spinner”. The spokesperson doesn’t need to be from the executive suites, but they need corporate support and authority to answer reasonable questions or explain, quickly and politely, why not.

5. Don’t Launch Your Story Till You Know Where It Might Safely Land – Forthrightness is a virtue, but there is no point rushing out to talk about your troubles until you have crafted a potential solution and a plan to put the elements of that solution into effect.

6. Accentuate the Positive – Again, you can be up front about a problem without dwelling on it. If your sales are off, but your cash position leaves you well-armed to weather a recession, say so. If you are laying off employees to reposition the company on firmer ground, say so. Most readers/investors/stakeholders are aware that we’re in tough times. But they’ll be happy to hear compelling news that better days are ahead.

7. Correct Negative Rumours – It’s risky at the best of times to ignore the news, and it’s always a good idea to correct factual errors in print or television stories about your business. But it’s particularly critical in times of uncertainty that you act quickly to rein in faulty rumours. Negative stories that might have no credibility at all in normal circumstances suddenly sound feasible when some of the biggest financial institutions in the world have collapsed in failure. So, answer the phone – or call reporters directly. Make sure the news – good or bad – is accurate.

8. Listen: It’s the First Best Step in all Communications – Whether you’re thinking about your customers, investors or employees, the key to good relations often rests in paying attention – in listening. While not paying attention is at the root of most public relations problems, listening builds understanding; and responding to what you hear builds relationships. Always try to look for new ways to get feedback. Conduct surveys, book tell-me-more meetings with clients or customers, have coffee with your employees. Be sure that you know what your workers, customers and investors think about you, your business and your products.

9. Make the Most of Social Media – The internet, Google, Wikipedia, Facebook, YouTube, Twitter, websites and blogs beyond number have changed media forever, making it harder to hide bad news, but easier to convey your message. Social media allows you to speak directly to your customers, shareholders or stakeholders and to hear directly back. It allows you to make information widely available without relying on the filter of conventional media. You ignore it at your peril, but if you embrace it, you’ll find untold – and previously impossible - advantages.

10. Do the Right Thing – This, ultimately, is always the right advice if you are serious about building and protecting a good reputation. Reputable companies all follow this path: 1. They do the right thing. 2. They are seen to be doing the right thing. 3. They don’t get #1 and #2 mixed up. That is, they don’t treat the crisis simply as a public relations problem. Nor do they assume people will automatically understand or believe that they have done the right thing. Hard times usually offer an opportunity for struggling businesses to display their true character. This is the way to ensure that opportunity works in your favour.

Hoggan and Associates Inc. is a leading Vancouver public relations firm, specializing in corporate and investor communications, environmental communications, media relations and crisis communications. Clients include CENTURY 21 Canada, Electronic Arts Canada, Canadian Tire, A&W Food Services of Canada, Ballard Power Systems, and Ethical Funds. Hoggan and Associates are also the proud recipient of the public relations industry’s highest award for crisis management, the Public Relations Society of America’s Silver Anvil award.

-30-

For more information, or to arrange an interview:

Karen Cook
kcook@hoggan.com

T: 604-739-7500

C: 604-551-9074

or

Kristin Treat
ktreat@hoggan.com

C: 604-761-9946