Organizations in the Face of Crisis

Managing the Brand and Stakeholders

Dennis W. Tafoya

Organizations in the Face of Crisis

This page intentionally left blank

Organizations in the Face of Crisis

Managing the Brand and Stakeholders

Dennis W. Tafoya

palgrave
macmillan

ORGANIZATIONS IN THE FACE OF CRISIS

Softcover reprint of the hardcover 1st edition 2013 978-1-137-30695-1

First published in 2013 by
PALGRAVE MACMILLAN®
in the United States—a division of St. Martin's Press LLC,
175 Fifth Avenue, New York, NY 10010.

Where this book is distributed in the UK, Europe and the rest of the world, this is by Palgrave Macmillan, a division of Macmillan Publishers Limited, registered in England, company number 785998, of Houndmills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries.

ISBN 978-1-349-45529-4 ISBN 978-1-137-31397-3 (eBook)
DOI 10.1057/9781137313973

Library of Congress Cataloging-in-Publication Data

Tafoya, Dennis W.
Organizations in the face of crisis : managing the brand and stakeholders / Dennis W. Tafoya.
pages cm
Includes bibliographical references and index.

1. Crisis management. 2. Organization. 3. Strategic planning. 4. Brand name products—Management. 5. Corporations—Investor relations. I. Title.

HD49.T34 2013
658.4′056—dc23 2012037391

A catalogue record of the book is available from the British Library.

Design by Newgen Imaging Systems (P) Ltd., Chennai, India.

First edition: March 2013

10 9 8 7 6 5 4 3 2 1

Dr. Anthony Tomazinis of the University of Pennsylvania whose contribution more than formalized my thinking regarding planning and its functions it expanded my vision of planning's use and potential in national and international business and political affairs.

This page intentionally left blank

Contents

Illustrations

Figures

Tables

Acknowledgments

While the origin and development of new ideas, like those presented in this book, may emerge in isolation, they must be tested and one of the best tests I've recognized over time is to have knowledgeable, competent people listen to, think about and generally react to those ideas. This is especially true for this book because whether the issue was the salience of an idea or ways to communicate it several people have proved an excellent resource for me.

Ken Klippen's friendship and many years of experience as a Washington lobbyist combined to make a special contribution to this book. The discussions and reviews of how the material related to "stakeholder swarms" and "brand trauma" apply to different organizational situations, conditions and crises brought these theories to life. His expertise proved to be an effective backdrop for discussions related to speculative "tests" of the predictive nature of material and models presented in this book.

Cathie Orlowski is the complete friend and professional. Her comments and suggestions regarding early drafts improved the book's clarity and effectiveness. More importantly, however, her unfailing willingness to be of help when asked reaffirmed this long-time friend's role in my life. Cathie has never hesitated to help me when asked and then, the level of her help far exceeded any request. I long ago realized, whether when we worked together at Intel or afterwards as I launched my own company, that I will never be able to repay her for her contributions to me or my life.

Jay Tolson is another to whom I am deeply indebted. Jay, whether as CEO or in "retirement" may be the busiest person I know. Yet, despite his role when CEO or, later as a member of the board of numerous corporations and foundations, he always found ways to make time for me, to listen to my ideas or read papers or the books I have written. He is the consummate mentor, friend and the one referent I always think of whenever I develop a new idea or put pen to paper. His is another debt I will never come close to repaying.

Two people who were invaluable resources related to both the book's content and presentation were Charlotte Maiorana, Palgrave's Business and Economics editor, and Leila Campoli editorial assistant in the Business and Economics editorial team. Charlotte recognized the book's potential early in the development process and this materialized into the range of support that marked our working relationship; she simply made collaboration easy. More importantly, however, is the editorial experience and vision she brought to this effort. Her work personifies a key premise in the book that effective management must simultaneously keep in mind the needs of four key stakeholders: the organization's, Palgrave/Macmillan's, her team's, the author's and, the audiences who ultimately would buy and use the book. I have been fortunate to work with Charlotte on this project. I hope we have the opportunity to work together again.

Leila Campoli regularly demonstrated the value of having someone as talented as she to work with on a project. Her range of knowledge and expertise of Palgrave business and production processes and, more importantly, the publishing process in general made her an invaluable partner and resource. Most importantly, however, what seems to separate Leila from other, equally competent professionals in roles such as hers, is her capacity to see how the author's and company's needs can be comingled so that both are met.

As so often the case in projects such as these I have never had the opportunity to personally meet Charlotte or Leila yet, as a statement to their competence and professionalism, I have never left a phone call or email without appreciating the quality they bring to our relationships. Palgrave and I are fortunate to have this balance of fine people with strong competencies as resources to work with on projects such as this. They make for a great partnership.

Finally, I will never be able to say enough about the contribution Nancy Gripshover makes in my personal and profession life and efforts. She is an incredibly intelligent and resourceful dearest friend. I cannot imagine time without her at my side for she may be one of the finest people I have ever known. I am fortunate I have her to turn to when I need to sort through or generally confront issues that arise or decisions to be made. I count on her, depend on her, and rely on her and yet, despite this burden, she never hesitates to step up and help.

Part 1

The Organization, the Brand, and the Organization's Stakeholders

Promoting development, maintaining organizational and brand well-being, and nurturing the relationship stakeholders have with the organization are fundamental management responsibilities.

Chapter 1

Introduction

Hardly a day passes without some example of an organization's brand in crisis. Politicians and their campaign organizations are classic examples but so are the organizations whose products contaminate the environment or threaten the public's health and well-being. Anything that compromises or challenges an organization's capacity to perform is a potential crisis for the organization and its brand. If a religious organization does not meet the needs of its followers, they leave. If a cult doesn't meet the needs of its members, they seek their goal fulfilment elsewhere. If a manufacturing center cannot produce goods that meet customer standards, the customer will reject it. If a storm damages a retailer's store so it cannot open for business, the customer will shop elsewhere. If a politician violates public trust, an election campaign may end. Failure to recognize, to oversimplify, or to treat a potentially crisis-causing event can lead to trauma and subsequent disaster for the organization.

No organization is exempt from the possibility of experiencing a crisis and the resulting traumatic effects. Customers, regulators, managers, and staff as well as other organizations or members of communities not associated with the organization in crisis are potential candidates for trauma. The expression of trauma is not limited to evident loss, pain, and suffering. Trauma can trigger the emergence of uncertainty about what to expect, what is correct, what is right or wrong, or sometimes simply what to do with a crisis and its effects. Since an organization's brand is one of its most distinctive features, threats to the brand are viewed as a crisis and the need to respond given top priority.

This book fills a gap in contemporary approaches to the management of an organization facing a crisis. In the book, the role of events and their simultaneous effects on an organization, its brand, and stakeholders are examined in terms of three phenomena. One of these is familiar: it's the network that defines the relationship between an organization and its stakeholders. A crisis stresses an organization's resources and staff and, importantly, virtually any stakeholder included in the universe defining an organization. However, an organization's network isn't only defined by those in a positive relationship with the organization. Friends or foes, customers and competitors, and regulators and agitators also define a stakeholder network. Too narrow view of the make-up of an organization's stakeholder network, for example, by only concentrating on those with an interest in the organization, for good or ill, is a potential risk. Discussions in the book illustrate why and how an effective crisis management plan can deal with all stakeholders, regardless of their vested interest.

The other two phenomena are unique to the book and new to the study of crisis management. The first, labelled as a "stakeholder swarm," captures the emergence and behavior of stakeholders once an organization slips into a crisis. Stakeholder swarms are comprised of the organizations, groups, and individuals that surface as the crisis unfolds. These swarms define the organization's "crisis stakeholder network" and can include those one might expect to emerge like lawyers, regulators, healthcare professionals or, members of the news media to those social bloggers, protesters, thrill-seekers, and gossipmongers who feed on the emerging brand crisis. Both the expected and the "trauma seekers" are part of the collateral damage an organization must manage when the public nature of its brand is in crisis. Their actions and behavior can stress every facet of an organization, from people, processes, goods and services, even the organization's culture.

The second new phenomenon examined in the book is "brand trauma." Brand trauma reflects the multidimensional features, products, outcomes, and impacts the organization, its brand, and stakeholders can experience when an organization is under attack or stressed by a crisis. Trauma, a by-product of any crisis, is triggered by a stakeholder response to conditions that put them or their needs at risk. Typical crisis management efforts often limit their treatment of trauma to a few groups, typically those considered the injured parties. Brand trauma, in contrast, reflects the damage, exposure or, risk to the very features that define the organization's credibility, quality, trustworthiness or general inherent value. Truly, brand trauma can shake the organization to its core leaving its long-term health, well-being and sometimes even its future exposed, vulnerable or, simply in question. Brand trauma receives particular treatment in the book so that those charged with preparing a suitable crisis management plan avoid the inevitable rush to just "get beyond the crisis" and instead seek to develop strategies that produce a more effective crisis management plan.

There is no simple recipe or formula to follow when building a plan to address problems and challenges as dynamic and robust as those associated with a crisis. The approach offered here helps the reader first understand the difference between the event(s) or causes leading up to the crisis and then what is necessary to include in a crisis management plan. This is a vitally important point: those expected to manage the crisis must understand the boundaries that define their role and responsibilities from those charged with managing the event or factors causing the crisis.

Next emphasis shifts to the production of a crisis management plan that will guide those responsible in this effort. This treatment illustrates strategies one might use when designing a plan to meet the evident needs associated with a crisis while also producing a plan with sufficient flexibility so that any discovered or newly emerging challenges can be incorporated in the crisis management effort. Producing an effective crisis management plan requires pragmatic competencies to anticipate what is needed and might happen on the short term within the context of a vision for the future. New Jersey's governor Christie's crisis management approach to the devastation following hurricane Sandy is a textbook model for the plan presented in the book. Even a brief review of his performance illustrates how an effective crisis manager can use even the smallest act to impact immediate needs vis' a` vis' one's vision of what the future will require.

To set the stage for the development of a crisis management plan, the book is divided into three parts. Part 1 presents a model and framework for building crisis management strategies for immediate action. The model's details are presented in chapter 2 and are anchored to the one element stakeholders in and outside the organization identify with, invest in, and sometimes even embrace, the organization's brand. The prudent will use the model as a template, a guide, and a reference.

Chapters 3 and 4 explore factors that contribute to the emergence of a crisis. The role of the stakeholder is central to both chapters. Chapter 3's focus might be called "the challenge of stakeholder management." The chapter may serve as wake-up call for some and as a reminder to others that when a crisis breaks many if not most members of the newly formed crisis management network will act on their own behalf, sometimes with little regard for what those in the crisis-bound organization want or need. Indeed, stakeholders linked to the events causing the crisis and may become part of the crisis management challenge facing the organization.

Chapter 4 explores the role of the stakeholders in terms of the organization's stakeholder network. Broadly speaking, an organization's stakeholder is anyone who has a relationship with the organization. It's a broad definition reflecting those stakeholders with a casual, passing relationship with the organization or its products and services as well as those with sophisticated and complex relationships who would do "anything" for the brand, even die for it as military or religious zealots have been known to do.

The stakeholder network is an amalgam of different stakeholders, each having a relationship with an organization yet each also pursuing a personal vision and mission—even if that vision and mission is in conflict with the organization's. This is an important discussion, for it illustrates that not all stakeholders like or even care about the organization and its mission. In fact, some may be part of the stakeholder network only because they want to see the organization punished, defeated, and sometimes even destroyed. Regardless of their sentiments, their behavior or potential must be considered when developing the crisis management plan.

Material presented in chapter 4 serves as a useful transition to part 2 where we examine the relationship between strategy and an emerging crisis. This discussion begins in chapter 5 with a straightforward examination of the nature and types of events that can lead to a crisis. Usually the "extreme event" is the focus of material aimed at helping those expected to manage a crisis: the tornado that rips through a community, the fire, or the terrorist attack. Extreme events are noteworthy but routine events are the source of conflict in most organizations. Think about it. Poor customer service, bullying, sexual harassment, and theft often surface around an organization's routine events such as servicing a customer, questioning a witness, counseling a member of the parish, or balancing the cash receipts at the end of the shift. In fact, more than 80 percent of an organization's activities are devoted to routine events so the law of averages would suggest that these events, however small, are a primary source for a potential crisis in need of management.

A "crisis event" doesn't have to be large to be meaningful or significant. Poor customer service, a defective product, or a small accident (a "fender bender") may be relatively insignificant and happen only once but the ramifications can impact the lives of those involved who may lose their job or find themselves in a civil suit because of resulting personal injury or perceived carelessness. After all, the 1982 Tylenol tampering incident occurred in only one region of Chicago and yet Johnson & Johnson took no chances and pulled more than 30 million bottles of the product off the market nationwide. Twenty years have passed since that incident and yet everyone reading this is exposed to some type of tamper-proof packaging first introduced by Johnson & Johnson in response to that crisis (Giges, 1982).

Chapter 6 presents a new concept in the field of crisis management: the stakeholder swarm. Core stakeholders often present enough of a challenge for an organization's leadership during a crisis but the emergence of a stakeholder swarm can challenge every facet of the organization and its operations. Swarms always form around a crisis and it's their management that makes the difference between successful crisis management or increased risk and trauma.

Factors that contribute to trauma and particularly brand trauma are presented in chapter 7. For example, the introduction of the concept of brand trauma illustrates both how a brand can be effected by a crisis and, importantly, how significant the scope and scale of a crisis may be for the organization and its stakeholders. The fact that trauma is a very personal experience means its effects can and usually do last beyond the event or immediate crisis. Just think about what comes to your mind when you read 9/11, BP or Katrina.

Part 3 extends the book's focus to include the implementation and management of a crisis management strategy. Indeed, material presented in chapter 8 and 9 might be described as outlines that aim at (1) keeping the organization going, (2) managing the crisis at hand, and (3) developing a sketch outlining what's needed to prevent a similar crisis from occurring in the future. These seem like intuitive tasks but it's surprising how often the three aren't part of a crisis management effort.

So who should read this book or, at a minimum, find it useful? Well, to begin with, the material in the concluding chapters illustrates what a crisis management plan might include and how material and experience gained by managing the crisis can be used to generate or at least update current operating strategies and plans so anyone invested in the organization's future should find this of interest. Again, a good strategy is one that is always at the fingertips of those expected to manage an organization and its resources. So an organization's leadership and managers can use the book material to view and treat a crisis as something to manage and sometimes improve the organization's on-going operations.

Everyone associated with an organization has a "stake" in it so even those with a "cause" or "mission" that are in conflict with the organization may find the book's material useful. This is an important point, for it means that even people who don't like or care for a particular organization have a stake in the organization and its performance. Members of special interest groups who fight crime, terrorists or are against animal cruelty have a stake in organizations are engaged in illegal activities or whose business it is to raise cattle for slaughtering, use chickens to produce eggs, or breed dogs for racing or sale. Members of special interest groups have a stake in how these organizations, often their adversaries, operate so what they pull from the book may help their own organization's performance or direction. Moreover, those in special interest groups have their own organizations to manage and their organizations are seldom crisis-free. So members of organizations on both sides of an issue should find the book's material useful.

Those in law enforcement as well as healthcare providers, and legislators and regulators are also stakeholders in a variety of organizations. When an oil company's well pollutes groundwater, when pesticides or chemicals get into the food we eat and cause sickness, sometimes even deaths, or even when airlines fail to respect the needs or rights of passengers, those in law enforcement, legislators and the like operate as stakeholders with a special interest.

Members of the media are often very active stakeholders. They are the conduits carrying and sometime shaping the flow of information about a crisis, and an organization and its brand. Members of the media often are key instruments for other stakeholders to use when attempting to get or create information about an organization and its brand. Stakeholders such as lawyers use the media to present their case to a wider audience just as those who perceive themselves as under attack use the same forum to present their case. More recently, the media's role has shifted from merely presenting the news, perhaps with a few comments, to a more proactive, investigative role. Schools of Journalism throughout the United States are augmenting or shifting their course offerings to reflect this trend. Indeed, tracking ways entire communication disciplines are reengineering their mission and course-work to reflect the changing role of media stakeholders in contemporary America is not limited to one or two schools. Rather, a quick look at the websites at Columbia University in New York, California at Berkeley, Brandeis in Massachusetts, American University in Washington and the Universities of Missouri and Texas to name a few reflect ways the growing interest in this new orientation to journalism is being promoted by established these leaders in higher education. These stakeholders have taken the search for the news, for the facts related to an event, or for the issues behind the crisis to levels that, in some instances, expand their role in shaping an organization's brand or its management.

In short, the book's material is not limited to an organization's leadership or those in its marketing and public relations departments who are called on to help manage a response to a crisis; the material presented can be of interest to anyone with a stakeholder relationship in an organization because, in one way or another, everyone is a potential activist. We follow the organizations we really care about; we watch their performance on television, like them on Facebook, or follow them on Twitter. These social transaction points enable stakeholders to judge organizations and their brands, to tell others what they think of these organizations, to make recommendations and, in the face of intolerable events, to demand change when it's needed.

Understanding brand crisis and brand trauma contributes to our understanding of organizations and their performance. The models and material outlined in the book illustrate ways organizations can build and rely on key competencies, programs, processes, and procedures to manage emerging risks, threats, and vulnerabilities that challenge them, their brands, and stakeholders. *But, beyond tools or theory, the material provided educates stakeholders and helps them become better prepared to identify their own level of preparedness for an emerging crisis and the trauma associated with it.*

Chapter 2

Acknowledging the Relationship between an Organization, Its Stakeholders, and Brand

Building a successful crisis management strategy includes three important components and is grounded in two assumptions. The three components, the organization, its brand, and its stakeholders will be discussed at length and throughout the book. The assumptions will be treated now and will service as an organizing theme for this chapter and the book as a whole. The first assumption is that the organization, the brand, and the stakeholders are inseparable. Each relies on and, in turn, is relied upon by the others. This is true for all organizations regardless of their type or function. The second assumption is that stakeholders, internal or external people or groups that believe they have some vested interest in the organization and brand, define the relationship between the organization and its brand. This means that stakeholders are the key to successful crisis management effort.

Building an Inclusive Crisis Management Strategy

A strategic crisis management plan is a detailed document, sometimes comprising many pages and the work of several people. Chapters 8 and 9 outline the elements of such a plan. These plans are multidimensional and, ideally, grounded in the material presented in chapters 3 through 7.

Often, however, the demands created by the emerging crisis don't allow for the immediate development of an elaborate plan. Immediate action may be essential to reduce loss associated with the crisis but even a quick response should be organized and designed to meet a potential range of needs created by the crisis. To engage a quick response to a crisis, something to use to guide immediate activities, we propose creating a "Crisis Management Template" as a starting point until a fuller, more detailed strategic plan can be prepared. This template enables structured, immediate action and, importantly, can serve as a sketch for the preparation of a more detailed plan.

Developing the Crisis Management Template is a straightforward process, probably familiar to most. What makes our plan different is its emphasis on three things. First, it distinguishes between the event and the crisis or effects to be managed. Second, it stipulates the stakeholders involved and their relationship with the organization as defined by the stakeholder network. Finally, it takes a quick, "long view" of the effects of the crisis on the organization, its brand, and its stakeholders without specifying what long-term actions will entail. This orientation seeks to resist the temptation to simply "get the crisis behind us" by building a plan that is timely, inclusive, and yet still with a sense of the future for all involved.

The Crisis Management Template is a working document comprised of four elements. The first of these characterizes the situation or circumstances the plan is to address. This is more than a statement explaining "where we are versus where we want to be"; it is a concentrated focus on the effects of the crisis and not the event causing it.

The Template's second element is a brief but complete summary of ways the crisis affects the three key components: the organization, the brand, and the stakeholders. This analysis includes a description of each of the three components, how each is affected, and the foundation for these observations.

The third element defines the desired results. What will success look like? How will the plan's goals meet the needs at hand? Which needs are "musts"—needs the organization, brand, and stakeholders must have addressed? Last criteria defining how success be measured must be included.

Finally, the Crisis Management Template outlines internal and external resources required. It notes those available and how those not available will be obtained. Anticipated expenses are outlined with specific details regarding how they will be addressed. To close, data supporting the conclusions are presented.

Again, the template is a tool, a sketch, or a guide of what is a larger, more-involved process. Once finished, the template will provide a quick summary of the nature of the crisis and essential information needed for immediate action. Suggestions for using the template to produce a formal crisis management plan are covered in the following chapters. That material outlines an approach to the design of a crisis management strategy while helping the strategist address trauma associated with a crisis.

Sketching a Crisis Management Template

Step 1: Defining the Crisis Setting

Every organization is different. They are comprised of different stakeholders, they seek different ways to meet stakeholder needs, and they utilize processes and procedures particular to their operations But the one thing that truly differentiates one organization from others is the organization's brand; it is an organization's most distinctive feature.

Nominally, an organization's brand is synonymous with its identity or image. For example, according to the American Marketing Association, a brand is a "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. Other times, a brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name" (The American Marketing Association, 2011).

We begin building our crisis management effort around the crisis setting because when a crisis emerges its effects simultaneously affects the organization, the stakeholders and the brand, the very nature of the organization. The crisis setting is not a simple construct, however. The setting begins to form long before the hurricane hits, the politician's sexual misconduct becomes public, or the basketball team's star athlete is charged with using performance-enhancing drugs. The crisis setting forms and changes as stakeholders enter and engage in the crisis, and as the organization finds itself responding to the crisis and its unfolding effects. So, despite the crisis setting's fluid nature the immediate objective of crisis managers requires that they produce an accurate, objective picture of the crisis at hand. Not the event causing the crisis, not the emotions spawned by the crisis or, the people or personalities involved but a clear picture of the crisis to be managed. The crisis manager must be able to define, to summarize *the* problem to be addressed. All else flows from this summary.

For example, knowing the crisis setting dictates who's to be involved in the crisis management effort. Usually initial attempts aimed at developing the organization may encourage a number of different stakeholders to be involved, led by the organization's leadership or supervisory staff. These efforts may seek people with a diverse range of interests, skills, and competencies. In contrast, crisis management settings requires a focus around people with skills and competencies specific to the crisis. The setting is what shapes the staffing and structure of the response team.

Sometimes even the organization's leadership is removed from the control of those involved in the crisis management process. If the crisis being addressed is a large fire, for example, local fire and police departments are likely to lead the crisis management process. If activities shift to other centers, such as a hospital, leadership activities can shift again, this time to the healthcare staff. Sometimes if the event is particularly noteworthy, the local media, regulators, lawyers, and members of the community may define themselves as interested stakeholders and will take the lead in managing information related to the crisis. In the end, the organization's leadership may oversee the general process and may even delegate certain tasks associated with crisis management, but responsibility for the crisis management efforts per se usually belongs to those with the expertise needed to address the crisis.

Often the crisis setting can have significant impact on social, political, and sometimes even economic factors of the organization, local community or, sometimes even the state or nation. If the issue is to "put the out a fire in a burning building," there's probably not going to be a lot of discussion about whether it's more economical to use one approach versus another to extinguish the fire. Just "put out the fire!" These kinds of settings usually are not very democratic either. Deciding to extinguish the fire usually isn't put up for a vote. Risks associated with the setting are powerful predictors regarding the actions to take.

A crisis that impacts points beyond the immediate setting requires a different orientation. Events like the 9/11 attack on the World Trade Center effected that site, New York, the American east coast, the country as a whole and finally points around the world. Numerous events match this profile. A terrorist attach in India, the possible bankruptcy of a country in Europe, a tsunami in Japan are events that become discussion points around the world. The magnitude of these events means that any resulting crisis setting must be defined in ways that match both the scope and scale of problem(s) at hand, while simultaneously keeping in mind that solutions produced may extend far beyond what's immediately apparent.

Whether small or large the crisis setting has a direct effect on many operational practices. Communication patterns, paths, and processes can be very different when building an organization or brand versus a crisis management strategy. Managing a crisis often requires fast, crisp communications along open, often direct channels but sometimes these channels are disrupted or simply may not be available. Evaluation procedures also may be amended when planning around a crisis. Risks may be taken that otherwise may not have been considered and judgments made without balanced or even complete information. This doesn't mean the crisis setting is a free-for-all; just that operational practices and procedures are often amended to meet the particular requirements of the crisis setting.

Consider the speed and use of knowledge and information processes and practices during a crisis. Today's leadership and management teams must be prepared to reframe knowledge and information practices to address the events at hand. This may be a challenging task if needed knowledge, communication and, information practices were not in place or effective before the crisis emerged. The same is true for key personal competencies, like those associated with communication, management or leadership. An emerging crisis setting may require skills, competencies, and knowledge beyond the experience of those in the organization. Indeed, inexperienced or unprepared members of the organization who try to act in these instances may face hazards impossible for them to handle, which only increase the risk exposures and complexities associated with the crisis. A crisis is not the time to develop personal, administrative or leadership skills. Nor is it the time to write needed policies and procedures or to finally write that "emergency management plan."

The crisis setting can create conditions and effects that can haunt an organization's stakeholders. Reacting to a crisis with a limited, "event only" mentality can be disastrous for the organization's future. Consider your own experience. You may never have been in New York during the terrorist attacks of 9/11 but the effects of that crisis may resonate with you to this very day. You may never have met or spent time with Michael Jackson, Elvis, Whitney Houston, or JFK and yet, you may have been affected by their lives and deaths in one way or another. Spouse abuse, death because of a drunk driver, and road rage are events that may not touch our lives directly but can still scar us with a symbolic contusion reminiscent of the traumatic event. An organization's leadership that ignores or looks past the potential range of effects of trauma once the crisis is "over" fails to see and understand that the crisis management effort without a sense for the future has not been fully managed and that the plan used to address the crisis but with similar limitations was probably simplistic in design and inadequate in effect.

Finally, the crisis setting can also influence one's perspective regarding many of the things that define one's life. When faced with a crisis linked to a burning building, an impending hurricane, or a robbery, it's easy to lose sight of the organization's long-term goals and objectives but that's not acceptable. Every crisis management effort must attend to the immediate setting while keeping a sense of the future in mind. Action defined only in terms of the immediate context and without a sense for the future is usually not prudent.

Managing a crisis with a regard for to the organization's future means two things: First, although the physical effects of a crisis may end when the event is under control (e.g., the fire is extinguished, the person with the gun is disarmed, the threat of a competitor or adversary is thwarted, or the damage from the tornado is repaired), emotional or psychological traumatic effects of the event may become a crisis of their own with effects that can linger for years.

Second, the event causing the crisis and effects of the crisis are unique phenomena. The event will pass and even while effects of the event linger, it is important that the organization's leadership, even in the rush to be reactive, must not lose sight of the organization's purpose and future; the organization must keep functioning (Johar et al., 2010; MacArthur, 2000; Dunn, 2010; Dutta and Pullig, 2011). When the emphasis is on "crisis management," of getting the crisis "behind us" so that "we can get on with things" there is a sense of relief, a belief that once the crisis "ends," that's it; the crisis is over. This type of conclusion is functionally clear and important but can lead to long-term issues or trouble for the organization, its brand, and its stakeholders. The risk is that simply "getting the crisis behind us" may mistake the crisis for the event causing it, sometimes causing the organization's management with a confused sense of direction and vision for a future, to lose more than lost time, productivity or profits.

Once the crisis setting is under review, the crisis management planners can focus their attention to the consideration of the crisis in terms of different key components and one the most important are the organization's stakeholders and what the crisis means for them. Consider an off-shore oil rig explosion as an example. Putting the oil rig fire out, plugging the leaking oil, cleaning up the water and shore line, and even compensating those suffering economic or personal losses are reactions to different, diverse *effects* associated with that fateful first explosion. The crisis (or crises) that may not have been addressed are the damage to the organization's reputation, the emotional distress resulting from the loss of a loved one or. the renewed vigilance of special interest groups whose mission aims at preventing the drilling for oil in protected lands or water ways. Crisis management for these types of events must recognize that resulting sentiments of fear or resentment are associated with the organization and not the events leading up to the crisis.

The remainder of the chapter and book continues to illustrate use of the template introduced but, in the end, these are just words on paper if the leadership and management team fail to think about planning and its objective completely and systemically. Perhaps it is wise to remind the team leading the planning effort that, in the end, their plan is both a tool for use in building an organization or addressing a crisis and a reflection of the team, its vision, competencies, and, often, its values. It also might help to point out that the organization that incorporates planning and the use of operational practices illustrated in the book as part of the its ongoing framework from the beginning may be better able to move between developmental and crisis-based activities.

Step 2: Consider the Effects of the Crisis on the Stakeholders of Different Types of Organizations

Organizations exist to fulfill the needs of many different stakeholders. A hospital's stakeholders include patients, doctors, and even people who are not sick, but looking for medical information. A restaurant meets the needs of hungry customers or its employees seeking to earn some money or, the local government interested in the taxes the business will pay. A lawyer has clients, a teacher has students, and a nurse has patients. A police department serves the needs of people living in a particular town, the drivers who have just been involved in an accident, or the storeowners who have been robbed. A sports team exists to meet the recreational needs of its supporters, the financial needs of its owners, or even the needs of gamblers trying to make some money by betting on the team's performance. Many different stakeholders, with very different needs, can affiliate with the same organization, and when a crisis emerges, it affects every stakeholder in some way or the other.

We use a unique classification system that categorizes all organizations as one of four types. These are labeled the "enterprise," "community," "team," and "individual contributor" (Tafoya, 2010). Use of this typology helps one understand why and how a crisis can affect an organization and, in particular, the relationship between an organization and its stakeholders. Who are the stakeholders for a police department, a hospital, a tennis professional, or a television station? How do claims and allegations about a politician's sexual misconduct affect his constituencies? How do the customers at a restaurant feel if its staff is rude or unprofessional? What effect does a crisis have on the way stakeholders view or think about the organization's brand? Stakeholders both inside and outside an organization use the organization and its brand as a way to define who or what that organization is for them so that when a crisis emerges, it is important to understand how the three—the organization, the brand, and the stakeholders—are impacted. Consider this brief introduction to each classification and think about the stakeholders in each type of organization and how they might be described in a crisis management plan.

The *Community* type organization's brand, for example, may be as simple as what the followers believe it is; it is often personal to them. Religious and political organizations, and even schools are examples of community organizations. They are structured around a core doctrine or mission and their stakeholders follow that doctrine and make it meaningful; they personalize it—the doctrine, mission even values of the organization translated into the brand or image for them.

The role of the brand for communities stems from the organization's driving force; its directional makeup, vision, and mission. Anything related to the community organization's vision and mission, such as rituals, ceremonies, rules, and procedures, are an integral part of the organization's brand or image. So when the leadership of a political party fails to perform as expected, when the member of a particular religion behaves in ways that are contrary to the values espoused by the community, when a labor union fails to successfully negotiate a contact, or when a terrorist organization fails to model its mission in its communiqués, posturing, and behavior, stress, tensions and a crisis can emerge. Stakeholders inside and outside the organization can challenge violation of the organization's mission, the abuse of core values, or the evident hypocrisy that is so often an easy target for the critic.

For a second type of organization, the *Enterprise*, centers its activities on performance and usually performance for monetary gain. It achieves its mission by increasing growth (e.g., physical or economic), by meeting stakeholder needs for specific products or services, and by managing risk, costs, and other exposures. The enterprise maximizes the likelihood that it will achieve performance objectives by emphasizing performance through structure, policies, and a concerted effort to improve the products and services it offers. This strategy does not emerge by chance. If one enterprise doesn't meet a stakeholder's needs, there is usually another, perhaps a competitor, willing to do so. Commercial businesses such as car dealerships and restaurants are good examples of enterprises as are manufacturing facilities or even organized crime.

An enterprise's features and benefits, and products or services shape the organization's brand or image. As a result, poor product quality, missed due dates, or general failure to perform as expected may be significant events to precipitate a crisis for an enterprise. Enterprises tend to look upon the brand as "this is who we are, this is what we believe. That's it." So not all photocopy manufactures are Xerox, not all facial tissue manufacturers are Kleenex, and not all soda drinks are Coke.

Team organizations, by contrast, can be the most multidimensional of organizational types. Team organizations communicate their image through a variety of devices: team names, colors, mascots, logos, and sometimes even "fight songs" or anthems. These are the tools stakeholders use to mark their allegiance to the team.

Teams exist to accomplish a mission, whether the mission is to win a game for the sports team, to capture a group of criminals for the swat team, to find a solution for the problem-solving team or to devise a new product for the "skunk works team." Stakeholders invest in the team's mission; they rely on, sometimes count on the team to accomplish its mission. For stakeholders who support the team but aren't part of the team itself, the team is an extension of their selves. These stakeholders have a vicarious relationship with the team and its members. Stakeholders on the outside are not the player scoring the winning point, they're the spectator cheering the team on. So in some ways its not just the team and its members that win the game, it's the school and its supporters! The team stakeholder is "there" when the swat team defeats the terrorist, when the surgical staff saves the patient, or when the rock band performs on stage. For this reason, while the team may "go away" when there are no more games to win, criminals to capture, the problem is solved or, products to develop or concerts to play, the stakeholder remains, ready to line up with the team on its next mission.

A team's brand is tied to its performance against the mission. Sports teams, swat teams, and fund-raising teams operate in terms of a mission that is always tangible and observable. Failure to achieve the team's mission can trigger a crisis and directly affect the team's future. In this case, the crisis is not just that the team failed to achieve its mission; the crisis is that stakeholders who are critical for the team's existence may abandon support for the team or its leadership, sometimes for another team or a new leader. Teams and their stakeholders often have a very personal relationship. The stakeholder is, in many ways, the team's benefactor.

The fourth type of organization, the *Individual Contributor*, illustrates an organization built around an individual who is, all things considered, the organization's brand. Individual contributor organizations can operate as for-profit entities made up of professionals and non-professional types. Doctors, lawyers, skilled mechanics, general contractors, directors, waitresses, carpenters, or plumbers are examples of individual contributors. So the brand in the individual contributor organization links to a person and it's that person's competence, performance, and behavior that becomes the standards and expectations for evaluation. Politicians, people in authority, such as judges, police officers, or teachers are examples. The individual contributor may be part of a larger organization (e.g., a doctor who's part of a surgical team in a hospital department or a politician who's a member of a particular political party) but they're still their own organization. The doctor or politician have a brand, an image, and events to manage. Failure to perform successfully can result in a crisis.

The stakeholders in this instance are predictable, whether for or against the individual contributor. The doctor's stakeholders include her patients, peers, pharmacists on one side and lawyers, the press, and, of course, other doctors on the other side. Politicians have the voting public (both for and against), lobbyists, special interest groups, and opponents among others. A police officer's stakeholders include robbers and those robbed, special interest groups, and demonstrators. Individual contributors are like a tool for their stakeholder. They are a means to an end, problem solvers, and they have the expertise the stakeholder needs for a particular assignment or type of work.

STEP 3: IDENTIFYING THE DESIRED RESULTS

At a minimum, crisis management efforts must accomplish four goals: first, the crisis must be brought under control. This is an important primary objective and accomplishing it is clearly related to an observation made earlier: The event causing the crisis is not the crisis itself. Second, damages or injuries to the organization or stakeholders need to be addressed. Third, everything possible needs to be done to ensure that the organization continues to function despite the crisis and its unfolding effects. A crisis and its effects can place a significant burden on the organization, but these need to be managed while keeping the organization functional. Finally, while the bulk of crisis management activities are aimed at the crisis and its effects, some part of the effort has to reflect a vision for the future—the period after the crisis is contained. To a certain extent these four goals are pursued simultaneously, they are unique and distinguishable from one another, they serve as backdrop for the overall crisis management effort and they are used to protect the organization, its stakeholders, and the brand.

Protect the organization. Organizations exist on two broad dimensions. First, there's the physical structure. For some stakeholders, it may be a place where people work, shop, or worship. The physical structure is the functional part of an organization. The second is bundled in the organization's vision, mission, and image. These are the organization's ideals and values, its goals and objectives, and its brand.

Emergence of a crisis requires that exposures and risks to both dimensions are addressed in the crisis management plan. The reasons are obvious. As the Tylenol example discussed in the introduction illustrates, even if the crisis appears limited in scope, for example, only effecting the organization's brand or products, the crisis management plan must written with a sense for the entire organization in mind – people, processes and even its culture.

On face value, this seems like a logical consideration but how many organizations have backup plans should a crisis disable the organization's operations? Without a backup or contingency plan, the organization leaves it to the stakeholders to find a solution for a product that is no longer available, a building that is no longer accessible, or a service that is no longer offered. What do you think they will do? Hold their needs in abeyance and wait until the product, building, or service is available again? Or will they search for an alternative?

Protect the Stakeholders. Stakeholders have a very personal role in the organization. Few people belong to an organization just to be part of it; they hope to gain something through their affiliation. Stakeholders align themselves with the organization's vision or mission and they use the organization's brand, products and services as a means for demonstrating the type of affiliation they have: whether as a supporter or as an adversary. So, when a crisis strikes, an organization's stakeholders might see themselves or the benefits they derive from the organization at risk because of the impending crisis.

Effective crisis management plans incorporate stakeholders and their roles into the plan's goals and objectives. For example, stakeholders need information regarding the nature of the crisis, what's being done to address it, how their needs are or will be met, and what is being done to ensure operations will continue once the crisis is managed. Stakeholders are skilled at getting answers to their questions whether from their own sources or the organization's. So where would you like your stakeholders to get information regarding the crisis and the organization? Moreover, despite the diverse nature of the stakeholders affiliated with the organization, the crisis management effort is launched as an inclusive effort and not limited to a specific group of stakeholders. Certainly, some stakeholders may have a key role in the organization's success or in the management of the crisis but being too selective or "under-valuing" others can create long-term problems for the organization. Stakeholders, as we'll see, are a truly unique element of any organization.

Protect the Brand. Every organization has a brand—something that distinguishes it from all others. When a crisis emerges for an organization, the initial focal point may be the bomb that exploded, the plane that crashed, or the person sickened by the contaminated food, but these are the obvious damage or injury points. The brand or organization's image or reputation is immediately exposed to its own measure of harm.

Sometimes the challenges facing the brand's strength or resilience begin before the crisis occurs. Duckworth (1994:7) for example, isolated several factors that contribute to an organization losing sight of its brand or the brand's well-being. The stakeholder needs change frequently, rules regarding the world in which the brand operates change and, of course, changes within the company affect its history or values. If the brand is weak before the crisis breaks, it may be hard for it to recover from the crisis and its effects.

Step 4: Resources

Ideally, building a good crisis management plan begins before a crisis occurs. This level of preparation allows for perspective that isn't trapped by the demands of the crisis, it allows for careful thought about who and what are important to the organization's and plan's success, and it's often helpful to at least speculate on or about the potential for a crisis to occur and what might be useful to manage the unforeseen event. Unfortunately, this usually is the ideal.

Completely developing the best strategy for the organization and/or preventing the emergence of events leading to a crisis may not be possible, but there are things organizations can do during the crisis management process to maximize the likelihood a plan will be developed that achieves its stated objectives while it reduces damages associated with events that trigger emerging organizational, brand, and stakeholder trauma. One way to begin is by enlisting the opinion of "fresh eyes";—people who may offer different ways of looking at the organization and advising on key features to be included in the plan.

Sometimes these resources are available internally. One of the benefits of the push toward "total quality management" programs of the 1980s and 1990s is their emphasis on involving internal and external stakeholders in planning and evaluation activities. These are the experts; they're the people doing the work, buying the product, investing money that drives the organization. Their perspectives are different if only because their opinions reflect their own needs and values, not what someone *thinks* they are.

Thinking systemically also helps build an effective crisis management plan. Taking a systemic approach to the development of a crisis management plan seeks to build a vision and mission that embraces the organization's immediate needs during the crisis with respect for its future needs once the crisis is addressed. Obviously a plan can't be all things to all people or so broad as to anticipate all types of events that may arise with the plan's use or implementation, but it is possible to expand the "plan-as-tool" thinking so that it reflects a sense of the total organization. Having more information than less not only increases that likelihood that important points won't be missed, it also is a useful way to add to one's perspective, illustrate different options and help set priorities. A successful crisis manager doesn't need to surrounded by sycophants whose desire to serve means they only know how to say the word "yes." Saying "yes" comes at the end of a search for ideas, solutions or, remedies, not at the beginning.

Finally, gauging the potential impact of a crisis is more than an audit of "what might happen." Events create trauma and trauma can have good and bad effects. This book focuses on bad effects associated with organizational, brand, and stakeholder trauma because of the potential for risk or damage. In the meantime, an improved attitude toward the contributions of evaluations and assessments can help those involved to better assess the multidimensional nature of potentially emerging trauma on an organization or its products, services, or stakeholders. Additionally, avoiding too simplistic a view of the effects of trauma can improve one's own role in constructing a long-lasting solution to the crisis.

Conclusion: A Summary

It doesn't matter whether we're talking about the organization, its brand, or its stakeholders; there are fundamental things one can do to instill a forward-thinking approach to organizational events and activities, products and services, and internal and external stakeholders in the face of a crisis. One place to begin is with the Crisis Management Template. This is a guide for both immediate crisis management activities and efforts to produce a fuller more complete crisis management plan. To that end, the following points surfaced throughout this chapter as issues that must be addressed. Presenting them here serves as a good way to end this chapter and to introduce material to be covered in following chapters.

In general:

- Every effort should be made to quantify key information about the organization, its brand, and its stakeholders. This is an ongoing effort, not just reserved for when plans are being developed or in the heat of crisis management activities.
- There are a variety of reliable approaches one can use to promote an organization, its brand, and its stakeholders so that better management is associated with any crisis that might develop. There may be no single, best approach to brand or crisis management so why limit one's efforts from the beginning?
- Brands often do not have a singular, precise meaning; all brands are open to interpretation by the stakeholders that comprise the organization's functional network. The organization's leadership must work to understand how stakeholders define the brand, so that their interpretations align with that of the organization's.
- Brands vary within and by types of organizations. There are many different types of automobiles produced, political candidates, sports teams, schools and universities, religions, and the like for people to affiliate with or "call their own." The challenge facing the organization's leadership is to ensure that their organization's brand is clearly defined, communicated, and in sync with the organization's vision and mission, and stakeholders' needs and expectations.
- Brands are often are quite simple and straightforward in the organization's offices. They become complicated or complex when mismanaged by the organization's leadership and staff and/or when stakeholders are left to interpret what the brand is or means for themselves.
- Brands have a potential universality among an organization's stakeholders. This doesn't mean the brand is valued the same by all stakeholders but a given brand does have an underlying "meaning" that all

> stakeholders, whether supporters or detractors, can use as a referent as they construct their own interpretation of what the brand means to them. Clearly, this has advantages and disadvantages for the organization and its leadership when preparing a crisis management strategy.

A crisis can challenge the organization, its brand, and its stakeholders, in some instances, leaving each permanently damaged. But it's a mistake to limit one's concern for damage resulting from a crisis to the brand or the organization, per se. Estimates of damage must include those stakeholders who are directly or indirectly affected by the trauma.

Chapter 3

The Nature of Organization, Brand, and Stakeholder Dynamics: Setting the Stage for a Crisis

Every organization, regardless of its size, type, or purpose has an identifiable brand—an image that represents the organization for its stakeholders. Each brand is unique to the organization and, as importantly, exists in two states. The organization's leadership and participants, its internal stakeholders, define the first state. Here the brand may be a carefully constructed image or symbol, one constructed to represent the organization's vision, mission, products, or services. It may have been constructed over long periods or it may be a recent fabrication retooled to meet new standards, new directions, or new ideas. Whichever the case, the brand or image is a product of stakeholders inside the organization; it is what they believe the brand is and what it represents.

A brand's second state is constructed by stakeholders "outside" the organization. These might be consumers, competitors, supporters, or even enemies of the organization. Their image of what the organization is or represents is a personal construct, used to guide their interaction and relationship with the organization. These stakeholders do not care about what the organization's internal stakeholders want the image to convey or the brand to represent. These stakeholders on the outside know what the organization means to them and that is what guides their behavior.

Distinguishing between these two "brand states" is important, for it raises key issues defining the dynamic relationship between stakeholders and crisis management. Having a brand mean one thing to some stakeholders and something else to other stakeholders can prevent the brand from becoming a useful, unifying tool when a crisis emerges and sometimes it may even be why the crisis occurs in the first place.

Different interpretations of what the brand is can create different groups of stakeholders who may even work at cross-purposes with each other, sometimes within the same organization!

Competing attitudes, opinions and beliefs, personal needs, and wants and desires centered around the same brand can breed tensions within the organization facing the crisis. Even subtle differences among those with different positions can produce strong divisions that weaken the organization and may affect its capacity to perform as it should.

Think about it. How many are likely to imagine that those hired and paid to work for the organization (internal stakeholders) would try to steal from it? Alternatively, who could imagine that people are hired to assume key leadership or administrative positions and to lead the organization would bring the organization to the brink of ruin because of racist, sexist, or other antisocial behavior or intentions? These are not the stakeholders on the outside intent on seeing the organization fail or be destroyed. These are stakeholders on the inside who precipitate a crisis because of their own wants, needs, and desires. Mismanagement is one thing but negligence and failure to manage one's self or responsibilities for the benefit of the organization is another.

Divisions among stakeholders even affects decisions regarding the use of the organization's resources (e.g., cash, people, or energy expended). Dealing with competitors, disgruntled customers or employees, and adversaries or enemies diverts time, money, and resources that might otherwise be devoted to the pursuit of the organization's vision and mission. Organizations do not maintain a legal staff because they have offices to fill. They bear this expense for fear that defective products, failure to fulfill promises, or sheer stupidity will lead to litigation. They do not spend thousands of dollars every year to train employees or improve their interpersonal skills and competencies. They're forced to train people who come to them because they have limited basic skills, no sense of urgency or, because they are rude, careless, or lack a fundamental sense of decency.

Finally, because the organization is composed of stakeholders with different interpretations of the brand and there is no guarantee that stakeholders representing different interests will be able to work together should a crisis arise. This does not mean they will work against them; it may just mean they will not work with or for them. "It's not my job" is an oft-used explanation for why people *in the same organization* will not or did not come to the aid of their coworkers in the face of a crisis. And these are stakeholders in the same organization!

Countries have faced this in times of war: Themes like, “It’s not my war.” “I don’t have anything against the Nazis. They haven’t done anything to me.” were excuses to stay out of harm’s way, regardless of the greater costs. Even recreational sporting teams have experienced the phenomenon: “If I can’t be the pitcher, it’s my ball and I’m going home.” Religious organizations have seen it: “I pray to God my way. I don’t need anyone telling me how to pray.” Police, military, political, and educational organizations have experienced this and similar phenomena. The emergence of a crisis does not mean self-interests will be set aside in support of the organization’s needs.

It is one thing to know that some of the organization’s stakeholders may not share or even like the organization; that is part of life. It is impossible to please everyone. However, when those same stakeholders are on the inside of the organization, it is a different matter. It is an additional burden and sometimes unexpected threat to crisis management efforts.

In this chapter, we begin by looking at the single most influential factor for successful crisis management (and sometimes even the cause of the crisis)—an organization’s stakeholder. Stakeholders can be tools for use in crisis management or they can be instrumental obstacles for the crisis management effort. Whichever the case, a crisis is not the time for discussions or wishful thinking regarding what could or should happen; it is a time for action.

An Organization’s Brand Is a Tangible Manifestation of an Organization’s Mission and Is Used as a Unifying Tool . . . by Stakeholders with Conceivably Different Intentions

An organization’s brand is simultaneously the organization’s facade and its link with stakeholders. For the organization’s leadership, the brand is a means for labeling the organization—the brand is a mechanism for directing others to the organization and, sometimes, controlling them once they have arrived; it is a potentially powerful tool. For stakeholders, the brand is a way of personalizing the organization and of “knowing” the organization; it has personal significance. This is true whether one likes or dislikes the brand.

Now we are interested in knowing just how a brand derives the particular relationship it has with stakeholders, whether they are inside or outside of the organization. We engage in this analysis for a very important reason—because the brand is the stakeholder’s link with the organization’s mission, and it is the basis for and the reason why the organization and stakeholders invest their resources in each other. It is why stakeholders will buy or support the organization, why they like or dislike the organization, or why they will value the organization and its brand or hold it in antipathy. "Investments" by both those who like and dislike the brand are significant and often summarized as sentiments or expressions of physical, cognitive, or emotional states and behaviors.

Figure 3.1 provides a simple illustration of the relationship between stakeholders and an organization. The overlap between the two circles represents the point where the "transaction" between the two takes place. Initial impressions often precede interaction, sometimes biasing the event and all actions associated with it. It is also important to note that while the drawing stipulates that an interaction takes place, it makes no claims as to the quality or nature of the interaction. These two stakeholders may be completing a sale, collaborating on a project, or engaging in a conflict. They don't even have to be in the same location.

As some stakeholders may view the organization's features (and its brand) in a positive light while others hold an opposite point of view, those responsible for crisis management efforts must quickly assess the composition and status of the stakeholder network forming because of the crisis. Images associated with an organization's brand can vary widely before a crisis occurs. Once the crisis breaks, those who support the organization may reevaluate their position, in some cases withdrawing their support and membership in the network. In contrast, those who oppose the organization may ramp up their resistance or take a more combative stance. The crisis manager must use strategies and tactics to stay on top of shifting sentiments within the network, to retain supporting stakeholders and counter the moves of adversaries.

The fact that some stakeholders may hold different or opposite points of view is not always a negative condition for the crisis manager. Negative

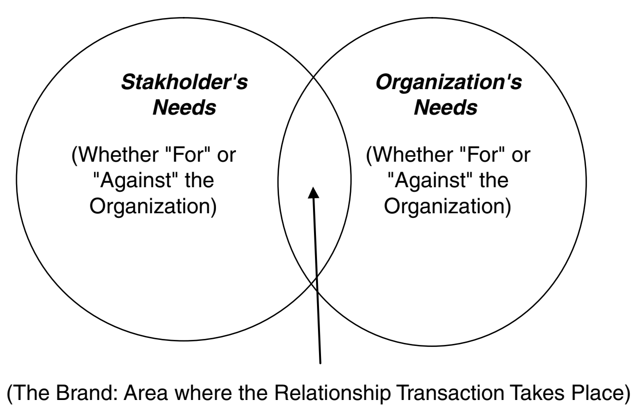

Figure 3.1 The brand as a transaction point.

sentiments may be based on valid issues or concerns so there is value in knowing the rationale for a stakeholder's opinion of the organization.

Did the organization create an adversary? Did the organization not fulfill a claim? Let's face it, websites like Angie's List are popular because they give consumers who feel wronged or that a contractor did not perform work as promised an opportunity to make a "claim" to right a wrong. Grudges, vengeance, retaliation, and revenge are among the sentiments that can trigger one stakeholder's reprisal against another. Considering who may be a stakeholder in an adversarial relationship is a useful way of remembering that not all members of an organization's stakeholder network are friends.

Did the organization abandon its mission? Was the organization negligent? Stakeholders join an organization's network because they expect something in return. Sometimes when what a stakeholder expects to happen does not the stakeholder may conclude that the organization abandoned its mission or at least isn't honoring it. When this happens the organization should not be surprised if a once pro-organization stakeholder shifts "sides" and become an "anti-organization" stakeholder. Doing a quick Google search of many brand names is a good way to look for an organization's adversaries. Blogs, tweets, and even websites dedicated to discussing the organization and its shortcomings may surface (Halliday, 2007; Wheaton, 2010).

At other times, articles or investigations documenting medical malpractice, legal or judicial malpractice, or police brutality provide examples of organizations abandoning their mission and, in turn, their relationship with stakeholders. The American Civil Liberty Union's (ACLU) Rights Working Group's (2009) in-depth examination of racial and ethnic profiles is a dramatic illustration of ways in which law enforcement and related organizations redefine acceptable practices and missions to support their own biases and, in turn, spawn the formation of adversaries in the process. Accidents can sour a relationship between a stakeholder and the organization but negligence, carelessness, or abandonment of accepted practices often prompts action against the offender. Even if the stakeholders do not take direct action, such as a lawsuit, they are likely to tell others of their experience as a way for them to avoid contact with the offensive organization or the odious, disgusting behaviors of its members.

Is an adversary a naturally occurring phenomenon? Sometimes adversaries emerge because their interests are in conflict with those of the organization. Sports team's have opponents, most business organizations have competitors and a variety of special interest groups exist to monitor and protest the activities of organizations they don't support. Animal rights groups are a prime example of special interest groups that can oppose anything from dog racing, slaughtering practices or even the use of animals for research purposes.

Sports teams have opponents and they use heavy euphemisms ("We'll fight to the end." "Victory at all costs.") to broadcast their position vis-a-vis the opponent. These banners do not usually translate into violent or physically aggressive acts but the occurrence of violence or a fight or two around a sporting event can't be ruled out (Pesca, 2012). Businesses also have competitors. From manufacturers of cars to laundry soaps, computers to insurance companies, virtually every business has a competitor whose presence and influence cannot be ignored.

Special interest organizations often become adversaries because their missions clash with those of a particular organization. Animal rights organizations such as PETA (People for the Ethical Treatment of Animals) often find themselves in conflict with organizations that use animals for the production of clothing (e.g., fur or leather coats) or with meat producers. Environmentalists are often in conflict with organizations they believe can damage the environment, for example, because of oil spills or the clearing of forests. Labor unions often form in response to organizations that create abusive or dangerous working conditions for employees. In each case, the special interest organization may only have a niche role in a target organization's larger stakeholder network, but that role merits attention.

Is the organization a threat? Not all organizations are content with simply maintaining a competitive relationship with their adversary—some actually set out to destroy their enemy. Stakeholders that form as a response to racism, sexism, and anti-Semitism may hate those perceived as a threat to their organization or "a way of life." Different domestic terrorists and hate groups in the United States use this rationale and, while it seems bizarre to refer to them as stakeholders, that is a role they have in society today.

Fortunately, organizations such as The Southern Poverty Law Center (SPLC) expend both money and physical energy tracking, studying, and providing detailed information regarding stakeholders of this sort. For example, SPLC tracks "1,018 known hate groups across the country, including neo-Nazis, Klansmen, white nationalists, neo-Confederates, racist skin heads, black separatists, border vigilantes and others" (SPLC, 2012).

The SPLC's efforts and database can be excellent tools for legitimate law-enforcement organizations whose stakeholder roles may align their efforts with those of the SPLC in certain crises. In fact, the SPLC is part of a growing movement aimed at "making the fruits of corruption harder to enjoy" (*The Economist*, July 21, 2012: 51). According to a recent article in the *Economist*, various grassroots organizations in Europe and America have been mobilized to do what they can to prevent "wrongdoers" from engaging in and benefiting from illegal activities. According to the *Economist*, private businesses and citizens are using measures that typically have been reserved for governments only to stifle the activities of criminals. The SPLC's proactive efforts counter evils that can plague a community, nation or, its citizens are noteworthy and merit support.

Sometimes, terrorists may attack an opponent's valued symbols as a way of demonstrating their effectiveness and the opponent's vulnerability other times they may simply attack the organization itself. A political organization or radio talk show host may use rumor, innuendo, or just plain lies to tarnish a competing politician's brand, an image, or a reputation. In these instances, a resulting crisis may not be based on physical damage, just implications or suggestions. The adversarial stakeholder seeking to add members to its movement sometimes uses this approach as a recruiting tactic. These are the recruiting efforts of terror-mongers, pitiful swine who create a symbolic crisis that "non-violent" or "bystander" stakeholders can support or embrace without directly needing to take part in the abusive actions. These "bystander stakeholders" may not publicize their sentiments but, since what's said or done does complement their own needs or sentiments, these "cohorts" or "tagalongs" rationalize the tactics used because (a) someone else is doing the dirty work and (b) they do not have to get involved. A consequence is that while a crisis of some proportion may result, the scale of the movement or the people driving it may not be evident.

Is the stakeholder a bureaucrat? Regulatory agencies, watchdog organizations, and pen pushers are among the labels pinned to these powerful stakeholders. They may be viewed as a nuisance or adversary but they usually have a powerful position from which to work in an organization's stakeholder network.

These organizations are part of every organization's stakeholder network. For individuals texting while they drive, the adversarial stakeholder is the police officer or, even, the concerned citizen reporting them to the police. "Shabby customer service and law-breaking by mortgage services" (Arnold, 2012) led to the development of the Consumer Finance Protection Bureau, a stakeholder organization that scrutinizes foreclosure on behalf of consumers. Some organizations have a number of bureaucratic stakeholders watching over them. An oil company in the U.S., for example, may be monitored by the Federal Trade Commission, the Commerce Department, different health agencies, or the Environmental Protection Agency among others. They are all stakeholders with their own particular missions. For the doctor, lawyer or, accountant it may be a licensing body. For the sports team it's the referees on the field or the professional organization that requires the athletes pass a drug test. Whatever the organization, bureaucratic stakeholders exist at local, state, and national levels and are involved in an organization's crisis in any of a number of different ways, sometimes even causing or adding to the crisis.

We began this discussion by noting that the stakeholders just reviewed, regardless of one's feelings about them, (a) cannot be ignored and (b) can contribute to or be of benefit to one's organization directly or indirectly. Rationale for the first of these points has been the focus of the discussion to this point. The second point merits attention because, it may not be immediately clear how organizations may benefit from the interventions offered by adversarial stakeholders and the opinions they hold.

For example, the adversaries may be right. On an average, there is usually a specific reason why adversaries take the position they do. For example, are an organization's activities harmful to the environment, workers, or people in general and, if so, can something be done to rectify the situation(s) before a crisis erupts? Why wait for a crisis that puts the organization, its brand, or stakeholders at risk? It may be possible to build a relationship with certain adversaries (e.g., watchdog organizations or regulators) and to use their advice or suggestions to benefit the organization.

Adversaries can reveal information regarding the organization's level of preparedness. Just producing a list of potential adversaries may provide sufficient information for the organization to assess just how prepared it is for an attack by adversaries should a crisis emerge. Assuming that the organization is stronger than all of its adversaries is usually not prudent. Consider, for example, the ways America's military, assumed by some to be the best-equipped force in the world, suffered losses at the hands of militants and guerrilla in Somalia (Bowden, 2000; Steward, 2002), Afghanistan (Goodman, 2012; Riechmann, 2011; Suarez, 2010; Wood, 2012), and other combat zones. Every organization has vulnerabilities to be exploited.

Adversaries can tell us something about an organization's overall stakeholder network. Taking a closer look at the makeup of the organization's stakeholder network can enable the crisis management team to get a fuller picture of the stakeholders who may or may not support the organization or quick to abandon it in a crisis. Knowing the level of commitment a stakeholder brings to the organization's network can improve planning and decision-making and, perhaps, even interactions with those in the network. Finally, taking a fuller look at those making up the stakeholder network is a first step at isolating their needs, improving the organization's long-term performance and relationships with stakeholders and, possibly mending relationships with those with opposing views or positions. The latter may be a long shot, but it is worth mentioning.

When organizations do little to improve an existing adversarial relationship, there is a tendency for each side to increase defensive postures as a safeguard. Increasing defensiveness, in turn, adds to the distance between the organization and the stakeholder and reduces the likelihood that they will be able to collaborate on issues related to a crisis. Each side may see itself as being right and may dig in their heals on key points or arguments. One side may feel there is an opportunity for social or economic gain while the other positions its image as a "defender of the underdog" or "champion of the environment." This personalizes the conflict between the organization and the stakeholder and may lead either to see winning as the only option in an effort to enhance their reputation or position. In the end, while each organization's leadership may be sheltered or insulated from direct attacks, its brand is a public and often very vulnerable target.

An Organization's Brand and Stakeholders Are Inextricably Linked to the Organization's Fundamental Structure—the Brand Has Features That Can Serve as a Catalyst for Stakeholder Action, the Structure for Anticipating and Possibly Preventing Negative Stakeholder Action

All brands have three discernible characteristics or features. First, the an organization's brand reflects *organization it represents*. For example, when you think of a community-type organization, such as a religious organization, a school, a military unit, or a terrorist organization, an image of what each of these *means to you* comes to mind. Organizations may attempt to shape the image you have of them but, in the end, the image constructed is your own.

An organization's branding, one's expectation of what that organization is, what products and services it should offer, and how it should perform, is grounded in the type of organization, whether it is an enterprise, community, team, or individual contributor. Anything less is a potential problem. We expect a gas station, a for-profit enterprise, to function in a certain way. The same is true of religious organizations and schools; we expect these organizations to be guided by some value or ideal, not the desire to make money.

An army "swat team" and a "professional sports team" are examples of "team organizations" but the organizations that define them, that "brands" them, are significantly different. An army swat team is part of a military organization and classified as a "community"—a type of organization driven to achieve a mission grounded in principles, values, or some type of ideal. The professional sports team, however, is part of an "enterprise" and enterprises seek levels of performance that produce a profit. This team must make money for the organization. That is why it exists.

Confusion about a brand's meaning often begins when the link between the organization's mission and the efforts to achieve that mission is missing or obscure. Confusion is a costly error. Like when a police unit stops thinking of its mission as one "to serve and protect" and begins to operate for a profit, perhaps by increasing the number of tickets given so that it can raise a town's revenues or when "rogue cops" begin selling confiscated drugs to make additional money for themselves. These behaviors do not just affect the offending organization; they create potential problems that stains the image or brand for all others of that type.

When the sports team's star player loses sight of the team's mission and plays in ways that only focus on him and his skills, the athlete is confusing the relationship between his mission and the team's mission. Stakeholders are reluctant to tolerate confusion about the relationship between an organization's mission and its performance. This is why a politician's "flip-flopping" on issues emerges as a problem: the behavior creates confusion about what the politician represents and can lead stakeholders to create their own interpretation of what the politician's image or brand, even the politician's party stands for.

Priests, teachers, doctors, and police officers, as individual contributors, also are classified as organizations within a larger organization. Each "individual contributor," must be concerned with the image their behavior conveys, the brand image it defines and, the consistency between their brand and that of the organization to which each belongs. This is true for all individual contributors.

Consistency is the rule. We expect a coffee company to sell coffee, not, say, furniture and we expect injury and death to be associated with a soldier's exposure to war or conflict on the battlefield but not because the soldier engages in torture or a massacre. We assume alleged criminals may be injured in a scuffle with police but not because of police brutality. Someone may die while under the doctor's care but death is unacceptable when the cause is carelessness or incompetence. Social conventions, cultural traditions, or just simple job descriptions sometimes stipulate the framework or expectations for acceptable performance for an organization or individual.

Other times branding seems to occur by default or neglect. When little time or effort is devoted to defining or developing an organization's brand or to "branding" a product or service, the brand evolves naturally, often by the stakeholder and not the organization. Preconceived notions about what a brand is or means can be an organization's curse and a source for recurring problems. A police department wants stakeholders to see that not all police officers profile individuals, an oil company may want consumers to know that not all gasoline is the same, and, of course, a politician may want voters to recognize that not all politicians are, for example, crooks.

If someone other than the organization defines the brand the organization can lose control of what the brand means to stakeholders. For example, it is not too great a problem if the manufacturer of a soft drink sees the product as a "thirst quencher" and the consumer stakeholder sees it as something that tastes good. However, it is a problem if special interest group stakeholders view the product as a contributor to childhood obesity. One view can facilitate the product's growth; the other might lead to legislation or regulations that restrict its growth. The first orientation may promote the product while the second may seek to limit its availability.

A second feature associated with brands is their capacity to be associated with *power and influence*. A brand or image can connote wealth, power, and prestige for the stakeholder. In this sense, brands extend a sense of exclusivity, a bias, a prejudice, and a preconceived notion about the value or worth and the goodness or badness of those who possess it.

In these instances, a brand's features give stakeholders clues as to how one should act because of it. Positive features such as honesty help a stakeholder trust the brand and the organization it represents. Quality, another typical feature, helps one favor the brand over one that doesn't represent the same level of quality and, by default, the organization. A quality organization is reliable, perhaps worth investing in, supporting, or defending. In this sense, the brand is both a symbol of the organization and, importantly, a sign that the organization represents values the stakeholder shares. Organizations often discontinue products, ventures, or even people because they are associated with emerging problems or conflicts, or did not match the organization's vision or mission. Organizations drop products, services or people who become are perceived as too great a risk or to avoid a crisis. Think of the politicians who have been dropped by the party, the schools that have removed books from its library or the religions that have removed people from their membership. Failure to convey and image that matches that of the organization's usually isn't tolerated.

An organization or brand's features give stakeholders an indication of what to expect. Features in this instance are like labels or signs. So doctors should make us feel better, hairdressers should make us look better, fashion designers should help us "fit in," or "make a statement," and the military should make us feel safe.

Features also help stakeholders "know" how to act with the organization even if impressions are not based on direct experience. People know that they should dress differently if visiting a country's president, prime minister or queen. They know this because they have some preconceived notion about what is expected in those settings, even if they've never been in the setting before. These preconceived notions not only shape behavior but they also may affect attitudes, opinions, and beliefs. A preconceived notion can lead us to get a second opinion before letting a doctor operate, it may incline us to use Angie's List before hiring a contractor to fix our plumbing, or to eat at a restaurant based only on the recommendations of a friend. We do not want problems, headaches, or a crisis to develop. We just want the plumbing fixed or a good meal.

A final feature associated with a brand is that its *image prompts a reaction*. Favorable or not, for or against, it is easy for stakeholders to reach a conclusion about an organization and its brand. Politicians are a good example. Many people do not vote for a candidate in a local or national election, they vote for a brand—the party. The 2012 presidential election in the United States is a representative example. Writers and commentators filled the media with descriptions of the Republican Party's strategy as "anyone but Obama." So when Romney looked like the presumed candidate before the national convention, it became clear that while he was not the first choice of many, he clearly fits the mission of "anyone but Obama" (Brown, 2012; Horowitz, 2012).

In these instances, the brand becomes so powerful that those managing the brand all but ask partisan stakeholders to stop thinking and just do as you're told (or as we want you to do). It is a familiar strategy and one frequently used by community and team-type organizations. Sports teams, schools, religious organizations, terrorist organizations, and military units expect loyalty to the brand or adherence to ideas and practices that are consistent with the organization's brand and mission. Anything less is unsatisfactory. Anything less is a problem.

Special interest organizations often require members to totally commit to the organization's vision, mission, rules, and regulations. So too do "closed organizations," or organizations where membership is restricted or by invitation only. Sororities, fraternities, and similar social organizations fit into this profile; they expect members to keep passwords and rituals secret, just like the Special Forces team or the terrorist cell expects that its members will keep a mission hidden from everyone "on the outside." It is allegiance to the organization, the brand, and what they represent.

The tendency for a brand to excite a reaction can lead to rash generalizations, or unwarranted branding or claims. This is sometimes called the disease of "allness": "All lawyers are ______," "all politicians are ________," "all members of this minority are __________," "all bankers are _________," or conversely, "all religious leaders are ___________," "all members of that group will _____________," or "what do you expect from people like that?" Indeed, those who rely on racist behavior, anti-Semitism, bullying, or discrimination are often stakeholders who work from this feeble orientation. Their behavior may not be directly associated with an organization's true vision or mission but that is not important to the person with a bias. What matters is that people and groups "on the outside" are tagged with the "appropriate" label. Anything less is unsatisfactory and a problem.

In these instances, rallying the weak-minded or insecure around fabricated fears or allegations is another way for subtly controlling them or ensuring allegiance "to the cause." This strategy helps the organization maintain order but its primary benefit to stakeholders is its contribution to clarifying classic us /them themes or notions. Affiliation with like-minded people is a benefit some gain with their membership in certain organizations, particularly if privacy or anonymity is also included. Robes and masks worn by members of the American Ku Klux Klan allowed members to behave or talk in racist, hateful ways without others knowing their identity. Even ill-defined or pick-up groups such as those who participate in road rage, cyber bullying, or other forms of harassment often feel they can engage in their hostile acts because of the anonymity provided by the channels in which their behavior is expressed. Whatever the methodology, the brand prompts a reaction and the anonymity provides the means to the desired result: needs are fulfilled.

Conclusion: Key Strategic Practices Are the Bridge between the Organization's Brand and Stakeholder Management

Purpose provides direction but the organization achieves its mission through the effective use of operational practices. *Enterprise* organizations, for example, rely on operational practices that manage risk and growth (e.g., physical or economic). This strategy does not emerge by chance. If one enterprise does not meet a stakeholder's needs, there is usually another organization, perhaps a competitor, that the stakeholder can switch to for need fulfillment.

Communities are anchored in the "vision" they pursue. The "vision" becomes not only "what we are striving to achieve" but also "who we are". Each of the four types of organizations can (and perhaps should) stipulate their vision for stakeholders but this is a "must" for the community-type organization.

Community organizations often rely on operational practices that help control stakeholders and their behavior. This begins with practices designed to restrict membership to those who "buy into" their vision and mission. Members are the instruments for the organization's action. Effective practices help avoid problems by ensuring only the "right" people, candidates who prove they are worthy of membership, become active members. Recruitment, selection, and orientation practices prepare one for membership in a community and training and evaluation practices groom the new member so the fit is complete. Once in these, stakeholders gain the right to "wear" the brand, they often also become living representations of the brand, vision, and mission.

Vision translates into mission statements for most organizations, and this is definitely the case for the *Team* organization. Teams and their stakeholders exist to achieve a mission, be it to solve a problem in a manufacturing center (like a "skunk works" team), to apprehend an assassin like a swat team, or to win a game like a sports team. A team's mission is always clear; it's the reason why the team exists and, as importantly, why stakeholders bond with the team organization and its brand.

A team's operational practices and procedures are used to achieve its mission through effective use of the team's skills, competencies, or sometimes just the warm bodies that are available. Failure to achieve its mission can be a crisis for the team organization. Communication and knowledge management are critical operational practices, since collective action defines the team's behavior and maximizes the likelihood for success.

The *Individual Contributor is* the brand in the fourth organizational type. These organizations often center on, depend on, look to, or otherwise follow a key figure. The individual contributor shares some of the characteristics of the enterprise but without the same strong use of procedures or other controlling and directional mechanisms. Rather, the individual contributor's brand is wrapped in operational practices that promote concepts such as "credibility," integrity, reliability, and trust. Compromise these and the individual contributor has a problem (Inskeep and Pesca, 2012). Jeopardize them and the problem may turn into a crisis that can devastate the individual contributor's capacity to work or function. Or, as Marc Brownstein (2011) observed, "When the message is out of control and public anger is white-hot, high-profile people become targets, sometimes unfairly."

Discussion of the role and use of strategic practices is an ongoing part of this book. Often the discussions center on ways the organization uses practices and ways different practices may help an organization avoid a crisis or manage one once it materializes. This treatment of organizational practices can be misleading, however, if the crisis manager fails to consider that adversaries, malcontents, or opponents also have the same types of practices at their disposal. So, from a strategic perspective, when the crisis is a conflict between two organizations, an organization's and a brand's fate may depend on whose membership is most competent in the use of these practices.

Table 3.1 illustrates this point. The table's contents serve to both end this chapter and introduce chapter 4, which examines the role of an organization's stakeholder network. Strategic practices help define actions to take and boundaries for performance. What makes the information in table 3.1 of interest is way it illustrates how the same practices can help or hinder an organization's effectiveness.

Table 3.1 Strategic practices as potential inhibitors of or contributors to the evolving brand crisis: Use of strategic practices to advance or encumber an organization

Critical Practices and Strategies	Ways Pro-Organization Stakeholders Use Practices to Drive or Support the Brand	Ways Anti-Organization Stakeholders can use Strategic Practices to Introduce Challenges, Risks, Threats, and Crises to the Organization
Communication Management Practices and Strategy	Methods, practices, and techniques used to transfer, exchange, or generally deliver information between or among individuals, groups, and organizations.	Limit the dialogue to one-way communication Closed-door policy helps manage bias, messages, miscommunications and the quality of information.
Evaluations Practices and Strategies	Processes, procedures, and practices used to evaluate, assess, or appraise performance for individuals, groups, or organizations as needed.	Administration and use of evaluations convey an image of authority and can cover bias, poor procedures, evaluation incompetencies, and the questionable quality of results. Biased evaluation forms and procedures complete the effect.
Knowledge Practices and Strategies	Strategies, practices, or procedures used to acquire, build, develop, and maintain knowledge and/or skills and competencies.	Competing priorities, a restrictive environment, and limited or inadequate resources can further stifle an opponent's already overworked leadership vision.
Relationship Practices and Strategies	Strategies, practices, or procedures used to acquire, build, develop, and maintain relationships between or among individuals, groups, and organizations.	Disregard for "People" values facilitates defensiveness. Challenge hiring practices, job definition, or attempts to educate or familiarize individuals with issues.
Performance Practices and Strategies	Routines, processes, and/or methods used to introduce, propel, and/or guide operations and ensure that performance meets goals, objectives, and standards.	Compromise attention to detail, efforts for follow-up, investigations, and "thinking" versus "reacting" mentalities. Disrupt performance whenever possible.
Direction and Control Practices and Strategies	Strategies and practices used to identify and define the organization's vision, mission, and key goals and objectives. Organization's primary contact point for interaction with other organizations, stakeholders, regulators; protector of organization interests with these.	Dominate direction and control by controlling information and fostering frustration and anger among regulators. Complicate the opponent's internal communications, capitalize on weak or inexperienced or incompetent management. Disrupt data collection, evaluation, and planning efforts.

Continued

Table 3.1 Continued

Critical Practices and Strategies	Ways Pro-Organization Stakeholders Use Practices to Drive or Support the Brand	Ways Anti-Organization Stakeholders can use Strategic Practices to Introduce Challenges, Risks, Threats, and Crises to the Organization
Information Practices, Evaluation and Confirmation Practices and Strategies	Strategies, practices, and tactics for collecting, storing, and distributing information. Track sentiments of key stakeholders.	Foster unpredictability and inaccessibility. Question the accuracy of information, the quality of research skills, or research generally. Use bias as a tool. Look for gaps in the consistency of application and overall security.

The key to the successful use of organizational practice's is the stakeholders' motivations. Those supporting the organization may use practices to build positive tensions, to stimulate growth, innovation, or invention. Other times, the desire is simply to open the system and stakeholders to new ideas or ways of thinking. Positive use of strategic practices can influence an organization's environment by relaxing attitudes toward change, unleash the membership's willingness to seek out rather than avoid problems, or simply improve the ways things are done.

Conversely, when used toward negative ends, the practices can be disabling to the point of being destructive. Use of strategic practices in these instances can lead those supporting the organization to challenge established patterns and norms—the hallmark of an organization's vision or mission. Practices used to create division or a sense of fear can foster the emergence of subgroups, generally undermine leadership, or block attempts to direct and control the organization. In the end, the resulting confusion or delays can compromise the sentiments of pro-organization stakeholders regarding the organization and/or its leadership, causing them to question their own commitment to or interest in maintaining their relationship with the organization.

Obviously, then, the practices outlined in table 3.1 can be associated with the crises organizations experience in many different ways. For example, are important practices in place and used when a crisis emerges? How do stakeholders respond to the use of practices? Are practices used, for good or ill and how does their use reflect the motivations or desires of members of the organization's stakeholder network? Or, when those inside and outside the organization make demands, challenge policies, procedures, and practices, ignore rules, support or launch competing organizations, or do whatever else is necessary to get what they want what role do organizational practices play in managing disruptive or generally non-conforming behavior? Finally, simply maintaining a strong set of organizational practices can be useful in understanding and interpreting why and how stakeholders affiliate with an organization, demonstrate their affinity for or against the organization and, bond with the organization during a crisis. Each of these topics are explored more deeply in the next chapter on this time from the perspective of the stakeholder and the larger stakeholder network.

CHAPTER 4

STAKEHOLDERS, THE STAKEHOLDER NETWORK, AND THE BRAND: HOW THE STAKEHOLDER NETWORK AFFECTS A CRISIS AND MANAGEMENT EFFORTS

As an organization's leadership begins to speculate on what it will take to manage a crisis or solve a problem, first thoughts are most likely devoted to the role the organization's stakeholders will play in the effort. Who can be of help? Who is most competent? Who is most experienced? Who will resist our efforts? Who may even attack us or attempt to prevent us from being successful?

The potential range of considerations for who's involved and why stems from two observations: first, there are few times when only one person or stakeholder is involved in any crisis management effort. A crisis is just too complicated and there are often significant potential risks associated with even the smallest event and crisis. As a result, it is important to consider the strengths and weaknesses of every key stakeholder in conjunction with any interrelationships or dependencies among them. Second, an organization's stakeholders are best described and approached as members of a network defined by some who may like or support the organization as well as some who may not like or support the organization and its efforts.

This chapter examines both observations. The stakeholder's role in crisis management is explored with particular attention devoted to the stakeholder's relationship with the organization. Why join or affiliate with an organization and, given the stakeholder's level of involvement, what can the organization expect from a stakeholder? Additionally, stakeholders must be managed. Sometimes they need special attention, placing heavy demands on the organization's resources. But, since it is important to concentrate on all stakeholders, focusing too much emphasis or attention on one or two stakeholders, no matter how "important," can lead to serious negative consequences for the organization and its efforts.

For these reasons, the chapter's discussion will center on stakeholders as part of a larger network. Generally, one or two stakeholders may seem to dominate an organization's attention but when a crisis emerges, the entire stakeholder network is effected giving potential prominence to any number of stakeholders.

A crisis commits the entire stakeholder network to action. Some stakeholders seek to protect themselves, others work to help the organization, and still others may actually work against the organization. In a crisis, the network's push and pull for and against the organization are at the center of ongoing opportunities and challenges for the organization's leadership and decision-makers. As the crisis unfolds throughout the organization's diverse, dynamic, and ever-changing stakeholder network, one must maintain a systemic, holistic orientation to the organization's environment and resist letting a too singular, narrow focus develop.

Part One: The Organization's Stakeholder Network

An organization's leadership and strategists generally handle problems by restructuring them—turning them into manageable tasks. Once defined, the question remaining is their assignment, who is to do what, and that is where the stakeholder network enters the equation. As a resource in task management, an organization's stakeholder network is an amalgam of power points, key relationships, and often-significant competencies. Many times there is a tendency to avoid involving some stakeholders. Regulators, competitors, or disgruntled employees can draw on important resources or demand a lot of attention because of the nature of their position, their potential to harm the organization, or, because of their real or manufactured threats, intimidation, bullying, or pressure. This may be particularly true in an emerging crisis when the power of detractors may be the greatest. Fear, poor judgment, and inexperience makes it easy to succumb to the behavior of disrupters and to let these stakeholders dominate the organization and its efforts. However, effective management, particularly in a crisis, means knowing how to see and use all of the resources available including those in the stakeholder network who may not support the organization and its efforts.

Stakeholders as Effect-Agents

The fact that an organization's stakeholder's network can include both those who support the organization and those who do not is a primary reason why it is important to recognize and understand the various relationships the organization has with its stakeholders. Before examining the nature and makeup of the stakeholder network, however, it is important to understand certain general principles governing the relationship between stakeholders and the organization.

A first principle is that all stakeholders have some measure of both positive and negative effects on the organization. Positive effects push or pull the organization in ways that benefit it, its brand, or other stakeholders. Some of these effects are tangible, some not, some result in lasting change other effects are short-lived but, all positive effects tend to be enriching and have benefits associated with them.

Negative stakeholder effects can weigh the organization down sometimes with disastrous consequences. When negative effects are triggered by internal stakeholders, they can range from the mundane baggage associated with administrative lassitude or the dogmatic cautiousness sometimes associated with a stifling culture, inept leadership, or an over-exercised bureaucracy's rules, regulations, policies, and procedures. "Turf wars," infighting, or simple incompetence can make an organization sluggish in the best of times and this condition is triggered by stakeholders on the inside of the organization—members of its own "family"! Petty gossip, office "politics," and game playing often lead management to draw that dreaded observation: "So *this* is what these people were like as children!"

The experienced leader measures the potential contribution of every member of the stakeholder network in terms of both tangible and intangible costs and benefits associated with their involvement. This is an excellent way to value stakeholders and the network and a useful device for visualizing one's future resources or exposures should a crisis emerge. It is more than a planning device or an academic exercise; it is a step toward enlightened decision-making.

Stakeholders as "The Opposition"

Effects stimulated by those outside the organization are just as diverse and often potentially more damaging. These stakeholders are not part of the organization's "internal family" so they may have little to lose if the organization suffers from their actions. The stress associated with these stakeholders' attacks, harassment, and assaults can keep an organization off-balance, not knowing what's going to happen next. Moreover, the fact these stakeholders plan and launch their aggression under the cover of secrecy makes even acts of subterfuge, sabotage, or hidden aggression capable of producing such levels of defensiveness that the organization's overall environment is dominated by distraction and confusion. In the end, fending off attacks and aggression launched by external stakeholders can lead to creation of errors, miscalculations, physical damage or, even the organization's defeat.

It is easy to document the impact of an organization's adversaries. For example, a politician does not necessarily limit thinking to thoughts of defeating the opponent; when destroying a political career, obliterating a political platform, or simply punishing or, embarrassing the opponent's political party are options. The same is true when conflict emerge between businesses or nations. Simply encumbering a targeted manufacturer's operations may not satisfy a special interest group when it may be possible to terminate its operations and shut it down, "once and for all."

Regulators usually have to work within the parameters of the law or particular legislation but that does not mean a regulator cannot get tough if the behavior seems warranted. These stakeholder opponents can have a combination of effects on their "opponent." An angry regulator's actions might range from ongoing demands meant to annoy to those demands that aim at shutting down an organization's operations. Finally, the competing relationship between the terrorist and military unit are familiar examples to most. This is a relationship often dominated, sometimes even defined by negative effects. In these stakeholder relationships there may be no "in between." Each is actively seeking the destruction of the other—and yet they are mutual stakeholders in the same stakeholder network.

These are the obvious troublesome stakeholder relationships. These relationships immediately attract one's attention when constructing a crisis management plan. Our caveat: force yourself to look beyond the obvious to include all of the stakeholders who make up the stakeholder network. All stakeholders must be included in the crisis management planning efforts because while it's sometimes easy for those less committed the stakeholder needs of those not perceived as a threat, they still have the potential to seize an opportunity to join forces on one side or the other in a conflict so keeping track of all stakeholders is always a prudent move.

Stakeholders and the Inevitable Problem of Control

The benefits of studying the organization's stakeholder relationships may become more apparent when one considers a third principle associated with an organization's stakeholders: they are impossible to control. Sure, the leadership of many organizations have convinced themselves that they are in *the* leadership position and that they have a range of control over stakeholders, and certainly those within their own organization. They may believe this, but it's not true.

For example, convention tells us that the pope knows that all priests and certainly all nuns do exactly as he says. Right? And a politician's minions never speak out of turn or drift from the party line to express their own sentiments. Right? Employees always take their training to heart and always provide customers with only the finest customer service. Right? Sure. Just like patients always do what their doctors say, students always study for exams, people never drive above the speed limit, and children always honor their parents' dictums regarding drugs, alcohol, and premarital sex.

Stakeholders always have a position regarding the organization and, as importantly, the issues, values, standards, and ideals that define the organization's vision and mission. It is important for the organization's leadership to recognize that stakeholders are guided by their interpretation of what the issues, values, and ideals mean to them, not necessarily what the organization's leadership thinks they should mean. Stakeholders use their preconceived notions to judge what is right, what should be done, and what is best, not necessarily what they have been told. Indeed, employees may behave because they "need the job" and some followers do what the leader says because they "believe" in the religion's teachings, but no leader should assume that there isn't also some parallel theme or notion accompanying the stakeholder's overt action.

Stakeholders not only *can* shift their positions or change their minds regarding people, places, issues, and so forth, but they also *do* shift their positions or change their minds. Ask the politician who has lost a reelection because some of those who voted in favor of the politician in the last election changed their minds this time around. Customers do the same thing. Today they like a product or service, tomorrow, maybe not.

Drawing a simple conclusion that stakeholders are fickle is seldom useful; the bigger issue is more complex. First, their needs change. The needs, wants, and desires that initially drew them to an organization may not match the organization today. This is particularly true if the organization fails to understand its stakeholder's needs and/or fails to keep up with changes in the stakeholder and stakeholder network's ecological makeup. People grow and change over time; organizations need to as well.

Sometimes stakeholders shift from being "controllable" to "uncontrollable" because they have received information that challenges earlier positions or beliefs. People do not just wake up one morning and decide not to follow their religion anymore. They may have learned something about the religion's leadership that makes them no longer support "the hypocrisy." Perhaps they have learned about a new religion and feel it better meets their needs. It is information that fosters this type of change and stakeholders live in a hyper-information rich age. The organization's promised future may not match or keep up with what the stakeholders are experiencing because what is real, is in turn, constantly changing.

New information and knowledge also helps foster the development of different perspectives and change. This is one reason why some organizations do whatever is necessary to restrict stakeholder access to information or knowledge: resistance may always be an option but if information and knowledge are controlled, there is a greater likelihood resistance "won't be thought of as an option." Think of the countries, religions, schools, social organizations and companies that violate the law that seek to control the information their stakeholders receive or are exposed to. Countries seek to control the web, religions, and the books people read yet stakeholders always seem to find a way to access that which is denied. Intolerance for laws, rules, and dictums says as much about those making the laws as those who break them. As we will see in the next chapter, one way to understand the nature of a crisis and its occurrence is to look at the event triggering it.

A number of factors challenge attempts to control stakeholders. Conditions change, the stakeholder's involvement in the organization changes, or the stakeholder's roles change. A downturn in the economy can aggravate conditions for those who are already in a strained economic position. If stakeholders stop attending meetings, reading organizational dictates, or are simply just less involved, their sentiments toward the organization may be sufficient for change to take root. As an example, if you really want to test whether people change or not, try demoting a key player or a "climber" in the organization, someone eager about or seeking advancement. Maybe their sentiments will not change, but few in leadership positions have to courage to test that hypothesis. Broken dreams have a way of changing one's vision about what is or is not important.

Stakeholder Have Multiple Alliances

Finally, stakeholder thinking or behaviors can be influenced when different organizations compete for their affiliation. Most stakeholders have alignments with more than one organization or with other stakeholders and, as a result, are subject to the influence of others. So, if a stakeholder is aligned, even nominally, with another stakeholder perceived as possessing some value (e.g., it is credible, perceived as "important," or knowledgeable) and that stakeholder shifts its position, that may be sufficient to influence other stakeholders as well.

Think for a moment of your different affiliations. A quick analysis of your personal stakeholder networks will illustrate that, in all likelihood, they do not all reflect the same positions on the economy, politics, religion, or on issues such as the role of women, the right to life, or even the value of education. In addition, these are the members of your own stakeholder network! Which is most important to you? Which is most credible? Which would you discard if you needed to *cut one out of your circle of influence*? In addition, of course, which ones in the network have the most *control over you* or, conversely, which ones *do you have total control over*? (Just ask them and see if they agree.).

Three things make this discussion of key stakeholder principles important to the strategist. First, "thinking" and "understanding" are likely to be better tools when designing strategies that involve stakeholders in a crisis setting than attempts at "controlling" those involved. Second, these principles, in and of themselves, are useful indicators for the strategist to keep in mind when confronting events on a day-to-day basis. They provide information about the environment, what is important or valued, and, also, the strength and position of particular stakeholders. In addition, and perhaps most important during a crisis, each and everyone one of the stakeholders in one's network have the potential for becoming unwieldy, highly erratic, and completely unpredictable so it is prudent to keep all of them in mind. The principles reviewed can help the strategist better understand potential motivations, behaviors, and roles of individual stakeholders and this is especially useful as one begins to interact with the wider, stakeholder network.

Part Two: The Organization's Stakeholder Network

Stakeholder networks exist on two levels. The first is the network that exists on a regular, day-to-day basis. This network is typically well-organized and comprised of a few evident stakeholders. The organization is at the center of the network; internal stakeholders (e.g., employees or participants) and one or two external stakeholder groups, such as a customer group and maybe, competitors make up the rest of the network.

The stakeholder network that exists on the second level is the one that emerges with a crisis. In reality, all the components and stakeholders that seem to emerge in a crisis are always "there." They just may not have a reason for actively interacting with the organization, so they may not be readily apparent.

Consider this scenario. Suppose on Monday Joseph wakes up, he feels good, sees his "near others" (spouse, family, or roommates, etc.), and sets off for work. He goes to the office and interacts with his "extended others" (manager, coworkers, etc.) then later, stops at the gym for a regular workout and returns home. That is Joseph's primary network. Next day, Tuesday, Joseph gets up, sees the same "near others," walks outside, and is hit by a car. Now his network's secondary stakeholders emerge. These may include the paramedics who arrive to help him; the police officer (who was there before but did not have a reason for getting involved) collects information about the accident and is now directing traffic. The driver of the car that hit Joseph (he missed him on Monday) is there and so are members of his "near other" network who heard of the accident and rushed down to be of help. At the hospital, the medical staff in the emergency room joins the network, someone from the media is there looking for a story, and, of course, do not forget the lawyers. In other words, the accident, the event, triggered a crisis, Joseph's injuries and his network expanded to match the requirements of the crisis.

Strategic Use of a Stakeholder Network Map

A simplistic orientation to a stakeholder network can lead to simple conclusions about an otherwise rich environment. Inferences such as which stakeholders are for you, which are not, or who can be relied on and who cannot, while important, usually offer marginal information and can lead those expected to manage the crisis down a wrong path or to incomplete or erroneous conclusions. In many instances, these are questions about the obvious; they do not necessarily uncover the root issues behind the crisis or its effects.

However, expanding one's orientation to the crisis by probing the depths and features of the stakeholder network may uncover a wider range of details associated with the crisis. This type of analysis can reveal the motives behind stakeholder activities, relationships that exist among stakeholders, and perhaps even the number of stakeholders and their respective strengths and vulnerabilities. One way to begin this analysis is by constructing a tool we call a "stakeholder network map."

Building the map is straightforward; in fact, it often looks like the one displayed below in figure 4.1, based on the scenario presented above. Several features of stakeholder maps make them particularly helpful when beginning a crisis management effort. What makes stakeholder maps useful is the range of information they provide or lead one to discover. For example, a quick look at the arrows in this simple illustration suggests that not all relationships within the network are the same and some of those relationships change with the emergence of a crisis.

The direction of the arrows can be interpreted or used in a variety of ways. Sometimes they reflect a level of influence and other times, as in our examples, they illustrate how influence might be reflected though the flow of communication between or among stakeholders. After the accident, for example, the police officer asks the driver for information that, doubtless is offered, but it is the officer who controls or directs that relationship.

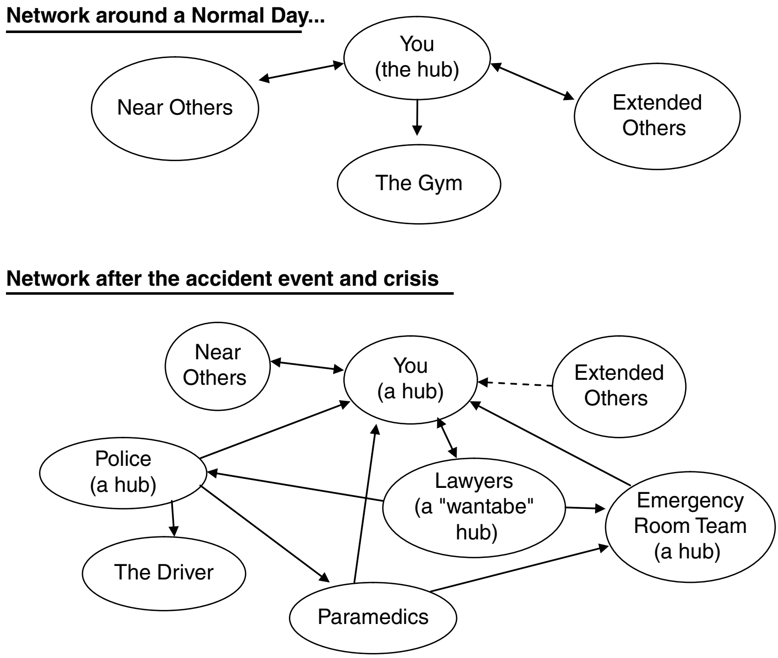

Figure 4.1 A stakeholder network at two points in time (the event and crisis: An automobile accident).

Other times we can use diagrams like that of figure 4.1 to reflect the strength of the relationship between or among stakeholders. This will be discussed at length later but even in this brief illustration, it is possible to see that the labels used to name stakeholders give us a clue regarding the strength of a relationship. For example, one would assume "near others" have a stronger relationship with Joseph (the "hub") than others. Note, too, how "time" and the "setting" can influence the strength of the relationship among stakeholders. Due to the accident, those in the emergency room (although not illustrated they have their own network) will have a stronger, albeit more short-termed relationship with Joseph (the hub) than others. That is, until Joseph is released from their care. During Joseph's interaction with the medical staff, the effects of the crisis shifts the network's focal point from interaction with Joseph's primary, near others to this emergent, new network composed of a new set of stakeholders.

Sometimes it is important to identify the nature of formal and casual relationships that exist, before or after the crisis emerges. Who links with whom and why can tell a lot about what is going on, what may be important to the network, those involved at different times and, who is most important or necessary to the organization and network. These types of information help those who use the stakeholder network map uncover hierarchies, strong or weak relationships, and the perceived value of relationships. The latter is particularly evident when data are collected describing to the number of times and ways stakeholders connect with each other throughout the crisis.

Identifying stakeholders with many connections may reveal other information about what is going on for this organization given the crisis. In the second network, after the accident, you (the hub) are the recipient of any number of questions from almost everyone in the network. Of course, the reasons why this is happening and perhaps even some of the questions asked might be obvious: "How are you?" "Does it hurt?" "Where does it hurt?" "Can you walk?" and perhaps even, "Do you think you will be in to work tomorrow?" Therefore, it is possible to gain a lot of information by constructing and examining a stakeholder network at different times and in different ways.

The level of analysis discussed to this point only gives us surface information about the stakeholders involved, their relationships, and the crisis. Careful probing can give the strategist a fuller, richer view of what may be happening now and some indication of possible future issues for the stakeholders involved. More importantly, however, is the observation that when one delves more deeply into the nature of the stakeholder network before and after the crisis has emerged, analysis shifts from a descriptive, conventional, somewhat reactive orientation to one that is forward looking and actively seeking better ways to understand potential range of effects associated with the crisis. This level of analysis provides a better understanding of the makeup and possible motives of those making up the stakeholder network and gives extra impetus to the overall crisis management effort.

The Crisis Management Strategist as Activist: Exploring Depths of the Stakeholder Network

Breaking away from conventional approaches and a search for simple conclusions, like who's for us or against us, not only adds to the richness of the analysis but also provides opportunities for new insights, better information, and increasing levels of accuracy about stakeholder roles and the emerging crisis. This analysis enhances data collected and adds to one's understanding of the roles different stakeholders have in the network. Consider the "stakeholder typology" described below.

The typology in table 4.1 characterizes stakeholders as falling into one of three groups: those with a constructive orientation to the organization, those with an unconstructive orientation, and those not yet aligned or predisposed to a particular position. So a politician running for election as a Democrat usually finds other Democrats as working from a constructive orientation, Independents as nonaligned, and Republicans as unconstructive or at least non-supportive.

However, what makes the typology particularly useful is the secondary level of analysis the typology allows. For example, the information in table 4.1 allows the strategist to assign a level of intensity to each stakeholder's positions on, for example, issues and then to associate different behaviors to the stakeholders given their positions and their category. So one considers a "campaigner" to be an activist with a higher intensity rating than someone identified as merely "cooperative" who receives a less intense rating and is classified as helpful, but not an activist.

A similar level of analysis is possible for the other two categories as well. We see that an "enemy" would fall within the "unconstructive" category implying that the enemy would receive a double negative ("−−") intensity rating as compared with a competitor who also would be classified as unconstructive but with only a single negative ("−") intensity rating.

One final thought regarding the benefit of the typology and intensity ratings is that it is possible for the strategist to quantify the makeup of the typology by simply assigning numbers to the intensity ratings and category the stakeholder occupies. For example, if a double positive represents a score

Table 4.1 Stakeholder typology: Profiles of an organization's stakeholder network

Constructive Stakeholders	**Nonaligned/Unpredisposed (This just means their bias isn't evident)**	**Unconstructive Stakeholders**
Activist (++)	*Impartial* (oo)	*Devastate, destroy, defeat* (−−)
Campaigner	Regulators	**Enemy**
Advocate	Adjudicators	Opponent
Militant	Neutral	Adversary
Promoter	Independents	Foe
Believer	Unaligned	Rival
Helpful (+)	*Disinterested* (o)	*Out to hinder, obstruct* (−)
Cooperative	Uncommitted	**Competitor**
Supportive	Indifferent	Antagonist
Accommodating	Apathetic	Contender
Caring	Unbiased	Challenger
Sponsor	Spectators	Obstructionist

of, say, "2" and a single positive a score of "1" and a double negative a score of "−2" and a single negative a score of "−1," then we just assign the appropriate numbers to the stakeholders. This gives a sense for the "weight" of both particular stakeholders and the stakeholder network we are discussing. (Nonaligned are scored zero, "0"). In this instance, the typology is merely a heuristic device used to give the strategist a way to "measure" the relative intensity associated with a stakeholder network at different points in time, paying particular attention to ways intensity score change through the course of the crisis. This may be an especially useful guide to use when interpreting strategies or the effectiveness of interventions on the crisis.

Another useful way to gain insight into what is going on within a stakeholder network is to attempt to gauge a given stakeholder's predisposition toward the organization, the brand, or other stakeholders, and, how the stakeholder's predisposition or sentiments translate into actual behavior or change over time. For that level of analysis, we need to consider a second feature of the network, the roles of stakeholders making up an organization's network.

Figure 4.2 illustrates the objective of this analysis. The diagram presents the network as comprised of five components. At its center, the hub is the communication and information management point. It is the point of origin for the network and stakeholders to receive the organization's mission. Feeders (++) are primary suppliers for the organization. Notice that the arrows linking "feeders" and the hub point from the feeder to the hub; this implies that *feeders contribute to the organization's resources*. They may be the organization's source for financial assistance, external guidance, and sometimes drivers of stakeholders to the organization. Table 4.2 adds to our understanding of the role feeders play; it provides a list of representative feeders one might associate with a given organization. Feeders have a strong, positive relationship with the organization; without them, the organization would have a difficult, sometimes even impossible time achieving its mission.

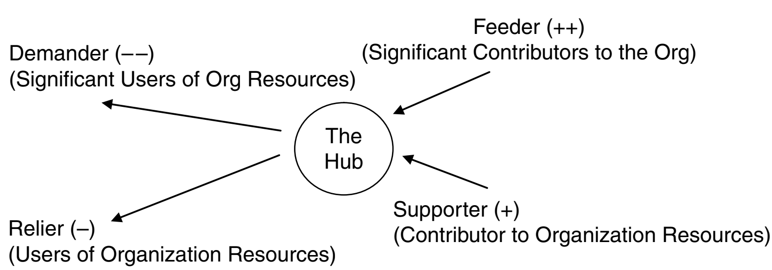

Figure 4.2 Representative stakeholder roles and their effects on a network and its resources.

"Supporters" also have a positive effect on the organization but their role and contribution are not as dramatic as a "feeder's." Sometimes it is helpful to think of supporters as more tactical and feeders with a more strategic role. Supporter stakeholders are a generic collection of individuals and groups. They provide the overall foundation for the organization. Table 4.2 illustrates examples of both.

Two other network components, "demanders" and "reliers," draw on the organization's resources and, in some instances, its overall capacity to perform. Reliers are stakeholders the organization needs to function but who, at the same time, draw on the organization's overall resources. For example, the organization may need to subcontract work to plumbers and electricians to repair damages after a storm. Hiring subcontractors may be unanticipated and perhaps a burden or expense that is over and beyond what the organization has the capacity to manage. Notice that the arrows in figure 4.2 go out from the hub to reliers. That indicates that these stakeholders draw on the organization's resources, despite any contribution they might make to the organization via the goods and services they provide.

Other reliers can put different, nonmonetary draws on the organization's resources. Reporters who need to interview members of the organization and vendors with goods and services to sell may have time or space requirements from the organization and its staff. Again, attending to reliers in this instance diverts an organization's resources, such as staff time, away from regularly expected responsibilities.

"Demanders" place the greatest drain on the organization's resources and demanders are stakeholders that typically cannot be ignored or put off. Table 4.3 illustrates typical demanders one might see linked to an organization. They are part of the organization's stakeholder network but they do not necessarily have or want a positive relationship with the organization. This is particularly true if there has been a crisis. Then, often in addition to the regular group of demanders one might expect to see associated with an organization, more seem to appear as the crisis unfolds. Auditors, lawyers, or similar authority figures are representative demanders, who frequently emerge after a crisis. Demanders are characterized in figure 4.2 with both a double negative (−−) valence and an arrow pointing away from the network's hub.

Hubs, feeders, supporters, reliers, and demanders are elements in every organization's network. Most are obvious. Demanders for the food industry might be health inspectors or for the oil industry, environmentalists. Sometimes these network stakeholders are not obvious. A company may have a customer group it classifies as supporters but within that group may be a segment called "key customers" and they may be a demander group of their own; they may have special needs, expectations, requirements, and

Table 4.2 Five typical network components with representative stakeholders

Type of Organization	**Hub**	**Feeder** (++)	**Supporter** (+)	**Relier** (−)	**Demander** (−−)
Politician (Individual Contributor)	*The Candidate*: Mission driven Leadership Role model Committee chair	Fund raisers National org. PACs Lobbyist	Party Voter Volunteers Donors	Reporters Undecided voter Advertisers Lobbyists	Opponents Regulators Opponent PACs Special interests
Political Party (Community)	*Party Leadership*: Mission driven Create platform Decision making Problem solving	PACs Contributors State parties Special interest	Party voter Grassroots Volunteers	Reporters Undecided voter Advertisers Lobbyists	Opponent Regulators Opponent PACs Special interests
Restaurant (Enterprise)	*Owners*: Enterprise Profit driven Service center Quality center	Chef Patrons Financial centers	Employees Suppliers	Food Critic Vendors	Regulators Competitors
Professional Sports team	*Team Owners*: Enterprise Mission Performance	Players Owners Farm teams	Fan clubs Local media Advertisers	Vendors Columnists Fans	Regulators Competitor Officials
Doctor (Individual Contributor)	*The Doctor*: Profit center Performance Service driven	Hospitals Colleagues Specialists	Medical staff Office staff	Patients Vendors Support teams Pharmaceuticals	Lawyers Regulators Insurance companies. Medicare
Hospital (Enterprise)	*Executive Offices:* Profit centers Executives	Other doctors Other patients	Insurance Staff	Patients Vendors	Lawyers Regulators

requests. They may see themselves as "special" and want or expect benefits over and beyond what a typical customer might receive.

The plus (+) and minus (–) signs associated with the four network types illustrate the potential for stakeholders to contribute to or draw on the organization's resources. Two points need to made about the potential contributions or draw made by stakeholders, however. First, as discussed above, the cost or benefit to an organization from a stakeholder may be either tangible or intangible in nature. This is an important consideration since virtually everything that happens to an organization has an effect in some way and/or may be meaningful to some stakeholder associated with the organization.

A second notable point is that the effects associated with stakeholder action vary from stakeholder to stakeholder. An organization that pollutes the environment may find that its crisis is small—perhaps a small fine by a regulatory agency—and one the organization's leadership is only too happy to pay just to get the issue behind them. However, the organization's leadership may find that a special interest environmental group's organized boycotts, demonstrations, and subsequent negative press coverage of the *same event* causes significantly more damage for the organization. In this instance, the nonfinancial negative effects of the special interest stakeholder may even have a ripple effect on the network. Their action might energize other stakeholders to get involved. A group of regulator stakeholders, for example, might need to increase surveillance of the organization because of attention brought about due to the spill or perhaps consumer stakeholders might take it upon themselves to label the organization a "polluter" and then shun its products or services. These "punishments" can affect the organization's image or overall credibility and possibly lead to damages that are more significant than the money lost in a small fine. The executive team that laughs off a small fine or "slap on the wrist" may be missing the bigger, strategic issue—one the organization's governing board may not miss.

Stakeholder Networks Are Resources That Must Be Managed

Utilizing the stakeholder network's many positive features without being overwhelmed by idiosyncrasies of individual stakeholders or the network itself is a primary objective for the crisis manager. For example, table 4.2 illustrates the potential depth of what on the surface looks like a simple, straightforward network. There's no such thing! What, for example, does the reader's stakeholder network look like? If you produced your own table like that of table 4.2 who would be the demanders, reliers, supporters, and feeders in your world?

Organizations are comprised of a number of different features—its culture, people, processes, material, and equipment—yet perhaps the largest and most often overlooked, crisis or not, is the influential network of relationships the organization has with its stakeholders. Stakeholders, in contrast to stockholders, are individuals, groups, or organizations with a more than financial interest in an organization and stakeholders invest in the organization in more than just a "different way." Stakeholders can have an insider relationship with an organization; they know, at least from their vantage point how the organization functions, its needs, perhaps its strengths and vulnerabilities. Shareholders are outside the organization; they have "bought into" their relationship with the company but relationship is at arm's length and their knowledge is at best secondhand. There is a rich difference between the stakeholder and stockholder.

Apart from quantifying the stakeholder network's contribution to the organization in terms of simple costs or benefits, simple reflection on the stakeholder network's potential effects should be sufficient for the enlightened strategist. When the relationship between the organization, its brand, and the stakeholders are in alignment and equilibrium rules the network, even subtle benefits seem to improve their potential contribution that each stakeholder makes to the system.

Consider the brief synopsis presented in table 4.3 below, highlighting features and benefits the stakeholder network can contribute to an organization. The list is not exhaustive; it only illustrates typical contributions the leadership and members of most organizations would enjoy seeing. However, what the information in table 4.3 reflects is more than a wish list; it is a statement about what a healthy, fully functioning stakeholder network can look like. This network bespeaks relationships among stakeholders that, whether for or against the organization per se, might be expected to strive for some common good, toward some agreed upon vision, or to achieve a valued mission. It is not necessarily a rare phenomenon, either. One thinks of nations, such as Great Britain during World War II, of medical teams whose experts hold their personal needs or egos in check while they search for a vital cure, the politicians or the manufacturing center's whose blue- and white-collar workers put aside age-old gripes and animosities to produce a better product, or to meet a crucial deadline or goal.

A healthy stakeholder network benefits more than the organization's day-to-day operating environment. This type of network may also be better able to weather a life-threatening crisis because the stakeholders involved work from their own expertise or positions of strength to address the crisis and its effects. In many respects, the emergence of a crisis is like a problem that the healthy network seeks to overcome and manage while the weak, unhealthy

Table 4.3 The stakeholder network has features and benefits too (we only name some positive ones)

Features	Benefits
Stakeholder Centeredness	The Stakeholder net can serves as a hub for all stakeholders. The net links other stakeholders, improving communication, etc. Having a network creates additional links, to other networks
Alignment on the Organization's Vision and Mission	Network power centers on the organization's vision, not the organization Communication among different stakeholders can improve A virtual hub, based on "the vision" can emerge
Improved proximity to the target organization	Relational power extends to the hub Special relationships can emerge because of the net's membership Insider or privileged information opportunities increase Special privileges emerge (e.g., contact or access to the hub) Informal networks (subnets) may form, improving flows
Cohesion, Reach and Depth	Stronger relationships with other members can develop Stronger relationships with the hub(s) can develop Alignment can emerge around a "net mission" An extended range of competencies—"Net competencies"
Efficiency of Links	Number of links with other net members can increase efficiencies Potential power position can grow in unanticipated ways Potential leverage points can grow in anticipated ways Emergence of gatekeepers, flow managers can be addressed
Value	Potential power, prestige, perks, and privileges can expand for all Improved image improves opportunities for contracts, invitations Increased value to the hub & among stakeholders Valued key practices (e.g., knowledge, communication) increase
Relationship quality, diversity	Functional, preferred, value adder relationships are possible Stakeholders have relationships with other stakeholders who have: expectations for themselves, other stakeholders, and the network
Accumulated Strength and Vulnerabilities	Stakeholders maintain their own strengths Stakeholders may still have their own resources Stakeholders still have their own vulnerabilities Stakeholders still have their own weaknesses

network seeks only to survive while plagued by reminders such as, "I told you so," "it's not my responsibility", or merely a finger pointed and a feeble claim, "it's their fault."

Preliminary Conclusions about the Stakeholder Network for the Strategist to Consider

It is hard not to like, to wish for, or to seek out a healthy stakeholder network. Apart from its contributions to an organization, its contribution to others within the network, and its capacity to "do the right thing," a healthy, functioning stakeholder network is a thing of beauty. However, building an effective stakeholder network requires time, work, and commitment so for those interested, here are six objectives to strive for when seeking to improve their own stakeholder network.

First, the bottom line behind the emergence of a stakeholder network is action—stakeholder network value is a product of timely behavior aimed at achieving a vision or mission and driven by agents seeking to fulfill their own needs. This is not a simple dynamic and it can provide interesting challenges for the strategist, whether in a crisis or not. Devote energy and effort to guide and nurture, not stifle or restrict the net.

Dissonance surrounds the emerging stakeholder systems. Stakeholder networks are their own organizations. The fact that they emerge within the context of an existing organization's established system means that thresholds, decisions, tensions, and the like can pervade the emergence, environment, and ecology of both. An effective leader works to help those in the network see the difference between naturally occurring dissonance and dissonance driven by unproductive self-indulgence and self-interests.

The network itself is susceptible to increased inference and resistance from the stakeholders who complicate it by layering in their own world system. One result is that disputes and sometimes conflicts can surface around the ownership of the network's primary hub. The hub is the net's power center so competition to make one's own organization the hub can lead to interference and resistance and sometimes sheer conflict among net members. Even if conflict doesn't arise, stress and tensions around hub ownership can raise levels of defensiveness, suspicions, aggression that permeates the ongoing give-and-take among members. Prudent network functioning requires more than competent administration; it requires leadership in the truest sense of the word.

The role and function of time is dynamic in stakeholder networks with dramatic consequences for those seeking to effectively manage the hub organization. Events in stakeholder networks can be precipitated by any member and/or unfold in a variety of ways. Time constraints add complications to the emerging system's efforts. In some ways, time is an externally induced boundary (e.g., time constraints, rules systems, and sanctions) that mark transition points for those in the network. Every member in the network can appreciate its growth from ill-established collective to recognized entity by simply tracking the net's progress over time. Time's role in these circumstances is passive; some might celebrate the event, others might not care.

But the role of time for the network is particularly unique when events like a crisis occurs. A crisis requires that time be recognized as a formal constraint, attended to by all, for the sake of the network or stakeholders involved. In a crisis time isn't necessarily measured in terms of benchmarks or goals achieved but rather in terms of critical deadlines or due dates that not achieved can result in disaster of those involved. Once again, administration is a time-bound phenomenon, leadership in a crisis has to rise above that level of constraint.

Inherent design faults and the ever-present possibility for random error are two sources of failure in newly emerging stakeholder networks. Regardless of prior experience, when stakeholders agree to form a new network it's a new venture. The fact that the network is comprised of stakeholders pursuing their own needs first the design of the network is likely to be peppered with design faults. Add to this the fact that network functioning is a dynamic process and the potential for random errors to creep in a disrupt operations is an ongoing matter. As a result, both design faults and random error can render individual organizations unreliable tools to meet the network's needs and unpredictable partners or adversaries. But, since some error or mistakes will occur, what value does finger-pointing add? Focus on the problem, not personalities, particularly after the crisis arises.

There is always the potential for abandonment when a crisis occurs. A critical issue that can emerge for stakeholders is that, in the event of a crisis, members of the net or the net as a whole may abandon them. Feeders (++), Supporters (+), and Reliers (−) all have special relationships with "their" organization. The first two might be referred to as benefactors who not only support the organization but they also often invest their brand with the organization. They may not want to share the organization's risks but they have their own because of their relationship. Reliers, too, because of the very nature of their relationship with the organization, need some measure of protection. Unfortunately and more often than not, most organizations forget about these important stakeholder group relationships and look to their own needs first. That may seem good for the short-term but the long-term ramifications may stain the memories of those who were injured and overlooked or, worse, ignored altogether.

It is no surprise that emotions such as fear, dread, or even terror sweep through an organization in the grips of a crisis, particularly if the crisis is a threat to the organization, its brand, or stakeholders. In fact, fear-like emotions are often worse when core features are missing or not evident: as when leadership is not apparent, competencies are weak, disciplined use of key operational practices are missing, and a reactive versus proactive environment displaces a sense of urgency. What is the status of your organization's core features, crisis preparedness and, commitment to its network's stakeholders?

Conclusion: Deal with All Stakeholders Given That Control Is Illusive

Aside, then, from the obvious, two facts must be on the top of one's mind when working with the stakeholder network: First, the strategist must deal with all stakeholders. Sometimes, the sheer number of stakeholders emerging with a crisis can be daunting. Nevertheless, each must be addressed for an adequate, long-term solution to the crisis to materialize. Keep in mind, it is a mistake to assume that an emerging crisis only effects "the obvious organization." The crisis affects the network and its membership, not just one organization. Moreover, stakeholders within the organization must resist the temptation to address the familiar, friendly, or "most important" stakeholders once the crisis breaks. Clearly the stakeholders comprising an organization's net can be ranked in any of a number of different ways but once a crisis breaks, former rankings or attributions of importance can become immediately meaningless. The prudent strategist will start with a fresh list and ensure that it is complete, accurate, and inclusive.

A second key point the strategist must address is the problem of control or lack thereof: stakeholders are a fluid bunch and, regardless of their apparent affiliations, in the end, they always seem to do as they want. Think of this point. If the building is on fire, who wants to stay with their position or job, even if that's required to manage the event and reduce the level of crisis? This may seem an extreme example but consider these others. What about the restaurant server who provides excellent customer service in the face of a bullying customer? The police officer who suffers through the agitator's abusive comments to successfully manage the demonstration? Or the politician who rises above the false allegations and lies made by the opponent's cronies or Political Action Committee (PAC)? These examples illustrate some of the "stakeholder realities" associated with a problem or crisis management setting. They reflect those moments when behavior, considered excessive in any other setting is, in a crisis setting, reflective of the norm.

There is something very personal about a crisis. The emergence of a crisis challenges one's value sets, competencies, expectations, and perhaps even a sense about what is right or wrong. In the face of a crisis, the strategist's challenge is seeing that crisis management tasks are assigned and completed, regardless of human tendencies, idiosyncrasies, or personal needs. These points may become clear in the next chapter as we begin to explore the true depths and impact a crisis has on organizations and their stakeholders.

Part 2

Strategy and the Emergent Crisis

Protecting the organization, its brand, and stakeholder relationships is a full-time effort by *every* member of the organization. Mistakes occur and events arise that threaten the three. Discipline, a sense of urgency, and competency are critical tools for effective crisis management or, in their absence, increased risk and exposure.

CHAPTER 5

UNDERSTANDING THE NATURE OF A CRISIS: WHY IT HAS THE POTENTIAL TO EFFECT AN ORGANIZATION, ITS STAKEHOLDERS, AND THE BRAND

INTRODUCTION: ORGANIZATIONS AND THE MANAGEMENT OF EVENTS

Organizations exist to manage events. Most events to be managed are predictable; these are the things that drive the organization, they are the things that meet a stakeholder's needs. These are events that help the organization grow (such as recruiting or marketing events), that help it prosper (such as a sales event), and that help it defend itself (such as building an alliance with another organization). The purpose or aim of an event is a result—to meet the organization's or a stakeholder's needs. If the event is a training session, the result is that participants learn the material presented. If the event is a sales presentation, the result is that the customer buys the product. If the event is a sporting event, the result is that the team (ideally the team you support) wins. If the event is a building fire, the result is that the fire is successfully extinguished.

Sometimes events do not produce the desired results. The unexpected result may be positive such as when an employee's performance exceeds our expectations, a fundraising drive raises more money than expected, or the criminals' plot is not only thwarted but the criminals and perhaps even their entire organization are also captured. Our focus, however, is when the results expected are not positive. We are focusing on events that do not produce the results expected, or when an unexpected negative event occurs: this sets the stage for the organization, the stakeholders, and the brand to be drawn into and effected by a crisis.

Like an event, a crisis also spawns results. The results associated with a crisis are seldom positive and often unpredictable. They can range from something simply undesirable, such as anger or frustration after experiencing poor customer service, to something even dangerous such as injury or death. This means that when preparing to address an event or the crisis related to the event, it is important to keep and treat the two as separate phenomena. The event is not the crisis. Both must be treated, but treated separately.

Both the event and the crisis have identifiable profiles. Each has particular features that can require different skills, competencies, and resources to manage them. Those managing the event and crisis must be able to adjust to an often changing, dynamic set of circumstances and, as importantly, have the plan and activities, and skills and competencies needed to complete the task at hand.

Material presented in this book applies to the development of plans and strategies for both events and any resulting crisis but our overall focus is the crisis. Nevertheless, an important step in building a crisis management plan or the strategies for crisis management begins with understanding events and their role in the emergence of a crisis.

Throughout this chapter, three themes are stressed. First, those leading the crisis management effort must recognize that there may be a number of unknowns associated the crisis management effort so a certain degree of flexibility is useful when engaged in the process. Events can change, new events can emerge and, as we saw in the previous chapter, one can't always count people or stakeholders to perform as expected.

Next it is vital that the planner keeps the event and crisis separate throughout both the planning and treatment phases. There is an obvious relationship between a crisis and the event triggering it but both are discrete phenomena and need to be treated as such. Finally, it is equally important that those expected to treat the event and crisis have the skills and competencies, as much information as possible and, most importantly, the resources needed to implement their desired plan of action. The more known about the nature of the event or crisis, including ways they may effect the organization, its brand, and stakeholders, the greater the likelihood that efforts expended will achieve desired expectations and outcomes.

Flexibility Is a Useful Way to Approach a Crisis

The relationship between an organization's vision or mission and the behavior designed to achieve them is not a straight path. Williams (2002), for example, suggests that strategies and plans are unlikely to be effective if grounded in the use of classical strategic management models that assume there is a straight line between the strategies outlined in a plan and the projected results. These approaches, he argues, often suffer from rigidity, lead one to act on erroneous or incomplete assumptions, and often lack the flexibility to address the dynamic, nonlinear environment that defines a crisis. He and others (e.g., Mintzberg, 1987) do not abandon the need or value of planning fundamentals (e.g., a vision, mission, goals, and objectives) rather they're more likely to treat them as guides for the strategist, rather than inflexible, unchangeable rules and procedures.

These researchers stress that planners and strategists recognize and bring an array of resources to guide or augment their thinking and behavior and that they always recognize that despite best thinking, designs, and efforts to shape performance, what happens at "the event" always has the potential to be new and unexpected. Clear thinking, competent people are best for successful crisis management and these people are likely to maximize their success if they are open to new ideas, potential solutions and, overall, change.

The value of objectivity and competence is especially important when attempting to identify the "real" issue or problem defining the crisis. For example, when one encounters poor customer service, that behavior is not simply an instance of "people trained to provide quality service who don't" but rather, that "people trained to provide quality service *choose* not to provide quality service"—the service one expects to see and that is, theoretically, designed to help achieve the organization's mission. Something in the organization's design, development, and/or operation opens the door for individuals to act on their own or, in the language of complexity theory, to self-organize a response to the event at hand (Tafoya, 2010).

Team members are trained and coached to work as a team and to be supportive of the team, but sometimes cliques form that circumvent team efforts or that may try to exclude other team members from participation. The behavior is not consistent with training and coaching the team may have received, it just emerges as team members' behaviors are guided by their own biases and needs rather than those of the team or its mission.

As we learned in the previous chapter an organization's leadership only has partial control over successful event management in a crisis: The organization's membership is comprised of independent, freethinking people who combine what the organization expects with their own bias, perspective, skills, or needs. Managers instructed to be fair and objective professionals may still discriminate and/or display favoritism or bias when hiring or promoting employees. Employees are taught to think "safety first" if there is fire in the building, but people have been known to disregard their own safety and rush back into a burning building to see "if everyone got out safely."

Crisis management, then, requires knowledge about the crisis to be sure, but one also must role of stakeholders in both the crisis' causes and solution.

Events as a Catalyst for a Crisis

But if an organization's leadership has only partial control over successful event management for even routine or regularly occurring events, what does that say for the management of a crisis where the risks or exposures might be greater? The fact that those confronted with or expected to manage a crisis may not be totally reliable doesn't take away from the fact that the crisis must be addressed. The question is, how should the crisis be addressed so that a desired outcome is achieved?

The types of events that can effect organizations can be positive, some negative, some large, others small, and some may be anticipated and others not. Moreover, while factors like poor competencies, poor preparation, or simply surprise can shape the management of an event, these types of factors tend to have greater impact when the emerging event and subsequent crisis is negative.

For example, a crisis may be triggered by a single event, but it may be the behavior or actions of stakeholders associated with the event that actually define the nature and complexity of the crisis to be managed. People feeling the pressure of their work or home life, war veterans suffering from post-traumatic stress, or the treatment people have received because of their sex, age or race may be sufficient preconditions for a crisis to emerge even when not related to the event observed. Even factors as unpredictable as the weather, a traffic accident, or the termination of a relationship can be precursors to the shape and nature of a crisis once it materializes. Clearly, to be effective, a crisis management team must be open to the possibility that what appears to be the "obvious cause of the crisis" may only be a manifestation of a greater issue.

The Event Spectrum Model (table 5.1) illustrates how one might approach a crisis in a perfect crisis management world. It is simple, straightforward, and logical. Unfortunately, there is a measure of complexity associated with an emerging crisis that makes no two crises alike—and that is just the beginning so while the model looks simple and clean, the complexities

Table 5.1 The Event Spectrum: Model of the crisis-causing event

The Crisis Causing Event	→	Emergency created and Your Capacity to Respond (+,0,-)	→	Chosen Response Strategy (+,0,-)	→	The Structured Response	→	The Result

associated with a crisis may present unexpected challenges to the crisis management process.

Next, when a crisis emerges, it seldom unfolds as the models suggest. To begin with, while the catalytic change spawned by a crisis can be dramatic and spawn its own effects, it is also important to recognize that secondary or complementary effects may also arise. Vengeance and retaliation, copycat behaviors, and pain and suffering can push the reach of a crisis's effects to other stakeholders, sometimes to every part and facet of an organization, culture, or society.

Equally troubling are the types of effects the organization or stakeholders may experience because of the crisis. We see two types of effects that must be managed through out the process. The first type of effect we label as a "variant effect." This is an effect that emerges in ways or in a form or format that one would not have expected. For example, a terrorist attack (the event) might result in anger toward the attackers on the part of some victims and sympathy, even compassion for the attackers on the part of other victims. It is as though the same group of victims experienced two different events, triggered by the actions or behaviors of two different groups.

As the variant effect is often difficult to diagnose, it may seem a rare phenomenon and thus difficult to map and manage. It can be hard to manage because variant effects can looks very different from case to case. Moreover, a tendency to focus on the effect's symptoms or manifestations can disguise the common cause for what's observed. Finally, attempting to treat variant effects only complicates matters more.

Variant effects are hard to treat for a number of reasons. Variant effects can surface within the effected organization at any point and they also have a tendency to grow and/or become widespread, and relatively diffuse. Then, as matters associated with the unfolding crisis become more complicated, the initial variant effects can morph into still different characteristics and, again, in unpredictable ways. Events of any size can produce variant effects. Large crisis-producing events such as the 9/11 attack on the World Trade Center offers numerous instances of the variant effect. Within moments of the 9/11 event, the terrorist act became a backdrop for political ambitions, racism, unbridled nationalism, and worldwide defensiveness. What was a horrific event morphed into a carnival of disturbing events triggered by opportunists seeking to promote their own interests, wants, and desires.

The second type of effect is the "channeled effect." Initially, this type of effect seems straightforward: stakeholders affected demonstrate "symptoms" that look like variant effects but, upon closer examination, it becomes clear that the roots or foundations for their behavior or sentiments regarding the crisis are deeply personalized sometimes without an apparent link to the event and subsequent crisis. Events (and stakeholders) aimed at disorganizing or disrupting an organization are notorious for triggering a crisis with channeled effects (Consider the scenario presented in appendix A).

When an event causing the crisis is believed to be linked to another organization or a movement it's often useful to explore the relationship between the organization or movement and those who makeup their membership. Think about the motivations of those who become members of a special interest group such as a union (Tafoya, 2011), the Tea Party Express (Wertheimer, 2010; Blackmon et al., 2010) animal rights groups, Occupy Wall Street (Popp, 2011), or other social movements. Often broad social or political issues trigger the organization's or movement's formation: dissatisfaction with a country's or business's leadership, economic conditions, favoritism, or even the cruel treatment of animals. These are easy to see and document but describing an individual's decision to join or not join the movement may not be as easy. Any number of diverse personal motives may drive an individual to join a movement with virtually none linked to the organizer's vision for the organization (Tafoya, 2011). There may be macro motivations defining the issues or cause at hand which trigger or serve as a stimulus for the expression of channeled effects and another set of micro motivations that guide an individual's decision to join the movement or generally become part of a crisis-causing event.

Removing factors leading to the formation of the organization or movement may reveal other issues actually driving the behavior of those who joined the movement. Union organizing, the Arab Spring phenomenon, the Occupy Wall Street, and Tea Party movements are each examples of an epic crisis-causing events for those effected. But if the organizations or movement never formed would its members have sought out some other vehicle to support or would they just have acted on their own? Joining movements can create opportunities for channeled effects, the expression of personal motivations brought to the event by participants, to personalize the movements mission for participants.

In instances when a crisis is linked to social, cultural or political movements or events, channeled effects serve as the catalyst for commitment to an effort or cause *that only the participants know and understand*. The participants become their own movements, their own crisis-causing events while the social movement or cause initially stimulating their attention is little more that a means or opportunity for people with diverse needs and interests to link their personal interests and needs to paths or themes defined by the movement. Members become stakeholders and affiliates of the movement because it is convenient. The channeling serves as a conduit for the membership, and it can disguise, for the crisis manager, what the members are experiencing, or why they are attracted to the movement, and ultimately why they join or not.

The channeling effects gain strength and momentum because they facilitate a focused, almost funneled flow of energy for the stakeholders involved. A common, sometimes even nonspecific problem can trigger this type of effect. This problem serves as the key referent that motivates those effected to gravitate to the organization, despite the fact that their needs, interests, attitudes, opinions, or beliefs do not match those of other members. It is a phenomenon explicitly demonstrated in appendix A and later in chapter 7.

The types of crises spawning variant or channeling effects are widespread and not specific to any particular type of organization. Moreover, while there does appear to be a relationship between certain types of events and whether variant or channeling effects emerge, what's more important is that those charged with managing crisis effects recognize that the strategies needed to address either can be very different. Strategies aimed at addressing variant effects are often best if effect-specific while those strategies aimed at addressing channeled effects are often best if designed in terms of the crisis spawning the effects rather than aiming at the effects per se. Moreover, while neither effect is necessarily triggered or caused by a particular type of event, quick action is required because once emerged, the effects can bridge with other effects, increasing the likelihood that a crisis's effects becoming the driver (or cause) of other, different crises.

Finally, exploring ways a crisis's effects are propagated illustrates that what often makes a crisis expand from bad to worse, from little to large is not the crisis per se but rather ways one approaches variant or channeled effects at work. When a social movement emerges, often crisis management strategists focus on the observable effects rather than on matters causing the movement. Targeting effects in this instance (e.g., "those demonstrators," "their sit-ins," and "work slow-downs") may be shortsighted and can lead to protracted conflicts and certainly unfortunate and sometimes embarrassing events (e.g., unwarranted arrests and detainments, various forms of brutality, or even the denial of fundamental human rights.) "Reaction" is an easier and a familiar management style but a better path to a solution is to address the cause of the crisis.

For example, crisis managers seeking to address variant effects will benefit more if their strategies target the unfolding crisis-effects immediately, often while simultaneously addressing the events causing the crisis. So the strategy becomes: leave management of the event up to those qualified to manage it (i.e., fire fighters and police around the burning World Trade Center) and management of the factors causing the crisis (i.e., actions of a terrorist group, conflicting economic and political ideologies, etc.) up to those best capable addressing those matters. Then, have a team of qualified individuals available to manage the variant effects spawned by the crisis.

Characteristics of a Crisis and the Demands on Crisis Management

A crisis is disruptive, if not immediately then over time, often in protracted ways. Here again the model presented is a useful guide but again, it has limitations. Cos Mallozzi's (1994: 34) summary of a crisis illustrates this point:

> When a crisis strikes a company, normal management decision making can be over taken by fast-moving events and short-circuited by a cacophony of voices and confusion. Facts about how the event occurred may be incomplete or unclear, and priorities difficult to sort out. People outside the organization may overreact, or those within it may under react, or worse, do nothing at a time when an effective response is vitally needed to deal with the emergency and help restore the public's confidence. (34)

Since a crisis may stimulate any number of results it is sometimes prudent to think of or reframe the crisis as a "disorder" until more is known about what is happening. Then, mapping to examine and understand the crisis's key features and effects can begin.

Clarifying the nature of a disorder before rushing headlong is an important first step in building a crisis management effort. Taking time to understand the crisis helps avoid addressing manifestations of the crisis rather than the crisis itself. How embarrassing would it be to focus money and material resources on what look like a crisis only to discover that the real crisis or issue needing to be addressed is something altogether different?

For example, sometimes a crisis does not materialize on its own but emerges along with other discrete but related phenomena. An event can serve as the initial catalyst for a crisis but, once established, the crisis becomes a catalyst for the formation of other events. Failure to identify the real target of one's crisis management plan can turn what was believed to be a "good solution" into a reactionary circus of fits and starts, miscues and bungled opportunities.

Second, many different conditions may be associated with the crisis. It is natural, for example, to examine and address the trauma stakeholders experience with a crisis but what about the trauma the organization experiences and, as we will see in a later chapter, the trauma associated with the organization's brand or image? Initially mapping conditions associated with the crisis in terms of the organization, stakeholders, and the organization's brand or image is a must. Consider the "Crisis Spectrum" presented in table 5.2.

The Crisis Spectrum is linked to the "Event Spectrum" presented earlier only here four levels of intensity are used to define a crisis for the strategist. In this instance the scale used ranges from a crisis that is labeled "a predicament" to one identified as "a catastrophe". This approach helps one classify a crisis with a level of precision not usually found in the literature. For example, Dayton's (2004) definition of a crisis as "a situation that is unwanted, unexpected, unpredictable, and almost unmanageable" is representative of the type of definition one often sees. It is useful definition but it does not help the strategist convey to others the nature and level of intensity associated with an emerging crisis; it does not help build a sense of urgency around the crisis.

Responders to a crisis are better prepared when they know "why we should be concerned" or, more specifically, "how concerned we should be about what has happened." Just like all fires are not the same size or intensity and all floods or tornados do not result in the same levels of damage, using a typology that helps responders know what they are about to face may help them frame their thinking before they arrive on the scene.

Table 5.2 The crisis spectrum: Illustrations of the range and types of crises that may effect different organizations

Level	Focus	Example
I – A predicament Jam, pickle, fix, mishap → mess, confusion, chaos, disorder, and disarray. Scope: Typically within the capacity of the organization to address.	Damage may occur but will likely be local, containable. PDR: 1–2	C: Fundraising event flops E: Poor customer service T: Missed deadline IC: Missed deadline
II – A dilemma impasse, problem, quandary → misfortune, adversity, and hardship. Scope: Addressed in the organization in conjunction with some external assistance.	Damage is possible. PDR: 3–5	C: Loss of Leadership E: Loss of key customer T: Key player injured IC: Inappropriate behavior
III – A disaster debacle, cataclysm → tragedy, blow, adversity, danger, deluge, and wreckage. Scope: External assistance needed; organization must support.	Damage and loss are probable, possibly extensive. PDR: 6–8	C: Politician infidelity revealed E: Price fixing disclosed T: Swat team kills innocents IC: Malpractice
IV – A catastrophe devastation, destruction → calamity, ruin, upheaval, and tragedy. Scope: External assistance required and leads the effort.	Damage and loss are inevitable and likely extensive. Immediate action is required. Manage the effects and recovery. Consider future plans. PDR: 9–10	C: Leader's unethical behavior E: Major factory fire T: An army team rebels, a coup d'état IC: Leader assassinated

C=Community, E=Enterprise, T=Team/Group, IC=Individual Contributor, PDR=Potential Damage Rating.

Characteristics of a Stakeholder and the Demands on Crisis Management

Scales like that in table 5.2 provide a common ground from which one can interpret the event and subsequent crisis. Then, efforts can begin to develop a plan of action to address what is unfolding. The scale helps one understand that every crisis has a defined frontier. Boundaries mark the crisis's periphery helping to define key indicators such as its scope and scale, movement, and range of effects. Symptoms, indicators, or markers are also important variables to track. In this instance, knowing when they appear, their intensity, and which stakeholders seem more effected by them are useful pieces of information for those seeking the address the crisis or to assist those affected by it. Finally, mapping, documentation and communicating evident patterns associated with the crisis, stakeholders, organizations and then, attitudes, opinions, beliefs, and behaviors add additional levels of detail to the analysis and forthcoming plan of action.

Sometimes it is important to consider a stakeholder's specific characteristics when estimating a crisis's effects. Wu's (2007) examination of behavior displayed by China and the United States during two different crisis events illustrates ways a stakeholder's culture, more than facts associated with the event, can help or hinder crisis management. Strategists often begin stakeholder analysis with a quick, fact-driven search for details related to the event-causing crisis. This is of obvious use but it is also important to isolate ways stakeholders interpret issues related to the crisis or their sentiments, personal areas of concern, or their own interpretations regarding the nature of the crisis.

Including the role culture, sociological and psychological makeup, or ways attitudes, opinions, and beliefs add dimension to the interactions between or among stakeholders and organizations can be invaluable. (Tafoya, 1983, 1984) This level of analysis aids preparation efforts associated with the design and launch of a crisis management plan and the important post hoc analysis aimed at exploring which interventions did and did not work. Taking this collected information and comparing it with similar past events or crisis management attempts may be especially useful "final acts" when considering ways to anticipate and manage these types of events and crises in the future.

Stakeholder experience and competencies may play a role in defining a crisis's effects. When a terrorist targets a military unit, the aggression is an act of war among warriors. When the same terrorist group targets a schoolyard or a wedding celebration, the aggression is a willful act of cruelty. The different targets vary in many ways but in one event the target knows it may be the recipient of aggressive acts; they "come with the job." In the other two events the targets are victims, only tools used by the aggressor to make a statement.

Caregivers around an accident scene may find the situation horrific or disgusting but their training and discipline helps them manage the setting and extend treatment needed to those injured. The level of experience with crisis events may mitigate some of a crisis's effects but certainly not all of them. One may "know" that a loved one in the military or in another dangerous occupation may risk life and limb as part of his or her work but knowing this does not lessen the tragedy associated with injury or loss of life. These effects may be anticipated and logically summarized as associated with the crisis arena or field of play and this "distancing" may contribute to a crisis's overall management efforts. However, phenomena such as Post-Traumatic Stress Disorder (PTSD), phantom pain, or just the absence of one who "should be here" can make some stakeholders lifelong carriers of a crisis's effects. In these instances, an organization, its brand, or stakeholders may translate the physical nature of a crisis's effects into symbols that remind them of events or behaviors that destroyed lives, bred disease and destruction, polluted an environment, or ruined careers.

Some engaged in crisis management like to believe they are "taking the higher ground" or are aloof to petty matters when engaged in crisis management but when people are the channel through which a crisis is mediated, predicting how they will respond to a crisis management effort may prove more challenging over the long-term than immediately obvious. Consider the information summarized in table 5.3 and the model that follows.

In table 5.3, one sees that an organization's brand or image is a powerful and meaningful tool for both those who like and dislike an organization. Those who embrace the brand can present its values and virtues at length in documents, such as a constitution, represent in music or song, such as an

Table 5.3 Representative features of an organization's brand: A foundation for illustrating why we like (or dislike) a brand

1. It anchors the organization's mission for stakeholders (whether for or against)
2. It defines the difference between one organization and others. (The roots of we vs. they.)
3. It serves as a point of departure for action. (It serves as a "reason" for what we do.)
4. It represents the organization's norms and values. (It serves as a justification for what we do.)
5. It serves as a referent for decision-making and problem solving. (It helps us pick a course of action; what we want to do to show "them" our position.)
6. It serves as a referent when assigning priorities to problems, actions. (It tells us what to do first, second and third to make our points heard.)
7. It is a benchmark against which stakeholders define their behavior, course of action (How did we perform? Did we achieve our goal? How is the organization effected? What do others think of the brand now? What is the brand associated with when they think of it?)

anthem, or summarize in a symbol, such as a nation's flag or company's logo. But, just as these forms of expression can be embraced, sung, or saluted by those who support and promote the organization or its brand, they also can be trashed, parodied, or burned by those who don't. It is a simple human option.

So, as Wu (2007: 72) pointed out, sometimes those in engaged in crisis management activities can pay more attention to symbolic gestures than to substantive issues. Consider table 5.4. Here a symbol, brand, or image represents the organization and becomes the anchor for those engaged in activities around the crisis. As Tafoya (2010: 153–155) points out, events can be influenced and shaped by the preconceived notions one brings into an event.

> People continuously construct and modify their approaches to events and the event process through its entire lifecycle. Assessments can include hunches regarding physical, cognitive and emotional features associated with the event and other involved. These states and other information guide planning, interpretations and insights about the event, its history or situational factors like competencies, attitudes and beliefs of those involved. All in all, [when we enter into an event] we expect things to unfold and people to behave in certain ways in those events. (Tafoya, 2010: 153)

Table 5.4 illustrates ways the sentiments one has regarding an organization (as represented by its brand or image) can affect a decision to act or not, as well as what the strategies for actions can be, recalling, too, that inaction also is a strategic move. The reader's own preconceived notions illustrate this point. You may never have been to Russia, China, Israel, Afghanistan, or California in the United States but you have sentiments about these places. You may even be able to make "hard and fast" claims about the values of people in these places: if they are good or bad or even if you like them or not. We draw a lot of conclusions about people, places, and events without having any experience with them.

From a distance, those speculating on the causes of crisis, their effects on organizations or stakeholders often can speak cogently about the topic at hand. One can speak of a crisis's centralized or decentralized nature, its tendency to expand or unfold in a dynamic versus linear fashion, and, often,

Table 5.4 Model of preconceived notions and crisis management: When how one's sentiments regarding another's brand can impact decisions and action

Brand	→	Like (+) Neutral (0) Dislike (−)	→	Choose to Act for Choose not to to Act Choose to Act against	→	Pick and Build a Strategy	→	Act

factors associated with the emergence of conditions related to the crisis. This level of analysis contributes to our estimates of a crisis's potential to cause harm, to spread, or even to be managed. But, in the end, these descriptions seldom touch the range of effects mediated by personal sentiments, competencies, or experience and, in fact, may even bias conclusions regarding the crisis or its cause and effects. Whether made by humans or naturally occurring, some crisis effects have the capacity to shadow an organization, its image, and stakeholders long after the dirt and dust around the event have been cleared away.

Making a Case for Crisis Management: Gauging the Risks Associated with a Crisis

When one encounters poor customer service or shoddy workmanship, what ultimately makes the poor performance unacceptable is that it interferes with efforts to achieve a goal or mission. Poor performance in repairing a car's engine means we have not achieved our goal of having the car up and running. When attempting to put out a fire, poor performance may mean someone is injured or the building burns to the ground. Poor performance when diagnosing a patient's health may mean the patient dies from a disease.

Our use of Dayton's (2004) definition of a crisis as "a situation that is unwanted, unexpected, unpredictable and almost unmanageable" (167) helps define the relationship between poor performance and a crisis but it is the *risk* the poor performance may amplify the relationship between these two conditions that is the real issue. Risk affects others or their behavior in ways that make an event or potential crisis meaningful to the organization, its brand, or stakeholders. Risk, whether real or perceived, is a powerful motivator.

We are so motivated to prevent problems in performance or incidents from escalating into a crisis state that there are axioms to help us build a sense of urgency regarding problems that pepper our lives. We are told to "nip the problem in the bud," that "a stitch in time saves nine," or that "haste makes waste" to learn ways to act to prevent a small problem from growing into a larger problem like, say, a crisis.

There a several ways to describe different levels of risk and their effects on stakeholder relationships, the organization, or the organization's brand or image. For example, documenting the simple *possibility an impending risk* is one way to begin. Organizations implement policies and procedures, train their membership, and sometimes take care to make sure the products and services they offer do not expose others to increased risk. In short, they back off from settings, conditions, people, or processes that might increase their risk exposure. It is difficult to purchase a package today without recalling the impact of one organization's crisis that happened more than 30 years ago, the

Johnson & Johnson Tylenol tampering crisis of 1982. That crisis continues to effect people and a nation to this day.

Risk awareness heightens as a potential damage estimates increase from an "impending" to "*immediate risk*." An immediate risk is such that failure to perform as expected can result in tangible losses to the organization, stakeholders, or the brand. Now it is not the rumor that the trusted leader was having an affair that sours the members' relationship with the leader and organization, it is the fact that the rumor was true. At this level, the impending risk is realized and the leader's inappropriate behavior creates a "crucial point or situation," a turning point or threshold that shifts the organization's and stakeholder's emphasis on pursuing a mission to one of personal introspection. The crisis becomes is a point of instability as conditions signal that abrupt or decisive change is impending (Morris, 1969: 314).

As risk increases *to an extreme level* the potential exposure for harm or damage also increases. Poor performance can irreparably damage or injure relationships and cause material loss or for the organization, loss to its brand, image, reputation, or stakeholders. Clearly, the potential for increased risk can increase with the emergence of an extraordinary event, such as a tornado or a fire. These are major events and beyond the control of the organization's membership but sometimes it is the risks associated with poor performance of routine events, the everyday events that define the greater part of daily life, that seem most to undermine the overall fabric of an organization.

The Events Spectrum illustrates that experiencing any event is potentially disruptive but when a routine task is mismanaged, we may be affected most because our sense of what to expect is challenged in two ways: first, routine events stipulate our patterns for life. They are the foundations for our habits or lifestyle. As a result, we have a rational sense about what should happen around these events. You walk into the department store, go up to the counter to get information from the person standing behind the counter, and you expect that person to acknowledge you and offer assistance. It is a familiar pattern; we have learned to expect it. So, if instead of being offered help, you are ignored, this disrupts the rational order of what is expected and service, at a minimum, does not happen as you believe it would or should.

However, there is more. In addition to having a notion about what *to expect*, we often also have a sense about "*how*" that behavior should unfold: the clerk should not only acknowledge us as we walk up to the counter and offer to help, but the clerk should also do this in a "friendly, helpful manner." In other words, we add a personal, biased interpretation to the sequence we have in our mind. We use our own values, standards, morals, ethics, or ideals to shape our expectations or anticipations of events. Now, it is not enough that a task should be done right, it should also be done well—according to our standards of what "done well" means. It is not enough that the sale presentation covers all of the product's features and benefits but the presentation should also be done "in a warm, friendly manner."

Sometimes layering personal values over expectations for an event increases the level of complexity regarding what is expected. For example, we expect people to be courteous, not rude. However, when what began as a rational notion regarding *what should happen* in our interaction with the clerk is layered with a personal sense for *the way* the transaction should happen, we are not only not getting the service we expect but this person is also being rude, too.

Does it matter more if our rational or personal sense about what should happen is disrupted? It depends. Negative or disruptive events serve as a catalyst for a crisis—a turning point in a flow or sequence that is contrary to what we want or expect to see. If the sequence is important to a successful process, rational order may override our personal feelings about what is or should be happening. "That's the way is 'has' to be. Get used to it!"

Making a Case for Crisis Management: Gauging the Possible Effects Associated with a Crisis

Considering a crisis's effects is a way for pushing the question of "risk" to the front of our minds. We need data, particularly about potential risks, so we can improve our perspective regarding what is happening, its importance or significance. So we observe the effects as we see them and gauge or measure their riskiness. Now it is much easier to stipulate just how "bad" the crisis is or how much risk exposure the organization, its stakeholders, or brand faces.

For example, "impeding risk" as discussed above is something of a euphemism for "*the potential for things to get out of control*." If that is the interpretation offered to crisis managers, a stage is set for needed behaviors that match the increasing risk level. An "immediate risk", however, implies that emerging "*threats to the capacity to perform*" are evident. This risk level augments the level of urgency for a response to the crisis and its consequences. Finally, an "immediate risk" implies that the crisis has the potential to "*obstruct the organization's capacity to perform*" ("Captain I think we're going to sink!").

Simple stipulation of different risks levels associated with a crisis is revealing. One can almost sense how behavior in the organization and among stakeholders who are part of the organization's network might respond as the crisis magnifies in intensity, scope, or both. Even with an event "just on the horizon," behaviors may be disrupted as disorder, confusion, and performance breakdowns occur and dominant stakeholders thoughts and actions; their behavior shifts to match the impending crisis as they anticipate "what might happen".

Obviously, for an unprepared or inexperienced organization the levels of disorder, confusion, or panic may swamp efforts to prepare a rational response to the crisis. Impending risk-causing factors can contribute to increased levels of confusion and stress associated with a crisis setting and these, in turn, seem to magnify when lack of preparation or the capability to manage an emerging crisis define the organization's pre-crisis state of affairs. Stakeholders "know" if they are ready for the crisis or not!

Table 5.5 illustrates this conclusion. In table 5.5 lack of preparation across key operational practices has a systemic effect on an organization as destabilizing effects within one area of the organization migrate and influence behavior in other areas. The significance of the table's material increases when one realizes that although deficiencies in any one of the strategic practices can lead to increased vulnerabilities and risk, deficiencies or inadequacies across a range of practices may contribute to risk levels rising through out the organization along with an increased probability for disastrous consequences.

Scanning the table's contents is like conducting a checklist for disaster. Place yourself in the role of strategist for an organization with this profile. The impending event is near and these are the observations made regarding the organization's preparedness. What advice do you offer to the organization's leadership?

Table 5.5 When destabilization is traced back to key strategic practices

Strategic Practices	
Communication Management Practices and Strategy	Those involved don't know/have competencies, courage to express concerns.
	Reasons or needs for the change; not communicated sooner; it's a surprise
	Communications stop after the change is introduced. (How is it going?)
	Communicators aren't trained to communicate or in the program
	The organization's structure does not support communication
	Poor communication habits (e.g., meeting for the sake of meetings) or styles
Evaluation Management Practices and Strategies	Those involved (managers or participants) do not know the evaluation plan
	How will potential for bias be controlled for in the evaluations?
	How will evaluations happen? What are procedures? Scope is unclear?
	Poorly constructed evaluations waste valuable resources (people, time)

Continued

Table 5.5 Continued

Strategic Practices	
Knowledge Management Practices and Strategies	Participants do not know how or have the capability to make changes Competing priorities for time make learning the new change process difficult Participants aren't given the instruction needed to learn the new changes One-shot training may be insufficient for complex change(s) Special trainers may be needed but not used or available
Relationship Management Practices and Strategies	Organization's values do not support teamwork, effort, etc. to handle change Existing processes or procedures may not be consistent with new changes Existing processes (e.g., hiring processes) are not adjusted related to changes Existing processes (e.g., job definitions) are not updated to match changes
Performance Management Practices and Strategies	Inattention to detail is missing (e.g., performance standards or benchmarks) "Change Plan" doesn't cover existing problems (e.g., bias, poor processes) Lack of follow-up after the change is launched, compromises performance Sloppy research makes poor plans for the change program Leaders don't lead, demonstrate commitment, capabilities to manage
Directional Management Practices and Strategies	Poor vision, direction, rules (e.g., who's the change effect, how, why) Bias, prejudice regarding who is to change, impacts, informed, etc. Poor support for change (e.g., poor communication, financial support, etc.) Turf fights, politics lead to poor relations, conflict, perceived favoritism, etc. Rules (e.g., covering information, the change process, etc.) are not consistent No disciplinary system in place to manage the change process at any level
Information Management Practices and Strategies	Needed or useful information isn't available Poor accuracy of information (GIGO: Garbage In, you'll get Garbage Out) Access or use of information is restricted, often when it's not necessary Access to information requires special competencies or special permissions Natural and/or fabricated bottlenecks impact flow of or access to information

We can get another view of the effects of a crisis on an organization when we shift our emphasis and consider the impact of the crisis on an organization's stakeholder network. For example, organizations not prepared to manage even a small crisis may find that both those who like the organization (Supporters and Feeders) and those who, by their nature, may not or do not like the organization (Demanders or Reliers) will take note of this vulnerability. Poor crisis management never sits well with any stakeholder but when the factors contributing to a poor crisis management response are tied to lack of preparedness or negligence, the ramifications may be significant. The bottom line is this: poor crisis management risks a significant shift in a stakeholder's attitudes, opinions, and beliefs regarding the organization, its leadership and the overall value of its brand. Stakeholders are expected to protect their own organizations and brands so why should they put these at risk by associating with an organization whose risk profile only signals trouble?

Stakeholders consider the implications for their organizations of the relationships they maintain. Evident "immediate" or "long-term" risks or threats effect their operating states whether the risk is their own or linked to a key partner. Dissonance, increased confusion or other signs that the partner's capability to perform as expected is in doubt can lead to possible reexamination of their relationship with the network. Initial reactions to a troubled network partner may be subtle, however, as information and data confirm the potential for risk affiliations and behaviors shift as friendly stakeholders, needing to protect themselves, pull in and increase their defenses while those taking an aggressive stance do what is necessary to leverage their position.

A given crisis will draw on an organization's resources and potentially encumber its capacity to perform but, these costs are weighted against how stakeholders view the organization's crisis management position as one of strength or weakness. Here's where the value of factoring stakeholder self-assessments into an analysis of a crisis cannot be overemphasized. The success of any crisis management effort always depends on the role and participation of stakeholders reminding us that the effects of a crisis are systemic, effecting the organization's overall universe, not just its immediate environs. A crisis never has a single effect: there's always the potential for a crisis's effects to ripple throughout the organization, its brand, and stakeholder network so whatever can be done to communicate and demonstrate that the crisis is manageable is vitally important.

Imagine what happens to a political candidate (an individual contributor) if a key supporter reacts to allegations regarding the candidate's "treatment of women" and withdraws and stops funding the campaign. Alternatively, what if a government regulator, like the Federal Drug Administration (FDA) decides to deny certification for a drug company's key product or encourages an audit of the drug company's factories to ensure they are operating safely and in the public's interest? What will other supporters think of their involvement with the candidate or what does the FDA's decision regarding the targeted product have on a consumer's sentiments regarding these organizations? Would you risk or recommend that others risk their money to support the candidate or the company as an investment opportunity?

Finally, an organization's image can become even more complicated when poor preparedness or crisis management practices contribute to a crisis's effects. In this case, as a number of negative or disruptive events or phenomena not only occur or "don't go away," they demonstrate a tendency, metaphorically, to pile up and further drain the organization's resources and add to crisis-related risks. This "chaining effect" means that there's a potential for risks and subsequent events or crises to add to the network's and stakeholders' burden. This isn't a pleasant situation.

This accumulative or snowballing effect begins when attention is first drawn to the crisis. ("Our leading candidate once smoked pot. 'Oh No!'") The first discovery would have been sufficient for most crisis managers but then discovery two occurred. ("It looks like he also had an affair. 'Oh No!!'") And then, worse, there is discovery three (In fact, he may have had five or six different affairs. "Oh No!!!") Plan the candidate's campaign. What began as a single event triggered a crisis, which then seemed to morph into a second and finally a total of three to be addressed. So what is your crisis management plan to cover this candidate?

Conclusion (and Yet Another Look at the Emergence of a Crisis)

A crisis can have any number of effects on an organization and its stakeholders. It can cause those in an organization to recoil perhaps becoming ultra conservative and insular. Sometimes, this is a natural defensive response, other times it's a learned response triggered by recognition that one's competencies are insufficient to manage the emerging crisis. In fact, it is probably some combination of these and perhaps other factors. The point is that when action is most needed, some respond with no action or, worse, the wrong action.

This chapter, in conjunction with the information presented in chapter 4 is designed to help the strategist break away from bad habits, narrow perspective, or any other personal or organizational features that prevent or interfere with successful crisis management. It is not that any of these "features" are bad by themselves—they can be useful when one is beginning to think about the crisis at hand. The risk is that these are negative approaches to crisis management that can be long-lived and most important, are probably not the best foundations for a truly effective crisis management plan or strategy.

In later chapters, we offer ways to address a crisis and even thoughts on what a crisis management plan might include. But before leaving this chapter, we offer one more look at that thing we call a crisis. In this case, we have laid out a map of sorts in table 5.6 and 5.7. Some might treat it like a timeline while others might use it as a checklist to see how "the crisis" is unfolding. However it is used in practice, for now its benefit rests with the way it presents a "high level" view of a crisis's life cycle.

The potential value of the material in tables 5.6 and 5.7 is captured in the holistic view they offer regarding the emergence and resolution of a crisis. There are four parts to the model covering four time periods. The first is a sketch of the organization prior to the crisis. It is business as usual. This is the organization in a steady state. The system is in equilibrium. This doesn't mean things are good, just that nothing has happened. Most activity in the organization is designed to effect performance with the assumption that Risk, Threats, and Vulnerabilities are checked. The focus is on getting results (products, outcomes and impacts) associated with accomplishing the organization's mission.

The crisis emerges in Time Two, the second part of the model. In that segment, we have an opportunity to see that both the event and crisis are two separate phenomena. This is one reason why although all events have the potential to trigger a crisis, not all do. Sometimes those in organizations are prepared, perhaps possessing the skills and competencies needed to manage the event or simply "to get out of the way" until the event passes and the potential for a crisis disappears. The script will seem familiar to many readers but what may be most important to some readers is that Time Two exists in two segments. Time Two–A introduces us to the crisis. The Vision, Mission, Goals, Objectives and Behaviors may be defined but it's not clear they are communicated. Potential for Performance issues and Increased Risk, Vulnerabilities, Threats, to influence Results. An event occurs at point 4 triggering a disruption to operations that becomes obvious at point 5. Environmental tensions increase.

Time Two–B marks the crisis's effects on the organization. With the crisis the organization shifts into an altered state. People and processes around the event are effected; perhaps other stakeholders. Now we see the role of operational practices used as devices to facilitate crisis management efforts. The use of the practices shifts as some like Control, Evaluation, Information, and Communication are stressed over others. A *Sense of Urgency*, which should be used in a proactive manner when the crisis breaks may be used in a reactive manner to marshal stakeholder support. Sometimes it's easy to see the effects on the organization when crisis management strategies are implemented. Established processes and procedures used during non-crisis periods are altered or abandoned altogether. Different types and use of staff

Table 5.6 Modeling the emergence of a crisis

Time One: The Beginning reflects a Routine, Steady State; it's Business as usual				
1. A Vision and Mission: Goals defined with objectives	2. Steady State; and Steady State Behaviors: Communication of the Vision, Mission, goals and objectives	3. Routine Events: Tasks and events needed to achieve the mission	4. Business as Usual, Focus on Results: Day-to-day activities.	5. On-going, Typical activity: Everyone is happy: La la la, La la la…
The Bottom Line: Productivity, Quality, Service, "Profitability," Routine Risks Managed				
Time Two – A: The "Event" Emerges as An Unanticipated/Unexpected Phenomenon				
			Event Effects Begin to Emerge	
1. Vision: Pursuit of the organization's mission	2. Steady State Operations: "Business as Usual"	4. ***The Event*:** Remember, the event *is not* the crisis	5. The Crisis: Disruption of Operations, Damage, etc.	6. Environmental Tension: Protracted effects of the Crisis
The Bottom Line: Low Level, Emergence Activity and Conditions can Touch all Parts of the Organization				
Time Two – B: Environment is Stressed—Planned & Self-Organized Activities Begin				
7. Altered state: Operations are effected by the crisis	8. Critical State: Stakeholders are effected; stakeholders evaluate their positions, their options, the organization.	9. Environmental Tensions: The Stakeholder Network Expands. Confusion creeps into the mix. Now is a good time for "finger pointing."	10. Critical Tension: The Organization's Hub's capacity to "Own" the Center is challenged	11. Adaptation or Escalation: Information demands from multiple sources, rumors strain the resources.
The Bottom Line: Resolution Strategies Required				

Table 5.7 Modeling the resolution of a crisis

Time Three: A Solution State, Resolution Strategies are Implemented that may or may not succeed			
12. Threshold Created: The crisis dominates activity, communication	13. Urgency State: Effects of the crisis threaten to overwhelm	14. Emergence: Response(s) to the crisis is/are launched. Do something!	15. Planned and Self-Organized Activities Launched. Planned activities Mature. Crisis ripples across the stakeholder network. Protect the Brand.
The Bottom Line: If Resolution Strategies are not Engaged or Fail Emergence sets the Stage for disaster.			
Time Four: After the Crisis: Change and Emergence of an Effected Organization			
16. Ecological Succession: Carry over what worked; integrate new processes, procedures, people, etc.	17. Urgency State: Adaptation to the new state	18. The New/Changed Organization Emerges with its own Vision, Mission: Things are not the same. There is an addition to the organization's history. The may be new players. The future *is* different.	19. Planned and Self-Organized Activities with New Goals, Objectives: Search for a *new* "Steady State"
The Bottom Line: If Resolution Strategies are not Engaged or Fail, Self-Organization Activity May Results in the Formation of a New, Sometimes Separate Organization			

competencies may be required overall. The same is true regarding the use of "instrumental variables": power, authority, influence, cooperation, problem solving, and innovation are engaged to drive the organization in its new mission, successful crisis management.

In Time Three, solutions or attempts to manage the crisis are launched, here with obvious success. A Sense of Urgency transforms to State of Urgency. Self-organizing activities give a sense of competitiveness to adversarial tension and conditions. Operational practices and competencies are drawn on again as a potentially new Vision and Mission becomes evident. Division between "what is" versus "what should be" is evident and as control is gained, the size of the event is not the issue, just its management.

Finally, in Time Four we examine another often-overlooked point; the period after the crisis has ended. This is, for us, as critical a part of the crisis life cycle as any other part. This is the period, sometimes the very long period when stakeholders pick up the pieces left after the crisis has passed. It's a point in the crisis lifecycle where those involved recognize that while the crisis is contained its effects may linger. This also is the point where the crisis becomes part of the organization's new history. The politicians, media, and emergency response teams have left. At a minimum, Time Four marks that period when the organization's stakeholders may attempt to rebuild where that is possible and renew their pursuit of the organization's mission.

Ultimately, however, Time Four marks that point where stakeholders who were part of the old organization address the challenge of learning how to live in whatever world follows. This is a very interesting period as the "new" organization seeks to learn what it is, how it should function, who are its stakeholders (and aren't), and so forth. How does the "new" do what needs to be done? Copy from the past? Create new learning alliances? Build off the experience to launch new innovations or inventions? The organization may even explore the need for a new vision, mission, goals, and so forth supported by new operating structure, new operational practices and refreshed or new competencies. The post-crisis period is a fertile field.

The next chapters cover two broad topics. First, what effects might be associated with the emergence of a crisis and second, what might a crisis management plan and effort look like. Our emphasis is on a close examination of a crisis and its effects on the organization, stakeholders, and the organization's brand. In the process, we treat the subject of stakeholders and the trauma often caused by a crisis in ways that help the strategists better understand the scope and scale of a crisis's effects and ways to target the most useful approaches to take when sketching a crisis management plan. Finally, chapter 8 offers guidelines one can follow when building a plan based on the material presented in the book. But first, consider what the organization is about to experience.

Chapter 6

The Emerging Crisis and the Phenomenon of the Stakeholder Swarm: Stakeholder Influence on a Stakeholder's Network Equilibrium, Brand Attractiveness, and Crisis Management Efforts

Introduction

The emergence of a crisis has a variety of effects on the organization, its brand, and stakeholders. This chapter focuses on a crisis's effects on stakeholders and, particularly, an organization's stakeholder network.

Of the three elements we examine throughout this book, the stakeholder network is perhaps the most susceptible to a crisis for a number of reasons. For example, the network is comprised of stakeholders with very different levels of commitment to the organization. Those with only a marginal stake in the organization may see little interest in being part of an organization "in trouble." Others may be afraid of "guilt by association" so rather than have their own brand or image tarnished, they may be quick to disavow any affiliation with the organization. Finally, there are those stakeholders who, by their nature, are drawn to organizations in conflict. Special interest groups, emergency assistance providers, and regulators are sometimes first to arrive at an organization in a crisis. Sometimes, if it is a particularly noteworthy crisis, politicians, lawyers, or even law enforcement officers may turn up. Again, stakeholders act in terms of their own needs and the emergence of a crisis is one of those phenomena that helps them decide when to act and how.

In this chapter, we use a theory drawn out of the natural sciences to help explain the behavior of stakeholders in a crisis. Swarm theory is used in some areas of the natural sciences to study collective behavior, most often among homogenous or like-minded agents aiming to achieve a common goal. We use it here because it also can illustrate instances where swarms of organizations form, despite the fact they may not share common goals and may be comprised of heterogeneous and, sometimes, even adversarial individuals or groups.

We introduce the phenomenon of a swarm theory in a case study to demonstrate the impact of a crisis on an organization and its stakeholder network. The case study reveals ways new networks emerge in a crisis, to stress and disrupt a target organization's operations, direction, and overall performance. The emerging collectives become new, spontaneous networks generated in response to events; it is a phenomenon we label "stakeholder swarms." Results of the analysis and the methodologies used demonstrate how the trigger launching the swarm, a crisis, can result in landscape littered with fallen political stars, disgraced leaders, professionals, and even terrorist zealots that failed to manage the swarms forming around them.

Introduction: Swarms as a Metaphor for Stakeholder Behavior in a Crisis

Research applying swarm theory to organizations typically focuses on ways to improve operations. Gloor and Cooper (2007a, 2007b) and Gloor (2006) document the theory's use to improve business processes by standardizing operating procedures. Others use swarm theory to design algorithms to improve crowd control or public safety (Batty, 2007) or for better ways to route people or ideas. (Kennedy, Eberhart, and Shui 2001) Our focus is on those instances when an organization's membership finds itself in a crisis—a crisis fueled and sometimes exacerbated by the swarming of other organizations, our "stakeholder swarms."

In many ways, the behaviors examined more closely parallel early studies associated with the swarming of ants (Gottwald, 1995; and Holldobler, and Wilson, 1990), the schooling of fish when threatened (Camazine et al. 2001), or the foraging of locust (Buhl, 2006) or honey bees (Camazine and Sneyd, 1991) when feeding. In these and similar studies, the need for food, shelter, or protection from predators creates potential crises for the species studied. Behavior in these instances can serve as a model for examining a crisis setting facing a human organization and its membership.

To explore the role of stakeholder swarms on an organization in crisis, we focus on four things. First, we begin with operational definitions and a review of key relationships that form around the emergence of a stakeholder swarm. Here the emphasis is on characterizing the swarm as a network, much like one might form in nature and defined in response to a particular event. However, because human organizations define these swarms, it is necessary to clarify the nature and types of events that stimulate responses, the types of organizations that might comprise a stakeholder swarm, and, finally, the nature of the stakeholder's interrelationships among the network elements.

Second, we examine an organization's stakeholder network before and after a crisis event has emerged. This analysis illustrates differences between the swarm behaviors of humans versus those typically examined in the natural sciences. More importantly, this analysis illustrates the makeup and motivations of a swarm's membership and how what may have begun as a tightly organized network can become strained and reconfigured given the impact of a crisis and the emerging stakeholder swarm. This brief review illustrates how the swarm affects a rather subtle, relatively uniform, and often close-knit network. Ideally, those responsible for designing a crisis management plan can use this illustration when devising strategies to address the needs of the stakeholders once the crisis emerges.

Third, comparisons regarding the emergence of stakeholder swarms across different organizations and/or different types of events provide insight into the mechanics of the process. This is important for it allows us to talk about the formation of "swarm communities" and their needs, interests, and behaviors. In nature, swarms are a "way of being"; they are part of the functional makeup of the species. These swarms often behave in utilitarian ways—they demonstrate behavior aimed at achieving the greatest benefit for the greatest number. Stakeholder swarms in contrast, are not motivated to act for a greater good, even if that is an outcome. In the swarms we investigate, the stakeholders strive to meet the needs of individual stakeholder organizations rather than any collective goal. So, even if part of the same network and brought together by the same event, each stakeholder seeks to fulfill its own mission. This is a decidedly human element of stakeholder swarms.

Finally, we return to our example of swarms emerging around a particular organization as its attempts to manage an emerging crisis and offer a long-term view of the ways swarms add to an already complicated and complex situation. In this case, acts of the stricken organization and swarming stakeholders can combine to serve as a catalyst for ecological succession, sometimes on a societal scale. Our interest in this segment illustrates ways a crisis, networks, and emerging stakeholder swarms can dramatically affect not only the organizations involved, but also the larger environment in which the systemic network operates—in short, the system's ecological profile. This analysis also gives us an opportunity to introduce and talk about important ancillary topics such as a swarm's growth, its possible life cycle, and the continuing evolution of human swarms and their conceivable role in collective behavior among special interest groups or social movements generally.

Part One: Formation of Stakeholder Swarms in Response to an Event: Definitions and Elaborations

At this point in the book, we are looking at organizations in crisis, particularly when these organizations behave in response to other organizations. Typical swarm studies would center their unit of analysis on members of an organization. We, in contrast, consider a universe comprised of several different organizations and this makes the application of swarm theory particularly interesting. The fact that stakeholder swarms are comprised of different organizations with potentially different missions, goals, and objectives means they behave more like a collection of different animals around a water hole than a colony of ants foraging for food. The bonding element of the swarms we examine is that they all have a stakeholder relationship with the target organization—they exist, in part, because of that organization.

As we've discussed in earlier chapters, every stakeholder that's a member of the network must be managed or at a minimum attended to and some more than others. The challenge a crisis presents is that as the crisis unfolds, the number of stakeholders is likely to increase and the overall mix of stakeholders is likely to change. For example, recalling our discussion in chapter 4 (figure 4.2) where we distinguished among four stakeholder groups, supporters, feeders, reliers, and demanders the simple fact that a crisis is usually an atypical or extraordinary event means there is likely to be an increase the number of demanders and possible loss of feeders and supporters in an organization's network as a crisis unfolds. A fire in one of an organization's warehouses, for example, might mean that demanders such as the police and members of the fire department become part of the organization's network and, in turn, shift control of the network away from the organization so that they can better perform in their roles as "event" and "crisis managers."

In some crises, the worst-case scenario some organizations experience is that demanders not only shift control of the organization's network from the hub organization but also may completely reconfigure the original network, sometimes making a demander stakeholder a new hub. Conflicts, such as wars or civil unrest, or the recent "Arab Spring" are examples. Demander stakeholder organizations in these types of events may absorb or even destroy a defeated nation state. In other instances, another stakeholder may not destroy or "absorb" the effected organization per se but may restrict its capacity to perform. Individual contributors, such as doctors or lawyers who have had their licenses suspended because of something they have done, are examples.

To this point the discussion leads us to two conclusions. First, the emergence of a stakeholder swarm may affect both the relationship of the hub organization to the stakeholders making up the network and, second, an overall effect of the swarm may disrupt the entire network's equilibrium. Demanders and reliers, stakeholders that draw on an organization's resources, always have both short- and long-term ramifications for an organization. Now, with the emergence of a swarm the number of these stakeholders is likely to increase and, thus, aggravate an already burdensome situation.

In a crisis, things can change frequently and dramatically but increasing the number of demanders and reliers adds complexities to the multidimensional makeup of a swarm and changes in the nature and roles of stakeholders, or an overall shift in their attitudes or sentiments regarding the work at hand. For example, some stakeholders may become angry or agitated after being asked to do extreme, undesirable tasks (as when emergency teams are called in to handle loss of lives after a disaster) or because the tasks they're asked to perform are by their nature more time-consuming or expensive to manage (e.g., repairing damages to property, images, or reputations.)

This may seem the worst that might happen but it is not uncommon. Moreover, these and more effects can result and amplify as a swarm becomes entrenched as "the new network." When a stakeholder swarm materializes, new stakeholders join the existing network segments (i.e., feeders, supporters, reliers, or demanders) and for the same reason as the initial network members joined: because they get something in return for their membership. Only now network resources can overload as the swarm increases the number of stakeholders involved and any rational behavior or two-way exchanges of information give way to agents seeking to fulfill their own needs.

Figure 6.1 illustrates this phenomenon. Recall from chapter 4 that demanders and reliers draw on an organization's (the hub's) resources (as indicated by the arrows pointing from the hub to them.) In figure 6.1 the advent of the crisis means there are many more demanders and reliers, and consequently a greater drain on the hub's resources. Extra stakeholders burden the network and when most of them are demanders and reliers, this also stresses the hub's resources.

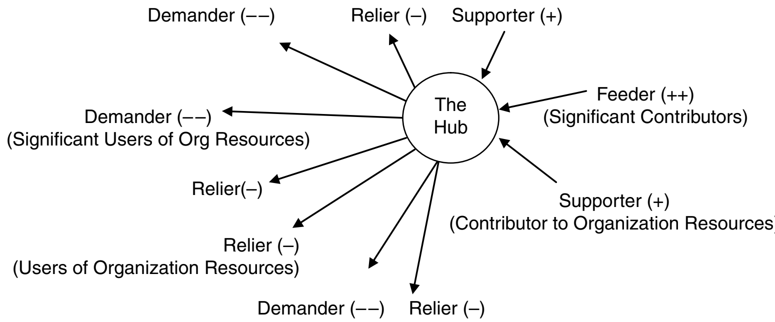

Figure 6.1 Shifting equilibrium as a stakeholder swarm engulfs the initial stakeholder network (demanders and reliers increase; supporters and feeders decrease).

Figure 6.1 also illustrates another complication associated with the emergence of a stakeholder swarm: the ratio of demanders and reliers to supporters and feeders is shifting to an extreme imbalance potentially disturbing the network's equilibrium. As supporters and feeders abandon the network for something more rational, something that they "know" meets their needs, the tenor of the network changes. Resources are redirected, topics of conversation focus on the crisis, and fears and emotions can dominate interactions. In short, the crisis's effect has the potential to influence a stakeholder's local environment and the overall ecological makeup of the network and sometimes the industry or country as a whole. What may have been a neat, perhaps balanced network may become imbalanced, with one segment (e.g., demanders) becoming larger or more powerful (a greater valence) than the others, causing the organization's overall equilibrium to be thrown into disarray. Finally, it is important to keep in mind that while the crisis at hand may affect some stakeholders more than others, the overall effects are always systemic—the "evolving trauma, to a greater or lesser degree, touches all elements of an organization." (Tafoya, 2009, 2011)

Obviously, if additional reliers and demanders have a hostile or negative agenda, this adds another layer to the dynamics affecting the network. Stakeholders with a negative or hostile focus not only increase the burden on the hub's agenda and overall network but they can also uncover a level of aggravation that is new to those under attack. Demanders who are in positions of authority, for example, can require that reports be prepared or audits conducted that are beyond the skills and competencies of the organization's membership to complete. To meet these demands, the organization may have to seek assistance from other stakeholders, such as lawyers or consultants, adding to its resource drain while making a statement about the staffs' competencies or capacity to perform.

Now the effects of the demanders and overall crisis may not only be a new experience for the organization and its membership but this can also dramatically effect the organization's overall environment; it may become dominated by fear or sentiments of dread or hopelessness. What is worse, if the organization's leadership is not experienced or skilled in crisis management or managing these, the range of emotional states surfacing and the overall environment may only worsen with time and continued poor performance.

Finally, while it is easy to see and focus on the negative effects of an emerging stakeholder swarm, there is a positive side for organizations facing this phenomenon. The emergence of a swarm can stimulate the production of a mix of tangible and intangible costs and benefits, depending on one's perspective, to interested stakeholders. In these instances, enlightened leadership, often combined with a skilled and competent membership, and/or the presence and use of effective operational practices, can turn what might be a negative crisis into an opportunity for the organization and its stakeholders to benefit from the experience.

For example, a swarm also may bring new resources to the stressed organization. Allies, problem-solvers, and stakeholders skilled in managing crises facing the organization may provide welcome relief to the network. These new resources may help push back against the crisis, may identify available but unseen strengths or resources, or may uncover and help address vulnerabilities and weaknesses.

There are intangible benefits too, that might accompany the arrival of new members to the swarm. Some might help the network regain its credibility or overall image. This can be an invaluable contribution in the heat of a crisis. So, too, is moral support. Like the image of the "cavalry coming over the horizon," arrival of new members to the swarm who support the organization can help rally discouraged, stressed, or simply exhausted stakeholders.

The general public is often able to see an overall increase in the network's size and this can alert others with a potential interest in the crisis that the time might be right for them to join in the fray. Even if public bystanders do not fully engage in the crisis management effort, they may be a potentially powerful pool of support if they are willing to become part of "the voice of the people."

A Typology of Organizations and Network Membership

As mentioned in chapter 2, we use a unique classification system that categorizes all organizations as a composite of four organizational subsets, with the dominant category as the defining feature of the organization in question.

This classification scheme is useful for several reasons but one of particular benefit is the insight it provides into the nature and motivation of organizations whether when part of a network or when a member of a swarm.

These four types of organizations include the enterprise, community, team, and individual contributor (Tafoya, 2009; 2010). An *Enterprise* centers its activities on performance, typically for monetary gain. Growth (e.g., physical or economic), meeting customer needs, and managing risk help achieve the enterprise's mission. Structure, policies, procedures, and a concerted effort to improve the products and services offered help drive performance. This strategy does not emerge by chance. If one enterprise does not meet a stakeholder's needs, there usually is another, perhaps a competitor. Commercial businesses such as law firms, car dealerships, and restaurants are good examples of enterprises and so are manufacturing facilities or even organized crime.

When an effective enterprise stakeholder is part of a network or swarm, the enterprise uses its structure, policies, and procedures to maximize performance, sometimes at the expense of other network members. If the network is healthy, there may be nothing sinister about the enterprise's behavior; in fact, it may be just what the hub or network generally needs, like when an organization hires the resources of a law firm (an enterprise). However, in a weak network, a strong enterprise can use its disciplined approach to operations to direct, manage, and generally control the network and its members.

Team organizations exist to accomplish a mission, usually within a specific time frame. Winning a game for the sports team, capturing a group of criminals for the swat team, or producing the best solution for the skunk works team are examples of thresholds defining a team's performance time frame. When the game is over, there are no more games to win, or criminals to capture, the problem is solved or products to develop the teams can, in effect, "go away."

Team organizations also may be part of a larger network, like when an organization constructs "quality" or "safety" teams to address needed issues for the organization or network. Many organizations use a total quality management model to guide the development of their products and services and this schema fits perfectly into a network environment where goods and materials, product and services are inspected before they leave one network member to ensure they are produced within certain specifications and inspected again as they arrive at the door of the destination network member to again verify that the products meet the organization's needs as defined.

The *individual contributor* organization is made up of professionals such as doctors, lawyers, skilled mechanics, general contractors, directors, waitresses, carpenters, or plumbers. The individual contributor organization has predetermined expectations for competence, performance, and behavior. Politicians, people in authority, such as judges, police officers, or teachers are examples. Like the other organizational types, individual contributors may be self-supporting organizations (e.g., consultants) or part of a larger organization (e.g., a doctor in a hospital) and function on either a profit or non-profit basis.

The role of individual contributors in a network can be endless. In a hostile network, the individual contributor may be a spy, a terrorist, or a key strategist. In a less remarkable network, the individual contributor may be a consultant, teacher, doctor, lawyer, or whatever. Individual contributors are their own organization using our typology so they also can be prominent members of a network as well.

Finally, the *community* organization's chief feature is its focus on and around its mission or vision—often further defined by a set of core beliefs. From a crisis point of view, anything related to the community organization's vision and mission, such as threats or challenges, disregard for rituals, rules, or procedures can set off a reaction.

The same is true when elements, suborganizations of an organization fail to perform as expected. So the community organization's image can suffer when the leader of a *political party* (who is an individual contributor) is convicted of a crime, when a *labor organization's* bargaining unit (a team organization) fails to successfully negotiate a contact, or when a *terrorist organization's* sniper defects and fails to complete a mission as defined; in the end it is the community that is stressed.

In a given network, religions, political organizations, and even the schools may be the community organizations contributing to the network's ongoing operations. However, should a crisis occur hospitals, police, and fire fighting organizations may be added to the network, at least until the crisis is managed. Community organizations rally around a core doctrine or mission that followers take and make meaningful; the followers personalize it—it is the organization for them, their vision, and their mission.

Organizations exist to manage events. Negative events have an effect because they create a level of uncertainty among an organization's stakeholders. Mismanagement of an event tends to increase uncertainty regarding the event's outcomes, thus potentially aggravating an already uneasy state. Additionally, the occurrence of events without a proper response can add to the complexities of an emerging crisis. Consequently, all organizations, regardless of the type, do what they can to reduce the likelihood of a negative event's occurrence. Some do this by maximizing controls over the organization or its members, others with increased discipline, policies, and procedures, and still others by carefully monitoring and managing the organization's admission processes.

The earlier discussion regarding the role and function of different stakeholders in a network drew attention to this conclusion. An emerging, negative event can lead to a loss of providers and supporters and an increase in the resource draining demanders, potentially destabilizing the network and consequently the organization's overall equilibrium.

The events spectrum discussed earlier illustrates a range of events, from routine to extreme and unpredicted, an organization might experience. Routine events are the most common but sometimes an organization's staff is confronted with nonroutine events, such as a fire or flood. When nonroutine events are negative, they can be especially destabilizing but it is important to keep in mind that it is not just the big, unexpected events than can impact an organization. In fact, not successfully managing routine events can spawn an array of traumatic conditions, partially because of the ubiquitous nature of routine events in an organization.

Routine events are an organization's fundamentals; they are the foundation for regular, ongoing activity. Failure to manage these events can suggest an inconsistency between a stakeholder's elementary assumptions about what to expect, about what should happen during transactions with the organization, and what is observed. It's routine and predictable. Established routines facilitate the emergence of transactions that also are routine.

Formation of Stakeholder Swarms in Response to an Event: Definitions and Elaborations

Given the right conditions, an event can serve as a catalyst for the emergence of a crisis and subsequent stakeholder swarm. While agents comprising the swarm can share a similar focus, the motivation for becoming a member of the swarm, stakeholder behavior while in the swarm and, actions toward other network members can be radically different. Our analysis of multiple events led to the isolation of at least eight factors that contribute to emergence of a stakeholder swarm, the network defining the swarm, and an index of the swarm's meaningfulness (an indicator that swarm activity would likely last over a longer than shorter period).

A first contributor to the emergence of a swarm is the nature of the event. The event's scope and scale are obvious features; it is the salience of the event for the organization, its brand, or stakeholders that is most important. So recent crises facing religious organizations, politicians, schools, universities, or, on a different scale, the running to ground of the oil tanker, the Exxon Valdez, in Alaska each have swarms associated with them. Two events, those regarding the Catholic church and Penn State University, both involving allegations regarding the abuse of children, may have gained momentum because of the opportunity for swarm members to piggyback off each other's work as they pursued their own goals (Darragh and Hall, 2011; Stannard, 2011).

Swarms are especially likely to form around a crisis of significant importance or concern—one with "visibility". There is always an effect associated with a crisis and, in turn, a subsequent swarm but not all swarms are of the same size, magnitude, or effect. Significant swarms surface around significant events.

Swarms are most likely to form when stakeholders have access to the crisis. Obviously, the pervasiveness of the internet and embedded sites such as Facebook, twitter, or Google expand a user's reach and access but more is needed for a swarm to build. (Wheaton, 2010) Access in this instance also means "access because of nearness" more than just availability. So one might argue that the stakeholder swarms that formed around the Arab Spring movement in, for example, Egypt were more successful than the formation of swarms in Syria because Egyptians were able to capitalize on the web and related technologies while those in Syria do not have similar capabilities. The Egyptian setting fostered nearness (a strong, centralized technological center of gravity) and facilitated access to the swarm through the managed use of internet, neither of which materialized to the same extent in the Syrian crisis.

Swarms are more likely to form early in the crisis's lifecycle than later. Social movements that are slow to form or gain momentum may ultimately be successful but may never reach the tipping point needed to launch a network swarm. Scanning the evening news illustrates that a given society is littered with "potential crises" yet most do not have swarms of any size associated with them. They are events and may signal a crisis, but if the crisis's lifecycle is poorly defined from the start, one is never sure if we are witnesses to something really worth getting involved with or "just another news event."

A crisis that treads on sensitivities or touches on an important issue is more likely to launch a stakeholder swarm than one that does have these features. Proven "hot buttons" such as "animal cruelty," "child abuse," and political hypocrisy can easily launch a swarm. In fact, one way to gauge the validity of an issue's potential to launch a swarm and subsequent activity is to examine the relationship between a crisis and the initiation of legislation or movements once the initial crisis activity subsides. Megan's law and Mothers Against Drunk Driving (MADD) are a couple of examples in the United States of a crisis's potential to have long-term effects on issues, society, or both.

A sixth criterion that can contribute to the formation of a stakeholder swarm is the hub organization. Certain organizations, such as oil companies, politicians, abortion clinics, or terrorists are like magnets for a crisis-related swarm. Indeed, any organization that works in ways that may pollute the environment, harm animals or people, or abuse power or positions can usually expect a swarm to materialize if they are involved in an event that spawns a crisis.

A strong agent or driver can facilitate a swarm's development. Special interest groups can increase the motivation to join a swarm. These stakeholders mobilize others around a "cause": to attack those who pollute our land, those who harm defenseless animals, powerless or unprotected children, or the privileged class—our now familiar "1%." Strong agents help identify the "champion" behind the righteous cause and/or the fodder for the swarm's attack. Strong agents are strategists helping other stakeholders "see" their role and potential in the unfolding crisis.

Finally, a swarm forms best when it achieves a high "Stakeholder Swarm Index"; a metric or threshold we use (comprised in part of the criteria just described) that indicates the swarm is meaningful vis-a-vis the crisis at hand. This is an interesting variable because it implies that in some instances, a crisis may stimulate a swarm's formation but not have the capacity to "institutionalize" the swarm, to make it more than just a collection of interested stakeholders. So, if a crisis is quickly resolved, any swarm that formed may also have a short lifecycle; it has served its purpose for that crisis but that's all.

Stakeholder swarms are comprised of agents with mixed roles, goals, needs, attitudes, opinions, or beliefs. Some in the swarm may seek to attack or defend, support or destroy the organization of interest. The network linking swarm members is dynamic and defined in terms of the situation at hand, that is, members of the network have or have had some type of relationship, however transitory, with the network's hub. Finally, stakeholder swarms do not behave like other collectives. The needs of individual organizations making up the swarm define the swarm's focus rather than the pursuit of a common goal or interest. In addition, while members of the network may form alliances, doing so is more a function of the needs of the network members given the nature of the crisis rather than any other reason. Once the crisis ends, the network, as such, ends.

A Case Study Illustrating the Emergence of a Stakeholder Swarm

Figure 6.2 provides two hypothetical views of the stakeholder networks associated with ABC Company: one prior to and a second after a crisis emerged regarding the way it was alleged to be treating animals at one of its plants. The airing of an investigative report by a television news team is representative of the type behavior special interest groups might encourage to stimulate nationwide attention and the subsequent crisis. (Consider, Anonymous, 2011, 2012d; Hauser, 2012) These reports, sometimes using an unauthorized film secretly provided by a third party or interviews conducted by investigative journalists are designed to draw attention to the alleged conditions at, in this case, the organization's production facilities.

Arrows linking members in the two networks in figure 6.2 illustrate how communication flows may have existed prior to and after the crisis emerged. Once the report aired, reactions from various stakeholders were swift and specific (e.g., Anonymous, 2011a; 2012c; 2012d). For example, prior to the event the subject of our case study, ABC Company is a typical company under attack. Its stakeholder profile might be composed of customers, a

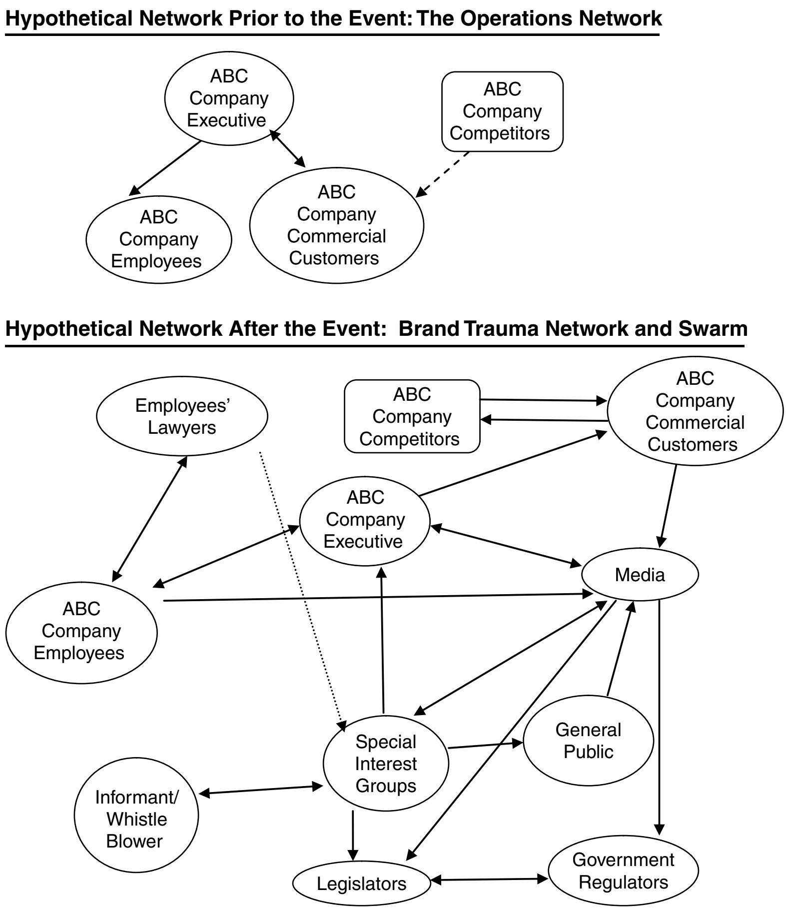

Figure 6.2 Illustration of the potential impact of events on a network.

secondary tier stakeholder, and the ever-present competitor. The post-event stakeholder profile is dramatically different. With the event and subsequent emergence of the crisis the number of active stakeholders, stakeholders who have always been part of the organization's systemic universe, increased in visibility and activity to at least 11 (in this example) and with many raising their exposure to a national level. In addition, although the crisis and its effects would have provided enough for the ABC Company team to manage, once the event went public, two important and often overlooked network-related phenomena emerged: first, as the stakeholder swarm emerged, both the nature and amount of information and issues stakeholders were expected to address increased and second, with the addition of more stakeholders, the original hub's central focus was compromised as other hubs formed.

The organization's needs prior to a crisis did not change, per se, but with the crisis, it must divide energies originally dedicated to meeting those needs to address new needs brought on by the crisis (Anonymous, 2011b; Anonymous, 2011c; Anonymous, 2012b). This is true for all stakeholders. Each must divide its routine or regular "time on task" between doing business as usual and attending to the demands created by the crisis. For example, ABC Company, the organization at the center of the crisis in this illustration, must continue to operate as a business while trying to reestablish relationships with customers, answer requests for information, deal with any problem employees or business processes, and so forth. (Anonymous, 2011d; Anonymous, 2012d)

It is possible to track this shifting emphasis to meet new needs for all members of the emerging swarm. Special interest organizations must shift resources to cover the investigation they are conducting. Schedules change to accommodate requests for information, to set up meetings with the media, or to petition government agencies they might want to join in this investigation. The addition of more needs become one of the hidden costs behind a crisis event as new staff or consultants are hired, investigations are launched, and presentations prepared.

The emergence of the network swarm witnesses the development of other prominent stakeholder hubs. The stakeholder hub, the center point of activity in a network, that was initially held and defined by ABC Company before the event, now is compromised with the emergence of at least two other hubs: one defined by the media and another defined by the special interest groups seeking to protect animal rights and well-being.

The emergence of these new hubs is significant. New hubs can facilitate a change in the overall crisis environment; what was a discrete phenomenon now transitions into a protracted crisis with entirely new complexities. For example, increased involvement of different stakeholders is a given as a crisis emerges. Stakeholders may dominate communications with questions and requests for information, disrupt routine operations, or create their own relationships with others in the swarm but it is the formation and effects of additional hubs that has the greatest effects.

Hubs provide two general functions for an organization's network: they define the network's structural center for the participants and they serve as a functioning conduit for information flows. Now, as the crisis unfolds, ABC Company must share control of *information flows* as the network's equilibrium shifts from a steady to an unsteady state. Moreover, as the

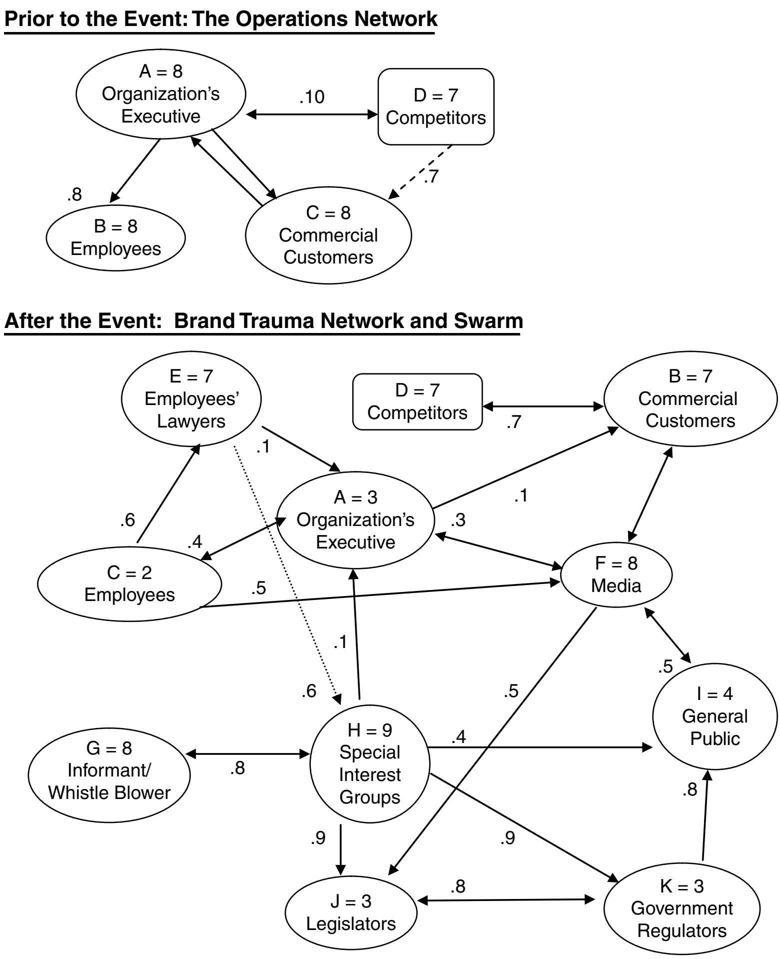

Figure 6.3 Hypothetical estimation of relationship strengths prior to and after a crisis emerges.

swarm's growth rate and activity accelerates, the new hubs can become central players feeding the needs of other stakeholders interested in receiving different non-ABC Company generated information. This means that ABC Company must deal with increased amounts of information across a variety of subjects.

Finally and as importantly, the network's overall information carrying capacity also can increase as the media, external lawyers, and, of course, competitors willingly offer information to needy seekers. So it is like adding insult to injury: first, the organization is caught flat-footed when the crisis surfaces and second, once the stakeholder swarm emerges it is beaten from all sides by any number of different stakeholders, each with a different agenda.

Figure 6.3 offers one way to interpret the impact of an emerging swarm on an original network and its membership. In this figure, numbers are assigned ranging between 0 and 1.0, to illustrate the hypothetical strength of the relationships among stakeholders. This is done before the crisis emerged and after swarm behavior begins to dominate interaction among stakeholders. As in figure 6.2, the arrows reflect how communication flows might have looked at different times in the crisis.

As the number of stakeholders increases and the swarm develops its own profile, the strength of original relationships can shift as the links and value of relationships change. Moreover, key communication, knowledge, and information practices will change as needs and interests shift and new relationships form. It's a natural phenomenon observed in virtually all networks. Altering the network's makeup will affect patterns governing operational practices, procedures, and processes to reflect changing stakeholder needs and interests.

Stakeholders Affiliation and Need Fulfillment

The impact of a network on stakeholders is dynamic and all-inclusive. An organization's competitors neatly illustrate this observation. Once the event triggers a crisis, competitors shift from what may have been a passive relationship with the organization's corporate customers to a proactive, even aggressive relationship. Now competitors see an advantage and act on it, perhaps presenting themselves as the best alternative to meet a customer's needs.

As importantly, with data from the crisis in hand, competitors may now open relationships with other stakeholders, such as the public (Johnson, 2012), who are also effected by the crisis (Karnowski, 2011) and who, the competitors believe, need to know, "we're not like them . . . you can trust us, our products and practices." (Flynn, 2011) This move alone can shift the nature of the original pre-event network into one where the competitor(s) become a hub, further displacing the original organization's control.

But competitors are not the only stakeholder organizations that shift from a passive to an active role. Once the crisis emerges, the horizon fills with a number of stakeholders, each with a stake in the new network defined by new visions, missions, and interests. The primary organization's neat network is now messy with change agents addressing it from all directions demanding change, and bearing an intolerance for the past. Activities aimed at meeting new internal and external demands for information, explanations, assurances, and the like augment a stakeholder's original needs.

Regulators at national (Anonymous, 2011b; Anonymous, 2012d) and local levels and special interest groups (Galli, 2011; Anonymous, 2011c) emerge with their own reactions to the crisis and/or to demand information, to open investigations, or generally comment on the nature of the events at hand. These are not quiet times and, given the nature and number of active stakeholders in the growing swarm, things may be disruptive long into the future.

Finally, of course, the organization at the center of the crisis must deal with certain pragmatic conditions. It may have to rebuild its customer base, particularly if key customers terminate their relationship with the organization to protect their own business missions or images. (DeMars, 2011; Anonymous, 2011a; Thomaselli, 2011; Anonymous, 2012c; Charles, 2012) Customers or other important stakeholders no longer seeing a similarity between their performance and that of the company's will do what they believe is necessary to preserve their own reputation or image. They want to protect themselves from business losses because of "guilt by association." "'I think the public perception is pretty clear and definitive [about the Penn State sex abuse crisis] at this point. The brand is damaged beyond the point of short-term repair." Kevin Adler founder of Chicago-based Engage Marketing, Inc. said. "It is the sponsorship partner's obligation first and foremost to look after the health of their own brand" (Levy, Scoloforo, and Rubinkam, 2011).

When there are departures from the organization's core network, this can signal that more change is on the way. Consequences follow a loss of business. Operations may go slow or stop altogether, terminations may result, and resources shift, for example, to fund new safety taskforces formed in response to issues uncovered in ensuing investigations (*PR Newswire*, 2011a) or in anticipation of forthcoming legislation designed to prevent "the same thing from happening again." It also means the organization's image or brand is at risk and this is a truly costly outcome.

Finally, there are the rumors and stories that can put the organization's brand at risk. Stakeholders leaving the organization leave with a story, a tale they can use to justify why they left and, importantly, what they want from a new network and relationship. Communication is critical during a crisis. If there is an absence of facts or information from the organization, this creates an opportunity for adversaries to write and communicate their own script about what happened. Now the hub loses more control and, once again, the effects of a crisis are dramatized through their impact on the organization, its brand, and stakeholders.

Emerging Stakeholder Behavior Is Trauma Producing

Collectively, the stakeholder behavior that emerges after a crisis reflects patterns one sees described in typical swarm literature but with a twist. Stakeholder swarms are not comprised of a homogeneous mix of agents or members of the same organization but a heterogeneous mix of different organizations, with different and sometimes even competing needs. Moreover, while the literature regarding ant swarms (e.g., Deneubourg et al., 1983, 1990; Holldobler and Wilson, 2009), bees (Passino et al., 2008), or locusts (e.g., Buhl et al., 2006) are describing swarms innate to the species studied, one is tempted to speak of a swarm's life span as inseparable or indistinguishable from the species examined.

Swarms in nature appear to have life cycles that enable one to estimate and speculate about the swarm's features, like a swarm's learning curve. There is a level of predictability associated with these swarms: they share a common goal, operate within definable conditions, and often organize to maximize goal achievement. This level of generalization does not appear warranted when looking at human stakeholder swarms. For example, any number of circumstances can prompt the swarm's development and allegiances within the swarm may be created, changed, or not exist for some independent stakeholders. One also cannot assume a swarm will end, once the crisis triggering it is over. Some swarm members may leave but others may reorganize into a new swarm and initiate a whole other movement for them to pursue. The diverse and dynamic nature of human organizational swarms leaves doors open for researchers and crisis managers to speculate about what could have happened, been done differently, or be done in the future.

There are clearly opportunities to learn from the metaphoric use of swarms when studying organizational behavior. Applying swarm theory to organizations and their networks is more than an interesting exercise. Effects of stakeholder swarms often reveals as much about the effected organization's operating conditions prior to the crisis as it does regarding how it responds to a swarm and swarm activity. Organizations may never completely prevent a crisis from emerging but there are things to learn from events and damage associated with the emerging trauma.

First, it appears likely if an organization finds it difficult to deal with the slow, shallow changes that regularly surface around day-to-day activities, it is less likely to be able to manage change associate with a major crisis, such as events that trigger large stakeholder swarms. Attempts to respond to stakeholder swarms can reveal design and randomly occurring structural faults in the organization. Faults such as these are troublesome enough, but if they are part of the organization's legacy or culture, this can aggravate already bad conditions. Moreover, organizations that have learned to operate around inherent design or operational faults often develop habits, which are both hard to change, and may be particularly debilitating in the face of a crisis.

KEY OPERATIONAL PRACTICES FOR EFFECTIVE ORGANIZATIONS: UTILIZATION OF KEY PRACTICES DURING A CRISIS

If a crisis is an organization's "wake-up call that things need to change," the call may be coming too late. For some organizations, a crisis is an especially dangerous two-edged sword: Poor skills, competencies, and procedures that may have set the stage for a crisis's occurrence reappear to hinder effective crisis management efforts and activities. It is an unenviable position but it does not have to be a hopeless one. An absence of discipline, processes, and procedures that may have contributed to a crisis's development does not mean crisis management efforts must remain trapped by convention or habit.

The material and model that follow illustrate this observation. The operational practices below should be familiar by now. We have relied on them in the book because we believe they illustrate the types of practices of benefit to organizations at any time: prior to, during, and after a crisis has ended—during the critical rebuilding phase. Here, our emphasis is on their use during a crisis but with this caveat: a crisis is not the time to learn new processes or to develop effective operational practices. It is possible to develop processes and procedures during crisis management efforts, but not without some significant costs.

Knowledge Management practices range from expected pedagogical activities (training, teaching, mentoring, and observation) to increase the development of ways of thinking to those designed to advance learning and understanding of a particular skills or competencies. During a crisis, an organization's membership uses knowledge management practices when searching for solutions to problems. Sound knowledge management practices have another primary benefit, however: they can facilitate the transfer of skills and competencies across problems or settings. Participants learn to see useful associations, applications, or opportunities when none existed before.

Relationship Management practices include a range of behaviors and practices that produce a state or feeling of nearness between or among individuals and/or organizations. Relationship practices are critical in a crisis. Stakeholders inside and outside the organization rely on the hub organization to take the lead, to help them, even if taking the lead means turning the event and crisis management over to those with needed skills and competencies. In a crisis, "getting out of the way" is not "running away from the problem." It's a tactical move.

Communication Management practices enable the initiation, development, and maintenance of skills and competencies (e.g., in listening, speaking, and writing). A crisis requires communication. One of the first acts in the crisis management process is the development of a communication center: a point where members of the emerging stakeholder swarm can send and receive information and communications related to the crisis and efforts to manage it. Communication is also a critical personal need in a crisis. People need to know when services will be restored, when help will come, and, of course, what to do in the meantime. Leaders who cannot guarantee communication will drive the crisis management effort should turn the process over to someone who can.

Evaluation Management practices are formal and informal assessments so that accurate judgments or conclusions are possible. Ongoing evaluations help understand the scope and effects of the crisis, they measure progress, test the effectiveness of interventions, and, of course, build a database for the future.

Information Management practices facilitate the flow of data (e.g., facts, attitudes, opinions, and beliefs) in a system. Information management practices are at the center of the crisis management process. Information management provides more than an outlook about "what's going on"; information is a critical crisis management tool that enables practitioners to act in safe, meaningful ways. Information exchanged among stakeholders gauges progress, helps those involved know what is working and not, and lets all involved understand the ever-changing nature of the crisis and its effects. Without information, crisis management stalls and risk levels increase.

Directional Practices mirror organizational values, culture, and ethics. They embrace, reflect, and advance the organization's philosophical nature and spirit. Crisis management needs leadership and not just someone to "take charge," but someone with the vision to know what needs to be done, who needs to be involved, where resources are needed, and how these elements are utilized. In some crises, a politician's cameo appearance can bolster the spirits of those in and affected by the crisis. However, politicians are not usually the leader of the effort—skilled practitioners usually are the best candidates.

Regulatory Management Practices define policies, practices, and procedures that support performance expectations for individuals or the organization as a whole. For some, a crisis is another word for chaos. Regulatory practices help people behave in ways that contribute to the safe management and control of the crisis and its effects. (McDonald, 2011; Tafoya, 2010: 205)

Conclusion

Merely reading through the practices as listed can prompt one to imagine their role before, during, and after the crisis. Operational practices often function as a guide and simultaneously define a particular internal state for the organization; its "practices profile." This profile serves as the basis for action and assessments of the organization. For example, any variance between what is expected as policy and what is observed is noted. In the ABC Company illustration, the company claimed it had policies and practices in place regarding the humane treatment of animals but the undercover film and subsequent inquiry by the investigating news team did not support the claims. This brings the discussion of the organization, its brand, and stakeholders to a key point regarding crisis management: screw-ups hurt!

Variances between what is claimed and observed create "red flags." In the ABC Company, analysis revealed variances from what was expected: the alleged treatment of animals did follow effective policies and procedures. In the end, the alleged treatment of animals was the event that triggered the organization's crisis and subsequent swarm event. The organization makes one claim but members of the stakeholder swarm, in this case a special interest group, the media, customers, and the public, come away with an opposite point of view. Now the event couples with the crisis management effort and neither looks good.

Organizations do not function like black boxes whose inner workings are hidden from view. Watching events unfold and the effects an event management process have on the systemic network can illustrate possible links between an organization's inner workings, its policies, procedures, and practices and behaviors associated with stakeholders inside and outside of the organization. Attention is often drawn to the relationship between Hurricane Katrina and the Federal Emergency Management Agency (FEMA) as an illustration of the disastrous coupling of a crisis event and crisis management. The crisis is bad enough but adding poor crisis management is literally like adding "insult to injury."

Emergence of the triggering event, the stakeholder swarm, and the swarm's behaviors are stimuli that require an organization to react, potentially leading to changes in the organization's internal state. These internal changes may materialize as defections from the organization, reductions in force, news releases, as well as challenges to or questions about operating practices. In fact, the swarm's effects can mark the beginning of a protracted period defined by a range of stimuli (e.g., investigations, requests for information) as well as the entry of new stakeholders or changes in stakeholder roles (e.g., in prominence or activity), any of which can lead to increasing levels of uncertainty for the organization and its membership.

External state changes also occur. It is one thing to laugh off the threats and shouts of an adversary when things are going well and the organization is "in control," but the emergence of swarms motivated by an injured host and driven by a righteous cause can unnerve the strongest will. Indeed, in some crisis events, it is possible to map the lifecycles of both the effected organization and swarm and to speculate as to which will be first to go into decline.

Crisis events of the type examined often trigger and/or uncover such deep-seated problems that even if the organization has the time and money to manage the litigation and rebuilding that may be required, damage to the organization's brand or image may be harder to reclaim. A business organization's brand and market share may decline. A politician may be disgraced and forced to abandon a political race. A lawyer may be disbarred, a doctor lose his or her license, a sports team its manager, and a terrorist organization slips into disarray and obscurity.

These types of effects occur so frequently that they have become almost commonplace in current society. What is surprising is that one would think prudent organization leaders and managers would regularly examine and estimate, if not know the scope and scale of their vulnerabilities, particularly to a crisis and potentially to a range of crisis-causing events. Many, in the retrospective period following a crisis, have not appeared to do so.

Many a vanquished autocrat has felt the effects of the once injured, now victors' long-term memory. Stakeholder presence may not always be visible but it is there and its potential to emerge is a proven fact. Indeed, for some stakeholders the effects of the crisis will never go away. ABC Company may want things to be different, they want to at least communicate they are working on a cure for the problem, they want to treat those who have been effected, to mitigate their damages and, ideally, prevent the underlying causes, or at least this type of "event" from occurring in the future. These are things ABC Company may want but who is around to hear or believe them or, in the worst case, who would *care* to hear or believe them?

Poor crisis management sometimes opens the door for more stakeholder involvement. Stakeholders, for example, do not necessarily share ABC Company's needs. Some may want to launch more investigations about why this event occurred, others may want still more details, and still others may even want to raise more issues for the organization and others in the stakeholder system to note. Failure to recognize and address the role and impact of "stakeholder swarms" in a crisis can make any short-term fixes offered by an organization meaningless and long-term strategy vulnerable and ineffective. Thus, the challenge for those faced with a brand crisis and any emerging stakeholder swarms is more than merely aiming toward "the end" or gauging the impact of a crisis with an audit summarizing "what happened." Crisis events create trauma and trauma can have lasting effects. This chapter examined some possible sources for those effects.

Chapter 7

Managing Brand Trauma

Introduction: Crises Generate Trauma

One challenge immediately complicating the management of a crisis is the trauma associated with it. The notion of trauma associated with a crisis is not new. We are familiar with concepts such as physical trauma, the associated pain and suffering that can accompany an accident, the emotional trauma linked with fear or dangerous situations, or the psychological trauma that can accompany a crisis motivated by hatred, prejudice, or discrimination. These types of trauma are familiar because they are typically associated with the human element in a crisis—the employee who is injured or the customer who becomes ill. Another type of trauma, one often neglected but certainly important and clearly within the scope of the organization to manage, is the trauma linked to the organization's brand, trauma that threatens the organization's very image.

Strategists need to address brand trauma because of its inherent impact on the brand's legacy. When a crisis occurs, brand trauma seems to permeate the crisis event. If someone becomes ill from food served at a popular chain of restaurants, patronage can drop off, not only at a single restaurant but also along the chain. When the British Petroleum (BP) oil rig exploded, the company's share price dropped and, as dramatically, people stopped shopping at BP gas stations. Stakeholders were making a statement signaling their sentiments regarding the crisis and the crisis's management. (Dittrick, 2010; Glick, 2010; Bush, 2010a; Bush, 2010b) In our case study, when allegations surfaced about the inhumane ways the ABC Company was treating its animals, commercial customers canceled their relationship with the company, animal rights groups launched protests against the company, and industries dependent on any use of animals were impacted (DeMars, 2011; Hauser, 2012). Different events and dramatic episodes impact an organization's most distinctive asset, its brand.

Brand trauma is an invasive phenomenon because the brand is one part of an organization that is accessible to everyone. Corporate offices may be in a different country, executives may be sheltered from the public's eye but the media, the web, and special interest groups have put the organization's brand within your reach. Angry with the Catholic Church? Write an article. Upset with the ways cows are slaughtered? Join an animal rights group. Dissatisfied with how a company distributes its charitable monies? Participate in a boycott. Upset with one's pay or benefits? Form a labor union. Disgusted with an elected official? Vote for an opponent. In other words, while it may not be possible to see the cow slaughtered or to have access to the religious or political leader guilty of sex crimes, it is still possible to reach out and "touch" the organization's brand and that act sets the stage for brand trauma (Stannard, 2011).

An organization's brand is one of its most distinctive features. Nominally, an organization's brand is synonymous with its identity. For example, according to the American Marketing Association, a brand is "A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. Other times, a brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name" (The American Marketing Association, 2011).

An organization's brand or image can be such an important, sometimes essential part of an organization's makeup that threats to the brand are viewed as a crisis and the need to respond is given top priority. Or, as MacArthur (2000) stressed, any "assault on the reputation of a company is a crisis and reputations are built on how management responds to crises" (MacArthur, 2000: 98).

Books and consultants are available as resources for an organization's staff charged with managing or repairing damage associated with a brand crisis. These are useful but their emphasis, almost by necessity, is often reactive with a focus is on stopping or getting out of the way of the crisis rather than on matters associated with preventing a future crisis or dealing with the multidimensional range of effects associated with the crisis. (Johar et al., 2010; MacArthur, 2000; Dunn, 2010; Dutta and Pullig, 2011)

This chapter looks at a different issue associated with a brand crisis, brand trauma—the foundation for potentially wide-scale, long-term negative effects to the brand resulting from a crisis. There are several reasons to examine the role of brand trauma on an organization or its stakeholders. First, it does not assume that the effects associated with a crisis end with the simple management of a crisis as a phenomenon. For some stakeholders, the effects associated with a crisis will never go away; the impact of the trauma can become an implant in a stakeholder's memory.

Apart from the impact on stakeholders, sometimes the impact of a crisis can become part of the lore associated with an organization. Simply mentioning "BP," the "Exxon Valdez," or Tylenol can stimulate positive or negative images of an organization or industry. Still other times, the effects of a brand trauma can transcend an organization to a symbol or part of a culture's language. "Xerox," "Kleenex," or "Coke" are terms used to describe a process or solution but not necessarily an organization or product for which they were developed. (Reichblum, 2004; Ries and Ries, 1998)

Examining the trauma associated with a brand crisis is a way of speculating on the organization's future and the challenges it may face or the things it must to do to become a changed organization. Indeed, a full road to recovery from a brand crisis must include managing associated, emergent trauma. To that end, this chapter is divided into three parts. The first part examines the nature of a brand trauma. This discussion illustrates how even little, seemingly innocuous events may cause significant grief for organizations or their stakeholders, triggering a crisis and subsequent brand trauma. This discussion stresses the importance of understanding the challenges tacticians, leaders, consultants, and the like face when expected to deal with a brand crisis and emerging trauma.

In part two, the discussion centers on factors that make a brand vulnerable to a crisis and subsequent trauma. This is an important section because it examines often-overlooked facts about organizations, beginning with the notion that all organizations have a brand profile and that not capitalizing on that profile can be both a missed opportunity and a precursor for problems in the future.

Finally, the discussion centers on ways for gauging the effects of a crisis including thoughts on how to estimate the potential "reach" of a brand crisis on stakeholders. This segment illustrates why it is not prudent to take too simplistic a view of the effects of brand trauma or, as importantly, to seek or construct easy, "quick and dirty" solutions to an emerging brand crisis. The emphasis here is on the "shock level" associated with the event: the trauma, level of distress, surprise, or disarray that can leave those associated with the crisis stunned, frightened, or so generally alarmed that they are unable to act in ways expected or needed to manage the event setting now or in the future. Traumatic events foster the emergence of uncertainty about what to expect, what is correct, what is right or wrong, or sometimes simply what to do. This level of uncertainty must be contained to manage the crisis and, in the extreme, to preserve the organization or its brand.

Exploring the Roots of Brand Trauma

As table 5.2, "The Crisis Spectrum" illustrated in chapter 5, even the smallest problem has the potential to negatively effect an organization's brand. Brand trauma is a state, condition, or level of damage an organization and its stakeholders may experience with the emergence of a crisis. The phenomenon may touch some stakeholders more than others but the overall effect is always systemic—trauma, to a greater or lesser degree, touches all elements of an organization.

Brand trauma is pervasive because trauma rarely stems from one source, effect, or acts of a single stakeholder group. We will examine seven sources of brand trauma, keeping in mind two facts. None emerges in isolation and, although each of the contributors are treated separately, it is important to remember that any one of them may combine with, overlap, or occur in conjunction with any of the others.

Trauma challenges or damages belief or faith in a brand. The flow chart in table 7.1 illustrates the general relationship between events and trauma. Here the general sequence or pattern associated with an emerging brand trauma reveals that events are what stakeholders react to but they are seldom the root cause of the emerging trauma. For example, disclosure of a politician's sexual misconduct is an event, but poor management of the event with deception, shifting stories, or contradictions by the organization's staff becomes the crisis and stimuli for the subsequent trauma. To really understand how brand traumas surface and ways to manage them once they have appeared, we have to explore their sources.

Brand Trauma Cause No. 1: Events and Their Management

Taken at face value negative events, an obvious source for trauma, have an effect because they can surprise or catch those effected off-guard and unprepared. A more important rationale is that events are destabilizing and a source for uncertainty among an organization's stakeholders. Mismanagement of an event tends to increase uncertainty regarding the event's outcomes. The occurrence of events without a proper response adds to the trauma and, in the worst case, can make crisis management difficult because added complications may require special skills and competencies.

It is not just the big, unexpected events than can damage an organization, however. Sometimes failing to handle routine events can be troublesome and precipitate "brand damage." For example, compare the material presented in table 5.2, "The Crisis Spectrum," with the material presented in table 7.2, "The Spectrum of Events." In table 7.2, routine events can trigger traumatic

Table 7.1 A model illustrating the emergence of brand trauma

Events	→	Surprise Lack of Preparedness Poor or no response	→	Contributes to Uncertainty	→	Brand Trauma

Table 7.2 Poor event management is a primary catalyst for the emergence of trauma—the spectrum of events

Event Type One: Routine, anticipated, even planned for events which unfold within the framework of general activity.

Traumatic Example: Sales or recruiting events or personnel reviews cover inappropriate topics (e.g., questions regarding race or marital status) or are disorganized. Sales professional is unprepared, unfamiliar with the product. An organization's rituals are mishandled, not taken seriously. Guests are treated rudely.

Event Type Two: Unanticipated events which emerge but are within the framework of organizational or general activity.

Traumatic Example: Customer complaints about products or service. Employee theft is discovered. A key employee resigns.

Event Type Three: Extraordinary events that are within the organization's horizon but may be anticipated, planned for.

Traumatic Example: Loss of key person occurs and no succession plan is in place. Fire in a manufacturing facility breaks out but quick response reduces danger. An employee is injured using a machine and is immediately rushed to the hospital.

Event Type Four: Extraordinary events that are within the organization's horizon but typically not be anticipated or planned for.

Traumatic Example: A competitor's new technology eliminates the need for our company's main product line. A key customer leaves the company and for a competitor. An employee files a law suit claiming discrimination in promotion. A bus driver's aggressive driving causes an accident, injuring school children.

Event Type Five: Extraordinary events beyond the scope of organization that may be anticipated or planned for.

Traumatic Example: A terrorist attack targets one of our facilities, causing an employee's death. A forecasted storm disrupts power to our offices for two weeks.

Event Type Six: Extraordinary events beyond the scope of organization that are not typically anticipated or planned for

Traumatic Example: A foreign country claims an employee traveling there on vacation is a spy and detains the employee. An individual with a gun invades one of our offices and holds employees hostage.

Source: Tafoya (2010), p. 138.

conditions when there are inconsistencies between what should happen versus what is observed. Stakeholders know what they expect from a routine event and react when what they observe is not what they expect. You know what you expect, for example, when you walk into a fast food restaurant.

Routine events dominate the activity in most organizations; these are the episodes that define the organization for most stakeholders. They are what stakeholders think of when the organization comes to mind. Think of a bank and routine events such as ATM or teller transactions come to mind. See a police car and think of routine events such as traffic control, ticketing, or responses to a fender bender. Pass a school or religious center and think of a classroom setting or a religious ceremony. See a politician giving a speech and you "can almost predict," given the candidate's party affiliation, what will be said about issues such as "gun control," the abortion issue, or "the economy." The speech is a routine event designed to address routine topics.

The routine event usually comes to mind when thinking of an organization and what one expects from it. This is one reason why disruption of even something defined as routine can be a "crisis" for us. We do not expect tellers to be careless with our personal banking information or ATMs to be "unavailable." We do not expect the police officer who is stopping a car for a small traffic violation to be rude. Schools are expected to ensure students have the competencies necessary to function in society and we expect politicians to effectively communicate their positions on the issues. *Anything less for these settings is unacceptable; a failure to perform a routine task successfully. But when does the failure to perform a routine task as expected move from being "a problem" to being classified as "a crisis"? Or, for that matter, when does failure to perform any task become a crisis?*

Sometimes some organizations expect their staff to manage nonroutine events, too. Managers in a manufacturing facility might expect that a fire, while not routine, should be within the competencies of its staff to manage—even if "manage" means calling for aid and safely leaving the building where the fire is located. If, however, the staff is unprepared for a fire event, say in a retail setting or a school where fire exposure is uncommon, then the types and levels of trauma experienced can increase dramatically. In other words, the levels of uncertainty associated with the staff's capacity to perform in the future increases when there is little or no familiarity with the event emerging.

Additionally, if the primary event triggers additional events, the number of "trauma triggers" also can escalate. For example, if a small, manageable fire causes one to panic and run out of the building and be hit by a car, the otherwise manageable event is now linked with another event and the scope and scale of the traumatic setting can increase.

Brand Trauma Cause No. 2: Failure to Recognize the Role of the Brand in the Organization

One subtle but ubiquitous factor contributing to the emergence of brand trauma is indifference about the role, nature or, as often occurs, even the concept of a "brand" with one's organization. Brands are an organization's image. The brand simultaneously reflects the organization and communicates the organization to others; it is a way of saying "this is who we are and who we are not." The brand is the link to the organization's mission and symbols of that mission including its logo, mascot, song, and trademark.

A brand that is not recognized or promoted is a missed opportunity. Consider these examples: the local scout organization, a farm bureau, a mom and pop retail organization, a government agency, a church or school system, the doctor, plumber, or teacher. Each of them have a brand image that stems from their own mission, the work they do or the products and services they provide (Abreu, 2006; Guzman and Sierra, 2009; Villegas, 2007; Chan-Olmsted and Kim, 2002; Barnes and Lough, 2006).

When people think about spending money on clothes, seek medical attention, getting their kids educated, going out to eat, or finding religious solace from among many the choices they may have, they base their decision on where to go on an organization's brand; its image. For the organization, brand management is often called "reputation management" but for the person using a brand's image to support a decision, it's called "needs management." People have needs they want to fill and when an organization is the potential source for need fulfillment, people decide which organization can meet their needs in terms of its reputation and its brand. *All* organizations have an image, *all* organizations have a brand.

Brand Trauma Cause No. 3: Loss of Focus, Synergy

Gary Duckworth (1994), Chairman of Duckworth Finn Grubb Waters sees a loss of focus as a problem that can permeate an organization and result in "companies or products that have lost their way because they have no clear focus on what their brand stands for. And if you're not clear on this fundamental, but far from easy point, no amount of head banging over integrated communications will sort the underlying problem" (Duckworth, 1994: 7).

According to Marsha Lindsay, brand alignment "means creating an environment where your customers experience the brand with the right knowledge and attitude from the sales and service staff before, during and after the sale" (Lindsay, 2002: 8). Lindsay urges organizations to guard against the likelihood that stakeholders create an interpretation of the brand in their own terms and not the organization's. Poor alignment, sometimes resulting from a vague or confusing vision and mission can allow stakeholders to pursue different objectives and/or open the door for them to construct their own image of what the brand is or means.

Failure to recognize that the brand's meaning is subject to personal interpretations can be both shortsighted and dangerous. A restaurant's ownership may want their organization viewed as a place for good tasting food, but customers may see it as an economical place to meet on business, a place where friends can get together and talk, a spot where people can gather for parties and celebrations and, oh yes, a place to eat, too. Effective brand management utilizes the tendency for stakeholders to see the world through their own eyes and looks for ways to capitalize on their stakeholders different views of the organization's brand—sometimes even seeking the public's help in defining or shaping the organization's brand. Virgin Trains' Marketing Director, Craig Inglis (Benjamin, 2007) sees value in involving stakeholders in the brand management process: "At Virgin Trains," he was quoted as saying, "we engage customers in our brand vision 'Love every Second' this way, such as through an online community where consumers help shape our brands."

Brand Trauma Cause No. 4: Brand Drift, Failure to Manage and Update the Brand

Leaders of some organizations diversify their organization's products and services so much that they and their stakeholders lose sight of the organization's vision and mission. As a result, the organization's brand may lose the focus and direction that made it attractive to stakeholders. The brand seems to drift without any direction or purpose or it may move back and forth among different ideas as they emerge. Equally bad is the brand that is out of step with the times. Themes such as "they live in the past," "it's the 'old-boy' network," "they're trying to be everything to everyone," "they're out of touch with reality," or "he's become a 'captive' or beholden to his benefactors" are often used as labels to signal a brand in trouble.

All brands need nurturing to maintain a position at the top of the heap or among the best. Without maintenance and nurturing, the brand is vulnerable to competitors, a substitute, or any good proxy or stand-in (Thomas 2009). For the community-type organization, it can make a lot of sense to sometimes put past tradition and "the way we've always done things" aside and look for ways to revitalize the brand, operations, leadership, or other system elements. It's a risk but the alternative may be a slow, painful collapse. Individual contributors, too, must always be on guard. They *must* keep up their competencies and their image "in front of their clients" or risk losing credibility and business (Karger, 1986; Anonymous, 2010).

Enterprise organizations must consistently work at addressing a variety of ever-emerging challenges. Poor innovation, poor creativity, poor products, poor service, poor safety, poor employee relations, and poor customer knowledge are recurring themes and areas in need of constant attention. Any organization that operates in a competitive environment must realize that the ongoing threat of the next "new idea" or "new product" is a real threat. When brands lose their focus, says David DeMattei, CEO of Lucky clothing brand, they "become their [own] worst enemies. The customer is always looking at what is next in retail" (Tran, 2010: 107). The same can be said of teams or groups. Teams never look good when they fail to achieve their mission but when that failure is because of overconfidence, carelessness, or inattention to detail, there can be more at stake than simply the registering of a loss in the won/loss column.

Brand Trauma Cause No. 5: Carelessness, Inattention

Brand trauma resulting from carelessness or inattention to process, practices, or operational matters is an ongoing threat. The issue, of course, is negligence and failure to attend to matters associated with the organization. When this occurs, there is usually no shortage of reasons why, from complaints about overwork to passing the buck. The problem for the organization and its management is that excuses typically do not carry a lot of persuasive power after the crisis has emerged (Anonymous, 1999).

Other times emerging carelessness is more behavioral in nature. Shortcuts, carelessness, cutting corners, or belief in some sort of silver bullet to remedy a problem can lead to more problems. Instead of being good ideas or solutions, these feeble heuristics become snares for those looking for a quick fix, for those who rely on the wrong benchmarks, or who simply look the other way when issues arise. Whatever the case, the resulting shortsightedness can result in a real brand-busting crisis.

Finally, inattention to the use and maintenance of key operational practices is a significant contributor to trauma for some organizations. The value of operational practices has been a reoccurring theme in the book. Their range of contributions is not limited to the development of effective operations. They contribute to efforts to safeguard the organization and its stakeholders; they help in the management of emerging negative events and, when in place make a direct contribution to trauma management efforts. Consider two examples Farquhar (2005) presented that illustrate troubles that can ensue when practices are not in place, are neglected, or simply not managed. The first example illustrates how lack of alignment coupled with poor operational practices can breed division within an organization, drive up costs, and potentially confuse stakeholders inside and outside the organization.

"In one case, a major consumer packaged goods company had no less than 16 independent product groups, each promoting and advertising separate benefit positions for the same 100-year old brand. As internal competition reportedly escalated, larger product groups tried to outspend other groups in the same company to ensure their benefits were the ones consumer most closely associated with the brand" (Farquhar, 97).

In his second example he illustrates how increasing risk and mismanaged practices can contribute to the emergence of nonproductive competition and potential brand dilution.

"One business unit may introduce a brand extension that lifts sales in its particular market, but dilutes the overall brand franchise and causes unintentional problems for other business units. If other units were also to act in their own self-interest, the core brand could be weakened considerably" (Farquhar, 98).

Both of the conditions Farquhar outlines trace back to poor use or management of operational practices. Finally, the fact that the literature is filled with illustrations such as those that Farquhar presented illustrates that the lack of or mismanagement of operational practices is a familiar problem in many organizations. What makes this conclusion important, however, is the fact that most discussions related to the absence or poor use of operational practices concern organizations that should be most familiar with their use and benefit. It is no wonder then, that when a crisis does grip an organization, it makes sense to explore the contribution management negligence and carelessness played in the crisis's emergence.

A quick summary of these practices illustrates their prospective role in trauma management. For example, without sound *Knowledge Management* practices, stakeholders literally may not have the capacity to do what is necessary to design, build, or manage the brand, or, if on the outside, to see how the brand might meet one's needs or expectations.

Without *Relationship Management* practices in place, the choice to build or not build a relationship rests with the stakeholders. Why should they waste their time, energy, and money building a relationship with an organization's brand if it is not clear the organization wants to make the same investment?

The need and value of effective *Communication Management* practices to the organization's brand are the sole reason why organizations maintain marketing, public relations, and advertising departments. Without effective communication, stakeholders may not know how the brand's purpose may meet one's needs or even if they are members of the organization's "target market." Indeed, without effective communication, the brand may not exist for the stakeholder.

Evaluation Management practices are among the ways an organization's leadership can identify stakeholders' needs or if the brand is meeting them, if the brand is liked or disliked? What responsible leadership team would not want to know the answer to these questions?

Information Management practices structure the flow of information between and among stakeholders or the system. Without information practices in place, there is no foundation for the dissemination and exchange of information, ideas, wishes, and needs between the organization and its stakeholders. That is a regular role for information practices, but during a crisis, this role expands to meet the stakeholders network's new needs and expectations and, of course, to facilitate the management of trauma as it surfaces.

Directional Practices are critical for stakeholders interested in knowing and understanding where the brand is going and why. Without direction, without a means for linking the organization's mission to its brand, the brand can drift as stakeholders define the brand as they see it.

Finally, *Regulatory Management* practices support the execution of behavior and performance for stakeholders. Without regulatory practices, there are no guarantees the brand with be managed as designed, that resulting brand confusion will even be recognized or addressed, and that threats to alignment between the brand and performance will not be compromised.

Brand Trauma Cause No. 6: Brand Displacement

Brand displacement, when the stakeholder no longer needs or values the brand or what it claims to offer, another contributor to brand trauma seems to occur in three ways. Brute force displacement occurs when a competing brand confronts a stakeholder's preference in such a way that the stakeholder switches preferences. In this case, the displacing brand becomes the new source for stakeholder's need fulfillment.

Sometimes brute force displacement can create "brand confusion" for stakeholders. According to Foxman, Berger, and Cote (1992), brand confusion refers to "an inferential process in which stimuli similarities and other factors lead a consumer to form inaccurate beliefs about the attributes or performance of a less known brand based on a more familiar brand's attributes or performance" (Foxman et al., 1992). Competitors can capitalize on this confusion by offering an alternative that appears to better appeal to the consumers and their needs.

Newspaper companies are in an industry "in the throes of self-analysis, examining who they are, what they do and how they differ from such competing information sources as television and the internet" (Sharp, 1997: 28). In this instance, newspapers are changing their branding process to reflect new ways to market themselves to readers and advertisers, two critical stakeholder groups. This is a particularly interesting example of brand trauma because at stake is not only the existence of a number of organizations within an industry, but also the industry itself (Reichblum, 2004).

A second form of displacement is evolutionary in nature. Brands are a way of defining what an organization is, its image. Labels such as "police department," "restaurant," "drug store," "school," or "church" are functional-identifiers: They tell us something about what to expect, or how to think or react to organizations with these labels. When events occur that cause the stakeholders to challenge their own perceptions of what the brand means to them, the choice of abandoning the brand is often easier than trying to make sense out of any apparent discrepancies (Pullig et al., 2006).

Confusion can emerge when there is inconsistency between the labels that tell one what to expect from the brand and the behavior of those who own the brand. Labels are only useful up to a point so just because an organization is associated with law or justice does not guarantee it can be trusted to perform in ways that are consistent with those labels or perceptions. "Police brutality," "a politician 'on the take,'" a church that "covers up a child's abuse," and "a product that poisons and causes death" all carry traumatic weight because of both the behavior and the conflict created between what is expected and what is observed in the organization. Emergence of these two phenomena can confuse perceptions of what we can expect and/or can cause new images to form regarding these organizations: Why trust police or politicians, why stay a member of this parish, church, or religion, or why believe the claims made about a product or product line? Hypocrisy is a real, meaningful phenomenon.

Deceptive brand displacement, a third contributor to displacement, often accompanies overt "brand attacks." Brand attacks are menacing because they are often intense, focused, and frequently public events. These efforts target the brand itself and can range from focused attempts to tamper with products or the brand, counterfeiting or theft, to all out channel attacks where unauthorized dealers distribute or present a legitimate product in an unauthorized or fraudulent way (Bryson York, 2008: 1; Mayes, 2007: 50). More than merely adding confusion about the brand, brand attacks can be aimed at displacing the brand by destroying it; the attack is used to directly affect the marketplace, stakeholders, and, of course, an organization's resources and efforts (Blackman et al., 2010).

In the end, whether mild or severe, the collective effect of brand attacks is displacement and trauma for the brand, the organization, and stakeholders. These attacks are disruptive because they force the organization's stakeholders to change their behavior, for example, to disrupt routines to manage the surfacing attacks. Often associated with brand attacks is some form of conflict, a seventh cause of brand trauma.

BRAND TRAUMA CAUSE NO. 7: CONFLICT

Whether internal or external, conflict tarnishes a brand. It may not be the fact that an organization or its brand are engaged in a conflict that damage ensues, but rather because of the behaviors, of things said, and of things done during the conflict. The fear of losing a fight can bring out the worst in people.

The potential for conflict to harm an organization increases when an organization's brand, image, and reputation link with the stakeholder's investment in the brand and the customer does not see a fair return on the investment made. Then the easiest way for an angry customer, employee, competitor, or even regulator to damage an organization is to attack its brand, image, or reputation. The web, for example, has opened the door for any number of ways to retaliate for some perceived wrong or harm done (Holstein, 2000). Stakeholders have never had such an easy-to-use forum to use tools such as anger, frustration, and retaliation when in conflict related to an organization or its brand.

Litigation is a time-honored tool to use against organizations and familiar source of conflict for brands (Kapferer, 1995). Religious communities, individual contributors such as professionals, or even parents can find their brand on the line as they are attacked for perceived wrongs by aggrieved individuals or through tools such as class-action suits.

Conflict's contribution to brand trauma surfaces in many ways. For example, the scope and range of the trauma can be local or widespread in its effects. Containing the trauma is a first objective. This may make the trauma's management easier, but the bigger reason is to prevent the trauma from spreading throughout the system.

Systemic trauma (pervasive distress) contributes to stakeholders failing to see the organization or its products and services as a viable tool to meet their needs. Trauma's potential for damage is taxing in any form but as it spreads and its effects increase, it becomes clear that the organization's potential for meeting stakeholder needs is at risk or simply unfulfilled. Moreover, as the trauma spreads throughout the organization's system, stakeholders may be effected by new disruptions, possibly triggered by initial events, disruptions to processes and procedures that make it difficult to work with the organization in any way and, in extreme cases, as when disruptions drift beyond the organization's network they may breakout and effect the stakeholder's personal, outside community. It's one thing when a stakeholder is engulfed in an organization's crisis because the stakeholder is a member of the organization's network but when an organization's crisis expands beyond the network and touches a stakeholder's home and family its salience reaches new levels.

All the while the organization, its brand, and stakeholders have to negotiate the confusion, stress, or mini-conflicts generated by stress, infighting, missed work, and panic. As physical injury or damage increase, there is the possibility the organization's reputation or image will suffer as the conflict becomes more closely associated with it. Finally, breakdowns in competency, performance, or the sheer willingness to associate with the organization may result.

The worst case, a loss of life not only has the potential to amplify the trauma's scope, but it also may influence the manner in which those impacted by the crisis react to it. What may have been damage to a building because of a fire now affects stakeholders in very personal ways. Now swarm members are sharing the effects of physical injury and the potential for emotional and cognitive trauma as well. However, the most interesting feature of this entire discussion, the point one should take away when considering the diffusion of the trauma associated with an event, is that even lesser events, such as the poor customer service that results in an argument between the customer and employee also can have an expanding effect on trauma levels. In other words, the potential for any event to cause harm must be recognized and considered when examining the trauma an organization, brand, or stakeholders may experience.

Estimating a "Trauma Yield Rate" and Exploring the Diverse Nature and Effects of Brand Trauma

Clearly, it is difficult to talk about brand trauma or its causes without reference to other forms of trauma that arise to effect the organization and the stakeholders. Treating trauma is often not a simple affair and often requires a search for the often deep-seated causes of the trauma. Two audits aid these investigations. The first is the "Organizational Performance Audit" designed to measure the organization's strengths and vulnerabilities and the second, an "Event Trauma Yield Rate" estimates the potential effects a crisis event might have.

The most effective performance audits examine the entire organization by concentrating on two themes. The first examines the people (e.g., their competencies, sense of urgency), practices and programs and the second examines organizational fundamentals: directional tools (e.g., a vision, mission, etc.), its culture and evident strengths and vulnerabilities. Performance audits have the potential to make both reactive and proactive contributions to what we discover about a crisis's effects. On one hand, they may help determine where and why damage occurred and on the other, they are useful tools to aid the design of interventions.

Unfortunately, performance audits usually assume that some baseline information regarding the organization or the areas examined exists. When this type of comparative information is not available, those investigating the crisis and its effects can use tools that analyze the crisis event based on the observable effects of the event and they work backwards from there. The Event Trauma Yield Rate (ETY) is a useful tool to construct under these circumstances. The ETY is an estimate of the trauma associated with an event.

This tool examines effects the event's product(s), outcome(s), and impact(s) may have on the organization, the brand, and/or its stakeholders.

Designing an ETY tool begins by generating a list of possible crisis effects. Every organization has them: a sports team's key player is injured, a business center's CEO dies in an accident, a religious organization's pastor is accused of a crime, or eating the restaurant's food seems linked to sickness. It is important to generate a range of effects, from minor to large. The ETY is a way for estimating the potential range of effects associated with a crisis—before or after they occur. Ideally, however, the ETY is most useful tool if constructed early in the crisis before secondary factors can emerge. This gives those studying the crisis a way to compare the type of events that have occurred versus those that might have occurred but didn't, often a very important point. It's also a way to map subsequent events are they emerge. This is important for two reasons. First, it helps those managing the crisis gauge the trauma particular to each event and, second, provides useful information about the causes of each event, for example, noting when one event triggers another versus when a subsequent is triggered by a different, unrelated organizational breakdown. For example, an expose' may be the cause of the initial event while later attempts to cover-up the problem trigger other issues for the organization.

Once the list of problems, outcomes and their impacts is developed, the list is put into a questionnaire format with a scale attached, for example to measure the likelihood that the event might occur or reactions to the event, perhaps it riskiness or severity or both. Key stakeholders complete the questionnaire by offering a view of the crisis from their perspective (Tafoya, 2010: 113–114). This analysis summarizes the results of events into three categories. "Products" are the first of these. They are observable results of the event at hand. "Outcomes" result from products. Outcomes are emerging states associated with the product. For example, crops are sprayed (event), chemicals may seep into groundwater (product), and groundwater is contaminated (outcome). There may be more than one outcome associated with a particular product. (For more information on the design and use of "products, outcomes and impact" model see Tafoya, 2010).

"Impacts" are the end-result of the products and outcomes. An impact, a state unto itself, is a channel that embeds results associated with the event to into the fabric of the organization's near and, potentially, distant future. Impacts are the bottom-line or payoff associated with the event and its management.

Results of a Yield Analysis can contribute a lot of information regarding the event's effects on the brand or organization generally. Depending on the questions used, for example, one might gain insights into the role attitudes, opinions, and beliefs of those participating in the investigation have regarding the organization's readiness should a crisis occur or, as importantly, which parts of an organization are most vulnerable. The analysis also provides a way to understand something about the intensity of the respondent's sentiments regarding the results of the event. Knowing which results have the highest intensity or importance helps those expected to manage the event's aftereffects focus their efforts.

This level of analysis also illustrates the various ways trauma can emerge and subsequently influence the organization's brand. The emergence of trauma illustrates the unique relationship existing between the organization's brand and its stakeholders, a relationship that is typically strong and virtually impossible to separate until something like a crisis occurs.

Obviously more than one type of trauma can (and often does occur) with the same crisis. This is often the case when conflict is the catalyst behind the crisis but trauma outbreaks can occur at anytime, spawned by any catalyst. The real danger is that a single trauma triggers other trauma conditions toxic to the organization and/or its stakeholders.

The Product-Outcome-Impact model described above when used in conjunction with the information in table 7.3 illustrates the potential for the cascading effects associated with a trauma breakout. Managing an initial trauma and containing, if possible, a trauma outbreak are the focal point of chapter 8 where we present our discussion of possible strategies and tactics to use when managing such events. As an introduction and way of concluding this chapter, it is useful to step back for one more view of the impact trauma and its subsequent effects may have on an organization, its brand, or stakeholders.

The trauma process, outlined in table 7.3, summarizes trauma's insidious nature; trauma does not simply emerge as a discrete phenomenon but rather evolves, much like a disease or infection. Trauma's effects are systemic and demanding. The range of damage associated with a trauma results in large part because it is difficult and sometime impossible to contain or to prevent a trauma from occurring. Trauma is a very personal matter. Finally, traumas require the strategist to clearly understand the evolving nature of the trauma and to possess the skills and competencies needed to manage the phenomenon.

If the strategist is proactive and accurately assesses one's preparedness prior to an event, it may be possible to gain an advantage as the organization builds the capabilities useful once a crisis occurs. Moreover, taking a proactive approach facilitates efforts to maintain needed skills over time. This means that stakeholders demonstrate both the capacity to gain knowledge and skills required and a sense of urgency regarding the value and role of knowledge in constructing solutions to problems, in decision-making, or in event management generally.

Table 7.3 Modeling trauma breakout and subsequent effects

	Trauma Breakout	⇒	Emotional and psychological strains Collapse of elements or entire systems Sense of Urgency is Required
⇒	Trauma Effects Emerge	⇒	Trauma manifests evolutionary characteristics Toxic conditions emerge, uncertainties grow Poor of lack of fundamentals feed the event
⇒	Competing control centers emerge Ripple effects involve multiple stakeholder Confidence in the brand challenged	⇒	Treatment plans must vary; strain competencies Short-term or lasting damage recorded The crisis' potential to overwhelm is realized
⇒	Change: to the organization to stakeholders perhaps to whole industries		

Strategists always must consider the challenges to knowing how and when to use knowledge needed to manage trauma and its related effects. Every crisis is different and when one considers the mediating influences of stakeholders on the dynamic nature of the crisis emergence process, it soon becomes clear that even with advanced warning, few, if any, crises emerge along completely predetermined lines and virtually none unfold in any neat, predictable manner. Moreover, as an emerging crisis seems to spill across the organization and its stakeholders, strategists must be prepared to shift their orientation from one aimed at "crisis management" to actions or behavior more aptly described as encompassing "change management." This is an important observation and quite contrary to typical approaches to crisis management.

Often those addressing a crisis tend to embrace the crisis and react to it as if it is some type of discrete event. This is potentially imprudent. Organizations are not static entities. When a crisis and subsequent trauma emerge, these do not move *to* the organization—rather the organization is drawn to the crisis and trauma. Table 7.3 is an attempt to explain what's occurring, not to outline some type of staged event but rather to illustrate how strategies must be designed to simultaneously and systemically deal with the "now" *and* "what may be next." That's why, for example, one reads that "competing control centers emerge."

When a crisis occurs, any number of control centers can surface, at any time, and with any of a number of different stakeholders associated with the organization and crisis. As a result, one must avoid being caught up in attending to a particular adversary or issue and be open to the fact that the crisis is multidimensional and requires attention across a number of potential fronts, whether or not immediately visible. This is a central observation in the material presented in chapter 6: one way to look at the stakeholders in an emerging stakeholder swarm is to consider each of those with an aggressive, negative orientation to the organization as a front, or conflict point. The arrows in table 7.3 are meant to reflect the temporal nature of the process and not some linear collection of steps. Indeed, the effective crisis strategist would probably be wise to model a strategy after Hercules in combat with a Hydra rather than St. George fighting a single-headed dragon.

Strategies for Treating Brand Trauma

Audits are best if conducted on a regular basis, at least annually and always to quantify the importance of each factor examined. They are excellent planning and evaluation tools, but they are useful after the fact as a way for identifying why a crisis and related trauma occurred.

Obviously, a yield analysis can focus on the emergence of positive and negative results: those products, outcomes, and impacts associated with the event and trauma. Our emphasis here, however, must be on negative results and their contribution to emerging brand trauma particularly when designing ways to treat trauma that occurs. Treating brand trauma breaks down into three activities: attending to the problem at hand, implementing a plan of action, and building a plan for the future. All should begin simultaneously.

The first step begins by recognizing the trauma and communicating to key stakeholders that organizational brand damage and trauma can be treated and sometimes remediated. This may not be immediately obvious for some since trauma can be so damaging that a sense for the future or even recovery may seem all too remote.

Recognizing the trauma and communicating to stakeholders can be a difficult way to begin but the process is sometimes helped after getting as much information as possible regarding the type of trauma experienced and the level of reaction to the trauma. The first of these data points was discussed earlier and the last can be difficult to ascertain.

Table 7.4 illustrates that reaction to brand trauma often divides into three discrete categories. Some, for example, want to defend the brand, sometimes blindly. Those in the affected organization may admit that an error occurred or that something is wrong but they sometimes fall back on a simple notion: that it is not their or the organization’s fault. People taking this approach fail to remember a key fact about disasters associated with a brand: those injured or effected by the disaster do not want to hear about how “it’s not our fault,”

Table 7.4 Modeling the ecology of brand trauma and the emergence of effects

Trauma	Defend	It's wrong but not their fault, they couldn't help it
	Deny	It didn't happen
	Defect	Flight Rate
		Active, Attack
		Passive, Avoid

they want to know they are going to be better, that there are remedies for the damage experienced or witnessed. "In keeping secret," wrote Tim Darragh and Peter Hall about the Penn State and Catholic Church's sex abuse scandals, "both institutions ignored the victim's pain" (Darragh and Hall, 2011).

An extreme reaction to trauma is to deny that anything occurred. This is more than a "cover up" because these individuals deny that something happened and so there is nothing to cover up. Fortunately for those injured, the scope and scale of information available, and the ever likely possibility of disclosure (e.g., whistle-blowers) go a long way toward making detailed information about what happened open and available to others. Incidentally, disclosures that follow denials can often create another level of trauma for the brand or its elements.

Finally, some trauma results in various levels of defection from the brand. Defection can range from simple flight from the brand or passive avoidance of the brand ("we know you're there, we just don't see you") to those who defect from the brand's network but stay and fight or attack the brand as members of swarm or other network. These can be activists, regulators, or simply people or groups who feel injured by the brand.

All of these resulting scenarios become information and an important part of efforts to implement an action plan to deal with the trauma. This plan may be specific without being unusually long or detailed. For example, everything in the plan must aim at addressing the issues(s) and at keeping the organization running, largely by attending to stakeholder needs. So if employees are traumatized because "the fire" destroyed their workplace, it may not be possible to quickly build a new facility but it may be possible to set up an annex or temporary site for use until a permanent site is restored.

Identifying stakeholder needs seems like another obvious task but consider these two response scenarios to an event that resulted in injured workers. *The first response strategy is simple and direct*: customers are contacted, injured employees get aid, and regulatory agencies (at the national level) are contacted.

In contrast, the second strategy reaches out to stakeholders: Injured employees get needed help. Counseling programs are set up for family members.

Counseling programs are set up for workers whose friends died in the accident. Regulatory agencies (local, state, and national) are informed and an open-door communication program is launched. Suppliers are contacted. Customers are contacted. Employees expected to continue working are told of actions implemented to make the area safe for them.

These scenarios are obviously simple sketches with a narrow focus but they are not far from what often happens after a crisis has occurred. Match them, for example, to reports on the evening news to responses one might have seen used for crises events in religious, mining, petroleum, military, and political organizations. Clearly, attempting to do the "right thing" can result in extensive effort and can require time and money but a proactive response can go a long way as a damage-control mechanism not to mention what effects the effort might have on those experiencing the crisis.

Finally, implement two plans, one for the immediate trauma and one with a long-term view. Sometimes both are implemented simultaneously but two different plans are needed in part because they reflect different time frames but, more importantly, because of their different functions. The first plan aims at damage control and the second's aim is twofold: prevention and credibility management. The need for damage control is obvious. Stakeholders, processes, material, and facilities impacted in the event must be addressed. However, it is the second plan that takes a holistic look at the organization. This plan seeks to let stakeholders know two things: "we've learned from this incident" and "here's how we'll be different in the future." The second plan assumes that more information is needed and may only be available over time. Some stakeholders need time to manage the crisis they have experienced and, in turn, the resulting trauma that may surface. This second plan is an open format that is receptive to new discoveries.

Examples of organizations, from nation states to "ma and pa" retail stores failing to launch this second plan fill our memories. These organizations operate like so many people who, for example, having just dodged a health issue crisis say something such as, "Wow, that was close" and then pick up with the same catastrophe-prone behavior that led to the problem. The event/crisis and related trauma are a message for the organization and all stakeholders that something happened and it shouldn't/can't happen again—at least not without some preparation.

One way progressive organizations can assess their needs or document their achievements is by conducting an "Environmental Scan." (See table 7.5.) This is an easily modified information and action program that monitors information from stakeholders about their worldviews vis-a-vis the organization. This information serves as a barometer for what is going on or as a tool to anticipate future needs. Material collected for the organizational audit and Trauma Yield Rate can be used when developing an environmental scan.

Table 7.5 An environmental scan (that uses the spectrum of events as a baseline)

The Stakeholder Environment	Status	Responses
Normal, things are OK	Good environment. Prepared environment. *Crisis Conclusion: None*	Maintain. Practice Continuous Process improvement. Conduct periodic audits. (Data rolled up to top management)
Tension, anxiety, strain, pressure	Discussions, complaints, suggestions are noted. Look for symptoms. (Arguments, missed due dates, absentees) *Crisis Conclusion: Crisis Possible*	Data collection around tension points. Prepare status updates. Possibly identify "hot spots," trigger points or thresholds leading to a crisis. (Data rolled up to top management)
Stress, hassles, difficulty, trauma	Tensions escalate in multiple ways. What thresholds are established and crossed? *Crisis Conclusion: Crisis Likely*	Data collection, granular to macular level. Seek outside professional help. Alert and keep professional stakeholders informed. (e.g., attorneys, human resources)
Critical, significant, vital, dangerous	Reported incidents. *Crisis Conclusion: Crisis Probable*	Implement Emergency Controls. Involved any and all necessary stakeholders.
Calamity	Multiple incidents. *Crisis Conclusion: Crisis Evident*	Implement crisis management plan. Identify secure and non-secure areas.

Conclusion: Completely Preventing Brand Trauma May Not Be Possible

Completely preventing crises or subsequent brand trauma may not be possible, but there are things organizations can do reduce the extent and damage of emerging trauma. For example, it is probably most prudent to recognize that no organization is immune to "brand trauma," that in many instances when the crisis is significant trauma may be a given, and for some stakeholders, the effects of a brand crisis will never go away regardless of the type of crisis experienced. Preparedness is always important but a good strategist is always at a heightened advantage when also working with an open mind and a clear vision.

Second, leaders and managers must know their own brand's vulnerabilities, particularly to a crisis and subsequent trauma. Hardly a crisis appears in the media or on the web without a bystander saying, "How could they not see that coming?" And yet it happens. Organizational features such as geography often insulate management teams from others in the organization or operations altogether. Other times an organization's leadership may be buried under the burden of their own workloads, addiction to "quick fix tactics," or any number of bad habits or other personal foibles that compromise their leadership style. Not seeing a crisis emerge may be a reality but not a justification for the accompanying disaster brought on by the crisis's effects: the crisis's products, outcomes, and impacts.

Finally, gauging the impact of a crisis is more than an audit of "what happened." Brand events create trauma and trauma can have good and bad effects. This book often dwells on bad effects associated with a crisis, such as brand trauma, because of the potential for risk, injury, or damage. Improved assessments, particularly those with a systemic orientation, can help stakeholders better appraise the multidimensional nature of a crisis on an organization or its products, services, or stakeholders.

Improving assessments begins by avoiding a simplistic view of the effects of a crisis and, as importantly, the crisis manager's role in the process. The material in chapter 8 can aid both. The guide offered in chapter 8 illustrates ways to think about a crisis to avoid taking too simplistic a view of the crisis when it emerges, too simplistic an approach to containment strategies, too simplistic an approach to the possible products, outcomes, and impacts that may arise, and, finally, too simplistic an approach to the isolation and management of brand trauma as it occurs.

The material covered in chapter eight may be most useful if combined with material presented in this chapter. This chapter's focus on the trauma associated with a crisis, and particularly brand trauma, illustrate the complex challenge facing those with crisis management responsibilities. Learning to think about ways trauma is embedded in a crisis contributes to a strategist's developing a management style that looks beyond the nature of the trauma to discover ways factors other than the crisis alone can impact the organization, stakeholders, and the brand. Trauma is pervasive and its effects may haunt some stakeholders long after the crisis passed. The challenge for crisis managers is to attack the crisis so that crippling effects of trauma and other crisis effects are better contained and managed for the long-term. The material presented in the next chapter builds on this objective. In chapter 8, we sketch a plan to address the crisis and its effects. That material is not designed as an academic exercise. When a crisis breaks, the skilled manager doesn't have time to get caught up in the fascinating, sometimes intoxicating nature of a crisis as it emerges, embraces, and even dominates an organization, its brand, or its stakeholders. This material is prepared to help you put yourself in the executive office of the organization caught in a crisis, so that you can offer your own strategies for handling "what's happening around the organization." What are your thoughts? What are your actions? What are your plans? In addition, what are your strategies and tactics for the crisis, its unfolding effects, and the impact of the crisis on the organization's stakeholders and precious brand? The material presented in the following chapter will give you an opportunity to put your thoughts on paper so you can document the quality of your thinking in a simulated crisis setting.

PART 3

IMPLEMENTING THE STRATEGY

CRISIS MANAGEMENT IS MORE THAN A PUBLIC RELATIONS PROBLEM; IT IS THE key to successfully moving an organization in distress from where it is to a desirable place in the future. The process is led by the organization's leadership, the effort's scope is systemic, and the results measurable and measured. It is then, a statement regarding the capabilities and competence of the entire organization.

Chapter 8

Building a Crisis Management and Recovery Plan

Introduction: Emergence of a Crisis Can Lead to Questions of Capabilities

When a crisis threatens an organization, those on the sidelines often question the viability of two elements: the capacity of the organization to weather the crisis and its effects, and the leadership's capacity to launch and lead an effective crisis management effort. The ubiquitous nature of a crisis links the two and adds another level of pressure to an already tense situation. This chapter's focus is the contents of a crisis management plan.

The crisis management plan presented reviews issues associated with the resources available to address the crisis, the crisis management team's experience in managing similar situations, and, of course, the nature of the crisis itself. The chapter's emphasis seeks to do three things. First, illustrate that dealing with a crisis begins with separation of the event causing the crisis from the resulting crisis. The two, the event and the emerging crisis often have a causal relationship but very different skills may be required for treating each and, more importantly, once the event is "over" (e.g., a bomb explodes, a car crashes, or a hurricane passes) it's the event's effects in conjunction with the event that spawn the crisis. For example, if the event is a "bank robbery," the "crisis" we're interested in managing is the effects of the robbery on the organization (e.g., money lost, property damage), its stakeholders (physical or emotional trauma experience, attitudes, opinions, or beliefs about this or all banks or bank services) and the organization's brand or image ("this is not a safe place to 'do banking,'" "this bank is poorly managed," and "this bank doesn't know how to handle a robbery," etc.). We believe these three elements, the organization, its stakeholders and brand should receive individual treatment in a crisis management plan but not without remembering their relationship to one another. The three are separate, but they overlap in important, inseparable ways.

The chapter's second emphasis centers on defining approaches to a crisis management plan and the topics one might include in such a plan. The risk associated with a crisis is that it will result in damage or loss to the organization, its brand, or stakeholders. The organization may experience a loss of service or questions may arise about the quality of its products. Both could lead stakeholders to take action against the organization (e.g., demonstrations, litigation, or leaving it for a competitor) and all of this (and more) may culminate in the organization's brand or image being tarnished or sometimes damaged beyond repair (at least for some stakeholders) (Levy et al., 2011).

Finally, the plan outlined is sensitive to the organization's future needs. What can or should an organization learn from the effects of an event or the way a crisis was treated after emerging? Many organizations only think of their stakeholders from a current perspective—what they can do for us now. How might an organization think about stakeholders over time: as a resource that effected the organization in the past or in their current and future relationships with the organization? In addition, what does the organization do that ensures it considers *all* stakeholders in its plans and activities and not just the "important" ones or the "ones we have to treat because they can cause us a lot of grief if we don't treat them." Our earlier distinctions of stakeholders as feeders, supporters, demanders, and reliers illustrated that *all* stakeholders have the potential to influence an organization. Any thoughts regarding stakeholders and the future would benefit from being inclusive and not exclusive in its approach to these resources.

One also cannot ignore the role of an organization's brand or image. Some brands are well-established in an industry or market and others are newcomers or relatively unknown. Some are recognized leaders, others as innovators but *all brands are vulnerable* to the negative effects of a crisis. Simply mention names such as the "Exxon Valdez," "BP oil," "Iraq," and al Qaeda and think of the images that come to mind. Those impression-laden organizations may not be in the news currently but effects of past crises on their brands lingers. What is the future, crisis or not, for your organization's brand or image? What would the leaders of your organization say is the brand's future? What about your employees or other stakeholders? Where would there be agreement or disagreement among them and why? What is the brand's resilience level should a crisis effect it? What type and or level of crisis could it withstand? (Anonymous, 2010). Answering these types of questions is an approach to speculating about an organization's future. Incorporating such speculations in the planning process helps turn thoughts on paper into potential actions, activities, and behaviors that may make the brand stronger in the face of emerging events.

Building a Crisis Plan and Course of Action That Focuses on "Doing the Right Thing Well"

Throughout the following discussion there are certain things to keep in mind. First, some material in the chapter will be familiar but pay particular attention to sections aimed at making sure the crisis management plan is addressing the real crisis and not some manifestation of it. Second, it is important that a crisis management plan systemically includes and appreciates the needs of all stakeholders in the stakeholder network. Finally, the plan's vision should not be restricted or encumbered by unfolding events and activities but consistently reaches out to address the organization's future needs. To help you achieve these goals, we are sidestepping the typical approach to a crisis management plan that deals with the who, what, where, when, why, and how associated with a crisis and are offering a focus that outlines fundamental material we believe are often overlooked yet must be in a good crisis management plan.

The final result will be a plan that covers the fundamentals (i.e., the who, what, where, etc.) but that achieves this objective by focusing on short- and long-term stakeholder needs. We want to avoid development of plans that are shortsighted and incomplete and simply designed to "get the crisis behind us," and so miss a real opportunity to improve the organization systemically.

When a crisis occurs, whether it involves a small incident associated with a routine event or a major state of affairs linked to an unexpected major event, the crisis management objectives should help reduce exposures to potentially damaging risks or hazards. There are many reasons for this but the most noteworthy is that stakeholders define a crisis's weight or significance and, as we saw in chapter 4, these people or organizations tend to have their interests in mind over any others. As a result the plan outlined asks questions such as: "What are the ramifications for the organizations, brands and stakeholders effected by this crisis if the plan I produce is incomplete or inadequate?" or "What am I willing to risk if I don't fully attend to this crisis as completely as possible?"

The Crisis Management Effort Focuses on the Stakeholder and Crisis, Not the Event

Overall, the plan and material illustrated below seeks to accomplish three goals. First, the plan is written so that core problems associated with crisis are identified. This lays the foundation for the plan and subsequent investigations of the crisis should they be necessary. Next, the plan examines efforts to contain the crisis, with particular emphasis on identifying issues needing immediate attention or that interfere with the organization's capacity to continue to function. In this instance, issues may be ranked in terms of a number of criteria: their intensity, their likely contribution to damage or trauma, or the general scope of their effects. Finally, the plan should convey a sense that what is proposed is a proactive solution to meet both present and future needs for the organization, its brand, and its stakeholders thus ensuring the likelihood that if similar crisis-causing events occur their effects are lessened and that the organization and its stakeholders will have the capacity to transfer skills and learnings from this event to crisis-management needs of the future.

An Illustration: Format and Content of Proposed "Event and Crisis Management Recovery Plan," Mitigation Strategies and Effects Assessment Effort

I. Introduction: Overview of a Crisis Management and Mitigation Plan

This document reflects the general format and content of a hypothetical crisis management strategy with three objectives: it is a plan to address unfolding issues, problems, or concerns so it offers a containment strategy that mitigates a crises's negative effects, and it outlines an assessment model for use in measuring the effects of the various plans, events, activities, and the overall crisis. Writing the plan begins with an overview of the crisis including the nature of the event(s) contributing to the crisis, key premises regarding the probably likelihood of effects associated with the crisis and a real-time sense for the current state of affairs.

The plan continues with a description of responses to the crisis. This includes attention to efforts already underway and proposed strategies for fixing or repairing damages to areas critical for the organization's ongoing operations. It is important that this section of the plan concentrate on treatments aimed at the organization and its brand, stakeholders, stakeholder relationships, and the overall stakeholder network. Finally, the document summarizes methodologies and data designed to measure the effects of the crisis on the system as a whole. The discussion is based on three assumptions. First, what must be done to ensure the organization continues to operate or, at a minimum, to survive the crisis. Second, what do we need to know about and what is necessary to address stakeholders immediate and long-term needs. Finally, any proposed remedies, and solutions must not only address the crisis at hand but also contribute to making the organization better prepared for future crises that might occur.

II. Background: Objectives for a Crisis Management Response Plan (CMRP)

When a crisis event occurs, an organization's leadership must do what's necessary to continue operations, if for no other reason than it is often easier to manage a crisis from a functioning organization than it is from one that is "dead in the water." Continued operations not only benefits the organization but others as well. Organizations do not exist in isolation; they have internal and external stakeholders and they are part of a neighborhood comprised of local and/or similar organizations. A business or religion in a local community, a military unit that is part of a larger force, or a researcher investigating the cure for a disease each have links to organizations beyond their immediate operations. When a crisis strikes one member of this system the crisis's effects can ripple through both the organization and those of the larger network of which it is part.

Second, organizations also have specific responsibilities to a dependent stakeholder network. An industry, a larger parent organization, or some type of confederation linking the different organizations may define this network's membership. These organizations may have similar needs and their relationship may be characterized by certain dependencies such that if one fails risks and exposures for the other can increase. This is the stakeholder network described earlier in the book. Sometimes the relationship among network members is defined in terms of economic or other functional objectives, sometime it's a relationship based on needs (for the products and services exchanged), sometimes it's a relationship based on processes (e.g., information exchange, communication, evaluations, and assessments, etc.) Keeping the afflicted organization's "doors open" helps meet the needs of those other organizations as well.

Each member of this macro-organizational network also is a member of their own networks, comprised of their own stakeholders with their own needs and interests. A recovery program without a sense or concern for the full impact of the crisis and its effects misses an ethical dimension of crisis management. No stakeholder suffering from the direct or indirect physical and/or emotional injury or trauma should feel neglected, imposed upon, or disregarded once the crisis management plan is launched.

Finally, stakeholders may want assurances that even if this type of crisis can't be prevented or avoided in the future, plans are in place to reduce their exposure to potential for damage and injury caused by an event per se or a by-product thereof (e.g., loss of service, missed deadlines, etc.). The threat or reality of reoccurring problems can create instability, contribute to misalignments, or jeopardize the equilibrium of existing organizations and networks. A crisis management plan that specifies how new policies, practices, and procedures, changes to equipment or materials that may have contributed to the damage or injuries experienced, or how the proposed plan addresses any existing or discovered exposures with proactive monitoring schema to reduce future exposures or effects can offer stakeholders needed reassurance that the plan helps meet their needs.

III. A Note on the Relationship between CMRP and Typical Plans

Many crisis management plans emphasize the need to reduce risk or risk exposure. Managing risk associated with a crisis is important but it is only part of the crisis management effort and it certainly cannot be the dominant focus of a crisis management plan after the fact. Risk is such a generic term that it often loses it significance when used as the goal or objective; the crisis management project must define objectives in terms of stakeholder needs. More important than treating risk as some isolated phenomenon, treat it as a feature of key stakeholder needs or variables.

Risk-based strategies can fall short or completely miss the "mark of effectiveness" because they are based, out of necessity, on a narrow focus. Risk assessments are effective if their focus is clear, but too narrow a focus can lead to plans constructed around erroneous assumptions regarding stakeholder needs or even the true nature of the crisis and its impact on stakeholders. Is the plan addressing the "real crisis" or some manifestation of the crisis? Think back to the BP gulf oil spill. Some interpreted the crisis as a gushing oil well, others, as damage to the gulf's ecological system, and still others saw the crisis as a threat to the commercial fishing and tourism industries. A risk-based orientation builds a plan *out from the event*, not *in from the stakeholders' perspective*.

Clearly the leak needed to be stopped; the event had to be contained. The crisis, the effects of the leak however, is defined in terms of the stakeholders and so must be the crisis management plan's focus. Plans with a singular risk management emphasis have nominal benefit largely because they often end up limiting their focus to reactionary activities associated with the event, such as meeting the needs of the media or simply managing image issues. These types of plans have a "let's get this problem behind us" orientation and over the long-term can do more harm than good. They can make the organization's leadership appear as more interested in material matters or those with a general investment in the organization and its activities rather than the needs of people in general or a wider stakeholder network.

Other plans fail to address stakeholder needs altogether. These plans often have a singular focus: do whatever is necessary to regain operations or to save the organization and its image. "Saving" the organization is always a good objective, but the risk is that the plan will not reflect reality. These plans may assume that stakeholders will take care of themselves or that it is too risky to include stakeholders in the plan—that doing so might assume admitting guilt or culpability for damages related to the crisis. It's amazing that even after Johnson & Johnson demonstrated how to successfully manage a crisis after the Tylenol incident, that few leaders of crisis-encumbered organizations still refuse to admit the obvious—and often what everyone knows—your organization screwed up; it made a mistake.

More than building a plan that references the organization's future, some crisis management plans seem overly concerned with event(s) triggering the crisis. In fact, the event triggering the crisis is of interest to those responsible for the "event clean-up" and those charged with preventing, if possible, such events in the future. The "event" is only of marginal interest to those responsible for the crisis management effort. For the crisis management team the event has passed, or at least been delegated to a team of specialists trained to deal with it. Again, the crisis management team's focus is the crisis that *follows* the event.

Our plan's focus is multidimensional but devoted to the crisis and the products, outcomes, and impacts spawned by it. Facts, data, and information are collected throughout the process. Moreover, the plan's emphasis stresses that all stakeholders, those who support and those who may not support the organization, are included in the plan. It pursues an orientation aimed at bridging relationships with any and all associated with the organization and recovery efforts. Finally, although the plan is defined by a timeline, this is only used as a guideline that may change as the plan progresses.

IV: Content of a Crisis Management Plan (CMP)

1. Mapping the Scope and Summary of the Crisis: Part One—Keep the Organization Functioning

Preparing the Crisis Management Plan begins by developing strategies across three areas. The first part of the plan deals with the crisis's scope. This portion outlines the nature and type of crisis experienced and its effects on the organization, its brand, and the stakeholder network. The emphasis of this section not only seeks to discern "how big" or widespread the crisis is that's effecting the organization, it also seeks to determine how destabilizing the crisis may be. That is, to what extent does the crisis disrupt day-to-day operations or, worse, jeopardize the organization's capacity to function in the future?

One way to think about the nature of the crisis is by using the Crisis Spectrum introduced earlier (chapter 5, table 5.2). Apart from the table's reintroducing us to typical types of crises, the table is used to illustrate how crisis related activities can be shaped by the nature of the event and not just by the size of the event or the number of people involved. In the table, one also sees that the type of organization (Community, Enterprise, Individual Contributor, or Team) experiencing the crisis may or may not affect how one approaches the crisis, the nature of the crisis's importance, or the type of response needed. Understanding the nature of a crisis begins with matching the spectrum to the type of organization(s) in the crisis because different organizations may experience the same crisis differently.

Thinking of the crisis in terms of the type of organization that is effected gives us a clue as to how the crisis may affect the organization's future and how to evaluate hazards associated with it. For example, some organizations are more familiar with regular and ongoing effects of "change" vis-a-vis their operations while others are not. Enterprises such as manufacturing facilities, for example, can experience change frequently as product, material, or processes are changed or amended to meet new customer, business, or organizational needs. Experiencing regular or ongoing change may give these types of organizations an advantage when the "change" introduced is associated with the emergence of a crisis.

In contrast, community organizations such as schools, religious organizations, or even terrorist organizations usually may not experience change as often. In fact, some of these organizations often seem to do what they can to avoid change. These organizations may be aversive to change and perceive that strict adherence to tradition or doctrines, like a fundamentalist religion or terrorist organization, better enables the organization to achieve its mission. A crisis event that introduces change to these types of organizations can have devastating effects on the organization's operations and sometimes even its future. This, for example, is one reason why the United States killed Bin Laden and continues to seek out and destroy al Qaeda's leadership. Al Qaeda is a community-type organization and uninterrupted leadership of these organizations is often very important, sometime critical for the organization's operations (e.g., there is usually only a few people who are "allowed" to speak for the organization). In fact, some organizations, such as special interest groups, terrorist organizations or religious organizations, and political parties, assume their leaders are "leaders for life"; they are "the leader" until they die or it is demonstrated that they no longer align with the organization's mission. Therefore, attempts to eliminate or to control the leadership of these types of closed organizations are attempts to severely damage, control or eliminate the organization altogether.

Enterprise organizations typically do not look at leadership this way. Remove a CEO from an automobile manufacturer and another candidate is often ready to move into that position. In fact, change is often swift and sometimes planned for with the new leader or successors often already known to the organization. Change of leadership is not that fast when a pope dies, the head of a terrorist organization is removed, or a country's dictator is assassinated. Someone may assume "temporary" control, a titular leader, in an effort *to keep the organization going* but the process of finding the next pope or the next Bin Laden can take weeks or months—sometimes it never happens and the organization must deal with this crisis by reorganizing, perhaps merging with other similar organizations, or just dissolving.

2. Address Stakeholder Needs

If the crisis facing the organization is, say a life threatening fire, putting the fire out is a primary focus of the organization's leadership. However, putting the fire out is an activity and it shouldn't be confused with our first objective in crisis management aimed at "keeping the organization functioning." The latter is a strategic endeavor involving more than just addressing the fire.

The emergence of a crisis involves several different stakeholders. For example, the organization's leadership, the "event and crisis managers," and the organization's stakeholders are among the core group involved in a crisis. These three operate with different roles and over different periods. For example, the event management team's role usually ends once the last report is submitted.

While these groups are operating, however, there is some amount of overlap among them. They share communication and information about the crisis and its effects and sometimes even resources but *each's mission is different* and, as a result, so too is the makeup of each. The leadership team, for example, oversees everything: the immediate event (the fire), the crisis, and the organization's future, the time *after* the fire is out. They are all stakeholders, however, and each with their own needs.

Stakeholder needs play an important role in the dynamic and sometime troublesome makeup and nature of the stakeholder network. It may seem like some stakeholders are more important than others are but that is probably not an effective or prudent way to approach a crisis or its management. In all likelihood, each stakeholder is likely to see their needs as near, if not at the top of a list of priorities. Why shouldn't they feel this way? After all, they are stakeholders because, well, they have a stake in the organization or, at a minimum, its products, and/or services.

It is important to recognize (and deal with to the extent it is important) the interrelationships among stakeholders in a network. For example, in the figure 8.1 there are five "issue effects" that may have to be dealt with to resolve a crisis. These are the way the issue effects each organization, organizations A and B, A and C, B and C, and all three together (A, B, and C).

Consider an event, a flood, that effects these organizations. The flood might cause water damage to all three organizations (A, B, and C) but only A and B may lose the capacity to maintain production while A and C may have had serious injuries to employees and B and C may have had employees die in the flood. Three organizations (stakeholders) with similar and different effects are associated with the same event. So, all are impacted, the overall network is effected, and the loss experienced by some may be greater than the loss experienced by others from the same event.

Some people associated with the organizations represented by these networks may want to try to determine "who's suffered most" or "who's had the

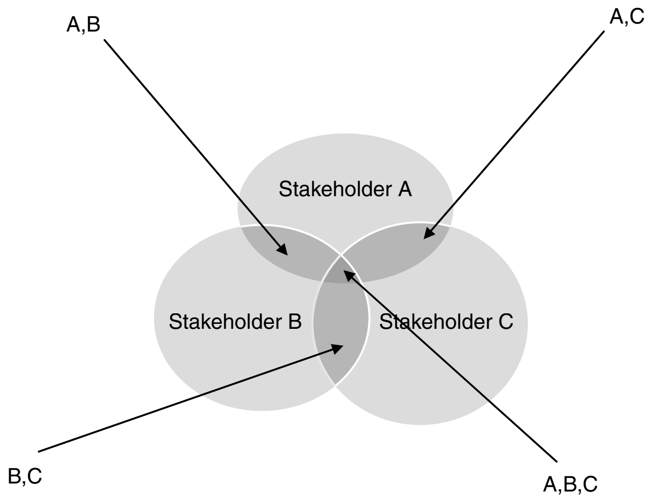

Figure 8.1 Stakeholder relationships around a shared event.

greatest damage" but in the end, do these comparisons really matter? Certainly loss of life is extreme but so is the long-term loss of the capacity to earn a living or to maintain one's livelihood. What matters is that all stakeholders have needs and those needs must be addressed in the crisis management plan. Failure not to act from with this orientation is not only imprudent, but it may also be truly carelessness and, some might say, not representative of the type of leadership and judgment one would expect to see associated with those heading the organization.

3. Build a Plan to Solve the Problem You're Facing and Also Reduce the Likelihood the Problem(s) Will Reoccur.

Sometimes it helps to think about a "Crisis Management Plan" as a collection of smaller plans. The overall plan has a focus that covers the event and subsequent crisis, it has a time line, it names positions with their responsibilities (positions, not people are named), and it defines, in measurable terms, expectations one should see with the completion of a task or activity. But it does this by constructing a collection of plans around certain key operational practices.

The reason for building a plan around operational practices stems from two realities. First, these practices cover most of the major activities associated with crisis management efforts and second, while the event triggering the crisis is usually anticlimactic, crisis management's overall focus is the organization's future. Once the bomb is detonated, the hurricane passes, or the robbery ends, the event ends. We clean up after events but rebuilding begins with crisis management. Consider the illustrations in table 8.1 and the following applications.

For example, communication is critical and often intensive before, during, and after the crisis and is vital for three reasons. First, communication is the bridge connecting the total stakeholder network addressed in the plan. Second, communication activity covers the entire time line and can extend beyond the formal end of the crisis management effort. Finally, effective communication practices are essential to every part of the crisis management effort. Needs assessments, evaluations, planning and implementation sessions are dependent on communication. To this end, sometimes it makes sense to also include special features that maximize the likelihood needed communication will occur. These features can include the use of translators and translations for those who speak different languages, provisions for those with special needs, for example, those with hearing disabilities and, too, care that technical information is presented in ways non-technical people needing to use it can. Sometimes the inclusion of a glossary is of use in some situations, for example for those in the press who are important conduits between the crisis management team and the public.

Evaluations Practices and Strategies are applied consistently and throughout the event and crisis management efforts. Evaluations not only tell the strategist where and why the organization is where it is but these data also can serve as benchmarks to gauge where the organization is once the crisis is "over" and where it may be/can be in the future given *both* the event and crisis. Evaluations are particularly useful when assessing stakeholder needs, trauma, and perceptions regarding the event and crisis generally and certainly the management of each.

Knowledge Management Practices and Strategies contribute to the entire process but are especially useful in the organization's recovery efforts and when devising strategies to address future needs. The emphasis on acquiring, building, and maintaining skills, competencies, and an all important "sense of urgency" regarding the organization, its stakeholders, and its brand are important parts for both.

Relationship Practices and Strategies focus on the stakeholders—*all* of the supporters, feeders, reliers, and demanders. There's a natural tendency to target feeders and supporters because they have a bias toward the organization but if this happens at the expense of the demanders and reliers, it may come back to haunt the planners. As we saw in chapter 4, all four sets effect the organization in one way or another. Alienating a federal regulator (a demander) can lead to penalties, fines, and extra rules and regulations in the future. It's always best to work with all stakeholders.

Table 8.1 Practices that drive and maximize crisis management and recovery plans

Critical Practices and Strategies	**Broad Representative Plans To Manage the Crisis**	**Practices with an Emphasis on the Future**
Communication Management Practices & Strategy—Transfer, exchange, or deliver information.	Communication Plan: Media Presentations Stakeholder updates Coaching Public Relations	Multidirectional communication Bias managed Miscommunications addressed Complete information stressed Erroneous communications plan
Evaluations Practices and Strategies— Evaluate, assess, or appraise performance.	Evaluation Plan: Crisis estimates Crisis monitoring Skilled evaluators	Bias in administration managed Best practices emphasis Systemic evaluation competencies Plan ensuring use of information
Knowledge Practices and Strategies— Acquire, develop, and maintain knowledge, skills, and competencies.	Knowledge Management: Training and development Problem-solving Decision-making Needs assessments	Competency needs established Learning environment Development resources available Development plan in place
Relationship Practices and Strategies— Acquire, build, develop, and maintain	Relationship Management: Team building Subcontractor management Special Team management	Recognition of "People" values Strategic hiring processes Clear job definition Orientation to stakeholders
Performance Practices and Strategies— Ensure performance meets goals, objectives, and standards.	Performance Management: Planning, goal setting Tasks defined; no surprises Quality management skills Disciplinary processes	Attention to detail Follow-up plans in place Coaching and mentoring "Think" rather than "React"
Direction and Control Practices and Strategies Define organization's vision, mission, and key goals and objectives.	Direction and Control Plan: Vision and Mission defined Planning, goal setting Evaluation needs established Security plan in place	Stakeholder management plan Information management plan Key stakeholders identified Management team strengthened Evaluation plans in place
Information Practices, Evaluation Practices and Strategies—Collect store, and distribute information.	Information and Evaluation Information is shared Needs assessments used Program Evaluations used Quality and service measured	Databases in place, current Risk Analysis Cost and Benefit Analysis Cause and Effect Analysis Monitoring program in place

Performance Practices and Strategies also target stakeholders but now the emphasis is on those who are expected to complete particular tasks in a particular way or whose role and function are defined by specific obligations, contracts, or the like. Subcontractors, teams, individual contributors such as lawyers or doctors all must work and function in terms of specific needs, guidelines and evaluation plans. Failure to establish and communicate expectations beforehand is symptomatic of poor, careless management.

Stakeholders do not always interact with the organization in static, predictable ways so monitoring and planning around stakeholder performance must be ready to accommodate variable performance, the inclusion of new and sometimes unexpected stakeholders, and, of course, the potential formation of a stakeholder swarm. The emergence of stakeholder swarms draws on every facet of the event and crisis planning and management.

Stakeholders desire to meet their own needs first, so they may not be amenable to attempts to or requests that they defer their demands, reevaluate their expectations, or simply, "wait their turn." Effective relationship management practices before a crisis can help alleviate tensions during the crisis but if those steps haven't been taken, the best the organization's leadership can do may be to simply rank stakeholders in terms of their true priorities, ensure that *all* stakeholders are addressed, and that assessments are made to ensure that everyone involved will go along with the plan. Check that everyone goes along with the plan, don't trust that it will happen.

Most stakeholders are not interested in seeing the organization fail. After all, its failure may affect a stakeholder's future as well. Capitalize on this opportunity to know which stakeholders are likely to be most sympathetic to the organization's needs and conditions and which are not. Again, address the interests of stakeholders in both groups but there is a lot of value in maintaining relationships with stakeholders truly interested in the organization's future relationship with them. Keep in mind, however, that credibility and trust are key factors for this strategy to work. Violating the trust of those who buy into your plan can be a very negative carryover associated with the crisis you are trying to manage.

Direction and Control Practices and Strategies are best defined in terms of two parameters: the vision and mission constructed with regard to the crisis and for the organization's future. The first is obvious. The event that occurred and ensuing crisis define where the organization, stakeholders, and brand are now, so direction and control strategies stipulate the vision for where the organization will be once the crisis and resulting effects are managed.

The organization's vision and mission for the future may not be as clear or straightforward. An unfolding event and crisis can dramatically effect an organization so that its future may be nothing like what was expected before the crisis. Leadership may be lost or change because of the crisis, the brand may be damaged sometimes beyond repair, stakeholders may abandon the organization for competitors, or, in some cases, may have lost their lives or capacity to perform because of the crisis. One should not enter in a post crisis period assuming the organization is not different or that the original vision and mission are valid. The organization's leadership would be wise to collectively reflect on the impact the crisis has had on the organization, perhaps conduct its own needs assessment, and then speculate on what about the organization may need changing, given effects of the crisis.

Information Practices, Evaluation, and Confirmation Practices and Strategies plans play an important role throughout an organization's lifespan, but they are particularly important tools when part of a crisis management effort (McDonald, 2011). Historic information held in the organization's or public archives may prove invaluable in managing the crisis and related events. Any organization that has experienced chemical spills or the like knows the value of Material Safety Data Sheets in clean-up processes or the treatment of people exposed to the event. It is unfortunate that many leaders and administrators who fought the bureaucracy requiring that they maintained materials such as Material Safety Data Sheets only saw the value of having that information *after* a crisis has occurred. Sometimes, a crisis shows the organization's directors the level of shortsightedness embraced by the organization's existing management.

The contents of an evaluation plan target three activities: monitoring events, circumstances and processes, and measurement and evaluation of program results. Those in team sports, the military, and emergency trauma centers have learned that the events in which they operate require urgency, competency, and ongoing, data-driven evaluations and assessments. These organizations rely on information related to their opponent, environmental conditions surrounding an event, exposures to hazards, time factors, and other performance-related variables. Consider what the different teams associated with the recent tsunami that hit northern Japan must have faced, given the range of exposures affecting people in that tragedy. An earthquake, fire, water, debris, and a tsunami were among the first conditions rescue and response teams may have needed information about as they planned their efforts and then there were the nuclear exposures! Accurate, reliable and valid information are critical for successful crisis management.

3. Putting It All Together: Building a Provisional Model for Speculative, Exploratory, and Theoretical Purposes

Table 8.2 contains an outline of a Crisis Management Plan. It parallels the material covered above and it is included to give the reader an overview of an entire plan. It is a guide but, as such, it is limited to the needs of the organization using it, the crisis, the skills of the planners, and the overall resources of the organization.

Even if the material in table 8.2 does not become the outline for your organization's plan, (perhaps because you are expected to follow an internal

Table 8.2 A representative outline of a crisis management plan

Part One: The Circumstances

1. Know when you're talking about the event versus the crisis
2. Identify the type of event
3. Outline the Crises (directly related to the events or by-products)

Part Two: Analysis

1. Event Profile: What, who, where, when, why (Speculation Level 1)
2. Source of the Event
    Internal or External
3. Exposure (Entry Point for the Crisis)
    Internal or External
    Both Internal and External
4. Exposure Media and Enablers
    Stakeholders (human error—oversight, accident), Performance (urgency, competencies)
    Material, Processes, Equipment, the Culture (management, subnets, values)

Part Three: Crisis and effects

1. Type of crisis observed:
    Stakeholder Trauma:
        (Physical, emotional, and cognitive including attitudes, opinions, and beliefs)
    Organization Trauma
        (Physical, emotional, and cognitive including attitudes, opinions, and beliefs)
    Brand Trauma
        (Physical, emotional, and cognitive including attitudes, opinions, and beliefs)
2. Sources for the crisis:
    Event-related injury, damage, harm
    Pre-event injury, damage, harm
3. Range of effects observed
    For people: For example, behavioral change, attitude shifts, and fatalities
    For operations: For example, termination of processes, practices
    For the Organization: For example, shutdowns, disruptions of service or quality
    For the Brand: For example, Image bruised, Image broken, and Image shattered

Part Four: Recommended Actions for the Crisis (Immediate Attention)—Where are we now

1. The Stakeholders by type
2. The Organization: overall and by area
3. The Brand

Part Five: Recommended Actions for the Future—Where do we want to be/need to be

1. The Stakeholders by type
2. The Organization overall and by area
3. The Brand

model), use its contents as a guide to support your plan or as a way for checking that key material is covered.

4. Building a Provisional Model for Future Speculative, Exploratory, and Theoretical Purposes

Introduction. The best way to coordinate activities associated with a crisis management effort is to begin with the preparation of plan that involves all stakeholders, that lists key activities and responsibilities with due dates, and that offers a timeline for the entire project. Table 8.2 outlines what such a plan might include. When preparing the plan, one should avoid shortcuts or cookbook approaches to project planning related to a crisis. The stakes are too high.

The contents of the plan outlined in table 8.2 are covered in detail below. The material is presented as a summary. The organization's leadership should encourage all stakeholders involved with the plan's development and implementation to examine the sample plan and its elements and to question representative stakeholders regarding the plan's coverage. This is not a fault-finding exercise. The objective is to produce a plan that successfully guides stakeholders through the crisis.

Part One: The Circumstances. In this part of the plan, the strategist clearly distinguishes between the event and the subsequent crisis attributed to or in some way associated with the event. This analysis helps those needing information about the crisis and its management to distinguish between the event and the crisis. This can be difficult because of the nature of the event. Natural events such as hurricanes, tornados, or floods are destabilizing and disorienting. But the event is not the crisis. The crisis is debris that needs to be cleaned away, the trauma that remains, the damage needing repair, and injuries that need to be treated (Anonymous, 2012a).

Hurricanes and the like are extreme events on our scale. The same process of separating the event from the "crisis" is necessary for disruptive small or routine events too, however. Customer service is a routine event and, if done poorly, can create a crisis manifested in rude behavior, anger, customer dissatisfaction, a lost sale, loss of a customer, and sometimes loss of potential customers. Here again the focus is on the crisis. This is where crisis management plan defines the elements of the crisis and will seek to propose remedies such as training for the employee, so the same negative event does not happen again ("Do you see how you might have handled this situation differently?") and to repair the relationship with the customer.

Part Two: Analysis. Part Two details the who, what, where, when, why, and how of the crisis. This analysis begins by recognizing that "we had the event and it triggered the crisis." For example, if a train carrying hazardous chemicals derails (the event), the crisis is that people living in a nearby town need to be evacuated from their homes and possibly treated for the effects of the chemicals. The latter is hard to do if the emergency management team does not know the types and amounts of chemicals spilled and their effects on people; it is hard for them to prescribe the best treatments needed when they don't know the facts associated with the event and crisis.

Knowing particulars about the event and its stakeholders helps build an effective crisis management plan. However, keep in mind, the "post-event management plan" belongs to a different group from those involved with the crisis management plan. Teams for both plans communicate throughout their work however both are likely to have very different skills and competencies, to use very different research and treatment approaches, and, also, to have very different missions and goals for their plans.

Part Three: The Crisis and Effects. Part Three of the crisis management plan focuses on the crisis and subsequent effects. How is the crisis manifesting itself in the organization and among stakeholders? If the event occurred in a particular organization, how are it and its operations effecting the crisis? What physical effects are apparent? How is the organization's image effected or how might it be effected in the future? In what ways? Are the organization's internal stakeholders (e.g., leadership, employees, or membership) capable of managing the crisis or are professionals from outside the organization needed? Don't guess. Be conservative: know the answer to these and related questions.

What is the nature of the crisis for stakeholders? What physical, emotional, or cognitive effects are they experiencing? Stress, depression, and fear are real emotional states that often surface with an event's occurrence, but sometimes it is the ever-present likelihood that new and different emotions will surface adding to the crisis. Anger, impatience, prejudice, and other emotions that affect stakeholders are often latent states associated with a crisis or its management.

A physical injury may become infected, a broken bone may become a lifelong physical disability, and loss of vision may end a career. What is *and* may be the crisis needs to be managed for the stakeholders and the extended stakeholder network, such as their families and friends. One is not looking for definitive answers or solid projections into the future. The effort here is devoted to taking a prudent look at the organization's future. Defining the stakeholder network for the organization before and after the event is a useful way to begin this analysis and to map the plan's progress over time.

Crisis management efforts that focus on loss to the organization or its brand can create crises of their own. These plans are good in their own right because they can explore and help manage shifting attitudes, opinions, and beliefs about the organization resulting from the event. But it is important to recognize that the poor press releases, negative attitudes and opinions about the organization, or even loss of sales are not the crisis—the crisis is that stakeholders who write the press releases or who shape their behavior around their attitudes and opinions about the organization have lost faith in the organization, don't trust the organization, or, for example, simply don't like the organization because of ways the crises were managed.

Most crisis-related phenomena related to an event do not occur simultaneously with the event; they unfold after people begin separating what happened (the event) from effects of the events. If a hurricane destroys a town and you learn about it via the web or media, you might say something like, "Thank God that I wasn't there." However, if after the event you begin to hear that those effected by the event are poorly treated by "the town officials," that different agencies are slow to respond to help the victims, or that people in the effected areas are left to find their own ways to live, manage the crisis, or just to survive, your sentiments may change. You may become angry, you may want to offer money, or even your own skills or time to help the town rebuild or to improve the survivors' well-being. In other words, although you were not directly effected by the hurricane event, you became a stakeholder whose attitudes, opinions, beliefs, and behaviors may be influenced by the unfolding crisis.

Parts Four and Five: Recommendations. These last two parts of the plan are based on the analysis completed to this point. In many ways, the plan's ultimate success depends on the quality of the research and evaluation completed in the first three parts. In Parts Four and Five, the strategist offers recommendations for the immediate crisis—the organization(s) and effected stakeholders over time.

Part Four deals with the here and now; it is the bulk of the plan. Think of this portion of the plan as a matrix: stakeholders are listed in the left column and types of action needed to address their crisis needs are listed in the columns to the right. Obviously this is just a simple example, but it could serve as a template to prepare the type of guide needed to structure a course of action and, later, to measure the plan's progress.

The matrix described offers little more than an outline of material that may be covered in more detailed plans. However, this sketch presents the stakeholders and details their needs and actions recommended. This level of analysis can help in the preparation of data regarding the organization's, brand's, or stakeholders' risk exposure, costs associated with the event, crisis, and actions taken, and the benefits one hopes to see as a result of the actions taken. The analysis also helps produce timelines for those who need information regarding the crisis management plan to know when and what they may expect to receive over time.

Searching for the often deep-seated causes of the trauma associated with an event requires systematic and planned analysis. Throughout the crisis management plan development activity, at least two audits are recommended. The first can be labeled the "Organizational Performance Audit" (see Tafoya 2011) and is an assessment to measure the organization's strengths and vulnerabilities. The second assessment, a "Trauma Audit," provides an accurate and comprehensive assessment of the scope and scale of trauma facing the organization, stakeholders, and the brand(s). (The ETY used to estimate the potential effects of a crisis was covered in chapter 7. Examples also appear in Tafoya, 2011)

Whatever type of audit is developed, those that are most useful examine organizational performance on different levels and for people or programs. People and practice issues have been discussed elsewhere in the book. Programs covered in the audit can reference the use of formal Safety, Security, Quality, and Service Delivery programs to name a few. These, in fact, are among the most important to reference in a crisis management plan because they contribute to both the assessments of ways the crisis was managed and what will be done in the future to reduce the likelihood such a crisis will happen again. One final note regarding coverage of these programs: they can be particularly useful when reassuring stakeholders that the organization will manage this crisis and improve future operations. Again, this is a message for all stakeholders.

Organization fundamentals are the focus of the second audit: directional tools (e.g., a vision, mission, etc.) and the organization's culture and evident strengths and vulnerabilities are typically covered. This tool also has the potential to contribute to the crisis management effort and the organization's post-crisis activities. On one hand, this audit is a gauge to examine where and why damage occurred; information needed as recovery efforts begin. On the other hand, it is a tool for use when taking preventative steps so similar problems may not occur or at least occur with the same results and effects.

Unfortunately, when the type of information provided by performance audits is not available, the only other approach is to analyze the crisis based on the results or effects of the event. The ETY is a useful tool in this regard. The ETY is an estimate of the trauma associated with an event. The ETY was outlined in chapter 7 to examine effects the event's product(s), outcome(s), and impact(s) may have on the organization and/or its stakeholders.

Analysis with this scope and scale must be accomplished quickly and accurately with some information (e.g., related to treatment of injuries or needed in life-threatening circumstances) given the highest priority. Finally, while the value of involving stakeholders in planning activities has been stressed throughout, some stakeholders are particularly useful sources of information regarding the organization's status concerning the crisis being managed. These are stakeholders that often fall in the demanders group: they are regulators, critics, and, for example, members of the media.

Sometimes crisis managers avoid these stakeholders, even banning them from their gatherings or avoiding them all together. This can be a foolish mistake. Although their criticisms may be harsh, the fact of the matter is that their opinions can often be used as a source of information regarding what is being said about the organization (sometimes behind closed doors), stakeholder's positions, and/or boundaries defining key positions or issues for the organization in the future. This does not mean organizations should tolerate lies, slander, or libel meant to malign, disparage, vilify, or defame but it does mean one should look for facts, regardless of how poorly they reflect on the organization or what happened.

Introduction to the Last Part of the Chapter

Finally, consider ways information and data collected for the plan are presented and used. Since change is an objective of those involved in a crisis management plan, every effort should be made to demonstrate ways competence, urgency, skills, and knowledge are part of the crisis management effort. This is true for both those in leadership and non-leadership roles. Organizations are defined by events and while a crisis reflects circumstances surrounding an extreme event, it is also a stage where one's performance is demonstrated for a wide array of stakeholders.

Preparation of the plan discussed and presentation of material regarding the plan and the crisis-management program often begins with a "breach analysis": a description of *where we are now* versus *where we want to be* for *every stakeholder*. Consider the two examples presented below.

Example one: the emphasis of these presentations is description. Descriptions of what occurred, what happened. State the known facts regarding the situation (for example, "Here are at least (5) facts that we know about the situation.").

Example two: Describe everything in terms of your mission. Define long- and short-term goals as quantifiable benchmarks. When preparing this presentation, pay particular attention to the products, outcomes, and impacts expected for each goal. Also, be clear about the objectives for achieving each goal and activities for achieving each objective. All of this material is presented with assigned responsibilities, key relationships with other stakeholders, due dates, and an overall timeline.

There are a variety of possible topics covered in these presentations. For example, contents of a presentation for an event related to "poor customer service" versus an event that resulted in the death of an employee would be very different.

The roles of the stakeholders listed obviously vary from event to event. One would expect their needs to be different but the amount of time needed to conduct and process events related to the crisis also may vary. Both events are important and need to be addressed but the two will unfold over very different time frames. For example, the first event can be managed in a short, defined time frame. However, the gravity of the second event is likely to unfold as a protracted process, perhaps covering several weeks.

Finally, keep in mind that while some stakeholders may simply not like or care for the organization and whatever it does, most simply want to know what the plan is to "manage the crisis"—in the near and long-term. The plan ultimately may never be complete or meet everyone's needs but everyone in the organization should speak from the same script—no adlibbing. If the plan is not complete, there should be some idea given regarding when it will be.

It is also important to keep in mind that members of the crisis management team may be asked questions or for information by people or groups with different agenda. So, the team may benefit from preliminary training sessions that generates a list of potential questions that might come up. Do not try to answer them now, just generate the list. Once the list is generated, prepare a *best* answer for each question, and perhaps run the list by your Legal and Public Relations Departments for their opinions. Then, make sure the team *knows* the questions, answers, and *knows they will be held accountable* for managing the questions as they are asked. Finally, make sure the crisis management team records any unanticipated questions that come up. They can be added to the list and answered latter.

For stakeholders, in general, it is important to conduct a new (assuming this has been done in the past) "needs assessment" to account for any changes since the crisis. This can give you important information about where they are given this crisis and it is a useful way to demonstrate your organization's focus on them (and not yourselves) regarding the future. (Lipowsky, 2012) Moreover, although we haven't stressed too many specific types of messages when communicating about a crisis, a good plan should place real emphasis on themes such as, "we want to help our stakeholders/customers," "we don't want our stakeholders/customers' images to be damaged," and so forth. This is an important consideration for, although those in the organization see the crisis as real because it effects their organization, for the stakeholder the crisis is real because it can potentially affect them.

Finally, some thoughts on "features and benefits" related to the planning effort. There is an old saying in the sales industry that "features tell and benefits sell." Usually, this saying refers to talk about products but it also can be used to talk about the organization, too. A sound and effective crisis management plan often begins and certainly includes an accurate assessment of the organization's image *now*. Keep in mind that the plan discussed is being developed for many reasons but one of the most important is that you're trying to manage this crisis in a way that will help *both* the organization *and* its stakeholders. In the end, this means the organization has to be different in the future from the way it was in the past, otherwise why should stakeholders reinvest their image with you again. What does your crisis management plan say about the future? Does it communicate, "Change is happening and will continue to happen?" It should.

Chapter 9

The Emergence of a Crisis in Complex, Adaptive Systems— The Organization, Its Brand, Stakeholders, and the Future

Introduction

This book deals with matters related to the preparation of a crisis management plan. Three elements associated with organizations in crisis were the focus of the discussion: the organization, its brand, and the organization's stakeholders. These three remain as the focus for this conclusion, with a twist.

In this summary, we review important considerations regarding general matters related to the crisis in the organization, the plan produced, and the stakeholder network. Using these three is a way for concluding the book while offering additional perspective related to a crisis's effects on an organization, its brand, and its stakeholders.

1. The Overall the Objective

Seeking out and addressing the cause for a crisis can require the involvement, efforts and cooperation of members of most if not all key stakeholder groups: those within and outside the organization's network. The process begins with research because there are likely to be many things we want to know about the crises early stages. For example, it is often important to understand how and why the crisis was linked with an event, how and why the crisis moved throughout the organization and network, and why the crisis had the effects it did? Answering these types of questions can contribute a great deal to every part of the crisis management effort: from designing interventions to thoughts regarding what can be done in the future to prepare for or better manage such a crisis.

This research effort is conducted while those involved do what is necessary to keep the organization in operation, address problems (e.g., injury and damage, the need for resources etc.) at hand, and launch activities that would rebuild relationships and prepare the organization for the future. Additionally, it is important to note that there's also a pragmatic, somewhat selfish underlying motives or urgency driving this phase of the recovery: it's the need for rebuilding or at a minimum repairing damage the organization's image that may have occurred as a result of the crisis. This means attention focuses on more than attending to media coverage or related "bad press" but also concentrating on matters that are more fundamental such as fixing practices, procedures, or policies that are out-of-date or have proved to be inadequate. Repairing challenges to the organization's credibility and building a sense of urgency for both internal and external stakeholders also are needed to drive the crisis management effort.

These activities, particularly those aimed at repairing damage to the organization's image, may seem out of place but they are often needed to get stakeholders to invest in the recovery effort or to engage their resources despite the fact that they may have neither the experience in crisis management or interest in helping an organization they may blame for the crisis and events leading up to it. Responding to a crisis and its effects is more that simply saying something like, "Uh oh, look what happened. Let's fix this." In fact, launching a crisis management effort may mean that stakeholders will have to temper their ego, for example by admitting short-comings or culpability, forgetting about past grievances like the things that made adversaries out of network members or, sometimes things as mundane as not letting one's own prejudices or biases prevent them from participating. Why shouldn't a woman, a black, a Muslim or a Jew lead the recovery effort if that's who is best qualified? More than just crisis-related damages can be uncovered in a crisis management effort.

One way to begin rebuilding the organization's image involves designing activities that require stakeholder involvement from throughout the stakeholder network—from stakeholders who, whether they realize it or not have a stake in the organization's brand or its mission. For example, regulators, often viewed as neutral or at least unbiased stakeholders, can be included. That understood, it does not mean they cannot offer their opinions on ways the organization can improve its performance and anticipate problems. Rather this effort seeks their experience with similar crises; they still can maintain their sentiments, opinions, and post crisis plans for the organization or its leadership but sometimes the potential for a crisis to do harm means that these "traits associated with the job one does" must be amended in the face of a more significant issue.

The same is true for other stakeholders. One of the reasons for conducting a needs assessment any time, before a crisis hits or as part of the crisis management effort, is because those in the organization are trying to identify stakeholder needs so that programs, products, services, and operations can be launched that meet their needs too. Remember, it may look like the organization at the center of the crisis is the only one at risk but that's seldom the case. Consider the ramifications of an economic crisis facing a company or a nation, a health crisis that's driving a disease through a poor country or segment of the population, a storm that ravages a state or nation, or a terrorist attack or conflict that breaks out thousands of miles away from where you live. Like a stone in a pond the ripple effects from any crisis has the potential to effect organizations or stakeholders with no seeming relationship to the events and crisis at hand. Yet they do. Just because it's easy to say, "It's not our problem," doesn't mean it's the right or best thing to say.

Finally, a third reason for gaining the participation of others is that they may know things you don't or simply see things differently than you. Involving them in evaluations and assessments conducted before and after launching a program or service can improve their effectiveness now or later. I'm reminded of a scene I witnesses involving the anchoring of a large structure in the channel linking the ocean and a large bay. The water was deep and the current strong and the efforts of all of the intelligent engineers involved wasn't producing a working solution to the problem. Cranes were anchored into the rocky ledges and hung precariously over the water while small boats darted in an out so that anyone needing to see what was going on could, regardless of whether they could offer a suggestion or not. That's when one member of the crew thought they knew someone, not associated with the project, who might be of help.

Now even on a good day the owner paying for this project might be best described as an egotistical bigot, so seeing that dirty, dishelmed old man who only spoke broken English approach this multi-million dollar standstill was, frankly, really worth seeing. The owner's face, marked by disbelief cultured by years of prejudice must have made the fellow who suggested this "old guy" begin thinking about where he'd be working on Monday. Well you can probably imagine how the story ends. Once given the ok, the "old guy," moving like an orchestra's conductor or a world class painter, guided cranes straining under the load of multi-ton boulders so they could drop their loads into just the right place. And, once the foundation was in place the project could continue and the "old guy" could leave.

Now a lot of very intelligent, well educated people, many with a lot of money were involved in this project had to suspend or at least control sentiments or biases regarding the person brought in to "temporarily" lead them through the problem they faced. To this day two things still stand regarding the project: the work done that day still solidly anchors the structures above it and attitudes, opinions and beliefs of those experts still probably haven't changed regarding that "old guy" with his old clothes and broken English. *Involving stakeholders in evaluation and assessment activities can help improve relationships but that's not the reason for their involvement.* This strategy aims at getting useful participation from anyone who can provide it. In this case, stakeholders are involved to generate a swarm that has a proactive view of the crisis at hand, if not the organization at its center.

This doesn't mean the organization shouldn't look for ways to improve its image or relationship with swarm members. This may be a valuable product of the crisis management effort. For example, successful swarm management can target stakeholders who may be important to the organization after the crisis ends, regardless of whether they have neutral, negative, or positive views of the organization. It is a way of saying that this is "who we will be after the crisis. So join us now." Some organizations have a long history of using swarm-like models as part of their regular relationship-building efforts. Proselytizers, missionaries, and advance men are stakeholders on a mission, typically aimed at identifying other, potential stakeholders. It is a model frequently used by community and team organizations seeking to further or to accomplish their mission or to add to their membership.

Finally, few things say "we're back" like *launching the refurbished organization.* This is a great way to return from a crisis but it is vitally important that the organization's leadership and stakeholders demonstrate that this post crisis organization is really, "new and improved."

At a minimum, the "new" organization should be able to demonstrate how it has learned from the experience. It must be able to demonstrate that is has changed, it has learned its lessons. This can displayed as the crisis management plan is being developed, for example, with the introduction of safeguards, or other proactive and preventative measures. But these can't be "paper changes." The organization's leadership must demonstrate that needed changes are internalized by *everyone* involved.

A crisis is a negative event, but that does not mean the organization cannot benefit from the experience. The organization may come out of a crisis with new technologies, improved processes, and procedures and sometimes even new staff in key positions. Some crisis experiences lead organizations to establish safety, security, or quality improvement teams or whole departments.

These both protect and improve the organization while demonstrating to stakeholders that this "new" organization is an improvement over what existed.

2. The Plan, the Guideline for Success

For some, a crisis management plan is a chore or a required task or assignment. So what? It needs to be done so perhaps the best way to approach the plan and plan-preparation process is in a pragmatic way: one that recognizes there are benefits and shortcomings associated with the effort.

Searching for benefits associated with the crisis planning process can begin by recognizing that there are several mini-benefits from simply building the plan. One notable benefit is that preparing the plan may help identify or discover other issues to address for the organization, brand, and stakeholder triangle. This benefit is a proactive feature that helps detect, address, and possibly prevent a future crisis from occurring. It is a way of isolating the magnitude of the effects associated with the crisis and stakeholder experiences.

Planning is also a useful way to build and, sometimes, even breed a sense of urgency among stakeholders, particularly those inside the organization. Building and maintaining a sense of urgency among stakeholders often needs nurturing and always needs direction, channeling, or guidance but those are beneficial activities when one considers the alternative: facing a crisis flat-footed. Building a sense of urgency is not something to do in the face of a crisis.

One final example of benefits associated with the planning process is that those involved often learn things about the organization, its capacity to manage a crisis or to manage different types of crises, its stakeholders, and so on. In other words, if one approaches the development of a crisis management plan as an activity, then the resulting plan is a product. However, if one views the planning effort as a way to discover things like what went wrong, why, and how the plan become a learning tool with multiple applications.

Costs and shortcomings of the planning process should not be ignored, however. Some shortcomings, such as producing a poor plan, can have a range of deleterious effects for the organization and, hopefully, those producing the plan. A poor plan may be incomplete, target the wrong stakeholders, produce inadequate interventions that turn "nothing" into "something," or, importantly, misinform or misdirect the organization's leadership.

Crisis management planning also is an extra expense, which can be a special burden for some organizations. Good plans require measurement and sometimes the only way for an organization with limited expertise to get the quality they need is to hire skilled researchers to do the job and that is an added expense. Good plans must also be complete otherwise the organization may fall prey to adversaries seeking to layer more trouble on top of an already painful mess. An incomplete plan may prompt claims that "problems exist that they're not talking about" or "what issues are they trying to dodge?" Do not aggravate an already bad situation with a poor plan; it is like adding insult to injury.

Finally, plans cost stakeholders their time, their ideas, their involvement, and sometimes their own money. Remember, the crisis already has had effects on the stakeholders so they may approach your crisis management effort with a "sense of dread" regarding the process or their involvement. "You're the ones with the crisis, why bother us?"

3. The Network, the Conduit for Relationships

An organization's network is often its most underutilized opportunity. It is largely composed of those who support the organization but even knowing or working with adversaries in the network is useful for understanding vulnerabilities, opportunities for improvement, and potential indicators of future trouble. However, nurturing and maintaining the network is necessary to realize these benefits.

Equilibrium and optimization are key features of a healthy stakeholder network. The former implies that the network's structure meets the organization's needs. There is cohesion and structural integrity among stakeholders, with a strong hub centered on a clear vision and mission. The network is not passive; it actively pursues goals and objectives needed for performance.

The network is at optimal performance when operational practices (e.g., communication, information, or relationship management) contribute to the network's most favorable performance. Network dynamics are reflected in stakeholder transactions around high quality, reliable products, and services. The network meets stakeholders' needs; it contributes to their well-being. Finally, when a crisis occurs, the network responds as a whole.

When the stakeholder network is not in equilibrium or is poorly optimized, the capacity to manage a crisis is jeopardized and potential for trauma increases. At the organizational level, trauma may materialize as missed deadlines, poor performance, or waste. Among stakeholders, trauma may surface as conflict, defections, aggression, attacks, or a stakeholder swarm. Losses of market share, a damaged image, or threats to the network are among the contributors to the emergence of trauma. Crisis management efforts seek to address damage or injury to the organization and its brand while reestablishing a network that is trustworthy, respectful of the risks and exposures facing stakeholders, and a ready resource should a future crises emerge.

Completely preventing organizational, brand, or stakeholder problems or crises may not be possible but there are things organizations can do to reduce the extent and damage of emerging brand trauma. First, if trauma is experienced, strategies must be introduced that address the trauma as soon as it's observed. These strategies should recognized that no organization is immune to trauma and for some stakeholders, the effects of a crisis will never go away. Second, leaders and managers must know their own brand's vulnerabilities, particularly to a crisis and subsequent trauma. Finally, gauging the impact of a crisis is more than an audit of "what happened." Brand events create trauma and trauma can have good and bad effects. Our focus has been on negative or bad effects associated with trauma because of the potential for risk or damage. An improved orientation to crisis management can help all involved better assess and manage the multidimensional challenges they face.

Appendix A

Events and Organization Types: A Mini Case Study of Channeled Effects Triggered by Attempt to Destabilize a Community-Type Organization

(Focus on a Terrorist Organization)

Once the crisis passed and its effects managed, someone in the organization might try to understand why the crisis occurred in the first place. "Why did all of this happen?" "What did we do or not do that led to this situation?" If the crisis materialized because of a natural or extraordinary event, such as a storm or fire, lack of preparation may have triggered the crisis. The organization or its staff simply was not prepared to manage the event. Policies, procedures, and practices were not in place, or there was inadequate staff training for these types of events.

Sometimes stakeholders who do not share the organization's vision, are natural adversaries, or are just intent on causing harm or the destruction provide the stimulus for crisis-causing events. Launching a "preventative management approach" in these instances begins by understanding what might happen and speculating on why. But that's only the beginning. The material that follows illustrates, from a crisis management perspective, how an adversary might intentionally trigger a crisis.

Triggering a Crisis's Channeled Effects: Possible Strategies for Destabilizing a Community Organization

Introduction

Both overt and covert efforts are used to destabilize an organization. In either case, it is possible to maximize the effectiveness of destabilization efforts by tailoring them to fit the particular type of organization targeted. For example, what works best to destabilize an Enterprise organization might be completely ineffective against Community, Team, or Individual Contributor organizations. Consider the steps outlined below. The prudent strategist might ask a number of questions regarding the information provided. For example, how effective would the activities prescribed to destabilize a terrorist (Community) organization be for the other types of organizations? Would the three strategies outlined be sufficient? How is the destabilization plan's effectiveness (success) measured?

Step One: Destabilize

1. Destabilize the Leadership
The "Community Organization" is often "leader-dependent." Community organizations can view leaders as god-like, some as members of a royal family with leadership prescribed by tradition or rule and, of course, there are the charismatic leaders. Destabilizing strategies for organizations with a leadership-dependent profile are most effective when the organization's structural makeup is poorly defined. Channeled Effects in this instance are maximized when members are led to question their loyalty to and identification with the leadership. "What did I ever see in this person?" or "Can you believe this person this he/she can behave like this and get away with it?"

2. Destabilize the Mission
The community organization has one feature that tends to protect it from threats: people are drawn to the organization's mission and can translate into a very personal, deep-seated attraction to the organization. In fact, a community organization usually exists because it meets personal, special interests or provides particular services that are otherwise hard to find. As a result, members not only invest in the organization but they can also take a strong stance to protect the organization from attack or internal turmoil. Undermining

the mission's salience for its membership is an effective strategy for some community organizations. Channeled Effects when destabilizing the mission seek to increase membership uneasiness regarding the organization vis a vis the mission: Members may feel "This organization is adrift . . . it has no focus." "They have lost sight of mission . . . they have abandoned us!"

Step Two: Disrupt the Shaky Environment

3. Disrupt the Phases that Define Participation
The membership rites of organizations typically reflect three phases. This is true regardless of the type of organization (i.e., enterprise, team, individual contributor, and community) but the significance and role of these phases can be significantly different among or within the classes of organizations. Community organizations can become dependent on the extent to which members successfully move through and learn from these phases. Conversely, the more an organization is dependent on these phases, the more susceptible it may be to emerging threats, risk, and vulnerabilities. The phases are outlined below are for a community organization however, they can apply to all organizations. Channeled Effects stemming from heavy use of membership phases may lead members to believe "These rituals don't make sense, I need to leave this organization" or "We need to take control of this place. It's out of touch with today's world. These people don't know what we value." or "Let's create something new, our own organization."

Becoming a Member of the Community: Phase I—Pre-community. Every organization has some type of joining process but the community's is particularly unique. Awareness of this process is important because a member's opportunity to participate may be limited during this period and dependent on successful completion of the phase. The function of this phase is to screen the individual to make sure there's a good fit for both the organization and individual, but mostly for the organization.

Membership Phase II: Full Participation. The second phase is marked by full participation. Involvement increases, and, typically, levels of mutual affinity, fondness, closeness, trust, and congruence between the member and the organization increase. As importantly, levels of tolerance, responsibility, and compatibility increase with all bonded by a general sense of harmony. Full participation doesn't mean performance isn't watched or evaluated. The only assurance is that the individual is allowed to participate, not necessarily to stay.

Membership Phase III: Immersion and Integration. Immersion and integration reflect heightened levels of maturity within the organization and evident increases in the range and diversity of a member's contribution and involvement. Ever-evolving order, standardization, and uniformity among the membership define the phase. Individuals see increased participation in community events perhaps even as a planner and designer of those events. Friendships increase and an overall sense of closeness can develop that, when necessary, can solidify in "them-not-us" or "we/they" sentiments toward those outside.

Step Three: Concentrate on the Channeled Effects

4. Aggravate the Channeled Effects.

Recall that Channeled Effects focus on deep-seated motives linked to personal attitudes, opinions, and beliefs that are often mediated by even more personal values, standards, morals, principles, or ideals. Recall to that the "channeling effect gains strength and momentum because it achieves a focused, almost funneled flow of effects on the organization and the stakeholders involved. This type of effect may be caused by a common, sometimes even nonspecific problem but the manifestation of the event causes those effected to gravitate to or around a centralized theme or cause, despite the fact that they may have different needs, interests, attitudes, opinions or beliefs." (from chapter 5,) The weakness of channeled effects is linked to their most prominent feature: they are drivers. They motivate in personal, private often subtle ways.

Illustrate the "obvious" conflict. Create the "obvious conflict" if necessary. "This candidate, this organization has drifted; it no longer follows 'the' mission." "They've lost the vision, we haven't." "They're no longer 'like us'". Then illustrate how the conflict fits what the stakeholder is experiencing by blending it into the stakeholder's driving sentiments. "You can see this. Do they think you're blind?" "Others see what you see, why don't the leaders?"

Appeal to the stakeholder's self-interests. The stakeholder joined this movement, supported this candidate and so forth, because doing so fulfilled important, personal, and critical needs. Now those needs are "being ignored," "being disregarded," and "being abused." Promises have been broken, trust betrayed.

Link dissonance to the stakeholder's fears. Show the stakeholder that things are not progressing, they are going back to the ways things were, to a time we could not tolerate. To a time that was so bad it caused us to join this movement, support this candidate. "We've lost momentum." "You've seen this before; you know what will happen next."

Demonstrate alternatives available. All is not lost. Show the stakeholder that action "makes a statement." You're better with this other candidate, this other movement." "You're better on your own. You start a movement. Others will follow."

5. Let Nature Take Its Course.

Bibliography

ABCNews 2011 *20/20.* http:// abcnews.go.com/ lotter/ mcdonalds-dumps-mcmuffin-egg-factory-health-concern/ storyid= 14976054. November 18.

Abreu, M. 2006. "The Brand Positioning and Image of a Religious Organization: An Empirical Analysis." *International Journal of Nonprofit and Voluntary Sector Marketing* 11, no. 2: 139–146.

American Civil Liberties Union and Rights Working Group. 2009. "The Persistence of Racial and Ethnic Profiling in the United States: a Follow-Up Report to the U.N. Committee on the Elimination of Racial Discrimination." American Civil Liberties Union and Rights Working Group, August 2009. http://ACLU.org.

American Marketing Association. "Brand." http://www.Marketingpower.com/resource library/dictionary.org. Accessed November 21, 2012.

Anonymous. 1999. "Keep Reinventing the Brand Or Face Extinction." *Marketing*, February 25. 5.

———. 2010. "BP Oil Spill Could Damage the Firm's Employee Brand." *Personnel Today*, May 11. 2.

———. 2011. ABCNews *20/20*. http://abcnews.go.com/lotter/mcdonalds-dumps-mcmuffinegg-factory-health-concern/storyid= 14976054. November 18.

———. 2011a. "McDonald's Target Drop Sparboe." http://npr.org/Morning Edition. November 21.

———. 2011b. "Sparboe Farms Creates Sustainability Task Force to Review Food Safety and Animal Care Practices." *PR Newswire,* Nov 19, 2011, http://search.proquest.com/docview/904981966?accountid=35396. Accessed November 21, 2012.

———. 2011c. "AVMA Condemns Abuse at Sparboe, Lauds McDonald's Decision." *Targeted News Service*, November 18.

———. 2011d. "Sparboe Farms Faces False Advertising Claims Following Undercover Animal Cruelty Investigation." *PR Newswire,* Dec 01, 2011, http://search.proquest.com/docview/907061671?accountid=35396. Accessed November 21, 2012.

———. 2012a. "Can PR Save the Penn State Brand?" *Advertising Age* (July 25):.http://adage.com/article/news/pr-save-penn-state-brand/236316/

———. 2012b. "Face Control." *The Economist*, July 21. 54–55.

———. 2012c. "McDonald's Dumps US Egg Producer After Animal Rights Expose " *Business Briefs*. *Poultry World*, January, 14.

———. 2012d. "USDA Suspends Central Valley Meat for Humane Handling Violations." *New & Events*. United States Department of Agriculture, Food Safety and Inspection Service. August 21.

Arnold, C. 2012. "Consumer Bureau Targets Improper Foreclosures." http://npr.org/Morning Edition. August 13.

Barnes, J. C. and N. Lough. 2006. "An Analysis of Brand Image and Consumer Image Congruence in the Marketing of Selected Sport Properties." *The ICHPER-SD Journal of Research in Health, Physical Education, Recreation, Sport and Dance* 1, no. 1: 25–31.

Batty, M. 2007. *Cities and Complexity: Understanding Cities with Cellular Automata, Agent-Based Models, and Fractals*. Cambridge: MIT Press.

Benjamin, Kim. 2007. "New Direct and Digital Agency Has Brand Focus." *Marketing Direct* (July–August): 4. http://www.marketingmagazine.co.uk/news/673812/

Blackman, D., J. Levitz, A. Berzon, and L. Etter. 2010. "Birth of a Movement." *The Wall Street Journal* 256, no. 102: A1.

Bowden, M. 2000. *Black Hawk Down: A Story of Modern War*. New York: Atlantic Monthy Press.

Brown, M. 2012. "Do You Support 'Anyone But Obama'?" http://Townhall.com. April 23.

Brownstein, M. 2011. "Penn State Had Plenty of Time, But It Didn't Have A Crisis Plan." *Advertising Age* (November 15):. http://adage.com/article/small-agency-diary/penn-state-faced-a-communications-crisis-plan/230998/

Bryson York, E. 2008. "Brand Vs. Brand Attack Ads on the Rise." *Advertising Age* 79, no. 40 (October 27): 1.

Buhl, J. D., J. T Sumpter, I. D. Couzin, J. J. Hale, E. Despland, E. R. Miller and S. J. Simpson. 2006. "From Disorder to Order in Marching Locusts." *Science*, 312, no. 5778. June 2, 1402–1406.

Bush, M. 2010a. "BP Grapples With Investor Conundrum." *Advertising Age* (July 6): http://adage.com/article/news/bp-grapples-investor-conundrum/144723/.

———. 2010b. "Gulf Coast's $20B Tourism Biz Asks BP to Foot Advertising Bill." *Advertising Age* (May 17):.http://adage.com/article/news/gulf-coast-s-20b-tourism-biz-asks-bp-foot-ad-bill/143897/

Camazine, S. and J. Sneyd. 1991. "a Model of Collective Nectar Source Selection by Honey Bees: Self-Organization through Simple Rules." *Journal of Theoretical Biology* 149: 547–571.

Camazine, S., J. L. Deneubourg, N. R. Franks, J. Sneyd, G. Theraulaz, and E. Bonabeau. 2001. *Self-organization in Biological Systems.* 167–188. Princeton: Princeton University Press.

Chan-Olmsted, S. M. and Y. Kim. 2002. "Perceptions of Branding Among Television Station Managers: An Exploratory Analysis." *Journal Of Broadcasting and Electronic Media* 4, no. 2: 300–320.

Charles, D. 2012. "So Who Sent Those Sick Cows to the Slaughterhouse?" http://npr.org/The Salt. August 23.

Darragh, T. and P. Hall. 2011. "Like Catholic Church, Penn State Kept Abuse Secret." *McClatchy-Tribune Business News*, July 15.

Dayton, B. W., ed. 2004. "Managing Crises in the Twenty-First Century." *International Studies Review* 6, no. 1 (March):165–194.

DeMars, J. 2011. "More Fallout for Minnesota-Based Sparboe Farms." http//:kare11.com, *KARE-TV*, Minneapolis-St. Paul, Minnesota. November 22.

Deneubourg, J. D., J. M. Pasteels, and J. C. Verhaeghe. 1983. "Probabilistic Behaviour of Ants: A Strategy of Errors?" *Journal of Theoretical Biology* 105, no. 2, 259–271.

Deneubourg, J. L., S. Aron, S. Goss, and J. M. Pasteels. 1990. "The Self-Organizing Exploratory Pattern of the Argentine Ant." *Journal of Insect Behavior* 3, no. 2, 159–269.

Dittrick, P. 2010. "BP Oil Spill Charges Reach Nearly $40 Billion." *Oil & Gas Journal* 108, no. 42 (November 8): 23–24.

Duckworth, G. 1994. "Sharp Focus on Brand Image Is Key to Success." *Marketing*, September 22. 7.

Dunn, A. 2010. "Proper Crisis Management Can Go a Long Way toward Protecting the Brand." *PR Week* 13, no. 9: 17.

Dutta, S. and C. Pullig. 2011. "Effectiveness of Corporate Responses to Brand Crises: The Role of Crisis Type and Response Strategies." *Journal of Business Research* 64, no. 12: 1281.

Farquhar, P. 2005. "Brand Alignment Across Organizational Boundaries." *Journal of Brand Management* 13, no. 2: 96–100.

Flynn, D. 2011. "Egg Rule Violations Cost Sparboe Its McDonald's Account." *Food Safety News*, November 19.

Foxman, E., P. Berger, and J. Cote. 1992. "Consumer Brand Confusion: A Conceptual Framework." *Psychology & Marketing (1986–1998)* 9, no. 2 (1992): 123–123, http://search.proquest.com/docview/230394247?accountid=35396. Accessed November 22, 2012.

Galli, C. 2011. "Animal Rights Group Accuses Sparboe Farms of False Advertising." http://abc.com/*ABC News*. December 1, 2011.

Giges, N. 1982. "New Tylenol Package in National Press Debut." *Advertising Age* (November 15).

———. 1983. "One Year Later, Tylenol Faces New Challenge." *Advertising Age* 54, no. 41 (Sep 26,): 3, http://search.proquest.com/docview/208279894?accountid=35396. Accessed November 22, 2012.

Glick, T. 2010. "Will the BP Oil Spill Be the Spark?" *New York Beacon*, May 27. 7.

Gloor, P. 2006. *Swarm Creativity: Competitive Advantage through Collaborative Innovation Networks*. New York: Oxford University Press.

———. 2007a. "The New Principles of a Swarm Business." *MIT Sloan Management Review* 48, no. 3 (2007): 81. http://search.proquest.com/docview/224961600?accountid=35396. Accessed November 22, 2012.

Gloor, P. and S. Cooper. 2007b. *Cool Hunting—Chasing Down the Next Big Thing?* New York: AMACOM.

Goodman, A. 2012. "America's War in Afghanistan: Murdered Civilians, Mistreated Veterans." *The Guardian*, March 15 http://www.guardian.co.uk/commentisfree/cifamerica/2012/mar/15/americas-war-in-afghanistan

Gottwald, W. H. 1995. *Army Ants: The Biology of Social Predation*. Ithaca: Cornell University Press.

Guzman, F. and V. Sierra. 2009. "A Political Candidate's Brand Image Scale: Are Political Candidate's Brands?" *Journal of Brand Management* 17, no. 3: 207–217.

Halliday, J. 2007. "BP Touts Greenness, Then Asks to Dump Ammonia." *Advertising Age* (August 20): Halliday, Jean. "BP Touts Greenness, then Asks to Dump Ammonia." *Advertising Age* 78, no. 33 (Aug 20, 2007): 2–2, http://search.proquest.com/docview/208374971?accountid=35396. Accessed November 22, 2012.

Hauser, C. 2012. "Work at Slaughterhouse Is Halted After Graphic Undercover Videos." *New York Times*, August 22. http://NYTimes.com.

Holldobler, B. and E. O. Wilson. 1990. *The Ants*. Cambridge: Harvard University Press.

———. 2009 *The Superorganism: The Beauty, Elegance, and Strangeness of Insect Societies*. New York: W.W. Norton.

Holstein, W. 2000. "Guarding the Brand Is Job 1 the Tire Recall Shows How the Net Is Complicating Damage Control Bridgestone/Firestone Tire Recall." *U.S. News & World Repor*t 129, no. 10 (September 11): 64, 66.

Horowitz, G. 2012. "The 'Anyone but Obama' Trap." http://Americandailyherald.com, Accessed Novenber 21, 2012.

Inskeep, S. and M. Pesca. 2012. "Armstrong to be Stripped of Cycling Records." Nation Public Radio, http://NPR.org/Morning Edition. August 24.

Johar, G. V., M. Mathias, and S. A. Einwiller. 2010. "How to Save Your Brand in the Face of Crisis." *MIT Sloan Management Review* 51, no. 4 (Summer): 57–64.

Johnson, J. 2012. "There's a Reason the Government Is Involved. Readers Write: Light Rail, Soda Tax, Animal Welfare." *Star Tribune*, February 3. http://www.startribune.com/opinion/letters/138607704.html?refer=y

Kapferer, J. 1995. "Brand Confusion: Empirical Study of a Legal Concept." *Psychology and Marketing* 12, no. 6: 551.

Kaplan, T. "The Tylenol Crisis: How Effective Public Relations Saved Johnson and Johnson." http://www.aerobiologicalengineering.com/wxk116/TylenolMurders/crisis.html

Karger, T. 1986. "Diagnostic Research Can Provide Treatment for Old, Ailing Brands." *Marketing News* 20, no. 19: 18.

Karnowski, S. 2011. "Target Scrambles for Eggs after Dumping Sparboe Over Abuse Video." *News.* http://MPR.org (Minnesota Public Radio). November 22.

Kennedy, J. R., C. Eberhart, and Y. Shui. 2001. *Swarm Intelligence*. San Francisco: Morgan Kaufmann Publishers.

Levy, M., M. Scoloforo, and M. Rubinkam. 2012. "Penn State Loses One Sponsor, Others Could Follow." *Spartanburg Herald-Journal*, July 24. http://goupstate.stats.com/cfb/story.asp?i=20120724032900780805708&ref=hea&tm=&src=

Lindsay, M. 2002. "Tips on Building Alignment Strategy." *Kitchen and Bath Business* 48, no. 10 (October): 8.

Lipowsky, J. 2012. "Penn State's Jewish Community Weighs How to Move Forward." *Jewish Exponent*, July 26, 8.

MacArthur, K. 2000. "Coke Crisis: Equity Erodes as Brand Troubles Mount." *Advertising Age* 71, no. 18 (April): 3, 98.

Mallozzi, C. 1994. "Facing the Danger Zone in Crisis Communications." *Risk Management* 41, no. 1: 34.

Mayes, N. 2007. "Intelligence: Its Role in Brand Security." *Competitive Intelligence Magazine* 10, no. 3 (May–June): 50.

McDonald, C. 2011. "Catholic Church Risk Management Effectively Reducing Abuse, Claims." *Property & Casualty 360*, September 29.http://www.propertycasualty360.com/2011/09/29/catholic-church-risk-management-efforts-reducing

Mintzberg, H. 1987. "Crafting Strategy." *Harvard Business Review* 65, no. 4: 66–75.

Morris, W., ed. 1969. *The Ameruican Heritage Dictionary of the English Language*. Boston: Houghton Mifflin Co. 314.

Passino, T., D. Seeley, and P. Visscher. 2008. "Swarm Cognition in Honey Bees." *Behavioral Ecology and Sociobiology* 62, no. 3: 86–87.

Pesca, M. 2012. "Football Coordinator Paid Players to Hurt Opponents." http://npr.org/All Things Considered. March 5.

Popp, T. 2012. "Penn Perspective on the 99%." *The Pennsylvania Gazette* 110, no. 3 (January–February): 46–53.

Pullig, C., R. Netemeyer, and A. Biswas. 2006. "Attitude Basis, Certainty, and Challenge Alignment: A Case of Negative Brand Publicity." *Academy of Marketing Science Journal* 34, no. 4 (Fall): 528–542.

Reichblum, C. 2004. *Strange and Fascinating Facts about Famous Brands*. New York: Black Dog and Leventhal.

Riechmann, D. and M. Khan. 2011. "7 U.S. Soldiers Dead in Taliban Bombings in Afghanistan." http://huffingtonpost.com. May 26.

Ries, A. and L. Ries. 1998. *The 22 Immutable Laws of Branding: How to Build a Product Or Service into A World-Class Brand*. New York: Harper Business.

Sharp, J. E. M. 1997. "New Focus: Brand Loyalty." *Editor & Publisher* 130, no. 29 (July 19): 28.

Southern Poverty Law Center. 2012. "Domestic Terrorism." http://SPLCenter.org. Accessed November 22, 2012.

Stannard, E d. 2011. Penn state, catholic church scandals show risk of child sex abuse greater when image all-important, experts say. *McClatchy – Tribune Business News*, Nov 20, 2011. http://search.proquest.com/docview/905023414?accountid=35396. Accessed November 22, 2012.

Steward, R. W. 2002. *The United States Army in Somalia: 1992–1994.* St. Louis: U.S. Army Center of Military History. CMH Pub 70–81–1.

Suarez, R. 2010. "For Troops, IEDs Mean 'Every Step Could Be Your Last.'" http://pbs.org/PBS News Hour. July 30.

Tafoya, D. 1983. "The Roots of Conflict: A Theory and Typology." In *Intercultural Communication Theory: Current Perspectives*. Vol. 7. Edited by William B. Gudykunst, 205–241. Beverly Hills: Sage Publications.

———. 1984. "Research and Cultural Phenomena." In *Methods for Intercultural Communication Research.* Edited by William B. Gudykunst and Young Yun Kim. Beverly Hills: Sage Publications.

———. 2009. "Organizational and Individual Effectiveness, Complexity and the Effects of Emerging Events on Performance." Paper presented at the Spring Conference, The Center for the Study of Complex Systems, University of Michigan. May 16.

———. 2010. *The Effective Organization: Practical Application of Complexity Theory and Organizational Design to Maximize Performance in the Face of Emerging Events*. New York: Routledge.

———. 2011. "Simulations and the Application of Complexity Theory to Study Human Social Systems: Epistemological Issues Associated with the Use of Simulations in a Study of the 'Emergence and Self-Organization of Labor Unions'" as a poster presentation for the Epistemology of Modeling and Simulation conference, Pittsburgh, April 1–3.

Thomas, J. 2009. "PC World Shifts Focus to Brand Over Products." *Marketing*, May 27. 3.

Thomaselli, R. 2011. "Penn State Sponsors Start to Flee in Wake of Sex Abuse Scandal." *Advertising Age* 82, no. 41 (November 11) THOMASELLI, RICH. "Sponsors Start Withdrawing as Penn State Embroglio Gets Ugly." *Advertising Age* 82, no. 41 (Nov 14, 2011): 3-n/a, http://search.proquest.com/docview/904406185?accountid=35396. Accessed November 22, 2012.

Tran, K. T. L. 2010. "New Lucky Brand CEO Seeks Sharper Focus". *Woman's Wear Daily* 199, no. 107(May):. http://www.wwd.com/markets-news/denim/new-lucky-brand-ceo-seeks-sharper-focus-3080889

Villegas, S. 2007. "Re-Examining a Utility's Brand Image." *American Water Works Association Journal* 99, no. 9 (September): 48, 50, 52, 54–55.

Wertheimer, L. 2010. "Who Is the Tea Party? There's No Short Answer." http://npr.org. September 15.

Wheaton, K. 2010. "BP's Got 99 Problems———and Twitter is One: Someone Calling Himself 'BP Global PR' is Having a Field Day." *Advertising Age* (May 24) http://adage.com/article/adages/bp-s-99-problems-twitter/144043/

Williams, P. M. 2002. "Community Strategies: Mainstreaming Sustainable Development and Strategic Planning." *Sustainable Development*, 10: 197–205.

Wood, D. 2012. "IED Blasts Spike in Afghanistan Was as the Wounded Flow Home." h*uffingtonpost. com*. http://huffingtonpost.com. July 26.

Wu, X. 2007. "Understanding Chinese and U.S. Crisis Behavior." *The Washington Quarterly* 31, no. 1 (Winter): 61–76.

Index