



# Crisis Management Workshop

 Pepco Holdings, Inc

 *U.S. Small Business Administration*

## PR News Media Relations Conference

Presented by: Terry Sutherland, Director, Press Office, U.S. Small Business Administration  
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## About Pepco Holdings Inc.

- Provides regulated electricity service to about 2 million customers – total population of 5.6 million – in New Jersey, Delaware, Maryland and the District of Columbia
  - Delmarva Power also provides natural gas service
  - Pepco Energy Services is a non-regulated subsidiary that provides energy efficiency and renewable energy services



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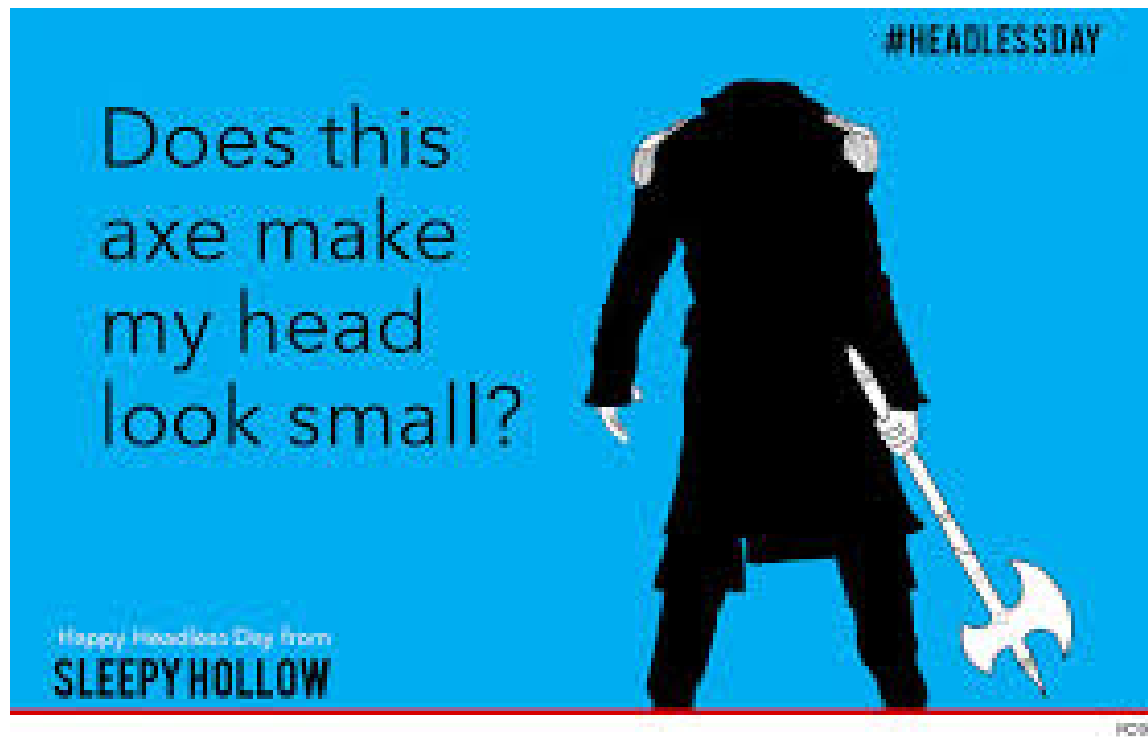
# Remember the Basics

Myra Oppel

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# The best way to handle a crisis is to prevent it

- Keep a finger on the pulse of your environment
  - Malaysia Airlines' "Bucket List" promotion
  - *Sleepy Hollow's* "Headless Day" campaign



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## Back to basics

- **Be proactive.** Get out first to frame the story
- **Be transparent.** If you have bungled something, you need to confess and repent. Take the initiative to explain what you did wrong, what you're doing to ensure it doesn't happen again and how you will try to make it right for those you've failed
- **Be consistent.** Make sure all strategic areas of your company know the facts and messages and stick to them

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# The first 24 hours

- Identify a crisis
  - Online buzz
  - Media calls
- Speak first about your situation
  - The most important advice: Be quick, but don't be too hasty
  - By getting ahead of others who might speak against you or distort the truth, you can frame the narrative for your story
  - By getting out the facts, you have a better chance of getting accurate reporting
  - You may not have all the facts up front so update regularly
- Talk about actions you're taking
  - Keep stakeholders informed on the scope, schedule and impacts
  - Be specific about consequences and remedies
- Solve for the long term

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# Have a plan

- Start by building a strategic communications plan
  - Situational analysis
    - What other organizations might be involved and require collaboration?
  - Objectives
  - Audiences
  - Key messages
  - Outreach strategy
  - Tactics
  - Timeline
  - Budget
  - Measurements

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# Remember your audience

- Frame the project from the public's perspective
  - How will the crisis affect them?
  - Avoid acronyms, jargon
- Use tactics that will meet them where they are
  - News releases
  - Fact sheets
  - Q&A
  - Media embeds or tours
  - Maps
  - Photos
  - Talking points (one set for all users)
  - Social media
  - Employee ambassadors
  - Direct mail
  - Advertising

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# Improving Crisis Communications

Terry Sutherland

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# About Small Business Administration

- Since its founding on July 30, 1953, the U.S. Small Business Administration has delivered millions of loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses.
  - In FY 14 SBA approved 52,044 7(a) loans for \$19.19 billion.
  - Headquartered in Washington, D.C.
    - 10 Regions
    - 68 Districts



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# Incident or Crisis?

- Incident
  - An individual occurrence or event
- Crisis
  - A condition of instability or danger, as in social, economic, political, or international affairs, leading to a decisive change.

**Should be reserved for serious events that require careful attention from management.**

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# Real World Crisis Communication Event

## Pentagon, March 4, 2010



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## How do you handle a crisis initially?

- **Crises can happen at anytime.** My scenario: 6:40 p.m.
- **Get updates and team in place.** Received updates while driving back.
- **Acknowledge the obvious:** “Feed the Beast.” Brief verbal statement, press conference at 8 p.m. (Buys you some time)
- **Assemble Crisis Action Team onsite.** Discuss game plan.
- **Get the latest details.** Facts, status update, timeline, current operating procedures.
- **Prepare statement.** Tell them what you do know, but also what you don’t know, and what you are currently doing. Prep spokesman for potential questions.
- **Press conference as soon as you can** (alleviates the media trying to reach out to unofficial sources). Stay in your lane. Don’t speculate.
- **Be calm. Control the situation.** Be cooperative and credible. If you don’t provide information, someone else will! Stress and repeat your messages.

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# Press Conference

8 p.m.



- In a major crisis, you normally bring out your most senior leadership.
- In this case, we opted to use Chief of Police Keevill because of his uniform presence (better visual for TV).
- It also allowed us the option later, if needed, to bring out the PFPA director.

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## Press Conference 6 a.m. (Friday, March 5)



- We stayed up all night to get more details about Bedell and our police officers who were shot.
- We were sensitive to the news cycle. At 8 p.m. news conference, we announced press conference with the FBI at 6 a.m. for morning news shows and that day's news cycle.
- We announced that Bedell had died from his gunshot wounds and that our police officers were not seriously injured. Reiterated our messages.
- Stressed how Pentagon security was not breached and that no civilians were harmed.

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# Breaking News – National Coverage Concerns – Safety and Reputation



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# Turning a Crisis into a Positive

Officers Jeffrey Amos, Marvin Carraway and Colin Richards

- Took what could have been a real tragedy and turned lemons into lemonade.
- Coordinated countless media interviews showcasing their bravery. Did live hits on all the morning shows and major dailies.
- It was a tragic event but reinforced the public's image of Pentagon security/law enforcement.



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# Key Takeaways

- Be aware
- Be first
- Be open
- Be consistent
- Be considerate
- Be prepared
- Be the right team

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# Interactive Exercise

- We'll distribute to each table a simulated crisis scenario
- Tables will work as a team
- You'll have about **20 minutes** to develop a crisis plan
- Team spokespeople will share highlights from their plans, and Terry and Myra will critique

Questions?

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**MYRA OPPEL, APR**, is regional communications vice president for Pepco Holdings Inc., where she ensures communications alignment as the primary communications interface across its three electric utilities: Atlantic City Electric; Delmarva Power; and Pepco, which serves Washington, D.C., and Montgomery and Prince George's counties in Maryland. She began her communications career of more than three decades in newspapers and The Associated Press before transitioning to Connecticut-based Northeast Utilities, where she headed media relations. Myra left NU in 1997 and worked as an award-winning political media consultant and PR consultant until she joined PHI in 2012. She was named PR News' 2013 PR People Awards Media Relations Professional of the Year.

**TERRY SUTHERLAND** is the Director, Press Office, for the U.S. Small Business Administration where he serves as the senior spokesman and oversees all agency media relations. Previously, Terry served in the U.S. Navy as a Public Affairs Officer and retired as a senior naval officer in 2007. Since then he has served as a federal government senior supervisory public affairs specialist at the Defense Intelligence Agency, Pentagon Force Protection Agency and since April 2013 at the SBA. Terry has accumulated many personal and professional awards over his 27+ year career including PR News 2010 Crisis Management Award. He will be awarded a Master's degree in Public Relations and Corporate Communication from Georgetown University in May 2015. He also has degrees from the Virginia Military Institute, University of Oklahoma and graduated from the Senior Executive Fellows Program at the Kennedy School of Government, Harvard University.

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