

# CRISIS INSIDER

Insights, Strategies and Analyses for Brand Reputation Management

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## HOT ZONE

### Giving Staff Bad News: Travel Industry Turns to Crisis Communication Basics

2020 will make history on numerous fronts, not the least of which is the number of organizations that have had to deliver bad news to employees.

COVID-19 forced thousands of companies to cut staffing, with about 4 million job losses becoming permanent, about 2.5 million more than pre-pandemic levels.

It's not the kind of news anyone wants to deliver, but there are a few important tips for managers to remember when they have to share tough news in a crisis.

In short, the way you communicate with employees during a crisis will serve you well when relaying news about job losses, furloughs and reorganization. (Continued on page 4)

## BUZZ BOX

### Terms You Need to Know

**The Stockdale Paradox:** Named for Adm. James Stockdale, the paradox holds that optimism is part of strategy, including crisis. Yet, optimism should not be the basis of strategy. A prisoner of war for 7.5 years during Vietnam, Stockdale hoped for freedom, though he knew the reality. Optimists died, he said, because they believed, 'I'll be free by Thanksgiving. I'll be free by Christmas.' When that didn't happen, sadness overtook them. Is your organization pinning its hopes on a COVID-19 vaccine or miracle cure? A better tactic might be adapting to current conditions.

**Doomscrolling:** Continuing to scroll and read unpleasant news on social channels without being able to stop. This is happening with COVID-19 news. As communicators must gauge their audience, it's important to know this phenomenon.

## CRISIS CIRCUIT

### New Novel Includes Plenty of Crisis Lessons

**[Editor's Note:** Periodically, *Crisis Insider* likes to offer entertaining ways to learn about crisis, including through novels, films and television.

Crisis pros who want to write a memoir often struggle with confidentiality issues. They don't want to name names, but itch to tell stories. Some turn to career-informed fiction.

A recent example of this is former **Burson-Marsteller** chief Jim Lindheim's "Spin," a hilarious yet informative look at a fictional tech start-up whose mercurial CEO is accused of harassment. Think **HBO's Emmy-winning series** "Succession" with elements of Michael Crichton's "Disclosure."

Steve Manuel, a long-time professor of PR and advertising at **Penn State**, and a career public affairs officer with the **Marine Corps** (1969-1996) and Pentagon

(Continued on page 2)

# CRISIS INSIDER

Vol. 1

No. 3

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**Published monthly by Access Intelligence, LLC**  
9211 Corporate Blvd, 4th Floor  
Rockville, MD 20850

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## PR NEWS

## CRISIS CIRCUIT (Cont'd from p. 1)

spokesperson, alerted us to another recent PR crisis-related novel. Here's his report.]

I recently picked up [Mike Doble's novel](#) "On the Hot Seat" for several reasons. The first being that I teach PR and advertising and a book from a former insider always is of great interest.



**'No comment' is a comment, and it's not positive. If you aren't speaking, your critics are.**

The second reason is that I served with the author at the Pentagon.

The premise of the book has the protagonist of a major PR firm and his cohorts representing a ruthless dictator, a literally toxic chemical manufacturer and a car company whose new SUV has hot seats. Honest.

What could possibly go wrong?

A great deal can and does, in the most shocking, fun and despicable ways.

The author was a career Army officer, SVP at a PR firm and spokesman for a Fortune 200 company. He infuses his fictional characters with his real-world knowledge.

Half the fun of reading the book is the fictional characters, settings and PR meltdowns.

For me, the other half of the fun was finding important PR lessons, which transcend the fictional story and became *must reads* for my students and timely reminders for those already in the PR business.

In the course of reading the novel, I jotted down more than 70 lessons that came from the story. Here's my Top Ten.

**1. Don't blame others for crises with your brand.** Deflecting blame drills a hole in your reputation boat.

**2. Reputations are built on action, not press releases.** Follow your

**3. Don't spin your clients.** They should see you as a chronic truth teller.

**4. Watch for statements or actions that can be immediately lampooned and made into memes.**

**5. No organization is so big and powerful it can ignore ethical and legal rules and get away with it.** Eventually the truth will out. With victims. And financial and reputation damage that can go on for years.

**6. The buck stops at the top (of the food chain).** In other words, don't blame your employees, who are your most valuable assets. Accept responsibility, find a solution, and move on. (Remember Wells Fargo CEO John Stumpf blaming middle managers for the phony credit card scandal? He was a former CEO just one month later.)

**7. External criticism is healthy.** PR is about listening and establishing positive relationships.

**8. Crises offer opportunities.** A crisis isn't all bad unless you make it so. In the novel, a fictional chemical company, Chentex, had opportunities to improve itself and the town where it was based. Instead, it chose greed over reputation.

**9. Vet thoroughly those you represent.** Weigh the money you will make versus organizational reputation and the eventual corporate and/or professional demise that could occur when representing a notorious company.

**10. Refusing to speak to the media** is a major error. Media is the conduit to your target audience. This is a truth spelled out in detail within the novel.

'No comment' is a comment, and in most cases, it isn't a positive one. Nature hates a vacuum. If you aren't speaking, your critics are. Don't let anyone define you, the crisis you are fighting, or your company.

(It's not a political statement to say that President Trump's doctors created a larger story when they refused to provide the media with certain details about his recent medical issues.)

While liking or disliking a novel is personal, how best to deal with a client or life crisis is common to us all and this book maps out answers. I hope this list better equips you for that mission.

—Steve Manuel

Steve Manuel is a professor of PR and advertising at Penn State

# 76% of C-Suite Aware of Brand Heritage Issues, 26% Set for History-Related Crisis

Gone are the days of PR crises occurring solely during business hours. Now, what employees or influencers do away from the office can precipitate a crisis. That's small change, though, when you consider a company's activities several hundred years ago now are fair game.

Recently, UK banks [had to explain their founders' ties to slavery](#). In the US, we've seen iconic brands like **Aunt Jemima**, **Uncle Ben's** and **Cream of Wheat** [change their packaging](#). Under duress, the **Washington Football Team** [removed its derogatory name recently](#).

Generally, brand heritage is considered a positive. Per the examples above, this might be changing.

Moreover, history can be a moving target. For example, a company that was proud of developing nuclear weapons during WWII now wants to keep that quiet. A worse scenario is when a company participated in something that was not accepted in the past or today.

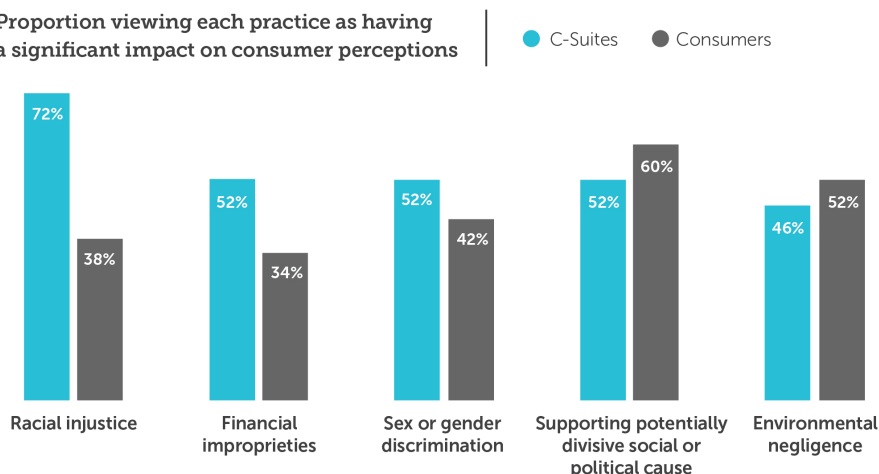
To gauge opinions about brand heritage, **History Factory**, a 41-year-old PR firm that incorporates history as it counsels companies, commissioned research firm **Greentarget** to [survey consumers, investors and C-suites](#).

The good news is that nearly half of executives (48 percent) were "very concerned" that brand heritage could be perceived negatively; 42 percent were "moderately concerned."

Those figures were higher than History Factory was expecting, says Jason Dressel, managing director.

More good news: 76 percent of C-suite

Proportion viewing each practice as having a significant impact on consumer perceptions



**Disconnect:** 72% of C-suite respondents thought past racial injustices would be consumers' top concern. Consumers, though, said social-political issues were. Source: "Perils of the Past," History Factory, Sept. 2020 (50 C-level execs, 35 investors, 35 consumers/heads of households)

execs are aware of brand heritage issues. On the downside, just 26 percent are "very prepared" for such crises.

As for investors, 60 percent said they'd be concerned with company's troubled past, 29 percent said they'd scuttle an investment in such a company.

This indicates "ESG (Environmental, Social and Corporate Governance) really is taking hold," Dressel says.

## KNOW YOUR AUDIENCE


There are disconnects. As the chart shows, most C-suites (72 percent) believe consumers are most concerned with racial injustice. Yet a majority of consumers (60 percent) were far more concerned about a company's support of divisive social-political issues.

Another discrepancy: Nearly 75 per-

cent of C-suite executives said consumers would likely or very likely regain trust in a brand based on corrective action. Only 56 percent of consumers agreed.

Moreover, 60 percent of consumers said they would stop using a company's product or service over heritage issues; 42 percent would inform family, friends and others.

In both cases, these were far more than the C-suite expected.

"The first step [for the C-suite and communicators] is knowing what's out there; knowing your risks based on the brand's and industry's history," Dressel says. Even if your company doesn't have a problematic history, if it's in an industry that does, it could be guilt by association. 

## CRISIS AVERTED

# Wells Fargo and 'Saturday Night Live' Act Quickly, But Only One Averts a Crisis

There are few better examples of [how to mishandle a modern-day PR crisis](#) than **Wells Fargo**. Sadly for the bank, when mentioning crisis and Wells, one must clarify which of many crises you mean.

It's hard for PR crisis watchers of a certain age to forget the summer of 2016, when a local newspaper story led

to allegations that uncovered evidence of Wells Fargo issuing millions of bogus credit card accounts. Some of the accounts had bank customers' names on them; on others, Wells Fargo employees started accounts using fake names.

Then-CEO John Stumpf's initial reaction to the allegations was typical of many leaders hit with a crisis. He denied

the charges.

Once evidence became too hard for him to explain away, Stumpf fingered a group of lower and middle managers. They, Stumpf's narrative went, were atypical of the bank's managers. In addition, they, not senior leaders, condoned such practices and imposed strict revenue quotas on underlings. The inference



# An App Makes Harassment Reporting Easier and Promotes Crisis Preparation

It seems like yesterday that **Apple** coined the phrase, “There’s an app for that,” to promote the iPhone 3G. In fact, it was 2009. Today, apps can be found for pretty much anything.

So why not create apps to help with crisis? That moment has arrived.

**#NotMe** is a free app that aims to fight sexual harassment. More precisely, it facilitates reporting harassment, which despite the arrival of #MeToo, remains problematic. The **U.S. Equal Employment Opportunity Commission** (EEOC) says [75 percent of employees who experience workplace harassment never report it](#).

“Misconduct, whether it is racism, harassment, bullying, etc. is a widespread problem for everyone,” said Ariel Weindling, #NotMe’s CEO. A harassment case or lawsuit can significantly influence reputation, as communicators know.

#NotMe is available to all, regardless of whether or not your company subscribes to its pay version.

Should a person with a #NotMe account need to need to report an incident, they follow the app’s prompts. The reporter can remain anonymous or reveal their name, Weindling said. If a person reports whose company does not subscribe, a #NotMe representative works with the person to discuss options, he added.

Companies that subscribe, Weindling said, can access reported incidents, allowing them to monitor microaggressions and patterns, possibly heading off

a crisis.

Weindling assured Crisis Insider that subscribing to #NotMe does not require IT resources or integration with legacy systems.

He said the app allows for several types of misconduct reporting, ranging from harassment to fraud and even COVID-19 compliance.

Moreover, #NotMe may deter harassment since “everyone has a reporting option in their pocket,” he said.

The app got a boost recently when actor Rose McGowan marked the third anniversary of #MeToo with an unpaid social media shout-out Oct. 15 (see graphic).

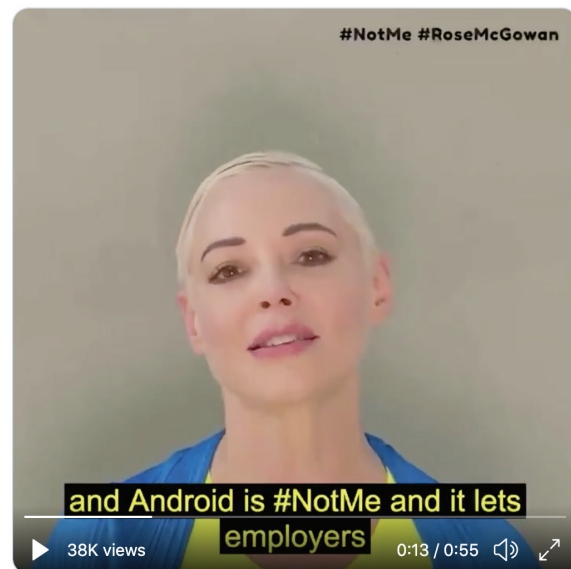
It was an [Oct. 2017 NY Times article about Harvey Weinstein that revealed McGowan’s 1997 settlement](#) with the movie mogul. The article added momentum to the #MeToo movement.

The idea for #NotMe came during a 2017 international flight Weindling, then an employment lawyer, took from CA to Paris. He was reading a #MeToo story about a famous actress. Two thoughts



**Rose McGowan** @rosemcgowan · Oct 15

Wow! It’s the 3rd anniversary of a global Cultural Reset called #MeToo. I found a way for people to be safer, to get to say #NotMe instead of #MeToo. I’m beyond excited to tell you what I’ve discovered. The brilliant minds @NotMeApp have figured it out! #imnotbeingpaid4this



*Un-Paid Endorsement: Things might have been different had the #NotMe app existed in the 1990s, when Harvey Weinstein harassed women. Actor Rose McGowan was one of a few young actors who fought Weinstein, though it was difficult. She touted the app in this Oct. 15, 2020, post.*

hit him.

1. If a successful person like this actress could not prevent or report misconduct, how much more difficult must it be for a non-celebrity victim?

2. He realized his three children will be in the workplace one day. “And there was no way I was going to let any person harass or bully them.”

—Nicole Schuman

*Nicole Schuman is a Content Manager and Reporter for PRNEWS*

## HOT ZONE (Cont'd from p. 1)

Transparent, prompt communication is recommended.

### TOUGH TIMES FOR TRAVEL

The travel and hospitality industries, especially hard hit, offer examples of how to deliver—and not deliver—bad news to team members.

The airline industry has been in the headlines of late, both in the US and across the pond.

**British Airways** recently announced its CEO, Alex Cruz, was stepping down after a tumultuous four years at the helm.

Among the issues Cruz faced were

fierce battles with unions over COVID-19-cost-cutting measures. These led to a high-profile campaign against BA.

### TIP #1: COMMUNICATE PROMPTLY

In a crisis that threatens the viability of a company, it is critical for leaders to move quickly to open lines of communication with employees.

Candidly discuss realities in as much detail as possible. In general, employees can handle bad news. On the other hand, they cannot deal with an information vacuum from management. This is where rumors begin, as well as speculation about what’s next.

In the US, airline workers are suffering from whiplash as political leaders in Washington, D.C., send mixed messages as they negotiate (or fail to negotiate) more bailout dollars to save jobs.

In addition to airline workers, more than 10 million jobs support the travel industry in the US, according to **CBS News**.

For months, executives at **United** and **American** warned of pending cuts if additional government aid failed to materialize.

**Delta** managed to avoid large layoffs with voluntary terminations and **Southwest** slashed executive salaries

and approached its unions to talk about concessions that could help avoid furloughs.

#### TIP #2: SHARE THE PAIN

You might be surprised by how much employees are willing to do to help solve a crisis if they believe that leaders are sharing equitably in the sacrifices.

Similar to the travel sector, the hospitality industry is suffering, with unemployment rates at 19 percent in September, according to **CNBC**.

At **Airbnb**, CEO Brian Chesky was lauded for his compassionate message to employees in May. Despite the awful

news, Chesky's message about the lay-off of 25 percent of the company's workforce was hailed as a textbook in how to relay bad news.


The compliments quickly turned sour, however, when some employees were asked to return temporarily to assist with a deluge of safety complaints and hundreds of contract workers were cut loose without any of the severance benefits or compassion shown to Airbnb employees.

#### TIP #3: MAKE SURE THEY HEAR FROM YOU FIRST

It is critical that executives treat every-

one with the same level of dignity and respect. In addition, make sure messages to all team members align with your mission and values, whether they are employed or contracted.

Effective employee communication in a crisis is as much about doing the right things as it is saying the right things.

Empathy and compassion are paramount. Treat people like adults, be candid but not morose, and ask everyone to contribute to finding solutions. 

—Deb Hileman

*Deb Hileman, SCMP, is president and CEO, [Institute for Crisis Management](#)*

## WATERCOOLER

# What to Consider When an Influencer Begins Organizing a Cancel Culture Hit Against Your Brand

This month's reader question asks about cancel culture. Lia Haberman, adjunct professor, social media & influencer marketing, **UCLA**, and Cheryl Dixon, communication consultant and adjunct professor at **Columbia University**, discuss initial responses.

**Question:** What are the first steps to take when an influencer targets your brand on social, urging people to boycott goods and services?

**Lia Haberman:** This is the dark side of online influence. Break a plan of attack into impact, research and outreach.

Is the influencer's attack having an impact on the brand? Proceed if it seems like a serious threat and not the work of a professional troll.

A serious threat would be something that poses financial or legal implications, posed by someone who doesn't have a history of complaining against other businesses.

You should try to resolve the situation even if it's a troll, but chances are an influencer with a genuine complaint is going to have a lot more impact than someone who attracts attention by habitually attacking companies.

As part of your due diligence, ask:

- ▶ Is there any evidence of the influencer using and being unhappy with the product or service?
- ▶ Has there been prior communication (a collaboration gone wrong) between the brand and the influencer?
- ▶ Is the influencer a spokesperson for a competitor or someone releasing a similar product or service?

You should have a good understanding of the problem before you contact the influencer. You should get in touch and try to resolve things amicably.



**Lia Haberman**  
Adjunct Professor,  
Social Media &  
Influencer Marketing  
**UCLA**

Your first communication should be calm and concise. Do not threaten or disparage the influencer. That provides receipts that could be used in future social posts.

Remember: This might be an easy fix. Don't turn it into a crisis until there's clear proof that it is a coordinated attack intent on damaging your brand.

**Cheryl Dixon:** Understand the motive behind the influencer's actions and determine the level of influence and credibility this person has with your target audience and potential for it to go mainstream.


Is the influencer raising a valid concern that others might share?

Set up social listening to see if the chatter expands, gains traction with the influencer's audience and if others are being vocal about the same issue.

Remind employees about your social media policy so that they don't engage with the influencer. Depending on the situation, you may need to craft talking points to inquiries from press or other influencers.

Consider going dark on social media for a few days and postponing scheduled posts.

If you decide to engage with the influencer, do everything possible to take the conversation offline. Provide a direct contact to resolve an issue.

If the posting is a general complaint or the influencer is spreading untrue statements, you can issue a short, factual statement. Don't argue or engage in banter...you won't win a war of words and you may have a large audience watching. 

*Please send your crisis-related questions to Editor Seth Arenstein at: [sarenstein@accessintel.com](mailto:sarenstein@accessintel.com)*



**Cheryl Dixon**  
Communication  
Consultant /  
Adjunct Professor  
**Columbia University**

# Post-Election Prep: Create Safe Spaces and Value-Based External Messages

**[Editor's Note:** With US elections just weeks away, this month's Crisis Dialogue examines what communicators should be thinking about as we head to Election Day. Should companies and leaders do or say anything in the event of electoral uncertainty? Should they be looking at business continuity issues and crisis plans? We put these questions to Ayme Zemke, SVP, **Beehive Strategic Communication**, and Daniel Rene, managing director, **kglobal**. Their comments were lightly edited.]

**Crisis Insider: What should brand communicators be thinking about as we head to Nov. 3? Should they promote civility internally and/or externally if there's confusion about election results or stay silent?**

**Ayme Zemke:** The days of keeping political discussions out of the workplace are a thing of the past. So, remaining quiet post-election—whatever happens—is not an option.



**Ayme Zemke**  
SVP, Crisis  
Communication  
Beehive Strategic  
Communication

**Gartner Inc. released survey findings earlier this year** indicating 78 percent of employees are discussing politics at work. Forty-seven percent of those employees report being distracted and experiencing difficulty getting their work done because of the election. And that's before the election even takes place.

It should be expected that employees will have their minds on election results Nov. 4 and in the days that follow.

In the specific event of post-election confusion and/or subsequent civil unrest, leaders should be prepared to check in with managers to see how they are doing and to provide direction on communication with employees.

Managers should plan to check with employees to ask how they are doing, listen, provide support and set expectations for work.

All leaders should be careful to approach conversations in a non-partisan way that is empathetic and supportive. It's important for employees to feel they have a safe space to express their concerns. A two-way dialogue is important.

If post-election results impact the

business immediately, leaders should follow their crisis communication plans.

**Daniel Rene:** Ayme makes a great point about approaching employees in a non-partisan way. It may seem impossible after watching the partisan bickering and non-stop news coverage; however it's critical that all opinions be respected in the workplace.



**Daniel Rene**  
Managing Director  
kglobal

Being friendly and empathetic to those we may disagree with on political matters is productive. A robust marketplace of ideas is a wonderful thing – but if it is taken too far inside the workplace, relationships and operations can suffer.

Leaders must step up, regardless of outcomes or uncertainty and embrace a culture of respect and decorum.

While some staff, customers and other stakeholders may be emotionally invested in Election Day outcomes, leaders must also be attentive to the needs of the enterprise. This means ensuring stability as operations continue post-Election Day and with policy changes to come.

**Crisis Insider: What about externally?**

**Zemke:** Externally, of course, it's critically important to be thoughtful and sensitive about any brand marketing or messages that could be inadvertently perceived as tone-deaf or opportunistic.

For many brands, it's wise to remain non-partisan. That said, organizations should act and communicate in a way that aligns with their purpose, mission and values.

Regardless of the results of Nov. 3,

check in with your customers and take note of what's happening in the marketplace. Similar to internal, create the conditions for an inclusive conversation, active listening and facilitating two-way dialogue, which will lead to trust and stability.

**Rene:** There is no point in alienating customers, employees or stakeholders based on an unrelated political outcome. Those who embrace diversity of thought will benefit from a larger base of support.

Of course, if there is a policy issue that is directly relevant to a business, it makes sense to approach it in a strategic way that builds support from a variety of viewpoints. Fighting is an easy way to destroy. Consensus-building is an art that builds.

Politics and policy are only divisive when people make them that way—either from a lack of understanding or perspective. We should try and see things differently and understand why others have their opinions—and frankly understand why we hold ours too.

On the things that really matter, there is much more in common than is evident at first glance. Finding common ground and building alliances will deepen relationships and productivity.

**Crisis Insider: So, if a company, before the election, was aligned with voting rights, for instance, and there was an issue related to voter suppression, it should speak out externally?**

**Zemke:** Yes, if an organization has a stated social impact commitment on this or a related issue, there is an expectation that it will honor and support that through words and actions.



You have layers of leadership. So, look at your managers, who have day-to-day contact with employees. Don't leave those managers out there without good support or guidance. Having multiple touch points and consistency across the organization will be seen as authentic.



Staying silent is being complicit and does not demonstrate authenticity which can quickly erode trust.

Let organizational values be your guide on whether or not a statement or call to action is appropriate.

**Crisis Insider: Culture and values should see a company through whatever happens next month?**

**Rene:** Yes. Corporate purpose initiatives and CSR endeavors are done because it's the right thing to do for employees, the public and the enterprise.

Effective communication is proactive and thoughtful. Likewise, reactive communication, without an associated strategy, can be dangerous.

Think before you act. Does the statement you are about to make achieve progress toward a strategic objective? If not, go back to the drawing board.

If you build the brand correctly, the election should have little consequence on communication and operations. Regardless of political affiliation, a team should be as united going into the election as it is communing out of it. This is a time to be careful and strategic, not a moment for risk taking. And we can all disagree without being disagreeable.

**Zemke:** Great points from Dan. An organization can easily get steered off track when facing significant change if it's not clear about where it's going and why. Aligning to a clear mission or purpose and values helps organizations navigate these shifts by keeping them focused on making decisions in support of the organization's *why*.

**Crisis Insider: We hope there's no violence, but should companies be thinking about business continuity tactics for after Nov. 3?**

**Zemke:** Preparing a plan for a potential crisis or issue always is a best practice for effective crisis management and business continuity.

Leaders should be thinking ahead now and planning for all possible election outcomes. No matter which candidate wins, there will be business implications based on that party's agenda. Having plans ready to manage potential scenarios makes it easier for the organization to navigate the situation with clarity and confidence and to communicate credibly and consistently.

Crisis plans should define clear roles and responsibilities, map audiences and channels, and provide for listening, internally and externally, to guide how best to meet people where they're at.

Plans should also align closely with business continuity and compliance teams to ensure an integrated response strategy that can protect all areas of the organization.

**Crisis Insider: You can imagine some leaders will be hesitant to get involved in a political situation.**

**Zemke:** Yes. One of the biggest mistakes leaders can make is staying silent or going into hiding during a crisis.



To thoroughly prepare for continuity-threatening scenarios institute table-top exercises to ensure that regardless of the crisis the 'if/then' scenarios are understood, actions accepted and personnel ready.

These actions will immediately lead to suspicion and loss of trust.

Instead, move quickly to frame the issue, put the situation in perspective and engage. Help people understand what's happening and the actions the company is taking to move forward. When leaders step up with timely, clear and transparent communication, it keeps people from making incorrect assumptions or spreading false information.

**Crisis Insider: A slight curve. What if you have a CEO who just doesn't like to be visible? It's not authentic.**

**Zemke:** Part of crisis planning is having crisis-ready leaders. It doesn't have to be the CEO. If you have another leader who might make more sense, it's okay.

And remember, you have a couple of layers of leadership. So, look to managers, who have day-to-day contact with employees. Don't leave them out there without good support or guidance. They need crisis training, though it's different from the training the C-suite receives.

So, you're not looking at just one leader to carry the entire organization. In addition, you'll have consistency across the organization and multiple touch points, which will be more authentic.

**Crisis Insider: Should Nov. 3-4 be smooth, do you recommend adjusting crisis plans based on the winner?**

**Zemke:** Crisis planning should be based

on issues and risks to the business, which can be influenced in a variety of ways, including political leadership.

Once the election results are finalized, organizations can activate plans to move forward with strong leadership and strategic communication. Employees, customers and communities are counting on business leaders to protect business continuity, adapt operations and maintain seamless connections.

Leaders play a critical role in moving organizations forward by setting clear expectations and acting in alignment with values.

During times of challenge and uncertainty, it is especially important for leaders to be present and engaged. Leaders


must step up in their words and actions by delivering messages that set expectations, instill confidence in the future and deepen trust—inside and outside of the organization.

No matter what happens in this election, organizations need to let their purpose, mission and values guide decisions and actions. This is especially important during high-stakes situations and times of uncertainty when organizations and their leaders are under intense scrutiny to be genuine, transparent, caring and driven by purpose. These behaviors establish trust, and trust is critical in times of crisis and beyond.

**Rene:** A continuity plan should be included in every business crisis communications plan. It was surely dusted off, or at least considered my most, during the COVID-19 shutdowns.

Leaders and staff must have clear expectations of their roles and responsibilities in the event of a crisis. Staff must also know where to get information.

In the absence of information, fears fill in the blanks, so we must be ready to communicate efficiently to fill the void of information quickly to avoid panic.

Those wishing to thoroughly prepare for continuity-threatening scenarios should institute table-top exercises to ensure that regardless of the crisis, be it violence or a natural disaster, that the *if/then* scenarios are understood, actions are accepted and personnel are ready to engage. 

was that bogus credit card accounts were created to meet those quotas.

### LAST STOP: WASHINGTON, D.C.

Stumpf was called to Capitol Hill in September 2016 to explain. Recall, 2016 was an election year. Lawmakers on both sides of the aisle saw Stumpf as red meat, a way to score points back home.

By the end of his time on the Hill, [the red meat was grilled to well done](#). Stumpf endured days of the fiercest attacks in recent memory.

In large part it was his and the bank's fault. Their initial narrative was a continuation of Stumpf's earlier malarkey.

Stumpf tried to downplay the credit card scandal. It was an isolated incident. No story here, he said. The legislators didn't buy it.

Stumpf was ousted one month later. The scandal's stench lingers, [though Stumpf's bank account overflows](#). In January, he was banned from banking. Just weeks ago, [other Wells executives were fined and one](#), like Stumpf, was banned.



### ANOTHER CRISIS

The latest Wells brouhaha involves one of Stumpf's successors, Charlie Scharf. During a meeting this summer, a bit after the May 25th killing of George Floyd, Scharf, noting the lack of Black employees at the bank, explained it away saying, "While it might sound like an excuse...the unfortunate reality is that there is a very limited pool of black talent to recruit from."

Worse, the quote was memorialized in minutes from the June 18 meeting. [Reuters reported the incident and memo Sept. 22.](#)

### SALT IN THE WOUND

Scharf buried himself deeper with an apology note, released Sept. 23. "I apologize for making an insensitive comment reflecting my own unconscious bias." This was a good beginning. He continued, "There are many talented diverse individuals working at Wells Fargo and throughout the financial services industry and *I never meant to imply otherwise*" (our emphasis).

Owning one's mistakes is a hallmark of a proper apology. He certainly meant to imply otherwise. Worse, the rest of the note says nothing else about his comments. Instead, it touts the diversity initiatives of Wells Fargo. Blacks are 6 percent of the bank's senior ranks.

When we asked LaShonda Eaddy, assistant professor, PR and strategic communication at **Southern Methodist University**, about this latest crisis, she evaluated it as a student of crisis history, which is her academic speciality. She doesn't look at a situation in isolation. Instead, she evaluates a crisis on the basis of a company's history.

### PREDATORY LENDING

For her, the Wells 2016 credit card crisis takes second place when looking at this latest crisis. Far more important is [a 2018 incident, where the bank was accused of preying on Black and Brown people](#). Those allegations proved true and resulted in lawsuits, fines and reputation damage.

The bank "had a lot of work to do to regain trust" in diverse communities *before* Scharf's utterances, says Eaddy, who is Black.

As such, "this is not a Crisis Averted," Eaddy believes. Scharf's apology "was not sufficient," but, she adds, "it's not easy to right a ship overnight." She appreciates, though, that Wells Fargo addressed the situation promptly, or rather, not long after Reuters reported it.

As for Scharf, Eaddy recommends media- and bias-training. And when the election results are clear Nov. 3 or whenever it decides to address its problems with race, Wells Fargo best "act" to repair its reputation. Given its history, words alone will not suffice, she says. In addition, the bank should proceed with as much transparency as it can muster.

**[Postscript:** One of the things Scharf mentioned in June was doubling Black leadership within 5 years.

Well, Sept. 29, [the US Labor Dept. warned Wells Fargo and Microsoft](#), which made a similar pledge, such actions could violate federal law. Eaddy says the two companies should stay silent until after Nov. 3.]

### CHOOSING NOT TO SHARE A VOICE

Celebrities are large targets. Country singing star Morgan Wallen was scheduled to appear on **NBC's** "Saturday Night Live" (SNL) Oct. 10. He was in NY for rehearsals when showrunner Lorne

Michaels told him Oct. 8 that he was out.

Discovered on NBC's "The Voice" six years ago, Wallen was seen in **TikTok** videos partying the previous weekend, celebrating the **University of Alabama** football team's win. Wallen was not wearing a mask. SNL is taped in front a small studio audience. Social media erupted over Wallen mask-less antics.

The call from Michaels did the trick. Wallen accepted his ouster well. In [a video message to fans](#), he said, "I respect the show's decision, because I know that I put them in jeopardy and I take ownership for this." Apparently, Michaels softened the blow, telling the singer he'd be re-booked later.



"SNL was smart. They made a big point the previous week to make sure everyone [in the audience] was safe," says Bryan Reber, the C. Richard Yarbrough Professor in Crisis Communication Leadership/department head at the **University of Georgia**.

In fact, [SNL used a loophole to have an in-studio audience](#). It paid them, thus making audience members 'employees.' Only cast, crew and paid employees are permitted to be in studios at the moment, per NY State law.

Referring to SNL's tactics, Reber says, "It was the right thing to do." It was a "win-win" for SNL since Michaels offered Wallen a future booking. "They took a stand, but they still insure they'll have this rising country star on the show at a later date."

Reber finds Wallen's video apology "almost moving...he totally took responsibility and was earnest." Importantly, there was no evidence that Wallen lashed out at Michaels and SNL. "He took it like a whipped puppy." Reber also appreciates that Wallen apologized to his team for getting him the opportunity on SNL. "He said all the right things. From a classic crisis communication perspective, he checked all the boxes." He was sincere, contrite, said what he'd do to improve and held out hope for redemption, Reber says.

"It was Crisis Averted for both parties." Had Michaels not acted quickly and Wallen failed to comply, it would have been a different story, Reber says. 