

MAYDAY MAYDAY. WHERE IS THE CEO?

When the seas are stormy and enormous waves come racing toward a vessel, responsible captains are found on the bridge of their ship. Working alongside their senior officers, they give instructions, make critical decisions and take responsibility for charting a path to get their ship into calmer waters.

That's what CEOs of South African companies should be doing to steer their companies and brands out of dangerous situations. Recent events in the news show that CEOs often do not know how to deal with an event or issue that becomes a crisis when it spills over into the media and public domain. Unfortunately some CEOs use "ostrich strategy" as a crisis management methodology - they bury their heads in the sand hoping the crisis or issue will go away. With first quarter 2006 research results conducted by the Crisis Communications Consultancy showing that 67% of all crises originate inside organisations and that management is responsible for 50% of these, CEOs have their work cut out.

Today's CEOs need to know that it is not a case of "if my company faces a crisis"; it is a matter of when. Having the correct contingencies to deal decisively with a dangerous event will ensure CEOs maintain their credibility among clients, the media, employees, investment analysts, peers and other stakeholders.

In the local market, one of the biggest challenges is getting CEO buy-in to crisis preparedness. The CEO must be actively involved in the crisis planning process from the beginning as they will provide strategic direction during the crisis, and may have to take responsibility for numerous aspects once it is deemed over. A CEO who sees no value in crisis management lays weak foundations for dealing with dangerous issues and events. Remember, senior staff members often take their key from the CEO.

Based on this, the CEO has a major part to play in crisis management. These include:

Heading up the crisis management team

A crisis management team made up of senior staff and external consultants, who have core skills and disciplines for a CEO to draw on, will ensure that dangerous issues and situations can be tackled. The crisis management team, however, needs a leader who is recognised and sanctioned by the company's board. Enter the CEO. He/she must listen to input and advice from the crisis management team, make strategic decisions, and also accept responsibility if the wrong decisions are made.

Being at the coal face when the crisis breaks

Depending on the type of crisis, the CEO needs to be visible at the scene, communicating with key audiences including the media, employees, clients and industry bodies. The presence of the CEO shows that the issue at hand is taken seriously and there is a company sense of urgency to resolve it. If the CEO is not present, then a perception is created that the company is not committed to sorting out the problem.

Communicating widely

Consistent communications is one of the pillars of crisis management; in troubled times the CEO has to continuously and proactively converse with a variety of publics:

- The **media** need someone to speak to who is readily available, gives consistent updates, represents the company and the brand, and has overall authority to comment on the developing issues.
- **Clients** must receive communication from the CEO that shows the company is taking the situation seriously, that their business with the company is safe, and that they are not at risk. Allowance must be made for clients to ask the CEO questions and receive pertinent answers.
- **Staff** must be reassured that management is doing everything possible to resolve the current crisis. If a company has national and international offices, the CEO must ensure that they receive the necessary communication and situational updates. The media often speak to staff members to get "inside information".
- All **stakeholders** need to be included in the communications process as they have a critical vested interest in the company surviving the crisis relatively unscathed. Company stakeholders include shareholders and investors, suppliers, government departments, industry bodies and the community at large. The CEO needs to be seen and be able to respond to all stakeholder queries to maintain their confidence in him/her and the company brand.

Taking responsibility

Ultimate responsibility for poor or effective crisis management will rest with the CEO. If they have done their job correctly, the company will emerge with its reputation intact; if the CEO has made some bad decisions, they may be expected to fall on their sword.

Further media information:

e-mail: info@crisiscomms.com