



Issues Management in the 21st Century

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Corporations are Facing a New Era of Crisis



- The **speed of risk** has become 280 characters or less.
- The traditional concepts of **containment are no longer possible.**
- **Facts are negotiable.** The risk of not controlling the narrative or leaving a void for others to fill is greater than ever.
- There are **no safe havens** from digitally empowered agendas and social exposure.

The digital age

There is no such thing as a local crisis in the digital age today. Social media plays a significant role in spreading the story exponentially with just a few clicks. Yet companies tend to take too long to respond.

	28% of crises spread internationally within 1 hour
	On average it takes 21 hours before companies are able to issue meaningful external communications to defend themselves
	69% of crises spread internationally within 24 hours and on average reach 11 countries
	1 year later, 53% of companies have not seen share prices regain pre-crisis levels

Crisis Communications

Key insights and principles for managing risk and preserving reputation

Crisis Management: Two Perspectives

OPERATIONS

“How do we fix this problem?”

COMMUNICATIONS

“How do we safeguard our reputation while this problem is fixed?”

Organizations that fail to deliver information to stakeholders and media firsthand risk their stories being told through rumor, conjecture, misperceptions and misinformation

Is this a Crisis?



CODE GREEN

(RISK)

An identified weak-spot that should be looked into so that it doesn't become an issue or escalate to crisis status.



CODE ORANGE

(ISSUE)

A matter that if not dealt with, may negatively shift stakeholder perception and effect your ability to do business.



CODE RED

(CRISIS)

An incident that immediately stops your operations and effect your ability to do business.

Points to consider:

1. Level of impact to business functions
2. Level of impact to company's values
3. Level of impact to key stakeholders
4. Level of impact to company's financials
5. Anticipated outcome if ignored
6. Anticipated lifecycle (traditional, online, social)

Preparation mindset & orientation

Reputation
management
is not a
corporate
function, but a
capability.



EXECUTIVE
LEADERSHIP



LEGAL
COUNSEL



PUBLIC AFFAIRS



OPERATIONS

Legal and Regulatory Landscape

- UK and international charities face increasingly complex legal and regulatory challenges

Key regulators and authorities include:

- Charity Commission
- Fundraising Regulator – voluntary, self-regulation
- Information Commissioner

Key legislation that impacts charities includes:

- Charities (Protection and Social Investment) Act 2016 giving power to
 - Issue official warnings
 - Disqualify trustees
 - Winding up
- EU General Data Protection Regulation (GDPR)
- Code of Fundraising Practice

Recent legal issues faced by charities

- The Oxfam scandal is just the latest in a long line of scandals to dog the sector

- **Oxfam** – 7,000 donors lost almost overnight following allegations of sexual abuse in Haiti
- **Kids Company** – went into liquidation following allegations of misuse of company funds
- **RSPCA and British Heart Foundation** – Wealth screening donors – fined by the Information Commissioner and adverse media coverage
- **National Childbirth Trust** – Inquest proceedings and charitable governance issues

- All represented the interface between complex legal issues and communications.

Legally Informed Communications

- Professionalising Communications Services

- Business critical issues are increasingly defined by a **combined legal and communications response**.
- Charities are as much concerned by **damage to their reputation** and impact on donations as they are to legal consequences of litigation or regulatory intervention
- **A flawed communications response can be fatal to a charity.**
- **Professional service advisors must collaborate** to ensure charities are properly advised and supported.
- Communications advisors must have a **proper understanding of the legal issues** that underpin any crisis or reputation threat.

1st Principle

**STAKEHOLDERS
HATE SURPRISES**



2nd Principle

**ACTIVISTS
ARE DOING
THEIR
HOMEWORK**



3rd Principle

**YOU'RE
JUDGED
BY THE
COMPANY
YOU KEEP**



4th Principle



**PENETRATION OF
SOCIAL MEDIA MEANS
ENTERPRISE MUST OWN
THE FACTUAL RECORD**

5th Principle



**TRANSPARENCY
AND RISK ARE
INVERSELY
RELATED**

6th Principle

The background of the slide is a blue-tinted photograph. It shows several hands, likely belonging to different people, holding and fitting together large puzzle pieces. The puzzle pieces are dark blue and stand out against the lighter blue background. The hands are positioned around the puzzle pieces, suggesting a collaborative effort to assemble a larger picture or strategy.

**ALIGN STAKEHOLDER
INTERESTS WITH
STRATEGIC
OBJECTIVES**

7th Principle

NO SCENARIO IS TOO FAR-FETCHED

If someone says **“THAT’S IMPOSSIBLE”**
understand it to mean: **“According to
MY VERY NARROW AND LIMITED
UNDERSTANDING OF REALITY
that’s very unlikely.**

The ten golden rules

Create a process for testing your company's crisis readiness

When crises emerge, DEFINE the story or it WILL DEFINE YOU

Establish the facts: determine what you know, what you don't know and a fact-finding process

Be the most credible public source of facts

Lead with the positive – what do you support?

Support key messages with proof points, anecdotes, statistics, stories and third-parties*

Understand and embrace cultural differences and expectations

Take the time to provide background and context

Recognise that crises are *always* emotionally charged and information is *never* perfect - plan for this

Ensure regulators hear the news from you – NOT the media

**Do NOT answer questions that are leading, hypothetical or based on incorrect information.*