

Concept of crises management and examples of it

[Business](#), [Company](#)



The crises management is the processes to handle the threats which are harmful or can be harmful for the organization since it would have a greater impact on the reputation of the organization and cause financial loss. Crises management is the response of the organization to deal the crises before their occurrence, during their occurrence and after the crises has been occurred. The crisis management involves all the stakeholders and policy makers to make the policies to avoid the crisis.

When addressing a crisis it is important to structure the written communications such that it clearly tells why we are making the crises management report. Define all the aspects of the crises management. Tell the customer about the importance of the crisis management, that how crucial they are to be managed for growth and making a good reputation perspective. Be prepared to handle the post crisis Describe all the precautions and the crisis avoidance, settlements and repairing which have been done.

Tell the customer about the procedures about crisis either these procedures fulfilling the needs of the organization or it is just enough and not satisfying the organization's needs regarding crisis. Tell the reader that how the procedures and precautions taken can be more secure and productive for the organization, how the improvements can be made to the procedures applied. How information has been gathered and includes the reports of performances along it. Explain the crises occurred during the business period.

Provide the effects of the crisis to the business and how organizations overcome to these crises. Inform clients about the future threats which may hurt the organization. 5 CRISIS MANAGEMENT- IMPORTANCE OF WRITTEN COMMUNICATION There are various forms of written communication that are used internally for cuisines operations include memos, reports, bulletins, job descriptions, employee manuals, e-mail, and Instant Messages. Examples of written communications generally used with clients or other businesses include e- mail, Internet websites, letters, proposals, telegrams, faxes, postcards.

An effective written communication follows 7 Co's principle which are- Clear, Concise, Concrete, Correct, Coherent, Complete, and Courteous A crisis is something which poses genuine threat to the reputation or even survival of the organization. This could be anything from a member of staff or trustee who has behaved inappropriately, to the closure of some of your organization's services. It might be that one of your service users is unhappy with how your organization has behaved -? and told their story to the local press.

Very often, it is when a bad news story about an organization becomes public that it constitutes a real crisis. In crisis management, the threat is the probable damage a crisis can impact on an organization and a firm. A crisis can create three inter related threats like it may harm the safety of public, can cause financial loss and more importantly it would damage the reputation of he organization. Crisis management is a process designed to

prevent or lessen the damage a crisis can inflict on an organization and its stakeholders. Crisis management can be viewed in three phases: 1.

Pre-crisis: It is concerned with the prevention and preparation. 2. Crisis

response : This is the phase when management mutually respond to a crisis

3. Post-crisis: In this phase management looks for ways to better handle the crisis and prepare for the next crisis. Importance Of written communication is that with properly structured written message, there is less scope for misinterpretation than with any other kind of immunization. A single corporate statement on an issue that deals with public relations can be circulated among company employees, the press and the general public.

It allows the company to be represented by a single statement and creates a sense of continuity. It is effective public relations practice to make sure a company sends a single and consistent message. 6 CRISIS MANAGEMENT (Techniques & Examples) Crisis management is a systemic approach that engages the whole organization in efforts to avert crises that may affect the firm and to effectively manage those that do occur. The objective of organizational crisis management is to make timely decisions based on best facts and clear thinking when operating under extraordinary conditions.

As fast a crisis is detected it is much easy to manage it. When the first signals of a potential crisis are detected, summoning even insignificant assets will empower the organization to manage the situation swiftly. CRISIS MANAGEMENT-Key concern points 1. Telling the truth in a balanced way. We live in this present reality where reality can be uncovered rapidly. Being discovered lying about your firm's wrong activities can demolish our firm.

The exult for revealing firm's wrongdoing is colossal. 2. Tell it quickly with all possible mediums By and large, associations have less than a day to tell their truth version.

After that, the media and other outside stakeholders will have taken advantage of auxiliary and tertiary experts who will have their perspectives on what has happened. Utilize all the accessible correspondence channels including the Internet, Intranet, social networking letters and mass notice frameworks articles, discourse prints. 3. Answer the SSW of the crisis accurately Firms should have looked more than ten times before making any PR moments about what happened? Where did it happen? When did it happen? Who was involved? Why did it happen? 4. Crisis management should be an ongoing process.

Crisis management should be an ongoing process that requires careful and constant modification by senior executives. 5. Remember your employees as they are internal stakeholders. Organizations do not wait for its employees to know about crisis in the firm from external sources. They are the stakeholders and firm should make arrangements to inform them about crisis in the firm. 6. Designate one spokesperson and extend support to him with experts. 7 The most straightforward approach to convey a reliable message amid a crisis is to have one senior official as representative.

All senior administrators ought to experience crisis correspondence preparing. At the point when a crisis hits, the representative ought to be encompassed by specialists who can elaborate on answers to technical questions. 7. Extend support to carriers of bad news. Welcome and help

those reporting potential issues. At the point when a crisis is approaching, your most significant asset is the person who advises you about the debilitating circumstance rapidly. 8. Have positive relationships room starting.

You can enhance the likelihood for this, in any case, on the off chance that you take the time to manufacture positive associations with workers and outer stakeholders well ahead of time of any emergency circumstance. Doing so permits you to have a clearer feeling of which people you may depend on. 9. During and after crises, have patience with other and with firm itself Attempting to think plainly under exceptional conditions takes a toll on the cerebrum, the heart and the body. It is essential to go to every one of the three amid and after a crisis. Communication: Role in Crisis Management

Of the above key concerns it's quite noticeable that communication covers the major chunk. Be its informing the internal employees or the external stakeholders use of communication plays significant role. The communication can occur in various means with major classification as: 1) Written communication-Letter, email, copy on company intranet(internal) or website(external) 2) Verbal communication-Face to face, team meeting, media conferences, telephone call and TV/radio interviews Crisis handling through written communication - pros and cons It takes less time to skim through written articles.

It can be sharp and to the point. It can be documented and reproduced time and again. However they are open to misinterpretation because Of limited information and specific writing styles. KEY EXAMPLES (Written

Communication) a) TOYOTA- product Recall Three separate but related recalls of automobiles by Toyota Motor Corporation occurred at the end of 2009 and start of 2010. The issue was mechanical sticking of the accelerator pedal causing unintended acceleration, referred to as Sticking Accelerator Pedal by Toyota. Toyota also issued a separate recall for hybrid anti-lock brake software in February 2010.

In this section few points in the recall letter will be discussed that failed to deliver their true intention because of the ill composition. Key elements Of First Letter: (For exact text of the letter please refer to Appendix- Part- a) We noticed that Toyota stayed away from apologizing for an accelerator that seems to have a mind of its own. Instead, they're sorry that they caused problem by implementing the recall. Toyota is the largest car maker in the world. Customers don't care about the closing down the production.

We don't think firm is going to discover clients feeling regretful that firm needed to incidentally end the sequential assembly line. Key elements of First Letter: (For exact text of the letter please refer to Appendix- Part- a) We feel that saying straight forward the line " Here are the realities for our clients" is much stronger than the normal default " Here are the certainties. " I doesn't seem as though It has a plan of conciliatory sentiment. In this letter their primary focus has shifted to the " 99 percent" with cars still humming along. They are not concerned about those 1 % who were bothered by the sticking paddle problem.) FLIPPANT- Big Billion Day Situation - On 6th October, 2014, Pastry introduced its " One Billion Sale". Flippant had offered massive discounts On products across varied (70+) categories. Flippant had

put in months of effort to ensure enhanced capacity of products available to customers on time. Problem -Flippant failed to estimate the demand for its products for the eventful day, as the items went out of stock within a few minutes after the sale began at 8 am. To avoid the criticism of late delivery, the company decided to keep the orders pending.

It further cancelled most orders and assured customers that it would refund themoneywithin 1 0 days. Customers also claimed that the prices were marked up before the discounts, and were available on competing sites at a lower price. Within 10 hours, though Flippant managed to get more than a billion clicks, it attracted criticism from angry customers on social networking sites accusing Flippant forcheatingcustomers on prices and product availability, keeping money of the people without paying interest for 1 0 days, canceling the order without customer request etc.

Flatcar's response - As the tide swayed against it, Flippant sent a mail to its entire customer base the next day, apologizing for the flaws that occurred on he eventful day. Having discussed exactly what went wrong that day, Flatcar's sincere apology the very next day sought to mitigate the idea that it was cheating its customers by giving false promises on price discounts. They discussed the four major problems that occurred the previous day: prices, out of stock products, cancellations and website issues. They highlighted that they would improve their systems to ensure customer trust is not broken again.

It assured customers that they are valued by the company and they were sorry to have broken customer faith in them. Thus, Flippant apologized for

the inconvenience caused to customers and discussed its future course of action to prevent this from repeating. Key elements of letter: (For the exact contents of the letter refer to Appendix: Part-b) The letter followed the principle of fairness and SW. The letter intended to restore the credibility of the organization amongst its customers. It had an apologetic tone, gave the customers accurate and succinct information about whatever had gone wrong and explained the reasons for the same.

The company accepted full responsibility for the entire fiasco and did not attempt to shift the blame by any means. It was also emphasized in very polite yet effective tone that they hold the interests of the customers paramount for them and reassured that such an incident will not repeat in the future a) SOUTHWEST AIRLINES (For the tweets refer Appendix: Part- c) The Southwest's Flight had a faulty and dangerous landing and it is perfectly demonstrated by southwest airlines as in how to handle the crisis situation through quick, clear and transparent communication on social media.

It eventually helped the organization to win the trust of the customers and overcome the crisis successfully. As seen that the fans supported the response from southwest and had appreciation for Southwest's open communication and quick response. The incident showed that the organization had a proper backup plan and the staff was trained properly to handle such situations thereby successfully improving the goodwill of organization. They utilized the presence on social media with clear roles and response, scripts for those who need to respond immediately to a crisis.) RED CROSS (For the exact tweets refer to Appendix: part- d) Social media

was once again the cause of a PR crisis when a personal tweet as sent on the company official Twitter account in 2011. This started turning into a disaster for the organization working for humanitarian cause and when the situation went out of control the Red Cross responded brilliantly with transparency, humor and good grace. Now, deleting a tweet isn't always the best idea since a) if you have a big audience who notices these things, it can look shady when you delete things, secondly anything "deleted" can surface to haunt the organization later.

But, Red Cross did the right thing by acknowledging that the tweet went out, they elated it, and explaining with humor that it was all a mistake. It never turned into a major crisis. We found that Red Cross went beyond that response and turned a potentially harmful tweet into an opportunity for engagement. They took to their corporate blog to explain the situation, show their humanity, and engage with fans and followers. The employee who made the mistake accepted the same with humility and humor. This shows that organizations should be careful when using social media as channel of communication.

But it was seen that when a crisis arises it is always best to be honest with your fans and followers. Social media folks are very forgiving, as long as an organization does not use dishonest ways to hide their mistake. C) J PENNY
Sometimes what happens in the social media can be as dangerous as the company itself causing a blunder. Thus is the case with the J Penny Teapot that looked like Hitler. Reedit is a social bookmarking site, and one of its users

posted a picture comparing J Penny's new teapot with Doll Hitler. The Telegraph was quick to pick up this trending topic, and posted in on Twitter.

At first it seemed that a trivial matter like this would not pose any robbers. J Penny decided to take remedial measures to prevent this seemingly harmless tweet from snowballing into a full blown controversy. Key elements of the tweet: (For the tweet refer to Appendix: Part- e) The reply was quite unique and was humorous and the reason was that they thought that a serious tone would project them as being defensive. By doing this the event was turned into an excellent marketing exercise with the teapot being sold out within days. This is a classic example where a crisis was turned into an opportunity to market its product.

We found that the company was expensive to the influence of social media and thereby by acting quickly and with wit a big crisis was avoided. 11

CONCLUSION In times of crisis, written communication plays an important role in mitigating a crisis. A formal communication to stakeholders assures them that the company is sincerely addressing the problem. It provides the customers an accurate description of the crisis facing the company, and the organization's plan of action to mitigate it. Our key findings from this project were: 0 In a world of information technology, media pressures and controversies may put the company into severe downturn.