

EVEN SMALL COMPANIES CAN HAVE BIG PR PROBLEMS

Crisis Planning for Small Businesses

By David Brimm

The thinking goes that big companies face the most daunting crises, based on sheer size, number of employees and scope of operations. Yet a small business may face even bigger problems since its revenue and profit margins usually are based on a much smaller operation and often precarious financial situation. As a result, even a small problem can derail the most [successful small business](#).

[Small companies](#) face the same types of crises as large companies: physical damage to the company (flooding, fires, etc.), loss of a large account, quality issues (customer complaints, governmental intervention, recalls, etc.), employee injury or death, corporate malfeasance, and negative media attention. Usually what these have in common, are that they were unexpected and have the potential to impact the success of a company. This truly defines a crisis.

Depending on the crisis, it is important to create a plan to address the emergency. As a sole owner with a small staff, you will want to be the point person to demonstrate your personal involvement and concern. You probably also will reach out to [financial](#) and legal experts for advice. Outside public relations counsel will be critical, if the emergency impacts the community and becomes newsworthy. Whatever the path you take, it is important that you speak as one voice so your constituents don't receive confusing or inconsistent information.

Communications Is The key

a) employees

In a crisis, the first thing to understand is that you have internal and external constituencies. The most important of these is your employees. In a [small company](#), the rumor mill works very quickly. Bad news will likely immediately impact productivity and morale. It is critical that you meet with every employee as a group so they get the same information at the same time. This accomplishes two goals:

- 1) It stops the rumor mill
- 2) It creates an atmosphere of trust, so that employees are less likely to spread disinformation about the company and its management

You do not have to share all the information, but on the other hand, you should not hide important facts or sugar coat it. Be straight and employees will appreciate it.

Keep them apprised of the crisis as it unfolds, and at the end, bring closure by summing up the crisis and its aftermath.

b) customers/vendors

Your future is tied to those of your customers and vendors. Consequently, any perceived [business](#) setbacks will be of great interest. Reassure these stakeholders with information about the crisis, its possible duration, and what, if any, impact this might have on the business relationship. Keep them apprised as conditions unfold.

c) local/federal government offices

Not every crisis requires intervention, but in cases of on-the-job injury, OSHA and local emergency and law enforcement will be involved. [Customer](#) complaints may bring in the FTC or local officials. Recalls will be handled by public health, FTC, FDA or other bodies. Work with them so that they can tell your constituents that you are working to solve the problem.

d) media

- If a crisis impacts the community, local news reporters may want to cover the story. It is important that at this point, a single manager is the spokesperson for the company. If the head of the company is uncomfortable talking to reporters, another senior manager is fine. He or she should be equipped with three talking points (i.e. what happened, what is being done, how long might the situation last).
- Make sure that you have the contact information for key personnel (finance, HR, etc.). That means cell phone numbers, pagers, home phones, even vacation homes so that they can be reached in an emergency. Keep those numbers handy.
- If you are concerned about public relations strategies, bring in an outside PR consultant to take you through the crisis. He or she can bring in an outside perspective and formulate a game plan.
- In the event of death or injury, management must quickly reach out to the family with concern and compassion.
- Instruct your employees that only a single company spokesperson is allowed to talk with reporters and all calls must be forwarded to that person. Do not let your receptionist talk to

reporters. Never say “no comment.” In a void, reporters will fill in the unknowns with their own opinions.

Don't Panic

The key to addressing a crisis is to approach it with calm and forethought. Think about your options and take the time to formulate a plan. Don't jump into the fray until you've thought the response through.

At some time in every business's future, a crisis will emerge. Address it with confidence by creating a crisis plan that outlines potential emergencies that could impact business. It may not cover every contingency, but it will be a good starting point.

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