SCCE Compliance & Ethics Institute

They made the news, but you don’t have to!

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Agenda
In this session, we will...

• Provide tips for handling media inquiries.
• Discuss recent crises that made the news and social media, and the impact of the attention.
• Discuss specific steps you can take to prevent negative attention.

Tips for dealing with the media
1. Always be available.
2. Build relationships and good rapport with journalists.
3. Research the key reporters that cover your industry, and those you either want to reach out to, or expect to be contacted by.
4. Be prepared before a reporter calls.
5. Understand what on the record is, what off the record is, what being on background means.
Tips for dealing with the media

6. If you don’t know the answer to a question, don’t make up an answer.
7. Control your message or someone else will.
8. Have a media plan for when something goes wrong.
10. Deadlines happen.

#1: Ejected from an airplane

What happened...

- A U.S. airline had sold-out flight; four flight attendants not working the flight boarded.
- Passengers would not relinquish their seats for them; the airline randomly chose.
- One Asian male doctor refused to leave when chosen and was dragged from the plane.
- The incident was recorded, went viral and prompted outrage in the U.S. and Asia.
- The airline’s CEO responded defensively, prompting negative press, calls for his firing.
- CEO denied chairman position, new policy instituted, CEO issues heartfelt apology.
- Despite apology, more problematic events took place soon after.

How to prevent this from happening to your organization...

- Take responsibility and apologize.
- Follow up on your promises.
- Review policies.
- Make sure customer service training is robust.
- Show sensitivity to cultural differences when responding to customers in high-stress interactions.
- Recognize the swift and awesome power of social media.
#2: Sorry ‘bout that scandal...

What happened...

- A major Japanese manufacturer admitted in October 2017 it sold aluminum and copper products that failed to meet product quality specifications the company said were “improperly rewritten.”
- Problems grew after the company came back a few days later to say some 500 companies were affected and involved units in other countries outside of Japan. The scandal forced the company’s customers, including auto makers, to check the safety of their products.
- The crisis directed a spotlight on corporate governance in Japan, with the government pressing the company to resolve its data-falsification problems amid worries the lapse would undermine the country’s reputation for high-quality manufacturing.
- Between Oct. 8 and Oct. 20, the company released six statements in which it repeatedly apologized for the “considerable trouble cause to suppliers, shareholders and many others.” The statements provided updates on the investigation “on the facts concerning improper conduct” in its aluminum and copper business, and outlined steps the company planned to take to prevent a recurrence.

How to prevent this from happening to your organization...

- Avoid death by a thousand cuts; put out all the bad news at once.
- In the absence of a complete picture, provide a timeline for when more information should be available.
- Apologizing sincerely is important, but it’s not enough.
- Take responsibility but emphasize what is being done, not what happened.

#3: College student boycott

What happened...

- An undergarments factory in Honduras closed after workers unionized; 1,200 workers lost jobs.
- A boycott ensued; more than 100 colleges severed contracts.
- The company that ran the factory lost $50 million in revenue.
- It reopened the factory and rehired all the fired employees.
#3: College student boycott

How to prevent this from happening to your organization....

- Make controversial decisions slowly, consider impact to both sides.
- Walk through boycott scenario and ask if this would change decision.
- Ensure PR and compliance provide input before decision is finalized.

#4: Sexual scandals

What happened...

1. Since 1997, 265 women complained about sexual assault by a doctor for a gymnastics program who also worked at a university. The university and gymnastics group were sued. The doctor pled guilty to pornography and some assault charges. University staff were accused of supervision and denial. The university’s board defended the university president until state lawmakers called for the president’s resignation. The resignation letter focused on the president, not on victims.

2. Since the 1990’s more than 300 complaints of sexual assault by the student health center gynecologist at a university. He was fired in 2017 for inappropriate behavior, but not reported. Two hundred tenured professors demanded resignation of the university president, who eventually resigned. The university later created an Office of Ethics and Professionalism.

#4: Sexual scandals

How to prevent this from happening to your organization....

- Take allegations seriously; investigate.
- Importance of individual does not matter.
- Accept consequences of investigation.
- Communicate with emotion and humanity.
Questions?