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 that 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.
- 9. Speak slowly.
- 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 18.5. and Asia.
- The airline's CEO responded defensively, prompting negative press, calls for his firing.
- CEO denied chairman position, new policy instituted, CEØ issues heartfelt apology.
- Despite apology, more problematic events took place soon after.

#1: Ejected from an airplane

- 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 distorters 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 product tha
 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.

#2: Sorry 'bout that scandal...

- 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 become 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 evenue.
- It reopened the factory and rehired all the fire employees.

#3: College student boycott

- Make controversial decisions slowly, consider impact to both sides
- Walk through boycott scenario and ask if this would change becigion.
- 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 group 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 suppression 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 the 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's president, who eventually resigned. The university later created an Office of Ethics and Professionalism.

#4: Sexual scandals

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

