



Not Everything is a Crisis

Mergers, Acquisitions & Management Transition: Using Crisis Communications Principles to Achieve Better Outcomes

By Nora Jacobs, Hennes Communications

Attorneys and accountants aspiring to be trusted advisers rather than simply transactionalists must understand that from the point of view of their clients, the Court of Public Opinion is often more important than the Court of Law. The Court of Public Opinion directly and indirectly influences every line function of the enterprise, including market share and market pricing, profitability, recruitment, client acquisition and retention and even philanthropy on both the giving and receiving side. All this is also true of law and accounting firms, themselves.

While mergers, acquisitions and management transitions all must take into account a wide variety of legal issues, consideration must also be given to extra-legal issues that will undoubtedly influence brand perception.

Our firm is best known for helping clients respond to crisis threats, emergencies and similar events where reputation is on the line. The communication response we create in these situations is designed to help an organization tell its side of the story to those who matter most. Those important audiences often include the media, but in almost all cases, the more critical audiences are other stakeholders – groups that can include employees, clients, customers, investors, residents, neighbors, students or staff members. Our goal: restore or maintain confidence in the organization among these groups so that it can continue to operate successfully even while it responds to an event with the potential to be significantly disruptive.

Many of our clients have recognized that there are numerous organizational events that do not constitute a crisis, but require the same careful communications management. Most often, these are the types of developments that mark a significant change for the organization. Changes in leadership fall into this category, whether they are the result of a reorganization, retirement, departure or expansion. Acquiring new operations or partnering with another entity do as well.

In each case, the change may be good news for the organization, but can be perceived far differently by others. Just like a crisis, these are high-stakes situations that require a thoughtful, comprehensive communication strategy in order to maintain confidence among stakeholders. Even more important, they are situations where one of the critical tasks for communications is to build support for a change some may find confusing or threatening. Here are some of the crisis communications principles we employ to help clients successfully announce these types of changes.

Identify the groups that need to know. Take the time to carefully consider everyone that will be affected. Don't forget to add important influencers such as retirees, alumni, family members or local officials.

Map out the order in which stakeholders will hear the news. You have a hierarchy among the groups that are important to you. Board members need to know before vendors. Major donors should hear before casual contributors. Direct reports should be told before employees in other divisions. Clients, too, must be prioritized and informed.

Recognize that news does not keep. In a world where social media serves as a primary news source for many, you need to realize that announcements shared with one group will quickly reach others thanks to personal Facebook pages and Twitter accounts. You want to make sure that each group important to you hears the news directly from you, not from others who may distort or omit important details. That means orchestrating your announcement with precision and having as small a gap as possible between the time you inform your first stakeholder group and your last.

Make sure everyone hears the same story. A critical first step in creating a communications plan for an announcement involving change is deciding what to say. The second is communicating that information consistently. Yes, your board may know more details than your employees, but the basic facts should not differ from one group to another. Creating a core group of messages and sticking to them will help reduce the amount of misinformation and confusion your announcement generates.

Use the communication method that works for each audience. Every organization has a different culture. In some, employees hear important news from their managers, who have heard it from their directors, etc. In others, everyone gets an email from the CEO. Others congregate for a town hall. When announcing a significant change, use the channel you've already established for each audience – unless there's a compelling reason to do something different. Making sure the announcement goes out as planned, to every critical group, in precisely the right order and at the right time is complicated enough without testing out new technology or some other novel presentation approach that hasn't been used before.

Remember the outliers. Organizations making significant announcements need to keep in mind the individuals and groups that need special attention to make sure they hear the news appropriately. Hospitals, manufacturing plants and hotels that run 24-7 operations will need to find a way to make sure second and third shift staff don't get overlooked when the news is announced at 9 a.m. Significant donors who typically get a personal call from the CEO may feel slighted when they receive the same email message as less generous contributors. Global corporations need to carefully consider how employees in China will hear the news as quickly as the ones in New York City.

Don't stop with an initial announcement. In the days after an announcement of significant change, those most affected may still be absorbing the news. Set up a process for those who have questions to get answers. Keep an ear to the ground to make sure the news you thought you were sharing has been received that way. Be ready to address concerns before your non-crisis event evolves into a situation that needs crisis management skills.

Remember that change typically takes time to become reality. Keep your stakeholders in the loop as you implement your change so they understand what is happening and embrace it – or at least accept it. Look for milestones to use as news pegs and reasons to continue communicating with those who will be affected. Change can be exciting. Change can be hard. Either type is more easily internalized if it's understood.

Finally, since virtually all mergers, acquisitions and management transition are hatched in secrecy, it can be difficult or even ill-advised to seek advice and assistance from the law firm, accounting firm or client's own internal communications, marketing or public affairs personnel. So just as we always insist that our clients bring in professionals with the correct expertise in a given area, attorneys and accountants, too, should insist that the right communications consultants be at the table.

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Nora Jacobs is senior vice president at Hennes Communications, one of the few firms in North America focused exclusively on crisis management and crisis communications. Hennes Communications serves government agencies, corporations, manufacturers, education and healthcare institutions -- as well as law firms and their clients -- that are **"on trial" in the Court of Public Opinion.**

Nora is an experienced crisis communications counselor with three decades of agency and corporate experience. Over the years, she has counseled top executives at companies, associations, nonprofits and professional service firms throughout the country on reputational issues and problems ranging from accidents, environmental concerns, product failures, criminal matters and activist attacks to reorganizations, management transitions and downsizings. She has a strong portfolio of client work in consumer and industrial products, healthcare, biotechnology, education and economic development, and has completed extensive coursework for the National Incident Management System.

Previously, Jacobs served as executive vice president of Ohio-based Edward Howard, the nation's oldest independent public relations firm. There, she was a member of its board of directors and executive committee, with management responsibility for its largest office, as well as staffing and training firm-wide. During her tenure with the firm, she managed some of Edward Howard's largest accounts and led the firm's healthcare practice. Among many others, her clients included household brands Kidde Consumer and Residential Fire Safety and Sherwin Williams, international manufacturers Brush Engineered Materials (now Materion), PolyOne Corporation, OxyChem and Hexion Specialty Chemicals, healthcare leader The Cleveland Clinic Foundation and several national trade associations including the Chlorine Chemistry Council and the Vinyl Institute. She began her career at BFGoodrich Chemical Group, a division of the then Fortune 500 BFGoodrich Company, where she oversaw the group's advertising, public relations, community relations and issues management programs. She was responsible for all media relations and publications, crisis management, numerous product launches, and was the communications liaison with the division's manufacturing sites located throughout North America.

Jacobs holds a bachelor's degree from Kent State University and a master's degree from John Carroll University. She is immediate past chair of the Kent State University Foundation Board, a former director and past-president of the Kent State National Alumni Association, past-president of the Kent State Honors College Advisory Board, a former director on the board of the Conservancy for Cuyahoga Valley National Park, an accredited member of the Public Relations Society of America and a member of PRSA's Counselors Academy. A five-time Silver Anvil winner, the highest award given by the public relations profession, Jacobs has received numerous other communications awards, including a Gold World Award from the International Public Relations Association. She has received the Distinguished Honors Alumni Award from Kent State's Honors College, and the Distinguished Alumni Award from Kent's College of Arts and Sciences. In 2009, she was presented with the Davis Young Award for Exceptional Mentors by the Cleveland Chapter of the Public Relations Society of America in recognition of the work she has done to help young professionals and others advance in the field.

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