

# 危机

**DANGER**

**OPPORTUNITY**

The word **"crisis"** is a taboo word in business or even personal life. But these days, crisis have become a regular state of affairs. Every company faces an unexpected crisis, big or small: System hacked, disruptive move from competitor, key management's scandal, accounting mistakes — the list goes on. Brands or iconic businessmen that you'd think would be immune to scandals have found themselves embroiled in one.

**Leaders:** Especially in this day and age, when news goes viral almost instantly, organizations need to be ready to respond to any PR crisis quickly and efficiently, using all available platforms.

**Danger into Opportunity:** When it comes to a crisis, the situation is no longer be "if" but "when." Every leader needs to be absolute prepared. Crisis put things in a whirlwind and emotions run high. So it's imperative that leaders keep their cool and make smart decisions to turn a Danger into Opportunity!

**The Winners, the Unfit, of crisis management. As the saying goes — it requires 20 years to build a reputation and 5 minutes to destroy it.** The way a Company communicates with stakeholders and the general public during a crisis can be pivotal in deciding whether it bounces back stronger than ever or is irrevocably tarnished by its response to the state of affairs. The truth is, there's no cure-all method to remedy company crises, but there are lessons to be learned from past winners

Let's take a look at companies in the region who successfully weathered a crisis and saved their brands in dire situations:



( NASDAQ: SBUX )



( TYO: 3420 )



( SGX: C6L )

# Crisis Management Winners

## Starbucks Corporation

**The Crisis:** Racism – Two black gentlemen were arrested by police when they did not leave the premises of Philadelphia store as they were told to. Social media lit up, pointing out how differently white people were treated in similar circumstances.

**How Starbucks Responded:** Starbucks leadership stepped up with Chairman, Howard Schultz's sincere apology and announcement of closing more than 8,000 stores on May, 29<sup>th</sup> to conduct racial bias training for 175,000 employees, with an estimated loss of business of more than \$12m. Starbucks pull it off strategically with this bold move as they recognised the power of 175,000 employees to help restore customers' trust.

**The Outcome:** The incident did not spiral out of control and critics rated Starbucks an A in crisis management.



## KFC Ltd

**The Crisis:** Shortage of chicken – what's worse than a chicken restaurant having no chicken? Most of its 900 UK restaurant outlets were shut down due to delivery issues from its highly perishable suppliers.

**How KFC Responded:** KFC injected their own sense of humour in response to consumers, by reorganising the letters of its brand name to spell FCK. This brilliant masterclass move proved to be effective as consumers swiftly gained empathy with KFC.

**The Outcome:** KFC turned "crisis to credit", nailing it hands down with critically-acclaimed appraisals. Its crisis management was widely applauded and undoubtedly one of the award-winning ones.



## Singapore Airlines Ltd.

**The Crisis:** A Xiamen Air aircraft skidded off a runway at Ninoy Aquino's International Airport (NAIA), which led to widespread flight disruption.

**How SIA Responded:** SIA apologized each time they delivered regular coherent updates about the flight and situation. SIA rolled out unlimited food and drinks, thereafter 5-star accommodation and transport with complimentary meal vouchers. All passengers were well taken care of with its excellent service and utmost care.

**The Outcome:** Passengers and netizens were pleased with how well SIA managed the unfolding crisis. Whether it's adversity towards a product or tragedy, reputation is predominantly one of the key elements to business success.

