

Jim Satterfield

President, COO and Co-Founder of Firestorm Solutions, LLC

Case Study Live! An Interactive Table Top as the Communication Process Unfolds & Gazopted: The role of social media in a successful crisis PR response

CRISIS & RISK

COMMUNICATI

PREDICT.PLAN.PERFORM.®





ATTRIBUTES OF A CRISIS OR DISASTER

- Escalating Flow of Events
- Insufficient & Inaccurate Information
- Intense Scrutiny
- Loss of Command and Control
- Surprise
- How you respond can create a second crisis



THE ROI/RONI OF CRISIS: BUSINESS AS "UNUSUAL"

A crisis is <u>not</u> business as usual. A crisis is business as <u>unusual</u>.

How you answer the questions:

"What should we do now?" & "What should we say now?"

can have far reaching implications for your company.

Often, these questions are complex and require far more than insurance claims or legal responses.

CRISIS MANAGEMENT PLAN



SOCIAL MEDIA RISK

INTERNAL RISKS
✓ Data Theft
✓ Employees
✓ Senior Leaders
✓ Policy Gaps

EXTERNAL RISKS

- ✓ Hacking
- ✓ Brand Attack
- ✓ Brand Theft
- ✓ Competitors



Something New To Worry About

Michael Dell, the eponymous billionaire founder of the computer company Dell, has been in the news for all the wrong reasons this week.

Despite spending millions each year on security for his family, Dell's children don't seem to have the hang of online safety. His daughter has apparently been suspended from Twitter for being too open with details of the family's activities and whereabouts.

But what about *your* children? Do they have their social networking behaviours under control? For that matter, do you?





Duluth's Fox 21 news director resigns over Facebook flap

The news director for Duluth television station Fox 21 resigned Monday after objections to what was called a racist Facebook post he made last week.

By: Mike Creger, Duluth News Tribune.

The news director for Duluth television station Fox 21 resigned Monday after objections to what was called a racist Facebook post he made last week.

Fox 21 general manager Jackie Bruenjes issued a statement Monday night saying she accepted Jason Vincent's resignation.

"Jason has elected to take a new job assignment," she said.









THE WALL STREET JOURNAL. U.S. Edition Home * Today's Paper . People In The News . Video . Blogs . Journal Community New York • Markets . Life & Cultur World • U.S. * Business • Tech • Personal Finance • 1 of 12 20 TOP STORIES IN A Strategic Oil Cisco Pays Up f Markets Leak Pay TV

WSJ BLOGS

Deal Journal

An up-to-the-minute take on deals and deal makers.

March 14, 2012, 12:24 PM

I Quit. And Ignited a Social Media Firestorm.



The Opinion Pages

WORLD U.S. N.Y. / REGION BUSINESS TECHNOLOGY SCIENCE HEALTH

Why I Am Leaving Goldman Sachs

By GREG SMITH Fublished: March 14, 2012

TODAY is my last day at Goldman Sachs. After almost 12 years at the firm — first as a summer intern while at Stanford, then in New York for 10 years, and now in London — I believe I have worked here long enough to understand the trajectory of its culture, its people and its identity. And I can honestly say that the environment now is as toxic and destructive as I have ever seen it.

🕀 Enlarge This Image



To put the problem in the simplest terms, the interests of the client continue to be sidelined in the way the firm operates and thinks about making money. Goldman Sachs is one of the world's largest and most important investment banks and it is too integral to global finance to continue to act this way. The firm has

Became a trending topic on Twitter within 2 hours

RISK ANALYSIS WHO OWNS SOCIAL MEDIA?

BRAND ADVOCATES

BRAND DETRACTORS



Brand advocates are consumers who support specific brands and use in-person and online conversations to share their opinions, recommendations and thoughts about a company's products and services.

BRAND ADVOCATES WILL COME TO YOUR RESCUE



Brand detractors are - people who want to deny the brand's credentials even when offered the chance to communicate with the brand.

BRAND DETRACTORS WILL NOT COME TO YOUR RESCUE





Pray for the Tornado Victims of April 27, 2011

As Joplin victims call Direct TV to cancel their service due to homes completely wiped off the map, they are being told to send in a box or remote control or pay a fine of \$500+ to cancel service. DirectTV should be boycotted. Tell their employees to go to these former HOMES and find their remote controls... REPOST!

June 1 at 2:08am

Within hours, Facebook, Twitter, blogs and others had repeated the message. A Facebook page popped up: Boycott Direct TV for Charging Joplin Customers \$500

Boycott Direct TV for Charging Joplin Customers \$500 🖬 Like

Community

Wall

Boycott Direct TV for Cha... • Top Posts 🗢



Boycott Direct TV for Charging Joplin Customers \$500 Provide some back up to this page well. Thanks to all https://www.facebook.com /pages/DIRECTV-SUCKS/129876000387936?sk=wall ..., Im not the admin or creator of this page.

The Auto Insurance Case That Blew Up on the Internet



Douglas Healey for The New York Times



The company's crisis began when a customer's sibling published a Tumblr post with the kind of headline public-relations people have nightmares about: "My Sister Paid Progressive Insurance to Defend Her Killer In Court."

"I've been sending out some impertinent tweets about Progressive Insurance lately, but I haven't explained how they pissed me off," Matt Fisher's post began.

Fisher's sister Katie died in a car crash in June 2010 after another driver ran a red light. That driver's insurance company immediately settled with Katie's estate, according to Fisher's post, but because the driver was underinsured, Fisher's family looked to Progressive to make up the difference, in keeping with the terms of Katie's policy.



Maryland doesn't allow private citizens to sue insurance companies for refusal to pay. So his family did the only thing they could, Fisher says: take the other driver to court to establish his negligence, and use that decision to force Progressive to honor its policy.

That's when the other shoe dropped. "At the trial, the guy who killed my sister was defended by Progressive's legal team," Fisher wrote.

"If you are insured by Progressive, and they owe you money, they will defend your killer in court in order to not pay you your policy."



Progre	ssive	
robo-t	weets s	spark
social	media	crisis

By Brian Patrick Eha @CNNMoneyTech August 16, 2012: 11:59 AM ET

Tweet	S All / No replies	
	Progressive Progressive	16
ANDRALINA	Impeckler This is a tragic case, and our sympathies go out to M Fisher and his family for the pain they've (cont) tl.gd/iqv5qi Expand.	Ir.
-	Progressive @ Progressive	16
N	Balexblagg This is a tragic case, and our sympathies go out to M Fisher and his family for the pain they've (cont) tl.gd/iqv2sf Expand.	
	Fisher and his family for the pain they've (cont) tl.gd/iqv2sf Expand	1r.
	Fisher and his family for the pain they've (cont) tl.gd/iqv2sf	

CNN Money

68 comments

Progressive Settles After Terrible Insurance Tale Goes Viral Truthdig - Aug 17, 2012

Progressive has settled with the family of a policyholder that claimed the insurance company defended her killer, but the deal came about only after the truly awful story made its way around the Internet. Matt Fisher, the policyholder's brother, blogged about his ...

Progressive settles with accident victim's family after tale went viral

CNNMoney - Aug 17, 2012

NEW YORK (CNNMoney) -- Insurance company **Progressive** felt the wrath of the Internet this week after the brother of a policyholder who died in a car crash posted a startling missive about how the family's claim was handled. **Progressive** has now reached a ...

Progressive settles with family of deceased policyholder

KKCO-TV - 11 hours ago

MAYFIELD VILLAGE, Ohio (AP) The settlement comes just three days after the policyholder's brother, Matt Fisher, took to his blog to say that the other driver involved in the fatal accident "was defended by **Progressive's** legal team" when his family sued the ...

Insurance Spat That Went Viral Ends in Settlement

Wall Street Journal (blog) - Aug 17, 2012

Progressive Corp. has said it reached a settlement with the family of a deceased policyholder after the family's complaints about the company ignited a firestorm of criticism about the way it handled her car-insurance claim. The settlement comes just three days ...



Progressive Insurance Plays Word Games In PR Disaster

The Moderate Voice - Aug 17, 2012

More than two years ago, a young woman in Baltimore was killed when her car was struck by another car. The guy's insurance paid up immediately; he had run a red light. He was underinsured, but the woman carried underinsured motorist insurance.



Mark Frost @mfrost11 17 Aug Don't go with the Flo. RT @nytimes Progressive Insurance seems to have done everything wrong in Katie Fisher's case nyti.ms/NMYI6t

17 Aug

17 Aug

Expand



The New York Times @nytimes Progressive Insurance "seems to have done absolutely everything wrong" in Katie Fisher's case says @ronlieber nyti.ms/NMYI6t

Expand



Liz Heron @Iheron 17 Aug .@Progressive to pay "10s of 1000s" of dollars to Katie Fisher's family after insurance case went viral on wsj.com/N8YLpj Expand



Celebrate Woman @DiscoverSelf Shame on #Progressive #Insurance & their actions in the Fisher Case! ow.ly/d2PQT

Expand



Celebrate Woman @DiscoverSelf 17 Aug Understanding #Insurance - Update on the Kaitlynn Fisher Case. Would U have this company as your insurer? Never will I! ow.ly/d2PJX Expand



PENN STATE





Penn State president Rodney Erickson

"Penn State has general liability coverage like any similar institution. The university is adequately covered to handle lawsuits arising from the sexual abuse scandal that has rocked the country."

"In addition to that, we hope to be able to settle as many of these cases as quickly as possible."





66 Shots in the school. What the heck. This is messed up.

🕥 9 days ago

Seanna sicher

KarliSensi



















Janelle Griffin @janellegCNN .@Sagittins >> CNN would like to chat w/you about what you experienced today.



Stephen Gittins @Sagittins @janellegCNN when and how Hide conversation

12:37 PM - 27 Feb 12 via Twitter for iPhone · Details

🛧 Reply 🔁 Retweet 🔺 Favorite

Reply 🔁 Retweet 🔭 Favorite

12:37 PM - 27 Feb 12 via Twitter for iPhone - Details



Social media users spreading false information about Sandy Hook massacre could face charges, say police

Superstorm Sandy More than 20 million tweets between Saturday and Thursday

"Melanie Pipkin, a spokesperson for the American Red Cross, said that Twitter and Facebook have allowed the organization to affect more people than it could in previous disasters."

(Image: FEMA) Quote: Huffington Post

Meet FDNY's one-woman Twitter response team guiding New Yorkers through storm

Tweet < 658</p>



🖂 Emai

By Chris Moody, Yahoo! News | The Ticket - Tue, Oct 30, 2012

¢1k

Recommend

As Storm Sandy barreled down on the Northeast on Monday, a one-woman response team at the Fire Department of New York monitored Twitter through the night to help people in need.

Share

Emily Rahimi, a seven-year veteran at the FDNY, kept New Yorkers updated on developments from a storm that flooded many parts of the city Monday night through the official department Twitter feed. In a flurry of more than 100 tweets, Rahimi, who was still working at her desk on Tuesday morning, replied to cries for help sent out on the social media service, passed along updates from Mayor Michael Bloomberg and followed up when New Yorkers posted tweets of thanks.



38

📇 Print

FDNY Social Media Manager Emily Rahimi

Share

"I was just tweeting to people who were not able to get through to 911," Rahimi told Yahoo News.

Rahimi posted updates to the official FDNY Twitter account urging those facing emergencies to dial 911. Because the response effort was divided among city government agencies, calling 911 allowed



Hillary Hartley @hillary "Gov agencies don't need social media experts, they need to get their experts on social media." @jedsundwall @measuredvoice #civicstartup



Doris Lin ② @DorisLin 2m OEM please send out texts with information, not links! We have no Internet! #Sandy #NJ

Expand



Simone Swink shared ABC News's photo. 5 minutes ago * 🔕

Stunning closeup of the hurri-crane here in New York.



NYC Construction Crane Snaps in Hurricane Sandy, Prompting Evacuation Orders. The Story: http://abcn.ws/TqPE9E

>> Tweeted @SaraR0se: "My cousin in trapped in his 2 floor apartment in Hoboken with a broken leg in crutches so we're going on a family mission to save him #sandy"



>> Home-bound Instagram users logged photos of trees blocking the entrances to their driveways.

>> "Please help! My parents trapped in ManhattanBeach-Exeter Street bet Sheepshead Bay/Hampton Ave.," tweeted Sandi DuBowski of Brooklyn. "Water overtaking house they need rescue."

Getty Images

DuBowski's 140-character message, in fact, was tweeted and retweeted as he

waited for hours for emergency services to arrive to aid his parents.

He pleaded repeatedly with the New York Fire Department Twitter account, reading messages of support from other users as he waited.

How Hurricane Sandy Slapped the Sarcasm Out of Twitter

By DAVID CARR



Brendan Mcdermid/Reuters

People congregate on Tuesday in front of a building in Manhattan that still has wireless Internet access.

http://www.fema.gov/sandy

Food stamps being given out to residents of New York and New Jersey as a part of FEMA assistance. This is FALSE. (November 3)

FEMA's Individuals and Households Program does not provide food assistance or a \$300 food voucher. If you have an emergency need for food, please call 211. If you reside in the NYC area, you may find information about food distribution locations by visiting <u>www.nyc.gov</u>. If you are a survivor in a declared county and have losses **other than food**, including damage to your home, personal property, or vehicle, please <u>apply</u> for assistance online (www.disasterassistance.gov), on a <u>mobile</u> <u>device</u>, or over the phone 1-800-621-FEMA (3362).

Hiring

There are reports that FEMA is paying \$1,000 to go to New York and New Jersey to clean up debris. This is FALSE. (November 5)

For information on how to volunteer and assist with Hurricane Sandy recovery efforts, visit <u>Serve.gov/sandy</u>

There is a spike of traffic related to FEMA hiring cleanup crews in both New York and New Jersey. This is FALSE. (November 2)



- •FEMA on Twitter
- •<u>@</u>FEMA
- @FEMAespanol
- •@FEMAregion1 (CT, ME, MA, NH, RI, VT)
- <u>@FEMAregion2</u> (NJ, NY, PR, VI)
- •@FEMAregion3 (DC, DE, MD, PA, VA, WV)
- FEMA on Facebook

•FEMA's mobile website - m.fema.gov •FEMA's Smartphone app

Hurricane Sandy: Rumor

Share/Email This Page

There is a lot of misinformation circulating on social networks regarding the response and recovery effort for Hurricane Sandy. Rumors spread fast: please **tell a friend**, **share this page** and **help us provide accurate information** about the types of assistance available.

Check here often for an on-going list of rumors and their true or false status.

Cash Cards / Food Stamps

There are message boards and traffic on social media sites related to FEMA and/or the American Red Cross distributing cash cards to individuals affected by Hurricane Sandy. This is FALSE. (November





Hey @americanapparel people have died and others are in need. Shut up about your #Sandy sale. pic.twitter.com/srlPY4y5 (via @whitneyhess)

"In case you're bored during the storm, just Enter SANDYSALE at Checkout."




Forbes @Forbes

Madison Square Garden reportedly told Sandy-struck employees to work or take vacation days. bit.ly/SBdm3b Expand * Reply 12 Retweet * Favorite * Buffer



Gawker @Gawker

TNOV

1 Nov

Madison Square Garden Company strong-arms employees into using vacation days post-Sandy. James Dolan, everybody: gaw.kr /53uVDX

Expand

"the letter fails to mention what would happen if employees didn't see the email due to the fact they didn't have power or Internet." "We recognize that many employees are impacted by the transportation issues as well as a lack of power, and that some are even dealing with personal damage and health issues. In the event that you need to make the personal decision that you are unable to come to work, you will need to notify your supervisor and take a personal or vacation day to cover the time off."





BREAKING: Confirmed flooding on NYSE. The trading floor is flooded under more than 3 feet of water. ♦ Reply ♣ Retweet ★ Favorite ♣ Buffer



6:04 PM - 29 Oct 12 - Embed this Tweet

The Man Behind @ComfortablySmug, Hurricane Sandy's Worst Twitter Villain



ComfortablySmug



I wish to offer the people of New York a sincere, humble and unconditional apology.

During a natural disaster that threatened the entire city, I made a series of irresponsible and inaccurate tweets.

While some would use the anonymity and instant feedback of social media as an excuse, I take full responsibility for my actions. I deeply regret any distress or harm they may have caused.

I have resigned from the congressional campaign of Christopher Wight, effective immediately. Wight is a candidate with the ideas, philosophy and leadership skills to make New York a better place and who will be an outstanding advocate for the people of the 12th Congressional District. It is my sincere hope that the voters of New York will see him based on his merits alone, and not my actions of the last 24 hours.

Again, I offer my sincere apologies.



Major outlets including CNN and The Weather Channel had already reported the tweet as a fact. The congressional campaign manager who confessed to spreading falsehoods on Twitter during Hurricane Sandy has resigned from Christopher Wright's New York City congressional campaign.

Shashank Tripathi, under the guise of his Twitter handle @ComfortablySmug, sent out several pieces of misinformation during the worst of the storm Monday.

He is being blamed for spreading the now-widely debunked rumor that the New York Stock Exchange trading floor had been flooded with 3 feet of standing water. The rumor was eventually picked up by CNN and New York Magazine until NYSE officials shot it down.

In a message on his Twitter account late Tuesday, Tripathi apologized and offered his resignation on Wright's House campaign for the 12 th congressional district.

Tripathi was first outed by BuzzFeed.

"I wish to offer the people of New York a sincere, humble and unconditional apology," Tripathi wrote. "During a natural disaster that threatened the entire city, I made a series of irresponsible and inaccurate tweets."

Other rumors included a false report that power would be shut down in all of Manhattan and that the New York subway would be closed for the entire week.

Tripathi has written for a finance blog for the Stone Street Advisors hedge fund under the same pseudonym, "ComfortablySmug."

Tripathi has been paid thousands of dollars as a consultant to the Wright campaign, according to BuzzFeed.

Wright's campaign said in a statement that Tripathi's resignation was accepted and the chief of staff, Nick Mackey, will replace him as campaign manager.



With #Sandy it has become clear that everybody is now a reporter but we need journalists to curate and fact check what's real or fake.

Xavier Damman

8 days ago

TRENDS AFFECTING REPUTATION MANAGEMENT

- Transparence: 150 mm bloggers— thousands of forensic accountants and social watchdogs watching your company. Don't assume you can hide information. It will be found.
- Crises Go Viral: Companies need plans in place to respond.
 No time to create AFTER something happens.
- One Way Conversations Don't Cut it: Conversations need to go both ways.
- ✓ Brand Detractors: leverage Social Media. You need to as well.
- *Brand Fans:* these people like you. They may infringe on your
 IP. Learn how to deal with it.



Social Media Changes the Way You Communicate to Employees

And Employees About YOU

More Than 75 % of Businesses Use Social Media. Nearly <u>Half Do Not Have</u> Social Networking Policies

In addition, 43 % of the respondents have reported employee misuse of social networks.

Source: Proskauer's International Labor & Employment Group



KPMG SURVEY





MONITORING

- Gazopt. It is the act of having your reputation, your brand, your message, your identity, or a confidential communication co-opted by an unauthorized person or by one who is violating a confidence or trust.
- It is no longer enough to think of social media as solely another medium to market your business.
- In fact, the failure to monitor social media may mean the end of your firm.
- Companies that have adopted social media without a clear monitoring plan are not truly using social media.

Monitoring

- Discover the sentiment and opinions of people
- Discover what people think of your brand or products
- Identify emerging issues/ threats
- Identify opportunities to develop message maps
- Reinforce corporate messages
- View the main influencers of your brand
- View trends over days, weeks, months and years



FIRESTORM *CRISIS* INDEX[™]

- The Firestorm CRISIS INDEX[™] quantitatively and qualitatively rates crises on reach, context, and acceleration.
- Understanding a developing crisis and its public perspectives becomes the foundation to optimize crisis outcomes.
- The Firestorm CRISIS INDEX[™] provides a uniform evaluation to compare crises and evaluate appropriate actions and communications needed.

FIRESTORM *CRISIS* INDEX[™]

- The Firestorm CRISIS INDEX[™] algorithm addresses quantitatively:
 - **REACH** volume, tone, and source of communications
 - CONTEXT significance, magnitude, and extent of impact
 - **ACCELERATION** rate of change in volume
- The Firestorm CRISIS INDEX[™] will be released within the first hour, first day, and first week of selected crises



CRISIS MANAGEMENT

What are the metrics to assure that your management team, would be ready?

How do you know? Are you sure?

DISRUPTION OR DISASTER?

GAZOPTEDI

PREDICT. PLAN., PERFORM. ®

SOCIAL MEDIA Controlling The Message

PREDICT. PLAN. PERFORM.®

Listen to what's being said
 Evaluate who and why
 Engage as appropriate
 Understand Who's Listening to You
 Monitor and Measure