

## Managing Corporate Issues with Highly Engaged Stakeholders: A Case Study

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*In a crisis, stakeholders can be your strongest advocates and allies. These case studies from Edelman San Francisco detail how stakeholder passion can be effectively leveraged to help companies and organizations manage and mitigate the effects of a crisis.*

Recently, a significant player in the wine industry initiated a complex transaction to acquire the assets of its primary competitor, which had abruptly ceased operations and was planning to file for bankruptcy. The company in question worked diligently to manage the full spectrum of communications activities throughout the process, including:

- **Message development and media training** for company executives that explained the process in a way that would be easy to understand for traditional business media;
- **Managing relationships** with competitors and bloggers who were strongly opposed to the company's approach to the transaction;
- **Development of a broad spectrum of communication materials** for invested parties at both companies, including employees, business partners, clients and other stakeholders; and
- **Media management** before, during and after the successful completion of the process.

In the end, the company leveraged the increased visibility of the transaction to effectively raise its profile among audiences and media outlets that had previously been unaware of its position as a leader in this growing market segment. An influential industry blogger wrote that by the time the transaction closed, he had completely reversed his initial, negative view of its strategy.

### **When Disaster Strikes... Twice!**

A pair of recent crises showcased how the response to unforeseen events can support a company's overall communication strategies and business goals. Here's a brief look:

#### **Be prepared, even when there's nothing to worry about.**

A well-known food company sought to refresh its crisis communications plan and retrain its executives on message delivery for media interviews. The company had a virtually spotless track record and was being cautious in reviewing its crisis response plan. But before work could begin on the project, the company was suddenly facing two of the biggest challenges in its 90-year history.

**There's no substitute for open access and honest communication.** The first crisis was a massive four-alarm fire at one of the company's main facilities. No employees were injured, but the plant was gutted and the incident resulted in statewide media coverage. The company's strategy emphasized open and honest communication with the media, while outlining the steps it had taken to ensure it remained business as usual. The CEO granted on-camera interviews to all local media outlets and crews toured the company's processing facility to show the larger operation hadn't been impacted by the disaster.

**The response matters more than the event.** Shortly after the fire, the company initiated a community outreach program to help displaced plant workers find employment. The campaign included a full-page ad in the region's major daily newspaper asking businesses with open positions to contact the company. The community response and follow-up media coverage was overwhelmingly positive.

**Goodwill goes a long way.** The company's positive and proactive response to the crisis earned it some goodwill with the media – much needed when a second major incident occurred just a few weeks later. This time, a chemical leak at a nearby facility forced the evacuation of nearby businesses and the shutdown of two freeway on-ramps during the morning commute. Two dozen people were treated at the scene. Again, the company's cooperation with the media – along with a personal apology from the CEO to neighbors and commuters – supported the company's overall efforts to be seen as a good corporate citizen and helped it weather the cruelest summer imaginable.

If there's one industry that inspires even greater passion in California than wine, it's water. And this year, a major water district on the Central Coast sought to manage its stakeholder relations and crisis planning for the development of a multi-million dollar water recycling plant. The project required a delicate balance of building relationships with growers, landowners and residents, while at the same time defending the project against opponents in these same groups. Message development, town hall meetings, media outreach and presentation training all played a key role in the success of the project launch.

Finally, few events in San Francisco inspire more a more passionate following than the ING Bay to Breakers 12K, an annual running event known for its colorful participants and anything-goes spirit. Race organizers worked with city leaders and corporate sponsors to manage communications around new rules that would mitigate issues of alcohol consumption and public indecency during the event. A significant segment of the community howled in protest, charging organizers with destroying the spirit of the race. In the end, the organizers' strategy of engaging with stakeholders and clearly communicating the benefit of the changes helped deliver one of the cleanest and most enjoyable races in the event's history. It was also a great example of complete integration of digital and social media into crisis tracking and response.

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