

PROLOGUE

NOT A QUESTION OF IF, BUT WHEN

IN THE INFORMATION AGE, THERE ARE TWO KINDS OF PEOPLE, TWO KINDS OF INSTITUTIONS, two kinds of organizations: those who have been hit with a crisis and those who haven't been around very long.

Whether you are a multinational corporation such as BP responding to oil gushing into the Gulf of Mexico or the neighborhood restaurant dealing with a bad Yelp review, confronting a crisis is not a question of *if* but of *when*. And of those who have looked a great crisis squarely in the eye, there are similarly two kinds of people, two kinds of institutions, two kinds of organizations:

Those who were able to be masters of their disasters, and those who failed.

The landscape is dotted with a few winners but crowded with many losers who simply did not have what it took to survive the crisis.

For every Bill Clinton—who left office with the highest presidential job approval rating in history despite having been impeached—there are disgraced former politicians like Gary Hart and John Edwards.

For every Goldman Sachs—which, despite being widely portrayed in the wake of the 2008 financial meltdown as a pack of real-life Gordon Gekkos savagely trouncing all in their path in the service of the bottom line, has continued to have great success—there are companies like Lehman Brothers, Enron, and Arthur Andersen, consigned to the ash heap of Wall Street.

For every franchise athlete like Yankee's star Alex Rodriguez—who in 2009 went from being the spring training goat of ridicule over revelations about his use of performance-enhancing drugs to being the 2009 World Series hero—there are disgraced former superstars like Barry Bonds and Mark McGwire.

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These same battles play out every day not just in *The New York Times* and *The Wall Street Journal*, but also in the *Peoria Journal Star* and *Palo Alto Online*. The names may not be known to all, but the problems are just as serious to those in the vortex, such as:

- The local bed and breakfast that suddenly discovers it has been reported to BedBugRegistry.com;
- Your colleague who inadvertently left his resume in the printer and is being called in by his boss to address whether he is applying for another job;
- A neighborhood fast-food franchise that is suddenly dealing with a so-called foreign particle in its hamburgers that may or may not have been planted there by a spiteful customer or a disgruntled employee;
- A principal at a private school who is trying to explain the dip in the latest test scores to a group of angry parents;
- A guy in the adjoining cubicle who inadvertently hits “reply all” when sending his best friend a scathing criticism of their boss.

All of these examples are, in fact, real-life cases—and versions of them happen every day. And while these crises may not be leading national news reports, when they happen to you or your organization, it’s personal, it’s profound, and it will have an enormous impact on you, your family, and your future.

It’s like what Ronald Reagan said about the economy when running against Jimmy Carter—when your neighbor’s out of work, it is a recession; when you’re out of work, it is a depression.

Similarly, when your neighbor faces a crisis, it is someone else’s scandal; when *you* face a crisis, it is a disaster that you *must* master.

We are often asked how to identify a crisis. A crisis can manifest itself in a seemingly infinite number of ways: It could be a legal problem, such as when a Fortune 500 corporation is sideswiped by an accounting scandal; it could be an economic challenge, such as when a restaurant is losing market share to a competitor because of poor Yelp reviews; it could be a personal issue, such as when a spouse is caught cheating on their partner; or it could be organizational in nature, such as when a high school principal removes a teacher for inappropriate conduct. In whatever form the crisis appears, the most accurate way for you to know whether it is, in fact, a crisis is to apply one very simple test:

Is there something that is putting you or your organization's trust at risk with those very audiences—be they shareholders, consumers, your spouse, or your superior—whose trust you must maintain to be able to survive and thrive?

Simply put, *crisis is everywhere and impacts everyone*, whether you are big or small, established or less established, powerful or not so powerful. Crisis is a constant state of nature in our Information Age. And in the modern spin cycle, whether you are a business protecting a brand, a public figure guarding your image, or that guy in the cubicle defending your reputation, *if you do not fight back—even after a short, nasty, or brutish experience—you will no longer have your brand, your image, or your reputation.*

Successfully fighting back—whether it is fending off a national story or your neighborhood blogger—involves the application of a set of basic principles of crisis survival coupled with the execution of field-tested tactics.

This is the survival of the fittest.

This is the black art of damage control.

And this is what we do.

For more than twenty years, Chris Lehane and Mark Fabiani have manned the frontlines of scandal patrol. In the 1990s, the two of us helped lead a team of lawyers who were responsible for representing President Bill Clinton, First Lady Hillary Rodham Clinton, and the White House on various scandals related to Ken Starr's investigation of the president. During that time we became publicly known as the "Masters of Disaster." Since leaving the White House in 2000, our crisis communications firm, Fabiani & Lehane, has represented global Fortune 500 companies, high-profile CEOs, elected officials, celebrities, and athletes.

Our partner in this, Bill Guttentag, a lecturer at the Stanford University Graduate School of Business, comes from the journalism side of the damage control house. Bill is a filmmaker who has made films and television programs for ABC News, HBO, NBC, CBS, PBS, and others. He has worked with multiple national network news anchors and has won two Oscars, three Emmys, a Peabody Award, and other awards. And he's spent enough time inside the networks and other media to know what works in deflecting a crisis and what throws gas on the fire.

When we began to write this book in June 2011, the United States experienced a month that saw record-high temperatures, matched only by what seemed like a record-high number of breaking scandals—from Congressman Anthony Weiner's salacious tweets to teenagers and a porn star and revelations

about Arnold Schwarzenegger's love child, to French political star Dominique Strauss-Kahn's being charged with sexually assaulting a New York City hotel maid.

And then things *really* heated up and July brought even hotter temperatures and even more scandals—from News Corporation's British cell phone hacking scandal; to a high-stakes fight over the debt ceiling that roiled the markets; to an Oregon congressman with an odd penchant for dressing up in a tiger suit who admitted to a having sex with the teenage daughter of one of his fundraisers.

In reality, while the sizzling summer temperatures were indeed at record levels, the skyrocketing scandal meter was merely reflecting that, in the times in which we live:

Crises have become the normal state of nature.

In fact, to illustrate this point, you just have to look back to the previous summer, where you would be reminded of another set of crises: the BP explosion; WikiLeaks; the Greek banking crisis; Toyota's recall; NPR's firing of Juan Williams; a sex scandal within the Vatican; Google pulling out of China; the Ground Zero Mosque imbroglio; the Icelandic ash cloud grounding international air travel; and the Chilean mine workers rescue—to name a few.

And, whenever you are reading this book, we are confident that even a cursory glance at the daily news will reveal a whole new series of scandals erupting. Scandal is an endlessly self-renewing resource.

Our hope is that this book will serve as a manual both to help you understand why crisis is a state of nature and, more importantly, to help prepare you to *manage* the crisis—whether it is national news or news in your neighborhood.

And the first step to managing a crisis is understanding the five fundamental elements responsible for why a state of crisis has become the new normal.