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| ***Term Pepper*** | | | | | | | |  |  |  |
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| **Topic-; Identify Any Crisis, Which Occurred Recently in Industry/organization Critically Analyze the Ways by Which It Was Resolved.**  **What Is Management Crisis?**  **Crises Can Strike Any Company at Any Time. Microsoft, Valujet, Chrysler, Pepsi and the Tobacco Industry Are Some of the Most Recent Companies That Can Attest to This Fact, But They Are Not the Only Ones. Crises Do Not Discriminate Based On a Company’s Size or Notoriety, And They Can Hit When a Company Least Expects Them. They Come in Many Forms – Strikes, Layoffs, Product Recalls or Allegations of Misconduct, But While Some of These May Seem Small, Every Crisis has the Potential to Damage the Reputation of a Company.   regardless of the Severity of the Situation, Crises Pose a Serious Threat to Companies – Not Only to Their Reputation but Their Fiscal Health As Well. When Odwalla’s Apple Juice Was Thought to Be the Cause of an Outbreak of E. Coli Bacteria, The Company Lost a Third of It's Market Value. The Same Allegation Against Jack in the Box Restaurant in 1993 Caused the Hamburger Chain’s Stock Price to Fall From $14 A Share to Nearly $3 A Share. On the Other Hand, Some Companies Emerge From Crises Unscathed in the Eyes of Consumers and Investors. Johnson and Johnson Is One Such Company. After It Was Discovered That It's Tylenol Capsules Had Been Laced with Cyanide, Johnson and Johnson Reacted in Such an Effective Way That the Case Is Now Well-Documented As an Example of Successful Crisis Management.   the Factor That Determines How a Company Will Withstand a Crisis Is It's Ability to Respond to the Crisis. “the Public Forgives Accidents, But It Doesn’t Forgive a Corporation If It's Response to the Public Is Inadequate.” Once a Crisis Occurs, The Company Is Suddenly a Target for the Media, Who Are Acting On Behalf of the Public to Find Out the Answers to the Important Questions About Their Own Safety. One Substantial Barrier the Company Must Overcome Is the Public’s Perception, Because It Is a Well-Known Fact in the Public Relations Field That Perception Is, Indeed, Reality. One Survey Discovered Some Unsettling Facts:**   * **Three-Fourths of the People Surveyed Said Companies Do Not Take Responsibility for Crises** * **Three-Fourths Said Companies Do Not Usually Tell the Truth**   **This High Level of Cynicism Is Important to Overcome, For It Is How the Company Is Perceived by the Public That Ultimately Will Determine the Future of the Organization.   time Is at a Premium During a Crisis, So It Is Essential for Companies to Plan Ahead. “in a World Where the Wrong Split-Second Decision Can Cost a Company Millions in Negative Publicity, Not Being Prepared Is Not Worth the Risk – To Executives or the Companies They Work For.” Many Companies Today Recognize This and Have in Place a Crisis Communication Plan That Outlines the Steps to Be Taken During the First Few Hours of a Crisis. They Spell Out the Who, What, When, Where and How the Company Should Deal with the Crises. The Best Plans Produce Many of the Materials Necessary Ahead of Time, Including Initial Official Statements, Press Releases, Fact Sheets and Backgrounders so That the Missing Information Simply Must Be Inserted and the Materials Are Ready to Go. A Good Crisis Plan Is “everything You Need in One Place so You Don’t Have to Search – Because You May Not Have Time to Search."**  **Are You Prepared ?** | | | | | |
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| **Many Actions Can Be Taken Prior to an Actual Crisis That Can Help a Company Quickly and Effectively Respond When It Does Finally Occur. Speed and Efficacy Are Paramount, So It Is Important These Steps Are Taken Before, Rather Than During, A Crisis. "If You Need to Spend the First Few Hours Creating a Plan, You May Have Missed Your Window of Opportunity and Will Always Be Playing Catch-Up.   establish a Crisis Management Team (Cmt)**  **this Team Should Be Composed of Eight to 10 Decision-Makers in the Organization, Each Representing a Different Background and Area of Expertise. They Should Include Members From the Public Relations Department, Management, Personnel, Security and Any Specialists That Relate to the Specific Industry. In Addition, This Team Should Select a Leader and a Spokesperson. This Spokesperson Is the Only Person Who Should Be Made Available to the Media, At Least Initially. Although the Media Often Want Access to the Ceo, This Should Be Done On a Limited Basis, And He/she Should Not Be the Main Spokesperson. The Team Members Should Be Creative with Strong Problem-Solving Abilities, For "It Is the Team Concept That Brings Together the Expertise to Understand and Evaluate the Specific Crisis and Come Up with Solutions That Can Help Your Organizations Deal with It." This Team Will Make All the Important Decisions During the Time of Crisis and Will Be Intimately Involved in Every Detail.**  **Develop a Crisis Response Plan**  **One of the Crisis Management Team's Main Responsibilities Is to Develop a Crisis Response Plan. This Plan Should Be Developed with the Assumption That a Crisis Is Any "Event, Revelation, Allegation or Set of Circumstances That Threatens the Integrity, Reputation, Or Survival of an Individual or an Institution." These Plans Will Direct the Organization's Actions in Dealing with the Crisis. Key to the Process of Developing This Plan Is Generating a Set of "Worst-Case Scenarios" In Which the Group Lists All the Potential Crises the Company Could Face. These Would Include Everything From the Ceo Resigning to Allegations That the Company's Products Kill People. Many of the Scenarios in Between the Two Extremes Can Be Grouped Together and Will Have Similar Response Processes. Based On Each Potential Crisis, A Specific Crisis Plan Should Be Developed to Outline the Exact Response Needed. Each Plan Would Require Materials, Such As Official Statements, Outlines for Press Releases, Fact Sheets and Backgrounders, That Deal with the Situation to Be Prepared Ahead of Time. In Addition, It Is Essential to Speak with One Voice, So Internal and External Messages Should Be Crafted to Adhere to This Important Guideline. Effective Crisis Response Plans Allow Companies to "Hit the Ground Running "Because so Much of the Legwork Is Done Ahead of Time.   update the Crisis Response Plan and Practice It Regularly  once the Plan Is Developed, It Should Not Be Placed On a Shelf and Forgotten. Circumstances Change, And so Must the Plan. To Be Able to Implement the Plan, A Company Must Practice the Plan Regularly. Role-Playing Exercises and Seminars by Former Journalists Help to Prepare the Crisis Team for the Pressure of a Crisis Situation. In Addition, The Media Can Be Unrelenting, Especially to an Ill-Prepared Spokesperson. It Is Important This Person Be Prepped Before Speaking**  **To the Media. Speech Patterns, Camera Presence and Poor Body Language Can All Affect the Delivery of the Message.   establish a Strong Relationship with the Company's Legal Counsel**  **During a Crisis, There Is a Natural Split Between the Legal, Financial and Communications Departments of a Company. Each Brings to the Table It's Own Unique Angle, And These Ideas Often Collide. "To a Public Relations Professional, Saying 'No Comment' Is Akin to Death. For an Attorney, It Is Safety." Despite Their Conflicting Views, It Is Essential There Is Teamwork Between These Groups. Therefore, It Is Advisable for Communicators to Develop a Relationship with Both Legal and Financial Decision-Makers to Allow for All Interests to Be Represented and a Compromise Developed Ahead of Time.**  **Putting It Into Action** | | | | | | | | | |
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**having a Complete Crisis Response Plan Is the First Step to Effectively Dealing with a Crisis, But Implementing That Plan Is Just As Important. In a Crisis, Companies Find Themselves Under the Watchful Glare of the Public, And Every Decision They Make Gets Examined Under a Microscope. The First Hours Following a Crisis Are Crucial, For It Is in That Time That the Public Will Form It's Own Opinions. Despite All Future Actions, These Opinions Are Nearly Impossible to Change. Therefore, "Operational Response Is Essential. It Is the One That Saves Lives, Property and Other Assets. The Ability to Communication Is No Less Important. It's the One That Saves the Business." The Public Will Base Their Opinions On Both of These Elements. So, When Presented with a Crisis, Companies Should:**

* Communicate Early and Often.
* **Show Compassion, And Be Sure the Company Is Doing Everything Possible to Improve the Situation.**
* **Be Honest and Open.**
* **Be Consistent in the Message.**
* **Monitor Public Opinion Using New Technology (Chat Rooms, Message Boards, Discussion Groups, Surveys).**

**.Follow Up with Public Opinion Surveys and Employee Questionnaires to Learn From Mistakes.**

**Many Crises Cannot Be Avoided, But Effectively Responding to the Situation May Limit the Negative Impact the Company Suffers.**

**Johnson and Johnson Introduction**

**Johnson and Johnson Is a Diversified Health Care Giant with Over 250 Operations in Sixty Countries. The Pharmaceutical Division Makes Drugs for an Array of Ailments Including Neurological Conditions, Blood Disorders, Autoimmune Diseases, And Pain Management.   Johnson and Johnson has Medical and Diagnostic Divisions Which Offer Surgical Equipment, Monitoring Devices, Orthopedic Products, And Contact Lenses. Their Consumer Division Produces Over the Counter Drugs and Products for Skin and Hair Care, Oral Care, First Aid, And Women’s Health Products. Johnson and Johnson’s Credo Is to Meet the Needs of It's Customers in a Responsible Manner. Every Decision They Make Is Guided by the Values It Proclaims. Essentially, Their Credo Challenges Them to Put the Needs and Well Being of the Customers They Serve First.   This Credo Was Instituted More Than Sixty Years Ago by Robert Wood Johnson, Who Was Chairman and a Member of the Company Which Was Originally Family Owned. Today It Is a Publicly Traded Company with This Pact Between the Consumer and the Company Still in Place. This Philosophy Is a Pioneering Example of Corporate Social Responsibility As Well As a Moral Compass and a Receipt for Success.   This Formula has Led Johnson & Johnson to Be One of a Handful of Companies That Have Flourished Through More Than a Century of Change and Is a Testimony to It's Endurance.       
as the Science of Human Health and Well-Being has Grown, Johnson and Johnson has Been Able to Grow Along with It.   Their Belief Is That Being Broadly Based Gives Them a Heads Up Over Other Companies.   Since They Have 250 Operating Companies, They Feel It Gives Them a Local Window Into Emerging Customer Needs, Scientific Developments, And Technologies Throughout the World.   This Allows Them to Take the Information They Learn and Use That Information to Make New Products and Sometimes Create New Businesses.**

**Johnson & Johnson’s Tylenol Scare**

**In 1982, Johnson and Johnson Experienced a Major Crisis When It Was Discovered That Numerous Bottles of It's Extra-Strength Tylenol Capsules Had Been Laced with Cyanide. By the End of the Crisis, Seven People Had Died. How Johnson and Johnson Dealt with This Situation Set a New Precedent for Crisis Management. The Company Was Lauded for It's Quick Decisions and Sincere Concern for It's Consumers. Despite Initial Losses, Johnson and Johnson Regained and Exceeded It's Previous Market Share Within Months of the Incident.   
  
reacting to the News  
when Johnson and Johnson Was Faced with the Initial Situation, It Had to Make Some Tough Decisions That Would Severely Impact the Future of the Terms, However, Ceo James Burke Immediately Turned to the Company's Credo. Written by Robert Johnson in 1943, The Document Defines the Focus of the Company As It's Customers with This As It's Company. Rather Than Think in Financial Inspiration, Tylenol Used the Media to Promptly Begin Alerting People of the Potential Dangers of the Product. It Dispatched Scientists to Determine the Source of the Tampering.**

**Setting a New Standard**

**Johnson and Johnson Then Made a Decision That Would Set a New Standard for Crises Involving Product Tampering. The Company Ordered a Massive Recall of More Than 31 Million Bottles at a Cost of More Than $100 Million. It Also Temporarily Ceased All Production of Capsules and Replaced Them with More Tamper-Resistant Caplets. This Type of Drastic Response Had Never Been Attempted, Which Prompted Much Criticism. However, Johnson and Johnson Stood Firm Behind It's Decision - And for Good Reason. The Company Was Able to "Use the Crisis to Demonstrate to [Its] Customers [Its] Commitment to Customer Safety and to the Quality of the Tylenol Product." In Addition, The Company's Willingness to Be Open with the Public and Communicate with the Media Helped the Company Maintain a High Level of Credibility and Customer Trust Throughout the Incident. Burke Also Maintained a High Profile and Repeatedly Assured the Public of the Company's Commitment to It's Customers' Safety.  
regaining Lost Ground**

**Directly Following the Incident, Johnson and Johnson's Stock Fell Seven Points, And It Dropped From Having 35 Percent of the Nonprescription Pain-Reliever Market to Having Only Eight Percent of the Market. However, These Tough Times Would Not Last. The Company Aired Commercials Within Days to Regain the Public's Trust, And a Month After the Recall, The Company Embarked On an Aggressive Campaign to Rebuild the Tylenol Brand. In November, It Promised to Have the Product Back On the Shelves in a New Triple-Tamper-Resistant Package - The First of It's Kind - By the End of the Year. It Offered Incentives, Such As a Free Replacement of Caplets for the Capsules and Special Coupons, To Try to Maintain It's Customer Base. The Company's Attempts Were Successful, And by the Following Spring, Johnson and Johnson Had Regained It's Previous Market Share. When Another Poisoning Involving a New York Woman Occurred Four Years Later, Johnson and Johnson Once Again Had to Take Action. "Because the Company Had Been Through It Before - The Tampering, The Tragedy, The Scrutiny of News Organizations - It's Executives Knew How to Handle It." Despite the Fact This Case Was Soon Identified As an Isolated Incident, Johnson and Johnson Decided to Permanently Discontinue Capsule Products - Once Again Demonstrating It's Commitment to Putting Safety First.**

**Refrence:- Http://iml.Jou.Ufl.Edu/projects/spring01/hougue/crisismanagement.Html**

**Http://www.Oppapers.Com/essays/johnson-Johnson-Introduction/170550**

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