

**Fall 2017***Today's General Counsel*

In 1961 President Kennedy faced his first major crisis, a disastrous botched invasion of Cuba known as the Bay of Pigs fiasco. This led the young President to establish the now famous White House "Situation Room," as methodology for better coordination and response to unplanned significant events. More than just a physical location with secure communications from which to command a crisis situation, it is fully staffed by watch teams that monitor events with specified duty officers, intelligence analysts, and communications professionals.

Corporations and other large organizations are smart to establish their own virtual "Situation Room" response teams, who swing into action instantly following a significant unwelcome event. United Airlines' crisis response to the public horror show of their bloodied passenger, Dr. David Dao, being dragged off its April 9, 2017 Flight 3411 offers the perfect example of why a "Situation Room" approach is necessary.

It is easy to Monday-morning quarterback the many failures of United's response. Those faults have not only been well-covered, but offer little insight into exactly how and why things went so unexpectedly poorly. The truth is United did a great deal right several days into the crisis, but the first 24 hours of decisions and communication determine how successfully an organization weathers a crisis. Only a pre-established and organized "Situation Room" approach prepares an organization to immediately manage adverse events.

So how would an excellent and talented CEO, such as United Airlines' Oscar Munoz, have benefited from a different approach? What could have been done to steer towards a quicker and more successful resolution of the reputational catastrophe?

To answer these questions, it is helpful to look at how United responded in reverse chronological order to see what they did well, and which internal stakeholders were either not in the "Situation Room," or whose opinions were perhaps not given equal weight.. As praiseworthy as I believe Munoz's actions to be 72 hours after the incident, he and his team dug an unnecessarily deep hole from which to climb out in the first 48 hours.

**April 27.** Just two and a half weeks after the incident, United posted a thorough and objective review and action report highlighting its own failures and outlined thoughtful policy changes to prevent a similar incident. The report also thoroughly described its pre-existing Involuntary Denial of Boarding process and explained the complex practices of aircraft downsizing, moving

crew, overbooking, and other annoyances that can appear capricious, . Most importantly, United reserved all responsibility for itself and only discussed its own failures—shifting no blame to the passenger or Airport Police.

***Analysis: This corrective-action plan was a considerable accomplishment in a few short days and offers evidence of a good deal of advance planning. No enterprise could have produced a great review and action plan in the initial 48-hour maelstrom of public criticism. What United needed to do is to purchase breathing room immediately after the incident became public to grant it some grace time. If the strategic communications team, HR, legal, investor relations had all been summoned to the “Situation Room” and prepared to work together, it is easy to imagine that Munoz’s initial comments would not have set public sentiment so hard against the airline that their corrective action plan would receive so little praise.***

**April 12.** Three days after the incident Munoz went on national television to express “shame” and pledged that the episode will never happen again. He comes across sincerely contrite and resolute that he will fix the problem and takes ownership that it “is on him” to fix. Later that day, United offered to issue every passenger a full refund.

***Analysis: United would receive the A+ grade one would expect if it were the message Munoz was prepared to give in the first 24 to 48 hours immediately following the event. But this message did not emerge until three days after the event. As a strategic communications professional, it seems clear that by the third day, the marketing and public relations team had not only joined the battle, but was becoming the dominant influence on the CEO’s thinking about safeguarding United’s reputation.***

**April 11.** Two days after the incident, United faced a full-blown PR nightmare and congressional hearings were scheduled. At that point, United took full responsibility for the “horrific event” in a statement from Munoz that exhibited empathy for the victim and recognized the public’s anger:

The truly horrific event that occurred on this flight has elicited many responses from all of us: outrage, anger, disappointment. I share all of those sentiments, and one above all: my deepest apologies for what happened. Like you, I continue to be disturbed by what happened on this flight and I deeply apologize to the customer forcibly removed and to all the customers aboard. No one should ever be mistreated this way.

I want you to know that we take full responsibility and we will work to make it right.

It’s never too late to do the right thing. I have committed to our customers and our employees that we are going to fix what’s broken so this never happens again. This will include a thorough review of crew movement, our policies for incentivizing volunteers in these situations, how we handle oversold situations and an examination of how we partner with airport authorities and local law enforcement. We’ll communicate the results of our review by April 30th.

I promise you we will do better.

***Analysis: Munoz's statement was the first evidence of cooperation between the lawyers, the HR team and the marketing and PR team. This second response shows a balancing of the HR department's desire to not blame flight attendants following the company's procedural guidelines, with the brand keeper's imperative to not blame the customer.***

**April 10.** Monday evening, approximately 24 hours after the incident, Munoz issues a second statement in the form of a letter to reassure United employees that he was with them:

Like you, I was upset to see and hear about what happened last night aboard United Express Flight 3411 headed from Chicago to Louisville. While the facts and circumstances are still evolving, especially with respect to why this customer defied Chicago Aviation Security Officers the way he did, to give you a clearer picture of what transpired, I've included below a recap from the preliminary reports filed by our employees.

As you will read, this situation was unfortunately compounded when one of the passengers we politely asked to deplane refused and it became necessary to contact Chicago Aviation Security Officers to help. Our employees followed established procedures for dealing with situations like this. While I deeply regret this situation arose, I also emphatically stand behind all of you, and I want to commend you for continuing to go above and beyond to ensure we fly right.

I do, however, believe there are lessons we can learn from this experience, and we are taking a close look at the circumstances surrounding this incident. Treating our customers and each other with respect and dignity is at the core of who we are, and we must always remember this no matter how challenging the situation."

***Analysis: The employee eye-witness accounts of what transpired was an effort to show solidarity with employees, but reiterated what could be called biased descriptions of a passenger refusing \$1,000 in compensation and becoming disruptive and belligerent. United's human resources team may have succeeded in assuring the employees they were not being hung out to dry, but it had the opposite effects on the flying public, which saw it as an Us-vs.-Them mentality.***

**April 10.** Monday morning following Sunday's incident, Munoz issued his first statement:

This is an upsetting event to all of us here at United. I apologize for having to re-accommodate these customers. Our team is moving with a sense of urgency to work with the authorities and conduct our own detailed review of what happened. We are also reaching out to this passenger to talk directly to him and further address and resolve this situation.

***Analysis: United's legal team seems to have gone out of its way to assure that there was no admission of wrongdoing and reiterated the uncertainty of the situation without any understanding of the business risks this approach imposed. This statement is a "nonpology" in that it follows the form – but not the substance – of an apology. "Re-accommodating" is an annoying euphemization that added insult to injury because no one felt accommodated in the least. The worst part of this statement is that the injured passenger does not even get a "nonpology."***

## ***Who's in the "Situation Room" when the Crisis Hits Makes All the Difference***

What's to be learned from this series of events? United's response was pilloried in the public eye not so much for what Munoz said, but for what he *didn't* say. His legal and human resources team played commanding roles in the first 24 hours of crisis response, but it came at the expense of how United needed to speak to customers.

### ***Integration of Strategic Communications and Legal Teams***

Companies that otherwise communicate brilliantly replicate United's mistakes countless times in crisis situations because they are not prepared with a "situation room" process that integrates legal, communications, HR and business unit leaders. Rather than judge United, it would be wise to remember that just three weeks before this crisis Munoz received *PRWeek's* coveted Communicator of the Year award for his efforts to reconnect his employees to the customers they serve. In accepting the award he said, "communication and communications strategy is not just part of the game, it *is* the game." Like many CEO's, United's CEO understands communications, but that is not that same as being prepared with a system to contain a business crisis, that prepares small measures that can turned disaster into brilliance.

United's crisis would have tested any company, but imagine how much more deftly United could have weathered the storm if it had:

- Felt confident enough to respond to a desperate and uncertain situation with language showing human emotion;
- Delivered a consistent, coherent message throughout a fast-changing and developing story; and
- Tempered a cold-eyed assessment of risk with an acknowledgment of an elderly man in an emotionally trying crisis.

Corporate leaders improve their companies' odds in a crisis by giving public relations, lawyers, human resources and the business leaders seats at the table. Had United implemented an integrated "Situation Room" approach to crisis preparedness, they could have ensured that its efforts for a legal "win" did not result in a loss in the court of public opinion.

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