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Relieving the distress of senior-level exits

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Nothing can be more toxic for a company than the sudden exit of a senior executive. But effective PR can help head off the panic.

First though, communicators cannot get caught in the headlights.

"When someone in the C-suite suddenly exits, uncertainty may be sweeping the company, including the communications department," says Rick Leonard, MD for Stanton Communications' New York office. PR pros might develop a strong aversion to risk, not wanting to say something that would cause them to fall out of favor with the incoming regime.

"Keep your ear to the ground," Leonard advises. "Be prepared to ask the right questions and volunteer the right information to help new leadership project stability and continuity, in the context of the new vision. And know the market conditions. As we have seen in this recent financial crisis, things can change very quickly."

Having a communications plan in place that can be adjusted to manage a sudden exit is key, says Ken Makovsky, president of Makovsky & Co. Preferably, that plan is bolstered by recommendations based on solid research.

"One recent CEO change required extensive research to gauge how positively or negatively the investment community would react," he says. Makovsky tempered the board's fears regarding Wall Street's reaction by furnishing data behind positive and negative stock price declines around similar announcements. "This data helped them prepare mentally for the hit the stock was about to take," he notes.

Sudden exits are often contentious, so it is not always possible to provide details, but try to do so. And highlight the strengths of the newly anointed replacement, if one is available, to reassure stakeholders the change is under control, Makovsky adds.

"If a replacement has not been named," he says, "an interim person or plan should be clearly articulated to safeguard against any confidence gaps among key stakeholders."

A PR counselor also needs to provide an angle detached from the inner corporate circle.

"I break out the really tough questions in advance so decisions can be made... on whether or not to address the questions proactively in the release or in subsequent interviews," Makovsky says.

In the event of a major departure, it is essential management treat employees as the company's most important audience.

"Employees need to know that someone is still guiding the organization or the affected department, division, or business unit," says Deborah Radman, SVP and director of PR for CKPR. "Be steadfast in your commitment to managing the timing and release of departure details. Don't gloss over the situation or pretend that it isn't unpleasant and emotional. And, don't let the news trickle out to stakeholders, especially employees. Odds are, they sense what's going on anyway."

Key messages have to be consistent across different audiences, says Silvina Moschini, CEO of Intuic. The concerns of a direct report of the exiting executive are not the same as those of business partners, clients, investors, or members of the media.

"If a senior executive that handles large clients is laid off, the clients will be interested in knowing that after his departure... [their company will not be neglected]," Moschini says. "For an employee, information regarding whether the layoff is a standalone situation or [if] it will be ongoing will be much more important than anything else, as he will fear for job security."

Lastly, get the story straight with the outgoing executive, if possible.
Moschini says, "It is so important to agree with the departing person on the messages that will be delivered."

Do

- Have a plan in place, including well-researched data points
- Treat employees as the most important audience
- Provide reasons for the exit, if possible, and highlight the strengths of the new executive

Don't

- Duck and cover. Ask the right questions and offer the right information
- Let the news trickle out to stakeholders, especially employees
- Ignore conversations with outgoing executives about messaging