

AVOIDING A CRISIS

Is your campaign at the mercy of events?

When Harold Macmillan was asked what prime ministers feared most, he famously replied, 'events, dear boy, events'. It's not only prime ministers who are on the lookout for such things – pharmaceutical executives are also known to have the odd sleepless night, worrying about events that seem beyond their control.

Being at the mercy of events is not unique to pharmaceutical executives, of course. However, the range of events that can stop your carefully planned marketing campaign in its tracks seems greater here than elsewhere – unexpected reports of side effects, critical letters from opinion leaders, negative reports in the journals, rows over access and pricing, maverick sales reps taking doctors to lap dancing clubs...

It wasn't always like this. Older marketing executives can remember when it was possible to make occasional mistakes, commit unintended minor breaches of the code, maybe even take a few chances, and it would never be reported anywhere except in their annual appraisal.

Nowadays, criticism or transgression is highly likely to end up in *The Guardian*, on the 'No Free Lunch' website and in a public citizen press release. With the voracious appetite of 24-hour news, it can also end up on TV and radio before you've had chance to say 'Q&A approval' and before you know it, you're on the wrong end of a media feeding

frenzy. Hardly anything slips under the radar of media and public scrutiny.

In terms of transparency, safety and public confidence, this is generally a change for the good. It does mean, however, that a systematic programme of 'event anticipation' should be central to all pharmaceutical companies, and included in their marketing campaigns – this is called 'issue management'. The objective of the programmes is to stop an issue escalating into a crisis. Henry Kissinger, the US Secretary of State during the Vietnam War, summarised the relationship between the two when he said, 'an issue ignored is a crisis ensured'.

How did we get here?

There are lots of reasons why the industry is now under so much scrutiny. One is the rise in consumer activism fuelled by the internet. Patient blogs are everywhere, everyone's a journalist, and the democratic nature of the web means everyone's an instant expert. A google search for 'drug side effects' produces more than 30 million websites!

Then there are ambulance-chasing lawyers, a trend very common in the US, now seen increasingly in the UK. 'Drug side effect lawyers' produces 7.7 million search results.

But another reason is the rise of the scientist-activist. Years ago, there were generally scientists and activists. The scientists conducted scientifically valid

research, and activists were generally well-meaning amateurs who were worried about some of it. Now, there are scientist-activists, who can blind you with science that is no longer neutral, but a weapon to be used in a battle for hearts and minds.

Identification of issues

Just as tornado-spotters scan the horizon for a speck that might turn into a disaster for their town, you need to put resources into horizon-scanning. It's an activity that should be done constantly and systematically. The first stage is to map the communications environment, and keep tabs on all the people, organisations and events that can have an effect on your corporate reputation. Monitor their activities and communications – in this instance, the web is a great help.

There may be more than you think. The table on page 9 outlines a typical communications environment for a pharmaceutical company. Of all the groups in it, the media are often the most powerful, because they act as gatekeepers to the rest. Look at the media's role in the recent controversies over MMR, SSRIs and Vioxx for examples.

In particular, you should keep close tabs on what we call SILOS (Single Issue Lobbying Organisations). Their objective may be to save money, care for patients, ban animal testing, campaign against corporate greed, fight against stem cell and embryo research,

or any other activity that could put your company or product in the firing line. These groups may be quite small, but are usually very focused. Thanks to the internet, they can build up quite a head of steam fairly quickly. Monitor them and borrow from their own tactics, for example, get one of your staff to sign up with the group under an assumed name to ensure you get up-to-date information on their activities.

A word of caution however – many of these groups are very small and insignificant. You

to come up with issues that may become problematic for you under the following:

Political: Examples here could be planned legislation about advertising spend, a new version of NICE, another select committee inquiry or upcoming EU directives, for example, about research.

Economic: Your company's financial performance comes under this heading, along with the chief executive's salary and potential changes to tax laws. Redundancies and

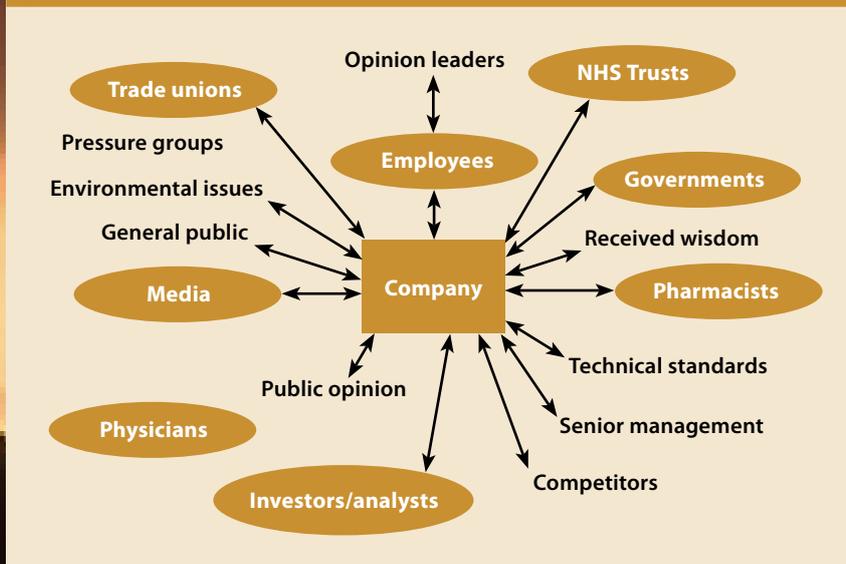
Environmental: As the publicity over the Stern report has illustrated, the environment is possibly the biggest topic in the world at the moment, so get that outdated factory chimney fixed and make sure your waste outlets are up to scratch.

Managing the issues: Once you've drawn up a list of issues one thing will probably become clear, you don't have resources to tackle them all. That's why you need to conduct a quadrant analysis. To do this, draw a graph with risk on the vertical axis, and exposure on the horizontal one. Now you need to plot all your issues on this graph. The vertical axis is the likelihood of something happening, while the horizontal one measures the amount of critical coverage likely to result if it does.

The issues in the top right hand quadrant, ie, high risk and high exposure, are where you need to concentrate your resources. Ideally, you want to move these topics into another quadrant, ie, reduce the risk or the exposure. You can reduce some risks by simply buying your way out, eg, pay for a new filter for the dirty chimney, have your waste outlet overhauled, or settle a claim out of court.

If you can't reduce the risk, you may need to prepare the ground for something that you know will happen. This may mean involving the local community in your plans to modernise a plant, or making experts available for journalists to explain the need for stem cell research or animal testing. That way, when you do make an announcement, it won't come as a shock and you have more chance of managing the criticism.

Typical communications environment



need to make a judgement about how much time to spend on tracking them.

Recruit supporters

The next step is to recruit your own supporters, usually in the form of opinion leaders. Nobody wants to lend you an umbrella when it's raining, so you need credible third parties on your side before there's any sign of a problem. Building relationships with key third parties is a crucial part of an issue management programme, and is rightly a priority for most pharmaceutical companies. This means patient groups, as well as senior physicians and academics.

Having identified the supporters, you need to strengthen your relationships with them. Many companies do this by offering training courses in skills that will be generally useful to them, eg, presentation or media skills, influencing techniques and similar topics.

Horizon-scanning techniques

Horizon-scanning is an activity best done systematically – that way you are less likely to miss something. One way is to conduct a PESTLE analysis. To do this, gather your senior managers around the table, and ask them

reorganisation of the manufacturing network are also issues that need managing.

Sociological: Changes in working practices, eg, more working from home or remote locations, younger people being less willing to work evenings and weekend, the European Working Time Directive, banning smoking in the workplace – all of these can affect your company.

Technical: Pharmaceutical manufacturing is complex and can easily break down. In recent times a number of companies have been fined for breaking good manufacturing practice regulations, while others have seen a shortfall in supply, eg, of flu vaccine in one high-profile case. These issues are sure to attract media attention.

Legal: Potentially the biggest area of all – class action lawsuits being the key issue here. However, don't miss the smaller legal problems, eg, the female worker taking you to an industrial tribunal because she claims she was sacked for having an affair with the boss, while he's been promoted! Juicy pickings for the tabloids.

Finally...

Issues management programmes are trying to hit a moving target. Issues management, like communication, is not an event, but an ongoing process. In an ideal world, few of the issues you have identified will crop up, so you can expect much of your work in this area to lie gathering dust and never be used. However, think of it as insurance – it's there for when things go wrong.

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