Crisis Communications and Management: Crisis Communications Plan

for D’Nicole Salon and Spa

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**INTRODUCTION**

D’Nicole Salon and Spa is a small business located in the state of New Jersey. It is a full service salon and spa offering customers an array of choices to soothe their every need. The salon, although prosperous and functioning well, does not currently have a crisis communications and management plan.

The purpose of this paper is to form an effective crisis communications plan for D’Nicole Salon and Spa by identifying its stakeholders, the potential risks and issues it faces, and its media analysis.

**ORGANIZATION BACKGROUND AND HISTORY**

D’Nicole Salon and Spa has been in business for almost seven years. It is a family oriented salon that offers a comfortable, relaxing, and fun experience. Beginning with only seven employees, it has since grown into a thirty-five-person operation, and continues to grow everyday. It is located in Sewell, New Jersey, which is in the heart of Washington Township. Washington Township has a population of approximately 48,000 residents.

D’Nicole offers many services including all chemical hair services, (color, highlights, perms, keratin treatments), haircuts, updos/styles, blow-dries, waxing, facials, massages, makeup applications, manicures, pedicures, spray tanning, and body wraps. The product lines that we use include Lakme hair color, and Redken. Our online presence includes our own website in which we manage, as well as offerings on Groupon, Living Social, and Google. D’Nicole Salon and Spa also holds many events for charity throughout each year, including cancer, and Cystic Fibrosis.

**STAKEHOLDER ANALYSIS**

**Employees- Primary**

The Employees of D’Nicole Salon and Spa are stakeholders in this organization. This is where they come to work each day. They are one of the most important stakeholders in this company because they are how the money is made. Without their dedication, hard work, expertise, and services they perform, the business would not progress. Without their job, they have no income to provide for themselves, and their families and homes.

**Customers- Primary**

The customers of the salon are stakeholders because they bring in the money, which the salon depends on in order to survive. Without the customers, the business would diminish. Customers depend on the salon to have services done to maintain their appearance. Some may have a lot of money invested in gift certificates to use at later dates.

**Banks- Primary**

Banks are stakeholders in D’Nicole Salon and Spa because they have lent them the money to open the business, as well as the credit to refurbish the entire salon. They have invested a lot of money into the business, so if anything were to go wrong, their money is on the line.

**Suppliers- Secondary**

Product suppliers are major stakeholders in D’Nicole Salon and Spa because they depend on thousands of dollars in business from them each year. Without the products that they provide, D’Nicole would not have the ability to perform many of its services.

**Media- Secondary**

It is the media’s job to get news to the public, so the media has a certain degree of stake in any business. Although a secondary stakeholder, it is important to use media properly, in order to get the fastest, and most truthful information out to the public as possible.

**RISK AND ISSUES ASSESSMENT**

**Fire**

The salon uses burning candles for massage and facials in the Spa side. These candles burning pose a potential risk of fire if one accidentally falls or tips over. Employees also smoke outside of the building. Although they are directed to put their cigarette butts into a designated area, some do not listen and throw them in undesignated areas. This provides the potential for any flammable object to ignite because of a misplaced cigarette.

Risk Management for this type of crisis includes:

- Making sure that the fire alarms and sprinkler systems are intact.

-Making sure all exits are open and readily and easily accessible.

-Making sure to have communications with the fire department, and insurance companies before something like this happens.

-Having fire extinguishers readily available, and having staff trained on how to use them.

-Having drills practiced and in place in the event of a fire.

**Bankruptcy/Economic Decline**

The salon, although doing well most of the time, has the potential like any other business, to fall into bankruptcy. Over spending for supplies, or by the owners on personal items could cause total loss of all assets, causing the salon to close. It is always a possibility for the owners to default on their loans, and lose the business. It is also a possibility that in hard economic times, the business does not make enough money to keep its doors open.

Risk Management for this type of crisis includes:

-Be sure to have a financial advisor that can give you advice on spending, and how to manage your accounts and your business in a profitable manner.

-When the economy appears to be declining, or people seem to be spending less on luxury expenses, have a plan set in place to lure people into your business. i.e. heavier advertising techniques, longer hours, benefits, etc.

-Cut back on spending. Any form of unnecessary spending should be eliminated, and instead focus strictly on the needs of yourself to survive, and the company and its needs.

-Have a back up savings account to give yourself a cushion in case of emergencies that arise.

-Do not allow debt to pile up, as it can get overwhelming, and ultimately swallow you whole.

**Robbery**

As D’Nicole sits on a remote back part of a commercial complex, there is always the possibility of robbery. The front windows are all made of glass, and although the register does not contain any money, there is money located within the shop.

Risk Management for this type of crisis include:

-Making sure all doors are locked every single night at closing.

-Installing an alarm system.

-Installing cameras at all entrance and exits.

-Locking up any loose money or objects of worth.

-Having insurance in case of this crisis occurring.

**Terrorist Act**

Terroristic acts of violence are a potential threat. A shooter, (or person using any type of weapon) can target any particular public place at any given time. This is a potential threat in any business.

Risk Management for this type of crisis include:

-Having a plan in place for employees to follow in case this situation arises.

-Having the authorities phone number readily available.

**Employee Strike**

If employees are not happy with conditions or pay in the workplace, there is the potential for an employee strike. This is when employees refuse to work until their needs are met or negotiated. Employee strikes are a possibility in any business.

Risk Management for this type of crisis include:

-Having a negotiation plan in place.

-Pay attention to employee complaints and problems

-Pay employees what they are worth, and give the best health benefits to your ability.

**Natural Disaster**

At any time, unexpected harsh weather conditions can strike. Hurricanes, tornadoes, flooding, lightening damage, and earthquakes are not unheard of in the state of New Jersey.

Risk Management for this type of crisis include:

-Having the correct insurance coverage in place.

-Having emergency plans set in place for employees to follow and to direct customers.

-Having money set aside for large deductibles, or out of pocket funding until insurance comes through.

**MEDIA ANALYSIS**

Print and internet are the most important media relations to the organization. As D’Nicole uses mainly print advertising and social media to market themselves. This is where they reach the largest audiences, within their budget. There is a relationship already established with the local paper, and Clipper Magazine. There is also a relationship established with our social media coordinator, who maintains the company’s relationship with stakeholders through outlets such as email, Facebook, Instagram, and Twitter. There has also been several times where D’Nicole Salon and Spa has held a benefit for a big cause (such as cancer) and there has been news coverage on the event. It is important to maintain these relationships, in the event of a crisis this will be extremely helpful.

**CRISIS COMMUNICATION PLAN OVERVIEW AND SUMMARY**

**Communications Team**

***CEO- Leader:***Is in charge of leading the entire staff, making major decisions, and distributing appropriate jobs to appropriate people.

***Financial Manager:*** Handles the money end of the business.  Keeps books in order, distributes pay to employees, files records, receipts, stubs etc.  Keeps track of financial stability, and is always aware of any financial problems.

***Lawyer:*** In charge of legal direction for the salon, protects salon's best interests.

***Human Resource Manager:*** controls hiring, compensation, employee relations and performance, compliance, and risk management.

***Communications specialist/IT:*** sends messages to stakeholders, cares for all computer related aspects of the salon, including social media advertising.

**Purpose**

The purpose of the plan is to make sure that a crisis is handled to the absolute best of the crisis team’s ability. Having risk management measures taken before a crisis arises is absolute key. A crisis will run as smoothly as your plan is organized.

**Execute Plan**

There are seven main steps to follow for D’Nicole’s Crisis Communication Plan. They are as follows:

1) Define the Crisis Situation. This is important in order to know which risk management direction to follow.

2) Notify all Members of Crisis Team. Notifying stakeholders should follow immediately after, first primary, then secondary.

3) Manage all areas of communication, develop the messages that go out to each place, organize what needs to be said, and to whom.

4) Release Messages.

5) Continue to assess the situation, and continue to provide the proper feedback to the proper audiences. Reevaluate, and move forward following these steps until the problem is fully addressed.

Of course it is absolutely necessary to first define the crisis. The who, what, where, how, and when are all very important things to determine before anything else can be addressed. While these things are being figured out, each person should be doing their particular job in whatever crisis situation is occurring. Stakeholders need to be addressed quickly, so it is important to notify the priority stakeholders first. The priority stakeholders in this environment would be the employees, the customers, and if necessary, the banks. Employees are primary stakeholders because they depend on D’Nicole Salon and Spa to support themselves and their families. The customers are primary stakeholders because they are technically the investors of the company; their money continuously flowing in, maintains D’Nicole as a profitable business. And lastly, the banks are primary stakeholders because they have money, which has been loaned, invested in the business. If the business is not making money, the banks are in danger of losing their investment, on top of any profit they would have made. Suppliers only come once a week, so although eventually affected from the loss of orders, they will not be initially affected, putting them in the secondary stakeholder category.

The leader (CEO of the company) would be the main communicator, with stakeholders, and with the media. It is important for the leader of the company to be open and honest with its stakeholders, and communicate as quickly and as efficiently as possible.

**CONCLUSION**

The purpose of this paper was to form an effective crisis communications plan for D’Nicole Salon and Spa by identifying its stakeholders, the potential risks and issues it faces, and its media analysis.

The stakeholders of D’Nicole Salon and Spa were effectively identified as the employees, customers, suppliers, and banks. Each one was given a certain level of priority, and assessed accordingly. These specific stakeholders should be notified in case of a crisis, and dealt with according to their individual needs.

The risks and issues assessment clearly stated the risks that D’Nicole Salon and Spa faces, and the possible risk management options for each situation. These risks can pose major threats to the business and its well being, and it is important that they are each assessed and planned for in the event of a crisis. If those particular crisis’ do arise, they will run the smoothest course, if they are planned for ahead of time.

The Media does not have a large stake in D’Nicole Salon and Spa, as it is just a small town salon, however they are always a subject to consider, especially in the face of a major crisis. The internet and the news paper are the biggest media influence when it comes to D’Nicole, but if something major were to happen, the local (or possibly national) news would most likely get involved.

Having a Crisis Communication Plan in place is the surest way to a positive outcome in a crisis situation. Opportunities will arise out of any crisis, and it is important to recognize them, and take full advantage of them when they do. Having the most dependable people on your crisis management team is absolute key to having a smooth transition from crisis to peace.

References

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