

# Bad News Looming? Maybe You Should Say Less, Not More

By James MacGregor  
Vice Chairman, The Abernathy MacGregor Group Inc.

There's a reporter on the telephone. She's working on a story that will reflect badly on your company. You've ducked her previous requests for information and interviews. Now she says, "I've talked to my editor, and we're going with the story whether you cooperate or not. You really owe it to your company to tell your side." What do you do?

- **What most people do: Cooperate, grudgingly. Engage the reporter. Tell their story.**
- **What many *should* do: Say very little. Or, maybe, nothing at all.**

Look at this morning's paper, or tonight's newscast. There is bad news about some corporation. And the CEO, saying something that sounds like, "I am not a crook" (public response: "Maybe, but you look and sound like one"). Sprinkled throughout are other quotes and facts that try to say, "It's not as bad as it sounds" (public response: "Maybe, but it still sounds pretty bad"). The images and quotes will be used again in ensuing days, when other parties leap in to say, "Yes, it's worse than it sounds, and, yes, he is a crook."

**This happens constantly: Confronted with the imminent revelation of bad news, companies and individuals alike tend to overreact in ways that make things worse, not better, for themselves. They would usually be far better off saying much, much less.**

Think Kobe Bryant: Once he was arrested, his reputation was going to be pummeled, no matter what. How did it help his cause to humiliate himself (and his wife) in front of a sea of cameras, saying he was an adulterer, but not a rapist? How many times was that footage shown? Think again: Hundreds of other athletes were accused of sexual misconduct in the past year. How many can you name? While we're on the subject of individual bad news, consider Martha Stewart: How was she helped by her elaborate explanations of her questionable stock trading behavior?

Here's a situation we've seen more than once: Two companies have nearly identical bad news to announce. One company prepares press releases, fact sheets, PowerPoint presentations, and holds press briefings and investor conference calls; the other makes the most perfunctory announcement, accompanied by its best imitation of a corporate yawn. Guess which one stays in the news for months. Guess which stock drops farther, and stays down there longer. "If you act like it's a big deal, it probably is," says a veteran reporter we know.

Conventional wisdom says that when bad news is going to happen to you, you must get out and actively manage the coverage. Tell your story, or at least your side of it. Make a bad story better.

Here, as elsewhere, conventional wisdom is often wrong. Depending on the nature of the bad news, you may indeed need to reassure employees or customers or family members.

**But in public, "least said, soonest mended," may be better advice.** The reasons lie in the internal operations of the media, the nature of human attention, and the priorities of investors, among other things. To explain:

News media operate within severe time constraints. Every column or minute must be filled, every day, every edition. Reporters and editors are fierce in their triage of news opportunities. Meaningful investments of time must result in publishable stories. When the subject of a story chooses not to participate, the story is harder to report (the subject is the best source, and the easiest to find); it's less interesting (no he-said/she-said, did-so/did-not controversies); and it looks less accurate (which still matters to the better media). Result: Non-participation often leads to shorter stories that get less attention. Sometimes, nonparticipation means no story at all.

As for the audience, human attention is hard-wired not to stay put. It wanders constantly, searching for new points of interest, and—this is important—it doesn’t come back to old subjects unless they’re really compelling, or unless something new has happened to them. News stories fade fast; so do memories. With no new content, the follow-up (or the correction) to yesterday’s article is swamped by today’s tidal wave of new reports. And where does the new content come from to revive old news? All too often, it comes from yesterday’s wounded subjects. Suffer in silence and you may suffer less.

But won’t investors run for cover if they see undenied bad news? Or if their company appears less than fully candid? Well, actually, no. Investors run for cover if they think their investment is going to lose value. They run if a company’s problem, or its management, appears out of control. They run if it looks like the rest of the world is going to run, too. If a company acts as if the bad news is not a big deal, investors will usually place more faith in management than in the media. (This doesn’t mean non-disclosure, it means non-hyped, non-spun disclosure.)

**First signs that silence is the right strategy:** You don’t have enough of the facts. Your early misstatements, however well-intentioned, triggered accusations, rebuttals, and more coverage, day after day. Reporters should Mirandize their subjects: “Everything you say can and will be used against you in future editions.” Rudy Giuliani was right not to speculate about the number of fatalities after 9/11.

**Second sign that silence is the right strategy:** It’s a one-day story. It may be your company’s most embarrassing moment of the year, but how does it stack up against all the other news that will be in the paper? Unless you’re going to make the front page anyway (the front front page, not the front business page), relative silence may make for brief or modest coverage, and more importantly, no day-two follow-up story.

Silence is a relative concept here. To many readers, “no comment” feels a lot like “guilty as charged.” And “couldn’t be reached for comment” doesn’t always ring true in an era when PR people sleep with cell phones under their pillows. But we know one company that emerged unscathed from a life-threatening investigation after saying the same two sentences (and nothing else) over and over for more than a year: “We have not been accused of any wrongdoing” and “We are cooperating fully with the investigating authorities.” Two sentences are usually enough to get past the appearance of evasiveness. (This isn’t about

on-the-record vs. off-the-record, it’s about how many column inches are given to reporters.)

What about “shaping the story” through active participation, something many PR people (and even more reporters) want you to try? If you’ve got the facts—cold, hard, independently verifiable facts—to kill the story, or to genuinely change its direction, you should take your best shot. This approach absolutely does work, but only if the material is very powerful.

**However, remember this: Without the bad news, there would be no story in the first place.** So when the story appears, the bad news will be front and center. The more substantial your participation, the more your amplifications and explanations and denials will appear to be validating the negative story itself. Consider, too, that if the reporter is calling the afternoon before publication, you’re not going to get a lot of space. If you do have something to say, make it simple, strong, and no more than twenty words. If the best you’ve got is a variation of “I am not a crook,” don’t bother.

There are also signs to suggest when speaking up is the best policy: If a story literally threatens your survival, you’re going to have to participate actively. If a story is going to be day-after-day major news even without you, you have to participate. And even if neither of those conditions applies, there are certainly times when your confidence in the competence, knowledge, and motivation of the reporter and publication will suggest that participation can pay off.

Relative silence is not the only valid strategy—it’s simply a useful one that’s very much underutilized.

**Some of the companies that deal best with the news media in difficult situations do so by putting the media last, not first. In the light of impending bad news, ask yourself: “Who really needs to hear from me?”**

Is it your clients? Employees? Neighbors? Partners and allies? Regulators and legislators? If you do need to talk to any of these constituencies, ask yourself, “What do these people need to hear?” And then, “How will they be most comfortable hearing it?” By the time you’ve made these decisions—and implemented them—your media-silence vs. media-participation decision will usually have been made for you.

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*If you would like to discuss these ideas, please feel free to call Jim MacGregor or Rhonda Barnat at 212-371-5999 or Ian Campbell at 213-630-6550.*