



Is Your Utility Headed for a Communications Crisis?

by
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Is Your Utility Heading for a Communications Crisis?

For utilities, some communications crises stem from unpredictable external events like severe weather. Others are self-inflicted wounds that derive from internal organizational issues. Skillful communicators may be able to contain crises once they erupt. But wouldn't it be better—less painful, less costly, easier—to try to prevent them? **Many communications crises can be prevented with careful planning and purposeful action.** Sometimes luck plays a role. But have you ever noticed that well-prepared utilities seem to get “lucky” a lot, while less-prepared utilities can't seem to catch a break?

You can start today on “the road to luck” by taking this self-assessment. Look at the questions below and answer them honestly, “Yes” or “No.” Then score your answers and consider your next steps.

	Yes	No
External Environment		
Are customers complaining more frequently about outages?		
We have increased prices (base rates or fuel) 5% or more in the last year.		
Do we plan to increase prices 5% or more next year?		
Have we increased prices for five consecutive years or more?		
Have we been involved in a merger within the last 24 months?		
Have we had a public scandal or particularly controversial issue in the last 24 months?		
If we participate in the J.D. Power, MSI or ASCI customer satisfaction surveys, do we score below our regional average?		
Have we been targeted by environmental protestors via social media, the news media or in person?		
An increasing number of customers are complaining about our vegetation-management programs.		
Do customers perceive that our reliability has deteriorated in recent years?		
Organizational Issues		
We practice and update our crisis communications plan every year or so.		
We conduct primary market research (non-transactional) to understand how we are perceived by customers.		
If we conduct primary market research: The percentage of customers who view us “favorably” and “very favorably” has been trending down.		
Our most senior communications executive has little or no communications experience.		
We have decreased our communications activities over the last year or two (i.e., reduced staff, less advertising, fewer issues of the newsletter, etc.).		
We have reduced our presence at community events in recent years.		
Our leaders don't view the communications function as contributing to the utility's overall business success.		
Communicators don't have a “seat at the table” when important business decisions are made.		

We are not trying to actively manage our customer's experience.		
Media Relations		
The Media Relations department spends a significant portion (>25%) of its time in reactive mode, "putting out fires" with the news media.		
The tone of local media coverage of our utility has become more skeptical or negative in recent years.		
Have local news organizations run stories criticizing the CEO's compensation package?		
The Media Relations team doesn't proactively work with other departments to uncover activities that position us favorably in the news media.		
Employee Communications		
Employee engagement is declining.		
Employees have complained they don't have enough information about company activities, goals and milestones.		
Employees don't trust communications from executive management the way they once did.		
Customer Communications		
Customers seem "in the dark" about our important strategic initiatives.		
We have reduced the frequency of the customer newsletter.		
Our website has not been refreshed in the last 24 months.		
We are not trying to engage our customers via social media.		

Number of "Yes" answers: _____

Number of "No" answers: _____

Scoring

More than 20 "Yes" answers: Communications crisis could be imminent -- or has it already hit?

Between 10 and 20 "Yes" answers: Elevated risk of a communications crisis over next 12-24 months.

Between 0 and 10 "Yes" answers: Relatively low risk of a communications crisis--sounds like your organization is doing a lot of the right things.

Context and Next Steps

Every utility has some less-than-ideal communications attributes. But if you answered “Yes” to more than half of the questions above, your organization is likely to face a communications crisis sometime in the near future. Or maybe it’s already in one, but you don’t perceive it yet. Whenever your crisis hits, an unprepared organization is less likely to be able to effectively contain it.

A crisis can originate either internally or externally, but with social media and the 24-hour news cycle, you can bet it will quickly spread to other stakeholders and geographic regions.

And it is possible that utilities that do many things right—practice their emergency communications plan and maintain a robust portfolio of communications activities—could find themselves in the cross-hairs of a suddenly disaffected stakeholder group.

When interacting with people or organizations, there are few certainties. But there are steps utilities can take to more strategically manage their communications risks. The fact that you’ve taken this survey means you are thinking about how well your utility is positioned in today’s dynamic market.

Take the **next step** and contact Egan Energy Communications for a free, confidential, 30-minute discussion of your results. We might be able to help you preempt a communications crisis. Or, if you’re already in one, perhaps we can help get you out.

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Interested in learning more about EEC?

Egan Energy Communications (EEC) is a national communications firm specializing in the electricity and energy industries. Founded in 2009, EEC is powered by John Egan's 30 years of utility-industry experience and knowledge. He provides utilities with cost-effective writing and consulting services based on minimal ramp-up time, a broad national network and deep industry expertise.

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-- Stephanie Hoff, Otter Tail Power

"John Egan understands communications and understands utilities, so I enjoy the relevance of his articles and also lighthearted way in which they are delivered."

-- Barry Henck, Central Hudson Gas & Electric

"John has proven himself which is why he's on my short-list of energy writers. He knows the intricacies of a complex industry, yet has the ability to articulate the desired message in a clear and easy way manner. He knows his stuff, he's professional and easy to work with. He beats his deadlines and his copy is clean and tight every time."

-- Jon Haubert, Coloradans for Responsible Energy Development



Contact us today at 720-949-4906 or John@EganEnergy.com to learn how EEC can be a cost-effective supplement to your communications and marketing team.