



IF YOU CAN KEEP YOUR HEAD...

Political veteran **ED GILLESPIE** recalls that during his time as senior adviser in the White House, “crisis mode” was just part of the routine

MY FIRST WEEK SERVING AS COUNSELOR in President George W. Bush’s White House – during his second term, in 2007 – saw a number of issues flare up in quick succession: the President’s immigration reform bill collapsed in the United States Senate; a leading senator from his own Republican party came out against the Iraq troops surge; and there was controversy when President Bush exercised executive authority to commute former top aide Lewis “Scooter” Libby’s prison sentence over the disclosure of an undercover CIA agent’s identity.

“Surely,” I asked one of my new colleagues, “things will get easier, right?” They never did.

Such is the nature of working in the White House, where being in crisis mode is part of the daily routine. In the final 20 months of President Bush’s time in office, we dealt with natural disasters, the wars in Iraq and Afghanistan, burgeoning Congressional investigations, and a financial crisis that loomed over the global economy.

Without doubt, the near collapse of the financial markets in the autumn of 2008 was the most significant crisis of my time in the White House, and there are some informative lessons (both good and

bad) in how President Bush, Treasury Secretary Hank Paulson, the White House staff, and Congressional leaders handled it.

I remember vividly the meeting in the White House's Roosevelt Room, when Paulson, Federal Reserve Board Chairman Ben Bernanke, and New York Federal Reserve Bank President Tim Geithner briefed the President on the state of the financial sector and its potential effects on the economy.

There was a danger that liquidity could just dry up and stall lending. In some instances, the value of deposits were below what investors had paid in, meaning some institutions were technically insolvent. Paulson, Bernanke and Geithner were urging fast and decisive action by the President, specifically an infusion of more than \$500 billion into the system.

"What would happen without that?" the President asked. "We'd be looking at an economy worse than the Great Depression," Paulson replied. I was seated to President Bush's immediate right, his Chief of Staff, Josh Bolten, on his left; across the table were Paulson and the others. I could not only see the President's reaction, but feel it as he literally recoiled.

"Worse than the Great Depression," he repeated before turning to Bernanke. "Twenty-five percent unemployment. Ben, do you agree with that?"

"Yes, Mr President. I do," the Fed Chairman said.

This was the moment of conception for the now famous TARP (Troubled Assets Relief Program) and a vigorous effort to not only address the crisis in the capital markets but to quell the fear that had gripped millions of Americans by communicating why we were in the precarious position we found ourselves in, and what we were doing to fix it.

Most crises don't involve the possible loss of trillions of dollars in GDP (or get addressed through a communications strategy that includes a nationwide address on all major television networks), but they can risk a huge loss in a company's market value and the possibility of long-term damage to its reputation.

The following are some pointers, informed by my experience of crises in the political arena. ♦

ED GILLESPIE served as Counselor to President George W. Bush and as Chairman of the Republican National Committee. He has since worked as a political and corporate communications strategist, including for a time as Senior Counselor to Brunswick. He recently announced his intention to run for Senate in Virginia in 2014.

WHAT WOULD "THE WEST WING'S" TOBY DO?

● "First, let's kill all the lawyers ..."

It is a rare crisis that does not involve the lawyers – and even more rare is one where the lawyers and the communications team don't butt heads.

I once counseled a Senator under investigation by the Senate Ethics Committee. It was clear early on that his actions amounted to a lapse in judgment, but that he hadn't actually broken Senate rules or federal law. I wanted him to tell his constituents that, while he was confident he had not violated any laws, he was sorry for the error in judgment and bringing embarrassment to his state. This was his instinct as well, but his legal team persuaded him it was not worth the risk.

His numbers tanked, and he announced that he would not seek re-election the following year. Three months after leaving office, it was announced that no charges were being brought. A relief, no doubt, but one he enjoyed as a former Senator.

Sometimes, attorneys need gentle persuasion to allow a company in the midst of a crisis to be more forward-leaning in its statements and media engagement. A clear understanding by the communications team of the legal risks helps in making that case.

● What's the procedure?

With an established process, properly anticipated scenarios, a mindset that recognizes the current media environment, and a commitment to moving forward, a company can survive just about any negative story.

When I first joined the White House in June 2007, I was surprised to learn that there wasn't a core communications team to handle all the news developments coming out of Iraq and Afghanistan.

The Pentagon, State Department and White House each had responsibilities, but it wasn't as centralized as one might have expected. We began holding meetings every Monday, Wednesday and Friday

with the relevant departments and officers in theater to better coordinate the information flow. There's no doubt the success of the "surge" strategy changed perceptions of progress, but the tighter communications team was able to better convey the information.

● Tell me the bad news ...

I have rarely seen bad information look better when it came to light through a third-party source. There is no perfect time to release negative information, but too often that serves as an excuse to do nothing. And that almost always results in responding to the bad information on someone else's terms.

A congressman I knew decided against seeking re-election after a scandal rather than lose his seat in the election vote. "Why not fight it out?" I asked him. "Sometimes it's better to take the bullet than wait for the bullet," he said.

● Now, for the good news ...

One beneficial aspect of today's media environment is the constant demand for new stories and controversies. If you can manage your crisis properly, it won't be long before you're reading about some other poor communications specialist's nightmare.

● Moving on ...

Just as important as dealing with the pressing matter at hand is the ability to move past it.

Introducing a new product, announcing entry into another market, unveiling a new advertising campaign – all of these can help convey that your company has not been debilitated by a crisis.

Getting the timing and messaging right for such developments can help reassure investors, calm employees, and disarm competitors.

It's not surprising that in the wake of the disastrous roll-out of the Affordable Care Act ("Obamacare"), President Obama announced a new push for immigration reform.