

CONFIDENTIAL

CRISIS MANAGEMENT PLAN



2702 Love Field Drive
Dallas, TX 75235
(214) 792-5534
(214) 792-4000

In the event of any serious emergency, you may activate the Crisis Management Team by calling (214) 792-5534, 24 hours a day.

Crisis Communication Plan Written By:

Ashley Hasler, Kayla Kuehl, Tara Allen, Rachel Tauke, and Amanda Messner

*This document contains confidential material.
Any intentional misuse or public disclosure will be vigorously pursued.*

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Crisis Communication Plan for Southwest Airlines

This plan has been developed by the crisis management team to provide a strong response in the event of a crisis. The plan will provide background information on Southwest Airlines. It will develop into the objectives of the company. Once this is provided, it will discuss the potential crises and assess the risks of these crises within the company. After evaluating the crises, the plan states the steps needed to get through these crises and the people involved in the process.

Background:

Southwest Airlines was founded on June 18, 1971 in Dallas, Texas with only three Boeing 737 aircrafts located in three main cities, Houston, Dallas, and San Antonio. Southwest became a major airline in 1989 when they exceeded the billion-dollar revenue mark. Today, they are now America's largest low-fare carrier, serving more customers domestically than any other airline. Their mission is to have the highest quality of customer service delivered with a sense of warmth, friendliness, individual pride, and company spirit, combined with low fares and no annoying fees. On May 2, 2011 Southwest acquired AirTran, an Orlando based airline. The two companies will potentially be integrated by 2015. To date, Southwest has over 46,000 employees and operates more than 3,000 flights per day.

Herbert D. Kellener founded Southwest Airlines, however Gary Kelly is currently the company's President and CEO. Southwest's main competitors are other commonly known airlines such as, Alaska, American, Delta, JetBlue, Frontier, Continental, British Airways, United, and many others. However, Southwest tries to stay on top with their dedication to customer service and their low fare guarantees.

Objectives:

As stated before, Southwest's mission is a dedication to the highest quality of customer service delivered with a sense of warmth, friendliness, individual pride, and company spirit. Currently, Southwest's short-term objectives are stressed on maintaining a positive image of their company to current and prospective customers. They also strive to keep their commitment of the highest safety standards and loyalty to all customers. Some of Southwest's main objectives include:

- Reduce employee turnover
- Improve their design-to-market time by 5%
- Increase product quality by 10%
- Decrease operating costs by 5%
- Increase Internet sales by 90%
- Decrease flight times by 3%
- Increase number of aircraft in fleet by 5%

Crisis Management Team:

Below lists the important contact information for the people involved in the crisis management team:

| <u>Name and Title</u> | <u>Home Phone</u> | <u>Cellular Phone</u> | <u>Office Phone</u> |
|---|-------------------|-----------------------|---------------------|
| Kayla Kuehl – CEO and President | (214) 792-1991 | (214) 792-5359 | (214) 792-1001 |
| ----- | | | |
| Tara Allen – Assistant Director of Media And Public Relations | (214) 792-2863 | (214) 792-2942 | (214) 792-1002 |
| ----- | | | |
| Rachel Tauke – VP for Government and Community Relations | (214) 792-1800 | (214) 792-3102 | (214) 792-1003 |
| ----- | | | |
| Amanda Messner – VP for Investor Relations | (214) 792-9921 | (214) 792-7412 | (214) 792-1004 |
| ----- | | | |
| Ashley Hasler – VP for Operations Management | (214) 792-9876 | (214) 792-3560 | (214) 792-1005 |

Crisis Risk Assessment:

In order to ensure that the proper course of action is taken throughout the crisis communication plan, it is important to assess the potential crises that may occur in the organization. Below we have categorized the crises that may occur and provided a detailed description of what these categories can include.

To fully understand the crises that may occur, it is important to rank what is most likely to occur along with what may involve the greatest amount of risk. This plan has developed 5 different categories in which crises can occur.

The crises listed below are listed in the order of what is most likely to occur:

Customer Dissatisfaction:

Customer dissatisfaction relates to any issue that may upset the customer. Dissatisfaction is a part of business that many companies face and must know how to handle properly. These issues are the ones that happen the most within the organization. Dissatisfaction can stem from a delayed flight, a canceled flight, getting on the wrong flight, missing their layover flight, lost baggage, overbooked flights, etc. The goal is to correct the problems or make the customer's displeasure become less prominent.

Service Issues:

Service issues relate to the transitional process while on the plane. This category can tie in with the customer dissatisfaction group as well. From the moment a customer walks up to the service desk to get their boarding pass, to the time a customer collects their bags, there are potential service issues to consider. These issues can tie into the customer dissatisfaction category, relating to the potential issues faced with the actual flight service. Other service issues include small mechanical errors that need to be adjusted before the plane takes off, a delay in flight or a flight staying on the ground longer due to needing to refresh the gas or any other small parts of the plane that may need adjusting.

Employee Issues:

Employee issues relate to any sort of issue regarding an employee within the company. This issue can be as simple as someone being rude to a customer. This issue also expands into any sexual harassment or harassment in general that might occur with an employee and another employee or an employee and a customer. Other employee issues relate to employee theft, doing drugs or drinking alcohol on the job, or coming into work on drugs or intoxicated.

Financial Issues:

Financial issues relate to anything that can affect the company and their finances they have over time. This can include a non-employee theft. Along with this, the financial issues can also deal with the company potentially going bankrupt. The price of stock and whether it rises or drops can also be considered a financial issue.

Safety Issues:

Safety issues relate to any sort of potential problem that occurs on the plane that could harm an individual on the plane. This can include any medical emergency that may occur (whether it be a human or an animal aboard the plane), weapons brought on a plane, terrorist attacks, or sexual harassment on the plane. Along with these safety issues, it is also important to consider any problems with the plane mechanically or any plane defects that may happen when the plane is in the air.

As stated above, along with the most likely to occur, it is also important to identify which issues cause the most risk to those involved with the organization.

Below states the order in which these categories produce the most risk:

Safety Issues

Safety issues are listed as the crises that produce the most risk because they involve actual harm to the employees or the customers aboard the flight. It is important to take the proper precautions when a safety issue occurs and handle in the most cautious way possible so that these issues do not cause more harm than necessary.

Financial Issues

Financial issues cause a high risk factor for the company as well. It's important to consider what needs to be done so that the company does not face bankruptcy. The financial stability of a company is a top priority in maintaining a good standing within the business world.

Customer Dissatisfaction

Customer dissatisfaction can be considered of higher risk due to the fact that it also deals directly with the customers. If a customer becomes displeased with the service, they may chose to no longer fly with Southwest and may also convince their friends to fly with a different airline.

Service Issues

Service issues are potentially risky, yet lower on the list due to the fact that these are typically smaller and fixable issues that can take place within a company. These are the problems that may cause a minor delay, but shouldn't cause too much controversy among the company.

Employee Issues

Employee issues are looked at to be the least risky form of issue because an employee is tied to the company and if something is to happen, the company knows how to get ahold of this person and can fire them in order to find someone who is better suited for the job.

Target Audiences or Publics:

News media outlets include print, radio, television, online and outdoor. These media outlets are essential to the organization because they allow Southwest to reach potential customers through advertising, thus furthering their sales. There must also be a positive relationship between the company and the media outlets so the message the company wants to portray, will be portrayed.

External business outlets include competitors, the media, customers and suppliers. Competitors affect Southwest Airlines because potential customers may choose to utilize a different company over Southwest based on personal preference and experiences, costs, amenities, etc. The media is vital as an external business outlet because it needs to be considered while budgeting, as different sources of the media advertisements have different costs. The media is also an essential external media outlet because the message they portray could benefit or damage the company. Customers are an external business outlet because they are the source of income for the company. Customers must actively make the decision of which airline to fly with and can benefit or harm the company through word-of-mouth. Suppliers provide Southwest Airlines with products used in and on the planes, in the airports, and computer systems.

General external outlets include community leaders, government officials, legal representatives, local citizens and taxpayers. Community leaders, local citizens and taxpayers are key to Southwest Airlines because they are potential customers. They also may vote or influence different issues about the airports. Government officials may influence decisions about the airlines based on the relationship with the company and regulations through the FAA and FCC. Legal representatives are utilized by the company in legal situations, such as issues with the FAA and FCC, and suing. Southwest Airline uses legal representation for advice and protection.

Internal business outlets include shareholders, investors, financial partners, businesses and enterprises, and suppliers. These factors are important in decision making within the company, as their money and resources are directly involved. Shareholders and investors may decide to sell their shares or decide not to invest in the company in the future if they disagree or are unhappy with the company.

Internal employee outlets include Southwest Airlines and AirTran board members, Southwest employees, executive team and corporate managers. The employees are essential to the running of the airline. The executive team and corporate managers dictate and enforce policies and procedures to employees, and employees enforce the regulations to customers.

Government outlets include the FAA (Federal Administration Airline) and the FCC (Federal Communications Commission). The FAA and FCC enforce regulations and restrictions on aspects of the airlines. If these policies are not followed, the company will be reprimanded.

Media Relations:

If there was an emergency crisis, it is important that the spokesperson be knowledgeable about all Southwest related components that might have affected the incident. If there were a plane crash, it could cause severe loss of life. Kayla Kuehl, CEO will be the head spokesperson for plane crashes. She will be assisted by Tara Allen, Assistant Director of Media Relations, as well as Rachel Tauke, Executive Vice President of Government and Community Relations. In a case where expert opinion is needed these officials should call on professionals rather than attempting to answer questions with risk of losing credibility. Ashley Hasler, Director of Health and Safety Management will be with these spokespeople at all times to ensure effective communication. Spokespeople should be straight to the point without giving out too much information. The spokesperson should also have proper language, pleasant performance, professional appearance, be concerned and sympathetic.

We have a list of emergency personnel that should be contacted in case of an emergency. In the case of a crash, contact information for local officials is not available as the locality to a crash is always uncertain. Question pertaining to contact information of local officials should be directed to our headquarters police correspondent, Dallas Chief of Police, David Brown, who can find this information if needed. Also, calling 911 will guarantee local fire, EMS and police response.

We chose the surrounding seven media outlets to contact in case of a crisis with Southwest Airlines. These media outlets include: ABC News Program, CNN News Program Manager, Fox News Program, NBC News Program Manager, The New York Times, The Washington Post, and USA Today. In addition, depending on what type of crisis occurs we also have contact information for the Center for Disease Control and Prevention, Federal Aviation Administration, and the National Transportation Safety Board. One of these three contacts should be notified on the crisis immediately after it happens. Also the Jack Evans Police Headquarters should be notified, as they are the closest Police Station to the Southwest Airlines Headquarters.

Below includes the important contact information that will be necessary to get ahold of any of the organizations listed above. These contacts are arranged by groups such as: emergency contacts and media contacts.

Emergency Contacts

John Wagner
Federal Aviation Administration
800 Independence Avenue, SW
Washington, DC 20591
Cell: 803-555-5600
Work: 803-555-5601
Home: 803-555-5602
E-mail: wagerj@faa.gov

Elizabeth Willard
National Transportation Safety Board
490 L'Enfant Plaza SW
Washington DC 20591
Cell: 803-555-5603
Work: 803-555-5604
Home: 803-555-5605
E-mail: willard.elizabeth@ntsb.org

James Buchannon
Center for Disease Control and Prevention
1600 Clifton Avenue
Atlanta, GA 30333
Cell: 747-555-5606
Work: 747-555-5607
Home: 747-555-5608
E-mail: buchannonj@cdc.gov

Jack Evans Police Headquarters
1400 S. Lamar St.
Dallas, Texas 75215
Work: 214-671-3001

Alternate Location Contacts

Roy Kinnman
Adolphus Hotel
Work: 214-742-8200
1321 Commerce St.
Dallas, TX 75202
roy.kinnman@adolphushotel.com

Kristin Cole
First Baptist Church
Work: 972-267-1111
1707 San Jacinto St,
Dallas, TX 75201
media@alarryross.com

Media Contacts

Olivia Spencer
ABC News Program Manager
Cell: 615-555-5615
Work: 615-555-6516
Home: 615-555-6517
E-mail: oprah.winfrey@abcnews.com

Nicholas Goff
The Washington Post
Cell: 615-555-6527
Work: 615-555-6528
Home: 615-555-6529
E-mail: branjelina@washingtonpost.com

Jerry Meirs
CNN News Program Manager
Cell: 615-555-6518
Work: 615-555-6519
Home: 615-555-6520
E-mail: Phelpm@cnnnews.com

Chris Marshall
USA Today
Cell: 615-555-6530
Work: 615-555-6531
Home: 615-555-6531
E-mail: chris.mathews@usatoday.com

Michael Watson
Fox News Program Manager
Cell: 615-555-5612
Work: 615-555-5613
Home: 615-555-5614
E-mail: jackson5@fox.com

Steven Williams
NBC News Program Manager
Cell: 615-555-6521
Work: 615-555-6522
Home: 615-555-6523
E-mail: Spearsb@nbcnews.com

Christine Yatsko
The New York Times
Cell: 615-555-6524
Work: 615-555-6525
Home: 615-555-6526
E-mail: Johne@nytime.com

Action Steps:

The following action steps listed below should help to ensure that the proper steps and precautions are taken before, during, and after an emergency. These steps should help to provide what is important for the organization to consider and how they should approach an emergency.

Before the Emergency:

- Designate an Emergency Communications Coordinator (ECC) and an alternate ECC. The ECC should not be involved in the emergency steps themselves but should be familiar with handling the situation at hand and distributing and receiving calls from different outlets that become involved when an emergency occurs. An alternative ECC should be selected in case the first ECC is unavailable at the time.
- Members of the emergency crisis team will hold occasional meetings to discuss and further develop the plan. These meetings will help to remind everyone involved of the steps that may need to be taken when dealing with an emergency and will help to be sure the company is ready for any kind of crisis that may be faced.
- Designate a primary and alternative location to hold emergency news press conferences. The rooms that are chosen should provide space for a news conference, along with multiple telephones, electrical outlets, and refreshments for those who will be attending.
- News media identification should be provided and made available for the media by the ECC.

During an Emergency:

- The emergency should be reported to the CEO (also known as the ECC), who will activate the plan. The ECC will inform the members of the crisis communication team who are relevant to the emergency that is taking place.
- Contact should be made to the appropriate outside sources such as police, fire department, arson investigators, federal aviation administration, state department, etc. This contact should be made from the VP for Government and Community Relations or Health and Safety Manager.
- All employees involved with the emergency should remain calm and determined to ensure that the emergency will be taken care of in the most effective way possible.
- All news media should be sent to the CEO or the Director of Media Relations. Reporters should be told where the Emergency Newsroom would be located. Reports will be issued and updated within the newsroom. Interviews will be arranged and developed in the Newsroom from the CEO and other appropriate members of the emergency crisis team.

- No other employees should handle the questions from the media. It is important to be sure only one person is representing the company in order to assure that the message being delivered is a single, unified message.
- The media should be provided with the following information:
 - Provide the media with *facts* – no speculation or cover-ups.
 - What happened? When? And Where?
 - How and Why did it happen? (If you are unsure of why it occurred, say that you are unaware and that it is still developing)
 - Who was involved? – Provide names of those involved only after there has been a notification of death or injury. Refer to company policies on releasing confidential information.
 - Extent and nature of injuries, property damage, continuing damage, and insurance coverage. (Be sure not to include specific dollar amounts)
- Employees should be informed of the details of the situation as soon as possible, in the fastest way possible.
- If injuries occur to customers, find out information on the people involved who were harmed and contact families immediately to ensure that they are aware of what is going on before they find out via the news. Can have help provided from Government and Community Relations chair, Health and Safety Manager, or police department.
- In event of bankruptcy or crash of stock, the CEO should contact the VP for Investor Relations to help handle the situation.

After the Emergency:

- Release to the news media, as quick as possible, the decisions and information relating to the incident. Where appropriate, express gratitude towards the people involved in helping with the crisis. For example, the police, fire departments, community, emergency crews, employees, or whomever else may have been involved.
- The ECC or whoever is assigned, should compile clippings of news stories and information dealing with how the Crisis plan helped during the emergency and what can improve the steps that were taken to make the plan more efficient. This information should be brought together in a relatively short amount of time while the information is still fresh and retrievable.
- If customers injured, have CEO visit families and provide comfort and support to ensure they are deeply sorry for what has happened and allow support for the families that have someone who was injured or killed in the emergency.

Logistics:

In the event that the Dallas, Texas headquarters building is compromised during the crisis, the communications control center will move to the Adolphus Hotel located on 1321 Commerce St. Dallas, TX. The facilities manager at the media room is Roy Kinnman and he can be contacted by phone (214-742-8200) or e-mail (roy.kinnman@adolphyushotel.com). We have permission from facilities to use this building as our headquarters for as long as necessary pending available space. In the event that the Adolphus Hotel is in use in the time of the crisis, the headquarters will be moved to the First Baptist Church on San Jacinto St. also in Dallas, TX. The facilities manager at the media room is Kristin Cole who can be contacted by phone (972-267-1111) or by e-mail (media@alarryross.com). These are the only places a headquarters should be stationed, as we have been granted special permission to use them and they provide a good setting for handling media interviews.

Alternative Locations for Southwest:

Adolphus Hotel

Roy Kinnman

214.742.8200

roy.kinnman@adolphyushotel.com

First Baptist Church

Kristin Cole

972.267.1111

media@alarryross.com

In most cases the crisis communication control center will be located at the Southwest Airlines headquarters in Dallas, Texas. In this instance all equipment and necessary supplies will already be provided in conference rooms and storage closets nearby. If a situation should exist in which the headquarters is moved to the Adolphus Hotel or First Baptist Church, each location has been provided with a list of pre-gathered materials needed. This list includes; bulletin boards, flip charts and chalkboard, computers, printers, telephones, battery-powered televisions and radio, food and beverages, copy machines, first-aid kits, cameras and film, podium, chairs, stage, microphone and amp, power outlets, extension cords and power packs. Also there is a list of materials that should be gathered by crisis responders and taken to the new site. These materials include; company letterhead, pens, pencils, telephone directories, press kits, contact information, crisis communication plan, cell phones, laptops, change of clothes, and employee identification card.

The following information will be pre-gathered and storage at aforementioned locations in case of an emergency. Crisis responders can refer to this information as necessary. The pre-gathered information includes; FAA Inspection citations for the past 5 years, plane maintenance reports, pending maintenance reports, Southwest Airlines safety standard guidelines, safety procedures, annual reports for the past 5 years, case studies from past plane crash crises including photos, company employee list and background checks, executive biographies, maps and location information, product manufacturing procedures, and a company fact sheet.

As far as continuous updates throughout the crisis we have a Southwest Airline's Webmaster, Blake Jones, will be constantly updating the website with live information about the crisis. Blake Jones will be updating the Southwest Airline's website which is www.SouthwestAirlines.com/crisiscommunication and Blake can also be reached on his cell (919-555-5591), work (919-555-5592), or at his home (919-55-5593).

For more websites and related links for news about the crisis there are three more options for updates as well. You can visit www.faa.gov for Federal Aviation Administration, www.nts.gov for National Transportation Safety Board, or www.cdc.gov for Center for Disease Control and Prevention.

Evaluation Plan:

In order to be sure the plan is as thorough as possible, attached is an evaluation that should be filled out and completed after an emergency happens. By completing this form, the crisis management plan can be further developed and more effective when future emergencies occur.

Post-Crisis Evaluation

Name: _____ Date: _____

Department: _____ Title: _____

Describe your role in the crisis: _____

How did you become aware of the incident: _____

How could the notification system be improved: _____

On a scale of 1 (very poor) to 5 (very well), how well do you believe the company handled the crisis: _____ Why? _____

In your opinion, what do you believe could help to improve this crisis management plan? _____

References

Barton, L. (2000). *Crisis in organizations ii*. (2nd ed ed.). Stamford, CT: Cengage Learning.

Gaines, K. (2010). *Continental airlines crisis communication plan: Plane crash response*.

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(2013). Retrieved April 22, 2013, from <http://www.southwest.com/>