

## **A Manufacturer Breaks Bad News**

**Situation Analysis:** LHA faced a communications challenge when its client, suffering from severe industry overcapacity, rising costs and weakening demand trends, decided to close a plant representing more than 5% of its capacity. The continuous nature of the company's manufacturing process required a type of shutdown that was difficult to prepare for without drawing employee attention. At the same time, the historical contentiousness of the local union and the economically depressed nature of the area caused concerns about safety and even sabotage should the shutdown be discovered prematurely. The client also wanted to offer appropriate assurance and direction to headquarters and plant employees, customers, and suppliers. Lastly, details had to be presented to the financial community without jeopardizing the client's position with respect to collective bargaining agreements.

**LHA's Solution:** LHA created a comprehensive communications plan addressing every contingency -- from a straightforward facility closure announcement to an emergency announcement triggered by a work disruption. Our plan also addressed every target audience -- plant and non-plant employees, union officials, customers, suppliers, analysts, investors, and media. Working with the client's senior management, human resource and legal counsel, we translated this strategy into a highly detailed tactical schedule, developing messaging for press releases, employee speeches, conference calls and media interviews. We also advised on timing, rehearsed Q&A to help corporate spokespeople stay on message in volatile situations, and acted as a hub on announcement day, fielding investor questions and organizing media interviews.

**Results:** Despite the seriousness of the situation, the communication of this tough piece of news was very successful. Feedback from all audiences indicated that our messaging and communication procedures were clear, complete, and helped preserve the client's credibility. Equally important, management and client spokespersons felt prepared and supported throughout the process.