



Flirting with Disaster: Managing Social Media Risks in Crises

September 2023



The Power of Social Media

48%

of Americans get their news on social media

94%

of journalists use social media as a cited source

330 million

Reddit monthly users

Most used app ever

TikTok surpassed Google as the most used app worldwide



The Power of Social Media

FP

Social Media Is Now a Financial WMD

Forbes

Why Social Media Can Make Or Break A Crisis Response Plan

AXIOS

Social media algorithms fuel rise in public apologies



How Social Media Caused the Downfall of Silicon Valley Bank



Social media raises bank run risk, fueled Silicon Valley Bank's collapse, paper says



Regulators blame social media for SVB's rapid collapse: 'Complete game changer'



'The first Twitter-fuelled bank run': how social media compounded SVB's collapse

It's Not Fair!!!

How your company, executives or you are treated on social media has

nothing to do with fairness

and little if anything to do with the truth.



Real Life Example

Posted by u/Cataclysmic98 **Diamond Hands** 1 year ago

6.5k

Wall Street Veteran Charles Gradante calls out Citadel naked shorting Gamestop, lack of penalties for naked shorting, options use for driving price action on stocks. Voices support for GME Redditors, retail investors & more! Listen at 5 min (or all)! Article link in comments. Needs more exposure!

youtu.be/OChaTm...

News | Media


CorpGovEvent Panel Charles Gradante

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0:02 / 11:55

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CORP GOV

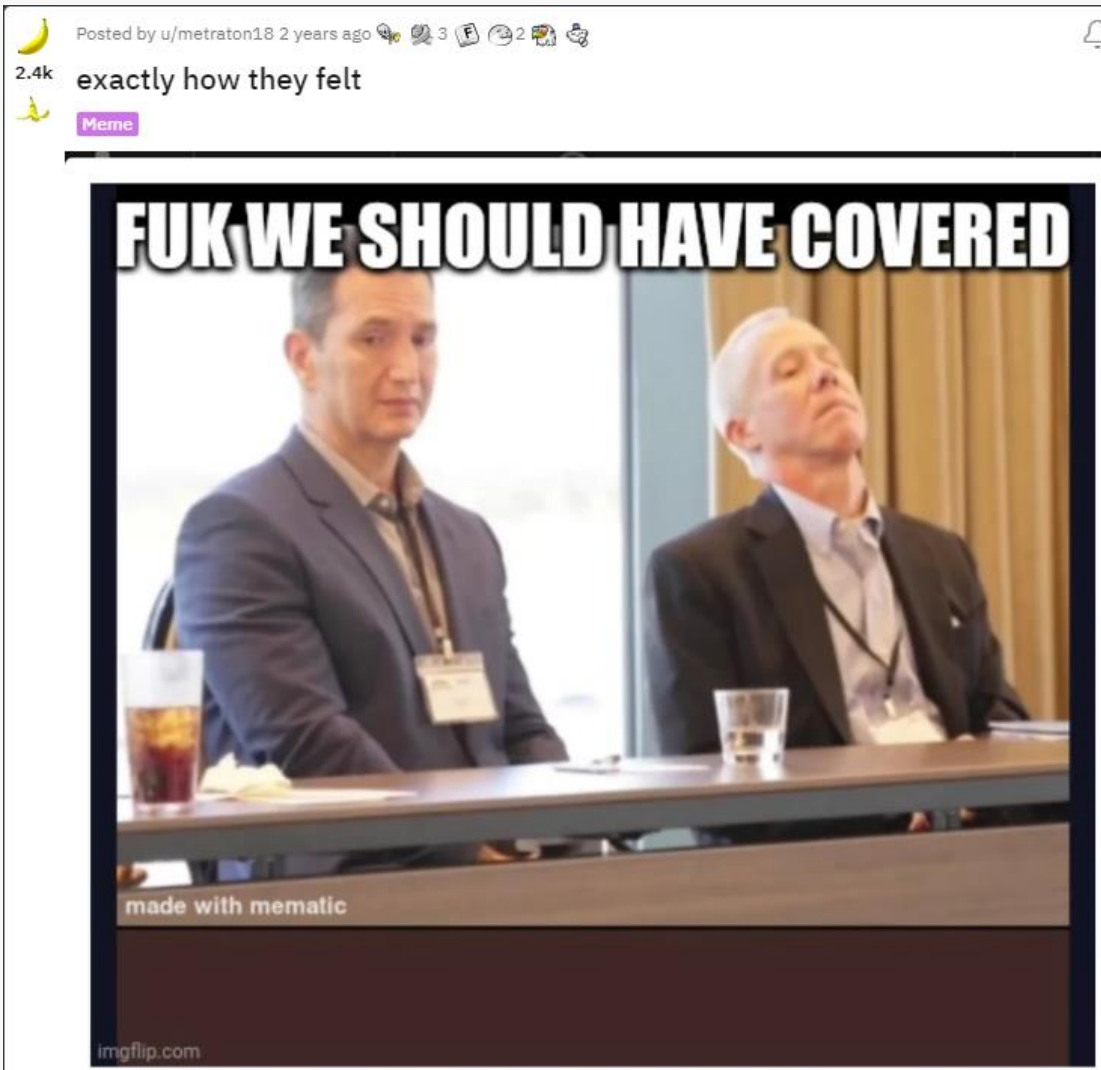
PALM BEACH HEDGE FUND ASSOCIATION

present

PALMBEACH CORPGOV FORUM

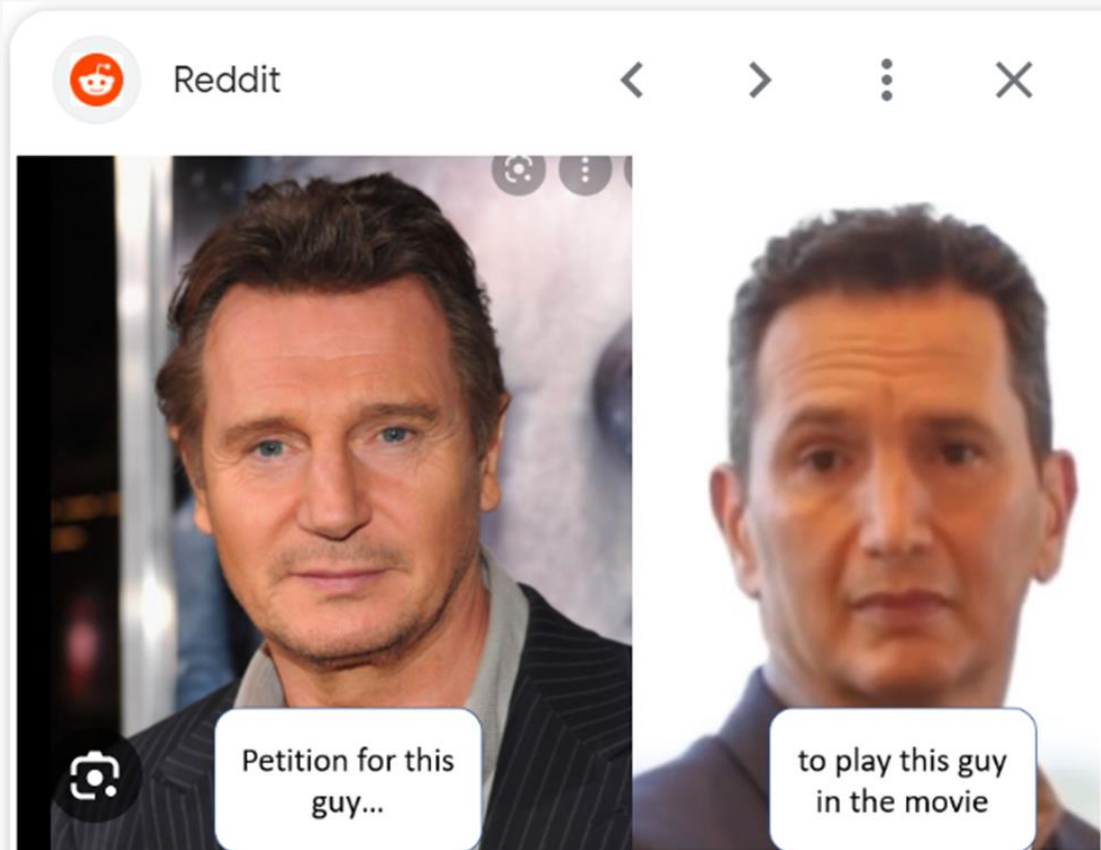


Truth Didn't Matter – False Assumptions



- ***Haha totally, I was watching this dude, he's like "oh no I knew it was a bad idea, I knew we were gonna get caught"***
- ***This hedgie is naked short Game Stop***
- ***"This guy looks spooked, comically exaggerated spookage"***
- ***"He scanning the crowd and sees way too many people who are extremely interested in the content."***
- ***This dude is embodying the "don't say that" cringe***

Funny Memes Have a Life of their Own



Who is this guy?

- **Sus dude looks like a scared Liam Neeson**
- **Non-union Liam Neeson**
- **Dollar Store Liam Neeson**
- **It's Liam Neeson's second cousin, they're running out of people to take for the Taken movies.**



OMNI CONSUMER PRODUCTS

Scenario: Omni Consumer Products

Comfort Zone

- **Omni Consumer Products is a large publicly traded tech company with charismatic CEO and strong historical stock performance encounters a tougher macro environment.**

NYSE: OCP



OMNI CONSUMER PRODUCTS



The Gathering Storm

- **With sales under pressure financial pressure forces a progression of cuts, employee perks and benefits to layoffs**

INSIDER

Tech companies got rid of your free lunch. Now they're coming for your 401(k) and healthcare.



Nasdaq

NASDAQ Index, SP500, Dow Jones Analysis – NASDAQ Retreats As Tech Stocks Remain Under Pressure

FXEmpire.com - Key Insights. SP500 made an attempt to settle below the 4450 level as the pullback continued. NASDAQ tested new lows as...

BARRON'S · 12d

Tech Stocks Lead the Market Lower

Stocks were sliding Wednesday, with technology stocks leading the way down after Fitch downgraded the U.S. credit rating, and Treasury yields spiked higher. The Dow Jones Industrial Average dropped ...

TC TechCrunch

Featured Article

A comprehensive list of 2023 tech layoffs

From major layoffs at Google, Amazon and Microsoft to small fintech startups and apps

Backlash Begins

- **Anonymous internal employee groups vent their frustration**
- **Complaints spread to Reddit, Glassdoor, Twitter, TikTok**



“OCP took my food, benefits and fired my friends, now I have twice the work and could still be fired”

Pros: Cool logo

Cons: Run by a soulless CEO named Dan O’Herlihy who crushes your spirit and might actually be possessed by a demon.

Advice to Management:
Hire an exorcist.

'GLASSDOOR'

Reviews

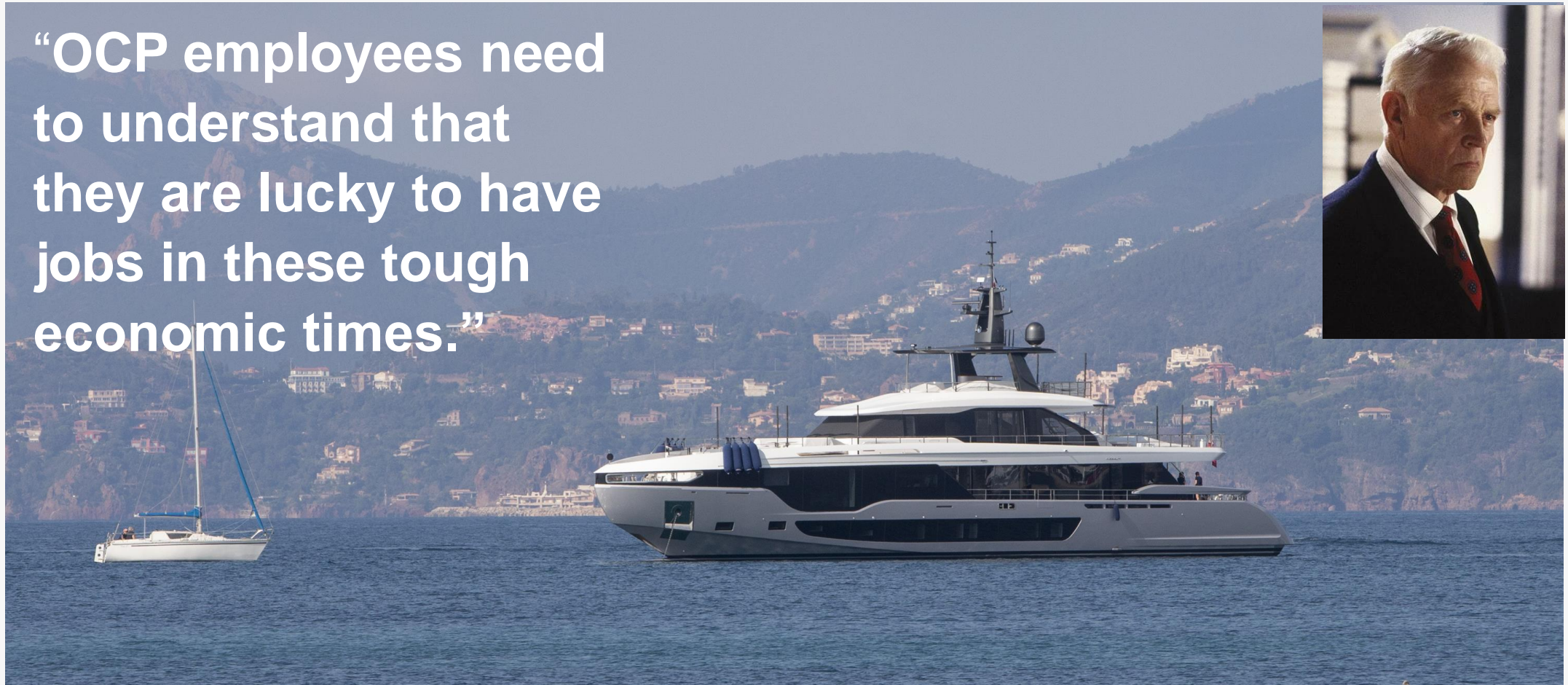
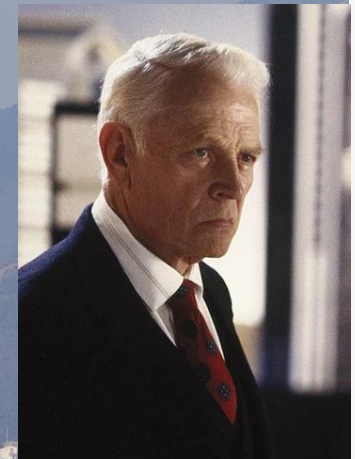
Who’s the Lowest of them All?
Glassdoor Reports Companies
with Lowest Overall Ratings

#1 OCP
0.65% approval rating

Self-Inflicted Wound

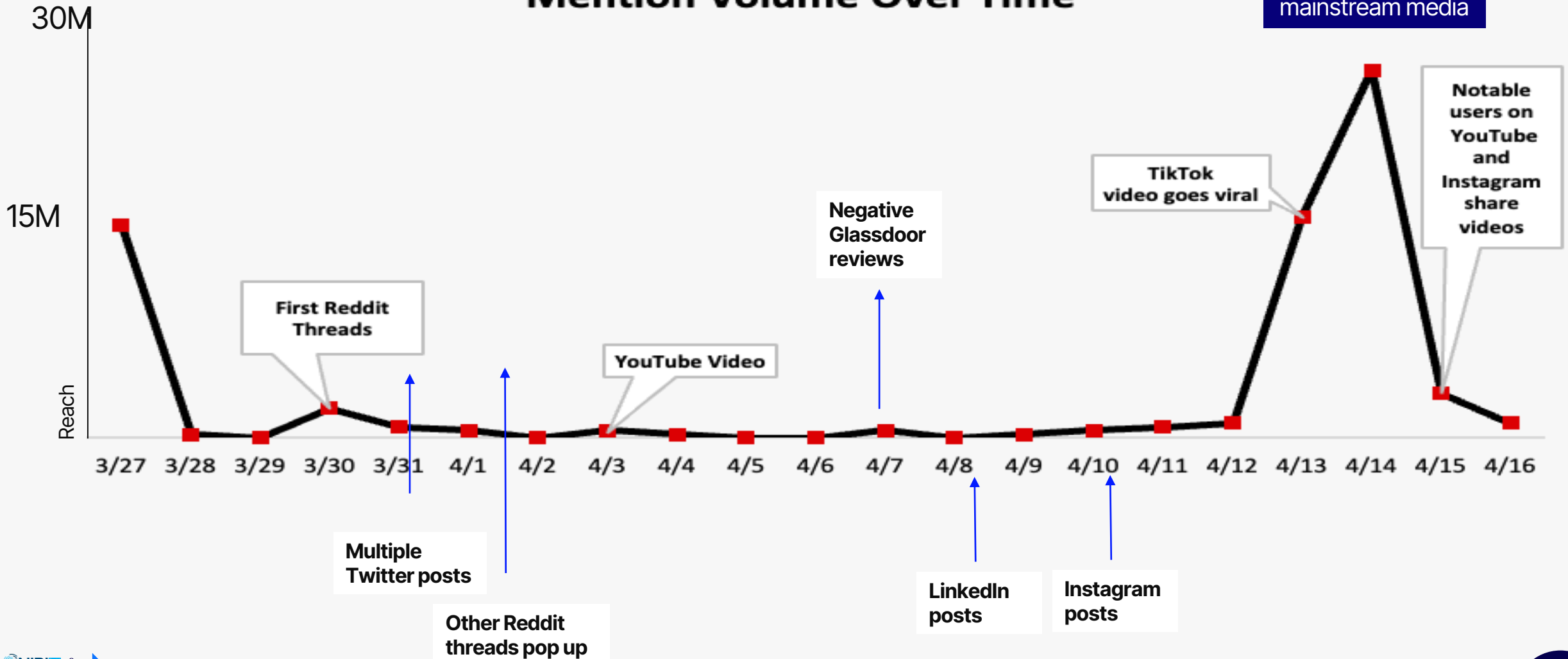
While attending the Cannes Film Festival OCP CEO Dan O’Herilhy made the following statement in response to questions about employee discontent at OCP.

“OCP employees need to understand that they are lucky to have jobs in these tough economic times.”

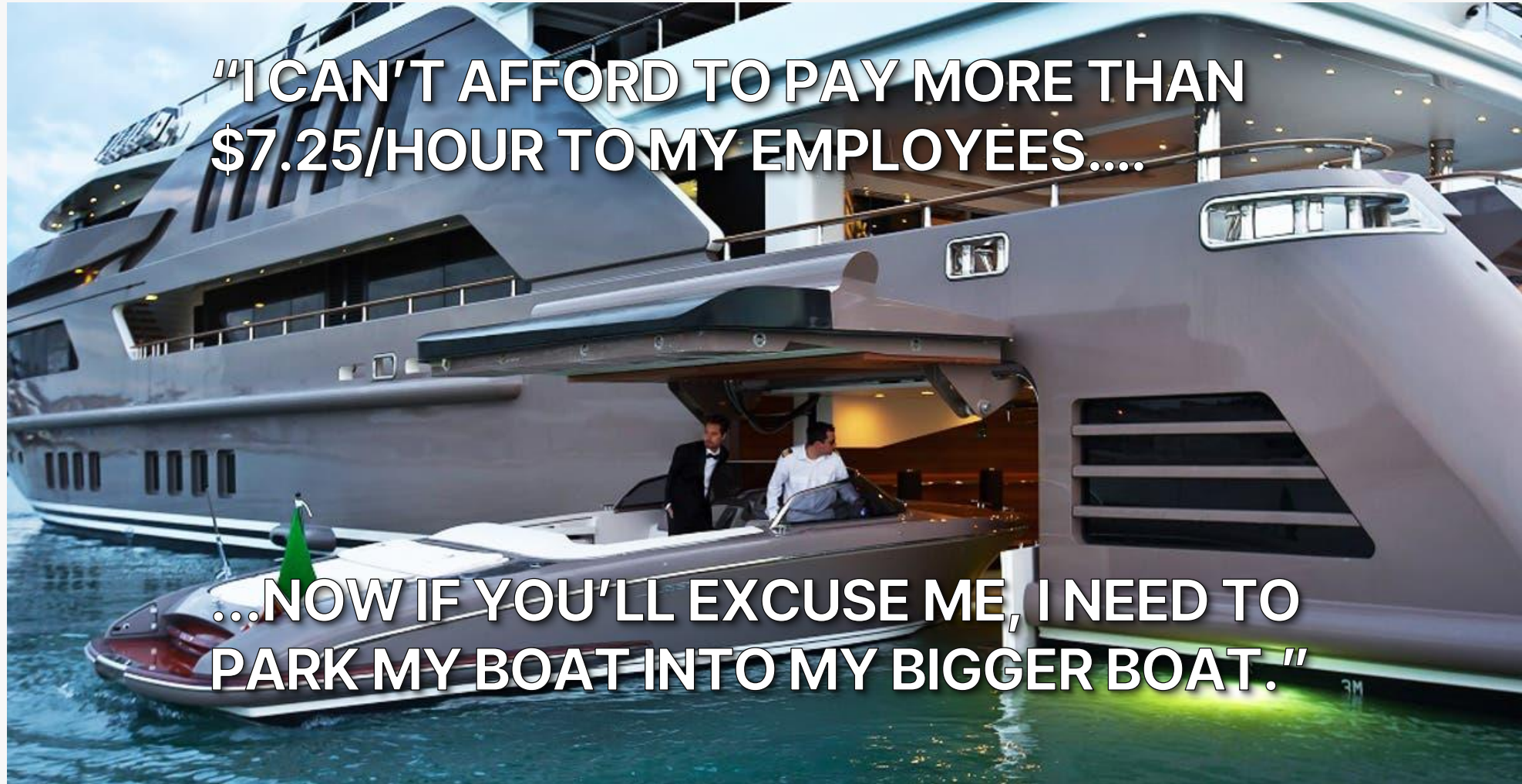


The Lifecycle of a Crisis on Social Media

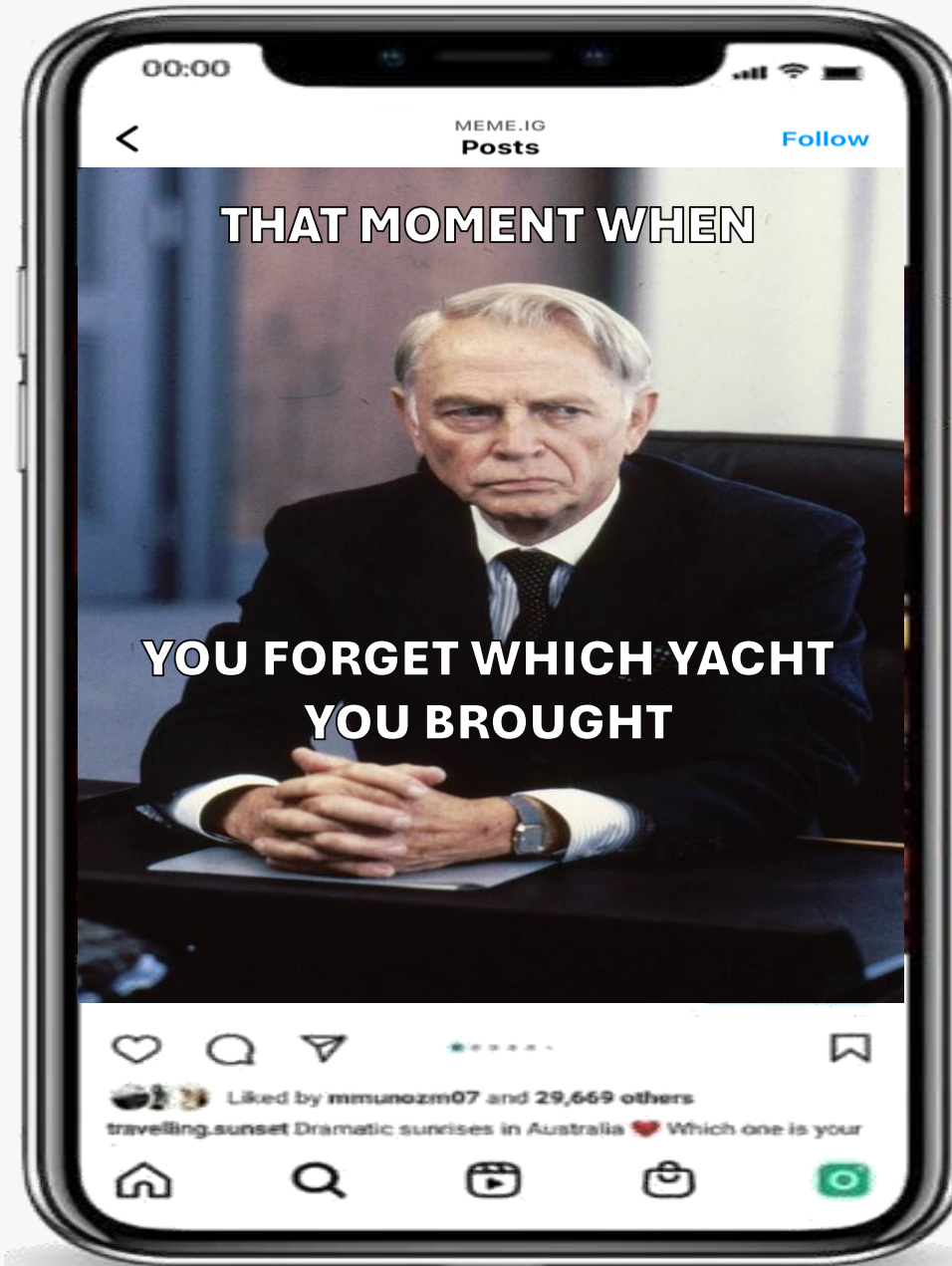
Mention Volume Over Time



There will be memes...



There will be memes...



Spillover to mainstream media

THE WALL STREET JOURNAL.

MONDAY, SEPTEMBER 22, 2008 - VOL. CCLII NO. 70 ***** \$2.00
 Last week: DJIA 11388.44 ▼33.55 -0.3% NASDAQ 2273.90 ▲0.6% NIKKEI 11920.86 ▼2.4% DJ STOXX 50 2809.38 ▼1.7% 10-YR TREASURY ▼11/32, yield 3.771% OIL \$104.55 ▲\$3.37 EURO \$1.4474 YEN 107.27

OCP Under the Gun After Stumble CEO Bob Morton Under Pressure After Insensitive Comments

End of Traditional Investment Banking, as Storied Firms Face Closer Supervision and Stringent New Capital Requirements

By JON HILSENRATH,
 DAMIAN PALETTA
 AND AARON LUCCHETTI

The Federal Reserve, in an attempt to prevent the crisis on Wall Street from infecting its two premier institutions, took the extraordinary measure on Sunday night of agreeing to convert investment banks Morgan Stanley and Goldman Sachs Group Inc. into traditional bank holding companies.

With the move, Wall Street as it has long been known—a coterie of independent brokerage firms that buy and sell securities, advise clients and are less regulated than old-fashioned banks—will cease to exist. Wall Street's two most prestigious institutions will come under the close supervision of national bank regulators, subjecting them to new capital requirements, additional oversight, and far less profitability than they have historically enjoyed.

Already, the biggest rivals of Goldman Sachs and Morgan Stanley—Merrill Lynch & Co., Lehman Brothers and Bear Stearns Cos.—have merged into larger

Under the Gun

Instead of being overseen by just the Securities and Exchange Commission, Goldman Sachs and Morgan Stanley will now face much stricter oversight. The Federal Reserve will regulate the parent companies, the Treasury Department's Office of the Comptroller of the Currency will regulate national bank charters and the Federal Deposit Insurance Corp. will likely play a bigger role.



"This fundamentally alters the landscape," a Goldman Sachs spokesman said Sunday night. "By becoming a bank holding company and being regulated by the Federal Reserve, we have directly addressed issues that have become of mounting concern."



The rapid pace of change in recent weeks highlights the severity of the financial crisis, and suggests it is deeper than many on Wall Street were willing to admit. Some investors may view the move as a negative signal, for it suggests that Goldman Sachs and Morgan Stanley may have been facing greater liquidity issues than was apparent. Becoming a bank holding company can help both Morgan Stanley and Goldman organize their assets, and puts both in a much better position to be able to classify assets as

Activist Whipple Capital Takes 8.5% Stake in OCP Demands Immediate Change

WASHINGTON—Lawmakers are scrambling to put their mark on the Bush administration's \$700 billion plan to save financial markets—a fast-moving test of wills that could reshape one of the biggest bailouts in U.S. history. There's no sign yet that Congress will delay or derail the proposal. Democrats are looking to add provisions that include beefed-up congressional oversight, aid for individual homeowners and changes to bankruptcy laws. Some of the measures are opposed by the administration. Perhaps the biggest looming fight is over Democratic efforts to reauthorize the program's partici-



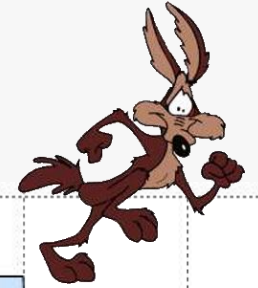
X-MAS MASSACRE

- OCP CEO cuts 20% of work force Dec. 23rd
- Received \$40 million bonus in 2023

In a move that has been met with anger and dismay, OCP CEO Jean-Pierre Dupuy announced today that the company will be laying off 10% of its workforce, effective immediately. The layoffs come just weeks before Christmas, and many of the affected employees are already making ends meet.

FLORIDA MAN MAKES ANNOUNCEMENT PAGE 26

Impact on Stock Price



SESL FP Equity (SES-imagotag SA) Daily 01MAR2023-06JUL2023

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13-Sep-2023 13:35:28

Now the mob comes for you



Knives out...others will try to personally benefit from this crisis

CISION PR Newswire
News Products Contact

News in Focus Business & Money Science & Tech Lifestyle & Health Policy & Public Interest People & Culture

AXE CAPITAL DELIVERS LETTER TO OCP

NEWS PROVIDED BY
Axe Capital
12 Sep. 2023, 08:02 ET

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PR Newswire

NEW YORK, September 22, 2023

AXE Capital believes that OCP is Deeply Undervalued

CEO Dan O’Herlihy has Lost the Confidence of Investors and Should Resign

NEW YORK, Sept. 22, 2023 /PRNewswire/ -- Axe Capital LLP (together with its affiliates, "Axe Capital"), a significant stockholder of Omni Consumer Products ("OCP" or the "Company") (NYSE: OCP), today announced that it has delivered a letter to Dan O’Herlihy, OCP’s Chief Executive Officer, and Old Man, Chair of the Board of Directors (the "Board"), with copies to Ronny Cox, the Company’s Chief Financial Officer, and the full Board.

Customers, employees and investors have lost confidence in Mr. O’Herlihy’s ability to effectively lead the company. The letter goes on to say mean things about everyone involved and disparaging the company, its management, family members and taste in music. The CEO believes that Andrew Tate makes some interesting points and thinks Kim Jong Un is a man of the people. In addition, the CEO has bad breath, dandruff and toenail fungus.

wp Washington Post

California, N.Y. AGs will investigate OCP over workplace allegations

The attorneys general of California and New York jointly will investigate allegations that OCP fostered a hostile workplace environment.

POLITICO

Bernie Sanders call for investigation into OCP



BERNARD SANDERS
Senator

UNITED STATES SENATE
WASHINGTON, D.C. 20510

May 23, 2020

Mr. Shida Momeny
400 Walnut Hill
Shelburne, Vermont 05482

Dear Mr. Momeny:

I write to offer recognition of your success in creating the EOCCH nonprofit organization, and to applaud the important work in raising funds for public awareness about child health care in Uganda.

Your exemplary humanitarian work generates a sense of camaraderie between legislators and voters of all ages, especially among the high school and college populations to whom you have personally spoken. It is important for Vermonters to realize that a small amount of resources can make an astounding difference in the life of a child who is malnourished or suffering from disease. You have encouraged some very positive results in your travels in Uganda, and I encourage you to continue to spread your personal account of the situation present in that country, as well as your message of the importance of medical assistance and fundraising to address these issues.

Once again, I wholeheartedly commend your dedication to humanitarian assistance in Uganda.

Sincerely,

BERNARD SANDERS
United States Senator

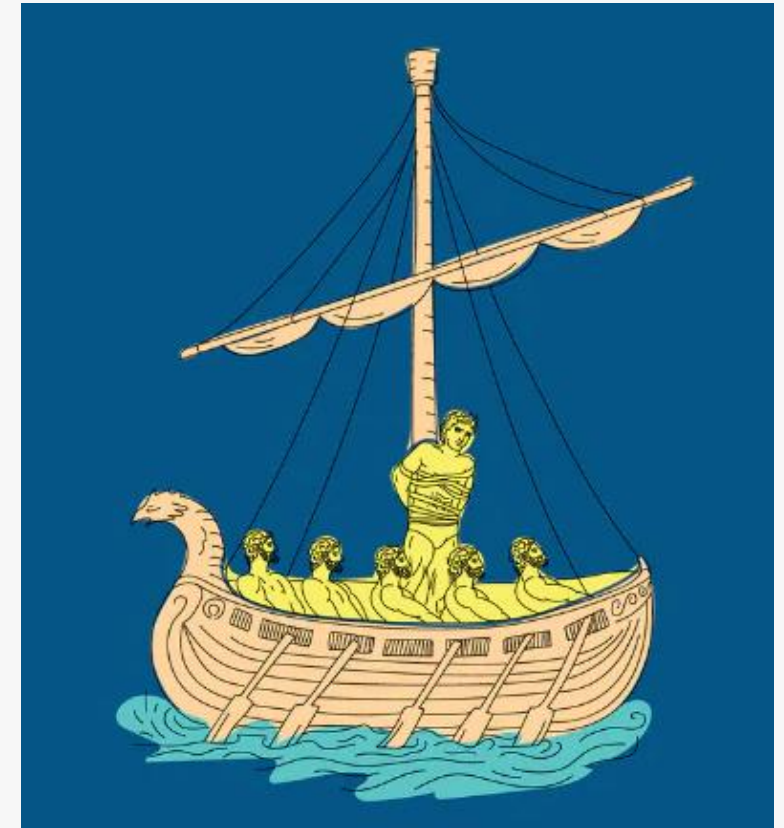


**What mitigation
measure could
have been taken?**

Establish Protocols & Procedures

Ulysses Pact – tying your future self to the choices you want

- Plan for crises when there is time and things are calm
- Establish decision protocols in advance with group buy-in to avoid power struggles
- Rushed decisions when emotions are raw could lead to poor outcomes
- Allow dissenting opinions – absent contrary views, the base line assumption will not be thoroughly tested
- Take a probabilistic approach to decision making – know that there is a wide range of outcomes,
- We won't be able to predict all eventualities, but a good decision process should help mitigate adverse outcomes
- Reassess assumptions, are they still valid?



What to do about negative comments?

Scenario: Most companies have extensive social media profiles: What do you do about negative comments?

Range of Actions

- Negative reviews on Glassdoor, Google, Facebook, etc.
- Negative comments about the company and leadership on social media platforms
- Posting of CEO's home address
- Implicit and explicit threats of violence

Response Options

- Suspend social media activity
- Disable comment function for additional comments
- Delete abusive posts
- Remind employees about social media policies
- Warn employees about violating confidentiality
- Contact social media platform and report violation of policy
- Contact law enforcement



Risk and Reward: Responding/Not responding to Comments

Most companies have extensive social media profiles: What do you do about negative comments?

Scenario 1



Scenario 2



Making the least bad choice



Escalation Protocol, who to tell and when?

Scenario: Negative social media reaction is gaining moment. Posts, reposts, and comments are growing rapidly, but no mainstream media coverage yet.

At what point to do you inform:

- **The General counsel? CEO? The Board?**

Metrics to Track

- Volume of views
- Number of comments
- Issue moving cross platform
- Awareness amongst stakeholders:
 - Employees, customers, suppliers,
 - Inbound investor inquiries

Responses

- Increase monitoring
- Widen internal dissemination of information
- Activate 'break glass' crisis plan
- Determine trigger points based on events to initiate specific responses, e.g., CEO apology
- Use of paid promotion
- Announcement of new initiatives



The Delicate Balance of Timing of Apologies

- **Too early** – executives need to be leaders and can't be shaken off courses of actions when facing a resistance.



- **Too late** – apology is viewed as capitulation and therefore insincere if given after considerable pressure mounts.

Court of Public Opinion

Apology Threshold

The decision to apologize can be agonizing.

Dictionary

Definitions from [Oxford Languages](#) · [Learn more](#)



a·pol·o·gy
noun

“regretful acknowledgement of offense or failure”

DISCUSSION:

- What circumstances warrant an apology?
- How does an organization establish those guidelines?
- What litigation exposure does an apology create?

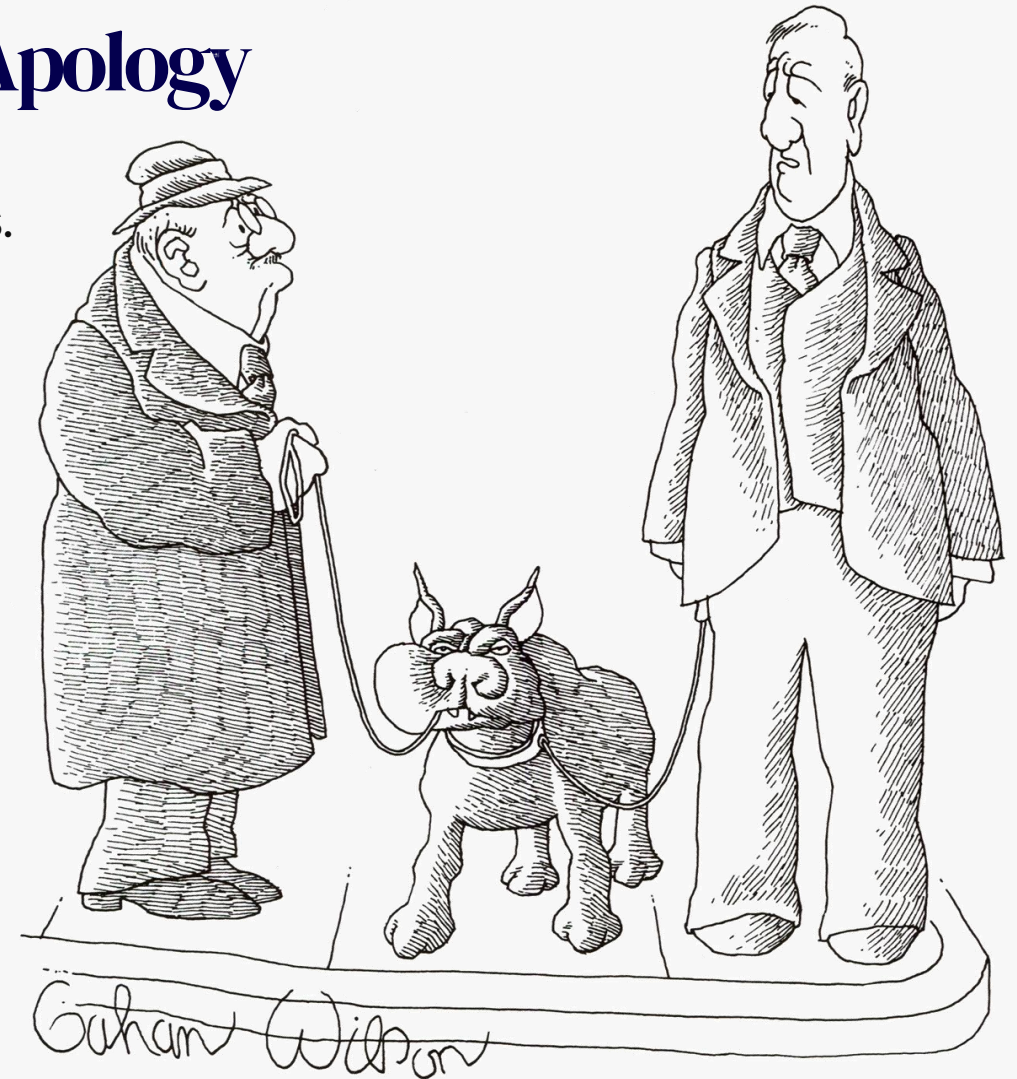


Apology Classifications: Elements of an Apology

The effectiveness of an apology needs to match the circumstances. If not delivered properly could exacerbate the issue.

- **Boilerplate / Half-hearted**
- **Absent "sorry" or "apologize"**
- **Tone deaf**
- **Shifting blame - "Sorry you feel that way"**
- **Conveying the issue is an inconvenience**
- **"I'd like my life back" – BP CEO Tony Hayward**

- **True Expression of remorse**
- **Taking responsibility**
- **Unqualified admission of error or wrongdoing**
- **Commitment to action at personal and organizational level**



"Look fella, I'm sorry. What more can I say?"

Proactive Measures

- Extensive social media and traditional media monitoring
- Establish crisis decision making mechanism
- Run Scenario analysis
- Review Decision points
- Broaden the understanding of the unique risks and rewards with senior management

Be prepared to

RESPOND

not just

React

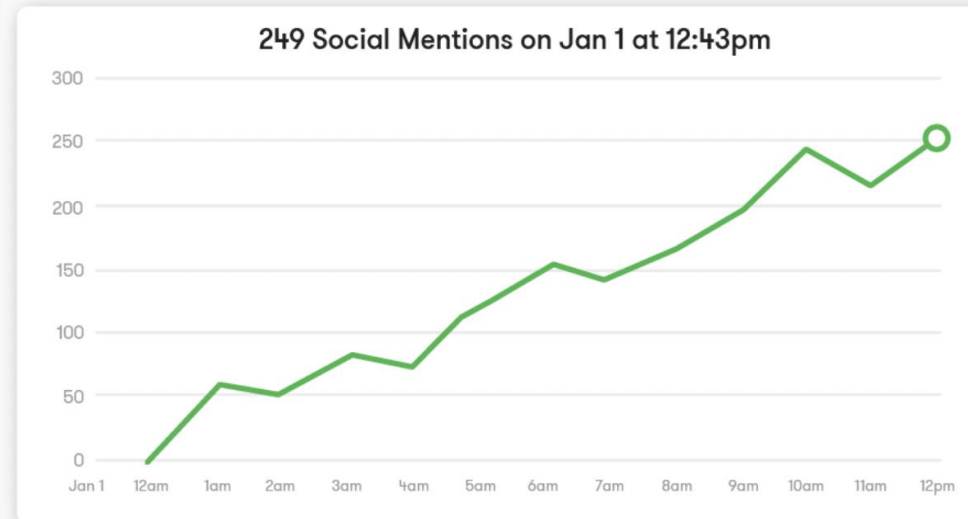
Set Up Robust Social Media Monitoring

Use real-time data to monitor conversations consistently across social platforms and help companies understand public sentiment to inform their communications strategy and crisis response plans.

Understand audience
conversations

Protect your brand
from threats

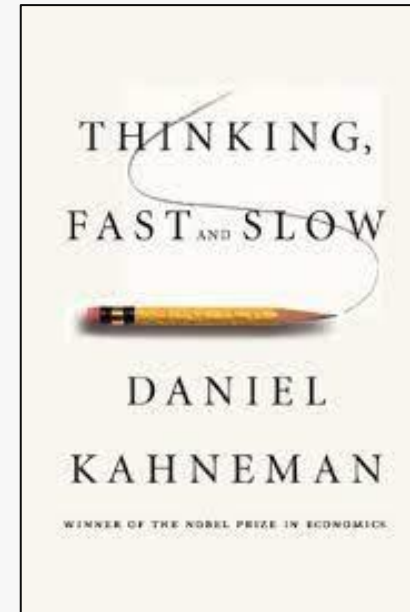
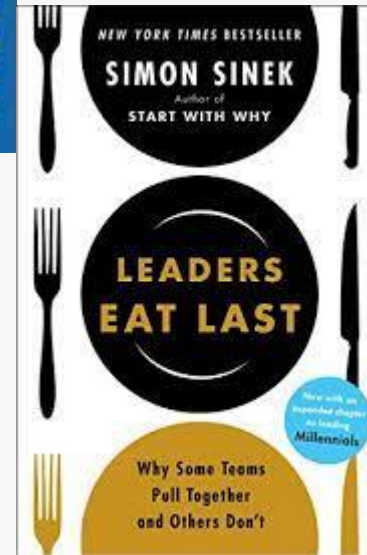
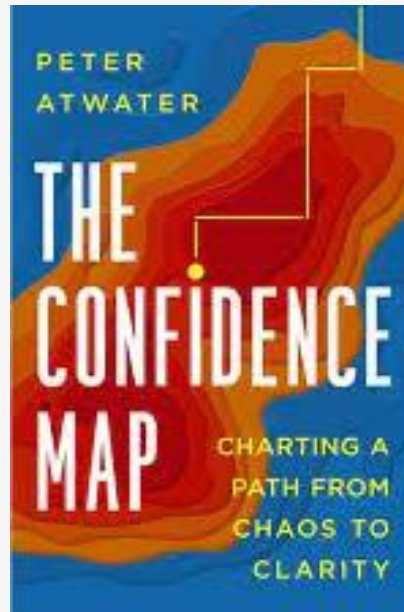
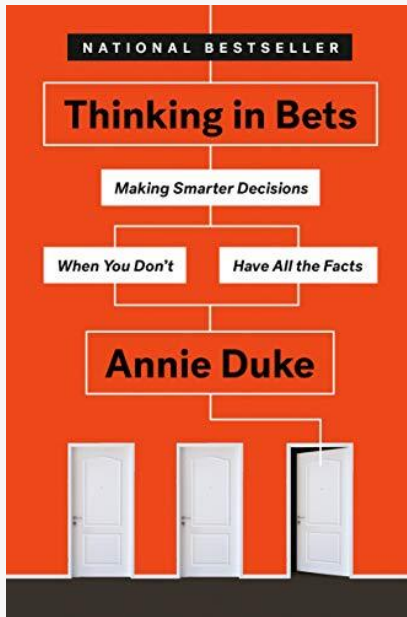
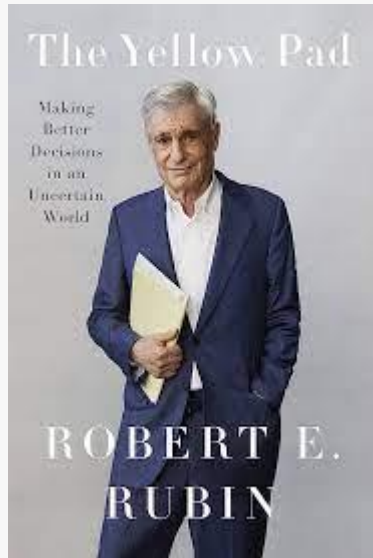
React to trends
that matter



Interactive Exercise

**How does your
crisis plan
incorporate
social media?**

Acknowledgements of Reference Material



Why OCP for the case study?

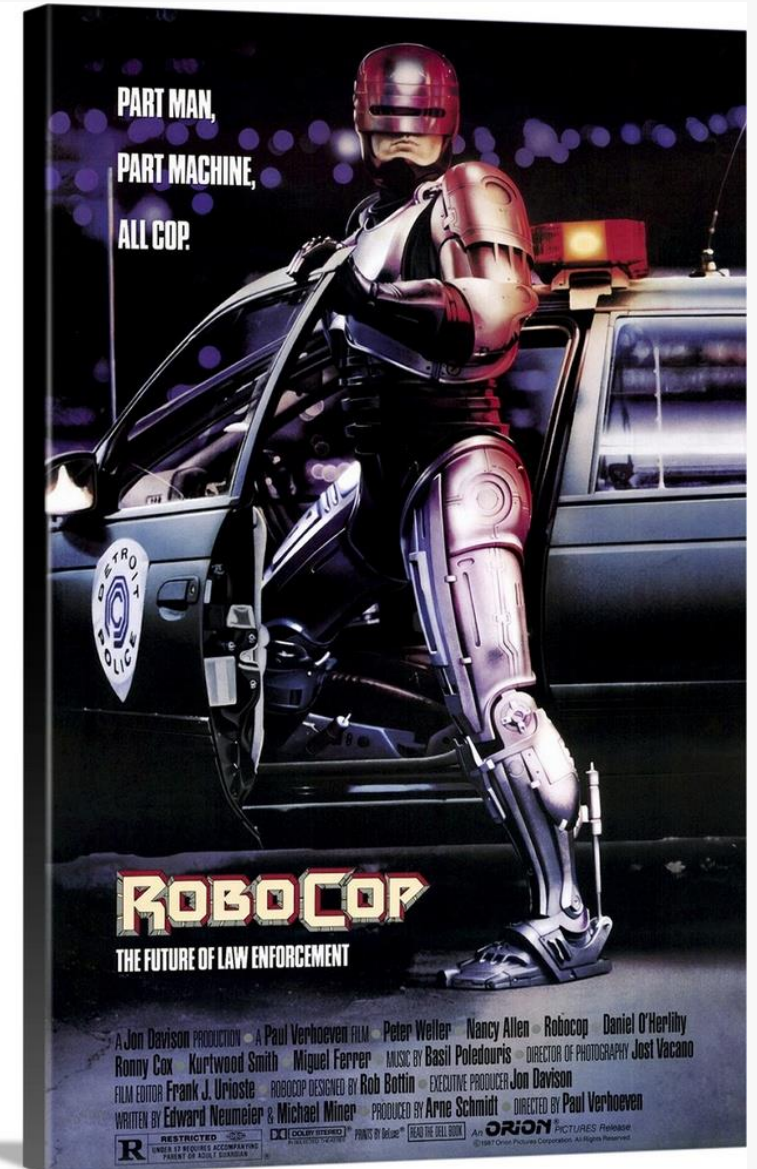


Google

most evil fictitious companies in movies



5 Omni Consumer Products – 'RoboCop' (1987)





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