Examples of Success and Failure in Industrial Accidents

In the current industrialized world, driven by lower costs, increased competition, and large multinational organizations, the possibility for crisis is immense. Global oil transportation, textile manufacturing, and large-scale lumber milling are examples of the many types of industries that are susceptible to organizational crisis. Governmental agencies, such as the Occupational Safety and Health Administration (OSHA), the Environmental Protection Agency (EPA), and the National Institute for Occupational Safety and Health (NIOSH), investigate hundreds of industrial accidents each year in the United States. This chapter examines three industrial accidents to better understand the role of uncertainty, communication, and leadership during crisis. The first case features an industrial crisis that created an ash slide that devastated the Emory River near Knoxville, TN. The second focuses on a plant fire at Malden Mills, a textile manufacturing plant located in Methuen, MA. The third case examines the Cole Hardwoods lumber mill fire in Logansport, IN. Each of these organizations experienced devastating crises and had varying degrees of success in their crisis communication.
We would like you to evaluate each of the cases in this chapter. As you read these cases, pay special attention to the lessons outlined in Chapters 2 through 4. Your evaluation should be based on how you believe the crisis communicators met the challenge of uncertainty, the guideposts we identified for effective crisis communication, and the goals outlined for effective crisis leadership.

The first case we examine, the Kingston ash slide, focuses on managing uncertainty following a crisis. The second case, Malden Mills, examines the role of effective crisis communication. Cole Hardwoods, the third case, focuses on Milt Cole’s approach to crisis leadership. After a review of each case, we have you critique the cases through the lessons. In each case, you make the call and determine whether the lessons on uncertainty, crisis communication, and leadership were achieved by the organization and whether the overall handling of the crisis was effective. In addition, as you examine the cases, consider if there are exceptions to the lessons or if the cases illustrate times when the lessons do not hold up. The questions at the end of each case should offer plenty of discussion, debate, and hopefully greater understanding of effective crisis communication. Good luck, and enjoy the cases.

Example 5.1 Lessons on Uncertainty: Tennessee Valley Authority and the Kingston Ash Slide

The Emory River would never meander along the same peaceful path after the morning of December 22, 2008. The river flowed near the Kingston Fossil Plant, located near Knoxville, TN. The plant, operated by the Tennessee Valley Authority (TVA), burns coal to generate “10 billion kilowatt-hours of electricity a year” to serve “670,000 homes” (Tennessee Valley Authority, n.d., para. 2). In doing so, the plant creates tons of fly ash, a coal-combustion waste product. The ash, combined with water to form sludge, is stored in enormous containment ponds. The ponds, surrounded by earthen walls built by TVA, hold the ash until a portion of it can be dried and recycled into building products. On this rainy December morning, ash began to ooze from a wall of one of the ponds. The leak weakened the wall until it crumbled, discharging “5.4 million cubic yards of coal ash into the river and into a nearby community, destroying several houses and forcing families to leave the area” (“Welcome to a new year,” 2010, para. 6).
Missed Opportunities in Crisis
Preparation and Planning

Simply put, TVA failed to accept the uncertainty related to storing the volume of fly ash contained in the Kingston facility. In his testimony before Congress, TVA Chief Executive Officer, Tom Kilgore (2009), admitted that the crisis was the result of “long-evolving conditions” that the organization failed to recognize or consider as it heaped more and more ash into the fragile pond (para. 12). Kilgore acknowledged TVA overlooked “the existence of an unusual bottom layer of ash and silt, the high water content of the wet ash, the increasing height of ash, and the construction of the sloping dikes over the wet ash” (para. 12). Perhaps the most puzzling lapse was TVA’s failure to respond to a preliminary report 2 months before the spill that “described a wet spot on one retaining wall that might be associated with a leak (National Aeronautics and Space Administration, n.d., para. 5). By their nature, leaks in earthen containment systems are a sign that the moisture is eroding the integrity of the structure. Still, TVA continued to add ash to the Kingston pond without question.

Tennessee Valley Authority’s Response to an Uncertain Crisis

To its credit, TVA accepted blame for the spill, obtained emergency permission to begin dredging the Emory River—portions of which literally disappeared under the thick layer of ash—and conducted an extensive internal investigation into the organization’s failures.
Some criticized the timing of the dredging process undertaken by TVA. For example, Gregory Button, an anthropologist on faculty at the University of Tennessee, told the *Knoxville News Sentinel*, a major newspaper in the region, that, although the cleanup was launched relatively soon after the spill, he was “worried about the haste in cleaning up the waste” (“Vines,” 2009, para. 9). Button and others were concerned that no independent party was allowed to assess the dredging plan before it was launched. Button insisted that including hearings with a third party about the cleanup would be to “TVA’s advantage” because “it will haunt TVA if it doesn’t work out (para. 10).”

Despite criticism, the dredging continued through 2009 and into 2010. Cleanup of the land impacted by the spill began after the Emory River was cleared of ash. The *Knoxville News Sentinel* emphasized the notoriety of the spill that was “called one of the worst environmental disasters in the nation by the federal Environmental Protection Agency,” and has a projected cleanup cost that is “expected to exceed $1.2 billion, not including lawsuits filed against TVA” (“Welcome to a new year,” 2010, para. 7).

TVA’s internal investigation into the organization’s failures leading up to the crisis was extensive. In addition to conducting its own review, the TVA board of directors commissioned the law firm of McKenna Long & Aldridge (MLA) to look at any “management, controls, and standards issues that may have contributed to the event and to make recommendations on culture and organizational effectiveness” (Kilgore, 2009, para. 10). The law firm identified six primary failures in TVA’s “systems, controls, standards, and culture” (Ide & Blanco, 2009, p. 2) in place at the Kingston plant:

- **“Lack of Clarity and Accountability for Ultimate Responsibility.”** Multiple group involvement in decision making and frequent reorganization created a “lack of accountability” (p. 3).

- **“Lack of Standardization, Training and Metrics.”** TVA had “no standard procedures” in place for managing ash ponds (p. 4). Separate manuals existed for each facility, and in many cases the manuals were not updated.

- **“Siloed Responsibilities and Poor Communication.”** TVA had four separate divisions sharing responsibilities for maintaining ash retention facilities. Communication among these divisions was “strained and in some instances, nonexistent” (p. 4). The report noted one example where engineers failed to instruct workers to suspend work on the pond due to excessive moisture. When the engineers were asked why they failed to provide this instruction, they responded, “no one had asked” (p. 4).
“Lack of Checks and Balances.” TVA failed to create a quality assurance or quality control plan. Thus, employees failed to perform routine inspections “to ensure that the pond was constructed pursuant to the engineered specifications” (p. 4). The report found “the lack of a Quality Assurance/Quality Control [plan] created an environment where employees felt empowered to ignore engineers and ‘build it better’ than the drawings” (p. 4).

“Lack of Prevention Priority and Resources.” TVA facilities failed to provide the necessary upkeep on the walls of their retention ponds. The report indicated that this failure was due to a lack of prioritization of preventive activities, such as mowing the earthen walls and removing tree growth that could weaken them. Overall, TVA’s funding “was inadequate for routine maintenance, creating a situation in which adequate inspections were impossible because the sides of the dikes were overgrown and maintenance needs compounded over time” (p. 5).

“Reactive Instead of Proactive.” When seeps or leaks were found in the dike’s walls, they were patched without “investigating the cause of incidents beyond the specific physical occurrences” (p. 5). As similar warning signs were seen, “no effort was made to leverage the lessons learned across” to the fleet of similar ponds managed by TVA (p. 5).

This extensive list of failures provides a clear overview of how TVA failed to respond to warning signs and actually heighted uncertainty by its internal communication or lack thereof.

In his testimony before Congress, Tom Kilgore acknowledged the findings of the MLA report and pledged to create a more safety-conscious culture and to improve internal communication. To improve the organization’s culture, Kilgore (2009) vowed to act upon “several lessons learned about the challenges facing us” (para. 29). He summarized these lessons as follows:

- Storage facilities and structures should not be built in areas where stability cannot be assured and verified.
- Aggressive, rigorous inspections and structural analysis of all coal-combustion product storage have been initiated and will be kept current.
- Management will visibly demonstrate and emphasize the need for self-assessments to promote objective and fact-based reporting, inspections, and auditing.
• Safety-related risks must be given the highest priority to identify, minimize, and eliminate risks.

• Engineering design philosophy, design, and construction of ash management facilities must be standardized.

• The handling, storage, and disposal operations for coal-combustion products must be standardized. (para. 29)

Each of these strategies was designed to overcome the organization’s failure to respond proactively and accurately to the warning signs the company failed to heed.

Kilgore also recognized that poor communication, unclear accountability, and a lack of follow-through contributed notably to the crisis. As such, he promised to make the following changes at TVA:

• Clear accountabilities

• Strong governance

• Robust self-assessment

• Independent reviews for quality and compliance

• A culture of personal responsibility and problem solving (para. 30)

Through these substantial changes, Kilgore hoped to use the Kingston crisis as a “wake-up call for TVA” and to “rebuild the public’s trust” (para. 5).

As the cleanup and organizational changes continue, some residents worry about the long-term impact of the spill. For example, lingering uncertainty about possible contamination of the ground water supply, loss of property values in the entire region, and fears that, as the spilled ash begins to dry, airborne pollutants will place residents at risk remain largely unaddressed by the current TVA crisis response plan. Consequently, area residents have organized to bring a lawsuit against TVA. Oak Ridge attorney, Michael Ritter, said “the figure of $165 million is just the tip of the iceberg” (Huotari, 2009, para. 2). The lawsuit alleges “that the spill hurt family incomes, destroyed property or property values, created potential future medical expenses, probably hurt property sales for years, and caused severe mental anguish and a loss of ‘the right to enjoy life’ ” (para. 13). Rather than addressing these concerns directly, TVA largely ignored them in its response plan. Although lawsuits are common in crises such as the Kingston ash slide, at least one plaintiff insists he would not have sued if TVA had addressed his concerns. At a press conference announcing the lawsuit,
this plaintiff said bluntly, “had the TVA done what the TVA should, we wouldn’t be here” (para. 23).

You Make the Call

After examining this case, it is time to determine how the TVA handled the uncertainty we discussed in Chapter 2. First, take a moment to refresh in your mind the lessons established on managing uncertainty. Second, note that these lessons serve as touchstones and discussion points for what we believe are key aspects of any crisis response. As you answer the questions that follow, consider whether the TVA was effective or ineffective in its managing of uncertainty surrounding the crisis. We have rephrased the lessons into questions so that you are better able to address the key issues in the case.

### Managing Uncertainty in Industrial Accidents: Lessons on Uncertainty and Crisis Communication

<table>
<thead>
<tr>
<th>Lesson 1:</th>
<th>Organizational members must accept that a crisis can start quickly and unexpectedly.</th>
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<tbody>
<tr>
<td></td>
<td>• Did the Kingston ash slide happen quickly? Was it unexpected?</td>
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<tr>
<th>Lesson 2:</th>
<th>Organizations should not respond to crises with routine solutions.</th>
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<td></td>
<td>• Did TVA respond to the crisis in a routine manner? Did their response address the problems with their organizational culture?</td>
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<th>Lesson 3:</th>
<th>Threat is perceptual.</th>
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<td></td>
<td>• In what way was the threat associated with this crisis perceptual? How did perceptions differ among stakeholders?</td>
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<th>Lesson 4:</th>
<th>Crisis communicators must communicate early and often following a crisis regardless of whether they have critical information about the crisis.</th>
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<td></td>
<td>• Did Tom Kilgore communicate early and often about the crisis? Was he effective or ineffective?</td>
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</table>
Lesson 5: Organizations should not purposely heighten the ambiguity of a crisis to deceive or distract the public.
  • Were there issues that were uncertain or ambiguous for stakeholders after the crisis?
  • Did TVA contribute to the uncertainty surrounding the crisis?

Lesson 6: Be prepared to defend your interpretation of the evidence surrounding a crisis.
  • Did TVA defend its interpretation of evidence surrounding the crisis? Was TVA effective or ineffective?

Lesson 7: Without good intentions prior to a crisis, recovery is difficult or impossible.
  • Did TVA have good intentions with stakeholders prior to the Kingston ash slide?

Lesson 8: If you believe you are not responsible for a crisis, you need to build a case for who is responsible and why.
  • Did TVA build a case for why it was or was not responsible for the crisis? Was TVA effective or ineffective?

Lesson 9: Organizations need to prepare for uncertainty through simulations and training.
  • Did TVA prepare adequately for the risk of a major ash spill?

Lesson 10: Crises challenge the way organizations think about their business.
  • Should this crisis have changed TVA’s management style? How?

Summary

The Kingston ash slide is a clear example of the peril an organization can create by failing to accept uncertainty in crisis planning and response. TVA did not have an organizational structure or culture that was prepared to respond to warning signs. The efficiency of the recovery
process was hampered by TVA’s need to undergo extensive innovations in its organizational communication patterns and its organizational culture regarding safety. Warning signs were either missed altogether or observed and not shared among relevant parties in the organization. Although TVA responded to these deficiencies in earnest, their cleanup plan fails to address the uncertainty residents feel about the long-term danger of toxins in the fly ash and dwindling property values. As of 2010, the public and environmentalists had not forgotten this crisis.

What follows is a discussion of a plant fire at Malden Mills. Consider the lessons on effective communication in Chapter 3 when reading this case.

Example 5.2 Lessons on Effective Crisis Communication: A Plant Fire at Malden Mills

Malden Mills is a textile manufacturing plant located in Methuen, MA. The company has operated in the Merrimack Valley for over a century and is one of the few textile mills still located in New England, as many of the other mills have left the area due to high wages and unions. However, Malden Mills has remained steadfast in its commitment to the community and pays some of the highest wages in the industry, providing much of the economic base for the area as it employs roughly 3,000 people. At the time of the fire, the company was privately owned by Aaron Feuerstein and had previously been owned by his father and his grandfather before that. The organization had been in the Feuerstein family for close to 100 years.
Crisis Preparation and Planning

The Feuerstein family had focused on developing strong relationships with their employees and customers. Feuerstein describes his leadership values as “sensitivity to the human equation” (Ulmer, 2001, p. 599). Paul Coorey, president of the local union, described Feuerstein as “fair and compassionate” and explained that he felt Feuerstein believed “that if you pay people a fair amount of money, and give them good benefits to take care of their families, they will produce for you” (Ulmer, 2001, p. 599).

Feuerstein illustrated his belief in treating workers fairly during the 1980s, when the company filed for bankruptcy. At the time, Malden Mills was selling fur and in the process of developing Polartec. Feuerstein went to the union to request layoffs until the company could return to profitability. In addition, Feuerstein promised that he would rehire those he laid off when the company returned to profitability. Many employees took that promise seriously and did not even look for other work. Feuerstein kept his promises and hired back all of the workers whom he laid off during the bankruptcy.

Beyond the workforce, Feuerstein also contributed to the community in which he operated. He sponsored job training programs, English-as-a-second-language programs, and generous lines of credit to local businesses. One owner of a local company explained Feuerstein’s character by saying, “That’s the kind of guy Aaron is. . . . If he’s got half a loaf of bread, he is going to share it around” (Ulmer, 2001, p. 598). When a local synagogue caught fire, Feuerstein and his brother stepped forward and contributed $2 million to the rebuilding efforts. Over the years, Feuerstein consistently worked to establish strong relationships with his workers and the community.

Courageous Communication in the Wake of a Disaster

On December 11, 1995, the evening of Feuerstein’s 70th birthday, his plant erupted into flames, burning for several days. Feuerstein immediately notified workers that he was going to rebuild the plant and keep it in Methuen and that he would pay workers full salaries and health benefits for 30 days while the plant was being rebuilt. He extended this benefit in total for 60 days and extended health benefits for 90 days or until the plant was rebuilt.
Within a day, the *Boston Globe* announced that “with one of his buildings still burning behind him, the 69-year-old owner of Malden Mills . . . spoke the words everyone in the Merrimack Valley wanted to hear” (Milne & Aucoin, 1995, p. B1). Feuerstein declared that “we are going to continue to contribute in Lawrence. . . . We had the opportunity to run to the south many years ago. We didn’t do it then and we’re not going to do it now” (Milne & Aucoin, 1995, p. B1).

Three days after the fire, Feuerstein held a meeting at a local high school. At this time, he declared that “at least for the next 30 days—the time might be longer—all hourly employees will be paid their full salaries” (Milne, 1995, p. B50). One month after the crisis, Feuerstein met with workers again. At this time he announced,

I am happy to announce to you that we will once again—for at least 30 days more—pay all of our employees. And why am I doing it? I consider the employees standing in front of me here the most valuable asset that Malden Mills has. I don’t consider them as some companies do as an expense that can be cut. What I am doing today will come back tenfold and it will make Malden Mills the best company in the industry. (Calo, 1996)

Over the remainder of the crisis, Feuerstein consistently met with workers and paid salaries and benefits. Two months after the crisis, 70% of workers were back on the job. At that time, Feuerstein agreed to pay salaries and benefits for the remaining 800 workers for another 30 days. At the end of this time, he paid health insurance for an additional 90 days for those still not back at the company and promised jobs for those unemployed, similar to his actions in the 1980s.

**You Make the Call**

After examining this case, it is time to determine how Aaron Feuerstein communicated in the wake of the plant fire. First, take a moment to refresh in your mind the lessons established on effective crisis communication in Chapter 3. Second, note that these lessons serve as touchstones and discussion points for what we believe are key aspects of any crisis response. As you answer the questions that follow, consider whether Aaron Feuerstein was effective or ineffective in his crisis communication. We have rephrased the lessons into questions so that you are better able to address the key issues in the case.
Communication Effectiveness and Ineffectiveness in Industrial Accidents: Lessons on Communicating Effectively in Crisis Situations

Lesson 1: Determine your goals for crisis communication.
- What were Aaron Feuerstein’s primary goals in his crisis communication?

Lesson 2: Before a crisis, develop true equal partnerships with organizations and groups that are important to the organization.
- How did Aaron Feuerstein develop partnerships with stakeholders prior to the crisis?

Lesson 3: Acknowledge your stakeholders, including the media, as partners when managing a crisis.
- In what ways did Aaron Feuerstein acknowledge his stakeholders as partners in managing the crisis?

Lesson 4: Organizations need to develop strong, positive primary and secondary stakeholder relationships.
- In what ways did Aaron Feuerstein work toward positive relationships with primary and secondary stakeholders following the fire?

Lesson 5: Effective crisis communication involves listening to your stakeholders.
- What evidence is there that Aaron Feuerstein listened to or understood the needs of his stakeholders?

Lesson 6: Communicate early about the crisis, acknowledge uncertainty, and assure the public that you will maintain contact with them about current and future risk.
- How and how often did Aaron Feuerstein communicate to stakeholders about the crisis?

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Lesson 7: Avoid certain or absolute answers to the public and media until sufficient information is available.
  • Did Aaron Feuerstein communicate certain or absolute answers about the cause of the crisis?

Lesson 8: Do not overreassure stakeholders about the impact the crisis will have on them.
  • Is there evidence that Aaron Feuerstein overreassured stakeholders about the impact of the crisis?

Lesson 9: The public needs useful and practical statements of self-efficacy during a crisis.
  • How did Aaron Feuerstein provide statements of self-efficacy following the crisis?

Lesson 10: Effective crisis communicators acknowledge that positive factors can arise from organizational crises.
  • In what ways did Aaron Feuerstein acknowledge positive factors that could arise as a result of the plant fire?

Summary

Aaron Feuerstein was universally praised for his compassionate response to the 1995 plant fire at Malden Mills. President Clinton commended Mr. Feuerstein’s crisis communication in his State of the Union Address. In addition, Malden Mills received donations from around the world for several years after the fire. At the time of the crisis, Aaron Feuerstein appeared to be less concerned about the cause of the crisis or responsibility and more concerned with those most impacted by the crisis: his employees and the community. After the fire, Feuerstein communicated immediately and worked to move beyond the crisis. He gave his workers and the community hope and faith that the company would overcome this crisis. In addition, he was able to solidify and further develop the stakeholder relationships he had worked so hard to establish before the fire.
The next case examines another plant fire. This crisis takes place at a lumber mill in Logansport, IN.

Example 5.3 Lessons on Leadership: A Fire at Cole Hardwood

On Saturday, June 13, 1998, Cole Hardwood, a lumber mill in Logansport, IN, that processes green lumber from several regional lumber mills, burned. The fire, described as the largest in Indiana history, burned for over 6 days, putting 110 employees out of work. The fire destroyed roughly 140,000 square feet of inventory, equipment, and warehousing capacity. Milt Cole, the CEO and owner of Cole Hardwood, was well known in the community for supporting his workers and the community. What follows are some key characteristics of sole owner Milt Cole’s leadership style and character.

Crisis Planning and Preparation

Milt Cole described himself as a simple man who has been blessed with success and friendship. He mentioned that employees are key to his business: “I have lots of confidence in people, people make the company. [Our key to success is to] keep people informed and have good communications” (Seeger & Ulmer, 2002, p. 133). Mr. Cole took the relationships that he developed over time with his workers and the community very seriously.

Milt Cole (personal communication, June 9, 1999) explained that the lumber industry is largely built upon personal trust and credibility rather than on contractual obligations. Personal loyalty and commitment, interpersonal trust, and credibility represented Milt Cole’s core business values. “I believe in taking care of people,” he said. “I have a profit-sharing plan and employees have never missed a year. They made the company; I can’t do it myself” (M. Cole, personal communication, June 9, 1999).
Beyond the respect and responsibility Cole had for his workers, he believed in the community as well.

Milt Cole was an active community leader and philanthropist. He donated several scholarships to local colleges and chaired the local United Way fundraising campaign.

Milt Cole’s leadership characteristics were obviously well established before the crisis. What follows is a description of his leadership communication following one of the most devastating experiences for his organization.

Leading Instinctively After a Disaster

Because of the fire, the company’s entire stock of green and processed lumber was lost. The good news was that no one was injured; however, the main offices, along with a small retail outlet, were destroyed. In the wake of the severe damage to the buildings, equipment, and inventory, many of the workers were concerned about their jobs. Milt Cole took several communication actions following the crisis.

Watching the fires, Mr. Cole reported, “I felt gutted. That night I slept like a baby and the next day we started planning to rebuild, even before the fire was out” (Seeger & Ulmer, 2002, p. 135). It appeared as though Milt Cole knew immediately how he was going to respond to the crisis. At about 8:00 a.m. on Monday morning, while firefighters from 31 counties fought the blaze, Milt Cole announced in front of an assembly of his employees that he would pay salaries and benefits while they were unemployed and while the lumber mill was being rebuilt. “I knew it was the right thing to do,” he reported (p. 132).

The rebuilding effort began immediately, and the workers were split into two shifts to accommodate the lack of equipment. Over a year after the fire, Cole Hardwood was making record profits and was continuing to grow (Seeger & Ulmer, 2002). Mr. Cole was able to mobilize his workforce quickly following the crisis. Once he had assembled the workers, he explained how they were going to proceed: “We never looked back. . . . There was no consideration of not rebuilding” (Seeger & Ulmer, 2001, p. 373).

Over the next year, Cole Hardwood rebuilt their lumber mill. The previous mill had been hampered by a lack of warehouse space and equipment. One consequence of Cole’s response to the crisis was the opportunity to reconstruct the business in a more efficient manner, allowing for more profitability on less volume. Milt Cole capitalized on his years of experience with the old mill and made changes accordingly. The fire allowed Cole to update his mill with state-of-the-art equipment.
When asked about the plant fire after the lumber mill was rebuilt, Milt Cole explained that he experienced “the highest highs and lowest lows but I’ve never been prouder of anything in my life” (Seeger & Ulmer, 2001, p. 373).

You Make the Call

After examining this case, it is time to determine whether Milt Cole exhibited the leadership qualities identified in Chapter 4. First, take a moment to refresh in your mind these leadership lessons. Second, note that these lessons serve as touchstones and discussion points for what we believe are key aspects of any approach to crisis leadership. As you answer the questions that follow, consider whether Milt Cole was effective or ineffective in his crisis leadership. We rephrased the lessons into question format so that you are better able to address the key issues in the case.

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<tr>
<th>Leadership Successes and Failures in Industrial Accidents: Lessons on Effective Crisis Leadership</th>
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<tbody>
<tr>
<td><strong>Lesson 1:</strong> Effective leadership is critical to overcoming a crisis.</td>
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<tr>
<td>• In what ways was Milt Cole’s leadership critical to overcoming the crisis?</td>
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<tr>
<td><strong>Lesson 2:</strong> Leaders should be visible during a crisis.</td>
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<tr>
<td>• In what ways was Milt Cole visible following the fire?</td>
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<tr>
<td><strong>Lesson 3:</strong> Leaders should work to develop a positive company reputation during normal times to build a reservoir of goodwill.</td>
</tr>
<tr>
<td>• How did Milt Cole work to develop a positive reputation for his company before the fire?</td>
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<tr>
<td><strong>Lesson 4:</strong> Leaders should be open and honest following a crisis.</td>
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<tr>
<td>• In what ways was Milt Cole open and honest following the crisis?</td>
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Summary

Milt Cole displayed outstanding leadership following the 1998 fire at his lumber mill. It is no surprise that, following the fire, Mr. Cole displayed the character and integrity that his stakeholders had been accustomed to before the event. Milt Cole communicated consistently and early following the crisis and made himself available to his stakeholders. These characteristics and actions created a reservoir of goodwill and support for Cole Hardwood following the crisis. In addition, Milt
Cole’s leadership enabled the company to move beyond the plant fire. The focus following the crisis was not on blame and responsibility but rather on the opportunity for the company to renew, prosper, and grow.

References


