



news/features



- NEWS/FEATURES
- COMMUNITY
- RESEARCH
- EDUCATION
- EVENTS

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Marketing

Operations

Technology

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Tuesday, July 30, 2002

Communicating When Bad Things Happen

Two employees inside the credit union took refuge inside a closet. The gunman removed them from the closet and took them hostage.

By David Klavitter
2002-06-17

On a typical Tuesday morning in San Antonio, Knox M Pitts II, senior executive vice president and chief operating officer at [San Antonio Federal Credit Union](#), was dropping his grandson off at school before heading to the office.

Shortly before 7:15 a.m., his car cell phone rang. The caller identified herself as the wife of the senior vice president of internal audit, Jim Peters. She said a potential hostage situation had broken out at the credit union's Bandera Branch, and her husband was on the way to the scene.

Pitts first thought it a mistake--a mix-up in messages. There probably had been some sort of holdup at the branch, but it certainly couldn't be a hostage situation--he could not imagine someone holding his employees at gunpoint.

Pitts began making calls to the senior managers according to the credit union's crisis communication plan--emergency contact information was with his cell phone. He continued to doubt the horrible news until a second phone call minutes later confirmed it: Earlier that morning, a man armed with a shotgun and wearing camouflage clothing shot out the lock on the front door of the Bandera Road branch and then shot out a front window to get inside. Two employees inside the credit union took refuge inside a closet. The gunman removed them from the closet and took them hostage.

Crisis had struck the \$1.4 billion asset credit union and Pitts was on his way to the main office, when a command center was being established.

Crisis communication

This situation actually happened to San Antonio Federal May 21. What culminated into an eight-hour standoff fortunately ended with the release of two unharmed employees and the gunman taken into custody. In post-event briefings, the credit union concluded that its crisis communication plan played a critical role in ensuring the safety of staff, comforting family, and reassuring members.

In an interview with *Credit Union Executive Center*, Pitts and Paige Ramsey-Palmer, San Antonio Federal's public relations officer, discussed how the credit union's crisis communication plan functioned during and immediately following the event.

The plan in action


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Contents	
	Introduction
	Crisis communication
	The plan in action
	Sidebar: Potential Stakeholders During a Crisis
	Other staff, the board, and members
	The media
	Sidebar: Potential Threats That Could Cause a CU Crisis
	The aftermath
	Impact
	Sidebar: NCUA and Disaster Recovery
	Additional Resources



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Permission E-mail

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Management activated the credit union's crisis communication plan immediately. The plan specifies that all senior officers carry each other's personal and work contact information. "The credit union's president, Jeff Farver, and other senior managers were contacted and made aware of the situation just prior to news reports being broadcast," said Pitts.

The credit union's senior management team assembled at the command center. Two other managers--Jim Peters, senior vice president of internal audit, and Jim Girardeau, executive vice president of branch administration--became the on-site team located near the branch. They functioned as a liaison to law enforcement agencies. The two carried cell phones to communicate with the command center back at the credit union.

The two employees' safety and concern for their families topped the credit union's priority list, said Pitts. That became the key message throughout the ordeal.

"We wanted to make sure the families heard any news through the credit union and not through news reports," explained Pitts. "That was our first priority when we assembled. The credit union did not release the employees' names to staff or media until the families had been contacted."

Once the on-site team confirmed the identity of the two female hostages, it communicated the information back to the command center. The human resource department then looked up the employees' family home numbers.

"We invited families to be on-site as close as they could be until the situation was resolved and their loved ones were safe," said Pitts.

Other staff, the board, and members

As the plan dictated, the command center quickly identified its key stakeholders--groups of people who would be impacted in some way by events affecting the credit union or by actions the credit union took. The stakeholders included the two employees taken hostage and their families, other staff and their families, the credit union's board of directors, law enforcement, credit union members, and nonmembers.

Potential Stakeholders During a Crisis
<ul style="list-style-type: none"> • Employees • Family • Members • Nonmembers • Board • Press • Vendors • Counsel • Authorities • Regulators

The command center distributed e-mail to the San Antonio Federal Board of Directors and employees to make them aware of the situation. They sent updates as soon as the command center learned anything new.

"We were unable to reach all of our board members by phone because most were commuting to work when the events began to develop," explained Pitts. "The communication plan has all their contact information, including home and work e-mails."

As part of the command center's periodic updates to board and staff, the credit union asked employees to restrict land-line use to business calls only. "But management understood those employees had concerned family also," said Pitts. "We heard from friends and neighbors all over the country who were concerned about what was happening."

While the credit union did not post any information about the situation on its World Wide Web site during that day, it did rely on e-mails. And, it briefed employees staffing the member service and call center areas about how to respond to members inquiring about the ordeal.

The situation attracted hordes of media, and San Antonio Federal leveraged the coverage to reach membership, most of whom reside in the greater San Antonio metropolitan area. Pitts called the media generous in communicating the fact that the branch also was closed the following day for cleanup.

"In every communication," said Pitts, "our most important message was that the credit union was doing everything it could to ensure the safety of the two employees, both as the situation unfolded and eventually afterward."

The media

The credit union's marketing department remained in contact with media at the command center and routed requests for information and interviews through Ramsey-Palmer.

Several radio and television news stations interviewed Farver throughout the day. He was reluctant say much that the gunman somehow might hear, and he also didn't discuss credit union security procedures. The credit union stayed with its key message: Its first priority was the safety of the two employees and concern for their families.

Pitts acknowledged the news media's cooperation with the credit union and law enforcement by not broadcasting live pictures or flying helicopters over the sight, which might have endangered the employees.

Cellular phones played a big part in keeping everyone in touch, said Pitts. "As part of our branch opening procedures, two employees are equipped with cell phones and they enter the branch separately," he said. "The employees used the cell phones to contact police when the event began and also to stay in contact with the credit union as the event unfolded."

Police had cut off all other communication to the branch building to intercept any communication from the gunman.

Late in the afternoon, the gunman finally released the hostages unharmed and surrendered to police. To its primary message of ensuring employee safety and concern for the family, the credit union added a secondary message of appreciation to law enforcement and the community for its outpouring of support.

The credit union communicated that message in a statement distributed to the press:

"Our primary concern was getting our valued employees out safely," said Jeff Farver, president and CEO of San Antonio FCU. "We had utmost confidence in the ability of the law enforcement professionals in our community to deal with this successfully. [The credit union] also has well-trained professionals who have cooperated completely with other officials, and we are so grateful that the situation has been resolved."

Members of the credit union leadership team--including the executive vice president of branch administration, the internal audit team, members of the human resources staff, and professionals from the employee CARE program--were at the scene to provide support for the families of the branch employees and other employees.

The aftermath

During the incident debriefing process, the credit union analyzed its response to its communication plan. Would Pitts have done anything differently?

Pitts would have implemented a process of 15-minute updates between the command center at the credit union and the credit union team at the scene--no matter what was happening.

"At one point, the command center heard news

- | Potential Threats That Could Cause a CU Crisis |
|---|
| <ul style="list-style-type: none"> • Robbery • Fire • Accidents • Flood • Heavy snow • Power loss • Vandalism • Terrorism • Riots • Earthquakes |

reports of shots fired," said Pitts. "That really panicked us at the command center because we hadn't heard anything from our people on scene."

Pitts also realizes the credit union can't plan for what he perceived as "the typical credit union crisis."

- Employee strike
- Violent member
- Computer crash
- Internal embezzlement
- Hazardous materials
- Tornado
- Bomb threat

"In these times, especially after Sept. 11, credit unions need to at least consider and plan for events we think might not possibly ever occur," he said.

He admitted the San Antonio Federal's senior management team didn't plan for a hostage situation. "The credit union anticipates and trains for the typical robbery scenario; this was a brand new event the credit union," he said.

When Pitts first received word of employees being held in a branch at gunpoint, many things went through his mind. At first he didn't believe it. Then he found himself thinking about what the credit union could have done to prevent this situation. "I was asking what part of our process broke down," Pitts said. "We revisit and update security procedures all the time; what else could we do to ensure a safe outcome?"

In the confusion and emotional strain of a crisis, the credit union's established communication plan freed the management team from having to make logistical decisions. The plan saved the team time and allowed it to focus on decisions that were most critical.

Impact

Throughout the eight-hour crisis and the aftermath, the credit union focused on communicating its key message: San Antonio Federal Credit Union's first priority was the safety of the two employees and concern for their families.

And the credit union's key stakeholders--the two employees taken hostage and their families, other staff and their families, the credit union's board of directors, law enforcement, credit union members and nonmembers--heard that message.

Crisis communication consultant Jonathan Bernstein, of Bernstein Communications Inc., notes a difference between credit union marketing in routine vs. crisis situations:

- Marketing's routine function builds the value of the business.
- Marketing's crisis communications function preserves the value of the business.

When human lives are at stake, business and marketing objectives are a trivial consideration. But in the final analysis, the communication may have built value in the credit union because the community will long associate a plain and simple message the credit union demonstrated during the crisis.

And now more than ever, San Antonio Federal's name and logo represent an organization that puts people first.

NCUA and Disaster Recovery

The National Credit Union Administration (NCUA) addresses disaster recovery and business contingency plans in [Letter to Credit Unions \(01-CU-21\)](#). It includes a guide to contingency plan best practices.

According to the agency's Office of Public and Congressional Affairs, NCUA currently isn't considering imposing a new rule or regulation affecting business continuity planning. Also, its examiners aren't

emphasizing this area during exams but continue to address it on a case-by-case basis.

The NCUA has a detailed crisis communications plan in place in the event that the agency or the credit union industry suffered a catastrophic event. Following the events of Sept. 11, the agency initiated a review of its internal contingency plans.

Additional Resource

- [Public Relations Society of America: Tips & Techniques: Crisis Communication Management](#)
- [Emergency Management Guide For Business & Industry](#)
- Related links from the [American Red Cross](#)

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