

Lessons from the Thomas Cook collapse

 By [Regine le Roux](#)

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It was incredibly sad to hear that the institution that is Thomas Cook collapsed. What are the lessons that can be learnt?



Image credit: Thomas Cook.

I believe that there are three key things that all businesses can learn from this situation.



Thomas Cook closes shop, 1000s of travellers stranded

23 Sep 2019



1. Understanding your business and your industry

It is incredibly important to keep tabs on what is happening in your business as well as the industry. Conducting regular research will help you understand what is positively impacting the organisation.

It will also help you to identify gaps and risk areas – which are crucial to the sustainability of any organisation. If Thomas Cook had engaged in stakeholder research on a regular basis, it would have been able to identify red flags and put contingency plans in place to avert the threats.

I've conducted many reputation research studies over the years. Different stakeholders are able to give incredibly valuable insights into helping companies identify their blind spots. A key requirement of the King IV Report is the importance of stakeholder relationships.

Treasure your stakeholders and they will be invaluable to your success.

2. Governance structures

Unfortunately, more often than not, it is a lack of governance structures that lead to organisations collapsing. It is the leadership team's responsibility to ensure that stringent governance practices are followed and that core ethical values are non-negotiable on all levels of the organisation.

3. Communication is key

Each crisis scenario, unfortunately, gives us a lot of crisis communication content to use as case studies. There was an article that appeared in *Business Insider* indicating that a Thomas Cook flight attendant only found out about the company's collapse via social media.

“ We are sorry to announce that Thomas Cook has ceased trading with immediate effect.

This account will not be monitored.

Please visit <https://t.co/4lGVHZm2jQ> for further advice and information. [#ThomasCook pic.twitter.com/NJ7vi4UJZ4](#)— Thomas Cook Airlines (@TCAirlinesUK) [September 23, 2019](#) ”

Preparing for a crisis is pivotal, and a communication policy needs to be non-negotiable. It is so important to let internal stakeholders know first and then have a strategy in place to let all other external stakeholders know what is going on and addressing all the key questions.



Key steps to creating a crisis communications plan

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Most importantly, one should not forget that you are dealing with people – and that you need to be empathetic during a crisis. Even though the company is closing its doors, those executives will most likely go looking for future opportunities.

The manner in which they handle the crisis and the way that they communicate will have a massive impact on their own reputations and whether or not people will want to work, or be associated with them in the future.

ABOUT REGINE LE ROUX

Regine is a reputation specialist. She founded Reputation Matters in 2005; where they measure and manage companies' reputations using their unique Repudometer® measurement tool.

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