



Bayerische Motoren Werke AG

Crisis Case

Dr. Phillip G. Clampitt

Cases in Media Management

May 8, 2008

Crisis Management Team: Cloud Communications

**Katelyn Broda
David Burman
Kimberly Meiner
Kimberly Ninmann
Susan Theisen**



Bayerische Motoren Werke AG

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Section 1:

Proposed Crisis Management Plan

Crisis Management Plan



Bayerische Motoren Werke AG

Dr. Phillip G. Clampitt

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Last Update: April 23, 2008

Crisis Management Team:

**Katelyn Broda
David Burman
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Introduction Letter:

April 23, 2008

To the employees of the BMW Corporation:

Arranged on the following pages are the general guidelines, steps and strategies for the BMW Corporation to respond to a crisis. A crisis can be defined as a singular or combination of internal or external, controllable or uncontrollable, and observable or unobservable events that affect the reputation and/or integrity of the organization directly or indirectly. These events are unstable situations which can be caused by multiple issues including natural disasters, reputation sabotage, personnel problems, financial obstacles, product tampering, and industry-wide concerns. The effects of a crisis can be multiplied through media exposure.

The events leading to a crisis situation can happen at any time and any place. As a global corporation, BMW AG needs to maintain a proactive approach to potential crises. Using this Crisis Communication Plan (CCP) will give those in a critical situation a starting point from which to base their actions. Effective management of a crisis begins immediately and will determine the outcome for the organization. Recovery must be organized strategically and implemented in the most effective manner possible. This CCP is only a set of general guidelines and does not provide answers to every situation. Each crisis situation is different and will be evaluated by the crisis management team (CMT) who should be contacted as soon as possible during an event.

Included in this plan are:

1. Crisis management team and contact sheet
2. Crisis assessment, including issues identification, likelihood, impact, probability, and where the issues lie on the risk assessment grid
3. Incident report form
4. Proprietary information
5. Strategy worksheet
6. Stakeholder contact sheet
7. Crisis control center
8. Post-crisis evaluation

The objective of this CCP is to curb the harmful effects of a crisis situation to the organization. The strategy in this CCP will be employed by the CMT in the event of crises to accomplish this objective as efficiently and effectively as possible.

Ultimately serving you,

A handwritten signature in black ink, appearing to read 'DBS'.

David Burman
Chief Executive Officer, BMW AG



Bayerische Motoren Werke AG

Overview of BMW AG:

Bayerische Motoren Werke Aktengesellschaft (Bavarian Motor Works), better known as BMW AG strives to be the top manufacturer of premium automobiles in the global industry. The company has been making engines since its birth in 1916 when it started making airplane engines in Munich, Germany.

The company is still based in Munich, Germany in the headquarter buildings that are easily recognized since their completion for the 1972 Olympic Games hosted in the city. BMW has grown significantly and is now known worldwide as one of the top manufacturers of premium automobiles from Europe. The company is probably best known for their cars, most specifically for their invention and perfection of the “sports sedan.” BMWs are known as the “Ultimate Driving Machine“ for both the daily drivers and the hardcore enthusiasts.

BMW is proud of the fact that they have never been owned or controlled by other car manufacturing entities. Only recently did they expand to acquiring other brand names. In 1994, BMW acquired the Rover group, later selling the Rover, MG and Land Rover names to other companies. BMW kept the MINI name, and in 1998 acquired the Rolls-Royce Motor Car company. They have revived both brands fully and have been producing and designing cars with these names since their 2001 and 2003 respectively.

While BMW is probably best known for their cars, they began making motorcycles long before they made their first cars. BMW motorcycles have a strong reputation globally, and the nick-name is recognized around the globe as well: Beamer. The nickname actually came from BMW’s racing heritage.

BMW has been an innovator and champion in motorsports for many years. They participate in many different forms of racing including rally racing and Formula 1, as well as sponsoring other sports as well. They sponsor things as wide ranging as golf tournaments to sailing races. Much of the technology they use in their products are tested on the racetracks first.

BMW Group In America

BMW of North America, LLC has been present in the United States since 1975. Rolls-Royce Motor Cars NA, LLC began distributing vehicles in 2003. The BMW Group in the United States has grown to include marketing, sales, and financial service organizations for the BMW brand of motor vehicles, including motorcycles, the MINI brand, and the Rolls-Royce brand of Motor Cars; DesignworksUSA, an industrial design firm in California; a technology office in Silicon Valley and various other operations throughout the country. BMW Manufacturing Co., LLC in South Carolina is part of BMW Group's global manufacturing

network and is the exclusive manufacturing plant for all Z4 models and X5 Sports Activity Vehicles and the upcoming X6 Sport Activity Coupe. The BMW Group sales organization is represented in the U.S. through networks of 338 BMW passenger car centers, 335 BMW Sports Activity Vehicle centers, 142 BMW motorcycle retailers, 82 MINI passenger car dealers, and 30 Rolls-Royce Motor Car dealers. BMW (US) Holding Corp., the BMW Group's sales headquarters for North, Central and South America, is located in Woodcliff Lake, New Jersey.

BMW Worldwide

BMW is now present in more than 150 countries worldwide. From research and development to sales and marketing, the BMW Group is committed to the very highest in quality for all its products and services around the globe.

BMW is a very generous company, giving back to the communities where they are located. In the United States, they sponsor everything from drives for the Susan G. Komen Foundation to fund breast cancer research to children's theatrical groups in South Carolina. On top of donating to the communities, they also are striving towards creating the most environmentally friendly products, pioneering automotive recycling of their own vehicles and exploring hybrid and hydrogen technologies.

Bayerische Motoren Werke Aktengesellschaft
80788 Munich, Germany

Telephone +49 89 382-0

<http://www.bmw.com>
<http://www.bmwgroup.com>



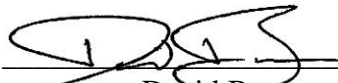
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Acknowledgements

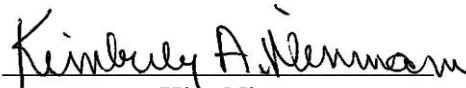
We, the members of the Crisis Management Team, who are listed below, have read the following Crisis Communication Plan in its entirety and fully understand its contents. We are aware that this plan will not solve all aspects of all crises, and understand that changes and/or additions may be implemented depending on the nature of the crisis.

In the event of a crisis, our Crisis Management Team will follow the steps that have been created and documented in this plan to the best of our ability while maintaining the values set forth by the BMW Corporation. While following our crisis plan, we must keep in mind the needs, values, and our relationship with all of our stakeholders, including investors, consumers, employees, and corporate partners.


Katelyn Broda


David Burman


Kim Meiner


Kim Ninmann


Susan Theisen



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Crisis Management Team:



David Burman – Chief Executive Officer – BMW AG

David is the Chief Executive Officer for the BMW Corporation. He has worked with the corporation for several years and brings a great deal of knowledge to the company. His creative ideas have helped maintain the success of the BMW Corporation as well as ensure the safety and satisfaction of all BMW supporters.

Susan Theisen – Public Relations Coordinator – BMW AG
Susan is the Public Relations Coordinator for the BMW Corporation. She is an asset to the CMT with her relative knowledge and experience representing the BMW Corporation for a number of years. She is aware of BMW's reputation and maintains this image throughout all media releases that are affiliated with the BMW name.



Katelyn Broda – Safety & Security Manager/ Victim Manager – BMW AG

Katelyn is the Safety and Security Manager/Victim Manager for the BMW Crisis Management Team. She brings credible experience to the CMT as she has served on a number of respectable police departments. Safety and security are top priorities for Katelyn and her task force during the preparation of events that are sponsored by the BMW Corporation.

Kimberly Ninmann – Operations Manager – BMW AG
Kimberly is the Operations Manager for the BMW Corporation. She provides the Crisis Management Team with positive direction and mentors other members. Her responsibilities involve planning, supervising and coordinating operations to optimize the corporation's efficiency.



Kim Meiner – Legal Advisor – BMW AG
Kim is the Legal Advisor for the BMW Corporation Crisis Management Team. She is a credible asset to the CMT through her years of experience. Her responsibilities will include providing advice on all legal issues in which the BMW Corporation encounters



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Crisis Management Team Contact Sheet

David Burman

Chief Executive Officer

Phone: (715) 222-4243

E-mail: burmdc21@uwgb.edu

Susan Theisen

Public Relations Coordinator

Phone: (920) 238-5765

E-mail: theisb25@uwgb.edu

Katelyn Broda

Safety and Security Manager/Victim Manager

Phone: (715) 773-0059

E-mail: brodka27@uwgb.edu

Kimberly Ninmann

Operations Manager

Phone: (920) 988-8667

E-mail: ninmka03@uwgb.edu

Kim Meiner

Legal Advisor

Phone: (906) 221-1447

E-mail: meinkb09@uwgb.edu



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Crisis Control Center

Location A: (see Crisis Center layout on next page)
2343 Farlin Ave. #5
Green Bay WI, 54302
(920)988-8667

Equipment Available: Computers (3)
High Speed Wireless Internet
Television (1)
VCR (1)
DVD Player (1)
Cell Phones (5)
Rectangular Table, chairs

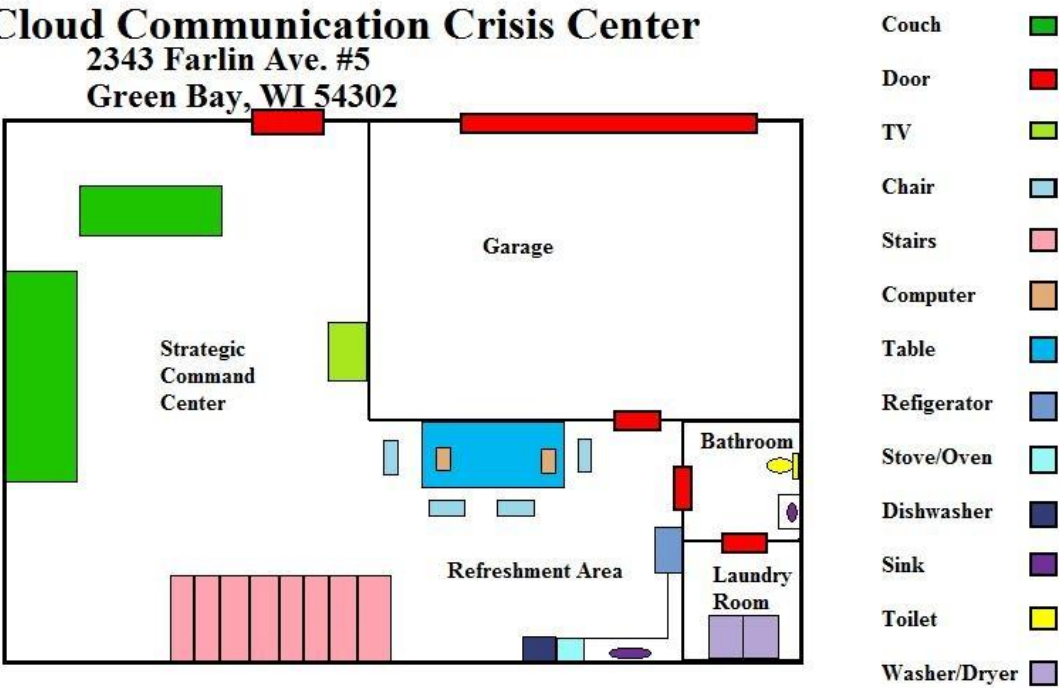
Location B: 2420 Nicolet Drive
UW-Green Bay GAC Lab
Green Bay, WI 54311
(920) 475-2654

Equipment Available: Computers
High-speed Wireless Internet
VCRs
Whiteboards
DVD players
Cell phones
Video editing equipment
Access to classrooms with projectors, computers, audio/video

Primary Contact Source During Crisis

Bayerische Motoren Werke Aktengesellschaft
80788 Munich, Germany
Telephone +49 89 382-0

Cloud Communication Crisis Center 2343 Farlin Ave. #5 Green Bay, WI 54302





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Rehearsal Dates

Due to the size of the BMW organization, and the varying types of crises faced by the organization, the crisis management plan will be rehearsed six times annually.

Aside from the rehearsal dates, issues scanning and monitoring will take place on a day-to-day basis in order to keep up to date with any crises that may affect the BMW organization.

The following dates have been chosen to rehearse the crisis management plan in 2008:

1. February 5th
2. April 8th
3. June 10th
4. August 5th
5. October 7th
6. December 9th

All members of the crisis management team are required to attend all six rehearsal dates. Any other members of BMW may attend as well. Anyone who will not be able to attend should contact Susan Theisen, Public Relations Coordinator, to discuss the possibility of excusing themselves.



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Crisis Assessment Overview

In the event of an actual crisis, we have developed an assessment of possible crises at BMW. We have evaluated probable risks by determining the likelihood and impact of these risks to the company.

In our assessment we have included a crises strategic option chart to help guide us through a crisis. This will serve only as a guide to maintain order and provide a checklist for our crisis management team. We understand that no crisis is identical and different actions and procedures may be used for each event.

In order to help prepare our CMT we have scheduled dates to rehearse managing possible crises.

To organize information received we have developed an Incident Report Form. Each member of the CMT will be supplied with these forms. A form will be filled out for any information received to determine a possible crisis. The Incident Report Forms will be kept on file to be used in prevention of similar incidents in the future.



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Crisis Assessment – Likely Crises to Occur

With a large, worldwide organization such as BMW, there are many potential crises that can occur. Possible crises can be internal or external, as well as controllable or uncontrollable for the company. The crises would affect BMW financially, personally, and damage the company's reputation.

We, BMW's crisis management team, have performed issue scanning and held brainstorming sessions to evaluate a number of potential crises that could happen to BMW. The list of potential crises is never-ending, but the list we have composed gives an idea of what to expect in terms of crises.

First, we have divided the potential crises into five separate categories. They are as follows:

1. *Personnel Crises*- including top management, employees, and manufacturers
2. *Competitor Crises*- including all current car sellers, manufacturers, and dealers
3. *Event Crises*- including all sponsored events and natural occurrences
4. *Product Crises*- including all malfunctions, tampering incidents, and government intervention
5. *Reputation Crises*- including rumors, negative opinions websites, and employee scandals

An important note is that many of the crises can be classified into more than one category. Keeping that fact in mind, it is important to examine the many implications a crisis could have before developing specific strategies for the BMW organization to implement.

Our next step was to break down each potential crisis further by determining the likelihood that the crisis will occur, the impact the crisis would have on the organization, and the potential of the crisis. We focus the largest amount of our time and attention on the crises with the highest potential to occur. The final column shows what quadrant the crisis is currently in on the risk assessment grid. The quadrants are broken down to represent crises in the following way:

- Quadrant 1- controllable but unobservable.
- Quadrant 2- uncontrollable and unobservable
- Quadrant 3- uncontrollable but observable
- Quadrant 4- controllable and observable

The goal for each crisis is to make the perception of the risk controllable and observable, which would place the crisis in quadrant 4.

The following charts illustrate the results of our issues scanning sessions for BMW. The five categories are issues pertinent to BMW's organization:

<i>Potential Personnel Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Info Leaks	3	9	27	3
Strikes	2	8	16	4
Financial Audits	1	2	2	4
Embezzlement	4	3	12	2
Management Changes	6	Long term-1 Short term-5	Long term-6 Short term-30	3
Stakeholder Crisis	3	8	24	3
Sexual Harassment	7	4	28	2
Rumors/Grapevine	9	2	18	3

<i>Potential Competitor Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Logo Tampering	2	8	16	3
Inter-industry Crisis	7	2	14	3
Intra-industry Crisis	3	8	24	3

<i>Potential Event Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Natural Disasters	2	7	14	3
Injury	9	4	36	4
Terrorism	2	9	18	3
Product Tampering	2	6	12	2
Substance Abuse	1	8	8	2
Unethical Behavior	2	7	14	3

<i>Potential Product Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Vehicle Malfunction/Part Failure	4	10	40	4
Facility Problems	4	5	20	3
Product Tampering	2	9	18	3
Government	2	8	16	4
Depreciation Rates	1	3	3	3
Warranty Issues	1	7	7	4

<i>Potential Reputation Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Internal Employee Scandal	3	8	24	2
Image Affiliation	2	3	6	4
Donation Issues	1	8	8	3
Cyber Attacks	9	5	45	4
Slander	9	5	45	3

1. Personnel

A. Rumors through the “Grapevine”

- i. Likelihood high
- ii. Impact low

B. Information Leaks

- i. Likelihood low
- ii. Impact high

C. Sexual Harassment

- i. Likelihood high
- ii. Impact medium

As a means to uphold open communications, the BMW Corporation will coordinate mandatory meetings for all personnel to attend at corporate offices, in order to promote and reinforce the corporation’s goals and objectives. These meetings will inform personnel about proper conduct within the working environment. Personnel will be encouraged to express any comments or concerns to management representatives.

Information from closed discussions such as meeting minutes and dialogue, will remain classified to limit possible information leaks.

2. Competitor

A. Intra-industry

- i. Likelihood low
- ii. Impact high

B. Logo-tampering

- i. Likelihood low
- ii. Impact high

C. Inter-industry

- i. Likelihood high
- ii. Impact low

Due to the competitive automobile industry, internal documents such as vehicle blueprints and corporate transcripts will remain exclusive property of the BMW Corporation. While it is difficult to prevent logo-tampering from occurring, BMW will

label and document all products to ensure consumers that they are receiving unadulterated BMW products.

3. Event
 - A. Injury
 - i. Likelihood high
 - ii. Impact medium
 - B. Terrorism
 - i. Likelihood high
 - ii. Impact medium
 - C. Natural Disaster
 - i. Likelihood low
 - ii. Impact high

Event locations will be inspected by professionals to oversee that all safety regulations are being met. Various emergency stations will be located throughout the event grounds to allow a quick response to any injury that may occur. The easily accessible emergency stations will allow the victim to receive immediate medical attention. Specialized emergency plans will be formed and practiced to ensure the utmost safety and security for all spectators of events sponsored by the BMW Corporation.

4. Product
 - A. Vehicle malfunction/Part failure
 - i. Likelihood medium
 - ii. Impact high
 - B. Facility problems
 - i. Likelihood low
 - ii. Impact medium
 - C. Product tampering
 - i. Likelihood low
 - ii. Impact high

A primary step in detecting and avoiding product tampering is to have adequate good manufacturing practices in operation. The BMW Corporation must ensure that all products are checked and tested before they are distributed. This will also limit the number of products that may malfunction.

5. Reputation
 - A. Cyber attack
 - i. Likelihood high
 - ii. Impact medium
 - B. Slander
 - i. Likelihood high
 - ii. Impact medium
 - C. Internet Employee Scandal
 - i. Likelihood low

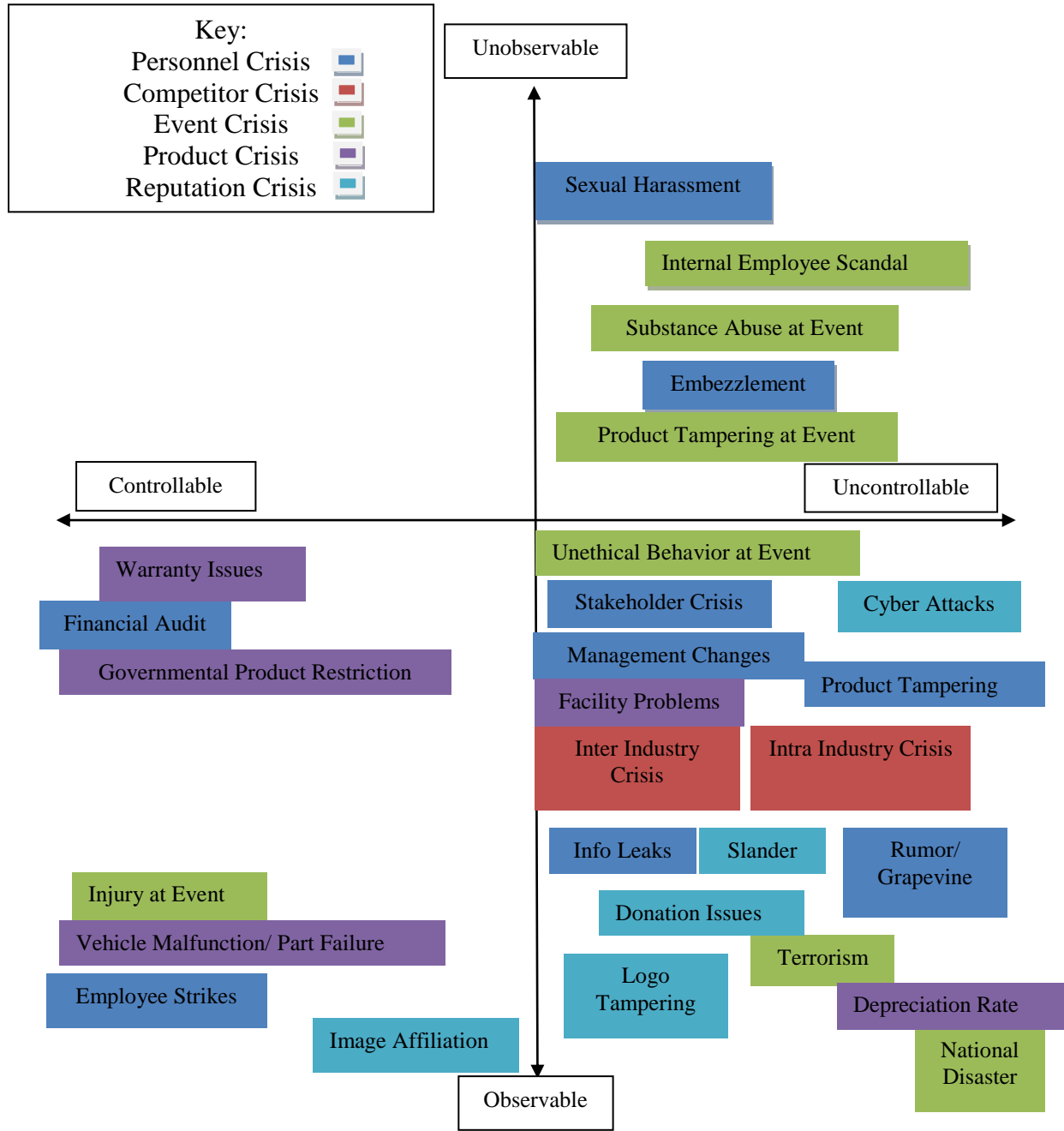
ii. Impact high

It is ultimately the reputation of the BMW Corporation that determines its success and sustainability in the eye of the public. With that in mind, the corporation must maintain a well structured company image when manufacturing and marketing its products.



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Likely Risk Assessment Grid





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Incident Report Form

CMT Member(s):_____	Date:_____ Time:_____
Informant:_____	Channel:_____
Date of Incident:_____	Time of Incident:_____ Location of Incident:_____
Message:_____	

Stakeholder(s) of Concern	Contact Information
_____	_____
_____	_____
_____	_____
_____	_____
Have Stakeholders Been Contacted? Yes_____ No_____	

Actions Already Taken:	Actions Considered:
_____	_____
_____	_____
_____	_____
Audiences Impacted:	



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Proprietary Information

In the event of a crisis, the BMW Corporation desires to be straightforward with its stockholders. However, certain information should never be disclosed without the approval of CEO, David Burman. Such information includes:

Personal Information

- Employees: The privacy and security of all BMW Corporation employees is a top priority, therefore contact information and salary amounts will be kept confidential.
- Stockholders: The privacy and security of all BMW Corporation stockholders is a top priority, therefore contact information and financial records will be kept confidential.
- Victims: In order to respect crisis victims and their families, the BMW Corporation will not release names or other personal information without first informing their immediate family.

Internal Documents

- Transcripts: Information from closed discussions such as meeting minutes and dialogue, will remain classified, in order to maintain a competitive advantage.
- Vehicle Blueprint: To maintain an edge in the competitive world, vehicle blueprints will remain exclusive property of the BMW Corporation.

Promotional and Marketing Strategies

- Promotional Developments: Any and all promotional developments must remain concealed until the scheduled time of release.
- Marketing Strategies: Any and all marketing strategies used by the BMW Corporation should remain private information, as a means to increase profits and maintain a competitive edge.

In the event that a CMT member or any employee of the BMW Corporation is unsure of whether information is regarded as proprietary, they should use cautionary discretion.



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Organizational Press Kit

MISSION STATEMENT:

"To be the most successful premium manufacturer in the industry."

OUR MISSION:

At the beginning of the 21st century, the world is facing a number of challenges too great and too complex to be tackled successfully with short-term solutions.

The BMW Group has seriously looked into these matters, well aware of the fact that each challenge also presents an opportunity. We know: those who best master their future tasks get the chance to maintain a lasting lead over competitors in the industry.

Following more than a century in automotive engineering, we want to break new ground in individual mobility. In the long term, our idea is to strive for the optimum by making sustainability the guideline behind all our activities.

Only the claim to achieve the best can result in premium quality. This belief has always made the BMW Group cut its own path. EfficientDynamics[®] is only one example which demonstrates that this approach has brought us to a new level time and again. We are going to continue along this path- for the benefits of our customers, our employees and our shareholders.

Annual Report

Most Current Available

Business Card

Generic Corporate Public Relations
Public Relations Case Manager

Information Pamphlets

BMW- Facts and Figures
BMW- Fascination and Production



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Strategy Worksheet

In the event of a crisis, the Crisis Management Team members must remember the importance of thinking strategically and communicating professionally. This worksheet will serve as a guide for strategic thinking by all CMT members. A checklist will be followed to ensure that the BMW Corporation's reputation will remain intact. The checklist has been developed by analyzing potential crisis events which can be viewed on page 13.

Contextual Analysis:

- ☐ What is the nature of the crisis?
- ☐ Has it been anticipated?
- ☐ If no, what do we know about this matter?
- ☐ Which of our categories does this crisis fall in, if any?
- ☐ How quickly should we respond?
- ☐ What steps have been completed?
- ☐ Which risk quadrant does the crisis fall in?
- ☐ Which risk quadrant do we want it in?
- ☐ What has been done to lessen the risk?

Audience Analysis:

- ☐ What audiences are involved/affected by the crisis?
- ☐ Which audience(s) is the most important?
- ☐ Who are our primary audiences? Secondary? Tertiary?
- ☐ How does the public view the crisis issue?
- ☐ Who will influence the public?
- ☐ What role does the media possess?
- ☐ How does the public perceive the organization's credibility?

Strategy:

- ☐ What are our business goals?
- ☐ What are our communication goals?
- ☐ What are our objectives?
- ☐ Does our strategy reflect with our business and communication goals?
- ☐ How will we evaluate our effectiveness?
- ☐ Are the values of the organization reflected in our strategy?
- ☐ Are the values of the organization reflected in our message?

- ☐ Is it practical?
- ☐ Is it ethical?

Tactics:

- ☐ Who should be the spokesperson?
- ☐ Our message will be communicated through what channels?
- ☐ What media options are available to us?
- ☐ When do we want to convey our message?



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Various Strategic Options Chart

Use Only if Applicable

Step	Personnel Crisis Strategies	Competitor Crisis Strategies	Events Crisis Strategies	Product Crisis Strategies	Reputations Crisis Strategies
1	Address the root of the problem	Determine severity	Issue support to any victims	Address the root of the problem	Address the root of the problem
2	Respond proactively	Respond proactively	Determine severity and cause	Notify appropriate authorities	Determine appropriate way to respond (i.e.- deny, apologize, etc.)
3	Determine liability and respond accordingly	Determine perceived risks	Notify appropriate authorities	Determine liability and respond accordingly	Determine perceived risks
4	Determine organization's stance and support	Reassure any stakeholders	Determine liability and respond accordingly	Determine appropriate actions for possible recalls	Gather and provide facts
5	Determine perceived risks	Address affected audiences	Determine organization's stance and support	Determine perceived risks	Develop and implement an organization continuance plan
6	Reassure stakeholders	Evaluate Effectiveness	Determine perceived risks	Reassure any stakeholders	Evaluate effectiveness
7	Address affected audiences		Reassure stakeholders	Address affected audiences	
8	Issue support to victims		Address affected audiences	Evaluate effectiveness	
9	Develop an organization continuance plan		Develop and implement new safety plans (or assign to appropriate person/group)		
10	Evaluate Effectiveness		Evaluate effectiveness		
11			Issue support to any victims		



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Strategic Table

In the event of a crisis, the table below is meant to be a starting point for the CMT in answering the questions for the Strategy Worksheet.

Type of Crisis	Key Stakeholders	Business Goals	Communication Goals	Strategy	Tactics



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Stakeholder Contact Information:

BMW AG Staff:

David Burman, *Chief Executive Officer*
Dr. E.h. Joachim Milberg, *Supervisory Board Chairman*
Dr. Norbert Reithofer, *Board of Management Chairman*
Ernst Baumann, *Human Resources, Industrial Relations Director*
Frank Peter-Arndt, *Production Director*
Dr. Herbert Diess, *Purchasing and Supplier Network Director*
Dr. Friedrich Eichiner, *Corporate and Brand Development Director*
Ian Robertson, *Sales and Marketing Director*
Dr. Michael Ganal, *Finance Director*
Dr. Klaus Draeger, *Development Director*

Local Contacts: (Please fill in specifics)

Mayor: James J. Schmitt
100 N Jefferson St.
Green Bay, WI 54301

Tel: (920) 448-3005

Fax: (920) 448-3081

Police: Green Bay Police Department
307 S Adams
Green Bay, WI 54301

Tel:
Emergency: 911

Non-Emergency: (920) 448-3200

BMW AG Investor Relations

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Petuelring 130
D-80788 Munich, Germany
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Fax: +49 (0)89-3 82-1 46 61

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200, quai Charles de Gaulle
69006 Lyon, France
Fax: +33 (0)4 72 44 71 63

Federal Ministry of Justice
Mohrenstrasse 37
10117 Berlin, Germany
Tel: +49 (0) 1888 580-0
Fax: +49 (0) 1888 580-9525

Deutscher Gewerkschaftsbund

(German Federation of Trade Unions)
DGB National Executive - International
Department
Henriette-Herz-Platz 2
10178 Berlin, Germany
Tel.: +49 (0) 89-3 24060-641
Email: thorben.albrecht@dgb.de

**United States Environmental Protection
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FR - 67001 Strasbourg Cedex
Tel.: +33 (0)3 88 17 23 13
Fax: +33 (0)3 88 17 90 62

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Email: Callbosch@de.bosch.com

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Tel: +49 511 938-01

BMW Car Club of America

Frank Patek, National Executive Director
Bruce Hazard, National Board President
640 South Main Street
Suite 201
Greenville, SC 29601
USA
Tel: +01 864 250-0022
Fax: +01 864 250-0038

Stakeholders	Concerns	Power	Legitimacy
Investors	<ul style="list-style-type: none"> • Creating profits • Spending money wisely • Being socially responsible 	<ul style="list-style-type: none"> • Fund company • Opinions can influence how company is run 	<ul style="list-style-type: none"> • Give the company money • Opinions should be heard and treated with respect
Employees	<ul style="list-style-type: none"> • BMW staying in business • BMW treating employees fairly 	<ul style="list-style-type: none"> • How employees work can influence how company functions, one rogue employee will not have much of an influence, but many may 	<ul style="list-style-type: none"> • Work for the company, although some concerns may not be legitimate, all should be considered
Consumers: Owners, Enthusiasts	<ul style="list-style-type: none"> • Quality of BMW automobiles/ products relative to price • Reputation of company and brand 	<ul style="list-style-type: none"> • Source of primary profit • Greatest sway of public opinion 	<ul style="list-style-type: none"> • Consumers purchasing a vehicle have a right to be concerned of the quality • Reasons for purchase often rely on reputation
Governments: German Green Party, U.S. EPA, Labor Unions	<ul style="list-style-type: none"> • Being environmentally friendly • Treatment of employees • Company actions within the law • Safety of products 	<ul style="list-style-type: none"> • Implement restrictions • Reactions may sway some public opinion 	<ul style="list-style-type: none"> • Concern for environment is legitimate as it is a pressing issue. • Legal actions could cause larger problems
Dealership Networks	<ul style="list-style-type: none"> • Manufacturing quality automobiles • Staying in business • Fair market price • Corporate reputation 	<ul style="list-style-type: none"> • Dealers actually make the sales to the consumer • Much influence on whether or not consumers purchase a BMW product 	<ul style="list-style-type: none"> • Concerns are legitimate as the dealers reputation is a concern if they sell a poor quality vehicle • Represent the image of the company to most consumers
Media: Print, Television, Internet	<ul style="list-style-type: none"> • Public's right to know • Problems should be public • Ethical practices within company 	<ul style="list-style-type: none"> • Huge impact on public opinion • Where public gets most of their information • Key information gatekeepers 	<ul style="list-style-type: none"> • Media has a right to inform public
Community: Sponsored events, Facility locations	<ul style="list-style-type: none"> • Being fair to community • Respecting community rules and regulations • Safety of products and facilities and events 	<ul style="list-style-type: none"> • Influence whether or not event is held in community • Influence consumers viewpoints • Source of revenue 	<ul style="list-style-type: none"> • Community rules are a legitimate concern • Influence and are consumers

Stakeholder	Know	Infer	So What to Do	So What Not to Do
Investors	-They have much devoted to BMW -Chose to invest in BMW	-They want the best for BMW -They care about what happens to the company	-Maintain positive relationship and inform them each step of potential crisis	-Give them no information during a crisis -Ignore them
Employees	-Chose to work and continue to work at BMW	-They enjoy their job -They want BMW to continue to grow and succeed	-Listen to any concerns or suggestions they have	-Consider them unimportant in a crisis -Avoid utilizing their skills
Consumers	-They like the product BMW delivers -They are loyal to BMW	-They will continue using the product -They will stay faithful to the company	-Keep high quality product -Show them how important they are to the company	-Change product completely -Ignore them in time of a crisis
Government	-Regulate BMW's actions	-Keep a close watch on BMW's actions	-Acknowledge and follow their standards	-Push them aside as unimportant and ignore their regulations
Dealership Network	-Sell BMW products	-They work directly with other BMW dealerships -They reflect BMW's image to the general public	-Keep them up-to-date with any changes or concerns	-View them as an insignificant part of the company
Media	-Media wants a story, good or bad	-They will take any necessary measures to get a story	-Inform them with accurate information	-Respond to their questions with "no comment"
Community	-They choose to attend and participate in sponsored events	-They support BMW's mission	-Include them as an important audience of the company -Consider their safety at events	-Only consider them important during an event -Deny the fact that a crisis could occur at an event



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Business Resumption Plan

In the event that a known crisis affected the products that are produced, marketed, distributed and sold by the BMW Corporation, immediate procedures need to be implemented to maintain the BMW reputation and satisfaction by its consumers.

The following recommendations to handle a product crisis are as followed:

1. Postpone BMW production operations of known affected product while the crisis is being analyzed and resolved.
2. Contact all of the BMW Corporation dealerships to halt the sales of additional BMW vehicles and products with the known defects, and depending on severity of the defect, notify dealers of recalls and warranty terms.
3. Contact all BMW Corporation members/employees, stakeholders and directly affected publics to ensure that the upmost safety, security and satisfaction is being met and maintained.
4. Develop, contact and present an organized press conference so that all relevant media outlets are aware of the crisis and how it is being handled by the BMW Corporation.



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Post Crisis Evaluation

Prior to Post Crisis Evaluation:

1. Notes should be taken throughout the crisis so the company can evaluate what was effective and what was not effective.
2. Effectiveness of the plan should be evaluated and changed if necessary.
3. The crisis must be continuously monitored even after it is resolved.

Crisis Management Performance Evaluation:

1. Collect and evaluate data from crisis records
 - a. Gather data from Incident Report Sheets, the CMT Strategy Worksheets, the Stakeholder Contact Worksheets, and the Information Log Sheets
 - b. Review records to determine if the CMT made any significant mistakes
2. Obtain stakeholder feedback
 - a. Gather information by structured surveys, interviews, or focus groups
 - b. Summarize the results
3. Use various measures of evaluation
 - a. Obtain organizational performance measures from team members, employees, and external stakeholders
 - b. Review any internet comments or concerns about the crisis
 - c. Collect all media reports and recap media coverage
4. Evaluate the collected data and complete the Post Crisis Evaluation Worksheet
 - a. Determine strengths and weaknesses of the CMT
 - b. Establish any changes that need to be made



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Post Crisis Evaluation Survey:

Post Crisis Evaluation

Crisis: _____

Date of Crisis: _____ Time: _____ Location: _____

What role did you play in the crisis? How did the crisis affect you?

Explain: _____

Was the crisis anticipated? *Circle One:* Yes No Somewhat

Explain: _____

What communication channels did we use to notify the public and were they effective?

Channel	<i>Not Effective</i>					<i>Neutral</i>					<i>Effective</i>			
1. _____	0	1	2	3	4	5	6	7	8	9	10			
2. _____	0	1	2	3	4	5	6	7	8	9	10			
3. _____	0	1	2	3	4	5	6	7	8	9	10			
4. _____	0	1	2	3	4	5	6	7	8	9	10			

What was done effectively?

What should we have done differently?

Should anything be altered in the Crisis Communication Plan? If yes, explain.

What still needs to be done to recover from the crisis?



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Post Crisis Evaluation Worksheet:

Post Crisis Evaluation Worksheet

CMT Member: _____ Date of Crisis: _____

Location of Crisis: _____ Type of Crisis: _____

We followed the Crisis Management Plan. *Circle One:*

Strongly Disagree

0

1

2

3

4

Neutral

5

6

7

8

Strongly Agree

9

10

Explain: _____

Evaluation of Process: _____

Steps that were completed effectively: _____

Suggestions for continuous improvement: _____

Section 2:

Implemented Crisis Management Plan

Implemented Crisis Management Plan



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Dr. Phillip G. Clampitt

Cases in Media Management

Employed for Crisis: May 1, 2008

**Crisis Management Team:
Cloud Communications**

**Katelyn Broda
David Burman
Kimberly Meiner
Kimberly Ninmann
Susan Theisen**



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Introduction Letter:

May 1, 2008

To the employees of the BMW Corporation:

Arranged on the following pages are the general guidelines, steps and strategies for the BMW Corporation to respond to a crisis. A crisis can be defined as a singular or combination of internal or external, controllable or uncontrollable, and observable or unobservable events that affect the reputation and/or integrity of the organization directly or indirectly. These events are unstable situations which can be caused by multiple issues including natural disasters, reputation sabotage, personnel problems, financial obstacles, product tampering, and industry-wide concerns. The effects of a crisis can be multiplied through media exposure.

The events leading to a crisis situation can happen at any time and any place. As a global corporation, BMW AG needs to maintain a proactive approach to potential crises. Using this Crisis Communication Plan (CCP) will give those in a critical situation a starting point from which to base their actions. Effective management of a crisis begins immediately and will determine the outcome for the organization. Recovery must be organized strategically and implemented in the most effective manner possible. This CCP is only a set of general guidelines and does not provide answers to every situation. Each crisis situation is different and will be evaluated by the crisis management team (CMT) who should be contacted as soon as possible during an event.

Included in this plan are:

1. Crisis management team and contact sheet
2. Crisis assessment, including issues identification, likelihood, impact, probability, and where the issues lie on the risk assessment grid
3. Incident report form
4. Proprietary information
5. Strategy worksheet
6. Stakeholder contact sheet
7. Crisis control center
8. Post-crisis evaluation

The objective of this CCP is to curb the harmful effects of a crisis situation to the organization. The strategy in this CCP will be employed by the CMT in the event of crises to accomplish this objective as efficiently and effectively as possible.

Ultimately serving you,

A handwritten signature in black ink, appearing to read 'David Starr', written over a horizontal line.

David Starr
Chief Operating Officer, BMW AG



Bayerische Motoren Werke AG

Overview of BMW AG:

Bayerische Motoren Werke Aktengesellschaft (Bavarian Motor Works), better known as BMW AG strives to be the top manufacturer of premium automobiles in the global industry. The company has been making engines since its birth in 1916 when it started making airplane engines in Munich, Germany.

The company is still based in Munich, Germany in the headquarter buildings that are easily recognized since their completion for the 1972 Olympic Games hosted in the city. BMW has grown significantly and is now known worldwide as one of the top manufacturers of premium automobiles from Europe. The company is probably best known for their cars, most specifically for their invention and perfection of the „sports sedan.“ BMWs are known as the „Ultimate Driving Machine“ for both the daily drivers and the hardcore enthusiasts.

BMW is proud of the fact that they have never been owned or controlled by other car manufacturing entities. Only recently did they expand to acquiring other brand names. In 1994, BMW acquired the Rover group, later selling the Rover, MG and Land Rover names to other companies. BMW kept the MINI name, and in 1998 acquired the Rolls-Royce Motor Car company. They have revived both brands fully and have been producing and designing cars with these names since their 2001 and 2003 respectively.

While BMW is probably best known for their cars, they began making motorcycles long before they made their first cars. BMW motorcycles have a strong reputation globally, and the nick-name is recognized around the globe as well: Beamer. The nickname actually came from BMW's racing heritage.

BMW has been an innovator and champion in motorsports for many years. They participate in many different forms of racing including rally racing and Formula 1, as well as sponsoring other sports as well. They sponsor things as wide ranging as golf tournaments to sailing races. Much of the technology they use in their products are tested on the racetracks first.

BMW Group In America

BMW of North America, LLC has been present in the United States since 1975. Rolls-Royce Motor Cars NA, LLC began distributing vehicles in 2003. The BMW Group in the United States has grown to include marketing, sales, and financial service organizations for the BMW brand of motor vehicles, including motorcycles, the MINI brand, and the Rolls-Royce brand of Motor Cars; DesignworksUSA, an industrial design firm in California; a technology office in Silicon Valley and various other operations throughout the country. BMW Manufacturing Co., LLC in South Carolina is part of BMW Group's global manufacturing

network and is the exclusive manufacturing plant for all Z4 models and X5 Sports Activity Vehicles and the upcoming X6 Sport Activity Coupe. The BMW Group sales organization is represented in the U.S. through networks of 338 BMW passenger car centers, 335 BMW Sports Activity Vehicle centers, 142 BMW motorcycle retailers, 82 MINI passenger car dealers, and 30 Rolls-Royce Motor Car dealers. BMW (US) Holding Corp., the BMW Group's sales headquarters for North, Central and South America, is located in Woodcliff Lake, New Jersey.

BMW Worldwide

BMW is now present in more than 150 countries worldwide. From research and development to sales and marketing, the BMW Group is committed to the very highest in quality for all its products and services around the globe.

BMW is a very generous company, giving back to the communities where they are located. In the United States, they sponsor everything from drives for the Susan G. Komen Foundation to fund breast cancer research to children's theatrical groups in South Carolina. On top of donating to the communities, they also are striving towards creating the most environmentally friendly products, pioneering automotive recycling of their own vehicles and exploring hybrid and hydrogen technologies.

Bayerische Motoren Werke Aktengesellschaft
80788 Munich, Germany

Telephone +49 89 382-0

<http://www.bmw.com>
<http://www.bmwgroup.com>



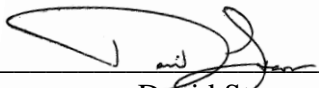
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Acknowledgements

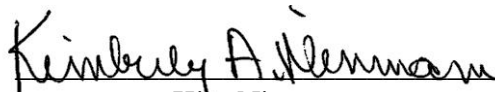
We, the members of the Crisis Management Team, who are listed below, have read the following Crisis Communication Plan in its entirety and fully understand its contents. We are aware that this plan will not solve all aspects of all crises, and understand that changes and/or additions may be implemented depending on the nature of the crisis.


In the event of a crisis, our Crisis Management Team will follow the steps that have been created and documented in this plan to the best of our ability while maintaining the values set forth by the BMW Corporation. While following our crisis plan, we must keep in mind the needs, values, and our relationship with all of our stakeholders, including investors, consumers, employees, and corporate partners.


Katelyn Broda


David Starr


Kim Meiner


Kim Ninmann


Susan Theisen



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Crisis Management Team:



David Starr – Chief Operating Officer – BMW AG

David is the Chief Operating Officer for the BMW Corporation. He has worked with the corporation for several years and brings a great deal of knowledge to the company. His creative ideas have helped maintain the success of the BMW Corporation as well as ensure the safety and satisfaction of all BMW supporters.

Susan Theisen – Public Relations Coordinator – BMW AG
Susan is the Public Relations Coordinator for the BMW Corporation. She is an asset to the CMT with her relative knowledge and experience representing the BMW Corporation for a number of years. She is aware of BMW's reputation and maintains this image throughout all media releases that are affiliated with the BMW name.



Katelyn Broda – Safety & Security Manager/ Victim Manager – BMW AG

Katelyn is the Safety and Security Manager/Victim Manager for the BMW Crisis Management Team. She brings credible experience to the CMT as she has served on a number of respectable police departments. Safety and security are top priorities for Katelyn and her task force during the preparation of events that are sponsored by the BMW Corporation.

Kimberly Ninmann – Operations Manager – BMW AG
Kimberly is the Operations Manager for the BMW Corporation. She provides the Crisis Management Team with positive direction and mentors other members. Her responsibilities involve planning, supervising and coordinating operations to optimize the corporation's efficiency.



Kim Meiner – Legal Advisor – BMW AG
Kim is the Legal Advisor for the BMW Corporation Crisis Management Team. She is a credible asset to the CMT through her years of experience. Her responsibilities will include providing advice on all legal issues in which the BMW Corporation encounters



Bayerische Motoren Werke AG

Crisis Management Team Contact Sheet

David Starr

Chief Operating Officer

Phone: (715) 222-4243

E-mail: burmdc21@uwgb.edu

Susan Theisen

Public Relations Coordinator

Phone: (920) 238-5765

E-mail: theisb25@uwgb.edu

Katelyn Broda

Safety and Security Manager/Victim Manager

Phone: (715) 773-0059

E-mail: brodka27@uwgb.edu

Kimberly Ninmann

Operations Manager

Phone: (920) 988-8667

E-mail: ninmka03@uwgb.edu

Kim Meiner

Legal Advisor

Phone: (906) 221-1447

E-mail: meinkb09@uwgb.edu



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Crisis Control Center

Location A: (see Crisis Center layout on next page)
2343 Farlin Ave. #5
Green Bay WI, 54302
(920)988-8667

Equipment Available: Computers (3)
High Speed Wireless Internet
Television (1)
VCR (1)
DVD Player (1)
Cell Phones (5)
Rectangular Table, chairs

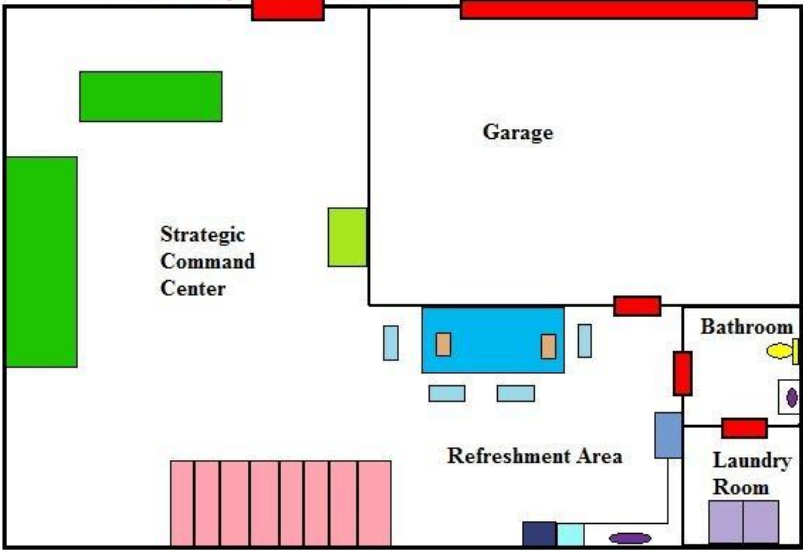
Location B: 2420 Nicolet Drive
UW-Green Bay GAC Lab
Green Bay, WI 54311
(920) 475-2654

Equipment Available: Computers
High-speed Wireless Internet
VCRs
Whiteboards
DVD players
Cell phones
Video editing equipment
Access to classrooms with projectors, computers, audio/video

Primary Contact Source During Crisis

Bayerische Motoren Werke Aktengesellschaft
80788 Munich, Germany
Telephone +49 89 382-0

Cloud Communication Crisis Center 2343 Farlin Ave. #5 Green Bay, WI 54302



- Couch
- Door
- TV
- Chair
- Stairs
- Computer
- Table
- Refrigerator
- Stove/Oven
- Dishwasher
- Sink
- Toilet
- Washer/Dryer



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Rehearsal Dates

Due to the size of the BMW organization, and the varying types of crises faced by the organization, the crisis management plan will be rehearsed six times annually.

Aside from the rehearsal dates, issues scanning and monitoring will take place on a day-to-day basis in order to keep up to date with any crises that may affect the BMW organization.

The following dates have been chosen to rehearse the crisis management plan in 2008:

1. February 5th
2. April 8th
3. June 10th
4. August 5th
5. October 7th
6. December 9th

All members of the crisis management team are required to attend all six rehearsal dates. Any other members of BMW may attend as well. Anyone who will not be able to attend should contact Susan Theisen, Public Relations Coordinator, to discuss the possibility of excusing themselves.



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Crisis Assessment Overview

In the event of an actual crisis, we have developed an assessment of possible crises at BMW. We have evaluated probable risks by determining the likelihood and impact of these risks to the company.

In our assessment we have included a crises strategic option chart to help guide us through a crisis. This will serve only as a guide to maintain order and provide a checklist for our crisis management team. We understand that no crisis is identical and different actions and procedures may be used for each event.

In order to help prepare our CMT we have scheduled dates to rehearse managing possible crises.

To organize information received we have developed an Incident Report Form. Each member of the CMT will be supplied with these forms. A form will be filled out for any information received to determine a possible crisis. The Incident Report Forms will be kept on file to be used in prevention of similar incidents in the future.



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Crisis Assessment – Likely Crises to Occur

The highlighted information is the information we found helpful during our Crisis Case

With a large, worldwide organization such as BMW, there are many potential crises that can occur. Possible crises can be internal or external, as well as controllable or uncontrollable for the company. The crises would affect BMW financially, personally, and damage the company's reputation.

We, BMW's crisis management team, have performed issue scanning and held brainstorming sessions to evaluate a number of potential crises that could happen to BMW. The list of potential crises is never-ending, but the list we have composed gives an idea of what to expect in terms of crises.

First, we have divided the potential crises into five separate categories. They are as follows:

1. **Personnel Crises**- including top management, employees, and manufacturers
2. **Competitor Crises**- including all current car sellers, manufacturers, and dealers
3. **Event Crises**- including all sponsored events and natural occurrences
4. **Product Crises**- including all malfunctions, tampering incidents, and government intervention
5. **Reputation Crises**- including rumors, negative opinions websites, and employee scandals

An important note is that many of the crises can be classified into more than one category. Keeping that fact in mind, it is important to examine the many implications a crisis could have before developing specific strategies for the BMW organization to implement.

Our next step was to break down each potential crisis further by determining the likelihood that the crisis will occur, the impact the crisis would have on the organization, and the potential of the crisis. We focus the largest amount of our time and attention on the crises with the highest potential to occur. The final column shows what quadrant the crisis is currently in on the risk assessment grid. The quadrants are broken down to represent crises in the following way:

- Quadrant 1- controllable but unobservable.
- Quadrant 2- uncontrollable and unobservable
- Quadrant 3- uncontrollable but observable
- Quadrant 4- controllable and observable

The goal for each crisis is to make the perception of the risk controllable and observable, which would place the crisis in quadrant 4.

The following charts illustrate the results of our issues scanning sessions for BMW. The five categories are issues pertinent to BMW's organization:

<i>Potential Personnel Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Info Leaks	3	9	27	3
Strikes	2	8	16	4
Financial Audits	1	2	2	4
Embezzlement	4	3	12	2
Management Changes	6	Long term-1 Short term-5	Long term-6 Short term-30	3
Stakeholder Crisis	3	8	24	3
Sexual Harassment	7	4	28	2
Rumors/Grapevine	9	2	18	3

<i>Potential Competitor Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Logo Tampering	2	8	16	3
Inter-industry Crisis	7	2	14	3
Intra-industry Crisis	3	8	24	3

<i>Potential Event Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Natural Disasters	2	7	14	3
Injury	9	4	36	4
Terrorism	2	9	18	3
Product Tampering	2	6	12	2
Substance Abuse	1	8	8	2
Unethical Behavior	2	7	14	3

<i>Potential Product Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Vehicle Malfunction/Part Failure	4	10	40	4
Facility Problems	4	5	20	3
Product Tampering	2	9	18	3
Government	2	8	16	4
Depreciation Rates	1	3	3	3

Warranty Issues	1	7	7	4
-----------------	---	---	---	---

<i>Potential Reputation Crises</i>	<i>Likelihood (L)</i>	<i>Impact (I)</i>	<i>Potential (LxI)</i>	<i>Quadrant Placement</i>
Internal Employee Scandal	3	8	24	2
Image Affiliation	2	3	6	4
Donation Issues	1	8	8	3
Cyber Attacks	9	5	45	4
Slander	9	5	45	3

1. Personnel

- A. Rumors through the “Grapevine”
 - i. Likelihood high
 - ii. Impact low
- B. Information Leaks
 - i. Likelihood low
 - ii. Impact high
- C. Sexual Harassment
 - i. Likelihood high
 - ii. Impact medium

As a means to uphold open communications, the BMW Corporation will coordinate mandatory meetings for all personnel to attend at corporate offices, in order to promote and reinforce the corporation’s goals and objectives. These meetings will inform personnel about proper conduct within the working environment. Personnel will be encouraged to express any comments or concerns to management representatives.

Information from closed discussions such as meeting minutes and dialogue, will remain classified to limit possible information leaks.

2. Competitor

- A. Intra-industry
 - i. Likelihood low
 - ii. Impact high
- B. Logo-tampering
 - i. Likelihood low
 - ii. Impact high
- C. Inter-industry
 - i. Likelihood high
 - ii. Impact low

Due to the competitive automobile industry, internal documents such as vehicle blueprints and corporate transcripts will remain exclusive property of the BMW Corporation. While it is difficult to prevent logo-tampering from occurring, BMW will label and document all products to ensure consumers that they are receiving unadulterated BMW products.

3. Event

A. Injury

- i. Likelihood high
- ii. Impact medium

B. Terrorism

- i. Likelihood high
- ii. Impact medium

C. Natural Disaster

- i. Likelihood low
- ii. Impact high

Event locations will be inspected by professionals to oversee that all safety regulations are being met. Various emergency stations will be located throughout the event grounds to allow a quick response to any injury that may occur. The easily accessible emergency stations will allow the victim to receive immediate medical attention. Specialized emergency plans will be formed and practiced to ensure the utmost safety and security for all spectators of events sponsored by the BMW Corporation.

4. Product

A. Vehicle malfunction/Part failure

- i. Likelihood medium
- ii. Impact high

B. Facility problems

- i. Likelihood low
- ii. Impact medium

C. Product tampering

- i. Likelihood low
- ii. Impact high

A primary step in detecting and avoiding product tampering is to have adequate good manufacturing practices in operation. The BMW Corporation must ensure that all products are checked and tested before they are distributed. This will also limit the number of products that may malfunction.

5. Reputation

A. Cyber attack

- i. Likelihood high
- ii. Impact medium

B. Slander

- i. Likelihood high

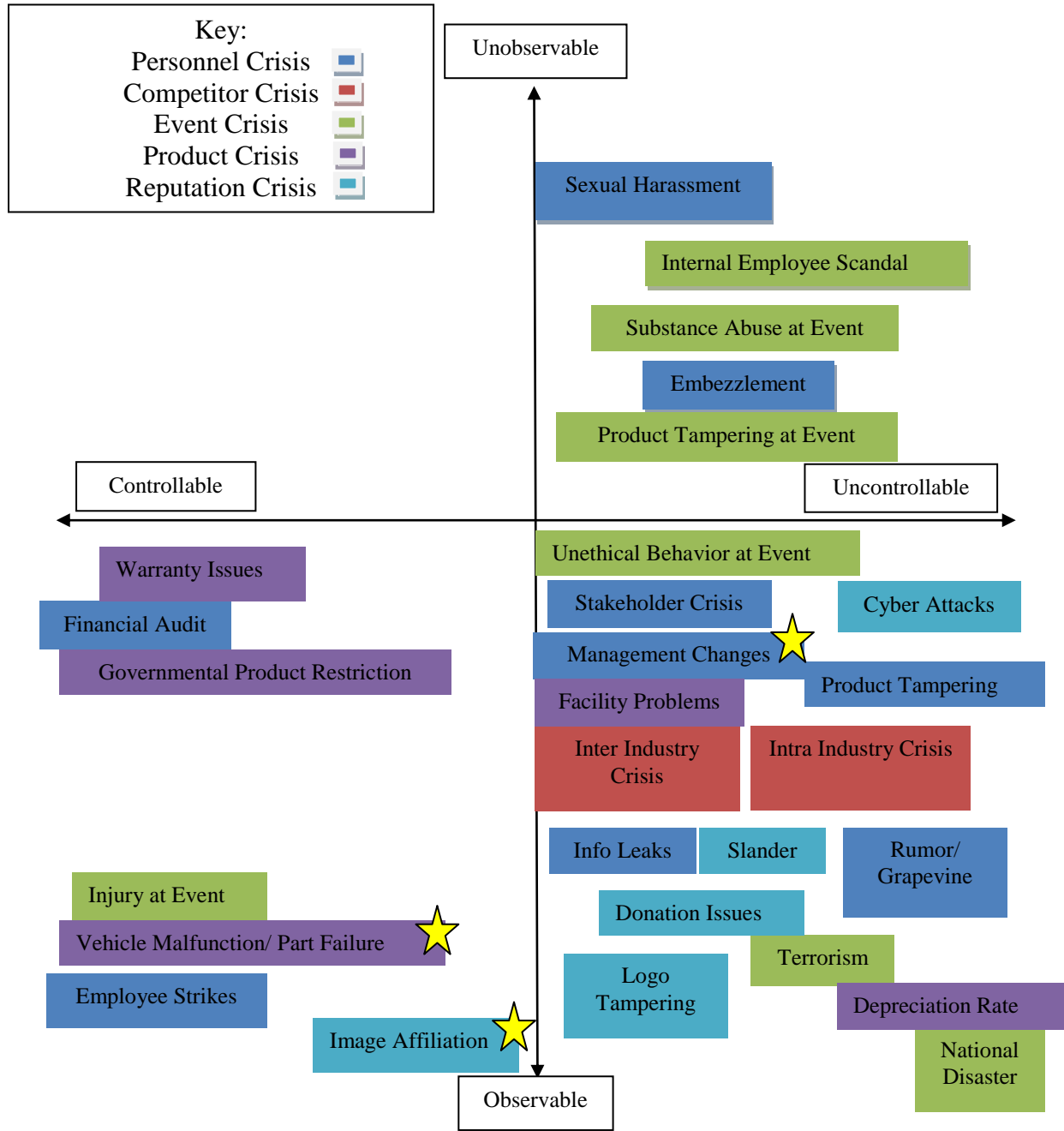
- ii. Impact medium
- C. Internet Employee Scandal
 - i. Likelihood low
 - ii. Impact high

It is ultimately the reputation of the BMW Corporation that determines its success and sustainability in the eye of the public. With that in mind, the corporation must maintain a well structured company image when manufacturing and marketing its products.



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Likely Risk Assessment Grid





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Incident Report Form

CMT Member(s): All Members Date: Thursday, April 24, 2008 Time: 9:00 am

Informant: Ben Kotenberg Channel: face to face/ print media

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: movie poster of James Bond 007 Quantum of Solace



Stakeholder(s) of Concern

-Unable to be determined

Contact Information

Have Stakeholders Been Contacted? Yes _____ No X

Actions Already Taken:

-N/A

Actions Considered:

-N/A

Audiences Impacted:

N/A



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Incident Report Form

CMT Member(s): Susan Theisen Date: Thursday, April 24, 2008 Time: 7:47 pm

Informant: Ben Kotenberg Channel: telephone- voicemail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: BMW losses out on a deal to be the official car at the next two James Bond action movies. While BMW is expecting to be the car sponsor for the next two James Bond movies that have already begun production of two commercials featuring Daniel Craig.

Stakeholder(s) of Concern
-Stockholders

Contact Information
+49(0)89-3 82-2 53 87

Have Stakeholders Been Contacted? Yes X No _____

Actions Already Taken:
-Stockholders contacted
-Media informed

Actions Considered:
-Make deal to be featured in different
movie

Audiences Impacted:
Stockholders, Media



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Katelyn Broda Date: Saturday, April 26, 2008 Time: 5:28 pm

Informant: Megan Witt Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "On the last day of filming for Quantum of Solace commercial, Daniel Craig drives off of the set in his BMW M6 and runs into a road construction barrier. Craig is pronounced dead at the scene."

Stakeholder(s) of Concern

-Stockholders

-Consumers

Contact Information

+49 (0)89-3 82-2 53 87

Have Stakeholders Been Contacted? Yes X No

Actions Already Taken:

-Express sympathy

-Take no responsibility for accident

Actions Considered:

-Apologize for accident

Audiences Impacted:

Potential Consumers, Movie-goers (James Bond fans)



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Kim Meiner Date: Sunday, April 27, 2008 Time: 10:45 am

Informant: Ben Kotenberg Channel: telephone- voicemail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "A police report indicated that the accident resulted from a structural failure in the braking system, an engineering failure on the part of BMW."

Stakeholder(s) of Concern

-Stockholders

-Consumers

-Dealership Networks

Contact Information

+49 (0)89-3 82-2 53 87

Have Stakeholders Been Contacted? Yes X No

Actions Already Taken:

-Strenuous Testing

-Press Release

Actions Considered:

-Take on full responsibility

Audiences Impacted:
Potential Customers, Media



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Kim Meiner Date: Sunday, April 27, 2008 Time: 11:56 am

Informant: Ben Kotenberg Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "The auto insurance industry has released a statement encouraging consumers to boycott BMW products until the engineering problems are acknowledged and fixed."

Stakeholder(s) of Concern

-Stockholders

-Dealership Networks

-Employees

Contact Information

+49 (0)89-3 82-2 53 87

Have Stakeholders Been Contacted? Yes X No

Actions Already Taken:

-Press Release

-Testing

Actions Considered:

-CEO making statement to public

Audiences Impacted:

Potential Consumers



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): David Burman Date: Sunday, April 27, 2008 Time: 12:58 pm

Informant: Megan Witt Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "Steven Spielberg is producing a new film to be featured at the National Holocaust Museum in Washington D.C. It will focus on German industries under the Nazi regime."

Stakeholder(s) of Concern
-Stockholders

Contact Information

+49(0)89-3 82-2 53 87

Have Stakeholders Been Contacted? Yes X

No _____

Actions Already Taken:
-Contacting Steven Spielberg

Actions Considered:
-Refuse to be included in movie

Audiences Impacted:
Potential Customers, Media



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Susan Theisen Date: Sunday, April 27, 2008 Time: 4:00 pm

Informant: Ben Kotenberg Channel: telephone- voicemail message

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "A prominent feature in Steven Spielberg's new film will be BMW's role in producing motor bikes for the Nazi regime."

Stakeholder(s) of Concern
-Stockholders

Contact Information
+49(0)89-3 82-2 53 87

Have Stakeholders Been Contacted? Yes X No _____

Actions Already Taken:

-Providing historical information

-Press conference

Actions Considered:

-Denying any Nazi affiliation

Audiences Impacted:
Potential Customers, Media



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Katelyn Broda Date: Sunday, April 27, 2008 Time: 10:20 pm

Informant: Megan Witt Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "Financial records indicate that BMW continues to pay employees out of secret bank accounts in Argentina."

Stakeholder(s) of Concern

-Stockholders

Contact Information

+49(0)89-3 82-2 53 87

Have Stakeholders Been Contacted? Yes X No

Actions Already Taken:

-Inform stockholders of accurate information

Actions Considered:

N/A

Audiences Impacted:

Investors, Media



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Kim Ninmann Date: Monday, April 28, 2008 Time: 8:40 am

Informant: Ben Kotenberg Channel: telephone

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "Your CEO, David Burman, was heard saying, "Well you know Jews, they're just trying to shake you down for money," at a cocktail party for David. The news was released by E! Extra."

Stakeholder(s) of Concern

-Consumers
-Stockholders
-Employees

Contact Information

Have Stakeholders Been Contacted? Yes X No _____

Actions Already Taken:

-Stakeholder meeting
-Apology
-Contact Jewish organizations

Actions Considered:

-Ignoring the situation
-Not addressing media

Audiences Impacted:

Investors, Employees, Media, Customers, Potential Customers



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Katelyn Broda Date: Monday, April 28, 2008 Time: 3:03 pm

Informant: Megan Witt Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "The Jewish Defense League is beginning an investigation into BMW's continued role with Nazi Germany and is requesting meeting with CEO David Burman."

Stakeholder(s) of Concern
-Stockholders

Contact Information

Have Stakeholders Been Contacted? Yes X No _____

Actions Already Taken:
-Company meeting with CEO

Actions Considered:
-Accepting invitation to meeting

Audiences Impacted:
Government, Employees, Stakeholders, Media



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Susan Theisen Date: Monday, April 28, 2008 Time: 4:39 pm

Informant: Ben Kotenberg Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "B'nai B'rith has joined with Spielberg to demand that BMW USA denounce Anti-Semitism."

Stakeholder(s) of Concern
-Stockholders

Contact Information

Have Stakeholders Been Contacted? Yes X No _____

Actions Already Taken:
-Contacting media and stakeholders

Actions Considered:
N/A

Audiences Impacted:
Media, Government, Investors



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Katelyn Broda Date: Monday, April 28, 2008 Time: 4:42 pm

Informant: Ben Kotenberg Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "If looked at closely, the BMW logo appears to be a swastika enclosed in a circle similar to the patch that Hitler's closest allies wore during WWII."

Stakeholder(s) of Concern

-Stockholders

-Employees

Contact Information

Have Stakeholders Been Contacted? Yes X No _____

Actions Already Taken:

-Issue addressed in press conference

-Historical information provided

Actions Considered:

-Taking no action

Audiences Impacted:

Employees, Media, Investors, Consumers



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Kim Ninmann Date: Monday, April 28, 2008 Time: 8:34 pm

Informant: sultryknights.com Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "DAVID BURMAN Thank you for joining Aryan Nations online network. Your user name is BMWburman. Your password is hilefive. Thank you and please contact our webmaster if you have any questions at webmaster@an.com."

Stakeholder(s) of Concern
-Stockholders

Contact Information

Have Stakeholders Been Contacted? Yes _____ No X

Actions Already Taken:
-Meeting with CEO

Actions Considered:
N/A

Audiences Impacted:
Government, Investors, Media



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Kim Ninmann Date: Monday, April 28, 2008 Time: 9:49 pm

Informant: Ben Kotenberg Channel: telephone- voicemail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "BMW stakeholders have just gotten out of an emergency meeting and have voted to ask for David Burman's resignation from the CEO post."

Stakeholder(s) of Concern

-Stockholders

-Consumers

Contact Information

Have Stakeholders Been Contacted? Yes X No _____

Actions Already Taken:

-Contact all stakeholders for meeting

Actions Considered:

N/A

Audiences Impacted:

Employees, Investors, Consumers, Media, Government, Dealership Networks



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Kim Meiner Date: Tuesday, April 29, 2008 Time: 12:00 pm

Informant: Megan Witt Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "Larry David drives his BMW off a cliff and features it on his HBO television show *Curb Your Enthusiasm*. The episode guest stars Steven Spielberg."

Stakeholder(s) of Concern

N/A

Contact Information

Have Stakeholders Been Contacted? Yes _____ No X

Actions Already Taken:

N/A

Actions Considered:

N/A

Audiences Impacted:

Media



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Susan Theisen Date: Tuesday, April 29, 2008 Time: 1:27 pm

Informant: Ben Kotenberg Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "Nick Rubenstein has offered his full financial support to Spielberg's film. The rest of the Rubenstein family stands firmly behind their son's decision."

Stakeholder(s) of Concern

N/A

Contact Information

N/A

Have Stakeholders Been Contacted? Yes _____ No X

Actions Already Taken:

N/A

Actions Considered:

N/A

Audiences Impacted:

Media



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Katelyn Broda Date: Tuesday, April 29, 2008 Time: 2:00 pm

Informant: Ben Kotenberg Channel: telephone- voicemail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "A Gold Gym's employee took a snap shot of BMW's CEO David Burman with a tattoo of a swastika."

Stakeholder(s) of Concern

-Stockholders

-Employees

Contact Information

Have Stakeholders Been Contacted? Yes X No

Actions Already Taken:

-Meeting with CEO

-Press conference

Actions Considered:

-Fire CEO

Audiences Impacted:

Media, Consumers, Employees, Government, Potential Customers



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Incident Report Form

CMT Member(s): Susan Theisen Date: Tuesday, April 29, 2008 Time: 7:47 pm

Informant: Professor Phillip Clampitt Channel: e-mail

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "Senator McCain has just held a news conference to denounce BMW's anti-Semitic orientation. He has pledged to eliminate all ties between the US government and BMW."

Stakeholder(s) of Concern

-Stockholders

-Employees

Contact Information

Have Stakeholders Been Contacted? Yes X No _____

Actions Already Taken:

-Contact government officials

-Press conference

Actions Considered:

-Send press release

Audiences Impacted:

Government, Media, Employees, Consumers, Investors, Dealership Networks



Bayerische Motoren Werke AG

Incident Report Form

CMT Member(s): Susan Theisen Date: Tuesday, April 29, 2008 Time: 8:37 pm

Informant: Professor Phillip Clampitt Channel: face to face

Date of Incident: unknown Time of Incident: unknown Location of Incident: unknown

Message: "The 'Money Honey' wants to interview your CEO on her show and to explain his Anti-Semantic comments. She wants to show the interview on CNBC and publish it in Business Week. She wants to know if the CEO would be willing to give an interview. Also, Bill O'Reilly would like your CEO to appear on his show for the Anti-Semantic comments.

Stakeholder(s) of Concern
-Stockholders

Contact Information

Have Stakeholders Been Contacted? Yes _____ No X _____

Actions Already Taken:
-Accept invitations

Actions Considered:
-Decline invitations

Audiences Impacted:
Media, Consumers, Employees



Bayerische Motoren Werke AG

Proprietary Information

In the event of a crisis, the BMW Corporation desires to be straightforward with its stockholders. However, certain information should never be disclosed without the approval of CEO, David Burman. Such information includes:

Personal Information

- Employees: The privacy and security of all BMW Corporation employees is a top priority, therefore contact information and salary amounts will be kept confidential.
- Stockholders: The privacy and security of all BMW Corporation stockholders is a top priority, therefore contact information and financial records will be kept confidential.
- Victims: In order to respect crisis victims and their families, the BMW Corporation will not release names or other personal information without first informing their immediate family.

Internal Documents

- Transcripts: Information from closed discussions such as meeting minutes and dialogue, will remain classified, in order to maintain a competitive advantage.
- Vehicle Blueprint: To maintain an edge in the competitive world, vehicle blueprints will remain exclusive property of the BMW Corporation.

Promotional and Marketing Strategies

- Promotional Developments: Any and all promotional developments must remain concealed until the scheduled time of release.
- Marketing Strategies: Any and all marketing strategies used by the BMW Corporation should remain private information, as a means to increase profits and maintain a competitive edge.

In the event that a CMT member or any employee of the BMW Corporation is unsure of whether information is regarded as proprietary, they should use cautionary discretion.



Bayerische Motoren Werke AG

Organizational Press Kit

MISSION STATEMENT:

"To be the most successful premium manufacturer in the industry."

OUR MISSION:

At the beginning of the 21st century, the world is facing a number of challenges too great and too complex to be tackled successfully with short-term solutions.

The BMW Group has seriously looked into these matters, well aware of the fact that each challenge also presents an opportunity. We know: those who best master their future tasks get the chance to maintain a lasting lead over competitors in the industry.

Following more than a century in automotive engineering, we want to break new ground in individual mobility. In the long term, our idea is to strive for the optimum by making sustainability the guideline behind all our activities.

Only the claim to achieve the best can result in premium quality. This belief has always made the BMW Group cut its own path. EfficientDynamics® is only one example which demonstrates that this approach has brought us to a new level time and again. We are going to continue along this path- for the benefits of our customers, our employees and our shareholders.

Annual Report

Most Current Available

Business Card

Generic Corporate Public Relations
Public Relations Case Manager

Information Pamphlets

BMW- Facts and Figures
BMW- Fascination and Production



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Strategy Worksheet

In the event of a crisis, the Crisis Management Team members must remember the importance of thinking strategically and communicating professionally. This worksheet will serve as a guide for strategic thinking by all CMT members. A checklist will be followed to ensure that the BMW Corporation's reputation will remain intact. The checklist has been developed by analyzing potential crisis events which can be viewed on page 13.

Contextual Analysis:

- ☐ What is the nature of the crisis?
- ☐ Has it been anticipated?
- ☐ If no, what do we know about this matter?
- ☐ Which of our categories does this crisis fall in, if any?
- ☐ How quickly should we respond?
- ☐ What steps have been completed?
- ☐ Which risk quadrant does the crisis fall in?
- ☐ Which risk quadrant do we want it in?
- ☐ What has been done to lessen the risk?

Audience Analysis:

- ☐ What audiences are involved/affected by the crisis?
- ☐ Which audience(s) is the most important?
- ☐ Who are our primary audiences? Secondary? Tertiary?
- ☐ How does the public view the crisis issue?
- ☐ Who will influence the public?
- ☐ What role does the media possess?
- ☐ How does the public perceive the organization's credibility?

Strategy:

- ☐ What are our business goals?
- ☐ What are our communication goals?
- ☐ What are our objectives?
- ☐ Does our strategy reflect with our business and communication goals?
- ☐ How will we evaluate our effectiveness?
- ☐ Are the values of the organization reflected in our strategy?
- ☐ Are the values of the organization reflected in our message?

- ☐ Is it practical?
- ☐ Is it ethical?

Tactics:

- ☐ Who should be the spokesperson?
- ☐ Our message will be communicated through what channels?
- ☐ What media options are available to us?
- ☐ When do we want to convey our message?



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Various Strategic Options Chart

Use Only if Applicable

Step	Personnel Crisis Strategies	Competitor Crisis Strategies	Events Crisis Strategies	Product Crisis Strategies	Reputation Crisis Strategies
1	Address the root of the problem	Determine severity	Issue support to any victims	Address the root of the problem	Address the root of the problem
2	Respond proactively	Respond proactively	Determine severity and cause	Notify appropriate authorities	Determine appropriate way to respond (i.e.- deny, apologize, etc.)
3	Determine liability and respond accordingly	Determine perceived risks	Notify appropriate authorities	Determine liability and respond accordingly	Determine perceived risks
4	Determine organization's stance and support	Reassure any stakeholders	Determine liability and respond accordingly	Determine appropriate actions for possible recalls	Gather and provide facts
5	Determine perceived risks	Address affected audiences	Determine organization's stance and support	Determine perceived risks	Develop and implement an organization continuance plan
6	Reassure stakeholders	Evaluate Effectiveness	Determine perceived risks	Reassure any stakeholders	Evaluate effectiveness
7	Address affected audiences		Reassure stakeholders	Address affected audiences	
8	Issue support to victims		Address affected audiences	Evaluate effectiveness	
9	Develop an organization continuance plan		Develop and implement new safety plans (or assign to appropriate person/group)		
10	Evaluate Effectiveness		Evaluate effectiveness		
11			Issue support to any victims		



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Strategic Table

In the event of a crisis, the table below is meant to be a starting point for the CMT in answering the questions for the Strategy Worksheet.

Type of Crisis	Key Stakeholders	Business Goals	Communication Goals	Strategy	Tactics



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Stakeholder Contact Information:

BMW AG Staff:

David Starr, *Chief Operating Officer / Interim CEO*
Dr. E.h. Joachim Milberg, *Supervisory Board Chairman*
Dr. Norbert Reithofer, *Board of Management Chairman*
Ernst Baumann, *Human Resources, Industrial Relations Director*
Frank Peter-Arndt, *Production Director*
Dr. Herbert Diess, *Purchasing and Supplier Network Director*
Dr. Friedrich Eichiner, *Corporate and Brand Development Director*
Ian Robertson, *Sales and Marketing Director*
Dr. Michael Ganal, *Finance Director*
Dr. Klaus Draeger, *Development Director*

Local Contacts: (Please fill in specifics)

Mayor: James J. Schmitt
100 N Jefferson St.
Green Bay, WI 54301

Tel: (920) 448-3005

Fax: (920) 448-3081

Police: Green Bay Police Department
307 S Adams
Green Bay, WI 54301

Tel:
Emergency: 911

Non-Emergency: (920) 448-3200

BMW AG Investor Relations

Torsten Schüssler
Petuelring 130
D-80788 Munich, Germany
Email : torsten.schuessler@bmw.de
Tel.: +49 (0)89-3 82-2 53 87
Fax: +49 (0)89-3 82-1 46 61

Interpol

Interpol Headquarters
200, quai Charles de Gaulle
69006 Lyon, France
Fax: +33 (0)4 72 44 71 63

Federal Ministry of Justice
Mohrenstrasse 37
10117 Berlin, Germany
Tel: +49 (0) 1888 580-0
Fax: +49 (0) 1888 580-9525

Deutscher Gewerkschaftsbund

(German Federation of Trade Unions)
DGB National Executive - International
Department
Henriette-Herz-Platz 2
10178 Berlin, Germany
Tel.: +49 (0) 89-3 24060-641
Email: thorben.albrecht@dgb.de

**United States Environmental Protection
Agency**

Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460
USA
+01 215-814-5000

European Union Ombudsman

Ombudsman P. Nikiforos Diamandouros
1 Avenue du Président Robert Schuman
CS 30403
FR - 67001 Strasbourg Cedex
Tel.: +33 (0)3 88 17 23 13
Fax: +33 (0)3 88 17 90 62

Bosch und Siemens Hausgeräte GmbH

Franz Fehrenbach, Board of Management
Chairman
Robert Bosch GmbH
Postfach 10 60 50
D-70049 Stuttgart, Germany
Tel: +49 (0) 711 811-0
Email: Callbosch@de.bosch.com

Continental AG

Headquarters
Vahrenwalder Strasse 9
D-30165 Hanover, Germany
Tel: +49 511 938-01

BMW Car Club of America

Frank Patek, National Executive Director
Bruce Hazard, National Board President
640 South Main Street
Suite 201
Greenville, SC 29601
USA
Tel: +01 864 250-0022
Fax: +01 864 250-0038

Stakeholders	Concerns	Power	Legitimacy
Investors	<ul style="list-style-type: none"> • Creating profits • Spending money wisely • Being socially responsible 	<ul style="list-style-type: none"> • Fund company • Opinions can influence how company is run 	<ul style="list-style-type: none"> • Give the company money • Opinions should be heard and treated with respect
Employees	<ul style="list-style-type: none"> • BMW staying in business • BMW treating employees fairly 	<ul style="list-style-type: none"> • How employees work can influence how company functions, one rogue employee will not have much of an influence, but many may 	<ul style="list-style-type: none"> • Work for the company, although some concerns may not be legitimate, all should be considered
Consumers: Owners, Enthusiasts	<ul style="list-style-type: none"> • Quality of BMW automobiles/ products relative to price • Reputation of company and brand 	<ul style="list-style-type: none"> • Source of primary profit • Greatest sway of public opinion 	<ul style="list-style-type: none"> • Consumers purchasing a vehicle have a right to be concerned of the quality • Reasons for purchase often rely on reputation
Governments: German Green Party, U.S. EPA, Labor Unions	<ul style="list-style-type: none"> • Being environmentally friendly • Treatment of employees • Company actions within the law • Safety of products 	<ul style="list-style-type: none"> • Implement restrictions • Reactions may sway some public opinion 	<ul style="list-style-type: none"> • Concern for environment is legitimate as it is a pressing issue. • Legal actions could cause larger problems
Dealership Networks	<ul style="list-style-type: none"> • Manufacturing quality automobiles • Staying in business • Fair market price • Corporate reputation 	<ul style="list-style-type: none"> • Dealers actually make the sales to the consumer • Much influence on whether or not consumers purchase a BMW product 	<ul style="list-style-type: none"> • Concerns are legitimate as the dealers reputation is a concern if they sell a poor quality vehicle • Represent the image of the company to most consumers
Media: Print, Television, Internet	<ul style="list-style-type: none"> • Public's right to know • Problems should be public • Ethical practices within company 	<ul style="list-style-type: none"> • Huge impact on public opinion • Where public gets most of their information • Key information gatekeepers 	<ul style="list-style-type: none"> • Media has a right to inform public
Community: Sponsored events, Facility locations	<ul style="list-style-type: none"> • Being fair to community • Respecting community rules and regulations • Safety of products and facilities and events 	<ul style="list-style-type: none"> • Influence whether or not event is held in community • Influence consumers viewpoints • Source of revenue 	<ul style="list-style-type: none"> • Community rules are a legitimate concern • Influence and are consumers

Stakeholder	Know	Infer	So What to Do	So What Not to Do
Investors	-They have much devoted to BMW -Chose to invest in BMW	-They want the best for BMW -They care about what happens to the company	-Maintain positive relationship and inform them each step of potential crisis	-Give them no information during a crisis -Ignore them
Employees	-Chose to work and continue to work at BMW	-They enjoy their job -They want BMW to continue to grow and succeed	-Listen to any concerns or suggestions they have	-Consider them unimportant in a crisis -Avoid utilizing their skills
Consumers	-They like the product BMW delivers -They are loyal to BMW	-They will continue using the product -They will stay faithful to the company	-Keep high quality product -Show them how important they are to the company	-Change product completely -Ignore them in time of a crisis
Government	-Regulate BMW's actions	-Keep a close watch on BMW's actions	-Acknowledge and follow their standards	-Push them aside as unimportant and ignore their regulations
Dealership Network	-Sell BMW products	-They work directly with other BMW dealerships -They reflect BMW's image to the general public	-Keep them up-to-date with any changes or concerns	-View them as an insignificant part of the company
Media	-Media wants a story, good or bad	-They will take any necessary measures to get a story	-Inform them with accurate information	-Respond to their questions with "no comment"
Community	-They choose to attend and participate in sponsored events	-They support BMW's mission	-Include them as an important audience of the company -Consider their safety at events	-Only consider them important during an event -Deny the fact that a crisis could occur at an event



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Business Resumption Plan

In the event that a known crisis affected the products that are produced, marketed, distributed and sold by the BMW Corporation, immediate procedures need to be implemented to maintain the BMW reputation and satisfaction by its consumers.

The following recommendations to handle a product crisis are as followed:

1. Postpone BMW production operations of known affected product while the crisis is being analyzed and resolved.
2. Contact all of the BMW Corporation dealerships to halt the sales of additional BMW vehicles and products with the known defects, and depending on severity of the defect, notify dealers of recalls and warranty terms.
3. Contact all BMW Corporation members/employees, stakeholders and directly affected publics to ensure that the upmost safety, security and satisfaction is being met and maintained.
4. Develop, contact and present an organized press conference so that all relevant media outlets are aware of the crisis and how it is being handled by the BMW Corporation.



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Post Crisis Evaluation

Prior to Post Crisis Evaluation:

1. Notes should be taken throughout the crisis so the company can evaluate what was effective and what was not effective.
2. Effectiveness of the plan should be evaluated and changed if necessary.
3. The crisis must be continuously monitored even after it is resolved.

Crisis Management Performance Evaluation:

1. Collect and evaluate data from crisis records
 - a. Gather data from Incident Report Sheets, the CMT Strategy Worksheets, the Stakeholder Contact Worksheets, and the Information Log Sheets
 - b. Review records to determine if the CMT made any significant mistakes
2. Obtain stakeholder feedback
 - a. Gather information by structured surveys, interviews, or focus groups
 - b. Summarize the results
3. Use various measures of evaluation
 - a. Obtain organizational performance measures from team members, employees, and external stakeholders
 - b. Review any internet comments or concerns about the crisis
 - c. Collect all media reports and recap media coverage
4. Evaluate the collected data and complete the Post Crisis Evaluation Worksheet
 - a. Determine strengths and weaknesses of the CMT
 - b. Establish any changes that need to be made



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Post Crisis Evaluation Survey:

Post Crisis Evaluation

Crisis: _____

Date of Crisis: _____ Time: _____ Location: _____

What role did you play in the crisis? How did the crisis affect you?

Explain: _____

Was the crisis anticipated? *Circle One:* Yes No Somewhat

Explain: _____

What communication channels did we use to notify the public and were they effective?

Channel	<i>Not Effective</i>					<i>Neutral</i>					<i>Effective</i>			
1. _____	0	1	2	3	4	5	6	7	8	9	10			
2. _____	0	1	2	3	4	5	6	7	8	9	10			
3. _____	0	1	2	3	4	5	6	7	8	9	10			
4. _____	0	1	2	3	4	5	6	7	8	9	10			

What was done effectively?

What should we have done differently?

Should anything be altered in the Crisis Communication Plan? If yes, explain.

What still needs to be done to recover from the crisis?



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Post Crisis Evaluation Worksheet:

Post Crisis Evaluation Worksheet

CMT Member: _____ Date of Crisis: _____

Location of Crisis: _____ Type of Crisis: _____

We followed the Crisis Management Plan. *Circle One:*

Strongly Disagree

0

1

2

3

4

Neutral

5

6

7

8

Strongly Agree

9

10

Explain: _____

Evaluation of Process: _____

Steps that were completed effectively: _____

Suggestions for continuous improvement: _____

Section 3:

Crisis Case Paper



Bayerische Motoren Werke AG

Crisis Case

Dr. Phillip G. Clampitt

Cases in Media Management

May 8, 2008

Crisis Management Team: Cloud Communications

**Katelyn Broda
David Burman
Kimberly Meiner
Kimberly Ninmann
Susan Theisen**



Bayerische Motoren Werke AG

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Executive Summary

The purpose of this report is to present the strategies and tactics of the crisis plan implemented by the Bayerische Motoren Werke AG (BMW AG) Crisis Management Team (CMT) during a recent crises involving the organization. The events required the implementation of our team's Crisis Management Plan (CMP) in order to efficiently handle the crises. The crises facing the BMW Company included a reported faulty brake system in a BMW driven by Daniel Craig, who played James Bond, as well as an accused Nazi affiliation dealing with BMW's logo and featuring Nazis riding BMW motorcycles in a Steven Spielberg film. Also, BMW's CEO, David Burman, faced allegations of Nazi affiliation after anti-Semitic remarks.

After activating the CMP, the CMT began analyzing the crisis by researching the case facts in depth. This included accurately filling out incident report forms and determining assumptions about the case. We also assessed the risk of each crisis and determined an appropriate response strategy to correlate with each crisis. We continued by conducting an audience analysis by identifying which audiences would be affected by each crisis and the impact the crisis would have on the various audiences. Finally, we concluded with a step by step strategic plan on how BMW should handle the crises. Based upon the strategies, we devised specific tactics to implement, as well as methods to evaluate the process and continuously improve after the crises. This report will also analyze how effectively the CMP worked, and adjustments that may need to be made for the future.

Stated Clues

Our thought process for our case began when we received 19 clues over a five day period of time. We received the 20th clue on the day we presented our press conference. We obtained the clues through various channels, such as face to face, telephone, voicemails, and e-mail messages. The clues we received were as follows:

1. 9:00 am on 4-24-08



2. 7:47 pm on 4-24-08 "BMW losses out on a deal to be the official car at the next two James Bond action movies. While BMW is expecting to be the car sponsor for the next two James Bond movies that have already begun production of two commercials featuring Daniel Craig."
3. 5:28 pm on 4-26-08 "On the last day of filming for *Quantum of Solace* commercial, Daniel Craig drives off of the set in his BMW M6 and runs into a road construction barrier. Craig is pronounced dead at the scene."

4. *10:45 am on 4-27-08* "A police report indicated that the accident resulted from a structural failure in the braking system, an engineering failure on the part of BMW."
5. *11:56 am on 4-27-08* "The auto insurance industry has released a statement encouraging consumers to boycott BMW products until the engineering problems are acknowledged and fixed."
6. *12:58 pm on 4-27-08* "Steven Spielberg is producing a new film to be featured at the National Holocaust Museum in Washington D.C. It will focus on German industries under the Nazi regime."
7. *4:00 pm on 4-27-08* "A prominent feature in Steven Spielberg's new film will be BMW's role in producing motor bikes for the Nazi regime."
8. *10:20 pm on 4-27-08* "Financial records indicate that BMW continues to pay employees out of secret bank accounts in Argentina."
9. *8:40 am on 4-28-08* "Your CEO, David Burman, was heard saying, "Well you know Jews; they're just trying to shake you down for money," at a cocktail party for Larry David. The news was released by E! Extra."

10. 3:03 pm on 4-28-08 "The Jewish Defense League is beginning an investigation into BMW's continued role with Nazi Germany and is requesting meeting with CEO David Burman."
11. 4:39 pm on 4-28-08 "B'nai B'rith has joined with Spielberg to demand that BMW USA denounce Anti-Semitism."
12. 4:42 pm on 4-28-08 "If looked at closely, the BMW logo appears to be a swastika enclosed in a circle similar to the patch that Hitler's closest allies wore during WWII."
13. 8:34 pm on 4-28-08 "DAVID BURMAN. Thank you for joining Aryan Nations online network. Your user name is BMWburman. Your password is hilefive. Thank you and please contact our webmaster if you have any questions at webmaster@an.com."
14. 9:49 pm on 4-28-08 "BMW stakeholders have just gotten out of an emergency meeting and have voted to ask for David Burman's resignation from the CEO post."
15. 12:00 pm on 4-29-08 "Larry David drives his BMW off a cliff and features it on his HBO television show *Curb Your Enthusiasm*. The episode guest stars Steven Spielberg."

16. 1:27 pm on 4-29-08 "Nick Rubenstein has offered his full financial support to Spielberg's film. The rest of the Rubenstein family stands firmly behind their son's decision."
17. 2:00 pm on 4-29-08 "A Gold Gym's employee took a snap shot of BMW's CEO David Burman with a tattoo of a swastika."
18. 7:47 pm on 4-29-08 "Senator McCain has just held a news conference to denounce BMW's anti-Semitic orientation. He has pledged to eliminate all ties between the US government and BMW."
19. 8:37 pm on 4-29-08 "The 'Money Honey' wants to interview your CEO on her show and to explain his Anti-Semitic comments. She wants to show the interview on CNBC and publish it in Business Week. She wants to know if the CEO would be willing to give an interview. Also, Bill O'Reilly would like your CEO to appear on his show for the Anti-Semitic comments."
20. 8:39 pm on 5-1-08 "Stone Phillips would like an interview with a representative from BMW to go with his investigative report on BMW for Dateline."

After analyzing the clues and keeping in mind that one of the most important aspects of our project was to preserve BMW's reputation, we recognized several patterns that appeared to be linked within our case from the clues. Although we did not discuss these links in full detail during our press conference, there was strong reasoning and logic backing our decision to discuss selective information that will be discussed later. Listed below, we have identified how we went about interpreting these clues during crisis week.

The first clue was the movie poster. We knew from previous research that James Bond movies often feature a car company and showcase a specific model as the secret agent's primary vehicle. We also knew in advance that the movie for which the poster was for is the last of Ford's three movie contract with the producers of the James Bond films. This meant that if we were dealing with BMW in the film, we were not dealing with the car in the film, or it was a preemptive clue on the idea that BMW would be getting the next film's contract for the car. The last time BMW had a contract with the James Bond films it was a three film set, similar to Ford, which ended with the BMW Z8 featured in *The World is Not Enough* in 2000. This clue later related back to the lead character played by Daniel Craig.

Second, we were notified that BMW lost out on the contract to be in the next two James Bond films. This was clarified further when requesting more information to mean the next two films to be released, including the one this Fall. This clue then was not a surprise, as Ford already holds the contract for this movie, and the loss of a contract would not come into play until the next clue.

Our third clue was that Daniel Craig had crashed his personal vehicle and died on the scene. We knew that BMW was not the sponsor of the film, so we inferred that the BMW M6 he was driving was his personal vehicle. We also inferred that the M6 he was driving was the new version that has been in production since 2005. We immediately began thinking of the possibilities for damage control, as we anticipated our fourth clue of this death being blamed on BMW. We researched into other film stars killed during filming in car accidents, and our closest correlation was James Dean, who died while driving his Porsche. In his case, the film was finished without him using voice-overs, and we assumed that if needed, the same situation could easily be done today. We determined the level of popularity world-wide for Daniel Craig as well as the fact that he enjoyed doing his own stunts, and all factors considered we assigned this a low responsibility crisis.

Our fifth clue was dealing with the auto insurance companies. We made the grounded assumption that this clue would not be very serious, as auto insurers work on statistics and numbers, and after researching the braking systems of the BMW M cars, more specifically the M6, we found there to be no recalls or service bulletins, and most comments and reviews referred to the excellent brakes on BMWs. The auto insurance industry would normally not make a statement like that based on one incident. We hoped to get more information from the next clues on this, something stating that the brakes had become an issue on other owners' cars.

The sixth clue started our second crisis dealing with the Nazi Party affiliation. The broadness of the "German industries under the Nazi Regime," led us to believe that it would

be a factual representation of history. Steven Spielberg tends to do more honest films that are theatrical. He is considered one of the best directors of our time, so in that respect we did take the clue very seriously, counting on fans wanting to view the film not only for the content, but more for the name of the director. The fact that it would be featured at the National Holocaust Museum in Washington D.C. also told us that this was primarily a United States audience that we would be dealing with.

The seventh clue informed us that the focus of the film would be on our company. Knowing that BMW did produce motorcycles for the Nazi Regime, we assumed that as long as the movie was factual, we would not be dealing with a crisis. We considered at this point sponsoring the film to help ensure accuracy as well as to help in providing vehicles for the film. Most audiences do not realize, but during wartime, companies are more concerned about profits, rather than following the dictations of their governments. We decided to simply admit the truth and hide nothing about our dealings in WWII. We also decided not to slander other companies such as Volkswagen who had horrific conditions in their factories including death rooms, or General Motors from Detroit who supplied vehicles to the Nazi party as well during the war. We concluded that the audience at the Holocaust Museum would be rational, and realize that this is documentation from history and is not a central part to the company today.

Eighth, the clue pointed us in the direction that there were secret funds coming from Argentina. This prompted research into the existence of the Nazi party in Argentina today, of which they fled there after WWII, as well as how BMW was doing financially in Argentina. Argentina is a fairly new market for BMW, and the company has been doing well. We also

made the assumption that not all bank accounts in a company must be public, so the statement we would make would be that the money is legitimate, and that there is no affiliation with the Nazi party today. Argentina also has a very small population of Nazis remaining, and they are fairly quiet in order to keep themselves protected in the country due to their pasts.

Our ninth clue started our third crisis. The allegations of a racist CEO made us immediately start researching the location of the place it was stated, as well as who would have been offended. Larry David is a comedian, and has often made anti-Semitic comments himself, however they have been a joke due to his own personal heritage and his Jewish beliefs. We assumed that this would have been overheard by a reporter due to the source and taken out of context. The issue would still be a reputation crisis, however we felt it was not as strong at the time.

Tenth, our clue stated that the Jewish Defense League was seeking information on our involvement with the Nazi party as well as requesting a meeting with our CEO. The Jewish Defense League is considered a terrorist organization and has been identified as being hostile and dangerous to those who do not share the same Jewish beliefs. We determined that it would be best to cooperate with their request for information by directing them to the public record of discussions and documentation that BMW financed last year into its role in WWII, as well as denying corporate involvement with the Nazi party at the present time. We also made the assumption that it would not be advisable for the CEO to meet with the group; however we would communicate with them.

Eleventh, our clue stated that another Jewish group had joined with Spielberg to request BMW denounce any anti-Semitic affiliation. We determined that there would be more clues to follow on this aspect, as this was beginning to look as though there would be ties to the Nazi party coming out shortly.

This preempted our twelfth clue in a way, which stated a common myth that our logo looks similar to a swastika. We determined that this would be a good opportunity to dispel the rumor at the press conference and explain how the logo was made, as well as the history behind the swastika (not always being a Nazi symbol, and being developed after BMW's logo).

The thirteenth clue identified our CEO as a member of the Aryan Nation. The Aryan Nation is a Neo-Nazi group who claims to be the Fourth Reich. They are not a terrorist group; however any affiliation with the Nazi party would be devastating to BMW's credibility and reputation. We decided that this information would put the CEO under review and up for possible termination due to his position in the company. We did weigh the possibility of allegations of being discriminatory towards political groups due to the CEO's personal beliefs, so we also considered having the CEO resign.

The fourteenth clue confirmed for our group that the best course of action would be to have the CEO resign due to his anti-Semitic beliefs and unprofessional behavior. Once the board of directors had reached the decision to ask for the resignation of Burman we felt that the CMT would need an astounding amount of evidence to negate their claim. However, we didn't feel we had such justification for refusing the board's request. We also felt as the CMT it

was our duty to appease our board as well as all other stakeholder groups, and the severance of ties between Burman and BMW AG was the best possible solution in this case.

Fifteenth, we were told that Larry David drove his BMW off a cliff in his comedic television show on HBO. We figured this would be a stunt that most people would laugh at due to the nature of the show; however we would need to be cautious due to the fact that his guest star was Steven Spielberg. Larry David normally drives a Toyota Prius in the television series, but he does own a BMW personally. This would make a larger statement as he was destroying his personal property on a popular show, but we would wait for more details before taking any action.

Nick Rubenstein was offering his financial backing to the Spielberg film for our sixteenth clue. We had actually considered doing this as a gesture to make sure that the film was accurate, however, with this clue; we decided it would be a poor idea to take any more action concerning the film. We investigated into Mr. Rubenstein's identity, and we determined that he is a fictional character on the television show *Entourage*. In the show he is a producer, but there is nothing else we could find about his background. We inferred from his last name that he must be of Jewish decent. We took this information to assume that the crisis was affecting a large audience of Jewish people in the United States.

The seventeenth clue was the most detrimental to our CEO, David Burman. The photograph of the tattoo we inferred to mean the CEO was a committed, and possibly lifelong, member of the Nazi party. This confirmed our need to sever ties with him, either by way of formal termination from the board or a resignation.

The eighteenth clue came as a bit of a shock. Senator McCain making the statement to sever ties with BMW made little sense, as the US government already has little to do with BMW, other than being a governing body in a country where we sell and manufacture cars. The fact that he said it while he is running for Presidential office made us feel that he made the statement more to gain popularity than to take any sort of formal action against our company. We were slightly concerned that he would try to make an example of the company in some way. However, since he has not yet gained the office of the President of the United States we decided to put this clue at a low risk.

Our second to last major crisis clue was concerning the American media. We conducted research to learn that the “Money Honey” is in fact a reporter for CNBC and MSNBC dealing with financial topics. She tends to be taken seriously; whereas her colleague, Bill O’Reilly is seen more as someone who provokes his guests. We decided that since Mr. Burman had left the company, it would be his choice to appear. However, we decided to offer to have a representative from our company appear on the shows due to the influence on the stockholders. We would offer that our COO, David Starr, who would be acting CEO until a suitable candidate was found, would appear on the shows.

Our last clue was given to us right before the press conference, and it was another request to appear for the media. We felt that it was in the best interest of the company to grant these invitations in order to rebuild what had been damaged, as well as to show that we can move on in the absence of our former CEO; however we chose not to cover this clue in the press conference.

After receiving all twenty clues, we decided to split the clues into three categories to better manage them and the actions we should take in response. After going over all the possibilities that the clues could stand for, we decided that it was very important to be selective in the information that we presented at the press conference. The first crisis category is dealing with the movie *James Bond- Quantum of Solace*. After obtaining the movie poster as our first clue, we did not know what to expect or why BMW was related to the movie, but when we received the next three clues, ideas started to generate. The main crisis associated with the movie was the fact that Daniel Craig, who plays James Bond in the upcoming movie, died after running into a construction barrier in his BMW M6. We determined that expressing sympathy for the friends and family of the actor would be the best course of action, at the same time not accepting responsibility for the accident. The next clue revealed the accident was reportedly the fault of BMW's brake system, which would require investigation on our part into our product. We would also need to reassure the public that we were taking measures into the allegations that it was a faulty product, as well as offer ways to calm owner's reactions if they fear the same happening to their vehicle.

The next crisis category is BMW's alleged affiliation with the Nazi party. These clues dealt with Steven Spielberg's upcoming film for the National Holocaust Museum, Spielberg showcasing BMW's role in producing motor bikes for the Nazi's, as well as BMW's logo being compared to the swastika. The principal area of concern within these crises is being able to clarify truth from myth the public. We felt that it would be important to discuss the truth in the BMW/Nazi relations of the past, as well as dispel the myths at the press conference.

The final crisis category regards BMW's CEO, David Burman. We received clues claiming he was overheard saying Anti-Semitic comments, was seen with a swastika tattoo, and the stakeholders request his resignation. Deciding to terminate Burman or review the claims was our dilemma in this crisis category. After deliberating, we determined that we should terminate Burman through resignation, and announce it at the press conference. It was a large concern to distance ourselves from Burman, while resisting any form of bad talk to damage his corporate reputation with our company. We wanted to maintain as much credibility as possible as well as appear in control of the situations at hand.

Research

BMW AG

BMW AG stands for Bayerischer Motoren Werke Aktiengesellschaft which translates to Bavarian Motor Works Corporation. The company is global and strives to be the world's top premier automobile manufacturer. The company has been making engines since its birth in 1916 when it started making airplane engines in southern Germany.

The company is still based in Munich, Germany in the headquarter buildings that are easily recognized since their completion for the 1972 Olympic Games hosted in the city. The building resembles 4 cylinders clustered together and towers above everything in the surrounding area. BMW has grown significantly and is now known worldwide as one of the top manufacturers of premium automobiles from Europe. The company is probably best known for their cars, most specifically for their invention and perfection of the "sports sedan."

BMW's are known as the "Ultimate Driving Machine" for both the daily drivers and the hardcore enthusiasts.

BMW is proud of the fact that they have never been owned or controlled by other car manufacturing entities. Only recently did they expand to acquiring other brand names. In 1994, BMW acquired the Rover group, later selling the Rover, MG and Land Rover names to other companies. BMW kept the MINI name, and in 1998 acquired the Rolls-Royce Motor Car company. They have revived both brands fully and have been producing and designing cars with these names since their 2001 and 2003 respectively.

The history of BMW is very important to the company. While they started at the beginning of WWI, they grew very quickly. They profited greatly from manufacturing airplane engines. They continued through WWII, but after the war, they were taken apart and almost destroyed by reparations. They actually did not make their first car after the war until 1948. They did make motorcycles, which restarted in 1947. The company began manufacturing vehicles that focused on the driver rather than just a piece of machinery to transport people. They have been innovators for many years. BMW made many firsts including manufacturing Germany's first post-war V8, the first turbo charged production vehicle in Europe, and the first sports sedan. The company also became very involved in racing, and has continued the tradition through the modern day, sponsoring two F1 teams. The company is also one of the top rated for employee satisfaction as well as Fortune Magazine has rated the company among the top admired companies in the United States

(March 2008). BMW also has a museum in their headquarters in Germany where they showcase their illustrious history.

While BMW is probably best known for their cars, they began making motorcycles long before they made their first cars. BMW motorcycles have a strong reputation globally, and the nick-name is recognized around the globe as well: Beamer. The nickname actually came from BMW's racing heritage. (Many people confuse the term "Beamer" for motorcycles with the nickname "Bimmer" for cars).

The company's largest manufacturing plant is for car in Dingolfing, Germany. Many different vehicles are manufactured here, and there are multiple facilities on the campus. They do have manufacturing plants around the globe where certain vehicles are manufactured. They also have multiple testing facilities around the globe as well to make sure that their vehicles are built for all conditions and built to last. The most famous testing facility is located at the Nürburgring, which is a historic race track known as being one of the most difficult in the world. Every BMW model is tested on this race track as well as other facilities around the globe, with test miles often exceeding one million miles. Currently their cars are considered some of the finest vehicles in the world in terms of craftsmanship and quality. They also have a lower cost of ownership than their largest rival, Mercedes-Benz.

There is a special division of BMW cars that was brought up in the crisis case. The BMW M division is the motorsport division. There are select cars that are branded with this M and have become recognized around the globe as the ultimate driving machines. The first M car was the M5 in 1985, shortly followed by the M3. All M cars from the beginning of their

creation through 2000 were hand crafted. After 2000, the M division began mass production with the M5 sedan. The M cars are based on a road car, but are built to race car tolerances. Some identify them as race cars for the road, but many journalists prefer to call them road cars built for the races. The M6 in our case was first developed in the 1980s, and then took a hiatus until the name reappeared in 2005. The M6 has basically been a 2 door version of the M5 since its beginnings, sharing many parts other than the outside design. This meant our crisis, if dealing with the braking system, would be dealing with the M5 as well.

On top of having some of the best cars in the industry, BMW is also known for their outstanding service. The dealers are known for taking personalized care of their customers as long as they own the vehicle, and BMW wants to make sure that the consumers feel an attachment like they are part of the family. Currently they also have the one of the best warranties in the industry covering everything from large to small through 50,000 miles, meaning owners only need to pay for gas to run the cars, as everything else is covered in the warranty. BMW also has a very competitive certified pre-owned warranty that covers the vehicle through 100,000 miles that requires that all certified vehicles go through extensive inspection before being certified. Another feature that BMW offers in their warranty is roadside assistance called BMW Assist. Dealers will drive to pick you up and take care of your car for you if you need, and there is an emergency response similar to General Motors OnStar system.

Nazi Party

The National Socialist Workers' Party, also known as the Nazi Party was a political party in Germany from 1920 through 1945, when WWII ended. The group centered on racial purity for Germany, discriminating against anyone not "truly German" including the Jewish, Polish, Russian, Roma, mentally retarded, and homosexual populations.

They are most famously identified with their leader till the end, the Führer Adolf Hitler. Under his command, the Nazi party overtook Germany, and began to invade surrounding countries in a conquest to rid the world of "non-Germans." The race the Nazi party favored was called Aryan, and stereotypically had blue eyes and blonde hair.

The Nazis declared war in 1939, which started WWII when Hitler tried to annex Poland. Throughout the war, the Nazis committed horrific war crimes, including the Holocaust, or the extermination of people, including over 6 million Jewish people. After the war, many were tried for war crimes, while others fled to Argentina. The Nazi party was effectively extinct as of 1949; however there are groups today that claim to be Neo-Nazi. Those who were Nazi party members are now referred to as "ex-Nazis," which is confusing, as it is not a past tense of the beliefs. Ex-Nazis usually maintain the same beliefs that the Nazi party held, but since the party disbanded, they are termed "ex."

Neo-Nazi parties still exist and hold similar beliefs to the original Nazi party. Germany has made it illegal to be affiliated with the support the Nazi party, so most Nazis in Germany base their operations in different countries such as the United States and England. Neo-Nazis are mostly white supremacists who are known by their extreme racist viewpoints.

The Aryan Nation is the group that was brought up in our crisis, and they are an American Nazi group. The FBI considers the group a terrorist threat, but not current terrorists. The group traces its roots back far in the United States and their former headquarters is in Idaho. There are extreme subgroups of the Aryan Nation that have been responsible for terrorist acts against people of different beliefs and races than themselves. They also have been known to associate with the Ku Klux Klan.

Jewish Groups

The Jewish Defense League is a militant group whose stated goal is to protect Jews from anti-Semitism. The FBI has identified the group as a terrorist group, more specifically a “violent extremist Jewish organization.” (Terrorism 2001) On the official JDL website, it is stated “The Jewish Defense League is the most controversial, yet the most effective, of all Jewish organizations. Through its website and chapters, the JDL is firmly committed to its motto, “Never Again,” by words, deeds and actions.”(2008). The group has been cited in multiple murders as well as has an affiliation with a prison gang along with multiple murders while incarcerated. The organization has been around since its inception in 1968 with the stated goal to protect Jews around the world, but mainly in the United States and Israel.

B’nai B’rith is a Jewish service organization that literally means “sons of the covenant” in Hebrew. They are the oldest Jewish service organization in the world, stemming back to the early 1843 in New York, New York, USA. The organization does a lot of work branching from community service to activism and representation for the fair treatment of Jewish people. They also sponsor scholarships to young people, and are active around the globe in hundreds

of countries helping in hospitals and helping with natural disasters. They consider themselves to be the global voice of the Jewish community, and are very active on the humanitarian front. They have been a non-governmental partner with the United Nations for many years, as well as work with governments around the globe to ensure compassionate treatment of people of all races. They have worked with the United States government on health care, as well as for the senior citizens to maintain their rights and give them places to live when they are on a fixed income. B'nai B'rith also operates youth summer camps in the United States and helps with youth education programs, offers help seeking careers, and offers insurance programs. The global headquarters is now in Washington DC.

James Bond 007 – *Quantum of Solace*

The twenty-second film in the James Bond series, *Quantum of Solace* is the newest film scheduled for release based on the British secret agent James Bond 007 character by Ian Fleming. It is due out in November of 2008 after many delays and moved debut dates. The film is not based on a book like the other Bond movies have been, but rather on a book mentioned in one of the books, *For Your Eyes Only*. This will also be the first Bond movie in which the story picks up where the last one left off. The sequel to *Casino Royale*, this is the second film to rejuvenate the Bond films. These two films take the Bond character back to the beginning, before he was a legendary secret agent. The filming is taking place around the globe including locations in Italy, the United States, Panama, Chile, Austria, and Spain.

Daniel Craig is playing the lead role of James Bond for his second film. He has a contract for three film appearances as the James Bond character. He is the sixth actor to play

the role in the Bond series. This is Craig's 34th film, and he has appeared in multiple television series in Great Britain. He made his major breakthrough into the film acting industry in the early 1990s, and has continued to gain popularity since then. Craig was born in 1968, in Chester, England, and is known for taking on challenging roles in his acting career. For the Bond films, he did many of his own stunts, and though they were difficult, he stated that he liked the work. In *Casino Royale* he actually broke a crown on his tooth during a stunt. Craig also has a daughter and an ex-wife.

Scanning Process

Through our Crisis Management Plan's scanning process, we researched to discover and analyze any potential areas for possible crises that would affect the BMW Corporation. Although our Crisis Management Team did extensive research, we must keep in mind that it is always possible for an unforeseen crisis to take place.

Due to the speed of information that can be transferred on the World Wide Web, we monitored Internet links as a means to predict possible crises of the BMW Corporation. Internet links that were continually monitored included but were not limited to BBC News®, YouTube®, Google®, Yahoo® for news, videos, pictures and blogs of rumors or events associated with BMW. Additionally, CMT members read up-to-date media outlets such as newspapers and magazines that pertained to the automobile industry and corporate organizations. By reviewing these on a regular basis, our CMT was able to maintain a current understanding of the news affecting these areas on a national and global level.

The scanning process was also implemented within the manufacturing departments and dealership networks. By monitoring the activity within these facilities, we were able to oversee and understand the level of safety and security in which all BMW products and personnel are treated with. All of the production equipment were inspected and routinely updated by a certified technician. Before leaving the manufacturing department, BMW vehicles were examined and approved to maintain the satisfaction and security of their consumers.

The Crisis Management Plan divided the potential crises that were determined through issue scanning and brainstorming sessions into five categories. These five categories include; Personnel, Competitor, Event, Product and Reputation. Each category is assessed and crisis management steps and procedures are listed and outlined in the CMP. It is important to note that many of the crises can be classified into more than one category

While it is almost impossible to predict and prepare for all potential crises, the scanning process enables our Crisis Management Team to monitor its reputation on a global level. We are able to refer to the Crisis Management Plan, in the event that a crisis may occur.

Assumptions

Throughout this case we made many grounded assumptions in order to help narrow the focus of our case as well as identify the direction we wanted our case to take. These assumptions allowed us to further our understanding of the crises and to grasp a meaning for

clues that otherwise were ambiguous. Many of our assumptions were based on real facts, while others were assumptions based solely on our preference for interpretation.

Our first assumption that was made was about the company that we represented: Bayerischer Motoren Werke. We decided in the beginning of our crises that we would rather work with the international corporation, BMW AG, rather than a singular branch or location, such as BMW Motorcars or BMW North America (NA) respectively. This allowed us the most access to information, while at the same time opening our group to the most complex crises possibilities. We determined that the structure of BMW AG is in Munich, Germany, and we therefore structured our headquarters around this fact. We also determined that BMW AG directs the other branches, and therefore would need to communicate with audiences worldwide in the event of a crisis. We made an assumption in this case for our CMP that would include only the primary contacts in the European Union as well as the United States of America. This narrowed our scope slightly before our crises even began.

Our second core assumption dealt with our CMT members. We made the assumption that each member of the CMT would have been with the company for some period of time long enough to give them credibility. This came into play more towards the end when we were creating the press releases stating how long the CEO and the COO had been with the company.

Our assumptions then turned to our crisis clues, where we made the majority of our assumptions for the case. One core assumption that we made was that the timing of the clues was in real time, meaning the times received were the times that the events actually happened.

They were not stretched over a longer period of time. The assumptions below grew and developed further with each clue that we received.

The first assumption came with the first clue. The poster had no title of the movie it was for, however it was recognized by the group as the possible promotion of the upcoming 007 film which is due to be released in November of 2008. We made the assumption that while it was not an official movie poster; we assumed that it was for the *Quantum of Solace*. We found this to be true as more clues were revealed.

The second assumption was made with the third clue. The clue dealt with Daniel Craig, the star in the *Quantum of Solace* film, who was killed driving a BMW M6. From research into the film, we knew that BMW did not sponsor the film, nor were any of our vehicles being used in the film to our knowledge. We then assumed that the M6 was Craig's personal vehicle, and that it was not a sponsored vehicle from BMW. We made the assumption that Craig is a younger movie star, and currently caught up in the media. Most movie stars of this type enjoy the newest and most flashy toys. This led us to believe that the M6 that Craig owned was a new M6, which were released in 2005. Having the vehicle owned by a movie star known for doing his own stunts reduced our responsibility, as we assumed that with a personal vehicle it is the owner's responsibility to maintain it once it is purchased from a dealer, and that because he does his own stunts, he is most likely a more reckless driver. While it was a tragic accident, we made the grounded assumption that we should not be held liable for his personal vehicle.

Aiding in this assumption was the theory that the facts that we found in real life would apply to the fictional case. After researching recalls and technical service bulletins from

reputable sources both within BMW and externally from consumer protection agencies, we found that the newest versions of the BMW M cars have no problems. We also researched into reviews of the cars and found that the cars are known for excellent handling and braking systems. We made the assumption then that we could apply this research to our case, helping our decision to give this a low responsibility crisis.

Next, we assumed that the insurance agencies would not make a statement to avoid a car company based on a single event, but our clue only mentioned one event. We assumed from this that the statement was made in an effort to gain media attention, and not a serious boycott recommendation. We also made the grounded assumption that by this time after the accident that we would have made a statement that would have preempted the request for acknowledgement from the insurance industry.

Our next clues dealt with Steven Spielberg making a movie about German industry under the Nazi Regime. We made the assumption that this would be a typical Steven Spielberg film, meaning that it would be a theatrical piece with some true history behind it. We made the assumption that it would not be a film similar to a Michael Moore film, which usually is made to make a negative statement about a specific industry or issue. The role of BMW in WWII was made public during last year's inquiry into BMW's involvement, and we assumed that the film would be dealing with the issues that were already made public.

Clue number eight stated that BMW was paying employees out of secret bank accounts in Argentina. This clue was fairly ambiguous, however, when put into context with the other Nazi allegation clues, we concluded that they were trying to associate BMW with Nazi's from

WWII that remained in exile in Argentina. We made the assumption that not all bank accounts in an organization must be public, and that the clue could easily be misinterpreted tabloid information, decreasing its credibility.

The ninth clue dealt with a statement made by the CEO at a party that was overheard by an unnamed source. Our initial reaction was to assume that the comment was overheard and that it was taken out of context. The event the comment was made at was a cocktail party for comedian Larry David, which would make a logical connection for things being taken out of context in a negative light. The source of the news, *E! Extra*, was also considered, and the credibility of the publication was assumed to be more on the tabloid side: less credible, more sensational. We did assume that the comment was most likely made and that we would need to make a statement about it as a company, especially in light of the Nazi allegations.

The Jewish Defense League is a terrorist organization, and we made a few grounded assumptions about them. We made the assumption that they are not the group that we would want to misinform, and, as with any audience, we should be as honest and open with them as possible. We also made a grounded assumption that we should deny a face-to-face meeting with the group considering their past history of violence. We did however make the assumption that we should communicate with them and their leaders in order to help the image mending process.

Our next few clues were fairly straight forward, however we did make the assumption that the clue about David Burman joining the Aryan Nation was a good implication that our

CEO belonged to a Neo-Nazi group. We did try the login, and found that it did not work; however, we assumed that the clue was accurate.

The show *Curb Your Enthusiasm* is a comedy, and we made the assumption that the impact of Larry David driving his BMW off a cliff would be taken as a joke to the audience. We were concerned with Steven Spielberg as a guest on the show depending on how the show was structured as to what he would say. The show is popular worldwide, so we made the assumption that the reach is very far.

When we received the clue about Nick Rubenstein, we immediately assumed that he was a real person and began searching for information about who is actually was. This proved to be a problem, as Nick Rubenstein is actually a fictitious character on a television series. There are multiple people with the name however, but the only one who would be a producer of a film was the one from the television show. With the assumption that this was our Nick Rubenstein, we made the assumption that we would not be able to sponsor the film.

Gold's Gym is an international company, and the location of the tattoo clue was assumed to be in Germany, where the headquarters is located for BMW. This assumption turned out not to be very important.

Senator McCain is a presidential candidate, as well as a current US Senator. We made the assumption that this was more a publicity statement, as the BMW Corporation has little to do with the US government. We also made the assumption that while the senator is a major influence in Washington DC, he would not be able to sever any ties with the government officially unless he became president.

We made the assumption that it would be best to cooperate with the media in most requests to appear on their shows and grant interviews, but with the change in management, we would be sending a different representative than the former CEO. We assumed that it would be up to the former CEO to decide if he wanted to appear for any interviews as an individual. We made the assumption that being seen in a time of crisis as a stable organization in control of the situation, despite the management change and allegations, would be a positive step towards repairing our reputation.

Actual Problem

While our twenty clues pointed us in the direction to handle the crises, our assumptions shaped our actual problem. The analysis of this information pointed us in the direction we took. Some of our assumptions shaped the importance of some clues, while at the same time showing the irrelevance of others.

The death of Daniel Craig was a tragic event, however we were provided with no evidence that it was a manufacturer defect that caused the accident. The police report stated that it was a brake failure, and pointed the blame; however we were not notified of the parts that failed. Through extra testing that was implemented immediately, we discovered no problems with the vehicle and assumed this was an isolated incident. In order to rebuild the consumer's trust in our products we felt it necessary to publicize our extra efforts and make known the strenuous testing procedures that our products go through before hitting the

market. We also need to be sympathetic to those affected by the death, as our name will be tied with the event in the headlines.

The Nazi Party affiliation rumor has been a prevalent part of most German industries that have prospered since the war. With the information that we were given, we felt that the CEO and the corporate affiliation were separate issues, though strongly linked. Dealing with the corporate image was our most important task. We felt that because this image has been deep in our history, recurring every once-in-a-while, we should tackle this head on, and make sure that the intended audiences understand that as a company, we do not share corporate values with the Nazi Party, nor do we align ourselves with them in any fashion.

The CEO is a separate crisis in our viewpoint. He made personal decisions which reflected on the company, and due to this was terminated from his position. While this posed a problem new problem of management change, in our opinion, the benefits outweighed the costs to preserve the reputation of the organization. The COO, David Starr, was appointed to the lead position in the organization, as well as the CMT lead, making him the equivalent of an interim CEO until a suitable candidate is found and hired to the position. His experience with the company and his leadership were considered to implement the change. This was done to give the organization strength from within and keep the company strong in the eyes of the various publics.

The summary of these three crises forms the actual problem for the situation. As the CMT, we must strive to maintain and rebuild the reputation of BMW AG as the top premium automotive manufacturer in the world. We need to communicate our corporate goals, as well

as our rebuild our ties within the global community. Also, we need to control rumors which we anticipate to be rampant after dealing with the Nazi allegations and the death of a popular movie star.

The safety of our consumers, and the trust they have in our products remains our top priority, as only after our consumers trust our company will business fully resume to normal.

Risk Analysis

We conducted a risk analysis (see Appendix A: Risk Chart) for the crises to measure the level of control we had over the situation and if the situation was observable or not. The first issue we addressed was the resignation of BMW's CEO, David Burman. With his resignation comes the risk of management changes. Since Mr. Burman resigned from the CEO position, the management change was uncontrollable for BMW. The change was observable by Mr. Burman holding a press conference to announce his resignation.

Next was the incident with Daniel Craig's faulty brakes in his BMW. This crisis falls under the category of vehicle malfunction/part failure. The faulty brakes were a controllable risk for BMW since they have the responsibility to test all parts on the cars they produce and sell. Since Daniel Craig's death was a hot topic in the media, the risk was observable by the public and by BMW.

Finally, we analyzed the allegations of BMW's Nazi affiliation. This issue was linked with the risk of image affiliation, since BMW's logo was linked to a swastika. The image affiliation is very observable because certain links and similarities can be found between the

two logos. The image is very much in the control of BMW's company, since they determine what their logo is and how they want to be represented by the logo.

Contextual Analysis

In the past, BMW has faced many crises as a company. We have remained a strong company through all of the crises and have maintained our image.

An analysis of our current crises has helped us determine three main categories our crises can fall under: personnel, product, and reputation.

The personnel crisis includes the fact that our former CEO is affiliated with the Nazi party and also the changes in the CEO position. The strategic option for this crisis is excuse. We cannot be held responsible for any employees beliefs and actions were taken to separate our former CEO from our company.

Our product crisis is due to the loss of Daniel Craig because of a brake problem in an M6. Our strategic option for this crisis is ingratiation. We cannot take full responsibility until investigation is complete and it is determined if the accident was caused by a product malfunction or product tampering.

The reputation crisis involves our company's history with the Nazi party. Our strategic option is excuse. We will excuse our past affiliation with the Nazi party because it is in the past and we can only move forward and try to make right what may have been done before us. We will continue our donations to current Jewish groups and not deny our past.

Audience Analysis

One of the most important steps before determining our key message, strategies, and tactics is audience analysis. We broke our crises down into three categories, personnel, reputation, and product. Here are the audiences affected by each crisis:

Personnel

- Investors
- Jewish Groups
- Human Rights Groups
- Employees
- Potential Consumers
- Media
- Government

Investors

Investors will be affected by this crisis because a weakness in a CEO could mean a weakness in the company as a whole. We need to reassure them that the actions and beliefs of our former CEO are not the actions and beliefs of BMW and their money is being invested in a healthy, prosperous company. Investors will be contacted through Torsten Schussler, BMW AG Investor Relations.

Jewish Groups/Human Rights Groups

For the personnel crisis, we feel this would be one of our main audiences. People of a Jewish background are the ones being discriminated against by our former CEO. We need to address them in our crisis plan and focus on maintaining and building onto our current relationship with the Jewish community. We already make donations to help Holocaust victims, but we will send donations to other Jewish charities through Jewish Charities of America and Jewishcharities.org. We will reach out to Rabbi Adin Even-Israel Steinsaltz, the Head Sanhedrin.

Employees

The CEO is the leader of the company and employees may be very concerned if their leader is not who they had believed he was. We will contact Franz Fehrenbach, Board of Management Chairman. He will be able to contact all management teams who can inform all employees. A company-wide email explaining the situation will be sent out as well. Also, employees will be affected by this crisis because they will now have to experience another intense background check.

Potential Consumers

A leader of a company is who the outside world sees when he/she thinks of the company. With this crisis, when a potential consumer thinks of BMW they may think of the former CEO. We need to address them and clarify that BMW and the former CEO are not affiliated and we are a good company with good intentions and we can give them a product for the ultimate driving experience.

Media

The media needs to be addressed because they are the source by which much of the public receives information about what is going on in the world. David Starr will accept interviews on behalf of BMW AG with Maria Bartiromo and Bill O'Reilly. Talk shows, news stations and newspapers will be the main media we will target and focus on, while continually monitoring internet activity.

Government

Because this is such a sensitive subject in our country, we need to address any concerns the government may have with our company. Our lobbyist will have opportunities to meet with members of congress in order to keep their support.

Product

- Consumers
- Investors
- Dealership Networks
- Media

Consumers

Our consumers belong to a small but close family. We know they have faith in our company, but we need to reinforce our testing practices, our history of no recalls in the recent M line of vehicles, as well as producing excellent products across the brand. We will contact

Frank Patek, National Executive Director of the BMW Car Club of America and specific BMW magazines so they can also inform our consumers.

Investors

Investors will begin to worry if a malfunction has taken place. This could lead to a loss in sales. As with consumers, we need to reinforce our testing practices and our history of no recalls on the vehicle in question and producing excellent products across the brand. We will contact Torsten Schussler, BMW AG Investor Relations, also for this crisis.

Dealership Networks

If potential consumers and current consumers decide to not buy our products, dealership networks will be affected and experience a loss in sales. We need to address any concerns they may have and explain what we are doing to keep the loyalty of our consumers and maintain our positive image with potential consumers. We also need to inform the dealership network of any steps they must take to assure the consumers of their vehicle's safety. This would include service specials and warranty information. Dealerships will be contacted through Franz Fehrenbach, Board of Management Chairman as well.

Media

The media needs to be addressed because they are the source by which much of the public receives information about what is going on in the world. This crisis will be addressed in the interviews with Maria Bartiromo and Bill O'Reilly also. Other media we will focus on are news channels, newspapers, and magazines such as US Weekly, since a celebrity was killed in one of our vehicles.

Reputation

- Investors
- Employees
- Consumers
- Dealership Networks
- Media

Investors

Investors will be concerned because if BMW has a bad reputation and begin to experience a loss in sales then they will lose money as well. Once again, investors will be contacted through Torsten Schussler, BMW AG Investor Relations

Employees

Employees will be affected by a reputation crisis because if BMW suffers from this, they may need to downsize to make up for any losses that may occur. All employees will receive another company-wide email containing information about past affiliation with the Nazi party, our present status of no affiliation with the Nazi party, and our future commitment to maintaining a positive image. We chose email as the medium due to its ability to quickly reach a large audience, as well as the ability to reply with any questions quickly, unlike a written letter.

Consumers

Consumers may worry about BMW's past with the Nazi party. We need to clarify our past, present, and future to reassure our consumers that they are part of a respectable brand.

Consumers will receive information through BMW magazines and through the BMW Car Club of America as we will contact the National Executive Director, Frank Patek.

Dealership Networks

If potential consumers and current consumers decide to not buy our products, dealership networks will be affected and experience a loss in sales. We need to address any concerns they may have and explain what we are doing to keep the loyalty of our consumers and maintain our positive image with potential consumers. We will contact Franz Fehrenbach, Board of Management Chairman.

Media

The media needs to be addressed because they are the source by which much of the public receives information about what is going on in the world. Our past affiliation with the Nazi party will also be addressed in the interviews with Maria Bartiromo and Bill O'Reilly. Other medias we will focus on are the movie industry, as Steven Spielberg is planning on creating a movie containing our involvement with the Nazi party, newspapers, and news stations.

5 C's

Throughout our experience with these crises, we tried to express and display the five C's of concern, clarity, control, confidence, and competence. Here is how we demonstrate these characteristics:

Concern

We expressed concern for Daniel Craig's family and friends for his death. Also we will express concern to the Jewish community since they have been offended by a former member of our company. Even though we are no longer affiliated with him, we want to ensure that the Jewish community does not associate us with his actions or beliefs.

Clarity

We clarified our current product testing practices and also the dates of the Nazi swastika and BMW logo. By proving the dates for each symbol, it is clear that the BMW logo could in no way be based off of the Nazi swastika since it was created prior to the Nazi party affiliation with the swastika. We also clarified our history with the Nazi party as we are not trying to hide or deny it.

Control

We demonstrated control by the resignation of David Burman. Also, we are running additional screening on all employee backgrounds and on our products. We are proving that we are doing everything possible to ensure safety with our company.

Confidence

We have confidence in our products and our corporate reputation. Our consumers are a family and we believe we have their loyalty. We need to express our confidence so no one questions our stance.

Competence

We have competence to the outside factors affecting our company. We are a strong company with a good reputation.

Strategies

After receiving our clues and dividing our crises into the categories of personnel, product, and reputation, our group composed some strategies to combat the crises.

Personnel Crisis

According to our Crisis Management Plan, the first strategic action to take during a personnel crisis is to address the root of the problem. We found that the root of the problem to this crisis was David Burman's personal beliefs interfering with that of our corporate philosophy. Next we needed to determine BMW's liability for Burman's personal beliefs. We chose to excuse the beliefs of Burman, claiming that they were his own beliefs and had nothing to do with those of BMW. By doing this, we were asserting that BMW had a low responsibility for this crisis.

Product Crisis

The first thing to do in a product crisis, according to our Crisis Management Plan, is also to address the root of the problem. Because the police report claimed the brakes failed due to an engineering failure on the part of BMW, the root of the problem was structural failure on a single car, and the potential for failure on more vehicles. Next, we needed to determine BMW's responsibility for this crisis. Because we know that BMW does extensive testing on all

vehicles, and there were no more reports of brake failure, we decided the malfunction of Daniel Craig's breaks was an isolated incident. Therefore, we used the strategic option of ingratiation, reminding people of the extensive testing BMW does before releasing vehicles, and the minimum number of recalls on BMW vehicles in the past. We wanted to reassure the public that BMWs were indeed safe to drive, but let them know if they were concerned, their vehicles could be taken in to be tested. We also wanted to be sure the public knew that BMW is committed to maintaining the safety of their consumers through quality products. By using this strategic option, BMW claimed moderate responsibility.

Reputation Crisis

During a reputation crisis, the first step is also to address the root of the problem. We determined that the root of the problem in this crisis was BMW's past ties to the Nazi party and the public's very negative perception of the particular party. After determining the root of the problem, we needed to determine our responsibility and the appropriate way to respond. We found that BMW, in its present state, had low responsibility for any past links to the Nazi Party. We used the strategic options of excuse and denial. We chose to excuse the actions of our forefathers as many German industries worked with the Nazi Party during WWII. We also chose to deny any current affiliation with the party.

Tactics

We chose several tactics to implement to help us achieve our strategies. The order of these events is shown in the action timeline (see Appendix B).

Personnel Crisis

In order to show the public that Burman's beliefs did not match our corporate philosophy, and that BMW would not allow his beliefs to interfere with the company, we chose to have Burman resign, with a great deal of pressure from the board.

The first thing we would have done would be to assess the rumors about Burman's anti-Semitic comments and actions. If these rumors were indeed true, the board would request Burman to resign.

After Burman's resignation, we would distribute a press release with the details of his resignation and any information on the current COO and acting CEO, David Starr, while we sought a new CEO.

We also thought it would be wise for Starr to honor the "Money Honey's" request to appear on her show. By doing this, Starr would be introduced to the public, as well as promote a positive image of BMW to the media.

We would also have Starr meet with the Jewish group, B'nai B'rith, in order to clear up any misunderstandings between BMW and the Jewish community.

Product Crisis

The first tactical action we would take during the product crisis would be to immediately implement strenuous brake testing of all M6 vehicles. We would also inform the public that if they were concerned about the safety of the braking system in their M6 vehicles, they were encouraged to take them into their preferred BMW service center to be checked.

We would then distribute a press release expressing our sympathies for Daniel Craig's death, but reminding the public that we stand behind our vehicles and of the arduous testing all of our vehicles go through.

Reputation Crisis

The tactics identified to combat the reputation crisis somewhat tie-in with the tactics for the reputation crisis. By Burman resigning, BMW would be showing that it no longer affiliates with the Nazi party, nor do they support anyone who does.

Meeting with B'nai B'rith would also help re-strengthen BMW's reputation. The meeting would show that BMW embraces diversity and does not condone the actions of BMW's past, nor the affiliation with the former CEO. In addition to this, we would remind the public of BMW's initiative to spearhead the "Remembrance Responsibility and Future" fund, which donates to the Jewish community in Israel and throughout Europe in remembrance of the Holocaust.

We would also inform the public of a report, financed by BMW, published last year which investigated BMW's role in WWII, and encourage anyone interested to find the report at the National Holocaust Museum.

To combat all of our crises, BMW would also hold a press conference in order to answer any questions the public may have, and to clear up any misperceptions.

Evaluation of Crisis

In order to evaluate our crisis management performance, our CMT must follow four critical steps. The first step of the performance evaluation is to collect and evaluate data from the crisis records. The information that would be gathered would include the data from the Incident Report Sheets (see Implemented CMP), the CMT Strategy Worksheets (Appendix C), the Stakeholder Contact Worksheets, and the Information Log Sheets. By reviewing these records, our CMT would be able to determine if and where any significant mistakes may have occurred.

The second step of the performance evaluation is to obtain stakeholder feedback. Due to the significant importance of the stakeholder's trust and support, our CMT will gather information from these individuals through selective structured surveys, interviews or focus groups. By doing this, it will enable us to understand how our stakeholder's felt the crisis was handled and if improvements need to be implemented. Summarizing the results will also allow our CMT to see where the significant strengths and areas of improvement are needed pertaining to the crisis management performance.

The third step of the performance evaluation is to use various measures of evaluation to analyze the overall effectiveness of the crisis management. This level of evaluation will be achieved by obtaining organizational performance measures from team members, employees and external stakeholders. It would also enable our CMT to review any internet comments or concerns about the crisis to understand how the general public and direct personnel received

the crisis. It is also important to collect all media reports and recaps of the national and global media coverage to recognize how the media reported the crisis.

Finally, our CMT will evaluate the collected data and complete the Post Crisis Evaluation Worksheet. By doing this, our team is able to determine the strengths and weaknesses of the Crisis Management Team and Crisis Plan. By recognizing where improvements need to be made, the appropriate changes will be employed.

The evaluation of the BMW Corporation crises is critical for our CMT to understand the areas where we will be able to improve upon. By evaluating the crisis, our CMT will be able to assess the press conference's overall effectiveness, examine the various stages of the crisis and determine where changes are needed. With these alternations to the Crisis Management Plan, we will be more efficient and effective when handling a potential crisis in the future.

Although one press conference was organized and fulfilled, our CMT must be prepared to plan several press conferences if necessary to ensure that the media and all of the audiences affected will understand BMW's key message and the overall steps being taken to overcome the crisis. We will maintain the security that all of the appropriate personnel are notified and provided with information updates. When providing information, we must have one credible spokesperson to provide factual information to the media. We must also continue to have open communication with all media outlets and audiences that are affected by the crisis. With the open communication, our CMT will be able to monitor rumors and maintain timely and accurate information. As important as the correct information is for the media and our

affected audiences, we must ensure that all personnel involved are receiving the proper resources to meet their needs and concerns.

Once the crisis is addressed and managed, our CMT must identify and monitor any cues of uncertainty during the aftermath of the crisis. Through the process of evaluation, we will be able to restore the reputation of the organization for any potentially encounter a crisis in the future.

Even though our CMT created a Crisis Management Plan, we were unable to plan for the crises that the BMW Corporation was actually confronted with. When constructing the CMP, we focused on complications with the BMW vehicles and parts as well as accidents that could happen at events that are sponsored by the corporation. Although our actual crises of Nazi affiliation and the termination of the BMW CEO were not predicted, the overall research that our CMT collected when compiling the CMP enables the CMT members to be prepared for the crises. The relative knowledge and understanding of the BMW Corporation allowed our CMT to choose the correct strategies and tactics to implement when its members managed the crises. Our CMT felt confident with the decisions to accept the resignation of the BMW CEO.

Rejected Ideas

While working through our case, many ideas were rejected after deeper thought about the implications.

Our first rejected idea was to keep David Burman as the CEO of BMW. However, after reviewing the facts we were given about David's Nazi affiliation; our group determined it would be in our best interest to have him resign from the position. We do not want BMW to be associated in any way with the Nazi party or any discriminatory party, meaning the resignation needed to be forced, and lean more towards a termination. Also, if Burman remained the CEO of BMW, many customers or potential customers could be offended by remarks he made and protest against BMW, leading to more crisis and conflict.

Our group also had the idea to recall the M6 after the accident with Daniel Craig. This would show the customers that BMW is concerned with their safety, but it would also make it seem as though the accident was BMW's fault. Until the official reports that indicate specifics of how the car crash occurred are released, BMW should not take responsibility for the accident. There has never been a recall or service bulletin on this car, or any others with the same braking system, so at the time we felt the correct action for BMW to take would be to wait until the specific cause of the crash was officially released, and more than one incident proved we had a faulty product.

Correlating with the previous issue, our next rejected idea was to take full responsibility for the accident. As mentioned before, until the official report was released, BMW should not take direct responsibility for the accident that resulted in Daniel Craig's death. By admitting to a faulty product, BMW would accept full responsibility, as well as cause potential panic among other BMW owners and cost the company dearly in the reputation department. This

would be unwise since the cause of the accident was still pending, even after the initial reports that it was BMWs problem.

Our final rejected idea would be for BMW to deny all historical affiliation with the Nazi party. Since BMW provides access to past reports of their history, the information that most German companies did work with the Nazi's is readily available to the public. Therefore, if we had chosen to deny affiliation, it would be easily discovered that we were being dishonest and make the company appear as though they were trying to hide something about their past. We decided to be as candid as possible for the media and make sure that they understood that this was in the past.

Continuous Improvement

While our press conference and presentation went well, there are always areas for our group to continually improve upon. When representing a corporation at a press conference, the spokesperson must take all questions in stride and maintain composure. They must have a professional approach to all questions and never repeat word-for-word the negative questions. Rather they should reword the questions and turn them into positive responses.

When dealing with a crisis such as handling an unethical CEO, our group needs to focus on reworking things to cut the CEO off completely. In reality, 99% of organizations would fire their CEO under the same circumstances and create immediate distance between their organization and the CEO instead of allow him or her to resign.

Our group also needs to improve on addressing all potential audiences that would be involved in a crisis similar to ours. Due to the CEO crisis with a Nazi affiliation, we failed to push the importance of addressing Jewish leaders as one of our main audiences. By doing this, our Crisis Management Team would be able to promote more awareness of the donations that the BMW Corporation has already given to Jewish organizations and that they do not discriminate against any group more so than was done during the presentation.

These areas of continuous improvement allowed our group to see our crisis from a different perspective with the understanding that while handling a crisis, the company's reputation that you are representing is your only priority. Overall, the press conference and presentation were excellent learning experiences and by applying the feedback and continuous improvements that our group received, we are only able to grow as strategic and professional communicators.

Feedback

Overall, the feedback that our group received from Professor Clampitt and our colleagues was very positive. We had a great amount of relative information about the BMW Corporation and were able to apply that knowledge during the press conference. After reviewing the feedback, our group received an average score of a 90% on the evaluations. Our strengths were present throughout the entire press conference and presentation as they were both well thought out and rehearsed due to the complexity of our case.

Before the press conference, our Crisis Management Team distributed media packets to the reporters. These packets contained isolated facts about BMW that we felt were the most important for the media to be aware of, as well as two news releases that addressed our crises. Our colleagues expressed their approval for these packets as it allowed BMW to have control over the press conference.

During the press conference, our spokesperson was well spoken and confident when handling and denying many false claims against the BMW Corporation. By staying calm throughout his opening statement, our spokesperson was able to set the tone for the entire press conference. His knowledge of BMW and its history paved the way for excellent and accurate answers for the reporter's questions. He was able to use one crisis to fight another by emphasizing the extensive research that is applied to all BMW products.

Our spoken presentation aided by a PowerPoint® presentation was well organized and our key message and overall plan were easily understood. By categorizing the clues that our CMT received, we were able to clearly explain our strategies and tactics through an action timeline after analyzing our audiences. We reviewed our risk assessment, rejected ideas and responsibilities through serious strategic thinking and ALT method of answering questions. Throughout the presentation, our credible presenters were able to maintain our group's intended theme due to their knowledge of the BMW Corporation.

Conclusion

The crisis management plan that our group, Cloud Communication, developed for BMW allowed us to be prepared for any crisis we were presented with in an efficient way. Based on our process and analysis of the case, we determined five rules of thumb to guide us through the crisis that we faced.

The first rule of thumb we determined was to *always keep in mind how the various audiences will be affected*. Since each audience is affected differently in certain situations, we need to consider each audience's feelings and reactions with each step we take. Our goal is to maintain BMW's credible reputation and keep all audiences pleased with the company. In order to maintain their support, *we need to be honest with the audiences and provide them with up to date information*. We cannot give them every detail about what is going on in the company, but we must keep them well informed and involved.

Another rule of thumb is to *always keep the company's corporate philosophy in mind*. We need to act in a way that is conducive with the company's image and follows their mission. Along with following the company's image, we need to *ensure that we only comment on statements that are proven to be factual*. We do not want to make assumptions or verify comments if we are not completely sure they are true. In cases that we are not certain about the facts, our group is willing to *acknowledge what we do not know and provide the information when it is available*. This will help maintain the company's commitment to honesty, as well as show respect for anyone who may be affected by the statements.

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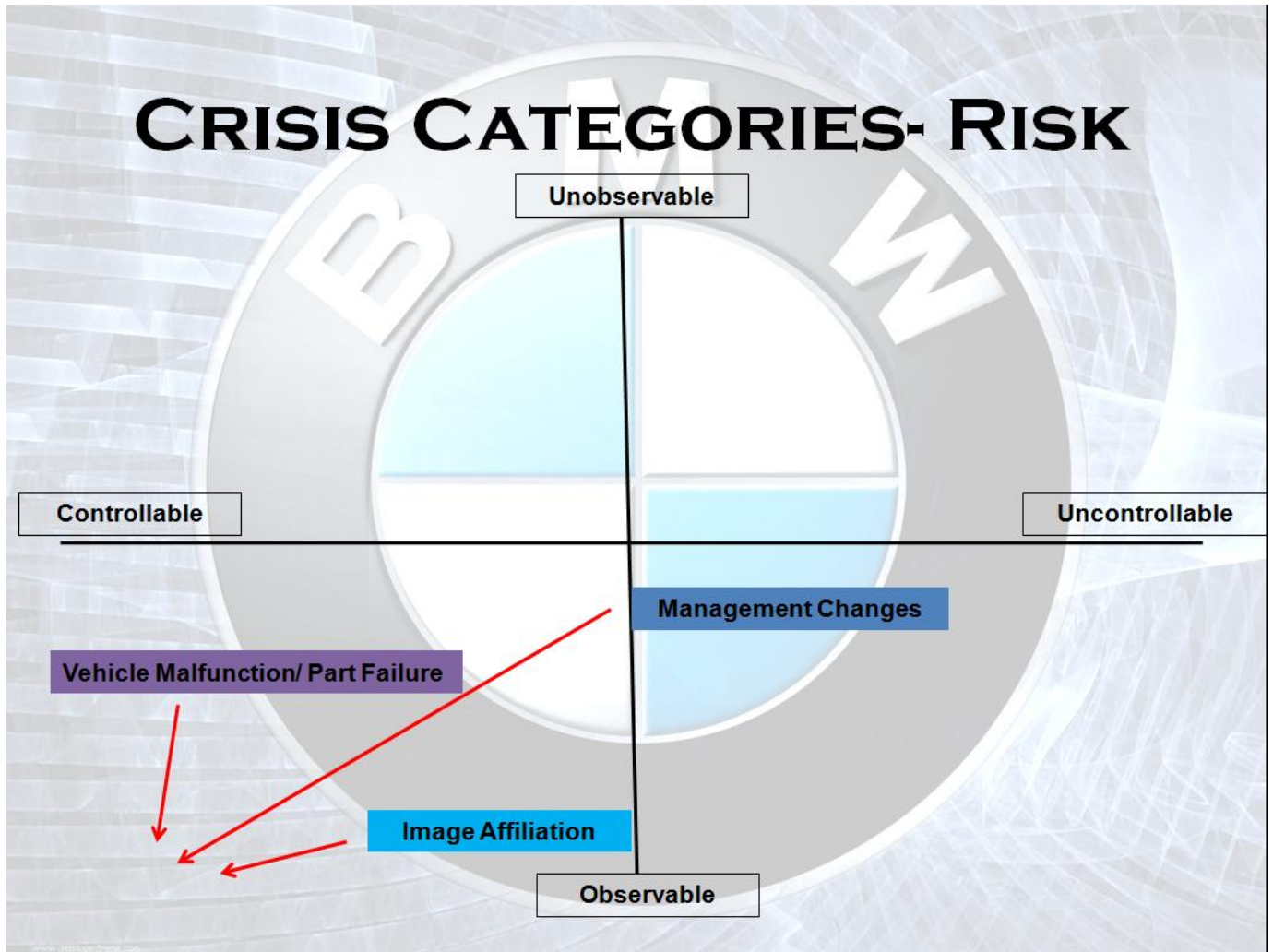
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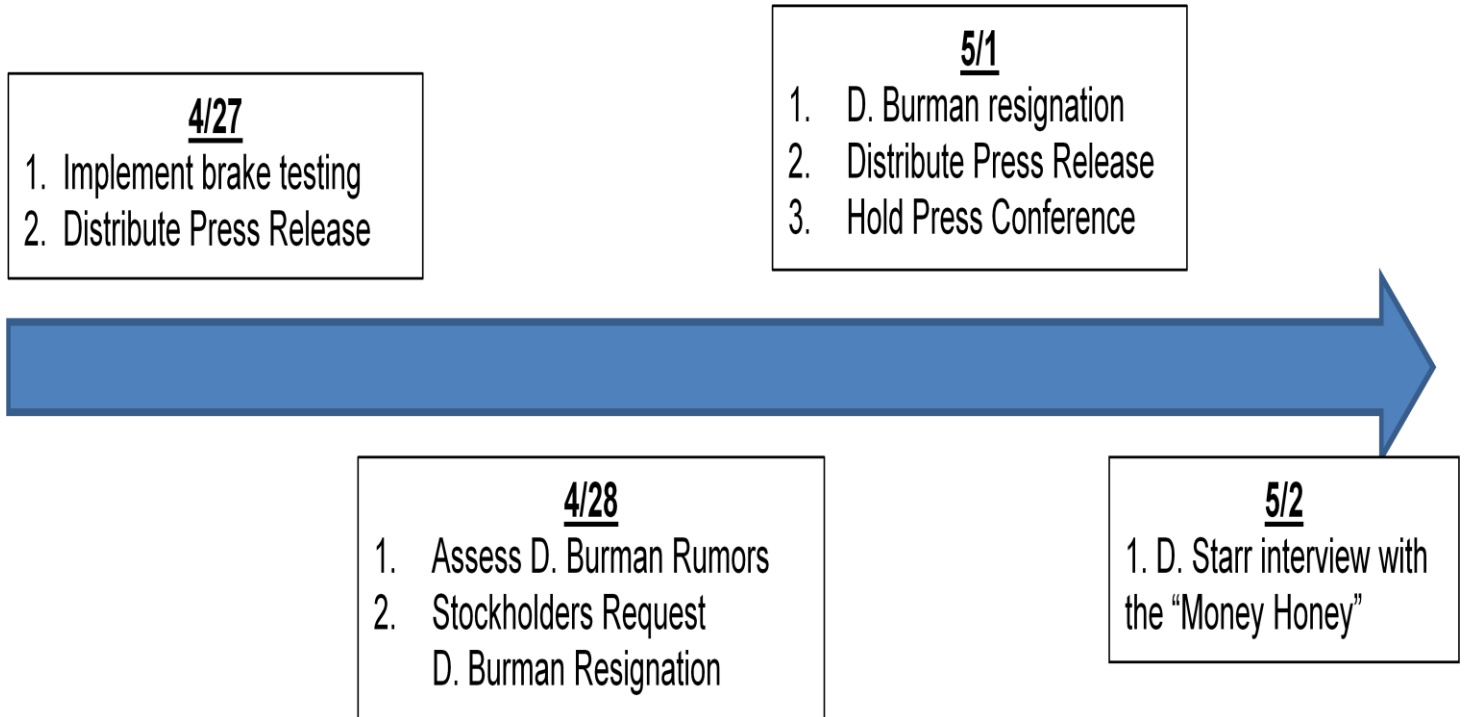
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Appendix A

Risk Analysis



Appendix B**Action Timeline**

Appendix C



Bayerische Motoren Werke AG

Strategy Worksheet

In the event of a crisis, the Crisis Management Team members must remember the importance of thinking strategically and communicating professionally. This worksheet will serve as a guide for strategic thinking by all CMT members. A checklist will be followed to ensure that the BMW Corporation's reputation will remain intact. The checklist has been developed by analyzing potential crisis events which can be viewed on page 13.

Contextual Analysis:

- ☐ What is the nature of the crisis?
- ☐ Has it been anticipated?
- ☐ If no, what do we know about this matter?
- ☐ Which of our categories does this crisis fall in, if any?
- ☐ How quickly should we respond?
- ☐ What steps have been completed?
- ☐ Which risk quadrant does the crisis fall in?
- ☐ Which risk quadrant do we want it in?
- ☐ What has been done to lessen the risk?

Audience Analysis:

- ☐ What audiences are involved/affected by the crisis?
- ☐ Which audience(s) is the most important?
- ☐ Who are our primary audiences? Secondary? Tertiary?
- ☐ How does the public view the crisis issue?
- ☐ Who will influence the public?
- ☐ What role does the media possess?
- ☐ How does the public perceive the organization's credibility?

Strategy:

- ☐ What are our business goals?
- ☐ What are our communication goals?
- ☐ What are our objectives?
- ☐ Does our strategy reflect with our business and communication goals?
- ☐ How will we evaluate our effectiveness?
- ☐ Are the values of the organization reflected in our strategy?
- ☐ Are the values of the organization reflected in our message?
- ☐ Is it practical?
- ☐ Is it ethical?

Tactics:

- ☐ Who should be the spokesperson?
- ☐ Our message will be communicated through what channels?
- ☐ What media options are available to us?
- ☐ When do we want to convey our message?

Appendix D

BMW AG Press Conference Statement

Good Morning ladies and gentlemen, my name is David Starr, the current Chief Operating Officer for BMW AG.

I am here in place of David Burman, our former CEO who resigned this morning at 6:30 am CST. His resignation will be discussed further in a moment.

First, we would like to *express condolences* for death of Daniel Craig. BMW was shocked at the event that caused his death; however, we continue to stand behind their products. The cause of the accident has been under investigation by BMW technicians since we learned of the event.

BMW immediately implemented an *emergency testing* procedure to uncover any possible failure in the structural design of the braking system of the M6 on top of the already strenuous testing procedures of the M cars. So far, we have found no problems with the braking systems, and would like to encourage anyone concerned about their brakes to bring their vehicle to their preferred BMW Service center. The braking system is still covered under the BMW Ultimate Service package, and will be inspected at no charge to our consumers for ALL BMW vehicles manufactured after September 2004. The braking system was new on the M series vehicles since the e60 M5's introduction in 2005. There have been no previous failures found or reported in any of the other M cars with this braking system, and since Craig's death, we have not been informed of any other similar occurrences.

The M cars are tested at the same locations as our Formula race cars, and put through similar testing procedures. As with all BMWs, the M cars are built for the high performance driver for the long haul. We ensure with over 1 million miles of testing through various conditions, both realistically simulated and real conditions, around the globe that our products are safe for the public. We would like to think about our car's safety in terms of would we want to be driving them, or even more important, would we trust our families and loved ones driving our cars.

I believe Anton Ruf, our Head of Technical Integration at BMW AG, said it best when he stated "One of the most important things is testing, testing, testing, to produce quality in the hands of our customers... you cannot produce quality at the end of the production line." This means that our company realizes that just making a product that looks good, it does not make it a safe vehicle. We understand that it takes a lot of preparation and testing to make a safe, quality product from design to completion.

Moving on, I would like to discuss the recent happenings involving our former CEO and the allegations of affiliation with the Nazi party. There have been rumors surrounding our company logo and ties to the Nazi swastika. As you will see in your press kits, BMW was formed in 1916, before the formation of the National Socialist Party in 1920. The symbol for the Nazi party is the swastika; however, the symbol has been around for many years previous as the symbol for a Buddhist temple. This symbol has nothing related to the BMW roundel. The roundel was actually designed based on our history with aeronautics, starting with the manufacture of airplanes.

BMW did manufacture products for the Nazi Party during WWII, as most German companies did, however we would like to believe that we have moved on with the rest of the world and this is in our past, and today, we cannot be held accountable for the actions of our forefathers. Last year, BMW funded research into the wartime archives to discover what BMW's role in WWII. There are discussions and a written report that were published last year and are available in the holocaust museum located in Berlin, Germany.

BMW currently spearheads and donates to the "Remembrance Fund" paid to holocaust survivors in Israel and Europe by multiple German industries, and has close ties within the Jewish community around the globe.

As for the actions of our former CEO, David Burman, we do not condone anything that he has done or said in regards to anti-Semitic remarks or actions, and we are working to continue to not discriminate against any groups, while continuing to provide everyone with the Ultimate Driving Experience. At BMW, we do not appreciate people in such powerful roles to let their discriminatory viewpoints run our company.

In regards to the CEO's resignation, we feel that it was the appropriate action for him to take considering how his actions were affecting the company. Mr. Burman has been a valued asset to the company during his time with BMW, however, when his personal views became associated with his work; he felt it was best he step down from his position. Due to the timing of tendering his resignation, he was not able to attend this press conference this morning. Any questions dealing with the specifics of his resignation I am sure will be answered at the press conference he will be holding to make his official statement later this week. I will be more than happy to answer what I can here today, however due to the pending legalities; I am not able to speak for Mr. Burman.

At BMW we are constantly striving to be the top manufacturer of premium automobiles for consumers around the globe without discrimination to our customers. We also strive to have safe products, as we care about our consumers and wish to supply everyone with a quality product.

Appendix E

Press Conference Questions

1. Why did you kill Daniel Craig?

Daniel Craig was the victim of a tragic car accident which is still under investigation. Our sympathies go out to all who were affected by his passing.

2. Why did you kill James Bond?

Daniel Craig was the victim of a tragic car accident which is still under investigation. Our sympathies go out to all who were affected by his passing.

3. Why are you a Nazi organization?

BMW AG has no affiliation with the Nazi party. It is true that BMW manufactured wartime equipment for the Nazis during WWII, however, we feel that we have moved on since then, and have current ties to the Nazi Party.

4. How did you allow a Nazi to be your CEO?

It is not the policy of BMW to pry into the personal lives of our employees unless it begins to affect their job or our company reputation.

5. Do you hate Jews?

BMW has a strict non-discriminatory policy. BMW strives to be impartial to any person with no judgment upon their race or religious beliefs.

6. How can you endanger the public with your vehicles?

BMW stands behind our vehicles. We put all of our models through strenuous testing to make sure that they are as safe as possible. We feel that our vehicles are safe and trust them so far as to not only drive them ourselves, but also to allow our families and relatives to drive them on a daily basis.

7. How can you charge \$100,000 for something that is going to crash?

Our vehicles are not intended to crash, however we feel that in the event of a crash our vehicles are safe and are built to protect the occupants.

8. What are you going to do to make sure that nothing like this will happen again?

Our vehicles go through strenuous testing procedures, and we immediately began testing the specific vehicle model that was involved in the accident and we have found nothing wrong with it so far. We will continue testing and make sure to keep you updated if we do find something.

9. Why is your symbol a Swastika?

The BMW Roundel is actually reminiscent of the view of an airplane propeller, dating back to our beginnings as an air plane engine manufacturer. The swastika was not the symbol for the Nazi party until a few years after our company logo was developed.

10. Isn't a BMW just an overpriced Volkswagen?

BMW is a separate company from Volkswagen, and has actually been around much longer. We feel that our cars are the ultimate driving machine for the enthusiastic driver.

11. Because you hate Jews, and you're a Nazi- do you have plans of WWII?

BMW is not affiliated with the Nazi party and we feel strongly against discrimination of any race or religion.

12. Are you supporting the Nazi party with your secret bank account in Argentina?

BMW has no affiliation with the Nazi party.

13. How do you know that other BMW employees are not affiliated with the Nazi party?

BMW does not make a policy of prying into employees personal beliefs or private lives unless it is related to their job or it affects the reputation of our company.

14. By requesting the resignation of David Burman, aren't you then discriminating against the Nazi party?

Mr. Burman resigned because he felt that his personal views conflicted with our organization. BMW does not discriminate against people based on their political views.

Appendix F

Bayerische Motoren Werke AG

Post Crisis Evaluation Survey:

Post Crisis Evaluation

Crisis: _____

Date of Crisis: _____ Time: _____ Location: _____

What role did you play in the crisis? How did the crisis affect you?

Explain: _____

Was the crisis anticipated? *Circle One:* Yes No Somewhat

Explain: _____

What communication channels did we use to notify the public and were they effective?

Channel	Not Effective				Neutral				Effective			
1. _____	0	1	2	3	4	5	6	7	8	9	10	
2. _____	0	1	2	3	4	5	6	7	8	9	10	
3. _____	0	1	2	3	4	5	6	7	8	9	10	
4. _____	0	1	2	3	4	5	6	7	8	9	10	

What was done effectively?

What should we have done differently?

Should anything be altered in the Crisis Communication Plan? If yes, explain.

What still needs to be done to recover from the crisis?

Appendix G

Bayerische Motoren Werke AG

Post Crisis Evaluation Worksheet:

Post Crisis Evaluation Worksheet

CMT Member: _____ Date of Crisis: _____

Location of Crisis: _____ Type of Crisis: _____

We followed the Crisis Management Plan. *Circle One:**Strongly Disagree*

0

1

2

3

4

Neutral

5

6

7

8

Strongly Agree

9

10

Explain: _____

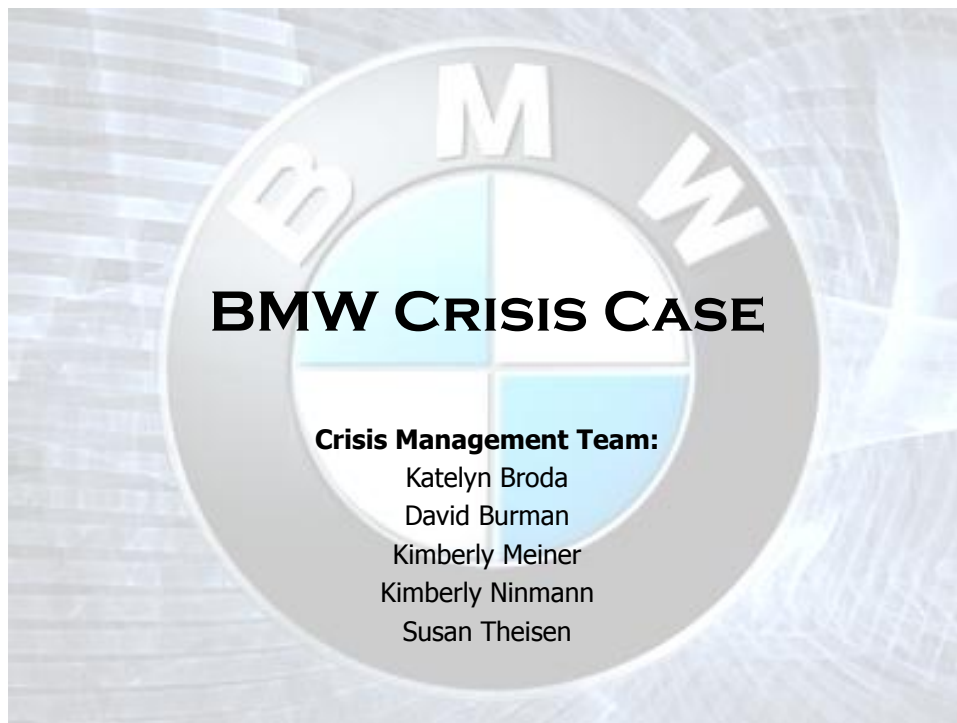
Evaluation of Process: _____

Steps that were completed effectively: _____

Suggestions for continuous improvement: _____

Appendix H

Press Conference PowerPoint Presentation: May 1, 2008



A large, semi-transparent BMW logo is centered in the background of the slide. The logo consists of a circular emblem with four quadrants in alternating light blue and white, surrounded by a dark blue ring with the letters 'BMW' in white. The word 'CLUES' is written in bold black capital letters at the top center of the slide.

CLUES

- **Movie**
 - James Bond- *Quantum of Solace*
 - Daniel Craig Death
- **Nazi Affiliation**
 - BMW logo
 - Steven Spielberg- National Holocaust Museum

A large, semi-transparent BMW logo is centered in the background of the slide. The logo consists of a circular emblem with four quadrants in alternating light blue and white, surrounded by a dark blue ring with the letters 'BMW' in white. The word 'CLUES' is written in bold black capital letters at the top center of the slide.

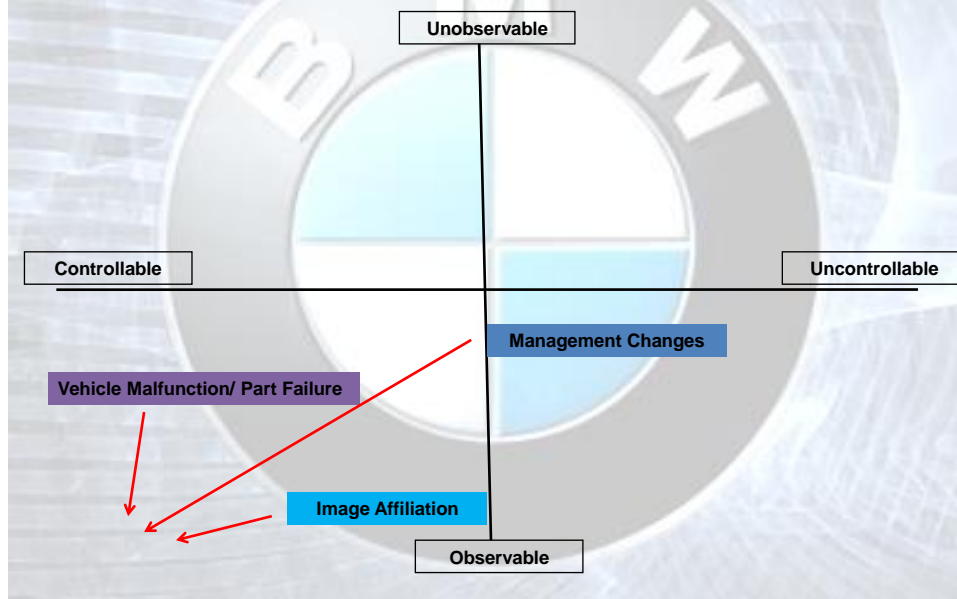
CLUES

- **CEO**
 - Allegations of Nazi Affiliation
 - Anti-Semitic Remarks
 - Resignation

CRISES CATEGORIES

- Three categories of crises:
 - **Personnel**
 - CEO Resignation
 - **Product**
 - Potential Brake Failure
 - **Reputation**
 - Nazi Affiliation

CRISIS CATEGORIES- RISK

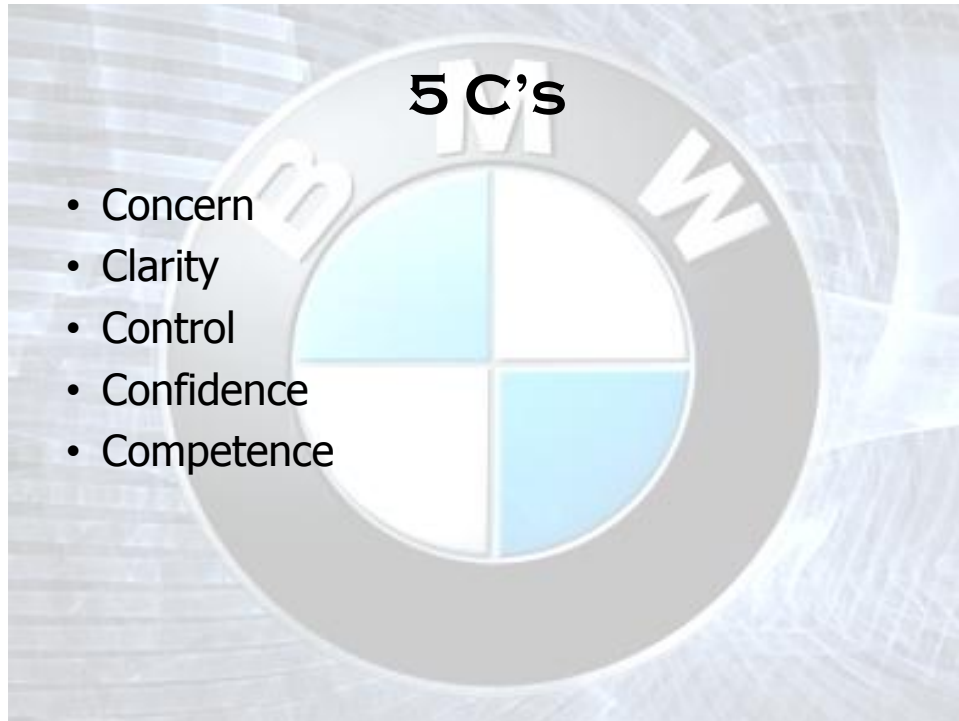


OUR ASSESSMENT

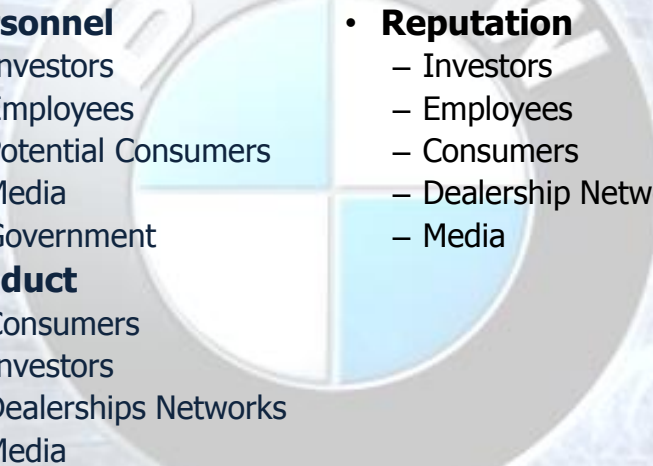
- BMW does extensive testing on all vehicles before they are produced for the public
- BMW does not currently affiliate with the Nazi party
- CEO does not correspond with BMW's corporate philosophy

KEY MESSAGE

- BMW's mission is to be the top manufacturer of premium automobiles in the global industry without discrimination
- BMW is committed to maintaining the safety of their consumers through quality products



AUDIENCE ANALYSIS

- 
- **Personnel**
 - Investors
 - Employees
 - Potential Consumers
 - Media
 - Government
 - **Reputation**
 - Investors
 - Employees
 - Consumers
 - Dealership Networks
 - Media
 - **Product**
 - Consumers
 - Investors
 - Dealerships Networks
 - Media

ACTION TIMELINE

- 4/27
1. Implement brake testing
 2. Distribute Press Release

- 5/1
1. D. Burman resignation
 2. Distribute Press Release
 3. Hold Press Conference

- 4/28
1. Assess D. Burman Rumors
 2. Stockholders Request D. Burman Resignation

- 5/2
1. D. Starr interview with the "Money Honey"

REJECTED IDEAS

- Keeping Burman as CEO
- Recall M6
- Take full responsibility for accident
- Deny historical Nazi affiliation

CONCLUSION

- Assessed strategic options
- Followed Crisis Management Plan
- Requested CEO's resignation
- Implemented testing procedures of M6 braking system
- Released press kit

Appendix I

BMW 100 Facts

1. BMW's main office is located in Munich, Germany.
2. BMW was founded in 1916 as 'Bayerische Flugzeugwerke AG' (BFW).
3. In 1917, the Bayerische Motoren Werke GmbH (or in English the Bavarian Motor Works) was created, however, they claim the 1916 founding date of BFW.
4. BMW initially concentrated on the development and production of aircraft engines during World War I.
5. In 1923 BMW built its first motorcycle.
6. BMW began producing automobiles in 1928.
7. BMW's first motorcar was a version of the Austin Seven built under license.
8. BMW AG comprises 23 production and assembly plants in 13 countries.
9. BMW has 39 sales subsidiaries all over the world.
10. BMW has 10 locations in the Research & Development network.
11. BMW is one of the 10 largest car manufacturers in the world.
12. BMW makes the MINI cars.
13. BMW makes Rolls-Royce cars.
14. BMW's logo stems from the history in aeronautics and the use of a propeller.
15. The colors of the logo are black, blue and white
16. The blue and white of the logo come from the Bavarian Luftwaffe airplane
17. The logo resembles the pilots view of the plane's propeller blades.
18. BMW headquarters are located next to Olympic Park in Munich, Germany.
19. The headquarters building is recognized as an architectural masterpiece.
20. In 2006, BMW Group invested Euro 2,777 million in property, plant equipment and other intangible assets, 6.9% more than in the previous year
21. The capital expenditure ratio in 2006 (i.e. the ratio of capital expenditure to group revenues) increased slightly in 2006 and stood at 8.8% (2005: 8.6%).
22. BMW uses product placement as the most common means of advertising.
23. BMW has appeared in 4 James Bond films.
24. BMW's MINI Cooper appeared in Austin Power's *Goldmember*.
25. BMW uses its Art Car Collection as a form of advertising.
26. THE BMW art car collection started in 1975.
27. Andy Warhol, Michael Jagamara Nelson and Matazo Kayama have all produced BMW "art cars"

28. BMW Art Cars have been admired in numerous museums and galleries all over the world; including The Royal Academy of Arts in London, the Louvre in Paris, the Powerhouse Museum in Sydney and the Guggenheim Museums in New York and Bilbao.
29. BMW used sponsorship as a form of advertising.
30. Formula 1 racing has always been a large part of BMW.
31. BMW returned to Formula 1 with the BMW WilliamsF1 Team in 2000 and now supports BMW Sauber F1 team
32. BMW and Oracle Racing join together to compete in the 2002/2003 America's Cup under the name BMW ORACLE Racing.
33. The BMW Golf Club international is the leading golf tournament series for amateurs in the world
34. BMW takes responsibility for the environment and their global footprint.
35. BMW Group was awarded the 2006 Excellence Award by the European Foundation for Quality Management.
36. There are 70 full time employees working in the environmental affairs division of BMW Group
37. In 1999 BMW Group was the first carmaker in the world to uniformly certify all its production sites to international environmental management standards.
38. In total, BMW Group has invested around €20.7 million (Germany only) in 2006 into product related environmental protection
39. The BMW 1 Series is available in 3-door and 5-door hatch, as well as Coupé and Convertible
40. The BMW 1 series was released in 2004.
41. Since it was released, the 1 series has had over 200,000 sales worldwide.
42. The BMW (e 90) 3 series was released in 2005.
43. The BMW 3 series is currently available in four models: Saloon, Touring, Coupé and Convertible.
44. The most recent BMW 5 series was released in 2003.
45. The 5 series is available in the Saloon and Touring models.
46. The BMW 6 series is available in the coupe and convertible models.
47. The 7 series is a luxury saloon model.
48. The X3 is a sport activity vehicle (SAV).
49. The X5 was originally released in 1999.
50. The X5 combines the style of a luxury performance estate with the flexibility of a Sports Activity Vehicle.

51. The BMW X6 offers a unique four-wheel-drive model performance combined with a sports car coupe.
52. The BMW X6 will be released in May 2008.
53. The Z4 is BMW's premium sports car range with Z4 Roadster and Coupe models.
54. The BMW M series combines technology and expertise gained from BMW's motor sport activities.
55. The BMW Championship will be held September 04-07, 2008.
56. This will be the second BMW Championship.
57. The BMW Championship will be at Bellerive Country Club in St. Louis, Missouri.
58. The defending BMW Champion is Tiger Woods.
59. The event's proceeds are given to the Evans Scholars Foundation to help young people attend college.
60. The BMW Championship helped raise more money for the Evans Scholars Foundation last year than any previous year.
61. BMW technologies can be found in the USA 87 and USA 98 yachts.
62. The America's Cup is also often referred to as "Formula One of the Sea"
63. The BMW team is named the BMW ORACLE Racing team.
64. Nine countries (Denmark, Germany, France, Great Britain, Italy, Malta, New Zealand, Spain, and the United Arab Emirates) are included in the BMW Sailing Cup.
65. These nine countries will compete in the World Final in Dubai.
66. The World Final will be held April 15-20, 2008.
67. The defending champion for the BMW Sailing Cup is Germany.
68. In 2006, the number of regattas was 6.
69. In 2007, the number of regattas was 15.
70. In 2008, the number of regattas was 22.
71. The 2008 BMW World Cup will be held in
72. *Upcoming Events for BMW Racing*
73. Laguna Seca...April 12-13, 2008
74. VIR... April 18-20, 2008
75. Motorsports Ranch- Dallas... April 26-27, 2008
76. Thunderhill Raceway Park... May 8-9, 2008
77. BMW Racing is sponsored by The Tire Rack, Yokohama, Bimmerworld, Evosport, HMS Motorsport, UUC motorwerks, VAC Motorsports, and Grassroots Motorsports,
78. One of BMW's top competitors is Mercedes-Benz.
79. Mercedes-Benz almost bought-out BMW in 1959.
80. Studies show that the ultra-rich see BMW and Mercedes as the best cars on earth.

81. BMW is the world's largest premium car maker.
82. BMWs are less costly to own than Mercedes.
83. The Shuanghuan Company, a Chinese automaker, created a car, the CEO almost identical to BMW's X3 in 2007.
84. BMW is threatening to sue Shuanghuan Auto because of the vehicle similarities.
85. BMW believes that ideas are everything.
86. BMW wants to create the ultimate driving machine.
87. BMW manufactures motorcycles.
88. BMW has a financial planning sector, in order to help their customers.
89. BMW's board of management consists of 7 members plus the chairman.
90. Dr. -Ing. Norbert Reithofer is the chairman of BMW's board of management.
91. The BMW Group currently engages in assembly with the help of external partners in the following countries: Jakarta, Indonesia; Kaliningrad, Russia; Cairo, Egypt; Kuala Lumpur, Malaysia; Rayong, Thailand; Chennai, India.
92. The BMW Group is committed to maintaining and enhancing its presence in key markets worldwide
93. BMW assumed responsibility for Rolls-Royce in 2003.
94. BMW launched the MINI brand in 2001.
95. The new MINI was first made at BMW's Oxford plant.
96. BMW decided to build its first plant in the US in 1992.
97. In 1994, BMW purchased the Rover group.
98. In 2000, BMW sold the Rover group.
99. The first plant built in the US was in Spartanburg, North Carolina.
100. A plant build vehicles in South Africa was the first BMW plant to be built outside Germany.

Appendix J
BMW Media Alert – M6 Product Testing

BMW AG
Media Alert



May 1, 2008
NEWS RELEASE
For Immediate Release
Contact: Susan Theisen
Public Relations Coordinator
+001 (920) 238-5765, theisb25@uwgb.edu

BMW TO TEST M6 BRAKING SYSTEM
New Testing Procedures Implemented After Fatality

(MUNICH, Germany) On Sunday, April 27, 2008, BMW was informed about a possible failure in the structural design of the M6 braking system which prompted emergency testing procedures. A police report was released informing the company after actor Daniel Craig was fatally injured while driving his BMW M6 during the filming of the upcoming James Bond movie.

BMW expresses its condolences to the Craig family, but continues to stand behind its product. BMW has implemented emergency testing procedures to uncover any possible design flaws of the M6 braking system. Currently no problems have been discovered with the system; however concerned consumers are encouraged to bring their vehicles to their preferred BMW service center.

The BMW M vehicles are put through strenuous testing procedures to ensure safety and security of all clientele. These vehicles endure over one million miles of testing through various conditions, both in real and realistically simulated conditions around the globe to ensure that they are safe for the public.

###

Appendix K
BMW Media Alert – CEO Resignation

BMW AG
Media Alert



May 1, 2008
NEWS RELEASE
For Immediate Release
Contact: Susan Theisen
Public Relations Coordinator
+001 (920) 238-5765, theisb25@uwgb.edu

BMW CEO RESIGNS

(MUNICH, Germany) On May 1, 2008, at 6:30 am CST, BMW's CEO David Burman submitted his resignation after allegations of Nazi Party affiliation. In view of his resignation, Burman will not be in appearance at the press conference to be held May 1, at 8:00 am CST.

"David Burman's resignation from the BMW Corporation is an appropriate answer to his unprofessional behavior and anti-Semitic stance," said David Starr, the current Chief Operating Officer of BMW AG, who will be replacing Burman as CEO pending board approval. "At BMW, we do not appreciate people in such powerful roles to let their discriminatory viewpoints influence their leadership." Starr, who has been with BMW since 1992, was chosen to replace Burman due to his continuous commitment to BMW values and objectives.

"Mr. Burman's actions are behind us and we do not condone anything that he has done or said regarding personal beliefs and affiliation with the Nazi party. At BMW, we continue to move forward towards our goal to provide everyone with the ultimate driving machines," said Starr.

###