

<http://blogs.wsj.com/riskandcompliance/2015/05/26/crisis-of-the-week-biker-shootings-put-twin-peaks-in-crisis-spotlight/>

Crisis of the Week: Biker Brawl Puts Twin Peaks in Spotlight

- Commentary
- By
- [Ben DiPietro](#)
- [CONNECT](#)



A McLennan County deputy stands guard near a group of bikers in the parking lot of a Twin Peaks restaurant Sunday, May 17, 2015, in Waco, Texas.

Associated Press

This week the crisis centers around the deadly [biker confrontation](#) that erupted inside a Twin Peaks restaurant in Waco, Texas, and the parent company's response to the violence that left nine people dead. Around [200 people](#) were arrested during the massive brawl that left restaurant patrons scrambling for cover after gunfire broke out between rival biker gangs.

Front Burner Restaurants Inc., which operates the Twin Peaks national restaurant chain, issued a [statement](#) on Facebook and said it [warned](#) the Waco franchise owner of the potential for violence if he kept holding biker-related promotions, as did law enforcement agencies. Because of that, the parent company [revoked](#) the franchisee's agreement and said the location would [remain closed](#). The Facebook page for the Waco location was taken down. Although franchise owner Jay Patel couldn't be reached for comment, he was quoted as saying he had been [working with police](#) before the incident, a claim that was denied by police.

Looking at the company's statements and actions, we asked the crisis experts to rate how well it did in responding to this crisis. Did its actions go far enough? What else should it do?

Lanny Davis, crisis management specialist, Levick: “The most obvious mistake that the Twin Peaks franchise owners made is reacting way too late and too little. As I understand it, the management of the Twin Peaks franchise waited more than a week to terminate the franchise owner-operator in Waco, who according to local police, had been warned against allowing the bikers to meet at the restaurant and ignored those warnings. Moreover, there is for no public explanation for the delay in their announcement of the termination.

“They also do not address the issue that the Waco police say the Twin Peaks co-operator in Waco lied when he said that they were cooperating with the police. Going forward, again with the caveat of little direct knowledge, I would suggest the following: First, Twin Peaks management needs to explain fully and probably apologize for the delay in their reaction to terminating these Waco franchise operators. Second, they need to issue a public statement condemning the apparent lie, at least according to police, by the co-operator of the restaurant about cooperating with police.

“They might also want to suggest that they are consulting with their attorneys about taking legal action against the operators for breaching their franchise agreement and for causing harm to the brand. Finally, and most importantly, senior executives of Twin Peaks should be on the scene in Waco showing their personal concern about the tragedy and reaching out to the community as to how they can help the police and community leaders deal with the aftermath of of this tragedy.

“In other words, follow the basic rules of crisis management 101: react quickly, get in front of the problem, take responsibility and appear if possible personally on the scene to show the company's concerns with a human face. Remember the Exxon Valdez oil spill? The best way to learn these fundamental lessons of effective crisis management is to do everything exactly the opposite of what Exxon did during the Valdez incident, i.e., the advice offered above.”

Daniel Diermeier, dean, Harris School of Public Policy, University of Chicago: “The tragic shooting deaths at the Waco, Texas, Twin Peaks created a major crisis for its parent company. Initial police reports stated that the shootings may have been prevented by management at the Waco franchise. Local police had also contacted the restaurant chain's national headquarters about its concerns. The Twin Peaks crisis illustrates the main challenges of crisis management.

“First, during the proverbial first 24 hours, the most important task for leadership is to reassure all stakeholders, including customers, employees, investors, business partners, local communities and so forth. The main goal here is to rebuild trust in an environment where trust is under threat. This usually needs to be accomplished under tremendous time pressure and with knowing what exactly happened and who is responsible. The reason for this time pressure is the short public attention span due to an accelerated news cycle. Failing to respond in time will be interpreted as an admission of guilt or evidence of callousness.

“To preserve and rebuild trust companies need to focus on four dimensions: transparency, expertise, commitment and empathy. The initial Twin Peaks statement did some of this but focused on mostly on the lack of compliance by its franchisee. Such finger pointing among business partners, even if justified, usually is not very helpful, as audiences immediately question why management tolerated a rogue franchise

without taking firmer action. More generally, during a crisis, companies are being held accountable not only for their current actions, but for their past decisions (or indecisions). Past actions create the facts that form the basis of a compelling message during the crisis.”

Ira Kalb, assistant professor of clinical marketing at the USC Marshall School of Business: “After a brawl at Twin Peaks Waco that left nine dead, 27 injured, and 192 arrests, there is a lot of finger pointing between the parties involved—franchisor, Front Burner Restaurants Inc.; Twin Peaks Waco partner, Jay Patel; Waco police Sgt. Patrick Swanton; the bikers; and surrounding businesses (Don Carlos Restaurant is suing Front Burner and Twin Peaks for gross negligence).

“All are trying to sanitize their images. While Patel claims that he has cooperated with police, Sgt. Swanton said, “They have been of no assistance... Apparently, the management wanted (the bikers) here.” Twin Peaks national office spokesman Rick Van Warner said, “We will not tolerate the actions of this relatively new franchisee and are immediately revoking their franchise agreement... .” Meanwhile, some of the bikers who were on the scene have called it a massacre, saying “all of the dead were [killed by police](#).” The Confederation of Clubs said, ‘We as a community hope the public will not judge all of us by the actions of those responsible for the senseless violence that unfolded in Waco.’ (Eds: Sgt. Swanton said the actions of police saved the lives of many people.)

“While the police and the franchisor both asked Twin Peaks Waco to stop promoting biker events, they did not prevent this event from going forward. Even so, their pre-warnings give them credibility over Twin Peaks Waco and the bikers, who many believe have a lawless reputation). Facts coming out of investigations and lawsuits will determine the damage control required to repair reputations. As of now, most seem partly to blame for this ‘train wreck.’ ”

Write to Ben DiPietro at ben.dipietro@dowjones.com, and follow him on Twitter @BenDiPietro1.