

Teracube Crisis Communication Plan Hannah Tu

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Teracube Vision

Changing the disposable nature of the consumer electronics industry by designing products that last longer.

Teracube Mission

Reduce the impact on our planet by extending the lifespan of smartphones by building more environment-friendly products with modular designs, eco-friendly components, and fair-trade practices.

Facts about Teracube

- Founded by Sharad Mittal and Anthony Tsim.
- Successfully funded through Kickstarter as of October 18, 2019.
- Currently running as a campaign through Indiegogo.
- Launching in 2020.
- Offers a 4-year warranty on phones, covering all parts, performance, labor and shipping.
- Offering 3 years of Android OS upgrades and security updates, but hoping to extend it to 4 years instead.

Introduction

Why is this important?

Teracube is one of few smartphone companies that create products with sustainability in mind while keeping an affordable price tag for consumers. As the only company with a 4-year warranty that comes with the product and huge competition from flagships such as Apple, Google, Samsung and many others, it's important for Teracube to follow a crisis plan to retain and build consumer trust.

What could happen if the plan is not followed?

Damage from a crisis will not only harm the reputation of Teracube, especially since it is currently in campaign mode, but it will also harm the trust from backers, resulting in them canceling the pledge. This will result in less Teracube products being sold, consumers will continue purchasing from major brands and continue contributing to e-waste that will harm the environment.

Has a crisis happened?

As Teracube is currently under campaign on Indiegogo and successfully funded through Kickstarter, there is no crisis as of yet. However, the company should be prepared for a crisis to happen during the rest of the campaign, after the campaign up to launch and beyond.

Has a crisis happened to similar companies?

In 2017, Samsung had to recall the Galaxy Note 7 due to faulty batteries that overheated and exploded. In 2016, BLU had a security breach through an app that collected information from approximately 120,000 active phones and had their products removed from Amazon. In 2018, Apple faced a multitude of lawsuits after admitting to purposely slowing down older phones so consumers are forced to purchase new ones regularly.

Acknowledgments

By signing this statement, I verify that I have read this crisis management plan and am prepared to put it into action.

Teracube CEO and Founder	
Signature and Date	
Teracube Vice President and Co-Founder	
Signature and Date	

Statement from CEO to Team Members

For the past few centuries, technology has rapidly changed the way we have lived, both positive and negative. In the past few decades, the world has seen various products come and go, some of which remain prevalent today. We see various crises happening to others in the industry; a crisis can happen at any time. Although Teracube is young and growing, I know we are up to the challenge of facing crises such as product malfunctions, security breaches, and product delays as we move forward to launch our first product.

It is essential that we come together as a team as we have since the idea of Teracube first formed and developed to protect not only our members but our consumers as well. Although our core mission is to reduce the impact on our planet by extending the lifespan of products, the safety of our members and consumers is also a top priority. To continue building the effort for sustainability, it is important for us to be prepared the moment something unfortunate happens. While we will face many difficulties and challenges, we will come together and build for a more sustainable future while protecting our team, our consumers and our reputation.

Purpose

In the event of a product malfunction, security breach, or product delay, we must act quickly to protect the safety and well-being of team members and active consumers in addition to protecting the reputation of Teracube while reducing environmental impact. Every effort will be made to inform clearly and efficiently to the team, the community, and the public to move forward quickly and recover from a crisis.

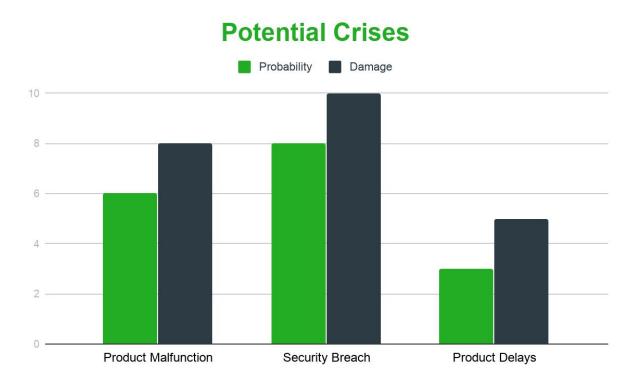
Objectives

We will make every effort to:

- 1. Initiate the crisis communication plan within 15 minutes of a crisis occurring that threatens the safety of the Teracube community (staff, backers and consumers).
- 2. Inform leadership and members of the crisis management team within 45 minutes of discovery.
- 3. Communicate with the Teracube community, the media and the public to keep them informed with updated information.
- 4. Communicate with backers through Kickstarter and Indiegogo and keeping them informed with updated information.
- 5. Minimize harm to team members of Teracube and the community.
- 6. Evaluate ways to reduce future risk and implement changes as needed to ensure Teracube operates normally.

Crisis Inventory and Results

The crisis inventory identifies three potential crises that could impact Teracube: product malfunctions, security breaches and product delays. By studying the probability and damage of each crisis, it has been determined that Teracube is most susceptible to a security breach. Security is important to consumers in a fast-paced, rapidly growing digital world. Various tech companies, both major and minor, have dealt with security issues in the past despite having measures in place to prevent it, making security breaches a real possibility.



Warning Signs

Product Malfunction

- Tech companies over the years have dealt with various product malfunctions, namely Samsung's battery explosions in 2017.
- Extensive testing before launching the product and releasing it to consumers will ensure any potential malfunctions are cleared out before putting anyone at risk.

Security Breach

- In a fast-paced, rapidly growing digital world, security is important to consumers, and keeping consumers safe is one of the top priorities for companies.
- Thorough testing before launching the product and releasing it to consumers will uncover any potential security risks.
- Regularly sending updates to products as the campaign promises for up to 3 years.

Product Delays

- There are many risks and challenges for a new product launching on Kickstarter and Indiegogo that could result in delays, pushing the launch date back than originally intended.
- Preventative measures, such as extensive testing and development, creating and signing contracts with reliable and reputable partners and including buffers in the timeline.

The Media Spokesperson

Criteria for Selecting

- The media spokesperson must be a trusted member of the organization and have a working knowledge of Teracube's product(s) and mission.
- The spokesperson must remain calm and composed when dealing with the media.
- The spokesperson must be respectful to the media.
- The spokesperson must participate in regular media training every 6 months.
- The spokesperson must be able to think quickly on their feet while delivering Teracube's key message consistently.
- The spokesperson must be available and accessible at all times during the crisis.

Primary and Back-Up Spokesperson

- Sharad Mittal, CEO and Co-Founder
- Anthony Tsim, Vice President and Co-Founder

Interview Tips

- "No comment" will come across as guilty. Never say it.
- Not knowing the answer is okay. Instead, say you will work on finding the answer.
- Always be respectful to the media. Never argue or lose composure with them.
- Remember key messages and be consistent throughout; you do not have to memorize it word for word.
- Be responsive and communicative.
- Be honest and empathetic.
- Anticipate potential questions that may be asked and make sure to acknowledge and bridge questions back to the key message as needed.
- Be direct in answering questions and don't speculate.
- Do not fill the silence. Journalists will sometimes use this to get you to say more even after you have answered the question.
- Draft 3-5 key messages and go over them before the interview.
- Have plans for the who, what, when, where, why and how questions.
- Have proof points to back up your statements as needed.

Trick Questions

During a crisis, the media will use a variety of ways to get you off guard in order to get the story they need. It's important to always be prepared and anticipate the different types of questions they may ask when interviewing you, making sure to bridge as needed and remaining consistent with the key messages. Below are a few sample questions and answers to be aware of:

Speculative Questions:

- If you had sent out updates quicker, would it have prevented the security breach from happening?
 - At Teracube, the security of our consumers is one of our top priorities. We do thorough testing before sending out any updates to ensure any and all potential security risks are uncovered.

Loaded Questions:

- Is it true you partnered with a company known to be unreliable?
 - We have preventative measures in place to ensure our campaign will be a success. Our partners are reliable and reputable, and we have created and signed contracts with them.

Leading Questions:

- Would you agree the malfunction and delay could have been avoided had the shipping date been extended on Kickstarter originally?
 - While there are preventative measures in place, security is a top priority, especially in a fast-paced digital world. Although there is a delay in shipping due to a malfunction, we want consumers to be safe first and foremost. That being said, we will do further extensive testing to ensure our consumers are not put at risk when they receive the product.

Either/Or Questions:

- Are you going to pull the product?
 - Without any information from the investigation yet, I can't say if it's one way or another. We will continue to update as more information becomes available, however, the safety of our consumers comes first.

Closed Questions:

- Will you be refunding backers?
 - We take responsibility for what happened and will be looking at all possible solutions to see the best option for everyone. Our priority to consumers their safety, which is why we will be investigating further and keeping our backers updated as we receive more information.

Multiple Questions:

- Why didn't you take action sooner? Why were you not aware of the delay before launching your campaign on Kickstarter?
 - As soon as we were aware of the delay, we sent out an update to our backers through Kickstarter and Indiegogo page. In addition, we update our social media

channels and website so potential backers are aware of the delay. As we make progress, we will continue to send out regular updates and information.

Guarantee Questions:

- Can you guarantee the product won't have another delay?
 - We take the concerns of our backers seriously and we are incredibly grateful for their support and belief in Teracube. All I can guarantee to our backers is that we will be taking steps to update regularly through Kickstarter and Indiegogo.

Accusatory Questions:

- How guickly did you know about the security breach?
 - As soon as we were aware of the breach, we notified leadership and consumers immediately. We are currently investigating the situation and will have updates when we have more information available.

Jargon:

- Are updates sent out regularly?
 - We regularly send updates for 3 years after the product is released. We encourage consumers to download updates as soon as they become available to ensure their device is equipped with the latest security.

Chummy/Goodbye:

- Off the record, what are your thoughts on this situation?
 - One of Teracube's top priorities is the safety of our consumers. I will not speculate on what could have happened.

List of Emergency Personnel

Redmond Mayor

John Marchione <u>mayor@redmond.gov</u> 425-556-2101

Redmond Police

Chief: Darrell Lowe 8701 160th Avenue NE Redmond, WA 98052 425-556-2500 911

Redmond Fire

Fire Chief: Tommy Smith 8450 161st Avenue NE Redmond, WA 98052 425-556-2200 911

Key Messages

Product Malfunction

- We will do extensive product testing before releasing it to consumers to ensure no one is put at risk when receiving and using the product.
- The safety of our consumers is important and is a top priority.
- We are investigating the situation and will have updates when we have more information available.

Security Breach

- Security is one of our top priorities at Teracube.
- As soon as the breach happened, our leadership and consumers were notified immediately.
- We are investigating the situation and will have updates when we have more information available.

Product Delays

- We will use the Kickstarter and Indiegogo page in addition to our website and social media channels to keep our backers updated and informed regularly.
- We have preventative measures in place to ensure the product reaches consumers on time as planned.
- We ensure our partners are reputable and reliable before creating and signing contracts with them.

Methods of Communication

In the event of a crisis, the following should be contacted in the manner indicated in the chart below.

Stakeholders	Phone/ Text	Email	Kickstarter/ Indiegogo	Website	Social Media	News Release
Emergency Personnel						
Leadership						
Team Members						
Backers						
Potential Backers						
Media						
Consumers and Public						

Backers will be regularly updated through the Kickstarter and Indiegogo updates page, which will send an update to their email. The pages will also be available for potential backers, the media, consumers and the public.

Pre-Gathered Information

Sample Press Release

Media Contact
Anthony Tsim, Vice-President and Co-Founder anthony.tsim@myteracube.com

FOR IMMEDIATE RELEASE

REDMOND, WA Nov. 13, 2019 - On November 13, 2019, product testers of Teracube discovered an issue causing the phone to factory reset every few hours.

We are currently conducting an ongoing investigation to discover the root cause of the issue. Due to the issue being uncovered close to the final testing phase, we will be pushing the shipping date for our Kickstarter and Indiegogo backers from January 2020 to March 2020.

The safety of our backers and consumers is a top priority at Teracube, and we are committed to developing a high-quality product for those who believe in our mission. More information and updates will be posted on our Kickstarter and Indiegogo page.

About Teracube

Teracube is an all-inclusive, cutting-edge smartphone experience at an affordable price and 4-year warranty to eliminate the need to buy a new phone and significantly helping reduce the amount of electronic waste. Founded by Sharad Mittal and Anthony Tsim in 2018, Teracube will be launching in early 2020, has a successful Kickstarter campaign and is currently running on Indiegogo.

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Sample Social Media Messaging

Facebook

- On March 20, 2020, a Teracube team member found a security breach causing personal data to be sent to a remote server in the latest update we sent out a week ago. Security is a top priority at Teracube and we are releasing an update that will roll your device back to the previous version until we investigate the cause of the issue. We urge you to update your device as soon as possible so no further data is being sent. We will continue to update you with more information as it becomes available.
- A few weeks ago, shortly after the latest release of the Teracube phone, we received
 multiple reports of phones overheating and powering off due to a faulty battery. We are
 recalling all devices and strongly urge you to return them so we can investigate them
 and provide you with a proper replacement. We will be updating with the results of the
 investigation when they are available and will be replacing your device at no cost when
 the issue is resolved.
- On November 13, 2019, our product testers discovered an issue causing phones to factory reset every few hours without prior permission from the user. Due to the issue being uncovered close to launch, we will be pushing shipping dates to March 2020 instead of January 2020 to ensure no other issues will occur. We will be investigating the cause of the issue and will be providing updates to our Kickstarter and Indiegogo backers and pages as they become available.

Twitter

- A security breach has been found in the latest update for Teracube, causing data to be sent to a remote server in Russia. We are releasing an update that will remove the latest and roll you back to the previous version until we investigate the cause of the issue.
- A faulty battery has been found in the latest Teracube phone, causing it to overheat and power off. We are recalling all devices and strongly urge you to return them so we can investigate and provide you with the proper replacement.
- Due to a safety risk, we are pushing our launch date from January 2020 to March 2020.
 Safety is incredibly important to us at Teracube, and we want to ensure our backers are receiving a high quality product.

Fact Sheet

What is Kickstarter?

Kickstarter is a crowdfunding platform focused on creativity and merchandising with a global community to help bring those projects to life.

What is Indiegogo?

Indiegogo is another crowdfunding platform allowing people to solicit funds for new and groundbreaking projects before they go mainstream. Millions visit to find clever and unconventional things to solve everyday problems.

When was Teracube Founded?

Teracube was founded in 2018 by Sharad Mittal and Anthony Tsim with a launch date planned in January 2020. Teracube was founded with a 4-year warranty in mind so users save money and reduce environmental waste with a longer lasting phone.

Has Teracube been successfully Funded?

As of October 18, 2019, Teracube has been successfully funded on Kickstarter and is currently running an Indemand campaign on Indiegogo.

How many years will Teracube receive updates and upgrades?

Teracube will be receiving 3 years of Android updates and upgrades, but 4 years in their warranty. Teracube is working with Google to hopefully include another year of updates and upgrades so users can make the most of their warranty and have a longer lasting device.

Glossary

Affordability - the cost of a product that is inexpensive

Android - mobile operating system based on a modified version of the Linux kernel and other open source software, designed primarily for touchscreen mobile devices such as smartphones and tablets

AnTuTu Benchmark - one of the most popular benchmark apps for Android devices, testing many parts of your device and assigning an overall score

Crowdfunding - the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet

Environmental Sustainability - the rates of renewable resource harvest, pollution creation, and non-renewable resource depletion that can be continued indefinitely

Golden Sample - also known as pre-production sample, a golden sample is a sample produced by a manufacturer that is perfect in almost all ways, so that when evaluated it can be tested and receive a high standard review

GSM Carriers - telecommunications companies that provide mobile phone services through GSM, or Global System for Mobile Communications, technology

Product Malfunction - when a product does not work properly

Security Breach - an act that leads to damage of a system or unauthorized access to the system.

Warranty - a written guarantee, issued to the purchaser of an article by its manufacturer, promising to repair or replace it if necessary within a specified period of time

Media List

Redmond Reporter 11630 Slater Ave. N.E. Suite 8/9 Kirkland, WA 98034 (425) 867-0353

My Northwest Stephanie Klein, Digital Content Manager sklein@mynorthwest.com

KING 5 Television 1501 1st Ave. South Suite 300 Seattle, WA 98134 206-448-5555

Benjamin Romano, Technology Reporter The Seattle Times (206) 652-6593 bromano@seattletimes.com

Mark Jansen, Digital Trends Contributor Twitter: @TehMadness markjansen@digitaltrends.com

Android Central actips@mobilenations.com
Andrew Martonik, Executive Editor USA andrew.martonik@androidcentral.com

Kurt Schlosser, Writer and Editor GeekWire Twitter: @kslosh kurt@geekwire.com

Important URLs

Teracube

https://myteracube.com/

Teracube on Kickstarter

https://www.kickstarter.com/projects/teracube/teracube-the-sustainable-smartphone-with-a-4-year-warranty

Teracube on Indiegogo

https://www.indiegogo.com/projects/teracube-sustainable-phone-with-a-4-year-warranty#/

Redmond, WA Police

http://www.redmond.gov/167/Police

Redmond, WA Fire Department

http://redmond.gov/PublicSafety/FireMainpage/

American Red Cross, Washington Region

https://www.redcross.org/local/washington.html

Evaluation of Plan Effectiveness

The crisis plan will be evaluated after each crisis through a meeting with Teracube leadership staff, crisis management team, and those who were part of the crisis team for the crisis. Successful implementation of the plan results in little impact on Teracube's reputation while retaining the trust of consumers and backers.

Questions to Consider

- Were backers regularly updated through Kickstarter and Indiegogo? In addition, were the pages updated regularly with information as they came out?
- Were the media regularly updated as information came out?
- Did Teracube acknowledge the situation and take responsibility?
- Were stakeholders and leadership staff alerted within an hour after discovery?
- Was the media spokesperson consistent in key messages to the media?
- Did the media spokesperson remain calm and composed during interactions with the media?
- What can we do differently to avoid the crisis or similar crisis happening again?