

## TOP TAKEAWAYS

### When Disaster Strikes: Crisis Management

#### 1. The Court of Public Opinion May Be *The* Most Important Court.

Most crises also involve legal risk. The natural desire to retreat into a “communications shell” when litigation hits must be weighed against the (often larger) reputational risk from the lack of transparency. “No comment” doesn’t cut it!

#### 2. The Public Response Should Reflect the Corporate Culture.

If the “Tone at the Top” is one of transparency and trust, the public response must mirror that and be consistent throughout the information chain.

#### 3. Prepare a Crisis Management Plan—But Expect Surprises

The crisis management plan should include the specific steps and responsibilities discussed here. These plans should be refreshed on an annual basis through annual simulation exercises—including consideration of how to deal with events not contemplated by the plan.

#### 4. Prepare a Succession Plan.

Before a crisis occurs, prepare a succession plan to ensure someone is “driving the bus” if current leadership is sidelined by the crisis. This succession plan should identify short-term leadership and a path to finding long-term leaders.

#### 5. Identify a Crisis-Management Team.

Before a crisis occurs, identify your internal and external crisis-management team. Lines of communication and decision-making need to be crystal clear from the start. Communicate the Plan to the team and give key team members the opportunity to rehearse it.

#### 6. Institute Social Media Controls and Strategy.

Understand the pitfalls and power of social media. In advance of any crisis, have a social media presence, but also institute controls to monitor those outlets (Twitter, Facebook, etc.). Too often companies lose control of these vehicles, and/or these vehicles can even be the source of the crisis itself (EE leaks, external public attacks, etc.).

#### 7. Limit Internal Distribution.

When a crisis hits, limit the distribution of sensitive materials/information to a core

distribution group. Assume that all materials distributed to a broader employee base can and will immediately become public (e.g., leaked to press, given to agitator, etc.).

**8. Consider Which Stakeholders Should Have a Voice in the Resolution and Which Will Seek to Have a Voice.**

Every company – and every crisis – will touch the interests of a broad array of stakeholders, whether employees, government agencies, shareholders, analysts, activists, etc. When the crisis strikes they will want a seat at the table, but time and room will be in short supply. Figure out beforehand how to engage them in the most efficient way possible.

**9. Don't Jump to "Circle the Wagons" Conclusions.**

When a CEO/C-Executive is accused of misconduct, don't immediately circle the wagons if there is evidence supporting the accusation. Credibility is more important: e.g., "We've been confident in the path we've taken in the past. But we are taking a careful, hard look at [this new information], and will determine whether that path should change."

For more information on Crisis Management, please feel free to contact the moderators directly:

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