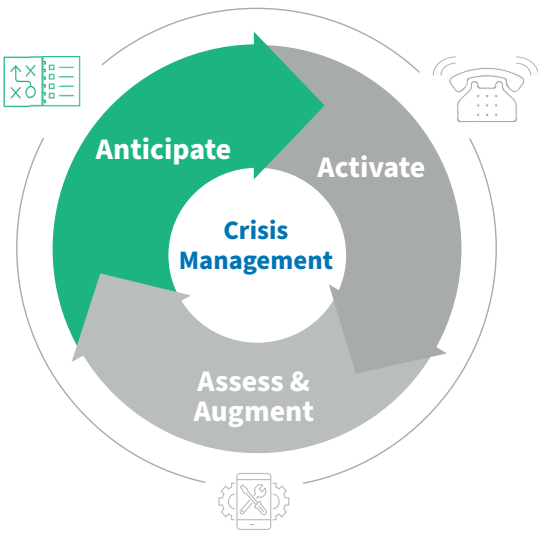




# The Modern General Counsel

## Anatomy of a Crisis

# Anticipate



It is not a matter of if an event will occur, but what it will be and when. Anticipating potential threats and implementing the right level of preparation and governance before an event occurs safeguards an organization's continuity, operational success and reputation among stakeholders.

By thinking through and planning for a crisis in advance, a company can swiftly and decisively respond to a situation and, in the process, maximize operational response and establish confidence among colleagues, employees, customers, investors and other stakeholders.

## Where to Start

### Anticipate & Prepare

Build a framework to accurately assess an issue's severity, duration and stakeholder impact and determine necessary resources and appropriate response strategies. Identify and prioritize scenarios to plan for, providing a framework to guide the planning and assisting with the execution.

### Governance & Infrastructure

Develop a structure for the crisis management team and how that team should interact with other functions, business units and advisors. Assess how the team activates and assumes roles and responsibilities in managing an issue.

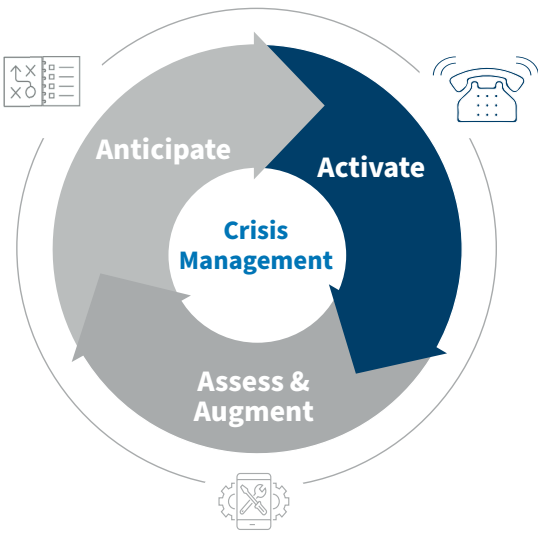
### Make It Real: Simulate and Train

Train against these efforts — scenarios, roles, media engagement — via drills and role-play exercises to test preparedness and ability to execute. Crisis simulations, tabletop exercises and media trainings are all valuable to making your plan actionable.

## Questions to Consider

- What risks keep you up at night? Commercial, legal, political, operational, regulatory.
- Where are you vulnerable? Consider industry peer group, past events, areas of exposure, political landscape, investor base, operational footprint.
- Who are relevant constituents? Board of directors, employees, customers, investors, regulators.
- Who is the first call post-incident?
- Who are impacted stakeholders, both internal and external?
- How do you engage with different audiences?
- If an incident occurs, is your team prepared to respond?
- Is the situation newsworthy?
- Do you have preferred external providers (legal, cyber, forensics, etc.)?

# Activate



Regardless of the form it takes, every event has the potential to harm a company's reputation, value and license to operate. In this age of around-the-clock scrutiny, companies are often judged as much by how they respond to crisis as the crisis itself.

Effective response requires swift and consistent action that demonstrates accountability and transparency without increasing legal exposure, financial liabilities and reputational setbacks. Response teams — internal and external, comprising legal, operations, communications and forensics, among other functional leaders — operate as one.

## Where to Start

### Analyze and Escalate

Follow processes and protocols to notify the applicable leaders and response team members. Assess the situation thoroughly to inform vulnerabilities, response priorities, and internal and external team needs.

### Activate Response Team

Dedicated leaders, external advisors and other relevant parties convene to assess, deliberate and act. Get aligned and get moving on a continuous basis.

### Get to Stakeholders

From employees to investors, securities analysts, lawmakers, regulators, customers and news outlets, stakeholder scrutiny during crisis events is intense and creates new risk. Manage inquiries and engage intentionally.

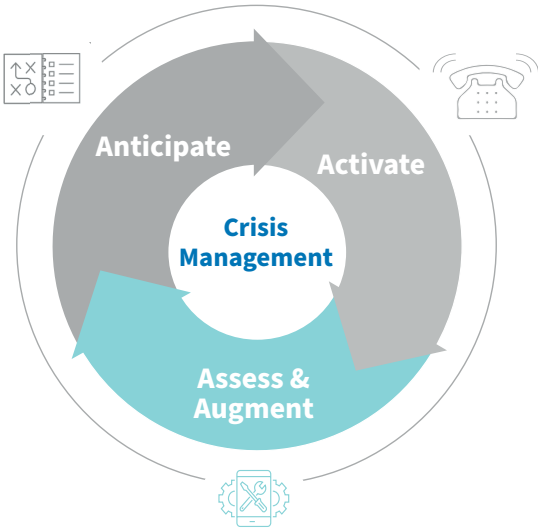
### Look Around Corners

Anticipate and prepare for impending litigation, government intervention, shareholder activism, reputational harm and more.

## Questions to Consider

- What happened? Impact. Extent. Containment.
- Who knew? Individual. Management. Systemic.
- What's the cause? External. Internal.
- How much time do you have?
- What is your risk profile now?
- Who are the stakeholders impacted?
- Were the appropriate escalation protocols followed? If not, why?
- Were the correct decision makers involved at the right times?
- Did the company respond in a timely fashion?

# Assess & Augment



Crises involve a key inflection point between event and fallout. Post-incident, a company must assess what regulatory, legal and commercial risk remains and how to move forward to rebuild.

Transparency, accountability and continued stakeholder engagement after the event's conclusion are also critical to both rebuild key audiences' trust and confidence in the company — and to protect, promote and enhance the long-term success of the business. Learning from responses will prepare organizations for future incidents if and when they occur.

## Where to Start

### Governance: Learn from the Moment

Complete an after-action review and ensure insights are reflected in governance structures for future response.

### Reputation Rebuild

Transparency, accountability and frequent communication among key stakeholders is crucial. Thoughtful engagement strategies to protect, promote and enhance a company's brand among peers, employees, communities and customers can help achieve long-term business success and rebuild trust and confidence in the company and the brand.

### Intentional Actions

Intentional actions to safeguard against future incidents protects your business for the future. Demonstrate with action, integrity and words how the business is prepared for the future.

## Questions to Consider

- What is your risk profile now?
- What are the regulatory or legal implications?
- Who are the stakeholders impacted by future developments?
- How are you currently perceived by your key stakeholders post-incident?
- How has stakeholder trust been impacted pre- and post-incident?
- Were the appropriate escalation protocols followed? If not, why?
- Were the correct decision makers involved at the right times?
- Did the company respond in a timely fashion?
- What repairs are needed – governance, reputation?



## Corporate Headquarters

555 12th Street, NW  
Suite 700  
Washington, DC 20004  
United States  
+1 202 312 9100

## EXPERTS WITH IMPACT™

**FTI Consulting** is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

© 2023 FTI Consulting, Inc. All rights reserved. [fticonsulting.com](https://fticonsulting.com)

