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SPONSORED ROUNDTABLE



CRISIS MODE

Three local experts hone in on preventative measures any company can take if dealing with a crisis.

From left, Mandy Arnold, CEO of Gavin in York; Stuart O'Neal, partner at the law firm of Burns White in Philadelphia and Lisa Myers, principal with Boyer & Ritter of Camp Hill joined a crisis roundtable discussion at the Harrisburg office of Central Penn Business Journal in September.

By Cathy Hirko

Central Penn Business Journal played host to a crisis roundtable discussion earlier this fall at the media company's Harrisburg office.

Experts in litigation, accounting and public relations took part in the hour-long discussion.

Contributing were Stuart O'Neal, a partner at the law firm of Burns White; Lisa Myers, principal with Boyer & Ritter; and Mandy Arnold, CEO of Gavin. CPBJ's associate publisher/editorial director, Cathy Hirko, moderated the panel.

The conversation has been edited for clarity and brevity.

HIRKO: Crisis can mean different things to different companies. What does a crisis look like to you and can you share some examples?

STUART O'NEAL: It really does depend on the industry. Crisis to me means any type of adverse event that has a connotation of really going sideways for either the company or the individual. In the healthcare industry, it usually has the connotation of a bad outcome on either the procedure or some sort of treatment. In the entertainment industry, there is a litany of things there that can be classified as a crisis.

HIRKO: Do you have any examples?

O'NEAL: Crisis is a very wide, wide definition. A typical situation has to be figured out, so to speak, and how you react to it. What pieces need to be in place? In our world, there is nothing worse than thinking that you know it all. You really have to get your resources in line. Because you can't be like, yes, we do PR. Yes, we do HR. No, you don't. So you need to be able to get a forensic accountant, that PR person.

HIRKO: I'm assuming you see a lot of people at a time when they're under the most stress. How do you coach and what's your strategy on that?

O'NEAL: So you try to bring a human element to it very quickly and you turn into a counselor, not a lawyer or not an attorney. And you explain to those making the decisions, or having the crisis, that this is what we're going to do and this is how we're going to do it and, really, that basic communication of we're here to help. And I think it doesn't work all the time, obviously, because, again, we're dealing with human nature. And so anytime you can lay out a plan that can communicate effectively it will work pretty well.

LISA MYERS: In our cases, it's usually that a financial element is involved. So I have the owner of a large corporation



Stuart O'Neal is a partner at the Burns White. O'Neal is based near Philadelphia and is a litigator and a trial attorney.



Mandy Arnold is CEO of Gavin, a strategic communications company based in York.



Lisa Myers is a principal with Boyer & Ritter, a regional accounting firm. She specializes in forensic and litigation support.

in a closely held business feels that their CFO is stealing from them, or they're seeing some type of embezzlement or the CFO calls and says, you know, I have X I'm missing. Crisis can be \$100,000 loss to one entity or \$100 million loss to another one. They need to know that we have confidence in what we're going to be able to do. They need to have confidence in the team that they've pulled together, because it literally is a team.

We're called in more in the front end instead of in the back ... The majority of our cases are reactive. What we're trying to teach, though, is to be proactive, and we'll help you with that element, too. Not that I can prevent a crisis, but I can mitigate the risk of a crisis occurring.

HIRKO: A lot of you feel you're in the reactive market, right?

MANDY ARNOLD: Yes, like probably 80 percent.

MYERS: I was going to say 90.

ARNOLD: Because we work in a variety of industries, we see a really wide array of situations. We've had situations where a school district has an issue where a superintendent did something they weren't supposed to. Because you're dealing with a public entity, everything is public. How do we

manage this? So we're called in behind the scenes.

You have to really think through where do you want your public affairs agency being seen, where do you not want them to be seen. There are actually situations where we're working behind the scenes. And then there are situations where there is a death in a food factory. And the manufacturer is calling the police. It's over the radio, instantly you're going to have media here.

And then there are much smaller situations where there is a leadership change, because of, let's say, some poor decisions that were made. How do we mitigate this to make sure that we end up OK financially?

Crisis can look a lot of different ways?

HIRKO: So what advice do you give clients immediately when they're in trouble?

O'NEAL: From my perspective, don't hesitate to make the call. Because the sooner that we're involved, the sooner that evidence can be controlled, witnesses can be corralled. You know, really we can make a true assessment as to what is going on. And not only that, but what else do you need?

ARNOLD: It's often a partnership...and a lot of times

we're hired by the attorneys. We'll often recommend that our clients go through an attorney. We know there are specific details that we want to protect them legally. We can't give you legal advice.

HIRKO: Lisa, what do you think people would be surprised to know what you do with your position and how you help your clients?

MYERS: If I can't get the evidence electronically and work externally, then (I'm working discreetly onsite). Typically, we will meet with the attorney and the client somewhere offsite. And then we'll figure out a plan, bring the PR people in. I'm part of the offensive line. We need to get to the facts to be able to bring the evidence back to the attorney, back to the PR, and kind of talk that way. A lot of times, when you're following the money, it's black and white. Here is the evidence. All I do is I present the evidence. But as I'm finding the evidence, I want to be able to talk with the legal counsel and the legal counsel then will share with the client. So we want to make sure that everything is covered by attorney-client privilege.

ARNOLD: There are situations where you want to keep it quiet and you want to stay out of sight, take it offsite. There are

also situations that we've seen how the executive team manages the rumors or the information of what's happening.

More often than not employees know something is up and they fill that vacuum pretty quickly with misinformation if they're not given the facts. And so we're often talking to our clients about what communications are going to be with your internal team. It doesn't mean you're giving all the details, but it's perhaps something has happened and they're going to see people onsite or you want to make sure they know you're taking precautionary measures. There is a level of appropriate transparency. It's a trust. A trust relationship is the big thing. If you have that communication cadence, you're not leaving it up to people to fill in the void of information.

HIRKO: What would you recommend for the proactive steps for that 10 percent who will reach out and say 'I want to avoid this?' What are some of the tips that you can share?

MYERS: We've actually built a tool. How can we go in and help clients to mitigate whatever risks they may have? It gives a scorecard. We go into 12 different categories within their firm or within their company and talk about internal controls. People

will say they have internal controls, but they really don't. Most of the time they may have controls in place but things change, technology changes, right? And they may not go back and reevaluate. Is that control still in place or are they monitoring those controls? Looking at insurance coverage, IT security, etc. And then they can look at their scorecard and basically you can see where the risk is. We'll rank it as high, moderate, or low. And then they have to evaluate. What is their tolerance for risk? We encourage clients to engage to be proactive versus reactive.

HIRKO: What's been their reaction to that scorecard? Because, we all tend to think we're doing very well, right?

MYERS: Yes. They're actually shocked. It's an educational process then. The cost of this may be too much to mitigate. But you need to understand you have this risk. What's the worst-case scenario that can happen? It may never happen. Many clients would say, no, I can't live with that risk, fix it.

O'NEAL: I would say 80 percent of what we encounter with clients, maybe a little bit more, didn't come out of left field. It just doesn't. So when you get everyone around the table and you say "Tell me everything you know about this," and you have everyone going "I had no idea, I had no idea." There is that one person who is fidgeting a little bit, looking down, and you look at them like this. And you say "Can you talk to me?" And then that's where everything comes out. "I knew about it, you know, three months ago. XY and Z was going on then..." That's what you really drill down to.

We give that example during presentations. The more you know ahead of time the better off you can prepare. But it just doesn't come out of left field.

Mandy [Arnold], you used the term communication cadence...

(O'NEAL asks her to elaborate on that phrase).

ARNOLD: I just came from a leadership military training at West Point for a couple of days, so it's hot on my mind building this culture of trust. When people see something, they share it. They feel comfortable.

O'NEAL: Right.

ARNOLD: I do think part of creating that culture of trust is communication cadence. It's this ongoing schedule of information and this relationship between the leadership team and the employees and the management team that there is an exchange of details at a certain level where you know what's going on. I'm keeping you in the loop. But then also externally making sure that you have scheduled communications that are not just managing the issue, but proactively setting the tone to build your brand equity. We developed a plan.

And as an example, we work with a lot of authorities that are regulated by environmental agencies and so what we run into is that people don't want to share information, because they're concerned that the public doesn't know how to interpret it. And it's quite the opposite. If they're not receiving information from you, they think you're ignoring issues versus you sharing proactively these things are happening or making improvements or making investments.

HIRKO: What kind of advice would you give to a company when it comes to social media?

O'NEAL: Social media is generally a good thing if you have the right folks that know what they're doing and marketing appropriately. From my angle, it's terrible usually in a crisis, because you're reacting to a post or a Tweet of some sort that is ill advised in a particular situation. We have counseled companies to have a social media liaison. One person in the company or

two, depending on how big you are, who oversees and monitors. But you need to keep tabs on social media at this point. Really need to pay attention to it, and that's from a proactive point of view.

MYERS: You have to have the right element, the right folks inside your firm managing that or inside the company, that external resource. Because depending on what environment or industry you're in, you're going to need a Mandy, right?

I think the key is being proactive, having those conversations internally. If you're going to have a situation, pull together the right individuals within the firm who's going to manage that message working with the C suite folks, right?

Social media is more proactive. Once you're in the reactive...

ARNOLD: You're in trouble.

MYERS: You're in trouble.

ARNOLD: I mean, definitely having a social media policy so that every employee that comes on, anyone that is coming in on the factory floor, to an engineer to somebody is in the marketing department, has a clear understanding of your social media policy.

There are a couple of things I recommend. One is active social media monitoring. There are some great tools like Sprout Social where you can monitor hash tags and tagging and conversations and influencers. But then just making sure that it is not a reactive approach, because there is nothing worse than a company with zero social media presence -- and that goes back to that communication cadence. Social media can be a powerful tool when reaching audiences. Let's say if you are a public entity or you're a health organization, you have to get a public service announcement out. Well, public service announcements from social media are very important ... posting information, posting

video tutorials. It educates them both visually and conceptually.

HIRKO: What do you think your clients really should be worrying about and maybe they aren't?

ARNOLD: It's understanding what tools and resources do you have in house, because there is nothing worse than getting a call in the middle of the night from a client. Who is on your contact list? Who is your core management team? And having those resources right at your fingertips ... What's your phone train, as an example. What's your relationship with the local hospitals, with the schools? Where is that contact list?

And not only having just the basics, but the fundamentals to an effective communications plan being implemented ... writing the plan, test, stress-testing it, tearing that muscle a little bit in the sense that they're learning how to be better communicators every time. And so those tools and resources are what's always on my mind. That's the first thing I have to ask them. One, tell me all the skeletons. I need to know what I'm dealing with so I can really help you. And, two, I need to know what you've got in place. You know, what can I do to jump in quickly?

MYERS: There are no accounting emergencies or there shouldn't be, right? While you may have some really good processes in place, they need to go back and reevaluate that and have a third party look at that. People are not always communicating because they may stay in their silo within their organization.

O'NEAL: Not to hesitate to ask for help. It's a lot cleaner, for lack of a much better term, if we're involved from minute one. That way we know we're on the ground floor right then and there as opposed to 48 hours after the fact. ■