

**M&A East Roundtable**  
**Value Preservation and Crisis Preparedness**  
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**By Steven Logue, Vice President, USI Insurance Services LLC**

Experts in crisis management and communications provided valuable insights into how to protect a company from crisis by planning, preparing, responding to and mitigating the impact on the brand.

**Featured Speakers**

- Michael Jacoby – Senior Managing Director, Phoenix Capital Resources (Moderator)
- Annalisa Fornarelli – Vice President Global Food Safety & Quality Control, Campbell Soup Company
- Megan Keohane – Assistant Vice President, Buchanan Public Relations
- Suzanne Watts – Vice President, Corporate Marketing & Communications, Day & Zimmermann

Any event, situation or initiative that can harm your brand and growth prospects or damage your company's reputation, constitutes a crisis. Moreover, today's digital media can amplify even run of the mill crises.

**How can you plan and/or prepare for a crisis?**

- Scenario plan.
- Assess the risk and be sure to include the specific subject matter experts in the process.
- Meet with senior leadership to score the probability of the event and assess the likely business impact.
- Create specific contact teams, with clearly defined responsibilities and a hierarchy for escalating the crisis internally.
- Identify a single spokesperson, to ensure a unified message aligned with your strategy.
- If the press will be involved, draft anticipated questions and prepare answers. A response of "no comment" does not work, particularly if you are trying to get ahead of a breaking negative news story. The court of public opinion won't accept it.

All of these points enable the company to prioritize the development of plans for the most severe specific risk.

**Conduct tabletop exercises for crisis**

- Identify your most risky areas and practice your response periodically.
- Live drills will help you identify areas that needed to be tweaked. For instance, involve field level sales employees, to make sure they have the tools to respond to customer inquiries, etc.

### **Tensions between operations and legal during crisis**

- Typically the board of directors always wants all the information. However, sometimes the information is legally privileged, and access is restricted.
- Identify specific decision areas and assign levels of responsibility for making those decisions to help minimize the friction.

### **What can companies do to prevent a crisis from occurring or detect its existence?**

- A culture of safety and transparency is key.
- Scenario planning and training will help you be prepared. Nurture a culture that encourages “See Something Say Something.”
- Understand the risk in the entire supply chain. Work to eliminate the opportunity for human mistakes.

### **Tools to minimize the impact of a crisis**

- Have a crisis response plan in place, but recognize a plan often needs to change as a crisis evolves.
- It’s important to have the right data and be able to adapt so that you can act quickly.
- Involve the proper attorneys and ensure they approve any and all communications.
- There is a balance between acting too quickly and making sure you have the right response.

### **In an acquisition, how can crisis preparedness issues impact the due diligence process and/or the post-acquisition integration?**

- Due diligence in crisis preparedness and response prior to the acquisition is critical.
- Smaller target companies will have different risk tolerances and will respond differently than a larger company.
- The target’s preparedness is part of the due diligence process to help preserve value. It is also important to assess the target’s reputation in the industry and anticipate customers’ reactions to a potential crisis.
- Post-acquisition crisis preparedness should be reviewed and enhanced as part of the integration, as new risks and critical company contacts are needed to now work together.

### **How have cyber threats changed contingency planning?**

- Incorporate cyber scenarios into your crisis plans and make it a component of your drills.