



## How crisis leadership and crisis management differ — and why preparation is essential for every business

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Whether it's a workplace incident, a defective product, corruption, or a cyber attack, a crisis can strike in an instant. And when a critical situation occurs, leaders must make profound decisions quickly — often with long-term consequences. The way they handle a crisis can make or break the company's reputation and brand, and affect both the valuation of the business and its ultimate survival.

In our highly connected world of fast-moving communications, getting ahead of a crisis is key, says Lillian S. Hardy, a partner at Hogan Lovells in Washington, D.C. Leaders need an agile support team with the legal and strategic communications capabilities to help them navigate their companies through precarious times.

In this [hoganlovells.com](https://www.hoganlovells.com) interview, Hardy details why these reputational threats are on the rise and how businesses can prepare for potential emergencies. She also explains how the Crisis Leadership Team works with clients to develop an efficient response plan and provides on-call access to experienced teams, so clients can stay focused amid confusion or controversy, and their organizations can emerge from a crisis intact.

### How would you describe our Crisis Leadership service offering? How can it serve our client's vital interests?

**Lillian S. Hardy:** While we have a lot of people in our various practices at Hogan Lovells that do emergency problem solving, we haven't officially had a structured crisis management group. And that was certainly something that we felt we needed to change, especially in the current era, where so many of our clients are experiencing what I call "modern problems."

Modern problems have significant public-facing risk or reputational threat and must be handled very quickly. These are not the typical, multiyear government subpoenas that they may be accustomed to responding to. Yes, those are a big existential threat for clients. But what we're talking about with crisis leadership are threats that really need to be handled quickly, are impactful to the client's reputation or brand health, and would make a CEO cringe if the public found out. We're handling those things in a shorter timeframe than the protracted long investigations.

We like to think of it as a 72-hour heat zone, wherein an issue comes up and the client needs to call the firm and have a dedicated incident response strategy, a communications strategy, and a longer term legal strategy that all work to the company's benefit. We use lawyers from various practice areas and also the Strategic Communications practice within the firm, to deliver that combined product.

## When you say “modern problems,” you differentiate between a case that goes on for years and one that needs fast resolution. What are some other modern problems facing clients?

**Hardy:** While there are different definitions of “going viral,” generally it takes about 10 minutes for a bad story about a company to gain significant traction on social media. So a modern problem might be the type of headline or incident that, if social media caught wind of it, would be brand threatening inside of an hour.

If, for example, you face an allegation of misuse of federal funds for a product or part, that's the sort of thing where you might have years to go back and forth with the government about and the public may never notice. But if you are the general counsel of a retail company and an individual walks into your store and experiences an incident involving racial intolerance or discrimination, you're going to be on the Internet for days, weeks, or even months. You'll have to deal with the legal consequences, whether they're civil or criminal or whatever they may be. But you're going to be dealing with the trickle-down consequences as well.

In these situations, Hogan Lovells comes in and helps the client decide how they're going to respond, from both a legal and a strategic communications standpoint.

## What differentiates crisis leadership from crisis management?

**Hardy:** Crisis leadership is when the component parts of various Hogan Lovells teams come together to help leaders within client organizations lead through a problem rather than just managing it. Because when you're managing a problem, you're trying to either contain it, dismiss it, or even shovel it away. But leadership is when you confront the issue head-on, and think about how to best frame the truth and how to emerge stronger on the other side of the problem.

For general counsels, there's an opportunity for leadership in crises, and for companies, there's an opportunity to show the public that they're leading as well.

## What are common mistakes that many companies make in the face of a looming crisis?

**Hardy:** The most common mistake is to lie or conceal the truth. It may not be that the company is lying in the most basic sense, but if they're trying to over-spin or get away from presenting the

truth, that usually is going to come back to bite them later.

Another really common mistake is to respond too quickly. I mentioned earlier that something can go viral within 10 minutes, but that doesn't mean that a company needs to respond at minute 11. They need to gather facts, they need to ingest them, they need to think about the various strategic considerations — and *then* reply, because the timing of their reply or non-reply could end up impacting the way that people receive it. It can be a benefit to wait, at times. So one of the mistakes we see playing out is just being too hot on the trigger, both with legal decision making and strategic communications.

## What is the most important thing a company can do to prepare for a crisis?

**Hardy:** Step one for the client should be to assess their most critical risks. Whether that's done as part of their own internal risk assessments or in connection with a law firm assessment, they need to figure out the types of risks that will more than likely cause them to enter into crisis if they occur.

The second step is to have plans in place for an actual crisis. Those would be incident response plans for the various crisis types.

And the third and most critical thing that a company can do is to have designated people, both internal and external, who will respond to different vulnerability types and know what they're going to do in case of emergency before the emergency occurs. And part of that is identifying their outside counsel and making sure that outside counsel is aware of their company's needs, because there won't be time during the emergency to get to know the company and what its goals are.

## Crises come in every imaginable guise. In the context of this offering, how can our team keep up with the evolving nature of modern issues?

**Hardy:** One of our greatest strengths at Hogan Lovells is the breadth of our regulatory practices around the world. We have a lot of industry sector technical experts who follow the trends of all of our clients groups and know the biggest risks that they're exposed to. So the combination of those practitioners, alongside our emergency problem solvers, is a big strength of the firm.

When building teams in times of crisis, what we try to do is define what, exactly, is the issue. Does it have an employment component? Does it have a criminal component? Does it need a regulatory response, such as from the FDA or Consumer Product Safety Commission? Have appropriate public disclosures been made? We have members of the Crisis Leadership Team who hit all of those topics and can respond to all related questions.

We also think about jurisdiction: Is it located in the UK? The EU? The United States? Is it global? Each team will become comprised of the right players, given the issue.

What's nice about having people onboard across the globe, who already know our methodology and practices, is that we have a coordinated and very rapid response.

**Tell us more about the portal that Hogan Lovells launched to further strengthen preparedness for our clients.**

**Hardy:** We've developed some resources to help clients with their assessment process, including an app, where clients can stay abreast of emerging trends and we can deliver content from other thought leaders within the firm.

But most importantly, the app provides a direct way for the clients to communicate with us in times of crisis. The portal allows them to bypass issues such as their e-mails being down because of a cybersecurity incident, or if they have confidentiality concerns and want to make sure that their messages go directly to the cell phones of people on the Crisis Leadership Team.

We're leveraging technology in developing this practice, because technology has to work for you when it's working against you on the other side. And certainly in the social media age, we have to be moving as fast as the public is moving.

#### **About Lillian S. Hardy:**

In an unexpected crisis or complex investigation or inquiry, clients need to identify core issues and develop strategies to efficiently resolve them — ideally before things go public, but oftentimes while everyone is watching already. Lillian Hardy has managed incidents and investigations, large and small, for clients on five continents with these goals in mind.

Lillian heads the firm's multidisciplinary, global crisis management practice, the Hogan Lovells Crisis Leadership Team. She also works with companies to develop and improve their compliance programs.

## Contacts



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