

The role of the board in responding to a crisis

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EXPECTATIONS FOR MANAGEMENT AND BOARD MANAGEMENT'S ROLE

- Implement and adapt its preestablished crisis response plan
- Identify risks and assess responsibility for developing mitigation strategies
- Internal communications strategy – consistent and trust-evoking messaging from top to bottom
- External communications strategy – message development, stakeholder identification
- Tend to public reputation
- Determine corrective actions
- Execute the response plan

NEEDS OF THE BOARD

- Frequent, timely and frank reporting
- Quantification of impact/exposure
- One point of contact between board and management
- A clear statement of the questions
- the Board needs to decide or
- issues it needs to address
- Clear understanding of stakeholder engagement strategy, and the role it, or any member, should be playing
- Clear explanation of how short-term responses address long-term needs

BOARD'S ROLE

- Understand the situation, implications for the organization and management's focus
- Provide advice and counsel to management as sought
- Be available and willing and able
- to provide requested support to management
- Understand and respect board and management roles
- Make decisions with a view to long-term sustainability of the organization

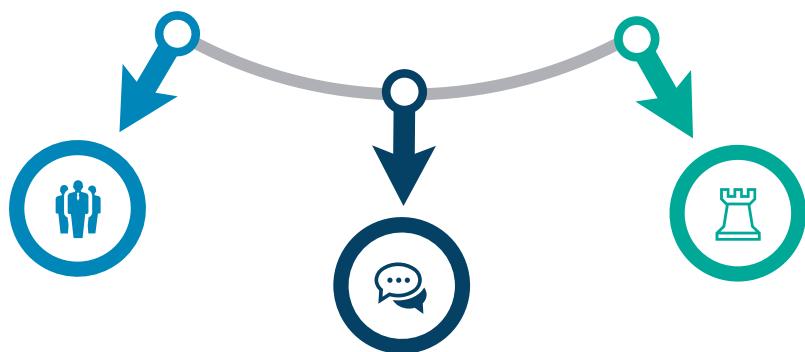
- Facilitate post-crisis review assessment and provide feedback to management



KEY ELEMENTS TO A CRISIS RESPONSE

- Identified team, with allocated responsibilities and accountabilities
- Approved internal communication framework
- Assigned responsibility for external communications and stakeholder engagement
- Contingency plans in case management is unable to assist
- Systems to monitor developments and adjust the plan as needed
- Engagement with regulators
- Anticipation and management of additional fallout
- Unobstructed up-the-ladder reporting

PREPARE FOR THE NEXT CRISIS



POST-CRISIS ASSESSMENT

- What did we do right?
- What could we have done better?
- Solicit views:
 - internal stakeholders (directors, officers, managers, employees)
 - external stakeholders (customers, suppliers, regulators, etc.)

DEVELOP AND PROMULGATE INTERNAL AND EXTERNAL MESSAGING

- How has the crisis affected the organization?
- Where is the organization now?
- Where are we going?

REASSESS AND IMPROVE CRISIS PLAN

- Reassess enterprise risk management system's ability to identify and mitigate new or evolving risks
- Reassess plan's ability to respond to the next crisis

- Buttress defenses against the next crisis

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