

Arthur J. Gallagher & AnotherDay

Crisis management: Lessons from failure, ideas for success.



Speakers



Justin Priestley GM

Executive Director – Crisis Management, Arthur J. Gallagher

Since joining Arthur J. Gallagher, Justin has pioneered its consultative approach to special risks, acts as project sponsor for all major projects and regularly speaks at risk management conferences worldwide on the subject of terrorism threat.



Jake Hernandez

Consulting Director – AnotherDay

Jake is Consulting Director at defence, crisis and security consulting firm AnotherDay which works with clients to provide security intelligence, develop security and resilience strategies, implement capacity to reduce risk and assist with investigations post-crisis.



Laura Hawkes

Intelligence Associate – AnotherDay

Laura Hawkes is a threat advisory and consulting associate with global experience, particularly in the Middle East and East Asia, who helps our clients understand how the external security environment could affect their business, and facilitates major strategic intelligence analysis and security programmes.

Recent case studies

Positioning of
Crisis
Management –
the four pillars

Anticipating

Preventing

Composition of
the Crisis
Management
team

Representation

Team dynamics

Functionality of
the Crisis
Management
team

When?

Links to what?

Positioning of
Crisis
Management –
the four pillars

Responding

Recovering

Decision action
cycle and
executing crisis
response

Other
disciplines

Social media

But before we go on...

Do you have a crisis management plan?

Have you ever experienced a crisis?

Have you tested/updated your plan in the last 12 months?

Does IT/Digital use your plan also?

Is your business continuity plan a separate document?

Is your plan tailored to the crises you're likely to experience?

But before we go on...

Have you reviewed how GDPR might affect your plan?

Do your senior leadership understand the value of CM?

Does your CM plan have a social media section?

Have you tailored insurance covers to reflect what's in place?

Do Legal and Finance both have a seat at the CM table?

But before we go on...

A recently terminated employee has contacted his former manager in a Twitter direct message, claiming that he has copies of large databases containing customer data and reputationally damaging contract details.

He's threatening to release these on social unless a payment is made in cryptocurrency Litecoin.

What are the first three things your organisation/you would do?



Case study – United Airlines

Pre-incident:

- **09 Aug 2014** – Police officer, Darren Wilson, fatally shot black youth, Michael Brown, in an apartment complex in Ferguson, Missouri.
- Immediately after protestors took to the streets claiming Brown was trying to surrender when he was shot.
- The following day violence erupted.
- Protests continued for weeks and gave birth to the current ‘Black Lives Matter’ movement, and starting a highly politically charged national debate over police use of force, proportionality and race.



Case study – United Airlines

Incident:

- **09 Apr 2017** – A passenger became injured and bloodied after he was dragged from his seat by airport police before a flight departed from Chicago to Lexington, Kentucky.
- A video of the incident involving the individual, David Dao, was captured on a video phone by a fellow passenger.
- The video rapidly went viral and tapped into a broader frustration with major airlines, suspicion of the actions of large corporates, and anger over the actions of isolated law enforcement officers in other parts of the United States.
- The incident also brought the subject of police heavy handed responses and racism back into the public domain.



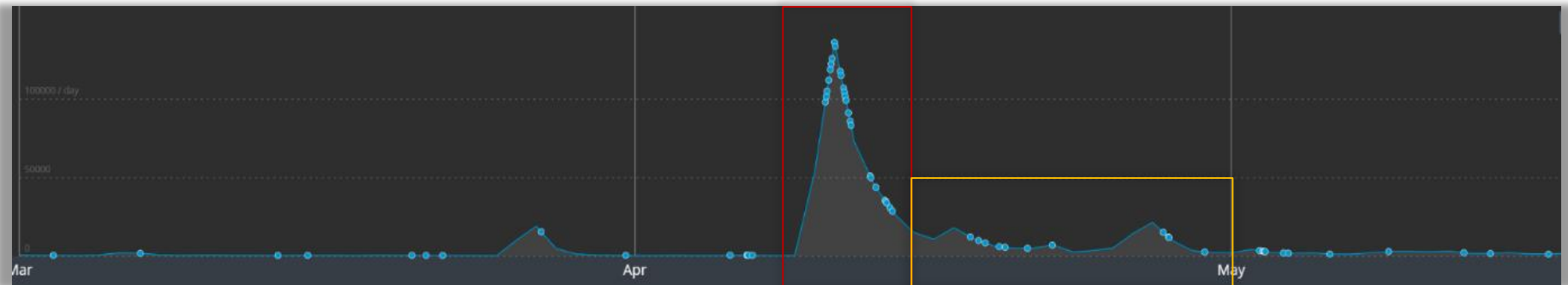
Case study – United Airlines

Post-incident:

10 Apr - CEO Oscar Munoz issued a statement justifying the removal of Dao, referring to it as “re-accommodating the customers”.

12 Apr – Munoz stated, “this can never, will never happen again...that’s my promise”.

17 Apr – Munoz stated the incident “has been a humbling experience, I take full responsibility”.



Initial spike

Long tail

10 Apr - Munoz sent an email to United staff commending the crew’s actions and called Dao “disruptive” and “belligerent”.

13 Apr – United held a press conference promising security will not eject passengers and their policies and training will be reviewed.

19 Apr – Munoz said no one will be fired for the incident.

Case study – United Airlines



Case study – Borussia Dortmund bombing

Incident:

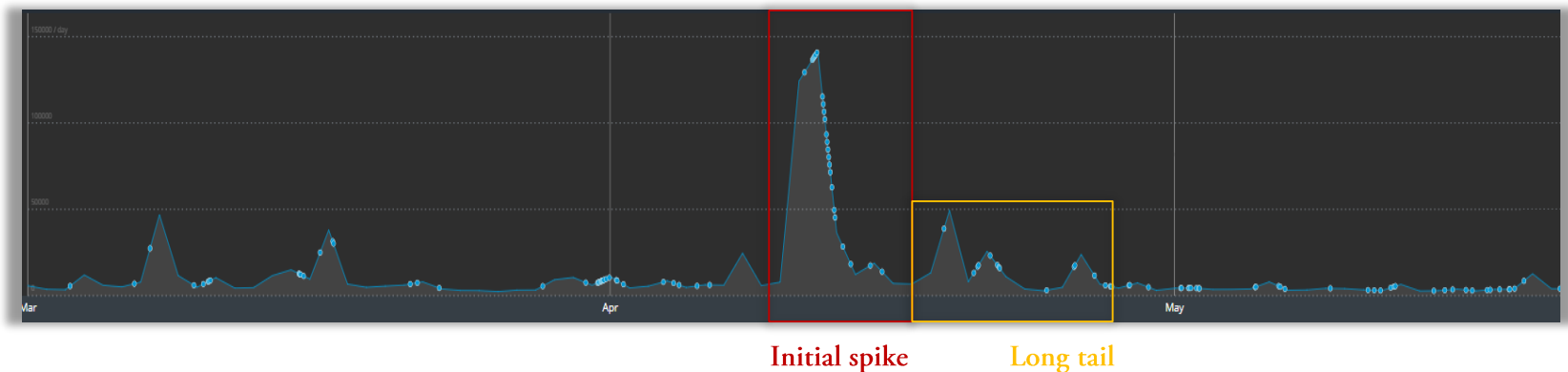
- **11 Apr 2017** – At around 7pm the Borussia Dortmund football team were traveling to their home Champions League quarter-final match in Germany against Monaco when three explosive charges detonated.
- One policeman and player Marc Bartra were left injured.
- **21 Apr** - A Russian-German man was arrested and accused of carrying out the attack to cash in the inevitable drop in the club's share value.
- Hours before the attack the suspect bought 15,000 'short stock' options for the team, effectively betting on a drastic fall in price.



Case study – Borussia Dortmund bombing

Post-incident:

The initial social media interest stemmed from its connection to football, a professional sport with high levels of social media engagement.



The 'long tail' generally focused on the unusual motive of the attacker and did not damage the club's long-term reputation.

Case study – Borussia Dortmund bombing

Post-incident:

The bombing had the outcome the assailant had hoped for in that it caused an immediate drop in the price of the team's shares.



Initial spike

However, after the suspects arrest and news emerged of his motive, the price of shares rose once more to pre-attack levels.

Case study – Manchester Arena attack

Incident:

- 22 May 2017– At 22:33 Greater Manchester police were called to reports of an explosion, shortly after Ariana Grande had finished her concert at Manchester Arena.
- The explosion killed 22 and injured another 59.
- 23 May – A 22-year-old man was arrested in connection to the attack, Salman Abedi.
- In the hours after the attack ISIS took to social media to celebrate, while disseminating threats of further attacks.
- The attack led to one of the largest and most complex investigations in UK history, and it was initially unclear as to whether a larger network was involved.



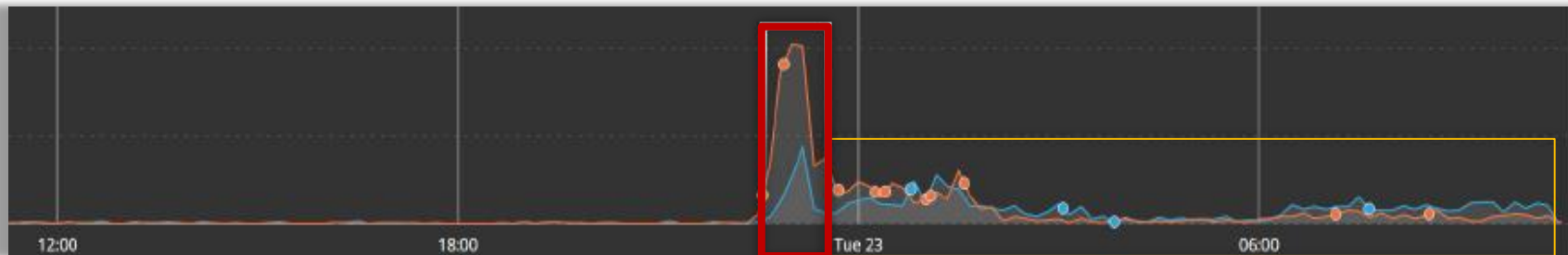
Case study – Manchester Arena attack

Post-incident:

22:34 - The first tweet related to the attack was posted by a concert attendee, stating “A balloon popped and everyone thought it was a bomb or gunshot”.

00:24 – NHS sources claimed the explosion was a nail bomb. Hospitals in Manchester rapidly became overwhelmed.

00:24 – Guests took to social media to criticise Manchester Arena’s security on the night as bags were not searched.



Initial spike

Long tail

22:53 – The bomb squad arrived at Manchester Arena and evacuated everyone from the building.

00:47 – The North West Counter Terrorism Unit announced the incident was being treated as terrorist related.

00:24 – For many weeks in the aftermath, the rate of cordons and evacuations due to suspicious packages rose dramatically.

AP The Associated Press  

Breaking: Two Explosions in the White House and Barack Obama is injured

 Reply  Retweet  Favorite  More

3,063 RETWEETS **144** FAVORITES

12:07 PM - 23 Apr 13



ANTICIPATE

Monitor the likelihood of an issue or crisis through:

- 1) Threat intelligence
- 2) Risk assessment
- 3) Risk monitoring

PREVENT

Plan and take specific actions to prepare and reduce risk:

- 1) Budget allocation
- 2) Exercising and training
- 3) Insurance covers

RESPOND

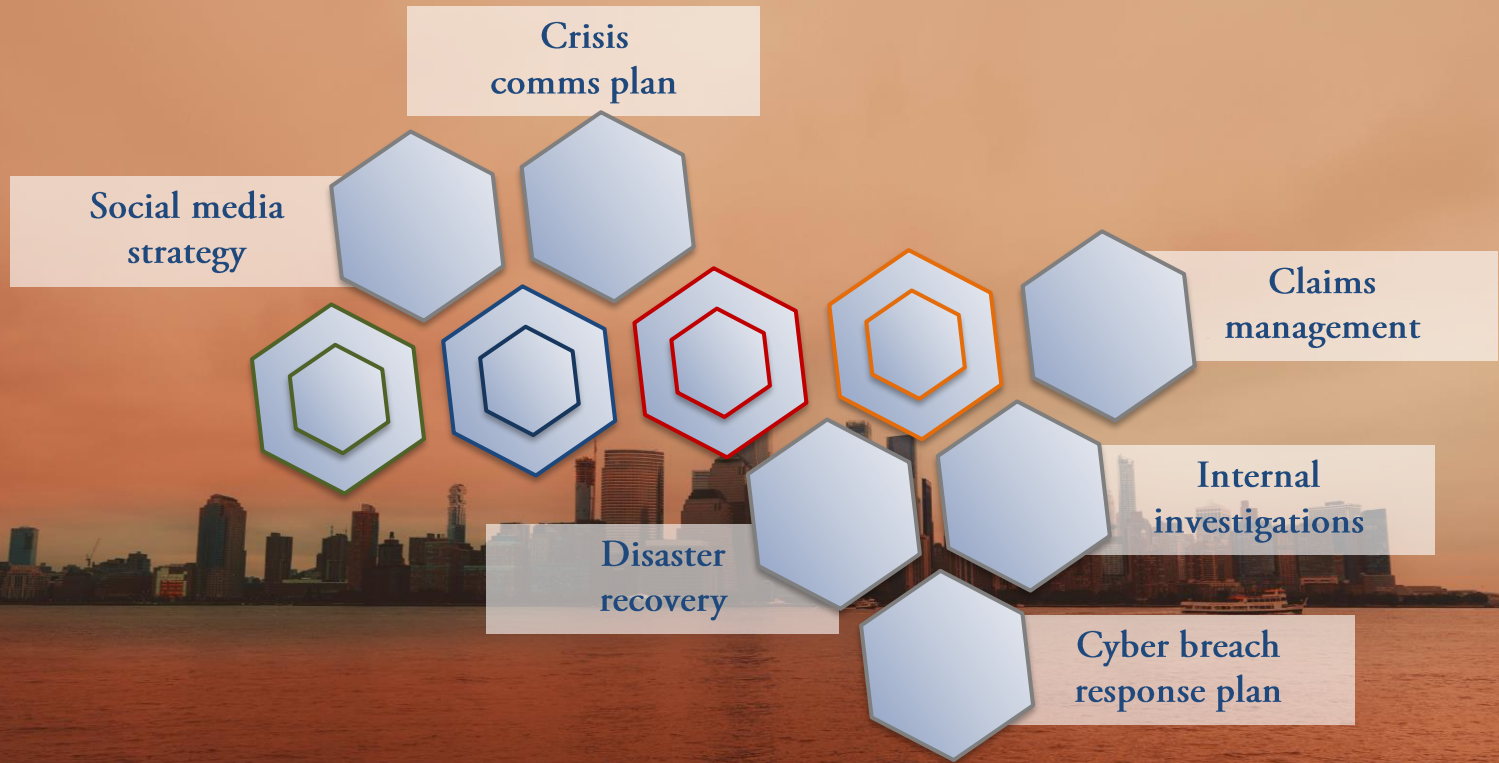
Get ready to respond right now:

- 1) A flexible CM plan
- 2) Understand CM team dynamics
- 3) Cyber/IT & social media


RECOVER

Understand your critical processes and come up with Plan B:

- 1) BCM/DR teams separate
- 2) Critical processes
- 3) Legal and claims

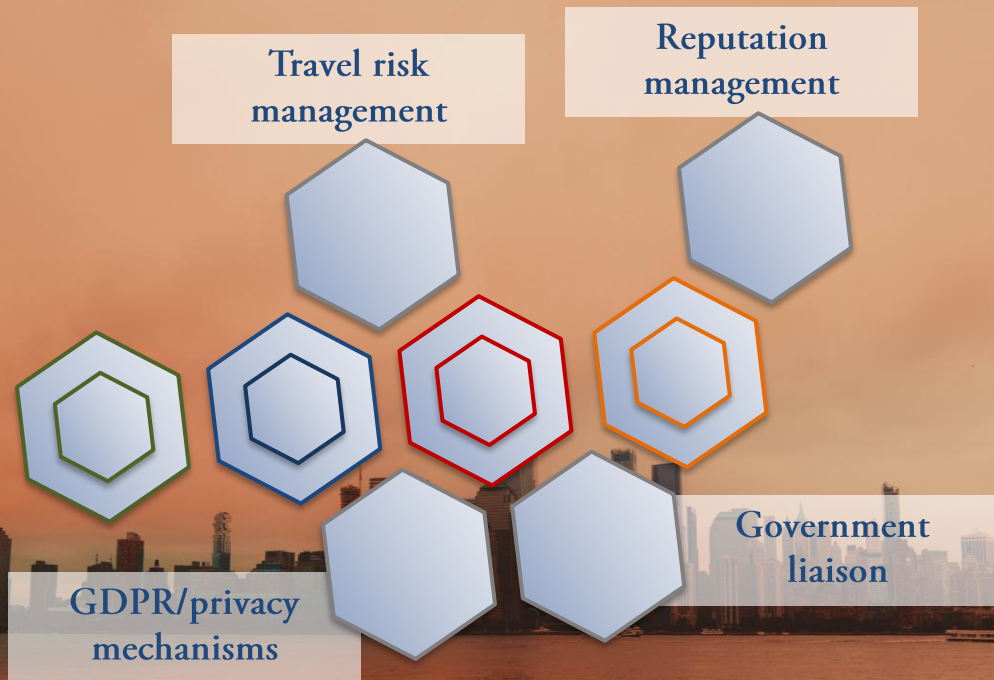


 Threat intelligence

 Security/Op. risk plans

 Crisis mgmt. plan

 Business continuity

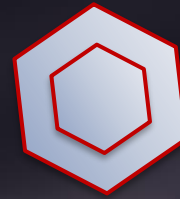


 Threat intelligence

 Security/Op. risk plans

 Crisis mgmt. plan

 Business continuity



Senior leader



Comms,
PR &
Digital



Ops and
Security



IT and
InfoSec



Legal and
Finance



HR



Incident



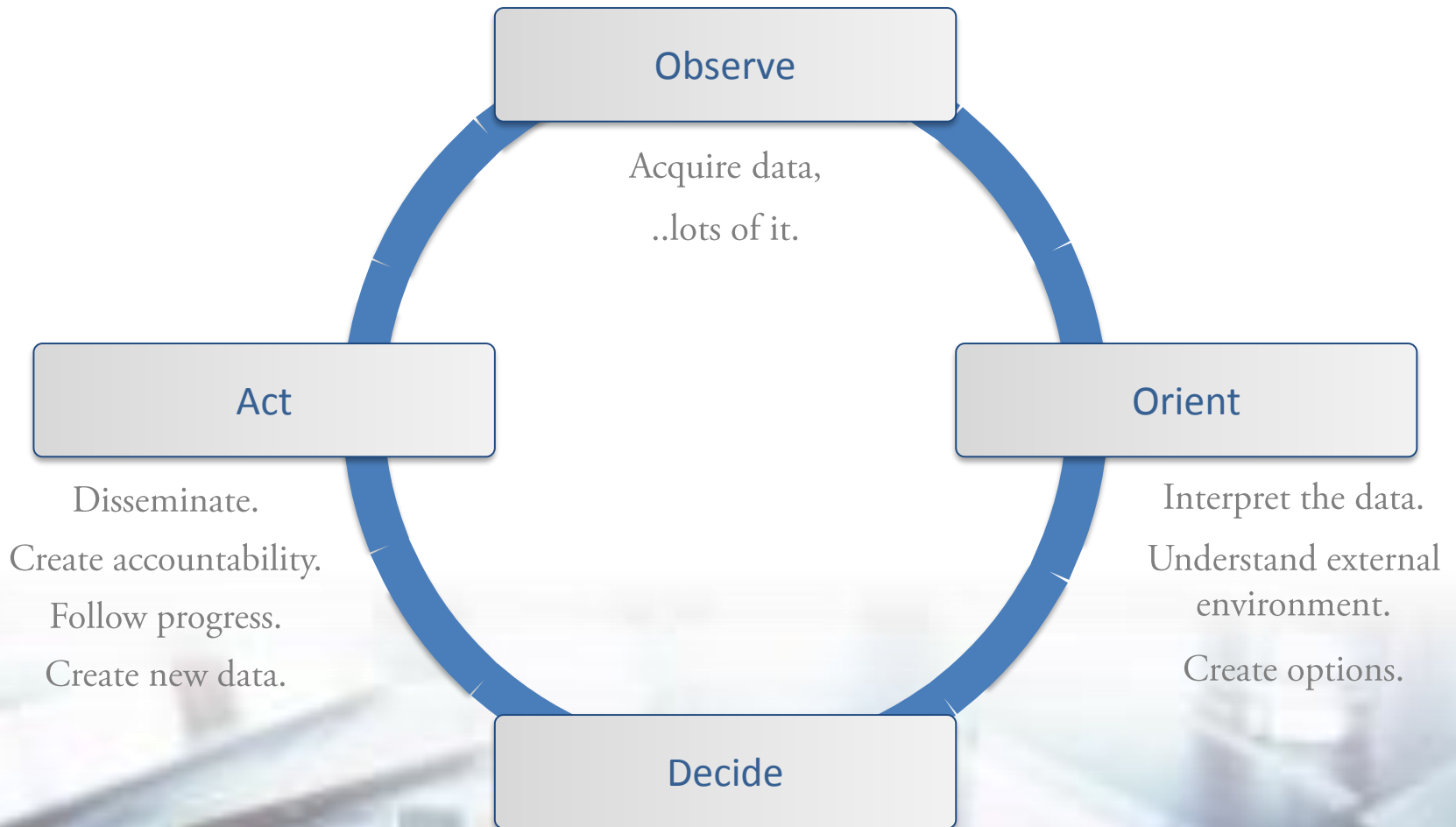
Emergency



Crisis

- ✓ They have taken part in regular crisis management exercises as a formed team.
- ✓ They understand the strategy of their organisation.
- ✓ They are action-oriented and consider their input into the wider conversation very carefully.
- ✓ They represent Operations, HR, IT, Communications, Finance, Legal, and Security (physical and digital).
- ✓ They have the complete buy-in of senior leadership.
- ✓ They have the mandate to make decisions, engage with outside stakeholders and place accountability on other areas of the organisation to get things done.
- ✓ They religiously adhere to a crisis management process to structure how they work together, without allowing this to limit their response options.
- ✓ They understand the specific dynamics of risk to their organisation – without becoming mired in the technical detail.

Decision action cycle



Crisis management checklist for risk managers

- ✓ Have we integrated our social media monitoring into crisis management?
- ✓ How do our colleagues escalate issues?
- ✓ Is our crisis management plan driven by our risk assessments? Are our insurance covers appropriate?
- ✓ Is there a separate information breach response plan? Or cyber security plan? Is this integrated?
- ✓ When was the last time we carried out exercises?
- ✓ What technologies will we use to get the CM team together if everybody is travelling?
- ✓ How are we doing travel risk management? Are we linking this to our CM plan?
- ✓ Do our external partners, such as brokers, security consultants, or PR agencies, have a named role? Do they understand our process and plan?
- ✓ Have our CM team received PR or media training (both interview and down the line)?

The results are in...



WHO TO CONTACT

Justin Priestley GM

Executive Director – Crisis Management

E: justin_priestley@ajg.com

Jake Hernandez

Consulting Director, AnotherDay

E: jake.hernandez@another-day.com

crisis-resilience.ajginternational.com

another-day.com