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## Managing a Crisis

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Will Rogers put it well when he said, “It takes a lifetime to build a good reputation, but you can lose it in a minute.”

Corporate crises can take many forms. Any number of events can portend disaster: cybersecurity threats from data breaches compromising sensitive client or company information; bankruptcy, loss of customers, or economic downturn; regulatory or legal investigations and litigation resulting from whistleblowers, grand jury or SEC subpoenas, or compliance failures; operational or external events such as product recalls, industrial accidents, or workplace misconduct.

The court of public opinion never closes. Media criticism, unfounded rumors on social media, and adverse litigation publicity—involving both true and false accusations—can all severely damage public perception.

Companies must prepare for a crisis. Systematic reviews of internal vulnerabilities (finance, personnel and IT) and external threats (media exposure and regulatory scrutiny) are essential. Cross-functional crisis management teams, staffed by litigation attorneys, and compliance, IT, HR, and skilled communication personnel should be assembled.

A crisis management plan should be developed containing roles and responsibilities, contingency plans for specific scenarios, escalation protocols, communication chains, backup personnel and contact information. Once developed, tabletop exercises and drills to practice responses to realistic crisis scenarios should take place. Utilize crisis and incident management software, AI-enabled monitoring, and secure communications platforms to enhance real-time coordination.

When faced with a crisis, speed, decisiveness, and coordination are essential. The crisis management team must be immediately mobilized to assess the situation and implement pre-planned



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measures. The facts must be collected quickly. Affected stakeholders, potential litigation, media exposure, and regulatory implications must be identified.

The “No comment” approach is oftentimes a mistake. If the company’s story is not told effectively, someone else will tell the story for the company. Experienced crisis communication consultants are invaluable. These consultants should be part of the crisis management team.

Consistent internal messaging to staff and partners must be maintained. External consistent communications with the media, customers, regulators, and the public are critical. Designated spokespersons conveying consistent messages must be selected. All litigation must be coordinated. Thorough internal investigations should be conducted by independent law and accounting firms. Regulatory filings may

need updating. This activity must be continuously monitored so that response strategies may be adjusted as new information is uncovered. All actions, decisions, communications, and outcomes should be recorded for evaluation.

After the crisis, a debriefing should occur to review the team’s performance and the decisions made responding to the crisis. The crisis plan should be refined as necessary and risk assessments updated. Conduct any additional training that may be needed. Reputational, Operational, and financial impacts must be assessed. The lessons learned should be implemented.

The State Bar of Arizona is hosting a Crisis Management CLE seminar on May 11, 2026, beginning at noon. The Panel members will be Lee Stein, Esq of Mitchell Stein, Stephanie Cherny, Esq from Intuit, David Leibowitz from Leibowitz Solo and Paul Roshka.

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