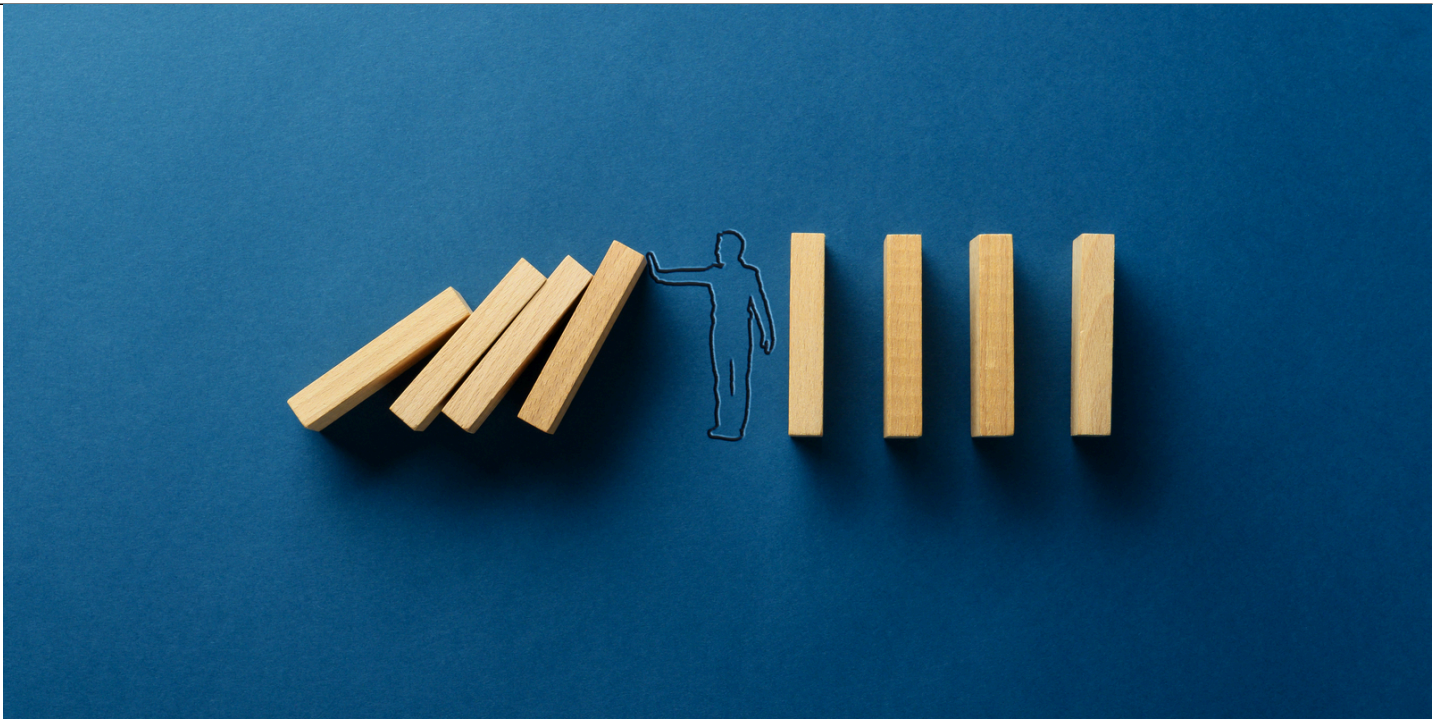




When Things Go Sideways Corporate Counsel Are There to Help

Community



Judy Smith, the inspiration for the character Olivia Pope of the television show *Scandal*, joined three chief legal officers – Anheuser-Busch’s John Blood, PetSmart’s Lacey Bundy, and US Steel’s Duane Holloway – as well as ACC’s VP of Editorial Strategy Tiffani Alexander, to talk about what constitutes a crisis and how companies should prepare and respond. The panel discussed three scenarios – executive misbehavior, a ransomware attack, and supply chain disruptions – and offered tips on how they’d respond.



Judy Smith of
Smith and Co.



John Blood of Anheuser-Busch



Duane Holloway of US Steel



Lacey Bundy of PetSmart

Defining a crisis

With the world's rapid pace, everything can seem like a crisis, cautions Judy Smith. It is important to define what your organization considers a crisis.

"...a crisis team needs to make sure it has a good team in place across the board. They should be able to act quickly and their roles should be clearly defined."

- [@JudySmith](#) .

— Association of Corporate Counsel (@ACCinhouse) [October 20, 2021](#)

"When I am tasked with determining what is a crisis, I ask, is it a threat to the organization? Do we have to act quickly?" says Duane Holloway of US Steel. With all the talk of artificial intelligence in legal departments, defining a crisis remains a judgement that only humans can make, notes ABInBev's John Blood. "Nothing comes into the mailroom labeled 'crisis' – who makes that determination is really important."

The composition of the crisis team is pivotal, counsels Smith. "A good team has to be in place across the board. They should be able to act quickly and their roles should be clearly defined," she adds.

"If you're pulling together your crisis team often, you are probably doing something wrong." - Lacey Bundy, SVP & GC of [@PetSmart](#). [#ACCAM21](#).

— Association of Corporate Counsel (@ACCinhouse) [October 20, 2021](#)

Prepare, prepare, prepare

The only way to lessen the shock of a crisis is to be prepared for it. Tabletop exercises are helpful to identify gaps and have folks interact at a different level, says Blood.

HOW DO YOU PREPARE?

“Tabletop exercises are helpful to identify gaps and have folks interact at a different level.”

“Not a time for guessing – you need to have the facts in the room.”

John Blood, Chief Legal & Corp Affairs [@abinbev](#). [#ACCAM21](#).

— Association of Corporate Counsel (@ACCinhouse) [October 20, 2021](#)

When preparing the tabletop exercise – a crisis scenario – it’s helpful to bring someone in from outside the organization because they will think of scenarios that the crisis team hasn’t imagined, Holloway suggests.

“I was a sports guy growing up, and you want to be able to come off the bench and hit the shot. And the only way to do that is to practice.”

Duane Holloway, SVP, GC, Chief Ethics & Compliance Officer and Corporate Secretary at [@U_S_Steel](#). [#ACCAM21](#).

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Scenario 1: Executive misconduct

The panel started with a tabletop exercise where a male CEO was accused of misconduct with female subordinates. The panel had several suggestions that needed to happen quickly.

“Call the board chair to alert them that the CEO is involved.”

- Lacey Bundy, PetSmart

She goes on, “Establish North Stars to guide you through the crisis. Find a way to communicate to the public that you share their values.”

Smith notes that it is very important to craft the message early. It is also important to be aware of the landscape and the way it can shift.

Blood points out that it’s important to know where the CEO is, and whether he could pose a danger to other employees. He says that transparency rules today. “I am not saying there is no role for NDAs, but you have to assume anything under an NDA is coming to light.”

Scenario 2: Ransomware attacks shuts down a pipeline

“Add this to your list of tabletop exercises!” exclaims Smith, noting that in the last two and a half years, this is the most frequent crisis she’s seen.

PetSmart’s Bundy says that this is where having the right people on the crisis team helps her sleep at night. Not only do you need the chief information security officer in the room, and other in-house members of the crisis team, but you also need outside experts who have been through this scenario before.

[Read more key takeaways from #ACCAM21.](#)

Holloway points out the initial threat assessment is key. Follow your plan – it’s hard to know if you’re involved in a single hacker’s test of their skills or if you are subject to a nation-state attack that changes the level of expertise you wouldn’t otherwise have.

Scenario 3: Supply chain forces inferior parts into your product

In this scenario, the takes are getting ratcheted up, says Blood. “That’s even more reason to dive into your principles. It’s exactly the time to remember what your principles are.”

One solution is calling the supplier and offering to put forward his company’s best minds to solve the problem.

Holloway agrees, saying the key is being creative and agile, and a diverse team can help come up with diverse solutions.

Remember to take a breath

The last year and a half have been a marathon for companies dealing with the pandemic. The panelists offered some parting advice:

To paraphrase Mike Tyson, everyone has a plan until you get punched in the mouth, Holloway says. Plan, prepare, and know there won’t be a scenario that is nice and clean. Understand you need to trust your colleagues.

COVID is a great example of partnerships and community being part of the solution. It is a community effort to mitigate what is going on. Think about your stakeholders, communities, and partners.

- John Blood, Anheuser-Busch

Humility has been key. “Take a breath. Do some research before you make a call,” says Bundy.

[Missed this panel or just want to rewatch it? This and more content will be available to ACC members until 1/31/22.](#)

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