



Leadership in Crisis: Tapping the collective strength of the CEO and Board

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History shows that damage caused by a corporate crisis is usually determined more by the quality of the response than by the severity of the crisis itself.

Poorly handled crises – product recalls, customer service missteps, labour strikes, environmental disasters, hostile takeover bids or regulatory probes – can ultimately ruin an organisation’s reputation. In contrast, adversities met with a strong and swift response can actually become opportunities to demonstrate decisive leadership and a commitment to values.

While the spotlight usually falls on the CEO when a crisis occurs, successful handling of a crisis is usually the result of well-orchestrated teamwork among the CEO, Board of Directors and Corporate Secretary. The board must provide its advice and experience to management. It must also safeguard the interests of shareholders – or for non-commercial boards, their donors, taxpayers, members, citizens, students and patients. This role is more than symbolic. Investors and other observers will be dissecting the board’s every action. And it falls to the corporate secretary to ensure that processes are followed, proper documentation is kept and information flows smoothly between all parties.

But fulfilling these responsibilities demands planning in advance. Especially in a time when stakeholders are empowered by social media, the CEO and board can be quickly overwhelmed unless the right infrastructure is already in place. Broadly speaking, preparedness requires two things: establishing a crisis management plan and developing a communications infrastructure prior to the trigger event.



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CRISIS MANAGEMENT PLANS

A crisis management plan should draw on the expertise of the company's management, PR and legal teams. It must outline specific responsibilities of the CEO and board during a crisis. The corporate secretary then needs to support the chairman or lead director in ensuring that the plan is followed and in anticipating information and other resources the board will need to confront the crisis.

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CRISIS COLLABORATION PLATFORMS

A communications and collaboration platform must allow the CEO and board to exchange information, deliberate, and make decisions rapidly and securely. While the c-suite may be headquartered in a single location, directors will likely be geographically dispersed, particularly as more companies look to internationalise their boards. The volume of information to be shared between parties is often substantial and frequently revised.

Most companies have business continuity and disaster recovery plans to manage risks of wide-scale disasters such as terrorist attacks or natural catastrophes. But these measures frequently exclude board communication from their scope, lacking provisions for the CEO to keep the board apprised and engaged if an organisation's IT systems go down. A board portal hosted independently of a company's network provides an efficient and resilient means of communication.

THE ROLE OF BOARD PORTALS DURING A CRISIS

In a world where overnight delivery isn't fast enough, email isn't secure enough and sharing PDF files isn't easy enough, a board portal provides a compelling solution that is:

- ▶ **Secure and mobile:** With a board portal, information is encrypted and stored on a highly secure external server. Authorised users access the material securely through a tablet app or Internet browser on a device of their choosing.
- ▶ **On the same page:** The use of a centralised hub for data ensures the latest information is made available instantaneously, eliminating challenges in distribution and version control, and accommodating last-minute updates.
- ▶ **Decisive:** Some portals enable electronic signatures for written consents. Easy voting features let members quickly respond to resolutions and approvals, track how others have responded and see how close they are to consensus.
- ▶ **Prepared:** The portal can already be loaded with crisis management plans, previous board and committee minutes, and governing documents such as bylaws and committee charters.
- ▶ **Informed:** A board portal can also provide a central location for summaries and links to news reports, blog posts, Twitter feeds and investor commentary.

Even the most well-run companies should count on being tested by unforeseen disruptions. CEOs, boards and corporate secretaries can minimise the damage – and possibly even turn a crisis into an opportunity to shine – with thorough preparation that includes the establishment of a reliable communications infrastructure.

For more information or to request a demo, contact us today:

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