



**MICHELLE
HARDEN**



**ALLISON
DODD**

RATED BY
Super Lawyers
Allison Dodd

MESSNER REEVES LLP

Partners of Messner Reeves Michelle Harden & Allison Dodd

- Litigation, Trial, Health Law, Food Safety
 - Foodborne Illness & Crisis Management
 - FLSA Mass Arbitration & Interaction with Collective
 - Catastrophic Loss
 - University of Colorado Law School
- Litigation, Trial, Food Safety
 - Foodborne Illness & Crisis Management
 - Employment Law, Title VII and FLSA
 - Mass Arbitration & Interaction with Collective
 - University of Kansas Law School



WASHINGTON D.C.

CONTROLLING THE CRISIS

The Impact of Planning

OCTOBER 2, 2019



THE HOSPITALITY LAW
CONFERENCE SERIES 2.0



CRISES ARE NOT PREDICTABLE

CRISIS IMPACTS

- Customer Turnover
- Employee Productivity
- Business Development
- Innovation



Cyber Security Breaches

FOE EXAMPLE:

2019 Capital One Cyber Incident | capitalone.com

Overview FAQs

Information on the Capital One Cyber Incident

Updated 9:30 PM ET, Sun Aug 4, 2019

What happened

On July 19, 2019, we determined that an outside individual accessed certain types of personal information about Capital One credit card products.

What we've done

Capital One immediately fixed the issue and prompted the person responsible was arrested. Based on our analysis, the information was used for fraud or disseminated by unauthorized individuals.

"While I am grateful that the person responsible has been arrested, I am sorry for what has happened," said Capital One CEO. "I sincerely apologize for the inconvenience this must be causing those affected and I am committed to ensuring this does not happen again."

Forbes

Marriott CEO Reveals New Details About Mega Breach

37,164 views | Mar 11, 2019, 06:46am

Kate O'Flaherty Senior Contributor @ Cybersecurity
I'm a cybersecurity journalist.

New details have emerged about the attack on Marriott last year, following a testimony by the Group's CEO Arne Sorenson. Signage is displayed on a door to a Marriott International Inc. hotel in Chicago, Illinois, U.S., on Friday, Nov. 30, 2018. A cyber breach in Starwood's reservation system had allowed unauthorized access to information about as many as 500 million guests since 2014. Photographer: Daniel

IBM Security

Cost of a Data Breach Report 2019

2019

Scroll for highlights or [explore the full findings](#)

Average cost of data breach

LOW MEDIUM HIGH

\$ 3.9 MILLION

Healthcare is the most costly industry

Cost per record lost \$150

The U.S. is the most expensive country to recover from a data breach

Perremon INSTITUTE

...THESE ARE VERY COSTLY!



Natural Disasters

...ENDLESS MISFORTUNES


AT&T, hit by higher natural disaster costs, unveils 30-year climate change model

WEATHER & NATURAL DISASTERS

EMMA NEWBURGER

KEY POINTS

- AT&T is paying the U.S. Department of Energy's Argonne National Laboratory to predict climate-related events that could damage the company's infrastructure over the next 30 years.
- The announcement follows several natural disasters that cost the telecommunications company \$847 million since 2016, including \$626 million in 2017 alone.
- Other major US companies are also bracing for climate-related risks that could harm profits and strategy.



The Washington Post

Democracy Dies in Darkness

Sections

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Capital Weather Gang

The cost of natural disasters this year: \$155 billion

By **Angela Fritz**
December 26, 2018

Natural disasters cost \$155 billion this year, and several particularly hard. Hurricanes Michael and Florence, the volcano eruption are all on the list of the most expensive according to the Zurich-based reinsurance company.

"Like last year, the losses from the 2018 series of events highlight the vulnerability of the ever-growing concentration of human and property assets in areas such as coastal areas and in the urban-wildlife interface," Swiss Re said. "The presence of human and property assets in areas such as coastal areas and in the urban-wildlife interface, Swiss Re said. "The presence of human and property assets in areas such as coastal areas and in the urban-wildlife interface, Swiss Re said."

California wildfires

More than 8,500 wildfires burned nearly 1.9 million acres in California this year, the worst fire season on record, according to Cal Fire. The fires started in early November and spread unthinkably fast, killing at least 18 people and destroying a town of Paradise. Insured losses from the Camp Fire alone are estimated at \$1.5 billion.



Florida Today

HOME NEWS SPACE JOBS LIFE USA TODAY MORE


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OPINION

Hurricane Dorian: CEO of FPL explains why the company is doing to prepare

Eric Silagy Published 1:11 p.m. ET Aug. 29, 2019 | Updated 1:13 p.m. ET



Eric Silagy, CEO of Florida Power & Light, answers six questions about hurricane season and how the company needs to be prepared and everybody needs to have a plan." Leah Voss, leah.voss@floridatoday.com

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Chicago Tribune

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SECTIONS

Photos and videos from devastated areas

chicagotribune.com/visuals/ct-viz-midwest-mississippi-river-flooding-20190605-sto...

The Mississippi River is straining levees, **devastating agriculture** and forcing people from their homes as the water line in some places approaches record levels set during flooding in 1993. The river is expected to crest in St. Louis on Thursday, and flooding throughout the Mississippi's tributaries has already **breached a number of levees in Arkansas and Missouri.**

Below are images from the flooding that has inundated the Midwest this year. For more on the political drama surrounding the Mighty Mississippi's Reconstruction-era levees, [click here.](#)





Social Media Storm

Her name was tweeted more than 30,000 times, and the hashtag almost 100,000 before her flight landed.

Stupid Tweet Blew Up x This Is How A Woman's Offensive x

buzzfeednews.com/article/alisonvingiano/this-is-how-a-woman...

BuzzFeed News This Is How A Woman's Off...

FAIL / LOL / OMG / WTF

This Is How A Woman's Offensive Tweet Became The World's Top Story

The anatomy of the Twitterstorm that cost media PR pro Justine Sacco her job.

Ali Vingiano
BuzzFeed Motion Pictures Staff

Posted on December 21, 2013, at 8:36 p.m. ET

Tweet Share Copy

At 10:19 a.m. ET on Friday, **Justine Sacco**, a PR director at **InterActiveCorp (IAC)**, posted this tweet shortly before an 11-hour flight from London to Cape Town, South Africa.

Justine Sacco
@JustineSacco

Follow

Going to Africa. Hope I don't get AIDS. Just kidding. I'm white!

3 Classes of Horrible Restaurant x

therail.media/stories/2017/9/25/3-classes-of-horrible-restaurant-social...

Horrible Restaurant Social Media Fails

Andrew I Jaffee · Social Media, Marketing

The landscape of social media can be a nightmare of bad timing or poor execution. Social media marketer are so prevalent that you are tone deaf or just plain dumb with your social media. "how-NOT-to" examples that you can avoid the same mistakes. Not so much.

You can put social media self-inflicted wounds on your immature, and angry rants. Here's how to avoid them.

added an event.

3 hrs ·

Pats/Chiefs game at the Brick House!!!
"We like our beer like we like our violence.....Domestic!"

-Kidding!
\$2 Domestic Bottles
\$3 Dollar drafts...

Continue Reading

Burberry announces diversity drive after 'noose hoodie' storm

By Sandra Halliday
February 27, 2019

Burberry has become the latest luxury label to announce a new programme focused on boosting its diversity and cultural sensitivity after falling foul of criticism over a hoodie that appeared to trivialise suicide and lynchings.

Melissa x Scout: x Joshua x Linked: x Cons

socialmediaexplorer.com/content-sections/news-and-noi

The Social Media Storm Surrounding United Airlines

By now, we're all too familiar with the controversy surrounding United Airlines after a passenger was literally dragged off the plane. Of course, like all noteworthy events in the modern age, it all began when passengers on the plane shared videos of their ordeal on Facebook and Twitter. Once the Internet got ahold of the news, witnesses gave "interviews" to describe exactly what had occurred. And so began the online outrage at United. The situation definitely did not improve when United CEO Oscar Munoz thought it was a good idea to respond to Twitter:

75K people are talking about this.

United Airlines @united

United CEO response to United Express Flight 3411.

This is an upsetting event to all of us here at United. I apologize for having to re-accommodate these customers. Our team is moving with a sense of urgency to work with the authorities and conduct our own detailed review of what happened. We are also reaching out to this passenger to talk directly to him and further address and resolve this situation.

- Oscar Munoz, CEO, United Airlines

6,996 10:27 AM · Apr 10, 2017 · Houston, TX

75 5K people are talking about this

ARE YOU
SELLING
SOMETHING?

80%
of people

have changed a purchase
decision due to a bad
review they saw.

68% of consumers trust
reviews more when
they see both good
and bad scores.
So bad reviews
aren't all bad!

XXX 3 prominently
displayed negative reviews,
on a review site, are enough
to make people pass on
what you're offering.



Google places

yelp

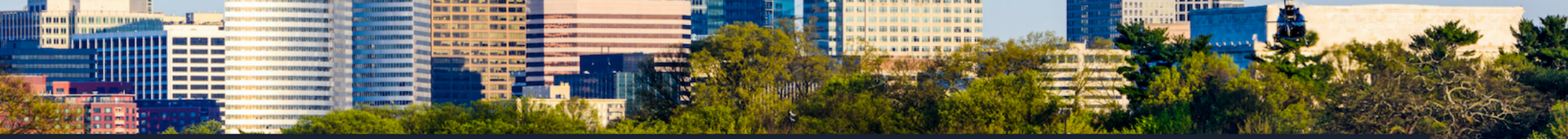
insiderpages

Google Places, Yelp and
InsiderPages will not remove any
review unless it violates their
user agreement.

SOLUTION

Down Out Negative Reviews
With Real Positive Reviews and
Leave Professional Responses to
Negative Reviews.

You're not done yet...



WHAT DOES THAT MEAN TO YOU?

Your brand reputation could be comprised ... and it is costly to be careless.

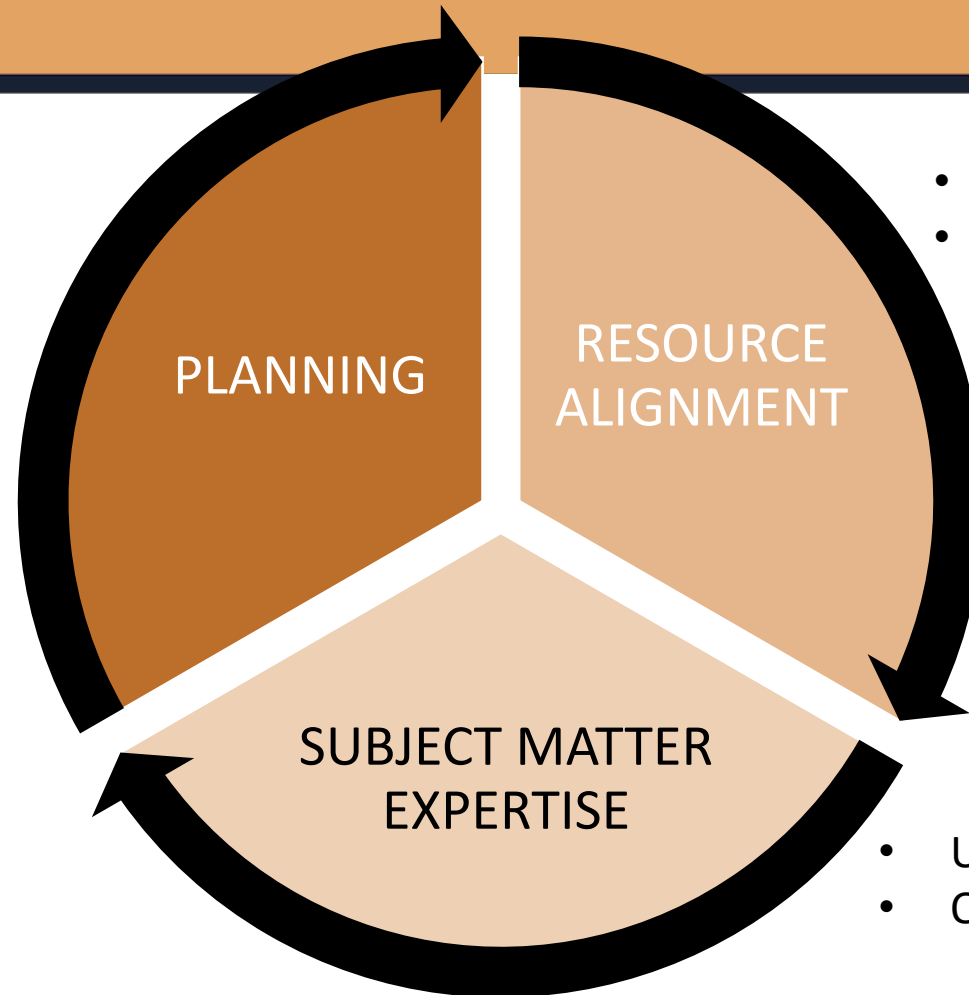
PROIRITIZE CRISIS PREVENTION

- Avoid long term financial hardship
- Ensure readiness for potential crises



COLLABORATION IN PREPARATION

- Risk Assessment
- Gap Analysis
- Mock

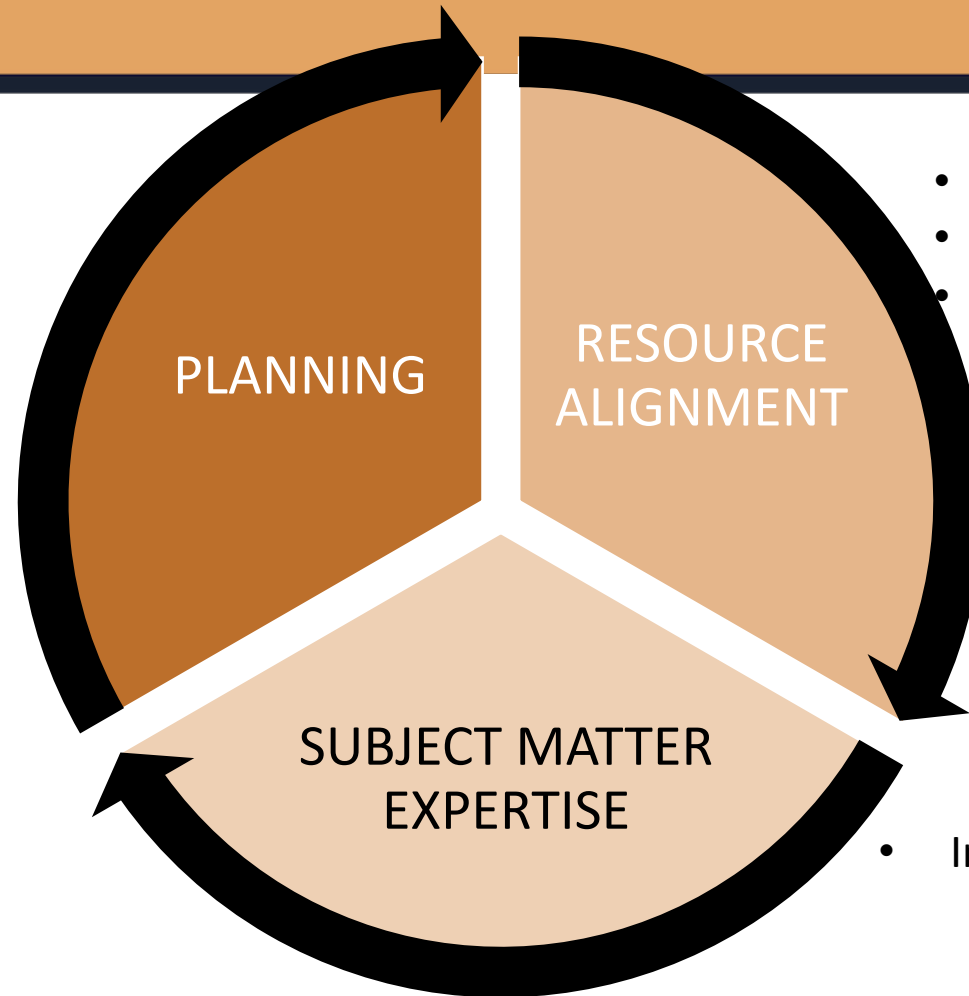


- Interdepartmental Buy-In
- C-Suite Participation

- Utilization of Specialists
- Outside Legal Counsel

RESPONDING TO A CRISIS

- Identify the threat
- Evaluate the risk
- Is it a crisis?

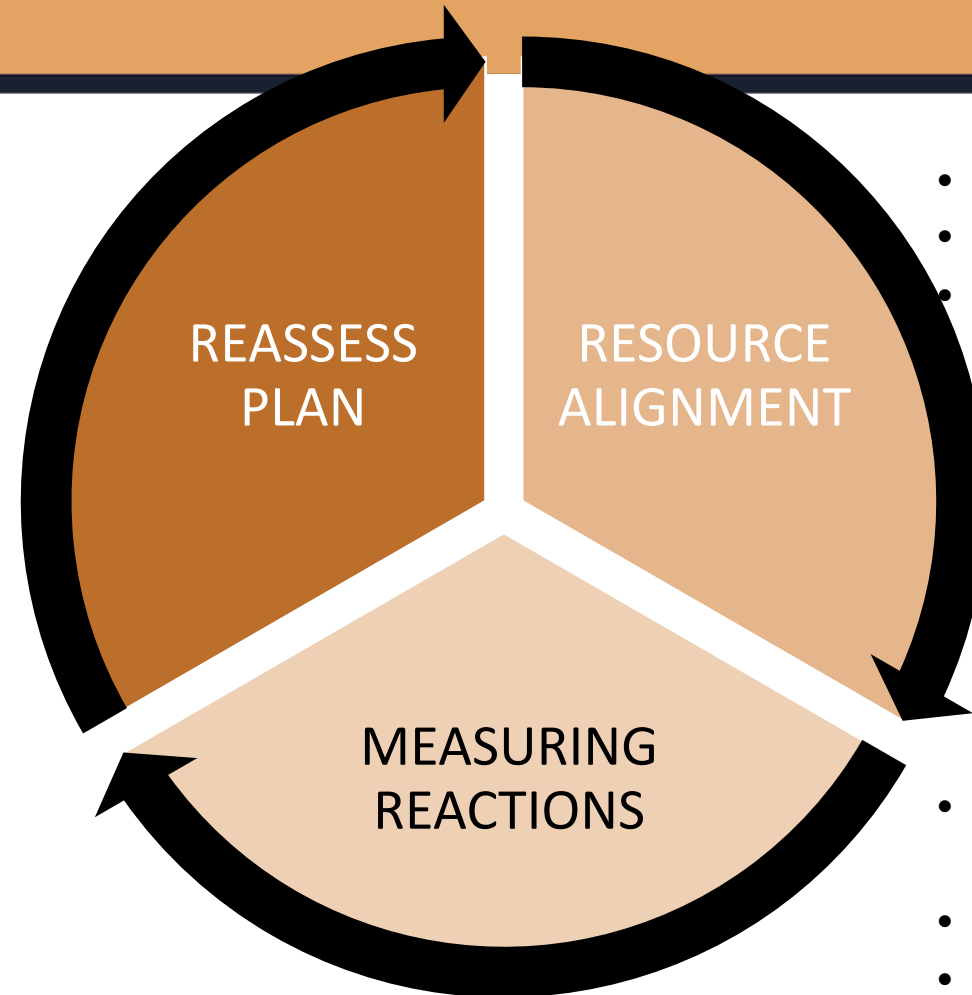


- Utilize crisis management plan
- Corral appropriate personnel
- Ensure real-time communication

- Involve SMEs immediately

POST-CRISIS DEBRIEFING

- Evaluate plan
- Revise and improve
- Prepare for future crisis training



- Functionality of crisis management plan?
- Appropriate personnel involved?
- Effective and timely communication?

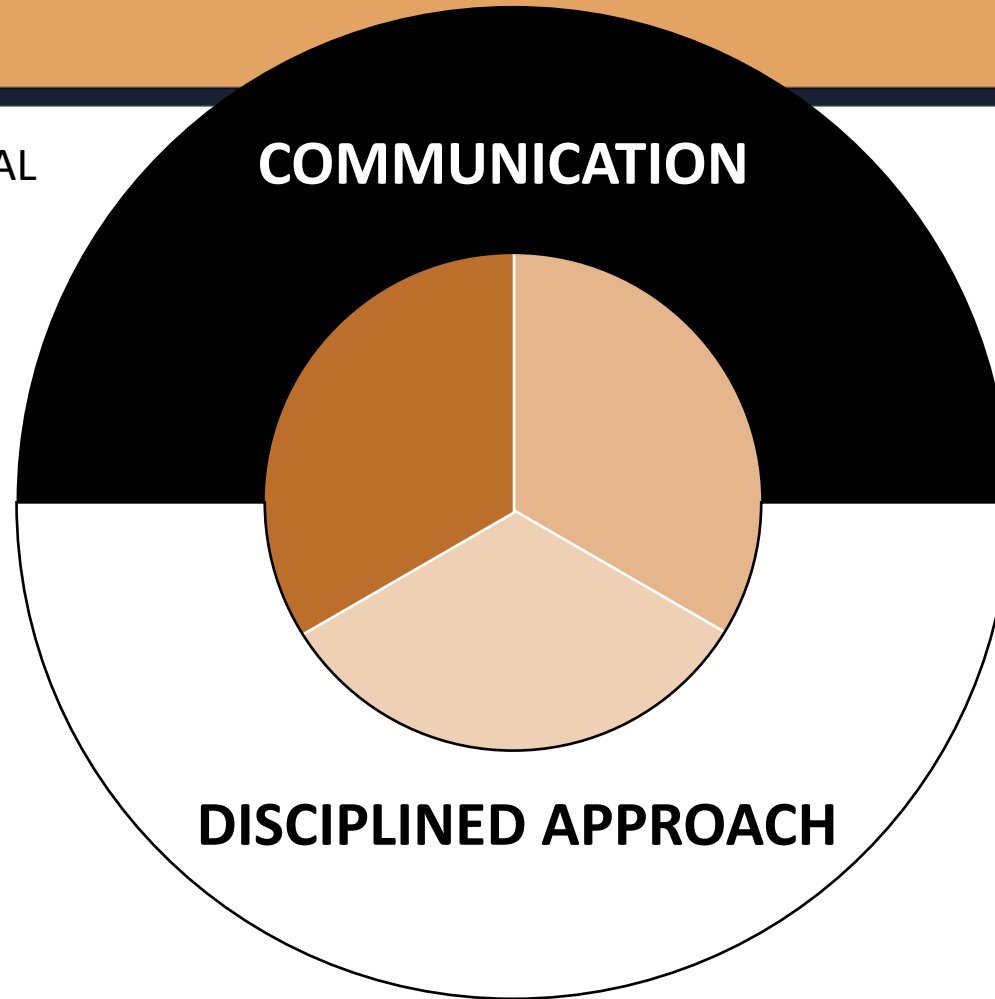
- Stakeholder response to crisis and interventions
- Customer engagement
- Regulatory and legal consequences

Full Spectrum Crisis Management

BEING CLEAR IS NOT OPTIONAL

- Rapid Response Time
- Scripted Protocol
- Transparency

COMMUNICATION



DISCIPLINED APPROACH

ACTIVE LISTENING IS KEY

- Psyche of Consumers
- Real-time Monitoring
- Proactively Diffuse Situations

Thank you.

Business stability is dependent on
crisis prevention and management.

Start planning.