



PROFESSIONAL LIABILITY AGENTS NETWORK

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## **When Trouble Strikes: A Crisis Management Guide**

*PLAN Knowledge & Resource Committee*

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In the AEC world, crises are always a potential. If there's a catastrophic failure on one of your projects or one of your executives is arrested, will everyone in your firm know what to do? Who should be notified? What should you communicate to the press, to your clients, or on your social media accounts?

Whether it's a design flaw, major accident, or legal dispute, how you manage these situations can significantly impact your professional reputation and financial wellbeing. Here is a guide on how to prepare for, respond to, and learn from crises.

### **Before a Crisis: Preparation is Key**

#### ***Develop a Crisis Management Plan***

The foundation of effective crisis management is a well thought out plan. This plan should outline procedures for various high-risk scenarios, ensuring that your firm is prepared for any situation.

#### ***Anticipate High Risk Scenarios***

Identify – and internally talk about – potential crises that could impact your projects. Whether it is a structural failure, environmental concern, or contract dispute, understanding where risks lie allows you to prepare more effectively.

#### ***Create a Resource List***

Compile a comprehensive list of key contacts—such as insurers, lawyers, experts, and government agencies—who can mobilize within the first hour, first day, and first week of a crisis. Ensure this list includes updated contact information.

#### ***Assemble and Train a Crisis Management Team***

Select a team that will be responsible for managing a crisis. This team should be trained to issue notifications, coordinate information flow, and conduct investigations. Designating a leader to oversee the process is critical. This team should include representatives from different departments (and possibly your other office locations), such as communications, legal, financial management, IT, and HR.



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## ***Run Emergency Drills***

Regularly conduct drills that simulate potential crises. These drills will help your team understand their roles and responsibilities and identify any weaknesses in your plan.

## ***Identify a Public Relations (PR) Firm***

Establish a relationship with a PR firm before you need one. This ensures that you are not scrambling to find help when a crisis hits.

## ***Develop a Forensic Specialist List***

Maintain a list of forensic specialists who can assist in investigating and documenting the cause of the crisis.

## ***Implement Document Management Software***

Consider using software that facilitates easy storage and retrieval of project related documents. This can be invaluable during a crisis when quick access to accurate information is crucial.

## **When Trouble Strikes: Immediate Actions**

### ***Convene the Crisis Management Team***

Time is of the essence. As soon as a crisis occurs, bring your team together – virtually or in person – to assess the situation and implement your plan.

### ***Contact Insurance and Legal Advisors***

Reach out to your insurance broker and lawyer immediately. They can guide you on the best course of action to protect your firm.

### ***Control Internal and External Communications***

Instruct employees to refrain from discussing the incident externally. Designate a sole media contact and develop clear talking points.



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## ***Engage Your Public Relations Firm***

Contact the PR firm identified in your plan to help manage the public narrative. A consistent and controlled message is crucial to maintaining your firm's reputation. Make sure your legal counsel is aware of your PR efforts to ensure they do not negatively impact legal strategy.

## ***Preserve Critical Evidence***

Safeguard all relevant documentation and evidence. Involve legal counsel in the creation of any new documents, communications, or other recordings related to the crisis.

## ***Keep Business Operations Running***

It is essential to maintain your business operations to minimize the impact on other projects and clients.

## ***Support Your Employees***

Ensure that your team receives the support they need, including grief counseling and time off. Taking care of your people during a crisis is vital to sustaining employee well-being.

## **During a Lawsuit: Strategic Management**

### ***Keep Employees Informed***

Regularly update your team on the status of any legal proceedings and instruct them on how to handle inquiries. Transparency within your firm is key to maintaining trust and unity. Engage legal counsel as you prepare these communications to make sure legal strategy and privilege remain protected.

### ***Stick to the Script***

Refer all media inquiries to your designated media contact and adhere strictly to your prepared talking points. In the face of finger pointing, avoid engaging.

### ***Focus on Client Service***

Despite the ongoing crisis, continue to provide top quality service to your other clients. This not only protects your reputation but also helps retain client trust.

### ***Set Aside Time***

Litigation requires a significant amount of time, whether it is for gathering documents, preparing for a deposition, or reviewing strategy with your legal counsel. Make sure to maintain your work calendar in a way that enables you to focus on the litigation and allows for flexibility, including delegating duties to others and blocking off time.



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## ***Keep Settlements Private***

If a settlement is reached, strive to keep the details out of the public eye. This can prevent further damage to your reputation.

## **Post Crisis: Reflect and Refine**

### ***Debrief with the Crisis Management Team***

After the dust has settled, conduct a thorough debriefing with your team. Discuss what went well and what could have been handled better.

### ***Document the Process***

Keep a detailed record of the crisis management process and debrief for future reference. This documentation can be invaluable for training and improving your plan.

### ***Examine Lessons Learned***

Analyze the lessons learned from the crisis. Understanding these insights can help prevent similar issues in the future.

### ***Update Your Crisis Management Plan***

Update your crisis management plan after a crisis and on an established schedule. Incorporate the insights and experiences from a recent crisis into your existing plan. Regular updates ensure your plan evolves to meet new challenges and best utilizes evolving resources.

## **Conclusion**

Crises are an unfortunate reality in the AEC industries. However, with thorough preparation, a swift and organized response, and a commitment to learning from each experience, your firm can navigate these challenges effectively. Proper crisis management not only protects your firm but also strengthens its resilience and reputation.

*The Professional Liability Agents Network (PLAN) may be able to help you by providing referrals to consultants, and by providing guidance relative to insurance issues, and even to certain preventatives, from construction observation through the development and application of sound human resources management policies and procedures. Please call on us for assistance. We're here to help.*