

# Az Business

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MAY // JUNE 2020



## CRISIS MANAGEMENT



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FROM LEFT: Justin Chase, Crisis Response Network; Leonardo Loo, Quarles & Brady; Mike Brown, WaFd Bank Arizona; Abbie S. Fink, HMA Public Relations; and Dr. Lorrie Henderson, Jewish Family & Children's Service.

# CRISIS MANAGEMENT

**Business leaders offer advice on how to prepare for the unexpected chaos that is sure to come at some point in every executive's career**

By MICHAEL GOSSIE

**T**here was no script to follow when the coronavirus crisis turned our world upside down.

But while it may have been the most global crisis business leaders have had to face in their careers, it's far from the only one. Cyber attacks, the #MeToo movement, and account fraud scandals have all forced businesses — both big and small — into crisis management mode. So how can a business leader prepare for the unexpected crisis that is sure to come at some point in every executive's career?

Az Business asked some of Arizona's greatest thought leaders to offer guidance on crisis management. The leaders offering their insight are:

- Mike Brown, Arizona region president, WaFd Bank Arizona.
- Justin Chase, president and CEO; and Chris Anderson, emergency management program administrator, Crisis Response Network.
- Abbie S. Fink, vice president and general manager, HMA Public Relations.
- Dr. Lorrie Henderson, CEO, Jewish Family & Children's Service.
- Leonardo Loo, Phoenix office managing partner, Quarles & Brady.





## THE DIFFERENCE BETWEEN AN ISSUE AND A CRISIS

According to Abbie S. Fink, vice president and general manager of HMA Public Relations, it is important to properly identify whether or not you have an issue or a crisis, as each are handled in different ways. Effective communications strategies can help prevent some issues from becoming crises.

### YOU HAVE AN ISSUE WHEN:

- You have time to adequately assess the situation
- You can describe the issue and implement an immediate response or solution
- Typical business operations continue as normal
- There have been no injuries, illness or death

### YOU HAVE A CRISIS WHEN:

- Business operations need to be shutdown
- There are injuries, illness or the potential for death
- An immediate response is required
- The Communications Management Team (CMT) is activated
- Multiple stakeholders will be impacted

# THOUGHT LEADERSHIP

## Az Business: How should a business develop its crisis management plan?

**Chase and Anderson:** Crisis management planning should always start with more questions than answers. This process should never be considered a regulatory “check of the box.” If leaders want realistic and usable plans, they must commit to radical candor.

**Fink:** A crisis communications plan ensures that executive leadership at an organization will have the roadmap needed to take appropriate actions in a timely manner when and if a crisis arises. The plan, if used correctly, will minimize the impact of a crisis upon the organization and normal business operations. If followed accordingly, this plan will also:

- Prevent long-term damage to the reputation of the organization
- Keep confidence and satisfaction among the organization’s stakeholders
- Maintain successful employee morale

- Protect financial resources and save management time
- Avoid costly litigation

At the outset, you should establish a Communications Management Team (CMT) consisting of individuals who have been given the authority to develop and implement the crisis communications strategy. The CMT should include representations from across the organizational structure.

In most situations, the CMT will handle or assist with most elements of a crisis ... The CMT’s responsibilities include:

- Pre-event contingency planning
- Gathering incident information
- Analyzing information
- Developing strategies for resolution
- Communicating information and decisions to stakeholders

The following items should always be included in your crisis communications plan:

# THOUGHT LEADERS



### MIKE BROWN:

Brown is the Arizona regional president of WaFd Bank, overseeing more than \$1.4 billion in deposits across 31 branches statewide. He also serves on the board and as the current vice-chair of the Care Fund, helping financially and resourcefully support Arizona families who endure financial hardship while experiencing extended illness or injury of their children.



### JUSTIN CHASE:

Chase is president and CEO at Crisis Response Network. He is a nationally recognized expert in crisis systems, recovery-oriented systems of care, peer integration, nonprofit organizational leadership and development, and developing sustainable, effective and efficient healthcare programs and systems. He has served as a behavioral health administrator, executive, network/program developer, direct practitioner and project manager.



### ABBIE S. FINK:

Fink is vice president and general manager of HMA Public Relations and has been with the firm since 1993. Her varied marketing communications background includes skills in media relations, digital communications/social media strategies, special event management, community relations, issues and crisis communications management and marketing promotions for both the private and public sectors.



### DR. LORRIE HENDERSON:

Dr. Henderson is CEO of Jewish Family & Children’s Service. He has led an expansive career as an organizational and executive leader in the healthcare and behavioral health fields including hospitals, group homes, foster care, community-based services, prevention for children and families, developmental disabilities, residential programs in nonprofit and for-profit organizations.



### LEONARDO LOO:

Loo is the Phoenix office managing partner of Quarles & Brady and a member of its Business Law, Finance, and International Law Services Groups. He serves on the boards for Chicanos Por La Causa and the Arizona Community Foundation, and is general counsel for the Arizona Hispanic Chamber of Commerce.

# THOUGHT LEADERSHIP

- Identify your stakeholders. This list should take into consideration your external stakeholders (customers, vendors, partners, investors, etc.) as well as your internal stakeholders (employees). Traditional, digital and social media outlets should also be included in your list of stakeholders. Be sure for each category you have appropriate contact information.
- Develop the roles and responsibilities of your CMT. A key role is determining who will serve as the spokesperson for the organization. Depending on the type of crisis, that may be the CEO or president or a department director.
- Key message development. General information about the organization should be readily available and included in all communications during a crisis. Information specific to the crisis should be prepared and disseminated on an ongoing and timely fashion. Keeping in mind that the situation can change quickly during a crisis so keeping this information updated regularly will be essential.
- Identify and assess example crisis scenarios. Outline possible

When a crisis hits, businesses typically get into trouble from a perceived lack of transparency, lack of communication, and lack of action.

— LEONARDO LOO

scenarios in advance and develop strategies for how you will respond. Possible scenarios should be considered across all areas of your organization.

It is important to review and update your crisis communications plan. Most specifically in the event that a crisis has occurred, there have been changes to your key leadership and/or individuals assigned to the CMT and if the plan has been updated in the past three – four months.

## **Az Business: What should a business tell stakeholders and the public when faced with a crisis?**

**Brown:** Communicate. Communicate. Communicate. And then communicate. Transparency, both within the organization and to stakeholders — and to media as well — is critical. Similarly, authenticity is key. And it can't be a strategy. It has to be who you are; what the business is built on. And this advice really applies to all the time, not just in times of crisis.

**Loo:** When a crisis hits, businesses typically get into trouble from a perceived lack of transparency, lack of communication, and lack of action. First and foremost, leaders need to rapidly gather as much credible and reliable information as possible to make informed decisions and relay their understanding of the crisis to stakeholders as soon as and as clearly as possible. The danger is always wanting to wait until you have all the information before acting, but given the nature of most crises, one does not have the luxury of waiting until you have 100 percent information. Any delay in communication will be perceived as hiding the ball and avoiding the realities of the crisis. At the same time, you need to ensure that the information you have is in fact reliable and trustworthy.

Once armed with information, you need to then be proactive and take immediate action. Organize a response team, empower that team, stay in front and visible, and communicate often with your stakeholders and let them know what you are doing to address the situation. Communicate, communicate, communicate – you have to let your team and the public know that you have a plan to deal with the situation and explain what it is. Have a plan and be honest.







## Celebrating 85 Years of Healing Lives.

In 1935—six years into the Great Depression—a courageous group of Jewish women decided to create a Phoenix-based nonprofit agency to help those in need. Their hard work and dedication laid the foundation for what is now Jewish Family & Children's Service (JFCS), a social service agency with a mission dedicated to strengthening the community by providing behavioral health, healthcare and social services to all ages, faiths and backgrounds.



JFCS' dedication to its mission is strengthened by a commitment to core Jewish values that honor community and the continuity of the generations. The organization's hope is for a future where families are strong, elders are cared for and children are safe. And while social needs have changed over the decades, the organization's mission is still true today, acting as the driving force for making decisions on how to best serve the needs of the Valley 85 years later.

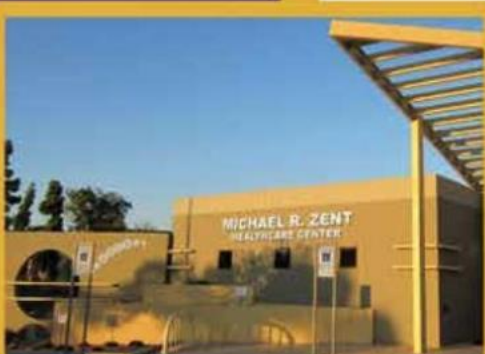
JFCS' vision centers on the critical role that access to healthcare plays in our community. Successful outcomes are fully achieved when healthcare addresses the whole individual. Most recently, JFCS has expanded its integrated health services from two locations in Phoenix, adding a third healthcare center at its newest location in the East Valley.



Combining mental health services with primary care increases patient satisfaction, reduces long-term costs, increases the quality of care, and, ultimately, saves lives. Although most primary care providers can treat some mental disorders with medication, that alone may not be enough for some patients without proper therapy. Most primary care providers do not offer effective, high-quality mental health care onsite.

By integrating mental health and substance abuse treatment services together with primary medical care, JFCS produces the best outcomes and offers the most effective approach to caring for people with multiple healthcare needs. JFCS has four health center locations – one behavioral health clinic in the West Valley and three integrated healthcare centers:

- Michael R. Zent Healthcare Center (Phoenix)
- Glendale Healthcare Center (Glendale)
- East Valley Healthcare Center (Gilbert)
- West Valley Behavioral Health Center (Phoenix)



Many hands and hearts made the JFCS history possible. Over the last 85 years, JFCS has gone from a grassroots social welfare committee that served a handful of individuals and families to an agency with hundreds of staff members, volunteers and a budget that provides help and healing to over 40,000 people in Maricopa County. JFCS administrators, staff and volunteers continue a legacy of building programs and services that meet present needs and anticipate future needs within constantly changing demographics, economics and political landscapes.

Contact Jewish Family & Children's Service at [www.jfcsaz.org](http://www.jfcsaz.org) or (602) 279-7655 for more information.

## **Az Business: How should a business come up with a plan for business continuity when a crisis hits?**

**Chase and Anderson:** Businesses should start by identifying the most critical functions, capabilities, and products for the organization. They should then map them against potential hazards and see where there are opportunities to add resilience. Business continuity is only one part of the crisis management planning process, but it often requires some of the biggest financial investments. Infrastructure continuity improvements aren't the easiest to wrap your head around, but employees and the way the business interacts with customers must receive just as much attention in this process. You can have a strong building, but if your employees can't work or your customers can't access your goods or services, you have not built any continuity worth having.

## **Az Business: How can the company avoid a potential crisis by listening to customers and employees?**

**Henderson:** Having an open-door policy that lets clients and employees weigh in and offer feedback on issues, policies and procedures is just good business. It shows you are invested in the people responsible for your company's success. Listening to employees that are in the trenches, dealing with the day-to-day operations where many potential issues may be uncovered, means

business leaders are informed and may be able to avoid potential pitfalls that can lead to crisis situations.

Valuing client and employee feedback builds loyalty and a sense of unity. Staying engaged and really listening is the best form of prevention and a great way to get in front of and avoid a potential crisis. If a crisis can't be helped, it's important to have strong policies and procedures that are practical, understandable and easy to follow.

## **Az Business: How can leaders in your industry help leaders in other industries overcome a crisis?**

**Brown:** Banks — and bank leaders — are in a unique position in times of crisis. Many times a crisis can or will have a financial impact. Bankers are financial professionals and they can provide help to a customer whether it is retail or commercial insight or navigation help relative to the crisis.

**Chase and Anderson:** If there is one understatement to be made here, it is that we are all connected and dependent on each other in a modern economy. The silos of information, knowledge, leadership, and innovation must be broken down between industries. No one industry has a monopoly on good ideas.

In the mental health and information and referral industry, we offer realistic coping tools to a frantic public desperate for comfort. We can reinforce and educate good workplace mental

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— DR. LORRIE HENDERSON



# THOUGHT LEADERSHIP

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health practices to industries on the front lines of this crisis including government and healthcare. We can bridge worlds of government and non-profits to bring meaningful advice and referrals to people desperate for reliable information and resources. We can continue to be available, and sometimes that's the most important reassurance people and businesses need.

**Henderson:** Jewish Family & Children's Service is an organization known for strengthening the community by providing behavioral health, healthcare and social services to all ages, faiths and backgrounds. The health and safety of JFCS clients, staff and volunteers is our highest priority.

Our response to the COVID-19 pandemic is based on guidance from the Centers for Disease Control (CDC) and the Arizona Department of Health Services (ADHS). As an agency that works with vulnerable populations who are most at-risk, we eliminated non-essential activities at our healthcare centers and program sites, and adapted some of our program delivery methods to continue serving those who depend on our services.

**Loo:** In many ways, lawyers regularly assist companies in trying to formulate processes and systems to avoid a myriad of crises. If a crisis occurs, however, we partner with our clients by helping them navigate the legal maze and business consequences that typically result from such crises. Although the crises that we typically see do not come in the form of pandemics, we often guide businesses through data breaches, governmental investigations, and employee harassment claims, to name a few.

**Az Business: Can governance processes help a board detect early warnings of an impending crisis and, if so, how should a business implement those processes?**

**Henderson:** Yes. It's imperative that boards monitor risk management areas at all times. Tracking key indicators with graphs and charts ensures the risks are communicated in a clear and efficient way. It also enables us to quickly identify trends and patterns in areas that could become full-blown issues. The pattern or lack of patterns may or may not identify issues, but the practice of monitoring and evaluating the patterns on a regular basis means boards can keep an eye on areas that could quickly become problematic and require expeditious intervention.

Every organization should have a multidisciplinary stand-alone risk management committee that meets no less than quarterly to review potential risks and identify areas in need of improvement. If an issue has been identified, the committee should immediately share their findings and recommendations for mitigation with the executive leadership team.

**Az Business: What are the most important lessons business should take away from the COVID-19 pandemic when it comes to crisis management?**

**Loo:** One of the things that I think this pandemic has really emphasized is the vital importance of the role that our workers, especially our rank and file, have to our organization and our society's success. I think businesses can sometimes overlook

“When a crisis occurs the need to communicate is immediate. Your business must be able to respond promptly, accurately and confidently during a crisis in the hours and days that follow.”

— **ABBIE S. FINK, VICE PRESIDENT AND GENERAL MANAGER, HMA PUBLIC RELATIONS**





## THOUGHT LEADERSHIP

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how critical every employee is to making our system function effectively. However, as we have seen during this crisis, we literally could not have continued to function without the cooperation of not just our brave doctors and nurses, but our grocery store clerks, our truck drivers, our warehouse workers, our delivery people.

**Brown:** My fellow panelist, Abbie S. Fink, wrote a blog post about Mr. Rogers. In it, she quoted him as saying: “When I was a boy and I would see scary things in the news, my mother would say to me, ‘Look for the helpers. You will always find people who are helping.’ To this day, especially in times of ‘disaster,’ I remember my mother’s words and I am always comforted by realizing that there are still so many helpers — so many caring people in this world.”

That really struck me. I think we tend to use the term business leader, or leader, and look to them, but if this pandemic has taught us anything, it is the helpers — that have come in so many forms — that are making the difference. That goes for everyone working in hospitals from doctors and nurses to administrative staff, techs and essential volunteers. That goes for teachers digging in and figuring out a way to keep schools running virtually. It takes everyone finding ways to be helpers to get through things of this magnitude. **AB**

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To learn more about crisis management from our panel of thought leaders, visit [azbigmedia.com](http://azbigmedia.com).



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# HELP IN THE TIME OF NEED

**Here’s how some local businesses helped customers, clients, employees and others during the COVID-19 pandemic:**

**WaFd Bank Arizona:** “First, we implemented a Small Business Lifeline program through our Community Banking Group on March 12,” says Mike Brown, Arizona region president. “This Lifeline program, in which we have allocated up to \$100 million, was designed to help affected clients and non-clients by providing liquidity through business lines of credit up to \$200,000 with 90 days of zero percent interest. In addition, we implemented other payment relief assistance programs to help our clients that were not eligible for the small business program. This includes those that have consumer mortgages with WaFd, as well as our Commercial Banking Clients.”

**HMA Public Relations:** “For the clients we serve, we immediately activated our crisis communications strategies, providing the necessary guidance and counsel regarding stakeholder communications,” says Abbie S. Fink, vice president and general manager. “It was also important that we do not ignore the ongoing and regular communications efforts that we provide. So, throughout the crisis, we continue to evaluate opportunities (through a crisis lens) to determine how and when to respond. As clients have had to change the way they do their business, HMA is developing strategies that include online programs and service delivery through webinars and podcasts, creating virtual events and fundraisers and establishing their executives as thought-leaders and resources in their areas of expertise, among others.”

**Quarles & Brady:** “Many of our clients were unexpectedly thrown into situations that would have been completely unimaginable to them just a few weeks earlier,” says Leonardo Loo, Phoenix office managing partner. “They had to deal with issues such as determining whether or not they are ‘essential services,’ to laying off or furloughing their employees, to considering the effects of not paying their bills and shutting down their businesses completely. We assisted many with these issues, and in accessing financial relief during this turbulent economic time. Many of our clients are also in the healthcare space and on the front lines of this pandemic. We worked with them to navigate the healthcare regulatory landscape that is changing on a daily basis in an effort to manage the medical crisis that is sweeping the globe.”