

LITIGATION COMMUNICATIONS SURVEY REPORT

FEBRUARY 2016



THE STRATEGY GAP

IN HIGH-PROFILE LAWSUITS, CORPORATE LEADERSHIP LACKS STRATEGIC COMMUNICATIONS PLANS

Besieged by lawsuits, American companies have largely grown adept at protecting their reputations in court. But by and large, they are far less prepared for what happens outside the courtroom.

A survey of 73 senior legal officers conducted by the research group of Greentarget portrays a large swath of corporate America caught in a vicious cycle, continuously beset by lawsuits that threaten reputation damage but slow to take the necessary steps to mitigate or avoid that damage.

While they acknowledge the importance of managing communications with stakeholders during litigation, the survey shows that they mostly fail to adequately prepare for those communications. About two-thirds of respondents say they have no crisis-communications teams identified and no recently updated plans for litigation communications in place and lack final authority over external communications. And only about a third of the respondents said that they were ultimately responsible for communications strategy outside of court.

Without strategic plans to guide their communications, companies often take an excessively cautious approach, where decisions and actions are governed more by fear of negative media coverage than by thoughtful, aggressive plans to protect their reputations.

HIGH STAKES: WHEN STRATEGY MATTERS MOST

More than half of the executives surveyed said their litigation communications were overly conservative, and nearly 80 percent named fear of negative press coverage as a factor preventing them from communicating more aggressively. Additionally, 55 percent of survey respondents said concerns surrounding the impact of media attention on court proceedings was a limiting factor. Those are the kinds of universal concerns a good communications strategy could – and likely would – address.

Making matters even more complicated, more than 60 percent of survey respondents said their CEOs were actively involved in high-profile litigation. Combined with a lack of planning and a dearth of accountability – most respondents said they were not aware of performance metrics tied to company reputation – this can lead to organizational inertia.

Still, the situation is far from hopeless. Companies that are prepared for potential legal situations will have more effective and timely responses. In today's world of instantaneous news coverage and social media mouthpieces, even some level of planning can save companies from substantial reputational harm and years of damage control. The return on such efforts is clear in the face of what's at stake and the knowledge that, whatever they do, the lawsuits will keep coming.

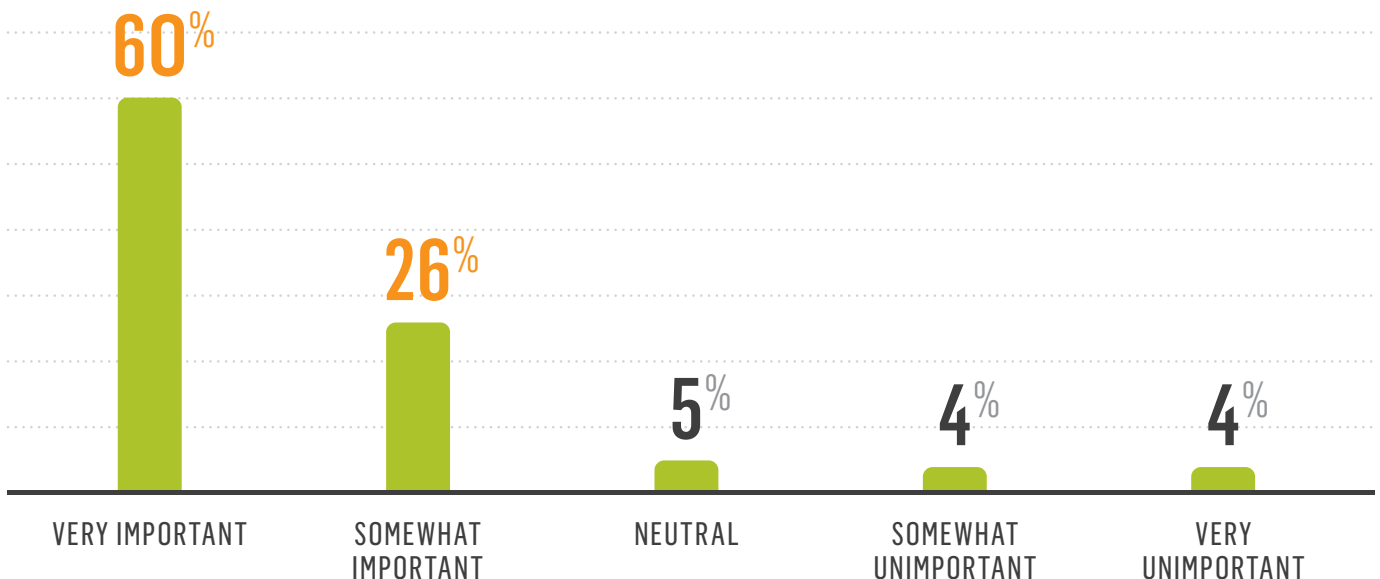
KEY FINDINGS

KEY FINDING #1:

86%

OF IN-HOUSE COUNSEL FEEL THAT EXTERNAL COMMUNICATIONS ACTIVITIES ARE IMPORTANT DURING LITIGATION SITUATIONS.

WHEN YOUR ORGANIZATION IS FACED WITH LITIGATION, HOW IMPORTANT TO YOU ARE THE RELATED PUBLIC COMMUNICATIONS ACTIVITIES (SUCH AS MEDIA RELATIONS AND EMPLOYEE COMMUNICATIONS)?

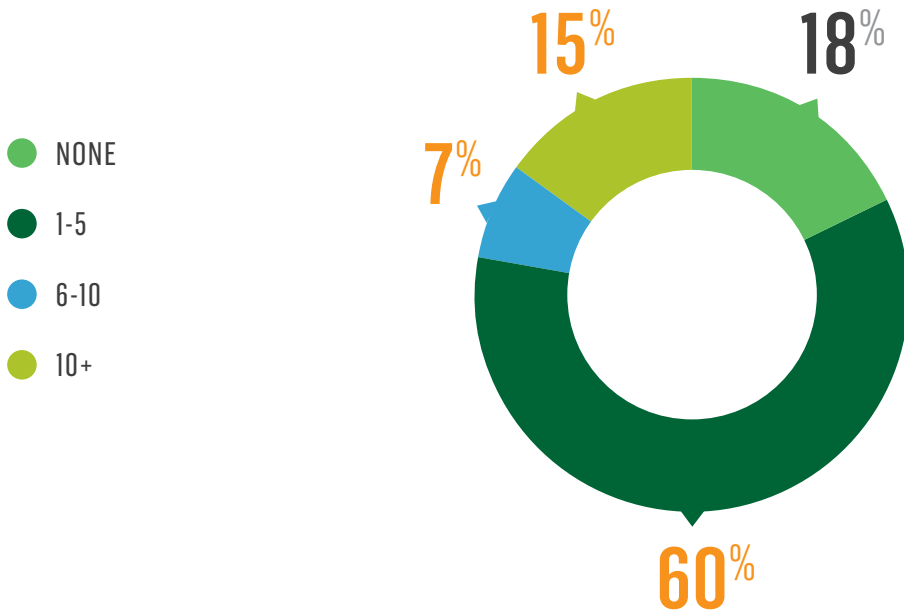


KEY FINDING #2:

82%

OF RESPONDENTS HAVE BEEN INVOLVED IN AT LEAST ONE HIGH-PROFILE LITIGATION ACTION IN THE PAST YEAR.

HOW MANY HIGH-PROFILE LITIGATION ACTIONS HAS YOUR COMPANY BEEN INVOLVED WITH IN THE PAST 12 MONTHS?

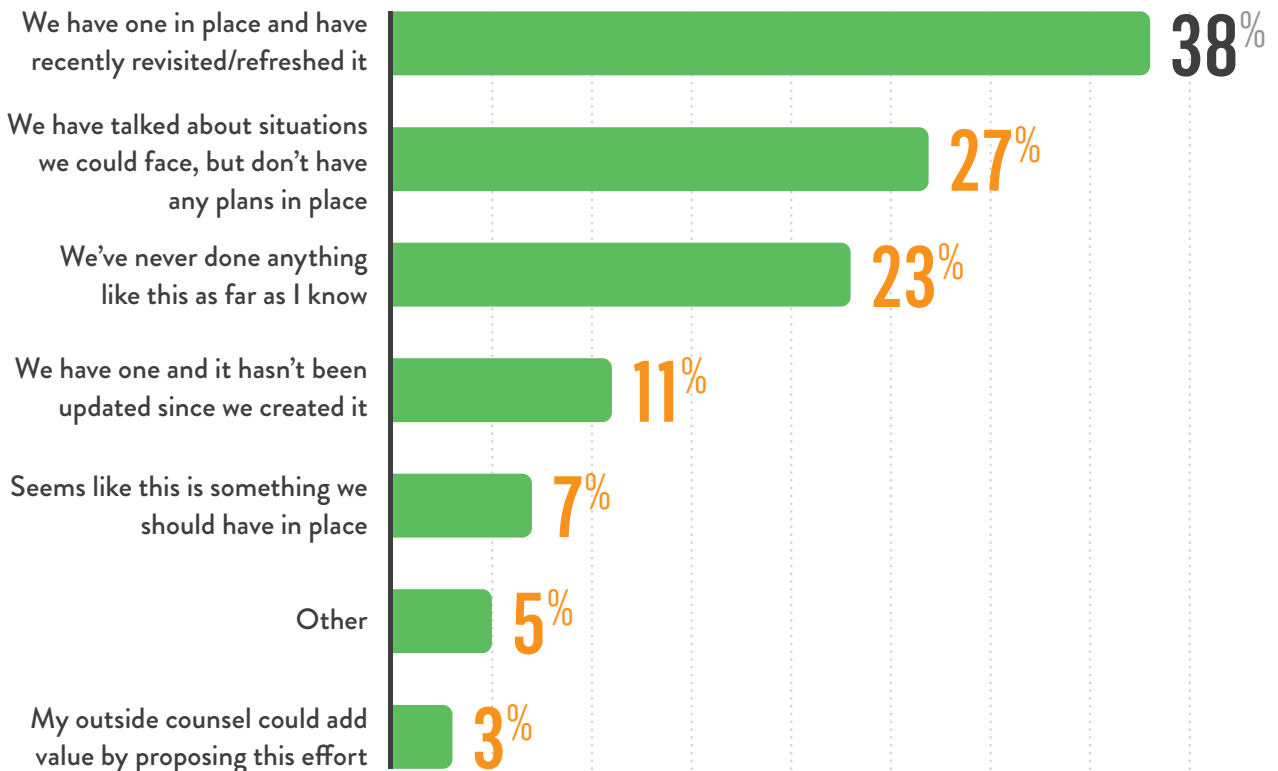


KEY FINDING #3:

62%

OF RESPONDENTS EITHER HAVE NO COMMUNICATIONS PLAN OR AN OUTDATED PLAN IN PLACE THAT HAS NOT BEEN UPDATED SINCE ITS CREATION.

DO YOU HAVE A PLAN IN PLACE TO DEAL WITH HIGH-PROFILE LITIGATION COMPLETE WITH CRISIS TEAM MEMBERS, POTENTIAL LITIGATION SCENARIOS AND OUTSIDE COUNSELORS IDENTIFIED?



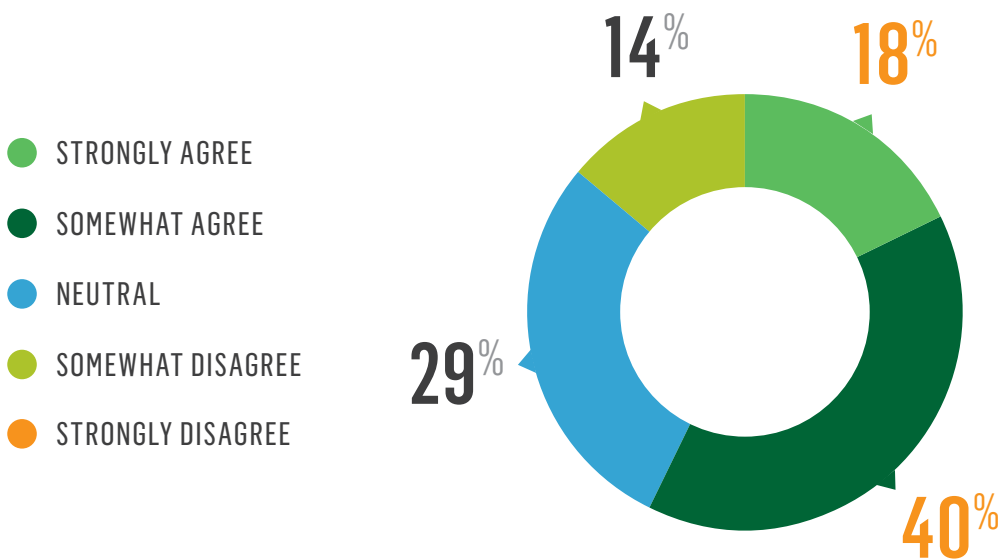
Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.

KEY FINDING #4:

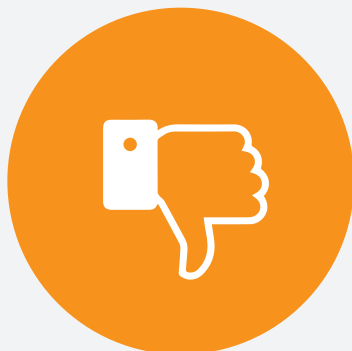
58%

OF PARTICIPANTS AGREE THAT THEIR ORGANIZATION IS TOO CONSERVATIVE WHEN IT COMES TO EXTERNAL COMMUNICATIONS.

TO WHAT EXTENT DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT:
MY ORGANIZATION TENDS TO ACT MORE CONSERVATIVELY THAN NECESSARY WHEN
COMMUNICATING EXTERNALLY DURING HIGH-PROFILE LITIGATION.



KEY FINDING #5:



CONCERN ABOUT NEGATIVE MEDIA ATTENTION IS THE OVERWHELMING FEAR HOLDING BACK MORE AGGRESSIVE COMMUNICATIONS.

WHICH OF THE FOLLOWING FACTORS LIMIT YOUR ORGANIZATION'S ABILITY TO COMMUNICATE MORE AGGRESSIVELY DURING HIGH-PROFILE LITIGATION CYCLES?

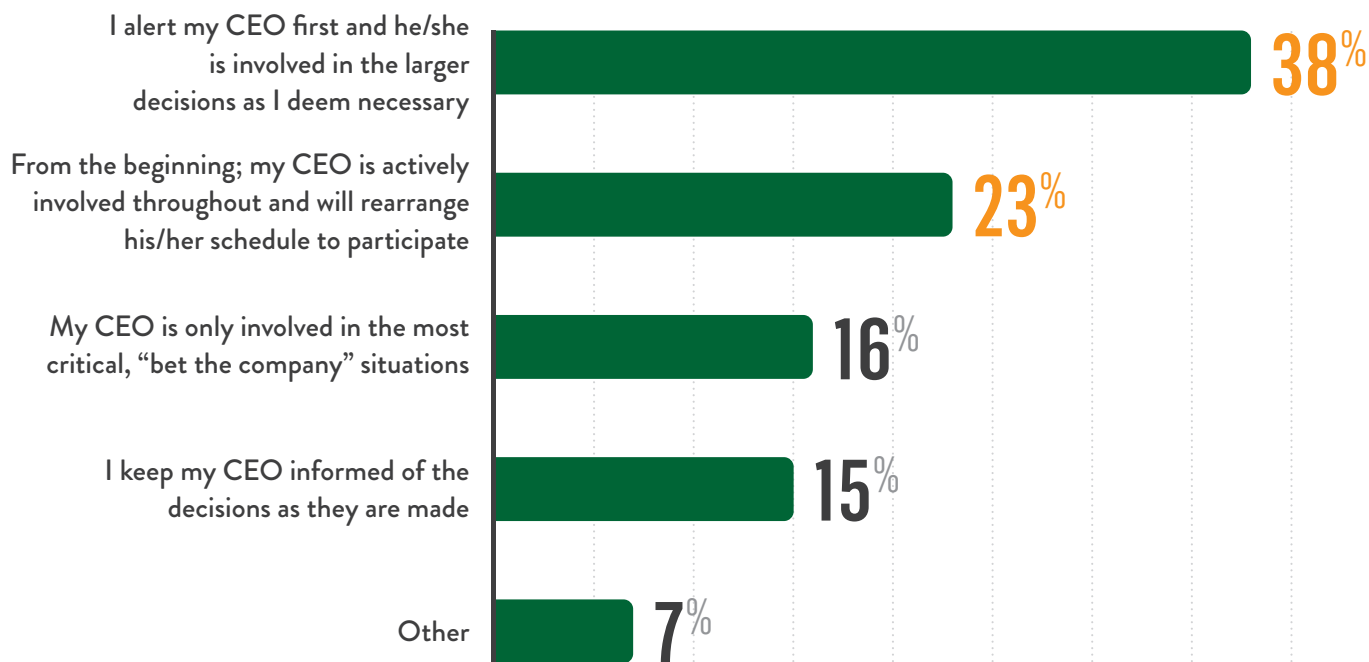


KEY FINDING #6:

61%

INDICATED THAT THE CEO IS ACTIVELY INVOLVED WHEN A HIGH-PROFILE PIECE OF LITIGATION OCCURS.

HOW INVOLVED IS YOUR CEO IN A HIGH-PROFILE PIECE OF LITIGATION?

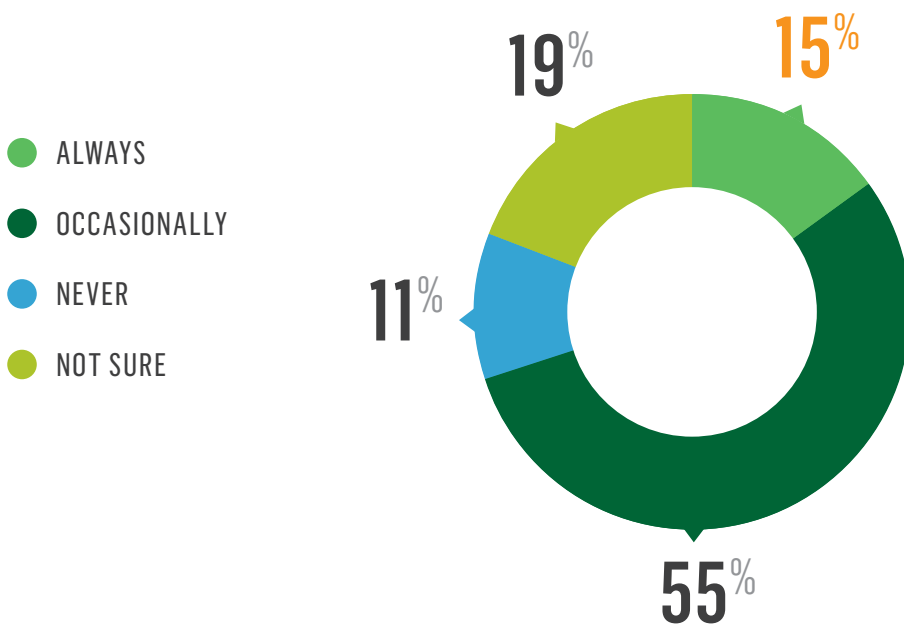


KEY FINDING #7:

15%

ONLY 15% OF PARTICIPANTS REGULARLY SEEK OUTSIDE EXPERTS TO HELP MANAGE THE COMMUNICATIONS PROCESS DURING LITIGATION.

HOW OFTEN DOES YOUR ORGANIZATION SEEK SUPPORT FROM PARTNERS OUTSIDE YOUR ORGANIZATION WHEN MANAGING COMMUNICATIONS SURROUNDING HIGH-PROFILE LITIGATION?



METHODOLOGY

- › In October and November 2015, Greentarget distributed individual surveys to corporate in-house counsel across the nation. The results were tabulated, analyzed and released in February 2016.
- › The respondents identified themselves as GCs/Chief Legal Officers (30%), Deputy/Assistant GCs (54%) and senior in-house lawyers (16%).
- › 73 corporate counsel responded to the survey. Of those, 70% were from companies with revenue over \$1 billion USD; 24% from companies with revenue between \$100 million and \$1 billion; and 6% with less than \$100 million in revenue.
- › Percentages in certain questions exceed 100 percent because respondents were asked to check all that apply. Due to rounding, all percentages used in all questions may not total 100 percent.

ABOUT GREENTARGET

Greentarget is a strategic communications firm focused exclusively on the communications needs of highly competitive business-to-business organizations. We counsel those who counsel the world's most sophisticated businesses and aim to direct smarter conversations among their most important audiences to help deepen the relationships that impact the long-term value of their organizations.

OUR LITIGATION COMMUNICATIONS OFFERING

Greentarget employs a proven **methodology** to guide businesses through complicated disputes in a way that minimizes the potential for damaging losses in the court of public opinion. Our experienced crisis counselors provide strategic communications advice through the lifecycles of litigation, governmental investigations and adverse operational and financial matters.

LITIGATION COMMUNICATIONS FRAMEWORK



ALIGNMENT WITH BUSINESS STRATEGY