



An ***unpredictable*** event or occurrence,
with ***severe consequences***,
and often rationalized afterwards
with benefit of hindsight.



The Black Swan Event

November 2011, three top Penn State officials – each highly regarded and well known for their professional and personal integrity – are indicted by the Pennsylvania Attorney General for crimes related to the *abuse of children*.



Worse Case Scenario?

If the State intervenes to takeover the leadership and operations of the University.



What would prompt state intervention?

1. Fear of the collapse of an invaluable state asset;
2. Natural inclination to “do something ...fix it!”
 1. Lack of *faith* and *trust* in the University leadership to appropriately respond to the various challenges the scandal presented, and to minimize the damage to the institution.



Penn State Government Relations Response (2011-?)

1. Established a prominent presence in the state and federal capitols.
2. Gave personal briefings and updates to govt. leaders and rank and file.
3. Committed to a full disclosure of what we knew was happening, and how the university was impacted by, and was responding to the crisis.
4. Provided regular broadcast email updates to all elected officials with the latest information and updates on ongoing concerns.
5. Deployed new university leaders to Harrisburg and Washington for personal briefings, and to reestablish the personal relationships between the university leadership and public officials.



Outcomes

State officials continued to rely on the university's trustees and administration to operate the University, and manage the response to the many challenges brought on by the scandal.

No intervention by the state; no financial penalties or punitive legislative action; no investigations or hearings.



How do you best prepare for the unpredictable crisis?

Before a crisis occurs:

Have *already established*, trusted personal and professional relationships between University leadership and key state and federal officials.
(President, top Admins, Lobbyist)

Have *already established*, reliable and familiar means of communications with key political leaders and the rank and file.



Recommendations

1. Accept that a black swan event could happen at your institution.
2. Review your current ability to respond to a crisis: How strong are your relations with political leaders? How effective is your ability to communicate rapidly with key constituencies during a major crisis?
3. Secure a commitment from your leaders to invest in and maintain a government relations program to establish trusted relations with key political players, and an effective communications system.