ECONOMIST ENTERPRISE

Steady advisers for an unsteady age

Realising the full potential of the general counsel in a polycrisis

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About this report

Steady advisers for an unsteady age: realising the full potential of the general counsel in a polycrisis is an Economist Enterprise report supported by FTI Consulting. The report explores organisations' preparedness to anticipate and mitigate crises in today's increasingly interconnected and disruptive risk landscape. It also examines how the general counsel (GC) role has evolved in shaping crisis decisions and response. The report is based on a survey of 1,100 primary legal decision-makers in North America, Europe, the Middle East and Africa (EMEA) and Asia-Pacific (APAC), which was conducted between March and April 2026.

Economist Enterprise is solely responsible for the views expressed in this report, and the content does not necessarily reflect the perspectives of the sponsor.

Economist Enterprise would like to extend its thanks to the following interviewees for their time and insights:

- **Rushad Abadan**, group general counsel, Aberdeen Group
- **Emily Friend**, head of legal and compliance, TotalEnergies
- **Rodney C. Pratt**, senior vice-president and chief legal officer, LVMH North America
- **Jody Waugh**, managing partner and head of banking and finance (MENA), Al Tamimi & Company
- **Robert C. Bird**, professor of business law, University of Connecticut

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- **John Ferguson**, project director
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Foreword by FTI Consulting

When a situation is moving quickly, information is incomplete and implications extend beyond any single function, who is the person in the organisation that everyone turns to? More often than not, in my experience, it's the GC. But it wasn't always.

Traditionally, the GC role was often viewed solely through a legal lens. They understand the exposure level, they advise on the response and they know what the organisation can and can't do. Today, it has become one of the most prominent and multidimensional leadership positions within an organisation. Legal expertise remains fundamental, but the questions arriving on a GC's desk are broader, and never just legal. *Should we escalate this? Who needs to know? How will regulators view it? What happens if we wait?*

In a world defined by disruption, organisations are not short of potential crises. But what really matters is knowing how to interpret the signs. The most effective GCs see patterns others miss, recognise when risks are beginning to connect and determine what deserves immediate attention and what doesn't. That capacity for crisis discernment is becoming one of the most invaluable leadership capabilities for today's GCs. As the type and number of crisis events multiply, judgement becomes more valuable.

That judgement matters because very few issues arrive neatly labelled as crises. Most begin as something smaller, whether a regulatory inquiry, an operational setback, a cyber event or a negative media event. Viewed in isolation, each appears manageable. But in the age of polycrisis, it becomes even more complex, as crises come in groups, overlap, reinforce one another and have far reaching consequences.

In that environment, escalation becomes a critical discipline. Build the team before. The worst time to work out who is responsible, who needs to be involved and how decisions will be made is after the crisis has started. Don't wait for perfect. Escalation need not trigger action, but can create awareness, broaden perspective and allow options to be considered while still available. Potential risks need the requisite airtime before they become unavoidable issues. When pressure mounts, focus. Multiple crises mean multiple distractions.

The themes explored in this report reflect the realities of a role that continues to evolve. Through the perspectives of GCs from around the world, the research examines how legal leaders are approaching crisis management in this interconnected risk environment.

At FTI Consulting, we see first-hand the responsibility that comes with being the person who is asked the hardest questions. The perspectives shared here offer a timely view of how today's GCs are meeting that responsibility.

Jean-Werner de T'Serclaes
EMEA co-chairman, FTI Consulting

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Executive summary

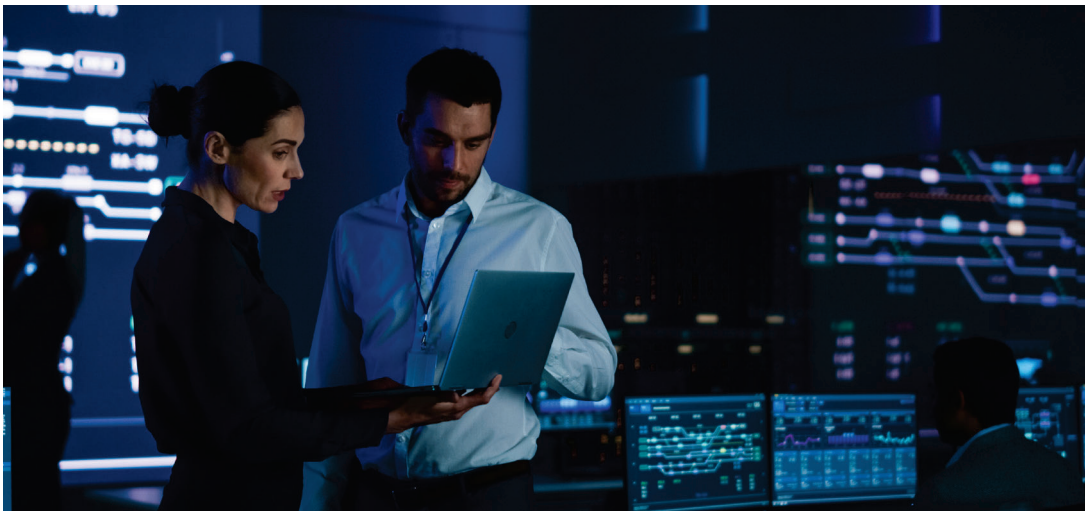
Businesses now operate in an age of "polycrisis", where geopolitical, socioeconomic, technological and environmental risks are increasingly interconnected and compound one another. These risks are materialising more frequently and rapidly, demanding that organisations prepare for and manage multiple crises, often with incomplete information.

Protecting operations, reputation and financial performance today requires more than reacting to crises as they unfold. Organisations need a proactive approach that can anticipate and mitigate threats, as well as the right leaders and capabilities to implement the approach when crises occur.

With their mandate of risk oversight, legal expertise and skills, and unique vantage point in the organisation, GCs are well-positioned to lead their organisation's crisis management strategy. Many organisations have already expanded the crisis management remit of GCs. However, our research finds that organisations are yet to equip them with the resources needed to fully support that expanded role.

Based on a survey of 1,100 primary legal decision-makers across North America, EMEA and APAC, we identify four areas of focus that can enable organisations to unlock the GC advantage in managing crises.

- **Match governance structure with GCs' evolving crisis management remit.** GCs are increasingly entrusted to build and implement the crisis management strategy. However, their organisations' governance structures have not always kept pace in equipping GCs with decisional capabilities that match their evolving remit. Among the organisations surveyed, the primary responsibility for deciding whether an emerging issue becomes a crisis remains spread across chief executives (44%), boards (24%), GCs (21%) and other c-suite executives (11%). More organisations should give their GCs a permanent seat at the crisis decision-making table so that they can escalate credible threats early and play a central role in shaping a proportionate crisis response.



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- **Deploy a proactive approach to managing crises.** A crisis management strategy has become a baseline requirement for managing risk in most organisations. However, these strategies differ in their level of crisis anticipation and mitigation maturity. Fewer than a fifth of organisations deploy the most advanced proactive approach that can enable them to effectively manage crises.
- **Invest in technology and expertise that help discern threats early and prepare for crises.** Information tools, such as an advanced tech stack and timely external expertise, are vital in helping GCs distinguish credible warning signals and assess the likelihood and severity of a crisis. Yet their use remains limited and delayed across surveyed organisations. Less than 50% deploy advanced solutions for risk scanning and crisis anticipation. Meanwhile more than 80% wait to access external support: either after an initial internal assessment indicates elevated legal or reputational risk, during a crisis or after a crisis event.
- **Mainstream early engagement between GCs and boards on crisis decisions.** The priorities of boards and GCs are often naturally aligned within an organisation. They have a shared remit of risk oversight, focus on protecting long-term enterprise value and preference for early crisis escalation. This creates an opportunity for even more GCs to harness the board as a strategic partner in crisis decision-making. Currently, 57% of surveyed GCs engage with their boards early enough to frame the crisis at hand and the available response options.

A stronger focus on these four areas can allow organisations to prepare for and respond to crisis events promptly and proportionately. Underestimating their impacts can pose existential threats to organisations. But overestimating them can trigger a "cry-wolf effect", wherein repeated false alarms of an impending crisis make business functions lose trust in future warnings, leaving organisations underprepared to respond when an event actually occurs. This can also undermine GCs' credibility, making it harder to influence critical crisis decisions.

The imperative for organisations to adopt a proactive crisis management strategy, and entrust their GCs to build and implement it, is clear. GCs must now be equipped with the governance structure, technology and information, and board engagement needed to realise their full potential as steady advisers in an unsteady age of polycrisis.

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Business as unusual in an age of polycrisis

Three years ago, the term "polycrisis" gained traction to describe a seismic shift in the post-pandemic global operational environment. Individual crises confronting economies not only became more frequent, protracted and interconnected but also compounded "such that the overall impact exceeds the sum of each part".[1] Geopolitical shocks since and their socioeconomic effects, alongside challenges of climate change and technological acceleration, reaffirm that businesses are operating, not through an interlude, but in an age of polycrisis.[2]

As crises materialise more frequently, rapidly and severely, with impacts on operations, reputation and financial performance, organisational appetite for investing in crisis preparedness has increased.[3]

This operational environment is also transforming the remit of several roles in senior leadership, including GCs. The 2024 iteration of our research, which surveyed 600 GCs, pointed out that with their analytical rigour, legal expertise and a broad view of the crisis landscape, GCs can serve as trusted partners in preparing for and responding to crises. That survey revealed that several organisations were expanding the GC role to include critical crisis management responsibilities.[4]

In this new report, we explore how organisations are preparing for and managing often cascading and connected crises. We also examine how their GCs are empowered, through governance structure, crisis strategy, technology and information, and board engagement, to deliver on their evolving crisis management remit. We identify gaps in current approaches, assess the cost of miscalculating crisis severity and lay out how GCs can serve as steady advisers, helping their organisations anticipate, navigate and emerge stronger from crises.

STEFAN HEISSNER

Senior managing director, chair of DACH Forensic & Litigation Consulting, FTI Consulting

Most crisis plans were built for single events, yet many situations we see involve several issues unfolding simultaneously across different parts of the business. The challenge is recognising that they aren't separate problems at all.

1 World Economic Forum, "We're on the brink of a 'polycrisis' – how worried should we be?", January 2023: https://www.weforum.org/stories/2023/01/polycrisis-global-risks-report-cost-of-living
2 Including adverse outcomes of artificial intelligence technologies, cyber insecurity, and misinformation and disinformation World Economic Forum, "The Global Risks Report: 21st Edition", January 2026: https://www.weforum.org/publications/global-risks-report-2026/
3 Economist Enterprise, "Turbulent waters, trusted anchors: the general counsel's evolving role in navigating crises," October 2024: https://insights.economistenterprise.com/trade-geopolitics/general-counsels-navigating-crises
Gallagher, "From Crisis to Confidence: 5 Years of Business Risk Evolution", June 2025: https://www.ajg.com/uk/news-and-insights/features/from-crisis-to-confidence-5-years-of-business-risk-evolution/
AON, "Industry Insights: Findings from AON's Global Risk Management Survey", October 2025: https://www.aon.com/en/insights/reports/global-risk-management-survey/industry-insights
4 Economist Enterprise, "Turbulent waters, trusted anchors: the general counsel's evolving role in navigating crises," October 2024: https://insights.economistenterprise.com/trade-geopolitics/general-counsels-navigating-crises

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GCs' evolving crisis management remit: the governance structure mismatch

GCs are increasingly entrusted to build and implement the crisis management strategy. However, their organisations' governance structures have not always kept pace in equipping GCs with decisional capabilities that match their evolving remit. More organisations should give their GCs a permanent seat at the crisis decision-making table so that they can escalate credible threats early and play a central role in shaping a proportionate crisis response.

The GC remit has expanded beyond managing the legal and regulatory implications of a crisis event. Their oversight of partnerships being negotiated by different business functions and third-party contractual relationships strategically position GCs to gain an expansive view of the operational environment in a polycrisis.[5] Robert C. Bird, professor of business law at the University of Connecticut, also points to GCs' professional training which allows them to be "steady advisers" who can balance a business's financial goals with its ethical and legal mandate.

GCs are involved both in building and implementing a crisis management strategy. Rushad Abadan, group general counsel at Aberdeen Group, explains that long before a crisis materialises, GCs play an important role in "configuring frameworks, protocols, controls and governance structures that are essential for effective incident or crisis management." He adds that "these controls and frameworks can't just operate within the perimeter of your organisation. They also have to reach out to those strategic vendor relationships so that escalations and resolution can happen as quickly as possible."

In the first few hours after a crisis materialises, 57% of surveyed GCs help frame the issue and weigh up response options and trade-offs with the board before the firm's positions are set.[6] Among GCs with more than 20 years of experience, that figure rises to 69%.

> "Their remit might look different across situations and sectors, but it is clear that the role of the GC has expanded well beyond reacting to and addressing the legal implications of a crisis event."

5 Harvard University Center on the Legal Profession, "The General Counsel Elevation Sensation", July/August 2021: https://clp.law.harvard.edu/knowledge-hub/magazine/issues/money-and-meaning/the-general-counsel-elevation-sensation/

6 Derived from QC17. In the early hours of a crisis event, which of the following best describes how you, in your role as the primary legal decision-maker, typically engage with the board? Select one. 57% is derived from adding the percentages for "I proactively frame the issue, options and trade-offs for the board at an early stage" and "I engage the board early to test and refine my judgement before positions are set."

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During a crisis, GCs also support decision-making in a variety of different areas (Figure 1). But where they perceive their role adds the most value differs from industry to industry. For example, 41% of GCs in the energy sector[7] report that framing legal and regulatory constraints before facts are fully established is one of the top two areas where they add the most value. For 34% of GCs in financial services, it is guiding early engagement with regulators or other external advisers and stakeholders. And 32% of GCs in manufacturing find their role to be most instrumental in clarifying which actions would be difficult or impossible to reverse.

Their remit might look different across situations and sectors, but it is clear that the role of the GC has expanded well beyond reacting to and addressing the legal implications of a crisis event.[8]

However, organisations' governance structures have not always kept pace to equip GCs with the matching decisional capabilities to deliver on their expanding suite of crisis management responsibilities. One area where this lag is observed is in determining whether an emerging issue becomes a crisis. Among the organisations surveyed, the primary responsibility for that decision remains shared across chief executives (44%), boards (24%), GCs (21%) and other c-suite executives (11%).[9]

To effectively implement the crisis management strategy, early escalation of threats is critical for GCs. Accordingly, close to two-thirds prefer escalating early to senior leadership, even if the issue later proves manageable, over waiting until the risk is clearer, even if this delays escalation.[10] More organisations should give their GCs a permanent seat at the crisis decision-making table so that they can ensure credible threats are escalated early and play a central role in framing the crisis at hand, weighing trade-offs and shaping a proportionate crisis response.

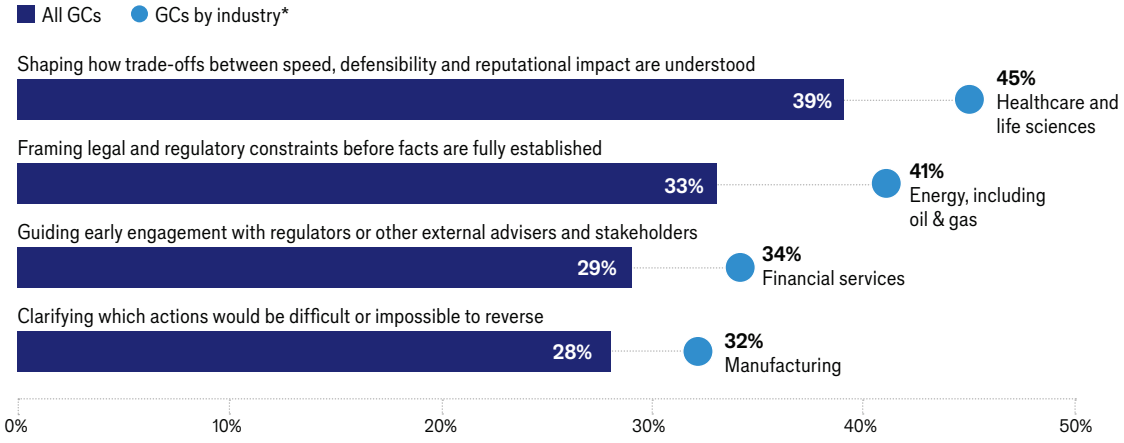
KATE BRADER

Senior managing director, Strategic Communications, FTI Consulting

In my experience, too much time is lost deciding if the "threshold" of a crisis has been met. Declaring a crisis should be done quickly, led by a small group and supported by a culture that doesn't penalise early escalation.

Figure 1: The expanding crisis management remit of GCs

Areas where GCs perceive they add the most value in shaping decisions in a crisis event (%)



*Industry with the highest share of GCs selecting a given option among the six surveyed.

Source: The Role of GCs in a polycrisis survey 2026; QC15. During a crisis event, where does your advice in your role as the primary legal decision-maker add the most value in shaping how early decisions are made? Select up to two.

7 Includes oil and gas companies
8 Derived from QC15. During a crisis event, where does your advice in your role as the primary legal decision-maker add the most value in shaping how early decisions are made? Select up to two.
9 Derived from QC4. At your organisation, who is primarily responsible for the final decision on whether an emerging issue is determined to be a crisis event? Select one.
- You, in your role: 21%
- The board of directors: 24%
- CEO or equivalent: 44%
- Other members of the c-suite (eg, COO, CFO, Chief Risk Officer, etc.): 11%

10 Derived from QC11. When forced to choose between the following approaches in a crisis event situation, which of the following do you, in your role, prioritise more? Please select one option in each pair:
- Escalating early to senior leadership, even if the issue later proves manageable
- Waiting until the risk is clearer, even if this delays escalation

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Preparing for and managing polycrises: the proactive approach gap

A crisis management strategy has become a baseline requirement for managing risk in most organisations. However, these strategies differ in their level of crisis anticipation and mitigation maturity. Fewer than a fifth of organisations deploy the most advanced proactive approach that can enable them to effectively manage crises.

Today, a documented organisational crisis management plan is common across industries and geographies. But most are insufficient to anticipate, absorb and adapt to new and evolving risks in the operational environment. Our survey reveals that close to 70% of organisations have a documented approach in place.[11] However, these strategies differ in their level of crisis anticipation and mitigation maturity.[12] Fewer than a fifth of organisations take a proactive approach. This is the most advanced strategy combining horizon scanning for emerging threats, established escalation decisional rights and responsibilities for senior leadership and business functions, and regular crisis impact assessments and drills to prepare and align businesses against such occurrences. Another quarter uses a structured early-escalation approach, but lacks regular reviews. The remaining organisations use ad-hoc and reactive approaches, where escalation mechanisms are only triggered once consequences become visible, rather than when emerging warning signals first appear (Figure 2).

> "Organisations need a proactive strategy, backed by sustained and dedicated investment, that enables them to anticipate crises earlier, protect essential operations, limit cascading effects across the business and accelerate recovery."

11 Derived from QC2. Which statement best reflects how your organisation typically manages emerging crisis risks? Select one. 70% is derived by adding up the percentages for the following options:
- Guided but flexible approach: We have documented escalation guidance, though decisions often require interpretation and discretion.
- Structured early escalation: We use predefined indicators and decision rights to escalate issues before they materially impact the organisation.
- Proactive and continuously tested approach: We systematically identify emerging risks using predefined triggers, clear ownership, and regular scenario testing or reviews to escalate issues early.

12 Harvard Business Review, "To Recognize Risks Earlier, Invest in Analytics", November 2020: https://hbr.org/2020/11/to-recognize-risks-earlier-invest-in-analytics?ab=seriesnav-spotlight;
World Economic Forum, "Global Risks Report 2023", January 2023: https://www.weforum.org/publications/global-risks-report-2023/
ISO, "Security and resilience —Crisis management — Guidelines", 2022: https://www.iso.org/standard/50267.html
BCM Institute, "Building A Crisis Management Capability", March 2024: https://blog.bcm-institute.org/en/crisis-management/building-a-crisis-management-capability

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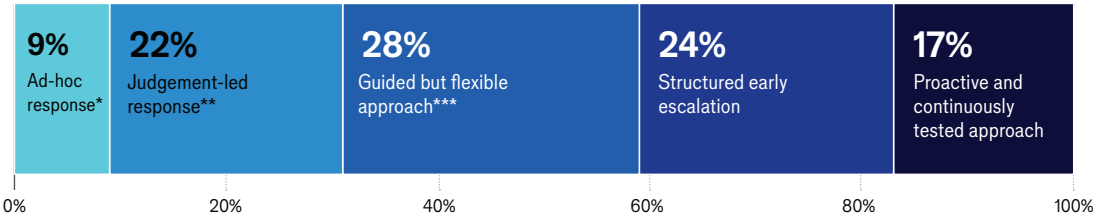
Figure 2: The proactive approach gap
Surveyed organisations' typical approach to managing crises



Source: The Role of GCs in a polycrisis survey 2026; QC2: Which statement best reflects how your organisation typically manages emerging crisis risks? Select one.

*We address issues once they escalate, with response decisions made in the moment by senior leadership.
**We monitor risks, but escalation is primarily triggered when leadership determines a situation has become serious.
***We have documented escalation guidance, though decisions often require interpretation and discretion.

These findings suggest that, despite being keenly aware of the heightened cost of under or unpreparedness,[13] many organisations lack the crisis management capabilities mature enough to operate and adapt in a polycrisis. A reactive crisis response is no longer viable. Organisations need a proactive strategy, backed by sustained and dedicated investment, that enables them to anticipate crises earlier, protect essential operations, limit cascading effects across the business and accelerate recovery. However, our survey reveals that when financial resources are constrained, only about 27% of organisations protect their crisis preparedness budget, while others scale back.[14]

MICHAEL CULLEN

Senior managing director, leader of Asia Forensic & Litigation Consulting, FTI Consulting

A crisis is not defined by the challenge itself, but by the quality of approach. Preparation builds trust before a crisis hits and a proactive strategy helps sustain it.

13 Economist Enterprise, "Turbulent waters, trusted anchors: the general counsel's evolving role in navigating crises", October 2024: https://insights.economistenterprise.com/trade-geopolitics/general-counsels-navigating-crises
14 Derived from QC6. When financial resources are constrained, which of the following best describes your organisation's primary approach to crisis management?

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Discerning signal from noise: the crisis information gap

Information tools, such as an advanced tech stack and timely external expertise, are vital in helping GCs distinguish credible warning signals and assess the likelihood and severity of a crisis. Yet their use remains limited and delayed across several surveyed organisations. Less than 50% deploy advanced solutions for risk scanning and crisis anticipation. Meanwhile more than 80% wait to access external support: either after an initial internal assessment indicates elevated legal or reputational risk, during a crisis or after a crisis event.

Fewer than three-fifths of surveyed organisations deploy solutions that can flag known risks. Some 56% utilise integrated enterprise risk dashboards and 53% use automated alerts when risks cross predefined thresholds.[15] When it comes to scanning for new and emerging risks, the technology stack uptake is even more limited. Less than half of all surveyed organisations have adopted advanced capabilities that allow collection and analysis of a wider range of data types (including third-party risk, real-time, internal functions and external environment) via advanced technologies and methods such as artificial intelligence, digital twins, predictive analytics and scenario modelling (Figure 3). These tools allow GCs to get timely access to information, which close to 40% recognise as one of the three factors that strengthen their ability to make sound decisions in periods of sustained and overlapping crises.[16]

A proactive approach to crisis management could help narrow this tech stack gap. The survey shows that a higher-than-average share of organisations with a proactive approach deploy advanced risk scanning tools. This suggests that these organisations are translating strategic intent into concrete investments in crisis anticipation and response.

Another lever that can narrow information gaps and strengthen GCs' ability to make sound decisions is access to external legal and advisory expertise. Emily Friend, head of legal and compliance at TotalEnergies, underscores the importance of triggering "escalation at the earliest opportunity" and involving external experts in certain areas "as soon as possible".

ASHLEY BRICKLES

Senior managing director, Technology, FTI Consulting

Very few organisations I see lack data. Issues arise when organisations struggle to turn that data into actionable intelligence. Embedding technology into governance frameworks provides clearer insight into emerging risks, enabling earlier escalation and mitigation.

15 Derived from QC3: Which of the following technology solutions does your organisation actively use to scan for emerging risks and identify issues that may escalate into a crisis? Select all that apply.
16 Derived from QC20. In periods of sustained or overlapping crises, which factors most strengthen your ability to make sound decisions? Select up to three.

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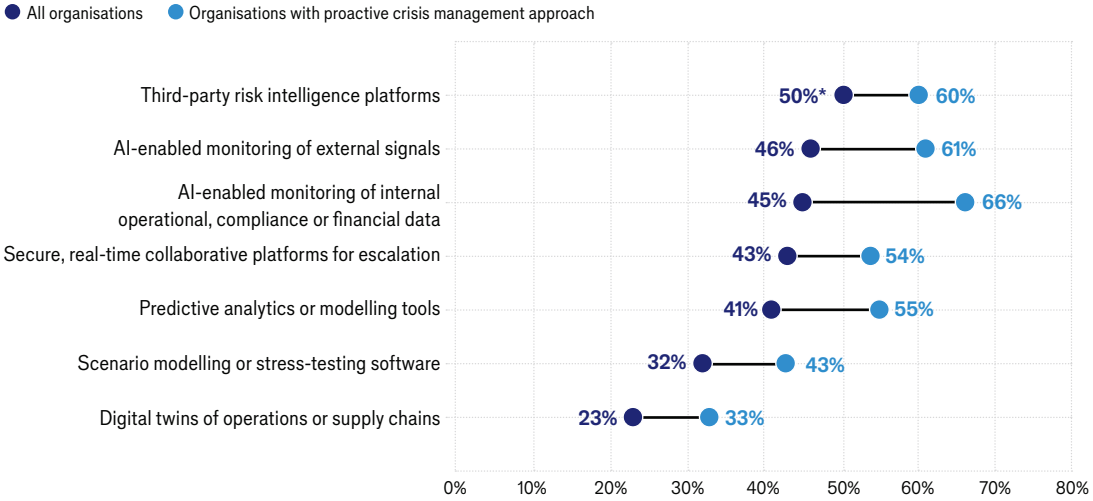
Figure 3: The tech stack gap
% deploying advanced solutions for risk scanning and crisis anticipation



*49.7%: Rounded off to 50%.

Source: The Role of GCs in a polycrisis survey 2026; QC3: Which of the following technology solutions does your organisation actively use to scan for emerging risks and identify issues that may escalate into a crisis? Select all that apply. *Seven of nine options displayed*

In the United Kingdom, for example, engaging external advisers is necessary for insurance purposes and to ensure compliance with tight regulatory reporting requirements to the Information Commissioner's Office in the context of cyber and data incidents. Similarly, for cyber incidents, hiring experts who have specialised skills in negotiating with cybercriminals is a common practice. Jody Waugh, managing partner and head of banking and finance (MENA) at Al Tamimi & Company, highlights employment practices as another area where businesses may seek specialist external advice during a crisis. Notably the ongoing regional conflict led many businesses to seek external expertise as they had to navigate "unique staffing and personnel-related challenges, such as fluid working conditions, relocations and personal safety."

However, over 80% of surveyed organisations wait to access external support: 51% access it only after an initial internal assessment indicates elevated legal or reputational risk. Another third involve experts only during or after a crisis event.[17] In organisations where emerging risks are already escalated later than GCs would prefer, the initial assessments of elevated risks that trigger outreach to external expertise are also likely to be delayed, limiting GCs in accessing timely support.

A perfect information environment is unattainable, but organisations must close the gaps they can. Information shortfalls can impede GCs' ability to identify credible warning signals and reasonably calculate the severity and extent of a potential crisis event. This can lead to ineffective escalation and prioritisation of serious issues. Delayed identification of issues as a crisis event can reduce response options available to GCs and their organisations.[18]

JORDAN RAE KELLY

Senior managing director, head of Americas Cybersecurity, FTI Consulting

Threat actors never wait for certainty. Organisations that delay escalation until every question is answered often discover that the scope, impact and response options have already changed.

17 Derived from QC18. At what stage does your organisation most commonly seek external support during a crisis, if at all? Select one. 32% is derived from the following options:
- Once the issue has escalated significantly or requires formal crisis management.
- After the crisis event, primarily to support investigation, review, or remediation.

18 Björck A., Bläse R., Bastida P. "Becoming crisis-ready: A systematic literature review on corporate crisis readiness and the process to achieving it." *The Journal of Contingencies and Crisis Management*. November 2023. https://onlinelibrary.wiley.com/doi/pdf/10.1111/1468-5973.12614

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Boards as partners in crisis decisions: the GC-board engagement lag

The priorities of boards and GCs are often naturally aligned within an organisation. They have a shared remit of risk oversight, focus on protecting long-term enterprise value, and preference for early crisis escalation. This creates an opportunity for even more GCs to harness the board as a strategic partner. Currently, 57% of surveyed GCs engage with their boards early enough to frame the crisis at hand and the available response options.

GCs and their board of directors share the remit of risk oversight and corporate governance.[19] This naturally aligns them to focus on protecting the long-term viability of their organisation. Pointing out this alignment, Professor Bird states a "lawyer's mindset and the board's mindset can harmonise because they both value the importance of risk management and planning for the long term." This focus of GCs on preserving long-term enterprise value is captured in the survey: when presented with a trade-off between long-term and short-term action, 59% of GCs choose to address the issue with the greatest potential long-term impact over the issue that is most visible in the short-term to regulators, media or stakeholders in a crisis event. The consensus is even stronger in the energy sector, where 69% of GCs prioritise long-term impacts.[20]

Boards, like their GCs, prefer early escalation of emerging risks. When an early warning signal is credible but ambiguous, 30% of organisations overall prefer to escalate it early, even if the threat may be overstated.[21] Among organisations where the board is the primary decision-maker for crisis escalation, this rises to 43%—a 13 percentage-point difference.

BRIAN KENNEDY

Senior managing director, head of Americas Strategic Communications, FTI Consulting

Boards add value by forcing better questions to be asked. The most effective organisations create opportunities for their boards, c-suite and GCs to collaborate and challenge assumptions before positions harden.

19 Benjamin W. Heineman, "The Inside Counsel Revolution", Harvard Law School Forum on Corporate Governance, March 2016: https://corpgov.law.harvard.edu/2016/03/29/the-inside-counsel-revolution; Kobi Kastiel, "NACD Investor Perspectives: Critical Issues for Board Focus in 2015", Harvard Law School Forum on Corporate Governance, February 2015: https://corpgov.law.harvard.edu/2015/02/07/nacd-investor-perspectives-critical-issues-for-board-focus-in-2015/
Ben Heineman, "The Inside Counsel Revolution: Resolving the Partner-Guardian Tension", Harvard Kennedy School Belfer Center for Science and International Affairs, April 2016: https://www.belfercenter.org/publication/inside-counsel-revolution-resolving-partner-guardian-tension

20 Derived from QC11. When forced to choose between the following approaches in a crisis event situation, which of the following do you, in your role, prioritise more?
- Addressing the issue that is most visible to regulators, media or stakeholders
- Addressing the issue with the greatest potential long-term impact

21 Derived from QC7. When an early warning signal is credible but ambiguous, which of the following best describes your organisation's typical response? Select one.

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This alignment between the priorities of boards and their GCs means that boards can serve as champions for early escalation and GC involvement in crisis decisions. While 57% of GCs engage with boards proactively on framing the crisis issue, options and possible trade-offs, there is the opportunity for more to do so.[22] One barrier to GCs' early engagement with boards on crisis decisions could be limited direct access to the board.[23]

Together, the mismatch between GCs' responsibilities and their organisations' governance structures, a reactive approach to managing crises, insufficient information tools, and lagged board engagement can impede GCs from effectively delivering on their expansive crisis management remit. These gaps can lead to underestimating or overestimating the potential severity of a crisis event. Miscalculations in either direction are costly.

22 Derived from QC17. In the early hours of a crisis event, which of the following best describes how you, in your role as the primary legal decision-maker, typically engage with the board? Select one
23 Michael W. Peregrine, "Corporate Governance Lessons from New Chief Legal Officer Surveys", Harvard Law School Forum on Corporate Governance, March 2022: https://corpgov.law.harvard.edu/2022/03/22/corporate-governance-lessons-from-new-chief-legal-officer-surveys

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When both overreaction and underreaction are costly: a tough balancing act

Both overestimating and underestimating the severity of a potential crisis event can be costly for organisations and their GCs. They must strike a difficult balance: remaining prepared for the frequent, fast-evolving risks of a polycrisis while avoiding the desensitisation and loss of trust that overescalating threats can create among leaders and employees.

Early escalation can not only mitigate crises but, in certain instances, avert them entirely.[24] When organisations underestimate the magnitude of a potential crisis event, crisis aversion or damage containment may no longer be viable options. Furthermore, underestimating the magnitude of a crisis leads to response underpreparedness, which can expose organisations to risks ranging from disrupted operations to permanent business closures.[25]

When asked to select up to three risks that emerge from underestimating crisis events, five consistently top the list for around 40% of GCs (Figure 4). Some cross-sector differences exist, owing to different severity and probability of these risks. For example, a slightly higher share of GCs in healthcare and life sciences (54%) select "legal or regulatory exposure increases before action is taken" among their top three risks. This can be explained by the strong regulatory oversight of the industry and the existential impacts of compliance failures ranging from product recalls[26] to effective business shutdowns.[27]

> "When issue escalation and crisis identification is delayed, and the issue becomes visible to external parties before leadership can weigh options and determine a response strategy, organisations become narrative takers instead of narrative shapers."

24 Björck A., Bläse R., Bastida P. "Becoming crisis-ready: A systematic literature review on corporate crisis readiness and the process to achieving it." *The Journal of Contingencies and Crisis Management.* November 2023. https://onlinelibrary.wiley.com/doi/pdf/10.1111/1468-5973.12614

25 Economist Enterprise, "Turbulent waters, trusted anchors: the general counsel's evolving role in navigating crises," October 2024: https://insights.economistenterprise.com/trade-geopolitics/general-counsels-navigating-crises

26 Sariman, B.S., J. Rudi-Polloshka, R.B. Ross and V. Caputo. "US Infant Formula Market: A Background." *Q Open*. April 2025. https://academic.oup.com/qopen/article/5/1/qoaf010/8108822

27 Max H. Bazerman, "Avoiding Complicity—and Building More Ethical Organizations", Harvard Business School Executive Education, September 2023: https://www.exed.hbs.edu/blog/avoiding-complicity-building-more-ethical-organizations

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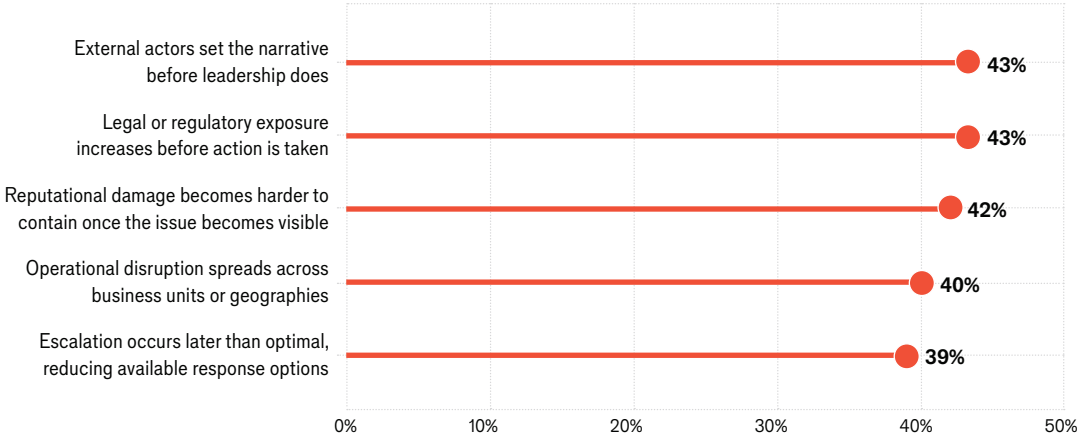
Figure 4: The ostrich effect

Greatest risks surveyed organisations face when underestimating potential crisis events, according to their GCs.



Source: The Role of GCs in a polycrisis survey 2026; QC8. What are the greatest risks your organisation faces when underestimating potential crisis events? Please select up to three. *Top five of nine options displayed*

In practice, these five key risks are interconnected. When issue escalation and crisis identification are delayed, and the issue becomes visible to external parties before leadership can weigh options and determine a response strategy, organisations become narrative takers instead of narrative shapers. As regulators, media or counterparties begin to take control of the narrative, reputational damage becomes harder to contain. Combined with increased legal exposure, these external factors can cause internal operational disruptions.

Overestimating the magnitude of potential crises also carries costly risks, but of a different nature. The perils of false alarms are well-documented in disaster management literature and increasingly apply to businesses operating in a polycrisis. Repeated false alarms of an impending disaster can lead to a "cry-wolf effect" wherein people get desensitised to and lose trust in future warnings and can fail to respond when an event actually occurs.[28] GCs appear to be deeply aware of this risk. When asked to select up to three greatest risks their organisation faces when overestimating potential crisis events, 50% cited unnecessary diversion of financial or operational resources, which is the immediate-term impact.[29] A more long-term concern cited by 40% of GCs is reduced credibility of future warnings[30] (Figure 5). When issue escalations are frequent and crises do not materialise, leadership and employees may become complacent, increasing the risk of underestimating a credible warning signal and being underprepared to respond to its consequences.

28 Hiraku M., Hitomu K., Masamitsu O. "Causal Effects of Perceived False Alarm Ratio on Flood Protective Actions during Heavy Rain Warnings in Japan: A Case Study of Tropical Storm Yun-Yeung in 2023". *American Meteorological Society.* October 2025. https://journals.ametsoc.org/view/journals/wcas/17/4/WCAS-D-24-0106.1.pdf

29 Derived from QC9. What are the greatest risks your organisation faces when overestimating potential crisis events? Please select up to three.

30 Derived from QC9. What are the greatest risks your organisation faces when overestimating potential crisis events? Please select up to three.

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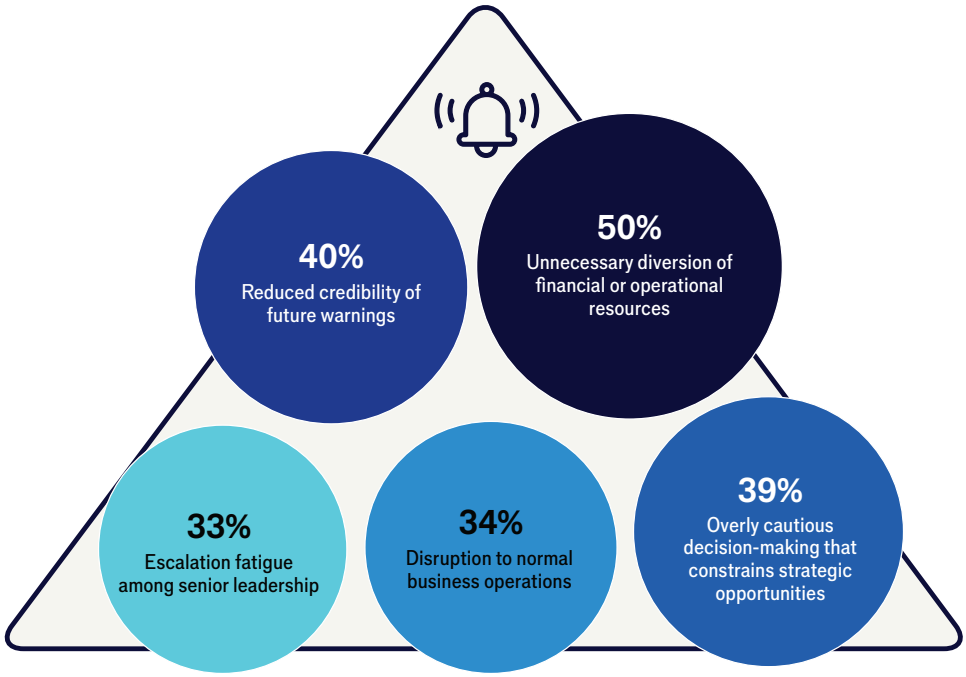
Figure 5: The cry-wolf effect

Greatest risks surveyed organisations face when overestimating potential crisis events, according to their GCs.



Source: The Role of GCs in a polycrisis survey 2026; QC9. What are the greatest risks your organisation faces when overestimating potential crisis events? Please select up to three. *Top five of nine options displayed*

On a more personal level, repeated false alarms raised by GCs can undermine their credibility in the organisation. Rodney C. Pratt, senior vice-president and chief legal officer at LVMH North America, identifies one of the most important metrics GCs are gauged on is "return on influence." In times of crises, this return on influence grants them high personal trust with the chief executive and senior leadership, which close to 40% of GCs cite as a key factor that strengthens their ability to make sound decisions.[31] When alarms are escalated but crises do not materialise, GCs fear risking their credibility. Accordingly, 42% of GCs cite concern about overreacting or credibility loss as a factor that most often limits their ability to escalate an issue they believe warrants senior attention.[32]

GCs and their organisations face a difficult balancing act: staying prepared for frequent and rapidly evolving risks while avoiding the cry-wolf effect. Striking that balance requires an enabling governance structure, timely information, board engagement and a proactive crisis management approach. Together, these elements can help GCs and their organisations identify credible warning signals without escalating every potential risk on the horizon.

MARK DEWAR

Senior managing director, Australian practice leader, FTI Consulting

GCs are expected to raise concerns before the facts are fully known, yet their judgement is often assessed on the eventual outcome rather than the information available at the time.

31 Derived from QC20. In periods of sustained or overlapping crises, which factors most strengthen your ability to make sound decisions? Select up to three.
32 Derived from QC5. Thinking specifically about your own role, which of the following most often limits your ability to escalate an issue when you believe it warrants senior attention? Select up to two.

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Way forward: realising the full potential of GCs in an age of polycrisis

> "GCs need to be empowered with a proactive crisis management strategy, an appropriate governance structure, information tools and board engagement to effectively anticipate emerging threats and activate the organisational crisis response in a timely manner."

The interconnected, frequent and rapidly compounding nature of operational risks today has elevated having an organisational crisis management strategy from a nice-to-have to a business imperative. The impacts of crises stemming from these risks are acute. And miscalculating their severity by underestimating or overestimating them can be costly. These risks may manifest initially as reputational damage among external stakeholders, legal action, operational disruption, internal erosion of trust and desensitisation to future warnings. Ultimately, however, they all translate into financial losses.

Organisations must further advance their crisis management approach to proactively identify credible threats and be prepared to manage these. To implement this proactive approach, organisations must also identify the right leaders and equip them with the right tools.

GCs are among the few senior leaders who share the core mandate of risk oversight and protecting the long-term viability of their organisation. This mandate, alongside their analytical rigour, legal expertise and broad view of the organisation's internal and external operational environment, positions them to serve as trusted partners in shaping crisis decisions and proportionate response.

However, most organisations are yet to realise the full potential of their GCs. While many organisations have expanded their GCs' remit to help anticipate, frame and manage crises, they have not always equipped them with adequate resources to deliver on it. GCs need to be empowered with a proactive crisis management strategy, an appropriate governance structure, information tools and board engagement to effectively anticipate emerging threats and activate the organisational crisis response in a timely manner.

In an age of polycrisis, GCs can serve as steady advisers to their organisations in building and implementing a proactive strategy that can avert crises entirely, contain the scale of damage when they do occur, speed recovery and even uncover new revenue opportunities.

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Appendix: survey methodology

The Role of GCs in a polycrisis survey 2026 explored the perspectives of primary legal decision-makers on the nature of the polycrisis operational environment today, their organisation's crisis preparedness and how their role has evolved in shaping crisis decisions and response.

The survey was fielded online and by telephone between March and April 2026. It covered a total of 1,100 primary legal decision-makers across North America, EMEA and APAC. It was fielded according to the following specifications:

Sample size: 1,100

Method: CATI/Online

Length: 29 questions (8 demographics + 21 content)

Seniority/Function: GC or equivalent legal decision-maker

Screeners: Direct involvement in risk management decisions; hold primary responsibility for legal decisions

Sectors: even split between

- Financial services, including banking and insurance
- Energy, including oil and gas
- Healthcare and life sciences
- Technology and media
- Retail and FMCG
- Manufacturing

Regions: even split by country between

- North America: United States and Canada
- EMEA: France, Germany, Saudi Arabia, Spain, United Arab Emirates and the United Kingdom
- APAC: China, Australia and Singapore

Company Size: minimum $1 bn+ in revenue, except Saudi Arabia (minimum $500m+)

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