

Crisis Communication Strategy and Simulation Plan

Cogmac Technologies

Fractal Trading Infrastructure Platform

Avantika Vital

Public Relations Consultant

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Crisis Overview

Cogmac Technologies faces a potential reputational crisis following reports from several institutional trading clients that the Fractal trading infrastructure platform experienced irregular execution behavior during a period of extreme market volatility.

Fractal is a high-performance trading infrastructure platform that combines artificial intelligence, algorithmic trading tools, and ultra-low-latency execution to support institutional trading operations. In modern financial markets, trading systems operate at extremely high speeds where milliseconds can significantly affect financial outcomes.

During a high-volatility trading session, several hedge funds and proprietary trading firms reported abnormal execution patterns in automated trading strategies connected to the Fractal platform. Within hours, discussions about the issue began circulating on social media platforms and fintech community forums, where traders and analysts questioned whether the platform's AI-driven architecture may have contributed to the irregular trades.

As the story gained traction, fintech journalists began investigating the incident and requesting statements from Cogmac. Financial analysts also started discussing broader concerns about the stability and transparency of AI-driven trading systems during volatile market conditions.

Although the technical cause of the incident had not yet been confirmed, the situation posed a significant reputational risk to Cogmac because its core value proposition is based on providing reliable, high-performance trading infrastructure to institutional clients.

This scenario represents a **technology credibility crisis** in which perceptions of system reliability, transparency, and leadership response will significantly influence how the situation unfolds.

Crisis Classification

Understanding the nature of the crisis is essential for developing an appropriate communication strategy. In this scenario, the incident can be classified as an **operational technology disruption within financial infrastructure**.

Crisis Category

A technology infrastructure performance incident within a financial trading platform.

Crisis Responsibility Level

The crisis is categorized as **accidental**, meaning it was not caused by negligence or intentional wrongdoing but rather by operational conditions such as extreme market volatility, external data feed disruption, or unexpected interaction between automated trading systems.

Primary Risk Factors

The incident creates several potential risks for the organization, including:

- Loss of trust among institutional trading clients who depend on stable infrastructure.
- Negative media coverage questioning the reliability of AI-driven trading systems.
- Increased scrutiny from financial regulators or market oversight bodies.
- Reduced adoption of the Fractal platform among potential institutional clients.
- Damage to Cogmac's positioning as a fintech innovator.

Secondary Risks

Additional risks may arise if communication is poorly managed or if misinformation spreads quickly through financial media and online trading communities.

These risks include:

- Online speculation about algorithmic trading risks.
- Industry commentators are framing the incident as evidence that AI trading systems are unstable.
- Investor concerns about the scalability and safety of automated financial infrastructure.

By classifying the crisis early, Cogmac can tailor its response to emphasize transparency, accountability, and technical credibility.

Crisis Timeline Simulation

A realistic crisis timeline allows communication teams to anticipate how the situation might unfold and prepare responses accordingly.

Hour 0 – Initial Incident

A quantitative trader at a hedge fund posts a message on social media reporting unusual trade execution behavior while using the Fractal trading infrastructure.

The message reads:

“Several abnormal executions on Fractal during today’s volatility spike. Investigating whether the infrastructure experienced latency issues.”

Because trading communities actively monitor one another's infrastructure tools, the post is quickly shared across fintech forums and messaging groups used by algorithmic trading professionals.

Hour 3 – Fintech Blog Coverage

A fintech industry blog publishes an article with the headline:

“AI Trading Platform Fractal Linked to Execution Anomalies During Market Volatility.”

The article includes comments from traders and analysts speculating that automated trading systems may behave unpredictably under extreme market conditions.

Within hours, the article is shared widely across financial technology communities.

Hour 6 – Media Inquiry Phase

Journalists from financial news organizations begin contacting Cogmac for comment.

They request clarification on several issues:

- Whether Fractal experienced infrastructure failure.
- Whether automated trading algorithms malfunctioned.
- Whether clients suffered financial losses due to platform performance issues.

Institutional clients also begin contacting Cogmac's support teams seeking clarification.

Hour 12 – Industry Commentary

Financial analysts and fintech commentators begin discussing the broader implications of the incident.

Questions emerge regarding:

- The stability of AI-driven trading systems.
- The role of automated infrastructure during high-volatility market events.
- Whether new safeguards are needed to prevent similar incidents in the future.

At this stage, the narrative surrounding the crisis begins to shape public perception.

Hour 24 – Regulatory Attention

Market oversight bodies and financial regulators begin monitoring the situation.

While no formal investigation has been announced, regulators request additional information regarding platform performance during the volatility event.

This stage represents the most sensitive phase of the crisis because both media narratives and stakeholder trust can shift quickly.

Crisis Communication Objectives

The communications strategy for Cogmac must address multiple priorities simultaneously. The primary objective is not only to resolve the incident but also to protect long-term trust in the organization's technology and leadership.

Core Objectives

The crisis communication strategy aims to:

- Protect Cogmac's reputation as a trusted provider of financial technology infrastructure.
- Maintain transparency with institutional trading clients and partners.
- Provide clear, factual information about the incident and ongoing investigation.
- Demonstrate that Cogmac is taking immediate corrective action.
- Reassure stakeholders that the Fractal platform remains secure and reliable.
- Prevent speculation or misinformation from dominating the public narrative.

Strategic Communication Goals

To achieve these objectives, the communication plan focuses on several key principles:

- Rapid acknowledgement of the issue.
- Transparent updates as technical information becomes available.
- Direct engagement with affected stakeholders.
- Visible leadership involvement in addressing the situation.

These principles help maintain credibility during the early stages of a crisis.

Crisis Response Team Structure

Effective crisis management requires coordination across multiple departments within the organization. Cogmac will activate a dedicated crisis response team responsible for technical investigation, stakeholder communication, and media engagement.

Crisis Leadership Team

The leadership team guiding the response includes:

- Chief Executive Officer – responsible for overall leadership communication.
- Chief Technology Officer – responsible for technical investigation and system diagnostics.
- Head of Engineering – responsible for platform performance analysis.
- Legal and Compliance Advisor – responsible for regulatory coordination.
- Corporate Communications Director – responsible for media and stakeholder messaging.

Communication Coordination

The communications team will act as the central hub for all messaging and information distribution.

Their responsibilities include:

- Preparing official statements and updates.
- Coordinating responses to media inquiries.
- Managing communication with institutional clients.
- Monitoring social media and fintech community discussions.

By centralizing communication, the organization ensures that all messages remain accurate and consistent.

Immediate Response Strategy

The first hours following the incident are critical. Stakeholders expect organizations to acknowledge issues quickly while avoiding speculation about causes that have not yet been verified.

Initial Actions

Within the first two hours of identifying the issue, Cogmac will take the following steps:

- Activate the crisis response team.
- Review system logs and trading infrastructure diagnostics.
- Notify senior leadership and key stakeholders.
- Prepare a holding statement acknowledging the issue.

Initial Holding Statement

Cogmac is aware of reports regarding irregular trading behavior affecting a limited number of Fractal users during a period of extreme market volatility.

Our engineering teams are actively investigating the issue and are working closely with affected clients to understand the cause.

We are committed to transparency and will provide additional updates as soon as more information becomes available.

This statement accomplishes several goals:

- It acknowledges the issue without assigning blame prematurely.

- It reassures stakeholders that the organization is investigating the situation.
- It signals transparency and accountability.

Stakeholder Mapping

A critical element of crisis communication involves identifying the stakeholders who may be affected by the incident and understanding their concerns.

Primary Stakeholders

Primary stakeholders are those directly impacted by the crisis.

These include:

- Institutional trading clients using Fractal infrastructure.
- Hedge funds and proprietary trading firms.
- Financial institutions integrating Fractal into trading systems.

Their primary concerns involve system reliability, financial risk exposure, and transparency regarding technical issues.

Secondary Stakeholders

Secondary stakeholders influence industry perception and regulatory response.

These include:

- Fintech journalists.
- Technology analysts.
- Venture capital investors.
- Financial regulators.

Their concerns focus on technology reliability, industry risk, and regulatory implications.

Influencer Stakeholders

Influencer stakeholders may not be directly affected by the incident but can shape public opinion.

These include:

- Fintech podcast hosts.
- Algorithmic trading educators.
- AI researchers.
- Technology commentators.

Engaging these groups with accurate information helps prevent misinformation from spreading.

Risk Heatmap

A risk heatmap helps prioritize potential threats that could arise during the crisis.

High Probability / High Impact Risks

Technology performance issues during extreme market volatility.

These incidents can significantly affect client trust.

Medium Probability / High Impact Risks

Disruptions in external market data feeds that influence automated trading systems.

Although external to Cogmac's infrastructure, they can affect platform performance.

High Probability / Medium Impact Risks

Negative media narratives suggesting that AI trading systems are inherently unstable.

This risk can influence investor perception and adoption.

Low Probability / High Impact Risks

Cybersecurity breach speculation.

Although unlikely, rumors of security issues can significantly damage credibility.

The heatmap allows Cogmac to prioritize communication efforts toward the most critical risks.

Message Map

A message map ensures that all communication remains consistent across stakeholders and channels.

Core Message

Cogmac is committed to transparency and to ensuring the reliability of its trading infrastructure.

Supporting Message 1

Fractal's core infrastructure remained stable and secure during the incident.

Evidence includes system monitoring data confirming platform stability and no cybersecurity breaches.

Supporting Message 2

The irregular behavior was linked to external market data disruptions interacting with automated strategies.

Engineering teams are investigating how these disruptions affected trading activity.

Supporting Message 3

Cogmac is implementing additional safeguards to strengthen platform resilience.

These measures include enhanced monitoring systems and expanded stress testing procedures.

Communication Channels

To ensure information reaches stakeholders effectively, Cogmac will use multiple communication channels.

Owned Media

Official company website updates.

Direct email communication with institutional clients.

Executive leadership posts on LinkedIn.

Earned Media

Interviews with financial journalists.

Technical briefings with industry analysts.

Opinion articles discussing AI trading infrastructure.

Social Media

Provide real-time updates.

Respond to stakeholder questions.

Clarify misinformation circulating within fintech communities.

Corrective Action Plan

Rebuilding trust requires more than communication. The organization must demonstrate visible improvements to its technology and processes.

Technical Improvements

Cogmac will implement several infrastructure enhancements:

- Advanced market data validation protocols.
- Expanded anomaly detection safeguards.
- Real-time monitoring improvements.
- Additional stress testing for extreme market volatility.

Client Support

To support institutional clients, Cogmac will provide:

- Detailed technical diagnostics of platform performance.
- Stress testing simulations.
- Enhanced monitoring dashboards.

Independent System Review

Cogmac will commission an independent third-party audit to review platform resilience and infrastructure reliability.

Leadership Communication

Leadership visibility plays a crucial role in rebuilding trust during a crisis.

Executive Statement

Financial markets depend on reliable infrastructure capable of operating under extreme conditions.

We take this situation seriously and are committed to identifying its cause, strengthening our systems, and maintaining the trust of our clients.

Leadership communication emphasizes accountability and commitment to improvement.

Recovery Strategy

Once the immediate crisis is stabilized, Cogmac must focus on rebuilding trust and reinforcing its position as a technology innovator.

Thought Leadership

Cogmac will publish research reports on responsible AI trading infrastructure.

These reports will address:

- AI transparency in financial systems.
- Risk management in algorithmic trading.

- Future development of intelligent trading platforms.

Industry Engagement

Cogmac will host the **Fractal Future of Trading Forum**, bringing together:

- Institutional traders.
- Fintech innovators.
- AI researchers.
- Financial technology leaders.

The forum will promote collaboration and responsible innovation within fintech.

Crisis Success Metrics

The effectiveness of the crisis response will be measured through several indicators.

Reputation Metrics

Media sentiment analysis.

Share of voice in fintech media coverage.

Analyst commentary regarding platform reliability.

Business Metrics

Client retention rates.

New institutional partnerships.

Platform adoption growth following the crisis.

Long-Term Reputation Strategy

Following the crisis, Cogmac will position itself as a leader in responsible AI-driven financial infrastructure.

Long-term initiatives will include:

- Publishing industry research.
- Building partnerships with fintech research institutions.
- Participating in major fintech conferences.
- Promoting transparency and resilience in automated trading systems.

These initiatives reinforce the organization's commitment to responsible technology innovation.

Crisis Simulation Exercise (Training Scenario)

To ensure that Cogmac's leadership and communications teams are fully prepared to manage high-pressure situations, a crisis simulation exercise should be conducted internally. Crisis simulations allow executives, engineers, and communication teams to rehearse real-world scenarios and test decision-making under time pressure.

The simulation is designed to recreate a high-volatility trading incident involving the Fractal trading infrastructure platform. Participants are asked to respond to evolving developments in real time, including media inquiries, client concerns, and internal technical updates.

Simulation Objectives

The exercise aims to achieve several important objectives:

- Test the organization's crisis response readiness.
- Evaluate the speed and accuracy of internal communication.
- Assess how leadership manages media and stakeholder expectations.
- Identify weaknesses in crisis protocols and decision-making processes.

Simulation Participants

Participants in the simulation should include:

- Chief Executive Officer
- Chief Technology Officer
- Head of Engineering
- Corporate Communications Director
- Legal and Compliance Advisors
- Client Relationship Managers

These individuals represent the core leadership team responsible for responding to crises.

Simulation Scenario

The simulation begins with the following scenario:

During a period of significant market volatility, multiple institutional trading clients report abnormal execution behavior on the Fractal trading platform. A hedge fund trader posts a public message on social media claiming that the system experienced delays during automated trading execution.

Within hours, the message spreads across fintech communities and is picked up by a financial technology blog. Journalists begin contacting Cogmac for comment while institutional clients request technical clarification.

Participants must decide:

- When to issue the first public statement.
- What information should be shared with clients.
- How to respond to media inquiries.
- Whether leadership should speak publicly.

The simulation continues for several stages, introducing new developments such as media speculation, analyst commentary, and potential regulatory interest.

CEO Public Statement (Reputation Response)

During major crises, leadership communication becomes one of the most important tools for restoring trust. A clear and responsible statement from the CEO demonstrates accountability and reinforces the organization's commitment to transparency.

CEO Statement

Recent reports regarding irregular trading behavior on the Fractal platform during a period of market volatility are a matter we take very seriously.

Our engineering teams immediately launched a thorough investigation and have been working closely with affected clients to understand the circumstances surrounding the incident. While our preliminary findings indicate that the core infrastructure of the Fractal platform remained operational, we recognize that even isolated disruptions require careful review and improvement.

Financial markets depend on reliable technology infrastructure, and our responsibility to our clients is to ensure that our systems perform with the highest level of resilience and transparency.

We are committed to sharing our findings openly, implementing additional safeguards, and continuing to strengthen the Fractal platform so that our clients can operate with confidence in the rapidly evolving financial technology landscape.

Media Q&A Briefing Sheet

A media Q&A document helps ensure that spokespersons provide consistent answers when responding to journalist questions.

Question

What caused the trading irregularities on the Fractal platform?

Response

Our engineering teams are currently conducting a detailed investigation into the circumstances surrounding the incident. Preliminary analysis indicates that the issue may have been linked to abnormal market data behavior interacting with automated trading strategies. We will provide further updates once the investigation is complete.

Question

Did the Fractal platform malfunction?

Response

Initial diagnostics show that the core infrastructure of the platform remained stable. However, we are reviewing how external data conditions and automated strategies interacted during the volatility event.

Question

Were clients financially affected by the issue?

Response

We are working directly with our institutional clients to analyze their trading activity during the event and provide detailed diagnostics. Supporting our clients remains our highest priority.

Question

Is the platform currently safe to use?

Response

Yes. The platform remains fully operational, and our engineering teams continue to monitor system performance closely while implementing additional safeguards.

Question

Will regulators investigate the incident?

Response

We are committed to cooperating fully with any regulatory inquiries and providing transparent information about the platform's performance.

Crisis Communication Checklist

A crisis communication checklist ensures that the organization follows a structured process during emergencies.

Immediate Actions

Activate the crisis response team.

Confirm technical facts before issuing public statements.

Prepare an initial holding statement.

Notify key institutional clients directly.

Short-Term Actions

Provide regular updates to stakeholders.

Monitor media coverage and social media conversations.

Coordinate messaging across leadership teams.

Conduct media briefings with financial journalists.

Long-Term Actions

Publish investigation findings.

Announce technology improvements.

Launch thought leadership initiatives to rebuild industry trust.

Post-Crisis Evaluation

After the crisis response has concluded, Cogmac should conduct a comprehensive evaluation to identify lessons learned and improve future preparedness.

Evaluation Objectives

Assess the effectiveness of communication strategies.

Analyze stakeholder feedback and media coverage.

Identify areas where crisis response procedures can be improved.

Update crisis management protocols.

Key Questions

- Did the organization respond quickly enough?
- Were messages consistent across communication channels?
- Did stakeholders receive clear and accurate information?
- Were leadership statements perceived as credible and transparent?

The insights from this evaluation will help strengthen Cogmac's crisis preparedness for future incidents.

Long-Term Reputation Rebuilding

Following the crisis, Cogmac can reinforce its credibility through proactive reputation-building initiatives.

Industry Leadership

Publish research reports on responsible AI-driven trading systems.

Participate in fintech conferences discussing infrastructure reliability.

Collaborate with academic institutions on algorithmic trading safety.

Transparency Initiatives

Release annual technology transparency reports.

Share insights on platform resilience improvements.

Engage openly with fintech communities and industry analysts.

Innovation Focus

Continue investing in AI-powered infrastructure and market analytics.

Strengthen partnerships with institutional trading firms and fintech developers.

Promote responsible technology development in global financial markets.

Crisis Communication Framework

An effective crisis communication framework ensures that the organization responds to crises in a structured and disciplined manner. The framework used for Cogmac focuses on five key stages that guide the organization from the initial incident through long-term reputation recovery.

Stage 1 – Detection and Verification

The first stage involves identifying the crisis and confirming accurate information before responding publicly. In technology-driven organizations such as Cogmac, this stage requires close coordination between engineering teams and communications professionals.

Key actions include:

- Monitoring system alerts and infrastructure performance.
- Reviewing system logs and diagnostic data.
- Verifying reports from clients or external stakeholders.
- Assessing the potential scale and impact of the incident.

This stage ensures that the organization does not respond to inaccurate or incomplete information.

Stage 2 – Rapid Acknowledgment

Once the incident has been verified, the organization must acknowledge the issue quickly. Rapid acknowledgment helps prevent speculation and demonstrates that the organization takes stakeholder concerns seriously.

Actions during this stage include:

- Issuing an initial holding statement.
- Informing key institutional clients directly.
- Activating the crisis response team.
- Preparing leadership for potential media engagement.

The goal of this stage is to show that the organization is aware of the issue and actively investigating it.

Stage 3 – Investigation and Transparency

During the investigation phase, the organization gathers detailed information about the incident and communicates updates to stakeholders.

Actions include:

- Conducting technical analysis of system performance.
- Identifying root causes of the incident.
- Providing regular updates through official communication channels.
- Addressing stakeholder concerns and questions.

Transparency during this stage is essential for maintaining credibility.

Stage 4 – Corrective Action

Once the cause of the crisis has been identified, the organization must demonstrate visible improvements to prevent similar incidents from occurring in the future.

Corrective actions may include:

- Infrastructure upgrades.
- New system monitoring protocols.
- Expanded testing under extreme market conditions.
- Independent audits of system resilience.

Stakeholders must see that the organization is taking meaningful action to strengthen its systems.

Stage 5 – Reputation Recovery

The final stage focuses on rebuilding trust and reinforcing the organization’s reputation.

Key actions include:

- Publishing research on industry best practices.
- Hosting industry discussions on responsible technology development.
- Sharing insights into system improvements.
- Continuing engagement with clients and partners.

This stage helps reposition the organization as a responsible and innovative leader within its industry.

Crisis Response Strategy Table

The crisis response strategy outlines the communication approach to use for different types of crises. This framework helps ensure that responses are proportional to the level of responsibility attributed to the organization.

Crisis Type	Example Scenario	Recommended Communication Strategy
Victim Crisis	External cyberattack or market data	Provide information and reassurance
Accidental Crisis	Technology malfunction during extreme conditions	Provide explanation, corrective action, and transparency
Preventable Crisis	Negligence or regulatory violation	Accept responsibility and implement corrective reforms

In the case of the Fractal platform incident, the crisis is categorized as an **accidental technology disruption**. Therefore, the recommended response strategy focuses on:

- Providing transparent explanations.
- Demonstrating corrective action.
- Maintaining open communication with stakeholders.

Crisis Risk Matrix

A crisis risk matrix helps organizations identify potential threats and prioritize response planning.

The matrix evaluates risks based on two dimensions: probability and impact.

High Probability – High Impact

Technology performance issues during periods of extreme market volatility.

This risk is particularly relevant for algorithmic trading platforms where infrastructure performance directly affects financial outcomes.

Medium Probability – High Impact

Disruptions in external market data feeds that influence automated trading strategies.

Although external to the platform's infrastructure, such disruptions can significantly affect trading behavior.

High Probability – Medium Impact

Negative media narratives suggesting that automated trading systems are unreliable.

While these narratives may not directly affect system performance, they can influence public perception and investor confidence.

Low Probability – High Impact

Cybersecurity breach rumors or allegations.

Although unlikely, cybersecurity concerns can rapidly damage trust in financial technology platforms.

Crisis Monitoring System

Continuous monitoring allows the organization to identify emerging issues before they escalate into full crises.

Cogmac should implement a monitoring system that tracks several information channels.

Media Monitoring

Monitoring financial and technology news outlets for coverage related to the company or industry.

Key outlets include:

- Bloomberg

- Financial Times
- CNBC
- Forbes

Social Media Monitoring

Tracking conversations on platforms such as X, LinkedIn, and Reddit where fintech professionals discuss trading infrastructure and market developments.

Monitoring should focus on:

- mentions of the Fractal platform
- discussions about algorithmic trading infrastructure
- emerging rumors or speculation

Industry Community Monitoring

Algorithmic trading forums and fintech developer communities often detect technology issues before they appear in mainstream media.

Monitoring these communities helps the organization respond quickly to emerging concerns.

Crisis Preparedness Training

To strengthen long-term resilience, Cogmac should conduct regular crisis preparedness training for executives and communication teams.

Training Activities

Crisis simulation exercises.

Media interview preparation.

Leadership communication workshops.

Stakeholder communication drills.

Benefits of Crisis Training

Improves leadership decision-making under pressure.

Ensures that communication teams can respond quickly and effectively.

Reduces the likelihood of inconsistent messaging.

Strengthens organizational preparedness for future crises.

Conclusion

Technology infrastructure plays a critical role in modern financial markets. Organizations that operate within this environment must be prepared to respond quickly and transparently when disruptions occur.

The crisis communication strategy outlined in this document provides Cogmac with a structured approach to managing technology-related crises affecting the Fractal trading platform. By prioritizing transparency, stakeholder engagement, and corrective action, the organization can mitigate reputational damage and rebuild trust.

Through continuous monitoring, leadership communication, and proactive industry engagement, Cogmac can position itself not only as a resilient technology provider but also as a responsible leader in the evolving fintech ecosystem.