

# Reputation Management

***Communications: Support for Leadership***

*8 October 2010*

### Presentation

1. Hesleden
2. What Leadership *wants, expects* from Communications
3. Why?
4. Communications: Response, Opportunities, Process
5. Functional, Organisational Implications

## 1. Hesleden – Reputation Management Research

**Develop, share intellectual capital with Research Partners on how major corporations:**

- Understand, define, approach corporate reputation
- Organise themselves to “manage reputation”
  - New thinking, best practice
  - Policies, processes, systems, governance
  - Organisational models, leadership, capabilities

**Goal: high performing function, adding enterprise wide value**

## 1. Hesleden – Reputation Management Research

### **Research base: US, European Corporations – including:**

3M, Alcatel-Lucent, BAE Systems, Barclays, BG, BP, Blackstone, Diageo, Deutsche Bank, FedEx, GE, GM, Google, IBM, MasterCard, M&S, Microsoft, J&J, Nestle, Novartis, Pfizer, Reed Elsevier, Shell, Vodafone, Whitbread, Xerox

### **Interviewees: Leadership**

Board: Chairmen, SIDs,

CEOs, Executive Leaders (CFO, Divisional)

Functional Leaders (Risk, Strategy)

Corporate Affairs Leaders

Social Media Managers

Reputation Data & Intelligence Sources (external)

## 1. Hesleden Partners – Reputation Management Research

### 2010 Research Agenda:

- Reputation and Strategy, Business Planning
- Reputation Risk Management
- Enabling, Operationalising Reputation
- *Board Risk Oversight*
- *Sources of Reputation Data & Intelligence*
- *Social Media Policies, Guidelines*

## 2. What Leadership *wants, expects* from Communications

### Ensure reputation is an effective lever, source of value:

- An earlier, more explicit and structured contribution to strategy
- Leverage reputation risk to enhance risk oversight, strengthen risk management
- Lead, support enterprise-wide reputation sensitivity and consciousness
- Advise on, support, execute effective communications, engagement

### 3. *Why* Leadership wants Communications to step-up

#### Strategy, Business Planning

*Belief: Reputation thinking, intelligence enhances **confidence in strategy**:*

- Challenges, tests fundamental assumptions
- Strengthens: Strategic debate – better decision-making
  - Stress testing
  - Due diligence, project planning
- Informs change management – policy, process, product, behaviour

### 3. *Why* Leadership wants Communications to step-up

#### **Risk Management**

*Belief: Reputation risk management enhances **risk oversight, business risk management***

- Identifies unique risks that may not be addressed elsewhere
  - Behaviour, non-compliance
  - Issues, trends, outliers (predictive, lead indicators)
- Provides an additional control
- Reputation culture
  - Encourages reputation and risk awareness
- Strategy debate – strategic risk analysis, assessment

### 3. *Why* Leadership wants Communications to step-up

#### **Enabling**

*Beliefs: Strong correlation between breakdown in values,  
behaviour and damage to corporate reputation*

*Reputation is built, sustained at every 'touch-point'*

*Therefore ....*

Values, behaviour lie at the core of corporate reputation  
(together with decision-making, communications, engagement )

## 4. Communications: Response, Opportunity, Process

### Strategy

*Help Leadership to:*

- Define, codify reputation decisions, actions and behaviour (reputation vs. brand)
- Agree on desired reputation
- Align ambition, strategy, values and reputation

## 4. Communications: Response, Opportunity, Process

### Risk

*Helping Board, Executive Leadership, Risk, Audit*

- Identify: metrics, indicators (lead and lag), due diligence, deep dives
- Quantify: data cluster, aggregation algorithms; plot trajectories, outliers
- Analyse: apply combination of communications expertise, analytical competence and business experience
- Mitigate, manage risks

## 4. Communications: Response, Opportunity, Process

### Enabling

#### *Support:*

- Development of coherent corporate values, align with 'desired' reputation
- Articulation of values to create, encourage, promote consistent and acceptable behaviour
  - Communicating – leadership, management, internal
  - Monitoring, measuring
- Implementation of complementary policies, practices and policies
  - Internal partnerships, cooperation

## 5. Functional, Organisational Implications

### Enhanced data, intelligence resources that provide:

- Effective underpinning to risk management; performance measurement
- Evidence to challenge conventional wisdom/group-think
- Decision-ready reputation information, perspectives
- Predictive indicators, mapping and tracking

### New capabilities, experience

- Communications specialists plus....
- .....direct business, commercial experience....
- .....fast track managers
- Interpret the zeitgeist, bring PESTEL expertise
- Access to external intelligence, perspectives

## 5. Functional, Organisational Implications

### Organisational implications

- Developing value-driven organisational models and systems
- Increased partnering with other Functions, Divisions, Operations
- Cross-functional stakeholder & intelligence groups
- Becoming a data & intelligence hub
- Integrating, synthesising existing data (reputation lens)

### Governance

#### *Formulating reporting processes that:*

- Allow performance measurement
- Benchmarking
- Inform, support governance