

CORPORATE REPUTATION

12 Steps to Safeguarding
and Recovering Reputation

LESLIE GAINES-ROSS

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We all know reputation matters. But what do you do if your company should lose its reputation? Would you know the distress signals to look for before crisis strikes? Would you know how to begin to restore a damaged reputation and build an enduring and lasting one? *Corporate Reputation: 12 Steps to Safeguarding and Recovering Reputation* does more than show you how to manage a crisis immediately after an incident, disaster or disclosure. It guides you along the long road back to recovering your company's lost reputation, and preserving its organization and culture.

Written by Dr. Leslie Gaines-Ross, one of the world's most widely acclaimed experts on CEO and corporate reputation, this pioneering work takes you through a 12-step reputation recovery model that any company can customize and apply to rebuild and restore its good name—and prevent it from being tarnished in the first place.

Recognizing the tangible value and goodwill created by a company's reputation, *Corporate Reputation*:

- Explains why reputation, more fragile than ever, matters to a company's valuation, well-being, and permission to exist

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- Isolates a new stage—reputation recovery—that deserves its rightful place in the reputation-building process
- Identifies the most important steps in recovering reputation
- Explores the roles that corporate leaders play in reputation recovery and sustainability
- Provides a practical, time-tested road map for restoring reputation over the long-term

Losing money is a setback for a company, but losing reputation is a major blow. *Corporate Reputation* shows how you can keep your reputation strong by rallying the support of employees, consumers, investors, and other key stakeholders, so that your company's most competitive asset remains alive and well.

DR. LESLIE GAINES-ROSS is Chief Reputation Strategist for Weber Shandwick, a global public relations firm. She is the architect behind landmark research in the areas of CEO reputation and corporate reputation and the www.reputationRX.com Web site. Before joining Weber Shandwick, Dr. Gaines-Ross was the Communications and Marketing Director for *Fortune*. Her work has appeared in publications including the *Financial Times*, *Fortune*, *BusinessWeek*, the *Times* of London, *Forbes* and *The Wall Street Journal*. She is currently on the Executive Advisory Panel of *Corporate Reputation Review*, an international journal devoted to the management of corporate reputation.

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The information revolution is clearly a double-edged sword. It presents opportunities for, as well as barriers to, recovering lost reputation or boosting a languishing reputation. On the one hand, the Internet allows an unfavorable problem or issue to remain before the public interminably. On the other hand, the Internet enhances a company's ability to rectify the very same problem or issue by transmitting its rebuttal just as widely, just as rapidly, and just as clearly. If harnessed properly, technology has the potential to effectively air company points of view and quickly counter negative perceptions. The Internet affords a company the opportunity to nip a problem in the bud before it explodes and prepare stakeholders before any damage is done. The Internet's charm and cruelty have transformed how companies protect and recover reputations forever.

Influential Microconstituencies

The rise of small but powerful audiences has forever changed the global economic, societal, and political landscape, including reputation management. Whereas size used to be all that mattered, influential audiences as small as one can now deflate a company, institution, or individual reputation. New microconstituencies begun with meager funds surface every day and shape how companies operate, treat employees, manage the environment, outsource goods, and contribute to society. Many mini-coalitions are single-issue focused, with a mandate to criticize and shame organizations in the hope of changing their corporate behavior.

Microconstituencies can range from individual whistle-blowers (e.g., Sherron Watkins of Enron) and nongovernmental organizations (NGOs) (e.g., Greenpeace and PETA [People for the Ethical Treatment of Animals]) to anticompany sites (e.g., starbucked.com and walmartwatch.com), loose confederations of like-minded people (e.g., car enthusiasts and vegetarians), and class-action plaintiffs and litigators (e.g., www.vioxxlegalresources.com and www.hurtbyabaddrug.com). Although not all deserve labels such as reputation bandits and Robin

Hoods, these groups all have the potential to undermine reputations and plant doubt in customers' and other audiences' minds as to a company's integrity, purpose and practices, and quality of products and services.

One such empowered activist is arch Shell critic Alfred Donovan.¹⁵ No one was more surprised than Royal Dutch Shell PLC to learn that this 88-year-old British army veteran had purchased the Internet domain name www.royaldutchshellplc.com. The gadfly Donovan was a well-known, though underestimated, critic of the company. By acquiring the domain name, Donovan obtained the perfect platform to voice his criticisms of the oil giant. Who would have thought a decade ago that such an unlikely individual could stand up to a corporate powerhouse, waging a war of words against one of the world's largest companies?

Michael Moore, another example of an individual activist, exemplifies the new twenty-first-century microinfluencer. Moore rode to fame by taking on major organizations such as General Motors (*Roger & Me*), the gun lobby (*Bowling for Columbine*), and the health care industry (*SiCKO*). Moore's actions have caused some of the largest pharmaceutical companies to issue Moore *alerts*, advising employees not to speak to the filmmaker, lest their remarks be used against them and their companies.

Moore's veracity has been challenged. His tendency to take a kernel of truth and then expand on it for dramatic effect to create a powerful propaganda tract has been criticized by some. As Slate.com columnist Christopher Hitchens summed up Moore's earlier film about President George W. Bush: "*Fahrenheit 9/11* is a sinister exercise in moral frivolity, crudely disguised as an exercise in seriousness."¹⁶ As *SiCKO* was being released in May 2007, Canadian documentarian Debbie Melnyk criticized Moore: "Michael knows the entertainment quotient trumps all."¹⁷ Be that as it may, Moore's influence on public opinion cannot be denied.

Whether Moore ethically abides by a fair portrayal of the facts or not is beside the point. The Oscar-winning filmmaker's influence and scope has grown exponentially. In early 2005, Moore's *Fahrenheit 9/11* won best movie of the year by 21 million people voting in the People's Choice

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CHAPTER 2

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PRAISE FOR

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"In a sea of business books, *Corporate Reputation* is a beacon of light for all leaders and future leaders looking for direction in the treacherous waters of a volatile business environment. It delivers a message that's provocative, insightful, and needs to be heard."

—Heidi Henkel Sinclair, Director of Communications, Bill & Melinda Gates Foundation

"Every CEO, senior executive, and, increasingly, board member now appreciates the importance of building and protecting a company's reputation. Anyone who depends upon or shapes a company's reputation—customers, employees, news media, NGOs, and bloggers—will benefit from reading Dr. Gaines-Ross's book and will learn more about the influence they wield over corporate reputations."

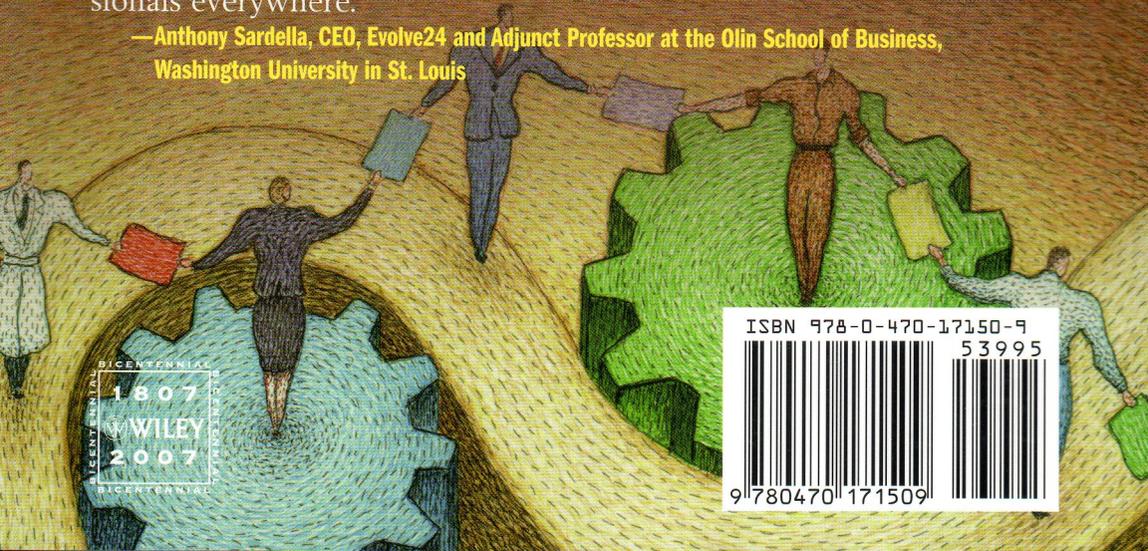
—Dr. Robert G. Eccles, Senior Lecturer, Harvard Business School

"At a time when companies are facing unprecedented reputation crises comes a timely primer from Dr. Gaines-Ross that tells us what companies need to do to bring their reputations back from the brink. The book's 12-step reputation recovery model captures what we know about effective crisis management, and brings the process to life with a host of detailed case examples. It's right on the mark!"

—Dr. Charles Fombrun, CEO, Reputation Institute

"Finally, a book that clearly, realistically, and compellingly explains how companies of all types and sizes can protect and restore an invaluable company asset—corporate reputation. Brilliant insights and practical solutions leap from each page! A definite must-read for business professionals everywhere."

—Anthony Sardella, CEO, Evolve24 and Adjunct Professor at the Olin School of Business, Washington University in St. Louis



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