Managing reputation in a disruptive world

By Elian Wiener

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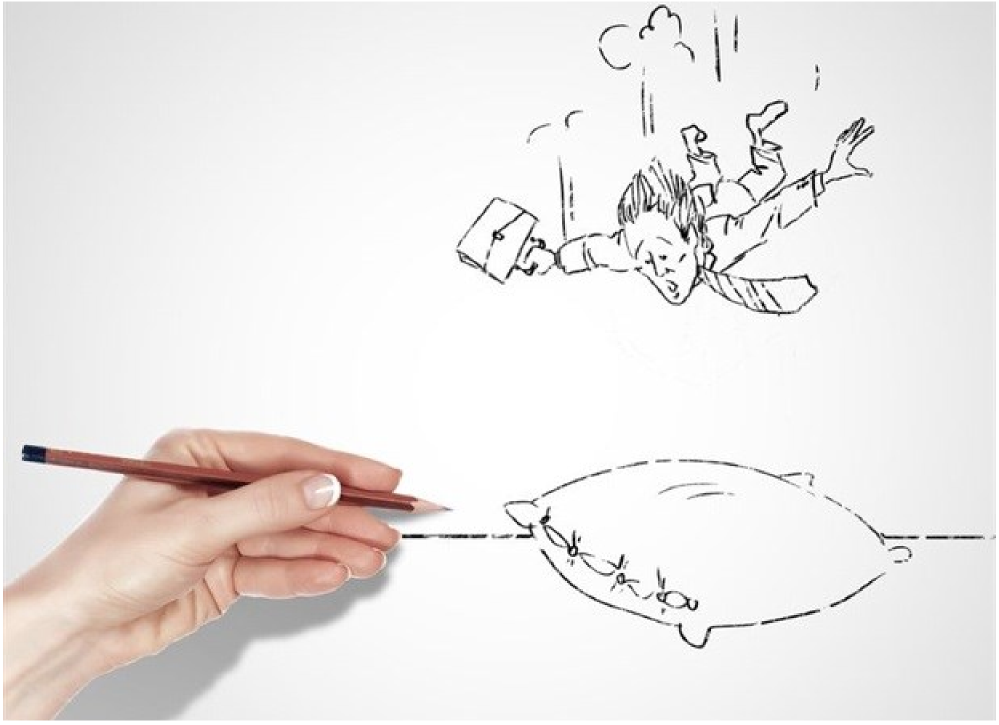
"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently." - Warren Buffet.



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The media and communication landscape is constantly changing, with digital transformation and technological developments creating new opportunities, powers, behaviours and brands. Disruption leads to new thinking, ideas, behaviour, expectations and demands.

The most obvious change is about speed. Everything is now so much faster than it used to be. We've got an on-demand mentality and society which is forcing companies to think differently.

Another major development is that whereas in the past, media was something that was generated by someone else - most likely a publishing or news house, nowadays everyone is a publisher - including businesses.

All these changes provide companies with a greater opportunity to get their messages across, but also exposes them to more risks.

The reality is that no matter how regional, or insignificant, any and all issues can easily go global. These can range from factors such as cyberattacks and natural disasters, to organisation and brand specific events such as product failures, management misconduct and financial performance.

This means that any crisis can be more damaging if not handled correctly. News about a crisis can spread like wildfire and can have a devastating, long term negative effect on the value of an organisation.

In this environment, a crisis should no longer be seen as simply a PR issue, as it can have a massive impact on the overall performance of a company. For example, following the BP Deepwater oil spill (that took place between April 19 2010 and June 25 2010) the company's share price fell 55%. To date, it has yet to recover to pre-crisis levels.

The BP crisis isn't an isolated event either. According to a recent global MSLGROUP study, 53% of companies impacted by a reputation disaster will not have recovered to their pre-crisis share price after 1 year. The study also showed that 83% of companies will face a crisis that will negatively impact their share price between 20-30%, during the next five years.

The reality is that unfortunately, many companies do not have crisis and reputation management protocols in place that are suitable in today's communications landscape. Without a proper plan in place, the battle for many companies is lost before it has even begun.

It is therefore critical that companies understand and implement a crisis and reputation management strategy that include the following basic elements:

1. Anticipate

Information flows too quickly to wait for disaster to strike before planning. Risk scenarios have always been important but are at a premium now.

To be properly equipped to handle any crisis, it is important to prepare as much as possible ahead of time - including mapping out possible scenarios, drafting provisional media statements, etc.

Many companies also fail to identify and build relationships with the key influencers who they could reach out to during times of crisis and who they could use to communicate their messages via their channels of communication. A company can't wait until the midst of a crisis to begin developing the relationships that will help see a brand through it.

2. Organise

Crisis feeds on chaos. Businesses need to ensure that they have a playbook in place, which includes contact information for all of the people in their universe/supply chain, crisis team roles and responsibilities, step-by-step protocols and sign off processes, etc.

A brand needs to be able to communicate quickly with all stakeholders using multiple channels and communications platforms. It is therefore crucial do understand what platforms you have available in order to engage with stakeholders and communicate your messages, who holds the keys to these platforms and how communications will be coordinated.

Many companies are still not active on social media or even have a system in place to monitor the conversations that are taking place on these platforms. This means they are unable to directly participate and inform the people who potentially could be talking about an issue. This is simply not acceptable in today's landscape.

3. Simulate

Crisis simulation offers a valuable way for the management and the Investor Relations teams to practice handling a sudden crisis with wide ranging consequences for a company's reputation and market value.

4. Execute

One of the biggest mistakes companies make is not understanding the way people communicate with each other, or how they access their information. This doesn't mean that a company has to say much in a crisis, but they need to show that they are dealing with it.

In communicating to the various stakeholders, it has become increasingly important to do so using media rich content, including videos, images, podcasts and infographics. Just as crucial is the ability to ensure quick and seamless distribution of this content to stakeholders.

The reality is that the world around us is changing - with or without you. If, like me, you believe the number one priority of every marketer, CEO and senior executive is to protect the reputation of their organisation, then ensuring you are prepared and equipped to manage a crisis in today's world should be high on your agenda for 2016.

ABOUT THE AUTHOR

Elian Wiener is the founder and CEO of Epic MSLGROUP. A former business journalist, he has spent more than a decade as CEO of PR and communications agencies in South Africa. Wiener specialises in integrated communications strategy development; media and investor relations and; reputation and crisis management. He was named Emerging entrepreneur and Innovator of the year 2011 - Sanlam/Business Partners Entrepreneur of the year awards. He has a BCom Honours Degree in Corporate Finance and Investment from WITS University.