

Managing Reputation Risk



Managing reputation and sustaining competitive advantage

25th & 26th April 2007
JW Marriott ,Kuala Lumpur

"Success does not happen overnight but failure often does"
"Critical moments for business and other organizations will never go away, thus the effort to control to continues to become more sophisticated"

TAKE AWAY BENEFITS

- **Understanding** and communicate the importance of reputation to your organization
- **Identifying** the key values of your reputation and brand
- **Addressing** the greatest potential for brand and reputation damage - the mismatches between the values that you project and what you actually deliver
- **Drilling** down into reputation issues to model both the hard and the elusive soft components
- **Creating** an executive dashboard to warn of slipping standards in reputation sensitive areas
- **Developing** a reputation early-warning system
- **Experiencing** the trauma and uncertainty of a real reputation crisis simulation
- **Responding** to a reputation crisis rapidly and effectively

YOUR INTERNATIONAL TRAINER

David Davies ,Managing Director
idrisk, United kingdom

WHY YOU SHOULD ATTEND

Reputation is the most important corporate assets, and also one of the most difficult to protect. That is according to a global survey of senior risk managers by the Economist intelligence Unit. The survey reveals that 84% executives believe the threat to their companies reputations has increased significantly over the past five years.

Reasons are tough competition for customers, the expansion of global media and communications networks, and increased scrutiny from regulators. Your reputation reason why companies do business with you, people chose to work for you and regulators respect you. It can heavily influence the price that you are able to charge for your goods and services. It is the reason why people and organisations invest in you. Corporate behaviour, which feeds reputation, has become the highest priority topic for business people, investors, politicians and the public.

Yet most corporations make very little formal effort to actively manage the activities that can put their reputation, share price, brands and customer base at risk. As a result, performance is impaired and, occasionally, a crisis of publicity can seriously damage or even kill the organisation - the collapse of Arthur Andersen is one example of many. Understandably, damage to reputation is cited as one of the top fears of CEOs' and Risk Managers alike.

This two day course covers all aspects of reputation management - understanding it, managing and improving it and, if despite all it goes wrong, dealing with the trauma of a reputation crisis. It uses an array of models and processes which delegates will be able to use, both in small groups and individually. It presents a uniquely integrated and scalable view of the entire process, enabling delegates to manage reputation in the largest to the smallest of organisations, and at whatever level.

WHO SHOULD ATTEND

- CEO's
- Senior managers reporting to CEO's (CFO, CIO, CMO, Head of Strategy)
- Departmental heads managing or making critical decisions that affect stakeholder relations
- Directors & Vice Presidents
- Divisional Managers of large organizations
- Risk managers
- Chief risk officers
- Internal audit
- Marketing
- Human resources
- Public relations specialists
- Those managing major projects.

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Your reputation can not escape the vigilance of your customers; their reputation is known the world over.

So, what is reputation?

Corporate reputation is one of the most prized assets of any organization, but managing the risks to it is far from an exact science. The reputation and brand of your organization is a significant asset and in many cases accounts for over 80% of an organization's equity. However, reputation can be very difficult to comprehend and measure convincingly and is often one of the least well-managed assets in an organization.

According to Sam Mostyn, group executive, culture and reputation, at Insurance Australia Group (IAG), corporate culture is a central pillar of reputation. "Around five years ago, our CEO decided that your corporate culture is the only way you represent yourself to the world," she says. "Therefore the only reputation you can have is a product of your culture. In short, your reputation is your culture. By pulling together the various functions at a corporate level around how we manage our people, how we think about leadership and management together with all of the external facing obligations – regulators, the media and investors – gives a much better understanding of where your reputation sits."

John Trotter, a partner at Deloitte's enterprise risk services practice, agreed that culture, along with the right 'tone at the top' are key determinants of reputation. "It really boils down to the culture and of board and management and looking at what's driving them," he says. "If you look at CSR and talk about non-financial performance metrics, the majority of organizations we see are still reasonably focused on share price and looking at what's going to impact on that."

Reputation initiatives should be approached with caution and should be closely aligned with corporate values. "Reputation gets really bad press, and deservedly so, if it is treated as a program that is run out of the corporate affairs department ... and has no actual relevance to the way the organization operates," says Mostyn. "On those concepts, I'm with the naysayers because you can't just apply these things and put in programs and hope for the best: that's bad governance and poor risk management. All it does is buy you a much bigger problem because the promises you make through those programs are never actually met by the activities of the organization. A reputation is no more than delivering on a promise. So if you continually breach that promise because your programs are covering something that is not deep in the culture of your organization you get found out."

"You can't manufacture a reputation and therefore corporate affairs departments and communications divisions are not the home of your reputation," however, some creative thinking is needed on benchmarking"

"It's less about testing your reputation in more traditional ways like customer services statistics or asking journalists what your reputation is, what you have to be judged on is every interaction you have with anyone who had anything to do with your organization"

Many organizations make the mistake of assuming that all that is needed to protect the reputation or brand is media training and crisis planning. However, once corporate wrongdoing, or behavior that is unacceptable to some stakeholders, gets into the public domain, it may well be too late. Impeccable crisis handling and PR spin will be unable to prevent those facts damaging the organization's reputation. The only way to successfully manage reputation and brand risk is by an integrated strategy that comes from the top - for it has to be not the gloss that paints over the cracks but one of the key drivers of your corporate strategy.

One of the keys to establishing reputation risk management within an organization is to build it from the 'inside out', rather than the 'outside in' as a reaction or a response to an incident. Organizations that factor good governance frameworks around the core of their businesses automatically create sustainable reputations. They are recognized as being responsible by key audiences such as employees, shareholders and the community, and are rewarded as a result.

While the level of understanding of reputation is increasing, reputation risk management appears to be a relatively immature discipline. "What is seen in the marketplace is an evolutionary process where the stakeholders who used to look at organizations have changed immensely," Organizations are responding to those issues but does corporations in Asia think it really needs to get involved in this stuff? No."

Some risks specific to the brand and image aspects must be stressed here:

Inability to establish a 'difference' and therefore to create a competitive advantage (given the public's willingness to pay more for a particular product/service) in the face of a structural risk such as:

- altered public perception
- inability to differentiate
- unwillingness to pay the additional 'premium cost' of the goods or service.

Under such circumstances, the tools developed by the specialists in operational research become essential tools of risk mitigation: delivering on time is a key driver of reputation. To name but one such tool, 'project evaluation review technique' (PERT), with its definition of project priorities for investing in the tasks critical for success, including the safety of the overall project.

To summaries, at the heart of reputation risk management is a learning process that will flow throughout the organization and extend beyond its main partners, clients and suppliers, as well as to co-contractors in any project.

TRAINING METHODOLOGY

This training program uses a rich mixture of practical exercises, case-studies, syndicate and group work. It uses many case studies and examples, some illustrated by video and audio clips. It will draw on delegate's own professional issues and experience.

Before the training, delegates are asked to complete a pre-course questionnaire outlining their goals and objectives for the training & workshop.

REGISTRATIONS DEADLINE : Registrations will be closed on 18th April 2007 (or) when it reaches seating capacity, whichever is first. (Limited seating capacity**) Registrations are strictly on first come first bases, reservations are not guaranteed until completed registration form is received by fax.

Program agenda: day one

Registration
Introduction

Part one: Overview

UNDERSTANDING REPUTATION

Reputation is the most valuable of most organizations' assets and yet its intangible nature prevents organizations from being able to understand it and manage it as they do their other assets.

- What it is and how it manifests itself
- Why it is increasingly important
- External pressures – new pressures from the regulators, shareholders, pressure groups and others
- How it is created
- Reputation in Asia

WHAT THREATENS IT?

Few decisions are taken with the potential reputation consequences in mind – and yet if unmanaged it can create either a time bomb that could be triggered at any time or, possibly worse still, a gradual erosion of stakeholder trust and relationships that may not be detected until it is too late

- So many ways to die – six ways to lose your reputation. This section includes case studies in several different market sectors.
- The tipping point – how even a minor event can trigger a meltdown of trust when it is perceived as being part of a pattern
- The consequences of loss of trust

HOW IT IS MANAGED

How reputation is managed in a variety of organisations

- Good practice v. bad practice, compared and contrasted by case studies
- Reputation management under the microscope – a detailed account of an investigation by the trainer in a multinational financial institution.
- The role of the Public Relations officers – scapegoat, mission impossible or miracle worker?
- Best practice – an overview of the strategy that will be unfolded during the rest of the training.

Part two: Creating a reputation management strategy

CREATING THE STRATEGY

Your reputation strategy should balance the often conflicting needs of your stakeholders, your values and your obligations to optimise the benefits to both your business and to the wider community. Abraham Lincoln's "Give me six hours to fell a tree I will spend the first four hours sharpening the axe" is particularly applicable to this process. To get the balance absolutely right you must understand all of the issues – and this session shows you how to do precisely that. Delegates will learn to use several powerful tools to model the issues surrounding reputation, corporate culture and the key stakeholders in their business.

- Assessing your reputation
- Using reputation models to map your reputation and your stakeholder relationships
- Assessing the risks to your reputation
- Drawing on the discovered information to create the strategy
- The brand experience model – a powerful tool for modeling all of the factors that can create, or destroy, brand loyalty
- Getting buy-in to the strategy – the greatest challenge of all, changing "the way we do things" by understanding, and addressing, the multiple agendas that exist within all organizations

Program agenda: day two

IMPLEMENTING THE STRATEGY

Typically, over 70% of the time and effort spent on managing your reputation will be spent on managing the behaviors that could enhance or damage your reputation, and the balance will be spent on crisis response – preparedness and early warning systems. This contrasts strongly with many people's perception that virtually all of the concentration should be on crisis management. However, apart from ignoring the potential to improve your business as a result of better managing your reputation, most reputation damage comes from the revelation of unacceptable behavior – and no amount of smart crisis management or glossy public relations will be able to help.

- Changing the culture, and corporate behavior
- Winning hearts and minds
- Establishing your values in everything you do
- Monitoring and reporting mechanisms
- Interfacing with mandatory reporting regimes
- Creating the responsive organization – early recognition and management of new issues

CREATING THE SAFETY NET – CRISIS PREPAREDNESS

A reputation crisis usually hits quite unexpectedly and with a force and urgency that can be traumatic. The media will engulf you, urgent decisions and actions have to be made... and yet often at the start of a reputation crisis the facts are uncertain, there are conflicting stories and the temptation to assume that it could never have been your fault is great. Despite the almost daily examples of how not to handle a reputation crisis, few companies carry out even the simplest of preparations.

- How others have fared – an analysis of a range of crises and case studies showing the traps to be avoided
- The many parties to a reputation crisis – using a case study from the transport sector, we show how a major accident triggered an involvement by pressure groups, politicians and regulators, how public perception of the issues was heavily influenced by the way in which the issues were reported in the media and how the long term and cumulative damage to reputation and credibility seriously affected the future of the companies involved.
- Crisis simulation: In teams, delegates will role-play the board of a company that is suddenly hit by a reputation crisis. The details of the crisis – and the growing allegations against the company – will gradually emerge, and as new facts emerge decisions will have to be taken – but as in a real crisis, not all of the information that you receive may be accurate. As always happens in a crisis, the events will play out at the same time as other things that are happening in the company – and they will affect each other, and public perception. The simulation will reflect some of the characteristics of a live reputation crisis – extreme time pressure, uncertainty and, on occasion, being overwhelmed by events.
- Lessons from the simulation – how a crisis unfolds and a process for handling it far better
- The elements of crisis preparedness and the needs of the crisis teams
- Why simulations are a key aspect of crisis training. Creating your own simulations – how to tailor them to your company and its culture and issues

KEEPING IT ALIVE

Your reputation strategy will have to exist and deliver in a totally dynamic environment. Issues will change, company structures and reporting lines may fundamentally alter and new sensitivities will arise. Your strategy will have to alter dynamically with all of that. Learn how.

- Learn the key tool that should underpin your strategy and tell you when, and where, change is required
- How to embed your reputation culture into your induction and training programs

TESTIMONIALS

Below are few testimonials for David Davies

"Your presentation was not only interesting at the time but continued to be thought provoking".

"Hidden secrets reveled ! Thanks very much.."

"Good slides & exercises , a well organized course, well presented"

"Well presented in a good logical order relating to subject - good use of examples - with hands on experience linkage"

"Very informative course, well presented and easily understood"

"Very useful & practical course"

"Excellent course. Learnt more than I thought possible. Goes to prove your never too old to learn "

Very good course and covers everything needed"

"Awesome" "5+ out of 5 rating"

"Very informative"

many more....

PROGRAM SCHEDULE

Day One & Two

08:30	Registration and refreshments
09:00	Morning Session Begins
10:30 - 10:50	Refreshments & Networking Break
12:30	Networking Luncheon
13:30	Afternoon Session Begins
15:30 - 15:50	Refreshments & Networking Break
17.00	Training Concludes

ABOUT YOUR TRAINER

David Davies MIRM runs his own successful UK-based consultancy practice specialising in board-level Risk Management. After thirty years of helping organisations to manage their key risks, he has concentrated on the heavily inter-related issues and risks surrounding intangible assets – trust, reputation, brands, corporate culture and employee commitment.

He has helped many organisations to manage these, as well as to prepare for reputation other crises. He has created and run tailor-made crisis simulations and board level reputation training workshops.



A well known speaker and author on this and related topics, David has recently created reputation training courses for the Hong Kong Law Society as well as advising and working with many organisations in both the public and private sector on their reputation and other board-level risks.

Whilst David comes from a risk management background, he places equal emphasis on the management of opportunities. The processes that he has developed for reputation management can be used to improve reputation and brand value as well as reducing the risk of reputation damage.

*Tell me something I don't know.
Something about the future
before others know
would be great!*

Delegate's who registers for the training course must fill out a Pre-Course Questionnaire [PCQ] to customise and maximize training Investment.

Note :

Attendance is restricted to limited number of seats on first-come first served bases.