



# 10 Ways to Proactively Manage Your Reputation

2 May 2017

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Every organization, small or large, is being confronted with reputational risks on a daily basis, but very few are adequately prepared. Threats now emerge at the click of a mouse, and can go viral around the world in seconds. Just ask [United Airlines](#) or [Pepsi](#) how quickly things can spiral out of control and cause significant damage to a company's bottom line.

When controversy strikes, public and investor trust is damaged, stock prices often drop, customers choose the competition, people donate elsewhere, market caps can take a hit and CEO heads roll.

A company's next reputational setback or crisis can emerge from any number of places, often from within the organization. So, it is crucial that organizations identify and address smoldering issues before they become a raging inferno, engulfing the organization. Proactively conducting a 360-degree risk audit to assess your operations and evaluate the quality of your stakeholder relationships is vital. Otherwise, the organization is likely to be blindsided.

Simply put, you cannot manage what you don't measure, and reputations must be measured over time because they are constantly fluctuating. It is also important to recognize that reputation is not only impacted by your organization's own behavior, performance and communication, but can be negatively impacted by your competition, activist groups or changes in stakeholder expectations.

## **Reputation risks come in many varieties**

There are many key factors that elevate or damage reputation, from the quality of products and services, to the integrity of leaders, the commitment to social responsibility, how employees are treated, and how transparent, authentic and responsive the organization is.

Unprepared organizations often learn the hard way, with devastating and very expensive consequences. Sadly, I am often called by organizations once the damage is already done and the board or executive realizes just how vulnerable their organization is to attack.

Case in point: Consider the estimated 500 million people worldwide who have personally viewed the smartphone video posted online by passengers on board United Airlines flight 3411. The disturbing video showed footage of a 69-year-old grandfather being violently assaulted, humiliated and dragged off the plane.

The victim, a doctor who needed to return home to see patients, was hospitalized for days with two lost front teeth, a broken nose and concussion from the ordeal. United has since apologized, changed their policies, committed to improved training and ultimately paid a large sum of money to discretely settle what would have been a massive lawsuit.

Sadly, the reputational damage was largely self-inflicted and will linger for years, not just because of what happened, but how it was magnified when the CEO lied and disgraced himself with one poorly crafted insincere message after another. This was not just a public relations failure, this was a leadership, policy, training, customer service, and values failure. This is the CEO of a US\$2.3 billion company who has been caught napping in the proverbial cockpit, flying on auto-pilot, seemingly unaware that it is about to crash.

“Passenger-gate” is sure to become a textbook case study highlighted by PR professors worldwide, myself included, for years to come, on precisely how companies should *not* manage a crisis.

## **Organizations are unprepared for reputation crises**

Organizations, whether they are charities, governments, local restaurants or airlines, need to realize that we now operate in a world where smartphones have empowered consumers to become ethical whistleblowers, holding companies accountable unlike never before. Nothing remains a secret and listening to your stakeholders is no longer optional; it is essential.

Having led crisis communication plans and responses for dozens of companies over the past 20 years, I know that many crises can be prevented and quickly resolved, but they were caught unprepared or unwilling to adapt.

In fact, the latest 2016 research from the Institute for Crisis Management shows that only 32 percent of crises are sudden and unexpected, while the vast majority, 68 percent, are detectable and smoldering just below the surface, caused by unethical employees, short-sighted leaders or misguided policies.

## Anticipating risks is key

Most issues and crises can be anticipated and the damage significantly mitigated through proper planning, training and guided by shared values that empower employees to do the right thing.

We live in a digital world where everything is being rated, reviewed, shared, followed, liked or hated. Everything you do and say is being scrutinized and captured online. Whether you believe the online reviews of your company are accurate or not, perception is reality, and people believe them.

In fact, according to a [2016 study from BrightLocal](#), 84 percent of consumers trust online reviews as much as personal recommendations. So, what used to be word of mouth is quickly becoming word of mouse. Similarly, the study showed that 91 percent of consumers read online reviews to determine the quality of a local business and their products or services. Twenty-four percent of consumers said they will not purchase products or services from a company with bad reviews.

Successful reputations are increasingly about telling your story through your happy customers. So, companies must treat their customers like gold, actively monitor and respond to online commentary and encourage happy customers and employees to share their experiences.

Ultimately, a business without trust is like a plane without fuel: It won't take off, never mind fly. As billionaire businessman Warren Buffet famously said, "It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently."

## 10 ways to manage reputation

Here are my "10 commandments" of reputation management to help you avoid a full-blown crisis before it happens.

1. **Be prepared.** Organizations that understand the risks and have actionable crisis plans can manage them far more effectively. Be the strategist, not the tactician.
2. **Build trust.** Your messages will not resonate if your leaders and communicators are not trusted.
3. **Where there is smoke, there is fire.** Communicators should be the proactive fire detectors, identifying issues early, not just the firefighters handling the damage control.
4. **Reputations are built inside out.** Employees are crucial to building a good reputation. They can be your greatest ambassadors or worst reputation assassins. Ignore them at your peril.
5. **Know your stakeholders.** Understand who your key stakeholders are, build relationships and communicate authentically with them, to create a reservoir of trust and make your organization more resilient when issues surface.
6. **Embrace social media.** Listen and understand what is being said about your organization, products, services and people online, and ensure that you can respond quickly, authentically and persuasively.

7. **Honour your values.** Organizations must operate with integrity. Do what you say, and say what you do.
8. **Measure.** You cannot manage what you don't measure. Research is key to understanding where you are and measuring improvements or setbacks.
9. **Eliminate silos.** Organizations must communicate effectively across departments and geographies, to help ensure that employees understand their roles and policies, which will lead to more informed, intelligent decisions.
10. **Create a reputation team.** The communication department cannot manage reputation alone. Build a cross-functional team that meets regularly to flag threats and leverage opportunities.

Join Heath Applebaum for his upcoming IABC Academy workshop "[Strategic Reputation Management](#)," starting 11 May. The four-part course will help you understand and apply key principles and reputation success measures, anticipate and prepare for reputational risks, protect your organization's reputation online and develop a reputation management framework for your organization.



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