BRAND REPUTATION & RISK

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RESPONSIBILITY

Why companies need a chief brand officer

Companies should be assigning significant resources to build and protect their reputation. Those that don't value the importance of brand risk losing everything

Emily Hill

Multi-billionaire investor Warren Buffett once famously pronounced: "It takes 20 years to build a reputation and five minutes to ruin it." Since brand identity is, arguably, the biggest asset a company possesses, all risks posed to it must therefore be urgently examined by everyone involved, especially executives.

Marketers and brand teams have been the custodians of brand identity, quibbling over everything from Pantones and propositions down to the most infinitesimal detail. But branding must be appreciated as something so much more vital and all encompassing.

"Brand is what attracts new customers while retaining existing ones and presents a medium to introduce new services and products," explains Sukhy Cheema, founder and chief executive of Branding London. "The more exposed your brand is to risk, the more attention this situation will need during your board meetings."

When it comes to assessing the risk landscape for a brand, there must be constant vigilance on all fronts. "The marketing team spend an incredible amount of time, blood, sweat, yes even tears, creating powerful propositions and developing creatives that appeal to their target market," says Nick Gold, founder and chief executive of Speakers Corner.

"Reputations can be tarnished in minutes, which means all that effort the marketing team has put in is reduced to rubble. Why? Because in a world of fierce competition, it's the synergy in values between brand identity and the customer that often confirms the purchase decision.

"Each of us has values. We buy from brands where we share the same values. If we receive poor service or learn of unethical business practices, we walk away. A marketer can deliver award-winning campaigns, but all that means zero when the customers experience falls below expectations."

It's not just those at the top who should take responsibility, but it must trickle down. "Risks to a brand can appear within every part of an operation," says business expert Erica Wolfe-Murray.

"From the supply chain through to a critical social media post that goes viral, every responsible company should have a plan in place. Brand is part of that whole

Hero Images/Getty Images

package so every member of the board in their individual role needs to take responsibility for their area of expertise," she says.

"Yes, the marketing director will probably have 'brand' on his or her desk more regularly, but if production is not delivering to the brand expectation that will have an impact across the company and needs to be addressed quickly."

Data from Reuters shows 82 per cent of investors want the companies they invest in to have a strong brand. This has led some experts to conclude that companies now need to establish a reputation department.

According to Robert Jones, professor of brand leadership at the University of East Anglia, in some senses having a strong brand identity can be a way of mitigating the risk. "Volkswagen's emissions scandal badly damaged its reputation, but its brand was so strong that people continued to buy their Golfs and Polos," he says, adding that though reputation and brand are intimately linked, there are subtle differences.

This is why the C-suite in particular must become more involved in the business of brand reputation and risk, examining it regularly. "Final responsibility for the brand has to rest with the CEO," says Professor Jones. But creating a new position of chief brand officer could prove integral.

"Your reputation is what people think about what you've done in the past," he explains. "Your brand is how people feel about what they'll get from you in the future. So yes, a company should have a chief brand officer."

In some cases implementing such a role is itself an exercise in rebranding. "In many companies, that's now the title of the person who used to be called chief marketing officer," adds Professor Jones.

"Chief brand, chief communications officers or even chief marketing officers are increasingly being placed on company boards and it's an encouraging trend," says Emma Kane, chief executive at Newgate Communications, who specialises in crisis management. "Companies operating this way will naturally have an advantage over those that don't place value on their brand."

Perhaps the world's most famous chief brand officer is Bozoma Saint John, who went to Uber to try to transform its brand identity after a series of scandals. She left after a year claiming that while the company was "on its way to being great, it's not there yet". This illustrates perfectly the perils of creating the role of chief brand officer too late; a case of trying to undo damage rather than prevent it occurring in the first place.

"While many companies will have a crisis communications plan gathering dust in a file somewhere, most don't spend any time at all assessing the risk landscape, until it's too late and they are blindsided by a reputational hit they could have mitigated if they had anticipated it sooner," warns Lucy Chapple, head of strategy at communications consultancy Stand Agency.

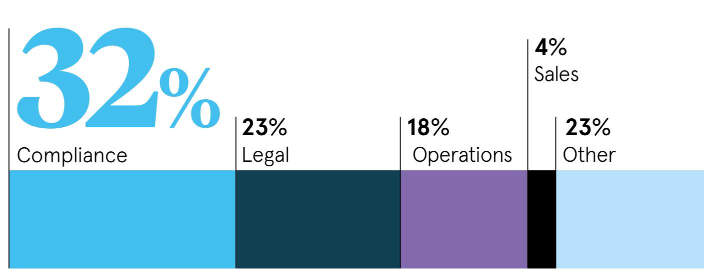
"Getting an outside pair of eyes is essential to understand how perceptions of your brand have changed over time. Gathering this insight is an important first step, but it's what you do with this brand insight that matters."

Ultimately, it's hard to overstate how important taking action to protect brand identity could prove. "C-suites aren't as involved as they should be and they don't assign the resources they should into building and protecting their brand," Ms Chapple concludes.

"We're seeing a handful of large companies appointing chief brand officers or chief reputation officers. It's staggering how long it has taken for reputation to be represented at board level given it's the most important asset of any organisation."

OWNERS OF REPUTATIONAL RISK

Business decision-makers were asked who the primary owner of reputational risk is at their company



Red Flag Group 2019

INTEGRITY

Capitalising on authenticity in a polarised world

Brand integrity is paramount in a society that demands companies to be accountable, responsible and, most importantly, authentic

Josie Cox

Jeff Bezos was driving from New York to Seattle when he started sketching out a business plan. In 1993, the internet was growing rapidly, but hadn't yet been used for commercial purposes. The would-be entrepreneur spotted an opportunity: selling books was a shoe-in for the world wide web. Not long after, he quit his job at a hedge fund and dedicated his career to Amazon.

The company went public in May 1997 with a market value of some $438 million. These days that figure is close to $880 billion, making it one of the world's largest public corporations. But its brand value is almost impossible to quantify and brand integrity is even harder to measure. Amazon is regularly cited as one of the world's most valuable companies, but arguably this is in the eye of the consumer.

It's a problem that many companies are grappling with. Intangible assets are the dominant driver of long-term value creation in an interconnected, often service-based, world and yet the path to true brand integrity is anything but straightforward, particularly against a backdrop of political polarisation and the primacy of social media.

"It's difficult to assess a brand's true value because it's utterly subjective," says Louise Nicolson, author of *The Entrepreneurial Myth*, which examines ways in which entrepreneurialism is being misrepresented to the detriment of businesses' potential.

She explains that what adds complexity is companies have limited control over their true brand value, because they only have a certain degree of influence over public perception. "Brand value might be born in the boardroom, but it matures in the market and is ultimately determined by the heads, hearts and spending habits of consumers," says Ms Nicolson.

A 2019 report by global public relations and marketing consultancy Edelman shows that consumers are more discerning than any generation before them when it comes to brands and how they choose to spend their money. An eight-country survey for the report showed the vast majority of consumers, regardless of age, income and gender, agree that their ability to trust a brand is central to any buying decision.

Some 81 per cent said they would only consider purchasing a particular product from a brand if they were able to trust it to "do what is right" and 53 per cent agreed every brand has a responsibility to get involved in at least one social issue that does not directly impact its business.

Ms Nicolson says this creates a unique challenge for businesses as they must strike a balance between taking a stand, but always remaining authentic. "The key to success here is knowing your customer really, really well," she says.

Members of the public are simply too savvy for companies to try and enhance their brands by taking a stand on an issue that is totally unrelated to the business. "That will only backfire," warns Ms Nicolson.

> **Brand integrity is about being true to your brand positioning**

Angus McLean, digital director at media and marketing consultancy Ebiquity, agrees. "Without a doubt these are challenging times for brands, as the political and media landscape polarises to the left and right in tandem with consumers," he says. "The big question is whether brands should align with one side or the other in their positioning, or remain impartial and rely on their existing brand equity and credentials to appeal to their customers.

"Brand integrity is not, in my opinion, about being a 'good' corporate citizen, but rather it is about being true to your brand positioning."

As corporations wake up to the fact that trust is crucial to ensuring brand integrity, industry standards and benchmarks, designed to create accountability, are rapidly gaining in popularity, the hope being that companies doing "good" will also do well financially.

In 2018, the Consumer Goods Forum, which represents about 400 retailers and manufacturers in 70 countries, created a benchmark to support the development of more socially and environmentally responsible supply chains.

Some of the world's biggest brands, including KitKat maker Nestlé and global retailer Walmart, have backed this initiative to improve global supply chains and ensure goods and services are provided in a humane and sustainable way. Dozens of companies have committed to no-deforestation pledges and to cut carbon emissions.

Multinational consumer goods giant Unilever, which makes products including Dove, Comfort and Sure, earlier this year pledged to halve the amount of plastic it uses every year, from approximately 700,000 tonnes currently. Often making such a commitment won't necessarily enhance a brand's perceived integrity, but not making it carries a substantial risk of damaging it.

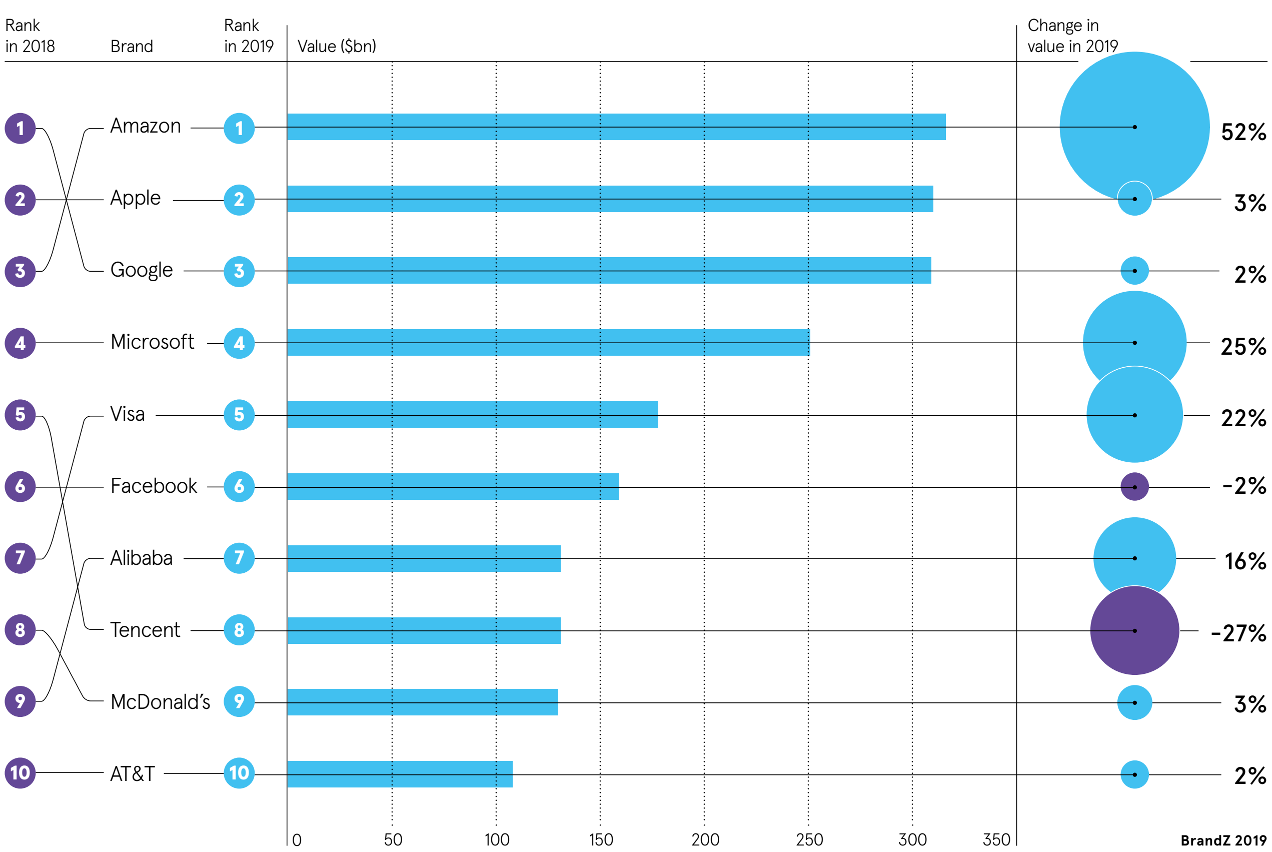
Over the past five years, Unilever's share price has appreciated by almost 70 per cent, solidly outperforming the mere 9 per cent gain in the broader FTSE 100 Index of which it is a constituent, and although a host of macroeconomic and other factors are likely to have helped fuel the rise in stock price, brand integrity has arguably played a role.

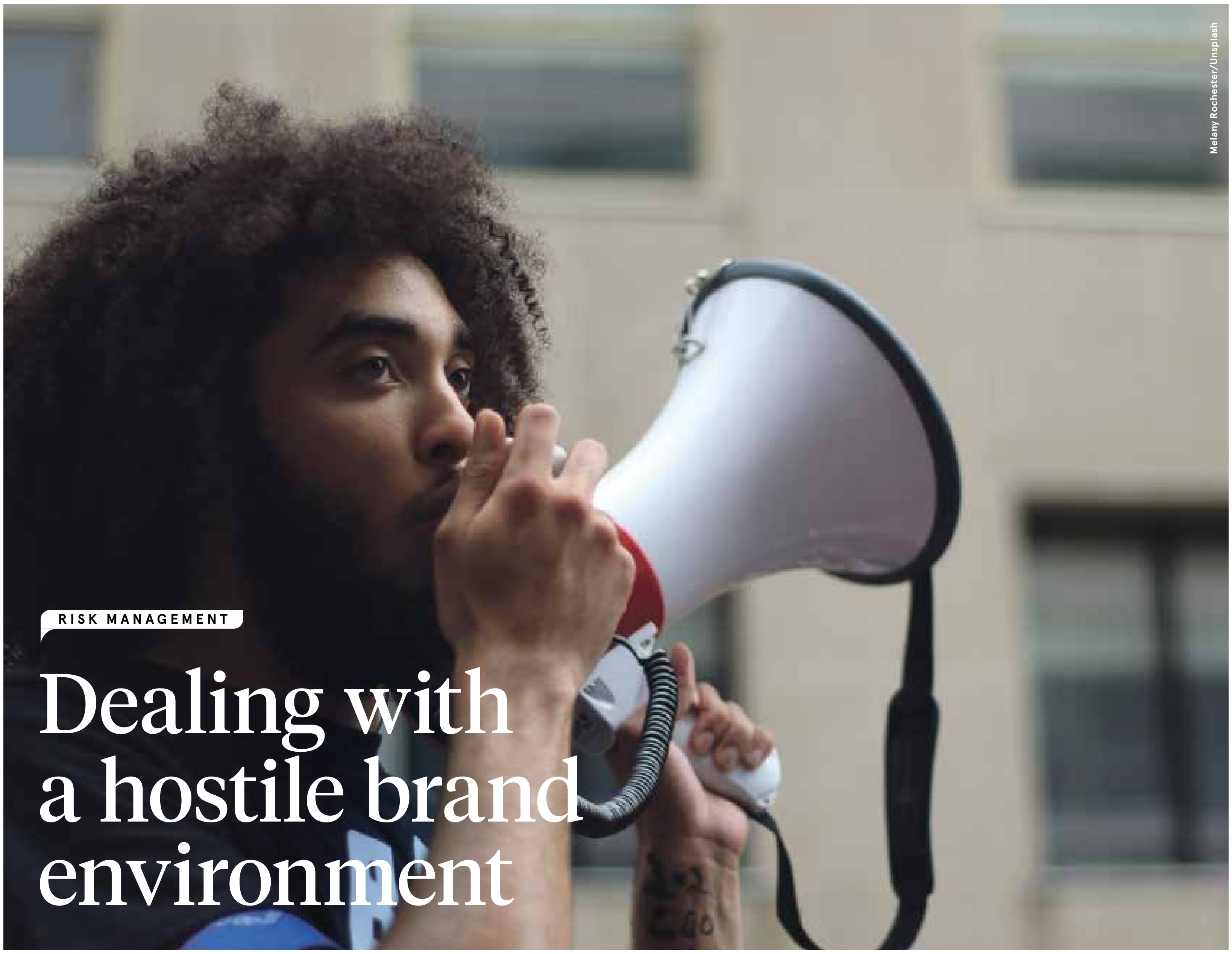
In fact, Vicky Bullen, chief executive of brand and design agency Coley Porter Bell, which is part of Ogilvy, highlights Unilever as an example of a company that has "exceptional brand integrity".

Ms Bullen concludes: "Unilever believes business growth should not be at the expense of people or the planet. And its strong governance systems ensure its brands live this."

WORLD'S MOST VALUABLE BRANDS

Analysis of market data and extensive consumer insights, covering more than 166,000 different brands in over 50 markets





Melany Rochester/Unsplash

RISK MANAGEMENT

Dealing with a hostile brand environment

With consumers searching for reasons to call out brands for unethical behaviour, companies are constantly on a knife edge when it comes to reputational risk

Nick Easen

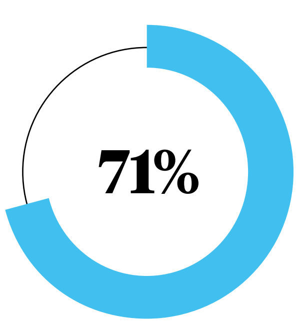
If you were to teleport a brand executive from the 1950s and set them to work on a 21st-century edgy product, they would probably have a heart attack within five minutes of starting the job. At no point in history have brands operated in such an unpredictable and unruly market. With the power balance now shifting to the digitally connected public, it's ultimately a hostile environment.

"Gone are the days when brands could pull the wool over customers' eyes. Consumers are more questioning, demanding and proactive than at any point in time. An innocent mistake can escalate to a brand-breaking headline within hours," says Michelle Du-Prât, executive strategy director at Household.

Whether it's the brand and reputational risk of the Duke of York following his BBC interview or Pizza Express after Prince Andrew used their Woking restaurant as an alibi in the Epstein scandal, crisis situations can hit at the speed of a mouse click or Instagram post. Spoof reviews of the restaurant chain were taken down immediately, while the royal brand is still calculating the fallout.

"There are so many uncontrollable outlets for news, it's a major challenge to get on the front foot. Historically you could hide, today if you don't create your own narrative, someone else will for you and they're probably not going to be friendly," says Nick Cooper, global executive director for insights and analytics at Landor.

Just ask Chick-fil-A, in Reading. The opening of its first UK restaurant didn't go to plan. In October the American fast food chain was told to "cluck-off" by campaigners protesting over the company's poor record on LGBT rights, no doubt amplified by the internet.



of business decision-makers agree that reputational risks have become more of a concern for their company over the past five years

Red Flag Group 2019

"The online and offline landscape requires a 360-degree approach to risk and crisis management, from digital through to physical brand presence. It doesn't help that social media can sully a brand instantly. A Twitter mob can bring a brand down based on flimsy claims taken out of context, while a Twitter craze creates a viral sensation," says Ms Du-Prât.

When it comes to brand reputation and risk, especially with crisis management, there are headaches to be found everywhere. If the always-on, omnichannel landscape is enough to cause heart failure in a teleported 1950s executive, it can generate paralysis in today's business climate. Yet doing nothing isn't an option.

"In a world of unlimited content and noise, brands are most at risk from irrelevance. There's definitely strength in proactivity. An overt focus on protecting reputation shouldn't make brands risk averse when they should be winning hearts and blowing minds, challenging the status quo and moving the dial," says Ashley Bendelow, managing director of Brave.

For example, Protein World infamously spent very little on its *Are you beach-body ready?* campaign featuring a woman in a bikini, which many claimed objectified women and was socially irresponsible. Yet the ad generated huge exposure and, despite the offence, sold extremely well. Meanwhile, when KFC experienced its chicken shortage, closing stores, its *FCK* campaign and subsequent apology was a brave, well-received approach.

"It demonstrated humility, but it was also very funny. It's harder to be angry when you're laughing.

> **Truth, transparency and clarity on values will underpin long-term brand equity and growth. Be human, be kind, be credible**

Crucially, brands should proactively mitigate risk rather than be constantly on the backfoot," Mr Bendelow explains.

Brand reputation and risk have shifted, coalescing with how we feel about companies as a whole. Trust and brand loyalty over time mean everything. "It's important to see brands not as a separate entity to a business, but as inextricably tied to it. Gone are the days when the brand would be a communication umbrella for the business," says Manfredi Ricca, global chief strategy officer at Interbrand.

"Transparency and reduced information asymmetry mean increasingly your brand is about what you do and are, not just what you say; and your business is about trust, not just delivery."

In fact, customer experience is now at the heart of brand equity and is dependent on an accumulation of interactions. The bigger picture has never been more paramount. This is what digitally native vertical brands are good at. It means companies must put the needs of the consumer at the heart of what they do and this isn't a bad thing.

"In such a commoditised commercial landscape, consumers are looking for reasons to disregard brands and limit the choice paralysis many feel," says Fergus Hay, chief executive of Leagas Delaney. "This is now the era of ethics for brands where truth, transparency and clarity on values will underpin long-term brand equity and growth. Be human, be kind, be credible."

A case of 'call-out' culture

You have to love Estée Laundry, an Instagram account that spotlights the insanity it sees daily in the global beauty industry. The bane of industry players and joy of superfans, it tells it how it really is on diversity issues to copycat behaviour. The same is true for Diet Prada on fashion.

Watchdog culture is in rude health, whether it's lambasting Kim Kardashian for an insensitive underwear line called Kimono and a case of cultural appropriation or Rihanna's cosmetic line named Geisha Chic.

"Brands are only one slip away from major reputational damage," says Benoit Soucaret, creative director for Europe, Middle East and Africa at LiveArea. "But this can be looked on as an opportunity for the modern brand."

Increasingly Generation Z and younger are vocal critics of businesses that get it wrong, but they're also advocates when they get it right. "The 'Greta effect' is real. Being a positive force in the world isn't just gestural, it'll also boost the bottom line. Offsetting emissions, reducing plastics, hiring with diversity in mind are all things that consumers expect. To avoid being called out, brands need to be the change their customers want to see in the world," says Ashley Bendelow, managing director of Brave.

Commercial feature

Preserving your brand's reputation in the era of social media weaponisation

Successfully countering fake news can rescue a brand from catastrophe

CONSUMER EXPECTATIONS FOR BRANDS IN A CRISIS

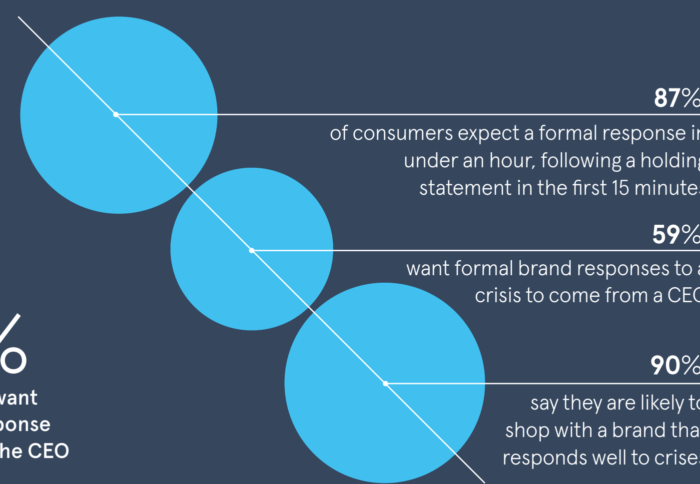
In our survey of 2,000 consumers from the Unites States and UK, the 2019 *Crisp Crisis Impact Report* tuned into the minds of consumers to identify how brands can maintain their wallet share in an era where social media is increasingly weaponised and harmful content spreads in seconds. The data validates that being the first to know, and thereby the first to act, is the most critical step in maintaining a strong reputation in the eyes of consumers

15min the industry standard for a holding statement

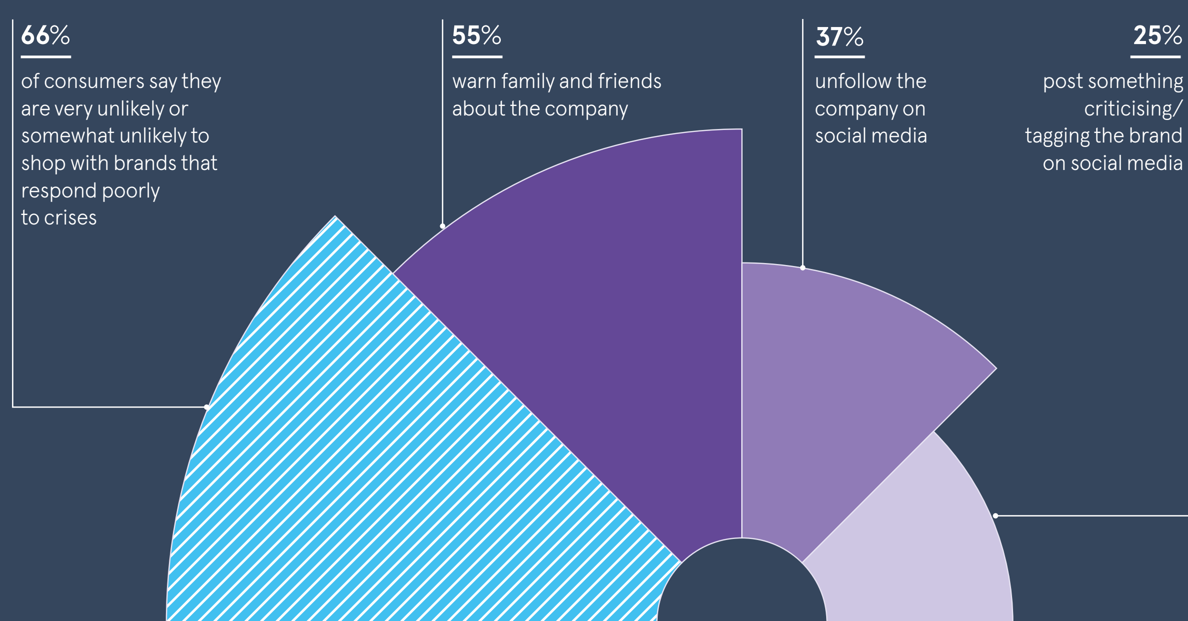
59% of consumers want that brand response to come from the CEO

GREAT EXPECTATIONS

Consumer attitudes towards brand responses in a crisis



WHAT'S THE DAMAGE?



Is the Queen dead? For a brief moment during the election campaign in early-December, quite a few people thought she might be. A WhatsApp message went viral, with a screen grab hitting Facebook and Twitter, seen and shared by hundreds of thousands of users. "Queen's passed away this morning, heart attack, being announced 9.30am tomorrow…" began the would-be fateful message. Buckingham Palace was forced to issue a formal denial.

Fake news headlines accelerated by the weaponisation of social media have become all too common during election cycles and far more effective at shaping public opinion than the occasional viral death hoax on Twitter.

An investigation by the Oxford Internet Institute found evidence of organised social media manipulation campaigns, which have taken place in 70 countries, up from 48 in 2018. Governments and intelligence agencies have invested heavily in resources to prevent these campaigns from happening and to take down the "bad actors" behind them who wish to do harm to democracy and society at large.

Increasingly, these bad actors have a new target: the private sector. "We're now seeing this behaviour extend beyond politics," says Adam Hildreth, chief executive and founder of Crisp, which provides intelligence-led, real-time discovery of online content threatening a brand's reputation. "Social media has unleashed a new range of capabilities for individuals and organisations with varying degrees of savvy to do harm to global brands."

Top priority

Once negative publicity resulting from the acceleration of mis or disinformation on social media has reached the mainstream news cycle, the damage to brand reputation is already done. This can translate to an adverse impact on business, regulatory, operations and financial conditions. With brand reputation more publicly exposed, conversations about how to protect it have become a board-level priority.

In fact, brand reputation has increasingly found itself appearing on more and more company risk registers, specifically the management and mitigation of incorrect information spreading across social media and the wider web that can negatively influence consumer perception and purchasing decisions.

"It's no longer optional," says Mr Hildreth. "Look at any 10-K [annual report required by the US Securities and Exchange Commission (SEC) summarising a company's financial performance] from today's leading brands and you'll see companies making the protection of their brand value from unverified or inaccurate content a top priority. It's now become a matter of fiduciary responsibility and board-level compliance."

What's at stake?

The types of harmful content spreading online varies by industry. This year saw the rise of realistic "deepfakes," which are computer-generated simulations of people perpetuated as photos, videos or voice messages. They are extraordinarily convincing. The Financial Times recently warned: "Fraudulent clips of business leaders could tank companies. False audio of central bankers could swing markets. Small businesses and individuals could face crippling reputational or financial risk."

For example, a deepfake voice was used to scam a chief executive out of a six-figure sum. Earlier this year, the chief executive of an unnamed UK-based energy firm believed he was on the phone with his boss, the chief executive of the firm's German parent company, when he followed orders to transfer €220,000 to the bank account of a Hungarian supplier.

The voice on the other end of the phone actually belonged to a fraudster using artificial intelligence voice technology to spoof the German chief executive. Rüdiger Kirsch of Euler Hermes Group SA, the firm's insurance company, shared the information with The Wall Street Journal, which published the story.

In other cases, bad actors can create false content that is contrary to a company's values or deliberately associate it with hate speech. Last year, Business Insider reported that coffee giant Starbucks fell victim to internet trolls who spread fake Starbucks coupons exclusively for black customers after the chain announced it would close stores for "racial bias education."

> It's now become a matter of fiduciary responsibility and board-level compliance

The fake free coupons for customers of African-American heritage circulated on social media via the controversial website 4chan with hidden racial slurs and white-supremacist messages. This unfortunate attack by these bad actors spread quickly becoming mainstream news during an already difficult period for the popular global brand.

PepsiCo also encountered far-right groups during the 2016 US presidential election when it was reported by the Financial Times that they misquoted PepsiCo's chief executive telling fans of Donald Trump to "take their business elsewhere." Before the company could correct the disinformation, the financial and operational impact was clear as PepsiCo's stock price dropped 5.21 per cent.

The first and most critical line of defence for brands is to gain knowledge as quickly as possible about misinformation or threats. The sooner the threat is detected, the sooner it can be addressed. Next step is acting upon the information. According to PR Daily, organisations have just 15 minutes to respond to a crisis situation with a holding statement. The majority of consumers expect that statement to be quickly followed by a response from the C-suite.

According to the Crisp 2019 Crisis Impact Report, which surveyed 2,000 consumers in America and the UK, 59 per cent want that brand response to come from the chief executive.

When these actions aren't taken, or are handled poorly, consumers respond with their voices and their wallets. The same report cited that two thirds of consumers say they are very unlikely or somewhat unlikely to shop with brands that respond poorly to crises.

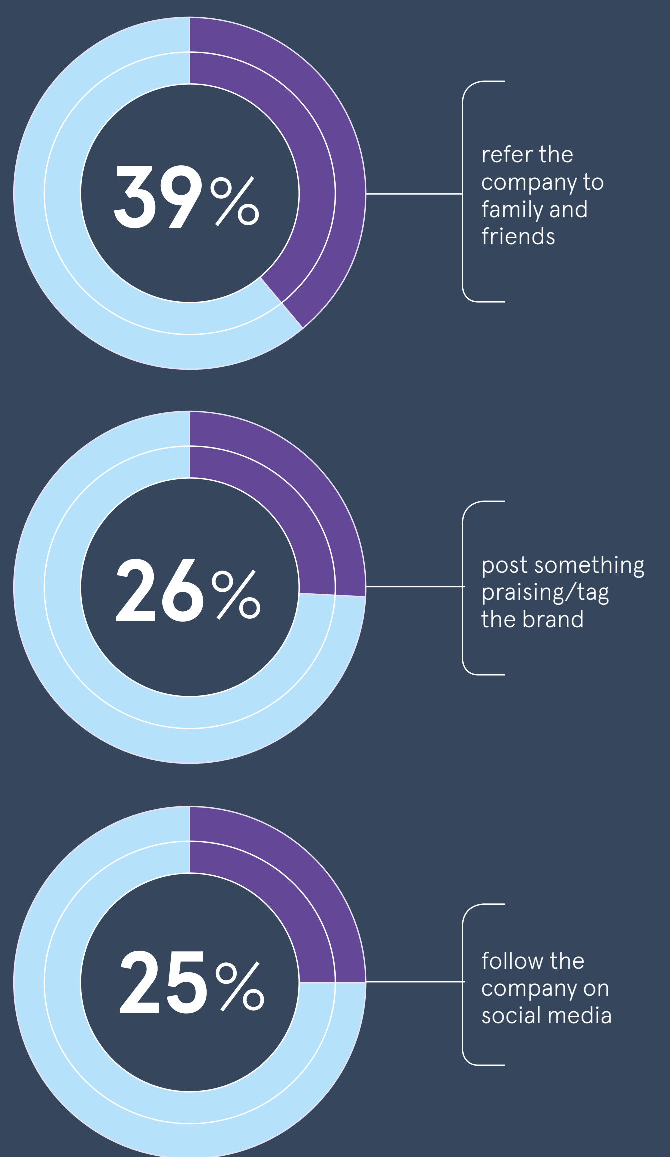
Are brands prepared?

Brands typically have tools and services to monitor the surface web, also called the visible web or indexed web, which is readily accessible to the general public via standard search engines.

While most people are familiar with

A POSITIVE RESPONSE

Consumer actions after a well-managed crisis



Download the 2019 Crisp Crisis Impact Report at crispthinking.com/crisis-report

Facebook, Instagram, Twitter and LinkedIn, more than three billion people globally are projected to be using social media in 2021, up from 2.8 billion in 2019, according to Statista, on hundreds of sites where social media can be weaponised and is not tracked by standard monitoring tools.

In mid-2019, the indexed web contained at least five billion web pages, according to WorldWideWebSize.com. The invisible web, also known as the deep or dark web, is projected to be many thousand times larger than the visible web. Unfortunately, the tools brands have relied on historically simply haven't kept up with the evolution of social media and the wider web.

"By the time these threats to a brand's reputation reach the surface web, it's already too late," says Mr Hildreth. "Brands need a sophisticated combination of artificial and human intelligence to actively manage the breadth and depth of online activity."

Mr Hildreth and Crisp are no stranger to online harmful content. Crisp protects more than $3.6 trillion of its customers' market capitalisation by providing intelligence-led, real-time discovery of online content that threatens their brand's reputation.

Crisp combines artificial and human intelligence to deliver brand-specific, continually tuned social intelligence 24/7 with no false alarms. The company guarantees brands are always first to know, so they can be first to act.

"Unfortunately, it's not a matter of if, it's a matter of when," says Mr Hildreth. "However, we find when brands are prepared with the right strategic intelligence to take the next best action for their business, they can thrive in this new era of social media weaponisation."

For more information please visit crispthinking.com

Q&A

Deepfakes are the most ingenious threat yet

Adam Hildreth, chief executive and founder of Crisp, explains the dangers of falsified video footage, known as deepfakes

Q What is a deepfake?

A The term is a mash-up of deep learning and fake, and describes image, video or audio, which has been manipulated to make it appear the subject has said or done something that never happened. The technology behind it is known as generative adversarial networks, or GANs, and probably the best way to describe how it works is to think in terms of an arms race between an art expert and a forger. A generator, or forger, creates a fake and passes it to the discriminator, or art expert, who evaluates its authenticity. The goal of the generator is to pass off a fake as authentic and the goal of the discriminator is to spot the fake. By pitting the two against each other – the adversarial part – the GANs develop evermore sophisticated fakes. The result is manipulated visuals and audio that are so real they can fool the viewer or listener. Many people will have seen examples of deepfakes on the news that parody or poke fun at politicians and celebrities. Once upon a time, such fakery would be the creation of digital special effects artists in commercial studios, but now any reasonably savvy computer user can download technology to create a fairly decent deepfake. It's predicted that in the next six to twelve months, not only will creating them be so easy that anyone will be able to download an app to do it, but the results will be so sophisticated it will be nearly impossible to tell real from fake.

Q What threat do deepfakes pose to brands?

A For every benign use of creative technologies, there's a malicious use and deepfakes are no exception. People with bad intent will be able to generate realistic videos that appear to show company executives or employees doing or saying things which could jeopardise their jobs and corporate reputation. Generating an image of a dangerous or bizarre product defect to create a viral sensation on social media and damage a company's sales becomes trivial to do. Cybercriminals have already managed to fool a UK company into transferring around a quarter of a million pounds with a phone call that sounded as though it was the chief executive of their parent company.

> "Now any reasonably savvy computer user can download technology to create a fairly decent deepfake

Q What are some examples of deepfakes in circulation?

A Naturally there are numerous Donald Trump parodies around an election run-up, but to call out some deepfaking for good I'd have to point to the charity Malaria No More and their awareness-raising video that featured David Beckham realistically speaking in nine languages. The University of Washington have a great site called whichfaceisreal.com where you can test your own abilities at spotting which person is real and which is fake.

Q Can deepfakes be identified by experts?

A Deepfake technology is an arms race. Fakes are made, technology to spot the fakes is produced, the fakes get better and so forth. So it's likely there will always be bad fakes that can be easily spotted and great fakes which may or may not be identified. Instead of trying to win the arms race, it's better to educate people to fact check and question the intentions of what they see.

Q What action can brands take to protect themselves?

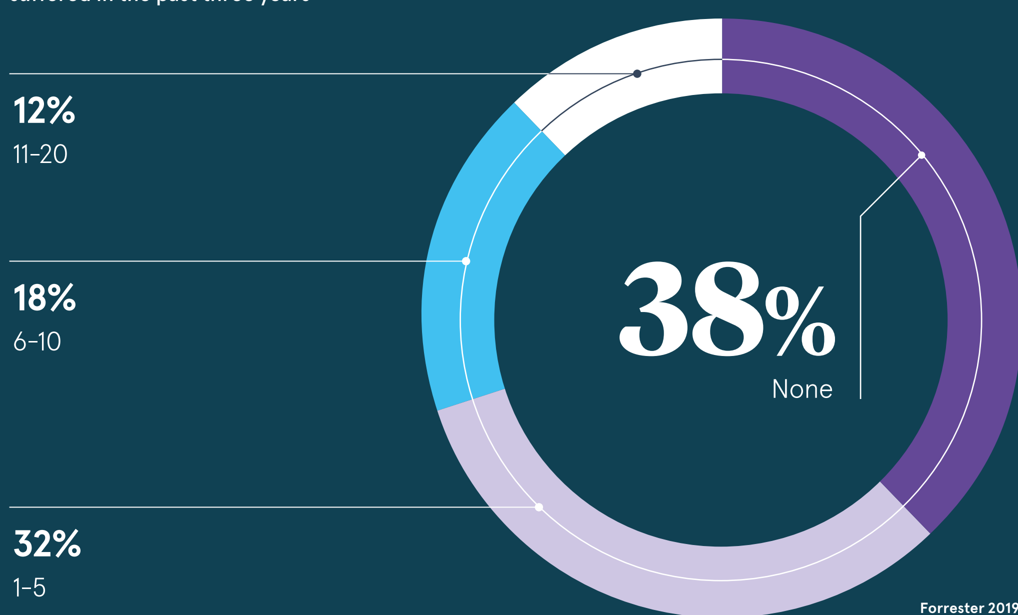
A It's critical for brands to understand the issues that threaten their reputation and value, such as false information and deepfakes, and ensure they're first to know about them by monitoring social media and the wider web round the clock. It's also crucial to gain wider intelligence on topics, issues or people of interest to determine what situations may escalate without brand intervention, and which people may be bad actors with intentions against the brand. Having deep intelligence and a finger on the pulse of the internet gives brands the time and space to decide what response is appropriate and the best time to take it.

COPING WITH COMPANY CRISES

From cybercrime to geopolitical disruption, corporate crises can come in many forms. But what is vital is that companies have formal structures in place to deal with issues immediately as they arise - and mitigating the risk of them happening again

FREQUENCY OF CRITICAL EVENTS

How many critical risk events (where there were significant financial or business impacts) companies have suffered in the past three years



Forrester 2019

CHALLENGES TO EFFECTIVE CRISIS RESPONSE

Top challenges, according to crisis management, business continuity and risk executives

Deloitte 2018

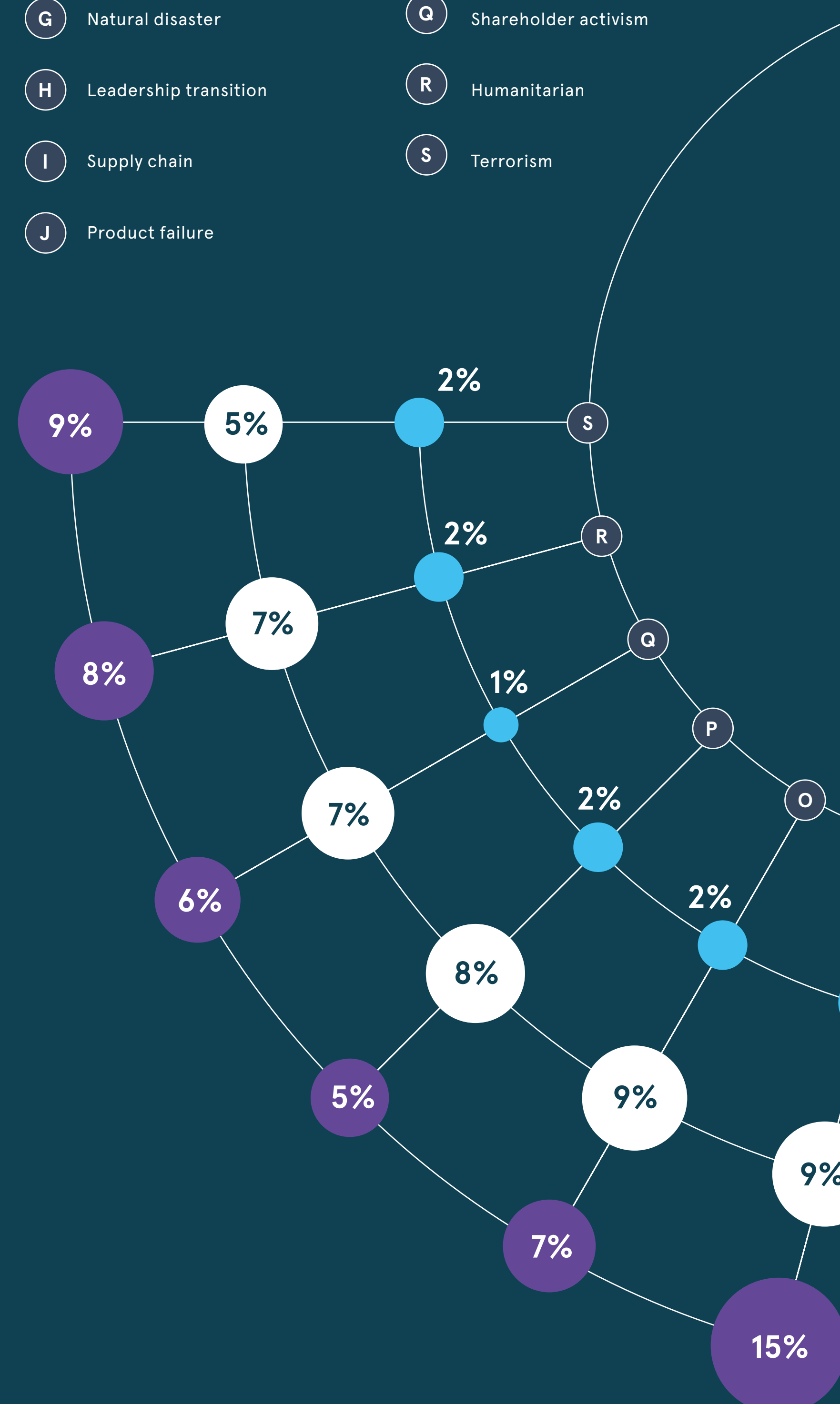
MOST COMMON, DISRUPTIVE AND FEARED CORPORATE CRISES

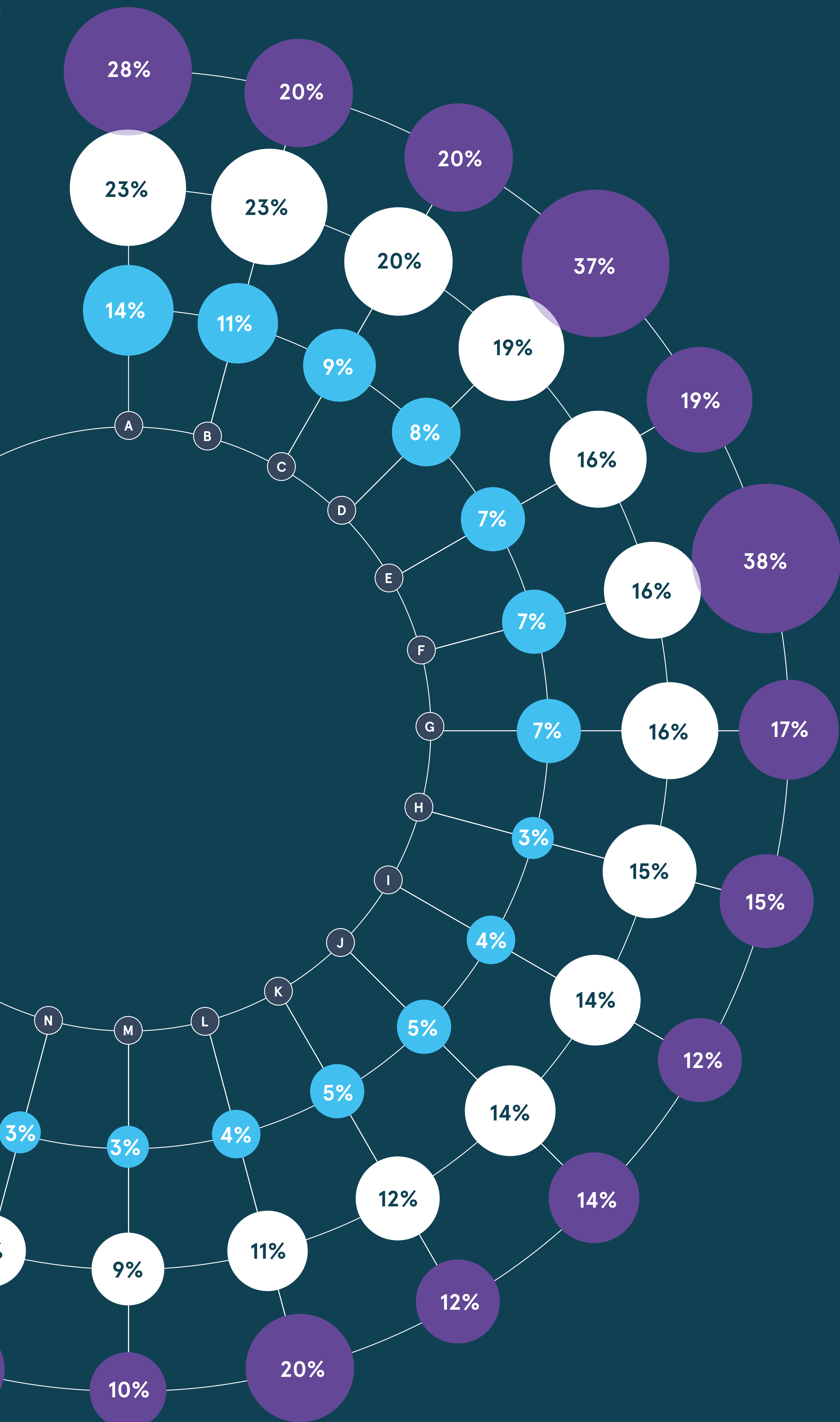
Analysis of 4,500 corporate crises worldwide over the past five years

PwC 2019

Most feared / Most common / Most disruptive

- A Financial/liquidity
- B Technology failure
- C Ops failure
- D Competitive/marketplace disruption
- E Legal/regulatory
- F Cybercrime
- G Natural disaster
- H Leadership transition
- I Supply chain
- J Product failure
- K Leadership misconduct
- L Ethical misconduct
- M Viral social media
- N Geopolitical disruption
- O Product integrity
- P Workplace violence
- Q Shareholder activism
- R Humanitarian
- S Terrorism





TOP LESSONS LEARNT FROM HAVING EXPERIENCED A CRISIS

Lessons that organisations have learnt or would do differently following a recent crisis

33%
Improve detection and early warning systems

27%
Invest more effort in prevention

26%
Do more to better identify potential crisis scenarios

18%
Better define the chain of command for specific scenarios

17%
Communicate more effectively with employees

Deloitte 2018

FORMAL STRUCTURES TO DEAL WITH CRISES

How enterprise risk management (ERM) decision-makers describe their organisation's ERM programme

36%
We have a formal ERM programme with a chief risk officer or similar role

25%
We have a single director or head of risk that is responsible for select areas of risk management but doesn't have the broad reach of an enterprise programme

22%
We have several risk management groups or teams, but they are not connected by a single programme

16%
We have no formal ERM programme(s)

Forrester 2019

CORPORATE PURPOSE

Is it possible to 'retrofit' purpose?

Companies must have a purpose beyond profits to compete in a modern business environment, but can traditional institutions retrofit a corporate purpose authentically?

Hazel Davis

Successful businesses have gone beyond the idea of corporate social responsibility as an afterthought and now place company purpose at the heart of their strategy. But is building from the ground up easier than shoehorning company purpose in at a later stage, and how can older institutions retrofit purpose in an authentic way?

New research from Business in the Community's *Responsible Business Tracker* has revealed that, although 86 per cent of companies surveyed have a purpose statement, the majority (83 per cent) have not yet considered what this means across departments or set clear team targets. The research found a clear gap between company purpose statements and integration with clear targets across departments.

Many newer companies are already doing this well. As Mike Foster, creative director and founder of Straight Forward Design, says: "Starting from scratch means you're beginning with modern thinking and tools to get to a positioning and purpose that will resonate with tomorrow's consumers."

> **Saying something doesn't make it true; living it, championing it and celebrating it is the only way to drive it forward**

Fintech firm Finastra has succeeded in placing company purpose at the heart of its business activities. Formed following the combination of two global firms Misys and D+H, the firm has actively embraced the purpose of "openness" across the company.

"At Finastra we made the decision to reposition ourselves from a core systems provider to a truly open platform, meaning we had to practise what we preached, building an open and inclusive workforce, openness in our brand and language, opening up our hierarchy, as well as opening up our tech," says chief marketing officer Martin Häring.

"Saying something doesn't make it true; really living it, championing it and celebrating it is the only way to drive it forward. It's having one eye on what we were born to do and one on what we could achieve."

If company purpose is suddenly on your agenda because you're reacting to competitor moves, then you're hitting your first barrier: authenticity, says Philip Davies, president, Europe, Middle East and Africa, at global brand strategy firm Siegel+Gale. "Purpose is not created, but uncovered, and when it's found and clearly communicated, it can be a magnet for like-minded people who want to be associated with the brand, as a consumer or an employee or otherwise," he says.

Joy Parkinson, chief executive of Faith In Nature, whose mission since it was founded in 1974 has been "to be kind to the planet and people's skin", puts company purpose at its core, informing every decision since the start.

Ms Parkinson says: "I would advise any business looking to retrofit purpose authentically to start by redefining their 'why'. Why are we doing what we do? And the 'why' has to be genuine; it has to be based on a truth. It has to be something the senior players in the business are absolutely passionate about. Once a company has a strong 'why' everything else flows from that; it will help the board to decide on its strategic direction and inform decisions made throughout the business."

In the arms race for talent, purpose is no longer a nice to have, says Gabbi Cahane from brand consultancy Multiple. "Purpose has become a vital component of the competitive toolkit," he says.

"Purpose and culture should go hand in hand and increasingly CEOs should be utilising culture to supercharge progress, performance and productivity across every organisational dimension. To ensure all employees buy into the purpose, the leadership team must lead by example, role modelling, and reinforcing the purpose and culture from the top down.

"Equally, they should engage employees in the process of defining or refining the purpose from the bottom up."

Putting together a cross-functional team that represents all areas of the business to undertake this work is an effective way to ensure talent from the frontline, factory floor, back office and the boardroom all have a voice in the process. "These people become advocates right across the company, enabling organisation-wide buy in," says Mr Cahane.

Outsourced communications provider Moneypenny has had its workplace and ethos in place since it started in 2000. This purpose, says chief executive Joanna Swash, is what has made it so

90%

of global chief executives say their company has a clearly stated and defined purpose

>50%

says there is a lack of understanding in their company of how to translate purpose and values into concrete actions and behaviours

PwC 2019


Brooke Cagle / Unsplash

Attracting talent with a purpose

Research by Gallup has shown that millennials value company purpose. In fact, more than 80 per cent of college graduates said it was important to derive a sense of purpose from their work, according to a study from Gallup and Bates College in Lewiston, Maine.

Professional services firm EY's purpose is "to build a better working world" and this is communicated across all strands of the business, with a clear call to action.

Steve Varley, EY's UK chairman, says: "To have a real impact, every person needs to clearly understand the company's purpose and recognise it in the work they do every day. This needs to be exemplified by the leadership and management team who play a vital role in bringing purpose to life and reinforced by clear communications, reward and recognition, and people policies."

Relevant metrics can also help hold organisations to account and demonstrate how they are performing against their stated purpose, while also reinforcing understanding across all levels.

Mr Varley says: "Having a clear purpose helps shape the decisions we make as a business. It helps us attract and retain top talent, engage our people, and spark innovation. It provides a sense of meaning and fulfilment, and helps demonstrate the significance of the work we do every day for our people, clients and the communities in which we operate."

83%

of global chief executives say their company has a clearly stated and defined purpose

PwC 2019

56%

of global consumers say too many brands use societal issues as a marketing ploy to sell more of their product

Edelman 2019

successful, with a "fantastic, happy, positive team".

Ms Swash believes creating a great culture means its people will be happy, remain for the long term and offer clients a good service, placing staff at the heart of everything it does. This approach has worked well for the company, which has low staff turnover and says it receives more than 3,000 unsolicited CVs every year.

But it doesn't happen overnight. "When adopting a new purpose, it is essential you don't throw the baby out with the bath water," she says. "Take tiny baby steps and install an open communication. Decide what you want and what your end-goal is, then work out the interim steps needed to get there." Every small interaction is important, whatever it might be, but "ensure each one is brilliant," Ms Swash concludes.

Commercial feature

Safety and compliance in the era of Dr Google

Patients are commonly self-diagnosing using the internet, putting themselves and brands at risk, while pharmaceutical companies struggle to promote safe messages


i viewfinder/shutterstock

Got a mystery lump? Coughing a bit? The first thing patients do with a symptom is go online for self-diagnosis. But how accurate is the information? Research by Health Feedback, a coalition of scientists, looked at the 100 most shared medical articles on social media. Only one in four was rated as highly scientific and one third were actively harmful. In 2016, more than half of the most shared cancer-related articles on Facebook were scientifically invalid.

On the internet, fake news travels faster than truth. Research published by the *American Journal of Public Health* found rumours gain three times more shares than verified stories.

The anti-vaccination movement is a strong example. Disinformation is rife and rising. For example, the World Health Organization (WHO) lists "vaccine hesitancy" as a top ten risk, fuelled by poor quality information online. In France, one in three people disagree that vaccines are safe. In the past year, the number of measles cases has risen 462 per cent, illustrating the scale of the risk.

98%

of social media posts made by pharmaceutical brands attract replies containing adverse events that can lead to regulatory scrutiny

18%

of content posted to social media pages owned by pharmaceutical brands that required action in 2018 were adverse events

Crisp 2019

According to Heidi Larson, former head of UNICEF's global immunisation communication programme and now director at the London School of Hygiene & Tropical Medicine: "The questioning of vaccines is not new, but in the context of social media it is amplified quite a bit." The internet, she says, is pushing fake medical news to a "tipping point."

The threat from the internet also exists in counterfeit drugs. WHO estimates half of drugs sold online are falsified in some way. Among those counterfeits most commonly sold are steroids and hormones. The spread of counterfeit drugs poses a reputational risk for authentic brands. A survey of UK doctors' surgeries found 25 per cent had treated a patient who had experienced an adverse effect from a drug bought online.

Despite this, pharmaceutical companies are cautious about entering the online arena. Adverse event reporting rules mean brands are obligated to disclose all unexpected side effects arising from their products, when made on the brand's own social media channels.

It's a big burden. Research by Crisp, which works with pharmaceutical brands to keep their social presence safe and compliant, shows 98 per cent of social media posts by pharmaceutical brands attract replies mentioning adverse events. Eighteen per cent of content posted to social media pages owned by pharmaceutical brands were adverse events.

"Pharma brands need to engage in patient-centric conversations online wherever that discussion is happening," says Emma Monks, vice president of crisis intelligence at Crisp. "But they feel they can't due to the burden of adverse event reporting and the lack of resources and in-house expertise to do it. The need to report even those issues in non-English adds to the load and that is why a partner who specialises in pharma compliance is critical."

If brands don't engage, they risk failing to protect the integrity of their brand. Companies promoting unproven health alternatives, or counterfeit drugs, will fill the vacuum and erode trust in the licensed brands. There is a solution. Pharmaceutical brands can work with a partner, such as Crisp, to ensure regulatory obligations are met and help challenge disinformation online. The pharmaceutical brand can be the first to know of any challenges arising on the internet, enabling them to plan a response.

Global pharmaceutical companies turn to Crisp to keep their social presence safe and compliant, giving their marketing teams complete confidence to focus on patient engagement and the freedom to gather patient insights. Crisp offers social media compliance and social listening compliance solutions to ensure pharmaceutical brands deliver world-class social engagement with patients and consumers.

"My advice is to frame the obligation as a positive," says Ms Monks. "Pharmaceutical companies that engage in social media can promote truth, enhance their reputations and leverage a key differentiator over slower competitors. A social media safety partner can help companies master all the challenges of cyberspace. There is a fantastic opportunity to engage with consumers and become a trusted source of information."

For more information please visit crispthinking.com

CRISP

BRAND LONGEVITY

Relevancy in a customer-controlled future

In an always-on era, achieving brand loyalty is more challenging than ever. Not only is the competition fast and fierce, but consumers are increasingly empowered and ready to bite back


garetsworkshop/Shutterstock

Jack Apollo George

The truth is difficult to take: most brands will disappear; they won't impact millions and they won't truthfully change anything. For some, notably Colgate, which was founded in 1806 and can be found in more than half of global households, longevity and loyalty are part of what defines them. But for every Coca-Cola or Apple, there will also be millions of short-lived ventures, very briefly on the money, but then forever forgotten.

For marketers, relevance – the assurance their work is resonating and the company has a place in the market – is absolutely critical. "Future-proofing a brand will be at the forefront of any client's mind," says brand strategist Rose Moncrieff. "Staying relevant is how a brand continues to exist; it's the crux of longevity."

But relevance is hard to come by. In 2016, the Chartered Institute of Marketing found that only six out of ten marketers believe their brand is well aligned with the strategic direction of their organisation. For the other 40 per cent, work must feel like a strange intellectual chore: at once being charged with making sure your company's output is relevant and knowing that in its current form, it is ineffective. How do experts in the field overcome this discrepancy?

Ms Moncrieff acknowledges this can be difficult and marketers have to be careful. "Over-promising at a time when consumers have the control is a big concern," she says. "Backlash is often inevitable."

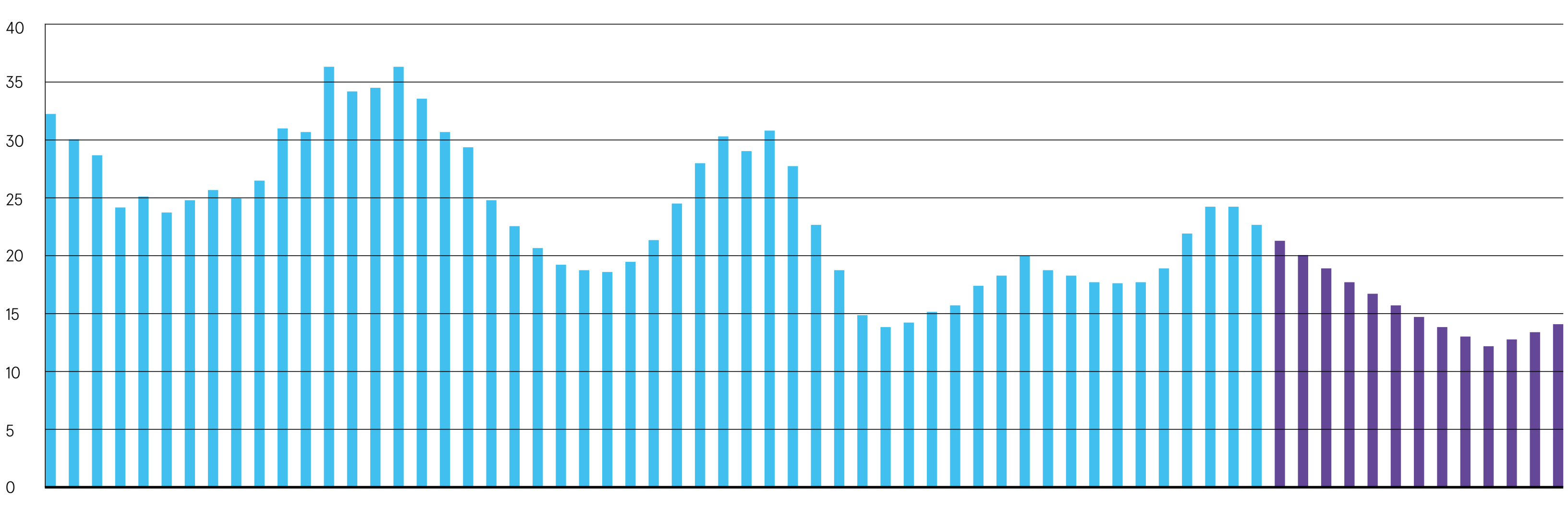
Consumers are now in control of their relationships with brands. Not only is their repeated consumption essential from a sales perspective, any branding missteps can now be exposed and amplified on digital platforms. By making consumer feedback louder and more visible, modern technologies have forced corporations to be more responsive and focus their branding efforts on what actually resonates with their customer base.

Despite the manifold risks facing contemporary brands, businesses in general are relatively well regarded. The *2019 Edelman Trust Barometer* revealed that both informed and general sections of the public were much more likely to trust businesses than government or media. In the supposed post-truth age, when nihilism can sometimes seem to pervade public life, such datapoints offer a rare opportunity for commercial organisations to build brand loyalty.

CORPORATE LONGEVITY IS TRENDING DOWNWARDS

Average company lifespan on the S&P 500 Index; rolling seven-year average

Innosight 2018



Reflecting on how the likes of John Lewis, IKEA and Marks & Spencer topped YouGov's 2019 *BrandIndex*, Amelia Brophy, head of data products at the public opinion and data company, says: "The brands that have harnessed data and consumer insight to adapt to changing consumer desires are the brands which are the most successful and long standing. These brands usually have a long history embedded in Britain's high street and collective consumer memory, have adapted their offerings to work online and have focused on the consumer experience."

It seems obvious, but consumers are more likely to trust brands that pay attention to their needs and wants.

In its *2020 Marketer's Toolkit*, leading advertising resource WARC found that 77 per cent of marketers believe brands need to take a stand on social issues. Indeed, 84 per cent of respondents to the WARC survey said conscious consumerism and sustainability would have significant or some impact on marketing strategy in 2020.

However, YouGov's white paper on the *Social Voice of Brands*, published a few months earlier, showed that consumers are far more likely to want brands to communicate honestly, be trustworthy and act genuinely more than they want them to stand for something.

The difference between the two surveys is that WARC surveyed people working inside the industry whereas YouGov targeted the general population. While it is possible marketers are intrinsically aware that authenticity comes before any conscious consumerism, there is always the risk contemporary trends and new patterns of thinking are forced on to brands that would do better to avoid them.

The open-armed embracing of hot topics to the detriment of core values or business priorities can of course backfire miserably. Take the dot-com bubble, when many companies had ".com" at the end of their listed names so indiscriminate investors could punt on their having some intangible link to a web-based future.

A similar thing happened in 2017, when startups of all flavours pivoted to embrace the crypto-friendly suffix of blockchain to capitalise on post-fiat fiscal prospectors. It's not likely that a similar crash will happen to environmental or social causes. But it is a reminder that trends often matter far more to those who are tasked with providing the analysis than to those whose wallets actually determine business success.

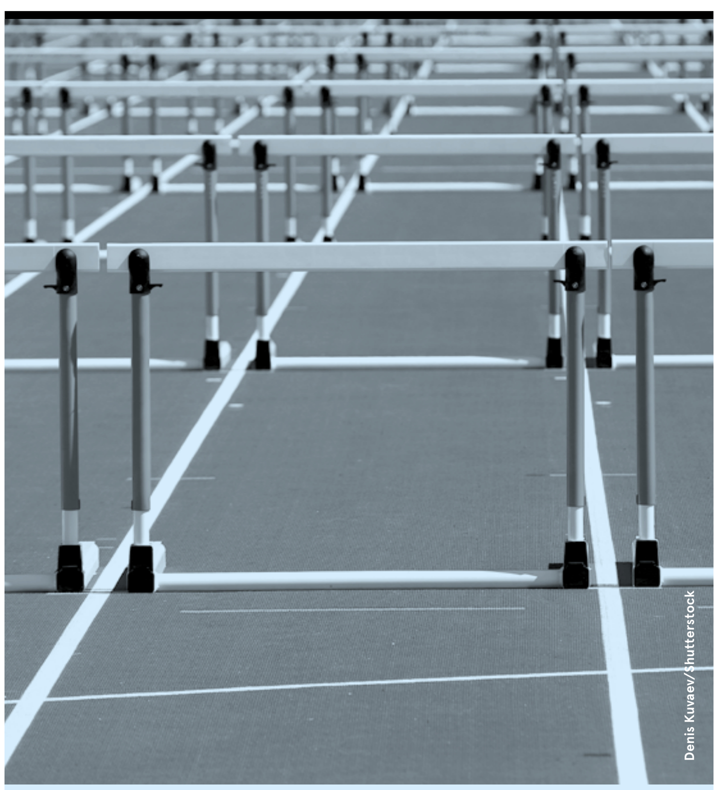
Listening to customers and adapting to their changing needs is a common theme behind establishing a strong brand. The world changes, but marketers can't force that change. Despite the risks that come with an informed and vocal digital public, businesses benefit from being able to listen carefully and cater for the primary stakeholders: their customers.

> **Over-promising at a time when consumers have the control is a big concern. Backlash is often inevitable**

56%

of UK consumers say that if a brand holds a view they disagree with, they will stop buying from them

YouGov 2019



Denis Kuvaev/Shutterstock

The importance of consistency

A study by SDL revealed 60 per cent of millennials expect a consistent experience from brands, regardless of whether this is online or in-store.

Any break in consistency will compromise consumer trust. The need for a carefully managed and holistic brand experience is reinforced because consumers can access company communications and messaging at any time through their phones. As a result, brand loyalty can be reinforced or eroded at any moment.

Across the combined real estate of their separate social media channels, customer service messaging, billboards and TV spots, brands have a great number of opportunities to mess up their relationship with the public. What's more, beyond the intangible damage of broken trust, brands increase their revenue by 23 per cent by always being consistent, according to a joint study by Lucidpress and Demand Metric, showing brand loyalty really pays.

Commercial feature

Q&A

Thinking global in social

Brands need to understand social media on a global scale, but it's changing fast. **Emma Monks**, vice president of crisis intelligence at Crisp, explains the key trends

Q How is social media changing?

A Within the UK broadcast sector, the launch of the fourth TV channel was a show-stopping event, but now there are hundreds of channels with programmes catering to every taste. Social media has followed the same path, from an initial few platforms to a bewildering array of offerings for every generation and niche interest. Consumers now have a number of varying social media channels to choose from around the world. The one constant is these channels are the preferred platforms for talking about, and engaging with, brands. This presents a huge opportunity for strengthening brand reputation, but it also comes with risks. The first step is for business leaders to understand the emerging players in this rapidly expanding global social landscape and then to have the right partners to separate the risks to their brand value from the opportunities to safely engage with their consumers in a meaningful way.

Q What are some of the more popular emerging social media platforms consumers turn to globally?

A Social media platforms are not one size fits all, so which is most popular depends on the consumer segment we're talking about. For instance, we know that more than 70 per cent of Instagram users are aged between 18 and 24, and visual messages resonate with them the most, whereas around 37 per cent of Twitter users are in that age range and short, informational messages resonate most.

Q What role does geography, culture and age play in how consumers use these channels to engage with one another?

A Culture and geography play a large part in the choice of social platforms. For instance, where younger generations in China favour Weibo, in the West they favour Instagram. Younger generations tend to be attracted by platforms that have high visual functionality – image and video – where older generations often prefer to express themselves via a variety of longer text chunks backed up by visuals. Visual content continues to grow in popularity so platforms such as YouTube, Instagram and TikTok are desirable destinations for younger generations.

Q How do consumers engage with brands differently across these various social channels and regions?

A We find that Twitter is a key destination for customers who want to post queries and complaints to brands and get a fast answer, ideally in under an hour, whereas Facebook is often used for more detailed and longer complaints as well as recruitment queries. Instagram is the platform for fan engagement and is particularly popular for brands whose products are very visual, such as fashion, beauty and food.

Q What are some challenges brands face when engaging with consumers globally in a conversation that's always on 24/7 and happening in multiple languages?

A Brands tend to view consumers through the lens of the culture where the brand originated, so it's extremely easy for them to cause offence in other cultures with well-intentioned marketing campaigns if they haven't factored in local knowledge. Applying a local lens to global platforms creates potential for damage to brand reputation and value. A big challenge is finding not just fluent, but native and culturally aware people to interpret non-English content about the brand.

> **A big challenge is finding not just fluent, but native and culturally aware people to interpret non-English content about the brand**

Q How can brands find out quickly if a threat to their brand reputation is surfacing half way around the world?

A At Crisp we work with a number of global brands, currently protecting more than $3.6 trillion in market capitalisation from online harmful content. Global brands rely on us to provide 24/7 multi-language social intelligence about harmful online content before it becomes a threat to their brand reputation. Our data platform retrieves billions of pieces of content globally in near-real time to monitor everywhere that online harm could emerge. Our analysts, enabled through Crisp's complex artificial intelligence, then provide specific online assessments and create rapid actionable intelligence 24/7 across more than 50 languages, so they can quickly see the signal through the noise when a threat to brand reputation emerges somewhere around the world, even at 3am.

For more information please visit crispthinking.com

CRISP

TOP THREATS

How to predict and prevent future threats

From job losses to artificial intelligence ethics, C-suites have a multitude of reputational challenges to consider as they approach 2020

James Gordon

Jenson / Shutterstock

1 Building a disruption-proof workforce

Transformation begins at the top, according to Sunil Patel, chief operating officer of technology and investment at PwC. "But what shone through in a recent survey we conducted was the number of C-suite leaders who feel their organisation does not possess the right skills and leadership capabilities to manage high-level disruption and capitalise on the opportunities," he says.

With PwC analysis suggesting that up to 30 per cent of jobs could be at high risk from automation, Mr Patel says that to minimise reputational management risks, chief executives also have a responsibility to upskill or reskill existing staff.

"Upskilling staff can help an organisation to develop previously missing skills and capabilities at a lower cost than hiring externally," he says. "In addition, those organisations that invest in their people also mitigate brand risk."

But, according to Mr Patel, there's another reason why large companies are choosing to invest in their staff.

"The people who will really make a difference, for example artificial intelligence-savvy data scientists, programmers and coders, are in short supply," he says. "Therefore, to lessen risk, large companies must take a proactive role in addressing the growing skills gap by partnering with others, including universities and schools, to ensure the next generation is suitably equipped with the right technology skills. Investing in staff also engenders brand loyalty."

STR/AFP via Getty Images

2 Mitigating supply chain risk

It presents one of the greatest threats to a global business, but very few organisations have full visibility over third-party subcontractors in their supply chain, cautions Kristian Park, risk advisory partner at Deloitte.

Mr Park, who specialises in extended enterprise risk management (EERM), says that while 44 per cent of the 1,050 organisations that participated in a Deloitte 2019 EERM survey depend on third-parties, only 2 per cent were monitoring all subcontractors engaged by their third parties.

So why is supply chain visibility so important to brand management? Mr Park explains: "While organisations often have robust and resilient risk domain strategies, our survey highlights that the overwhelming majority do not run the same checks on contractors. Not doing so could be a threat to that organisation.

"Imagine, if a company deep in an organisation's supply chain, say at the fifth to sixth tier, was found guilty of breaching modern slavery laws. With negative news spreading fast on the web, it could cause huge reputational damage and a large fine could place significant financial strain on the business."

The challenge for C-suite managers is to eliminate information silos in their organisation, while the solution is to create a clear and coherent framework, based on four requirements, he says.

"To eliminate risk and mitigate damage to brand, we advise companies to firstly consolidate the information they have on third parties. Secondly, an organisation must ask the subcontractor what its supply chain environment looks like. Thirdly, a company must have developed a strategy to not only access global news feeds, but ensure they can be accessed by key decision-makers across the business. Fourthly, it's vital an organisation has access to external rating agency intelligence when assessing the risk posed by a third party," says Mr Park.

Markus Spiske / Unsplash

3 Prioritising brand reputation

Data is the oil of the 21st century. Certainly there's no doubt that data-driven disruptive technologies have made the tech titans of Silicon Valley lots of money, but the Facebook-Cambridge Analytica data-scraping scandal and a hack which exposed 57 million Uber users have left many wondering whether unicorn startups can really be trusted.

PwC's Sunil Patel explains: "There's a growing perception among the public that in some cases ethics and governance are being left behind. Chief executives need to inculcate a culture of transparency across their businesses. Those organisations that hold customer data need to be open with the public as to how they intend to use that data.

"Secondly, on broader issues such as discrimination, diversity and addressing the gender pay gap, C-suite executives need to ensure their brand plays a key role in tackling those issues, rather than creating them." He thinks that the solution is not simply to create oversight boards, but to ensure ordinary people sit on them.

"A people's council, a public board or regular town hall forums, basically any medium where companies can get real and unbiased customer feedback on their brand, is invaluable. Why? Because a negative online story can spread very quickly across the entire globe in just a few hours. This potentially presents a huge reputational risk for C-suites," says Mr Patel.

"Acting on regular public feedback, which is often very different to the CEO's perception of the brand, can help put out fires before they start."

Picture perfect

A picture, they say, is worth a thousand words. According to Dorothy Yen, from Brunel Business School, the pictures we send via social media could help C-suite managers identify risk and safeguard the reputation of their brands.

Dr Yen, who is a senior member of Brunel's Marketing and Corporate Brand Research Group, says: "Large organisations, particularly in the fashion and beauty space, understand the value of unlocking published data from microblogging sites such as Twitter. But most fail to take into account that a growing number of young people use Instagram and Snapchat to communicate. These platforms are heavily based around video and photo-based content, and potentially provide a treasure trove for data engineers to analyse."

But how can pictures help C-suite managers to build robust and resilient reputation management strategies?

Dr Yen explains: "Earlier this year, a photograph taken by a passenger on a long-haul flight went viral. It depicted an inconsiderate passenger resting his bare feet on the headrest of the female passenger infront. A social media-savvy airline monitoring Snapchat and Instagram could check to see if this was an isolated incident or was commonplace. The airline could then take the appropriate action to ensure anti-social behaviour on their aeroplanes is kept in check."

Nazar Abbas Photography / Getty Images

She also believes picture content can help companies reveal previously hidden brand narratives. "Pictures provide data miners with a much more nuanced understanding of how their customers perceive their brand," she says. "That's because they capture emotional attachment."

As part of her research, Dr Yen analysed the "I love London" hashtag and was surprised and excited by her findings. "You'd think iconic sights like Big Ben would be the most popular pictures, but we discovered that traditional England gardens in the capital proved to be a much bigger draw. This sort of data intelligence could be used to good effect by the London Tourist Board to create a compelling second-layer narrative to attract tourists."

Keeping AI in check

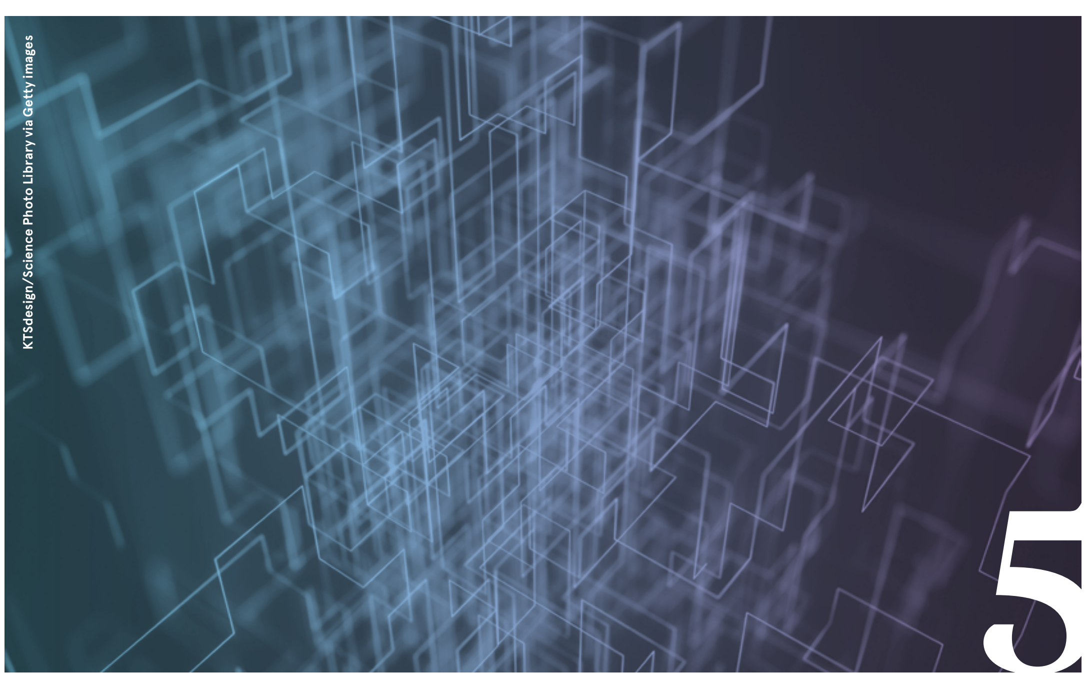
Technology is fundamentally changing our society. The problem is that even if chief executives are comfortable with tech disruption, nobody really knows what impact technologies such as artificial intelligence (AI) will really have on the workforce and workplace.

PwC's Sunil Patel thinks C-suite executives, who will be responsible for overseeing AI implementation, have a key role in managing its impact. "They need to ensure we can trust AI, and that it behaves responsibly and ethically," he says.

Unfortunately, the early signs do not inspire confidence. Take Apple's new credit card, for instance. It harnesses AI to carry out credit checks. But in doing so it used an inbuilt algorithm that favoured men over women and in some cases gave men higher credit limits.

Mr Patel says: "While I don't wish to comment on this company or the story, to guard against reputational damage to brand, CEOs need to be convinced there is no inherent bias in the AI model their data engineers build."

In terms of protecting reputation, he advocates greater regulation and control, but does not think this alone will be enough. "The challenge the world faces is that technology is changing exponentially every year, while governments tasked with much of the regulation develop linearly. The answer, therefore, isn't just to focus on implementing global regulations, but to collaborate across government, private sector and the public to rebuild trust, and also to promote the chief technology officer and the chief data officer to sit on the board," Mr Patel concludes.



KTSdesign/Science Photo Library via Getty Images

OPINION

'You need to understand the source of the risks and the impact they present'

Public relations is about reputation: the result of what you do, what you say and what others say about you, online and offline.

It is the strategic management function that looks after reputation, with the aim of earning understanding and support and influencing opinion and behaviour. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its stakeholders, therefore increasing brand equity.

New threats to reputation are emerging and the impact they have on an organisation will depend on how prepared businesses are. Do you have a 360-degree view across the organisation? Will technology help or hinder? Is your workforce ready? At the end of the day, reputation is the number-one asset an organisation has, and it can be made or broken in a matter of minutes.

To be prepared, you will need to have an understanding of what risks threaten your business. This means a collaborative approach to analysing every element, which might include stakeholders, processes, supply chain, IT and communication.

The analysis should then be turned into a risk register, which is graded and has markers to flag when the risk turns into an issue or incident and how it should be managed.

Existing channels and devices, such as social media platforms on mobiles, pose a different kind of threat. The very fact we are now 'on' 24/7 means brands need to consider the 'always on' culture within their risk and crisis plans. Citizen journalists are live streaming what's happening where they are; consumers are leaving online reviews; videos are going viral; the world can access pretty much anything, at any time.

Social listening is a way to monitor what is being said about your brand and indeed competitors, and provides an opportunity to respond. However, tech is evolving and getting more sophisticated.

New technology offers the ability to alert you when an issue has occurred, or a crisis is about to hit. This allows you to meet the issue head on and avoid the crisis.

The challenge will be around investment and making the tech accessible. Brands that are investing in technology and innovating face their own calculated risks, but those same companies are the ones that thrive.

A key component of evolving is using data. Data is everywhere and it's what we need to inform strategies. It needs to be stored to comply with GDPR and when it's used, how a brand said it would be used, and when it was collected. Businesses want to stop the theft and misuse of personal information, putting the identities, finances and well-being of consumers and organisations at risk.

You need to understand the source of the risks and the impact they present. You need to have the resources and skills to research, plan and manage this on behalf of the organisation and you will need to assess the impact.

Don't let your growth plans come to a halt, or lose staff or customers due to poor leadership. A chartered public relations professional is qualified and experienced to advise the board and work with your 'chiefs' to ensure risks are identified, mitigated or, indeed in a time of crisis, your reputation is protected through timely and effective communication.

A strong, positive reputation translates into long-term value in an organisation, represented by confidence in brand equity, intellectual capital, sustained earnings and future growth. Is your organisation prepared? ●

Laura Sutherland
Chair of the Chartered Institute of Public Relations Fellows' Forum


IT'S 3:00 A.M.
WHO'S KEEPING YOUR BRAND SAFE?
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