

The Good, the Bad and the Truth:

4 Steps to better reputation management through technology



Society's expectations of your business are changing... fast.

Recent events have signalled the beginnings of a monumental shift in the way some businesses see their position in society, with an increasing number of CEOs being drawn into socially and politically contentious public debates.

A society that embraces the moral imperative of social progress is hungry for evidence that commercial organisations are prepared to act on issues with wider scope than their own business interests. People before profits.

The necessity for businesses to engage in ever more wide-ranging issues is growing, but involvement in these antagonistic issues can be dangerous territory for increasingly tenuous corporate reputations.

The more business leaders take to the stage to join these debates, the more it will be expected of all CEOs. Those who fail to be involved will be conspicuous in their absence.

This phenomenon speaks to a wider issue. In the vastly changing landscape of reputation management, how do business leaders turn risk, such as the risk of speaking up on socially divisive issues, into an opportunity to develop reputational capital? Understanding how you're already perceived in the hearts and minds of stakeholders is crucial.

Your reputation is held by others. What they think can be difficult to decipher.

As reputation management evolves, technology is making it possible to close the gap between how your business is perceived and how you want it to be perceived. Spotting trends and problems early can help considerably to not only minimise reputational damage but to also foster the development of more authentic dialogue with stakeholders—to build trust, reputation and, ultimately, improve performance.

'Words can be like X-rays if you use them properly - they'll go through anything. You read and you're pierced.' - Aldous Huxley,

In the past, opinions about your business existed in silos, disconnected from the rest of the world. But now the regularity and ease with which we can voice our opinions online has led to dramatic changes in how quickly - and, potentially, how destructively - thoughts about your business can spread.

It's no longer enough to manage one fire at a time. Even a single flame left unattended can spread like wildfire and create a blaze of catastrophic proportions.

In fact, reputational damage can impact up to 30%¹ of a company's value. Despite this, only a fifth of companies believe they have effective reputation management in place².

How can you be sure that you're ahead of your reputation?

Whether to communicate corporate values or to reach the hearts and minds of a socially active audience, having the right tools in place can enable a better dialogue and ensure you are included in the conversations stakeholders are already having about your company, without you.

That way, when an erosion of trust and credibility develops online you'll have the ability to take immediate strategic counter measures to address fast-changing stakeholder concerns.

However, the real skill is in knowing how to implement this newly evolved technology to break down the data and uncover the truly authentic conversations essential to recognising reputational risk and, crucially, transforming that risk into opportunity.

Taking the time to work through the following four steps will put you in the best possible position to do just that.

Understand the Value in Data

While the volume of data in the world is vast and intimidating—at least 90% of the data in the world today has been created in the last two years alone and our current output of data exceeds 2.5 quintillion bytes a day—technology now exists that enables organisations to extract only the most valuable data that is relevant for monitoring and managing their reputations.

And we know that for organisations that get reputation management right, the rewards are vast – from attracting the best employees, to great customer experience, committed investors and a supportive society at large.

For those that get it wrong – who fail to recognise the value in data— the consequences to their reputation can be devastating. We only need to look at the current climate of corporate mistrust, promulgated by scandals akin to corporate culture issues at Uber or insensitive ad

campaigns run by H&M, to appreciate this. Ironically, many executives only realise they don't invest enough in reputation management until a crisis hits that they didn't see coming—a dilemma which can be remedied by leveraging the value of the near limitless publicly available data that makes up the myriad of conversations happening about their company online.

But the value in data goes far beyond simply managing a crisis. It can be used to encourage positive engagement on a much wider scope across stakeholders, appraise the impact of strategic decisions and take the temperature of change as it happens.

New technology allows organisations to view and assess the complex and numerous interactions society has with them around the world, presenting opportunities for new forms of engagement between themselves and the societies on which they depend.

¹ World Economic Forum Survey of CEOs and Leaders | ² McKinsey – How to reinvent the external affairs function





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Filter for Credibility and Relevance

'Credibility is a leader's currency. With it, he or she is solvent; without it, he or she is bankrupt.' - John C Maxwell

The constant onslaught of tweets, comments and posts in today's online environment presents a fundamental challenge—how do you process it?

How do you separate the meaningful, valuable posts from the wall of noise?

Online data can only be useful for reputation management if it can be filtered for credibility and relevance.

Credibility means that the source of the publication has authority. An article published by a respected news source, such as the New York Times or Financial Times is likely to be more impactful on your reputation than something published in a tabloid.

Likewise, an established, informed thought-leader on Twitter is likely to be considered more authoritative than a little-known user.

The difference in credibility between these sources can have a dramatic impact on how powerfully a conversation can damage – or enhance – reputation, and technology provides the ability to distinguish between credible and less credible sources.

Filtering for relevance is just as crucial. Postings need to be related to the topic at hand and be published within a relevant time frame. This can be difficult to achieve when, for example, so many company names take the same name as common nouns. How do you separate postings about Apple the company from those about the fruit?

By leveraging technology, it's now possible to sift through mountains of data to retrieve only the most relevant and credible posts based on complex and targeted searches. This enables corporate decision makers to act with greater confidence when a reputational crisis hits or when subtle changes in conversation indicate growing risk, without wasting time and resources sifting through enormous amounts of data—most of which is irrelevant and untrustworthy.



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Simplify Data for Deeper Understanding

Even when the most credible and relevant sources are singled out, the data can only be useful if it's presented in a meaningful way. Using the right technology can transform chaotic and meaningless unstructured data into actionable intelligence in the form of easy to understand reports and visualisations.

The benefit of user-friendly information goes far beyond the ease of simply being able to understand what is presented to you. It gives you additional insights that would otherwise have been indistinguishable.

Being able to easily and quickly understand data provides the ability to track weak but significant signals and identify where new conversations are taking shape, better enabling you to understand what that could mean for your business and reputation.

Furthermore, intelligence that is constructed into board ready visuals dramatically improves the ability of reputation managers to demonstrate performance outcomes, tie their initiatives directly to company value, and create a stronger justification for action backed by quantitative truths.

By transforming unstructured data into actionable intelligence your company is empowered to build the kind of reputation that you aspire to – one that is built on stakeholder trust.



Distribute Intelligence Across Integrated Teams

For complex organisations with many internal teams and stakeholders it's essential that there's an integrated system for effective reputation management.

In order to be proactive about your reputation, you need to effectively distribute and use reputation intelligence across your organisation. Doing so will enable a cohesive strategy for reputation management, without which the whole business will suffer. The consequences of a damaged reputation is never confined to just one department.

An enterprise reputation management platform can make the entire value chain of your operation visible across the whole organisation – from the most remote supplier to the most valued asset. It can hold the answer to making sure actionable intelligence is distributed effectively across integrated teams and allows key decision makers to identify and intervene in points of fragility at a glance.

A company is no stronger than its weakest link. Symbiosis should be encouraged. Working as one allows you to move in the same direction.





Summary

With 80%³ of businesses admitting they aren't currently effective at managing their reputations, it's clear that many companies are struggling to keep up with the pace of change brought on by digital transformation.

To effectively manage your reputation within this climate, you need to take the time to administer each of the four steps to truly lead on stakeholder awareness of your business, brand and performance – from customers, communities and employees to regulators, investors, NGOs and influencers.

Understand the value in data – recognise how data can uncover the opportunities inherent in the 'risk'.

Filter for credibility and relevance - New technology can sift through mountains of data, retrieving only the most relevant and credible points.

Simplify the data for deeper understanding - making the data more digestible and, therefore, more

meaningful, is the only way to truly apply it and make informed decisions.

Distribute data across integrated teams - actionable intelligence is distributed effectively across integrated teams and allows key decision makers to identify and intervene in points of fragility at a glance.

By having a clear understanding of how people already perceive you – both internally and externally— together with clear objectives of how you'd like to be understood by your stakeholders, the right technology can help you benchmark your reputation and identify Key Performance Indicators (KPIs) to measure and manage your success.

The challenge for leading companies is being able to navigate through immediate storms as well as pilot towards longer term ambitious horizons. Using the right technology will help you achieve that— revealing your reflection afresh in global conversations each day.

³ McKinsey – How to reinvent the external affairs function

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