



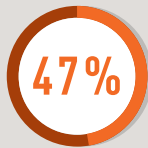
# RISKY BUSINESS

Companies that operate with their eyes shut to reputational risks are gambling with their biggest asset.

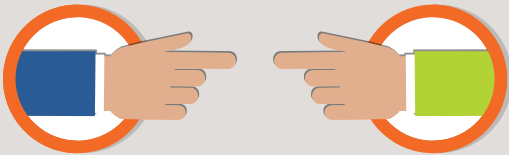


## WHO OWNS RISK?

Reputation management is most effective when managed by a team with diverse perspectives. Reputation management permeates all aspects of business, and an issue in one area can quickly boil over into others.



OF ORGANIZATIONS DON'T TAKE STEPS TO MONITOR FOR REPUTATIONAL RISK.



Organizations are unsure of who is responsible for risk or where to assign oversight.

Reputation is consistently cited as a top priority, but **NO ONE OWNS IT!**

## WHAT IS THE TRUE COST OF A REPUTATION ISSUE?



**\$100K — \$500K**

FOR IMMEDIATE ACTIONS ACCORDING TO RESPONDENTS

True costs are far beyond these calculations and can escalate quickly from a public apology campaign to long-term financial and operational impacts.

“A resilient organization bounces back from challenges more quickly because it has accurately anticipated what might go wrong.”

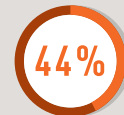
- Linda Locke  
Senior Vice President & Partner - Standing Partnership

## HOW TO PROACTIVELY MANAGE REPUTATION RISK

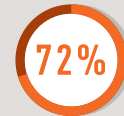
CEOs AND COOs SEE REPUTATION RISK DIFFERENTLY

Most executives **63%** believe their company is spending enough on reputation monitoring and management, but those who have experienced past reputational issues stated that their spending was not enough and they should be much more aggressive about monitoring.

### ORGANIZATIONS



Those with no past issues who monitor for risk



Those with past reputational issues who monitor for risk

### PRESIDENT/CEO

Presidents/CEOs tend to be much more optimistic about the effectiveness of their reputation management efforts.

79%

Gave an above-average grade for reputation management.

### COO

COOs express a higher degree of dissatisfaction with monitoring efforts. Their access to complexities within the organization can create a valuable internal perspective.

65%

Gave an above-average grade for reputation management.

## STEPS FOR GETTING A HANDLE ON RISK MANAGEMENT

1

ASSIGN RESPONSIBILITY  
(CROSS-FUNCTIONAL APPROACH)

2

AUDIT FOR  
REPUTATIONAL RISK

3

BUILD REPORTING  
INTO GOVERNANCE

4

MONITOR FOR  
REPUTATIONAL ISSUES