



Reputation Management and Strategic Communications Planning

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Abstract: Strategic corporate communication focussing on reputation management can be a powerful competitive tool in your business today. It can function as a means of differentiating your company from its competitors, increase staff morale, improve purchasing ability, increase market flexibility and access to market capital. This article outlines how to identify your key stakeholders, the key attributes of an effective communication programme and how to manage your company's reputation.

What is effective strategic communication planning and why is it important?

Corporate communication is the process a company uses to communicate all its messages to its key constituencies (publics/ stakeholders) via a combination of online communication, reports, interviews, meetings, speeches, advertising and advocacy, letters and memos and media management.

Effective strategic corporate communication can be a powerful tool to counteract the relentless scrutiny and technological pounding that many businesses face today. It can function as a means of differentiation for the company and of increasing employee morale. It can take the heat out of opposition and improve the company's ability to buy supplies; take advantage of a changing situation, make a sale or gain access to market capital.

Effective corporate communication takes into account the need to capitalise on the psychology of its publics, the best mix of communication channels to suit them and minimises the likelihood of a crisis. It can also add a positive ethical layering to the organisation.

There is a strong link between communication management and strategic planning. The two should, ideally, be inseparable because communication needs to be a core organisational value which can effect change and sustain the company's vitality.

Corporate communication must add significant value and be aligned with organisational goals. In this way there is a culture of shared understanding rather than a culture of elaborate rules. Employees feel

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involved and appreciated and behave as 'ambassadors of goodwill', to external publics.

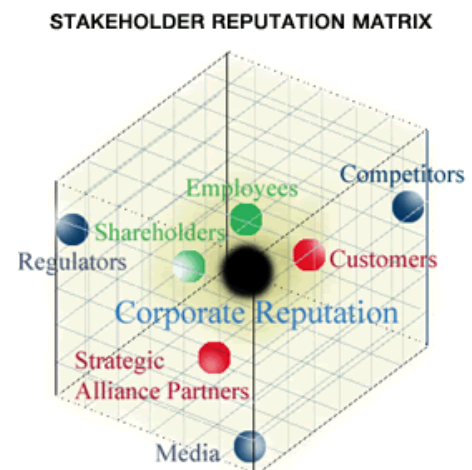
Identifying your publics

In planning and evaluating programmes for strategic communication (including reputation management) it is important to identify and assess those publics which can have an influence, for good or bad, on the company. Your company does not have a single image or reputation – everyone who comes into contact with it has differing information and experiences and so differing perceptions. It is the publics who form the reputations of the company, not the company itself.

Stakeholders (publics) fall into three main groups: normative, functional and diffused. *Normatives* include shareholders, the board, professional associations, government and provide authority and set rules. Often limits are set on the scope and conduct of the company's operations. The board of directors and the shareholders have considerable influence on what management decisions may be implemented.

Functional groups are the most visible and directly affect the company's day to day operation. They consist of employees, suppliers, distributors, service providers and trade unions.

Diffused groups are all others with an impact on the company's profitability and strategic direction. The press, members of the community and special interest groups such as human rights and environmental groups all take an active interest in the company. It is important to remember that all these groups, but particularly journalists, can be managed to be friends or foes.



Source: *All Things Corporate*

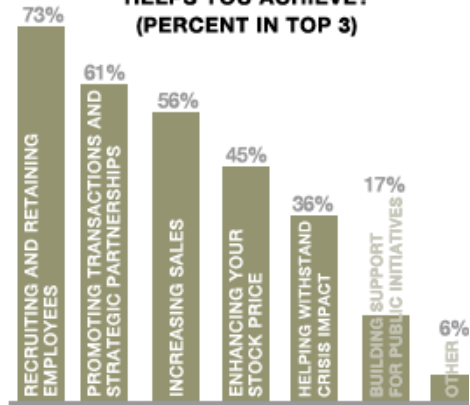
Attributes of a strategic communication programme

An effective communication programme incorporates the following attributes:

- 1) A company needs to demonstrate to its publics (stakeholders) that it is accountable. Strategic communications enhances the company's reputation by reflecting its performance.
- 2) In a competitive environment it is important to engender loyalty from one's customers but this must be earned by consistently effective communication. Customers support those companies they believe serve their interests via their customer-driven responses.
- 3) Strategic communication is a management function based on careful planning, research and decision-making. It must involve the organisation's goals and have measurable objectives concerning

- public(s) awareness, acceptance and action resulting from strategic activities.
- 4) Reputation management through strategic corporate communications must be a core value of the culture of the organisation. The communication programme requires support from the CEO and the rest of senior management in order to succeed.
 - 5) There is a blurred line between entertainment and news these days, and advertising has become too expensive for many companies. More cost-effective communication, rather than advertising, can take up the challenge of both issues. Marketing and public relations need to work together with equal voices. Resources are limited for many businesses so duplication of resources between these two departments must be minimised by teamwork.
 - 6) New technologies such as email/internet/multimedia have provided additional tools for more varied and targeted communication.
 - 7) Proactive, two-way communication between the company and its public(s) is the preferred strategy for success rather than one-way reactive methods. Strategically planned crisis communication management is a good example of this.

WHAT ARE THE THREE MOST IMPORTANT BUSINESS OBJECTIVES THAT YOUR COMPANY'S CORPORATE REPUTATION HELPS YOU ACHIEVE? (PERCENT IN TOP 3)



Source: 2003 Corporate Reputation Watch

Source: All Things Corporate

What is your company's reputation?

Measuring the reputation

Reputation can only be measured by asking the question "*What do stakeholders (publics) really think?*" There are three benefits to answering this question according to Dowling (1994):

- Measure stakeholder images and reputations currently held
- Measure the images and reputations of competitors
- This will indicate what the ideal image could be.

What do you want your reputation to be?

"Most central to your corporate identity ... is the vision that encompasses your company's core values, philosophies, standards, and goals.

Corporate vision is a common thread that all employees, and ideally all other constituencies, as well, can relate to...In the most successful of corporate stories, the company will transform itself into a hero, ... As a result, customers get caught up in your company's drama, novelty or romance...all the way to a happy ending." (Argenti & Forman, 2002, P.71)

Are what you want and how your stakeholders actually see you **'in sync'**?

Dowling's 5-step process to reputation change management

- 1) Conduct an internal evaluation of the vision statement, formal policies and culture of the company. Do they still fit?
- 2) Stakeholder research needs to be conducted on how key groups view the organisation and its competitors
- 3) Design and implement the desired image by integrating the vision, policies, communication and culture into one effective voice. Decide on the best mix of communication media/channels
- 4) Sell the image and company positioning to internal stakeholders first (employees) and then external stakeholders.
- 5) Ensure that an on-going process of monitoring and evaluating the image is conducted.

Your reputation roadmap

Three principles for plotting how to manage a company's reputation are proposed by Peters (1999).

- 1) *Tailwind Principles*- those things which an organisation does well instinctively and can thus help build the reputation faster and easier.
- 2) *Headwind Principles*- those that slow down progress, such as the need to consider sustainability, human rights and environmental concerns or changes in government policy.
- 3) *Banana Skins*- are unplanned events. It helps to have already planned how to react appropriately when things slip up. Have you prepared a crisis management plan? How much of your company's profitability and reputation are you prepared to risk by declaring you 'don't need one'?



Do you know your company's headwinds, tailwinds and can you react effectively to banana skins?

In conclusion, as an insurance policy for a great reputation it is wise to follow these commandments

- Be honest and open in your communication with your publics and encourage feedback. [Smith (2002) calls this transparent communication]
- Vision and messages must be clear and consistent
- Integrate strategies for internal and external communications
- Plan and prepare for a crisis
- Align good reputation processes to business goals, activities and results
- Have evidence of your policies and activities ready in case you're attacked

- Measure reputation and effectiveness of strategic communication at least twice a year, preferably independently
- Focus on key issues for your stakeholders.

Companies are successful when they enjoy a strong reputation. Continuing effectiveness requires continuing development and maintenance of an appropriate strategic communication plan as part of the company's overall business plan.

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About the Author

Frances Harrison has majored in public relations as part of a Bachelor of Applied Communication. She has a strong interest in reputation management, stakeholder management and strategic partnerships as well as integrated communications.

Her background includes teaching qualifications, and 18 years of successful sales and marketing experience across diverse industries. Recently she has worked with a leading film production company on their reputation management plan and was event organiser for a non-profit organisation's inaugural fundraising campaign. Feel free to contact Frances on frances@harrison.co.nz