

March 2017
World Communication Forum
Moscow Engagements

Effective Reputation Management

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Lecturer

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- **Marketing Manager:** South African Tourism, Canada (Toronto-based)
- **Country Manager:** South African Tourism, USA (New York-based)
- **Business Development & Marketing Manager:** Measure Facilities Management, Paris, France & Johannesburg, RSA
- **Acting Corporate Affairs Manager:** Central Energy Fund
- **Country Manager:** Denel Dynamics, Algeria (Algiers)
- **Media commentator,** Loeries judge, and columnist at www.fin24.com
- **Current PhD at UCT** – Media integration in Crisis Communications Management
- **Guest Examiner:** (since 2010), UCT Electrical Engineering Students - Professional Communication Studies
- **Head:** Corporate Communications & PR; Woolworths
- **Immediate-Past-President:** Public Relations Institute of Southern Africa (PRISA)
- **Columnist and regular contributor:** Fin24.Com, Op-ed pages of the Cape Times, Cape Argus, and other publications
- **Guest speaker:** 2013 ABCI (Association of Business Communicators of India) Comfest, Mumbai, India
- **Guest speaker** at: 2014 IABC Africa Conference, Cape Town, South Africa
- **Judge:** Loeries Awards; Cape Winelands Tourism Awards; Global Alliance COMM PRIX Awards – Madrid, Spain
- **Guest speaker:** 2015 World Communication Forum, Davos, Switzerland
- **Evaluator:** 2015 IABC Atlanta (USA) Golden Flames Awards; KC Quills Awards; Silver Quills Awards
- **Convenor:** SA Brand Summit & Awards, Cape Town, South Africa

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Why do you need to protect your reputation?

- To generate goodwill
- To generate and grow profits
- To appeal to key (and non-key) stakeholder groups: investors, communities, authorities, customers, project collaborators, the media, (online and offline) “brandivists”, etc.
- To attract lucrative and highly sought-after project collaborators
- To position your brand as a leader in innovation, sector influencer, opinion leader and authority
- To prevent crucial resources from being wasted in fighting unnecessary reputational issues or crises
- To ensure that your brand is never unnecessarily on the back-foot and thus creating doubt about its integrity
- To minimise the occurrence of potentially embarrassing issues that might lead to crisis
- To command stakeholder trust/confidence

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Using Sound Stakeholder Engagement to protect and enhance reputation

Basic Principles

1. Stakeholder environments evolve constantly; map your stakeholders on an annual basis;
2. Responsibility for stakeholder engagement should not be centralised in one person, e.g. the CEO, even though the CEO is the ultimate accounting officer in this regard, reporting to the board of directors;
3. The CEO delegates the management of specific stakeholder relations to designated employees as dictated by their job profiles;
4. All company employees are responsible for a sound stakeholder engagement regime because each one of them interacts with company stakeholders;
5. All stakeholder engagements should be underpinned by the company's corporate values;
6. Stakeholder Engagement should be assessed regularly and reported upon;
7. A sound stakeholder engagement regime provides the business with a greater view of its stakeholder environment, providing it with early warnings when certain developments might turn into major, reputation harmful, issues.

First | Know your Stakeholders

King III on Corporate governance - Definition of Stakeholders

What is a stakeholder?

A stakeholder is an individual or group with one or more kinds of 'stakes' in your business;

Just as stakeholders may be affected by the actions, decisions, policies or practices of the business/organisation, these stakeholders may also affect the organisation's actions, decisions, goals, policies or practices.

There is a potential two-way interaction/ exchange of influence.

Stakeholders Include

- Shareholders
- Institutional investors
- Creditors
- Lenders
- Suppliers,
- Customers
- Government/ regulators
- Employees
- Commuters
- Unions
- The media
- Analysts
- Society in general
- Communities
- Auditors
- Potential investors

First | Instil ethical, conscious, leadership

King III on Corporate Governance – Ethical leadership and corporate reputation

What is ethical/ conscious leadership?

Signs of ethical, conscious, leadership:

- Legitimacy
- Adequate and effective oversight
- Sustainable value creation
- Intellectual honesty, right from the top; having regards to the legitimate and reasonable interests, needs, and expectations of all stakeholders.

A good leader ...

Must be aware of the tone at the top, the tune in the middle, and the beat of the feet at the bottom of the organisation. His ear must be close to the ground in order to listen to that tune. He must make sure that the morale in the organisation is high and the culture is one of pride with a desire to be part of achieving that ultimate goal.

King III Stakeholder Relationships encompass:



What you should do

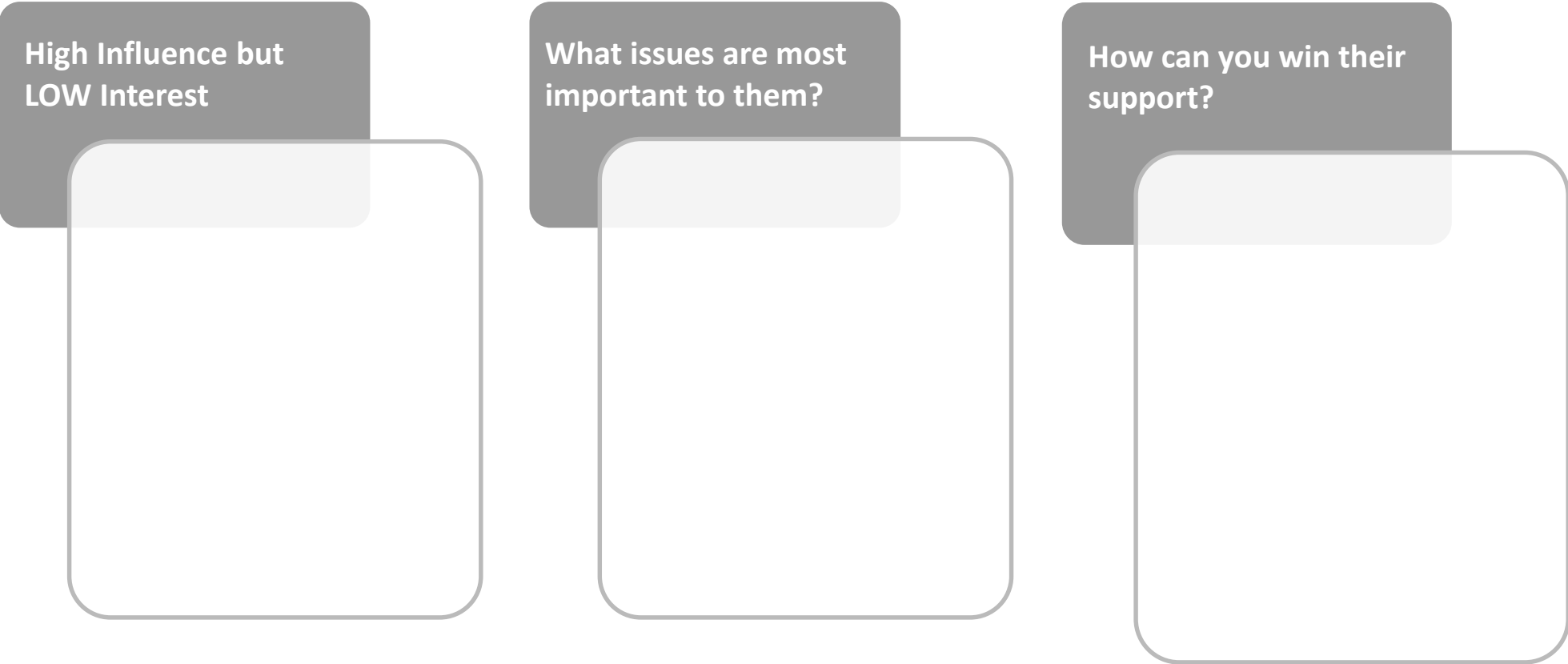
In summary: Map your stakeholders

Power / Interest
Prioritisation

1) Identify who your stakeholders are. List influencers, audiences and groups. **ASK:** How does each audience rank in importance to your organisation's goals? How does a good relationship with each audience impact your business? **2) Work out** their power, influence and interest; **3) Ask:** How are your most important stakeholders likely to respond and how can you win their support?



Stakeholders | High Influence but low interest



PESTEL ISSUES ANALYSIS | Political Economic Social Technological Environmental Legislative

Stakeholders | Low Influence but High interest

Less Influence but
HIGH Interest

What issues are most
important to them?

How can you win their
support?

PESTEL ISSUES ANALYSIS | Political Economic Social Technological Environmental Legislative

Stakeholders | High Influence and High interest

High Influence + High Interest

What issues are most important to them?

How can you win their support?

PESTEL ISSUES ANALYSIS | Political Economic Social Technological Environmental Legislative

Stakeholders | High-level benefit Strategies

High Influence + High Interest

1. Consult
2. Involve
3. Inform
4. Collaborate

Active supporters

High Influence + Low Interest

1. Inform
2. Empower

Apathetic; biggest challenge; negative journalists; government, etc.

Low Influence + High Interest

1. Empower
2. Inform

Wannabees; aspirational; kids who influence parents' spending patterns

Low Influence + Low Interest

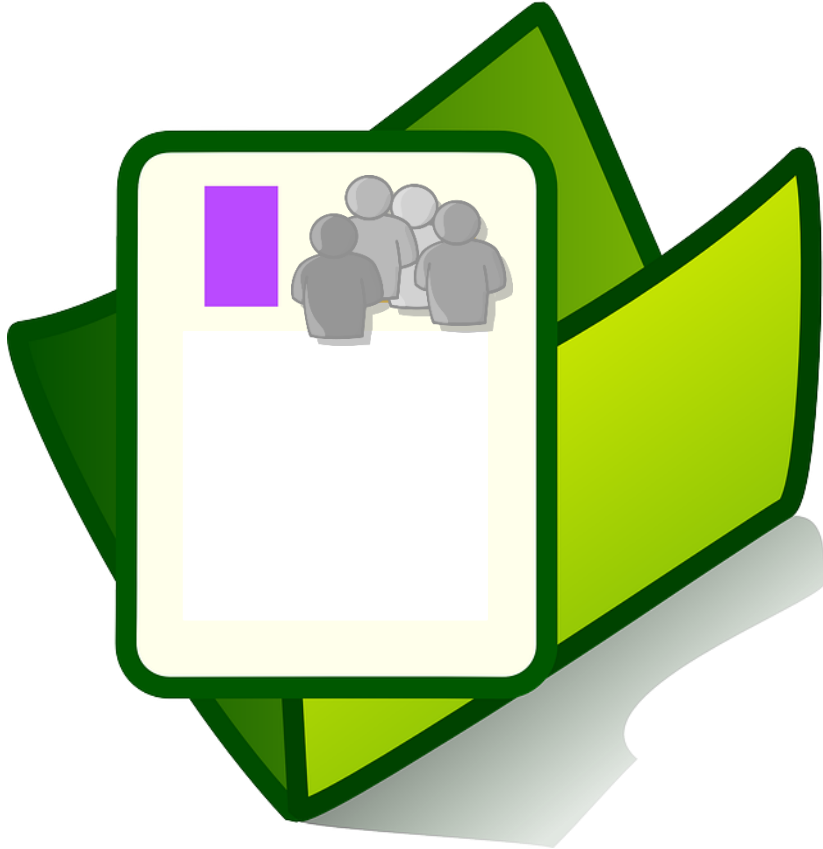
1. Empower
2. Watch

Keep an eye on them; but you can disregard them

Once “obvious” stakeholders have been identified, all businesses must continue to watch their socio-political and economic operational environments for new entrants in its stakeholder groupings. Depending on where each stakeholder (group) is located, the company should engagement at the right level to ensure that they support its activities and generally wish it well.

Understanding the interests of each stakeholder (group) will enable the company to determine how to engage them, how regularly, and through which media platform.

The Stakeholder **Engagement Plan**



Purpose: All businesses have a range of interactions with stakeholders. Managing these relationships and stakeholder expectations is integral to effective collaboration and achievement of their strategic aims.

Companies need a strategic and structured approach to stakeholder relations. The Stakeholder Engagement Plan is intended to provide this framework.

The Stakeholder **Engagement Plan**

Theoretical Underpinning

Source: The King III Report | Chapter 8 (New) Principle 8.5 Stakeholder Engagement



Transparent and **effective** communication with **stakeholders** is essential for building and maintaining their trust and confidence to generate goodwill and increase revenue.

Excellent organisations seek a balance between expectations of shareholders for capital growth and responsibility to communities and the environment for goodwill.

Structuring Stakeholder Engagement

The How – Assessment and Reporting

The health of stakeholder relations can be measured:

- 1.INFORMALLY** – through the number of stakeholder complaints received/ reported in the media during a period: **High**, **Low**, **Frequent**, **Infrequent**, same complaint over and over again, **same operational area**, etc.
- 2.FORMALLY** – all employee performance reports should have a line on “Stakeholder Engagement” and state the number and nature of complaints received or covered in the media – relative to the given employee’s area of responsibility – how the complaints were resolved and what measures have been put in place to prevent repeat.

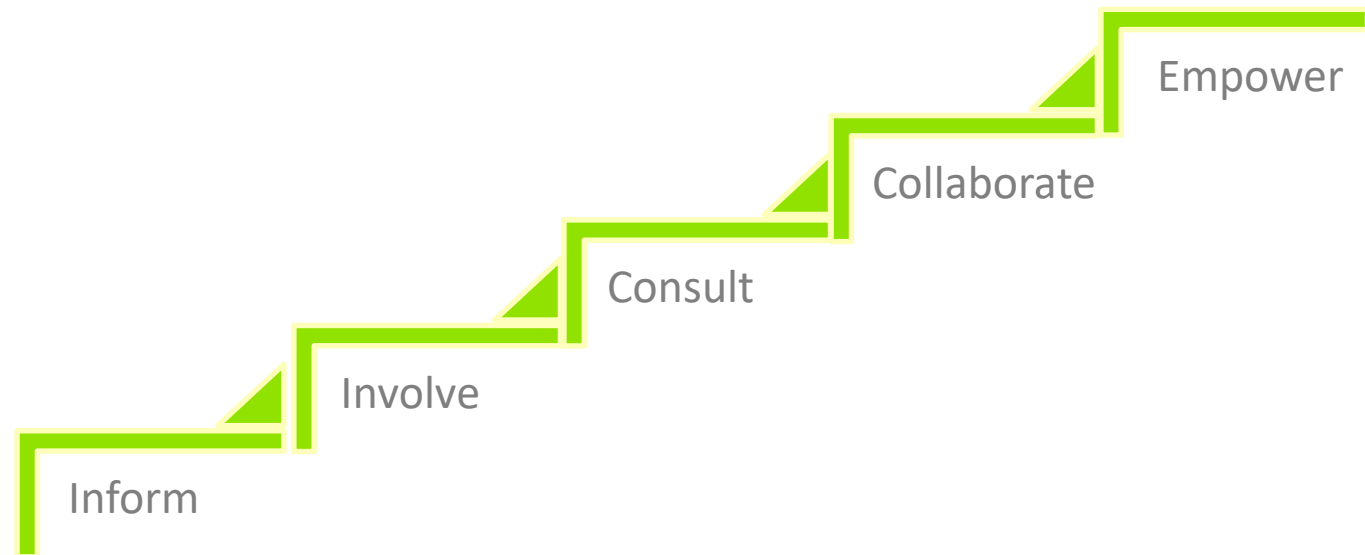
Ultimately, happy stakeholders contribute goodwill and enable the company to focus the bulk of its resources on delivering on mandate instead of running around putting-off fires. Happy stakeholders are happy to associate with a brand whose reputation is without blemish.

Five levels of **Stakeholder Engagement**

Stakeholder engagement helps identify issues and find solutions, delivering outcomes beyond what can be achieved in isolation. Without focused stakeholder engagement there can be no enduring common agreement, ownership or support for the business.

Companies engage on five levels, determined by stakeholder and issue priority: Inform, Involve, Consult, Collaborate, Empower.

These levels of engagement are fleshed out in the matrix on the next slide.



Five level Matrix | Stakeholder Engagement

The level of engagement is determine by Stakeholder priority

Inform	Consult	Involve	Collaborate	Empower
Provide balanced, objective, accurate and consistent information to help stakeholders understand the opportunities, issues, alternatives and solutions	Obtain feedback from stakeholders on opinions, concerns, alternatives and outcomes.	Work directly with stakeholders throughout the process and ensure their needs and concerns are consistently understood and considered.	Partner with stakeholders, to develop alternatives, make decisions and identify preferred solutions.	Stakeholders are enabled / equipped to actively contribute to the achievement of outcomes

Engagement Tools and Channels that can be selected to suit the level of engagement

<ul style="list-style-type: none"> • Company website • Digital Media • Media Releases • Signage • Fliers in post boxes • SMS alerts • Newsletters 	<ul style="list-style-type: none"> • Public Information Meetings • Surveys • Focus Groups • Email engagement • Company website • Digital Media 	<ul style="list-style-type: none"> • Information Sessions • Workshops • Walkabouts • Telephone and email engagement 	<ul style="list-style-type: none"> • Forums • Meetings • Reference Groups • Facilitated Consensus • Reciprocal Website Links • Conferences 	<ul style="list-style-type: none"> • Dialogue • Joint Planning • Shared Projects • Reciprocal Website Links
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Some Interesting Examples for discussion

1. **Woolworths** and Green Peace
2. **MTN** and its troubles in Nigeria
3. **Ford** South Africa and its “burning” Kuga model
4. **The USA** and the advent of Donald Trump
5. Volkswagen’s emission scandal in the US
6. **Other interesting local examples?** What happened; what was the impact on corporate reputation; and how was it dealt with?

Questions & Answers

Conclusion