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Reputation Management in Turbulent Times

| Are you ready?

September 28, 2018

Are you ready for crisis?

questionnaire

Media landscape

- Reach, immediacy of social media
- Recognition that reputation goes beyond “PR spin”
- #fakenews
- #MeToo movement and social activism
- Citizen journalist
    - Everyone is a publisher
    - 24/7 news cycles

Why is reputation management important?

Often it is not the issue or crisis that will determine the outcome, but how you handle it.

Why organizations should be thinking about reputation management

- The way organizations manage a crisis can define commercial success and reputation–internally and externally–across multiple stakeholders.
- The manner in which one handles a crisis today has changed dramatically over the years.
- The growth and influence of the digital world is redefining the rules of issues and crisis management.
- Great issues and crisis management is no accident, it is anchored in great preparation, testing, and regular evaluation.

Issue and crisis management

What’s the difference?

What is an *issue*?

- Brands can recover from an issue, response can strengthen brand
- Issues don’t present any immediate risk to the organization’s reputation, and/or bottom line, for the long-term
- Issues can be sudden or smoldering
- Typically do not involve death
- Issues can escalate into a crisis when not responded to properly

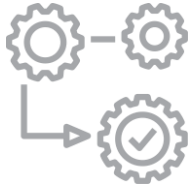
What is a *crisis*?

- Negative, long-term impact on reputation and/or bottom line
- Requires immediate response, usually in an evolving situation
- Halts business operations
- Effects multiple business lines
- Life and death
- Can be sudden and unexpected, or smoldering

Most crises start as issues or incidents that were not effectively contained or addressed because they were not:

Anticipated

Recognized



Managed

Resources were not devoted to them

Issues management includes:

- Issue identification, prioritization, and monitoring
- Strategic development and implementation
- Message development
- Alliance building
- Measurement and evaluation

Issues and challenges:

- Consumer and community activism
- Declining trust
- Who to believe
- Diverse audiences and stakeholders

Effective crisis management:

- At its most basic, a crisis plan should:
  - Tell what happened
  - Explain what is being done
  - Express how you feel
- Be the first with information and make sure it is accurate
- Set expectations for responsiveness
- Balance between perfection and timely
- Plan for the worst and scale as needed

Case Studies

Getting it right

CANADA September 15, 2018 7:00 am

Cybercriminals locked two Ontario towns out of their servers this summer. They weren't the only targets

By Jessica Vomiero
National Online Journalist Global News

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WATCH: With the landscape always changing for cyber crime, Consumer Matters reporter Anne Drewa has the latest information on how to protect yourself.

Ontario police warn of recent cyberattacks targeting local governments

Attacks launched through direct hacking into vulnerable systems or through phishing emails, OPP said

The Canadian Press · Posted: Sep 14, 2018 4:39 PM ET | Last Updated: September 14

The OPP didn't disclose how many municipalities had been temporarily crippled by the ransomware attacks, but at least two recently had their systems compromised and the mayor of one of them said he's heard of multiple cases. (Kacper Pempel/Reuters)

Air Canada –

Protecting User Data

Overview

- In 2018, a data breach on Air Canada's mobile app affected 20,000 people

- The hackers were able to access basic profile data, including names, email addresses and phone numbers as well as sensitive information like passport numbers

Action

- The company took action to block data breach attempts by implementing new protocols including temporarily locking mobile app accounts. This security measure was meant to protect customers' data.

- Air Canada also released a data breach notification on its website which included an FAQ and instructions users should follow to protect their data.

Key learnings

- Transparency and openness can be beneficial. It's important to keep your customers informed.

- Acting in a timely fashion will help ensure controlled messaging relating to the issue is delivered to those who need it.

Starbucks–

Sensitivity Training

Overview

- Protests at Starbucks after two African Americans were arrested for trespassing for sitting down without a purchase
- Off brand publicity - Starbucks prides itself on being a vibrant and inviting space

Action

- Starbucks closed more than 8,000 stores in the U.S. and Canada for part of a day to conduct racial-bias education sensitivity training to ensure everyone inside a Starbucks store feels safe and welcome
- Face-to-face apology by CEO - *We're ashamed and recognize that racial bias is a problem we must address*.

Key Learnings

- Swift action and demonstrated transparency proves beneficial
- Tackle the issue head-on and commit to do better
- Communications is key

Arrest of two black men at Starbucks for 'trespassing' sparks protests

Protesters gathered at a Philadelphia Starbucks where the men were arrested after they reportedly refused to buy coffee or leave the store

The New York Times

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Starbucks to Close 8,000 U.S. Stores for Racial-Bias Training After Arrests

Hydro One–

When an Employee has to go (or not)

Overview

- An individual at a soccer game jumps in front of news camera and utters an obscenity. The video goes viral and the individual and his place of work are quickly identified.
- The CEO of Hydro One calls the behavior unacceptable and fires the employee.
- This generates significant public discussion about whether the dismissal was justified, given that the incident took place outside of the office and work hours.

Action

- The employee was rehired; details of the rehiring have not been disclosed publicly

Key learnings

- Balance reputational risk with legal advice
- Ensure employees are familiar with internal code of conduct/ethics and understand that brand-damaging behaviour will not be tolerated
- Hydro One has since implemented proactive employee communications on core company values and policies

Hydro One employee fired after FHRITP heckling of CityNews reporter Shauna Hunt

MLSE says it will ban hecklers from TFC games and beef up security

The Canadian Press · Posted: May 12, 2015 12:39 PM ET | Last Updated: May 13, 2015

Does Hydro One have the right to fire TFC fan Shawn Simoes?

By LAUREN PELLEY Staff Reporter
DAVID BATEMAN Staff Reporter
Wed., May 13, 2015

Hydro One employee fired over sexual harassment of a reporter has been rehired

After the man defended a vulgar online meme shouted at a reporter, he was let go from the provincial utility. An arbitrated decision has prompted his reinstatement

Nike–
Dealing with Sexual Harassment

Overview

- Due to widespread allegations of sexual harassment and assault, Nike has been receiving significant negative media coverage. Sources have continuously cited the company as having a problematic “boys club” culture.

- Recently, the company has been sued by shareholders due to the volume of sexual harassment allegations that have impacted stock value.

Action

- In a short timeframe, the athletic brand overhauled its senior level employees, with 11 “leaving” the company as of May 2018.

- Spokespeople and executives were seen as unsupportive of female victims, harming the company’s reputation in online spaces.

Key learnings

- It’s important to educate employees about respectful workplace practices and policies.

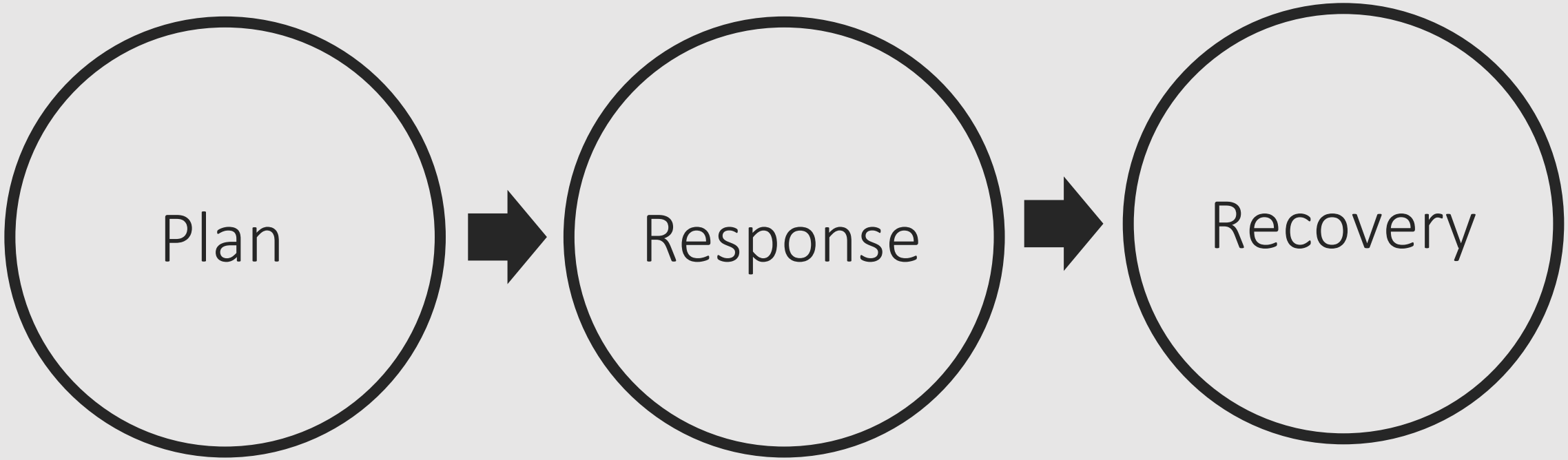
- Simply firing perpetrators will not solve a problem. Changing corporate culture is also required to effectively address these issues.

- For reputational risk due to sexual harassment, proactive measures, policies, and planning need to be implemented.

Business

Nike Scandal Threatens Its Image With Women at Tumultuous Time

Highlights



THANK YOU | MERCI BEAUCOUP