

Corporate Reputation: Your Most Valuable But Vulnerable Asset

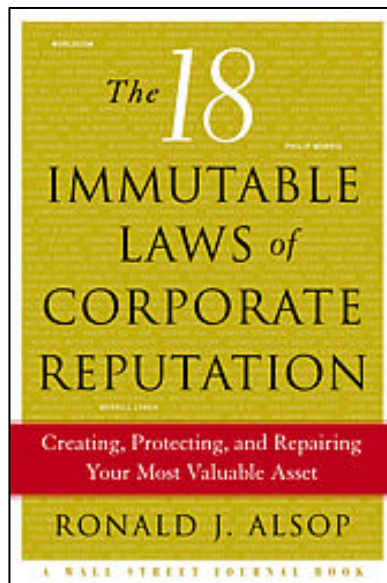
Ronald Alsop

News Editor and Senior Writer

The Wall Street Journal

“The 18 Immutable Laws of Corporate Reputation”

A Response to Rising Corporate Interest



Reputation: a complex, intangible attribute

- Multiple dimensions and attributes
- Multiple stakeholders

The Value of Reputation

- Years to create, seconds to lose
- A life preserver in turbulent times
- Reputation damage is costly, even deadly
 - Arthur Andersen's demise
 - Merrill Lynch's \$20 billion of lost market capitalization

Reputation Recovery

- Experts say recovery time averages three years
- But recovery time can be quite variable
 - Exxon Mobil and the Alaskan oil spill
 - Philip Morris's name change
 - Martha Stewart's fast rebound

Measuring Reputation

You can't manage what you can't
measure

Custom research is essential

Media rankings provide useful guidance

The Reputation Quotient

Six Dimensions

- Financial performance
- Product and service quality
- Workplace environment
- Vision and leadership
- Social responsibility
- Emotional appeal

The CEO Factor

- Martha Stewart



- Jack Welch



- Carly Fiorina



- Bill Gates



Know Your Audiences

Playing to Many Different Stakeholders

Customers

Employees

Suppliers

Investors

Regulators

Political leaders

Local communities

Society

International Variables

U.K.: Social Responsibility

Germany: Technological Prowess

Japan: Heritage

The Best Reputations

1. Microsoft
2. Johnson & Johnson
3. 3M
4. Google
5. Coca-Cola
6. General Mills
7. UPS
8. Sony
9. Toyota
10. Procter & Gamble

The Pedestal Effect

- J&J's Halo and Big Pharma Stigma
- FedEx Reputation Awards and CEO Bonus
- BP's Fall From Grace

The Worst Reputations

1. Halliburton
2. Exxon Mobil
3. Comcast
4. General Motors
5. Altria Group
6. Ford
7. Sprint
8. Chevron
9. BP
10. Allstate

Persistent Cynicism

69% of the public rated corporate America's reputation as "not good" or "terrible" in 2006, five years after Enron's collapse

Reputation Challenges

- New Scandals
- Super-Size Executive Compensation
- Customer Service
- CSR Communications Gap

Service Leaders

1. UPS
2. FedEx
3. Amazon.com
4. Sony
5. J.C. Penney
6. Walt Disney
7. Lowe's
8. Home Depot
9. Toyota
10. Whole Foods

CSR Leaders

1. Whole Foods
2. Microsoft
3. General Mills
4. UPS
5. Johnson & Johnson

A Matter of Trust and Sincerity

Oprah Gets It



Credibility Challenges

