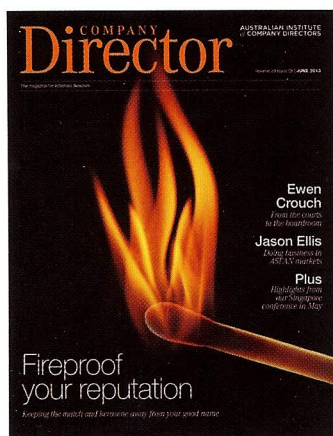


Letters to the editor



THE ARTICLE *FIREPROOF YOUR GOOD name* (*Company Director*, June 2013) was timely, as the following days so clearly illustrated.

Tony Featherstone skilfully drew together the various ways of protecting a company's good name and highlighted the "incidents and accidents, hints and allegations" that daily affect reputations.

Since the article appeared there have been further high-profile data points, most, if not all, of which should have been captured as external loss data by risk managers and boards alike.

In the wake of Swimming Australia's muddled waters over Stilnox use ahead of the London Olympics, its CEO was dropped from the team amid allegations of inappropriate behaviour. Then a long-term sponsor, Energy Australia, decided to pull out of its sponsorship, mid-race.

Meanwhile, out on the highway, Volkswagen Australia spent weeks seemingly unfussed by growing reports that several of its models were stalling. This was despite the findings of a Victorian coroner looking into the death of a woman whose car had apparently stopped without warning and was hit from behind.

At first there were the full-page press advertisements trumpeting the safety and reliability of Volkswagen's vehicles. Then, in the wake of the public outcry, a recall notification, albeit several weeks overdue.

And, as the National Broadband

Network rollout trundled along, Telstra's reputation took a hit as it was pitted against the revelation that contractors accessing the Telco's infrastructure had exposed neighbourhoods to dangerous asbestos fibres.

Then the "reputation" of a radio commentator (aka a "shock jock") was further tarnished by poor judgement, resulting in words that should not have been spoken. The licensee's hand was forced and he was sacked, and no doubt the advertisers will be considering their spend via that medium. For the licensee, there is still the probability of the regulator taking some action.

No one "reputation" incident can be used as a textbook case study. Each event is unique and can involve multiple parties.

Those quoted in Featherstone's article each bring their individual views of the management of reputation. These are valuable insights.

Reputational impacts should feature large in risk assessments across a company's operations. Whether it is a new product, sponsorship opportunity, or just the day-to-day operations, the "what ifs" must be considered.

Warren Buffet was correct; it only takes five minutes to ruin a reputation.

Despite the seriousness of reputation incidents, most finish up being the subject of cartoons. While Buffet is well quoted on a range of issues, it is Paul Simon who sums it up in "Call me AI", when he says: "I

don't want to end up a cartoon in a cartoon graveyard."

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IT WAS VERY ENCOURAGING TO see Tony Featherstone's excellent article on reputation management, *Fireproof your good name*, (*Company Director*, June 2013). Reputation management rightly is receiving more attention these days and its broader context is also worth considering.

Reputation is often described in different ways, such as brand, brand equity, corporate brand, goodwill, image or identity. Regardless of what you call it, reputation comprises three fundamental tenets – expectations, experiences and emotional attachment. Your reputation is therefore the combination of your stakeholders' expectations of you and your organisation, their experiences when interacting and the emotional attachment that already exists. You have a positive reputation when the experience is equal to the expectation.

A positive reputation is far more important to your business than just mitigating a crisis,

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