

Reputation Risk Management

Most people are familiar with the saying, 'a good reputation takes a lifetime to build, but only a second to destroy'. This is particularly true in today's modern, interconnected operating environment.



Reputation risk is nebulous and thus difficult to manage. However, given that your company's reputation is probably considered to be one of its most valuable assets, it is imperative that senior management understand the risks that could cause reputation damage and can demonstrate that the company has a clearly defined strategy as how to manage it. Can you confidently answer any of the following?

- Does management understand what customers' expectations are of your company and how these are formed?
- Is management focused on enhancing or protecting the company's reputation and do they understand the key components that the reputation is built on?
- Does the current Enterprise Risk Management Framework (ERMF) adequately identify the causes of potential risks and allow early, efficient mitigation?
- Is the company sufficiently prepared to deal with fast maturing, high impact risks, capable of creating significant loss?
- Are Business Continuity Plans (BCPs) and Disaster Recovery Plans (DRPs) in place and have they been recently tested?
- Do you know how to assess and quantify your reputational risk exposure to have it optimally insured?

A one size fits all approach to reputation risk management does not exist. Rather an approach to identifying and managing these risks, needs to be integrated into a company's wider Enterprise Risk Management Framework (ERMF), Disaster Recovery (DR) and Crisis Management (CM) processes.

Your company's executive management and board hold ultimate accountability for the damage to company's reputation and any resulting financial loss.

How can we assist you develop a compliant approach to Reputation Risk Management (RRM)?

Group Risk Consulting can help you better understand and identify risks to the company's reputation and help develop a cost effective, sustainable approach to managing reputation risk that is in-line with your company's wider corporate strategy and development objectives. We can tailor solutions to meet your specific needs from providing:

- Targeted training in relation to reputation risk management
- The development of a fully ERMF integrated reputation risk management process
- A structured risk assessment exercise that is reputational risk centric and is tailored to your specific business' needs.

Key topics covered as part of risk assessment exercise would include:

- Understanding, identifying and analysing reputation risk and their causes
- Reputation risk management techniques

- Development of efficient controls / mitigation actions
- Identification of key risk and control owners
- Integration of reputation risk factors into the ERM Framework and processes
- Reputation risk exposure evaluation and quantification
- Stakeholder expectation management & communication
- Integration of BCP / DR planning into the reputation risk management process
- Appropriate public / stakeholder reporting.

Some key benefits resulting from carrying out a Reputation Risk Review include:

More:

- Robust, compliant and effective risk management framework
- Confident stakeholders (employees, investors, partners, suppliers, customers, the community), that your organisation is well managed and sustainable
- Confident management team.

Reduced probability of:

- Loss, resulting from a risk impacts
- Unexpected surprises
- Disgruntled stakeholders.

For more information in relation to how to manage or insure the risks of reputation damage, please contact:

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