

HILL+KNOWLTON STRATEGIES PRESENTS

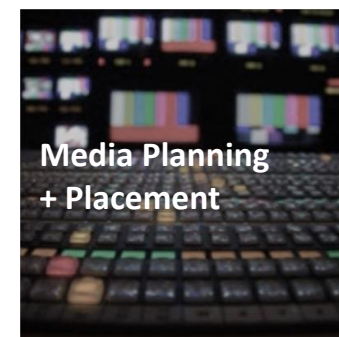
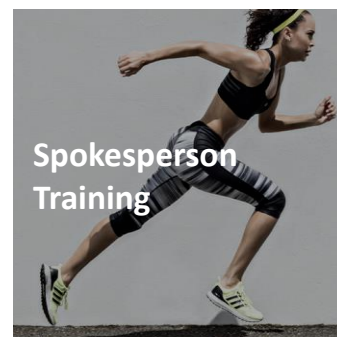
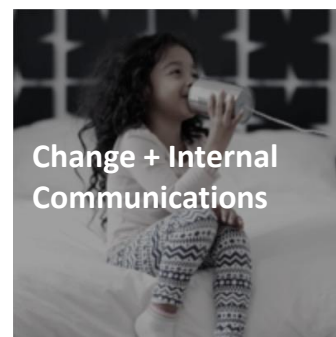
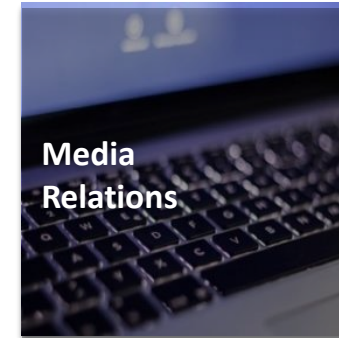
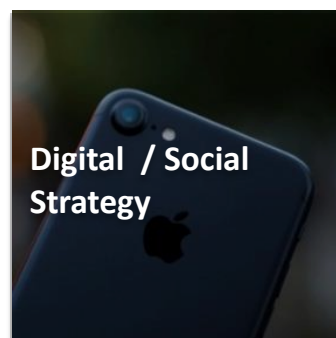
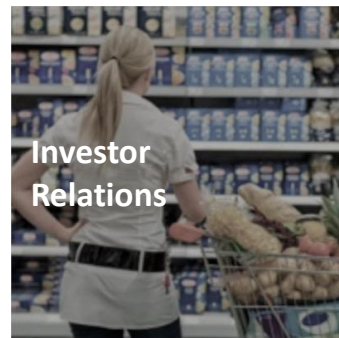
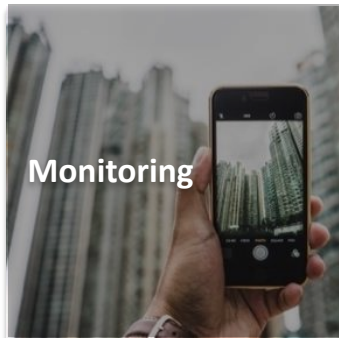
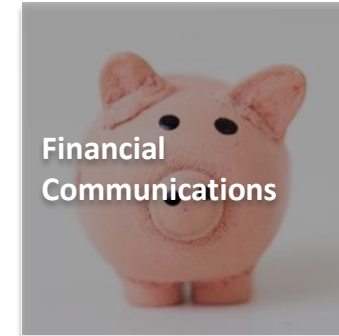
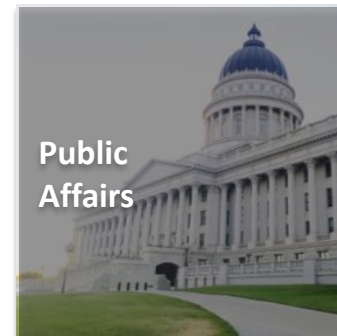
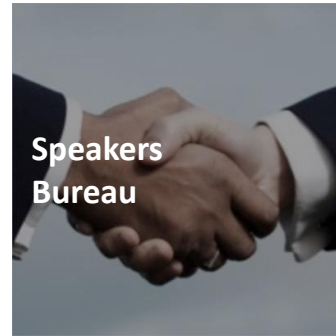
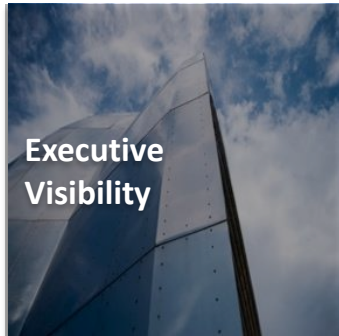
REPUTATION & ISSUES MANAGEMENT

December 1, 2017



Who We Are

Hill+Knowlton Strategies Capabilities



Our Global Presence

- H+K Strategies Office
- Affiliates

U.S.

Austin
Chicago
Costa Mesa
Dallas
Houston
Los Angeles
Miami
New York
San Francisco
Tallahassee
Tampa
Washington D.C.

CANADA

Calgary
Edmonton
Halifax
Moncton
Montreal
Ottawa
Québec City
Regina
St. John's
Toronto
Vancouver
Victoria
Winnipeg

LATAM

Bogotá
Buenos Aires
Caracas
Guatemala City
Lima
Mexico City
Montevideo
Panama City
Quito
Rio de Janeiro
San Jose
San Juan
Santiago
São Paulo

EMEA

Abu Dhabi
Accra
Algiers
Almaty
Amman
Amsterdam
Athens
Barcelona
Belfast
Berlin
Brussels
Bucharest
Cairo
Casablanca
Copenhagen
Doha
Dubai
Dusseldorf
Frankfurt
Helsinki
Istanbul
Jeddah
Johannesburg
Kampala
Kigali
Kuwait City
Kyiv
Lagos
Lisbon
Ljubljana
London
Madrid
Manama

Milan
Moscow
Nairobi
Oslo
Paris (2)
Prague
Ramallah
Reykjavik
Riga
Riyadh
Rome
Sofia
Stavanger
Stockholm
Tallinn
Tel Aviv
The Hague
Tunis
Vienna
Vilnius
Warsaw
Zug

APAC

Auckland
Bangkok
Beijing
Bengaluru
Brisbane
Chennai
Guangzhou
Gurgaon
Hanoi
Ho Chi Minh City
Hobart
Hong Kong
Jakarta
Karachi
Kolkata
Kuala Lumpur
Lahore
Manila
Melbourne
Mumbai
Perth
Phnom Penh
Seoul
Shanghai
Singapore
Sydney
Taipei
Tokyo

Why We're Here

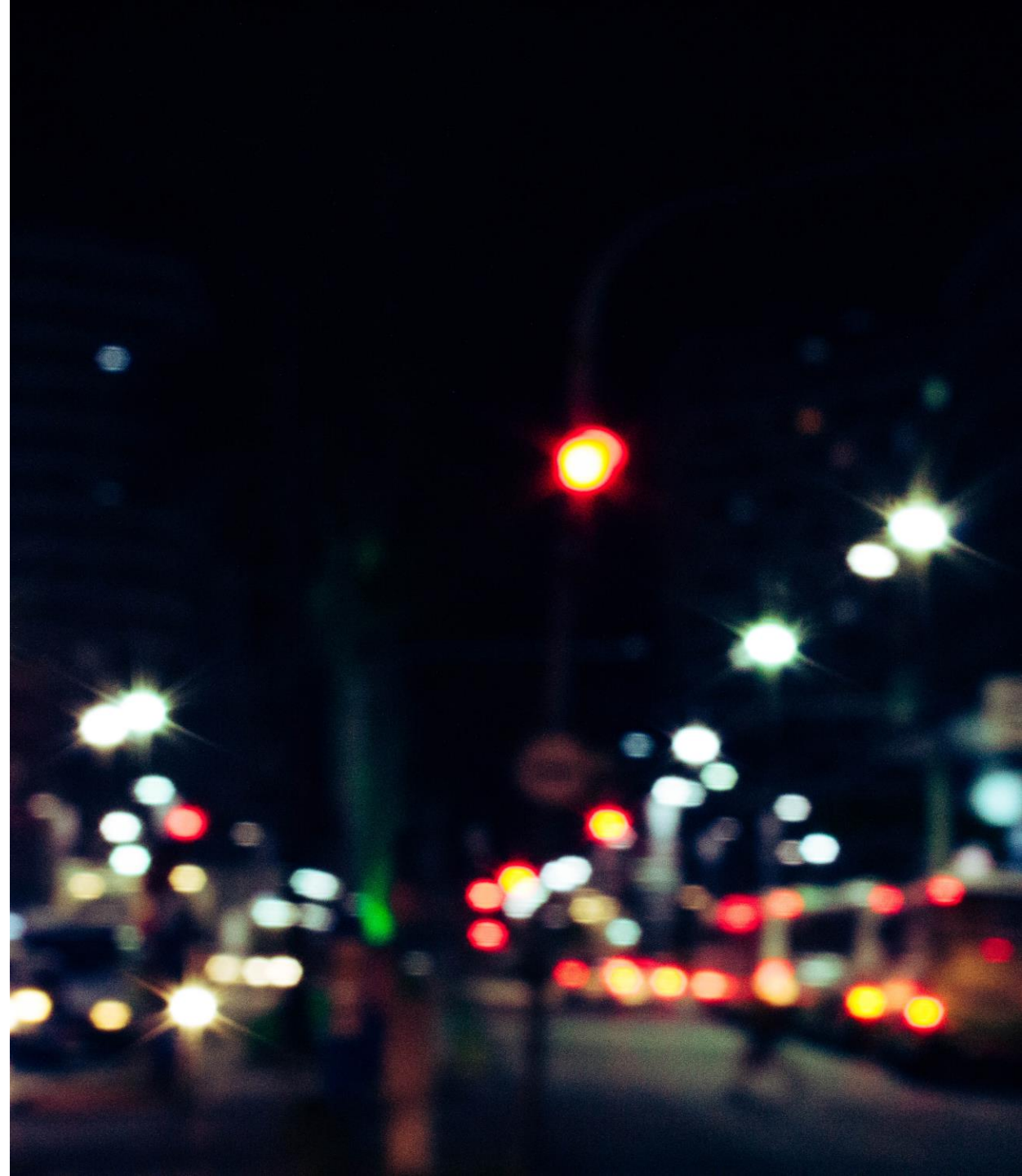
We'll focus on the role proactive Reputation Management strategy and communications can play in strengthening a brand and protecting an organization against risk.

We'll also speak to Issues Management and how to navigate a range of challenges from a communications point of view, including those that arise from the digital or social media space.



What We'll Cover

- Reputation Management vs. Issues Management
- Understanding the External Landscape
- Building and Protecting Your Reputation
- Navigating Issues and Crises
- Three Things to Remember
- Q & A





Reputation
Management **VS.**
Issues
Management



“There cannot be a crisis next week. My schedule is already full.”

Henry Kissinger



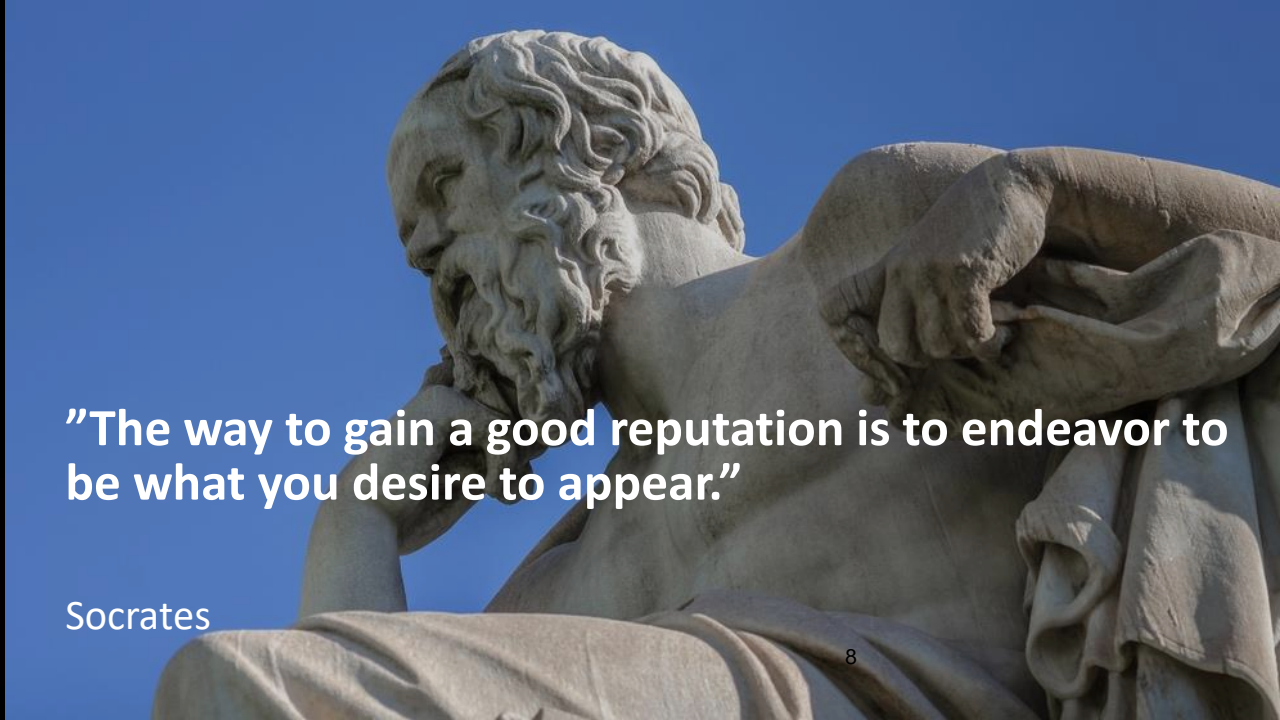
“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.”

Warren Buffett



“When preparing for a crisis, it is instructive to recall that Noah started building the ark before it began to rain.”

Norman Augustine, Chair & CEO (Ret.), Lockheed Martin



“The way to gain a good reputation is to endeavor to be what you desire to appear.”

Socrates



Build the Bank of Goodwill

Ongoing Reputation Management

Prepare for the Worst

Issue Monitoring and Crisis and Scenario Planning

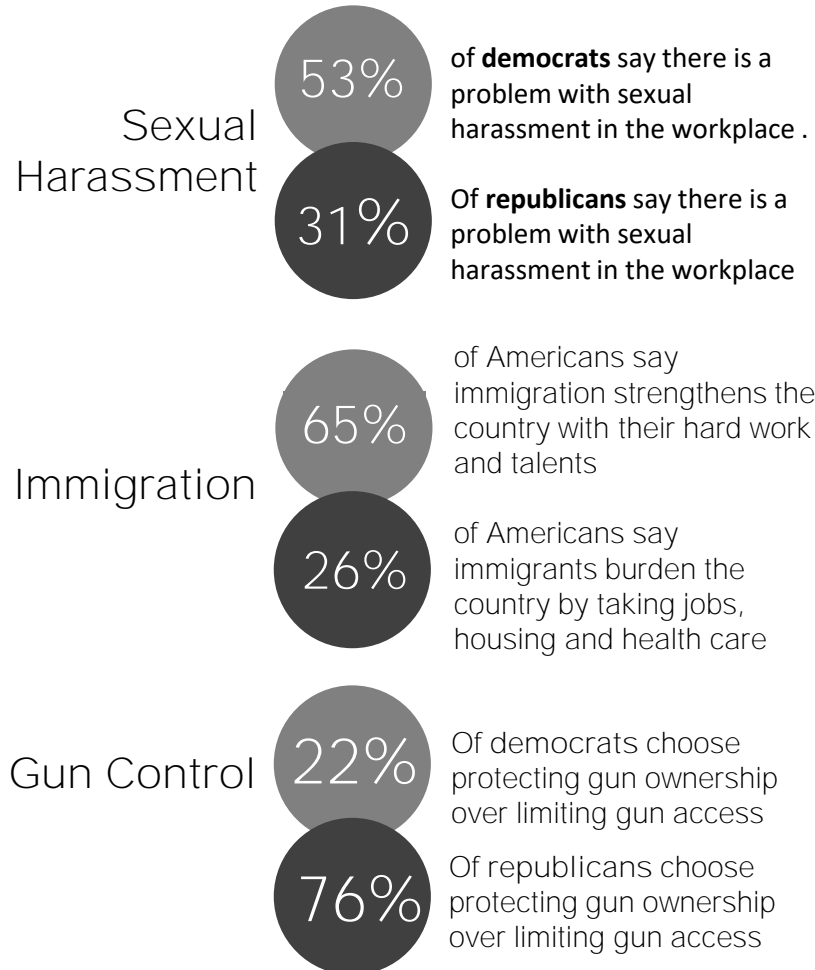
Manage Issues and Crises

- Proactive Engagement on Priority Issues
- Reactive Response to Issues and Crises as Needed



Understanding the External Landscape

We're More Polarized Than Ever





Technology Has Shifted From
an “Accessory” to a Lifestyle





What does this mean
for companies?



Building and Protecting Your Reputation

Corporate Reputation Landscape

Robust Reputation Management programs and commitments are now the status quo among top companies.

Nearly **100%** of companies have a **corporate citizenship budget** today, compared to 81 percent in 2010.



More than **70%** of companies cite **reputation enhancement** as a primary business goal.

Consumers have greater awareness and expectations about company actions than ever before.

67% of consumers pay closer attention to **how companies are affecting their community** than they used to.



91% of global consumers expect companies to not only make a profit, but to also operate responsibly to address social and environmental issues

Engagement around corporate reputation makes business sense, influencing employee engagement and overall profitability.

From 2008 to 2015, **companies with a stronger reputation have performed significantly better** (almost two times the return) than the overall market.

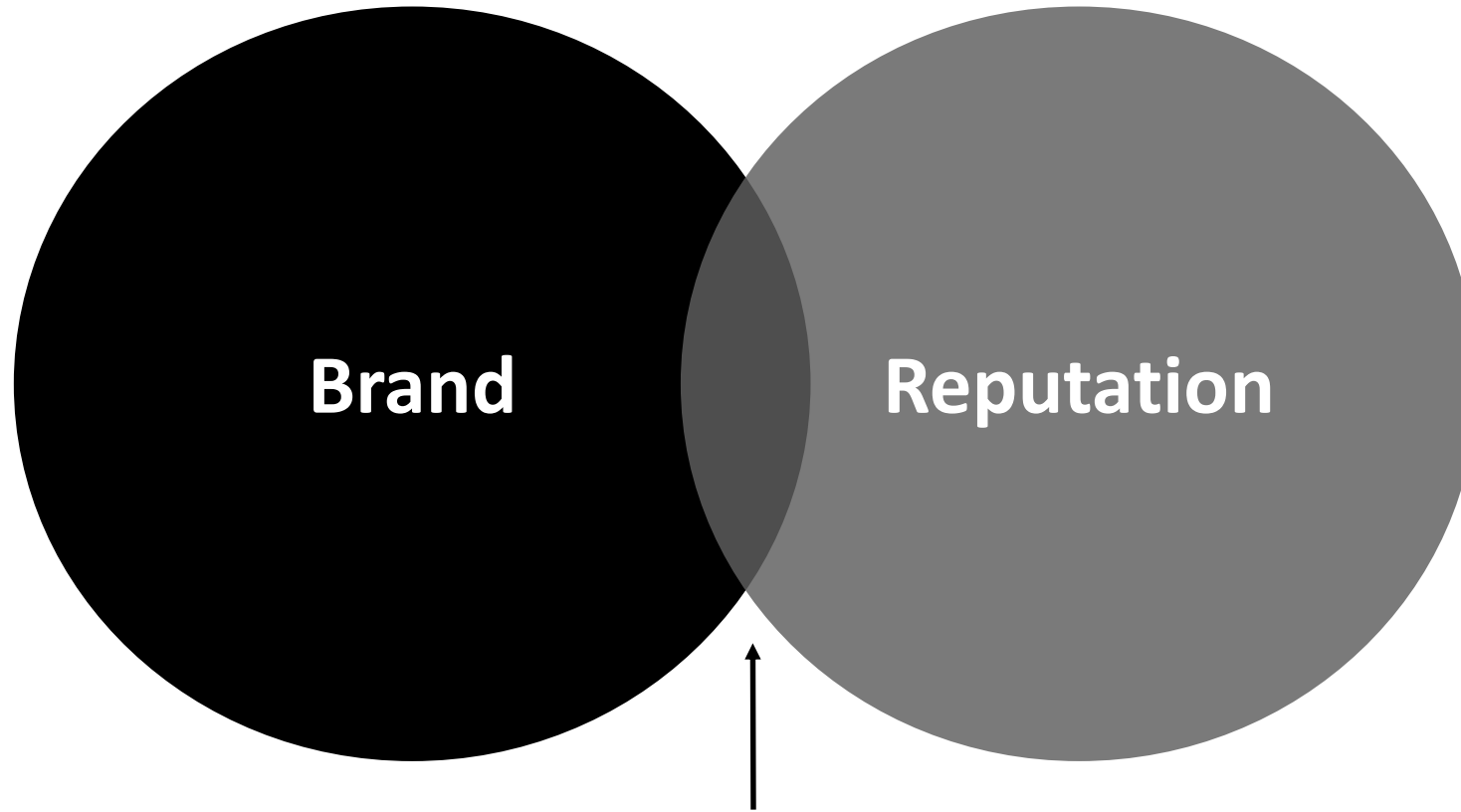


Through proactive engagement with stakeholders (including employees), **companies can positively influence perceptions, trust and engagement.**

Brand vs. Reputation

Customer-Centric

- What you say and do
- A “promise” with respect to products or services



Brand

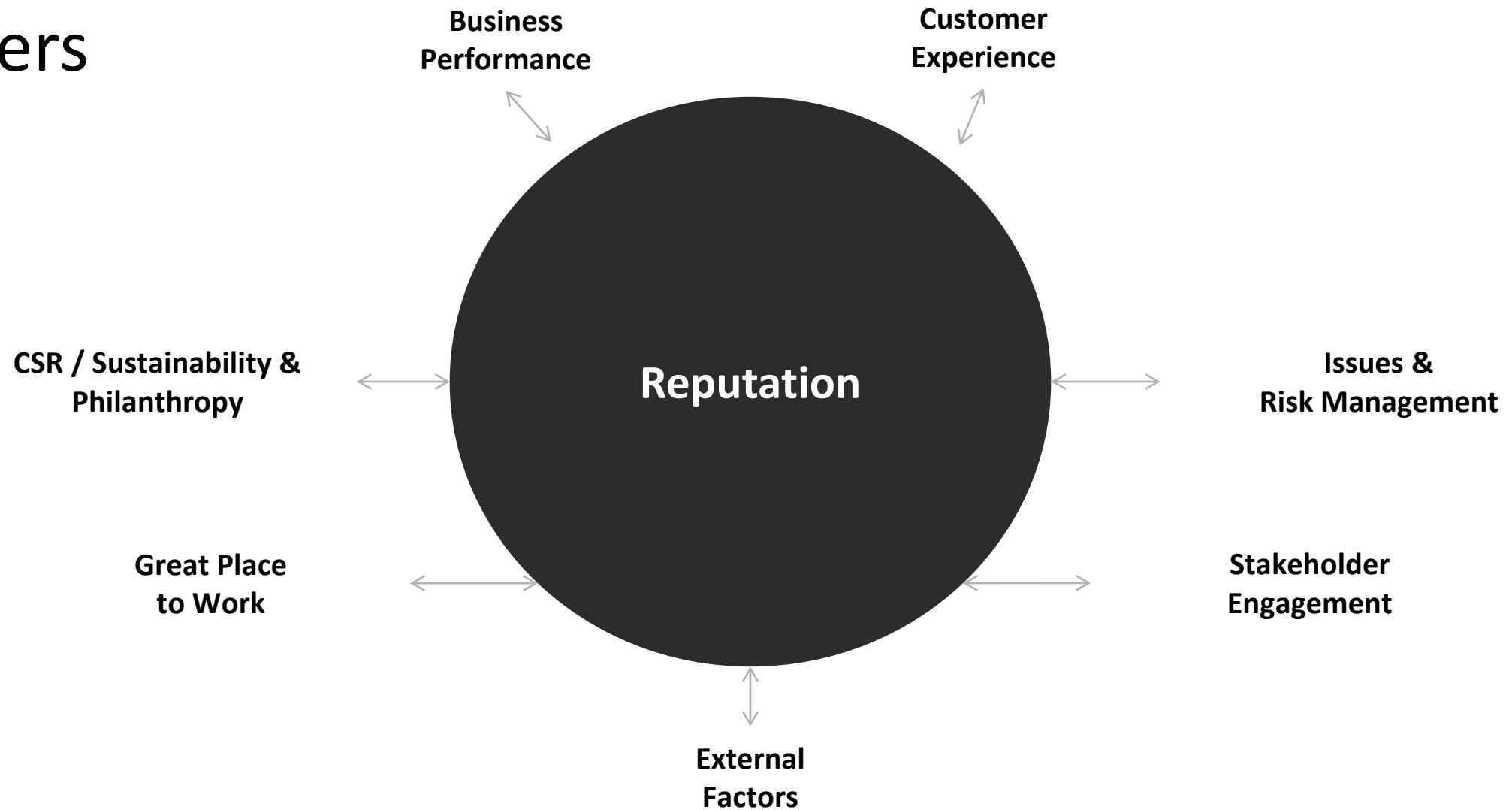
Reputation

Maximize Your
Potential

Company-Centric

- What others believe about you
- Focuses on credibility and respect; good vs. bad

Reputation Drivers

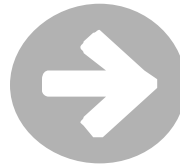


Building Reputation is About Action

Reputation can't just be about *communicating* messages. Companies have to *take action*, make necessary changes and *deliver* on their reputation commitments.



Be it.



Tell it.

A company must first BE it, before it can TELL its story.

Reputation Management in Action: Walmart

Business
Performance



Issues &
Risk Management



Customer
Experience



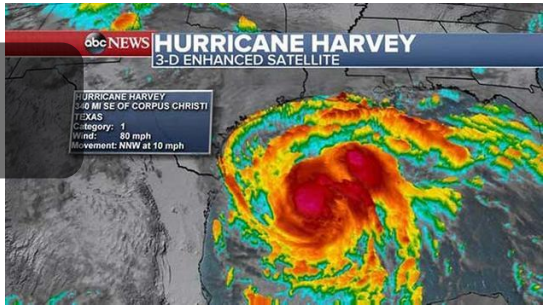
Stakeholder
Engagement



Great Place
to Work



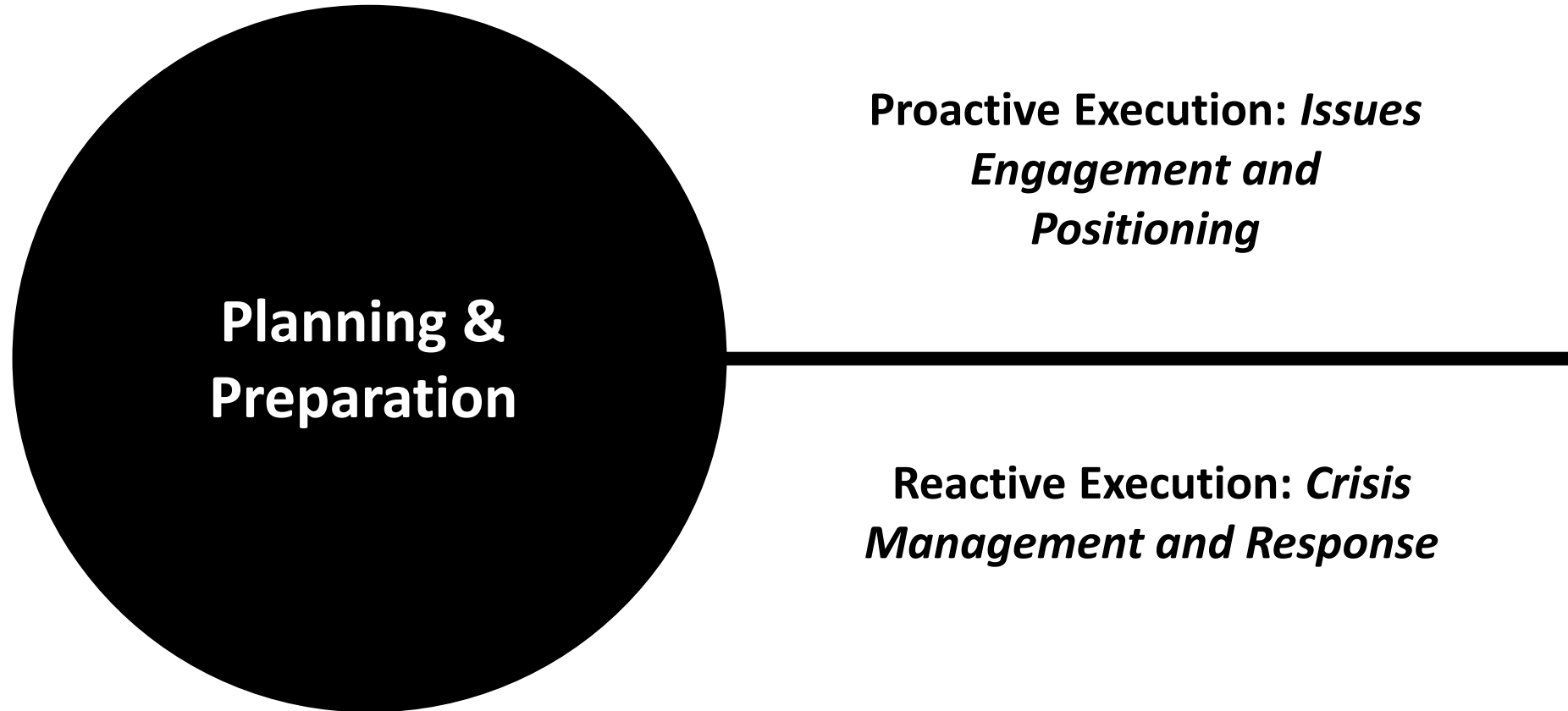
CSR / Sustainability &
Philanthropy





Navigating Issues & Crises

Issues Management in Action



Planning & Preparation

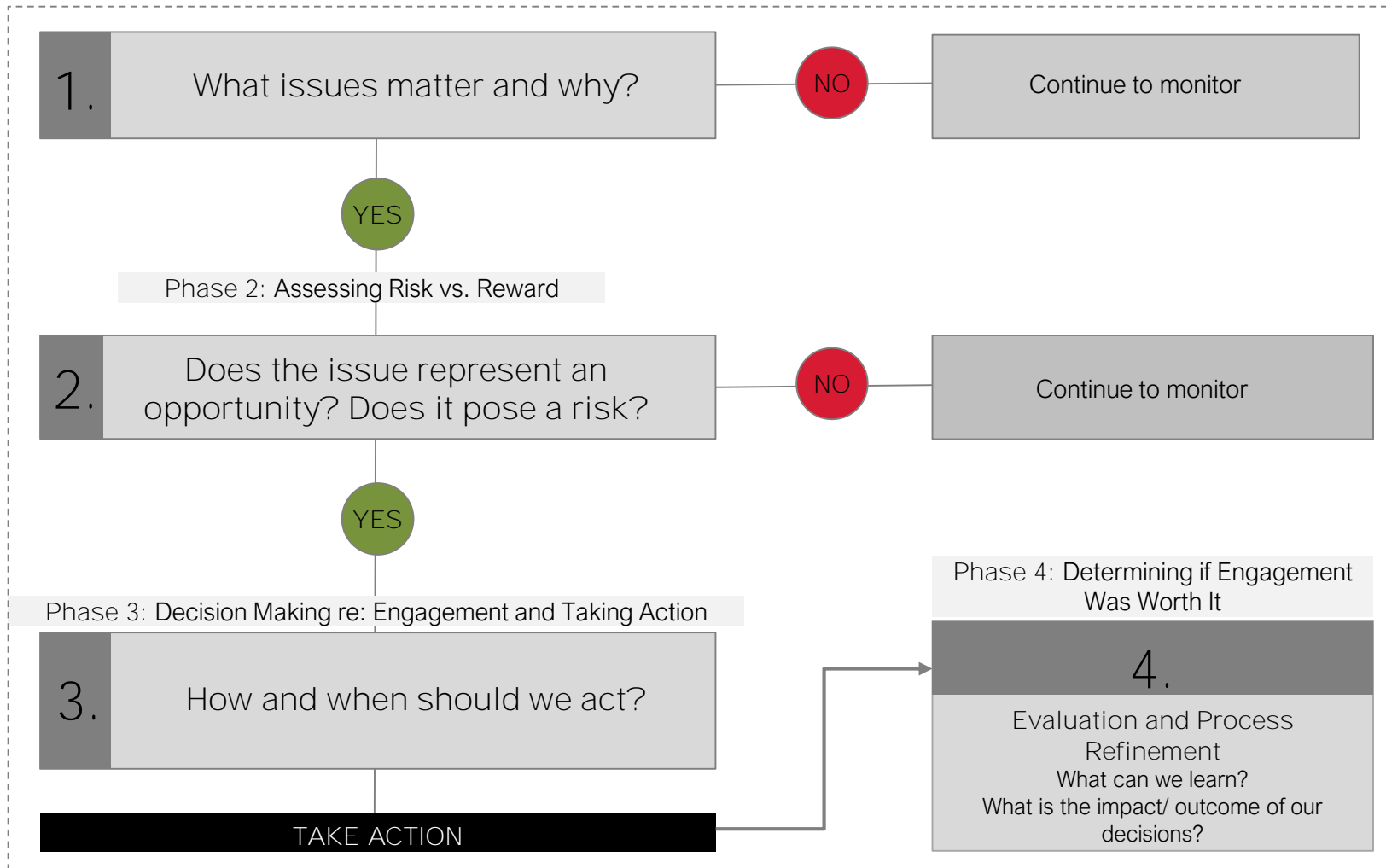
Building a Center of Excellence and Risk-Aware Culture

- Determine what issues matter
- Identify risks and opportunities
- Decide if the company should engage
- Establish escalation criteria and adhere to a consistent internal process
- Institute ongoing scenario planning
- Continuously evaluate stakeholder audiences
- Develop and test messages to quicken response time
- Monitor and evaluate pros/cons of engagement



Proactive Issues Positioning

Creating a Framework



Proactive Issues Positioning

“In an age where everything can be politicized, it may be impossible for brands to not take a position on core values.” *NYT, Nov. 2017*

1

Engagement on issues features authentic ties to business operations

2

Some executives serve as individual messengers on issues that do not directly tie to business operations

3

Companies' mission and values are often linked to issue positions

4

Issue positioning strategy often links directly to stakeholder priorities, particularly employees

Proactive Issues Positioning



Prominent CEO who takes stances on issues relevant to customers, as well as employees (education, LGBT, racial issues, etc)



Took a crisis issue and turned it into a leadership position for the company



Links its mission and values to the issues it chooses to engage on



Deep understanding of core customer and takes action on issues that matter to them

Reactive Crisis Communications

What is a “crisis”?

What’s the right way to react?

A crisis is any event which threatens the reputation of a company or brand, has the potential for lasting negative publicity and takes an inordinate amount of resources and time to manage.



Characteristics of Crisis: View from the Inside

“Siege”
Mentality

Insufficient
Information

Escalating Flow of
Events

Loss of
Control

Crisis

Intense Scrutiny
from Outside

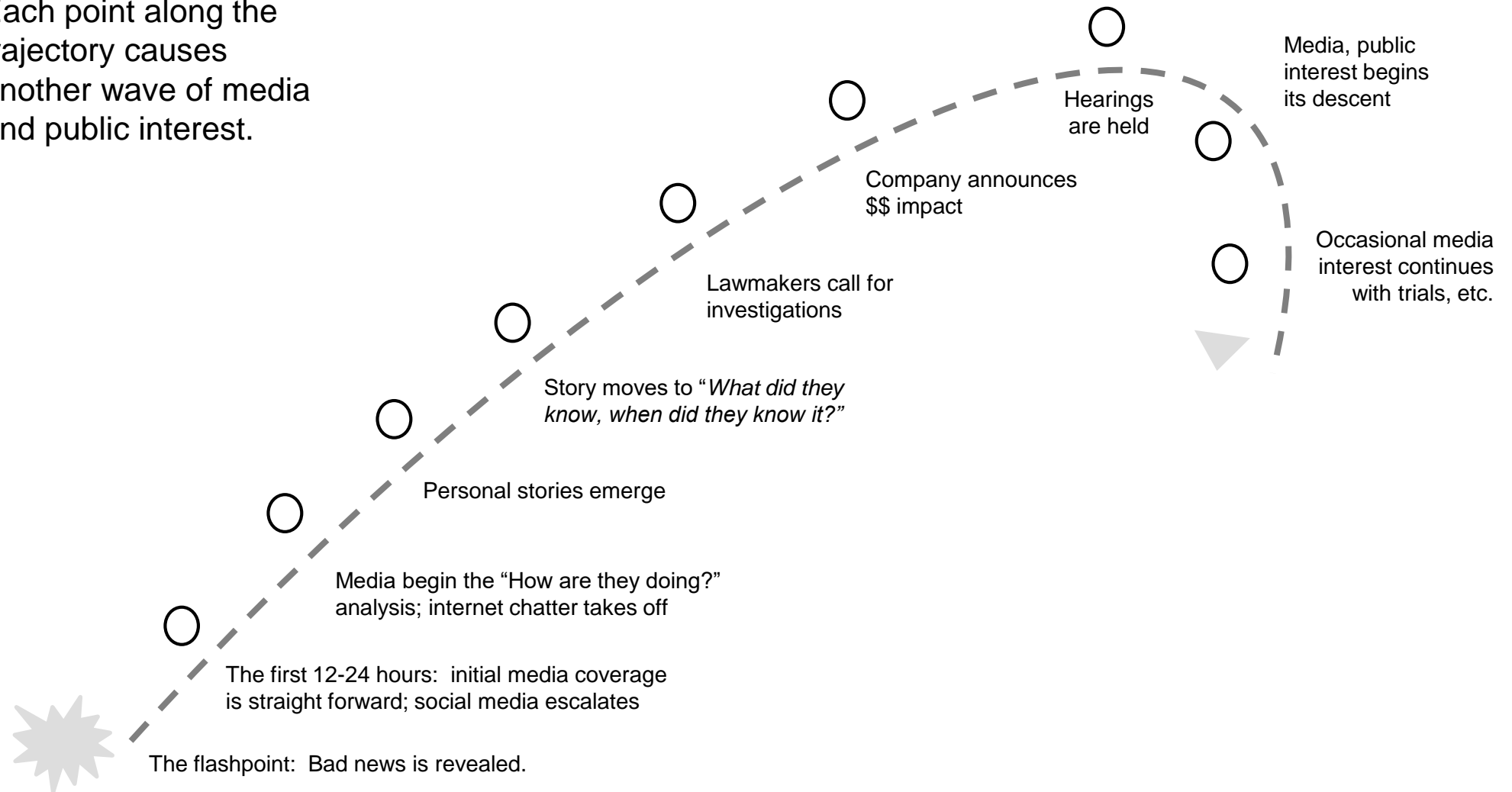
Surprise

Panic

Short-Term
Focus

Characteristics of Crisis: View from the Outside

Each point along the trajectory causes another wave of media and public interest.



First Step: Scenario Planning: Crisis Simulation Flight School

internal social
media channels
if relevant

posts on
blogs and
websites

traditional
media
content

twitter

phone calls from reporters,
internal leaders and other
relevant 3rd parties

facebook

SMS text alerts with breaking
news

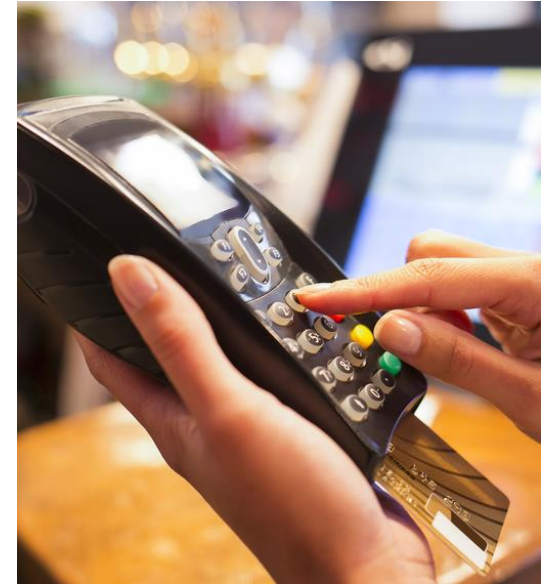


Ten Rules of the Road

1. Have a plan and use it
2. Take responsibility for the solution... it's not the same as liability. Show empathy.
3. Move fast: the speed of social media has reset the clock
4. Know difference between a bad day and a real crisis
5. Don't forget the internal audiences
6. Use research to understand the depth and complexity of the problem
7. Enlist third parties to enhance credibility
8. Treat media as conduits, not enemies
9. Listen to the people that matter to you
10. Don't leave the communication to others



Reactive Crisis Communications Case Studies



Three Things to Remember

1

ACTIONS SPEAK LOUDER THAN WORDS

“The way to gain a good reputation is to endeavor to be what you desire to appear.”

2

IT ONLY TAKES A SPARK

“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.”

3

IF YOU FAIL TO PLAN, THEN PLAN TO FAIL

“When preparing for a crisis, it is instructive to recall that Noah started building the ark before it began to rain.”



Q&A

HILL+KNOWLTON STRATEGIES PRESENTS

REPUTATION & ISSUES MANAGEMENT

Thank you