

Rebuilding for Better Days Ahead



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Sound Practices to Enhance Reputation and Give Your Business New Life

As we all know now, the gathering storm in the financial industry arrived with a vengeance in 2008, toppling legendary companies in its path that many of us would never have imagined could go down. Their inability to properly assess the risks they were taking and, most importantly, make necessary changes to fix their problems are some of the fundamental reasons for their failures. The ripple effect? Loss of businesses, loss of jobs, loss of trust and confidence. And ultimately, loss of reputation that might never be recovered.

It's easy to point fingers at some of these major players and wonder why they did not do more to avert their own collapse – especially since the ripple effect was so painful to so many. But there are lessons for all of us in their mistakes about the importance of risk management and its impact on reputation and trust.

There are some organizations who are hoping for a return to business as usual without adequately assessing their own vulnerabilities and potential for disaster. But let's face it – the world is a different place. Much like when the dot.com bubble burst, there is a significant lack of trust among stakeholders about business in general, and companies' margin for error all around is pretty slim.

Fortunately, most companies are reflecting on opportunities to improve their business model

and working harder at shoring up critical relationships with stakeholders to ensure their doors are open tomorrow. The continued erosion of public trust in the business community is of particular concern, but it has forced us to recognize the value of being well regarded, especially at a time when business is under such scrutiny.

The good news is the reputation battle is not necessarily a losing proposition at a time like this.

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It is in fact a pretty easy game to win. Fundamentally, reputation is won or lost based on what you do, not what you say. Strong company leaders know exceptional organizational behavior is always the goal. Telling that story becomes easier if the right actions are there first. And if communication with stakeholders is open, honest and ongoing – in good times and bad – then even when mistakes are made, relationships and reputation will not suffer as severely.

Underpinning a strong company reputation are fundamental public relations principles we share with our clients and that any company can adopt. As early as the 1930s, Arthur Page, the father of corporate public relations, laid down seven simple but powerful principles to definewhat proper organizational behavior should look like. The Page Principles are:

- **Tell the truth.**
- **Prove it with action.**
- **Listen to the customer.**
- **Manage for tomorrow.**
- **A company's true character is expressed by its people.**
- **Conduct public relations as if the whole company depends on it.**
- **Remain calm, patient and good-humored, especially in times of crisis.**



Seventy years later, these principles still ring true. They inspire me to consider how companies can apply their timeless truths to today's turmoil. Here are a few things leaders at any level ought to understand and put into practice as they work to build stronger businesses for better days ahead.

- **Communicate more –**

Times like these require more communication than normal to let employees and vendors know what management is doing about the situation. What's the game plan, what goals can everyone work together to accomplish? These things can draw people to your side and help you work more effectively.

- **Do what you say you'll do –**

Consumer trust in business has waned considerably in the wake of the 2008 financial industry meltdown. As a result, companies must ensure they deliver on their promises – whether those be product, brand or reputation-based. Make sure you can live up to a claim or expect a more severe backlash than you might have experienced in the past.

- **Understand the demand for transparency–**

Customers, regulatory agencies and media are demanding more transparency from companies to demonstrate sound business practices. Instead of waiting for stronger mandatory reporting standards, look for ways to be proactive. Identify non-proprietary areas of operation where you can showcase the company's thorough and prudent business approach. As a result, you will likely be held up as a best practice among your competitors and viewed as an industry leader.

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- **Engage stakeholders** – Companies have a unique opportunity now to engage various audiences in discussions about the company’s future. What can a company do to engage stakeholders?

A good example might be establishing a community advisory panel to provide feedback, or forming a committee of key vendors who can provide input to the company about opportunities to create greater efficiencies. Most stakeholders are supportive and willing to help when their input is sincerely desired.

- **Be admired**– Nowadays companies are expected to adopt more socially responsible practices and to become more involved in communities. While this seems counter to our instincts to focus inward, it’s actually a way to

separate your company from your competitors and win more customers in the process. Research shows customers are increasingly making buying decisions based on how they feel about a company and whether they believe it operates in an admirable fashion. Looking for natural opportunities to make a positive difference in a cause or community can win you new market share and greater long-term support.

Above all, be open to learning from the mistakes of others as well as your own. Take a closer look at how you’ve done things in the past and honestly evaluate if those practices will carry you into a different world tomorrow. If not, take the time to make adjustments now. By doing so, you can give your organization new life to face better days ahead. 🗣️



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