

REPUTATION RISK  
MANAGEMENT





# Reputation Services: Building Reputation and Value

Reputation equity is a significant source of value for many companies. Whether the priority is to build the corporate brand, or to manage reputation risk, or to communicate effectively in a reputation crisis, an evidence-based approach is essential.

It is through rigorous analysis of the evidence that hunches may be verified, assumptions may be validated and, ultimately, through which decisions are informed and strategy directed. As busy executives select between competing initiatives, the ability to measure return on investment becomes central to confident decision-making.

A successful reputation strategy is underpinned by real data, analysed robustly, and combined with the instincts and experience of corporate managers.

## THE OXFORD METRICA SERVICE

Oxford Metrica is an independent research and analytics boutique which specialises in strategic reputation issues of concern to senior management. Our work always is evidence-based, demonstrably robust and commercially relevant.

Available for our clients are:

- Pioneering research into reputation crises and shareholder value
- Proprietary reputation and value metrics
- Unique databank of reputation events
- Measured impacts on financial performance
- Highly customised service

Oxford Metrica's proprietary reputation and value metrics have served corporate Boards worldwide. Our databank of critical reputation events is a unique resource which offers a variety of benchmarking facilities. The database, continually updated and refreshed, carries thousands of reputation events globally from across a wide range of industries and risk classes.

Oxford Metrica's pioneering research into the impact of reputation crises on shareholder value has developed over the last twenty years into a broader yet focused suite of reputation services. These services are highly customised and directly responsive to a client's commercial priorities. An evidence-based approach allows for a new methodology, using established techniques, to be developed uniquely for each client.

In these pages, we are pleased to highlight four key services. In practice, these services often merge or overlap, depending on the needs of the client. We would be delighted to discuss any aspect of the service with you.

Our four key reputation services are:

- Reputation Health Check
- Reputation Diagnosis
- Reputation Remedy
- Reputation Monitor

Evidence-based, demonstrably robust, and commercially relevant.

## Do you have a winning strategy?



## REPUTATION HEALTH CHECK

We know that corporate reputation is important. We know that it is an intangible strategic asset which generates value and that, when this asset is damaged, shareholder value is destroyed, sometimes dramatically. What we do not always know is the scale or nature of this asset as it pertains to our own companies.

Below are a few of the questions which Oxford Metrica would address as we formed an understanding of the dynamic between your company's reputation equity and its shareholder value performance:

- How valuable is your company's reputation?
- How does it compare with those of your peer group?
- Is there latent value in the company which could be garnered and released to generate better returns?

Equally, it can be insightful to examine the prominent spikes and troughs in a company's performance history.

- What caused these sudden shifts in value?
- What were the triggers for a competitor's sudden improvements or declines in reputation equity?
- Do other companies manage their reputation risks better than you? If so, how?
- Do other companies generate more value from their reputation investments than do you?

Oxford Metrica offers a comprehensive health check on a company's reputation to screen for major anomalies such as hidden value or lurking risks. Benchmarking performance against a selected peer group often forms a key part of the process. The results provide an evidence-based view of current performance and risk factors, and practical recommendations for future strategy.

## REPUTATION DIAGNOSIS

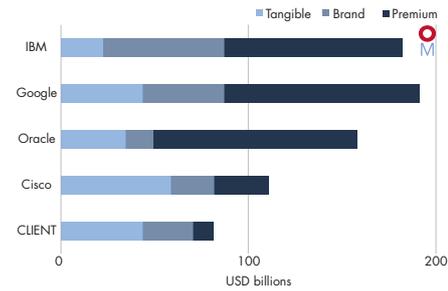
In the context of limited corporate resources, it becomes necessary to choose between competing investments according to which will generate the best returns. So too with companies' investments in communications, or risk management, or investor relations. An evidence-based understanding of which activities are most value-adding, and which perhaps are less so, facilitates more efficient resource allocation and better targeted expenditure.

Oxford Metrica will produce a detailed diagnosis of your company's reputation equity to identify the core drivers of risk and value.

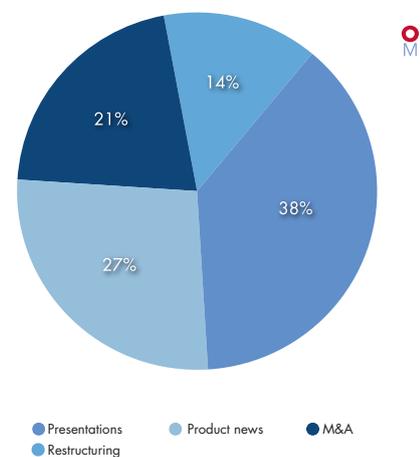
By identifying the key attributes of corporate reputation that are most critical to value generation, or destruction, it becomes possible to target resources more effectively. These attributes can be identified, measured and ranked by their ability to generate or destroy shareholder value.

A reputation diagnosis is equally as useful to help build reputation equity as it is to safeguard the asset against adverse events.

Client has additional reputation value to be released.



Client finds presentations to be the most potent driver in communications budget.



## REPUTATION REMEDY

The risk of damage to reputation equity regularly tops the rankings of concerns expressed by senior management. This is not surprising when one considers the significant value sourced from this asset.

Our own research demonstrates that there is an 80% chance of losing more than 20% of shareholder value - suddenly and on a sustained basis - in a given five-year period. Most Chief Executives, therefore, will have to deal with a critical reputation event on their watch.

Listed below are a few of the more common risks to corporate reputation:

- Operational hazards
- Product recalls and manufacturing quality deficiencies
- Service disruption
- Financial losses and irregularities
- Leadership and governance issues
- Lawsuits and regulatory actions
- Allegations over business practices

Oxford Metrica is very experienced in working with senior management to develop successful remedial action plans and longer-term strategies for full reputation restoration. These assignments may take place as part of proactive reputation management, or indeed as a risk situation unfolds. Our databank of reputation events is especially helpful in providing a realistic context in which to make decisions and devise a winning strategy for recovery.

## REPUTATION MONITOR

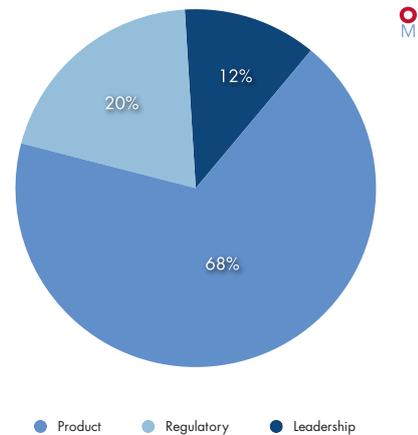
The variety and sheer volume of indices, news, commentary and events sometimes can threaten to overwhelm. Oxford Metrica's Reputation Monitor provides the busy executive with a clear, objective analysis of the company's performance. Included in the monthly report is the measured, specific impact on shareholder value of such developments as:

- Risk events
- Strategic initiatives
- New product launches and developments
- Advertising or other promotional campaigns
- Changes in leadership or governance
- Financial developments and results

The Reputation Monitor provides essential feedback to senior management on performance; both of the client company and its selected peer group. The reports have been used by Chief Executives in preparation for analyst conferences, by Heads of Communications seeking to measure the effectiveness of their strategies and by Chief Risk Officers surveying the risk landscape.

We at Oxford Metrica would welcome the opportunity to share with you our evidence-based approach to building reputation and value. Please feel free to contact us. We welcome a dialogue on your corporate reputation issues.

A series of product quality issues focuses management on a reputation remedy plan.



Client's promotional strategy adds shareholder value.



## OXFORD METRICA CLIENTS

ABB  
Accenture  
AIG  
Aon  
Ashurst  
Aviva  
BAA  
BAE Systems  
Baxter  
Blue Rubicon  
BNY Mellon  
BP  
Bristol Myers Squibb  
Chartis  
Cisco Systems  
Credit Suisse  
De Beers  
Deloitte  
Deutsche Bank  
Edelman  
Ernst & Young  
Exxon Mobil  
FM Global  
Freehills  
General Mills  
General Electric  
Giuliani Group  
Gold Fields  
Hill & Knowlton  
Hitachi  
Huhtamaki  
IBM  
Ince & Co  
ING Group  
Intel  
Invesco  
Johnson & Johnson  
KBC Peel Hunt  
Kenyon International  
Kone  
Marsh  
Merck Serono  
Munich Re  
Nestlé  
Novartis  
Novo Nordisk  
Office-Shadow  
Ogilvy PR  
Oracle  
OTC Markets Group  
P&O Ferries  
Porter Novelli  
PricewaterhouseCoopers  
Reed Elsevier  
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#### **ABOUT OXFORD METRICA**

Oxford Metrica is a strategic advisory firm, offering informed counsel to boards.

Our advisory services are anchored on evidence-based research in risk and financial performance.

Our work includes statistical analysis and index construction for banks and insurers, risk and performance analytics for asset managers, due diligence support in mergers and highly customised services for corporate boards.