

Higher Education: Issues Management

BEYOND SPIN—BRIDGING THE GAP BETWEEN STAKEHOLDER EXPECTATIONS AND DECISION-MAKING



BLUE MOON
CONSULTING
GROUP

Proactive
Reputational Risk
& Crisis Management

REDEFINING ISSUES MANAGEMENT

Operating at the intersection of an institution and its stakeholders; a disciplined and rigorous approach to issues management should be at the heart of any program designed to understand, build, and protect an institution's reputation.

Unfortunately, within most organizations, issues management is poorly defined and poorly understood. Instead of being viewed as a strategic tool, it conveys a deviousness or sleight of hand, "spin" used to confuse rather than to educate, a reactive process to put the best face on the issue of the day. And in many cases, that is all it is. It ends up

being about trying to construct a credible explanation to minimize criticism and increase support for an institution's position, policy, or course of action—however poorly considered.

If issues management is to provide valuable strategic insight to your leadership team, it cannot simply be about rationalizing preordained positions. To be effective, it must explicitly incorporate reputation as a key variable into decision-making.

ISSUES MANAGEMENT REDEFINED IS:

- Proactively identifying issues that can have a significant and, possibly, corrosive impact on your school's reputation;
- Actively listening and engaging with stakeholders to incorporate their perspective into decision-making; and
- Aggressively managing issues even when they are not in the spotlight with goals and milestones that conform to SMART criteria: Specific, Measurable, Agreed Upon, Realistic and Time Specific

ISSUES VS. CRISES

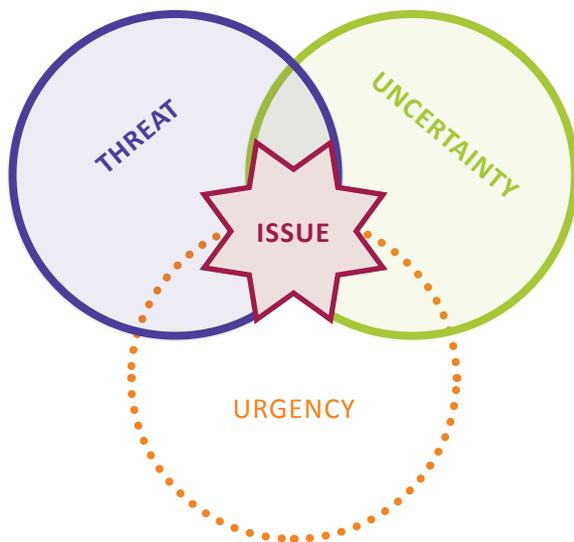
You know when you're in crisis—your institution faces a serious threat, events are unfolding rapidly, accurate information is scarce, and the pressure to respond is high. The urgency of the situation demands prompt action and/or communication, but the path forward is unclear.

Likewise, issues possess the elements of threat and uncertainty. However, what is notably absent is the urgency, which can be both a blessing and a curse.

It can be a blessing as it allows your school to make more measured decisions—to evaluate the risks and uncertainties in a more deliberate and analytical way. You have time to develop a more coherent and consistent communications strategy and to explain to stakeholders the steps your institution is taking and why.

But all too frequently, because of the lack of urgency, an issue gets back-burnered. Unlike a crisis, there is no defined, cross-functional team assigned to mitigate the risk, and there are no goals or milestones to meet.

Ultimately, nothing gets done. The issue continues to fester until it's too late, and media or other stakeholders begin to demand concrete action and clear information. Now a crisis, the previously manageable issue leaves the administration looking reactive and lacking sufficient control. Leadership credibility is compromised, and the issue is compounded. And like a crisis, the perceived (in) effectiveness of the response can have more influence on reputation than the issue itself.



WHEN URGENCY IS ABSENT:

- The issue tends to be ignored or forgotten as other more immediate—albeit less impactful—tasks bubble up;
- Decisions are made reactively or without full consideration of the reputational impact;
- Key staff have inconsistent and/or inaccurate information; and
- Updates degenerate to inefficient hallway chatter or rumor.

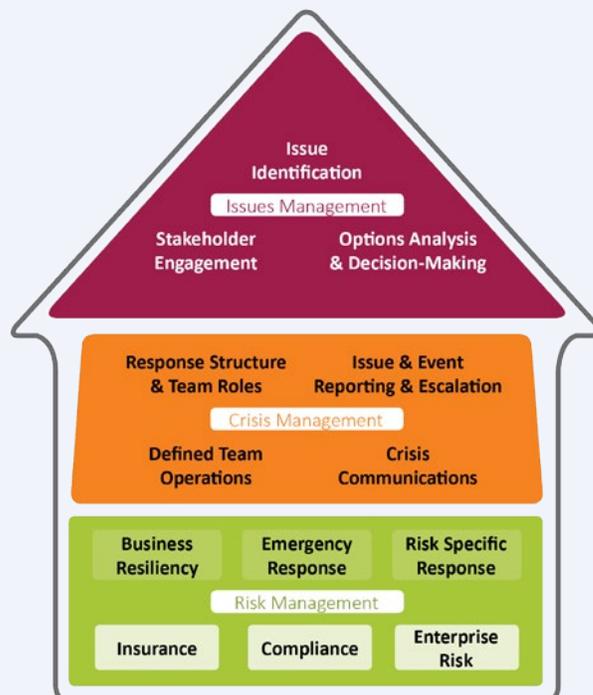
WHAT IS REPUTATIONAL RISK?

An organization’s reputation is the collective beliefs that your multiple stakeholders have about your services, values, and management capability. Reputational risk occurs when there is a significant gap or disconnect between stakeholder expectations and your organization’s decision-making resulting in potential long-term and sometimes unrecoverable damage. Reputational risk is highest during a crisis event, but slow-evolving, unaddressed issues can be as corrosive over time as any crisis.

Unfortunately, reputation is typically viewed as a by-product of all the other things an institution does. We believe, however, reputation and reputational risk should be a critical **input** into strategy and decision-making, not simply an **output**.

PROACTIVE REPUTATIONAL RISK MANAGEMENT

Built on a solid risk management program, Reputational Risk Management is a framework and process that identifies strategic opportunities as well as risks, effectively manages crises or significant issues when they do arise, and creates the reservoir of goodwill among the multiple stakeholders your organization requires to thrive.



HOW TO STOP FIGHTING FIRES

Every major issue or crisis you face not only poses a significant reputational risk but also consumes time and resources that would be better spent on activities critical to building your institution’s reputation. The essential challenge—and, ultimately, the promise—of issues management is to nip these smaller and more manageable issues in the bud before they blossom into a full-blown crisis. It’s imperative to break the vicious cycle—to install smoke detectors so you can stop fighting fires!

That said, this is not an easy undertaking. It requires discipline, focus, and collaboration. But in an industry that seems to be under relentless attack, what choice do you have?

Establish the Team, Establish a Process

If your Issues Management program is to be successful, you’ll need a committed, leadership-level, cross-functional Issues Management Council (IMC) and a clearly defined, rigorous, coordinated and effective management process.

Ideally, you will leverage your established Crisis Management Team (CMT) & process. But at minimum, you’ll want Legal, MarCom, Student Affairs, the Provost’s Office, Risk Management and Finance/Business at the table. This team will need to meet on a regularly scheduled basis—at least quarterly—to assess progress, incorporate stakeholder feedback and make strategic adjustments as necessary.

At BMCG, we advise our crisis clients that, “Optimism is Not a Strategy.” When focusing on issues, the corollary is “Wishing Won’t Make It Happen.”

ISSUES MANAGEMENT COUNCIL RESPONSIBILITIES:

- *Leading the issues identification process;*
- *Collaborating on strategies to mitigate top issues; and*
- *Establishing clear metrics and issue-specific accountability*



DON'T BE LULLED BY SLOW-MOVING ISSUES:
CONSIDER THE FABLE OF THE FROG IN BOILING WATER

If you drop a frog in a pot of boiling water, it will of course frantically try to clamber out. But if you place it gently in a pot of tepid water and turn the heat on low, it will float there quite placidly. As the water gradually heats up, the frog will sink into a tranquil stupor, exactly like one of us in a hot bath, and before long, with a smile on its face, it will—without resisting—allow itself to be boiled to death.

Version of the story from Daniel Quinn's *The Story of B*

ISSUES MANAGEMENT PROCESS

STEP 1: ISSUE IDENTIFICATION

Institutes of higher education face a dizzying array of issues that could potentially cause significant reputational risk – sexual assault, hate crimes, fraternity culture, unethical conduct by faculty/staff, unionization of adjunct faculty, and financial stress are just the tip of the iceberg. So, the first step is not so much about identifying as it is about prioritizing these issues.

Issues Management as a Recovery Strategy

Top priorities will be obvious and are typically the result of a major issue or crisis your school has recently experienced. For example, as part of your school's recovery strategy following a cyber attack in which personal information is compromised; data security will become an issue that urgently needs to be managed. Substantive policy changes will need to be made as will investments in security architecture. You will need to continue to communicate to those affected, as well as your larger stakeholder group, what your institution is doing to ensure a more robust approach to data protection.

Unfortunately, this type of issues management, while important, is by definition reactive. It's a "barn door-closing initiative" after all the horses have bolted.

Issues Management as a Mitigation Strategy

The real promise of issues management—the time- resource-and reputation-saving strategy—is mitigation. It's the early warning system that allows you to course correct before an issue becomes a crisis.

Great, right? But how do you move from after-the-fact response to proactive identification, prioritization, and management?

Research

Certainly, research can be a terrific option. Ideally, you will commission new research specifically focused on identifying, understanding, and prioritizing the issues that matter to your key stakeholders—students, alumni, faculty, parents, trustees, regulators, and the local community.

If that is not possible, consider information your school may have already gathered, albeit for different purposes. Do you have staff/faculty employment surveys? Social and media reports and analysis? Surveys of alumni or students? To what degree are you engaged in or does the institution have an enterprise risk management program? Can information be found there?

Oftentimes, much of the research with the marcom team will not be as helpful as it is typically focused on competitor analysis, enrollment or advancement initiatives. If you have more generalized branding research, it may prove helpful depending on the degree to which it answers some of the following questions.

- What do your stakeholders really know about you?
- Are there specific issues about which stakeholders are not satisfied with your current approach?
- What would make stakeholders change their opinion of your institution to be more favorable?
- Do stakeholders trust the institution and its leadership?
- How would stakeholders describe your school? Your values?

Understanding your reputation, vulnerabilities, and potential opportunities is an important input to proactive issues management.



Collaboration

Whether there is any research to provide rigor or methodology beyond the anecdotal, the real work of identification should be done in a collaborative manner through an Issues Management Council. The process itself which is often led by the marcom team can be highly rewarding in its own right—creating closer and deeper ties across the institution.

The group should consider a series of categories such as students/campus life, faculty/staff, research, financial, legal and operational, identifying related issues. The categorization should be tailored to your school. For example:

- Are you private or public?
- Do you have a hospital network? International campuses?
- Did your president or chancellor have a high profile prior to joining your school?

At this point, the team will be brainstorming, and should include all issues without judgement.

Prioritization

Once you have a complete list, we advocate prioritizing these issues based on likelihood, potential impact, and stakeholder sensitivity. This prioritization is going to be driven by the results of the research, as well as the cross-functional team's internal assessment of the relative strategic importance of each issue.

- Does the issue potentially impede the school's ability to execute against its strategic vision?
- Is the issue of concern across all stakeholders or is it only of concern to one particular group?
- Is the threat expected to grow or diminish over time?
- Do any issues present new opportunities?

HIGHER ED RISKS

EMERGENCY

Catastrophic Natural Event (e.g., hurricane earthquake, fire)
Active Shooter
Domestic Terrorism (e.g., animal rights, eco-terrorists)

FACULTY/STAFF

Academic Freedom
Pay Disparities
Workplace Violence
Professional Liability
Recruitment/Retention/Morale

FACILITIES/MAINTENANCE

Facilities and Grounds Safety
Construction Costs
Equipment/Facility Malfunction
Business Disruption/Power Outage

RESEARCH

Research Misconduct (e.g., falsification of data/results, nondisclosure danger)
IP Infringement
Environmental Health and Safety (inadequate lab processes/practices)
Unethical or Unapproved Human or Animal Research

STUDENTS/CAMPUS LIFE

Sexual Assault
Free Speech Issues
Public Event Disturbance
Mental Health
Minors on Campus
Acts of Hate/Bias
General Safety/Security

FINANCIAL

Conflicts of Interest
Fraud and Malfeasance
International Operations/Agreements
Changing Regulatory Requirements
Budget Cuts / Insufficient Funds

INFO TECHNOLOGY

Social Media Abuse
Unauthorized Data Modification
Data Compromise/Breach
Decentralization of Systems
Obsolescence/Extended Downtime

STEP 2: OPTIONS ANALYSIS & DECISION-MAKING

With good data and a far deeper understanding of stakeholder perception, the next step is to translate this insight into an assessment of the risk or opportunity each issue presents and to match that to tangible strategic action. Naturally, the inclination will be to focus on the potential reputational vulnerabilities of these issues. However, it is important to recognize that the broader objective is to not just protect against downside risk but to identify opportunities to build on under-utilized strengths.

Options Analysis: CASE Framework

Have the team run through the top fifteen to twenty issues on your list and do a CASE analysis to determine which of the four strategic options you would need to use for each.



CHANGE

These are the hardest issues to address as they could potentially threaten the reputation of the institution and the credibility of its leadership. Though not currently high-profile, the institution believes the issue represents a significant vulnerability, and a proactive approach needs to be taken. The current position is not tenable, cannot be solved through communication, and needs decisive action with clear accountability and established milestones and reporting.



ACCEPT

On the other end of the spectrum, you can decide to essentially do nothing. It is always possible—having looked at the various options and their strategic, financial, and operational impacts—that the cost of “solving” the issue is actually higher than the potential cost associated with the risk. The reality is that there are some risks that simply cannot be mitigated. However, it is important to have arrived at this decision consciously and only after much deliberation. In accepting this risk, it is imperative that the institution have in place a defined crisis management plan for the issue to handle any fallout promptly and effectively when the inevitable crisis results. Though “eyes wide open” is better than comfortable deniability, it is still an inherently risky approach.



STRENGTHEN/BUILD

Unlike the others, strengthen/build issues at first appear problematic but actually present an opportunity. In fact, the school may already be doing something innovative that only comes to light after further research. However, any build strategy must be based on what the institution has already achieved, rather than what it is going to do in the future. The danger of overpromising and under-delivering is a significant risk that can undermine trust in the institution and its leadership, as well as the believability of other claims. Build strategies, therefore, take time. They can only progress as fast as the institution changes and evolves. The “halo” effect of build strategies though can be broad and have positive reputational benefits in unrelated areas.



EDUCATE

Some issues will be driven by a lack of understanding about the institution, its current approach and existing policies and programs. Stakeholders may simply be unaware or confused, and clear, effective communications is the primary solution to these issues.

STEP 2: OPTIONS ANALYSIS & DECISION-MAKING (CONTINUED)

Decision-Making

Having reviewed the list of issues based on potential impact, likelihood, and stakeholder sensitivity and having then explored and identified the best strategic approach based on your CASE analysis, the team should make no more than five issues institutional priorities for the coming year. Any more than five and it is almost inevitable that little to no progress will be made. Any less and the focus of your proactive approach will be too narrow. For each of the issues, the team needs to decide the following:

- Who is responsible for leading the issue, and who needs to be on the working team to support the approach? What are the milestones? Who is responsible for driving a project plan?
- What are the immediate policies, practices, hiring, funding, etc. that need to be favorably resolved to make progress?
- Who are the key stakeholders who should be engaged in this process?
- What modes of engagement (e.g., outreach, team membership, etc.) will be required to refine the approach and gain acceptance for implementation?
- What are the immediate and medium-term communications needs for this work to be well positioned and, ultimately, favorably received?

STEP 3: STAKEHOLDER ENGAGEMENT

Issues management has two distinct roles—to incorporate stakeholder expectations into decision-making and to increase understanding of the organization’s goals and values among those stakeholders who are important to its long-term success. As such, stakeholders—at least a representative group—should be engaged at each step of the issues management process, from issue identification to decision-making about approach.

This step then is about closing the feedback loop and ensuring you have active and positive two-way communication with

stakeholders. It requires you to be clearly, effectively, and transparently communicating with each stakeholder group about the administration’s thinking and approach to issues that are important and relevant to them. It also is about collecting and incorporating their feedback into the process, course correcting as necessary. By providing stakeholders insight and input into the issues that matter to them, you build a reservoir of goodwill to carry you through more difficult times.

THE ROLE OF THE MARCOM TEAM

Marketing and communications professionals, ironically, are often unable to explain the value and strategic insight issues management can bring to an organization’s core decision-making. This fact, coupled with the belief that marcom lacks the discipline of the law; the analytical precision of finance; or the “finger on the pulse” of student affairs, means that administration leaders tend to undervalue or even discount the team’s advice in responding to issues or crises.

But if your school is going to withstand the withering scrutiny of an industry seemingly under fire from all directions, your team must demand a seat at the decision-making table by providing a more robust approach to issues management. The strategic counsel that your team can provide is too important to allow what you do be simply defined as an art. Though it is always easier to row the boat than rock it, rock it we should—your school's reputation depends on it.



INDUSTRY IN THE CROSSHAIRS:

Some of the dynamics that are roiling campus communities—mishandled sexual assault investigations, acts of “free”/hate speech either ignored or blown out of proportion, the increasing perception of inequity between lucrative administrative positions and poorly paid and underappreciated adjunct faculty and debt-laden students—are not specific to any one campus. Rather, they are “industry” issues that threaten the reputation of higher education itself.

While your school may not currently face any of these specific challenges, it is important to understand that these themes are part of a broader and prevailing narrative about higher education—that colleges and universities are antiquated, isolated, and hopelessly out-of-touch. If one of your issues hits the headlines, will you be given the benefit of the doubt? Absolutely not. Whatever the merits, your school risks becoming another example for what is wrong with higher education.

CASE EXAMPLES



CHANGE

Your school has risen rapidly in the past few years on the list of “top party schools.” Recently, you’ve had some close calls and are extremely worried that a death or serious fraternity sex allegation is just around the corner. Moreover, you realize that the work you’ve done to promote your school as a leading research institution may be in jeopardy. Based on the risk, it becomes clear that something needs to change before it’s too late.

Strategy: The team develops an action and education plan—to put into place new and much stricter oversight of the Greek system and to partner with an organization that educates students on risky behavior.



ACCEPT

Much to your delight, your school has become a research magnet in infectious disease and pandemics. Unfortunately, the groundbreaking work being done on campus involves research on chimpanzees. You’ve recently received information that PETA and other animal rights organizations are gaining traction on campus. In conversations with researchers, you’ve learned that there are no options available that do not involve testing on animals.

Strategy: The team decides that the benefits of this research and the prestige that it brings the school is worth the risk. They develop and implement strict research protocols for animal research along with a plan and communication strategy to address the protests that you anticipate within the next six months.



STRENGTHEN

During the final week of a pre-college STEM program geared toward middle and high school students, a parent contacted the Office of Student Affairs to express concern about an “overly friendly” instructor. Although the issue, the result of a miscommunication, was quickly resolved, it brought to the fore concerns around child abuse prevention. In a preliminary review, your team realizes that there are a number of programs that put your school at risk relative to this issue, including an onsite childcare program; summer and holiday programs run by outside vendors, and tutoring and mentoring programs sponsored by your school. While exploring ways to address this issue, you realize that your Title IX program parallels the structures and resources needed for a child abuse prevention program. Moreover, as a result of a painful but constructive DOJ civil rights review a few years ago; the program is strong, comprehensive, and now well-respected.

Strategy: The team decides to leverage the knowledge and strength of the existing program with extra funds and resources to address the child abuse issue.



EDUCATE

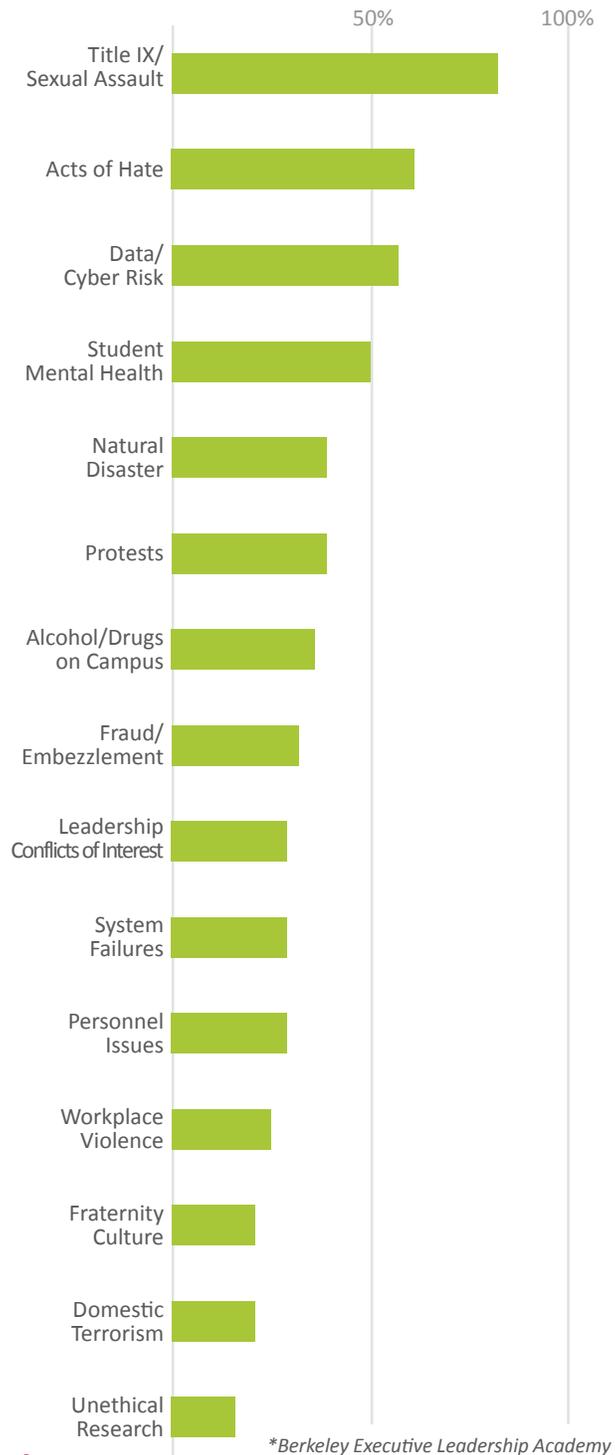
Being an urban school, your students are very influenced by city events and politics. Recent investigative reports by the local newspaper have exposed rampant racism within the local police department, both in hiring and treatment of suspects.

The belief is that this is a systemic issue in city government and not isolated to the police. Students on campus have begun organizing and targeting their attention on the administration’s admission and hiring policies as a way to “act locally.” While historically your school has not had a stellar record in this area, two years ago you hired a director of diversity and provided the office with a substantial budget. As a result, a number of policy changes have been implemented, you have secured two new grants, and you have seen a small but positive uptick in minority applications. Your team realizes that these actions, though well known by the administration, have not been widely reported to your stakeholders.

Strategy: The team decides to once again introduce the director to the community along with a presentation of your five-year diversity plan. They also plan a series of campus events to solicit additional student, faculty, and alumni input.

TOP ISSUES

During a series of sessions with presidents and presidents-to-be*, we asked them to assign a criticality rating to a range of issues. The following shows the top fifteen issues that were rated “highly critical.”



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

-Warren Buffett



Optimism is NOT a Strategy[®]

MEET OUR LEADERSHIP TEAM: HIGHER EDUCATION PRACTICE

Blue Moon Consulting Group (BMCG) works in collaboration with some of the largest and most prestigious institutions of higher education nationwide. We help universities prepare with capabilities assessments, plan development and leadership training and exercising. We also provide real-time issues and crisis management advice and support at times of significant risk.



SIMON BARKER
MANAGING
PARTNER

Prior to founding BMCG, Simon held senior roles at Edelman, Visa, and Marsh & McLennan. Over his career, he has provided advice and counsel to university leadership on a wide range of issues from litigation, cyber risk, and data breaches to fatalities, scandals, and protests. He has led leadership sessions & exercises for organizations in the U.S., Europe, and Asia and developed hundreds of crisis management and communications plans.



LYNN TIERNEY
SENIOR ADVISOR
CRISIS LEADERSHIP

With a career spanning nearly forty years, Lynn is one of the most experienced crisis communications experts in the country. Prior to BMCG, she was Head of Communications for the ten-campus University of California system. Lynn was Deputy Fire Commissioner for the NYC Fire Department during 9/11 and a member of the top management team that Mayor Giuliani assembled to lead the city through the rescue and recovery.

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