

REPUTATIONAL RISK MANAGEMENT MATURITY MODEL

Every headline grabbing crisis that develops traction—whether a leadership scandal, ethical or political issue, cyber attack or business disruption—has one thing in common, a poor response. And more than the underlying event or issue itself, it is the response that has the single biggest impact on the viability and reputation of the organization. A poorly conceived, slow, uncoordinated and insensitive response challenges our assumptions about the ability of the organization, and by default the leadership team, to manage not just the crisis at hand but the organization itself.

Evaluating how prepared your organization is to manage reputational risk, however, can be difficult. Most have some of the key components in place and your leadership team may have already grappled with (and survived!) some challenging issues. However, based on our experience, we would caution against being overly optimistic as we find most organizations overestimate their organization's resilience and their leadership team's capability.

As with every other area of an organization's strategy and mission, without a clear, overarching understanding of goals and objectives it is impossible to empirically evaluate the success of any program. This equally applies to efforts to manage and reduce reputational risk. We've leveraged our team's decades of experience in emergency management, crisis management, crisis communications, and business resiliency to build a maturity model to help you evaluate your program and guide where your organization should focus its

resources. There are four critical components:

PLAN VIABILITY

Most organizations either have little by way of documented plans or they are siloed. Other have plans in place but are completely ignored as they don't provide the guidance and support the institution needs. To be viable, plans have to be tailored, reflect how the institution actually works and incorporate best practice. Critically, they have to be understood, integrated, and aligned across the organization.

TRAINING & AWARENESS

Training and exercising is critical. It increases team cohesion, improves individual and team understanding, validates and improves written plans and helps an organization become crisis ready. A program without training is like a cake recipe without ingredients – good on paper but unlikely to rise to the occasion.

RISK SENSING

Risk sensing is the capability to detect and identify issues or events sufficiently early so that the organization can prevent them from degenerating into a crisis. It is a critical, proactive approach to buy an organization the time to map a different strategy to reduce the impact of slow-moving, corrosive issues on the reputation of the institution.

GOVERNANCE

Wishing it doesn't make it so. Effectively managing reputational risk needs to be a cross-functional, institutional priority with clear goals and supporting metrics, and defined accountability and resources. While the work can be difficult, the results can set your organization apart through early identification and mitigation of risk and fast, coordinated, and proactive decision-making that can withstand the credibility test of intense stakeholder scrutiny.

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