

The Market Value of Reputation A Question of Leadership?

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Three Propositions How to Maintain Reputational Value

- Issues which can affect corporate reputation are a **MOVING TARGET**
- Protecting reputation calls for proper **MANAGEMENT**
- Companies need to **ANTICIPATE FUTURE ATTACKS** on corporate reputation

The Moving Targets

Lessons from recent history

- Until recently behaviour aligned to expectations of local society
- In current globalized connected economy, the expectations count of most sophisticated stakeholders where Company is active or where its products are sold
- Signs are that corporate governance and corporate (social) responsibility converging

The Moving Targets

The need for lateral thinking

- Labour laws
eg. slave labour and chocolate, child exploitation and footballs
- Blindsiding or the danger of conventional thinking
eg. AIG and Eliot Spitzer, PwC in Italy, KPMG and tax shelters
- Bribery and corruption
changed attitudes over last 10 years

Management of Reputation

The change management process for a bribery and corruption programme

- Start with commitment from the top
- Develop policy – an inclusive process
- Prepare implementation (HR systems!)
- Communicate and train
- Monitor and evaluate
- (Independent audit)
- Board review and reporting

Anticipating Future Attacks

- Dialogue with stakeholders = listen
 - Choose NGOs, think-tanks, etc, relevant to your business
 - In hostile environments go further
 - Disclose what you are doing (decide on format to follow eg. GRI)
 - Find the right tone: not PR but credible reporting
- „These are the big issues for us: Let us know if we've got it right!“

The market value of reputation

- Q & A

Tell me if I've got it right?