RISKY BUSINESS

REPUTATIONS ONLINE

15 REALITIES & 15 RULES
FOR MANAGING REPUTATION ONLINE

WEBER SHANDWICK
Advocacy starts here.

A survey conducted in cooperation with
Economist Intelligence Unit The Economist

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RISKY BUSINESS

EACH YEAR BRINGS A NEW SET OF CHALLENGES TO LEADERS. Yet, one challenge that not only endures but also grows in importance is managing and protecting company reputation. Raising this challenge even further on the leadership agenda is the evolving online community. Here, the sound of splintered stakeholders, intensifying media scrutiny, escalating scandals, globalization, and demands for stronger economic governance and corporate responsibility has reached deafening proportions.

The Internet's influence is sweeping through corporate corridors and boardrooms, suddenly illuminating before the public not only the latest in progress and innovation but also a company's secrets. Nearly overnight, many companies transformed from steel-framed monoliths to glass houses. Risks that did not exist a decade ago are now on full display–internal e-mails going astray, negative online campaigns by dissatisfied customers, and online grumblings ("digital picketing") from disenchanted employees, bloggers and any one else who has an opinion to voice.

Online company reputation risks facing leaders are already growing more complex as new digital platforms–social networks, blogs, virtual realities, Twitter and RSS–rapidly gain acceptance. No digital eraser exists to wipe away company missteps. Today we are witnessing both the positive and negative features of this new era of transparent corporate behavior and instant communications: the possibilities for building long-lasting competitive advantage coupled with unprecedented threats to corporate reputation.

Global public relations firm Weber Shandwick recognizes that companies need to better understand how to successfully manage their reputations in an always-on and always-open marketplace. Leaders are increasingly asking questions about how they can build, enhance and defend corporate reputation when it is continually under siege, and redefined, by online and offline communities.

Leaders are also searching for answers as to how they can expertly balance traditional and online media in their external corporate communications programs. Internal communications are also weighing heavily on leaders' minds as leaders try to appease and motivate an apprehensive workforce during challenging economic times. CEOs are now being joined by other executives who are eager to implement best practices in online reputation management that complement their traditional offline reputation-building initiatives. As guardians of corporate reputation, leaders recognize that the Internet offers a wealth of opportunities for finding informed answers but it also presents its fair share of risk. The key is maximizing the opportunities while minimizing the risks.

On behalf of clients and companies worldwide, Weber Shandwick commissioned the Economist Intelligence Unit (EIU) to conduct a worldwide online survey of 703 senior executives from 62 countries. The survey, *Risky Business: Reputations Online*™, was conducted in June and July 2008. Sixty percent of companies in the sample generated more than $500 million in annual revenue.

Risky Business addresses such issues as the vulnerability of company reputations, the resources executives rely upon to assess company reputations, the identification and prioritization of online risks to reputation, the impact of traditional and new media on reputation, the globalization and localization of digital reputation, the viability and penetration of Web 2.0, the threat of employee cyber-sabotage, and most importantly, the best measures for protecting a company's reputation online.

Weber Shandwick will be following up on this initial release of *Risky Business* survey results with additional reports that will focus on select segments such as executive rank, geographic region and age. Other segments will include business-to-business vs. business-to-consumer companies, and privately vs. publicly held enterprises.

Weber Shandwick reveals 15 realities about how companies and their leaders are managing corporate reputation in a digitized world. The 15 realities are followed by 15 rules that show business leaders how to manage company reputation online.

15 REALITIES

LEADERS NEED TO KNOW

1 REPUTATION THREAT LEVEL IS HIGH

A striking 67% of top executives regard their company's reputation as vulnerable. This high estimate reflects executive anxiety over reputation erosion in a fiercely competitive, volatile and unpredictable business environment. Due to heightened economic concerns since the survey was conducted, this threat level is likely to rise. Executives clearly recognize the shifting reputational tides that surround their companies, reaffirming recent research that found that global executives regard reputation damage as the greatest threat to business.

2 REPUTATIONS ARE REVEALED ONLINE... BUT NOT COMPLETELY

Nearly all executives surveyed–98%–"use" the Internet to evaluate company reputation. However, less than 6 in 10 (57%) find the Internet "useful" for making final judgments. Considering the gap between usage and usefulness, it seems that the Internet only helps complete the full picture of a company's reputation.

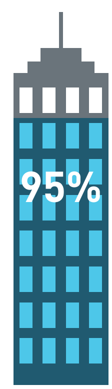
3 NAIVETE CAN LEAD TO SURPRISE

Most global executives think more often about their company's reputation than their own. This selfless response is affected by executives' firm belief that company reputation is significantly more vulnerable to misinformation online than personal reputation (61% vs. 39%, respectively).

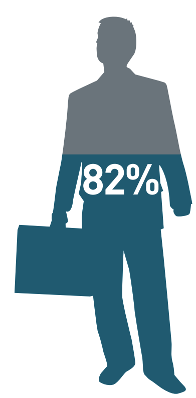
Although they are very focused on company reputation, many executives may be disregarding their own, with fewer than 4 in 10 executives (38%) reportedly doing an online search of their own names during the 30-day period before they participated in the survey.

Executives' humble convictions may eventually be shaken as more personal and professional information about them begins to surface online, and anonymous posters and disgruntled employees threaten career aspirations. For example, Web sites asking for "help in removing an incapable leader" (www.glenntilton.com) and bad boss nominations, such as Stanley Bing's blog at Fortune.com, could cause executives to begin worrying as much about their own reputation as their company's reputation.

PERCENTAGE OF EXECUTIVES WHO THINK ABOUT REPUTATION "VERY OFTEN/SOMETIMES"



COMPANY'S REPUTATION



PERSONAL REPUTATION

4 WHAT…ME WORRY?

CEOs/chairs in particular–a full 100%–frequently think about their company's reputation. Despite this universal preoccupation with company reputation, they perceive a *lower* threat level to their company's reputation than those outside the corner office.

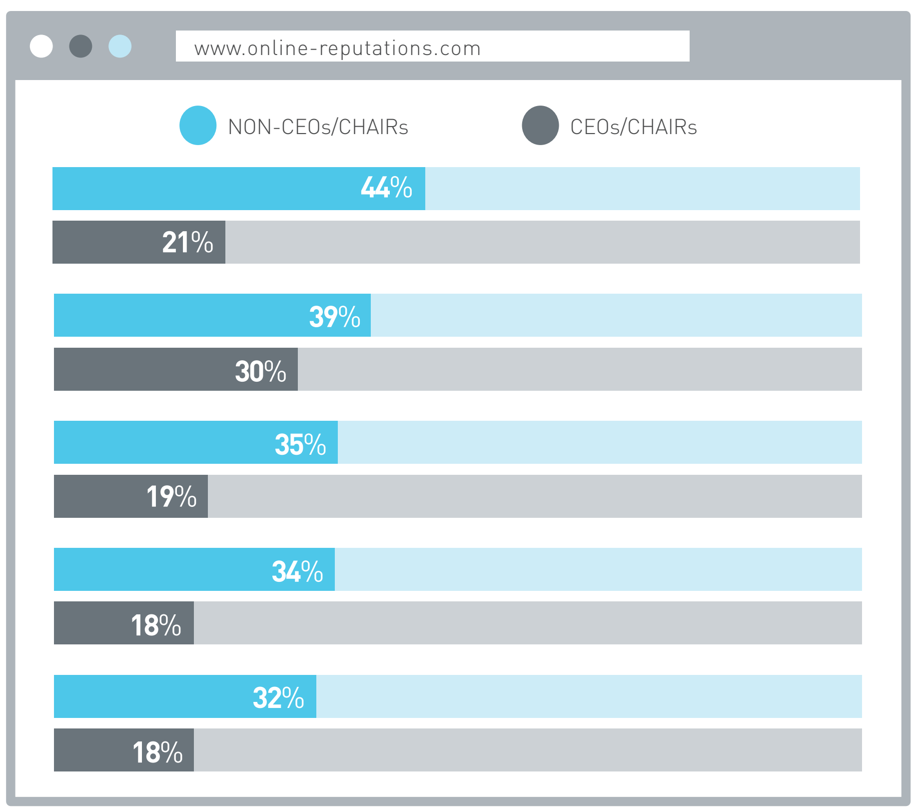
They are also much less anxious about online risks to reputation such as confidential or leaked information appearing, dissatisfied customers or critics ("badvocates") campaigning against the company, company e-mails or instant messages being used against the company, and employees–current and former–speaking out critically against the company.

Perhaps CEOs/chairs are less worried about reputation risks because they are not hearing about them until it is too late. Or, non-CEO/chairs may be keeping quiet about the negative or explosive issues online in order to maintain the peace.

Nearly all CEOs/chairs also think a lot about their professional reputations–97% think "very often" or "sometimes" about their own reputations. Notably, CEOs/chairs are more concerned about face-to-face negative word-of-mouth (44%) affecting their professional reputations than something someone might say about them professionally online (33%).

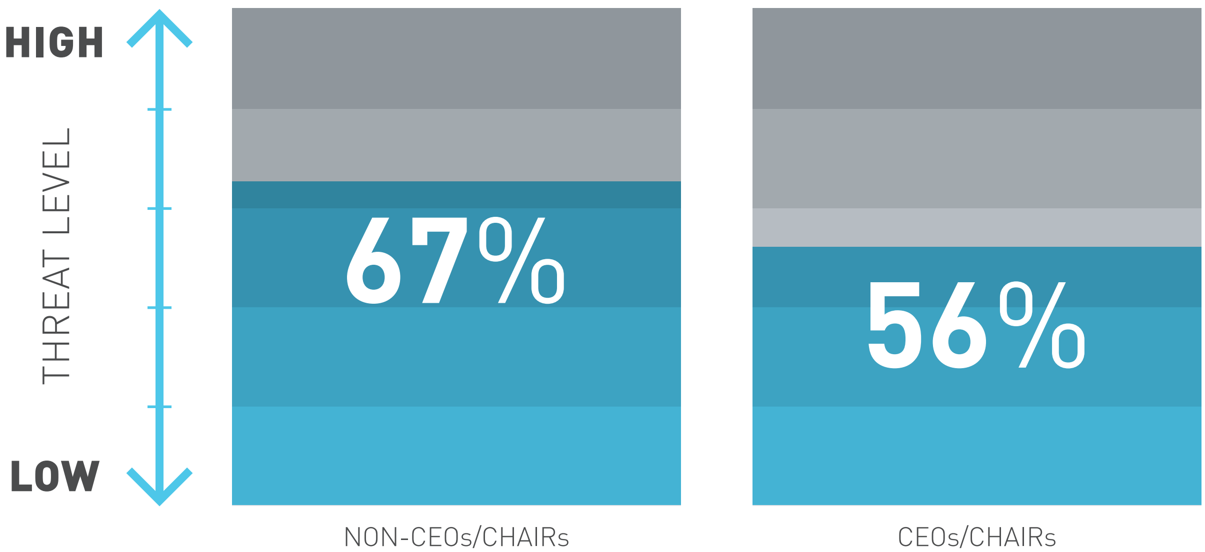
These findings again raise the question of whether CEOs/chairs know the full extent of what might actually exist about them online and whether those who do know are opting out of the role of bearer of bad news. Quite possibly, CEOs/chairs are the last to hear bad news. On the other hand, it is also possible that CEOs/chairs have more confidence in the truth winning out and would rather not spend time worrying about online name-calling and heckling. However, executives, especially the top-ranked, should never take their reputations for granted–or underestimate the risks that can tarnish them.

COMPANY ONLINE REPUTATION RISK CONCERNS (RATED HIGHLY)



4 CONTINUED

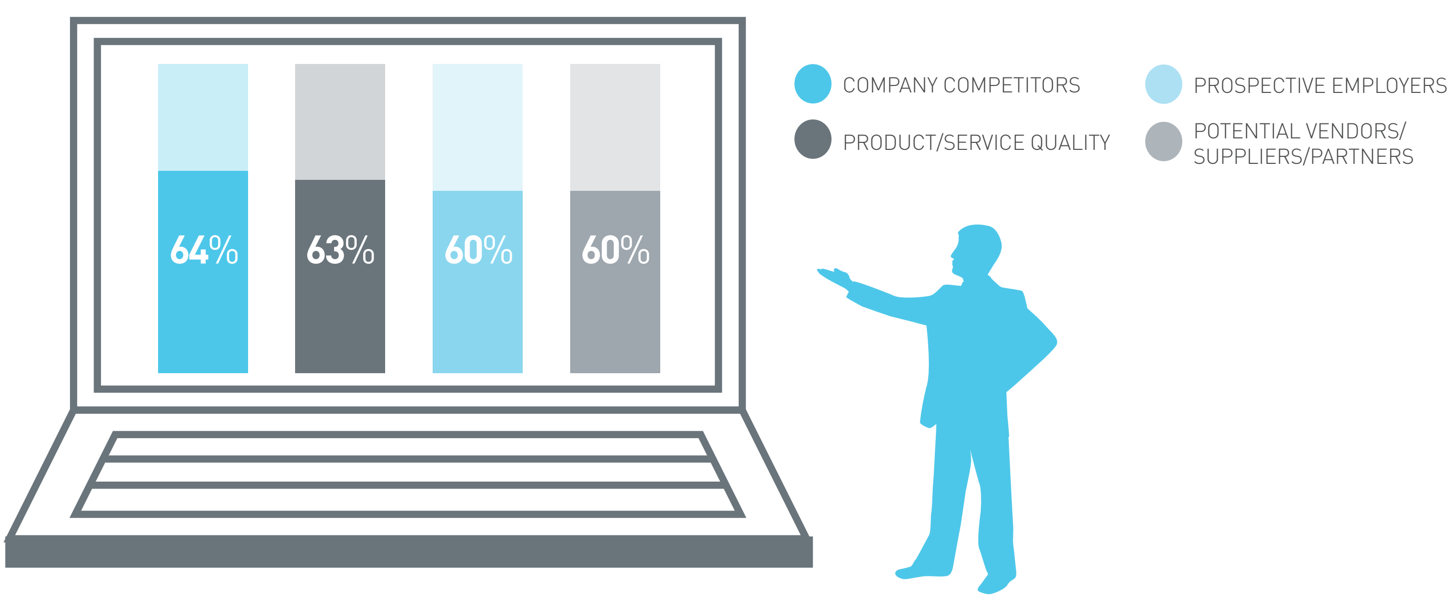
HIGH/MODERATE THREAT LEVEL TO COMPANY REPUTATION TODAY



5 EXECUTIVES ARE ONLINE REPUTATION SLEUTHS

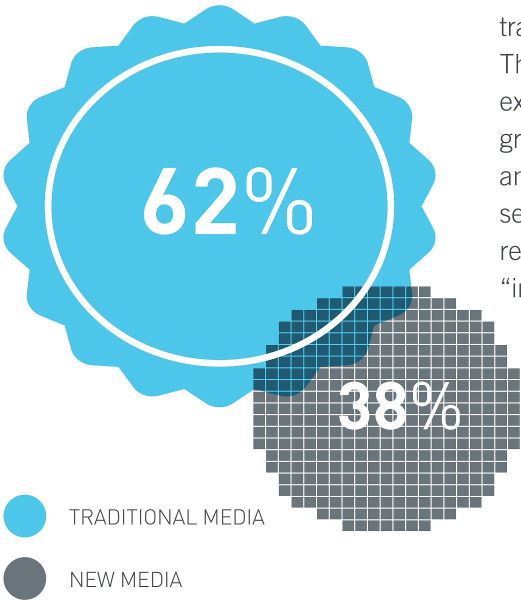
Executives were asked how they use the Internet to judge corporate reputations. The findings reveal that global executives go online to uncover activities of business rivals and partners, product complaints and new employment opportunities. It is clear that executives are now staking their claim to a gold mine of competitive intelligence within the Internet.

PERCENTAGE OF EXECUTIVES WHO REPORT THE INTERNET IS USEFUL FOR ASSESSING... (RATED HIGHLY)



6 TRADITIONAL MEDIA OUTRANKS NEW MEDIA AS REPUTATION REFEREE

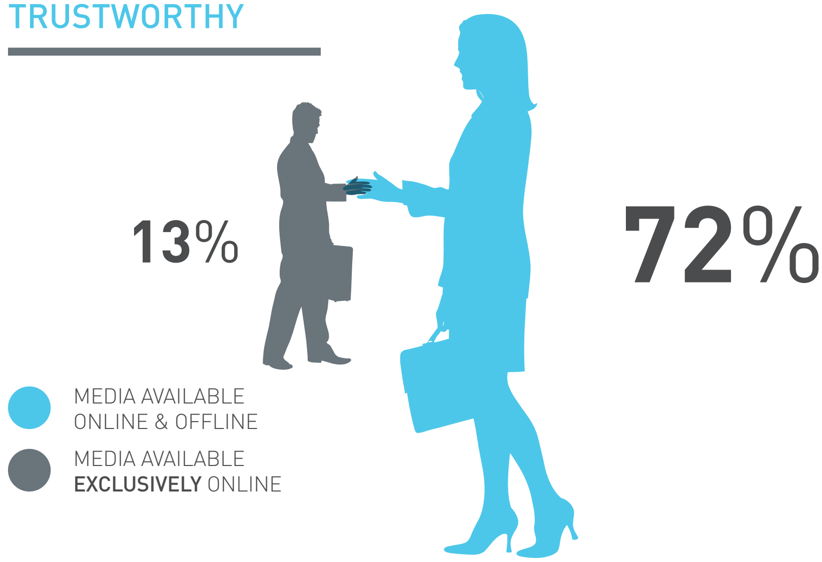
PERCENTAGE MORE INFLUENTIAL



Global executives say that traditional media (television, radio and newspapers) plays a greater role in deciding reputational fates than new media (Web sites, blogs and social networks).

The study also found that global executives are five times more likely to trust traditional media appearing online as they are to trust strictly online media such as The Huffington Post, OhmyNews or Ananova–72% vs. 13%, respectively. However, executive sentiment could shift in the near future as online media outposts gain greater influence and credibility breaking news, questioning corporate behavior and capturing even more sizeable reader audiences. In fact, the debate over separate offline and online communications will eventually disappear as companies realize the benefits of integrating all their media. Weber Shandwick calls this "inline" communications.

PERCENTAGE MORE TRUSTWORTHY



7 FIRST STOP: COMPANY WEB SITES

According to 99% of executives surveyed, the leading source for company information, regardless of region, is the corporate Web site. Whether executives are searching for information on competitors, vendors, suppliers or partners, company Web sites are the uber-source for informing them about a company's standing and worthiness. Executives also believe that having a well-designed Web site is a sure-fire way to keep reputations intact.

A poorly designed site that is difficult to navigate, lacks critical company information and is not regularly updated reflects poorly on the company's reputation. However, a well-constructed site will have an overwhelmingly positive effect. An easy-to-navigate Web site is important since research has shown that the vast majority of journalists go online to conduct searches and find press releases for accurate reporting (Middleberg Ross, 2007). Although it may not have the supreme power to singlehandedly build a positive reputation, the company Web site is digital ground zero for reputation-building among the executive class.

8 OLD AND NEW REPUTATION SPOILERS

By far, the greatest perceived cause of reputation damage among global executives is negative media coverage (84%). As Weber Shandwick's *Safeguarding Reputation™* has shown, executives consider top-tier media the arbiter of reputation. Since major media generally tends to devote more coverage to wrongdoing than rightdoing, leaders are understandably sensitive to the exceedingly high reputation risks their companies face as damaging news and events continue to unfold at lightning speed. In today's distressed economic environment, few companies are escaping media attention about their performance.

The next two top-ranked reputation busters are customer complaints in the media/on grievance sites (71%) and negative word-of-mouth (53%). The Internet's emergence as an information channel has vastly reduced the distance between seller and buyer. All customers need to do to control conversations and upend reputations is touch a few keys on their keyboard, or tell friends, colleagues or family members.

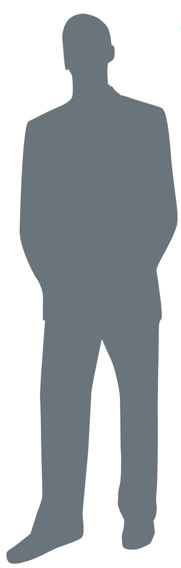
To an alarming degree, global executives vastly overlook new media's potential as a reputation spoiler–negative references in online videos, social networking sites, Wikipedia and photo-sharing sites. In the U.S. alone, use of video-sharing sites increased 45% during 2007 (Pew Internet & American Life Project, January 2008). Yet, less than 1 in 10 senior executives in the *Risky Business* study mentioned these increasingly common types of new media channels as dangerous to reputation. They remain more concerned about reputation damage caused by commonly used sources such as negative search engine results (35%) than disapproval on blogs and discussion forums (23%).

Executives may be fairly up to speed on the more trafficked Internet sources for company information but are dangerously overlooking the fast-rising Web 2.0 new media and social networking tools that can literally rally friends and foes overnight.

THERE WAS A 137% INCREASE in Google search mentions for "customer complaint sites in 2008" compared with 2003. Sites such as www.iripoff.com, www.pissedconsumer.com and www.clik2complaints.co.uk are proliferating.

LEADERS CLEARLY HAVE EVERY RIGHT TO WORRY ABOUT THEIR REPUTATIONS being harmed by the infectious spread of customer dissatisfaction. For example, companies such as home improvement retailer Home Depot have created new domain names for their career opportunities and foundation work to offset the highly ranked search engine result HomeDepotSucks.com.

RUMORS AND MISINFORMATION TAMPER WITH REPUTATIONS. In September 2008, the U.S. Securities and Exchange Commission opened a "preliminary inquiry" into how an outdated United Airlines bankruptcy story that appeared in South Florida *Sun Sentinel's* Web site mistakenly reappeared six years later online causing a $1 billion run on the airline's market value. Google's newsbot technology erroneously picked up the undated bankruptcy story. CEOs and chairs need to be aware that computer programs can go awry and that their companies might be left holding the bag.



CLOSE TO 20,000 INTERNET DOMAINS NOW END IN "SUCK.COM" (FairWinds Partners, 2008).

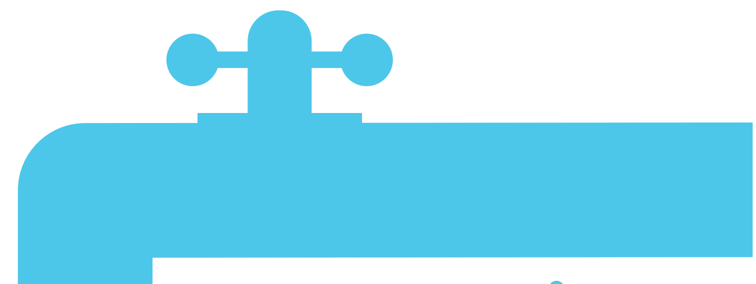
9 LEAKS GUSH DANGEROUSLY ONLINE

Global executives regard confidential or leaked information appearing online as a top risk to their company's reputation (41%). Their concern is understandable considering that in the global media, the words "media" and "leak" appeared together in 6,449 stories in 2008, a 118% increase from 1998. This is just the tip of the iceberg for information leaks.

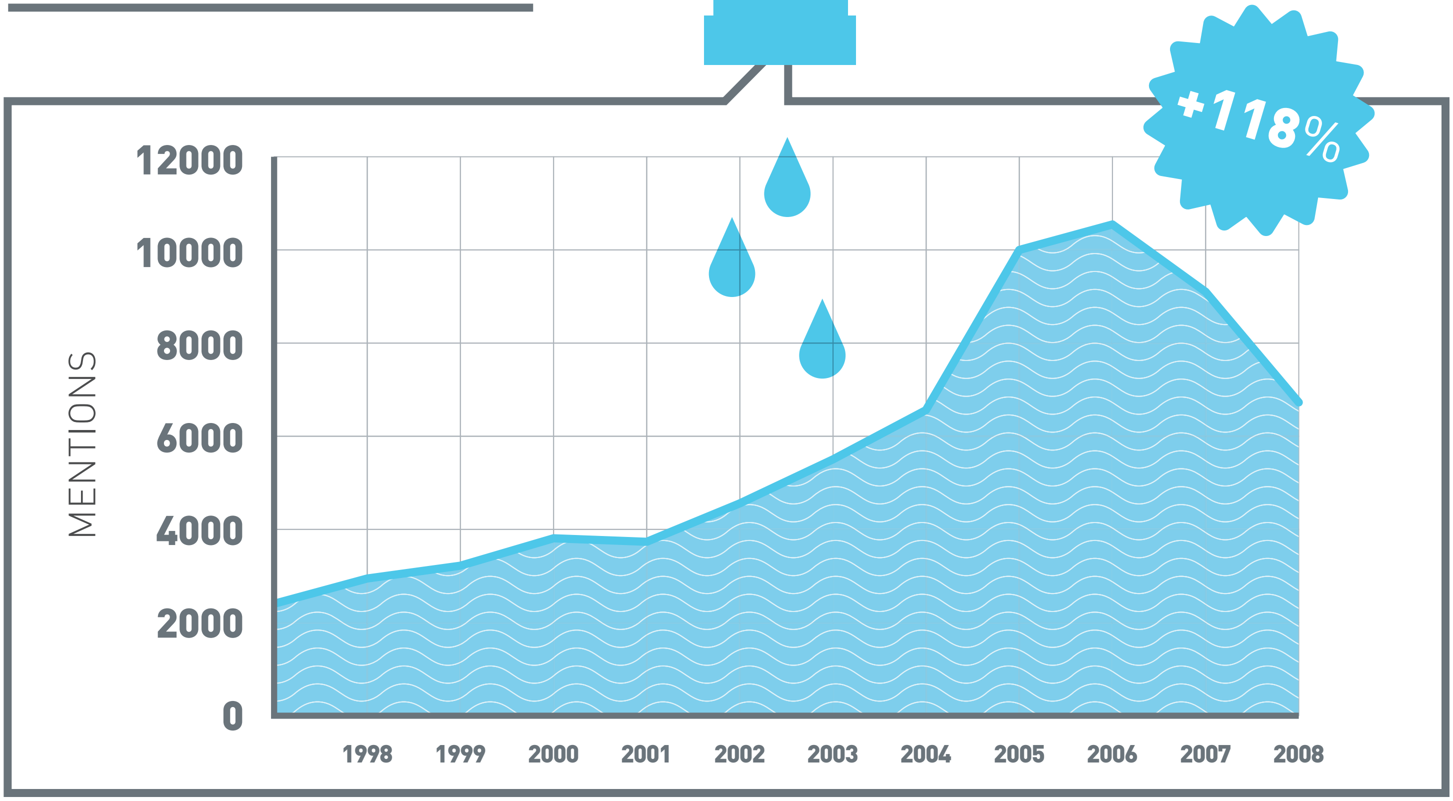
Further, www.wikileaks.com ("We help you safely get the truth out") was launched in 2006 as a Web site designed to anonymously post confidential government documents. On its launch date, Wikileaks was deluged with traffic and 12 months later included more than 1.2 million documents.

IN FEBRUARY 2008, LGT Group, Liechtenstein's largest financial group, confirmed that confidential information on thousands of customers and beneficiaries in other countries had been stolen earlier in the decade by a former employee. The former employee worked for a unit of LGT in information technology from 1999 to 2002 and was entrusted with transferring paper archives into digital format. German authorities disclosed that they subsequently purchased the stolen data to use in tax evasion probes, including that of Deutsche Post's longtime CEO, Klaus Zumwinkel, who has since resigned. The investigation of Zumwinkel triggered a media frenzy of stories of corrupt German executives sending Germany into a dark period of corporate distrust.

This security breach resulted in the exposure of an alleged crime, but it also shows how an employee was able to remove highly confidential information that ultimately cast the German business community in a negative light.



"MEDIA LEAKS" IN GLOBAL MEDIA



Source: Factiva mentions in global major news and business media (terms: "media" and leak")

IN 2005, WATERSTONE'S, the U.K.'s largest book retailer, dismissed an employee for "bringing the company into disrepute" by discussing information in his personal blog they did not want disclosed. The employee successfully defended himself by saying that the book retailer had no clear blogging policy (MSNBC, 2005).

10 REPUTATION ASSASSINS ARE HARD AT WORK

Companies have always been vulnerable to disgruntled employee backlash. Today, the Internet provides innumerable platforms for current and former employees to strike, usually anonymously, at a company's reputation. Embedded employee "journalists" lurk behind every office door and cubicle wall. Not surprisingly then, executives ranked employee criticism (41%) in a tie for first place with leaked confidential information as the greatest online risk to their own company's reputation. As employees wrestle with declining pensions and possible layoffs, reputation bandits will be even harder at work online.

As one respondent warned: *"Leaks by dissatisfied staff about [behavior that] is perceived as unethical can do untold damage."* Social networking sites such as Facebook and MySpace contain many criticisms of employees' workplaces. Web sites including www.vault.com, www.glassdoor.com and www.anonymousemployee.com are all welcoming homes for negative employee chatter.

Despite high anxiety over potential employee sabotage, only about one-third of executives (34%) know, or admit to knowing ("don't ask don't tell"), of a fellow employee who badmouthed their company online. Leaders may naively expect that their employees are abiding by company principles about their online activities. However, few employed Americans–20%–are even aware that their workplaces have policies about how employees can and cannot represent themselves online (Pew Internet & American Life Project, 2007).

AN ATTORNEY ACCIDENTALLY E-MAILED a *New York Times* reporter in 2008 about confidential settlement negotiations between pharmaceutical company Eli Lilly and the U.S. federal government over bipolar drug Zyprexa's marketing practices. The billion-dollar discussion revealed in the misdirected e-mail instantly made headlines.

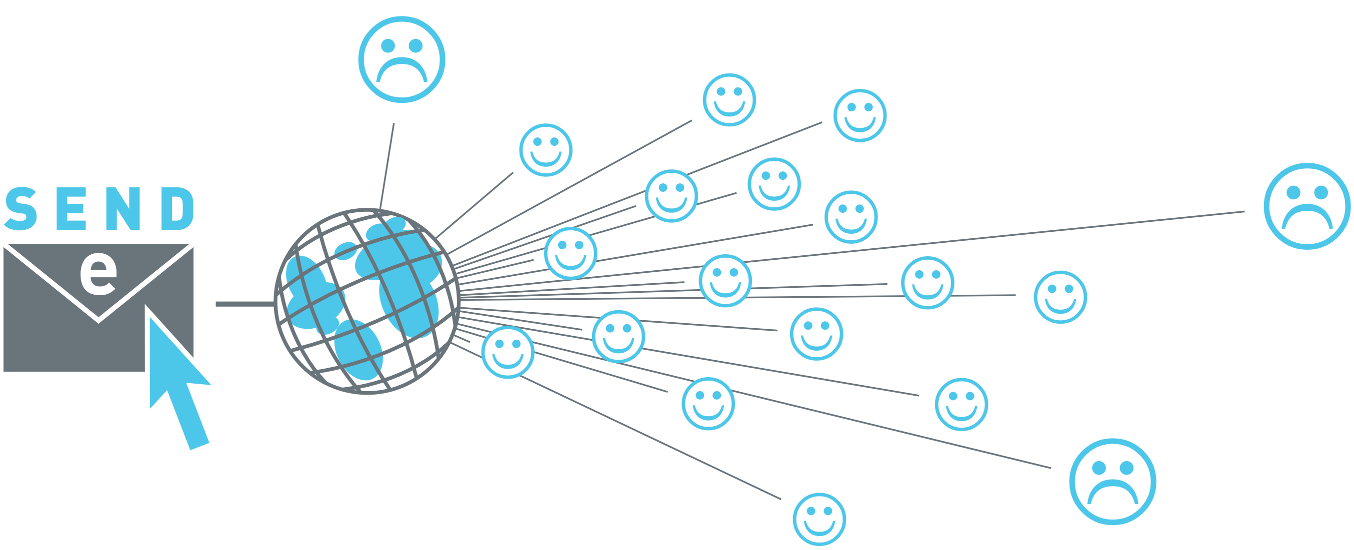
THE HEAD OF HUMAN RESOURCES AT CARAT, a major advertising company, mistakenly sent an e-mail intended for senior management to its entire employee base. The e-mail included information on impending layoffs and talking points that management should use in delivering bad news to the organization. The e-mail was later leaked to the media. This fiasco generated more than 3.5 million hits on Google one week later. As one commentator advised upon hearing about the blunder, *"Think before you click."*

11 E-MAILS ARE ON THE LOOSE

A large 87% of global executives admit to having erroneously sent or received at least one electronic message (private e-mail, text or Twitter). The unintended and unexpected consequences of misdirected electronic messages can taint, sometimes permanently, company reputations in seconds. Interestingly, e-mails do not always fall into the wrong hands or inboxes accidentally–approximately one in four executives (27%) say they have intentionally forwarded a private e-mail to someone else. While this percentage may appear relatively modest, it still represents a significant number of stray e-mails that have the power to inflict tremendous reputation damage.

Risky Business' revelation about the high incidence of criss-crossed electronic messages among the executive class adds to the already lengthening list of reputation risks facing companies. With more than 60 billion e-mails circling the globe every day, it is hardly surprising that many leave their intended orbit, especially when research shows: people e-mail in bed (67%), while driving (50%), at bars or clubs (39%) and during business meetings (38%) (Annual E-mail Addiction Survey, 2008).

Each e-mail sent and received widens the sphere of reputation risk. As employees work longer hours, race to meet tight deadlines, worry about job security and have greater responsibilities placed on their shoulders, accidental and intentional saboteurs will continue to blemish company reputations.



> **IN EXECUTIVES' OWN WORDS,** the greatest online reputation threats include...
>
> ***"A lack of compelling Employee Value Proposition or worse, non-constructive cultures."***
>
> ***"Ignoring the front-line employees' interests."***

12 ACTING ON EMPLOYEE FEEDBACK IS BEST DEFENSE

How can leaders protect their company reputations online? Executives believe that the best way to reduce the number of online assassins and protect reputations online is to monitor employee satisfaction levels and respond to results from employee satisfaction surveys (46%).

Many executives echoed the importance of building "best places to work" cultures when asked in an open-ended question about the greatest reputation threats facing their companies over the next three years. As one Australian executive said in response to this question: *"Failure to engage the passions of employees will cause the most damage to corporate reputation in the future."*

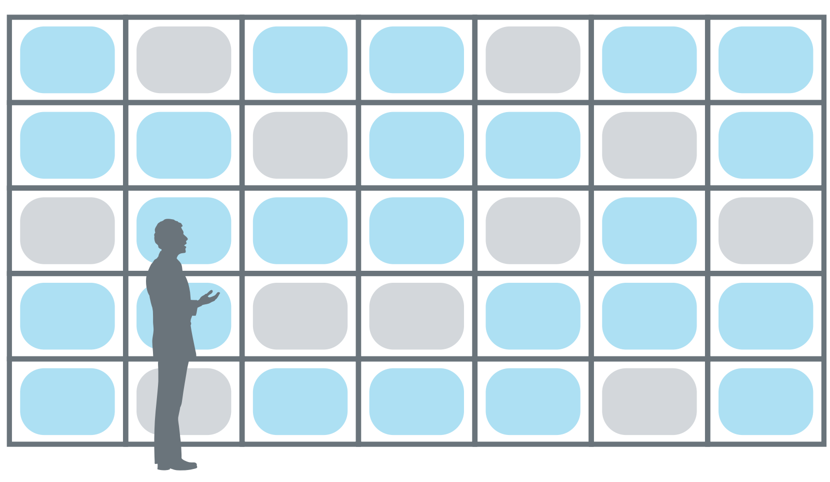
Without a doubt, no company interested in protecting its reputation can afford to have a mob of grumbling employees online. Satisfied employees who are company advocates are the best antidote for–and defense against–reputation failure. Internal communications that provide important information and encourage employees to express their viewpoints can minimize employee unrest according to Weber Shandwick research conducted with KRC Research. A company's culture is ultimately its best protection both online and offline.

13 MONITORING IS NEEDED FAR AND WIDE

After paying strict attention to employee satisfaction levels, executives' next two highest ranked reputation safeguards are examining comments made about their companies in the traditional media (42%) and using information generated by search engines or social media monitoring tools (38%).

Blogs, wikis, social network spaces and discussion boards are frequently home to distress signals and need close monitoring to keep leaders up-to-date on their company's reputation. With the tools now available and robust reputation management systems in place, companies do not need to have their reputation defined by information out of their control, nor do they need to be the last to know about positive news, or even worse, negative news.

> **A TELECOM COMPANY'S CUSTOMER SERVICE REPUTATION** was tarnished by a "viral video" of a service technician caught sleeping in a customer's home. A word-of-mouth monitoring company identified the video and alerted key managers within moments of its posting. The company was able to instantly mobilize its crisis-response efforts and implement strategies for its corporate department, Web content managers, and marketing and operations teams. The damage would have been significantly worse had the company not used a reputation monitoring service.

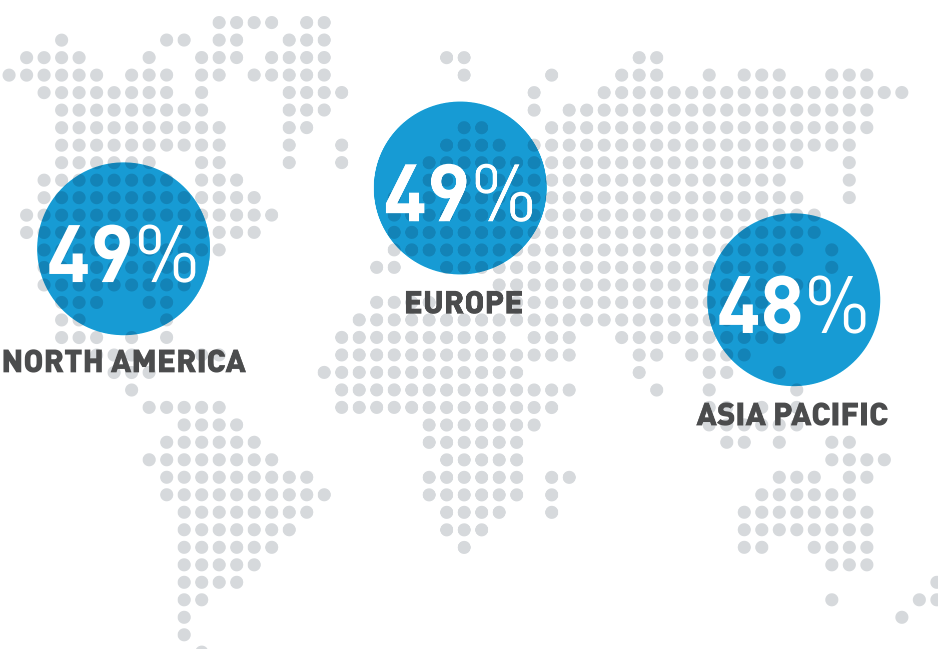


DISCOUNT RETAILER TARGET learned the hard way about how treacherous it can be to ignore bloggers outright. This successful company failed to take seriously enough a blogger's criticism of a questionable billboard ad featuring a young woman splayed across it with Target's bull's-eye logo placed inappropriately. Target's media relations department responded to the blogger by saying, "Unfortunately we are unable to respond to your inquiry because Target does not participate with nontraditional media outlets."

The traditional and new media backlash to Target's no-blogger policy was swift. Target's credibility was quickly knocked down a notch until the Fortune 500 company acknowledged its mistake and changed its policy to become more transparent to all forms of media.

14 EXECUTIVES ARE BLIND TO THE BLOGOSPHERE

PERCENT ACCURACY OF CORPORATE BLOGS BY REGION



Global executives are consistent in their opinion of nontraditional media by believing that the least effective way to protect corporate reputation online is to build relationships with influential bloggers. Only 10% consider this strategy helpful in keeping reputations secure. In fact, executives are more than three times as likely to say that building relationships with influential traditional media is an effective reputation safeguard (35%).

Reinforcing this lack of confidence in blogging as a reputation-builder, executives in all regions combined estimate that only 49% of the information in corporate blogs is accurate.

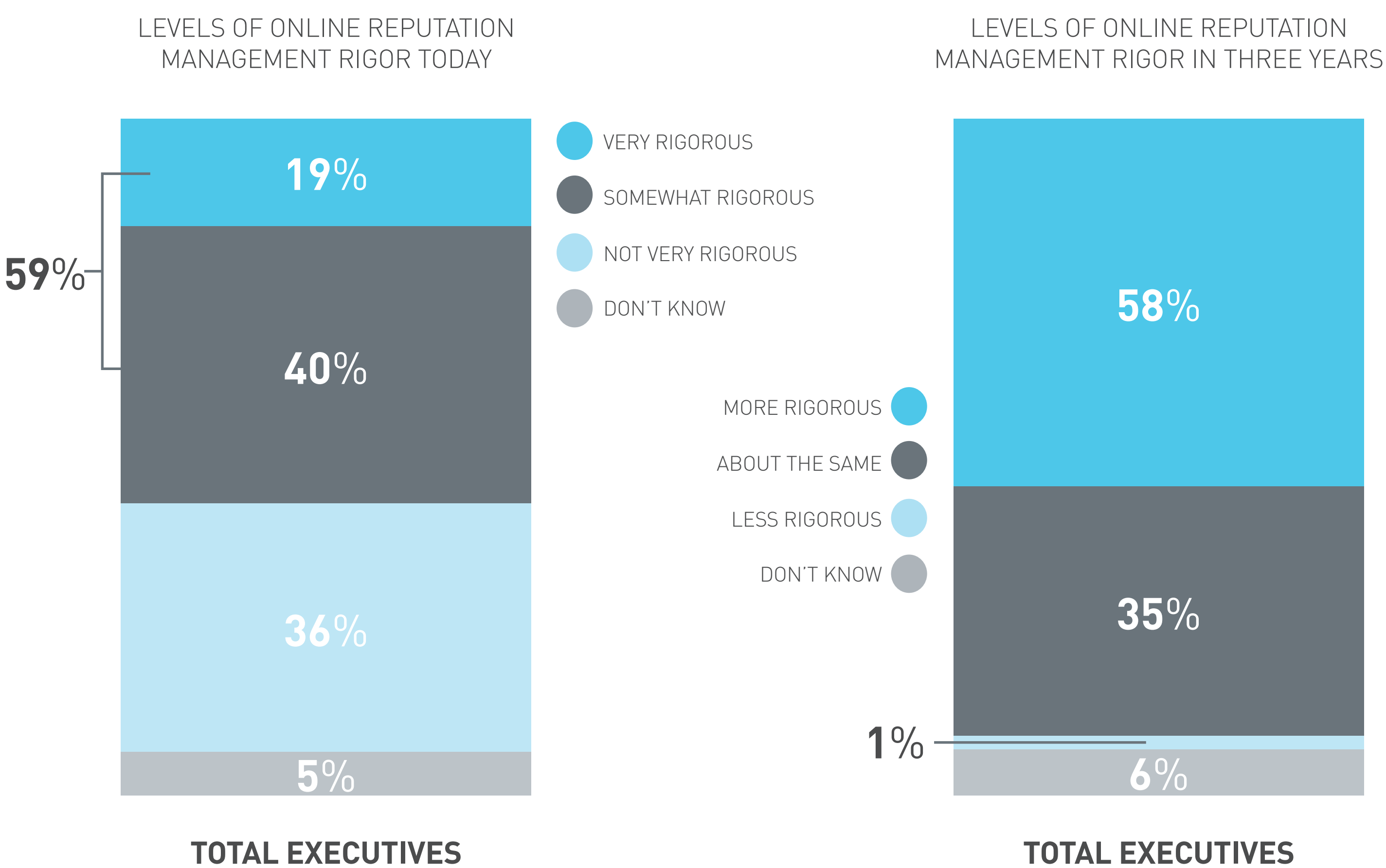
When asked what would most damage a reputation in the future, one executive responded: *"The lack of transparency when hot issues arise and how badly a company deals with such issues."* Oftentimes it is not an incident itself that harms reputation or what is said online, but how company leadership responds.

15 ONLINE REPUTATION MANAGEMENT (ORM) COMES OF AGE

Nearly 6 out of 10 global executives say their companies are now rigorous about online reputation management (59%) and expect to be more rigorous three years from now (58%). This high estimate underscores the growing importance of online reputation management on corporate and board agendas.

Although the remaining 4 out of 10 executives surveyed are fairly confident they have their reputation management systems under control, it remains to be seen how prepared they really are as we witness more companies losing their "most admired" crowns worldwide (see Weber Shandwick's Stumble Rate, 2008). After all, risk management was all the rage before the financial sector began its downward spiral in 2007.

ONLINE REPUTATION MANAGEMENT RIGOR –PRESENT AND FUTURE



15 RULES FOR ONLINE REPUTATION MANAGE MENT

CONDUCT AN INITIAL LANDSCAPE ANALYSIS OF YOUR PROFESSIONAL AND COMPANY REPUTATIONS ONLINE

Take a 12+ month look back into online sources such as blogs, social networks, forums and chatrooms to benchmark and obtain a clear understanding of what has been said historically about you and your company. This can help provide a reputation benchmark as well as identify important reputation advocates and "badvocates." The exercise will also help prioritize some of the top issues that need to be monitored and resolved quickly.

MONITOR YOUR DIGITAL REPUTATION REGULARLY AND EMBRACE SEO

Search engine results, blogs and other forums help determine what exists in the public view since competitors, customers, allies and the media are making split second judgments about you and your company's reputations. Every person and every company is indexed somewhere. Learn more about Weber Shandwick's SocialPULSE™ approach to tracking online conversations, issues, sentiment and media penetration.

Also make use of search engine optimization (SEO) to move reputation upward in search engine results. Buy unflattering domain names like Xerox did (www.xeroxstinks.com) and maintain them as your own with FAQs and problem-solving responses. Companies can also follow Southwest Airlines' lead and fight back against online customer attacks by buying domain names and directing people with complaints to their customer feedback sites. Make online monitoring a critical element of your ongoing reputation management process.

ENGAGE IN THE ONLINE COMMUNITY

Identify one or more passionate employees who can participate in the social networking arena on your company's behalf. To legitimately engage in online conversations, individuals must be overtly transparent about where they work and sincere in their opinions.

These digital company ambassadors, or advocates, should be upfront about providing positive content or correcting misinformation. Ulterior motives are quickly uncovered online and can reflect poorly on a company's reputation and initial good intentions.

BUILD A REPUTATION SHIELD EARLY ON

Plant the seeds of genuine positive content or stories in multiple destinations across the Web as soon as possible to create an enduring online reputation. These seeds can mature into a mighty barrier to help protect against rising tides of negative content. Realize that journalists may be getting their reputational intelligence from the Internet, too.

If a company *immediately* begins uploading positive content into the social media stream, its strengths and good deeds have a better chance of counterbalancing the negative in search engines results. If a company delays its efforts until a crisis unfolds or other negative news appears on the horizon, its reputation will not be strong enough to repel the flood waters that can engulf and wash away years of strong performance.

KNOW WHEN TO RESPOND ONLINE

Create a plan for incidents that takes into account all categories of issues: those requiring an immediate response, a wait-and-see approach and no response at all. Start planning now so that your company knows when to sound the alarm bell and when to sit still.

> "The most dangerous risk to a company's reputation is to be deserving of a bad one."
>
> – *Risky Business* Survey Participant (Executive from Turkey)

GET *INLINE* USING ALL YOUR MEDIA ASSETS– TRADITIONAL AND ONLINE

Recognize that reputational power lies in using all available communications channels. As recent political campaigns have shown, the standard playbook no longer works. According to one political campaign strategist, *"There's just so much stuff. The average person has 90 channels. They all get dot-coms. They all get a newspaper. There is so much flow of information that they just begin to discount it all."* (*The New York Times*, September 16, 2008). Also, the growing number of new online media sites and new technologies are only going to increasingly wreak havoc in the corporate world and demand adaptability. The core of any successful public relations program will be a combination of online and offline communications ("inline")– not one or the other.

IDENTIFY REPUTATION THREATS EARLY ON. PLAN FOR THE WORST-CASE SCENARIO

Rule out any surprises and always be on your guard. As one CEO said after his company faltered, *"Hope is not a plan."* By using monitoring services that serve as consumer sentiment radar, companies can stay one step ahead of significant reputation damage. Many companies turn to firms that specialize in the measurement of perception, reputation and risk. These firms are alerted to ongoing topics and threats that have the potential to become problems without management attention. Both traditional and social media are analyzed and results can be delivered via a 24/7 reputation dashboard that charts company reputation, issues, sentiment and media penetration.

Also, companies now have, or need to consider building, a ready-to-launch "dark site" that can be activated if a worst-case scenario suddenly occurs. The site allows companies to speed their messages to key audiences so their reputation for responsiveness can shine. Remember, whoever talks first is in the position to set the tone.

> "Online, your rep is quantifiable, findable and totally unavoidable."
>
> – Technology and culture writer Clive Thompson

ENDLESSLY LISTEN TO YOUR EMPLOYEES

Listen and respond to employee issues and suggestions before they potentially attack you online, intentionally or unintentionally. Leaders who fail to do so are playing with fire. Think of employees as your company's electorate who are voting on your company's reputation every day. Win over their hearts and minds before they disrupt your best-laid plans. Turn your employees into advocates!

Listening means more than launching a survey or putting a suggestion box in the lunchroom. It means reviewing employee satisfaction surveys and exit interviews, and monitoring your reputation daily using key words that can be searched on sites such as Facebook, Twitter and MySpace.

Many executives are surprised to learn that their company has a Facebook group online where employees have videotaped themselves at work and play, brainstorms are recorded, and company-only town hall meetings are available for download. Do not wait for those annual surveys to take employees' pulse. Fill in the gaps by going online and seeing how they are voting every day.

MULTIPLY YOUR BAD NEWS ONLINE BY 100

Realize that once bad news reaches the corner office, it may sound like a whisper but it's already a shout. Executives can take this news and multiply it hundredfold. Any leaks and negative employee chatter online are possible early warning signs of bigger trouble down the road.

Demand to hear the bad news, the good news and everything in between. Anne Sweeney, co-chair, Disney Media Networks follows this tell-it-to-me-straight approach when she says: *"My team knows I always want to hear bad news first. We can dive in, figure it out and move on. I always say, 'Tell me early, I'm your friend. Tell me late, I'm your critic.'"* (*Fortune*, September 29, 2008)

> "Google is not a search engine. It's a reputation management system."
>
> – *Wired* magazine

DON'T NEGLECT INDUSTRY DISCUSSION BOARDS AND BLOGS

Enlist your senior management and other members of your workforce in digital boot camp. Learn from computer giant Dell, which discovered that ignoring influential bloggers and complaining customers causes reputational harm. Dell now employs nearly 50 people who participate in worldwide online discussions and specifically designed sites about Dell. As Michael Dell told *Fortune*, *"I'd rather have that conversation in my living room than in somebody else's."* Reach out to bloggers and posters with solutions to problems with your products/services. Join the conversation.

REVIEW YOUR WEB SITE AS IF YOU WERE A PROSPECTIVE CUSTOMER OR COMPETITOR

Road test the user experience of your company Web site in terms of functionality, interactivity and transparency. Would employees agree that the site matches the workplace? If a visitor did not know much about your company, what type of reputation would the company Web site project?

Strategies include making sure company content not only resides on the home page but also in as many appropriate places online as possible. In a Web 2.0 world, company messages should be where stakeholders already are such as RSS, blogs, podcasting and social networks.

CUSTOMER-IZE THE ONLINE REPUTATION OF YOUR PRODUCTS AND SERVICES

Ask for and respond to customer feedback, and include customers in new product development. Boost your company's credibility by including on your Web site negative customer comments (excluding those that may be slanderous or similarly inappropriate) as well as positive comments. Use technology to build customer trust.

ACCEPT YOUR EMPLOYEE NATION

Understand that employees will go online to criticize and praise your company–so prepare, review and communicate your corporate employee blogging and social media guidelines. According to a Forrester Research survey, at least 15% of decision-makers report disciplining or terminating employees for violating blog/message board policies. That estimate will only increase in the years ahead as online conversation continues to heat up.

As digital opportunities expand for employees to publicly criticize or praise their workplaces, global executives should know about all types of influences on their reputation. Leaders also need to be vigilant in, and adept at, scouring the Internet to identify both reputation assassins and angels, and be ready to take precautionary action to protect their good names.

BEST BUY'S BOTTOM-UP INTERNAL SOCIAL NETWORKING SITE, www.blueshirtnation.com, unifies store employees by building a sense of community among them. Best Buy employees can have their own Facebook-like profiles, create wikis, initiate topics of conversation and discuss Best Buy policies. Management does not always have to go beyond its own four walls to learn first-hand how it is doing.

BE ON THE LOOKOUT FOR ERRANT E-MAILS

Use technology to audit outbound e-mail content and monitor text in webmail and other HTTP traffic. More companies are using technology to detect intellectual property that should remain within corporate firewalls. Regular employee training in electronic message liability and propriety must be enforced at all levels.

FIND YOUR ONLINE ADVOCATES. PRIME THE PUMP FOR BADVOCATES

Create an ongoing dialogue with your supporters, fans and enthusiasts before problems spread via word-of-mouth or on the Web. These brand champions are a company's best defense against badvocates, whose words and actions detract from brands or products. Weber Shandwick's Advocacy Ignition™ approach can help map out a company's advocates and badvocates before it is too late.

DESPITE VOWING TO BE MORE REPUTATION-CONSCIOUS, MANY EXECUTIVES STILL FACE THE CHALLENGE OF IDENTIFYING DISTRESS SIGNALS BEFORE THEIR COMPANIES' REPUTATIONS BURST INTO FLAMES AND MAKING THE INTERNET WORK FOR THEM IN OUTPACING THE COMPETITION. THE OPPORTUNITY FOR SENIOR EXECUTIVES IS TO STRATEGICALLY INTEGRATE ALL THE OFFLINE AND ONLINE TOOLS NOW AVAILABLE TO SAFEGUARD REPUTATION AND ENGAGE MEDIA, EMPLOYEES, CUSTOMERS, BLOGGERS, ADVOCATES AND OTHER KEY STAKEHOLDERS.

To learn more about how you can better manage your corporate reputation online, please contact:

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Weber Shandwick is a leading global public relations agency with offices in over 79 markets around the world. The firm's reputation is built on its deep commitment to client service, creativity, collaboration and harnessing the power of Advocates–engaging stakeholders in new and creative ways to build brands and reputation. Weber Shandwick provides strategy and execution across world-class practices such as consumer marketing, healthcare, technology, public affairs, corporate/financial and crisis management. Its specialized services include digital/social media, advertising, market research, and corporate responsibility. Weber Shandwick received the highest client-satisfaction honors in the 2007 Agency Excellence Survey by *PRWeek* U.S., in 2008 won Large PR Firm of the Year (*PR News* U.S.), and in 2006 was named European Consultancy of the Year *(The Holmes Report)* and Network of the Year (Asia Pacific PR Awards). The firm also won the United Nations Grand Award for Outstanding Achievement in Public Relations for the past three years. Weber Shandwick is part of the Interpublic Group (NYSE: IPG). For more information, visit http://www.webershandwick.com.

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