

## The Corporate Reputation Imperative: How to measure reputation

### Summary Notes

Criticaleye Discussion Group

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Most leaders of organisations know that having a good reputation is paramount for excellent performance and financial return. But many organisations have a hard time translating this into tangible ideas and metrics.

According to **Aneysha Pearce**, Associate Partner at **Prophet**, in the past year those companies with the highest reputation achieved annualised returns 13 per cent higher than others, and outperformed Standard and Poor's (S&P) index by over 22 per cent. And though this year was tough for most, over the past five years more reputable companies outperformed S&P by over 100 per cent and had stock prices 88 per cent higher than average. (Source: *Reputation Winners and Losers*, Aneysha Pearce, Prophet)

How can you measure and manage reputation? Firstly, it is important to identify for whom you are managing the reputation. By prioritising your needs, and considering each individual stakeholder group, the metrics will be different.

Aneysha recommended the following *six pillars*, which can provide companies with an understanding of where their reputation strengths and gaps lie:

- **People:** This pillar refers to employees and the workplace environment. To what extent does the company support the development of its employees?
- **Pacesetters:** This reflects the company's leadership, vision and governance. Does the organisation have strong, appealing leaders?
- **Products:** How does the company deliver value to the end user?
- **Performance:** How is the company performing from an operational and financial standpoint?
- **Purpose:** This describes the company's approach to making the world a better place
- **Personal relevance:** This is the personal connection that people have to the company. Is the product for people like me?

Many participants agreed that although measuring reputation is vitally important, doing it in a timely, cost-effective way can be difficult. It was recommended conduct a large reputation measure once a year and then 'spot-check' throughout the year.

Aligning your organisation's internal values with brand values can make measuring reputation easier. A collective approach to reputation was also recommended. Encourage different brands and functions within the organisation to own different reputation measures.

The proliferation of the internet and social media has changed the way that organisations consider the management of their reputations. But it is important to remember that measuring reputation is a journey.

A full Write-up of this event can be found on [www.criticaleye.net](http://www.criticaleye.net)