4th ECRS SYMPOSIUM 2009

REPUTATION CAPITAL

BUILDING AND MAINTAINING TRUST IN THE 21st CENTURY

NOVEMBER 13th 2009 • MUNICH • MERCEDES-BENZ-CENTER

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THE DEVELOPMENT INTO A CRISIS OF CONFIDENCE

OBVIOUSLY, TRUST IS ONE OF THE ESSENTIAL FACTORS FOR THE FUNCTIONING OF THE GLOBALIZED ECONOMY. There are increasing indications that the current economic crisis will begin to show signs of recovery by early 2010. However, the economic crisis is only one side of the coin of the challenge that today's corporations face. On the other side, many companies have lost the confidence of their stakeholders and now must rebuild and maintain trust to create the basis for a successful post-crisis business. One way to deal with trust and confidence in this context is to analyze and conceptualize it by using the category of reputation, or reputation capital.

Leading speakers, including academics and experts with in-depth practical experience, will examine the concept of reputation capital and share insights and strategize rules for investing in, earning and safeguarding reputation capital in today's unpredictable and complicated markets. The symposium serves as an information and exchange platform for executives from communication departments in companies, associations, and organisations, as well as for other PR professionals and journalists. Experts from various fields and professions will explore the concept of reputation capital and present hands-on solutions for successfully building and maintaining trust in the aftermath of the economic crisis.

REPUTATION CAPITAL EXCHANGE AND LOST

"A GOOD REPUTATION IS MORE VALUABLE THAN MONEY", Publilius Syrus, 1st century BC. As bank failures and credit crunches put pressure on the global economy after the collapse of the U.S. housing bubble, Publilius Syrus is proven right even 2000 years later: trust is the basis of our economy and a prerequisite for corporate success. If consumers and investors lose confidence, and companies their reputation for being trustworthy partners, money is quickly pulverized.

ACCORDING TO THE EUROPEAN CENTRE FOR REPUTATION STUDIES (ECRS), the term "reputation" can best be understood as the sum of the expectations that the public – based on its direct or indirect experiences – places on the future behaviour of a company. But the expectations of stakeholders must be looked at from different perspectives: a company must fulfil the expectations regarding its functional competence (economic reputation), but also live up to its integrity (social reputation). In addition, a positive reputation requires that the company maintain a distinct and emotionally appealing identity (expressive reputation).

THEREFORE, MEETING THE PUBLIC'S FUNCTIONAL AND SOCIAL EXPECTATIONS on the one hand and managing to build a unique identity on the other hand creates trust, and builds the informal framework of a company. This framework provides "return in cooperation" – in other words, it produces what we would like to call "reputation capital". The higher the reputation capital, the lower the costs for supervising and exercising control. In this sense reputation – whether understood directly as a company's "social capital" or indirectly as a catalyst that increases a company's social capital – makes it possible to create value through social relationships.

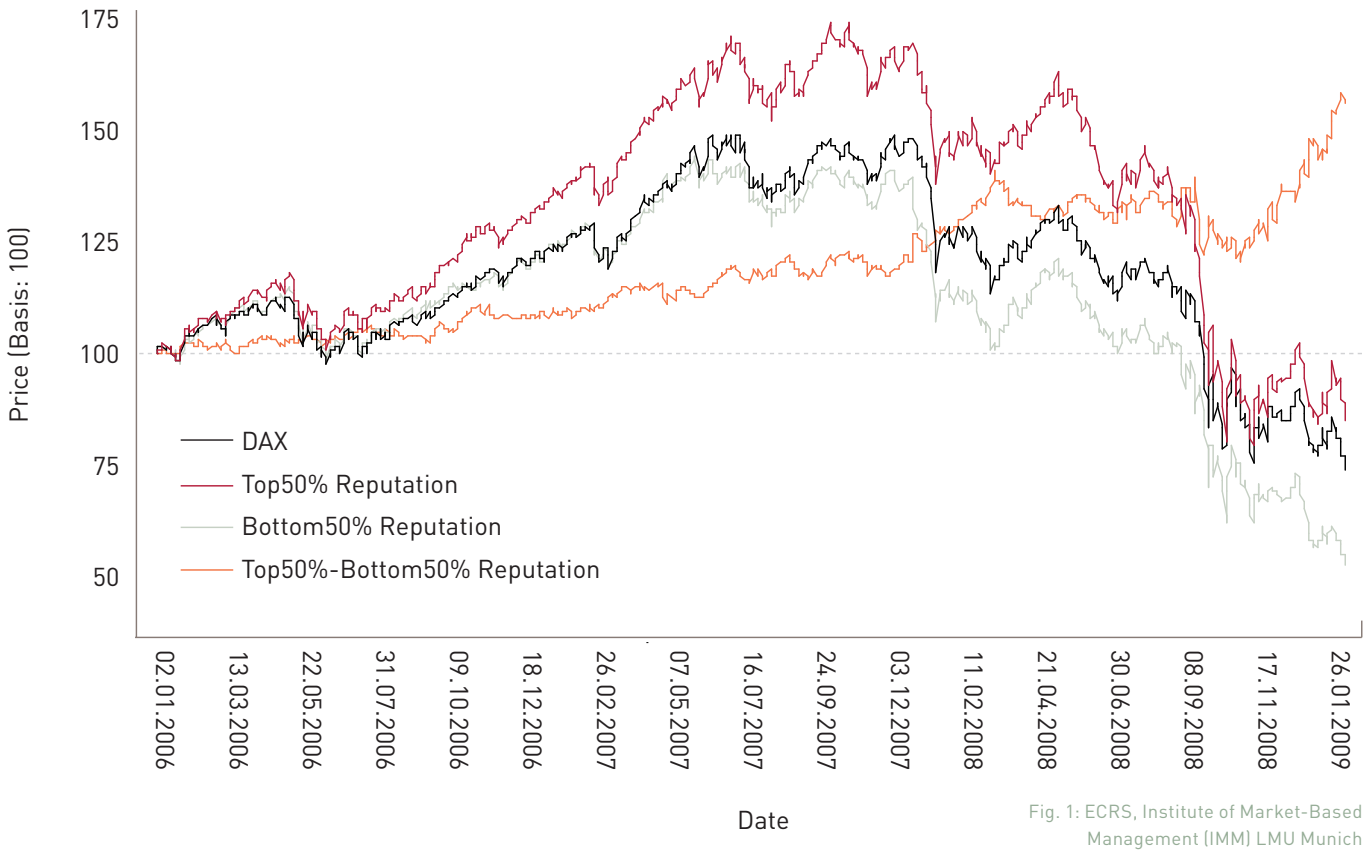

Fig. 1: ECRS, Institute of Market-Based Management (IMM) LMU Munich

UNDERSTOOD AS CAPITAL, REPUTATION IS A CORPORATE ASSET THAT CAN BE MANAGED, ACCUMULATED AND TRADED FOR

- trust,
- legitimisation of a position of power and social recognition,
- a premium price for goods and services offered,
- a stronger willingness among shareholders to hold on to stock in times of crisis,
- or a stronger readiness to invest in the company's stock.

A CORPORATE REPUTATION THAT INSPIRES TRUST mainly feeds on factors that relate to economic competence. In other words: it relies on good functional reputation. Thus, it is not surprising that an economic crisis will often evolve into a crisis of confidence, which leads to an increasingly bigger risk for the economic performance of a company. This is backed up by recent studies by the ECRS and the Ludwig Maximilian University of Munich, based on ECRS reputation research methodology and stakeholder surveys. A portfolio analysis was conducted using equally weighted investments in stocks of the Top50% (reputation champions) and the Bottom50% (reputation followers) among DAX-30 companies from 2006 to early 2009. Here, the reputation champions outperformed the reputation followers. The reputation champions' portfolio lost only about 14% of value, whereas the reputation followers' portfolio lost 47% of value (DAX-30 lost 28%). The extent to which the Top50% reputation portfolio outperforms the Bottom50% reputation portfolio is best shown by analysing the zero-investment portfolio (returns of the Top50% reputation portfolio minus returns of the Bottom50% reputation portfolio) around the time when worldwide stock market crashed in 2008, and at the beginning of 2009, when stock indices more than halved in value (see Fig. 1).

Reputation Capital

REPUTATION AS A STRATEGIC INVESTMENT. Experience has shown that accumulating reputation capital follows a similar logic to the classic investment strategies of the finance markets. This might come as a surprise, but whether one is building up financial or reputation capital, the basic approaches are similar: in both spheres – the financial and the opinion-building markets – communication and psychology are becoming increasingly influential factors. Similarly, several key reputation management rules and four fundamental investment philosophies for reputation capital can be distinguished, namely the total return strategy of reputation management, the reputation value strategy, the reputation growth strategy and the reputation hedge strategy (see Fig. 2). These are used in practice by companies around the world to increase valuable reputation capital and to safeguard this capital against loss. Examining these strategies can help in building and maintaining trust in the 21st century.

	Total return	Value	Growth	Hedge
Strategic logic	Avoid public attention	Prepare for public attention	Align with public attention	Provoke public attention
Strategic steps	Focus on the quality of products and services with little attempt at communicative support	Consciously inward-looking reputation management that focuses on structures	Focused profile based on careful analysis of reputation drivers and sector related issues	Monothematic, aggressive target-group oriented communications
Strategic question	Who exactly needs to know us?	How can we ensure our high moral standards?	Where should we be?	What can make a real difference?
Source of reputation capital	High-quality products and services and renowned expertise among expert communities	Good economical performance and exemplary behavior in the world of the "Good" e.g. social or environmental questions going far beyond statutory standards	Delivering convincing answers to top issues on the public agenda by making the company part of the solution	Positioning as someone who has the potential and a clear vision to offer guidance and orientation in an ambiguous future
Works best in	Little media attention, highly specialized markets and B-B industries	Moderate media attention, well-structured markets	Moderate to strong media attention, complex markets	Highly media attention, new and ambiguous markets, blue oceans
Duration of trust advantage	Increasingly short-term	Still sustained / long-term	Medium-term	Unpredictable
Risk	Descent into crisis – no buffer of trust; internally: lack of orientation and support from a clear company policy	Reputation profile not supported by widespread recognition	Low degree of attention compared to more aggressive players	Words not followed by action; public criticism. Disappointed expectations
Performance goal	Low profile (inconspiciuous)	Invulnerability	Controlled growth	Indispensability

Fig. 2: Reputation Capital (2009), Pleon Analysis

REPUTATION AS A STRATEGIC INVESTMENT

REPUTATION CAPITAL – SUCCESSFULLY BUILDING AND MAINTAINING TRUST IN THE AFTERMATH OF THE ECONOMIC CRISIS.

The 4th ECRS Symposium consists of three parts and two workshop sessions on concrete steps for applying reputation management to daily business.

The first part, "Reputation in the 21st century – good or evil?", will be opened up by Dr. Mark Eisenegger, University of Zürich, and Dr. Jonathan Silberstein-Loeb, University of Oxford, with a controversial debate on the meaning of reputation in the 21st century and the central importance of communication in establishing reputation.

In the second part, "The 21st century of reputation crisis" Dr. Frank Herkenhoff, who heads media relations at Deutsche Börse AG, will concentrate on identifying and measuring reputational risk. Jan Müller, Vice President Issues and Strategy at EADS, will present a state-of-the-art Issues Management system for strengthening and protecting corporate reputation.

In the third part, "New perspectives for reputation management in the 21st century", we will share reputation case studies, including brand and reputation building campaigns by Coca-Cola Hellenic and insights from The Dow Chemical Company's reputation initiative "The Human Element" and from Siemens AG.

Furthermore, participants will be able to choose two from four workshops focusing on new strategies for building trust through reputation management.

First session: Discussing the straightest way to implement reputation drivers and reputation monitoring together with Prof. Dr. Schwaiger, Ludwig Maximilian University Munich. Or, exploring the new spheres of influence in the World Wide Web, and how to deal with them, together with Dr. Georg Kolb, Business Director Social Media at Pleon. Second session: Find out which reputation strategy fits best to your company and learn more about reputation management rules together with Joachim Klewes, Senior Partner of Pleon and with Robert Wreschniok, member of the ECRS board.

Dear Participants: the board of directors looks forward to seeing you at the 4th ECRS Symposium on reputation management, to some fascinating practical examples, new scientific findings and, especially, to lively discussions.

DR. MARK EISENEGGER,
RALF LANGEN,
PROF. DR. MANFRED SCHWAIGER,
ROBERT WRESCHNIOK

Programme

FRIDAY, NOVEMBER 13, 2009

PART 1
"REPUTATION IN THE 21st CENTURY – GOOD OR EVIL?"

9:00 – 9:15 a.m.
WELCOME AND INTRODUCTION
Ralf Langen, member of the ECRS board, Moderator

9:15 – 9:45 a.m.
ON TRUST AND REPUTATION IN ECONOMIC TURBULENCES
Dr. Mark Eisenegger, Co-Director of FÖG, the Research Institute of the Public Sphere and Society of the University of Zurich, member of the ECRS board

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9:45 – 10:15 a.m.
HOW I LEARNED TO STOP WORRYING AND LOVE THE MARKET
Dr. Jonathan Silberstein-Loeb, Oxford University Centre for Corporate Reputation

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10:15 – 10:30 a.m.
DISCUSSION WITH DR. MARK EISENEGGER
AND DR. JONATHAN SILBERSTEIN-LOEB

10:30 – 11:00 a.m.
COFFEE BREAK

PART 2
"THE 21st CENTURY OF REPUTATION CRISIS"

11:00 – 11:30 a.m.
MEASURING RISKS TO REPUTATION
Dr. Frank Herkenhoff, Head of Media Relations, Deutsche Börse AG

11:30 a.m. – 12:00 p.m.
REPUTATION MANAGEMENT AS ISSUES MANAGEMENT
Jan Müller, Vice President Issues & Strategy, EADS

12:00 – 12:15 p.m.
DISCUSSION WITH DR. FRANK HERKENHOFF
AND JAN MÜLLER

12:15 – 2:00 p.m.
LUNCH

PART 3
"NEW PERSPECTIVES FOR REPUTATION MANAGEMENT IN THE 21st CENTURY"

2:00 – 2:30 p.m.
WATCHING REPUTATION GROW – THE COCA-COLA HELLENIC REPUTATION CASE STUDY
Jens Rupp, Sustainability Manager, Coca-Cola Hellenic Bottling Company SA

2:30 – 3:00 p.m.
THE HUMAN ELEMENT
David Rockland, Partner and Managing Director of Ketchum Global Research and Stromberg Consulting for The Dow Chemical Company

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3:00 – 3:30 p.m.
COMMUNICATING SIEMENS
Stefan Denig, Head Corporate Communication – Issues Management, Siemens AG

3:30 – 3:50 p.m.
DISCUSSION WITH DAVID ROCKLAND, JENS RUPP AND STEFAN DENIG

3:50 – 4:30 p.m.
COFFEE BREAK

NEW STRATEGIES FOR BUILDING TRUST THROUGH REPUTATION MANAGEMENT

4:30 – 5:30 p.m.
WORKSHOP SESSION I
a) HOW TO IDENTIFY YOUR REPUTATION DRIVERS TO BOOST YOUR REPUTATION CAPITAL
Prof. Dr. Manfred Schwaiger, Head of the Institute of Market-Based Management (IMM), Ludwig Maximilian University, Munich and member of the ECRS board
b) HOW TO DEAL WITH NEW SPHERES OF RISK AND OF INFLUENCE IN THE WORLD WIDE WEB
Dr. Georg Kolb, Business Director Social Media Pleon

WORKSHOPS SESSION II
5:30 – 6:30 p.m.
WHICH REPUTATION STRATEGY FITS BEST AND WHAT ARE THE KEY REPUTATION MANAGEMENT RULES
Prof. Dr. Joachim Klewes, Senior Partner of Pleon,
Robert Wreschniok, member of the ECRS board

6:30 p.m.
GET-TOGETHER

Speakers

Stefan Denig
is Head Corporate Communication – Issues Management at Siemens AG in Munich, Germany. He joined Siemens in February 2006 after holding various communication positions for companies such as Deutsche Bank and Allianz. He has degrees in literature and international relations from the Université Paris IV/Sorbonne Nouvelle and the Institut d'Etudes Politiques in Paris, France, and has taught at the universities of Munich, Germany, and Pittsburgh, USA.

Dr. Georg Kolb
Is Business Director Social Media at Pleon. Before, he held positions as global Head of Business Innovation with Text 100 Public Relations in New York and as Managing Consultant with Text 100 Germany in Munich. Working for companies like Deutsche Telekom, Ford, Heidrick&Struggles, IBM, Manpower or Siemens, Kolb focused on programmes to make new public spheres accessible on the internet.

Dr. Mark Eisenegger
is co-head of the Research Institute for the Public Sphere and Society (fög) of the University of Zurich, associate lecturer at the Universities of Zurich, Lugano, and Fribourg and member of the ECRS board. Dr. Mark Eisenegger specialises in organisational and corporate communication as well as reputation research and media transformation.

Ralf Langen
is Managing Partner of Pleon Germany, European Head of Change & Transformation and member of the ECRS board. Before joining Pleon he was PR Manager at The Dow Chemical Company, Consultant at Burson Marsteller, and Associate Director for Ketchum PR Worldwide. He is editor of "Change 2.0 – Beyond Organisational Transformation", published by Springer in 2008, and co-author of the "Corporate Agenda", published by Luchterhand in 2001.

Dr. Frank Herkenhoff
heads the Media Relations department at Deutsche Börse AG. Previously he was a consultant at Pleon focusing on the financial business sector. He is also a lecturer at Leipzig University in the field of public relations. Herkenhoff holds a master's degree and a PhD in mass communication.

Jan Müller
is Vice President Issues and Strategy at EADS Corporate Communications in Munich. He is also in charge of CEO Affairs Germany. Müller joined the Aerospace Group in 2003. Before, he served as Deputy Head of the planning and campaign staff at the Christian Democrats' (CDU) Federal Headquarters. He holds a master's degree in Rhetoric and Philosophy from Tübingen University.

Joachim Klewes
is Senior Partner of Pleon and an associate professor at the Heinrich Heine University Düsseldorf. His over 25 years of expertise include major assignments in the fields of organisational consulting, corporate change and crisis management, as well as corporate communications. He is a founding partner of the opinion research institute com.X and a frequent writer, publisher and speaker.

David Rockland
is a Partner and Managing Director of Ketchum, responsible for overseeing the agency's research products and services, as well as developing innovative approaches to public relations research and measurement for clients around the globe. He also serves as head of Stromberg Consulting, Ketchum's change management and workplace communications consulting firm.

SPEAKERS

Jens Rupp
is Sustainability Manager at Coca-Cola Hellenic Bottling Company SA. He has been with Coca-Cola Hellenic since 2001. He is a member of the company's corporate social responsibility council and manages CSR reporting and stakeholder relations. Previously, he worked with an energy consultancy, where he pioneered energy saving and energy awareness programmes for state and national governments.

Dr. Jonathan Silberstein-Loeb
is a research fellow at the Oxford University Centre for Corporate Reputation. His research concerns the interaction of business, politics, and technology in the mass media. He is particularly interested in the historical development of media corporations as well as the relationship between communications and corporate strategy. He received his PhD in history from the University of Cambridge in 2008.

Prof. Dr. Manfred Schwaiger
is full professor of business administration at the Ludwig-Maximilians-Universität of Munich (LMU), head of the Institute of Market-Based Management (IMM) at LMU and member of the ECRS board. Besides his scientific work, Professor Doctor Schwaiger has carried out numerous consulting projects for large German companies (on the subject of corporate reputation, customer retention, employee motivation, corporate communications, and market strategy).

Robert Wreschniok
is a Senior Consultant at Pleon and responsible for reputation management and stakeholder dialogue. After completing his MA in International Relations he received a certification for Strategic Foundation Management from the University of Basel. He is member of the ECRS board and spokesman for the Private Institute of Foundation Law.

About ECRS

ABOUT ECRS

The European Centre for Reputation Studies e.V. (ECRS) is a cooperation between representatives of the Research Institute for the Public Sphere and Society (Forschungsbereich Öffentlichkeit und Gesellschaft) (fög) of the University of Zurich, the Institute for Market-Based Management (Institut für Marktorientierte Unternehmensführung) of the Ludwig Maximilian University of Munich, and the European communications consultancy Pleon. The ECRS has adopted an integrated approach to reputation research that ranges from measuring and analysing the public-reputation production process, to monitoring the impact on stakeholders and developing application guidelines for reputation management. The ECRS is the only non-profit institute in Europe that researches the scientific and practical aspects of developing strategic reputation management in business, politics, and society, as well as results monitoring.

Service

LOCATION
GETTING TO THE MERCEDES-BENZ-CENTER

BY CAR From the city centre (Stachus, Central Station): Take Elisenstraße westbound, following the signs to Autobahn Stuttgart. The street will eventually turn into Marsstraße. Keep following Marsstraße for about 1.6 kilometres. After a slight curve to the left you will reach an intersection with Arnulfstraße. Turn right into Arnulfstraße and go straight on for about 450 metres. You will pass the Mercedes-Benz-Center, to your left. To reach the Center, drive on to the next intersection, and make a U-turn.

From the highway: Get on the Mittlerer Ring (westbound) and follow the signs to Autobahn Stuttgart. Exit the Mittlerer Ring at Donnersberger Brücke. The Mercedes-Benz-Center is located right next to Donnersberger Brücke.

From the Autobahn Stuttgart: If you are coming from the Autobahn Stuttgart, follow Verdistraße for about 7 kilometres. Verdistraße will turn into Amalienburgstraße and then Menzingerstraße, and will lead you eventually right onto Arnulfstraße, where the Center is located.

BY BUS OR TRAIN From Munich Central Station, take any of the S-Bahn (suburban train) lines toward Laim / Pasing. Get off at Donnersberger Brücke. The Mercedes-Benz-Center is located approximately 100 meters north of the S-Bahn stop. Alternatively, you can take tram lines 16 or 17 to Donnersberger Brücke. The stop is near the Center.

Another option is to take bus lines 133 or 53 to the Donnersbergerstraße stop, which is right in front of the Center.

Registration

15% EARLY-BIRD DISCOUNT IF YOU REGISTER BEFORE OCTOBER 1st

FAX: +49 89 59042 1237

- ☐ I would like to attend the 4th ECRS Symposium on November 13th 2009 in Munich. Conference fee: 700 Euro
- ☐ Early-bird conference fee for registrations before October 1st: 595 Euro
- ☐ Conference fee for subscribers of our media partners: 560 Euro
- ☐ I will not be able to attend the 4th ECRS Symposium, but please keep me updated on future activities relating to the ECRS.

Surname, First name		
Date of birth		
Employer		
Position		
I WISH TO REGISTER FOR	**WORKSHOP I AND WORKSHOP II**	**A) REPUTATION MONITORING** ☐ **B) SOCIAL MEDIA** ☐ **REPUTATION STRATEGIES AND MANAGEMENT RULES** ☐
OFFICE ADDRESS	Street	
	Postcode, City	Country
	Office telephone	Office fax
	Office e-mail	Employer website (web address)
BILLING ADDRESS	Street	
	Postcode, City	Country
Date, Signature		

* The conference fee includes access to all parts of the conference programme, conference materials (presentations by the speakers and workshop papers) as well as meals and coffee breaks. Prices do not include VAT.

Cancellations. The conference fee can be fully refunded for cancellations received no later than 31 days before the conference. For cancellations received no later than 14 days before the conference, 50% of the conference fee can be refunded. Should you not be able to come to the conference, you may nominate another participant to take your place.

Please note that the number of participants is limited.

Partner

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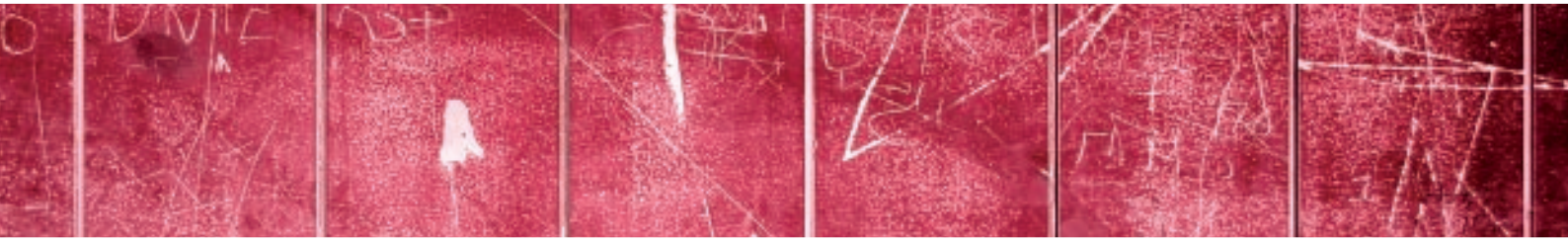

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