# **Deloitte**

## REPUTATION@RISK

In a highly connected world where a company's reputation can be attacked with just a few keystrokes, reputation risk has become the #1 strategic business risk. To manage it effectively, it's essential to see the complex connections behind the trend.

Explore how more than 300 executives from around the world manage reputation risk.

www.deloitte.com/reputationrisksurvey



of executives rate reputation risk as more important than other strategic risks

#### RESPONSIBILITY

Responsibility for reputation risk resides with the board and C-Suite

36% CEO

CRO

Board

1%



## **HIGH IMPACT**

Companies that experienced a negative reputation event were impacted in these areas<sup>†</sup>



Revenue/Earnings



Loss of brand value



Regulatory investigation

#### **IMPORTANCE**

The top three reputation risk drivers of concern<sup>†</sup>



55% Ethics/ Integrity corruption)

45% (physical and/or cyber)



Product/

Services (product safety or services issue, health/environmental,

Companies feel most prepared to manage risks within their direct control...

69%

Regulatory compliance

68% Employee misconduct

**Executive misconduct** 

...and least prepared for risks beyond their direct control<sup>†</sup>

47%

Third-party/extended enterprise issue

44%

Competitive attacks

Hazard or other catastrophe

## CONFIDENCE

The paradox of confidence and capabilities

OVERCONFIDENT...



reputation is better than average

...OR UNDERCONFIDENT?

of companies rate the maturity of their reputation risk programs as "average" or "below average"

of companies give themselves an "A" grade for their capabilities at managing reputation risk

### **FUTURE**



of companies surveyed plan to focus more attention on reputation risk in the future

Key areas of focus for the future†

63%

Investing in technology

58%

Investing in data

50%

Investing in people (i.e., a reputation risk officer) 40%

Developing reputational risk processes

37%

Developing crisis management processes and capabilities

"Reputation@Risk," October 2014. This report is based on a global survey of more than 300 executives from major companies around the world to understand how businesses are managing reputation risk - both now and in the future

†Respondents could choose more than one answer; the top three to five are shown above © 2014. For information, contact Deloitte Touche Tohmatsu Limited.