The Next Wave
Real stories on leading through risk, crisis, and disruption featured in the Resilient podcast series
Brand and reputation – it’s what your company is built on. It’s what your customers base their loyalty on. And it takes a lifetime to build but only an instant to be torn apart. Smart executives know that a strong brand and reputation go to the heart of the business – whether fulfilling the expectations of customers and shareholders or acting as a lifesaving asset during a crisis. Here are a few guidelines from top leaders on prioritizing brand and reputation to stay strong in both good times and bad:

**Own your reputation**

Unlike a marketing campaign that you can ramp up and wind down as needed, maintaining your reputation requires a constant commitment. That’s especially the case when going through crisis; a controversy may strike overnight, but repairing your reputation could take years. Consider **Tyco International** in 2002, when the CEO and CFO were both arrested for grand larceny. “The Tyco brand itself was damaged pretty badly,” former Tyco SVP for Corporate Governance Eric Pillmore told us. Eric joined Tyco in the aftermath for a painstaking effort to restore the company’s reputation through process improvements and renewed emphasis on ethics and compliance. Eric stressed the importance of individual character among senior leadership, highlighting the significance of reputation for the whole company from the top down. “Companies that have been around for a long time understand this, and they don’t compromise on it,” Eric said. “And I think that leads to the sustainability of those companies long term.”

Thankfully, ongoing stewardship of brand and reputation can make you better prepared for crisis in the first place. **Krispy Kreme Doughnuts** saw this when many customers remained loyal through a 2005 financial controversy – thanks, in part, to a long-running fundraising program that raises millions of dollars for various community causes. “People were cheering Krispy Kreme to survive,” former CEO Daryl Brewster told us, explaining how football-shaped doughnuts in the fall or green doughnuts for St. Patrick’s Day might prompt a few extra visits.

When Krispy Kreme opened its first store in 1937, **Harley-Davidson** had already been selling motorcycles for more than three decades – well on its way to building a fiercely loyal consumer base. Unfortunately, former CEO Keith Wandell says some dealerships were so attentive to repeat customers that first-time buyers felt alienated. “There were a lot of people that ended up not feeling welcome to come...
to a Harley Dealership,” he told us. Keith says the company responded by spreading a more inclusive “personal freedom” interpretation of the brand across the company’s network of 1,600 independent dealers.

Another part of Harley-Davidson’s story illustrates a third leadership guideline on brand and reputation: the need for authenticity, even amid change and disruption.

Stay authentic
Organizations must adapt their image to changing markets and circumstance but not to a point beyond recognition. Authenticity is important. That was Harley-Davidson’s dilemma with a decision to build an electric motorcycle to address market shifts toward renewable energy. “If you want to talk about a risky move, that was it when it comes to Harley-Davidson,” Keith told us. Fortunately, he says the new electric bike is designed to meet time-honored values through a powerful – and loud – transverse electric motor. “Sounds sort of like a jet engine,” he said. “Because, you know, the Harley thing is really the look, sound and feel.”

Burt’s Bees former CMO Mike Indursky says the personal care products company managed to preserve its legacy as a “cute, quirky” brand – while elevating its brand for naturally produced products to seize a broader market shift in that direction. “Respect the past, but look to the future,” he told us, summarizing the argument he made to the leadership team. “Your brand needs to have its roots in history but – like a tree – grow to its potential.”

Moving forward
A strong company’s brand and reputation program starts with its senior leaders – the chief strategy officer, the chief risk officer, and the chief marketing officer – who work together to enhance, protect, and preserve the reputation of a company. From there, that program should engage employees as corporate ambassadors, constantly looking for gaps in what is promised vs. what is delivered and investing in systems to monitor and track external feedback across stakeholders. Don’t simply wait for a crisis to test your brand and reputation’s resilience. Proactively prepare for the worst, while also laying the groundwork for the best. As evidenced by the prior examples, these are proven ways to enhance long-term value in brand equity, market differentiation, customer loyalty, and strategic positioning.

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Let’s connect
If you would like to learn more about how leading companies are navigating risk, crisis, and disruption, we would welcome the opportunity to talk with you. If you have your own resilient story to tell, please let us know.

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