

June 2009 Corporate Communiqué

A conversation about business, policy and communication

Rebuilding Corporate Reputations (Sidebar to Reputation Search) **McKinsey Quarterly**

It's becoming clearer and clearer how much the economic and financial turmoil has damaged corporate reputations. The [2009 Edelman Global Trust Barometer](#) was the first survey to capture the injury early this year when it revealed the biggest drop in corporate reputation since the annual survey began a decade ago. Now the *McKinley Quarterly* has weighed in, citing Edelman's Trust Barometer survey and other measures of reputation slippage. It also concludes that a company's reputation matters more now than it has in decades.

So what does the management-consulting firm suggest? Here are some of its recommendations:

- Understand that action, not spin, builds strong reputation more than ever.
- Reinvigorate relationships with and understanding of critical stakeholders and activate a network of supporters and third parties, including journalists, who can influence key constituencies.
- Partner with non-governmental organizations, or NGOs, that have credibility and can alert the company to performance gaps early in the game.
- Realize the answer to a reputation problem lies less in what you are doing externally and more in your business practices – what kind of company you run, the way you treat employees and consumers, the behavior and compensation of leaders.

This may seem like a lot of firepower. But in today's uncertain climate, this degree of high-level attention and integration is essential.