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# 20 YEARS TO BUILD A REPUTATION, 5 MINUTES TO LOSE IT

## Reputation Risk & Business Interruption

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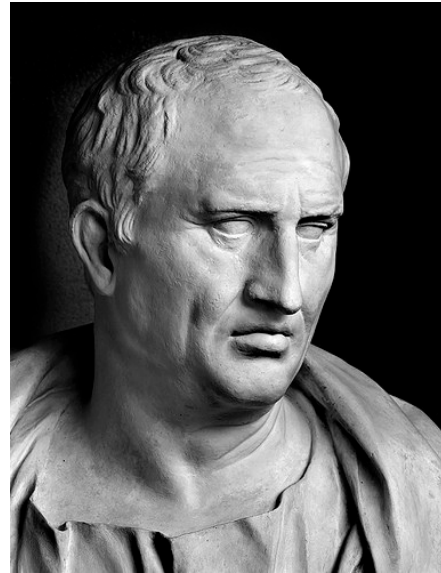


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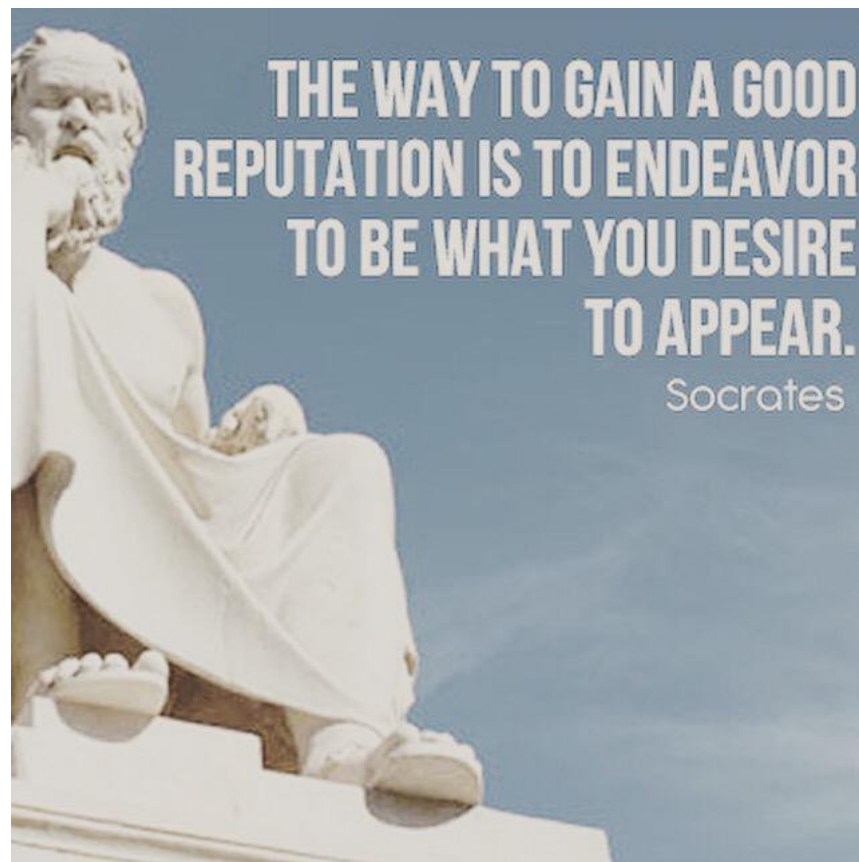
A good name is better than  
precious ointment.

*Ecclesiastes 7:1*



To disregard what the  
world thinks of us is  
not only arrogant but  
utterly shameless.

Marcus Tullius Cicero

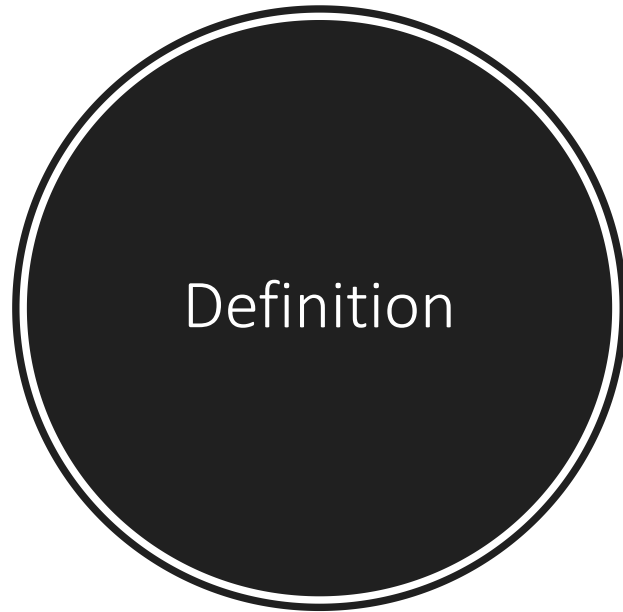


"It takes 10 seconds to get an image and 10 years to undo it. I'll be doing whatever I can for the rest of my career to change perceptions."

-Alex Hales







## definition

## corporate image

## corporate reputation

refers to

the immediate mental picture  
audiences have of a company

the overall value judgment about  
a company over time

perception

can be positive, neutral  
or negative

can be positive, neutral  
or negative

stems from

inside an organization

inside and outside  
an organization

timeframe

can be built quickly

usually evolves over time

key question

"what do we want others to  
think we are?"

"what are we seen to be?"

# Why is a good reputation commercially important?



# Commercial Benefits of a Good Reputation

- Can enable a company to differentiate its product in highly competitive markets
- Customers will become brand-ambassadors and will market a Company's products
- Supports an organisation in times of crisis or controversy
- Allows an organisation to charge premium prices
- Can facilitate international expansion
- Helps a company to win new business, retain existing customers, attract new employees



# How does a company build a good reputation?



# Building a Good Reputation

- Audit current reputation
- Be specific
- Become an authentic authority in your field
- Be honest and transparent
- Relentless in your approach
- Monitor and measure

# Examples of Reputation Events

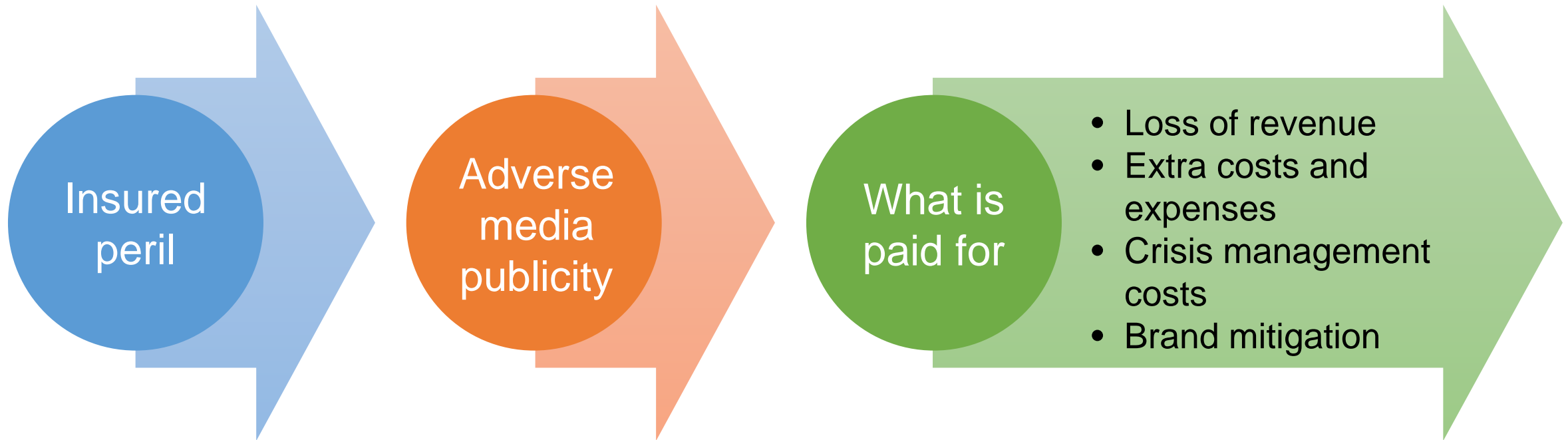
Disasters  
grab  
headlines



# Named Peril Coverage

- Breach of Personal Data
- Food Contamination
- Serious Customer Injury
- Disgrace
- Product Recall
- Discrimination
- Food Bourne Illness
- Workplace Violence
- Product Extortion
- Public Health Announcement
- Environmental Contamination
- Abuse or Molestation

# Double Trigger



# Exclusions and Warranties

## Exclusions:

- Nuclear, chemical and biological
- Sanctions
- Fines and Penalties
- Wider industry events
- Fraud
- Insolvency
- Breach of Personal Data Notification Costs

## Warranties:

- Disclosure of policy – this is confidential!
- Complying with laws & regulations of the territories the insured is operating in





# Incident Management



# What is an Issue?

- A risk that may become a crisis
- May simmer for years without becoming full-fledged crises
- BUT if an issue becomes public, current or threatens our ability to do business it is a crisis
- Issues that are not properly managed often become crises
- Distinction is rarely black and white

# What is a Crisis?

- An irregular incident, as a result of which the normal way of doing things is disrupted
- A crisis is severe enough that it damages the public reputation of the organisation
- This has the follow-on effect of damaging the ability of the organisation to function as normal

# Things to Consider

- Local, national or international response?
- Proactive or reactive approach?
- Level of severity and urgency?
- Key messages, relevant policy statements
- Legal restrictions on what you can say?
- Designation of responsibilities
- Details of spokespeople
- Which stakeholders need to be addressed?
- Information availability
  - e.g. initial holding statements, ongoing updates, retrospective analysis of lessons learned

# What Do You Do?

- 1 Fact find & escalate*
- 2 Involve legal*
- 3 Agree what you do and don't know*
- 4 Respond quickly & accurately through agreed channels*
- 5 Concern & seriousness is critical*

# Incident Management - Top Tips (1)

- Don't try to hide
- Respond quickly
- Don't admit you are at fault until it is certain you are
- But...don't blame others
- If you are at fault, apologise



# Incident Management - Top Tips (2)

- Remember the value of internal communications – everybody must be on message no matter how senior/junior
- Ensure spokespeople are media trained
- Keep the rest of the business going; only the crisis team should be devoting time and energy to this
- As always, manage expectations

# Mitigation and Minimising Loss of Profit



# KPI's: Hotel



# KPI's: Hotel



- Occupancy Rate
- Average Room Rate (ARR)
- Competitor set / market data
- Revenue Uplift for Food and Beverages

# KPI's: TalkTalk

TalkTalk



# KPI's: TalkTalk



- Customer churn
- New customer enquiries
- Conversion rate
- Website traffic
- Complaints



# KPI's: Fast Food Restaurant



# KPI's: Fast Food Restaurant



- Number of customers / transactions
- Average spend per transaction
- Customer waiting time
- Sales by product
- Complaints
- Bench marking

# KPI's: Law Firm



# KPI's: Law Firm



- Chargeable hours
- Individual employee chargeability
- Hourly rates / fixed fees
- Recoverability / write-offs
- Specific clients



# KPI's: Airline



# KPI's: Airline



- Number of flights
- Passenger load factor
- Passenger kilometers
- Revenue per passenger kilometer
- Customer satisfaction score



# Key Takeaways