

What People Say Matters

Reputation Begins With Building Trust

By Ernie Reno

I begin with an admission: I am an anachronism, an old-fashioned Hoosier-born throwback. I am among the ignorant masses that persist in their belief in absolutes. For purposes of our discussion, I have chosen to focus on the importance of a good reputation to the health and future of your business.

While the impact of reputation seems a matter of common sense to most, after more than 20 years as a journalist and public relations/corporate communications counselor I am utterly convinced of the following: the majority of business owners either misjudge or dismiss the attitudes held by key audiences toward either the owners themselves or their businesses. As a result, when crisis manifests itself in lower sales, poor productivity or even public scandal, these owners or corporate executives are usually stunned, typically blaming the media, disgruntled employees or anyone within arms' length for their troubles.

I'm always amused, if not a little irritated, when I see an author or speaker promoted as an expert in "reputation management," as if proper "management" was the key to changing public perceptions of Mike Tyson, Enron, Martha Stewart or Arthur Andersen. These so-called experts would do well to heed the words of Henry Ford, who said, "You can't build a reputation on what you are going to do."

Erasing the good

Conversely, a reputation is certainly built on what one has done. Good reputations, whether personal or corporate, take years to build and yet can be destroyed by a single reckless decision or thoughtless statement.

Consider what Socrates had to say on the subject: "Regard your good name as the richest jewel you can possibly be possessed of – for credit is like fire; when once you have kindled it you may easily preserve it, but if you once extinguish it, you will find it an arduous task to rekindle it again. The way to gain a good reputation is to endeavor to be what you desire to appear."

One of the business world's oldest aphorisms, now a stale, but accurate cliché, is that humans are much more likely to fork over their cash or valuables for products and services from those whom they trust. While Wal-Mart would seem to be the contemporary exception to the rule, even the world's largest retailer recently found that reputation does indeed make a difference.

Media reports of discrimination lawsuits, impact on smaller specialty retailers and other negative press coverage galvanized opposition to a Wal-Mart Supercenter in a Los Angeles-area neighborhood. Not even a \$1 million public relations, lobbying and advertising blitz were enough to gain the project's approval. Wal-Mart's defeat illustrates another public relations axiom: you can't always buy yourself out of a problem.

The majority of business owners turn to people like me for help after a problem surfaces. While a skilled public relations

practitioner can often limit damage to a reputation, his or her greatest benefit lies in helping entrepreneurs and executives identify sources of potential threats to reputation, developing the most effective strategies for ameliorating those threats and working with the client to execute the strategies. Rather than focusing on managing reputation, your public relations staff or agency should always place the emphasis on building trust. If they aren't, start making some changes.



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Industry impact

In some cases the very nature of a business or profession has a direct, though typically superficial, impact on building trust. For example, Columbia University's Graduate School of Business created what's known as the National Credibility Index on behalf of the Public Relations Society of America. The index surveyed hundreds of people on the issue of credibility as it pertains to 44 specific professions.

The top five:

5. Local business owner
4. Member of the armed forces
3. National expert
2. Teacher
1. Supreme Court justice

The bottom five:

40. Head of a national interest group (*like the National Rifle Association*)
41. Political party leader
42. Public relations specialist
43. Famous entertainer
44. TV or radio talk show host

Based on this study, local business owners gain the benefit of the doubt ... unless they happen to be public relations agency owners like me. Fortunately, relationships and personal conduct ultimately have more to do with success than a generalized perception.

Trying to "manage" your reputation is an exercise (often costly) in futility. Take Henry Ford's words to heart and focus on building trust. Don't assume everyone knows about you, let alone trusts you. Fulfill the promise of your brand to your customers. Treat your employees with respect. Invest in and support the community. Tell the truth, always. And don't forget to cooperate with the media. Reporters and editors can be your best friends or your worst enemies, and no one has more power to influence what people think of you or your company. Practice these principles and your reputation, as well as your success, will take care of itself.

INFORMATION LINK

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