



**A fresh look at reputation
risks for charities**

Contents

1

Introduction	2
<i>Claudia Cahalane</i>	
<i>Editor, Guardian Voluntary Sector Network</i>	
Thinking about reputation risks	3
<i>Hannah Clark</i>	
<i>Head of Charities and Social Organisations, Zurich Insurance</i>	
Face first: why reputation matters to charities	4
<i>Victoria Bales</i>	
<i>Strategic Risk Consultant, Zurich Insurance</i>	
Case study: new brand, same quality services	7
<i>Interview with Fabienne Jaquet</i>	
<i>Head of Media and PR, Livability</i>	
A plan for managing negative press	8
<i>Richard Evans</i>	
<i>Chartered Institute of Public Relations, Diabetes UK</i>	
Fundraising and reputation: inextricably linked	10
<i>Daniel Fluskey</i>	
<i>Head of Policy, The Institute of Fundraising</i>	
Case study: Projecting the right message to donors	11
<i>Interview with Tracy Griffin</i>	
<i>Director of Fundraising, Shelter</i>	
Tweet, talk, repeat: reputation on social media	12
<i>Guy Clapperton</i>	
<i>Freelance journalist and social media author</i>	
Case study: going viral and handling negativity	13
<i>Interview with Aaron Eccles</i>	
<i>Senior Social Media Manager, Cancer Research UK</i>	

Introduction



We all know how speedily news travels these days, not to mention how it leaves a lasting imprint on social media. When it's good news, it can do wonders for your donor-attracting potential. However, anything that unhinges a good reputation can have quick, lasting and serious consequences.

With money tighter than ever, it's increasingly essential for charities to make sure they are prepared for any risks to their reputation. To keep building your respect, you need to make sure you've identified any potential weak spots and have a strategy in place for any potential problems that might arise.

Do you have an action plan in place if one of your ambassadors is arrested for example, or if something false is printed about your charity in the press or on Twitter?

As part of an ongoing partnership, the Guardian Voluntary Sector Network and Zurich Insurance have compiled this essential, easy-to-read guide to help you ensure you've covered all the bases when it comes to any potentially damaging situations.

We hope you find it a useful and worthwhile read.

On the Guardian Voluntary Sector Network, we regularly covers issues like the ones in this guide, so feel free to join the conversation online.

Claudia Cahalane
Editor
Guardian Voluntary Sector Network

the guardian
voluntary sector network

Thinking about reputation risks

3



An organisation's reputation, many would say, is its most valuable asset. Build a good one, and people will be clamouring to work with it, promote its efforts and use its services. Cultivate a negative one, and it will find it hard to stand out. In the voluntary sector, which trades upon trustworthiness, reliability, integrity and goodwill, the value of a strong reputation simply cannot be underestimated. Public image influences partnership proposals and contract wins, campaigning efforts and volunteer numbers, donation levels and the willingness of others to fundraise on an organisation's behalf.

Nearly every challenge charities in the UK face today comes with a reputational risk attached – be that changes to government funding, increased demand for services or criticism of the wider sector in the press. Keeping reputation in mind when preparing for inevitable bumps in the road should be a fundamental part of organisation-wide risk conversations. It's also important to remember that reputation is so much more than what's on an organisation's website, direct mail-outs or Twitter feed. It's a network of what others are saying about you in the real world, including staff, beneficiaries, sponsors and many others. Keeping this fuller picture in mind will help organisations understand how to avoid mistakes and maximise positive opportunities.

As an insurer with a long history in the voluntary and public sector space we have seen first hand the potential implications for damage to reputation for our customers when things go wrong and have been able to step in and offer PR support in the event of a crisis and seen how critical this can be.

This guide aims to provide clear and practical guidance on the reputational risks, tools and strategies charities need to consider so that they can go out and do their work better, bolder and more ambitiously than ever before. Readers will find expert insight on everything from social media to handling a PR crisis, alongside first-hand case studies of how today's charities are dealing with their own reputation management.

This is the fourth in a series of practical, advice sharing guides that we are proud to have published with the *Guardian* – others in the series include handbooks on crisis management, emerging risks, and cyber & information risks. Visit our online Partner Zone to take advantage of these fantastic free resources: theguardian.com/voluntary-sector-network-zurich-partner-zone

As a long-time friend of the sector, we are keen to hear how charities progress within this area. Please share feedback with me at hannah.clark@uk.zurich.com

Hannah Clark
Head of Charities and Social Organisations
Zurich Insurance

Face first: why reputation matters to charities

Reputation is one of a charity's most valuable assets. By assigning its tangible worth, it will be easier to safeguard, to manage and to build. The dictionary defines a reputation as "the estimation in which a person or thing is held especially by the community or public generally". More casually, people often define reputation as "what others say about you when you're not in the room".

What holds true for individuals does so for organisations too – any charity working today will find there are certain beliefs and opinions held about them by others. At a deeper level, these beliefs

"The voluntary sector widely understands that a positive public image is vital to achieving charitable aims. Where the sector under-serves themselves is in grasping the strategic value of reputation"

and opinions define how stakeholders, service users, donors and professional partners continue to engage with them.

The voluntary sector widely understands that a positive public image is vital to achieving charitable aims successfully and with integrity. Where the sector is possibly under-serving themselves is in grasping the strategic value of reputation. In other words, how could a charity's reputation help give it an edge in order to creatively tackle a challenging climate?

Reputation risks can be difficult to map, as they are by their nature "consequential" risks: ones which arise as a product of other risks. Reputational damage is not something that can be

planned for in a vacuum. They are the result of larger issues, such as changes to the funding landscape and new opportunities for public service delivery, or new cultural developments such as our increasing use of social media.

Sector-wide criticism, too, can have adverse knock-on consequences. For instance, a recent news article which lambasted the high salaries of dozens of chief executives invited scrutiny on the sector overall and shifted the public demand for pay-transparency. It's also been suggested to have had long-term financial damage on charitable income. Such developments are difficult to predict – as a result, reputation should



be considered in an ongoing and integrated fashion alongside other risks an organisation might be facing.

So, how to start this process? The right place to begin is with an awareness of your potential risks. Charities should establish a formal process for identifying vulnerabilities in different areas of their organisation – such as fundraising, frontline services, IT or communications – as well as the long-term risks to them overall.

Once these are known, the next step is thinking about the kind of impact they might have. Would a drop in fundraised income inhibit the delivery of service, or would a cyber-attack threaten communication with key partners? The reputational thought process comes after establishing the scale of impact: how might such disruptions harm what others think about the organisation or influence decisions to work with it?

Establishing a consequence for each risk area is also an important step. In other words, what's at stake? Questions charities can ask to establish this include:

- ➔ How bad would it be if this risk materialised?
- ➔ Would it limit our ability to continue "business as usual"?
- ➔ What areas of our organisation would be impacted?
- ➔ Who else would it impact: Our service users? The public? Our partners?
- ➔ Do we stand to lose anything, such as a contract or donation, if this risk materialises?

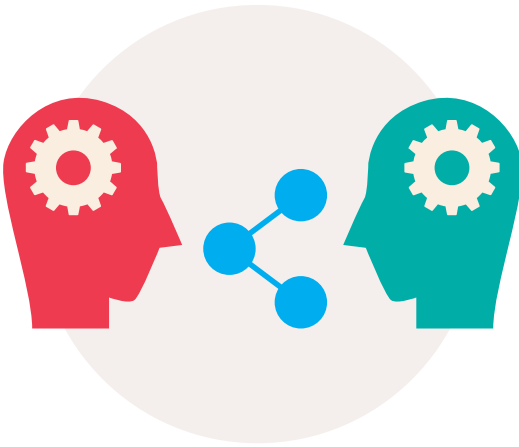
Once the answers have been established, it's easier to know how reputation might fare as a result. Creating a proportional plan of action in response to these risks therefore becomes more straightforward.

When undertaking scenario exercises of this kind, it is important to keep "stakeholder awareness" in mind. This means having a map of the people and organisations that are personally or financially invested in the work the charity does – including staff, volunteers, donors, contractors, partners and beneficiaries. How would the fallout impact its reputation among stakeholders, directly or indirectly? How would these stakeholders describe the situation afterwards to their friends, family and work colleagues?

A good risk management strategy will also have a strong crisis management plan. Imagine that a prominent ambassador for a charity is arrested. How should a response plan be developed, and how should responsibilities be delegated? Who would issue a statement, who would take enquiries from the press, and who would have their eye on social media? A good crisis response plan is all about staying on the ball and having a strategy in place that enables an early response. Time is of the essence in such situations.

Establishing and up-keeping reputation comes from the top and requires senior-level commitment. The leadership of any organisation sets the tone, but this doesn't mean that everyone else is off the hook.

Reputations are built on anything that an employee might say or do which could reflect back either positively or negatively. This kind of organic network has the power to transform the way a charity is perceived. Embedding accountability amongst all staff for an organisation's reputation should therefore take not just a top-down, but an all-around approach.



While some of the changes to the sector's working landscape may seem to invite greater reputational hazards, don't forget about the opportunities they can provide too.

For example, engaging with others on social media can be tricky, but learning to use it in the right way can make an organisation open, flexible and engaged – a big boost to its public profile. New funding strategies, such as government service provision, are no doubt a challenge, but they can also be a great chance to be seen as a trusted and indispensable resource to society.

Victoria Bales is a strategic risk consultant, Zurich Insurance

TOP SECTOR RISKS

By working with organisations and key regulatory bodies, Zurich experts identified the top risks for the sector from 2011 onwards. These risks are:

1. LOSS OF FUNDING AND FINANCIAL INSTABILITY

The likelihood of falling donations due to the recession and decreases in government funding support

2. CONTINUITY & CRISIS RESPONSE CHALLENGES

High demand for critical services on smaller budgets means crisis recovery capacity is stretched

3. DAMAGE TO REPUTATION & BRAND EQUITY

Affected by new funding channels, increased media scrutiny and social media

4. COMPROMISING CHARITABLE AIMS & PURPOSES

Increasing "commercialisation" could impact traditional values

5. CHALLENGING COMMISSIONING ENVIRONMENT

New payment frameworks and public service delivery models

Case study: new brand, same quality services

7

"We can't control everything so we make sure we're prepared and can respond quickly"

Livability is a national disability charity providing support for, and campaigning on behalf of disabled individuals across the UK. These services include residential homes, specialist colleges, self-employment training, accessible holidays and hands-on care.

The charity in its modern form was created by a 2007 merger of two charities, John Grooms and the Shaftesbury Society, which together had a 160-year history of supporting marginalised people. Fabienne Jaquet, Head of Media and PR for the charity, tells the *Guardian*: "As a long-established provider of services, maintaining our good reputation is key to what we do. So as a relatively new brand – Livability – we need to be able to both build on our heritage and develop our own identity and reputation, which can be a challenge."

Key to this ambition has been ensuring that the quality of services, which are delivered by nearly 1,500 staff nationwide, remains exceptional. "When you work every day with vulnerable people, your reputation is vital," explains Jaquet. "You hear a lot of horror stories in the social care industry. The overall environment for social care is challenging at a time of wide-spread funding cuts, but regardless of these pressures we have to make sure we never compromise." Livability say that key to keeping service quality high is making sure their recruitment process is

"When you work with vulnerable people, your reputation is vital. You hear a lot of horror stories in the social care industry"

watertight: "We're very conscious of the importance of our reputation in attracting the right kind of employee. That means we want to project to prospective candidates that we put the disabled person at the centre of what we do, and that we're also a great place to develop a career."

Jaquet says that as Livability is so closely responsible for many vulnerable people's health and wellbeing, it takes its duty of care extremely seriously. Having clear values across the organisation means they've managed to avoid a major incident thus far. "We care very much about preventing a crisis from happening but you can't control everything, so we make sure we're prepared, can react quickly, and have the right team in place to respond," she says. "I believe our strong ethos of honesty and hard work mean we're less likely to have our reputation compromised."



A plan for managing negative press

Handling a PR crisis requires a quick reaction and a firm hand when dealing with the media, says *Richard Evans* of the Chartered Institute of Public Relations

Managing reputational risk is like other forms of risk management in that, if an individual or organisation waits until something goes wrong before they start thinking about it, they've already left it too late.

Abraham Lincoln may have been talking about politics when he said that "with public sentiment, nothing can fail; without it, nothing can succeed" but, given that many charities rely almost entirely on the generosity of the general public for their income, his words apply equally to the voluntary sector.

Every charity should have a PR crisis plan in place. A media crisis tends to be stressful and difficult, so any planning they can do ahead of time will make it that much easier, if and when the crisis hits.

Whatever a charity's size, all crisis plans must have one thing in common: they should set out the composition of a crisis management group. This group needs to have the autonomy to make decisions and so should include the chief executive. Other obvious candidates for this group are the director of communications and the head of the media team, or – for smaller organisations – the relevant members of staff who have the best operational knowledge of the area of work under scrutiny. There may also be need for a separate group that is responsible for

"A media crisis tends to be stressful and difficult, so anything done ahead of time will make it that much easier"



communicating and implementing the decisions made by the crisis management group.

The plan should also establish what things need to happen quickly. The old adage about a lie being halfway around the world before the truth is able to get its boots on is even truer in the digital age. That means that reputation must be a top priority in a crisis – everything else needs to be droppable, because a delay of even an hour can make things worse.

For example – if, say, an organisation's reputation is damaged by a falsehood in the press, the first thing they would need to do



is to set out incontrovertible evidence that the journalist has made a mistake and then articulate this as concisely and simply as possible. This means making a statement on their website and on social media and making sure the customer services department and social media team are sufficiently briefed to answer people's questions. At the same time, they need to be proactively reaching out to stakeholders, who might be concerned about the coverage and make hasty decisions based upon it.

It is also important to focus on getting internal communications right during a crisis. Negative media coverage can damage staff morale

just as quickly as it can damage an external reputation, so employees and volunteers should be informed of the real story. Besides the impact on their morale, they are likely to be asked about it in the course of their job, or even by their friends and family, and it is important that everyone

"Negative media coverage can damage staff morale just as quickly as it can damage an external reputation"

is saying the same thing externally. It is also a good time to remind employees that any call from journalists needs to be directed to the press office or senior manager/nominated individual.

While this communication is going on, the media team, if you have one, or relevant person if you don't, should contact the offending newspaper to ask for a correction to be published prominently the following day. Newspapers can sometimes be reluctant to admit to mistakes and might try to achieve the compromise of having a letter published, or doing a follow-up article that includes the organisation's position. But if your charity has been misrepresented then stand firm. The newspaper admitting that it has made a mistake is the best and simplest proof that it has wronged and that any subsequent stakeholder decisions to cancel contracts or sever ties with the organisation in question have been made in haste.

This kind of reputational crisis plan should be part of any charity's risk register. The right sort of response will help minimise the damage to its reputation and could even help build long-term trust with stakeholders who are likely to appreciate the open and proactive way they have been kept informed.

Richard Evans MCIPR is a council member on the Chartered Institute of Public Relations (CIPR) and Head of Media at Diabetes UK

Fundraising and reputation: inextricably linked

Good fundraising can positively impact reputation; bad fundraising can risk losing support, says *Daniel Fluskey* of the Institute of Fundraising

The reputation of a charity is perhaps its most important outward facing asset. Whatever it is called (reputation, brand, or character), what is fundamental for all charities is the relationships that they create with their existing and potential supporters. Successful fundraising is built on these relationships. Without them, charities simply wouldn't get the money in, and without that money they aren't able to work towards fulfilling their missions: services don't run and need goes unmet.

While the "reputation" of a charity is built up on all of its constituent parts (how it spends its money, how it runs its services, how it campaigns, or even the attitude of a volunteer in a charity shop), the way that a charity goes about raising its money will always attract particular attention. It's through fundraising that the vast majority of people have any interaction or communication with a charity. Whether it's seeing a TV advertisement, an online pop-up, or seeing a fundraiser in the street, fundraising is around us and part of our everyday lives – and it's that visibility that makes it so important to the reputation of the charity.

So, when it comes to fundraising, what are the key things that can impact on reputation? First of all, it is important to realise the positive effect that fundraising can have for the reputation of a charity. It shows that they are active and gives the opportunity to highlight their cause to the public, telling them about the difference they are making in the world and helping people feel good about donating.

However, while we should never feel defensive or apologise for asking for money which supports good causes, all charities and fundraisers do need to be aware of how fundraising can potentially affect their reputation negatively. A member of the public may think that a charity advert on TV was a bit upsetting, they may not like someone on the street asking for a couple of minutes of their time, they may not like someone phoning them and asking if they can give a little more. Get fundraising wrong as a charity and there is the risk that the good will of supporters may be lost and they may feel less inclined to give again in the future. It should be noted, though, that the above examples are pretty rare – the numbers of complaints about charity fundraising remain small compared to the activity that takes place.



How can fundraisers know then what is the right way to go about asking for money? What can charities do to ensure that their fundraising is at the highest standard and minimises any risk to their reputation? The Institute of Fundraising's Code of Fundraising Practice (available online at institute-of-fundraising.org.uk/guidance/code-of-fundraising-practice) can certainly help. Bringing together all of the legal requirements that fundraisers need to be aware of, as well as best practice guidelines, the Code should be the most important resource for every fundraiser. Underpinning the Code are the values of being "Legal, Open, Honest, and Respectful". The more that fundraisers embed those values into the work they do, the more the reputation of their charity will be strengthened.

One of the easiest things that all charities can do is to ensure that they are part of the self-regulation of fundraising by joining the Institute of Fundraising and the Fundraising Standards Board (FRSB). The FRSB's "give with confidence" tick logo shows a public commitment to fundraising in the right way, reassures supporters, and minimises the risk of reputational damage.

Charities will always need to fundraise – there's no other way that they can meet the need of their beneficiaries. But they do have a responsibility to fundraise in the right way, and by doing so can only enhance their reputation.

Daniel Fluskey is Head of Policy and Research at the Institute of Fundraising

CASE STUDY: PROJECTING THE RIGHT MESSAGE TO DONORS

Housing is a hot political issue right now. One of the UK's major housing and homelessness charities, Shelter, aims to turn insight gathered through their frontline services into actionable campaigns. Projecting a reputation for expertise, impact and grassroots campaigning is therefore fundamental to gaining funding and donations.

"Our reputational objectives are all about helping people understand what we do," Tracy Griffin, the Director of Fundraising at Shelter, tells the *Guardian*. "We want people to see how our support services and campaigning underpin each other, that we're not just a sticking plaster."

Griffin says she's seen a positive link between donation levels and getting image right. "We monitor what people think of us using supporter feedback surveys and polls. We know from evidence that people who understand we're both an on-the-ground and a campaigning organisation perceive us better and support us more financially. Our very public Christmas campaign last year, for example, combined case studies with a petition to David Cameron, and we raised £3 million."

Maintaining our reputation always needs to take priority when partnering with corporates for funding, says Griffin, so integrity is key. "Not standing up for our values could impact how the public see us," she says. "So we have an honest relationship with our partners; they know we'll speak out if we think they could be doing something differently. We lost letting agent partners last year because we said agents' fees for tenants were not acceptable, but I was OK with that."

Tweet, talk, repeat: reputation on social media

Staying engaged, but without being a control freak, will create the best image on social media says *Guy Clapperton*

Social media offers massive opportunities for the third sector. Anyone who has responded to a JustGiving request from a friend on Facebook or Twitter, anyone who has tried to raise funds through the Dryathlon, Movember or any similar scheme, will confirm it can be very effective.

It can also create a problem. Some of this is because of the permanence of social media. Write in haste and it will be there for a while, as Alan Stevens, a reputation management specialist and media coach, points out: "Remember that your social media messages are like graffiti on a wall. They can be pretty permanent, even if you try to delete them, so never say anything that may come back to haunt you."

Some have been bitten, but others have done spectacularly well. A good first step is to check what's already being said. "Social media is all about dialogue," says Stevens. "If you ignore comments about you or your work, people will think that you don't care. It's best to engage, unless you feel that the remarks are so outrageous that responding would inflame the situation." There are also free tools to help account holders check whether they're influencing people or not. "You need to monitor your reputation online using tools like Klout or SocialMention," says Stevens. "Look for fluctuations in your scores, which may highlight a problem you need to fix."

"Charities in particular can benefit from social media campaigns, whether building a reputation or raising income," he adds. "You need to have social media-savvy people on your team, and they aren't always the youngsters." This is an important point: the perception that Twitter and Facebook are for teenagers overlooks the fact that 52 per cent of the people on social media are over 35.

Social networks are ripe with opportunities. So be open to comment, engage with rather than slap down criticism (this makes you look controlling, not confident) and act as a resource of expertise. Adopt this tone on social media and there's every reason to expect your charity and your cause to do extremely well from it.

Guy Clapperton is a technology journalist and social media author

TOP TIPS

DO



Engage with people



Monitor what others are saying about you



Consider before sending a snappy reply

DON'T



Make a series of announcements without replies



Remove negative feedback, i.e. Facebook comments

Case study: going viral and handling negativity

13

Back in March, Twitter users started posting makeup-free self-portraits to the social network. Cancer Research UK's social media team were keeping an eye on the #nomakeupselfie trend and late one evening, when they noticed people had begun to add #cancerawareness to their posts, they decided to get involved.



"We take turns monitoring social media out of hours, and at 10:30pm someone noticed the hashtags were gaining traction," Aaron Eccles, their Senior Social Media Manager, tells the *Guardian*. "We said straight away that the campaign wasn't ours, but that we liked the sentiment and if people wanted to use a selfie to spread awareness or to donate, then they could." By adding their voice to the trend, the charity saw an extraordinary £8 million worth of donations and serious news coverage. So how does their strategy work in-house?

"Since refreshing our brand a few years back, we've been doing everything we can with social," says Eccles. "Because we rely purely on the public for research funding, our reputation is absolutely key and social media is a huge part of that." He says social networks are a great place to be reactive, jump in with

audiences and increase awareness of their work. It's also the first place where you can see things going wrong. "If people are starting to view us negatively, social is the first place they'll express that," he elaborates.

For example, Eccles says they are often negatively targeted by people who believe cures for cancer lie outside the world of medical research. "A Facebook post can start out as a positive recovery story and be quickly turned towards misinformation. Our job is to jump in and steer the conversation back away from myths and towards scientific evidence."

Their five-person team monitors what others are saying about them by keeping an eye on things themselves, but also using tools and alerts for key words. "Setting up alerts is a good tip for smaller charities without a dedicated social media team," he advises, "but remember not just to set alerts for things you're worried about, otherwise you'll miss positive trends like the selfies."

Negativity on social media should never be ignored though, advises Eccles. "Cancer is an emotive issue, so if we have mixed reactions to something we put up, then we have a conversation with those people. Asking 'why' takes the fire out of things. It makes you look a lot better to have a human reaction when someone is angry."

Eccles emphasises that this kind of accessible tone is crucial for building the relationships that support a good reputation. "As a charity your work is about engaging with people. We want them to think of us when they're planning a charity run or thinking of donating, but sometimes we're not able to have a real world conversation. Social media makes that a possibility."



Content commissioned and edited by Slack Communications,
on behalf of Zurich Insurance and Guardian News & Media.

Visit theguardian.com/zurich-guides to download an electronic
version.

This publication provides general information and is not intended, and should not be relied on, as a substitute for specific advice relevant to particular circumstances. Neither Zurich Insurance plc, nor any company in the Zurich group of companies, can accept any responsibility for any actions taken or not taken on the basis of this publication.

Zurich Municipal is a trading name of Zurich Insurance plc, a public limited company incorporated in Ireland. Registration No. 13460. Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland. UK Branch registered in England and Wales Registration No. BR7985. UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ. Zurich Insurance plc is authorised by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. These details can be checked on the FCA's Financial Services Register via their website www.fca.org.uk or by contacting them on 0800 111 6768. Our FCA Firm Reference Number is 203093.

