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Corporate Reputation Takes 3.2 Years to Recover from a Crisis, Finds Burson-Marsteller Market Research

NEW YORK--(BUSINESS WIRE)--July 19, 2006--Burson-Marsteller: Key Crisis Management Strategies Can Turnaround a Bad Reputation Much Quicker, According To the Global Public Relations and Public Affairs Firm

Executives around the world believe it takes companies slightly more than three years (3.2 years) to recover from a crisis that damages their reputation, according to market research by Burson-Marsteller. The research, which is based on the opinions of 685 business "influentials" -- CEOs, senior executives, financial analysts, business media and government officials in 65 countries - also shows that quickly disclosing the details of a scandal or corporate misstep should be management's top priority as it begins the process of restoring corporate reputation.

Every two years, Burson-Marsteller conducts market research to identify the drivers of CEO and corporate reputation. The latest research conducted by the firm took a closer look at the crisis management strategies that a company should use to protect, manage and build its reputation. According to the market research, the top ten crisis management turnaround strategies are:

- Quickly disclose details of the scandal/misstep (69%)
- Make progress/recovery visible (59%)
- Analyze what went wrong (58%)
- Improve governance structure (38%)
- Make CEO and leadership accessible to the media (34%)
- Fire employees involved in the problem (32%)
- Commit to high corporate citizenship standards (23%)
- Carefully review ethics policies (19%)
- Hire an outside auditor for internal audits (18%)
- Issue an apology from the CEO (18%)

"A crisis can have a devastating impact on a company's reputation in terms of its profitability, credibility, competitive position, and ability to retain and attract top performers," said Deborah Bowker, chair of Burson-Marsteller's U.S. Corporate/Financial Practice. "However, companies can lessen their recovery time and be welcomed back into the fold, with their reputation restored, if they follow a few well-executed and integrated turnaround strategies."

Equally important to crisis management and corporate reputation is integrating communications strategies. Having the right message, delivered by the right messengers, to the right audiences and via a mix of old and new channels is critical to a speedy recovery, according to Burson-Marsteller.

"Not only does this ensure superior execution, but it also enables companies to measure their progress on a regular basis which was also cited as a top turnaround strategy by 14 percent of respondents," said Bowker.

One of the more surprising findings of the market research conducted by the firm is that only 5 percent of senior executives believe that updating their website can be an effective tool in their crisis management and corporate reputation turnaround strategy.

"Companies struggling with reputation issues can use their websites and other interactive tools to quickly and accurately deliver important messages on how they are responding to a crisis and what they are doing to fix the damage," said Andy Nibley, global head of the firm's interactive capability. "Web-based communications give senior leaders the most immediate channel for delivering messages of vital importance to key internal and external audiences. When dealing with a crisis that impacts a company's reputation, speed is everything."

About the CEO Capital Study

Burson-Marsteller has been conducting market research on CEO and corporate reputation since 1997 (www.ceogo.com). The new 2005 CEO Capital study was conducted in 65 countries online between May and July 2005. It was completed by 685 business influentials -- CEOs, senior executives, financial analysts, business media and government officials. Roughly one-third of respondents came from North America (26 percent), Europe (32 percent), Asia-Pacific (32 percent) and one-tenth from Latin America (10 percent). Participants were drawn from a cross-section of 19 industries.

About Burson-Marsteller

Burson-Marsteller (www.burson-marsteller.com), established in 1953, is a leading global public relations and public affairs firm. It provides clients with strategic thinking and program execution across a full range of public relations, public affairs, advertising, and web-related services. The firm's seamless worldwide network consists of 54 wholly-owned offices and 46 affiliate offices, together operating in 58 countries across six continents. Burson-Marsteller is a part of Young & Rubicam Brands, a subsidiary of WPP Group plc (NASDAQ: WPPGY), one of the world's leading communications services networks.

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