

## Reputational Risk & Crisis Management

A crisis is a defining test for a university. The way a institution manages a crisis can either severely threaten or greatly enhance its brand, reputation, operations, financial performance, investor confidence, customer loyalty, employee morale and community standing.

Research has shown that an organization will face a crisis every 4-5 years, and a chief executive officer (CEO) can expect to manage at least one crisis during his or her tenure. Today, crises can strike from any direction and can cause greater damage in a shorter time period than ever before. Recent events that have triggered crises include:

- Business ethics or accounting irregularities
- Litigation
- Regulatory inquiries
- Leadership transitions
- Mergers and acquisitions
- Legislation
- Natural disasters
- Supply chain interruptions
- Product tampering or recall
- Labor concerns
- Geopolitical uncertainties
- Political violence or terrorism

### New Realities Bring New Urgency

The need for reputational risk and crisis management has never been more apparent than it is today. Surveys over the last few years have revealed that reputational risk is the number one issue for c-suite executives. Yet, at the same time, 81% of CEOs say their companies are vulnerable to a crisis. Consider the following:

- Damage to reputation can cost millions, even billions, in shareholder value. With no insurance to cover the loss, companies must prepare in other ways. (Marsh/RIMS)
- Forty percent of companies surveyed said they have no crisis management plans in place—which is in a downward trend since 2003. (AMA)

Solid reputational risk and crisis management planning has become an accepted benchmark of sound corporate governance. A study from Oxford University found that firms that managed a major crisis effectively earned a 25% higher shareholder value (one year after the event) than firms that managed their crises less successfully. Worse, a poor crisis response can destroy irreplaceable assets such as brand and reputation, human capital and public trust that took years to build and will be even more costly to repair—if it can be.

### Finding the UPSIDE

While it is impossible to know when a crisis may occur, the right insight, preparation and planning can help a university survive an adverse event and, if properly managed, even gain competitive advantage.

Marsh has the expertise, experience and resources to help you turn adversity into opportunity. We can help develop, implement, validate and maintain a reputational risk and crisis management program that addresses all of your institution's vital functions. We will work with you to build complete, customized plans that span all disciplines and departmental silos. Then we help you to put the plan(s) into action, verify your readiness through training and exercise. Finally, we help you manage the actual crisis if it does occur.

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## A Comprehensive, Integrated Approach

Marsh offers a full suite of reputational risk and crisis management services including:

**Reputational & Crisis Readiness Review**—Offering objective reviews of your current capabilities and organizational issues related to crisis management.

**Facilitated Planning**—Developing customized programs, policies and procedures that integrate multiple disciplines across your organization.

**Strategic Program Development**—Establishing a comprehensive schedule for the implementation, maintenance and enhancement of your entire reputational risk and crisis management program.

**Training and Exercising**—Training and validating existing or improved reputational risk and crisis management capabilities through practical exercises.

**Strategic Communications**—Creating and implementing a strategic program to influence stakeholder opinion before, during and after an adverse event or crisis.

**Real-Time Crisis Support**—Providing 24/7/365 access to expert guidance and support to protect brand and reputation while managing the actual crisis or adverse event.

## Uniquely Qualified

Reputational risk and crisis management is not a matter of abstract theory or guesswork. Our global consulting team has successfully supported leaders in nearly all industries and sectors. And, with decades of practical experience, we also have managed some of the largest crises in the world.

Our mission is to share this unparalleled expertise with our clients and help guide them through the many phases of reputational risk and crisis management—from prevention and preparedness to response, mitigation and recovery.

The Reputational Risk & Crisis Management Practice is part of Marsh, the world's leading risk advisory and brokerage firm with more than 26,000 employees in 100 countries throughout the world. As a member of the Marsh & McLennan Companies (MMC), we also have direct access to the specialty services of Oliver Wyman, Kroll and Mercer HR which add to our unrivaled depth and breadth of experience.

MMC has comprehensive solutions that reduce the likelihood of risk and diminish its impact if it does materialize; we can even help you leverage the opportunities risk often reveals. We empower our clients with the knowledge and the tools, programs and practices that will preserve, protect and defend invaluable business assets—financial, physical, operations and people—against any risk, anywhere, anytime.

To speak with us about your reputational risk and crisis management concerns, please contact:

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