

Reputational Risk Management Best Practices

Nothing about leading and managing colleges and universities is getting easier. Warren Buffet's oft-cited quote — "It takes 20 years to build a reputation and five minutes to ruin it" — can be modified for higher education: It takes 100 years to build a reputation and seconds to ruin it. Managing major risks such as strategy and reputation has become a core competence that is both expected and demanded. These best practices can help ensure that your institution effectively identifies and mitigates the risks posing threats to your institution.

01

Develop a common understanding of your institution's reputation through a deep dive and surveys of constituents, students, alumni, faculty, staff, and community members. Include an analysis of social media mentions; rankings in guidebooks, including the Princeton Review; and other student-driven sites. Consider the impact of a reputational threat from various dimensions. Consider risk management strategies in light of this understanding of the reputation.

02

Assess and strive to steadily **improve the culture of your institution** and other factors that significantly contribute to your institution's reputation. Articulate your institution's values and mission for all to understand, and communicate a clear understanding of how your institution operates. The level of engagement and transparency sets the stage for developing a reputational risk management strategy.

03

Identify ownership and lines of communication for specific reputational risks. Your institution's President ultimately owns both enterprise risk management and your institution's reputation. Your institution's Governing Board provides oversight, engagement, and support. CFOs are often charged with managing the process.

04

Pay attention to sacred cows — programs, people, or areas that are steeped in tradition or perceived to be above reproach, and satellite programs that aren't front and center to the administration. Ensure they receive risk reputation management just like every other program. If the broad category of athletics is identified as a reputational risk, a winning football program can be a sacred cow and a summer football camp, run by assistant coaches, could be a satellite risk. Both programs must be on the radar for monitoring.

05

Manage reputation and other risks in a portfolio and **understand how the risks are connected.** Determine how non-reputation risks impact reputation risk. Additionally, your institution should consider adding a reputation dimension when assessing the likelihood and impact of other risks.

06

Share the risk register and mitigation plans regularly with the board, to gain its confidence in your institution's developing expertise in deploying appropriate resources to prepare for and respond to future events. Review with the board your institution's ability to be resilient, and to withstand and recover from an event.

07

Establish a monitoring system that will give early notification to emerging reputational damage to your institution. Most institutions have established social media monitoring processes. Stay current on the new sites that serve students and alumni and blossom in a crisis. The mechanism for monitoring, tracking, and responding should be flexible enough to encompass unforeseen events but focused so your institution is scanning the environment and surprises are minimal.