

Reputation is a fragile thing – it takes a long time to build and is easy to break. Vevox and Hiab are companies from different business sectors, but with something in common: they both know the importance of listening to their clients to become a trusted brand and how quality is the most important link in their ‘trust chain’

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We

generally associate trust with quality. A trustworthy brand is a quality brand, and quality failures tend to make us lose confidence in a company. So, how do you guarantee that your brand is reliable?

A company's reputation can be damaged globally. For example, this happened to Kobe Steel in 2017, when the Japanese steel manufacturer admitted falsifying quality check data for products used in the car and aircraft industries. At the time, Kobe Steel's CEO, Hiroya Kawasaki, said the company's credibility had "plunged to zero" and the repercussions of the scandal included the loss of some clients. Kobe Steel Group has recently published a plan to build a quality governance system, strengthen quality control processes and to restore customers' trust.

We read about reputation scandals on the news all the time: organisations that don't comply, that risk too much or develop bad practices. We point our finger at those bad examples and enumerate all that went wrong. But do we know how to make it right? How does an organisation go about protecting their reputation?

According to Ira Kalb, Professor of clinical marketing at the Marshall School of Business at the University of Southern California, an organisation should take active steps to protect its reputation. High standards are a valuable route to achieving your customers' trust. If there is a problem that could potentially affect reputation, this should be actively managed by admitting and apologising for mistakes and turning negatives into positives. The company should propose a viable solution to the problem, so that customers can see that changes are being made.

Quality World took two examples of companies that understand the value of protecting their reputation and asked them how they are using quality tools to safeguard their clients' trust.

Hiab: trust for growth

Hiab, a Swedish manufacturer of on-road load handling equipment, understands the importance of listening to its customers to help maintain a solid reputation. "We have two customer engagement surveys established in what we call the customer hierarchy. Our customer hierarchy is a pyramid: in the bottom you have trust, in the middle you have the basic needs, and on the top you have growth and productivity," Tobias Bunne, Quality

Director at Hiab, tells *Quality World*. "But trust is something that you have to have on all levels of the pyramid. You need your customers trust to become an over-achieving organisation."

Hiab became a model organisation after it implemented Quality for Growth, a quality strategy focused on leadership, involvement, feedback and empowerment as the foundations for delivering a sustainable

business, in 2016. They educated employees, partners and customers on how quality is central to their strategy and turned the problems they identified into opportunities and professionalised the image of the quality function in the business context. They have since seen orders increase due to this new approach to quality. The company won Quality Organisation of the Year award at the International Quality Awards 2018.

Bunne says the Quality for Growth strategy would have not been such a success if the quality team hadn't had the full support of the Hiab's management team. However, having top management support is not enough to ensure the success of a quality programme, he says. Everyone in the organisation needs to understand the importance of establishing a strong quality culture to ensure the success of the business.

Tobias Bunne is Quality Director at Hiab. He says listening to customers helps maintain a solid reputation



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"The challenge was to get everyone understanding the value of quality. To do that, we first had to talk about money, showing them how quality improvements can result in gains for the organisation."

Another challenge that Hiab's quality team needed to face while implementing its Quality for Growth strategy was to help everyone inside and outside the organisation understand that improvements take time. Communication was the key, he says. "We communicated to all the different stakeholders that we were improving our quality strategy. For the change to be sustainable, and not a one-off, you do need to make sure that people believe in it and change their perspective. Driving cultural change has been the main challenge for our quality strategy."

Standard tools and methodology are not enough to ensure the success of your quality strategy, he believes. "We have to change the language and the terminology, speaking the language that people understand – making it simple."

Ask yourself if everyone in the organisation understands the organisation's quality culture, if they believe in it, they are motivated and are contributing to the success of the organisation, he suggests. Capture "the soul of the company" through core values and communicate them, he says. "We have three core values – 'reliability', 'caring' and 'pioneering'. When we started to talk about these values, it started to unlock all sorts of motivations from our stakeholders. And that became the force behind our Quality for Growth strategy. Today, we can say that cultural change actually brings financial value for the company; we managed to connect culture and money." Trust can't be built by an organisation without the commitment from everyone in it. One person, or one action, can corrupt an organisation's reputation, so having



Hiab became a model organisation after it implemented the Quality for Growth strategy in 2016

all stakeholders on board with the company's values is crucial for developing a trustworthy brand.

In reality, it is impossible to guarantee that everything runs smoothly all the time. Accidents happen, behaviours or actions that should not take place in your organisation somehow pass through the cracks, and these things are not always dealt with in the best way. Bunne says risks to a company's reputation have increased with the rise of social media. "We are seeing that in social media opinions turn into truths. Facts don't matter as much anymore. And this is a concerning risk factor." He says organisations have to "make proper risk assessments,"

and deeply understand how their customers think and how they gather information on their product/service.

"Another way of avoiding reputational damage is if you actively look at your detractors and turn them into promoters. Sometimes, customers that criticise the most are actually sitting on very valuable information. We have turned a number of detractors into

promoters by solving their problems, listening to them and bringing them into a dialogue." Bunne adds: "Before, in marketing we tried to make our business and products sound like heroes. Today, we try to make our customers heroes and become part of our company culture."

Vevox: a trusted app

The team at Vevox – a real-time audience engagement app for the workplace and education and training – knows the value of customer trust. The Vevox App (formerly Meetoo) has a 9.6 out of 10 points review on Trustpilot [at April 2019], the consumer review website.

The app encourages participants to use their smartphone, tablet or laptop to take part in discussions at meetings, classes and other gatherings where participants' engagement is involved. Users can post any questions or comments during a meeting or presentation, helping the speaker with live feedback. These posts can be done anonymously, which can

“You need your customers' trust to become an over-achieving organisation”

increase the level of honesty in the feedback and can also encourage people who are shy about speaking in public to make their views known. The Vevox platform consists of an online control dashboard, participant app, PowerPoint Add-in and live results displays. Consumer reviews are the main fuel for customers' trust in the app, says Jon Fowler, Vevox CEO. "We are extremely proud to have a great score when it comes to Trustpilot, and we've placed huge importance on these reviews. It's far more authentic to have a

client talking about how good your technology is, and how good your service is, than doing that yourself."

In fact, word of mouth is widely considered the best marketing tool a product or service can have.

So, inspiring clients to trust you so much that they actually become ambassadors for your product or service is an achievement that every company should aim for. "When we're in a competitive situation, we find that the strength of the reviews that we have and the amount of case studies that clients have written, on our behalf, have really set us apart," Fowler says. "When I look at, for example, the awards we've won [Best Higher or Further Education Digital Services, Best Use of Technology for Analytics, Data Collection and Insight] they were driven by the strength of our customer reviews and the use cases that the customers were pointing to in their application of Vevox."

The company works with clients, such as the New York Police Department and global financial institutions, who demand strict

security checks and tests to guarantee the safety of the app. "The confidence these high-profile clients have on us comes from our ability to be able to meet their criteria; to properly answer their security questionnaires, before we even start working with them."

"Although we've got quite a small customer-facing team, there is a lot of emphasis on gauging where people are, what they feel about the product, what could be improved, and then feeding that back to our development team," adds Mark Beilby, the company's Executive Chairman.

To help maintain the trust its clients have in the Vevox app, the company has decided to work towards certification for ISO 27001 – Information security management systems.

"We feel that we've always worked our data with the highest integrity and recognised the importance of the data we manage, but we've never really had the badge to prove this. We feel that it's a really important culture to instil in our business, and everyone in the organisation takes the management of data extremely seriously, so we feel that this certification is something that an organisation like ourselves should absolutely have. I think it's really important for the reputation of the business," says Fowler.

Fowler and Beilby both agree that data security is a major concern in terms of maintaining a tech company's reputation. Companies must also not forget that their main focus should be their clients, and instead can end up "spending too much time positioning themselves for investors and not

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The team at Vevox knows the value of customer trust: the app has a 9.6 out of 10 points review on Trustpilot

paying enough attention to their own customers", suggests Beilby. A company needs happy, successful customers, he says, and those losing sight of this will eventually face real risks.

What does the future hold?

One episode of the British science fiction TV series *Black Mirror* features a dystopian future in which everyone is rated by their peers. Each person has

a star rating – and the higher your score, the more privileges you have in society. All your behaviours are monitored and ranked by people around you, meaning that if you do something that people do not agree with, your rating goes down and you



lose privileges. People with low ratings find it hard to raise their ranking to improve their quality of life.

Are we, as a globe, walking towards something of a similar future? Organisations are already under scrutiny, and it is easy for a brand's reputation to be made or broken through social media and press coverage.

Some argue that it is good that the people finally have more power to control big business' behaviour. Others highlight the dangers of fake news and the 'noisy minority' view of passionate groups.

Peter Buell Hirsch examines how the rapidly growing field of analytics might be put to use in the area of reputation risk management in his article, *Tie me to the mast: artificial intelligence & reputation risk management*, published by the *Journal of Business Strategy*.

In the article, he looks into how artificial intelligence (AI) and machine learning have spread rapidly across every aspect of business and social activity, and how they can be used to prevent and mitigate reputation risk. Hirsch believes we will be able to use these new tools to identify early signs of behaviours in our organisations that could lead to reputational damage.

There are at least two areas in which AI could be applied to reputation risk management, he says. One is the use of machine learning to analyse employee emails in real time to detect early signs of incorrect behaviour, the other area is the use of algorithmic game theory to stress test business decisions to determine whether they contained perverse incentives leading to potential fraud.

This could mean that in the future we could have extraordinarily powerful tools for companies to identify risky behaviours developing in the organisation, long before they actually become reputational risks. ■

HOW MUCH IS YOUR COMPANY EXPOSED TO REPUTATIONAL RISKS?

There are three factors that determine the extent to which a company is exposed to reputational risk – according to Robert Eccles, former Professor of management practice at Harvard Business School, Scott C Newquist, Managing Director at Remsen Strategy Consulting Group, and Roland Schatz, Founder and CEO of Media Tenor International, in their article *Reputation and Its Risks*, published by the Harvard Business Review. These are:



Reputation-reality gap: reputation is a matter of perception.

Reputation is distinct from the actual character or behaviour of the company and may be better or worse. When the reputation of a company is more positive than its underlying reality, this gap poses a substantial risk. Eventually, the failure of a firm to live up to its billing will be revealed, and its reputation will decline until it more closely matches the reality.



Changing beliefs and expectations: the changing beliefs and expectations of stakeholders is another major determinant of reputational risk.

When expectations are shifting and the company's character stays the same, the reputation-reality gap widens and risks increase. Sometimes norms evolve over time, as did the now widespread expectation in most developed countries that companies should only pollute minimally (if at all). A change in the behaviour or policies of a leading company can cause stakeholders' expectations to shift quite rapidly, which can imperil the reputations of firms that adhere to old standards.



Weak internal coordination: another major source of reputational risk is poor coordination of the decisions made by different business units and functions.

If one group creates expectations that another group fails to meet, the company's reputation can suffer. A classic example is the marketing department of a software company that launches a large advertising campaign for a new product before developers have identified and ironed out all the bugs – the company is forced to choose between selling a flawed product or introducing it later than promised.

