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**BOOK REVIEW:**

**Fame and Fortune: How Successful  
Companies Build Winning Reputations**

by: Joe Mandese, Editor

In their new book *Fame & Fortune: How Successful Companies Build Winning Reputations* (Financial Times Prentice Hall, 2004), authors Charles J. Fombrun and Cees B.M. Van Riel begin with the simple premise that reputations matter greatly to a company's internal and external performance and need to be benchmarked, tracked and managed to ensure strong corporate results. The book then goes about the complex tasks necessary to achieve those goals, providing a step-by-step guide that corporations can use to chart their path.

Whether Fombrun, a professor of New York University's Stern School of Business and executive director of the Reputation Institute, and Van Riel, a professor of the Rotterdam School of Management, meant it, the book's name serves as a double entendre, alluding to both the obvious connection between fame and fortune, as well as serving as an indirect reference to corporate reputation indices such as Fortune's Most Admired that have come to symbolize industry best practices.

In either case, the impact of fame – or public reputation – on corporate goals are usually quite material, even if they are not always looked upon with the same precision and exactitude of products, services, financials and other tangibles.

"Companies must recognize the powerful constraining effects that stakeholder perceptions have on the ultimate success of their initiatives," say the authors, acknowledging that, "Reputations are intangible assets that belong to the soft side of the balance sheet."

As soft as they may be, *Fame & Fortune* does an admirable job of bringing substance to the contribution reputations have, citing an array of case studies of some of the reputation management's best practices, as well as some not-so-good ones, and backing the examples up with some powerful metrics. Included are Fombrun's own Reputation Quotient (RQ), as well as Delahaye's and the Reputation Institute's Media Reputation Index (MRI), which rates the impact media coverage has on corporate esteem.

Fombrun and Van Riel suggest proprietary measures of reputation performance can also be adopted, but that it is essential for companies to develop a "credible scorecard" in order for corporations to keep their corporate vision aligned with their communications initiatives.

"Most companies build their scorecards around the volume of external coverage, the favorability of that coverage in each region, and the reputational changes they expect from carrying out their communications," the authors explain. "Having a credible scorecard, committing to targeted results based on that scorecard, and rewarding business unit managers as well as communications staff for achieving those results are the key ways companies can ensure successful implementation of integrated communications."

The authors provide ample examples of using such scorecard data, especially the RQs, which were developed by Fombrun in conjunction with market researcher Harris Interactive. The RQs are based on six dimensions the researchers consider to be common to all companies, which are broken down into 20 reputation attributes.

By adapting and customizing these attributes, the authors say companies can develop a baseline for tracking and managing their unique communications agendas and needs. They recommend augmenting these baselines with external media tracking systems, such as the MRI, which Delahaye and the Reputation Institute based on the same 20 attributes in the Harris-Fombrun RQs.

"A third tracking tool we recommend is to construct a coding system based on the reputation scorecard for all of the company's outgoing messaging, including press releases, website content, annual reports and executive speeches," advocate Fombrun and Van Riel, noting, "Content analysis of outgoing messaging closes the loop: It reports what the company is saying to its stakeholders."

When juxtaposed against media ratings and data on stakeholder feedback, the authors say such a feedback loop will enable corporate communications managers to ensure they are hitting their communications targets.

In addition to consistent and systematic reputation and media coverage tracking, the authors outline a five-step program for managing corporate reputations to internal and external stakeholders: Be visible, be distinctive, be authentic, be transparent, be consistent.

As such, the authors essentially are advocating basic tenants of business and consumer branding, but are applying it in a more focused way toward corporate communications. While the book does address a broader array of communications strategies, including the impact of advertising on reputations, it does not stray off into warm and fuzzy branding speak, but sticks with basic tenants of public relations management.

Fombrun and Van Riel achieve this through an ample body of diagrams, flowcharts, anecdotes and some lesson-worthy case studies, especially and in depth look at how Federal Express turned around a once messy and diffused array of operating units and a cynical marketplace response into the poster child of corporate communications. The program, which the authors argue elevated



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FedEx to "best in class" was based on a concerted communications strategy that was applied company-wide and at all levels.

The authors reveal how FedEx managed this process and show results in the form of improved RQs and MRIs, as well as bottom line financial results.

*If you would like to learn more about how successful companies build winning reputations, you can hear author Charles Fombrun speak at the IABC Delahaye Research and Measurement Conference in NYC on November 20-21 <http://www.iabc.com/rmconf/>*



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