

REPUTATIONAL RISK AND CRISIS MANAGEMENT

MKT 372

Fall, 2020

Tuesday and Thursday 9:30-10:45p online via Canvas Zoom with utetid log on only

Dr. Linda L. Golden

Professor of Marketing and Joseph Blades Professor in Risk Management
linda.golden@mcombs.utexas.edu

512-663-8506 for voice and text

Office Hours: By appointment as you need and TTH 9.00a via class log-in

When you email Dr. Golden, always copy the TA and when you email the TA, always copy Dr. Golden. Dr. Golden will be your primary contact person for questions.

TA: Madeleine Smith Contact: madeleine.smith@utexas.edu

Course Mission

Reputational risks and crises of all types are inevitable. Failures due to these risks and crises are not inevitable. It goes without saying in today's world that crises and risks are all around us. *The mission of this course is to help equip you to further develop your decision-making tools to identify and effectively address risks and crises in our increasingly risky dynamic and uncertain world. Crises are of many types and being prepared personally and professionally will help mitigate the damage levied.* Unanticipated reputational crises can destroy a brand, enterprise, firm or person. Properly anticipated, the damage, reputational or otherwise, from a crisis can be mitigated or, possibly, avoided totally. Marketing and communications play a substantial role in both risk assessment and crisis management processes.

Learning Goals

The student exiting this course should be able to:

- Develop a plan to identify potential risks and crises on the horizon (including those of social media and viral communications),
- Think constructively about how to plan for and manage the impact of a crisis,
- Better represent a brand or enterprise experiencing the crisis to target markets,
- Create scenario planning and training to be prepared for crises,
- Have a perspective on leadership and organizational behavior in a crisis,
- Appreciate the importance of unified, constructive crisis communication plan,
- Apply the basics of a reputational crisis risk management plan,
- Understand the importance of reputation and basic marketing tools, and
- Further develop your problem identification and critical thinking skills and learn from others' actions to avoid or reduce your crisis risks.

An important goal of this course is to provide you with perspectives and tools to be able to manage more effectively in the ever changing environment of the future that is increasingly uncontrollable. No one can predict the future, yet, with effective planning you can be prepared for the surprises.

Preparation Philosophy and Required Readings

This is not a lecture course, *per se*. We will rely heavily on your input and contributions to class discussions. For a successful learning environment, you are expected to come to class prepared, having read the material assigned for a given day. Your colleagues and I are depending on your preparation and oral contributions.

Four books are required for this course (listed in the order we will use them):

- John Kotter and Holger Rathgeber (2017), *Our Iceberg Is Melting, Changing and Succeeding Under Any Conditions*. New York: St. Martin's Press.
- Sarah Kovoov-Misra (2020), *Crisis Management Resilience & Change*. London: Sage.
- Anthony Fitzsimmons and Derek Atkins (2017), *Rethinking Reputational Risk*. Great Britain: Kogan Page, LTD.
- W. Timothy Coombs (2019), *Ongoing Crisis Communication*. Thousand Oaks: Sage.

Articles on special topics will be provided via Canvas postings. You are responsible for keeping on top of Canvas postings whether or not you receive an email push about an uploaded addition. Still, we will send notifications of postings via a Canvas Announcement linked to emails.

Transdisciplinary and Integrative Format and Course Content Context: Marketing, Risk and Reputation Management

This course will combine student presentations and student-led discussion with lectures and in-class activities led by the professor and occasional guest speakers. Hence, there is an emphasis on your coming to class prepared—your contributions are an important part of the skills and learning we will gain in this class. There will be both group and individual work, as well as tests over basic material, connections and application skills. Current “pop-up cases” will be used when helpful.

The course content is divided into three main concept areas, each marketing-centered:

- Critical Thinking, Problem Solving and Risk Analysis
- Developing the Crisis Management Strategy
- Crisis Communication and Reputational Risk Management

Throughout this content, marketing techniques and strategy will play an important role in addressing reputational risk. “Know Your Target Market” has never been more important than it is with managing risk, including reputational risk and managing a crisis. Marketers spend a great deal of time and money building a brand image, and one market action, for example a tweet, can quickly erase or change all that was built. Effectively managing risk requires a solid foundation in marketing basics. We will refresh those in this course.

“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.” Warren Buffett <https://www.cnbc.com/2017/05/01/7-insights-from-legendary-investor-warren-buffett.html> (accessed August 21, 2019)

Marketing is that set of functions and activities responsible for facilitating exchange. The goal is for that exchange to be a positive event for both the product/service source and the “customer” and can be an exchange of money, time, ideas and beyond. The basic marketing functions (price, place, product, promotion) are foundational to the success of any firm. And, marketing and risk management are necessities for all disciplines and areas of expertise. Without “sales” (exchange) the enterprise cannot sustain viably. In today’s world, responsible leadership is also a necessary part of sustainability (i.e., survival), as is total enterprise risk management (ERM).

Grading

The components of your grade are:

- Content Presentation (group) -- 15 points
- Applied Reflections and Class Participation -- 10 points
- In-class tests -- 60 points (10, 15, 20, 15 for texts in order read)
- Final Reputational Risk Application (group) – 15 points

Your final letter grade will be based on 100 total points using the following cut-offs:

A = 100-93 points, A- = 92-90

B = 89-80 points

C = 79-70 points

D = 69-60 points (below 60 = F)

The top two points in the B, C and D categories determine B+, C+ and D+ (89-88, 79-78, 69-68). Likewise, the bottom two points in the B, C and D categories will fall into the “minus” range for that letter grade, respectively.

The Day-by-Day Assignment Syllabus is provided separately and will be updated after group formation and presentation dates are determined..

Instructions and Basic Information for Content Presentations

Early in the semester you will self-select three person groups for this class presentation responsibility. Each group will be responsible for:

- 1) Presenting basic *content* information,
- 2) Discussing *applications* and/or examples for the content, and
- 3) Involving the class in a discussion of the material.

Thus, your presentation will cover your selected basic concepts from a given day’s reading assignment (your “concept aspect”), as well as provide application examples. You will be leading a discussion that engages your colleagues (“discussion aspect”). You and your team will submit several preferred presentation days and one will be assigned early in the semester.

Some basic guidelines are:

- Your concept aspect should be in a PowerPoint or other digital format and may contain other visuals (videos, graphics, etc.).
- Application aspects can be in any format from lecture style to an assigned activity.
- Your presentation should contain active, involved discussions with the class.
- You are to prepare for a 30-minute presentation with the remaining time available for professor-led discussion.
- Each group member is to be actively involved in the classroom leadership in some way.
- Draw explicit linkages between the concepts and examples, as well as respond meaningfully to your colleagues' contributions.

Each group *MUST* email your PowerPoint slides (with any embedded videos) and a video of your concept presentation portion to Dr. Golden and your TA by noon the day before your presentation. If you have any special needs for your presentation, please let us know the week before. Your presentation will account for 15 percent of your final grade (the whole group will receive the same grade), so it is important to be a *cohesive group that practiced* and demonstrates your ability to work together. Specific grading criteria will include your content, your team cohesiveness, preparation, quality of meeting assignment requirements (concept, application, engaging class discussion), communication clarity, as well as content and presentation quality. You will also be active in class the day your concept video is shown. Your presentation may be all or part in the video as long as you adhere to the 30-minute total limit.

Applied Reflections (part of your class contribution grade)

You will be assigned one class day to present your reflection on the reading material for that day and describe (or show) an application of a concept/idea in the reading. The goal is to share a use of the concept/idea around you in any context you find relevant. You will have 3-5 minutes to open the class with your reflection on an application.

Final Reputational Risk Application

This is an integrative application of concepts and tools you will have been exposed to. You will apply them to a crisis situation for an entity, brand, or other type of enterprise (from a person to a corporation). Additional information and discussion of this paper will be provided closer to the deadline.

Canvas and E-mail

You can access course information easily and monitor your grades, through Canvas (canvas.utexas.edu) using your UTeid. All course materials will be posted to that site (e.g., syllabus, assignments, grades, day-to-day schedule, non-text readings, etc.). You are responsible to stay informed and read all postings and materials on Canvas related to this class. Please make sure you keep your email current with UT.

Use of E-mail for Official Correspondence to Students: All students should be familiar with the University's official e-mail and student notification policy. It is the student's responsibility to keep

the University informed as to changes in his or her e-mail address. Students are expected to check their e-mail on a frequent and regular basis in order to stay current with University-related communications, recognizing that certain communications may be time-critical. The complete text for this policy and instructions for email address updating are available on UT's main websites.

McCombs Classroom Professionalism Policy

The highest professional standards are expected of all members of the McCombs community. The collective class reputation and the value of the Texas McCombs experience hinges on this. Students and Professors are expected to be professional in all respects.

The Texas McCombs classroom experience is enhanced when:

- **Students arrive on time.** On time arrival ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect for both fellow students and faculty and it enhances learning by reducing avoidable distractions.
- **Students come fully prepared for each class.** Much of the learning in the Texas CBA program takes place during classroom discussions. When students are not prepared, they cannot contribute to the overall learning process. This affects not only the individual, but their peers who count on them, as well.
- **Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- **Students minimize unscheduled personal breaks.** The learning environment improves when disruptions are limited.
- **Phones and wireless devices are to be turned off.** We have all heard the annoying ringing in the middle of a meeting. Not only is it unprofessional, it cuts off the flow of discussion when the search for the offender begins. When a true need to communicate with someone outside of class exists (e.g., for some medical need) please inform the professor prior to class. You will be notified when we are using any digital device in class.
- **You are to be in person in the virtual classroom, not showing any visual except your live person presence.**

Diversity and Inclusion

It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students' learning needs be addressed and that the diversity that students bring to this class can be comfortably expressed and be viewed as a resource, strength and benefit to all students. Please come to me at any time with any concerns.

Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://diversity.utexas.edu/disability/>.

Religious Holy Days

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time before or after the absence.

Policy on Scholastic Dishonesty

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://my.mcombs.utexas.edu/BBA/Code-of-Ethics>. By teaching this course, I have agreed to observe all faculty responsibilities described there. By enrolling in this class, you have agreed to observe all student responsibilities described there. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Conduct and Academic Integrity website at <http://deanofstudents.utexas.edu/conduct/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Campus Safety

Please note the following key recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, More info at:

<https://preparedness.utexas.edu/>.

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings and assemble outside when a fire alarm is activated.
- Familiarize yourself with all exit doors of each classroom and building you may occupy.
- If you need evacuation assistance, inform the instructor in writing asap.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by Austin or UT police or fire authorities.
- Behavior Concerns Advice Line (BCAL): 512-232-5050 or [on-line](#).

In case of emergency, further information will be available at: <http://www.utexas.edu/emergency>.

The University of Texas Core Values and Honor Code (Adopted by Student Body in 2014)

The core values of the University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity and responsibility. Each member of the University is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community. As a student of the University of Texas, I will abide by the core values of the University and uphold academic integrity.

All students in this course are to know and abide by the University of Texas Core Values and Honor Code.