



TOP OF THE SOUTH

# Robin Whalley Associates

Spring Newsletter

## Reputation Risk



***So you know that reputation is a strategic risk - but what do you do about it?***

Reputation isn't tangible, nor is it static. You can't 'mange' it in the same way you can physical assets.

Assuming you're serious about addressing reputational threats, there's a key question: what metrics do you use? **How do you evaluate the risks and then ensure the management team addresses them effectively?**

There's a simple set of steps you, your board, or your board together with senior executives can take.

It starts with taking a level-headed look at the environment you're operating in. Where might the risks arise, from whom? Don't forget to recognise something totally unexpected might sideswipe you.

It can help to involve an outsider: you might be so close to your organisation's operations that you're a little blind to the possibilities.

Now think where your key stakeholders fit in this environment. There will be some whose power and influence make them stand out.

Make a list of the top 4 or 5. With some stakeholders, all you need to do is show consideration and meet their information needs. Other stakeholders will be 'determined detractors' – people who will never be on side, no matter what you say or do. **Be nice** to them and invest your energies elsewhere.

Then make your own assessment of where you stand with the key stakeholders. Is your reputation with them what you'd like it to be? If not, how big are the gaps?

Your benchmark needs to be your own list of what attributes you'd like to have associated with your organisation's reputation (not the same as brand. Brand is the promise you make to stakeholders, reputation is their evaluation of your delivery against that promise).

Eg: do you want to be seen as dealing quickly when things don't go right for customers using your products or services? If this is not how your key stakeholders see you, there's a gap that needs to be bridged, and you can't do it with public relations. Operational steps will be needed.

Once you've made a list of where you stand with the major stakeholders, commission some qualitative research to test your findings. You may have had an overly rosy view: it's time to 'sanity check' it.

The next step is scenario planning based around your findings. What would an optimal outcome look like with each of your key stakeholders? How exactly would it be different from your current situation: If you had an ideal reputation with those important to you, what would you be concerned about, compared with your current concerns?

Your scenario planning will provide some keys to designing gap-bridging strategies. A key question is not 'what's wrong now and how can we fix it?' but **'what's working well, and how can we amplify it?'**

That's not a naïve, glass-half-full approach. It's based on recognising that it's easy to get caught in a 'problem-solution loop': the more problems you find and solutions you develop, the more you find to deal with. It can be a never-ending spiral.

Thinking about what's working well simply puts a different perspective on things, one from which it's easier to identify how to address the issues you'll inevitably face.

Then you implement strategies / tactics and (... here come the hard bit) monitor

continuously. There's an outdated idea about 'reputation capital' - if you are seen to do good long enough by the right people, you can build up a 'goodwill bank' to be drawn on in time of crisis.

Research suggests there is some shielding effect if you have a good reputation prior to a crisis. People are more willing to give you the benefit of the doubt, to see an event as a one-off rather than as systemic. They're more likely to stay loyal.

However, reputation isn't like money in the bank. It changes as stakeholders acquire more information. In a 24 x 7 media environment, that can happen any time of the day/night. One reputation audit will give you only a slice of life at a point in time. Ideally, you'll get a PR or research company to monitor it for you, week by week.

Of course, you could face reputation threats from people or events you never thought possible. Then it's a matter of looking past the immediate crisis response to implement longer-term reputation repair. There are recognised strategies for doing that. But **don't wait for the crisis:** start acting now to identify and prepare yourself to address the reputation risks in front of you.

*Chris Galloway, PhD Head of Public Relations, Massey University, 'boardroom' magazine, August/September 2016*



## Provide GST details to remote vendors

From **1 October 2016** non-resident businesses must charge and return GST where they meet the criteria to register for GST and they supply remote services (including online services) to New Zealand residents. As a New Zealand resident business, you won't be charged GST on these supplies, if:

- you are GST-registered
- the supplies are part of your taxable activity, and
- you let the non-resident supplier know you're GST registered & provide your NZ GST registration number/business number

Non-resident suppliers don't have to give you a tax invoice and you can't claim back any incorrectly charged GST in your GST return, except where the supplier treats your business as an individual customer and charges you GST by mistake. If that happens, you contact the supplier who either refunds the amount to you or issues a tax invoice for you to claim the refund on your GST return. You can only obtain a tax invoice when the supply is less than \$1,000. **So it's just easier to let the supplier know upfront.**

You might like to advise your regular suppliers ahead of time and word up your purchasing team to highlight it in their calendars to start reminding suppliers at time of purchase.

## Tax changes for LTCs: watch this space ...

Proposals to change the rules governing look-through companies (LTCs) and closely held companies are currently going through parliamentary hearings and consultations. If passed, the Taxation (Annual Rates for 2016–17, Closely Held Companies, and Remedial Matters) Bill is expected to start taking effect from the 2017 tax year.

The proposed changes are part of the moves to simplify tax and some proposals will have a significant favourable effect. One such proposal is the removal of the loss limitation deduction in most cases (that is, where LTC losses are effectively limited to the amount the owner has at risk economically).

Another proposal affects situations where companies are liquidated and distributions of capital gains are made to shareholders. Currently, distributions of tainted capital gains (arising through a transaction with an associated party) involved in the transaction giving rise to the capital gain, are taxable. The new proposal is to exclude genuine capital gains from this by only taxing those distributed capital gains where the purchaser is a company and the shareholders of the company disposing of the asset retain an interest in the asset of at least 85% after the disposal.

# Robin's Morocco



## Desert Kingdom

### Life Changing

Its rich culture is a blend of Arab, Berber, European and African influences.

#### Moroccan Facts:

- 99% are Sunni Muslim
- Parliamentary elections every 5 years. Next being October 2016
- The King appoints the Prime Minister. Not the Parliament or People
- Policeman earns 700 Euro p/m (NZD 1,000)
- Average Salary is DH 2,000 p/m (NZD 300)
- Health Care/Education free to University. World class Health Care system
- Universal Superannuation, for those who have paid tax
- The average family has 5 children
- Life expectancy, 70yrs for Men, 75yrs for Women
- Property is inexpensive. New low cost housing costs Euro 23,000 – 27,000 (2 bed apartment)
- 10% flat Tax Rate, does not apply to small traders
- Main Exports are: 1) Phosphate  
2) Agricultural products, mostly to the Eastern Block, Russia  
3) Tourism
- Foreigners can buy property and live in Morocco provided they can demonstrate they will employ 5+ Moroccan citizens. If comply they can live in Essaouira for 5 years, tax free







## Working out what matters most

Flexible work arrangements and good co-workers are the two factors that most often attract people to jobs, says a new CPA Australia survey.

The CPA Australia *Work Environment Survey 2016*, conducted from 25 May to 1 July 2016, received 680 responses.

Some 20.3% of respondents nominated flexible work arrangements as the most important factor influencing them to choose a job. The prospect of working with good people was named by 20.2% of respondents.

Salary still matters: it was chosen by 18.1% overall and 35.5% in Hong Kong, and is more important for people in senior positions. The opportunity for career progression still remains important to many, chosen by 15.2% overall and 31.4% in Singapore.

*Intheblack magazine, October 2016*



## EAT FROGS!

*(Productive people do not procrastinate and always tackle the tough stuff first!)*

### Disclaimer

*This publication has been carefully prepared, but it has been written in general terms only. The publication should not be relied upon to provide specific information without also obtaining appropriate professional advice after detailed examination of your particular situation.*

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