

>> **Companies' reputation in  
the parliamentary game**

Madrid >> 09 >> 2013

**T**ransparency is a growing social demand. Business people and politicians are aware of it and are improving the mechanisms by responding to society of its activities. From a political standpoint, the function of transparency is carried out in two ways. First, the opinion of social and business representatives is taken into account throughout the decision-making process. Second, politicians want to see firsthand the impact of business activity on society.

During the last legislature, this dual function of participation and control impelled the calling of over 100 business and organizational representatives to appear before parliamentary committees. These corporate entities were able to present their proposals to representatives of the people, but were also subjected to the scrutiny of their positions and parliamentary interests.



This paper aims to emphasize the importance of a company's adequate communication strategy in order to successfully tackle such hearings. For most companies, these are new situations which can put at risk the reputation of the company. It is always preferable to confront these issues in a preemptive manner rather than face a real crisis.

**MINIMIZING REPUTATION RISK**

The process is apparently simple. The hearings normally last an hour. The business representative begins. After that, one representative from each parliamentary group is given their turn to evaluate what is being proposed as well as to put forward any questions. These questions are answered and the hearing is closed. Exceptionally, a rejoinder can be opened if there had been controversial points.

However, the context makes these hearings become a significant reputation risk. Business representatives are accustomed to operate in an environment with conditions and rules that are quite different from those of the parliamentary game. Neither procedures, nor language nor ways of behaving are the same. Not to mention the fact that a corporation's spokesperson's expectations from a Parliament's hearing does not have much to do with any other type of intervention.

It is necessary, first of all, to be aware of the difference, to know the details that make up parliamentary code, and from there, to work proficiently. This does not mean that we should emulate the Members of Parliament's style, which in fact would be counterproductive, but rather to behave naturally, not making basic mistakes in the relationship with legislature representatives and convey the message to be conveyed.

The Parliament is a forum subjected to ongoing controversy. As representatives from different sectors with conflicting interests, Members of Parliament always aim to take every opportunity, they push their views forward against those of the adversary. The main difficulty of a Parliamentary Hearing, therefore, is to avoid leaning too heavily towards any side and show how the individual interests have been reoriented towards accommodating public interest.

Moreover, as a public event, allowing oneself to be pulled into confrontation may pose a risk. Keep in mind that each statement will be thoroughly checked by the addressee. If a statement is not strictly true, it could jeopardize the credibility of the entity represented, causing serious impact on the

confidence of each and every audience: institutions, investors, consumers and even the company's staff.

On the other hand, one should not lose sight of the reality behind parliamentary activity, where many entities are in constant contact with Members of Parliament who will be providing information about the topics to be covered. We must always count on the fact that any of these organizations or corporations with conflicting interests to those of the entity that represents, may have been involved in preparation of the debate.

Overall, risk management in a Parliamentary Hearing should focus on minimizing the chances of crisis arising from any mistake. To this end, the person representing the company must be properly prepared so that any danger to an entity's greater good or reputation is avoided, and risk is transformed into an opportunity to position itself as a prescriber in the corporate business area.

## PREPARING AND ANTICIPATING SCENARIOS

At this point, we should make some assumptions about the importance of reputation for businesses. Obviously a good reputation is built with time, dedication and long-term projection. Once achieved, it is a factor that gives advantage over competitors, since it is the confidence of its public that keeps the company ahead.

However, any company can find itself in a situation that could make it lose the confidence of its stakeholders. The difference is that a good reputation enables companies to better cope with a crisis, to overcome it and emerge stronger. And most importantly, reputation is crucial in preventing a crisis in the first place.

In other words, a reputable company will have less chance of finding itself in a crisis, while a company with a bad reputation, once having fallen into a crisis, will quickly lose the confidence of its public.

This is why companies must manage their reputation through sustainable actions, with a long term view, which implies a need for preparation and anticipation of the different scenarios that can arise. It is definitely preferable to manage risk rather than suffer a reputation crisis, especially when business results may be adversely affected by it.

We must avoid any possibility that the appearance of a company's representative before a Parliamentary Committee may have negative effects on corporate reputation, and this can be done by maintaining an appropriate communication strategy.

## 8 ACTIONS FOR SUCCESS IN PARLIAMENTARY HEARINGS

In order to minimize risk to the reputation of the companies, the strategy of preparation for Parliamentary Hearings must include:

**1 Identifying the optimal spokesperson.** Appoint a suitable speaker who will dialogue with the parliamentary forces in an effective manner, for example, someone who is, above all, able to convey the message that needs to be conveyed. Their profile must be representative of the company; they must be in the right position and have enough experience to emanate authority.

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**2 Researching the issues.** The chances of a success during a hearing increase if prior research and documentation of the issues that are expected to be discussed is performed. This work must include information related to the position of the company and its potential opponents. Any topic or issue that is thought to be overcome may return at the hearing.

**3 Knowing the Commission's spokesperson's profile.** In every public appearance, it is necessary to know our target audiences' characteristics. In this case, one should prepare a detailed profile for each parliamentary member including general information such as territorial

origin and training, specific information regarding political-institutional trajectory, previous positions, as well as their interests and themselves.

**4 Establishing a positive account.** The account has to present itself in a positive way, generating empathy with Members of Parliament and transmitting trust. It must be void of confrontation, even if a Member of Parliament expresses their opinion brusquely. The script should be as broad as possible. If it raises an issue whose answer is not at hand, the response may be sent in the following days by mail. Supporting materials (presentations in digital format) can be used to keep the audience's attention. Broader materials (reports) will be sent after the hearing.

**5 Improving the spokesperson's training.** It is convenient to have some meetings with the Communications and Public Affairs teams and the spokesman of the company, to finish defining the most appropriate strategic positioning, to give the best possible formulation to the message to be transmitted and to prepare ways to deal with effectiveness controversial or compromised issues.

**6 Monitoring and alerts.** It is an activity that every organization should undertake permanently, but in the case of a hearing it is even more vital the closely monitor the presence of the company in the media and parliamentary conversation, before and also after the meeting with the Commission. This includes issues related to the hearing, as well as allies and antagonists of the company. This is a task that allows designing a more rigorous corporate strategy and so preventing possible reputational crisis most effective.

**7 Direct Intervention in public opinion.** Apart from participating in the Parliamentary Committee, the company must perform communicative actions with the media, that will allow it to directly access the public in order to generate citizen's positive assessment and therefore the institutions. To do this, it must count on advice during the preparation and dissemination of informative materials such as press releases or news in any format, as well as when organizing meetings with the media.

**8 Improving internal communication.** In general, information flows between the company management and its employees should be optimized and increased. The staff are the best corporate spokesperson. When a hearing takes place, it will be convenient to study the advantages of internally explain the reasons that had led to the call and what will be the argumentation used.

In short, it is a set of initiatives that do not ensure the parliamentary triumph of the company spokesman who has to appear, but they do guarantee that his appearance will not generate a crisis on the reputation of the company, which is always an undeniable success.



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