

Reputational Risk Management



INTRODUCTION

Reputational crises can reshape a company's future. Global visibility brings opportunity—but also risk. The Carrefour case in Brazil shows how poor crisis handling can cause long-term damage. This guide outlines key lessons, prevention strategies, and how Lineal supports reputation protection at every stage.

KEY EVENTS

- Manchinha (2018) – A dog's death highlighted poor training and lack of protocol.
- João Alberto Case (2020) – A fatal assault exposed failures in security and human rights training.
- Body Concealment (2020) – Mishandling of an in-store death revealed a lack of crisis sensitivity.
- Ongoing Issues – Security-related assaults and discrimination persist.
- Beef Boycott (2024) – Supply chain decisions led to backlash, showing weak stakeholder engagement.

CRISIS RESPONSE: WHAT WENT WRONG

- Slow, Impersonal Messaging: Delays and lack of empathy worsened backlash.
- Disconnected Communication: Responses ignored cultural context and local sensitivities.
- No Clear Crisis Protocol: Teams lacked guidance and structure during emergencies.
- Missed Warning Signs: Early social media and employee signals went unmonitored.
- Superficial Corrections: Measures lacked depth or follow-through.

WHAT WORKS: PREVENTION AND READINESS

1. Training That Makes a Difference

- Diversity & Inclusion: Regular sessions with experts and community orgs.
- Crisis Communication: Train leaders for high-pressure, high-visibility moments.
- Role-Specific Guidance: Teach security and service staff empathy and de-escalation.
- Interactive Learning: Use VR and gamified simulations to reinforce skills.

2. Monitoring Systems

- Digital Tracking: Monitor mentions, sentiment, and signals across platforms.
- Internal Feedback: Use surveys and ethics audits to catch early concerns.
- Real-Time Alerts: Use AI to flag issues before they go public.

3. Ethical Culture & Risk Planning

- Clear Values: Company mission must align with operations.
- Whistleblower Channels: Safe reporting builds internal trust.
- Local Dialogue: Engage affected communities, NGOs, and social advocates.

REPUTATION RISK MANAGEMENT PLAN

Phase 1: Prevention

- **Transparent Messaging:** Communicate proactively—even during tough decisions.
- **Crisis Manuals:** Prepare protocols for incidents, accusations, and conflict.
- **Community Programs:** Build goodwill with outreach and social impact efforts.

Phase 2: Response

- **Rapid Activation:** Launch crisis team and spokesperson immediately.
- **Empathy & Clarity:** Acknowledge, take responsibility, and outline actions.
- **Consistent Updates:** Keep stakeholders informed throughout.

Phase 3: Recovery

- **Audit & Reflect:** Evaluate what worked, what failed.
- **Rebuild Trust:** Meet with affected groups and show visible changes.
- **Public Follow-Through:** Communicate improvements clearly and widely.

HOW LINEAL SUPPORTS REPUTATIONAL RISK MANAGEMENT

1. Real-Time Monitoring

- Track digital signals, internal alerts, and market trends using AI
- Spot early threats and influential narratives
- Analyze sentiment to shape timely responses

2. Crisis Response Support

- Build practical response protocols for common crisis scenarios
- Establish and train crisis teams
- Coach leaders and spokespeople for public communication

3. Prevention & Governance

- Deliver custom ethics, inclusion, and leadership training
- Conduct risk and compliance audits
- Use predictive analytics to catch internal vulnerabilities early

4. Post-Crisis Recovery

- Help manage follow-up action and rebuild trust
- Shape recovery messaging and stakeholder strategy
- Support PR efforts and community re-engagement

5. Exclusive Tech Solutions

- Centralized risk management platform
- eDiscovery tools to preserve, analyze, and present data during investigations
- Automated monitoring of key reputation factors (social issues, regulation, complaints)

WHY LINEAL?

Lineal helps organizations prevent, manage, and recover from reputational crises—efficiently and transparently. Our integrated approach combines technology, consulting, and continuous monitoring to protect what matters most: trust.

CONCLUSION

The Carrefour case shows the cost of being unprepared. Companies must embed ethics, training, and monitoring into daily operations—not just crisis plans. With Lineal's support, you can transform risk into resilience—and lead with integrity when it matters most.