

The background is a deep red color with a complex, abstract design. It features large, overlapping circular and polygonal shapes that create a sense of depth and movement. A prominent circular inset on the right side contains a detailed, close-up view of numerous small, light-colored bubbles or spheres, adding a textured, organic element to the otherwise geometric composition.

Penta

Public Affairs Conference

5 December 2023



The world has changed. Running a business requires new skills, new tools, and a new framework for engagement with stakeholders.

Penta is purpose-built to help businesses navigate an increasingly complex stakeholder environment.

Penta defines, informs, and strengthens decision-making and understanding between our clients and their stakeholders.

Penta offers a new way to understand and engage stakeholders

Penta's Four Corners of stakeholder engagement

- Companies have four primary and impactful stakeholder groups: customers, employees, investors, and political actors.
- These groups' views and engagement with a company are complex, fluid, and influenced by intertwined internal (e.g., layoffs) and external (e.g., media) factors.
- Penta's framework enables our clients to prioritize stakeholder groups based on their power, legitimacy, and urgency.

Map

Map and initially prioritize a company's four stakeholder groups.

Assess

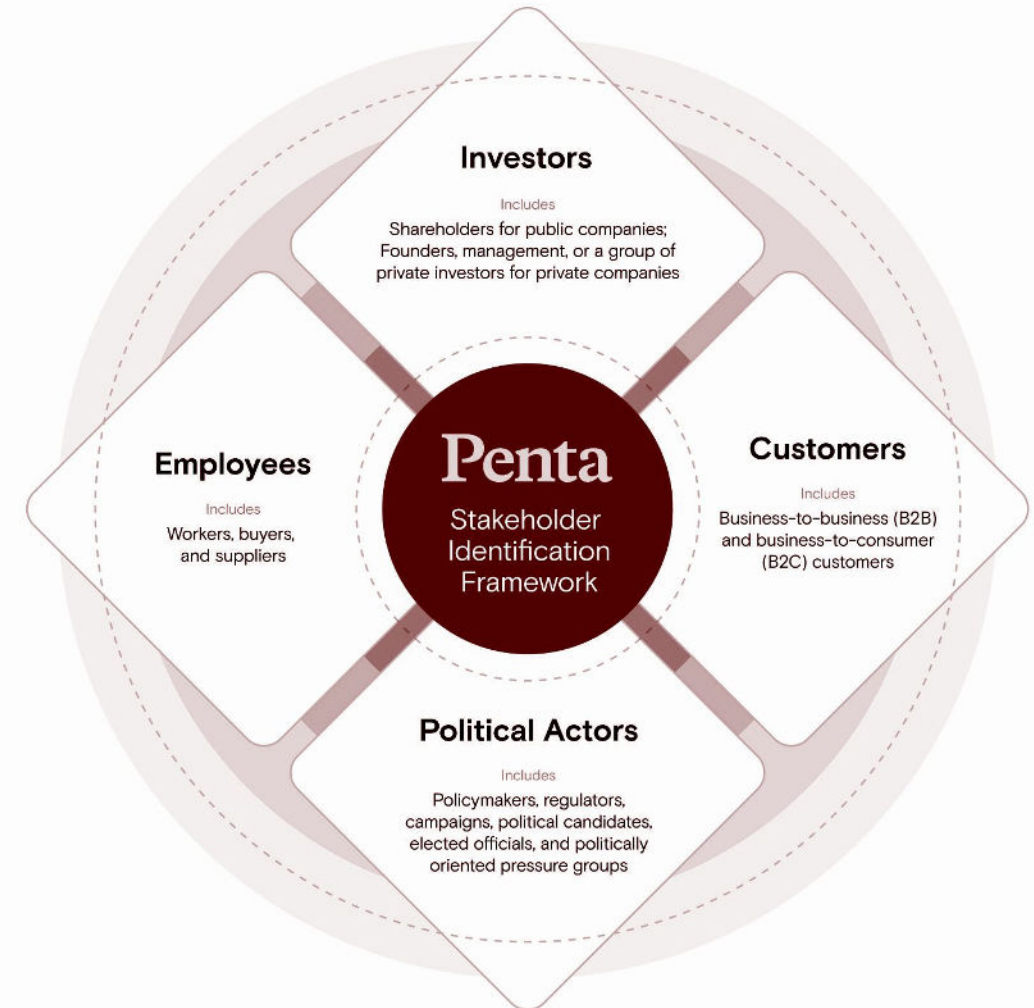
Assess information flow to each stakeholder.

Understand

Understand the motivations and perceptions of each group.

Engage

Develop strategies for engagement, accounting for tensions and differing perspectives between stakeholders.



Risk & Crisis Preparedness Steps

**Prepare &
Stay Ahead**

1

Define values and
businesses objects

2

Stay ahead of issues
& movements

3

Identify and prioritize
threats

**Ready for
the Moment**

4

Develop and stress-test
crisis plans

5

Track issues and
response

6

Develop/repair
reputation

Prepare & Stay ahead

Prepare & Stay ahead

- + Your values = your foundation, and also your trip wires
- + Measure the issues quantitatively
- + Know who influences your influencers
- + "Low mass, high velocity" mindset
- + TikTok as a catalyst
- + Scenario plan

Prepare & Stay Ahead

Define values and business objectives

Company values and business objectives need to be explicitly defined and understood

Core Principles

The broadly articulated mission and values of the company that act as a north star driving decision-making and long-term thinking

Business Imperatives

The core operations of a company in terms of its products, operations, regulations, supply chain, etc.

Stakeholders

Those the company cares what they think and those who think about the company

Geographies

The physical location of the company and its operations relative to where a public issue has taken on momentum or is receiving scrutiny

Pressure test specific crises against these qualities

Core principles

Are the values truly universal? Are they publicly well-established? Does the company articulate the same vision in different regional contexts and with different audiences?

Business imperatives

Have all aspects and contingencies been accounted for? How is "permission to operate" defined?

Stakeholders

How central is talent strategy to the organization? Does the issue acutely impact employees? Are there differing views among stakeholders or customers?

Geographies

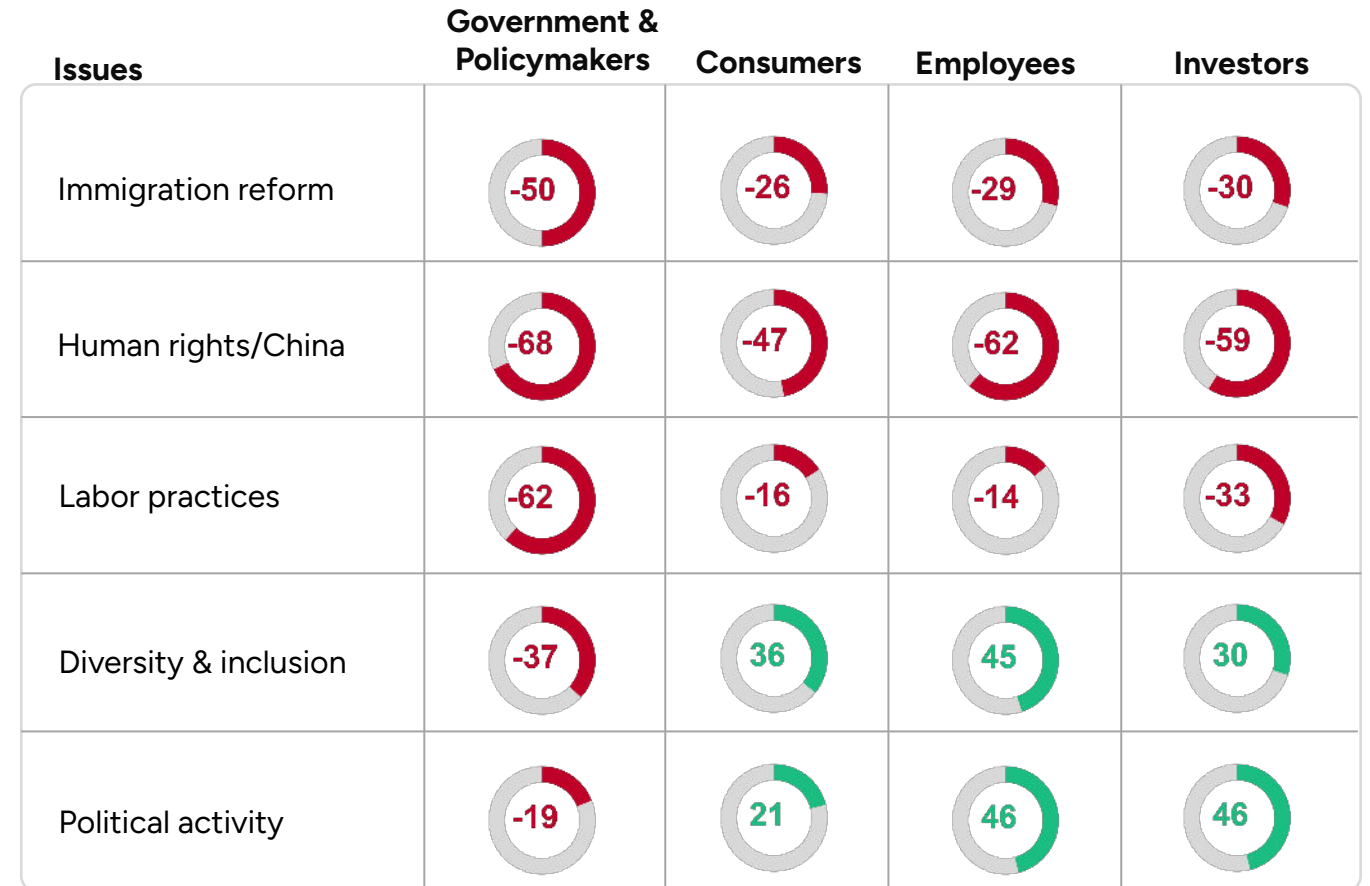
Is the issue playing out in an area where the firm has a large employee or business presence?

A foundational reputation & risk analysis identifies potential threats and vulnerabilities

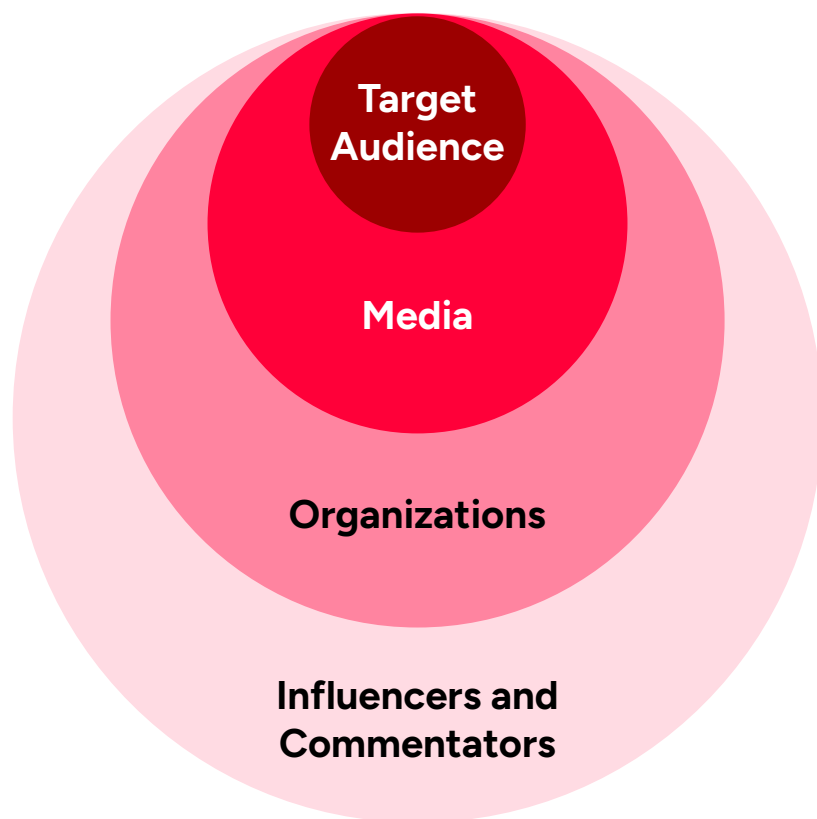
Prioritizing which issues have the potential to impact your business and reputation helps align the business around what is most important to focus on

This system identifies issues...

- By stakeholder group...
- On priority issues and cultural movements...
- Across geographies...
- Compared to competitors



Know who is impacting your key stakeholders to stay ahead



Key Opinion Formers are speaking to your target audience every day. When you understand how KOF's are shaping perceptions of you and your issues, you can prepare and adapt your communications strategy instead of responding to the news when it may be too late to make an impact.

1. **Identify who matters** so you can prioritize outreach to the media, organizations, and commentators with credibility influencing the conversation
2. **Analyze the messaging** key opinion formers are using when talking about your issues so you can adapt to align with the way your stakeholders are hearing about these issues
3. **Monitor what the key opinion formers are saying in real-time** to stay ahead of the news cycle and prepare and respond to new issues or angles on your issues faster and more effectively than if you were waiting to read about

Prepare & Stay Ahead

Stay ahead of issues and movements

Being quick to spot issues, trends, and movements and take fast action is no longer optional, it's critical

Our tools combine the latest AI models, proprietary data collection techniques, and cultural insight to uncover what matters sooner



What's Next Intelligence

Anticipates cultural movements, trends, & issues by identifying conversation topics that are "low mass, high velocity" - small conversations, but gaining speed and have yet to hit the mainstream



Vetting

Through advanced conversation analytics, we "vet" announcements, influencers, partnerships or situations to identify the risk or opportunity to your brand



TikTok analytics

Leveraging our proprietary TikTok tool, gain a comprehensive view of publicly available TikToks, giving you the pulse of trending conversations and potential 'catalysts'

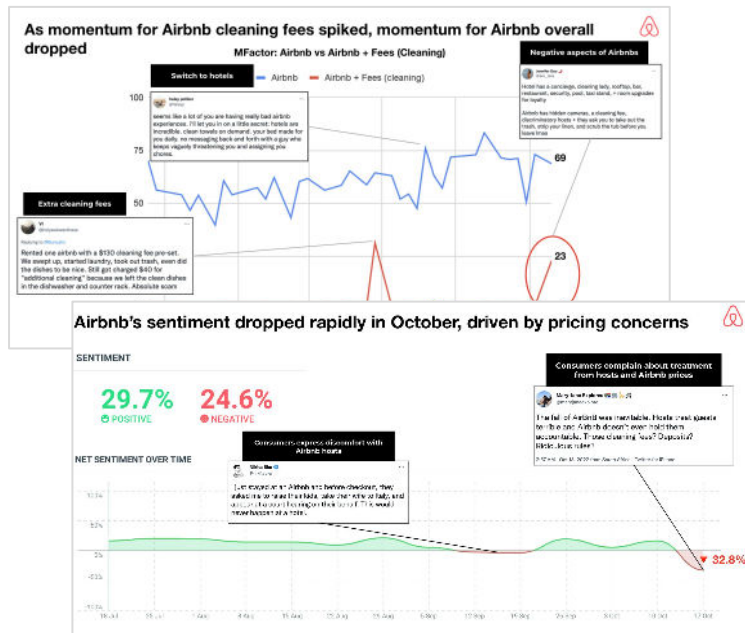


Flag alerts

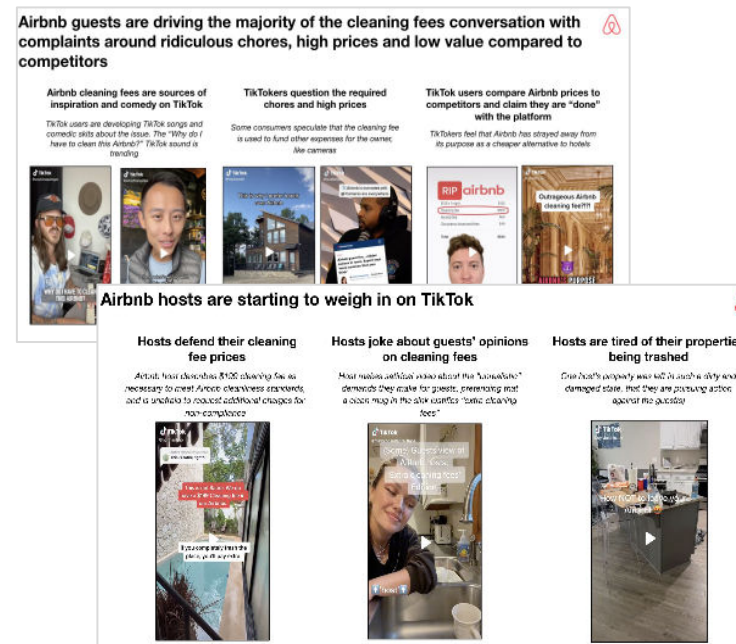
Instant alerts on your brand, the competitive landscape or certain audiences to help you stay aligned with rapidly changing conversational trends

Uncovering "low mass, high velocity" issues for Airbnb

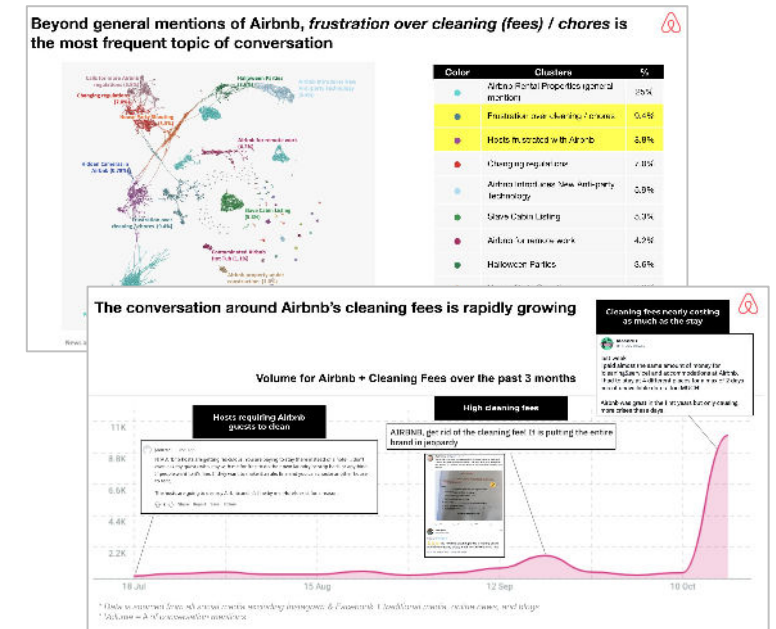
Momentum Analytics



TikTok Analytics



Conversation Drivers



Identify white space & avoid "risk" for a new campaign

The situation: A professional services client recognized the growing significance of mental health in the workplace and wanted to develop a public affairs campaign to build its reputation—with employees and externally

What we knew faster:

- Identified "low-mass, high-velocity" trends that spotlighted emerging opportunities and potential risks / trip wires to avoid
- Informed a provocative and differentiated campaign territory
- Turned into campaign ideas to storytell the concept

The Impact: credible & thought provoking campaign to "convene" key stakeholders and start an important conversation with employees



Prepare & Stay Ahead

Identify and prioritize threats

A risk assessment framework helps prioritize scenarios and define the response

Determining the level of a company response is a two-step exercise, assessing both relevance and severity.

- The context mapping exercise helps determine the relevance assessment of any event.
- The severity of the event can be measured through media analytics and reputational assessment tools to understand how much attention a particular situation is receiving.
- As issues become more relevant and/or more severe, corporations' engagement should increase.

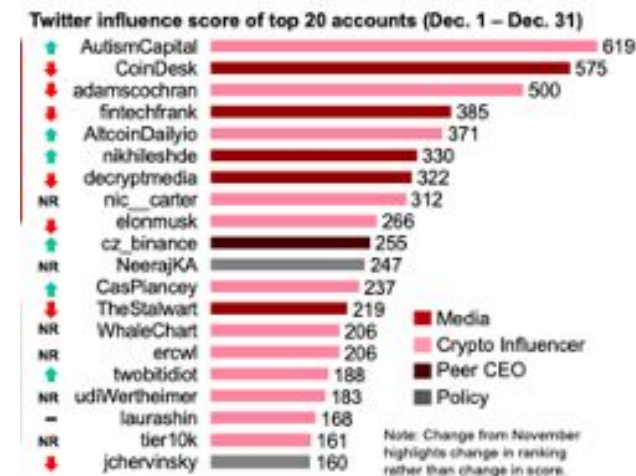
Response framework

(Darker = Higher Level Response)

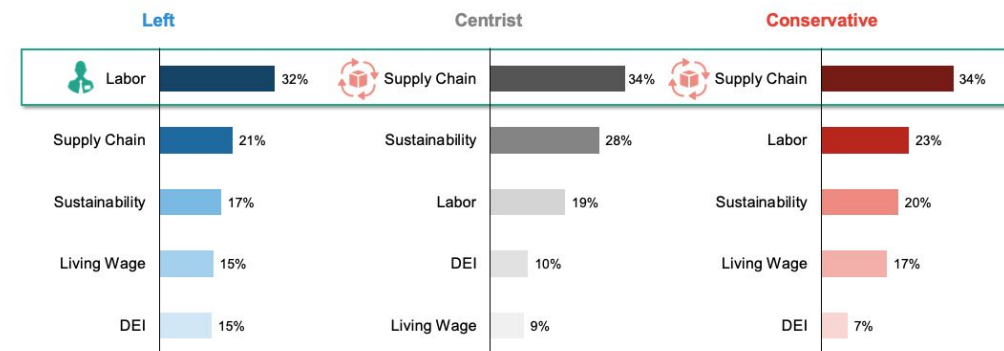
		Relevance		
		None	Indirect	Direct
Severity	High			
	Medium			
	Low			

Using KOF analysis for more effective risk and crisis planning

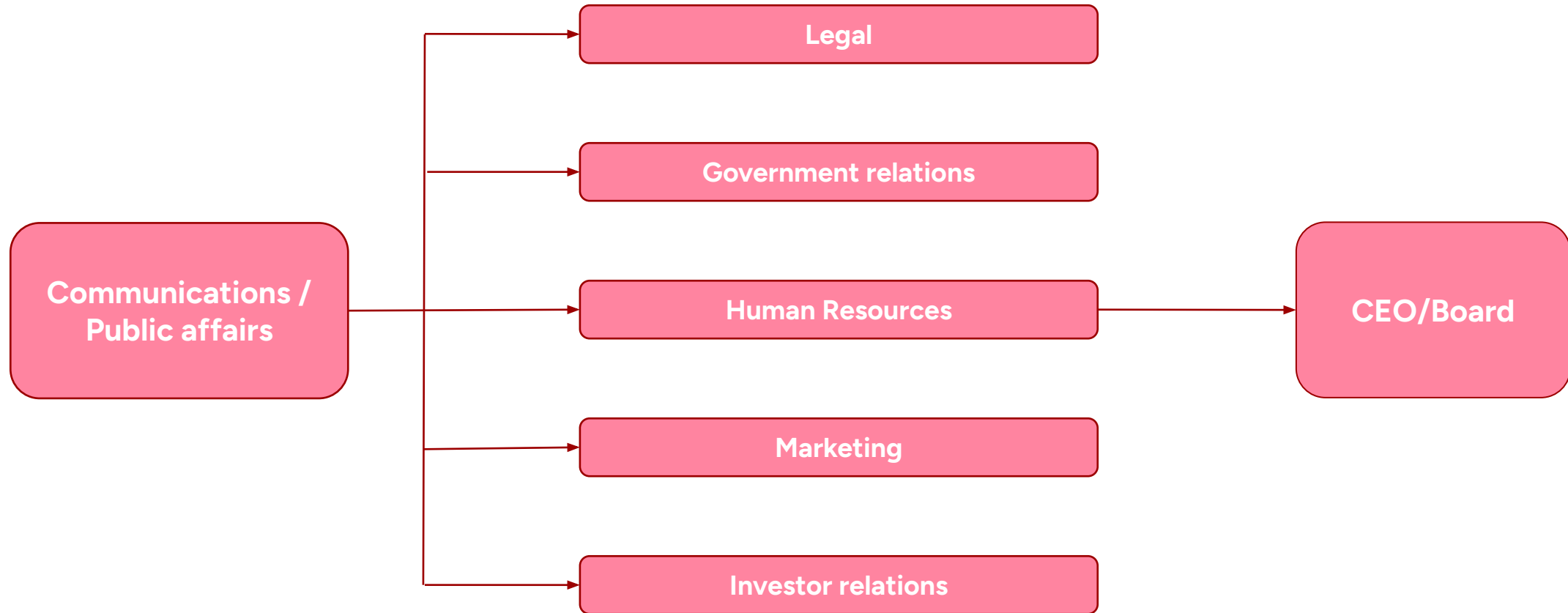
- ISSUE IDENTIFICATION:** Company building a more effective public affairs footprint in DC wanted to understand how third-parties were talking about it, its competitors, and its issues. They are also better able to prepare for meetings with third-parties by knowing what issues matter at the time to those groups.
- INFLUENCE CONVERSATION:** Company selling products into a volatile public market uses KOF identification and tracking to know who is driving the conversation and who are the new and emerging voices so it can prioritize individual engagement and education about its products



Issue Mentions by Ideology
% of Each Issue's Mentions by Ideology



A cross-functional team set up in advance help frame the appropriate engagement for all stakeholder groups



One

Designate dissent

Regardless of whether the decision is to weigh in on a situation or to not weigh in, someone on the issue escalation working group should play devil's advocate to argue for the opposite approach.

Enforcing dissent can help surface unspoken concerns during discussion of sensitive issues.

Two

Monitor "Basket of Peers"

Set up a proactive monitoring system to be aware in real time of statements peer companies make across their owned media channels.

For any distinct special situation that arises, use the monitoring system to track the share of the peer set commenting on the issue, the forum they use to speak on it, and the language they use.

Three

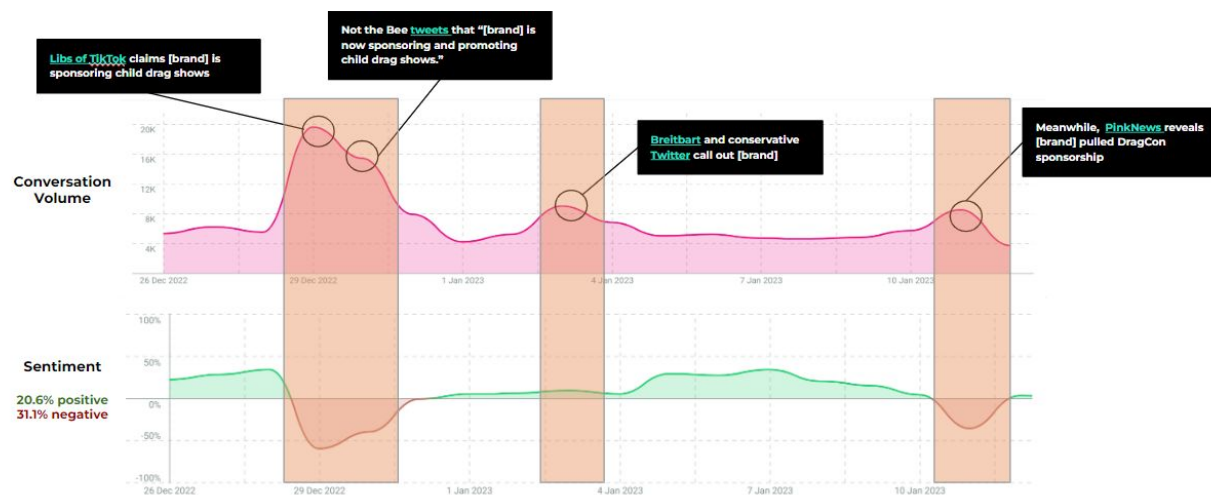
Setting new precedent?

In considering commenting on an issue, have we commented on similar issues in the past?

Has a deviation from past actions been thought through for precedent? Are we prepared to follow that new precedent going forward?

Is the current situation so unique/severe that it defies past precedent and does not set precedent for the future?

During a crisis, we stay on top of conversation to understand key themes that may need to be addressed

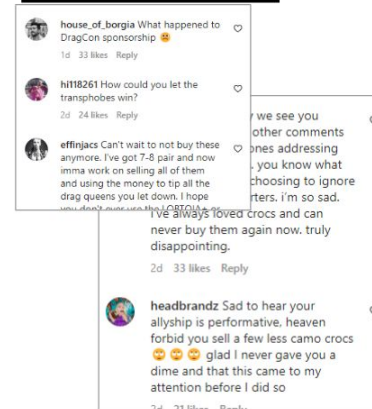


River Medway claims [brand] is worried about the "Extreme right"



Negative Sentiment for 1/10-1/13

Comments on [brand] Instagram posts



Online sources claim that [brand] is scrubbing their social media





Penta

Thank you

Please let us know if you have any questions.
We look forward to hearing from you.

A crisis communications playbook organizes the facts, the agreed-upon strategy, and the plan to execute

The intelligence...

- Determine key stakeholder groups and relevant client-facing issues
- Review baseline reputation intelligence based on stakeholders and subjects of interest
- Organize facts and insights to guide further planning and reporting
- Coordinate monitoring and "Live Access" dashboard for real-time insights

Informs strategy and content...

- Define key audiences
- Identify potential opponents and allies
- Secure agreement on message and communications strategy
- Develop background materials and briefers
- Create talking points and reactive statements
- Develop hard Q&A and prepare on-record representatives

Defining the response plan

- Media engagement
- Monitoring and rapid response
- External outreach to target stakeholders
- Internal communications to ensure unanimity
- Regular impact and sentiment reports to track progress

What's Next Intelligence

Penta uses "What's Next" analytics to identify the topics of conversation that are starting to bubble up but are not yet mainstream

We uncover emerging trends ("forces") impacting a brand and its stakeholders:

- Identify and quantify sub-topics of conversation that are "low mass, high velocity"
- Inform conversations that ignite engagement & debate and reflect where communities are moving towards
- Offer a forward looking view of where the selected categories are trending and potential "watch-outs" to be aware of

Use cases:

- On-going intelligence
- Thought leadership content
- White space analysis
- Campaign development

What's Next in Energy

"Energy sobriety" is gaining momentum

Large corporations, governments and individuals are trying out the trend and gaining positive feedback.

"Energy sobriety" involves finding ways to dramatically reduce energy consumption in the name of sustainability.

The French government, LVMH and Valentino have all recently announced energy sobriety initiatives.

CNRS News
The sociologist Stéphanie Duboussin-Quellier, a member of France's HOC high council for the climate, talks to CNRS News about the concept of energy sobriety. Its goals and the obstacles it faces.

Poetic and ecological, concerts by candlelight are on the increase

Energy-saving in fashion, Valentino turns off lights early

CNRS News
The sociologist Stéphanie Duboussin-Quellier, a member of France's HOC high council for the climate, talks to CNRS News about the concept of energy sobriety.

Haute couture giants spearhead energy sobriety efforts

The last several months have seen Parisians scaling the walls of shops and boutiques to switch off the lights. They are self-appointed enforcers of Mayor Anne Hidalgo's efforts to decrease energy consumption ahead of a winter of high costs. Hidalgo announced in September that the city would turn out the lights on many of the city's iconic landmarks - including the Eiffel Tower, Champs-Élysées, and city hall - earlier than usual. Even the city's Christmas display will switch off at 11:45 p.m. rather than the customary 2 a.m. With Europe's energy markets greatly affected by Russia's ongoing invasion of Ukraine, it seems the City of Lights is too in it. Headquartered in Paris, the world's largest luxury group, LVMH, takes this energy sobriety seriously. Housed for the quintessentially French brands Louis Vuitton, Moët, and Hennessy that merged in 1987, the company consists of 75 brands in total, a who's who of luxury. LVMH is not only doing its part in Paris, it's taking energy sobriety worldwide.

What's Next in Future of Work

As more and more companies are accused of "flex-washing," clarity and new policy around unspoken rules will be needed

The solution will be greater transparency and communication to help workers navigate new norms.

Companies and employees must align on flex benefits to avoid flex-washing

The debate over privacy in productivity tracking

LinkedIn Blog
The future of work is hybrid. Some say it will be 100% remote or full-time. The key is for founders and org leaders not to be wishy-washy (e.g. telling candidates you're remote-friendly, then making it explicit there on the job).

Bosses giving up the return-to-office fight have found another way to win: Tracking their remote workers' every move

HUG Berlin
@hug_berlin

How to keep up with the #future of #work? New article by HUGsters @Guemesay, @sonjaxko, Hendrik Send & Thomas Schildhauer w. @JWI_Berlin director Martin Krzywdzinski on fluid boundaries of workspaces in six industries & how to manage them. @IMD_Berlin

Companies are 'flex-washing' to attract talent—but there will be a backlash

How can companies create an environment where the expectations of remote and hybrid work are clear and concrete?

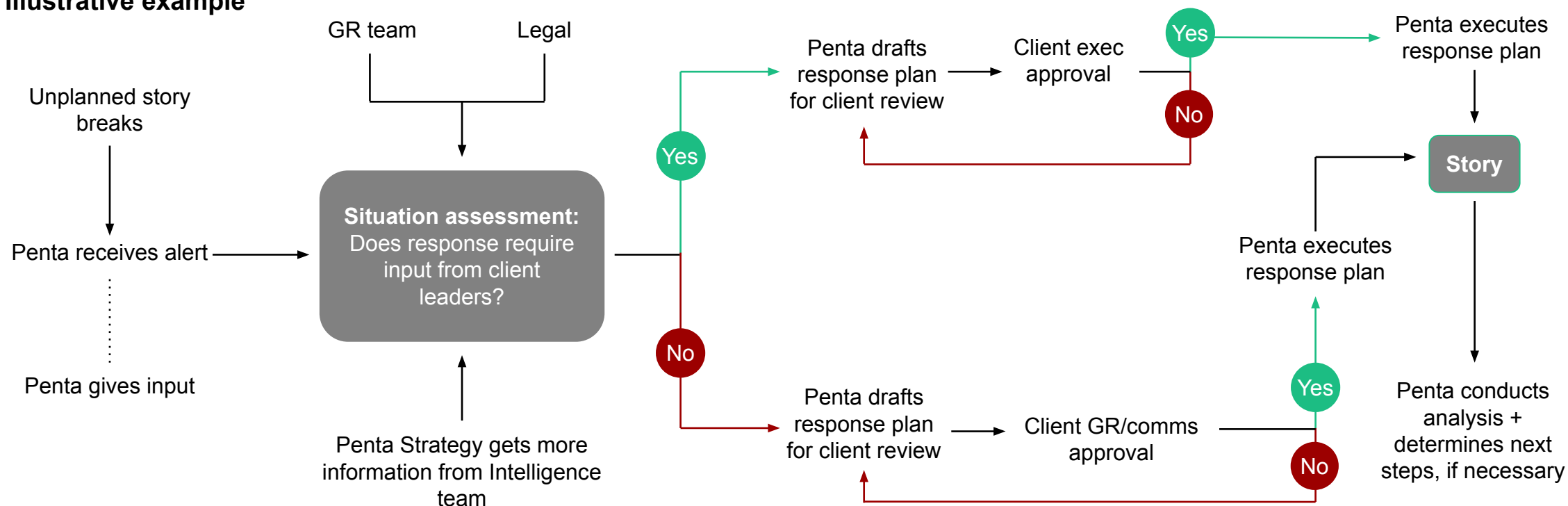
Ready for the moment

Ready for the moment

- + Get your facts together
- + Track the conversation in real-time
- + Set a process to secure buy-in across the org
- + Anticipate the tough questions and criticisms that will come
- + Know how peers and competitors are engaging
- + Assign roles and do the prep work

Our approach establishes a process to assess and respond to new information and scenarios

Illustrative example



Once a public Response is agreed upon, there are different options for messenger and platform

WHO	HOW	
CEO	Press release/Statement	<div>Rising to the moment</div> <div>↑</div> <div>↓</div> <div>Business as usual</div>
<i>If the issue is of elevated importance or if the CEO has a personal connection</i>	Published column	
	Social media	
Company voice	Public letter	
<i>If the issue is significantly relevant to the company's business lines</i>	Letter to the Editor	
	Earnings call	
Other representative	Internal employee letter	
<i>When a response is required, but the company seeks to avoid elevation</i>	Internal employee townhall	
	Third party (Trade association) letter	

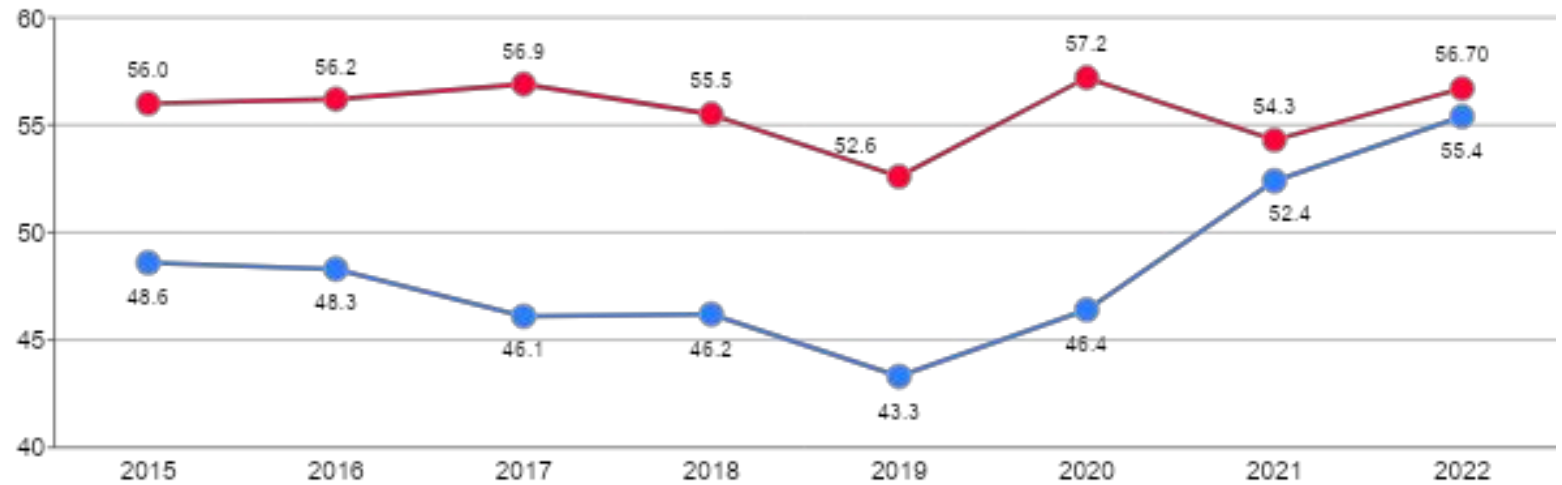
Take proactive steps to repair reputation over time

Reputation Campaigns

- Marketing & advertising
- Policymaker engagements
- Stakeholder persuasion
- Media relations
- Executive thought-leadership
- Coalition/Trade campaigns

Reputation among policymakers

Average of all corporations studied with both parties from 2015 to 2022



● Corp. avg. among Republicans

● Corp. avg. among Democrats

What do you want stakeholders to believe and feel when the mission has been accomplished?

- They handled things the right way—in words and deeds
- The trust they built up before the crisis has been restored
- They have learned from this and taken measures to see that it is handled better in the future
- The crisis no longer dominates their reputation
- We can now focus on the future of the organization—and I am comfortable being associated with them

