

# APPROACHING THE FUTURE 2020

## TRENDS IN REPUTATION AND INTANGIBLE ASSET MANAGEMENT

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### EXECUTIVE SUMMARY



5TH ANNIVERSARY

## APPROACHING THE FUTURE 2020

TRENDS IN REPUTATION AND  
INTANGIBLE ASSET MANAGEMENT

REPORT BY

CORPORATE  
EXCELLENCE   
CENTRE FOR REPUTATION LEADERSHIP

**CANVAS**  
ESTRATEGIAS SOSTENIBLES

#### For more information:

- ▶ Full report *Approaching the Future 2020. Trends in Reputation and Intangible Asset Management.*
- ▶ Presentation of results *Approaching the Future 2020. Trends in Reputation and Intangible Asset Managements*
- ▶ Top 15 Lessons Learnt *Approaching the Future 2020*
- ▶ Website: [www.approachingthefuture.com](http://www.approachingthefuture.com)

5 YEARS  
APPROACHING  
THE FUTURE

## HOW HAVE TRENDS IN REPUTATION AND INTANGIBLE ASSET MANAGEMENT EVOLVED?

### **A global context marked by uncertainty and mistrust**

A new reality is dawning where the only thing that is certain is constant change and uncertainty. From the climate emergency to the current COVID-19 health crisis, it is clear that both the present and future are uncertain. Companies and organisations will need to adapt and show resilience.

General uncertainty creates an environment of mistrust towards organisations whose brands raise social, political or economic questions. Citizens are channelling their dissatisfaction by searching for solutions that help redress the vast inequality that has dominated our economic system up until now.

The climate emergency has become one of the biggest global challenges and it has generated a great deal of insecurity, primarily due to its potential social and economic consequences. In 2016, we referred to it being at a critical point. In 2020, this has now become a global emergency that needs to be immediately addressed.

### **A new citizen: the responsible activist**

Social needs and expectations change. We have seen a shift towards citizen activism where people do not just seek, identify with, and support responsible and sustainable companies, but they also reject corporate behaviour that does not align with their own expectations, values and personal beliefs.

These changes are also reflected in the area of investments, where a stable increase in investor interest in sustainable and responsible investment has been observed. This growing interest has transformed into action over the past two years thanks to changes in ESG investment regulations and the development of new and sustainable investment funds and initiatives.

The demand for more sustainable companies has also extended to employment. Since 2017, this report has emphasised the importance of corporate purpose and values, including inclusion and equality, in creating an inspirational company. The acceleration of new technologies and the implementation of more collaborative ways of working are examples of how the way we work is becoming more tangible than ever.

### **Purpose as a guide to redefine companies**

The importance of creating new business models capable of creating value for all stakeholders has been debated since 2016. By 2019, this trend developed into a need to redefine businesses to put purpose at the core of their strategy and decision making. We have taken this once step further in 2020: purpose can guide the creation of a new global economic model that contributes and generates value in the long term. In times of crisis such as the present, purpose can help employees make more coherent and autonomous decisions.

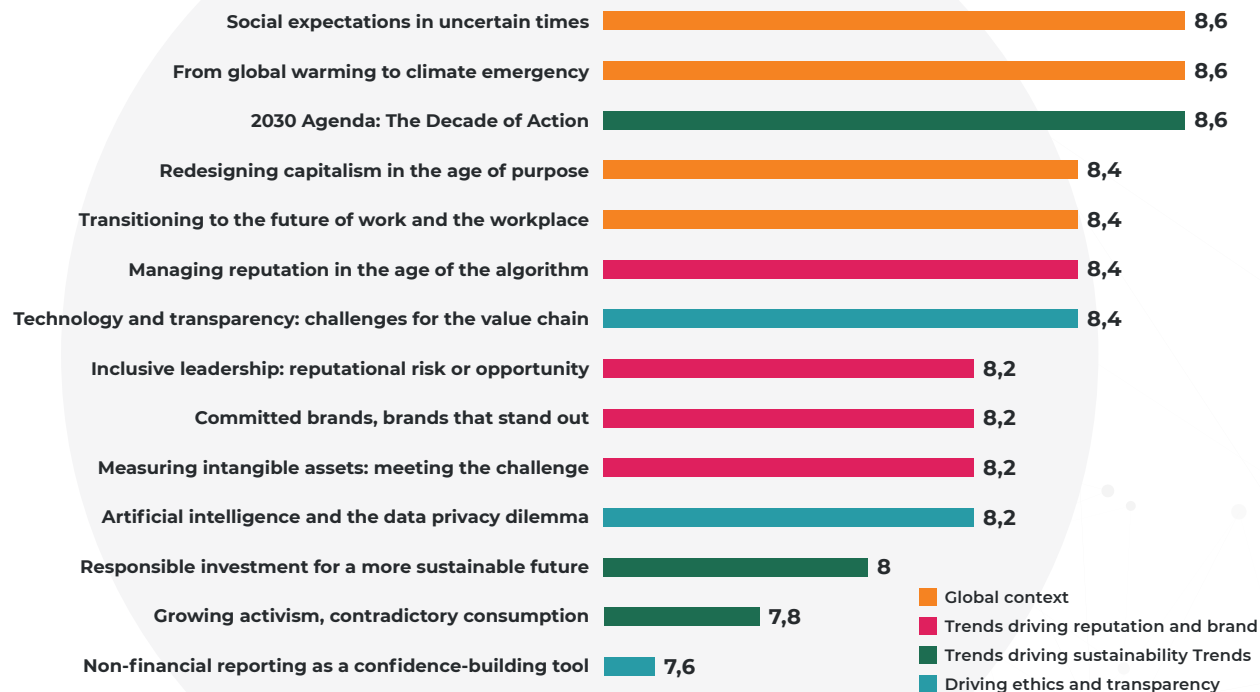
After various years of observing brands shift towards more authenticity and honesty with stakeholders, there has been an increase in organisations that promote their purpose and commitment to brand differentiation in 2020.

As a consequence of this, CEO activism is a growing trend. Since 2017, we have helped consolidate the concept of leadership with purpose, characterised by a strong commitment to the community and a vision that impacts and contributes positively in the long term.

RESULTS  
 APPROACHING  
 THE FUTURE

PRIORITIES FOR  
 EXECUTIVES AND  
 PROFESSIONALS

RELEVANCE RANKING FOR EXECUTIVE TRENDS



Base: 300 surveyed professionals Trends prioritised from 0 to 10, where 0 is "not relevant" and 10 is "very relevant".

The top 3 most relevant trends for executives include global issues such as social uncertainty, the climate emergency, and the Agenda for Sustainable Development. Thus, the following trends are most valued: *Social expectations in uncertain times*; *From global warming to climate emergency*; and *2030 Agenda: The Decade of Action*.

Secondary trends include: *Redesigning capitalism in the age of purpose*; *Transitioning to the future of work and the workplace*; and *Technology and transparency: challenges for the value chain*.

The third most relevant trend for professionals is topics relating to inclusive leadership and diversity, brand commitment, measuring intangible assets, artificial intelligence and the data privacy dilemma.

RESULTS  
 APPROACHING  
 THE FUTURE

TRENDS  
 ORGANISATIONS  
 ARE MOST  
 FOCUSED ON

TRENDS ORGANISATIONS ARE MOST FOCUSED ON



Multiple choice. Base: 300 participants

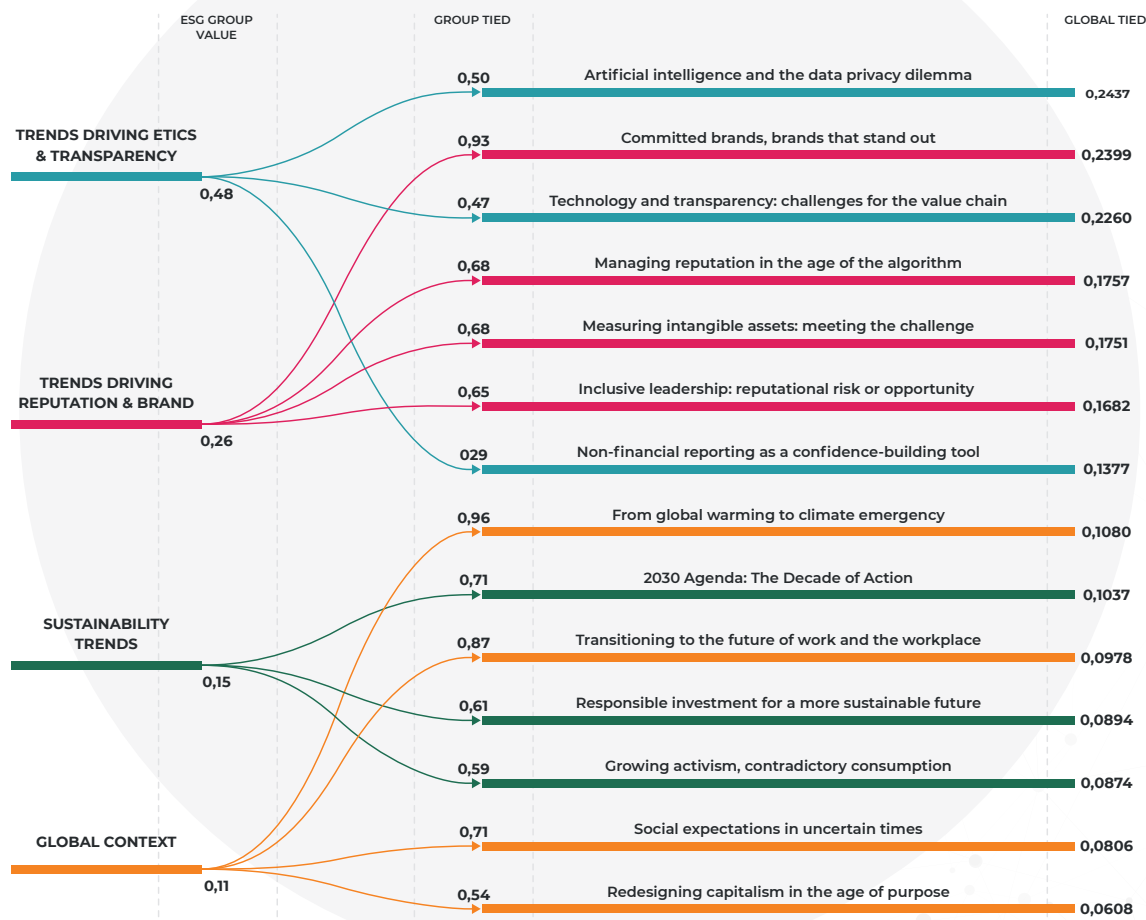
48% of professionals claim that the trend their company is most focused on is *Committed brands, brands that stand out*. The second most significant trend is issues relating to sustainable development through the 2030 Agenda: The Decade of Action (41%). Third and fourth place is reserved for corporate governance issues relating to brand and reputation, such as *Measuring intangible assets: meeting the challenge*, and *Inclusive leadership: reputational risk or opportunity*. A trend towards measuring intangible assets has been observed for the first time in this report, and it appears to be relatively significant for organisations.

In contrast, the trend *Redesigning capitalism in the age of purpose* is often treated as less of a priority as it is perceived to be a systematic global issue that cannot be influenced by individual business management approaches. It is worth highlighting that the trend *Growing activism, contradictory consumption* is not managed or viewed as a priority by executives. It can therefore be regarded as an emerging trend in companies.



## RELEVANCE RANKING FOR DIGITAL ECOSYSTEM TRENDS

### RELEVANCE RANKING FOR DIGITAL ECOSYSTEM TRENDS



The most significant trend in online conversations is *Artificial intelligence and the data privacy dilemma*. The second and third most relevant trends are *Committed brands, brands that stand out* and *Technology and transparency: challenges for the value chain*. Issues such as privacy, transparency and corporate commitment are key for citizens.

With equal average scores (1.7), the fourth to sixth most relevant trends relating to brand and reputation are: *Managing reputation in the age of the algorithm*, *Measuring intangible assets: meeting the challenge*, and *Inclusive leadership: reputational risk or opportunity*. These trends suggest that citizens are prioritising the digital brand relationship and concern with diversity and equality.

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TRENDS DEFINE THE  
PRESENT AND FUTURE  
OF REPUTATION AND  
INTANGIBLE ASSET  
MANAGEMENT

NON-FINANCIAL  
REPORTING:  
A CONFIDENCE-BUILDING  
TOOL



TRENDS  
DRIVING ETHICS &  
TRANSPARENCY



TECHNOLOGY AND  
TRANSPARENCY:  
CHALLENGES FOR  
THE VALUE CHAIN

TRANSITION TO  
THE FUTURE OF  
WORK AND THE  
WORKPLACE



CONTEXTO  
GLOBAL



SOCIAL  
EXPECTATIONS IN  
UNCERTAIN TIMES



FROM GLOBAL  
WARMING TO  
CLIMATE  
EMERGENCY

ARTIFICIAL  
INTELLIGENCE  
AND THE  
PRIVACY DILEMA



REDESIGNING  
CAPITALISM  
IN THE AGE OF  
PURPOSE



2030 AGENDA:  
A DECADE FOR  
ACTION

MANAGING  
REPUTATION IN  
THE AGE OF THE  
ALGORITHM



GROWING  
ACTIVISM,  
CONTRADICTION  
CONSUMPTION



SUSTAINABILITY  
TRENDS

MEASURING  
INTANGIBLE ASSETS:  
MEETING THE  
CHALLENGE



TRENDS  
DRIVING  
REPUTATION  
& BRAND

INCLUSIVE  
LEADERSHIP:  
REPUTATIONAL  
RISK OR  
OPPORTUNITY



RESPONSIBLE  
INVESTMENT FOR A  
MORE SUSTAINABLE  
WORLD

COMMITTED  
BRANDS, BRANDS  
THAT STAND OUT





**GLOBAL  
 CONTEXT**

**Social expectations in uncertain times**

Uncertainty and general institutional mistrust characterise the “new normality”. The growing confidence gap reflects a lack of social cohesion and the need for a paradigm shift to a social contract based on the values, rights and duties shared by society.

This is the most significant trend for senior executives. Of all the organisations that are concerned with this trend, 36% analyse the context and evolution of social expectations through reports and studies on social perception. Only a small percentage undertake more specific consultations, such as internal working sessions (16%) or stakeholder surveys (12%).

Conversely, institutional mistrust is less relevant in online conversations.

**From global warming to climate emergency**

The climate emergency is one of the most concerning trends, both for senior executives (8.6/10) and online ecosystems (9.8/10).

The level of commitment currently being made by institutions is not enough to confront the climate crisis. Although one of the trends most valued by surveyed senior executives, only 1 in 4 claims to be working on matters relating to climate change. Of these, 93% believe it will have a big impact on their business activities over the next few years. Other measures implemented by organisations include carbon footprint reduction and compensation (32%), and waste management and reduction (24%).

Over the coming years, it will be vital to promote collaborative action between all government agents, businesses and members of society in order to respond to this global challenge.

**Redesigning capitalism in the age of purpose**

This trend ranks number four in the list of priorities (8.4/10), perhaps due to it being perceived as a systematic global issue that cannot be influenced by individual business management approaches.

Online analysis reveals that conversations about the evolution of capitalism are uncommon, and they score low for relevance (4.2/10) and emotion (5.3/10).

Nonetheless, context indicates that this trend is key, and it is becoming increasingly popular in the business agenda.

Purpose was identified as the biggest trend in the 2019 edition of this report. However, there is still a large gap in terms of actual implementation in companies. Only 20% of companies and organisations are working on this. However, it is worth pointing out that 80% have started defining or re-defining their corporate purpose, 17% are working on it, and only 3% have not yet started.

**Transitioning to the future of work and the workplace**

The combination of the technological evolution and the polarised social context marks a new paradigm for employment. Whilst this trend scores medium to high relevance (8.4/10) for professionals, it is very significant in the digital ecosystem (9.2/10).

Organisations must respond to this new scenario by quickly adapting their processes and business models. Only 33% of organisations are already working to adapt to the future of business. This number has grown considerably since the start of the COVID-19 crisis. Of these, 60% of organisations claim they have introduced new ways of working, including flexible hours and new working methods. This has had the biggest impact on the work environment, followed by atomisation and robotics (20%).



TRENDS DRIVING  
 REPUTATION  
 AND BRAND

**Managing reputation in  
 the age of the algorithm**

The sixth highest scoring trend for experts is *Managing reputation in the face of new challenges*. This scores fourth for citizens. A negative view of technology, relating to control, ethics and the impact on job positions, has been observed in digital ecosystems.

22% of senior executives claim to be working on reputation management, and they believe new technologies have changed the way reputation is managed. Of these, over 74% consider the new expectations and demands of stakeholders to be the biggest factor influencing reputation management, followed by new technologies and social networks (65%), and the growing impact of reputational risk (55%). Only 20% believe that political and economic factors have an impact on reputation management.

The main actions undertaken to integrate technology with reputation management include actively listening to stakeholders (37%) in order to understand their needs.

**Inclusive leadership:  
 reputational risk or  
 opportunity**

There is still a long road ahead for social and workplace inclusion; only 36% of organisations are currently working on it. Of these, 83% claim to have made advances in equality and inclusion in their organisation.

For professionals, increased social demand has been the biggest accelerator of these issues (24%), followed by the commitment and participation of senior executives (18%). Based on this, almost one third of organisations face the challenge of identifying and promoting female candidates. Although there is less interest (14%), organisations also signal that transforming the corporate culture into one based on integration represents a big challenge for them.

Organisations are launching various measures to promote equality. 59% of experts working in this area indicate that the most significant measure is the implementation of conciliation policies, followed by commitment from upper management and employee training in equality and diversity.

**Committed brands,  
 brands that stand out**

The trend towards the management of committed brands is being worked on most by organisations: close to half of all surveyed participants (48%) claim to be dedicated to it. Specifically, 75% of organisations believe they have made advances in the creation of a lasting USP through the corporate brand over the past year.

Analysis of digital ecosystems has also demonstrated the significance of brand commitment and responsibility, especially for technology use and building trust.

The biggest challenges relating to managing a committed brand include employee brand activation (66%), seeing the brand as an active strategy (64%), and understanding that the brand should express the organisation's purpose and values (62%).

**Measuring intangible  
 assets: meeting the  
 challenge**

37% of surveyed organisations claim to be measuring intangible assets, and over half state they have made particular progress in the measuring of reputation, higher than communication (34%) and brand (11%). This trend ranks medium for presence (8.7/10) and emotion (6.6/10).

Measuring intangible assets and establishing non-financial indicators is still one of the biggest challenges for professionals. Of all the identified challenges, 71% of experts indicate that it is difficult to translate intangible metrics into solid indicators that demonstrate the creation of value for the business.

46% of professionals suggest that a short-term mindset is the biggest obstacle. 45% point to difficulties with selecting key indicators, and 42% to a lack of knowledge and understanding about the various indicators used by the organisation.

TRENDS THAT  
 DEFINE THE PRESENT  
 AND FUTURE OF  
 REPUTATION AND  
 INTANGIBLE ASSET  
 MANAGEMENT





SUSTAINABILITY  
 TRENDS

## 2030: The Decade of Action

SDG trends are one of the top 3 priorities for senior executives (8.6/10). The number of organisations working on the 2030 Agenda has increased by 12% since 2019. Specifically, 41% of professionals that were surveyed for this report claim to already be working on initiatives relating to the SDGs. Of these, over 60% confirm that their organisation has defined specific goals for measuring their contribution to the 2030 Agenda. Of all the trends relating to sustainability, this one is most accepted in the digital ecosystem, and it is the only trend considered key in all three areas analysed in this report.

Additionally, of the organisations currently working on SDGs, 29% have integrated them in their sustainability strategies, and 19% have promoted actions and initiatives that contribute to the 2030 Agenda. The majority of these (42%) focus on contributing to Decent Work and Economic Growth (SDG 8), followed by issues related to gender equality (32%), and building partnerships to achieve the Agenda (31%). However, key goals such as the fight against hunger (SDG 2) and cleaning the oceans (SDG 14) are only being worked on by less than 1% of organisations. Additionally, 39% of surveyed SMEs are working directly on the 2030 Agenda.

## Responsible investment for a more sustainable future

With a score of 8/10 from professionals, and despite a low presence in digital ecosystems, ESG metrics and indicators are helping companies evaluate how best to manage risk and opportunity in order to generate long-term value and profit for shareholders and investors.

Specifically, 26% of organisations claim to already be working on matters relating to responsible investment. Of these, over half claim that investor expectations and interest in ESG factors have increased, and a third also believe that the organisation they work for views this interest as a clear opportunity. 75% of senior executives claim that their organisation periodically communicates data relating to these criteria to investors and stakeholders.

The main channels for communicating this data are minutes and business reports (37%), social networks and other digital channels (29%), internal channels (15%), and the media (11%).

## Growing activism, contradictory consumption

In terms of sustainability, this trend has provoked the most comments in digital ecosystems and is notably relevant for senior executives (7.8/10).

Organisations are adapting to consumer expectations through behavioural studies (38%) and by transforming internal operations (31%).

Additionally, and in relation to organisations working on these matters, it is interesting to note that a number (19%) are supporting a shift in supply, and over half claim to have launched products or services in the last year with a sustainable social and environmental purpose.

The challenge for the next few years will be the alignment of societal aspirations with purchase habits. Organisations will need to promote innovations and provide value solutions aligned with social needs and expectations and competitive abilities.



TRENDS THAT  
 DEFINE THE PRESENT  
 AND FUTURE OF  
 REPUTATION AND  
 INTANGIBLE ASSET  
 MANAGEMENT



TRENDS DRIVING  
ETHICS AND  
TRANSPARENCY

### Technology and transparency: challenges for the value chain

In line with growing consumer interest, this trend ranks third in digital ecosystems, and elicits the most negative emotions. This is due, in part, to mistrust from a lack of transparency, or supply chain negligence. This trend ranks second for senior executives and 25% claim to be working on it.

Opinions amongst professionals are polarised. 42% believe that current initiatives are sufficient, but the same proportion believe they are not. In terms of complementary measures, surveyed executives propose taking action from the business core and reinforcing control environments by promoting a more ethical corporate culture based on solid corporate guidelines.

This situation could change if recent global events, such as the COVID-19 crisis, are taken into consideration. Events such as this highlight the need to rely on transparent and easily accessible data in order to make decisions that can be rapidly adapted to economic, social and political changes.

### Artificial intelligence and the data privacy dilemma

The growth of technology that relies on the collection of data, such as artificial intelligence, is changing how individuals and organisations control and manage their data.

Data privacy is the most significant online trend, although its presence is mainly manifested as negative comments and opinions. This trend is being worked on by companies and organisations, but it is not a priority.

22% of senior executives claim to be working on data privacy management in relation to artificial intelligence and, of these, almost 90% believe that efforts have increased compared to the previous year. In fact, half believe that cybersecurity and data protection have a direct influence on client relations. The biggest challenge faced by professionals (33%) is data use and the protection of internal systems.

The transparent management of data should be included in a company's core strategy, and the importance of cybersecurity should be communicated to all employees and suppliers.

### Non-financial reporting: A confidence-building tool

Although important for both citizens and experts, this trend is not a high priority. Access to non-financial data is a growing interest for key stakeholders such as investors. Approximately 24% of surveyed professionals are working on non-financial reporting and, of these, over half publish non-financial data through annual reports.

Nonetheless, there continue to be difficulties with collecting and communicating this data. Senior executives claim that reporting on social issues, such as those affecting staff, is still a major challenge for their organisation (37%), followed by environmental reporting (33%). This has led to a multitude of indicators and approaches, which makes it difficult to reach a consensus on a standardised method. It also makes it harder to trace and compare data published by organisations, especially data relating to social issues such as the gender pay gap and human rights. Experts also signal a lack of uniform reporting criteria as the biggest impediment to progress. As a consequence, this lack of methodology and rigorous techniques generates a lack of credibility with other senior executives and investors.



**THE POST  
 COVID-19  
 FUTURE**

**COVID-19 HAS  
 ACCELERATED THE  
 IMPLEMENTATION  
 OF MANY OF THE  
 TRENDS IDENTIFIED  
 IN APPROACHING  
 THE FUTURE 2020**

COVID-19 has created a global health crisis, but it has also resulted in fundamental social and environmental changes, and **the clear realisation that the future is now more uncertain than ever**. As we review and analyse the trends that have marked the pace of intangible assets over recent years, it is clear that, rather than create new trends, the climate generated by COVID-19 has strengthened and accelerated existing ones. Which raises the question, now what? **The world that awaits us is likely to be very different. A paradigm shift will be needed for organisations to succeed. Companies will need to re-evaluate work methods and business models as well as redesign knowledge creation and systems of innovation** in order to establish large-scale cooperation actions.

In this sense, and to appreciate where we are heading, **we have analysed conversations with members of the public operating in the digital ecosystem in order to better understand the impact of COVID-19 on trend and intangible assets management**. We have drawn the following conclusions:

- **Technology will be key in designing the future**, not just in relation to corporate digital transformation and an increase in remote working, but also in the fight against climate change.
- Compared to other institutions, **trust has increased in companies** that serve as local agents and seek solutions to the crisis.
- There has been an **increase in relational dimensions and collective awareness**, and collaboration, alliances and proximity are more important than ever.

- In this new ever-changing reality, where the only certainty is uncertainty, the **exceptional management of reputation, trust, purpose, values and communication will be vital for a company to survive in the long term**. The future of these organisations has gone from a “business as usual” mentality to a new era of responsible and committed companies.

- **Companies must provide social, ethical, economic and environment value to the communities in which they operate**. Major disruptions, such as the COVID-19 pandemic, have demonstrated that society is alert and waiting to see how the private sector responds. The private sector needs to be aware of the public’s expectations and anticipate and respond to the needs of all stakeholders.

- The support of all actions and initiatives **based on a shared corporate purpose is a key requirement for simpler and more autonomous decision-making processes**. A company’s purpose and values can inspire attitudes and behaviours that enrich the corporate culture. This can result in a unique selling point and competitive edge for the future of the organisation.

- **The climate emergency will continue to threaten social, political and economic stability**. The business sector must therefore make a further commitment to the cause. **The 2030 Agenda continues to develop the roadmap for sustainable development. Now is the time to create partnerships and unite forces with companies, governments, and tertiary sectors** in order to create a more just future for individuals and the planet.

- **The future will be digital. From now on, technology will be a fundamental tool for individuals and professionals**. It will allow us to acquire a more predictive focus which will help us to make more intelligent decisions that generate fundamental value in data strategies. Technology will also prove to be a big challenge in terms of ethics, data privacy and ownership.

- **Brand reputation, purpose, communication, and sustainability will become strategic intangible assets for companies**. Key performance indicators for each intangible asset will need to be included on the balance sheet in order to create long-term value for all stakeholders within an organisation.

- **The ability to adapt and respond quickly to all potential scenarios will be essential**. A new normality will redefine the roadmap for strategic, reputational, health and environmental risk, as well as all processes, working methods and business models. To achieve this, we must be resilient in order to face the big challenges that await us.



HOW WAS  
APPROACHING  
THE FUTURE  
CREATED?

## METHODOLOGY APPROACHING THE FUTURE

### Dynamic collaboration with professionals

Session with **52** professional members of Corporate Excellence - Centre for Reputation Leadership

### Meta analyses of secondary sources positioning of secondary sources

Over **250** analysed sources and integration of Punto de Fuga market research.

2

1

3

### Analysis of digital ecosystem

**250,000** communications from social networks and news sources have been analysed. The report includes a specific analysis of the influence of COVID-19 on trends based on the analysis of 100,000 communications

### Survey for executives and professionals

**300** professionals from companies and organisations were surveyed

REPORT BY



INSTITUTIONAL PARTNER



RESEARCH PARTNER



COLLABORATORS



5TH ANNIVERSARY

APPROACHING THE FUTURE 2020

TRENDS IN REPUTATION AND INTANGIBLE ASSET MANAGEMENT

*Approaching the Future. Trends in Reputation and Intangible Asset Management* is an annual report created by Corporate Excellence - Centre for Reputation Leadership in collaboration with CANVAS Estrategias Sostenibles, who analyse trends that define the present and future of intangible asset management, with particular focus on reputation, brand, sustainability, ethics and transparency.