Top five reputation-damaging mistakes for small businesses

Even the smallest SME should keep an eye on its reputation. Media stories of large brands failing to meet consumer or legislative expectations can give the impression that smaller businesses are less at risk.

Small businesses and startups rely on every positive customer experience, and often operate within slim profit margins. A single incident can cause severe damage to a hard-earned reputation overnight, especially when you consider how mistakes are amplified through online and social media channels.

SMEs should take these risks seriously. This is where standards come into play, to build resilient systems that small businesses can use to manage their reputation.

So, what are the top reputation-damaging risks for small businesses - and how can standards support SMEs by introducing protective processes?

1. Not taking responsibility for your actions

Today's socially-conscious consumer environment can be unforgiving for businesses who don't have an idea of their social impact. It's important for even the smallest of companies to consider how their operations make a positive contribution, as well as any potentially negative impact.

Social impact covers several areas - environment, working practices, human rights, management practices, anti-corruption and community issues. How your actions are perceived by consumers, employees and stakeholders can be the difference between success and failure.

ISO 26001 helps SMEs build a tailored social responsibility strategy. It provides guidance on how to engage your team and wider communities and partners with the strategy, improving trust and credibility.

2. Neglecting the environment

In our current climate, sustainability is top of mind for consumers. Most people look for brands with green credentials. If you're only doing the bare minimum, it's time to reassess - sustainability should be a priority when it comes to building a positive reputation. What's more, it's quicker, easier and less costly for smaller businesses to embed sustainability processes than larger brands.

ISO 14001 sets out a framework to make your daily operations more sustainable, contributing to improved brand perceptions.

3. Underestimating the risk of a data breach

It's not just large corporations with managing vast quantities of data who should take cybersecurity seriously. Every business must take steps to protect its customer and partner data. In today's fast-moving digital climate, being unprepared puts your reputation as a well-run company, viable investment prospect or trusted partner at risk.

With remote working and bring your own device (BYOD) policies the norm, the potential for human error is ever-present. Having well-designed cybersecurity processes – based on recognized standards – is the best way to reduce the risk of a cyberattack and staff errors. SMEs can use ISO 27001 to protect vital assets such as financial information, intellectual property, employee details or information entrusted by third parties.

4. Inconsistent quality

Making sure you can provide the same high-quality products and services to your customers is fundamental to every small business.
For startups and young businesses this is even more critical – every single new customer is hard-won and easily lost in today's competitive consumer landscape.

As well as being an investment in your business, creating a quality management system using ISO 9001, and getting certified once you have, sends a clear message – that you are committed to quality and continual improvement.

5. Not engaging with customers properly

Making sure your products and services are meeting customer expectations is one part of the reputation-building puzzle for SMEs. Another is the way that you handle things when mistakes are made, or complaints occur. Good customer service is a powerful reputation builder – and can set you apart.

Helpfully there's already an international standard for customer satisfaction – ISO 10002. It gives clear guidance to help you create your own complaints management system. SMEs can use it to identify complaints, their causes and ensure optimal remedies.

It also helps you make complaints handling effective and efficient – a must for every growing business. Using recognized standards is the best way for small business owners to create a positive reputation for the long term. They help you build processes to handle unexpected

incidents and mistakes, as well as drive business fundamentals like quality and information management. Standards are an efficient way to inspire confidence in customers, partners and investors and help your SME reach the next stage in its journey.

Summary

- Even the smallest SME should consider its reputation, especially when you consider how mistakes are amplified through social media. Standards help small businesses build their reputation and prepare for the unexpected.
- Consumers are increasingly concerned by social impact. How your actions are perceived by consumers, employees and stakeholders, can be the difference between success and failure. ISO 26001 helps SMEs design a social responsibility strategy.
- Every business must take steps to protect its data. Being unprepared puts your reputation as a well-run company, viable investment prospect or trusted partner at risk. Use ISO 27001 to protect financial information, intellectual property, employee details or information entrusted by third parties.
- Consistent quality is fundamental to every small business. Every new customer is hard-won and easily lost. Creating a quality management system using ISO 9001, is a long term investment in your reputation.
- Good customer service is a powerful reputation builder – and can set an SME apart. ISO 10002 gives clear guidance on complaints management system. Use it to identify complaints, their causes and optimal remedies.

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