



Time for CEOs to Take PR Seriously

You and I can have our own ideas about what public relations really is - but for better or for worse, few opinions count more than the one that comes from the corner office.

With decades in the industry, I believe PR is about strategic thinking that ensures both actions and message align with the image the company wants, needs and deserves. It's a full-court press to put your best foot forward in an effective and ethical manner. It touches every stage of your executive decision-making process.

That's what my experience tells me. But if the CEO thinks PR is little more than sending out press releases and hoping to get a mention in the newspaper the following day, well, that is sadly what your company's PR program will largely consist of. So what do you get when you let PR become reactive rather than proactive, and when you marginalize your PR people rather than giving them a seat at the leadership table?

You get AIG, for starters. Even if you buy the argument that the bailed-out insurer was obligated to pay the now-infamous retention bonuses, there can be no debating that the whole incident has been a PR disaster for the company. And let's not make the mistake of believing that a PR disaster doesn't impact the bottom line. Certainly, in this case, we can see many such impacts. Whether it's the onerous taxes being proposed on the bonuses, the reluctance of clients to do business with the company or simply the executive time now required to deal with the crisis, AIG has brought huge problems on itself.

What's more, the company is now being micro-managed by the executive committee of public opinion. There may well be a special event, sponsorship or other expenditure that actually helps the company make money, but do they dare go forward with such a thing knowing that every move they make could get them hauled in front of a congressional committee?

Granted, the AIG situation is both extreme and unusual, but it still demonstrates the point that effective PR takes place long before the press releases go out - if publicity is even the crux of the effort, and it often is not.

Consider the recent decision of the Big Three automakers to fly their executives to Washington D.C. in private corporate jets - for the purpose of pleading poverty before Congress. I'm sure the company bean-counters can make a case for the use of these aircraft, but didn't anyone in PR anticipate what a disaster could result when the images of these posh planes hit the media?

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Going back a few years, consider the debacle Coca-Cola faced when it introduced New Coke - relying solely on blind taste tests and giving seemingly no consideration to the predictable phenomenon and that the public would not take kindly to a change in a product it had loved for generations.

Proactive PR thinking obviously can't prevent every PR disaster. PR couldn't have prevented the Exxon Valdez from smashing against the rocks, nor could it have prevented the ValuJet crash. PR couldn't have stopped Enron from turning into a PR disaster when the whole idea of the company was dishonest. But in many situations, even unforeseen crises, PR can keep a bad situation from getting worse. This was certainly the case with Johnson & Johnson during the 1982 tainted Tylenol scare.

PR advisors quickly analyzed the situation and recognized an honest, proactive approach would do the least damage - and possibly even some good - to the company's reputation.

Compare that to Exxon's refusal to speak to the media for days after the Valdez accident - a defensive, fear-based approach that only multiplied the heat coming down on the company. Why do some executives listen to PR pros while others don't? Without a doubt, a major factor is the status PR holds within the company to begin with. If executive management includes PR staff or counsel, and is accustomed to getting PR's insight on decisions large and small, it is in a better position to benefit from that counsel before making a major mistake.

Perhaps PR could have persuaded AIG CEO Edward Liddy that, contracts or no contracts, paying out those bonuses would be an unmitigated disaster. And if it couldn't make that case, at least it would have been in a position to develop a more effective strategy than the one they ended up with - which was essentially no strategy at all, resulting in the company being pummeled from all corners.

Clearly, the PR community needs to do a better job of explaining its value to folks at the executive level, and the Public Relations Society of America is moving in that direction. However, if situations like those described here don't demonstrate it, I don't know what does. And while every CEO is free to believe it can never happen to him or her, failure to bring PR to the table only makes that belief all the more reckless.

It should be clear by now that the C-Suite needs to look at PR as a strategic management function, not merely a division of the marketing team. □