

## How to Manage the Media

By William Holstein

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For too long, American CEOs have concluded that it is impossible to engage with the media in any meaningful way. The usual argument is that the press is unfair, prejudiced, and always a negative factor. As such, most chief execs adopt a policy of benign neglect toward the media.

But that strategy no longer works. Just look at the ousting of former Home Depot CEO Robert Nardelli, whose \$200 million-plus compensation package led to a very public labor union fight and his eventual downfall. Or look at the slaughtering of Wal-Mart's brand by environmentalists, religious leaders, and consumers. The media landscape has changed and CEOs need to adapt – quickly. Here we'll show you how to rework your PR plan and manage the media – so that the media don't manage you.

### Things you will need:

- \$100,000–\$250,000 a year for the annual salary of a top-notch PR/communications strategist. Consider budgeting additional funds for executive communications training.
- Set aside at least three hours per month to meet with the press and other groups, and expect to read daily updates about your company's image.
- **Strategy:** Effective communications is more than a series of one-off announcements. There needs to be a consistency and pattern, and you need to build relationships with reporters and editors.
- **Key Message:** It's not enough just to announce your earnings. You need to be able to articulate a broader mission for your company.
- **Diplomacy:** The media often judges a company based on the CEO's personality. You don't have to be charming (though it helps), but you do need to remain graceful under fire.

A yellow sticky note icon with the text 'step 1' written on it in a handwritten style.

## Rethink Your Relationship with the Press

**Goal: Understand how the media has changed and what it means for you.**

There have been at least two major structural changes in how and why the media cover companies: the first is related to the rise of shareholder coalitions, and the second is the continued advance of Internet-based communications. These two trends are catching many in top management by surprise. Organized labor, academics, and religious organizations are appealing to investors in their attacks on CEOs and boards. Blogs are succeeding in generating news coverage in the pages of major newspapers rather than vice versa. Sites like

YouTube and Facebook have intensified demands for immediacy and transparency that didn't exist even five years ago.

To survive, much less thrive, in this new climate, CEOs need to understand that communications can no longer be a sideshow — it must be built into a company's DNA. That means business leaders increasingly need to view every move in terms of how it makes the company look. Remember the *New York Times* rule: Ask yourself, "If I make a certain decision, how would it look if it appeared on the front page of the *New York Times*?"

## Hot Tip

### Add a Personal Touch

As CEO, you're going to have to take a more personal role in media management. Take a cue from JetBlue CEO David Neeleman, who wrote an email of apology to every single customer affected by the extensive weather-related flight delays in February 2007.

JetBlue put a videotaped apology on YouTube, with Neeleman saying, "It won't happen again." Then he appeared on David Letterman, and that segment was also placed on YouTube. This is a particularly good example of how a CEO personally led a PR effort and used a variety of media vehicles for more effective communication.

step 2

## Select a Top Advisor

### Goal: Find an experienced professional who understands the business.

One of the root causes of a company's media problems is that CEOs often have put the wrong people in place to manage the PR function because they have difficulty identifying the right set of skills. Most PR personnel know how to write press releases, manage a corporate website, and arrange interviews and briefing sessions. But many lack deep understandings of business and how global and technological trends will affect a company.

Here are some guidelines for how to fill and structure the job of the top communications advisor:

1. **Choose someone based on seniority and experience.** Instead of focusing on who merely "gets ink," look for someone who has a history of helping companies communicate a winning message.
2. **Look for a much broader skill set than simply media relations.** Your PR manager needs the intellectual horsepower to discuss the future of the company with top execs. Find someone who has a savvy understanding of the business and industry at large.
3. **Have the top communications person report directly to you.** Often PR people report to other execs like corporate counsel or the chief marketing officer, who either block direct access to the CEO or else filter the message. Be the first in line.

4. **Bring the communications advisor to the table when the executive team makes decisions.** If the head of PR isn't present when major company decisions are made, you're missing the key step of asking, "How is this going to sound to the outside world?"

## Case Study

### An Experienced Strategist

When Coca-Cola gave Tom Mattia the job of senior VP of communications, the company structured the job so that it had clout. It helped that Mattia had 35 years of experience in brand management, media relations, advertising, and online marketing. But CEO E. Neville Isdell made sure that Mattia reported directly to him and joined the company's executive committee where many critical decisions are made. Mattia's position also includes: corporate communications, public policy, employee communications, archive functions, corporate responsibility, and seats on both the company's Bottler Public Affairs Advisory Board and the Public Policy and Corporate Responsibility Council.

step 3

## Define the Story

**Goal: Go on the offensive and clearly communicate your company's message.**

One of the worst mistakes a CEO can make is falling victim to the "airline syndrome" — only speaking to the media in the event of crashes, disruptions in service, and other disasters. The better strategy is for CEOs to project broader, positive messages about what they are contributing to the American economy.

Start defining the story by outlining a set of issues that the media pay attention to. The key is to first understand the public dialogue and to position the corporate message in it, rather than the other way around. That requires extensive reading, listening, and viewing to get a sense of the public zeitgeist. Your broad mission statement should include these issues as well as other, more tangible goals, such as penetrating certain markets or geographies. Financial results are a part of the message but just a part.

## Plan B

### Redefine Your Image

A remarkable example of shaping the message is the PR turnaround that General Electric's CEO Jeff Immelt achieved. The key issue was GE's dumping of polychlorinated biphenyls (PCBs) into the Hudson River. Jack Welch was once quoted as saying he would go to his grave rather than cooperate with federal and state agencies to clean up the chemicals.

Immelt took a different tactic. He decided that helping to create clean water around the world was a growth opportunity for GE. The company engaged in a fully integrated image and communications program called “Eco-Imagination” built around its eco-friendliness. Full page ads in the *Wall Street Journal* proclaimed: “Two-thirds of the world is covered in water. Shouldn’t three-thirds of the world’s population be able to drink it?” The company’s website extended the environmental message with a headline declaring, “Delivering the Wind.” It noted that GE delivered more than 1 gigawatt of wind energy to the U.S. in 2006, making it the biggest supplier of that renewable energy source.

In short, Immelt took a complete negative and turned it into a positive.

step 4

## Start a Dialogue with Your Critics

### **Goal: Prevent the creation of broad coalitions against your company.**

Thought leaders in the PR field believe that rather than raise the barricades against critics, CEOs need to engage them to learn what they are thinking and planning. PR staffs should be doing ongoing risk assessments to see what groups are considering targeting the company, and that information needs to be in the CEO’s hands — early.

Kathy Bloomgarten, CEO of PR firm Ruder Finn, says that Novartis CEO Daniel Vasella is a prime example of how a chief exec can engage in quiet, genuine dialogue to prevent a PR disaster. Vasella awoke in his Swiss home about three years ago to find a Greenpeace demonstration on his doorstep. Rather than calling in the police, Vasella walked outside and asked to talk to the leaders of the demonstration. He invited two of them inside for breakfast and discovered that they were protesting a Novartis waste dump that he had never heard about. He promised to look into it – and his cooperative style ultimately helped him defuse the Greenpeace campaign.

### **What Not to Do**

#### **The Worst-Case Scenario**

In the spring of 2006, a loose Internet-linked network of groups coalesced into an **anti-Wal-Mart force** that quickly claimed 235,000 members, including labor unions, small business owners, environmentalists, and religious leaders. It was targeting Wal-Mart for its healthcare policies and for allegedly allowing crime to fester in its stores, among other issues.

Part of the problem was that Wal-Mart had for years celebrated its small-town culture and values. That was helpful in penetrating rural America, but hurt the company when faced with the predominantly liberal New York-based media and the host of religious and labor groups that also had clear social agendas. By the spring of 2008, the coalition had more than 400,000 members.

Even though CEO Lee Scott began demonstrating greater sensitivity to the coalition of critics, huge damage had been inflicted. The retailer has had trouble expanding into affluent Northeastern urban areas. Legislation was introduced in Maryland mandating how Wal-Mart should treat its employees. And an effort by Wal-Mart to expand into financial services ran into a political firestorm that forced it to relent. Even if Wal-Mart is now taking the most sophisticated communications measures, it could take years to recover the brand equity it had a decade ago.

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