

survey of 225 CEOs' sec'ys (8% reporting) by The Omega Group (NYC). But it's not automatic: 43% deep-six or route such mail if they feel it's not relevant. Brochures, fundraising, direct mail rarely make it in. A letter from another CEO is a shoo-in. Surveys, newsletters get short shrift, set aside for future reading, or not read (62% for newsletters). Business books, mags, special reports are saved for trips. 93% of exec sec'ys screen all mail, can be tempted by the unusual (12%) or really informative (37%). Sample small to be definitive but passes the "feels right" test.

**MOVE TOWARD CLASS DIVISION COMING CLOSER?** Research continues to find a marked split between haves & have-nots, and a new Canadian study notches that up a step. 45% of rich Canadians expect to get richer, from improved finances or an inheritance. 39% feel their financial situation will stay the same over the next 5 years. Only 16% believe it will worsen. Royal Trust Corp. surveyed 1,000 affluent persons. Another finding: self-perception of wealth is rare. Tho all respondents were in top 25% of income, 81% describe themselves as middle class. Even 35% of those with assets of \$500,000 or more did. Results parallel similar US studies.

**ART BUCHWALD ON MEETINGS:** "I have discovered the secret to life: I don't go to meetings. If there were no meetings, everybody in the world could go home at one o'clock." That's when he finishes his workday, walking the 5 minutes to his office around 8 a.m.

**KEEPING RESEARCH PURE -- DO PEOPLE REALLY CHEAT?** Of course they give idealistic responses, can't remember accurately, and similar nonfeasance. But a survey by a magazine contained this rejoinder: "Only original copies of this questionnaire will be tabulated; no photocopies, please." Considering the mag -- Biblical Archaeology Review -- maybe it is needed. It is a mine for observing response to emotional issues. Its letters column often has more vitriol than a mad cat. Its subject matter, trying to locate the truth about religious topics, guarantees that, no doubt. Or is all research becoming suspect, given examples like the UK election polls where people purposely lied as a protection against too much surveying?

## WHO'S WHO IN PUBLIC RELATIONS

**ELECTED.** Public Affairs Council's new officers: chair, Barbara Bey (vp-pa, American Council of Life Insurance, DC); chair-elect, James Hart, Jr. (vp-pa, Panhandle Eastern Corp, Houston); new vice chairs, S.M. Henry Brown, Jr. (vp gov'tal afrs, Entergy Corp, New Orleans) & Mack Hogans (vp gov't afrs, Weyerhaeuser, Tacoma); re-elected vice chairs, Forrest Coffey (vp gov't afrs, The Boeing Co, Seattle)

& Fruzsina Harsanyi (vp-pa & corp comms, ABB Inc, DC); treas, Kenneth Berkowitz (vp & dir pa, Hoffmann-La Roche, Nutley, NJ); Raymond Hoewing was re-elected Council pres.

**HONORS.** William Tremayne (ret. sr vp-pa, Prudential) receives Public Affairs Council Excellence Award for a lifetime of achievement. In PAC's 40 yr history, award has been presented to only 2 other persons.

## 2 WAYS PR CAN MAKE RESTRUCTURED ORG'NS TRULY EFFECTIVE

As practitioners pursue the counselor & conscience roles that let the pr strategy help achieve organizational goals, restructuring, reengineering, et al create dual opportunities to take the lead:

- DECENTRALIZATION CANNOT MEAN ANARCHY.** But many famous organizations are demonstrating that too often it does. Carried to extremes, it:

  - **Creates ego playpens** for little Napoleon biz unit (BU) execs who don't want a CEO guiding them, but want to be CEO telling others what to do. Meant to engender accountability -- ends up the antithesis for these execs.
  - **The flaw:** holding them responsible only for the *ends* (bottom line results) lets them pollute & devalue the organization by selection of the *means*.
  - **Enforcement needed:** this attempt at capturing people's best efforts thru empowerment is honest only if someone enforces on BU heads the *passing along* of empowerment. Same for managers at all levels.
  - **Feedback is the checkpoint:** this someone must be the overall CEO -- and a feedback mechanism direct to that office is essential to keep BU CEOs & all managers honest.
  - **Which means the rules** -- overall policy on *how* things are done -- must be in place, in order to allow an enforcer to function fairly.
  - Decentralization should not be a test of who are the most ruthless, disingenuous or downright dishonorable rising execs, but of **who can get the job done within the organizational value set.** To the customer, community & other external publics who must confer supportive behaviors on the organization to make it successful, values are ever-increasingly the deciding factor.
- CONSENSUS DOESN'T MEAN EVERYONE IS IN ON EVERY DECISION.** Process takes up all the time & results are diminished by this misunderstanding:

  - **Too many unnecessary meetings** to check every way-station en route to a decision end up muddling the discussion. Hold one & many folks think they're duty-bound to bring up *something*.
  - **Honest committee & task force work,** even allowing them to make decisions within set parameters, is not only better but empowering. The



group can be as doctrinaire & hierarchical as a bad executive.

- **Constant communication on what's happening** is essential to retain trust -- but that's where practitioners shine. Not just with memos, e-mail, v-mail but by coaching team leaders on telling their troops.
- **Don't spoil consensus by letting it be a way to duck individual accountability.** The rule of participation is accurate: People will only get behind those plans & ideas they've had a hand in shaping. But the "majority of one" allowed to veto can either be uniting -- on those few decisions where consensus is vital -- or destructive on those where passive consent will do. Any team member not willing to give passive consent when in the minority must offer a compelling case -- or s/he is saying they don't know how to play on a team.
- **A prime reason decentralization becomes counterproductive** is when the non-team player is the unit CEO or other senior manager.

There's a natural conflict between consensus & decentralization. One says group decisionmaking can be stronger, the other argues for "independence." The decider should be that **reputations are formed by the overall entity.** Anything that might impact the reputation, for good or ill, internally or externally, needs centralizing balance. This is the responsibility of pr.

## HANDS-ON HOW-TO HELP FOR DESIGNING ARs, OR ANY PRINT PIECE

Step-by-step guide is offered by Cross Pointe Paper. "The Annual Report: Strategies for Effective Communication" is a 60-pg, 4-color book designed in sections much like the chapters of ARs.

**Some material is useful for any printed piece.** Book is printed on 9 grades of paper (Cross Pointe, of course) to demonstrate many combinations of paper textures & colors. Readers see first-hand how uncoated & recycled papers will look in print. Artwork also does double duty. It illustrates key info while demonstrating a range of reproduction techniques: 4-color process, 4-color black & white, duotones, tritones, match color, line art & solids.

### Some strategic AR advice covered in the guide:

- **What it is & how it's used.** "Done well, the annual report has the unique ability to profile the persona of an enterprise along with the facts & figures." \$5 billion is spent each year on producing them.
- **The cover.** "It must grab readers by the throat & pull them in."
- **Company profile & financial highlights.** "Knowing that most AR readers spend 6 minutes on the book, the annual highlights section is an excellent resource for the reader who wants to get in & get out quickly."
- **Letter to Shareholders** "is the most important document for many readers. It should serve as a strategic overview & cover financial, operating, organization & administrative highlights. Save the details for later. It should state or restate the strategic priorities & report on the

progress made during the year. It should review the financial results in the context of the previous year & previous goals. It should discuss problems (continuing or new) & the efforts to resolve them."

- **The portrait:** "Most shareholders don't care what the CEO looks like. They want to know what he does, how he does it, & what he thinks about. A compelling photo can do exactly that."
- **Operational overview** "is the heart of the AR. It is the main stage to deliver the company's theme -- in clear, concise & compelling ways -- what this company does & how it does it. Typically, this is the easiest part of the report for non-financial readers."

(Available from Cross Pointe dealers; to find yours call 612/644-3644)

## A NEW LOVE-TO-HATE CEO IS NICKNAMED "CHAINSAW"

Why "management" is distrusted & unable to lead: Albert Dunlap is cutting 30% of Scott Paper's workforce by yearend. Fittingly, he's an ex-corporate raider. Been with the company since April. In an interview with USA Today, he "clearly relished the instant results" for his bottom line.

**HIS RATIONALE** "The way other people do this is agonizing, slow torture. I'm willing to make the tough decision. We do this once & we won't have to do it again."

And, Scott shares rose \$1 on Wall Street when the slashing was announced. Mid management will suffer half the cuts. Only 20% will be hourly workers.

Sounds good. May be correct. But do execs & brokers have any sense of the perceptions created, long term implications, and human impact? Or of societal **values**? Large corporations by year end will have cut 1,300,000 jobs, according to one source -- driven largely by Wall Street's desire for more profits. They always say the cause is "global competitiveness" -- but see Hamel & Prahalad's new book on "corporate anorexia," *Competing for the Future* (Harvard Business School Press).

**If pr pros are the conscience of their organizations,** it seems odd not to hear from any of them in these times. Or are they speaking up in board rooms but properly silent outside those doors?

Do they ever think of **building the company thru creative pr** to increase sales, energize the culture, launch new products or reposition? Perhaps the message here is the decline of big companies? *Could* an apocalypse happen to them?

## ITEMS OF INTEREST TO PROFESSIONALS

¶ **EXECUTIVE SECRETARIES (CEO MAIL GATEKEEPERS)** are kinder than supposed, sending in most mail -- especially if marked personal or FYI, reports a