

Then there's the pr article 4/24 on "Built to Last" vs "Built to Flip". The latter companies can be:

1. **Throwaway vessels created to be acquired**, e.g., biotech & medical device ventures that are soon pulled in to a larger drug company. "These companies would have served themselves & the world better if they had accepted their limited purpose from the outset" rather than squander time & resources, says author & mgmt theorist Jim Collins (Boulder)

2. **Company as platform for genius**. These are tools for magnifying & extending the creative drive of one visionary, a person of great talent who lacks the temperament required to build an enduring company. "The best historical example is Thomas Edison's R&D lab. Also Polaroid (Edwin Land) & DEC (Ken Olsen). The jury is still out on Microsoft. There is no moral or business logic reason why Microsoft must outlast the guiding presence of Bill Gates"

3. **Silicon Valley paradigm**. This actually started 20 years ago, where the ethic of impatience & impermanence took hold. "The model isn't all that complicated: develop a good idea, raise venture capital, grow rapidly, then go public or sell out, but above all, do it fast." Originally, these companies at least gave lip service to the idea of creating a great firm & lasted 7 to 10 years, "but people are now proselytizing the bizarre notion that it's better not to have profits" & selling out is almost instantaneous

ARE THERE ETHICAL CONSIDERATIONS IN BUILT TO FLIP? While applied to hi tech, it could be true of any org'n – even mgmt groups rather than org'ns. Better question: *are there* ethical issues involved?

- **Is there an ethic in capitalism toward creating more permanent value**, or sharing with those who built the value – since no company can be started or exist without utilizing the social & structural assets society assembled & paid for long before some great minds had their idea?
- **Is it ok to be greedy & look out strictly for "me"?** Does having clients who may hold this mindset cause it to leach out to their pr pros? Life used to be so simple!

ITEMS OF IMPORTANCE TO PROFESSIONALS

¶ **Leave It To MacNelly To See Thru Computer Viruses**. The great cartoonist's response, in his *Chi Trib* "Drawn & Quartered" space, shows a store labeled "Techmart". A sign out front offers for sale "The latest anti-virus device!" A man is seen exiting the store with a box labeled "fax".

¶ **CyberDialogue Study (pr 6/5) Left One Important Factor Out**, writes Peter Restivo of PR/Media Connection: "The reality of cyberworld is that one cannot realistically achieve the \$14 cost per specific drug request mentioned in the story without first attracting people to the site. Traditional print, broadcast & cable tv, & to a lesser extent radio, are required to draw interested information consumers to the website – predisposed to the Net pitch. So, for the moment at least, the true cost is closer to the \$14 plus the \$197 figure mentioned for tv ads or the \$220 for print ads." Herb Schertz' rule again: for every \$1 the ex-Mobil Oil tv syndicator spent on his excellent programs, he found it necessary to spend \$5 to attract an audience!

¶ **If You Want The Abbott, Langer Study On Pay Levels Of Other Consultants (pr 5/29)**, phone 708/672-4200. We had a digit wrong. It's a useful piece of research for pr firms as just about every other consulting field tries to push in where the action is – i.e. public relationships.

SINCE TRUST IS THE ISSUE, NEW RESEARCH ON LYING BEARS STUDY BECAUSE DECEPTIVE BEHAVIOR IS A HONED SOCIAL SKILL

CEOs, board members, managers & team leaders who don't always tell it like it is are probably more socially adept. A study finds those who are socially adept are more practiced at deceptive behavior. Since some level of adeptness is usually required to achieve a leadership position, we can expect at least occasional untruths – or the temptation to lie or spin – from them.

- This is why **formal ethics programs** are vital. Leaders need them – tho execs usually feel they're necessary for employees, not themselves
- **The research applies to** any employee, customer, vendor, gov't official or stakeholder, of course

RATIONALE Research from the psych department at U-Mass (Amherst) found "People who are more socially adept are aware that they can't always be 100% truthful but have to moderate what they tell others." The upshot isn't that lying is good, but rather, **people who don't show all their cards fare better socially**. "It takes social skills to be able to control your words as well as what you say non-verbally," Prof. Robert Feldman told pr.

Study also linked lying & popularity. "Kids who are more socially skilled are the most popular," says Feldman. Like many studies on these topics, kids were the subjects – since they tend to give more candid responses.

- **Are liars more likable?** They may have more friends than the rest of us. Teens who lie are often the most popular students in school. Again, "We found that convincing lying is actually associated with good social skills," says Feldman.

"We wanted to find out if having high social skills can make it easier for you to deceive others, or if being a better liar can make you more popular." Evaluators found:

1. **We get better at lying as we mature**. Older kids were more adept at deception than younger ones
2. **Females of all ages were more likely to excel at lying than their male counterparts**. "Women are better skilled at controlling the impression they're giving." He says other evidence indicates men tend to lie in a self-promotional way about their skills and experience. Women tend to lie to make someone feel better. For women, this skill is less useful when verbal assertiveness is needed
3. **Those with the highest level of social competence** were the most talented liars, among all ages & both genders. They could verbalize untruths while controlling nonverbal behavior, including facial expression, vocal pitch & mannerisms, posture & eye contact. Youths with the poorest social skills had the most trouble controlling nonverbal behavior when lying



“This study tells us it’s unrealistic to expect people to always tell the truth. In fact, it’s not even the way we want people to always behave.” Feldman notes that kids are taught early to be polite & lie in social situations – rather than say something that isn’t nice. “In fact, pretending is part of many children’s & adults’ games.

RESEARCH METHODOLOGY

Feldman asked the parents of 32 kids ages 11 to 16 to complete questionnaires about their kids’ activities, social relations & school performance. Based on this data, kids were divided into high & low social competence groups. Both groups were asked to sip a pleasant-tasting, sweet drink, and a sour, unsweetened version. Next, they were instructed to persuade an interviewer that they liked or disliked the drinks, even if that was not the case. This meant each participant gave one truthful & one deceptive videotaped interview. 58 college students watched clips of the 64 interviews, then evaluated participants’ effectiveness in expressing convictions. Results were tabulated against the drinks tested, the ages & genders of the testers, and the social competency ratings provided by parents.

Footnote: Some reporters tried to tie the study in with the Clinton follies. “Most politicians know that you can’t always be completely truthful; they’ve honed this down to an art,” Feldman says. (Feldman can be reached at 413/545-0130. His research appeared in the *Journal of Nonverbal Behavior*)

TRUST IN SCIENCE? GENETICALLY ENGINEERED FOOD DEBATE POLARIZES INDUSTRIES & CONSUMERS ALONG THE FOOD CHAIN

The issue of biotechnology & foods will soon pit farmer against farmer, food processor against food processor and so on from seed to feed, predicts Bob Giblin (Morgan & Myers agri specialist) in moderating a teleconference by PRSA’s Food & Beverage Section. He feels “the hype has never been higher,” alluding to a spate of food retailers who have been affected.

- McDonald’s & Frito-Lay have asked suppliers to stop using crops from genetically engineered seeds. Quaker, PepsiCo & Kellogg’s have debated similar measures
- All this comes in the shadow of pending legislation on labeling, as well as a new organic standards ruling from the US Dep’t of Agriculture
- Meanwhile, over 25% of America’s corn crop & over 50% of the soy & cotton crops are genetically engineered. Biotech seeds have already been planted on over 70 million acres

Practitioners caught in the wave of distrust in science, or use of junk science, should find this a highly visible test case.

“THIS FOOD REVOLUTION COMES AT A HUGE COST”

Andy Kimbrell, Center for Food Safety (DC)

explains that essentially, a “cassette” of invaders is sent in to change a crop’s genetic make up. A bacterium invades the cell & deposits new genes. A variety of virus promoters & an antibiotic marker system are used to indicate the alteration. Points to consider:

1. **Reduced productivity yield.** U Nebraska study points to a decrease of 11% in productivity yield since the introduction of genetically engineered foods. *American Corn Grower* surveyed 82 farmers, found a 16% reduction in yield
2. **The number of farmers using biotech is decreasing.** The method is waning in popularity
3. **The foods could create new toxins,** intensify existing ones
4. **Allergy issues** haven’t been addressed. If someone is allergic, how will they know that a Brazil nut they’re eating doesn’t have almond or peanut genes in it?
5. **We already have too many antibiotics,** regarding the antibiotic marker system. What of the person who reacts to antibiotics?
6. **What are the environmental effects?**
7. **Contamination.** Genetically produced seeds float into other crop fields, rendering other vegetables genetically engineered, unbeknownst to the farmer

A TRUST ISSUE

He says the FDA’s idea of an **industry-driven voluntary system** for alerting the consumer about what s/he needs to know has been ineffective. Most people don’t know what they’re eating. He calls for more testing, more labeling, new enviro regulations & much more transparency in both the gov’t & the biotech industry.

THE INDUSTRY SIDE

Steve Milloy, Cato Institute, says anti-biotech activists are creating hysteria & putting forth bogus messages, e.g., a PSA showing a mouse with a human ear on its back. “When will the biotech opponents tell the truth?” He says the notion that nature knows best brings thoughts of malaria, plague & drought to mind. “Should we let nature take its course with childhood leukemia or breast cancer?” Sometimes technology is good. Other points:

- **Organic food industry wants to scare the public** into buying organic food
- **These activists are anti-tech.** “The Unabomber would embrace them”
- **They’re anti-profit.** “Marx & Lenin also opposed people making a profit.” The anti-gen foods activists accuse the industry of being driven by profit. “So what? Everyone wants profit, including farmers”
- **Testing would take another 5 to 10 years.** “Should we have a moratorium on corn while we test?”
- **They’ll always raise the bar.** Milloy claims they’re really against the biotech companies & the profits they make – not the food itself – so the activists will never be happy with what the industry does. He feels the industry has been rigorous in its safety procedures & tests

Tactical Query: Will name calling (allusions to Marx & The Unabomber) & accusations that could come across as red herrings (really anti-profit etc) be effective? Does it imply industry has no answers for these questions? Is there a stronger approach? (Transcript from PRSA at 212/460-1459)

DESPITE PROBLEMS, DOT.COMS & E-WORLD STILL A HUGE PIECE OF TOTAL PR \$\$; ARE THE COMPANIES INFLUENCING PR ETHICS?

Much has been said about an emerging “new ethic” – seen in business but also in population segments, e.g. the “BoBos” – well-off Bohemian Bourgeois. More on them later, from a new book describing & dissecting this group. For now remember that Wall Street cheered again last week when the unemployment rate went up. A few more real-people families having problems – but watch our portfolios gain!