

GOT PR?

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Perhaps the two biggest stories involving media coverage right now concern one new and one old. New is the stunning fall from grace for Penn State; the other is the ongoing saga of Occupy Wall Street, which has now become a sad parody of itself.

Like many looking at Penn State's situation, I find parallels with the Catholic Church's clergy abuse scandal. Each shows errors of commission and omission, and no amount of "great PR" can change the damning facts.

In context of the seemingly endless parade of reputation meltdowns by corporations, individuals and institutions on which I've commented in *Got PR?* over the years, I offer what I think is great insight by Richard Edelman, head of the world's largest independent PR firm. He makes the case for "radical transparency." I hope those behind Occupy Wall Street get this message too, because they sure do need it.

I want to take a moment to point out that my business is 10 years old this month...and *Got PR?* itself is four. I sincerely thank my family, friends, clients and other business acquaintances for your support over these 10 years.

And it's time to give *Got PR?* a new look. I'm not sure this new design will endure, but a change of pace was overdue. Best wishes for a wonderful Thanksgiving!



"With public sentiment, nothing can fail. Without it, nothing can succeed. Consequently he who moulds public sentiment goes deeper than he who enacts statutes or pronounces decisions." -- Abraham Lincoln

Occupy protests have lost their way

Last month I wrote in overall support of the Occupy Wall Street movement that began in New York City two months ago and has spawned similar protests in more than 100 cities around the world.

To me, there is no doubt that corporate greed and gridlock on Capitol Hill have created a dangerous disparity in wealth distribution between the "haves" and "have nots." Both sides have valid views on this explosive situation, and the mainstream media has been balanced in its coverage.

But now it's time for the tents to come down and the occupiers to get on with their lives. In fact this is already happening, but not voluntarily. Protesters have been evicted in New York, Atlanta, Oakland, Portland and Salt Lake City.

Many of the protesters vow to simply occupy other sections of town, however, which leads me to wonder what they're trying to accomplish now. The movement never had a set of demands that, if met, would cause the effort to disband. We hear cries of injustice of from people who somehow feel entitled to occupy prominent public spaces as long as they want, for free and with no interference. They're acting like the 1% they're rallying



The idea of banks getting federal assistance despite being the principal cause of our ongoing economic crisis that has contributed to sustained high unemployment has fueled the Occupy Wall Street movement.

against. Last month they filed for trademark protection to use the name "Occupy Wall Street" on merchandise such as clothing and bags, in periodicals and newsletters, and on a website featuring photographic, audio, video and prose presentations about the Occupy movement. Again, they're acting like entrepreneurs instead of the revolutionaries many claim to be. They had a valid point two months ago. Not any more. Just go away.

8 SEC employees are cited in Madoff fraud case, none fired

The Securities and Exchange Commission (SEC), which failed to stop Bernard Madoff's long-running investment fraud despite repeated warnings, has disciplined eight agency employees over their handling of the matter but did not fire anyone, according to the Washington Post.

The SEC's head of human resources and a law firm hired to advise the agency had recommended that SEC Chairman Mary L. Schapiro

fire one person, whom the SEC described as a manager in the office that inspects investment firms.

But the chairman decided not to fire the employee, because doing so "would harm the agency's work," an SEC spokesman said. The punishments given the SEC employees varied, and included suspensions, pay cuts and demotions.

The disclosure that no one

was terminated comes at a time when protesters and other critics who blame Wall Street for the country's economic plight are questioning whether the government is serious about holding powerful wrongdoers accountable. I think this aspect of the Occupy protest remains valid.

A federal judge recently excoriated the SEC for letting firms such as Citigroup settle fraud charges without admitting or denying wrongdoing.



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Penn State commits PR suicide while Joe Paterno seeks PR counsel

Great public relations can't change bad facts. One would think that by now, every organization in the public eye would understand the value of airing its dirty laundry as soon as someone uncovers it.

Penn State trustees certainly acted quickly by firing school president Graham Spanier and sainted head football coach Joe Paterno when credible reports surfaced of more than 40 counts of teenage sexual abuse by former football coach Jerry Sandusky. Such rapid and severe action avoided any claims of covering up the criminal behavior.

Penn State wants us to believe it's serious about investigating the charges and restoring its reputation. But by not cancelling the remaining three games of the school's football schedule, Penn State has made it clear that football is the top priority. And appointing Tom Bradley, a member of Paterno's own staff, as interim coach makes a mockery of Paterno's firing for the reasons stated.



Penn State, like the Catholic church, is facing harsh criticism for condoning continued acts of child molestation by its employees instead promptly revealing and stopping such actions when first discovered.

Meanwhile, Paterno is not charged personally in any of the alleged abusive behavior, but his legacy has been tarnished forever. It's no surprise that he's been in touch with prominent law and public relations firms in Washington, D.C. for advice on how to handle things to avoid further damage.

Crisis PR veteran Lou Colasuonno calls Paterno's image "severely damaged." He says it's "impossible to turn this around now in the glare of the unfolding events. He needs to lie low. He needs to be careful, because he has serious legal exposure. I have no doubt the parents of these kids will sue everybody for tens of millions of dollars. Paterno knows that's coming, and his legal exposure needs to be a high priority in his communications strategy."

Anytime legal exposure dictates communications strategy you can expect lots of finger pointing and weasel wording. This is going to be painful to watch, but I predict Paterno, who already has regretted not coming forward sooner, will be able to salvage much of his pristine reputation if he's not implicated further and follows good PR counsel. As for Penn State itself, it will join the Catholic Church, Tiger Woods and BP as permanently damaged brands who have only themselves to blame.

Reimagining the PR profession in a complex world

Richard Edelman is president and CEO of Edelman, the world's largest independent public relations firm with wholly-owned offices in 53 cities and more than 3,600 employees worldwide. Below are excerpts of his comments on his profession at a major event held by the Institute for Public Relations (IPR) on Nov. 10.

More than ever, business must explain how and why decisions are made. This is not a strategic opportunity; it is a necessity. Business is at its strongest only when it is transparent about its intentions and way of working. There is no such thing as a secret strategy in this complex world.

Practicing radical transparency means establishing benchmarks, then showing demonstrable progress against them. Radical transparency applies to the communications function as well. We are the last line of defense for the truth, because our material is increasingly used as primary source data. We also must be scrupulous about policing our own behavior, including what we pass along in social media.

Not practicing radical transparency has consequences. Here are two examples.

- Just last week Bank of America reversed its decision to impose a \$5-per-month

debit-card fee on customers who weren't carrying a minimum balance of \$25,000. The policy triggered a customer exodus ... with 300,000 organizing a protest on Facebook. The bank had utterly failed to provide context for its decision or explain the benefit to the consumer.

- The Tokyo Electric Power Company recently sought a 15 percent rate increase to pay for the damage to its nuclear reactors caused by the tsunami. The rate increase was denied because the company had zero credibility after failing to promptly disclose information about the nuclear fallout in the surrounding communities.

Our greatest challenge today is deciding where to begin telling a story. There are four distinct, but related, types of media today: mainstream, hybrid, social and owned.

Imagine them as a four-leaf clover. In the first leaf, mainstream, we have the traditional delivery vehicles of print or broadcast. In the second leaf, hybrid, are the dot.com versions of traditional media and media that is born digital, like the Huffington Post.

The third leaf, social, includes Facebook, Twitter feeds and YouTube channels. The fourth leaf, owned, includes a brand or company's websites and apps—vitaly important because every company should be a media company. Sitting in the middle of the clover is search, the new on-ramp to all forms of media, as well as content which fuels search rank.

We must work to stimulate storytelling that creates motion across all of the different types of media. We must ensure that personal stories and ideas are part of our output and that high-quality multimedia content can be easily found and shared to enhance search results.

For the balance of the decade, our goal will be to elevate public relations as a management discipline that sits as a full partner aside finance, operations, legal, marketing and strategic leaders in the C-Suite. We need to offer coherent strategy born of research ... and agile execution of creative that we lead.

It is only fitting that on the 150th anniversary of the American Civil War, we look to President Abraham Lincoln, who said: "With public sentiment, nothing can fail. Without it, nothing can succeed. Consequently he who moulds public sentiment goes deeper than he who enacts statutes or pronounces decisions."