Corporate Communication 7th edition Argenti Solutions Manual

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Chapter 2
Communicating Strategically

This chapter provides an excellent bridge from the traditional material that most management communication courses cover on communication strategy to material that is applicable for business students who will encounter communications challenges daily. I would strongly urge you to read Chapter One in Mary Munter's *Guide to Managerial Communication*, 9th Edition, published by Prentice-Hall in 2011, as a companion piece to this chapter. This is a very useful book that is successful in getting students to consider the "how" and "why" of their communications strategies.

Faculty trained in classical rhetoric can make much more of the section on communication theory since so much has been written on this subject. In fact, this might be an area to spend an extra day on if you are so inclined.

I think the chapter is self-explanatory, so will not go into more detail here, but Janis Forman of UCLA and I have written a chapter called "The Communication Advantage: A Constituency-Focused Approach to Formulating and Implementing Strategy," in *The Expressive Organization*, ed. Majken Schultz, Mary Jo Hatch, and Mogens Holten Larsen, published by Oxford University Press in 2000. It gives more examples and color that will help you to teach this chapter, if you are not familiar with either Aristotle or Munter.

In my view, the most important concepts in this chapter are the notions of corporate credibility and constituency analysis. You can give students many interesting exercises in association with these concepts. For example, have them analyze the credibility of a group of local companies by surveying people in the community. Or use published information about a larger corporation to determine which would be the most important constituencies for external communications. Although students should easily be able to identify key constituents, this is a useful exercise as it forces them to consider similarities and differences among these groups in terms of level of knowledge, motivation, preferred communication method, etc.

Another possibility for the material in this chapter is to work with the faculty who teach management or strategy at your school to discuss the connection between corporate communication and the corporation's mission, vision, and values. You could organize group projects where students think about how mission and overall strategy are connected to communication in specific companies, identifying how particular company actions reflect (or fail to reflect) different components of their mission. These sorts of strategic alliances with other faculty help to strengthen the overall curriculum at your school while anchoring this subject through associating its concepts with more familiar, established fields like strategy. Reading "The Strategic Communication Imperative," an article I wrote with Robert Howell and Karen Beck, published in the Spring 2005 edition of *MIT Sloan Management Review*

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(included), will also help illustrate the importance of connecting corporate communications and overall corporate strategy.

Just getting students to focus on the notion of communication as something that must be strategic, which you really have to think about and plan for, rather than something to approach on an as-needed basis, is a huge step in the right direction.

The PowerPoint slides I have created for this chapter come out of both Munter's model and my own. Although this chapter comes second in the book, it is the core of the book in terms of importance. I debated putting this chapter, or Chapter Three, first. I decided on the current structure so that students could gain a sense of why corporate communication is important first, then move on to consider how to approach it strategically, followed by an overview of the function.

For those of you using *Corporate Communication* as a module in a larger survey course on communication, you should probably start with this chapter rather than the first chapter in the book. You will find that the comparisons to what goes on at the individual (or micro level) and what goes on at the macro (or corporate level) in terms of communication strategy are not really that different.

Teaching Note
Carson Container Case

This is a case based on many others you may be familiar with. I think it is deceptive in that students tend to think it is easy because it is so short. Instead, the case can be an excellent focus of discussion for classes ranging from 30 to 90 minutes.

The way I teach the case is to start by getting students to discuss the first case question: "What problems does Carson Container Company have that will affect its communications?" for about 30 minutes. Once you have discussed these problems, get them to focus on how it all relates back to the corporate communication strategy model (see Chapter Two) and the expanded version of the same model (also see Chapter Two) for about 40 minutes. Supplement this discussion by having them talk about their own experiences. I end with a discussion of possible solutions. Twenty minutes allows you to do this as a role play.

Carson Problems and Haskell's Problems

Here are the kinds of problems you are likely to get from students.

1. Bad timing – busy season, reporting rules start immediately.
2. Weak credibility for Haskell.
3. Wrote to wrong audience.

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4. Was not clear about his true objective (to centralize).
5. Didn't listen to Gunn – visiting would have helped.
6. No motivation for managers to respond.
7. Materials managers were not positive about doing what Haskell asks.
8. Communication is one-way.
9. Board of directors irrelevant to materials managers.
10. Haskell didn't have enough information.
11. Haskell and his position not announced/ handled correctly.
12. Haskell is attacking managers' positive relations with local suppliers.
13. Return letter implied Haskell's request was a "suggestion."
14. Tone of Haskell's memo is pompous.
15. Tone of response is too informal.
16. Possibility that many orders coming in under $100,000.

Relate Back to Strategy

When you analyze the case in terms of the corporate communication strategy model put the model up on an overhead transparency or on a PowerPoint slide and write in students' comments about all four parts of the model.

1. Objectives

"As a result of reading Haskell's memo, the materials managers would notify him of contracts over $100,000." If this were his objective, he has failed miserably since the case states: ". . . headquarters heard nothing from plants about contracts being negotiated with suppliers."

Students may point out that what he is really after is to centralize procurement. If so, he states this only indirectly in the memo, hiding reference to centralization after his request for contract reports and not elaborating on the goal. Again, he fails to meet this objective.

Finally, he could just be trying to assert himself (credibility building by association with the board of directors, etc.). Again, the response from managers suggests he has gained little credibility in this interaction (see how they demote him to Procurement Coordinator, for example).

2. Resources

Students may not immediately identify the resource investments in how Haskell's has delivered his message to the materials managers. This is not a major communications campaign that requires advertising, newsletters, or other expensive materials. Haskell has simply sent out an e-mail announcing the new guidelines for reporting contracts.

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The limiting resource in this case study is time. Gunn has suggested that Haskell meet with materials managers individually. Haskell rejects this suggestion because he is too busy to travel. Would a greater time investment have led to a different outcome?

3. Credibility

Students will typically point out that Haskell has "rank" credibility in that he is a vice president. But, in fact, his rank is useless in this organization because of its decentralized focus.

In addition, headquarters itself (and staff managers like Haskell in particular) lacks credibility in a decentralized company like Carson. He operates under the false assumption that materials managers will be moved by his mention of the board of directors, his title, and his authoritarian style. All fail to move his audience to act on his objective.

Finally, at the personal level, he should have tried to gain credibility through Gunn, who obviously has rapport with managers in the plants. Instead, he dismisses her advice to go visit and doesn't ask her to help him build relationships with plant managers and materials managers.

4. Constituency Analysis

Haskell addresses his memo to the materials managers, but perhaps he should not have begun with this constituency. Consider the reporting system within the company—plant managers might oversee materials managers and their purchasing practices, but would not have the same direct connections with local suppliers. These plant managers, therefore, may have been more receptive to Haskell's efforts to change procurement procedures.

You can get into a good discussion of who is a part of the audience for his message. For example, the suppliers will be interested in his message, but he doesn't address them directly. If local suppliers for Carson Container Company represent a significant portion of the businesses in towns where Carson plants are located, then the entire community may have an interest in Haskell's new centralization plans.

The constituencies will not likely be happy about what Haskell has to say because he challenges them in his memo: ". . . when we are finding it more difficult to secure good deals at the local level." In addition, he is taking authority away from individual plants with his plan.

Finally, in terms of constituency analysis, Haskell is really an unknown quantity, but his hidden agenda is quite clear. So, from the managers'

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perspective, someone they don't know is trying to take away their authority. They are unlikely to be positively disposed.

5. **Delivering Messages Appropriately**

   Haskell picked the wrong channel for his message. The one-way nature of a written memo left little room for consultation with the materials managers. He should have followed Gunn's advice and met with them face-to-face.

   He structured the message directly in terms of the $100,000 contract notification, but the real message was that he is trying to centralize procurement, a goal mentioned obliquely in the second paragraph. Haskell was direct about the contract negotiations, but indirect about his real objective.

6. **Response**

   The response is meant to be a contrast in tone with Haskell's memo. Notice again that they demote him, point out that he's an outsider ("Welcome to Carson!") and end with a smiley-face emoticon (: -)). In all, he didn't get the desired response, so his communication is a failure.

Solutions

Ask students to brainstorm solutions given the problems and their strategic analysis. Here is what you are likely to get:

1. **Go out and meet the materials managers:** This would have been a great idea if he had done it when Gunn told him to do so, but it's hard to imagine him meeting them without talking also to the VP of Operations and the plant managers.

2. **Call materials managers in for a group meeting:** This is probably not a good idea because there is strength in numbers. The materials managers have probably communicated with each other already. They could be a hostile audience. Again, Haskell would need to involve plant managers in arranging such a meeting.

3. **Call the managers on the phone:** I like to role-play this when students suggest a phone call. This is an example of using a bad communications channel to solve his problems. The managers don't know him, which makes this less than optimal. And remember, the e-mail already demoted him; a little bit of humor works well here.

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4. **Meet with the VP of Operations**: This is probably the best place to start. You can also role-play this interaction. I play the smug VP of Operations to their Haskell. You can show how hostile the VP of Operations is likely to be and how she now has the upper hand.

I usually end by pointing out that none of these solutions are great and that he would have been much better off if he had thought about communications strategically *before* writing and sending the memo.

Go back to the Chapter Two discussion about time. Correcting mistakes like Haskell's takes more time rather than less time. Wouldn't he have actually *saved* time by meeting with the materials managers first? You cannot cut corners in communications.

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DARDEN
UNIVERSITY of VIRGINIA

UVA-BC-0178

THE THIRD BATTLE OF BULL RUN
THE DISNEY'S AMERICA THEME PARK (B)

On September 28, 1994, Disney officials announced the end of the Disney's America project in Prince William County, Virginia. Two representatives from Disney's America flew to Richmond to brief Virginia's Governor George Allen on the decision. The same day, Prince William County officials were notified as well.

Peter S. Rummell, president of Disney Design and Development Company, issued a public statement, saying in part:

> We remain convinced that a park that celebrates America and an exploration of our heritage is a great idea, and we will continue to work to make it a reality. However, we recognize that there are those who have been concerned about the possible impact of our park on historic sites in this unique area, and we have always tried to be sensitive to the issue.
>
> While we do not agree with all their concerns, we are seeking a new location so that we can move the process forward. . . .
>
> Despite our confidence that we would eventually win the necessary approvals, it has become clear that we could not say when the park would be able to open—or even when we could break ground.
>
> The controversy over building in Prince William County has diverted attention and resources from the creative development of the park. Implicit in our vision for the park is the hope that it will be a source of pride and unity for all Americans. We certainly cannot let a particular site undermine that goal by becoming a source of divisiveness.[1]

[1] Peter S. Baker and Spencer S. Hsu, *Washington Post*, "Mickey's Tactical Retreat; Worried about Its Image, Disney Co. Stunned State Officials by Giving Up Its Park Site," *Norfolk Ledger-Star,* 29 September 1994, A1.

This case was written by Sarah Stover, MBA '97 and Elizabeth Powell, Assistant Professor of Business Administration. It written as a basis for class discussion rather than to illustrate effective or ineffective handling of an administrative situation. Copyright © 2001 by the University of Virginia Darden School Foundation, Charlottesville, VA. All rights reserved. *To order copies, send an e-mail to* dardencases@virginia.edu. *No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the permission of the Darden School Foundation.*

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Rummell stated that Disney would try to build an American history theme park elsewhere in Virginia, but that a site had not yet been selected.

Many Virginia politicians were disappointed, but some tried to remain optimistic. Governor George Allen's office issued a statement: "I'm committed to a Disney theme park in Virginia and the jobs that will be created thereby. I'm pleased that the Walt Disney Company shares that commitment."[2]

Robert S. Skunda, Allen's Secretary of Commerce and Trade, commented to reporters, "I think they see the likelihood of long-term damage to their image. No company likes to be publicly bashed when they feel as though they are doing something that is worthwhile. . . . The thing that a company values most is its reputation. It has to. Without a reputation a company cannot continue to exist. I think those things drove Disney away from the Haymarket site."[3]

Prince William County executive James Mullen said the county would be forced to go through a time of self-examination following Disney's exit. He stated, "Mainly I'm disappointed for the people in the community who supported the project and for our staff, who put so much time in on this. Disney certainly hasn't helped our marketing effort. They've made it very difficult for us to overcome the perception that this is a place (where) you can't do a big project without a hassle."[4]

Other local politicians were not as generous in their remarks about Disney. State Senator Joseph Benedetti of Richmond stated, "Promises were made that they'd stay, come hell or high water. Whatever they do is going to have to be written in blood next time."[5] State Senator Charles Colgan of Prince William County stated, "I think they broke faith with us."[6]

James McPherson, the Princeton history professor and one of Disney's most vocal opponents, stated, "I'm very happy. It's good news."[7] McPherson said that he would be happy to help Disney find another location in Virginia that would be less significant historically. He stated, "Some of us would be quite happy to advise them. This has never been an attempt to bash Disney."[8]

Over the next few weeks, scores of municipalities wrote newspaper articles and petitioned Disney directly, stating that they would welcome a Disney park in their areas.

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[2] Ibid.
[3] Ibid.
[4] Ibid.
[5] Alec Klein and Margaret Edds, "Disney Lost Will To Fight; Bad Press, Internal Woes Cited," *Roanoke Times and World News,* 30 September 1994, A1.
[6] Ibid.
[7] Michael D. Shear and Martha Hamilton, "Disney Packs Up Muskets at Civil War Battlefield," *International Herald Tribune,* 30 September 1994.
[8] Ibid.

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In Retrospect

Since the decision to halt plans for Disney's America in Virginia, observers have tried to make sense in retrospect of the park's failure. In 1998, Eisner issued a memoir, *Work in Progress*. In a chapter devoted to the Disney's America project,[9] Eisner freely and openly admits that Disney made many missteps, while still arguing for the vision he had for the theme park. Among the missteps Eisner identified were

- Naming the project "Disney's America," which implied the company's ownership of U.S. history. He said, "That was unfortunate because we were never interested in a park that merely reflected a Disneyesque view of American history."
- Failing to "recognized how deeply people often feel about maintaining their communities just as they are. . . . There may have been no collection of people [the Piedmont Environmental Council] in America better equipped to lobby a cause, whether with Congress or government agencies or through the media."
- Being "blindsided" by the issue of proximity to the Manassas Battlefield Park. Jody Powell's advice had been that the distance of three miles would be great enough to avoid controversy.
- Believing Disney "could announce the project on [its] own timetable. Our focus on secrecy in land acquisition had prevented us from even briefing, much less lobbying, the leading politicians in the state about our plans as they evolved. The consequence was that we lost the opportunity to develop crucial allies and nurture goodwill."
- Revealing to the public "a plan that looked relatively complete [which] opened ourselves up to every critic with different ideas about what a park based on American history should and should not include."
- Making emotional statements that critics latched on to, including being shocked about not being taken around on people's shoulders and complaining that history in school was boring. Eisner reflects: "My comments made me sound not just smug and arrogant but like something of a Philistine. . . . Looking back, I realize how much my brief moment of intemperance undermined our cause."

To balance his story, Eisner also recollects his well-meaning intentions for the theme park, describing his motives as the patriotic and socially responsible vision of a son of immigrants. He wanted visiting Disney's America to be as multimedia intensive and deeply moving an experience as the U.S. Holocaust Museum. In retrospect, Eisner explained "We saw ourselves as storytellers first and foremost," who needed advice from historical experts to portray American history "knowledgeably and responsibly." Working with the advisory group of "open-minded" historians who critiqued comparable exhibits in Orlando was particularly eye-opening: "In our original plan, for example, we'd envisioned recreating a classic twentieth-century steel

[9] Michael B. Eisner, Chapter 12, "Disney's America," *Work in Progress* (New York: Random House, 1998) 319-338.

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mill and then putting a roller-coaster through it. To do that, we began to understand, could trivialize and even demean the attempt to portray the steel mill realistically."

Of his critics, Eisner complains, "By any reasonable measure, this attack on Disney's America was dramatically overstated. . . . Much like negative advertising in a political campaign, [their] incendiary claims were effective in influencing public opinion and putting us further on the defensive. I was suddenly the captain of Exxon's *Valdez*. . . . By the summer of 1994, opposing Disney's America had become a fashionable cause célèbre in the media centers of New York City and Washington, D.C. . . . Fairness seemed to have given way to polemics."

In the end, Eisner explains that financial projections made in late August 1994 "showed that rather than the profit we'd previously projected for Disney's America, we were now facing the prospect of substantial losses." On the cost side, Eisner attributed the losses to the current and future expense of dealing with opponents' legal challenges, to the carrying costs caused by a projected two-year delay before breaking ground, and to the modifications to the original plans that increased costs by almost 40 percent. On the revenue side, the Disney's America team now projected a lower price point for tickets and a shorter season at eight months down from nine. According to Eisner, "Now that a dozen members of our team had spent a year living in the towns adjacent to our site, they had a different view. An eight-month season for the park seemed more realistic."

The revised figures, coupled with the psychic impact of Wells' death, Eisner's by-pass surgery, and Katzenburg's departure led to the decision to abandon plans for Disney's America. As Eisner concludes,

> I still believed that it was possible to get Disney's America built, but the question now was at what cost. . . . [A]fter two weeks of soul-searching, we finally agreed that it wasn't fair to subject the company to more trauma. The issue was no longer who was right or wrong. We had lost the perception game. Largely through our own missteps, the Walt Disney Company had been effectively portrayed as an enemy of American history and a plunderer of sacred ground. The revised economic projections took the last bit of wind out of our sails. The cost of moving forward on Disney's America, we reluctantly concluded, finally outweighed the potential gain.

Others interpreted the situation as one in which Eisner himself needed better handling. In *The Keys to the Kingdom,* former *Washington Post* reporter Kim Masters says Eisner's dealings with the media had suffered since late 1992 when he lost his chief of corporate communications, Erwin Okun, to cancer. "Okun had a shrewd yet avuncular style that worked well with the press," wrote Masters. Journalist Peter Boyer said of Okun "'He somehow pushed that button in all of us that said Disney is an honest, good company that meant well. . . . He packaged [Eisner] well without seeming to do so.'" "Eisner said he relied on Okun 'to counsel, review, berate, encourage, and protect me,'" Masters writes. Okun's successor, John Dreyer, however, "came from the theme parks. He lacked Okun's cordiality and treated the press with suspicion bordering on hostility. At the *Washington Post,* he quickly alienated the very reporters whose

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coverage of Disney's America would prove most influential."[10] Pat Scanlon, formerly an Imagineer, speculated that Wells might have salvaged the Disney's America project.

> "There wasn't anybody at a high enough level to keep Michael in his box, [Scanlon] says. "Michael was making public remarks that weren't helpful. Michael sounded a bit like an abrasive Hollywood producer coming to town. Frank would have shaped public relations because he would have made Michael more aware. Frank was the consummate diplomat."[11]

Whatever the cause, Nick Kotz, a member of the Piedmont Environmental Council and author of the editorial in the *Los Angeles Times,* observed this about the effects of the Disney's America theme park controversy: "Undoubtedly Disney had internal reasons for the decision to strike its tent on the Piedmont battlefield. But it had also faced the danger of a Pyrrhic victory. In all probability, it could have prevailed and built its theme park, but it would have suffered serious and perhaps permanent value to its reputation."[12]

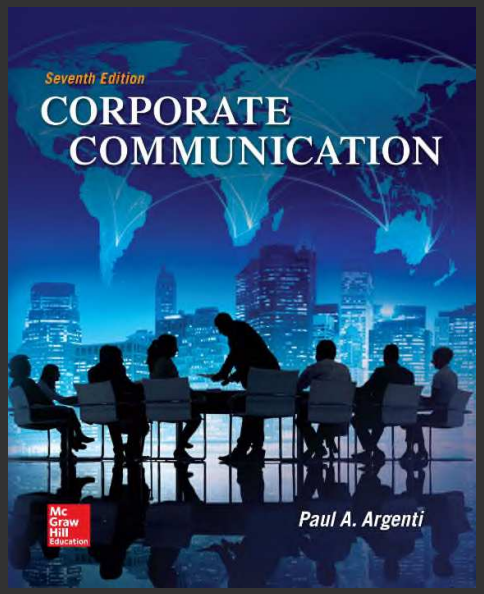
Despite claims by Eisner and Disney officials to the contrary, as of the writing of this case, no further plans have been announced for a Disney's America theme park.

[10] Kim Masters, The Keys to the Kingdom: How Michael Eisner Lost His Grip (New York: William Morrow, 2000) 297.

[11] Masters, 329.

[12] Nick Kotz and Rudy Abramson, "The Battle to Stop Disney's America," *COSMOS,* (on-line journal) 1997, <http://www.cosmos-club.org/journals/1997/disney.html> (accessed on 20 May 2002).

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Corporate Communication

7th Edition

Paul A. Argenti

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PowerPoint Slides for Instructors

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Chapter 2
Communicating Strategically

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“You can’t execute it if you can’t communicate it.”

—Michael Glenn, EVP, Market Development and Corporate Communications, FedEx

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Communicating Strategically

- Carson Container Company case problems
- Discuss problem identification and framing techniques
- Develop an approach to strategy
- Developing the connection between strategy development and execution
- Carson Container Company case solutions

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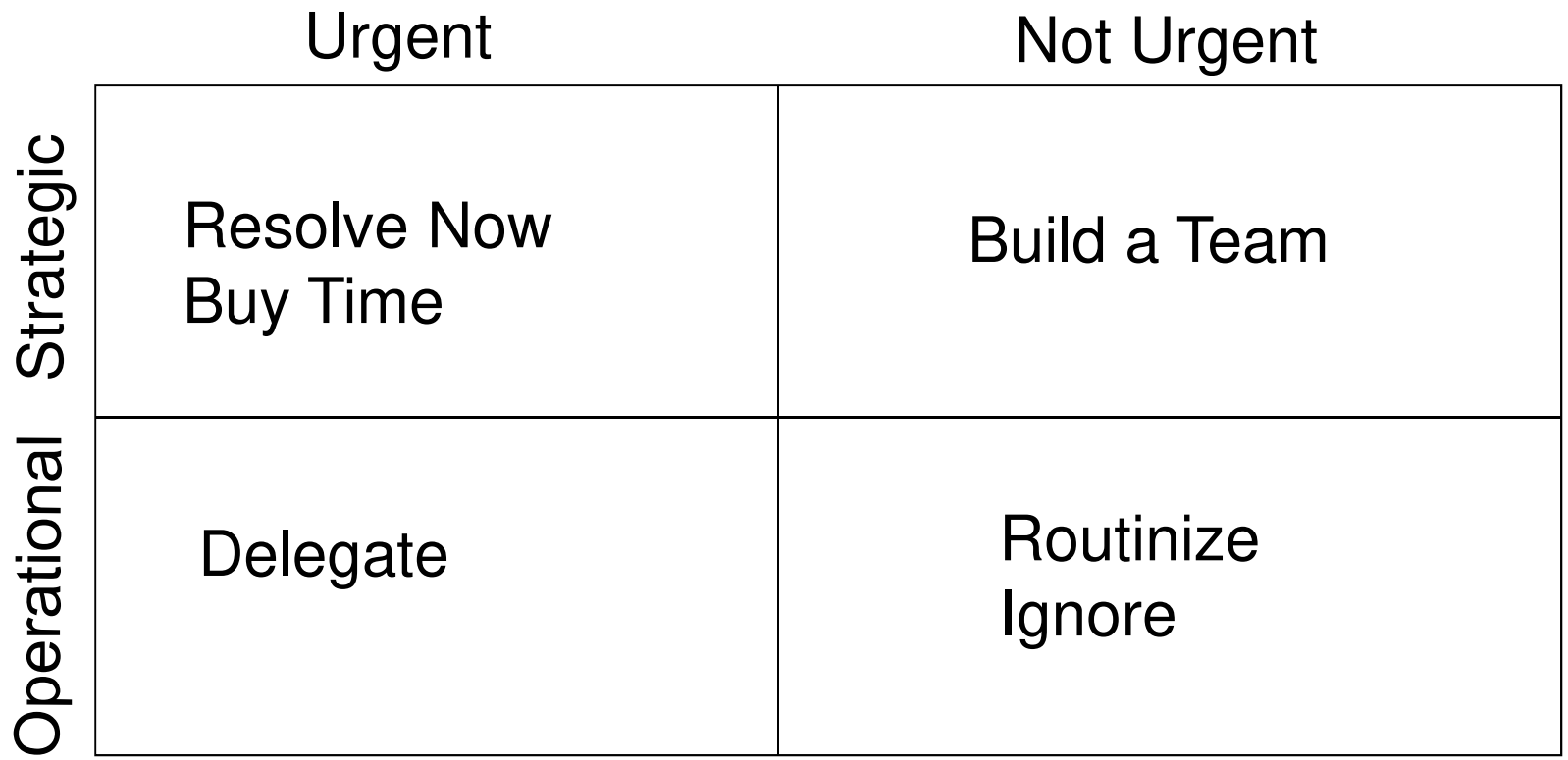
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Identifying the problem

- Preliminary problem statement
- Relevant data, organized for the situation at hand
- Relationships between symptoms and causes
- Initial hypotheses
- Objectives to be met

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Problem Framing



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Developing strategy

What is your strategy?

- Essence of Strategy

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Essence of strategy

- Pick a favorable environment
- Strike a sensible alignment between the requirements of the environment and your strategy
- Achieve strong internal consistency among all elements of the strategy (and the organization)

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Developing strategy

What is your strategy?

- Essence of Strategy
- Hierarchy of Company Statements

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A Hierarchy of Company Statements

"Can you say what your strategy is?"

Mission: Why we exist

Values: What we believe in and how we will behave

Vision: What we want to be

Strategy: What our competitive game plan/advantage is

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Developing strategy

What is your strategy?

- Essence of Strategy
- Hierarchy of Company Statements
- Strategic Principle

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Strategic Principle

A good strategic principle helps:

- Make tough choices when allocating resources
- Test the soundness of specific business decisions
- Define boundaries within which to experiment

Strategic principles should be clear, compelling and actionable.

Gadiesh and Gilbert

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Strategic Principle: Checklist

- Can it guide strategy?
- Does it capture your genetic code?
- Is it clear, concise, and memorable?
- Does it pass the truck test?

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Company	Strategic Intent/Principle
Birla	Perhaps the best concrete in India
Dell	Be direct
British Airways	World's leading global premium airline
Wal-Mart	

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Developing strategy

What is your strategy?

- Essence of Strategy
- Strategic Principle
- Fundamentals of strategy: Who/What/How

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Elements of Marketing Strategy

- Segmentation
  - How should we divide the market
- Targeting
  - Which segments should we choose
- Positioning
  - How should the product be positioned to attract the target segments

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Developing strategy

What is your strategy?

- Essence of Strategy
- Strategic Principle
- Fundamentals of strategy: Who/What/How

What makes it distinctive?

- Sources of competitive advantage

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Developing strategy

How do you know it will win?

- Financial assumptions and resources
- Value of your core competencies

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Core Competence

A combination of complementary skills and knowledge bases embedded in a group or team that results in the ability to execute one or more critical processes to a world - class standard.

A core competence must be:

- truly superior
- sustainable
- more powerful than other strategic levers
- capable of creating future value propositions

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Developing strategy

How do you know it will win?

- Financial assumptions and resources
- Value of your core competencies

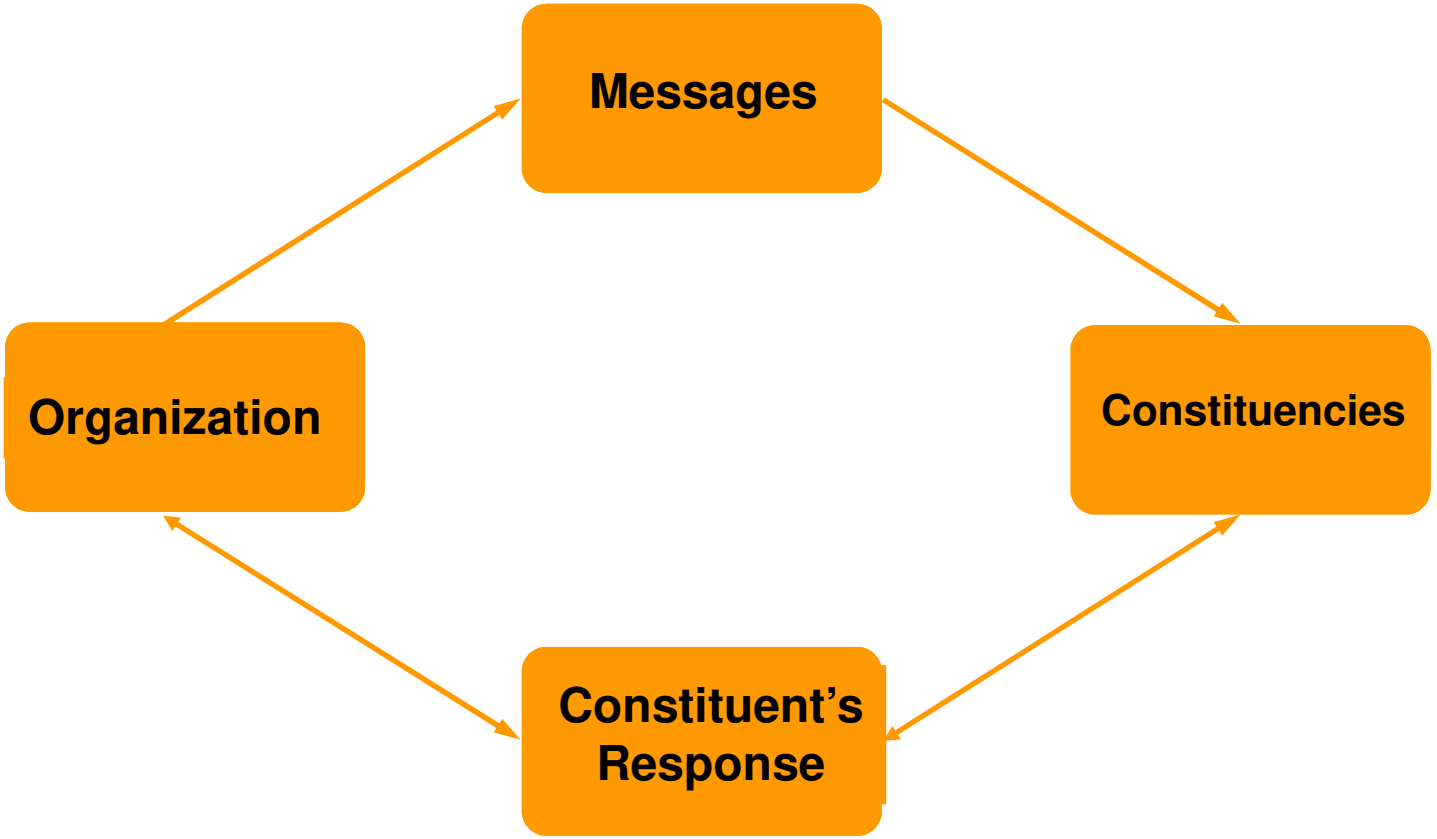
How will you implement this strategy?

- Communication problems
- Structure, culture, people

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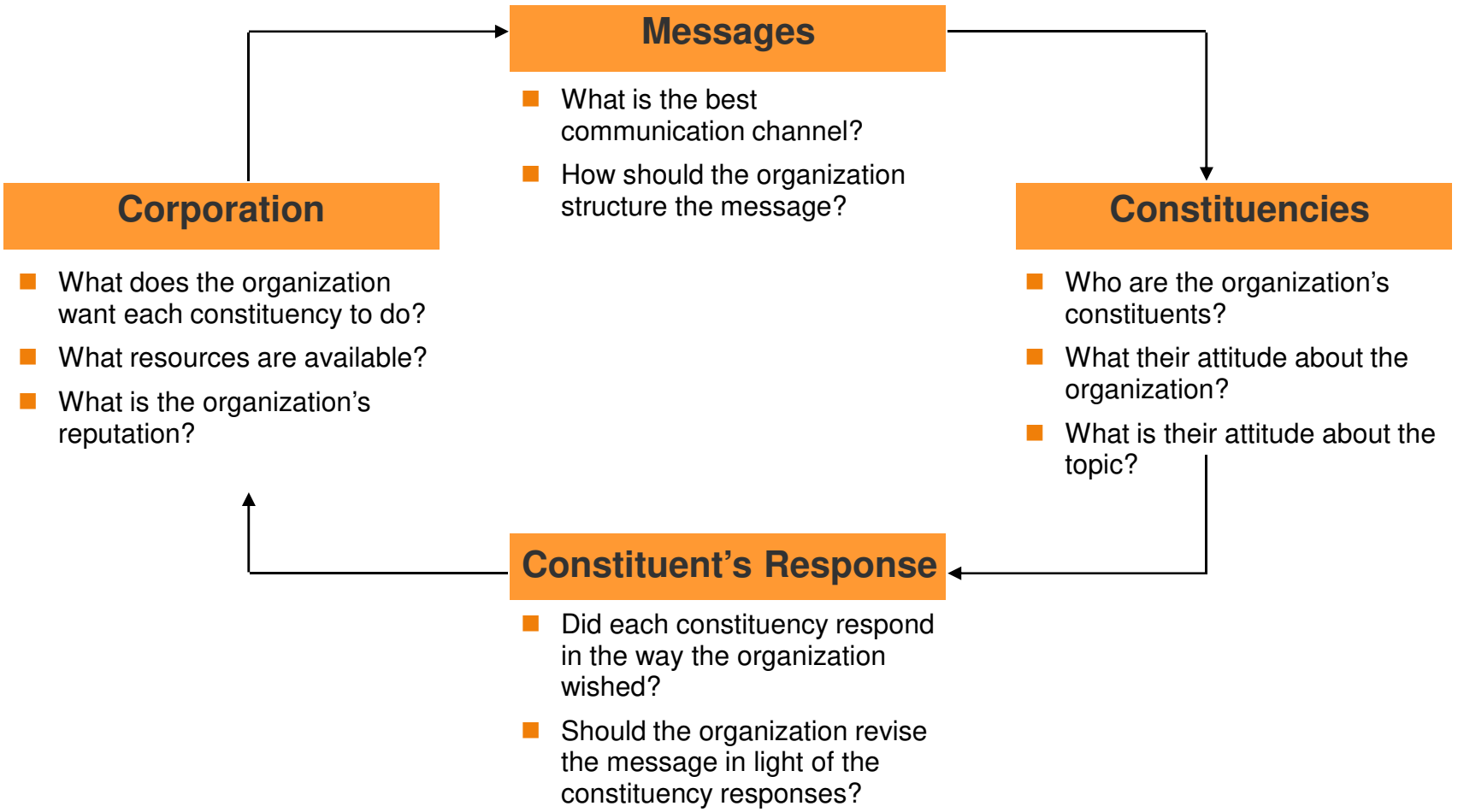
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Corporate Communication Strategy Framework



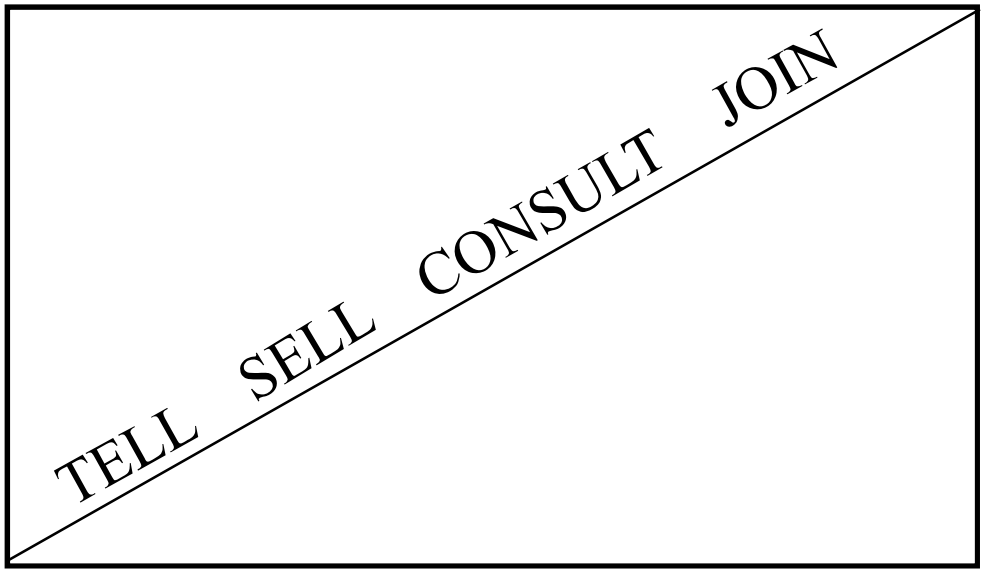
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Corporate Communication Strategy Framework



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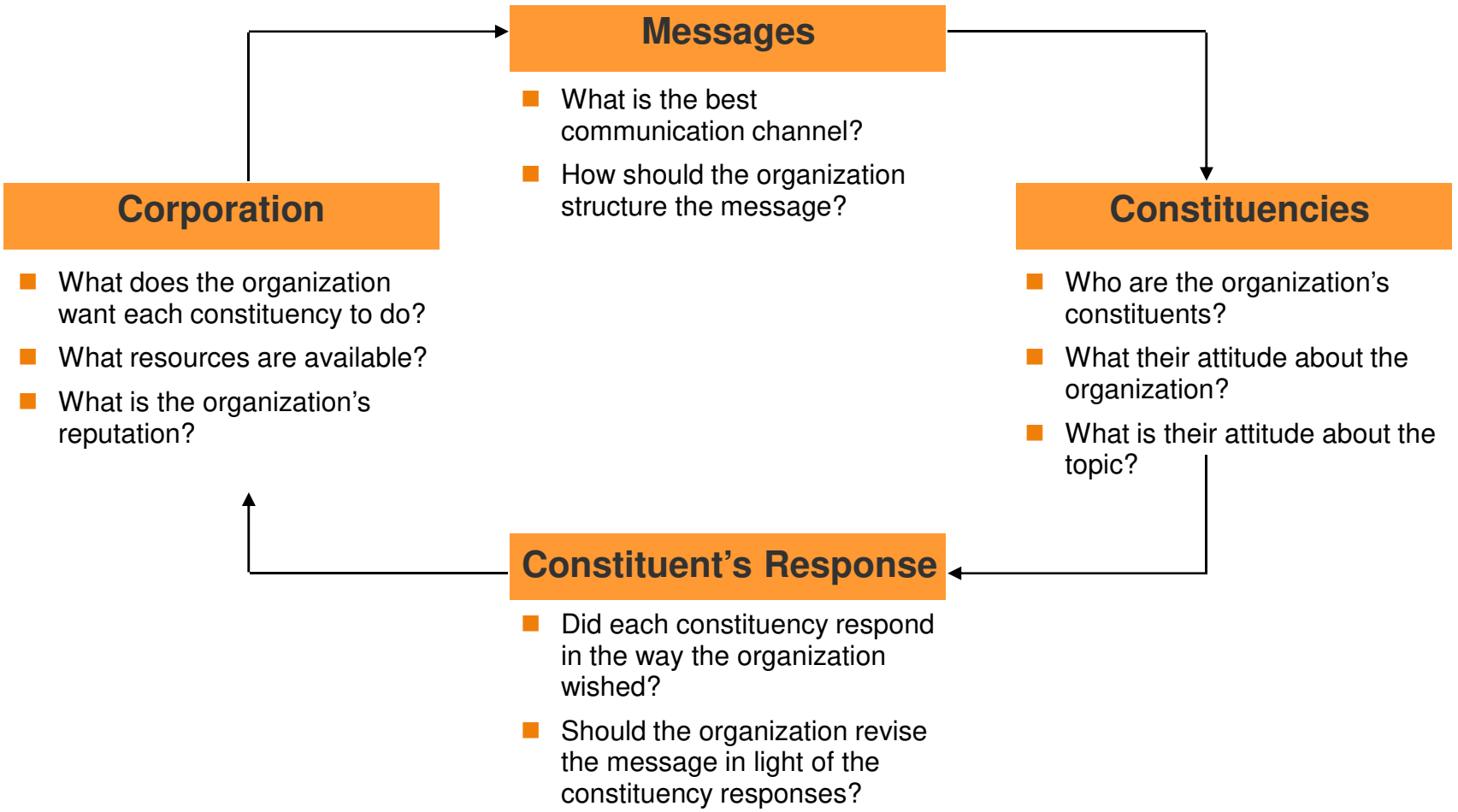
Choosing an Appropriate Style: Tannenbaum and Schmidt Model



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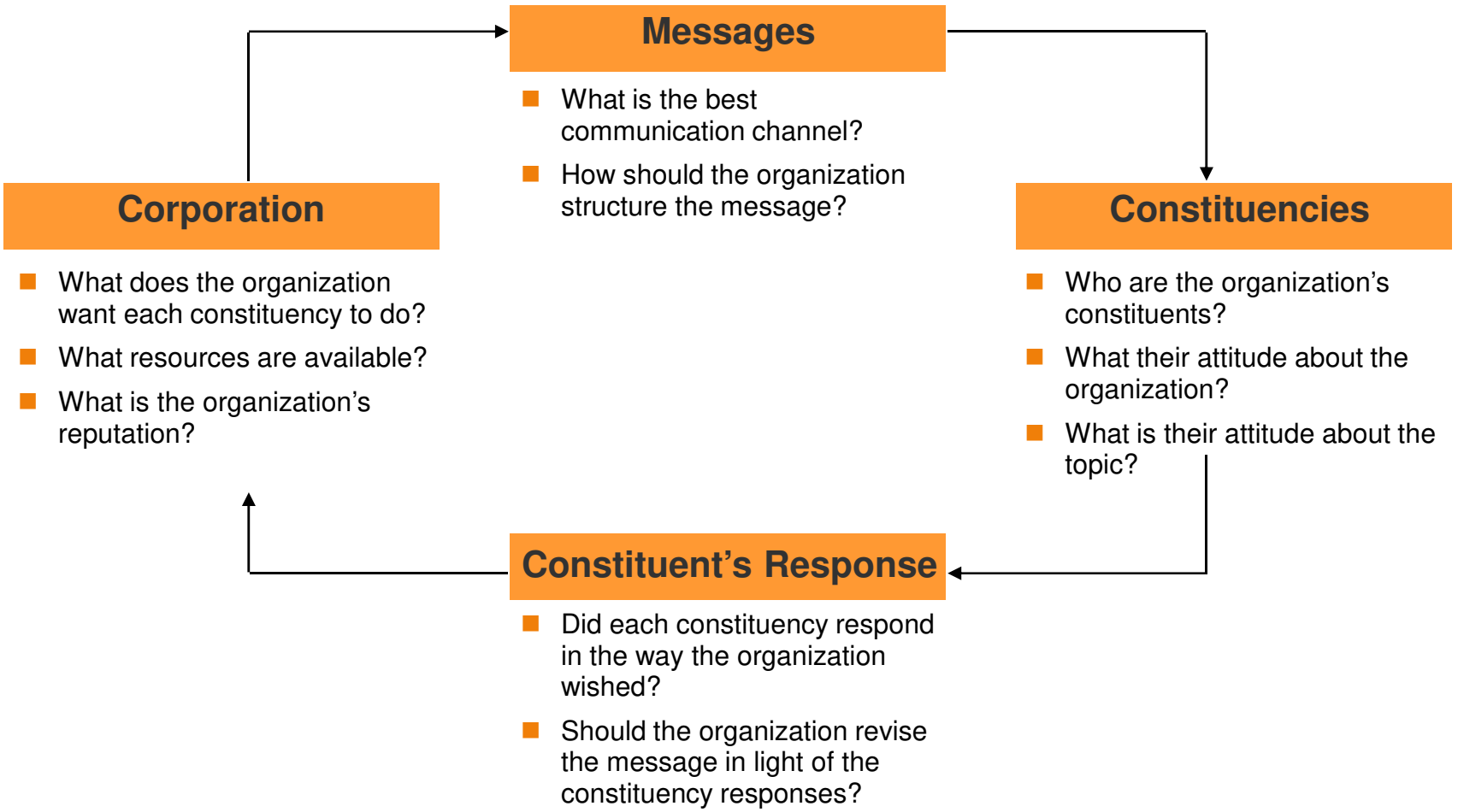
Morphing constituents

- Information access has morphed constituents
  - Employees are investors
  - Analysts are customers
  - Everyone has the ability to be a source, and use other un-vetted sources (blogs, published emails, rogue news sites) as credible information channels

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What gives individuals credibility?

- Rank
- Goodwill
- Expertise
- Image
- Common ground

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Source: Munter, Mary. "Guide to Managerial Communication: Effective Business Writing and Speaking"

What gives businesses credibility?

- Reputation
- Value-add products and services
- Strong/ethical leadership
- Financial performance
- Healthy stakeholder relationships
- Positive external recognition
- Community presence and goodwill

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Our Credo

We believe our first responsibility is to the doctors, nurses and patients,
to mothers and fathers and all others who use our products and services.
In meeting their needs everything we do must be of high quality.
We must constantly strive to reduce our costs
in order to maintain reasonable prices.
Customers' orders must be serviced promptly and accurately.
Our suppliers and distributors must have an opportunity
to make a fair profit.

We are responsible to our employees,
the men and women who work with us throughout the world.
Everyone must be considered as an individual.
We must respect their dignity and recognize their merit.
They must have a sense of security in their jobs.
Compensation must be fair and adequate,
and working conditions clean, orderly and safe.
We must be mindful of ways to help our employees fulfill
their family responsibilities.
Employees must feel free to make suggestions and complaints.
There must be equal opportunity for employment, development
and advancement for those qualified.
We must provide competent management,
and their actions must be just and ethical.

We are responsible to the communities in which we live and work
and to the world community as well.
We must be good citizens — support good works and charities
and bear our fair share of taxes.
We must encourage civic improvements and better health and education
We must maintain in good order
the property we are privileged to use,
protecting the environment and natural resources.

Our final responsibility is to our stockholders.
Business must make a sound profit.
We must experiment with new ideas.
Research must be carried on, innovative programs developed
and mistakes paid for.
New equipment must be purchased, new facilities provided
and new products launched.
Reserves must be created to provide for adverse times.
When we operate according to these principles,
the stockholders should realize a fair return.

Johnson & Johnson

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We believe our first responsibility is to the doctors, nurses and patients,
to mothers and fathers and all others who use our products and services.
In meeting their needs everything we do must be of high quality.
We must constantly strive to reduce our costs
in order to maintain reasonable prices.
Customers' orders must be serviced promptly and accurately.
Our suppliers and distributors must have an opportunity
to make a fair profit.

Our final responsibility is to our stockholders.
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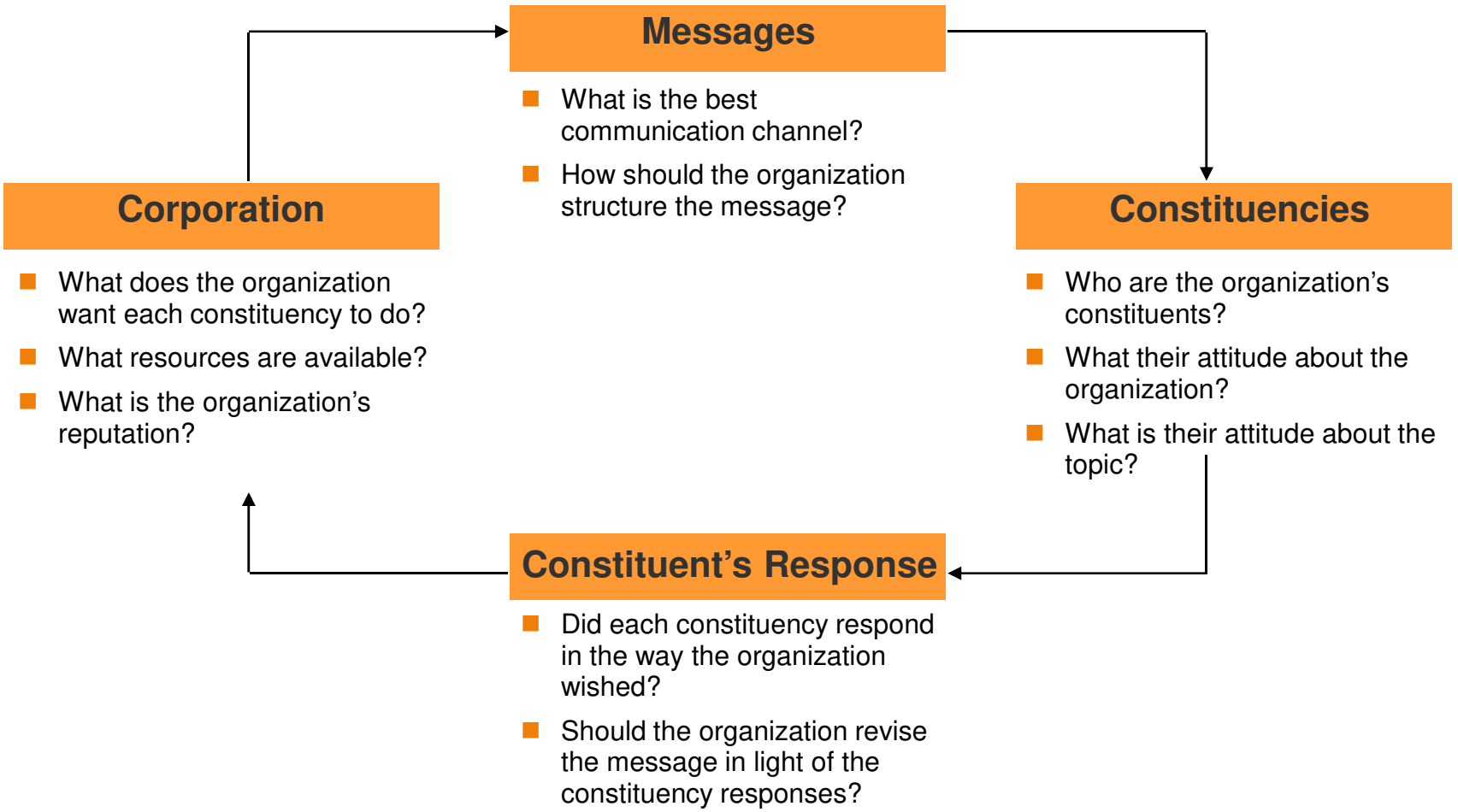
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Creating Opportunity: J&J's Tylenol Crisis 1982

- During the 1982 Tylenol crisis the Credo guided all corporate actions
- Johnson & Johnson handled the crisis so well that overall perception of the company actually increased
- Within three months of the crisis, J&J regained 95% of its previous market share
- What about J&J more recently?

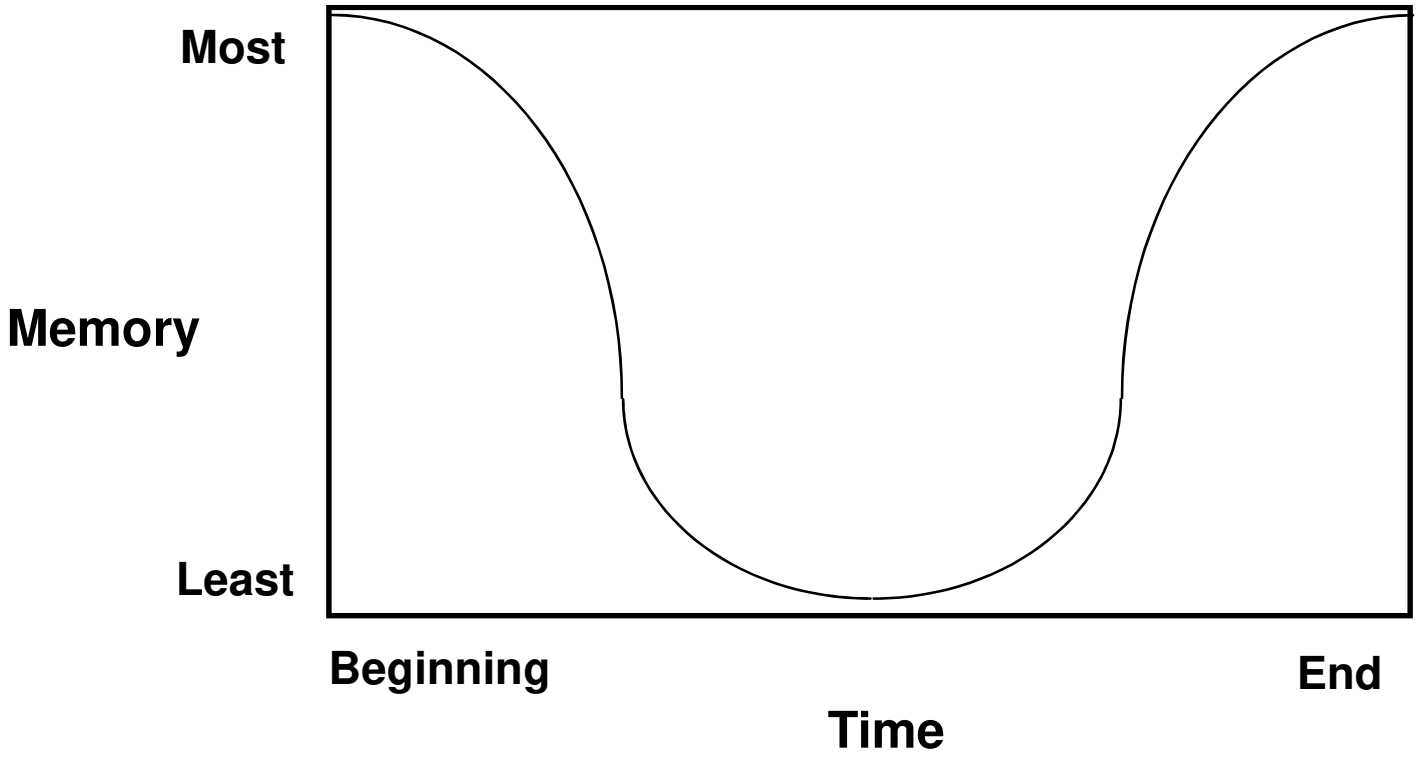
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The Audience Memory Curve



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Choosing Appropriate Communication Channels

Old Channels

- Writing
- Speaking

New Channels

- Email
- Blogs
- Social Media
- Podcasts
- Text messaging
- Online chat
- Electronic meetings
- Video-teleconferencing
- RSS Feeds

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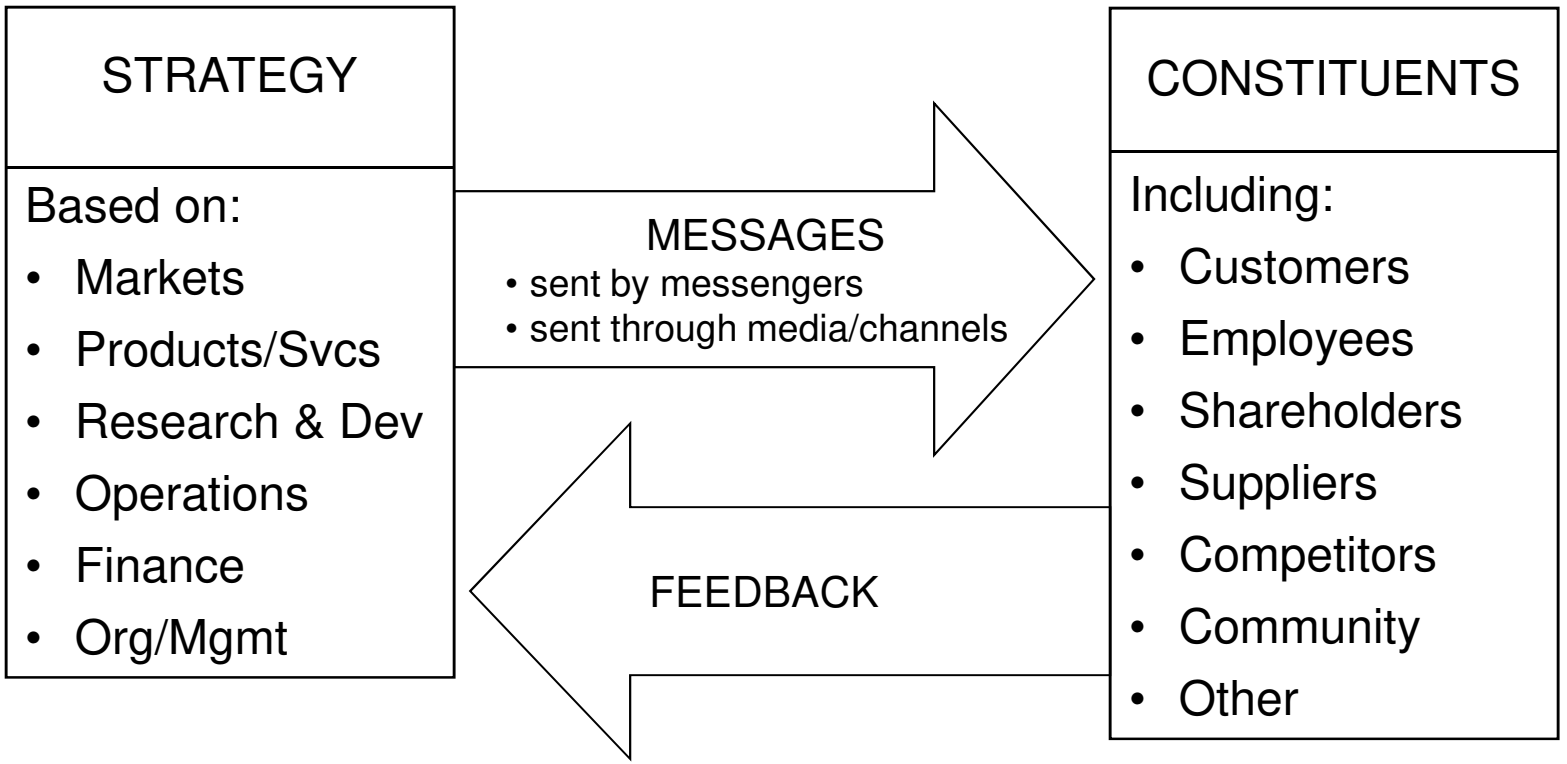
Defining Social Media

Social Media is the democratization of content and the understanding of the role people play in the process of not only reading and disseminating information, but also in sharing and creating content.

- Communication in the form of conversation, not monologue.
- Participants in social media are people, not organizations.
- Honesty and transparency are core values.
- It's all about pull, not push.
- Distribution instead of centralization.

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Framework for Strategic Communication



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What is Strategic Communication?

"Communication that is completely consistent with the firm's overall strategy and that enhances the strategic positioning of the corporation."

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Strategic communication is also:

- Clear and understandable
- True
- Communicated with passion
- Repeated
- Consistent

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Key Takeaways from Carson Container Case

- Create alignment between strategy and execution
- Set strategic communication objectives for strategy
- Analyze constituencies affected by strategy
- Deliver appropriate messages to key constituencies
- Assess constituencies' responses

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