



T E M I N A N D C O M P A N Y

2010 CLIENT LETTER

REBUILDING REPUTATIONS, REGAINING TRUST

IN A 25/8 WORLD

The last decade has shattered the global populace's trust in its institutions and leaders – political, financial, business, regulatory, military, religious.

And so the primary goal for those of us who advise on the reputations of organizations and individuals – globally – must be to help the best of them earn and regain public trust, by leveraging the very communications tools that have exacerbated the problems in the first place.

This can no longer be done exclusively through marketing or spin control. More and more, hype is becoming transparent, and can fuel further distrust. Rather, **in this growing, knowledge-based world, the smartest organizations are embracing authentic, thoughtful and disruptive ideas, actions and communications to rebuild their reputations and brands and to regain trust.**

And if they are not, they should.

The difficulty of this task is complicated, exponentially, by the ubiquity of communications channels, both on and off the web. It is harder to be heard, yet not much can stay private anymore – from the boardroom to the courtroom to the bedroom. So, this (somewhat belated) 2010 edition of Temin and Company's Client Letter is based on two converging themes in the worlds of visibility, reputation and crisis management: **the need to regain trust and rebuild reputations, and the ubiquitous nature of our communications.**

As always, I hope it stimulates your thinking, and I look forward to your comments.

UBIQUITY

Forget all that 24/7 stuff – it was so last decade.

In the second decade of the third millennium, we live in a 25/8 world. There is more for us to know, more to read, more to do, more websites to visit, more email to return and more people to connect to than any of us has time for. **Our cognition is in a permanent state of overload,** and this will have as yet unknowable consequences for marketing, visibility, reputation and crisis management in 2010 and beyond.

It used to be relatively easy to create a solid reputation. To broadcast your message you had three TV networks, six or so major papers with beat reporters, three news magazines, four business pubs, maybe the wire and ticker and a mailing list.

Today, the situation is wildly uneven. The traditional media is shrinking, and therefore some events go unreported or under-reported, while others are overblown. And, with the “nano-slicing” of public communications and automated search engines on the web – blogs, vlogs, tweets, retweets, hash marks, Facebook, LinkedIn, Ning, micro-sites, Flip videos, citizen journalism – **to reach the same set of people you used to reach, you must be everywhere, all the time.**

Almost the only easy way that happens is through celebrity or notoriety – hence our global obsession with celebrities, scandals, politics and crises. Meanwhile, the rest of us need to do more and more to reach ubiquity...in order to rebuild trust in our shattered institutions or for our more nuanced messages to be heard....

Reputational Risk in the 25/8 Universe

It takes only one second for a carefully constructed reputation to come crashing to the ground. The consequences of a misstep that hits one blog, and then is picked up by every outlet in the world, can be stunning. The flashpoint of an issue or a crisis in the media can be immediate. Blink, and that which you most wanted hidden, is everywhere.

The last two years have taught us all that we need to reevaluate risk. Wall Street has learned that the instruments it did not think were “risky,” could be toxic. Individuals have learned that they cannot just consume what is put before them, or they can lose their homes, have a heart attack, unexpectedly accelerate in their cars or be blown out of the air by a terrorist with explosives in his underwear. And the notions of privacy or confidentiality we previously took for granted no longer apply.

So, the reputational risk equation is morphing before our eyes. I would like to suggest that just as companies have a Chief Risk Officer (whose range is really quite limited), organizations need some version of a Chief Reputational Risk Officer – a C-level executive who constantly monitors the overall status of an enterprise’s activities and reputation, and has the power to act decisively when needed. When done well, this could have a significant reputational impact, especially in the early days of the financial recovery.

What Were They Thinking?

The scenario replays itself time after time: Tiger Woods, Governor Mark Sanford, John Edwards, Elliot Spitzer, even Bernie Madoff. An admired public figure is found to have committed grievous, moral transgressions – usually, but not always, sexual in nature. His wife stands by him, or doesn’t; as a population we understand or we don’t – but always we ask ourselves: “What **were** they thinking?”

First, let’s posit that the transgressions of a public figure vary significantly from those of a private one. Whether it’s adultery or larceny, private individuals’ actions affect a far smaller circle.

Those, however, who have actively **courted** the public for adulation, votes or income, are held to a much higher standard.

There are rules the public expects its heroes to follow, and when they do not, the public – through its media – exacts a fearsome toll.

Who is forgiven; who is punished? Who is allowed to rehabilitate and who stays in the doghouse is based upon a complex formula of public sentiment, payback and 360-degree emotional intelligence. When to speak up, when to stay silent; how to fess up, how not to; how to apologize and how to show anger, fear, chagrin, mortification in public takes an incredibly acute ability to get outside of oneself and read the public's mood. And, given the fact that the transgressors have just shown an uncanny ability **not** to be able to understand private or public reaction, 95% of the time they are going to blow it.

Compound that with not knowing what advice to take from a phalanx of experts – who often disagree with one another – assures disaster.

I find that understanding the zeitgeist of a situation, and finding just the right way to conduct oneself, apologize, make reparations and move forward eludes most people, just as it does most organizations. But that is what it takes. And in some odd way, still, the punishment must fit the crime.

Reciprocity

In fact, Harvard Professor Iris Bohnet and others have done much research on “reciprocity” – the “internalized norm, inducing people to respond to kindness with kindness and to unkindness with unkindness, even if it is not in a person's material self-interest to do so.” Applied to crisis and reputation, I believe reciprocity melds with the public concept of justice, and means that the solutions institutions propose to fix the problems they caused must be seen as at least as painful to themselves as the problems were to the other party. Probably more so.

This lack of perceived pain is one of the primary reasons Wall Street bonuses have drawn such universal public ire. The public has seen the opposite of reciprocity: while they have lost homes and assets and lifestyles, financiers have been seen to profit mightily.

Reparations must hurt – commensurately! Only when the public has witnessed that hurt – has gotten its pound of flesh – can it begin to forgive, and eventually rebuild trust.

And then, it goes without saying that there cannot be a repeat transgression down the road. Because research also shows that though the public may, eventually, forgive and begin to trust again, if that trust is broken a second time, it is gone forever.

Reputation Rehab

Okay, so what does it take to repair one's public reputation after a misstep?

I think I can say, after rather extensive experience with almost every kind of corporate and individual scandal – most of which have been resolved favorably over time – that though there is not one universal equation, there are some general principles from which to start:

1. Just because you may have gotten away with something before – or know of others who have – do **not** assume that you will do so now. Assume that – eventually – all will be known, and design your actions accordingly.
2. Control your emotions. Just when your emotions will be going wild, you must conquer them and think strategically and smartly.
3. Keep your eyes on the outside. You will be tempted to withdraw into your inner world, but keep focused on the exterior reaction. You'll make better decisions and it could help privately as well.
4. **Move quickly** to assess the situation and damage, and to not only publically strike the right note, but to start doing the right things.
5. Figure out **what** the right note – message, tone, words, delivery mechanism – is.
6. **Never make a public denial when it's a lie – there is no better way to be hated.**
7. Each crisis is different – the particulars matter. So never just copy the responses of others, though you can learn from those who have done it well.
8. **Limit your liability – but not your humanity – in how you respond to a situation.**
9. Use the opportunity to reset your moral compass (i.e., listen to your lawyers, but not to the exclusion of your conscience).
10. If you must, take your medicine – apologize, make reparations – and then put in lasting, game-changing solutions.
11. Become a visible and real part of the solution – no matter what it takes.
12. Begin to be identified with best cases, so that your own “worst case” is forgotten over time.

In Defense of Opacity

Transparency is being touted as a universal cure for public distrust. Doubtless, that is partially true, but it is also naïve: transparency is an outsider's solution.

Outsiders can authentically call for institutions to become transparent – so that people will be able to see from the outside in. Once you get inside, however, you quickly learn the value of confidentiality. Some information simply does not belong in the public domain – be it about an individual employee's drinking problem, corporate competitive strategy or the secret ingredient in Coca-Cola!

When President Obama ran for office, he ran on a platform calling for transparency. When he took office, I suspect he began to learn the case for opacity. That first security briefing as President must have been a true “oh, sh*t” moment, and I suspect that is where this country's recommitment to winning the war in Afghanistan came from.

So, although I am far from advocating for a return to smoke-filled rooms, there is a need to strike the right balance between transparency and confidentiality in our institutions and our public conversations, 25/8.

Blog-clogged and Twitter-pated

Speaking of the overabundance of communications channels, almost every “marketing” organization I know is preoccupied by creating or maintaining a blog. But unless done very wisely, this can be a monumental waste of time.

This was brought home recently when I was being given a new product demonstration by the CEO of a potential client. It was a very cool product – but when I asked their marketing head what they were doing to get the word out, he said, “We have a great blog.” When I asked, “But who is reading that blog?” he answered, “Well, we don’t have many viewers yet, but we’re going to work on that next year!”

My point exactly – blogging is not marketing! More often than not, corporate blogging is a narcissistic exercise that talks at a non-existent audience. Where are all these readers everyone is blogging to, anyway?

Marketing, at least in my definition, is geared toward really reaching people with compelling new ideas, products and messages. While some blogs add real information and intellectual content, let’s stop organizations from throwing words on a computer just to come up in a Google search, and then call that marketing.

Headline News of Our Lives

Contrast blogs and Twitter. For some reason, tweeting seems more like healthy narcissism, less able to masquerade as something it is not. After all, from the caves of Lascaux to American soldiers marking “Kilroy was here” all over Europe, we humans have always wanted to mark our presence in life.

“I was here; I did this and thought that; I exist.”

Tweeting really is taking a leap into the ubiquitous information flow – think the streaming data in The Matrix – to leave an indelible mark. But with only 140 characters, there’s no room to get too stuck on yourself or your product.

In fact, Twitter reminds me of CNN’s Headline News. At Columbia Journalism School, you learn to write headlines that encapsulate a story, but entice people to read more. Twitter has become the Headline News, or ticker tape, of our lives.

We can use this new medium for connection, for spouting off, for illumination, for soothing chat (such as about sports and current events), for the news or for commercial purposes. So, I suggest we all try it! I love being part of the continual stream of opinion and thought that is, increasingly, making up our world. We ARE...and this is why. (<http://twitter.com/DaviaTemin>)

The Cockroach Test

So – finally, how does one keep one’s moral center in this world full of limitless possibilities, technologies and linkages?

For myself, I have created an inviolable karmic “litmus test.” Very simply, before every action of consequence, especially if it is in a nuanced situation – and most of our work is in highly nuanced situations – I ask myself: **If you do this, will you come back as a cockroach? If you counsel this, will your client come back as a cockroach?** If the answer is yes, I don’t do it!

Now, this is not meant to be a discourse on Buddhist philosophy, or a Sunday morning homily – but you know what I mean. Sometimes we lose our core when we face risk or opportunity – or change of any sort. And the world suffers as a result, as it has done these past two years.

The Girl Scouts of the USA’s Research Institute recently released a piece that is, however, quite cheering. It is called – **Good Intentions: The Beliefs and Values of Teens and Tweens Today.** It reports, contrary to what I might have assumed, that today’s tweens and teens (8 to 18) of both sexes have better intentions, higher aspirations, than those who were the same age 20 years ago.

So, despite reality TV, a decade of intermittent terror and avarice, delusion, sensationalism and economic crisis, our young people aspire to be better citizens, better employees, better people than ever.

Perhaps technology, connectedness and the 25/8 presence of the whole world just a click away, are manifesting some powerful, redeeming features for us and for those who follow. I hope so.

And I think it is our duty – as leaders, as managers, as parents and as friends – to support those good intentions, and to make “ubiquity” raise the bar for us all!

Wishing you a New Decade full of endless possibilities, with nary a cockroach in sight!

Davia Temin

Temin and Company is a reputation and crisis management, strategic marketing, media strategy, and communications coaching consultancy. We work at the Board, Chief Executive, funding, and product levels to create, enhance, and save reputations.

Our clients include some of the world’s largest and most well-known corporations, financial institutions, pharmaceutical companies, professional services and law firms, private equity, venture capital and hedge funds and their portfolio companies, high-tech and biotech companies, foundations and universities, as well as politicians, corporate board directors, chairmen and CEOs, sports figures, authors, and scientists.

Examples of our work include: helping to withdraw and then successfully reintroduce a popular drug to the market after a health scare crisis; helping a corporation under fire work successfully with a government regulatory agency; managing the thought leadership and media relations for one of the world’s largest executive search firms; coaching 16 global CEOs on communications and reputation-related issues; helping to restructure the marketing and communications efforts of a major information

organization; helping to organize Advisory Boards for major bank divisions; positioning and media training national politicians; advising the women's councils of major organizations; and, issuing the investment opinions of a successful investment manager.

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