

Marketing & Media

CEOs need image makeovers

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In public relations terms, you don't get more powerful than Mr Harold Burson.

As founder chairman of the world's largest public relations firm, Burson-Marsteller, his group has handled what is now being termed "perceptions management" for some of the biggest potential corporate public affairs crises in recent history — the 1989 Exxon-Valdez oil spill in North American waters and the Union Carbide disaster in Bhopal in 1984, to name two of them.

But Mr Burson has other things on his mind at the moment, one being what he believes to be one of the most important issues facing corporations in the next decade. And one which he concedes could be of benefit to the likes of News Corp's Mr Rupert Murdoch and Sunbeam's recently ousted chief Mr Al "Chainsaw" Dunlap.

According to Mr Burson, it's no longer sufficient for companies to be savvy in how they might innovate or market their products and services. Neither is it good enough for the company chief to be engrossed with just the financials.

Now it's the turn of company CEOs to carve out images for themselves and drive the right perceptions for the company to the right people at the right time. It's the CEO's responsibility to be the master of marketing.

"We've been doing some research on how important the reputation of the CEO is to the reputation of the corporation," Mr Burson told *The Australian Financial Review* last week during his third visit to Australia.

"The implications of this is that we think there are some guide points CEOs should be concerned about when they take over their job — that there is a public obligation and a financial obligation for that



Mr Harold Burson . . . a CEO should carve out a persona. Picture: PHIL CARRICK

individual to become a persona in the corporation they are leading, that it does not serve the stockholders interest well for a person to take a reclusive posture after becoming the head of the company."

Being reclusive, however, is not the

only thing Mr Burson says CEOs need to be concerned with: already visible CEOs need a bigger commitment to in-depth dialogue with "people that matter", as demonstrated by Mr Murdoch's long frustration with the markets over

News Corp's share price or Mr Dunlap's fall from grace at Sunbeam.

"CEOs believe today that their success or failure is going to depend on what is being written and said about them. There are any number of cases, Dunlap being one of the latest, where CEOs have either kept their jobs or been removed from their jobs as a result of a news article that started something."

Mr Burson says intensified CEO involvement with employees, customers, market analysts and the media are now prerequisites on the "business side of business".

But something more ominously close to becoming a core competency for CEOs and their organisations is the warm and fuzzy front of social and community responsibility — an issue the philanthropic Baillieu Myer has been preaching about for a little while, along with groups like the St James Ethics Centre.

"As pressures have increased to produce constantly higher earnings, which result in higher stock prices, I think corporate executives have focused almost exclusively on the business of the company. They have taken very little time for outside activities in the public sector.

"There is some evidence that the pendulum is swinging back a little bit to recognise that the corporation is part of the social structure as well as the business structure, that it has a responsibility to the community in which it operates. There has been a tendency to regard people and the product as a commodity.

"There's some evidence that you can't continue to do that. You need their loyalty, the buy-in and commitment of people. At a time when product differentiation is getting less and less, very definitely you can see this [strategy] contributing to the bottom line."