

CEO

James L. Horton

Meter Corp (NASDAQ: GAUGE) specializes in building and marketing precision measurement devices. Started in 1829 in New Britain, CT, Meter Corp moved from calipers, gage blocks, inscribed steel rulers and surveying transits to lasers, electronic levels, GPS and digital theodolites. It expanded manufacturing over the years into a broad range of measuring instruments such as cesium clocks, analytical balances, oscilloscopes and digital weighing scales. Meter Corp. today is a digital company that its founders would scarcely recognize.

Through intense marketing over decades, Meter has become a leader in the precision measurement industry, but it is a crowded field with old-line and new competitors in Germany, Japan and China. To maintain market share, Meter moved most of its manufacturing out of the US in the 1980s and 1990s, but it maintains its headquarters in New Britain.

Although Meter is a byword in US metrology, its CEOs have rarely talked to business reporters and infrequently appeared in financial wire services (other than in earnings reports), *Fortune*, *Forbes*, *Bloomberg BusinessWeek*, *The New York Times*, *The Wall Street Journal*, *Financial Times* or the *Economist*. The view of the company has been that no good could come from CEOs talking about themselves or Meter.

Three years ago, the CEO of Meter committed the company to a long-term growth strategy in BRIC (Brazil, Russia, India and China) markets. It is in these countries that huge infrastructure projects are needed to provide housing, transportation and basic services to their growing middle class populations. Building these projects depends on precision surveying that Meter provides, but Meter is not well known in the countries. Its brand is that of just another manufacturer to be lumped into catalogs of measurement devices along with competitors. Meter needs to change this. It knows that it will take a decade or more of continuous marketing effort, but the company is committed to building its presence and brand.

The CEO of Meter hired Jack Terns, head of a PR agency in Manhattan, as a counselor three years ago after the CEO announced the new strategy. Meter's CEO was under pressure from his board and his general counsel to position the company nationally and internationally so it could extend its market. The CEO had done an initial round of editorial briefings and appearances, including an appearance on CNBC, then turned his attention to other company matters. For the last year and a half, Terns has tried to get the CEO to commit to update briefings with business reporters. The CEO has put him off until a "more appropriate time."

Jack Terns asked to meet with the CEO to discuss company positioning and the possibility of another round of interviews with business media. When Jack entered the CEO's office, the CEO was pleasant but visibly uninterested. Jack knew that he

would have to use his most forceful arguments to get the CEO to commit to meeting with the media. The question was, which ones?

“How is the new plant in Shanghai?”

“A few problems, but we should open on time,” the CEO said.

“And, the marketing program in India?”

“Doing well but we’re still small and mostly concentrated among engineering firms in Uttar Pradesh. We’ve opened offices in Mumbai and Calcutta, but they’re fledglings. There is some university and government lab business but not much.”

“Have you considered that a business story about Meter in the *Times of India*, *Hindustan Times* and *Mint* might make a difference? Engineers and researchers read newspapers.”

“We don’t have much to say. When the time comes, we’ll consider it.”

“What about recruiting in your Indian and Chinese plants. Have you been able to get enough engineers?”

“We get engineers but we’re short on skilled craftsmen. We’re recruiting all over China and India for them.”

“You know, a story in *The Wall Street Journal Asia* would make a valuable reprint to merchandise to recruits.”

“True, but we have it under control for the time being. It took longer than I had hoped.”

“Do your new employees understand the Meter brand?”

“They don’t. We need to get them into a training program. We’re working on it.”

“A few good clips can help that process. The stories can become part of the training packet and help convince new employees that Meter’s brand is different and better.”

“We need to compete on quality and price. The key is building better instruments at lower cost.”

“Do new employees understand that?”

“Not yet, but we’re working on it.”

Jack was getting nowhere. He changed the attack. “By the way, I was talking to Herb the other day. He said you’re planning to sponsor a metrology training course targeted at high schoolers in India and China.”

Herb Callahan was the chairman of the board of Meter, and Jack knew him from another company where Herb had been a CEO. Jack hoped by escalating he might get the CEO’s attention.

“We are. It is four-year program for apprentice surveyors. It should help us gain a footing. They’ll be training on Meter equipment. It will be in English, Hindi and Chinese. We’re donating equipment and marketing the course at cost.”

“Herb was asking me why I hadn’t publicized it more. He feels it’s a great story for Meter.”

“We should be ready with translations in a month or two. We can talk about it then.”

“We’ll need prep time to unveil it to the media. Can I get some information on it today? I took the liberty of mentioning it to Carol Danzig at the *Journal* on an off-the-record basis. She’s interested and would like to talk to you when you’re ready. Can I get that set up with her?”

“It’s a little early.”

“We can get her to hold off writing about it until you give the go-ahead. We’ll make it exclusive to the *Journal*. It will reach the *Journal*’s world-wide audience and run on the *Dow Jones* newswire. It should help support the stock.”

Meter’s stock was trading at 11x earnings, below where it should have been. Meter had traditionally sold below the market average of 15x earnings but the company had never moved beyond its investor relations program, and its IR manager refused to talk to the media.

“Go ahead and set it up with Carol.”

“I’d like to mention it to other media as well once the *Journal* has run the story. I think we could develop different angles for them. We could make it a calling card to bring the media up to date on your international efforts. Would that be OK?”

“I don’t want to get ahead of ourselves.”

Jack had to go all in. “We won’t. We’ll fit the educational program into the framework of Meter’s ongoing activities to brand itself in BRIC countries. We will bring them up to date on your activities over the last year and half. They’re interested. I was talking to Geoff Peterson at *Fortune* yesterday, and he was asking if you would like to have an editorial board. I had lunch with a Peter Folsom from the *Economist*, and he

expressed interest in what you are doing. I'd like to introduce him to you. He's good and has China experience. He wants to know how fast Meter is expanding there, especially in light of China's desire to build its own industry."

"Our joint venture with Cèliáng is going well, and we have safeguards against intellectual property theft."

"You really need to tell him that. He says he has seen too many companies get burned in China by copycatting."

"It's an issue, but we're working on it."

"May I set a time for the *Economist* so you can discuss it?"

"I'm not sure that I want to get into it. It's sensitive with the Chinese government."

"We can keep the information on deep background or off-the-record. The point here is to knock down perceptions before they start. We don't want anyone to think that you will be giving away your business in China."

"Go ahead and set it up."

Terns knew he had pushed the CEO far enough. He thanked him and left. He would take it a step at a time and hope that by growing the CEO's confidence in talking to the media that he could develop a disciplined program. It was a risk. The CEO had disappeared the last time. There was no guarantee he wouldn't disappear again.

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Questions for discussion:

1. Is it essential for companies to talk to business media?
2. Since Meter has been successful throughout its history without dealing with the media, why should it change now?
3. What kind of economic case can you make to demonstrate to the CEO that is important to keep the business world abreast of Meter's progress?
4. Did Terns approach the meeting correctly?
5. How would you persuade the CEO to develop a disciplined media program?