

CEO Visibility in a Post-Bubble World

James L. Horton

Are CEOs now just hired hands reporting to boards of directors? No, but the image of the CEO has declined since the collapse of the internet bubble, the impact of highly publicized frauds and the passage of the Sarbanes-Oxley law. Publications like *Newsweek Magazine* are giving advice such as “you’re not the boss, the board is.” (<http://www.msnbc.msn.com/id/7241779/site/newsweek/>)

Use of the so-called “Aw-Shucks” defense by former CEO defendants such as Bernie Ebbers (Worldcom), who claimed he didn’t know fraud was happening in his own company, Richard Scrushy (HealthSouth Corp) and Kenneth Lay (Enron) diminishes CEOs. Triumphant investor activists, such as Arthur Levitt Jr. are writing opinion pieces such as “The Imperial CEO Is No More,” (*Wall Street Journal*, 3/17/05) to celebrate the demise of the “autocratic, muscular CEO whose picture appeared on the covers of business magazines.”

It is pardonable for CEOs to want to hide. What do they gain by being featured on the cover of *Fortune* magazine, an indictment? But, it is dangerous for CEOs to think they can become invisible because they can’t. They are responsible to shareholders, employees, customers, vendors, regulators and many other constituencies of a modern corporation. More importantly, by receding from view, they can compromise strategy and execution for their companies. Like it or not, CEOs of public companies must remain visible. The question is how visible. There is no simple answer, but there are scenarios for PR practitioners to consider when counseling CEOs.

Visibility - A definition

Visibility has a dual definition – one for privately held firms and one for public companies. In privately held firms, a CEO can be invisible as long as the business thrives. (Think of Howard Hughes’ self-imposed withdrawal from public life.) In publicly held firms, CEOs must have some visibility, but it needn’t be much.

Visibility is in the form of public duties where consumers, regulators, vendors and others can observe a CEO and listen to what the CEO has to say. This includes shareholder or other public company meetings, TV/radio appearances, newspaper/magazine interviews, teleconferences, presence on panels and boards, appearances at social and governmental functions, participation in charity and philanthropic activities, etc. A high-visibility CEO seeks these public appearances: A low visibility CEO doesn’t.

There is a third element to visibility. CEOs of large companies are more visible because more people pay attention to them than to CEOs of smaller firms unless smaller firms have piqued consumer and investor interest. Some CEOs cannot avoid media paparazzi wanting to write profiles of them and invite them on TV shows. Other CEOs scramble to get noticed because their companies or products and services have attracted little attention.

Some CEOs are naturally quiet and strive to remain out of the public spotlight, such as Meg Whitman at eBay, Bill George, formerly of Medtronic and Kevin Sharer at Amgen. Some CEOs would like to remain out of view but can't. Michael Dell appears to be a person who doesn't slaver for publicity. Meg Whitman is another, and Maurice Greenberg (late of American International Group, Inc.) seemed to fit this category as well. Other CEOs are loud, brash and crave attention like Larry Ellison at Oracle, Steve Jobs at Apple and of course, Richard Branson at Virgin Atlantic. (Branson has made his profile a key part of his business strategy.) Entrepreneurs appear to be the brashest of CEOs while those who have risen through corporate ranks are more often less visible. (On the other hand, Jack Welch, formerly of General Electric, was never one to recede from view.) Finally, there are CEOs for whom publicity is a tool to achieve strategy. They don't seek personal attention unless it links to positioning they want for their companies. Robert Nardelli at The Home Depot appears to be this kind of person.

There is no standard to guide CEOs in how they should use publicity tools and visibility. They decide for themselves based on their appetite and company strategy. Some CEOs should be more visible than they are and some, perhaps, less. The challenge for PR practitioners is how to counsel CEOs about public visibility. Do practitioners leave well enough alone? Do they counsel CEOs to lower their profiles, if too visible, or to raise them, if not? Is it even the job of a PR practitioner to suggest to a CEO how visible the CEO should be? The answer to the last question, by the way, is yes, especially in a crisis.

CEOs and strategy

A CEO in a well-run public company with few issues facing it can recede from public notice and be visible to target audiences only when circumstances and strategy dictate the CEO's presence. For example, the CEO handles quarterly earnings teleconferences with analysts and shareholder meetings but not much else with investors. The CEO visits employees without extravagant display and meets with customers privately.

A CEO in a crisis-ridden company cannot afford to hide if the company is to be righted. The CEO must be visible to key audiences and to the public at large in order to create and maintain a sense of leadership and direction. The CEO appears on TV, grants interviews to local and national media, addresses

Congressional hearings, and holds town meetings with thousands of employees and their families listening in.

A CEO in a fast-growing company might not be able to disappear, if the CEO wants to keep the company on a high growth curve. This CEO is the lead salesperson for the firm. The CEO needs to generate capital for a company to sustain growth and position the firm against competitors. The CEO also is concerned about maintaining the price of the company's stock because it provides flexibility to grow and to attract talent to the firm.

One way to evaluate how visible a CEO should be is to consider the following chart.

		Strategic Purpose For Communicating	
		High	Low
CEO 's Desire for Visibility	High	CEO should pursue High visibility. <i>Crisis. Fast growth. Turnaround.</i>	CEO visibility has a strong ego component. <i>Counsel to lower profile?</i>
	Low	CEO is in danger zone and should be more visible. <i>Counsel to raise profile.</i>	CEO can safely recede from view. <i>Be prepared to appear in the case of a crisis.</i>

There are two difficult boxes in this matrix. The first describes the CEO who loves the spotlight but has no strong purpose for being in it. There are CEOs who enjoy being seen with the right people and making the right kind of noises, whether it helps their companies or not. Telling such a CEO that it might be wise to temper public appearances in order to maintain the perception that the CEO is focused on business is unlikely to go down well with the CEO. It could cost a PR practitioner a career. If a CEO is too exposed, the practitioner should choose spots carefully to counsel the CEO about it. Chances are, the CEO will have heard already from a board member, which can provide a practitioner with some cover for speaking out.

The second difficult box is counseling a CEO to raise visibility, if the CEO dislikes personal attention. The most difficult time to do this occurs during a crisis. There

is a tendency for CEOs to hide behind lawyers to avoid liability. The PR practitioner must resist this propensity with both the lawyers and the CEO. The practitioner should have and be ready to merchandise examples of where invisible CEOs have hurt their companies in crises and visible CEOs helped them.

Evaluating PR strategy

PR practitioners should not assume public company CEOs must be in the public eye. CEO visibility is a matter of company strategy, of what works best for the firm and of where a CEO can spend time most profitably for employees, customers and shareholders. Practitioners should be as ready to turn away opportunities for visibility as to solicit them. The practitioner should present solid business reasons for any advice given to the CEO related to visibility. Business reasons should be based on the marketplace, on issues that affect the company's competitiveness and profitability and on events that involve the company, whether or not the company wishes to be party to them. (E.g. a protest against outsourcing in which the company is targeted by activists.) If there are no solid business reasons for public exposure and a CEO has no appetite for media attention, letting a CEO stay in the background may be acceptable. The practitioner personally, however, should not abandon the media because there will be times when a CEO needs a public forum and will depend on the practitioner to get it.

Rationing exposure is wise strategy for most CEOs, and many ask their practitioners to tell them places and times when it is best for the CEO to be publicly visible. This is a natural request because CEO schedules are packed. Practitioners develop plans that synchronize corporate messages to public venues and media exposure, and the plans become part of the CEO's task list. (There are, of course, inevitable situations in which a CEO will accept a public engagement because the CEO wants to.)

Because the PR practitioner is responsible for CEO visibility, the practitioner decides the details message and schedules. The choices facing a practitioner are often like this.

- When the CEO visits a factory to meet employees, does the practitioner let the CEO slip in and out without letting local media know, or does the practitioner use the opportunity to arrange local media interviews or attendance at a public event?
- If the CEO is invited to sit on 20 panels throughout a year, does the practitioner turn them all down, pick the two most important or accept more? If the practitioner does recommend two or more, which would they be and why?

- When the CEO is invited to join and participate in CEO organizations and philanthropies, what should the practitioner advise?
- Should the practitioner insist on the CEO's presence in industry organizations and forums?

Annual planning is a time to surface and discuss visibility issues, but annual planning is not enough. Inevitably, events blow plans up. As a result, precise and elaborate plans are often a waste of time and as useless as back-of-envelope estimates. Plans should be geared to key messages and major events (Quarterly earnings and shareholder meetings, employee and customer visits, etc.) with slack for opportunity and crisis. CEOs change course based on the business environment, and their need for visibility changes as well. A low-key CEO might need to be fully visible in a crisis. A highly visible CEO should be ready to withdraw from public view if, it is for the good of the company. Visibility plans should be updated regularly to match needs.

Credibility

A CEO must value a PR practitioner as a credible counselor or no advice from the practitioner will make a difference. Building and maintaining credibility with a CEO is the most important task of the PR practitioner and spending time with the CEO is an essential step in achieving that, even when it cuts into a practitioner's other work. A practitioner shut off from a CEO cannot counsel the CEO wisely or well, and absence does not make hearts grow fonder in business. However, PR practitioners should have good business reasons for seeing CEOs frequently, and they dare not let down on assigned tasks, such as building and maintaining a corporate communications department.

The practitioner will learn early how serious a CEO is about visibility. For example, if the practitioner has equal access with the General Counsel, the practitioner can be assured that PR advice is listened to. On the other hand, if the General Counsel has instant access but the practitioner doesn't, a legal view of communications prevail. If the CEO meets with the executive team regularly but the PR practitioner is never invited, that is an indication of lower status. If the PR practitioner works with the board, the CEO trusts the practitioner and more than likely, the practitioner's counsel.

Practitioners with access and credibility should never abuse the position, or the CEO will cut them off because of the press of other activities. Practitioners must understand and be willing to work with personal and political stresses of the CEO and of access. However, arrogance about one's insider position is a trap because it can shut one off from information. Excessive commitment also is a trap. One can be overwhelmed and ineffective by failing to delegate work.

If a practitioner does not have access or credibility, the practitioner can acquiesce, fight for recognition or leave. Giving in means one has no influence on CEO visibility or positioning. For some that is acceptable but it also denies the CEO communications counsel that the CEO may need. Fighting for recognition can be disheartening, and there is no guarantee it will work. Some practitioners over time gain a measure of credibility with the CEO. Leaving for another job is risky as well because there is no guarantee one will find an equivalent position with access to a CEO.

One way to be a credible resource to a CEO is to serve as an issues monitor and counselor. CEOs devour information to make sense of their companies, marketplaces and competitors. A practitioner who is a listening post internally and externally can become a valuable tool to a CEO. The practitioner needn't scan information personally but establish a system in which scanning is conducted daily and packaged concisely on the industry, regulatory issues, international concerns, competitors, employees, etc. Most corporations have daily media monitoring for senior executives, but it could be better than it often is. As an issues monitor, the practitioner is an alarm, but not alarmist.

A credible practitioner keeps a CEO apprised of communications issues that may require action and compiles communications options with outcomes for the CEO to consider. Practitioners must exercise judgment in determining what the CEO should see and what should be edited out. Some companies have a crisis a day by the nature of what they do. A large retailer will have slip and fall cases, in-store or parking lot accidents or other misfortunes simply because of the volume of consumers using the retailer's stores. The challenge is how to determine when a crisis reaches the CEO level and requires public CEO communication. This too is a matter of systematizing communications reporting, so the practitioner knows what is happening and can determine whether to alert the CEO about it.

Summary

There are no fixed rules for CEO visibility in public. Some can afford to be less visible and some not. No CEO of a public company can be invisible, but it is a question of degree. Business media, charities, conference planners, schools, a host of entities want a prominent CEO's time to boost their draw and to inform publics of a company's prospects in the marketplace. CEOs in large companies never lack for requests while CEOs of smaller companies, on the other hand, scramble to get attention. (Oddly, the need to communicate is almost the inverse of a company size.)

CEOs that dislike personal attention can often be spared communications duties they consider onerous and don't perform well. CEOs who crave attention can sometimes be guided to let other members of the executive team share the spotlight. In a post-Bubble environment, it is natural for CEOs to want to recede

from the spotlight. They should be allowed to do so when it makes strategic sense for a company but strongly encouraged to stay out front when it doesn't. Knowing when to push the CEO into public exposure and when to hold back requires good judgment and credibility a CEO invests in a practitioner.

#

James L. Horton, the founder of online-pr.com, has been in public relations for more than 25 years.