## PHILIP MORRIS

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GUY L. SMITH IV VICE PRESIDENT CORPORATE AFFAIRS

TO:

Operation Downunder Participants

DATE:

June 17, 1987

FROM:

Guy L. Smith /

SUBJECT: The Objective

The purpose of our upcoming session on the environmental tobacco smoke problem facing the industry, our company, and our customers is quite single-minded: find a solution.

Finding a solution, while difficult, is not an impossibility. Our directive is to come away from Sea Pines with a reasonable, responsible, and rational approach to solving the problem.

In order to facilitate the problem-solving process a great deal of thought and planning has gone into the "Operation Downunder" meeting. Bill Murray was quite correct when he said it was not possible to overemphasize the importance of this undertaking. I am delighted that you can join us.

Attached for your information is an agenda for our sessions. While it is structured to elicit the very best possible thinking, it is necessarily designed to bring us to conclusions at the end of the meeting. We have retained Robert Cornet, Ph.D., formerly vice president of the National Broadcasting Company and also formerly of Philip Morris Incorporated, to act as the meeting facilitator. His contribution, in my estimation, will aid us greatly in achieving our objective.

Further, we will hear from two outside speakers, who will not be participating in our deliberations. These speakers will give us some valuable insights into two very important aspects of our problem.

First, we will hear from William Small, former president of NBC News, CBS News, and of United Press International. Mr. Small will explain, in very clear and direct terms, why we have such an absence of credibility with the media and why we get such shoddy treatment from the media. We will also hear from Professor James Kuhn, professor of Management and Organization in the Division of Corporate Relations and Public Affairs of the Columbia University Graduate School of Business. Professor Kuhn will analyze the success of other groups and industries that have faced, and overcome, serious public relations, public image, and credibility problems.

Our sessions will provide for creative thought, for directed thought, and for open-ended problem-solving. They will also include entertaining meals and enough leisure time to facilitate thought, reflection, and introspection.

In preparing for Operation Downunder, I ask that you give serious thought to this problem; to seriously question where we are and what we have been doing; to consider any solution or idea, and to articulate them; to come with an open mind; and to come with the firm conviction that there is indeed a solution to this problem and that we will find it.

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