

December 16, 1988

MEMORANDUM

To: Sam Chilcote
Charley Powers

From: Susan Stuntz *SMS*

You'll recall that earlier this month the board of directors of the Fertilizer Institute asked an Institute representative to address it on managing difficult issues. Attached for your information is a copy of my remarks.

In general, the board -- about 20 of them at this particular session -- appeared extremely impressed with the depth and breadth of our program. Questions concerned member company commitment to this approach, cost, difficulty of attracting allies, and public reaction to the Great American Welcome advertisements.

Attachment

Lisa

(13)

Please distribute.

cc also to my chum +

to speech file

Shirley

SMS
12/17

COMMENTS

PRESENTATION TO THE FERTILIZER INSTITUTE

SUSAN M. STUNTZ

YOU HAVE ASKED ME TO TALK ABOUT HOW WE DEAL WITH THE
LONG TERM IMAGE OF OUR INDUSTRY.

WE DO IT DAY BY DAY ... DEALING WITH THE THOUSANDS OF
CONFLICTS ... BILLS ... ORDINANCES ... STUDIES ... AND
ALLEGATIONS TOSSED IN OUR FACE EACH YEAR.

IT'S NOT THAT WE ARE UNCONCERNED ABOUT OUR IMAGE ...
TOBACCO'S IMAGE PROBLEMS CONTRIBUTE SIGNIFICANTLY TO OUR
TROUBLES.

BUT ... UNLESS WE SUCCEED DAY TO DAY ... THERE WON'T BE
A NEED FOR A GOOD IMAGE IN THE YEAR 2000 ... THE YEAR
SURGEON GENERAL KOOP HAS SET FOR A SMOKE-FREE AMERICA.

WE DEAL WITH OUR SHORT AND LONG TERM NEEDS THROUGH
ISSUES MANAGEMENT.

THIS MORNING ... I WOULD LIKE TO EXAMINE SOME OF THE
ELEMENTS THAT MAKE UP ISSUES MANAGEMENT ... AS THE
TOBACCO INSTITUTE UNDERSTANDS AND PRACTICES IT.

THEN I'D LIKE TO SAY A FEW WORDS ABOUT HOW WE BELIEVE IT
SERVES OUR LONG TERM ... AND OUR SHORT TERM NEEDS ...
OUR IMAGE NEEDS, IF YOU WILL.

AS A RULE ... WE DO NOT SPEAK TO GROUPS ABOUT HOW WE DO
WHAT WE DO. BUT ... WHEN THE NATIONAL JOURNAL SAYS THAT
THE TOBACCO INSTITUTE AND THE FERTILIZER INSTITUTE ARE
AMONG THE TOP FIVE LOBBIES IN TOWN ... AND THE AMERICAN
MEDICAL ASSOCIATION IS AMONG THE BOTTOM FIVE ... WE WERE
ENCOURAGED TO STOP BY.

I'D LIKE TO BEGIN WITH TWO CONCLUSIONS.

FIRST ... A LOT OF TERRIBLE THINGS CAN BE DONE TO A
BUSINESS. THEREFORE, IT IS QUITE NECESSARY ... AND
POSSIBLE ... TO UNDERSTAND AND MANAGE YOUR POLITICAL
ENVIRONMENT.

SECOND ... POLITICS MAY REQUIRE A LOT OF SHORT TERM
MARRIAGES OF CONVENIENCE. BUT ... ALL ACTIONS
CONTRIBUTE TO REPUTATION ... TRUST ... AND IMAGE.
MANAGING DAY TO DAY ISSUES IS MANAGING FOR THE FUTURE.

(PAUSE)

MOST OF US HAVE HAD A MARKETING COURSE SOMEWHERE ALONG
THE LINE.

ISSUES MANAGEMENT FOLLOWS MUCH THE SAME PROCESS AS
MARKETING.

IT BEGINS WITH UNDERSTANDING WHAT IS BEING SAID ... BY
WHOM ... TO WHOM ... WHEN ... WHERE ... WITH WHAT ...
AND WHY.

TOO OFTEN THOUGH ... ISSUES MANAGEMENT STOPS THERE.

THAT'S A LITTLE LIKE THE GUARD ON THE FOOTBALL TEAM
YELLING TO THE QUARTERBACK THAT HE JUST MISSED A BLOCK.
THANKS FOR THE WARNING.

WE DO PLACE A MAJOR EMPHASIS ON GOOD INTELLIGENCE FROM
SEVERAL SOURCES. BUT OF GREATER IMPORTANCE IS
INTELLIGENT ANALYSIS.

BUSINESSES TYPICALLY ANALYZE THE STRATEGIES ... THE
ACTIONS ... THE WEAKNESSES ... AND THE RESULTS OF THEIR
COMPETITORS. WE HOLD OUR ISSUE MANAGERS TO THE SAME
STANDARDS.

YOU MUST KNOW WHO IS PAYING FOR YOUR CRITIC'S TRAVEL ...
WILL SOMEONE BENEFIT FINANCIALLY ... WHO IS DISAGREEING
OVER WHAT IN YOUR ADVERSARY'S RANKS ... WHAT ARE YOUR
ADVERSARIES LIKELY TO DO NEXT ... WHO WILL THEY TURN TO
TO HELP THEM ...

(PAUSE)

A FEW YEARS AGO ... A COMPANY THAT MANUFACTURES STEEL CONDUIT FOR ELECTRICAL INSTALLATIONS ... HELPED FIRE FIGHTERS RAISE SIGNIFICANT QUESTIONS ABOUT THE TOXICITY OF PLASTIC CONDUITS.

VENTILATION COMPANIES ... LIKE HONEYWELL ... ARE DOING ALL THEY CAN TO RAISE THE PROFILE OF INDOOR AIR POLLUTION.

AND LIQUOR COMPANIES HAVE TRIED TO SELL THE NOTION THAT EQUAL QUANTITIES OF BEER WILL GET YOU JUST AS DRUNK AS SCOTCH ... AND THAT BOTH SHOULD BE TAXED EQUALLY.

YOU GET THE POINT. FIFTY PAGE SUMMARIES OF PRESS CLIPPINGS IS NOT INTELLIGENCE ... ANALYSIS ... OR ISSUES MANAGEMENT.

GOOD ANALYSIS LEADS TO A WORTHWHILE OBJECTIVE ... WHICH IN TURN SHOULD LEAD TO AN INTELLIGENT ... WORKABLE STRATEGY ... THE SECOND STEP IN ISSUES MANAGEMENT AS WE PRACTICE IT.

FROM ALL I HAVE SEEN ... STRATEGY IS THE WEAK LINK IN MOST PROGRAMS.

FOR EXAMPLE ... MANY PROGRAMS BEGIN WITH THE STRATEGIC NOTION THAT ... "WE ... THE HUBCAP INSTITUTE ... MUST GET OUR STORY OUT ... AND CORRECT THE INACCURATE ... UNFAIR ALLEGATIONS OF THE ANTI-HUBCAP LOBBY."

ARMED WITH THAT STRATEGY ... A PRESS CONFERENCE IS HELD ... MATERIALS ARE PRODUCED ... A FEW REPORTERS SHOW UP ... AND THE ANTI-HUBCAP PEOPLE GET MORE PUBLICITY.

DAMNED REPORTERS ... THEY'RE KILLING OUR IMAGE.

THE FACT IS ... STRATEGIES LIKE THAT ARE WRITTEN OUT OF FRUSTRATION ... NOT COMMON SENSE. IS THERE ANYONE IN THIS ROOM WHO REALLY EXPECTS REPORTERS TO CARRY FORTH YOUR MESSAGE IN A PURE, UNADULTERATED FORM?

TAKE A NOTE FROM THE MUCH-READ BOOK OF LEE ATWATER ... CRAIG FULLER ... AND ROGER AILES ... WHOSE STRATEGIES TO ELECT GEORGE BUSH WERE SIMPLE ... OBVIOUS ... AND EFFECTIVE.

ATWATER AND COMPANY SET AN UNAMBIGUOUS OBJECTIVE ... DECIDED WHAT THEY WANTED TO SAY ... WHEN THEY WANTED TO SAY IT ... TO WHOM ... WHEN ... AND WHERE.

THEY IGNORED ANYONE WHO WOULDN'T PLAY BY THEIR RULES ...
THE MEDIA ... THE DUKAKIS CAMPAIGN ... AND SOME VOTER
GROUPS.

(PAUSE)

WE 'GOOD OLD BOYS' AT THE TOBACCO INSTITUTE HAVE A
SAYING ... DON'T CLIMB A TREE TO GET IN TROUBLE.

AFTER ALL ... WHERE IS IT WRITTEN THAT YOU NEED TO
RESPOND TO PRECISE CRITICISMS OF YOUR ADVERSARIES?
WHERE IS IT WRITTEN THAT YOU MUST ANSWER EVERY QUESTION
OF EVERY REPORTER ... NO MATTER HOW HOSTILE?

WHERE IS IT WRITTEN THAT YOU MUST COMPROMISE WHERE YOU
REALLY SHOULDN'T? AND DON'T THESE FACTORS AFFECT IMAGE?

FOR THAT MATTER ... WHERE IS IT WRITTEN THAT A REPORTER
MUST BE FAIR ... OR THAT EVERY CONSUMER GROUP IS
NATURALLY AGAINST YOU?

(PAUSE)

STRATEGY SHOULD ANSWER SOME FUNDAMENTAL QUESTIONS ABOUT HOW YOU ARE GOING TO ACHIEVE YOUR OBJECTIVE ... PRESERVE YOUR ABILITY TO DO BUSINESS ... AND DEAL WITH YOUR ADVERSARIES.

GOOD STRATEGY SHOULD LEAD TO GOOD TACTICS ... THE THIRD PHASE OF ISSUES MANAGEMENT AT THE INSTITUTE.

I WON'T SPEND MUCH TIME ON TACTICS. BUT I'D LIKE TO SAY A FEW WORDS ABOUT HOW TACTICAL WORK GETS DONE.

OUR ISSUE MANAGERS DIRECT ... AND SOMETIMES CONDUCT THE TACTICAL WORK.

BUT ... TACTICS ARE THE BREAD AND BUTTER ... THE MONEY MAKING MACHINE ... OF THE MANY "FULL SERVICE" PUBLIC RELATIONS AGENCIES IN THIS TOWN.

AFTER ALL ... THESE AGENCIES HAVE THE PEOPLE TO ORGANIZE THE PRESS CONFERENCES ... PITCH THE MEDIA TOURS ... WRITE THE PAMPHLETS ... AND TRAIN THE SPOKESPERSONS.

THERE ARE SOME EXCELLENT PEOPLE AVAILABLE THROUGH PUBLIC RELATIONS AGENCIES IN TOWN ... AND WE MAKE CONSIDERABLE USE OF THEM. BUT ... WE DON'T BUY THE NOTION OF A "FULL SERVICE" AGENCY ... BECAUSE NO AGENCY CAN HAVE ALL OF THE TALENT ... EXPERIENCE OR SAVVY NEEDED TO DEAL WITH ALL ISSUES.

WHEN IT COMES TO TACTICS ... AND ESPECIALLY WITH THE CREATION AND USE OF COALITIONS ... WE FIND THE RIGHT SPECIALISTS ... AND GIVE THEM THE JOB.

WE USE LITERALLY HUNDREDS OF PROFESSIONALS ... SCIENTISTS ... ENGINEERS ... POLLSTERS ... COALITION EXPERTS ... ECONOMISTS ... AND COMMUNICATORS ... MOST OF THEM INDEPENDENT.

ALTHOUGH THEY ARE COMPETITORS ... THEY WORK TOGETHER COOPERATIVELY AND RESPECTFULLY ... OR THEY DON'T WORK FOR US.

WE BUY JUST WHAT WE NEED ... WHEN WE NEED IT. WE CAN CHANGE TALENT ... WITHOUT HAVING TO CHANGE OUR ENTIRE TEAM.

(PAUSE)

TAKEN AS A WHOLE ... THE PROCESS OF ISSUES MANAGEMENT ... FROM ANALYSIS THROUGH TACTICS ... HAS ACCOMPLISHED SEVERAL THINGS FOR US.

FIRST ... WE WIN MOST OF THE TIME. I WON'T BORE YOU WITH THE NUMBERS ... BUT WE LOST JUST ONE OF 145 SIGNIFICANT FEDERAL BILLS IN THE 100TH CONGRESS ... AND FEWER THAN ONE IN TEN STATE MEASURES LAST YEAR.

OUR IMAGE -- WHAT'S WRONG WITH BEING CONSIDERED TOUGH AND EFFECTIVE? IT DISCOURAGES SOME CRITICS FROM EVEN TRYING.

SECOND ... WE WORK THROUGH SO MANY THIRD PARTIES AND COALITIONS ... THAT WE HAVE BUILT MANY IMPORTANT ... PRODUCTIVE ... TRUSTING RELATIONS WITH KEY GROUPS.

OUR IMAGE WITH THEM IS QUITE GOOD. GROUPS AS DIVERSE AS THE AFL-CIO ... THE U.S. CHAMBER ... THE AMERICAN LEGION ... THE ASSOCIATION OF FIRE CHIEFS ... AND BLACK NEWSPAPER PUBLISHERS ... THE AMERICAN AGRICULTURE MOVEMENT ... AND THE NATIONAL TOXICS CAMPAIGN ... LIKE US JUST FINE.

THIRD ... WE POSITION OUR ISSUES THE WAY WE WANT THEM POSITIONED. WE SUPPORT TAX REFORM ... WE DON'T JUST FIGHT CIGARETTE EXCISE TAXES.

WE ARE IN FAVOR OF CLEAN INDOOR AIR ... NOT JUST AGAINST
RESTRICTIONS ON SMOKING IN PUBLIC PLACES.

WE ARE STAUNCH DEFENDERS OF THE FIRST AMENDMENT ... NOT
JUST NARROW OPPONENTS OF A CIGARETTE ADVERTISING BAN.

AND BECAUSE WE TAKE MORE ENLIGHTENED POSITIONS ... WE
ARE SEEN AS A SERIOUS ... CONSTRUCTIVE ... PLAYER BY
GROUPS THAT ARE SEEN AS ADVERSARIES BY MOST OF BUSINESS.

FOURTH ... YOU RARELY HEAR THE INSTITUTE'S NAME ANY MORE
... BECAUSE VISIBILITY DOES NOT NECESSARILY LEAD TO
SUPPORT.

BUT VISIBILITY ALMOST ALWAYS LEADS TO RECOLLECTION ...
AND, IN OUR CASE ... WE WOULD RATHER NOT REMIND FOLKS
... DIRECTLY OR INDIRECTLY ... OF ALL OF THE THINGS THEY
HAVE HEARD ABOUT OUR PRODUCT ... AND OURSELVES.

LEE ATWATER NEVER ONCE HAD GEORGE BUSH RESPOND TO THE
"WIMP" CHARGE ... AND EVENTUALLY IT WENT AWAY.

THE TOBACCO INDUSTRY'S IMAGE PROBLEMS WITH THE AMERICAN
PUBLIC MAY NEVER GO AWAY. BUT OUR IMAGE WITH KEY GROUPS
AND INDIVIDUALS HAS IMPROVED SUBSTANTIALLY WITH OUR
DAY-TO-DAY HANDLING OF BILLS AND REGULATION WHICH
THREATEN EVERY ASPECT OF OUR BUSINESS.

AFTER ALL, WHO CARES ABOUT A GOOD IMAGE IF THE FACTORY
DOORS ARE CLOSED?

THANK YOU.