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# Corporate Image: The Role of Communications in Development and Maintenance

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An Abstract Presented to the Faculty of the Graduate School
of Lindenwood College in Partial Fulfillment
of the Requirements for the Degree of
Master of Science

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& to my family-in-law for their strong bonds of love and friendship.

# DEDICATED TO

Joe
Abby
&
Baby To Be

my inspiration, my joy, my life!

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## ABSTRACT

This thesis will focus on corporate image – what it is, what it does, why it is necessary and how to develop and maintain it.

The term "corporate identity" was first coined in the 1960's by Walter Margulies. Corporate identity is the term most commonly used to define a corporation's "sense of self." Corporate image is a direct off-shoot of identity. Corporate image is the picture that an audience has of an organization through the accumulation of all received messages.

The bridge between corporate identity and corporate image is corporate communications. The most effective way to manage corporate image is to adopt a sound and ethical corporate identity policy and communicate it clearly and consistently, thus fostering a positive corporate image with the intended audience.

This study will focus on corporate image and its impact on business success or failure. Crisis communication will be discussed in detail because it has direct bearing on a corporation's image – be it positive or negative.

The goal of this thesis is to highlight the importance of corporate image in context with other business functions and to demonstrate effective image management techniques in the event of a corporate crisis.

# Chapter 1

What should today's business community focus their attention on? Certainly it is product development, right? Perhaps it is expanding existing product lines to compete in the ever-changing global marketplace. One can say that business needs to concentrate on recruiting the best and brightest employment candidates to advance their financial goals. All of these are important areas of concern, indeed, and yet they need to step aside to make room for what should be today's most important business goal: building and maintaining a positive corporate identity and image.

A well-planned image attracts top notch personnel, customers and investors; three key ingredients in creating a successful business. Corporate identity and image should be top priorities for executives and yet most companies in America today have no sound identity or image building programs in place and those that do, often don't rely on them. They see no need, thinking their customers know and trust them. As the marketplace expands and competition increases, however, relations with customers will become more and more vital to business success and growth.

Corporate identity can be defined as an organization's "sense of self." This corporate identity has often taken a back seat in the business community. The idea of marketing a company (i.e. identity) is relatively new. In the early days of American business, marketing trademarks and brands took the spotlight. The use of logos for product connotation first developed in the 1930's and 40's when Raymond Lowey developed the

International Harvester symbol. Companies of the past preferred to let their products be their spokesmen.

It was not until the 1960's that the term "corporate identity" became a part of the business lexicon. Walter Margulies first coined the term and to this day, confusion still exists about what it really means.

Corporate identity, or sense of self, is indeed difficult to define because it is as varied as corporate America. Each company has its own identity, even those that produce similar products.

Identity is formed by several factors. It can include a corporation's history, its beliefs and philosophy, its ownership and workers, the personality of its leaders, its ethical and cultural values and its strategies regarding future business trends and growth.

A corporation's identity is how it sees itself and yet this is not as important as corporate image, or the picture that an audience has of a corporation. Corporate image is "the message in the eye of the receiver." All accumulated messages received by the audience will be assimilated to define a corporate image. Corporate image is all about perception and a corporation's identity is what it chooses to shape those perceptions (Chajet, 4). Public perception is a tricky thing, part myth and part reality. Separating the two requires effective image building and management. The public has become the corporate mirror. The reflection some companies see may not be what they had intended.

Corporate image must reflect reality, not distort it, if it is to have the most positive impact. Top level management should be responsible

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Corporate image must reflect reality, not distort it, if it is to have the most positive impact. Top level management should be responsible

for developing a positive corporate image which may consist of:

1. How products or services perform
2. Price
3. Name
4. Business practices
5. The "look" of a corporation
6. Tone and manner
7. History and industry segment
8. The corporate culture (Chajet, 6)

More in-depth analysis of each of these areas will be explored in Chapter 2 of this thesis.

If corporate image is so important to the success of today's businesses, why is it so underdeveloped? The answer to this is twofold: one dating back to the early days of American business, the other directly relating to image making's bad image.

During the 1950's, most Americans viewed the business community with relative trust and respect. There was little need for a company to explain itself to its buying public or to its stockholders. The end of World War II saw the development of technology for an increasingly "mobile" America. Men returning from war found good jobs with corporate America. This period began the shift from the industrial revolution to the beginning of the technological era.

The 1960's saw significant changes in America's cultural environment. The idyllic Kennedy "Camelot" years were replaced by protests over unexplained wars in far-away lands. The American public, thrust

into this time of social upheaval, looked toward government for guidance. The government, however, was struggling with its own credibility problems.

The business community of this era took an observer's approach. Reaction was minimal. Corporations felt the pressure from a national mood of rising expectations and responded simply by projecting a "good citizen" role.

The 1970's brought Watergate, the proverbial straw that broke the camel's back. A nation of once trusting souls now became a nation of skeptics, unable to trust their elected officials. This one event, perhaps more than any before or since, affected the perception of and trust placed in previously unquestioned American institutions (Gray, 24). Businesses felt the heat of this public firestorm. The oil embargoes of this decade further damaged the business community's image.

No longer able to trust government or big business, Americans shifted their focus from "for the good of all," to "for the good of me."

The 1980's saw an increase in environmental concerns and the wavering stock market caused Americans to become even more doubtful of their corporate neighbors.

These many events have taken their toll. The American public, once inclined to believe what it was told by government and business leaders, has grown skeptical, distrustful and frustrated.

Corporations now realize that they do not exist in a vacuum; they are dynamic forces interacting with and shaping culture. To regain public trust, corporations must view themselves from the perspective of the cul-

tural and social environment in which they exist. A main goal of American business must be the restoration of public trust. Corporate image is the key to restoring public trust and to guiding society toward an improved human condition (Gray, 20).

The corporate image concept has gained a hearty following through the years and yet many companies are still reluctant to "brag" about themselves. This could be explained by the negativity that has often surrounded the terms "image" and "image making." Why does image making have such a bad image?

Since the conception of the term, image making has carried a bad reputation. The most commonly held notion about image making is that it distracts the attention of a company's audience from its realities, that it is made up of smoke and mirrors. Basically, the practice of image making carries a negative connotation because, 1) the tools for image making are the same, whether they are used for good or bad, and 2) most audiences share the view that the deceitful communicators – that recognition is an end of itself. Because of these factors, many skilled practitioners have been able to use the tools of image making for misleading purposes (Chajet, 56).

Another problem with image making is the fact that many companies fall victim to the "we have no business problems, therefore we have no image problems" way of thinking. This type of thinking is very hazardous to long-term corporate success. Most companies believe they only need an image to hide bad performances, ergo if performance is satisfactory, they don't need to waste time thinking about image.

The news media, echoing these outmoded business prejudices, often portray image as something used to trivialize a misdeed. Journalists are often fond of savaging a good image by trumpeting that it hides an ugly reality. The implication is that the image is employed solely to distract attention from the reality. As a consequence of believing in the separation of image from the underlying reality, many American businesses continue to think of image matters only in relationship to crises and they confuse awareness of the company with having a good image (Chajet, 54).

A more common problem is based on the 1950's business idealism that self-advertisement is both unnecessary and socially unacceptable. While modesty is a universally admired trait, it is not necessarily a good business strategy. In this era of multiple competitors and ubiquitous advertising, hiding your light under a bushel basket is certainly not the best prescription for commercial success. In fact, for every previously anonymous and successful company that comes to public attention, there are thousands that go nowhere, and very quietly, too (Chajet, 55).

A third problem with image making is the confusion about what image is and what it does. Companies need to be extremely careful when developing their identities and images. Once an identity has registered itself in the consciousness of the public, they have no further curiosity about it. An associated problem arises from the public misconception about changing an image. People continue to believe a company's image is more readily moldable than its reality. They feel somehow that it's easier to take risks with the image, easier to conceptualize and articulate a change in image rather than change the underlying reality (Chajet, 57).

This lends itself to the even further degradation of image making. It is often very easy for a company to change its image and neglect the underlying reality. This "quick fix" approach, often applied by businesses in trouble, can, over the long-run, further damage their failing bottom lines.

Successful "image" companies know how to put aside these outdated notions about image making. They are less likely to be duped by deceitful practitioners. They recognize the differences between a fever and the thermometer that records and communicates the fever to the outside world. It is useless to curse the thermometer; it is useful to treat the fever. Image making is the best cure for corporate America's "fever." It is the key to the overall health of today's business.

At no time is the need for a positive corporate identity and image better displayed than during a crisis. Crisis management and image making go hand in hand. Having a solid corporate identity and image is fundamental to the successful handling of crisis situations. If a company's image is threatened by a crisis of some type, corporate communications comes into play. Every aspect of a company in crisis will be scrutinized by their public, stockholders, employees and, often times, the media. Having a solid identity and image lends itself to successful crisis management. An example of a company that has employed successful image making strategies in the face of crisis can be found in Appendix A. An example of a company that has employed successful image making strategies over the long term can be found in Appendix B.

The tools utilized for image making, (i.e. public relations, advertis-

ing, marketing, etc.) are the basic building blocks of a good crisis communications plan. They serve a twofold purpose. 1) They communicate positive images of a company, and 2) they help disseminate accurate and timely information during times of crisis.

I will be developing image building and crisis communications plans for my employer, The Franciscan Sisters of Mary (FSM), as part of this thesis.

The Franciscan Sisters of Mary is a group of women religious within the Catholic Church. The two hundred and fifty vowed members work tirelessly to carry out the congregational charism of being the loving, healing, compassionate presence of Jesus among his people. They sponsor various ministries including the SSM (formerly Sisters of St. Mary) Health Care System (a nationwide network of health care facilities), Almost Home (transitional housing for teenage mothers and their children who are homeless) and sisters ministering to the poor in Brazil and South Africa.

The Sisters of St. Mary first came to St. Louis in 1872. They established their motherhouse and began caring for victims of the day's communicable diseases including small pox and yellow fever. Their order grew from a small band of five German immigrants as word of their good works spread throughout the city. When the order was allowed to profess their first religious vows in America, they numbered 18. In the late 1800's, the congregation divided, becoming the Sisters of St. Mary of St. Louis and the Sisters of St. Francis of Maryville. Each congregation continued the charism set forth so many years earlier by Mother Mary

Odilia Berger, foundress. In 1987 after some 90 years of separation, the sisters reunited to become The Franciscan Sisters of Mary.

Problems have occasionally arisen since the reunification. The Sisters of St. Francis, by rejoining their old order, lost much of their identity. The sisters, sponsors of the now very successful SSM Health Care System, have had problems establishing their own identity, separate from the system. Additionally, confusion still exists about how to best develop and display their now unified mission. This lack of cohesion has left the congregation floundering. In these ever demanding times, it is becoming more and more difficult for charitable groups like the FSM to gain support, both financial and emotional. Without this support, the congregation may not survive the next 25 years.

Some positive steps have been taken. A congregational newsletter is now published monthly to keep sisters informed about community directions and corporate goals and a bi-annual magazine is produced and distributed to some 10,000 constituents – friends, donors and relatives of the congregation. These steps have led to a more unified congregation. They have utilized the tools of image building very well.

The need for a crisis communications plan for this vibrant group first became apparent shortly after the reunification. While missioning in East Africa, two Franciscan Sisters of Mary were ambushed by gunmen. One sister, Agnes Reinkemeyer, was fatally wounded by a gunshot to the head. The other sister, Evelyn Peterman, was injured by a shot to the leg. The sisters had been praying in their small chapel when gunmen broke in and demanded money. As news of S. Agnes' death began to spread, news reporters picked up the story. Calls for more information began pouring

in to the motherhouse in St. Louis. With no real crisis plan established, confusion reigned. Although the crisis passed with no real negative feedback, the need for a solid plan of action in the event of a future tragedy was firmly instilled. With sisters still missioning in some of the world's most remote and hostile areas, the need for a plan of action is a very real one. As the congregation continues on its mission it is important to establish this type of plan to fall back on in the future. Just having something on the shelf to refer to would be helpful. With congregational leadership changing every four years, a plan that would carry through could be extremely valuable to a new leadership team if a crisis were to occur at the beginning of their term.

When I started working for the sisters in September of 1993, a plan had yet to be developed. My thesis research enables me to work on developing this most needed plan. It is my hope that the plan I develop will become the basis for a concrete communications plan for the organization.

I will also be developing a much needed image-building plan for The Franciscan Sisters of Mary which they may utilize to further the awareness of their united mission to be the very loving, healing, compassionate presence of Jesus among his people. This plan is needed to enable The Franciscan Sisters of Mary to continue their mission well into the next century.

## Chapter 2

In this chapter, I would like to expand my research and highlight the thinking of several experts in the areas of corporate identity, corporate image and crisis communications.

*Managing the Corporate Image: The Key to Public Trust*
*James G. Gray, Jr.*

The corporate image concept is the total sum of all efforts to develop, project and maintain a positive corporate image. Corporate managers are beginning to realize the importance of corporate image. A strong positive image can see a corporation though a crisis. Managing the corporate image effectively is the key to gaining the public trust.

There is a strong bond between consumers and the brands and companies they rely on for goods and services. Gray illustrates this bond in figure 1 on page 20. He states that a great perception gap has formed between the public and the business community. The public continues to believe that it is at the mercy of both government and big business. To turn this perception around, corporations need a continuous public image campaign that openly and honestly communicates with each of their publics, including employees, consumers and investors.

Gray cites research from Sense 82, a publication by Lippincott & Margulies, (a New York marketing and design firm which employs Clive Chajet, the next author to be analyzed in this thesis) which gives these reasons, among others for the widening gap between corporate reality and public misconception:

# THE CORPORATE–PUBLICS RELATIONSHIP



EXTERNAL PUBLICS

THE COMMUNITY

THE CORPORATION

GENERAL

MEDIA

INTERNAL PUBLICS
MANAGERS
EMPLOYEES
INVESTORS

CONSUMERS

PUBLIC

GOVERNMENT

*Fig. 1*
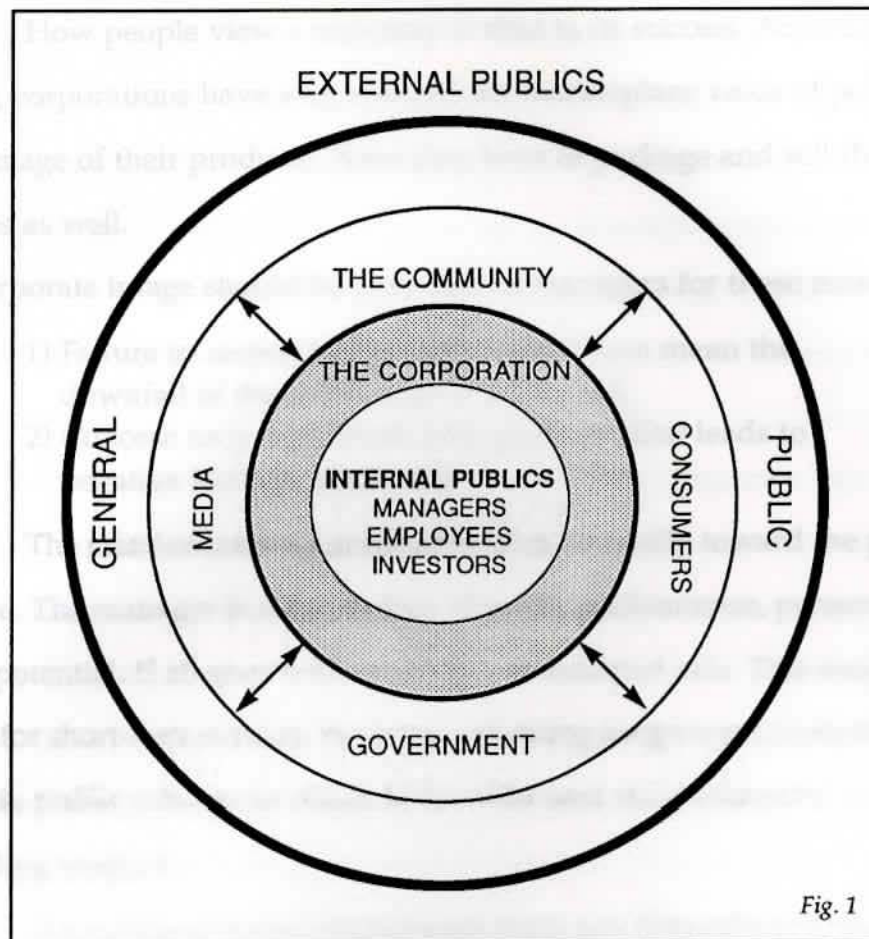
- Disappearance of the one-product company and the rise of diversified corporations.
- Waves of mergers and acquisitions, takeovers, corporate identity crises and communication problems.
- Shifting demographics and changing lifestyles.
- Inability of managements to perceive the reality of their own corporation and its relationship to the changing marketplace.

Corporate image is the key to understanding and reacting to the public demand for corporate social responsibility and to providing the link between public perception and corporate reality. The goal of a corpo-

rate image program is to bring perception in line with reality (Gray, 7).

How people view a company is vital to its success. According to Gray, corporations have long realized the marketplace value of polishing the image of their products. Now they have to package and sell themselves as well.

Corporate image should be a concern to managers for these reasons.

> 1) Failure to respond to public pressures can mean the downfall of the entire organization; and,
> 2) Concern only with short-term goals (profits) leads to negative feelings. (Gray, 13)

The standard management attitude is naturally toward the profit figure. The manager is the guardian of profit, performance, personnel and potential. If all goes well, credibility is assumed safe. This may work well for short-term success but for maintaining long-term corporate health, public perception needs to be addressed via a successful image building program.

According to Gray, corporations must put themselves in the shoes of their publics when evaluating their images. It is important for corporations to see themselves as the public sees them in order to honestly evaluate the specific needs their image making campaign must address.

The first things the public sees about a corporation are its exterior symbols. These symbols are the first indication of the stature of a business. The name, logo, address, office layout, furnishings, company cars, stationery and product labels are among the many outward visuals that carry the corporate identity to the outside world. The public perception of these identity symbols will lead to their image of the company. These

symbols trigger conscious and unconscious images in the public mind (Gray, 55).

The most important of all visual symbols a corporation projects is the corporate name. The name has the power to create and disseminate a picture of the corporation in very few words. Mention corporate names like Gerber, for instance, and an image instantly springs to mind. When choosing corporate names, consideration should be given to length, reflection of corporate business and memorability.

Corporate logos are also important. The best corporate logos are iconic – they are a symbol that resembles or actually is the name of what they are trying to communicate. An example of an excellent corporate logo is the Shell shell.

External symbols are effective in creating first impressions of a corporation, but to firmly establish a positive image in the mind of the consumer, internal features must not be overlooked. These include, staff, employee relations and management. Companies themselves do not create images, people do. Management has the most crucial role in developing and projecting corporate image. The CEO, according to Gray, assumes the burden of defining, molding and communicating the corporate view. The CEO is the voice of the a corporation, a voice that reflects the image of the entire organization.

Over the years, CEO's have garnered the image of being greedy and concerned only for the bottom line. They have failed to successfully sell themselves, or their corporations, to the public.

CEO's have the chief responsibility of portraying corporate image,

but all levels of management must share the burden of communicating the desired image if a company is to be successful. All too often, however, the major responsibility for answering to the public is left in the hands of the CEO. Moreover, line and staff managers frequently avoid the issue. Corporate managers have only recently begun to realize that leadership, other than those at the top, needs to know about corporate public concerns and be able to answer to them (Gray, 76).

Employees must also be made aware of the corporation's identity and image policies. After all, each employee of a corporation is an image ambassador. Positive image projection by employees can lead a company into a successful future.

Gray highlights ten tools that should be utilized to foster internal image enhancement. These tools, when effectively implemented, can lead to increased employee morale and productivity and can foster a positive spirit that can't help but to influence image for the better.

1) Establish a positive work setting that encourages open communication. Face to face communication works best.
2) Target communication to important employee subgroups.
3) Design messages to help employees better understand the corporate citizen role.
4) Help employees understand their jobs in terms of the total corporate mission.
5) Encourage employee volunteerism.
6) Senior management should remain visible and accessible to all employees.
7) Encourage employees to make suggestions.
8) Provide outside training and education opportunities.
9) Invite local political or government figures as speakers.
10) Analyze volatile situations to get at root causes. (Gray, 78)

If internal image enhancement is going well, external image enhancement must also become a priority. Some of Gray's suggestions for beginning an external image enhancement strategy include:

1) Look to the long-range view. Too often a strategy is designed to handle only short-term emergencies, or is established only after the company has faced a crisis.
2) Always re-evaluate as the plan is being utilized. What works today may not work tomorrow.
3) When a tragedy or crisis strikes, communicate openly and honestly.
4) Choose corporate spokespersons carefully. They are a direct reflection of the corporate image.
5) Establish a central communications office. Make every effort to convey a consistent public image.
6) Become involved in community groups and volunteer programs. Such activities spread goodwill.
7) Strive to gain political and governmental expertise.
8) Join professional groups and associations to enhance credibility and make your name known.
9) Strive to produce quality products and services. This is perhaps the most vital link to the customer and your corporate image may hinge on it alone. (Gray, 79)

The task of implementing all the previous points often falls to the corporate communicator who uses various communication tools to gain success. The success of the corporate communicator will be measured in terms of public and media relations (on the external side) and employee and community relations (on the internal side).

When dealing with public and media relations, the most important factor in successful image making is consistency. All messages received by the media and the public should convey the same image. Public per-

ception is *greatly* influenced by the media. Therefore, corporations should endeavor to foster an alliance with them.

A corporate media program must be designed so that it answers to the public and to the media. The program design must openly, honestly and consistently respond to public concerns (Gray, 85). This media program must include two basic steps to preserve favorable corporate image.

First, the establishment of a corporate media office where media will be informed by a corporate spokesperson, allowed to interview corporate executives and able to file stories as they break. Second, the establishment of personal contacts with the media – preferably before a crisis occurs.

Employee relations is the other key factor in maintaining image that the corporate communicator must recognize. Employees who are intimately involved with the company are a valuable asset and should be treated as such. When employees take pride in their organization, they communicate their positive feelings to the public. Consequently, it is extremely important to nurture goodwill among employees. Some ways to do this have already been discussed.

Successful image building also has a strong link to community relations. A positive image can help corporations to build and maintain healthy and strong communities. Some communities depend for their very livelihood upon the corporations that exist among them. In order to develop and promote productive community relations, Gray suggests the following steps.

1) Review corporate policies, standards and procedures to ensure they are in line with sound community relations.

2) Consider the following areas carefully: waste disposal, employee recruitment, noise and traffic problems, energy sources and energy waste.

3) Develop specific community relations objectives based upon corporate and community needs. For example, improving local schools to enhance the pool of future employment candidates.

4) Use various channels to communicate with the community. For example, employees, local clubs, direct mail, films and exhibits.

5) Involve company leaders in local organizations. Sponsor employees who join civic and professional groups.

6) Offer to aid local governments.

7) Patronize local merchants.

8) Make corporate donations to worthy community programs.

(Gray, 108)

Gray's final chapter helps to provide insight into a specific corporation's image via a corporate image survey. I will utilize this survey in Chapter 3 to evaluate The Franciscan Sisters of Mary.

*Image By Design: From Corporate Vision to Business Reality*
*Clive Chajet & Tom Shachtman*

Corporate image is in the eye of the beholder. It influences thousands of daily decisions. Corporate managers should think, at all times, about how their decisions will affect their corporate image. In the current climate, corporate images are becoming increasingly and inextricably linked with a company's success and its future, both as a shield against troubles and as a potent weapon for growth. Corporate image, then, should be a fundamental, mainstream management concern – one that has broad impact and implications for all other business activities (Chajet, 7).

According to Clive Chajet, America's leading expert on image management and corporate identity, corporate image can be used effectively to propel a company and its products toward success. To do this, however, it must be reflective of reality. Image making is necessary to foster a good image which can be a company's most valuable asset. Chajet echoes the sentiments of James Gray by stating that good image making marries the reality with the image and bad image making deliberately distorts the image in order to mask, protect or otherwise prevent the accurate understanding of the underlying reality (Chajet, 8).

To nourish their images, Chajet suggests corporations do the following:
1) Build a strong and clear foundation.
2) Outline a clear mission.
3) Adopt identity practices to align the audiences' perception of the company with what the company believes itself to be and goals it hopes to accomplish. (Chajet, 11)

Chajet believes that a corporate image is made up of eight components which were briefly mentioned in Chapter 1. I present them again for more in-depth explanation.

*1) How the product or service performs.* A company's image, or that of its brands, depends for the most part on how good their actual product or service is. Since a good image is almost always the reflection of solid performance by a company's products or services, no other single factor can be as important in producing a positive image.

*2) The price.* The image of a company or a product bears a direct relationship to the price paid for the company's manufactured goods or services. Higher price = higher perception. High price, however, will not

by itself bring a luxury image to a product or service.

3) *The name.* Whether it's a name of a company or the name of a particular brand, this capstone of an identity is vitally important to how a company or product is perceived. Good names are hard to find and often times an unfair burden is placed upon names. They are important, but they do not stand alone in developing image.

4) *Business practices.* How the company's business is run is a major determinant of how it is perceived. When selecting business practices, make sure they reflect sound strategies more than they do a concern for image.

5) *The "look" of a company.* How a company appears – the visual expressions of its identity determine in large measure how the company and its products are valued by its audiences and customers. Corporate logos should be used conservatively. Corporate colors should reflect a company's business and typefaces should match objectives.

6) *Tone and manner.* Tone and manner are an all-encompassing blanket wrapped around all that is visible and audible in a company's communications; these can be powerful perception shaping ingredients. Coordinating messages will become increasingly difficult as the cost of communications continues to escalate and products or services continue to proliferate.

7) *History and industry segment.* The industry to which a company belongs has a major impact on the way the company is perceived. Separation from the industry image is crucial to a company's individual image. Companies that do not differentiate themselves from the industry

image are compelled to share it and take the consequences.

*8) The corporate culture.* A company's own corporate culture is a major influence on how it is perceived and may prop the company up or hold it down. Corporate culture is the sum of the conversations that a company holds with itself. Employees play a key role in this element and they must receive clear and accurate communication. A corporate culture is only as good as management's commitment to the company's basic credo (Chajet, 22-36). This is the most misunderstood aspect of corporate image making.

In Chapter 4 of his book, Chajet explains some of the reasons a corporation may need to evaluate and overhaul their identity which would lead to a new corporate image.

*1) Bargain basement.* While the company's financial rations and long-term profitability are extremely healthy and favorable, the company's stock price does not adequately reflect that health and the officers of the corporation believe the stock is undervalued.

*2) Yoo-hoo, we're over here!* The officers and board have difficulty commanding the attention of the broad range of security analysts who ought to be tracking the company's business performance.

*3) Runt of the litter.* The industry in which your business competes is booming; nonetheless, your own company's market share is stagnant.

*4) Help wanted.* Your company has trouble attracting and signing qualified candidates for available positions.

*5) Small town stuff.* Your company has dreams of expanding its horizons from a local area outward and has a good, sound marketing plan and internal resources to grow in those directions. In the past, the

company has been strongly identified with a local or regional market but now the company wishes to go beyond its previous borders. However, the financial community and your existing customer base greets with skepticism your expansion plans.

6) *Undersubscribed*. Senior management gets approval from the board to issue new stock, and then is chagrined to find that it is under-subscribed.

7) *Mergers and acquisitions*. When your company is acquired or merged with another, or when it has acquired some other new assets, an old identity may no longer be adequate to describe, reflect and advance the new corporate reality.

8) *New and improved*. When there is a major change in strategy in the company such as divestitures that alter the alignment, say, to a "pure play" from a conglomerate, or a pricing policy that goes from mass market to discount, the old identity may no longer apply.

9) *Post-disaster syndrome*. When a company suffers a major disaster, it may be time to re-evaluate or change identity.

10) *Changing trends*. While developing the optimal image shaping practices for your brands and company, put yourselves in the shoes of your customers on occasion (Chajet, 37-48).

When considering an identity and image overhaul, corporations need to to think logically, creatively and sensitively. Audiences that have become comfortable with a corporation's image may be greatly confused and upset by a change.

Companies are continually sending out visual and verbal mes-

sages to change or strengthen their image in the marketplace. Design components of an identity are the things that last. Long after the effect of rationalizations and other thoughts (often expressed in words) have dissipated, the visual elements remain. Design systems can represent the single most significant capital expenditure associated with the implementation of a new identity project. Within design systems there are both permanent and ever-changing components. The permanent ones are considered the traditional mainstays of identity – stationery, forms, signage, motor vehicles. These lend themselves to being tightly controlled for consistency and to combine maximum impact. There are changing items, too, principally sales and promotional materials, which must be capable of being modified rapidly in response to changing market conditions.

Design systems serve a twofold purpose. They can be used by companies as marketing tools and also to provide economies of scale.

Chajet sums up his expository by outlining strategy for tomorrow's management. He relays the necessity of image management by summarizing the sequence of steps taken by the consumer goods industry in the United States. This industry, according to Chajet, was a pioneer insofar as image management techniques are concerned and one which served as a model for all other industries (Chajet, 191). The process consists of 5 steps:

1) Logo development
2) Total package design: required to further communicate and persuade customers
3) Naming brands: As more and more products began to crowd the shelves, there had to be verbal differentiators in addition to logos and packaging. Names, which had previously been

used for identification only took on a new role. They meant
something to consumers. (Pampers - for example)

4) Identity systems: From inventing logos, packaging and
names of brands it was a short but important leap to shaping
the image of products and services over a broad range of
media through the development of total identity systems.
Once most companies had begun to devote considerable
effort to these identity related notions, it became imperative
for any company seeking to introduce a new brand in
the marketplace to go through these four stages to
establish its identity.

5) Image management. An illustration of this principle: A fine
car can continue to run for many years if it is regularly
examined, tuned and cared for, but if the oil is not
changed at proper intervals, the tires not rotated, nor
the engine investigated for hidden problems that can
then be addressed, even the most expensive and
beautiful vehicle can come to a grinding halt and end
up useless. Corporate images need similar attention if
they are to render good service.

Chajet is an excellent resource on corporate image and identity.
His book is clear and concise and gives examples on many key elements
necessary to further the understanding of the function of image in a cor-
porate context.

*The Corporate Image:  Strategies for Effective Identity Programs*
*Nicholas Ind*

Ind begins his study of corporate image with a series of definitions
of terms that are relative. He defines corporate identity as the corpora-
tion's "sense of self." (Ind, 19) This identity is formed by several factors
like the corporation's history, its beliefs and philosophy, the nature of its

business, its ownership, its people, the personality of its leaders, its ethical and cultural values and its strategies.

The term corporate image is defined by Ind as "the picture that an audience has of an organization through the accumulation of all received messages" (Ind, 21).

Corporate communication is the process that translates corporate identity into corporate image. It is the necessary link between a corporation and its audiences. There are various types of communications which are utilized by corporations to project a desired image. The mistake that many corporations make when it comes to communication regarding image is the assumption that they are only communicating when they want. Corporations must recognize the fact that intentional and unintentional messages get through to audiences all the time, undermining those forms of communication that are more controllable, such as advertising and public relations (Ind, 24).

These controllable forms of communication should be utilized to their fullest potential to project a positive image and medicate an ailing one. Corporate communication is not a panacea, however. It will not turn a poor company into a success. What it can do is convey a consistent and credible message of what a company is, what it does and how it does it by trying to control the message it transmits (Ind, 25). Effective corporate communication requires effective management.

In Chapter 2, Ind begins to cite the various reasons it is necessary to have an effective identity and image building program. Among these reasons is the ever-changing nature of companies and their products.

These changes are occurring more and more rapidly every day. Because of this, companies need to gear up for these changes by continually assessing their market positions and developing a strong corporate image which can be applied to several different products. Companies also must differentiate themselves from their competition.

Consumers play a key role in the process of differentiation. The perception a consumer holds about past performances, quality and expectations for future performance are what sets products and companies apart. Most products are chosen based on emotion. Therefore, companies whose image is most "in-line" with consumer emotions are those most likely to succeed.

Ind relates the necessity of a strategic approach to corporate identity. He states, "the organization's identity will influence the setting of objectives and the determination of strategy; and the nature of objects set and the way the company goes about achieving them will impinge on the identity" (Ind, 50).

When determining corporate strategy, companies must remember four key points:

1) They should take a long-term view of the changing nature of the industry.
2) Each company is unique.
3) Corporate strategy must be built on an understanding of a company's positioning.
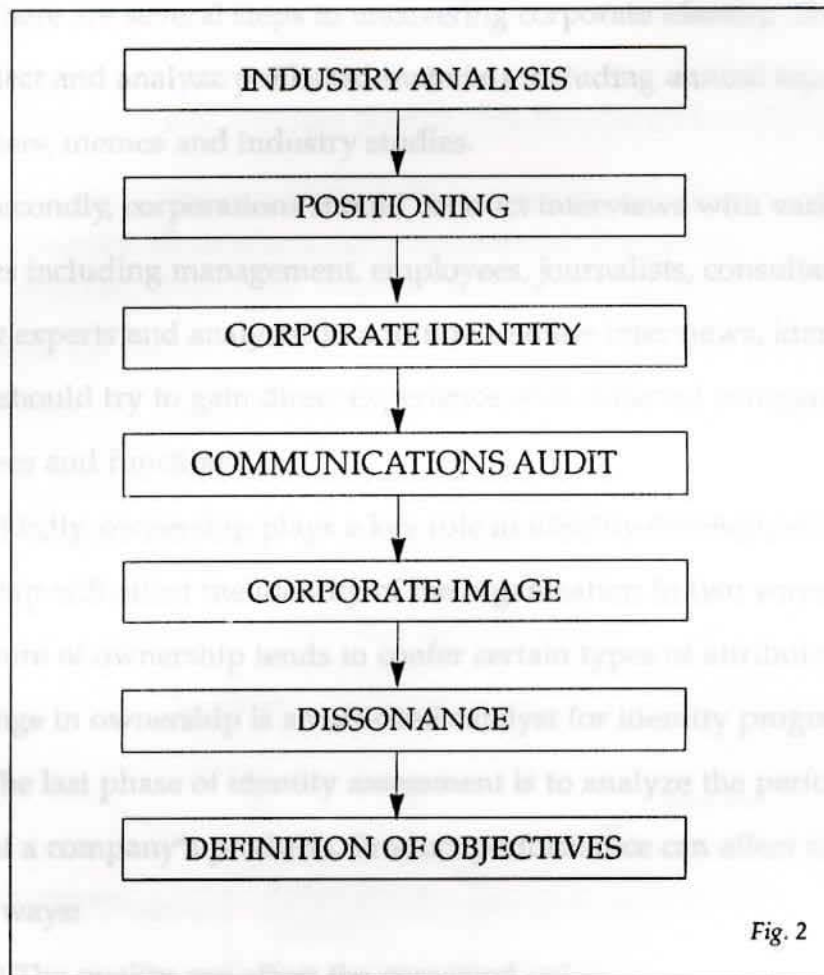4) A company has to understand the nature of its resources.

Strategies must also be:

1) Representative of a company's strengths.
2) Relevant to the consumers of a company's products.
3) Communicated to all relevant audiences.

4) Sustainable against competitive threats. (Ind, 59)

Once a strategy has been adopted, the key requirement is that a company pursue it single-mindedly in everything it does. Otherwise, the strategy will be compromised.

An illustration of Ind's strategic approach to corporate identity follows:

```
┌─────────────────────────────────┐
│                                 │
│   ┌───────────────────────────┐ │
│   │    INDUSTRY ANALYSIS      │ │
│   └───────────────────────────┘ │
│               ↓                 │
│   ┌───────────────────────────┐ │
│   │       POSITIONING         │ │
│   └───────────────────────────┘ │
│               ↓                 │
│   ┌───────────────────────────┐ │
│   │    CORPORATE IDENTITY     │ │
│   └───────────────────────────┘ │
│               ↓                 │
│   ┌───────────────────────────┐ │
│   │   COMMUNICATIONS AUDIT    │ │
│   └───────────────────────────┘ │
│               ↓                 │
│   ┌───────────────────────────┐ │
│   │     CORPORATE IMAGE       │ │
│   └───────────────────────────┘ │
│               ↓                 │
│   ┌───────────────────────────┐ │
│   │        DISSONANCE         │ │
│   └───────────────────────────┘ │
│               ↓                 │
│   ┌───────────────────────────┐ │
│   │  DEFINITION OF OBJECTIVES │ │
│   └───────────────────────────┘ │
│                         Fig. 2  │
└─────────────────────────────────┘
```

Although a strategy may guide the direction of an organization, it will only be effective if the organization is managed to support that direction. The elements of a company that form identity need to support and

enhance the competitive advantage that the chosen strategy is trying to achieve.

Companies begin by assessing their current identity. There are many factors to analyze, each a piece of the jigsaw puzzle of identity. Only by finding and analyzing each piece to determine its place and fit will a beautiful corporate identity picture be presented.

There are several steps to uncovering corporate identity. The first is to collect and analyze published materials including annual reports, newsletters, memos and industry studies.

Secondly, corporations should conduct interviews with various resources including management, employees, journalists, consultants and industry experts and analysts. In addition to these interviews, identity seekers should try to gain direct experience with different company employees and functions.

Thirdly, ownership plays a key role in identity development. Ownership will affect the identity of the organization in two ways. 1) The very nature of ownership tends to confer certain types of attributes; and, 2) a change in ownership is an oft-cited catalyst for identity programs.

The last phase of identity assessment is to analyze the performance of a company's products. Product performance can affect identity in three ways:

1) The quality can affect the perceived value.
2) The type of products sold can affect identity.
3) For some consumers, the product is the company. (Ind, 69)

Having determined the nature of the corporate identity, the next phase in the analytical process is to determine how effectively the identi-

ty and the corporate strategy is communicated. This process is known as
a communications audit.

The communications audit has three phases:

Phase I — External Communications
a) Collection of all forms of printed and visual communications.
b) Obtain key communications from competitors.
c) Examine materials for key messages.

Phase II — Internal Communications
a) Collect all forms of internal communications.
b) Judge the effectiveness of each with the intended audience.

Phase III — Communications That Affect Perceptions
a) Includes all details of daily business life like phone
    courtesy, dress code, office arrangement. (Ind, 82)

Once the communications audit is complete, it is necessary to ana-
lyze the corporate image to ascertain its strengths and weaknesses. The
first step is to identify audiences or "image makers." The diagram below
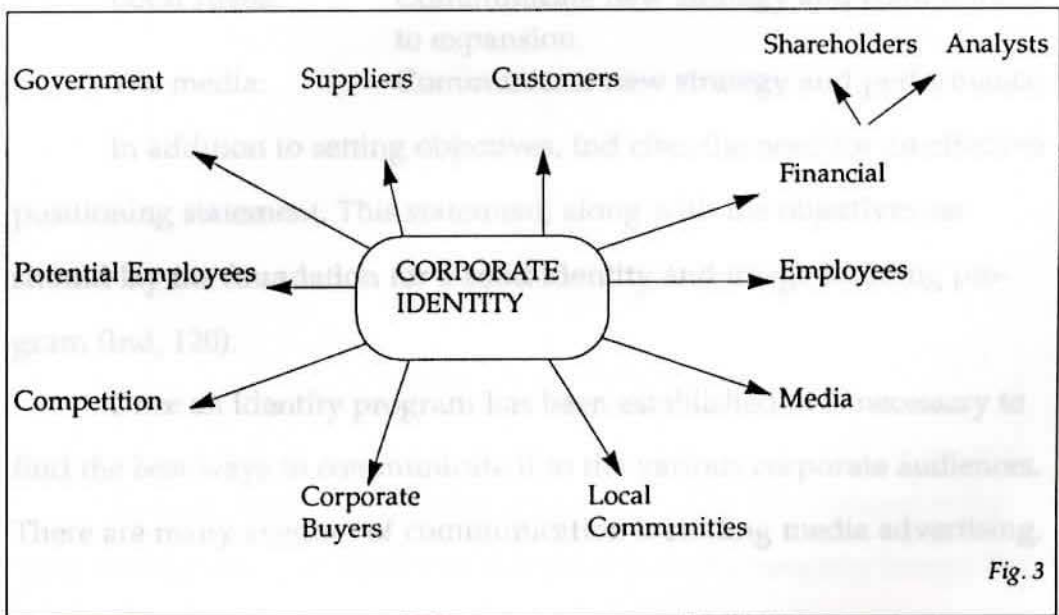shows some audience types for consideration.

Fig. 3

When audiences are selected, it is necessary to determine the image of the company that each holds. These opinions can help the company evaluate the methods they are utilizing to convey their identity. Obviously, if an audience has the "wrong" image of a corporation, communication strategy must be re-worked to bring their image in line with the true corporate identity.

Ind concludes his book with a series of chapters on building a corporate identity program. He states that setting objectives should be the first priority and he lists the following examples of workable objectives and the audiences they are geared toward:

| | |
|---|---|
| Employees: | Improve internal communications. |
| Consumers: | Enhance awareness of company and products. |
| Financial: | Communicate new strategy and financial performance. |
| Suppliers: | Communicate commitment to quality. |
| Buyers: | Communicate scope of operations. |
| Government: | Influence legislation. |
| Local Areas: | Communicate new strategy and commitment to expansion. |
| The media: | Communicate new strategy and performance. |

In addition to setting objectives, Ind cites the need for an effective positioning statement. This statement, along with the objectives set should lay the foundation for a solid identity and image building program (Ind, 120).

Once an identity program has been established, it is necessary to find the best ways to communicate it to the various corporate audiences. There are many avenues of communication including media advertising,

literature, personal contacts, public relations, direct marketing and sales promotion. In addition, the marketing mix (the four P's — product, place, price and promotion) must also play a key role.

Ind's main message seems to center around the maxim that the better companies can match the messages they want to send with the medium they need to be sent in to reach the desired audience, the more successful their identity program will be.

### *How To Build A Corporation's Identity and Project Its Image*
### *Thomas F. Garbett*

Garbett begins his study in a somewhat different manner. Rather than spending much time and paper on definitions, he delves right into the discussion of what image is and what it does. He has developed what he calls "The Corporate Image Equation" based upon basic mathematical principles. With this equation, Garbett asserts, all companies can determine their present image. The equation follows:

$$\frac{\dfrac{\text{Reality of the Company} + \text{Newsworthiness of Company Activities}}{\text{Diversity (Lack of Cohesiveness)}} \times \text{Communication Effort} \times \text{Time}}{\text{Memory Decay}} = \text{Company Image (Garbett, 6)}$$

Fig. 4

Garbett explains each element in detail. The first element is the raw material that contributes to the makeup of the company image. This

includes company size, structure and products.

The addition of company newsworthiness to the equation brings variety. Most companies see themselves and their activities as very newsworthy. However, this is not usually the case.

Diversity makes up the third element in the equation. The more diverse a company is, the more diverse the messages it sends out will be.

The next two elements in Garbett's equation are communication effort and time. These two are very closely related and rely heavily upon one another. Solid communication efforts require vast amounts of time if they are to be successful. According to Garbett, "... nothing happens overnight. A building process is involved in establishing any new reputation" (Garbett, 5).

The investment of time is necessary because of the sixth and final element of Garbett's equation – memory decay. It takes constant communication to put forth and maintain corporate image. "Top of mind" awareness about a company is the first thing to go and in a surprisingly short time. This is particularly true if a company has not had ample time to build and reinforce its image over the years (Garbett, 5).

Garbett highlights several studies and concludes that some of the best ways to work within the image equation and present a positive corporate image include:

- A willingness to communicate directly with audiences.
- Good financial control procedures.
- Evidence that management is following a long-range strategic plan.
- The look and sound of success in the communication program.
- Stability and depth in management. (Garbett, 14)

These are just some of the building blocks. Garbett suggests using this raw material to form the other necessary blocks which will build the "tower" of image. These include a solid corporate mission statement, objective setting, communications audits and communications planning.

Garbett uses the rest of his book to focus on various aspects of communications and how they relate to corporate image. He highlights several useful ideas in the fields of public relations, investor relations and corporate advertising. Some of these suggestions will be utilized in Chapter 4 of this thesis.

*Crisis Communications:  What Every Executive Needs to Know*
*Devon Dougherty*

Dougherty begins by saying, "of key importance before developing a crisis communications plan is first understanding your organization. Why? Because unless you truly understand your organization, you won't know whom you'll need to address, what message you will want to communicate nor will you be able to assess the impact of a crisis on your organization" (Dougherty, 3).

Companies that have gone through the processes outlined by Gray, Ind, Chajet and Garbett will know who they are. By developing a clear mission and identity and projecting these to their audiences they will already have a solid image which can better withstand crisis circumstances.

Dougherty uses his book as an outline for complete crisis response. He highlights what to do before, during and after a crisis has occurred.

Dougherty's outline will be utilized in Chapter 4 of this thesis to develop

a plan for The Franciscan Sisters of Mary.

The outline is as follows:

I. Before The Crisis:
A. Know the organization:
- start with the mission statement
- be aware of corporate "skeletons in the closet"
- conduct an audit –
  - review files and memos
  - view news clips and releases
  - interview key management
  - understand your strengths and weaknesses
- seek out and label areas that are vulnerable to crisis
- ask questions about a possible crisis, i.e. –
  - how might it escalate?
  - what are the short and long-term effects?
  - how much media attention will there be?
  Examples of Potential Crises:
  - Involvement in a government investigation
  - Product failure leading to injury or death
  - Labor strife
  - Fire, earthquake or other natural disaster
  - Product contamination
- Go through list of potential crises and rate each 1-10
- Develop a chart:
  Crisis Type    Vulnerability    Priority    Action
B. Form the crisis team:
- Members should include:    CEO
                             Director of PR
                             Sales/Marketing Rep
                             Key Management
- Keep the task force small to make decisions easier
- Provide extra compensation for members
- Give each team member a specific task
- Search for self-starters who seek out information

- Call periodic meetings and perform practice drills

C. Select the key publics:
- Potential: board members, community leaders, customers, shareholders, the media
- Divide the various publics
  - Enabling: possess power and authority while controlling an organization's resources
    i.e. - regulatory agencies, civic leaders
  - Functional: employees, unions and consumers. they provide labor and utilize an organization's products
  - Normative: group tied to an organization by shared values or similar problems
    i.e. - trade associations
  - Diffused: directly linked to the organization
    i.e. - the press and local citizens
    (Dougherty, 15)
- Develop a list of communication channels including:

| News conferences | Interoffice memos |
| Press releases | Company newsletters |
| Personal visits | E-mail |
| Phone calls | Faxes |

- Match target publics with effective communication channels

D. Outline key messages:
- Determine what you want the public to hear (positive)
  - Safety record
  - Product benefits
  - Research advances made
- Plan key messages for each public
  i.e. - give your shareholders immediate feedback on financial concerns

E. Gain company support for the plan:
- Get the backing of the CEO and top management first!
- Get a personnel backup system started.

F. Develop external support:
- Nurture the media as allies

- Stage a drill
- Pay special attention to community leaders

G. Train the spokesperson:
- Choose someone capable of portraying a positive image in any given circumstance
- Get management authority for the spokesperson
- Assess the knowledge of the spokesperson
- Try to get the CEO to act as spokesperson
- Start training by asking questions posed by other employees - note brevity and knowledge
- Teach the spokesperson to answer with only known facts
- Develop a list of "worst possible" questions for drills
- Prepare spokesperson for interviews (*60 Minutes* style)

H. Structure the command post:
- Make sure the command post facilitates the three most necessary elements of effective crisis communication:  – containing the crisis
  – maintaining control of the information
  – speaking with one voice
- Choose an adequate space
- Make sure the spokesperson has a good backdrop
- Have tables and chairs and plenty of electrical outlets
- Arrange to have enough phone lines available
- Train the receptionist to handle the additional pressure

II. During The Crisis:

A. Handle the immediate needs:
- Bring the situation under control and gather facts

B. Notify key publics:
- Use messages prepared as part of your plan
- Open the communication process

C. Work the press:
- Give them names and get theirs
- Know their deadlines
- Learn their format
- Release information as soon as possible to keep speculation to a minimum
- Never say "no comment" or "off the record"

- Try to remain unemotional
- When it's over, re-evaluate your media relations

D.  Track public opinion:
- As the crisis proceeds - continually monitor reporting public presentation of all information.
  - Ways to Track:
    - Telephone surveys
    - Mail logs
    - Media
    - Press clippings

III. After the Crisis:
A.  Critique and Evaluate:
- Make sure the crisis is truly over
- Ask tough questions and be truthful in responses

B.  Get on with business!

Dougherty's crisis outline is effective for all types of businesses. He outlines each step clearly and makes his point by citing several case studies for examples. His book illustrates the need for a crisis plan in no uncertain terms.

*Other Works Consulted*

Many other works were consulted in the formulation of this thesis. These works, including four other Masters' Theses by Lindenwood students, were used for general background information, rather than direct quotes or analysis. The sentiments of the authors previously highlighted were echoed in each thesis studied to some extent.

Works consulted by Srs. Mary Ellen Lewis, Mary Teresa Noth and Donna Marie Steinman were used for historical data on the Franciscan Sisters of Mary Congregation.  The sisters descriptions of life as a reli-

gious congregation provided a detailed framework for the analysis.

Works by Wally Olins, Marion Sobol and Harold Marquis tended to focus on analytical information pertaining to image in relation to other business functions. Each of these authors placed an emphasis on the corporate image as it relates to products. These works were used for their overall contribution to image study, rather than their direct notations.

The definitions and explanations of key terms like image, identity and crisis communication by the authors analyzed in this chapter and those consulted, but not directly quoted or analyzed, are all strikingly similar and yet each uses a somewhat varied approach toward the development of each. While the authors analyzed used a somewhat formulaic approach, the authors consulted but not directly quoted seemed to focus more on the strategical approach. The common thread, I think, is that all the authors utilize the same tools, blueprints and raw material but each builds a slightly different structure. Such is the case for corporations. What one company uses to build their image and identity might be the same as what another one uses but the resulting products will be very different. In the following chapters I will utilize the tools and blueprints presented previously to mold the raw material of The Franciscan Sisters of Mary into workable image building and crisis communications plans.

# Chapter 3

## Image & Identity Analysis of The Franciscan Sisters of Mary

The current image of the Franciscan Sisters of Mary can best be assessed by using the following survey. It is a good tool to measure the corporate image of any company. I filled out the survey based on my experience in the Public Relations office over the past years.

### The Image Survey (Gray, 144-150)

#### *Your Corporate Image*

1.  Overall, are you dissatisfied with your present corporate image?   Yes

2.  Do you employ a firm to:
    A. Design your logos:   No
    B. Promote your image:   No
    C. Develop promotional literature:   No

3.  Have you established clear objectives about what you want your image to convey?   No

4.  Have you set reasonable budget limitations to promote your image?   No

5.  Does everyone in your organization approve of, understand, and support your present image?   No

6.  Does your corporation set specific social goals in addition to corporate goals?   Yes

7.  Have you determined who your important publics are?   No

8.  Are you comfortable with the public view of your corporate image?   No

9.  Does your organization re-evaluate its image periodically to make sure it is still on the right track?   No

#### *Your Corporate Name*

1.  Does your corporate name reflect your organization's products or services?   Yes

2.  Is the name easy to pronounce and understand on the phone?   No

3.  Is the name easy to spell?   No

4. Does the name look good on stationery, signs and other appropriate symbols?     Yes

5. Does the name look good with its logo?     Yes

6. Does the name reflect the geographic areas where your corporation operates?     No

7. Is the name free of racial, ethnic or sexual bias?     Yes

8. Is the name free of confusion with other corporate names?     Yes

9. Does the name convey success?     Yes

10. Does the name have distinction?     Yes

11. Is the name short and simple enough to be understood?     Yes

12. Has the name been registered?     Yes

### Your Corporate Logo

1. Does you logo look:
   - Upbeat     Yes
   - Contemporary     Yes
   - Flexible     Yes
   - Dynamic     Yes



The temporary logo - more details to follow

2. Does the logo reflect the product or service you sell?     Yes

3. Does it show imagination?     Yes

4. Does the logo show the geographic scope of your business?     No

5. Is it easy to remember?     Yes

6. Is it appealing?     Yes

7. Does it give rise to positive emotions?     Yes

8. Does your logo show up well:
   - in black and white newsprint?     Yes
   - in full color?     Yes
   - on signs?     Yes
   - in promotional literature?     Yes

### Your Corporate Management

1. Does management promote your corporate image?     Yes

2. Does management send clear signals about economic and social corporate goals to:
   - employees?     No
   - the community?     Yes
   - consumers?     No

3. Are managers professional in dealing with:

|  |  |  |
|---|---|---|
|  | – employees? | Yes |
|  | – the community? | Yes |
|  | – consumers? | Yes |
| 4. | Do managers know about and fully use media sources to promote corporate image? | No |
| 5. | Are your corporate leaders and managers active in: |  |
|  | – professional associations? | Yes |
|  | – community social and civic groups? | Yes |
|  | – political and governmental affairs? | No |
|  | – other organizations which help promote image? | Yes |
| 6. | Does management attempt to help employees understand their jobs as part of the total corporate mission? | No |
| 7. | Does your company finance outside training and education? | Yes |
| 8. | Does your company bring experts, consultants, trainers and speakers in-house to address or work with employees? | No |
| 9. | Are yardsticks in place to select corporate spokespersons? | No |
| 10. | Does management support quality in product and service offerings? | Yes |

## Your Corporate Communications Office

|  |  |  |
|---|---|---|
| 1. | Does your organization maintain a central communications or media office? | Yes |
| 2. | Is the office well staffed with a manager, writers, clerical support and spokespersons? | Yes |
| 3. | Does it handle media such as: |  |
|  | – press releases? | Yes |
|  | – news conferences? | Yes |
|  | – promotional literature? | Yes |
|  | – approving interviews to the press? | No |
| 4. | Is newsworthy information fed into this office through an established network? | Yes |
| 5. | Are lines of communication open between this office and: |  |
|  | – state and local corporate officers? | Yes |
|  | – community organizations? | Yes |
| 6. | Is this media office prepared or can it respond quickly to crisis situations? | No |
| 7. | Does the media office handle the press openly, honestly and consistently? | No |

8.  Can your media office personnel handle live television
    conferences, briefings or interviews?                              No
9.  Do stories or information clear the media office so that a
    single and consistent viewpoint is related to the media?           Yes
10. Does your media office maintain up-to-date information?             No
11. Does your communications office actively seek contact with
    the local media?                                                   Yes
12. Does your communications office keep the local media
    informed?                                                          Yes
13. Does your communications office maintain a conference room
    or area for media events, especially press conferences?            No
14. Do your communications office personnel provide the
    media with supplemental material as needed?                        Yes
15. Are your spokespersons well prepared to appear on t.v.?            No
16. Have they received any media training?                             No
17. Do spokespersons consistently relay a basic and consistent
    message?                                                           No

### Corporate Employees

1.  Do your corporate objectives encourage interaction between
    management and employees?                                          No
2.  Does your organization promote communications through
    media such as employee newsletters?                                Yes
3.  Does your organization insist that management maintain
    an open-door policy and remain accessible to employees?            No
4.  Does your organization keep employees informed about
    objectives, plans, policies and procedures?                        No
5.  Does your organization encourage feedback and suggestions?        No
6.  Does your organization respond quickly and decisively to
    safety and health hazards?                                         Yes
7.  Is your organization honest and open with employees
    about sensitive and controversial issues?                          Yes
8.  Does your organization communicate important events and
    decisions to employees?                                            Yes
9.  Does your organization urge innovation and creativity
    among employees?                                                   Yes
10. Would you describe overall labor/management relations
    as healthy?                                                        Yes

11. Does your organization provide or sponsor training programs for employees?     Yes

12. Does your organization reward employees for meritorious service related either to work or community activities?     No

13. Does your organization maintain a new employee orientation program?     No

14. Does your organization communicate its fair labor practices to employees and the community?     No

15. Does your organization offer stock options, profit sharing or other benefits to employees?     Yes

16. Does your organization have competitive salaries and benefits?     Yes

## *Community Relations*

1. Is your organization involved in conservation of community natural resources?     Yes

2. Overall, do your organization's policies and practices promote sound community relations?     Yes

3. Is your organization sensitive to community concerns?     Yes

4. Has your organization established sound relations with local and state government leaders?     Yes

5. Does your organization maintain channels of communication with the community?     Yes

6. Does your organization hold annual open houses to encourage community members to become acquainted with your facilities, products and services?     No

7. Does your organization patronize local merchants?     Yes

8. Does your organization sponsor charitable works?     Yes

9. Are your corporate leaders involved in civic and social organizations?     Yes

10. Does your organization encourage employees and corporate leaders to participate in community volunteer programs?     Yes

*Score Card for The Franciscan Sisters of Mary*

| | Positive (Yes) Answers | Negative (No) Answers | Total Responses |
|---|---|---|---|
| Overall Image: | 2 | 7 | 9 |
| Corporate Name: | 9 | 3 | 12 |
| Corporate Logo: | 11 | 1 | 12 |
| Management: | 10 | 7 | 17 |
| Communications Office: | 12 | 9 | 17 |
| Employees: | 9 | 7 | 16 |
| Community Relations: | 9 | 1 | 10 |

According to Gray, this grading system will enable corporations to analyze the areas where their image needs the most work. By taking this survey for the Franciscan Sisters of Mary, however, I learned that you can't always trust statistical results. This survey, although a good tool to begin analysis is not complete for our purposes. Some modification would need to be made for a more accurate picture of our corporate image. It would appear from the numbers above that the Franciscan Sisters of Mary have relatively few image problems and yet by working here for almost two years, I know this not to be the case. Perhaps the problem lies in the fact that a convent is very different from an average business. Not only do you have the publics that most businesses have, investors, community, etc.; but you also have a very large audience among the member sisters and the Archdiocese of St. Louis. This particular audience is very different from general public audience. They are

more concerned with the spiritual direction of the congregation than the image the congregation puts forth. The focus of the Franciscan Sisters of Mary for the past several years has been on internal relations among the sisters. Because the reunification was such a monumental event in the lives of both congregations, much time was needed to smooth the waters for everyone.

As I stated before, the Sisters of St. Francis were the proverbial "red-headed stepchild" of the original Sisters of St. Mary congregation. When Mother Augustine Giesen decided to separate from the Sisters of St. Mary in 1892, much animosity was created. The sisters who left with Mother Augustine distinguished themselves from their old order by several changes in the habit, most notably, changing the red cincture to the traditional white Franciscan cord. They focused their life on the rule and spirit of St. Francis of Assisi (Steinman, 7).

Both congregations continued their separate but similar missions for a number of years. They each helped to found hospitals throughout Missouri and eventually branched out to found hospitals in Illinois, Wisconsin, South Carolina and Oklahoma.

In the 1970's the Sisters of St. Mary established a growth committee aimed at expanding the influence of the congregation in spite of diminishing membership. This growth process led the sisters to explore reunification with the Sisters of St. Francis. In 1972, the Sisters of St. Mary extended the invitation to participate in a conjoined celebration of their Centenary to the Sisters of St. Francis. This was the first step toward reuniting the two congregations. In 1980 the Sisters of St. Mary and the

Sisters of St. Francis surveyed their memberships to determine the favorability of reunification. These surveys led to a discernment process that lasted four years. Ninety-five percent of the congregations favored reunion and in 1985 it was unanimously resolved to petition Rome for an Indult of Reunification. Six months later the Decree approving reunification arrived, dated January 20, 1986 (Steinman, 26).

The reunification was a positive step for both congregations because it enabled them to increase their membership and extend their influence throughout the many hospitals and care facilities they operated. The Sisters of St. Francis began to join committees and task forces operated by the Sisters of St. Mary and vice versa. This led the congregations toward a better understanding and acceptance of one another. A congregational leadership team was also formed to guide the two congregations into their now united future. This leadership team still governs the congregation today and is made up of the General Superior and four counselors who are each responsible for the various aspects of congregational business.

The process of reunification was a long one. Although steps were taken to ensure the comfort of each congregation with the other, problems did crop up. The most fierce battle took place over the name. Each congregation held on tightly to their old name. Sisters who had spent their entire lives as OSF's or SSM's were now told they would become FSM's. Naturally, this required a lot of soul searching. Imagine being something all your life and then suddenly, you are not that anymore. The sisters used their names as part of their individual identities. They *became*

Sisters of St. Francis and Sisters of Mary. They used these names to define themselves to themselves and to others. In a sense, it was their identity and image wrapped up in three little letters. To this day, even though the reunification took place almost 10 years ago, some sisters still use their old letters when signing papers and writing letters.

Another problem caused by the reunification was also highlighted through Gray's image survey. I'm speaking about the corporate logo. The logo depicted on page 48 of this thesis is not the *official* logo of the congregation. It has been used by the public relations office for almost two years on promotional literature but it does not have the approval of the congregational leadership. The need for a corporate logo is well known by the leadership team. Committees have been formed over the years to try to develop a corporate logo and several suggestions have been made and rejected. The need for a logo has become more and more important in recent years as the congregation searches further and further beyond its membership for support.

Although the need for a corporate logo is well known by the leadership team and the general congregation as well, it remains a back burner issue.

Today's religious congregations deal with numerous problems, many of which stem from outdated images. These include:

1) *Decline in financial support.* As more and more charities are established it becomes much more difficult for nonprofit agencies like The Franciscan Sisters of Mary to compete for the donations. Also, today's economy is forcing many Americans to stop charitable contributions

all together and those that do donate often have "pet" charities.

2) *Decline in recruitment.* It is becoming increasingly difficult for religious congregations to recruit new members. In the early days, women who chose to leave the home for careers had only a few options, one being the sisterhood. Nowadays, career opportunities for women are virtually limitless. No longer forced into making the decision to be a homemaker, teacher or nun - women are avoiding these careers in favor of higher wage positions.

3) *Increase in membership age.* As the congregation continues to "gray," (median age for our membership is 77) the struggle to maintain care for our elderly sisters increases. Without new members taking the place of retired and deceased sisters, the congregation faces the very real possibility of extinction in the future.

All of these problems could spell disaster for religious congregations like The Franciscan Sisters of Mary. Perhaps the development of a new and more vibrant identity and image could alleviate some of these problem areas. It isn't enough to just do good work anymore. Today's religious congregations need to aggressively market themselves to their desired audiences if they are to remain active in the future.

# Chapter 4

**Crisis Communications Plan for The Franciscan Sisters of Mary**

*I. Before The Crisis:*

A:  Know the Organization

This step requires little or no effort because the members of the crisis response team are primarily FSM's. They not only work for the company, they are the company. It is who they are, their history, their background. They know this as well as they know themselves.

B:  Form the Crisis Team

1. S. Irma Kennebeck, General Superior
2. S. Jacinta Elmendorf, Councilor
3. S. Constance Fahey, Councilor
4. S. Jeanne Meurer, Councilor
5. S. Mary Joan Meyer, Councilor
6. Judith Schaper, Public Relations Director
7. Bernard C. Huger, Legal Counsel

C:  Select the Key Publics

1. The sisters
2. The friends and relatives of the sisters
3. The media
4. The Archdiocese of St. Louis
5. Donors to The Franciscan Sisters of Mary
6. Employees
7. The Catholic Community

8. The SSM Health Care System

9. The general public

C-1: Assign Responsibilities of the Crisis Team in Relation to The Key Publics

| Public to be Addressed | Primary Crisis Team Reporter |
| --- | --- |
| Sisters | General Superior |
| Friends & Relatives | Councilor |
| Archdiocese of St. Louis | General Superior |
| Donors | Councilor |
| Employees | Councilor |
| Media | General Superior & Public Relations Director |
| SSMHCS | General Superior |
| General Public | General Superior |
| Catholic Community | General Superior |

D: Outline Key Messages (Positioning Statements)

Begin with questions like:

- How has our organization helped the community?
- What are some of our greatest accomplishments?
- What have we done to prevent this crisis?

Some Key Messages:

* The Franciscan Sisters of Mary sponsors the SSM Health Care System, Almost Home and women in various ministries throughout the United States and in Brazil and South Africa.

* We continue to be the very loving, healing compassionate presence of Jesus Christ among his people.

* "The Declaration of Nonviolence:

We, the Franciscan Sisters of Mary, live the gospel call to love one another, choosing to be the compassionate, healing presence of Jesus to all, in recognition of the dignity afforded the children of God. We value the sacredness of life and respect the dignity and freedom of each person. We accept the challenge of the poor calling us to conversion, service and solidarity, we choose an option for the poor knowing full well it requires changes in unjust political, economic and social structure. We dedicate ourselves to heal the wounded and make decisions in light of what our choices will do to, for and with our brothers and sisters who are poor and marginalized, especially women and children. We respect, appreciate and live in harmony with creation and direct our actions to preserve the earth. We further commit ourselves to take corporate and public stands to effect systemic change for the common good based on our deeply-held belief that love of neighbor and justice cannot be separated. We join others who are working for peace and justice. We commit ourselves to:

* promote the sacredness of life through all its stages and expressions;

* support legislation to curtail the availability of weapons; oppose military aggression and the continued build-up of nuclear weapons and promote economic conversion;

* support legislation and other advocacy efforts which provide protection, safety, financial assistance to survivors of domestic violence and child abuse;

* speak out against the use and glorification of violence in our

media and culture;

* work for just and human solution in criminal justice and oppose the death penalty;

* reverse the waste and destruction of our natural environment."

(This statement could be broken down into several different positioning statements to suit various crisis situations.)

E: Train the Spokesperson

The spokesperson for The Franciscan Sisters of Mary will be Sister Irma Kennebeck. She is the General Superior of the congregation and is responsible for its spiritual and economic growth. In the unlikely event that Sister Kennebeck is indisposed at the time of a crisis, Sister Constance Fahey will be the back-up spokesperson.

In order to effectively train the spokesperson, key facts and bits of information about the congregation must be gathered. These include historical notes as well as current communications. These should provide the spokesperson with a firm basis from which key messages and positive statements can be extracted.

The key to effective spokesmanship in the event of a crisis is to maintain calm while disseminating accurate information in a positive light.

The spokesperson should be thoroughly equipped to handle the toughest questions without coming apart at the seams. They must be like a duck; calm above the water, paddling furiously beneath it. Training questions should be fielded from the various key publics and they should be rehearsed until the answers flow like casual conversation. The words

"no comment" should never be uttered by the spokesperson. Instead she will be trained to steer questions toward positive, rehearsed answers. If the spokesperson truly does not know the answer, she should find someone who does and relay the information to the interviewer as soon as possible.

The spokesperson's actions may speak louder than her actual words, therefore training in proper dress and body language is a must. Does the spokesperson exude confidence by making frequent eye contact and sweeping gestures or do they appear timid and small, hiding behind a huge podium? These actions will speak volumes before the spokesperson ever opens her mouth and they should be scrutinized down to the most minute detail before the camera crews arrive.

The spokesperson must be polite and knowledgeable, accessible and frank, courteous and trustworthy. If all these qualities are present, the spokesperson will put The Franciscan Sisters of Mary in a positive light, despite the crisis swelling around it.

F:  Structure the Command Post

The command post for The Franciscan Sisters of Mary will be Berger Hall. This is a small auditorium located at St. Mary of the Angels Convent in Richmond Heights. This is a good site because the room is large enough to handle a press conference and is easily accessible. There are several electrical outlets and phone jacks could be easily installed. The room also features a stage that would lend itself well to a press conference.

II.    *During The Crisis:*

    A:  Handle Immediate Needs –

- A log will be kept by the Public Relations Director. This will include minute by minute reporting on the situation as well as press inquiries and other pertinent data. (Legal Counsel will be attained for this requirement.)

- Information will be collected about the situation. Leadership councilors will be primarily responsible for this.

- Investigate and curtail rumors. Once again, Leadership councilors will play a major role in this area. They can best assess where rumors are starting and how to stop them before they are out of control.

- As information comes in, it will be up to the General Superior and the rest of the Leadership Team to confirm the facts and plan the best response.

- The Public Relations Director will be responsible for keeping track of all necessary information, making sure that nothing is inadvertently misplaced or destroyed. The PR Director will supply the spokesperson with a summation of all known facts as the crisis develops.

    B:  Notify Key Publics

The publics for The Franciscan Sisters of Mary, as outlined in Step I-C will be notified in the following order:

        1   The Crisis Team

        2   Sisters

        3   Archdiocese of St. Louis

        4   Friends & Relatives of the Sisters

        5   Employees

6 The Catholic Community

7 The media

8 Donors

9 SSM Health Care System

10 The General Public

C: Respond to Questions from the Key Publics

As stated earlier, truthfulness is key. Also, the messages must match the audience. The Archdiocese will want to know something totally different than the General Public. The spokesperson must tailor her messages to the audience's concerns.

The media will probably be the most questioning of all the audiences. Proper rehearsal for the spokesperson along with the facts should help avoid problems here.

D: Track Public Opinion

As the crisis proceeds, careful review of all "press" should be given. Study all articles written and interviews given. What message is the audience receiving? Perhaps a phone poll would be helpful in gauging public opinion. If the opinion and perception of the audience does not match the messages you think you are sending, re-evaluation of the messages and the media they are being carried in is warranted.

F: Rumor Control

Monitoring of all news reports and press clippings pertaining to the crisis will be handled by the Public Relations Director. Any false statements will immediately be addressed in the most appropriate media.

III.    After The Crisis:

A: Evaluate

Study all efforts and determine what worked and what didn't. Redesign pieces that didn't work to make them more effective. Write a summation article highlighting the good messages about The Franciscan Sisters of Mary and stressing that the crisis is past. Submit the article to all audiences and media that carried information about us during the crisis. A good follow-up piece could help put the audiences' minds at ease. Examine the log book kept during the crisis to get an accurate, fact-based picture of the crisis. During the crisis, it is often hard to keep a level head. The fact book should be an objective witness to refer back to when analyzing all the steps taken.

B: Get on With Business

Put the situation behind you. Strive to improve all areas that were shown to be lacking during the crisis. Learn from the experience but don't dwell on it. Prepare for the next crisis.

## Image Building for The Franciscan Sisters of Mary

I. Determine Who We Are –

- We are a congregation of women religious within the Roman Catholic Church.
- We are sponsors of the nationwide health care network known as the SSM Health Care System, which operates acute care hospitals, a rehabilitation institute, long-term and residential care facilities, hospices, ambulatory care centers, home health agencies, health programs, professional office buildings, shared services and other health-related businesses.
- We are nurses, doctors, caregivers, counselors, therapists, beauticians, public relations directors and CEO's. We are professionals in our fields.

II. What do we want our audiences to know about us?

- We have two hundred and fifty vowed members.
- We are highly skilled professionals in various fields.
- We are highly educated.
- We sponsor the SSM Health Care System, but we do not run it.
- We are advocates for Peace & Justice, the poor and the powerless.
- We are committed to carrying on the charism of our Foundress, Odilia Berger, to be the very loving, compassionate healing presence of Jesus Christ.
- We are a vibrant group of women bonded together in the

name of Jesus Christ.

- We are in search of new members who are committed to our ideals.
- We welcome and seek out community support.
- We welcome and seek out financial support.

III. What tools do we use to get these messages out?

- The Press Kit –

A press kit for The Franciscan Sisters of Mary has never been developed. This is a long overdue piece of media that could be very effective in promoting our messages. The press kit should include the following pieces:

- The media guide to all key personnel
- The fact sheet about the congregation
- The source list – sisters and their areas of specialty
  Sisters could be used as sources for articles on a wide array of topics
- Ministry descriptions –

| | | |
|---|---|---|
| Almost Home | – transitional housing for women and children who are homeless | |
| SSM | – nationwide health care network | |
| Brazil & South Africa | – what our sisters are doing there | |

- Feature Stories –

Written in-house by the Public Relations office or the sisters, these stories could put a human face on the situations faced by our sisters each day. Powerful stories from our hospice sisters or some of our retired sisters' recollections on the changing times could be pitched to interested parties like the Catholic newspapers and Suburban Journals.

Fact based stories should be pitched to larger urban newspapers like the St. Louis Post-Dispatch. This could include stories like the horrors faced by some of our nursing sisters in light of the rising tide of violence on America's streets.

- Open House –

Invitations could be sent to influential members of our key audiences for tours of our Motherhouse in St. Louis. Volunteer sisters could offer to let audience members, particularly the media, "shadow" them on a typical day. The image of the nun in the long black habit is no longer the reality. Today, many of our sisters wear traditional clothing. By inviting the audience in, some of the mystique surrounding our community could be lifted, thereby abolishing old stereotypes.

- Employee Appreciation –

Our employees are one of our most crucial audiences. We rely on them to keep our daily operations running smoothly. Holding an employee appreciation day every six months would be most welcomed. Employees should be treated like royalty on these days. Perhaps even a half day of vacation could be granted once in a while.

- FSM Magazine –

Continue to develop the FSM Magazine as a public relations tool. Use it as a vehicle for promoting sisters in their ministries.

- Enlist Employees as Ambassadors –

Encourage employees to "talk up" The Franciscan Sisters of Mary and the good work they do. Sisters also should work on this area. We should be proud of who we are and where we work. This organization helps communities and neighborhoods throughout the world. We shouldn't be ashamed to brag about ourselves - to everyone!

- Press Releases –

Announcing our sisters who win awards

Announcing sisters who are celebrating jubilees

Announcing the addition of new sisters and staff

Announcing major gifts to the congregation

etc.

- Fund Raising –

Direct Mail – soliciting to our previous & prospective donors

Bequests – seek out memorials among our loyal supporters

Special Events – Golf Tournaments, auctions, etc.

- Community Relations –

By becoming even more involved in community affairs and programs, word about The Franciscan Sisters of Mary will be easily spread. Sisters who are committed to promoting nonviolence toward our Earth

could join an organization like the Sierra Club. Sisters could sign on to volunteer in community programs like D.A.R.E. which helps kids to resist the temptations of drugs and violence. Sisters could volunteer as speakers for local groups.

- Lay Ministers –

By developing a network of committed, not vowed, members in the community, the mission of The Franciscan Sisters of Mary could be presented to all new audiences. Lay members, called associates by our congregation, serve as a link between the congregation and the community. They are members of both, like the sisters, and they are able to help the sisters advance their mission among their neighbors, friends and families. By stressing the level of involvement of our associates, new associates may be found. There are many individuals who are willing to join a religious organization if they are not made to conform to their strict vows. Lay ministry is the answer. If offers the best of both worlds.

- Unity –

The congregational newsletter should be utilized to disseminate vital information to the sisters on a timely basis. By using this well-read medium, the leadership team could communicate with the membership in an organized fashion. The newsletter should also be a medium for all sisters to communicate with one another.

- Logo Development –

A logo for the congregation must be developed. The corporate logo is the first link to our audiences. A strong logo will say who we are without any words and it will enable us to present a unified image to each of our audiences.

- SSM Health Care System –

The need to separate ourselves from the Health System is becoming more and more apparent as time goes by. This is true because of our increasing need for community support. There seems to be a widely held misconception that our congregation, by sponsoring the SSM Health Care System is also a partner in its profits. This notion has caused many donors to give to other "seemingly" less fortunate congregations. The Franciscan Sisters of Mary merely sit on the Board of Governors for the Health Care System and have no part in the day to day operations. We do not garner any profits from the system. There is an immediate need to differentiate ourselves from the System.

Some suggestions for Differentiation:

- Direct mail piece explaining our involvement in the SSM Health Care System.
  - Volunteer speakers to inform civic groups of our congregation and its missions.
  - Employee Ambassadors – encourage employees of the System and the congregation to talk about their employer with others stressing that they are independent of one another although they are linked by a bond of spirituality.

If the above suggestions for an identity program are implemented, perhaps the Franciscan Sisters of Mary will succeed in furthering the word about its missions while gaining the loyal support they need to survive.

# Chapter 5

## Discussion

Throughout the past year that I have spent working on this project I have learned many things that I am sure will enable me to further my career. The idea of corporate image and corporate identity, once so foreign and mysterious to me, now are familiar terms that have meaning. The necessity of strong images and identities has been determined through research and evaluation of case studies concerning corporate crises.

In this day and age, as companies become more and more vulnerable to hostile takeovers, employee dissatisfaction, harassments and other difficulties, the need for each company to have a solid plan to fall back on is more apparent. Those companies that have these plans in place are the ones most likely to survive the troublesome times that may lie ahead.

Not all companies are taking the hint, however. The number of companies that do not have solid communications and image plans is startling. Although many managers see these needs as real, they are slow to act on something that they may never need. Instead, they are more concerned with today's profits, rather than tomorrow's crises.

This methodology is bound to "burn" someone in the end. Exxon Corporation, for example, had no real plan of action in case of an emergency like the Valdez oil spill. The company's slow reaction caused many negative feelings and has hurt the company over the long-term. The lack of action by Exxon's managers created a negative image for Exxon, one

that it is still trying to right some 5 years later.

The effects of a negative image are long-reaching. The company that carries a negative image may do so for many years, even after it has taken steps to correct the problems. It takes many years of solid communication to establish a positive image - and only minutes to destroy one. Constant effort must be put forth by everyone involved in the company's future to maintain and project a positive corporate image.

When a crisis does occur, it is up to everyone within the company to pull together and work toward the common goal: preserving image. Judith Schaper, Director of Public Relations and Development for the Franciscan Sisters of Mary has been a strong advocate for developing communications and image building plans. She says, "It is imperative that the Franciscan Sisters of Mary have a clearly defined image and a plan in place to maintain and preserve that image in time of crisis. As stated in the department's strategic plan, the goal of the Public Relations/Development office is 'to convey the vibrant image of the Franciscan Sisters of Mary in accordance with the vision and mission of the congregation and to provide our constituents the opportunity to share in our vision and mission.' One of the objectives is 'to maintain a crisis plan so as to be ready to implement immediately in a time of crisis.'"

Schaper goes on to add that , "it is a concern not only for the Franciscan Sisters of Mary but to women religious [sic] as a whole to dispel ancient myths of women religious and project the image of religious women as they are today – vibrant women who dare to fill society's

needs when no one else will." 

Schaper's point is well taken. As demonstrated throughout this thesis, the image of a corporation is its lifeline to the future. When a positive image is held and projected, future growth and success are more certain.

### Future Concerns for The Franciscan Sisters of Mary

The Franciscan Sisters of Mary have taken many positive steps toward furthering its image with their various audiences. Solid communications and image building plans would greatly help the congregation in the long run. By implementing some of the suggestions for image and communication enhancement, the Franciscan Sisters of Mary could increase awareness and gain support. I also suggest that the sisters form some task forces to come up with more suggestions for image building. They may be able to think of many ideas that would be helpful.

The first priority for the congregation should be the crisis communications plan. With the change in Leadership coming in late April, having a solid plan on the shelf for the new leadership is essential. The change in leadership may also affect the way that the image is portrayed. Each leadership team brings a new flavor to the congregation. Each is unique and each leaves an indelible mark on the rest of the membership. The change is good – it keeps things fresh, but it cannot and should not be used as an excuse for remaining complacent about communications and image.

When the new leadership team takes over, their first priority

should be to begin chipping away at the misconceived notions about our image and replacing these with the proper ones. By starting out strong to build and develop corporate communications and image, the future of the congregation will be looking brighter every day.

dial actions. But the foundation for the company's action had already been in place far earlier, giving the company a starting place to act promptly and with direction to minimize the adverse effects of the crisis. By avoiding the necessity of formulating an impromptu crisis-management philosophy to handle the situation, J&J preserved its positive corporate image.

## Tragedy Strikes

In 1982, an unknown criminal laced Tylenol capsules with cyanide, thus killing seven people in the Chicago area in one night. J&J was thrown without warning into the incredible situation of coping with a crisis for which U.S. corporate history offered no precedent. J&J management, because of its belief in and understanding of the corporate credo, knew precisely what had to be done to protect the public. It was crisis management at its best. This credo is as follows:

We believe our first responsibility is to the doctors, nurses and patients, to mothers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement of those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens–support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

— Johnson & Johnson

After learning of the Chicago area poisonings on September 30, 1982, J&J management took immediate steps to notify the Food and Drug Administration. The company also recalled the product in thirty-one states, suspended all advertising of Tylenol, cleared Chicago area drugstores of the product, alerted the medical community by contacting them with 450,000 mailgrams, set up special telephone lines and informed the media.

Initial events in the tragedy continued to unfold. The product recall uncovered seventy-five contaminated capsules in eight bottles. Thirty-one million bottles were destroyed, eight million were tested. Copycat crimes in late October complicated the tragedy as attempts to exploit the crime were repeated across the country. By early October, capsule production was halted completely and a $100,000 reward was posted. Throughout October, additional steps were taken. The World Health Organization alerted suppliers around the world to protect overseas markets, and sixty-four government drug regulatory agencies became

involved.

J&J employees were immediately informed and volunteer employees at McNeil Consumer Products Company, makers of Tylenol were trained to handle calls from concerned consumers. Executive briefings were held periodically throughout the crisis.

Press queries, normally ranging from 700 to 800 per year, swelled to 2,000 in October alone. A press log was kept throughout the tragedy.

### The Road Back

To understand how pervasive the tragedy had become, J&J hired the Compton Agency to perform a seven-week survey that included approximately 7,000 interviews. The findings showed that 90% of the population knew of the tragedy. And, importantly, a significant 90% of the population felt that J&J was not to blame and had acted in the public interest.

The recovery plan was launched in early November, 1982, soon after the senseless tragedy occurred. A national sales relaunch meeting took place. The company mobilized 2,250 sales people and made one million personal calls on all facets of the health delivery system that used or sold Tylenol, from physicians, nurses and hospitals to drug and food outlets.

A video news conference was attended by some 600 reporters representing 30 cities. During the conference, toll-free numbers were flashed on the screen and 430,000 consumers called to ask for coupons to repurchase Tylenol. Approximately 80 million coupons worth $2.50 each were distributed through newspaper supplements. The company also pro-

duced pamphlets and videos that summarized the tragedy for the news media. Executives also played a huge role in the recovery by appearing on all the major television news magazines including *60 Minutes, Today, Nightline* and *The McNeill-Lehrer Report.*

The results of these efforts are shown clearly in the figures. Prior to the tragedy, Tylenol was the most successful over-the-counter nonaspirin pain reliever on the market. Immediately following the poisonings,the future of Tylenol was understandably in grave doubt. But only five months later, Tylenol had recaptured 70% of its former market share. A year after the tragedy, the share climbed back to over 80%.

The Tylenol tragedy reaffirms the wisdom of having a written philosophy. Despite the enormity of the tragedy, the corporation's image as a social and cultural entity remains unblemished.

Atlantic Richfield Corporation: A Model Corporate Image Program*

The Johnson and Johnson experience demonstrates how a strong, positive image gave the company a "reservoir of good will" necessary to see it through an unprecedented crisis. Unlike crisis management, however, oil companies have long endured a negative public image and have had to develop long-term image-building programs to reverse widely held public skepticism about "big oil." The public generally regards big oil companies as entirely profit motivated—indifferent to the environment, to the needy who cannot pay high fuel costs and even to the "energy crisis" facing all Americans. While Americans are forced to conserve energy through high fuel costs, the public perceives big oil companies as failing to invest their large profits in developing new energy technologies which will alleviate the nation's future energy problems.

To reverse this persistent negative public opinion, Atlantic Richfield Company (ARCO) has taken great strides to realign its image. Through its corporate communication program which defined and conveyed a positive image, ARCO has rebuilt public confidence. The level of sophisticated know-how, as well as the dedication and enthusiasm displayed at ARCO, shaped and maintained a continuously emerging image that consumers and other publics trust.

The major factor behind ARCO's social sensitivity and action is its top executive leadership. They have a clear vision of the constructive role a large business corporation should play in American society. Communicating the company's continuing commitment to its social poli-

cies and to the social vision of its top offices has been one of ARCO's strong points. Company employee publications regularly report company decisions regarding environmental control, community affairs and employee relations.

Another major factor behind ARCO's public image has been its commitment to key issues formalized in corporate policy statements. ARCO has also established a far-reaching communication program that includes employees at all levels. They produce publications about their business for distribution to various internal and external audiences.

*Some Highlights of ARCO's Communication Program*

Consumer Affairs – ARCO has put safety and quality first.

Dealing with Dealers – ARCO service station dealers are the most immediate link between the company and the consuming public. Through personal contact and communication, ARCO has been able to maintain positive relations with the nearly 8,300 individuals who sell ARCO products.

Listening to Customers – By responding to customer complaints quickly and courteously, ARCO achieves a high level of customer satisfaction.

Internal Human Resource Management – By regarding its nearly 47,000 employees as an asset, ARCO has fostered positive relationships with one of its most important audiences. This leads to an increase in recruitment for future employees and better performance from current ones.

Looking Out For Alumni – ARCO retirees receive benefits that extend far beyond the normal pension. By taking care of former employees, ARCO has garnered even more image ambassadors.

**Environmental Programs** – Due to the nature of its business, ARCO needs to be especially concerned with this area. By developing programs which seek to protect the environment first, ARCO has established itself as a "caring" environmental neighbor.

**Community Affairs** – By developing programs to enhance communities, schools, minority businesses and encourage volunteerism, ARCO has become for many communities a solid and dependable corporate neighbor.

**Philanthropy** – Investing some of the corporate profits in charitable organizations puts ARCO in a positive light.

While up against the odds of reversing the public's negative view of "big oil," ARCO has made considerable strides toward improving public perception of the company's name. ARCO has achieved its improved image primarily through aggressive communications and through demonstration of community involvement ranging from good deeds for the disadvantaged to entering the political arena.

Fortunately, most corporations do not begin with a negative image. Nevertheless, ARCO has taken positive steps to build an image – practical steps which corporate managers should consider and can implement to improve or create image.

*\* The case studies presented in Appendices A & B are taken from:*
*<u>Managing The Corporate Image</u>*
*by James G. Gray, Jr.*

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