



**J&J Chairman James Burke
meets the Press in 1982
Saving a Wounded Brand
New Tylenol Investigation
Stirs memories of Classic
Crisis Management Case**

by Richard Earle, Regis Senior Associate

Watching recent news reports about the FBI questioning of a Cambridge MA computer programmer, based on "new evidence" in the 27-year-old Tylenol Murder case, I was instantly thrust back to September of 1982, when I was a Creative Director at Compton Advertising, Johnson & Johnson's principal agency.

The lead story on all 3 network news shows that awful evening reported that my most important product had been laced with cyanide and used as a murder weapon to kill seven people. An NBC news executive later told me that the "Tylenol Terror" garnered the most news coverage of any story since the Viet Nam War. How we all worked to manage that crisis is now studied by business schools all over the world, and I believe that the lessons learned still have relevance today.

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**Professional Coaching Secret #1
Stop Thinking!**

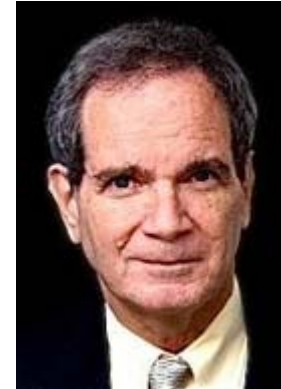
by David Basch, Regis Senior Associate and Professional Certified Coach (PCC)

Coaching is about change and how you can optimize your success in life and business. Change is the opportunity for growth and the more one grows the more successful, powerful and authentic we are. It is an ongoing process and professional coaching is a great tool to assist in the process. You can also coach yourself if you practice the tips.

All Business is Personal
All business comes down to people and relationships. That is why I say "all business is personal".

Here is professional coaching secret #1; an easy to follow exercise for making it work. One of our biggest problems is that we think. Of course we really have no choice about thinking and really can't stop thinking. But while we are thinking a strange thing is happening ...we forget that we are thinking. We have a thought and it occurs to us as reality.

Worse, we then think it is the truth. This is not effective,



**Marc Chinoy
President's Letter
Hoist Upon Our
Own Petard**

The pressures caused by the rapid downturn in the economy are being felt with differing degrees of severity around the country. While the data may still lag as to the true impact on community organizations, a sanity check of TRG clients and friends reveals the sad truth that as the economy slows down, the groups most mindful for community needs are feeling the impact most directly.

In many instances, public money is been slowed or even frozen. A range of traditional donors are also struggling with personal financial concerns and

Much of the credit for our swift and carefully crafted response must go to J&J Chairman James Burke. He immediately called his Board into non-stop session, and sent a corporate helicopter for us. A detailed crisis strategy was quickly created.

The Corporate Credo

A few years earlier, Chairman Burke had discovered a Corporate Credo, written by company founder Robert Wood Johnson. Assembled in order of importance, the first paragraph stressed that their *"first responsibility is to the doctors, nurses, and patients, . . . and all others who use our products."* Second responsibility was to employees: *"We must respect (our employees') dignity and recognize their merit."* Third, the community: *"we are responsible to the communities in which we live and work and the world community as well."*

All this took precedence over any obligation to Board, stockholders, or profits, which are finally mentioned in the last paragraph.

Burke summoned his key executives to a retreat at which they all endorsed the Credo. He then had it hung on the wall of each office. He said later that his course of action during the crisis was clearly directed by the Credo.

Full Disclosure

Right from the start, Chairman Burke insisted on full disclosure. They immediately closed the Tylenol factory, and invited the FBI in. If the FBI were to find that the company was in any way responsible (say, the act of a disgruntled employee, or some carelessness in the lab) they would fully disclose it, correct the error and get on with business. But if they got a clean bill of health (which they did) J & J could publicize that (which they did).

In the tense weeks that followed, Burke's door was always open to the press. Contrast that with the "no comment" stance of Exxon-Mobil after the Exxon-Valdez incident! He went on 60 minutes, he went on Phil Donahue. Chairman Burke was seen by the public as a deeply

especially when you are stuck on a problem or issue. Think of thinking as if it's an autonomic action- like breathing or digestion. These functions operate well without you doing a thing. Same thing with your mind, it is doing just fine, thank you, and will run its program whether you like it or not.

The Man Behind the Curtain

What I'm talking about here is the everyday stuff that rattles around in the form of the constant all-pervasive internal conversation. It is like the little man behind the curtain in the Wizard of Oz and just as he said, "Pay no attention".

Change for the Better

When people come to coaching they want to change something for the better. Fine! The way to change is to start by getting the fact that you are not having thoughts; your thoughts are having you. They are running on automatic most of the time, conditioned and formed by your past, your emotional makeup, or the proverbial time your mother dropped you on your head.

What you think is not the truth. If what you thought was the absolute truth then everyone would agree on it-like gravity. But they don't, because thoughts are just a point of view and everyone has one.

Change your Point of View

But here's the good news. You can change your point of view. When you change your point of view everything changes. What looked like a problem becomes an opportunity or just another challenge. What looked risky becomes potentially fun.

Your point of view is like the operational system in your computer. So, the question is;

have had to make 'guns or butter' decisions regarding the community service organizations that they traditionally supported.

Reassess and Re-calibrate

The result is a need for most community groups to fully reassess and re-calibrate their approach to financing immediately, even if their existing plans are only partially executed. The new planning should have not only a strong focus on recent economic shifts, but also a no-hold-barred view of the resulting competitive environment.

During normal times the Regis Associates generally recommend carrying existing (well considered) plans through to the end, if for no other reason than to benefit from the disciple and learning resulting from carrying their plans through the end.

Unfortunately, these are not usual times.

In most cases today there is a strong need to formally assess in real time the impact that the shift in general public attitudes is likely to have on the group. The result might well be a set of timely new initiatives designed to aggressively seek support from non-traditional means. In particular fresh market

concerned corporate leader, struggling to do the right thing for his customers.

Then the pundits surfaced with gloomy forecasts. "A flat prediction I'll make is that you'll not see the name Tylenol in any form within a year" pontificated adman Jerry de la Femina in the New York Times. Then he added: "If anyone can save this brand, I'll hire them, so they can change the water in our office cooler into wine!"

Recall

Overnight my group produced a full-page newspaper ad announcing the recall of all capsules, and containing a coupon for solid tablet replacements. It ran in every major paper in the country. That recall cost the company over \$100MM!

Research

I also wrote a TV spot within 24 hours of the first news bulletin, but was asked to hold it until research indicated that the public was ready for a paid message. We did a massive national research study. Some of the responses were extraordinary: "What a shame this had to happen to such a fine company!" and "if a terrorist plants a bomb in your Ford and it blows up, you don't stop buying Fords!" Obviously, our pre-incident advertising, which stressed trust, had worked.

The intent to re-purchase was also remarkably high, and 85% said it was entirely appropriate to buy time for our message. J & J was convinced.

Advertising - Finally!

I "cast" the J & J medical director, Dr. Tom Gates. He projected just the right balance of concern and outrage. We booked a "roadblock" on all 3 major networks so that virtually everyone watching TV at 9pm that evening (cable was not yet a major factor) would receive our message. I kept the language simple and sincere.

What principals of crisis survival had we learned during this experience?

1. Create a Credo

Your company should have a corporate Credo. It should be put in place now. It can be an expansion of your Mission

are you committed to staying stuck with the same old thought because you think it's the truth or are you willing to change your point of view and move on to greater success? If you want to get un-stuck, follow the professional coaching tip below.

Coaching Tip #1

Here is an easy and effective exercise to change your thinking and point of view.*

1-- Name and describe an issue or situation you have and can't seem to solve.

2-- Now turn your body around so that you are facing another direction or looking out a different window and describe the same issue but from that new point of view. See that as an alternative "truth".

3-- Do this three or four times, creating a different view and description of the same issue.

4-- Choose one of these new views that resonates best with you and adopt that new point of view as reality.

5-- Create a plan of action using the new view and treating it as the truth.

6-- Get into action. Act on the plan. You have to change your behavior in accordance with the new plan, not just talk about it. Walk the talk.

7--Track your results. I think you'll be surprised at how a shift in perspective changes how you act, which then changes the results that you produce. If nothing else it will demonstrate to you the power of your point of view and that you can choose any point of view that works. And of course you'll confuse the heck out of your boss or employees with your new,

data needs to be grabbed and assessed, and historic comparables sought out and studied.... After all, we are not the first generation in recorded history with this dilemma.

An Advantage

Done correctly and promptly a solid assessment and adjustment may actually create an advantage to those leaders willing to be out in front, taking action before they are forced to by this tough time.

Marc Paul Chinoy



BizSpeak: **Heavy Lifting**

Definition:

The act of solving (or merely coping with) very difficult decisions, complex issues, or troubled processes

Related Terms:

Lifting the Rock, Heavy Sledding, Push

How it Sounds:

"Choosing a new headquarters site proved to be HEAVY LIFTING for the human resource group"

Statement, but it must spell out your basic principles. And in this time of cynicism over corporate greed and corruption, it should be very idealistic.

2. Full Disclosure

"No comment" is a comment, and it is a negative one. Everything must be disclosed, even if the crisis is the fault of someone in your organization. You must then very publicly fix the problem, and get on with your business. If the accusations are false, (spread, say, by a competitor) you must of course refute them, simply, logically, but *never defensively*.

3. Recall

If the crisis is that one of your products has harmed people, you must *immediately* recall it and replace or refund it.

4. Research

You *must* know what the public thinks. In our case, it impacted the strategy, tone and timing of our message.

5. Advertising and Strategy

It is also very important that the public receive your message precisely as you crafted it. It must reflect your strategy as expressed in your Creative Brief. Your PR staff will have little control over the press interpretation.

Therefore, you must be prepared to spend a lot on advertising to be sure that most of your public hears *your* message, exactly as intended.

A Celebration

Our recovery strategy worked. Exactly one year later, the safety-sealed Tylenol capsule was once again the best-selling analgesic. We had a party for the J & J executives, and after we had toasted our success, we poured the left-over wine into a water-cooler jug and had it delivered to Jerry!

positive attitude and different way of thinking.

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**This exercise was created primarily by the Coaches Training Institute-(CTI) with a few tweaks by the author.*

Look for more top ten professional coaching secrets in upcoming newsletters, and soon on our web site.

Coming from Regis Global Focus

If the answer is: "How do I make a living allocating my time between business, family, and yet be an active, ethical, involved citizen at the same time," or "How does one promote change?" or even "How can we shift operational focus to a long term perspective and away from the short term?" then what was the question?

The Question was: ***"What is the most important question to be considered by businesses and community leaders today?"***

The responses above are from a Global Travel Executive, a Law Professor, and Chairman Emeritus of a large international advertising agency

Answers to these and other crucial questions are being compiled on our web site.

Check them out!

Focus on the Future

Guest Predictions: Robert Grey, Jr.

Guest Predictions is a regular feature in which we ask leaders in a number of professions questions that affect us all.

Robert Grey is a Partner with Hunton & Williams

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check out the Book.
[Click here.](#)**

in Richmond, VA. His practice focuses on administrative matters before state and federal agencies. As a long-term leader of the American Bar Association, Robert Grey, served as President (2004 -2005), was chair of the policy-making House of Delegates (1998-2000), a member of the Board of Governors, and chaired the Commission on Opportunities for Minorities in the Profession (1992-1995). As a critical part of his leadership Robert strongly emphasized the role of strategic planning in the ABA.



Robert Grey, Jr.

Q: What changes in your professional environment in the past 3-5 years have you found to be the most beneficial?

A: Managing information:

- Relevancy, accuracy, forecasting
- Action v. reaction

Empowering employees

- Knowledge, experience, service
- Listening, environment, leadership
- Mission, plan, execution

Global

- Expanded market opportunities
- Local partners in new markets
- Expanded team approach to deliver services

Q: What changes have been the most troubling to you?

A: Volatile market

- Greater risk in expanded market
- Quality of engagement
- New forms of relationship

Spending the discretionary \$\$ wisely

Weak infra-structure due to M&A

Q: How will globalization (e.g. the emergence of new global powers, such as China and India) affect your professional area in the near term?

A: They will probably not have a tremendous impact in the short term because of the relationship aspect of our business but their influence is growing everyday.

Q: What significant challenges might be

anticipated in your professional area in the next few years?

A: New models

- Women and minorities in leadership
- Technology and globalization
- Empowering people in your organization for better service

Q: What are the greatest challenges confronting young professionals in Western culture today?

A: Creative solutions

New service model - how to personalize technology.

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