

Hello everyone and welcome to my February 2002 Newsletter.
Please feel free to forward this newsletter to friends and colleagues.

Here's a quick rundown of issues and stories in this newsletter.

Enron & Arthur Andersen
Art of WOW – Strategies for Corporate Women
Lying Just Got Harder
Viewpoint - Fear of Change
Dangers of Being Misquoted
Media Stats & Polls
Delivering Bad News
Hotel Guests Get Connected
Change in the Financial Community
7 Tips for Dealing with Media

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It has been a tumultuous time since my last newsletter following the acts of terrorism in September. Though the ongoing war on terrorism remains very much in the news, the collective media focus has shifted its penetrating eye to the scandal at Enron.

Important questions still need to be answered in Enron's corporate meltdown. What will Washington do? Who is to be punished? What are the implications for shareholders?

Enron, the story goes, engaged in questionable accounting practices that misled shareholders. Greed was the key motivator.

But what is Arthur Andersen's excuse? With the blessing of Andersen, Enron inflated earnings by \$600 million for nearly five years and used off-the-book partnerships to shield about \$500 million in debt. That served to keep Enron's credit rating high, but it was at the expense of misleading anyone careless enough to blindly trust the numbers coming from the company.

Those of you who work with Jeff Ansell & Associates often hear me talk about an organization's moral compass. Where was Andersen's moral compass pointing?

Joseph Berardino, CEO of Arthur Andersen, on a recent Meet the Press said Enron's collapse was the result of a bad business plan. "It failed because the economics didn't work." Though there may be truth to that, Andersen has largely failed to step up to the plate and concede a breakdown in its people and systems working the Enron account.

Andersen did try to create a scapegoat by firing a lead auditor on the Enron business, but has otherwise been slow in putting into place new systems and controls to satisfy disbelieving stakeholders.

After weeks of doing nothing, Arthur Andersen this week hired Paul Volcker, former U.S. Federal Reserve chairman to help restore its tarnished image and overhaul its audit practice. The accounting giant also finally announced plans to

separate its auditing and consulting practices to avoid the conflict of interest that many believe allowed Enron's troubles to percolate undetected.

May it strongly be suggested that when it gets around to apologizing, Andersen include a "we're sorry" to the many investors who trusted the company's judgment.

Click the link below . . . It's an excellent article by MSNBC that goes step by step through U.S. Press Secretary Ari Fleischer's strategy regarding Enron . . .

<http://www.msnbc.com/news/693073.asp?0si=-&cp1=1#BODY>

Arthur Andersen is confronted now with angry stakeholders. Companies in similar situations must recognize that when the media spotlight glares at them, chances are they're not going to win any popularity contests. So company officials must ask themselves, "When bad news happens, what's the right thing to do?" You'd be surprised how much clarity that question helps provide.

"What's the right thing to do?" is a question we ask frequently at the MIT-Harvard program "Dealing with an Angry Public," held twice annually in Cambridge, Massachusetts. I've had the privilege of being a member of the faculty of the program since 1995.

Sponsored by the Public Disputes Program at Harvard Law School, Dealing with an Angry Public offers proven strategies to guide organizations interacting with skeptical and often times, emotional publics.

Our most recent Dealing with Angry Public program in November brought together a wide variety of folks from both the private and public sectors. Representatives of both the White House and the Pentagon were on hand and it is interesting to note the "warm" tone of the Pentagon's message as they relate to the tragic loss of life. General Tommy Franks spoke of how the loss of a soldier "touches" all of us when he referred to the death last month of Army Special Forces Sgt. 1st Class Nathan Ross Chapman in Afghanistan. He was the first soldier to be killed in action.

More recently, Defense Secretary Donald Rumsfeld referred to the victims of a fatal helicopter crash, saying it just "breaks our hearts."

In creating and delivering messages on the loss of life, the Pentagon is using its moral compass.

Our next Dealing with an Angry Public program is scheduled May 9 and 10. Click below for more information...

<http://www.jeffansell.com/angrypublicansell.htm>

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I am grateful to report a strong start to our new "Art of WOW Conference" for corporate women. The Art of WOW focuses on "branding yourself" and features strategies for women to enhance their communication leadership styles.

Co-hosted by Roz Usheroff and I, the next Art of WOW program is scheduled this May 28 and 29 in Toronto. We are also targeting a WOW conference in Chicago June 11 and 12, 2002.

Click here to find out how the Art of Wow can make a difference to you

<http://www.usheroff.com/services/artofwow.html>

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Imagine watching people and being able to tell whether they're lying.

Researchers at the Mayo Clinic and Honeywell Laboratories have been able to detect lying in 75% of the people they tested and over 90% of others telling the truth. To sniff out veracity researchers are experimenting with a high definition heat-sensing camera.

The camera measures a face's "thermal signature" and detects an invisible heat blush around the eyes, which is produced when people lie. The new device could play an important role in airports at boarding gates and customs and immigration counters.

Click below for the full story . . .

<http://www.msnbc.com/news/680837.asp>

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_____ VIEWPOINT! _____

___FEAR OF CHANGE___

More and more I see people and companies undermine their growth by resisting change. Quite obviously this position is diametrically opposed because it's impossible to grow unless you change.

It's common knowledge that Public Speaking is one of our greatest fears. And when you consider it carefully you'll realize that changing your behavior is one of the primary issues driving this fear. We are scared to change on many levels and for a number of reasons. For most people, to feel comfortable when speaking in public or dealing with media means you have to change your personal perception of who you are and how you feel about people's perceptions toward you.

Change is often stonewalled by your fear of failure. When we stand in front of a crowd or a group of journalists we can become immobilized. Fight or flight biological responses grow within but we literally can't move and lash out. On top of all of this, the fear of failure sabotages our train of thought. Instead of drawing from positive energy we undermine ourselves by focusing on everything that could go wrong. The only way to move beyond this temporary self-destructive behavior is to change how we think.

I know it's going to sound obvious, but in order to change you actually have to change. You can't just give lip service to the desire-to-change. You have to take action. Thinking or reading about change is good, but it's not enough. Come to my site, read books and pay close attention to good speakers, but don't expect

to change old habits and behaviors through osmosis or by wishful thinking. It would be like expecting to become a concert pianist by listening to a CD and reading sheet music. It takes energy and commitment to change. It also takes a level of specialized intellect and experience that many do not possess. If we did we wouldn't have to think about changing, we'd be there. The best way to effect change is to learn from someone who understands our fear and has gone before us. Practice makes perfect.

People need mentors – those who understand exactly what we are experiencing. We also need to understand clearly that not all strategies work equally for everyone. In order to change we have to accurately recognize our strengths and weaknesses. Psychologists and spiritual leaders alike believe that the more we think we know of ourselves the less we understand who we are. If we truly know ourselves, we wouldn't have a fear of speaking in public or dealing with media because we'd feel confident knowing we were in control of our fear of failure.

Learning to feel comfortable while speaking in public or relaying messages accurately to journalists means we have to change the way we think about ourselves as much as it does about how we perceive the recipient of our message. If you feel brave enough to experiment in front of a live audience or TV news camera all the more power to you. But like most of us you probably can't afford to jeopardize your career or company's reputation.

If this is the case you have no choice but to get the best advice, insight and coaching possible. Under no circumstances should anyone go blindly into battle or with an unloaded weapon.

Change is a behavioral and intellectual process, and although it's unique to the individual, in order to feel confident there are a number of characteristics you must recognize not only of yourself, but also of the people receiving your message. For example, did you know that fear is largely a physiological response? When you anticipate fear, electrochemical energy is produced in your brain. Signals are immediately sent throughout your body to prepare you for fight or flight. There are documented and proven ways of dealing with this normal body response. Many people mistakenly regard fear as a byproduct of the heart. They do so because they get a tight feeling in their chest and pit of their stomach when they are nervous. They literally cannot breathe.

How do you think you would feel and perform if you could get rid of the wobbly knees and sweaty palms? Would you be able to get your message across more clearly and gauge your audience more accurately? Of course you would. Simple breathing techniques can make it possible.

Do other proven methods exist that will help you communicate? They do. Granted, you may eventually learn to master these techniques on your own, but at this point in your career can you really afford to make mistakes while you learn?

The fear of change affects us every day in many ways. The more you understand the impediments to change the faster you'll attain your personal best. Change drives us all.

Click this link for a short VIDEO demonstration about BREATHING
<http://jeffansell.com/Real/breathe.ram>

You'll need RealAudio. Get a free RealPlayer here if you need it.

http://www.real.com/products/player/downloadrealplayer.html?wp=dl1099&src=hp_butn.home.991021choice_3&lang=en

Also, click the links below for sites that explore the collective intricacies of change management.

Building Successful Teams in the Midst of Transition

<http://www.advantagepoint.com/articles/change/art1.html>

Change Leaders

<http://www.inc.com/search/804.html>

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___THE DANGER OF BEING MISQUOTED___

Phil Zimmermann, the inventor of PGP encryption, complained of being seriously misrepresented by the Washington Post. Zimmermann attached no blame to the Post reporter, who most emphatically did not "manufacture" quotes, and later clarified that he believed it to be "an honest misunderstanding" He tried to clarify by saying, "I can easily tell from talking with the reporter that her intentions were good. It is grossly unfair to punish her with all this hate mail. It's embarrassing to me and damaging to her."

In another case, international cryptography expert Professor Ross Anderson has demanded a correction from the Times for being misquoted. By contrast, Anderson says the Times journalist "was determined - or had been instructed - to write the story anyway."

Misquotes happen every day because people are not properly trained or prepared to speak with media. It doesn't matter what you say, once it leaves your lips it's impossible to take back. Misquotes ruin reputations and cause grief and expense for a considerable amount of people and companies. The best way to prevent misquotes is to prepare through professional training.

Click this link if you're interested in the complete story.

<http://www.theregister.co.uk/content/55/22102.html>

Here are a few more examples . . .

Psychologist misquoted regarding fatal shooting by police

<http://seattlepi.nwsource.com/local/cops243.shtml>

Check out this forum and its string of responses from the Fine Arts Community

<http://www.getty.edu/artsednet/hm/May00/0174.html>

Even the Vatican isn't immune . . .

<http://www.cwnews.com/browse/2000/11/14324.htm>

<http://webmd.lycos.com/content/article/1728.68862>

Finally, a few humorous statements from doctors . . .

My personal favorite – “When this man straightens his head and puts it under his chin, he gets some relief.”
<http://www.cs.stir.ac.uk/~scu/Humour/Science/medical.html>

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Media Stats & Polls

How we interpret polls could be injurious to our careers. Everyone has an agenda and unfortunately it may not align with our personal or corporate view. It's not easy deciphering all the numbers, polls and statistics we're bombarded with every day, but if we are to make responsible decisions we must learn to interpret them accurately, even if it means reading between the lines and making the odd guesstimate.

Polling is a scientific and psychological exercise. According to an agency called Public Agenda, there are 7 Stages of Public Opinion. They range from the “Dawning of Awareness where people become aware of an issue, but do not yet feel a pressing need to take action,” to “Wishful Thinking described as the public's resistance to facing a trade-off as people initially assume they can “have it all.” On difficult issues — ones that require significant change or sacrifice — the public's wishful thinking must be overcome before people come to grips with more realistic solutions.”

If you're interested in The 7 Stages of Public Opinion and curious as to how they may affect your particular circumstances click the link below. As you read through the list keep your own situations in mind. I don't necessarily agree with everything in the list, but it certainly is worth a few minutes of time. If you feel so inclined, formulate your own conclusions and share them with me. I'm always interested in alternate viewpoints and opinions.

<http://www.publicagenda.org/aboutpubopinion/aboutpubop7.htm>

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Finger on the American Pulse

Here's a short Gallup Poll Quiz that will challenge your awareness. It's only 5 questions long, but it will help you gauge how you perceive the contemporary American public.

<http://www.gallup.com/poll/quiz/>

Gallup Polls

Check out the link below from Gallup when you have a moment. It's a comprehensive list of polls including Airlines, Healthcare, Taxes, etc. My favorite is Media Use and Evaluation. When you click on a specific link, for instance Media Use and Evaluation you will be taken to a page that will ask you to log in if you are a member. If you are not a member click the Guest Log In tab and enjoy. You can log in as a Guest until February 5, 2002 so check it out today. After Feb 5 you have to pay.

Here's a brief excerpt from the Media Poll to get you started . . .

Gallup asked - In general, do you think news organizations get the facts straight, (or do you think) news organizations' stories and reports are often inaccurate?

In December of 2000, 32% of those polled thought news organizations got the facts straight, 56% thought they were inaccurate and 3% had no opinion.

In July of 1998, 50% of those polled thought news organizations got the facts straight, 45% thought they were inaccurate and 5% had no opinion.

In June of 1985, 55% of those polled thought news organizations got the facts straight, 34% thought they were inaccurate and 11% had no opinion.

Look at it closely folks. The trend of this Gallup Poll seems to be quite dramatic. In 1985, 55% of the people polled trusted the media as opposed to only 32% in 2000? I'd be interested to know what conclusions you draw.

<http://www.gallup.com/poll/topics/>

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Delivering Bad News

It's not only important how you deliver bad news. The medium you use to deliver the information also affects how your message is received. The Institute for Operations Research and Management Sciences, a society of over 12,000 members, did a study of the differences of delivering bad news via email as opposed to in person and published their findings in an INFORMS Journal. The authors conducted the experiment with 117 subjects, all Boston University undergraduates.

According to their findings, delivering bad news via email rather than personally or by phone insures a more accurate message and less discomfort for the messenger and recipient. You might reason that if this is the case, why not email all correspondence to media? It seems like this tactic would alleviate misquotes and misinterpretation of information, but before you jump to conclusions, the study wasn't undertaken for the purpose of exploring how to disseminate information to media. Instead, it was researched to discover how people in an organization send and receive messages. It deals more with the psychology of the process. Even though the study doesn't relate directly to delivering bad news to an angry public through media it does illuminate a few human relations issues that affect us all and may help you understand why it is important to deliver any type of news in a practiced and professional manner.

It's interesting to note that delivering bad news up the chain of command via email can lessen the stress factor and possibly make for a more communicative two-way flow of information that could benefit the organization. Communicating bad information up the chain of command has historically been a difficult proposition for subordinates, who in the past would tend to sit on or bury the information before they passed it on to the boss. The study doesn't inconclusively state that using email is a solution, but it offers new ways to communicate within an organization that could benefit everyone.

You can check out the article at the link immediately below and make a decision as to whether or not you want to be the first person on your block to test the theory. Tread carefully though, change is a sensitive issue.

Click here for a condensed version of the INFORMS Journal Report
<http://www.informs.org/Press/BadNews.html>

Email me if you're interested in the complete report. It's free.
<mailto:jeff@jeffansell.com?SUBJECT=BadNewsReport>

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HOTEL GUESTS GET CONNECTED

Did you know that business travelers now spend approximately 75 minutes a day online from remote locations? Talk about change. This is a new and growing way of doing business. The hospitality industry understands clearly that we need to change the way we are doing business and true to their name, they are accommodating us.

Fairmont Hotels & Resorts will offer high-speed Internet access to guests through wired and wireless access via Cisco's mobile office application. Early this year, Fairmont will offer access in 19,000 of its hotel rooms. Click the link below for more information and to learn how hotel room data access will affect you as a business traveler.

<http://www.itbusiness.ca/index.asp?theaction=61&sid=47372>

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CHANGE IN THE FINANCIAL COMMUNITY

I've noticed a trend recently in how the financial community is reaching out in a more personal way to its customers. More and more I see investment consulting and financial analysts establishing a very personal presence on the Internet. It's a public relations strategy that introduces us firsthand to the experts behind the companies.

Today, we want to know exactly whom we are dealing with at large companies. As consumers we are changing and becoming better educated. Companies recognize this and also change to meet our needs. In the past we had to trudge through long lines of company information to find the names behind corporate logos. Large companies felt it was in their best interest to project an omnipotent corporate presence. They felt their primary strength was in the institution. To a great extent this is still true, but things are changing. Consumers want more.

Companies are starting to truly appreciate and demonstrate that the strength within their organizations comes from the people in their companies – their experts. Trust is a huge factor in all businesses and especially so in the financial sector. Putting a face behind the corporate logo gives consumers reassurance and the confidence to invest in their products and services.

All types of companies every day put greater emphasis on driving business from the human side of their organizations as opposed to the brand recognition behind corporate icons and logos.

Click the links below for two examples of respected financial experts behind corporate logos who cultivate personal relationships and at the same time build strong brand recognition. Times they are a changin'.

Chris Carter – Investment Management Analyst
<http://www.askchris Carter.com/>

Fred Ketchen – Managing Director of Equity Trading
<http://cbn.newswire.ca/fredAudioPage/>

Both financial experts represent Scotia McLeod.

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7 Tips for Dealing with Media

- 1) Be ready for difficult questions, and for those you can't answer, explain why you're unable to respond and move on to information you can provide, based on the messages you want to deliver.
- 2) Don't be bullied into making a comment.
- 3) Think ahead of time what you would like the headline of your story to be, know your top messages and weave them into focused responses.
- 4) Deliver your messages in terms reporters can understand and use.
- 5) Use everyday language. Avoid jargon or specialized language. This can create a barrier and audiences will tune out.
- 6) Condense your information and provide simple explanations.
- 7) Don't guess. If you don't know the answer, say so and get back to the journalist promptly with the correct information.

That's all I have for this edition of News & Views folks.

Thanks again for taking time out of your busy schedules.

I hope this info was enlightening and thought provoking.

Until next time,

I'm Jeff Ansell . . . be well

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Read it on the train or at home.

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