

The only way is ethics

We were always taught that public relations (PR) was the “the truth told well”. The recent dismissal of the London-based PR agency, Bell Pottinger, from the UK’s Public Relations and Communications Association (PRCA), which found them guilty of breaching its code of conduct, went completely against that mantra.

It concluded that the company’s work on behalf of South Africa’s powerful Gupta family was likely to stoke “racial discord” in the country.

Francis Ingham, Director-General of the PRCA, said, “This is the most blatant instance

of unethical PR practice I’ve ever seen. Bell Pottinger’s work has set back South Africa by possibly 10 years.”

Lord Bell, the firm’s founder (who left last year), was quoted as saying he always thought the work in South Africa was “smelly” and pointedly felt that the chief executive must

have known what his firm was doing. That was certainly not helpful to the much-beleaguered CEO, James Henderson.

Anderson predictably soon resigned.

Bell Pottinger has been expelled for five years—this is the strongest punishment the PRCA could hand out. It is impossible to see how they can now survive.

Their best people have already started leaving because they know they can get employment elsewhere but they also know that they need to be quick before the ship eventually sinks without a trace.

Strong rumour has it that John Sunnucks, one of the company’s most senior executives and a contender to become the next Chief Executive, has also quickly packed up and left the firm, according to a spokesperson for Bell Pottinger. But if the news is from Bell Pottinger, who knows what to believe.

Another thing we were taught, when providing PR support: never ever become the story. When the messenger becomes bigger than the original story they are trying to tell, it’s usually unrecoverable.

Bell Pottinger had been hired by Oakbay Capital, a company owned by the Gupta family, a trio of Indian businessmen brothers who have long been accused of shady dealings with President Zuma, to help bolster their image.

Standing back from this PR debacle, we must ask the tough and telling question, “Is the business of business just business?”

Surely, this mess of Bell Pottinger’s own making will see them pay the ultimate price for ignoring ethics in their pursuit of profit. This is another salutary warning hard on the heels of Uber’s much-chronicled toxic cultural issues.



Conversely, barristers have always stated their 'taxi rank' model. It's without fear or favour that they will always take whoever the next client is that comes along and defend them to the best of their ability without prejudice—no matter who they are. We get that, as it's all about acting in name of the nation's judiciary.

It's instructive to look at some of Bell Pottinger's more notorious past and current clients, which illuminatingly include the Pinochet Foundation; Syria's first lady, Asma al-Assad; the governments of Bahrain and Egypt; Oscar Pistorius, after he was charged with murder; F.W. de Klerk, when he ran against Nelson Mandela for President; and Alexander Lukashenko, the Belarusian dictator. Hmmm!

I'm sure one could perhaps make a valid excuse for each one of these clients but come on, when looking at all of them at once, this is playing on the knife edge of ethics—at best.

Perhaps standing in the opposite corner, is Paul Polman, the charming and eloquent CEO of Unilever. He stands out from the pack of business leaders who claim to be 'doing the right thing'. He has excelled when it comes to the eternal challenge of balancing what's right for your shareholders versus what's right for a sustainable society.

Unilever stands in sharp contrast to the well-intentioned but far more prevalent and increasingly, rather (unfortunately) hackneyed approach to Corporate Social Responsibility (CSR). Hurting CSR's reputation are some of the biggest global pollutants who are presented positively and are investing in the right and proper areas, whilst their day-to-day business is anything but socially and environmentally sustainable. It's difficult to deny their intent but it's just as difficult to deny the obvious and tangible conflict.

Former American President, Theodore Roosevelt, nailed it in a completely different era, "Here is your country. Cherish these natural wonders, cherish the natural resources, cherish the history and romance as a sacred heritage, for your children and your children's children. Do not let selfish men or greedy interests skin your country of its beauty, its riches or its romance."

Pure, beautiful prose but acutely instructive all the same.

Unilever has won many plaudits and awards for aiming to pay their workforce fairly and striving to make healthier products that do as little harm as possible to the environment.

All seemed to be going well with Unilever's bold stance that rightly enhanced their reputation. Polman was revered for his bold and ethical approach but when the ultra-aggressive Kraft-Heinz made an unexpected and huge bid for their business, everything soon went hostile.

Polman immediately wrote a seminal and unforgiving letter to the bidders that soon became public. He pulled no punches in decrying what they would do to Unilever and vitally to its values. Despite the real cost-cutting and growth opportunities that Kraft-Heinz identified and used to appeal to Unilever's shareholders, they stood by their man.

It was the toughest of public lessons. Polman was forced to rapidly produce a strategic plan focusing on tightening up Unilever's financial worth. It meant putting underperforming brands up for sale and taking a firm line with the growing costs of their operations.

The billionaire American business magnate, Warren Buffett, nicknamed 'the Oracle of Omaha', for his brilliance in investing at just the right time in the right stocks was dangerously one of the lead investors behind the Kraft-Heinz bid. However, he has always stated that he would never be involved in any hostile takeover. Values?

Soon after Polman's letter appeared in the media, Buffett pushed his partners to withdraw their offer. Takeover rules state that they cannot return within 24 months.

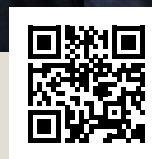
Polman's inherent courage and values had bought himself and Unilever time. Circumstances change but values don't. But what now?

He knew that no matter how ethical his business had become, he had to quickly 'beef up' the value of Unilever with a tough action plan. The lesson is there for all to witness. No matter how ethical you are as a business, the numbers are still vital.

There was a time that you could be either values-led or performance-driven, today you have to be both.

But everyone would rather be in Unilever's shoes than Bell Pottinger's. ▲

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