

ETHICS FOR FUN AND PROFIT...

Getting to the “Big Table,” Ethically

BY RALPH ALLEN

Investor relations and financial communications professionals strive to reach positions within their respective corporations that have impact and financial reward. Our NIRI associates have long labeled this getting a seat at the Big Table. Let's examine how one can use good ethics to advantage in making this career ascension.

Most of us have heard enough about Enron to last us a very long time. But a recent example of badly skewed ethics turned to personal advantage should not be overlooked — and certainly should not be followed. On October 12, 2007 USA Today printed a story about Lynn Brewer nee Eddie Lynn Morgan. Brewer apparently has exaggerated her clerical experience at Enron to create a lucrative speaking career portraying herself as a whistle blowing executive. She is not unhappy to be confused occasionally with Enron's real executive and real whistle blower, Sherron Watkins. The irony of this deliberate deception to earn money and status as an ethics guru is breathtaking. Our suggested path to reward described below is longer, but it leads to a quality reputation.

Most of us have observed that managements and boards do not like to waste time or to be embarrassed. They prefer to rely on dependable, trusted associates who demonstrate skill and good judgment. Advisory firms, including my own, often sell these key elements to their clients. Internally, though, the IRO can become the trusted advisor. I believe consistently ethical behavior combined with credible judgment and insight is high-octane fuel for an ambitious IRO.


We will stipulate that our candidate for the Big Table has reasonable credentials from academia and has relevant experience. From there, how do we take the step from “implementer” to becoming a go to person at the Big Table — one whose advice is sought and valued?

It starts externally with The Street and your routine work. Ethical behavior toward analysts, fund managers and all of “The Street” will bolster the reputation of any IRO. Being fair, being candid, following up, and demonstrating knowledge of your firms operations will earn external recognition. Your management and board will regard you highly only if they know The Street does as well.

High internal regard must also be earned. IROs are provided with frequent opportunities to demonstrate ethical behavior and good judgment. Virtually every quarterly report and press release situation gives the communications pro a challenge to balance short term/long term thinking, to assess (perhaps) overblown claims by operating people, to link the current situation with past reporting, goals and strategy statements. All the while, our ambitious IRO will be tempted and perhaps pushed to overlook past statements, goals or promises by the management. It takes good ethics and strong character to resist with grace.

Enter ethics and opportunity — perhaps without knocking. Our communications expert will prevail and gain stature by knowing relevant and pending laws, regulations, practices and their latest tweaks better than anyone in their organization. Further the smart IRO will identify key executives who are most interested in the respective areas (CEO, CFO, General Counsel, SEC filer, auditor, etc.) and make them supporters of a quality communications effort.

Inevitably our IROs' business will involve acquisitions, divestitures, strategy and other key topics that lead to Big Table discussions. He or she may be at the table informally at first, but by demonstrating timely ethical behavior and valuable insight, in time, our IROs' presence will be sought and recognized.

A final Enron related story illustrates an ethical opportunist. Stupid.com offers \$3.99 ENRON SQUEEZY STRESS BALLS via the Internet. The company acquired these Enron-logo baseballs during the bankruptcy which terminated Enron's \$100 Million deal to name Houston's baseball stadium Enron Field. Quoting baseball legend Casey Stengel, "you could look it up." 

http://www.usatoday.com/money/companies/2007-10-11-enron-lynn-brewer_N.htm

<http://www.stupid.com/stat/ENRN.html>

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IN THE NEWS...

FD Acquires Ashton Partners

BY MATT BRUSCH

Partners recently announced its acquisition by international communications consultancy FD. Ashton Partners was formed in 1997, and specializes in financial and corporate communications. With offices in Chicago, San Francisco and Boston, the firm has more than 50 staff, many of whom were former Wall Street professionals and business journalists, and it advises companies across an array of industries, including industrials, technology/telecommunications, life sciences and financial services.

FD is a division of FTI Consulting Inc., and employs more than 550 staff and advises more than 750 clients worldwide through its many U.S. and international offices. With a 20-year history of advising clients in both the private and public sectors, FD's services include financial public relations, investor relations, public affairs, crisis and issues management and corporate, business-to-business and business-to-consumer communications.

Elizabeth Saunders, chairman of Ashton Partners, and NIRI board member said, "Joining FD gives us the opportunity to work together with one of the most respected communications consultancies in the world. FD's core focus is very similar to our own and we are excited to bring the global reach and additional resources of FD's network to our clients. This is a milestone for our firm that was made possible by the dedication and commitment of our people. Chris Hodges and I look forward to remain-

ing with Ashton Partners and continuing this success alongside our new partner."

"Ashton Partners is widely recognized as the industry's premier independent firm focused on financial and corporate communications and is a company we have long admired," said Declan Kelly, CEO of FD in North America. "Having them join FD will strengthen our North American offer and enhance our national footprint. Importantly, Ashton Partners also shares the same approach that we do, providing expert counsel to clients' executive management to help them protect their reputations, enhance their valuations and build their brands. This common focus and sector specific approach, coupled with their dedicated staff and its well-earned reputation honed by company founders Elizabeth and Chris, excites us as we welcome Ashton Partners to the FD Group."

Ashton Partners was advised by StevensGouldPincus during the transaction.