

Corporate Governance and the Media

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Global Corporate Governance Forum

Corporate Governance

MENA Corporate Governance

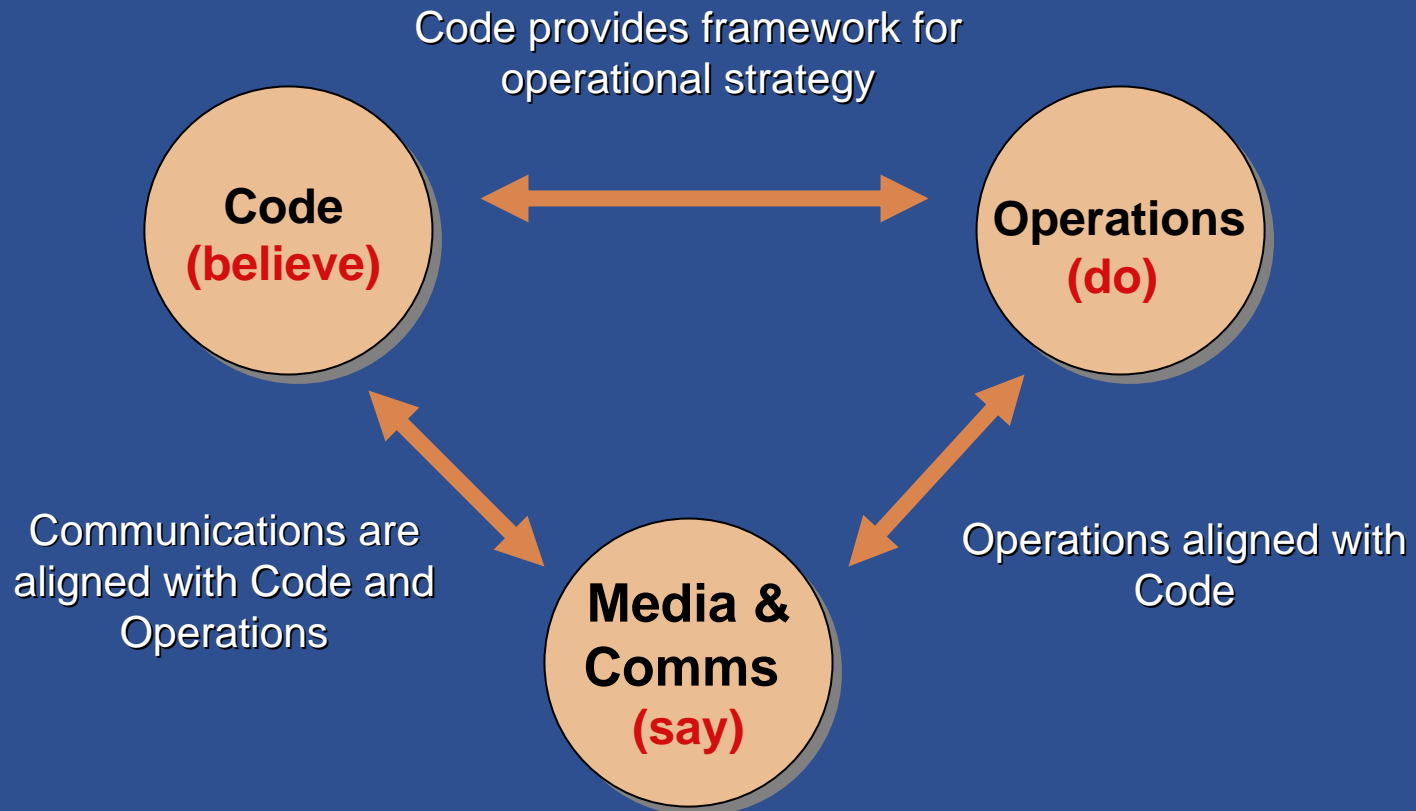
Factors driving compliance:

- Volatility in asset prices
- Importance of IPOs
- Foreign Direct Investment

Institute of International Finance &
Hawkamah Survey



Managing Reputation



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Why you need the Media

QuickTime™ and a
TIFF (Uncompressed) decompressor
are needed to see this picture.

**“Boards of directors are like
subatomic particles...they behave
differently when they are
observed.”**

Nell Minow



Name and Shame

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Role of the Media

- **Drives politicians to introduce/
enforce corporate law reforms**
- **Makes corporate reputation more important
than financial self interest**
- **Affects personal and corporate image in the
eyes of society at large**

**Alexander Dyck, Harvard Business School,
& Luigi Zingales, University of Chicago, 2002**



Media Plan

Phase I: Build foundations

- Domestic - Govt, regulators, investors etc
- International - foreign investors, regional associations etc
- Nominate 'ambassadors'
- Identify three key message platforms



Media Plan

Phase II: Launch of media campaign

- Ensure process is clear at outset
- Co-ordinate information release
- Interview champions & ambassadors
- Make spokesmen accessible



Media Plan

Phase III: Maintain momentum

- Identify good governance in corporates
- Partner media for awards
- Co-opt commitment from Government
- Name and shame as last resort



Media Plan

Other requirements:

- Push the message hard and often
- Take a view on local and global issues
- Avoid criticising stakeholders
- Build relationships with reporters



Media Plan

Helpful hints:

- Take control of interviews
- Stay on message
- No personal opinions
- Be careful about 'off the record'
- Avoid 'no comment'



Lessons from the Best



“One lesson we’ve all learned, and our company has learned it in spades, is that reputational risk is every bit as important, if not more so, than credit risk and market risk.”

Sandy Weill
Chairman of Citigroup



Conclusion

