



ITT

Counseling the CEO- Reputation and the World Outside Corporate Boundaries

December 2, 2005
Thomas R. Martin
Sr. Vice President & Director
Corporate Relations

Engineered for life

Counseling the CEO has taken on a whole new meaning!

Ebbers Found Guilty



Bernard Ebbers and his wife, Kristie, leave court on Tuesday.



The New York Times
ON THE WEB



How Investigations of AIG Led To Retirement of Longtime CEO

The Hall of Shame keeps adding new members

- Enron
- WorldCom
- Arthur Andersen
- HealthSouth
- Adelphia
- Parmalat
- Global Crossing
- Tyco
- AIG
- ImClone
- Martha Stewart
- Dennis Kozlowski
- Ken Lay
- Andy Fastow
- Bernie Ebbers
- Hank Greenberg
- John Rigas
- Sam Waksal
- Gary Winnick

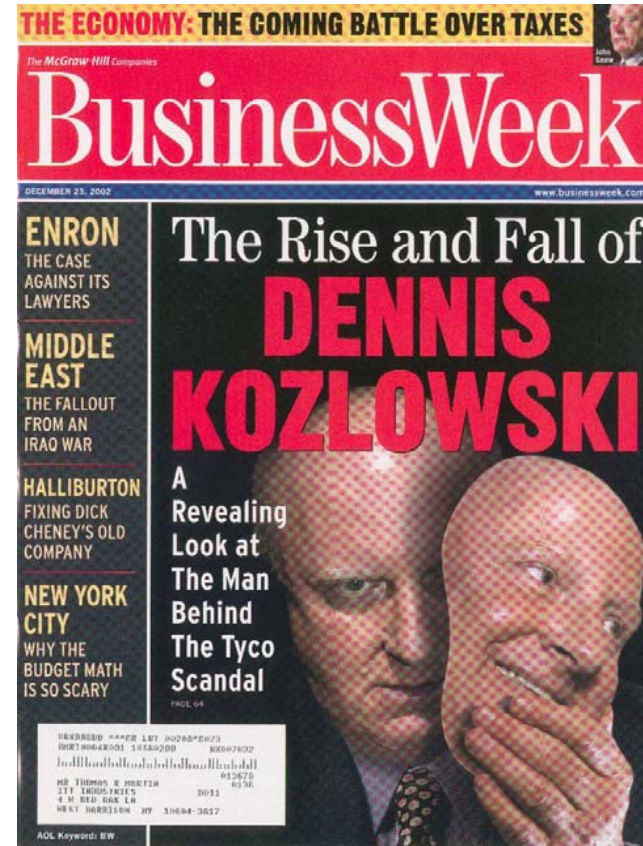
Americans' Confidence in Corporations, Other Institutions, Continues to Decline

- Americans are increasingly cynical about a wide range of major institutions, with confidence in business suffering a particularly steep decline over the past four years, according to a new national survey from the Pew Research Center for the People & the Press.
- Favorable ratings for corporations are 20 points lower than they were in a similar survey conducted in March of 2001.
- Just 45 percent say they have a favorable opinion of business corporations, while the same number express a negative view.
- Since the mid-1980s, solid majorities have consistently expressed positive views of corporations, but just 49 percent did so in July.
- The decline is seen across most groups in the population, with favorable views falling about as much among conservatives as among liberals. In the current poll, just half (50 percent) of conservatives say they have a favorable view of business corporations.

“One day you’re the hero...the next day you’re the goat.” - Charlie Brown



May 28, 2001



December 23, 2002



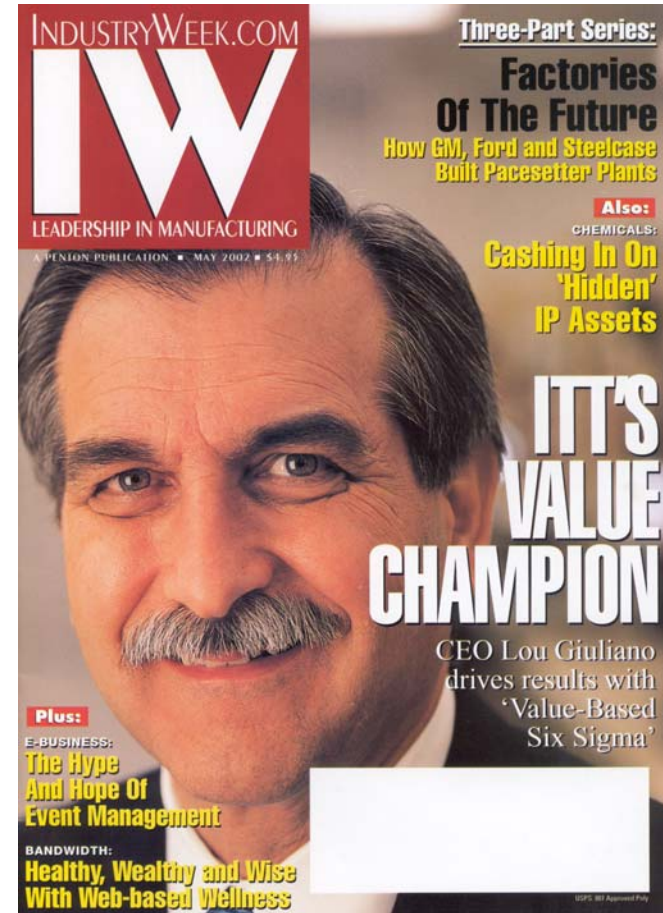
Why did they do it?

- Five companies — Enron, WorldCom, Tyco, Qwest and Global Crossing — have destroyed a combined \$460 billion in shareholder value while moving inexorably toward bankruptcy, says William George, former CEO of Medtronic, an outspoken critic of corporate greed.
- Here are the most common — and often surprising — explanations the experts gave for over-the-top greed-at-the-top. Not excuses. Just explanations:
 - **Poor self-image.**
 - **The myth: "I deserve it."**
 - **Fantasies unchecked.**
 - **Society's blessing.**
 - **Competitiveness gone awry.**
 - **Lonesome soldier syndrome.**
 - **Boredom.**
 - **Power corrupts.**

Source: USA Today

I have been lucky to have served three CEOs with high ethical standards.

- Egos in check
- Led by example
- Personal integrity
- Commitment to a higher purpose



A CEO Checklist:

- Do I put the goals of the business ahead of my personal ambition?
- Do I spend more time on business issues than on rubbing elbows with my peers?
- Am I willing to listen to constructive criticism? And do I make it known that I can tolerate a range of opinions?
- Do I look at PR Counsel as experts who can help burnish my image, or advisors who can help me avoid blind spots and make better decisions?
- Do I have appropriate checks and balances with my board and management to ensure that I'm paid fairly but reasonably?
- Do I police myself to avoid treating company assets as if they were my own?

The Page Principles: A foundation for reputation management and building a brand



ARTHUR W. PAGE SOCIETY

FOUNDED 1983

- Tell the truth.
- Prove it with action.
- Listen to the customer.
- Manage for tomorrow.
- Realize a company's true character is expressed by its people.
- Conduct public relations as if the whole company depends on it.
- Remain calm, patient and good-humored.
- *www.awpagesociety.com*

The Corporate Communications Counselor: A Central Role

- Secure your place at the table
- When it's your turn to speak, be prepared
 - Know the language
 - Know the issues
 - Empathize with your colleagues
 - Be politically astute
- Offer both strategies and tactics
- Be the window in as well as the window out
- Demonstrate the behaviors you are advocating
 - Composure, humility, sincerity



ITT

Counseling the CEO- Reputation and the World Outside Corporate Boundaries

December 2, 2005
Thomas R. Martin
Sr. Vice President & Director
Corporate Relations

Engineered for life