



## When Worlds Collide

### During Crises, Sandman says, Politics and Government are Separate Spheres



Peter M. Sandman

The next time a candidate for political office says he or she wants to run government like a business, refer that person to Peter M. Sandman.

“There’s a huge difference between how business leaders and how political leaders should respond to problems, or potential problems, because their worlds are very different,” the crisis communications strategist tells *Impact*.

Then Sandman adds, almost ominously: “But this, too, is true: Politicians need to know that politics isn’t politics-as-usual these days any more than business is business-as-usual. They must recognize that reality. The unprecedented free flow of information that characterizes the world of electronic communications has changed everything.”

Sandman’s advice to incoming Democrats in this changed environment? “Just be careful and think about how you act when you might have a problem on your hands. The nature of blindspots is that they’re easier to identify after the fact. Just know that there will be surprises — unpleasant surprises.”

Unpleasant surprises are Sandman’s specialty.

A professor at Rutgers University and founder of its Environmental Communication Research Program, Sandman has spent much of his adult life studying how crises either are defused or escalate out of control. This work has led to provocative and useful conclusions, especially about how the worlds of business and politics differ.

Sandman, who first spoke at a Council Board meeting in 2004, has led Council seminars on risk communication and crisis communications. He’ll be featured at a workshop this fall in Washington, D.C.

#### Hedging Your Bets

“Transparency is important these days on its own merits, but as a practical matter, it’s a better investment for businesses than for politicians,” Sandman says. “The rule of thumb in business is this: If you know you’ve got a problem, and you blow the whistle on yourself, you’ll do some damage, but only 1/20 the damage that is done if somebody else blows the whistle on you. You’ve got to make a rational calculation. If your odds of keeping a secret are 95 percent or better, keep the secret. If not, ’fess up and limit the damage. In that sense, transparency is a way to hedge your bet.”

Secrecy is still a bad investment — and getting worse. “It’s just harder to keep a secret,” Sandman says. “Customers, not to mention potential whistleblowers inside an organization, have more ways than ever to get information and to publicize it. Unfortunately, there are a lot of 62-year-old CEOs out there who entered the business world when secrecy made sense, and they haven’t adjusted to the fact that secrecy as a strategy just doesn’t ‘cost out’ anymore.”

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## Is First Amendment Absolute?

### Bloggers Run Risks They Don’t Think About, Expert Warns

“There’s 50 million blogs,” the saying goes. “Some of them have to be good.” With millions more coming online as fast as you can point and click, a few of them might even be trustworthy. But with many bloggers blissfully unaware of libel laws and other legal niceties, who’s to know? And if you’re a blogger yourself, what risks might you run by blabbing your off-the-cuff opinions to all and sundry?

And who — in all this giddy growth — is looking at the risk that companies run by turning loose their executives and employees to comment on anything and everything? Leib Dodell, that’s who. In this *Impact* interview, Dodell, the president of and CEO of Kansas City, Mo.-based Media/Professional Insurance, a division of AON Corporation, offers words of advice — as well as encouragement — to bloggers and would-be bloggers.

#### Q. If blogging is such a great thing, what’s the problem?

A. Blogging is here to stay, which is good for corporations. Unfortunately, a lot of individuals and organizations are letting themselves in for a lot of exposure that they’re probably not thinking enough about.

#### Q. How so?

A. Virtually all media companies — companies that are already in the business of publishing — carry insurance to protect them on issues of libel, defamation, invasion of privacy, and trademark and copyright. Publishing companies are already aware of these exposures, so *Continued on page 3*

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## When worlds collide

Businesses these days constantly face minor controversies. When they acknowledge problems and deal with them forthrightly and even publicly, they may temporarily anger their stockholders, their major investors and their board of directors, Sandman says. But that is also how they keep the public trust — and their customers.

### Keeping Your Base

But the political world presents unique challenges. “The most important thing in politics today is keeping your base,” Sandman explains. “Your base is made up of the people that are paying the most attention. Most people are barely paying attention at all. So when you face a problem pro-actively, you run the risk of alienating your base, with very little gain with everybody else.”

But the risk for politicians who miscalculate is tremendous. “For the most part, politicians are probably smart to ignore the little controversies and stick to the soundbites, because that is how they keep their base,” Sandman says. “But if you miscalculate, look out. That was Bill Clinton’s approach to the Monica Lewinsky scandal, and it cost him dearly. He figured the whole thing would blow over, that people weren’t paying much attention anyway, and he figured wrong.”

### Facing Up To Foley

The Republicans made a comparable miscalculation when they faced — or failed to face — the Mark Foley scandal. “Dennis Hastert handled that problem the way he was used to handling every other problem, and he, too, discovered that people really were paying attention. In that case, it would have made sense to come forward a long time ago and acknowledge that the Republican leadership screwed up.”

Keeping secrets will become increasingly difficult in both worlds — and increasingly costly when secrets do leak out. “Businesses have to face the choice of hiding the truth or coming clean all the time,” Sandman says. “The smart strategy for them is almost always to come clean. But for politicians, it’s a tougher call to make.”

For more information, visit [www.psandman.com](http://www.psandman.com) or email Peter Sandman at [peter@psandman.com](mailto:peter@psandman.com).

## Think Tank of the Month

## Center for American Progress Promotes “Progressive” Agenda

*In recognition of the role of ideas in public discourse, Impact herewith offers the first installment of a new series of short profiles of leading public policy research institutions. In coming months, we hope to offer snapshots of “think tanks” spanning the ideological spectrum.*



Melody Barnes

Ask Melody Barnes if the Center for American Progress (CAP) really is “a kind of Clinton White House in Exile,” as *The Nation* called it, and she just laughs. “That’s not really a fair characterization,” Barnes, who is the think tank’s executive vice president for policy, tells *Impact*. But she acknowledges that the label is neither totally inaccurate, nor is it uncomplimentary. It’s also not far from the mark to call it “the official Hillary Clinton Think Tank,” as *UPI* has.

“Some of our high-level people did have senior-level positions in the Clinton Administration,” Barnes says, noting that John Podesta, CAP’s president and CEO, was the President’s chief of staff. “But we also have people here who worked for John Edwards and Ted Kennedy and Barack Obama and on and on,” she adds. “We have the best policy people in this city, but we’re nonpartisan. We’re simply trying to drive a progressive agenda forward.”

### Deep Pockets

Formed in 2003, reportedly with millions of dollars from George Soros, Herbert and Marion Sandler and other Democrats with deep pockets, CAP has started strong, with 30-plus “senior fellows” and a staff of more than 100. Big-name wonks on the organization’s roster include Tom Daschle, Morton Halperin, Lawrence Korb and Ruy Teixeira.

### First 100 Days

This is very much an action-oriented outfit, not content merely to influence the abstract thought of policymakers. On November 28, CAP issued its own far-ranging agenda for the first 100 days of the 110th Congress, which calls for, among other ideas,

- ✓ “Strategic Redeployment” of US troops in Iraq, leading to withdrawal within 18 months.
- ✓ Expansion of the Child Tax Credit and Earned Income Tax Credit
- ✓ An end to “corporate subsidies,” including reversing “tax give aways” in the 2004 FSC/ETI corporate tax bill, repealing those for fossil fuels, “cracking down on offshore tax shelters” and reducing highway earmarks.
- ✓ Creation of a “Universal 401(k) Plan” for families, with matches from government.

Areas of research emphasis in 2007 include health care, national security, military preparedness, and ways to prevent mass atrocity, as in the Balkans, Rwanda and Darfur.

It should be a busy year for the think tank, especially with Democrats taking over in Congress, and employment opportunities opening up on Capitol Hill. “I’m not aware of a great deal of movement yet,” Barnes says when asked if she expects CAP scholars and employees to take positions on congressional committees and staffs. “Some of my colleagues have been approached, and if there is movement between here and the Hill, this isn’t a bad thing. We have very well-trained policy people here, so we see this as a way of stepping up our own activities.”

For more information, visit [www.americanprogress.org](http://www.americanprogress.org).

