



*When your company's image is threatened, what do you say to the press?*

## Media Policy— What Media Policy?

by Sandi Sonnenfeld

Dana Osborne, founder and CEO of Naturewise Apparel, pulled her bright red Saturn into a parking space near the entrance to her company's headquarters in Seattle. She was eager to get to her office. The company was in negotiations to expand overseas, and Dana was expecting to hear from a potential joint-venture partner in Antwerp. The previous round of talks had gone well: managers of the Belgian enterprise had seemed enthusiastic about launching the Naturewise line of chemical-free natural-fiber children's wear. Today she could get the go-ahead.

She entered the building and rode the elevator to the eighth floor. As the doors opened, she could see Bob Hewitt, her communications manager, and Janet Steiner, the head of the Midwest division, waiting for her just inside the glass doors of her outer office.

Dana looked at her watch. What time was it in Belgium, anyway? And how come Janet was there?

Bob met Dana at the door. "We've got a problem," he said. "It has to

do with the company's corporate giving fund."

Every year since 1982, when Naturewise had gone public, the company had donated \$400,000 to charity. The program had always been administered by corporate headquarters, and the recipients had always been major national or worldwide relief organizations. This year, in an effort to include all employees in the program, Dana and her senior managers had agreed to allow each regional division to decide for itself where the money should go.

Dana motioned Bob and Janet into her private conference room.

"Okay, tell me."

Bob spoke slowly. "Our decision to make our giving program more focused is backfiring on us in a big way. You know we thought of this regional plan as a good public relations move—a way of paying back the various communities that support us—"

"We don't give to charities because it makes for good copy," Dana interrupted. "We do it because it's the right thing to do."

"I know, Dana. But we have a PR problem now. Janet's division gave its funds to a nonprofit umbrella corporation called CHICARE, which supports 140 social service organizations in Chicago and the Midwest. Unfortunately, one of those organizations happens to be TermRights, a radically pro-life group."

Dana looked over at Janet, who closed her eyes.

Bob continued. "Yesterday there was a bombing at an abortion clinic in Joliet, Illinois. And you can just guess which organization the bomber claims affiliation with."

"Was anybody hurt?" Dana asked.

Bob shook his head. "No. But last night a local TV news station aired a story announcing that Naturewise Apparel obviously condoned the action because we provide financial support to TermRights through CHICARE. They called the corporate communications office at the Midwest division, but Marc Russo there just gave them a 'no comment.' He did the same with the local paper, the *Will County Mirror*. The story came out this morning. I have a copy of it right here."

Bob put the news clipping in front of Dana. She read it over quickly,

**"Steven Randall of the Chicago Daily Bulletin is on the line. He says he'll hold. What should I tell him?"**

dismayed at the accusatory tone of the piece, and handed it back to Bob.

"I hate that this happened," she said. "I would love to see this bomber go to jail forever. But the bottom line is that we didn't know the money was going to this particular group, did we?" She looked at Janet. "Clearly, we were remiss in not checking into CHICARE more carefully. But

*Sandi Sonnenfeld is a Seattle-based writer who specializes in public relations for nonprofit organizations.*

it is CHICARE that ultimately decides whom to fund and where the money goes, not us. We never expected our money to go to such an organization. We didn't want it to. We didn't know."

The room was silent. Dana could feel her stomach beginning to knot.

Then Janet spoke. "I should have researched CHICARE more thoroughly. It gives to so many worthy causes—AIDS research, environmental cleanups, shelters for the homeless, adult-literacy programs. It just never occurred to me that we'd run into a problem like this."

Inwardly, Dana cursed both Janet and the Midwest division for wreaking such havoc on the company. But she also knew that Janet wasn't a careless person. Hers was the top-grossing division in the company.

"I know that if this gets much worse, you'll probably ask for my resignation," Janet continued. "I could make a statement to the papers that I did this on my own—that headquarters didn't know anything about it. After all, it's the truth."

"We should consider that," Bob cut in, surprised at the severity of his own response.

"No. That's not a reasonable solution," Dana said. "It wouldn't solve anything. Abortion is an emotional topic. Some of our customers are pro-choice; some are pro-life. And even if Janet resigned, rumors would circulate that we put pressure on her to do so. That could make things even worse."

"We're going in circles," Bob said. "We're going to need to make some kind of statement to the press—unless you think we should continue to go with 'no comment.'"

A knock at the door made them all look up. It was Caroline Gelston, Dana's administrative assistant. "Dana, I'm sorry to interrupt," Caroline said, "but Steven Randall of the *Chicago Daily Bulletin* is on the line. I said you weren't available, but he said he'd hold until you were. What should I tell him?"

*HBR's cases are derived from the experiences of real companies and real people. As written, they are hypothetical, and the names used are fictitious.*

## ***Kids' Store Funded Clinic Bombers***

A \$120 million retail-clothing chain funded the group that has claimed responsibility for Monday's bombing of a Joliet abortion clinic, the *Will County Mirror* has learned.

Naturewise Apparel, which is based in Seattle and has regional headquarters in Chicago, provided support money to TermRights, the pro-life group claiming responsibility for the bombing. In January, the company contributed \$150,000 to CHICARE, an umbrella social service organization. TermRights is one of the groups supported by CHICARE.

With 212 stores nationwide, Naturewise currently commands 1% of the children's casual-clothing market in the United States. Last year, it enjoyed a sales increase of 12%. The company has built a reputation as a "green" organization. CEO Dana Osborne founded the chain after her daughter developed a serious skin condition caused by the synthetic fibers in her clothing. Naturewise's apparel has always been chemical-free and made only of natural fibers. Perhaps because of its roots, the company has consistently supported environmental causes and antiviolence/anticrime drives on the national level.

Naturewise's contribution to TermRights is astonishing given the company's usual politically correct stance. TermRights publicly condones violence in support of its cause. In fact, the group has claimed responsibility for several violent acts against abortion clinics over the past two years.

Naturewise refused to respond to questions from the *Will County Mirror*.