

## CEOs should have the write stuff



For children: Zuckerberg and Priscilla with their daughter Max. They gave away 99 of their Facebook shares to a limited liability company they had set up to “advance human potential and promote equality for all children in the next generation”. – EPA

### Popular Now in Business

#### There’s much to gain when corporate leaders air sincere views

LETTER writing is often regarded as a lost art. But that’s not an issue with corporate Malaysia. For how can you lose what you never had?

There’s little in the public space to show that the top people in this sector have ever been good in expressing themselves through the written word. Or for that matter, they’ve never seemed interested in doing so.

Just look at any of our listed companies’ annual reports over the years. The chairman’s statement and CEO’s review of operations (usually a feature in the reports of the larger listed companies) are usually colourless, shallow and perfunctory. More often than not, they’re brimming with boilerplate language and there’s no attempt to tell it as it is.

And these sections in the annual reports are usually the only occasions when the company heads personally address such a potentially broad audience. That says a lot about our corporations’ reluctance to share information other than what’s required by the disclosure rules.

The American corporate scene, on the other hand, is fertile ground for open letters and social network messages

from CEOs. At the same time, it's common for the media, NGOs, investors and other organisations to compose open letters to the heads of big companies.

It's a practice that promotes transparency, accountability, awareness of important topics, and healthy debates.

The latest high-profile example is when Apple CEO Tim Cook penned a message to customers on Tuesday to explain why the tech giant is fighting a court order to "build a backdoor to the iPhone" to assist an investigation of a deadly terrorist attack last year.

He begins the letter with these lines: "The United States government has demanded that Apple take an unprecedented step which threatens the security of our customers. We oppose this order, which has implications far beyond the legal case at hand. This moment calls for public discussion, and we want our customers and people around the country to understand what is at stake."

And that is indeed the key — if you want people to understand why you do what you do, the best way is to put it in black and white.

If people need to be convinced that corporate Malaysia should embrace letter writing, especially open letters, here are some things to consider:

> It's more personal

It's hard to love a faceless corporation. People prefer to hear from the person in charge. A lot of others may be involved in drafting an open letter, but in the end, it's the CEO's name at the bottom of the document. That's more likely to resonate with us than a cold notice posted outside an outlet or a media release sprinkled with stiff quotes.

In September 2013, Starbucks decided that customers should be discouraged from bringing guns into its US stores or outdoor seating areas. The coffee company could have just put up signs to say so and stopped there. But CEO Howard Schultz went further by coming up with a fairly long open letter on the move.

Here's how he ended it: "I am proud of our country and our heritage of civil discourse and debate. It is in this spirit that we make today's request. Whatever your view, I encourage you to be responsible and respectful of each other as citizens and neighbours."

Retail player Target adopted the same policy in July the following year. Interim CEO John Mulligan shared with employees the thinking behind this through a letter, which was also uploaded on the company's website.

> It supports crisis management

When a company is under siege, its head ought to step up to do the right and necessary thing, instead of stonewalling in the hope that the storm will pass soon enough. And often, the right and necessary thing is to give a clear and credible account of what has gone wrong, apologise earnestly for any lapse, and assure that everything is being done to avoid a repeat.

This may not always turn the tide, but it's at least a shot at earning some goodwill, sympathy and understanding.

Examples of companies that have released open letters from CEOs during a crisis include the Royal Bank of Canada in 2013 (in response to a flap over the bank's outsourcing arrangement with a foreign company), Takata Corp in 2014 (after at least five deaths, including one in Malaysia, attributed to auto accidents where Takata airbags malfunctioned) and restaurant chain Chipotle (following a food poisoning outbreak last year).

> It sheds light on complex matters

A skilfully crafted but heartfelt letter can go a long way in helping people grasp the intricacies of a large deal, see the

many facets of a controversy, or appreciate a complicated business strategy or model. Tim Cook's letter this week is a great example.

People like it when they're given a glimpse into the mind of a corporation. Also, there's respect for those who are willing to go public with their opinions. At a minimum, a letter from the CEO lets the company state and argue its positions and decisions with a human voice.

> It makes people think

Some CEOs have leveraged their influence and the power of words to highlight major causes and push for positive changes. Last year alone yielded many examples.

In January, five big-name sponsors of world football (AB InBev, adidas, The Coca-Cola Company, McDonald's and Visa) wrote an open letter to the executive committee of Fifa, the sport's governing body that has been mired in a corruption scandal. The sponsors called on the committee to "embrace change, implement reforms, endorse a long-term independent oversight approach and initiate the cultural change".

In June, six major oil companies shot an open letter to governments and the United Nations, saying they can do more to limit greenhouse gas emissions if governments across the world provide the companies with "clear, stable, long-term, ambitious policy frameworks".

Facebook CEO Mark Zuckerberg announced on Dec 1 that he and his wife would give away 99% of their Facebook shares to a limited liability company they set up to "advance human potential and promote equality for all children in the next generation". He broke this news via an open letter to his daughter, who was born that day.

Google CEO Sundar Pichai, who was born in India, was apparently unhappy with Donald Trump's provocative campaign statements on immigration and Muslims. In response, Pichai wrote an open letter to put on record his belief that "a diverse mix of voices and backgrounds and experiences leads to better discussions, better decisions, and better outcomes for everyone".

"Let's not let fear defeat our values. We must support Muslim and other minority communities in the US and around the world," he said.

> It's a marketing tool

If you're clever about it, an open letter can help raise a company's profile and boost its appeal. Matthew Corrin, CEO of restaurant chain Freshii, demonstrated how last May when he came up with an open letter to Steve Easterbrook, his counterpart at McDonald's. The thirtysomething Corrin had a challenge for the Golden Arches: "Let us co-brand a Freshii outlet in just one of your 14,000 stores, anywhere in America. My studies indicate that this move will pay for itself, increasing same store sales by 30% and boosting annual profits by \$250,000 per unit."

McDonald's didn't respond, but Freshii certainly got valuable media coverage from the publicity stunt.

> It's fun

CEOs can have a sense of humour, of course. Why not display that in messages made public?

Last August, Burger King wrote an open letter to McDonald's, proposing that the two fast-food rivals get together in conjunction with Peace Day on Sept 21 and create the McWhopper, an amalgam of the Big Mac and the Whopper burgers.

Through Facebook, McDonald's CEO Steve Easterbrook countered with a suggestion that the two brands "could do something bigger to make a difference". He added, "We commit to raise awareness worldwide, perhaps you'll join us in a meaningful global effort?"

Best of all was this postscript: "A simple phone call will do next time."

**Executive editor Errol Oh is thinking of writing an open letter to Zoo Negara's panda cub. But first, it must be named.**