New York Law Journal

W

JOURNAL

SPECIAL

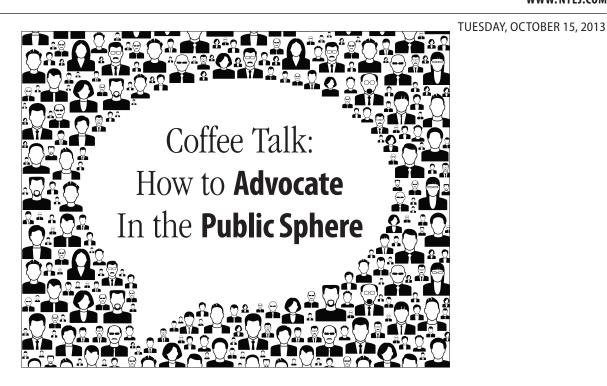
Law Firm Management

Ο

An **ALM** Publication

W

SECTION



BY JOHN HELLERMAN AND SPENCER BARETZ

oward Schultz of Starbucks is an obvious model for business leaders. He has proven his talents at least twice over: first, building Starbucks from a single store into a retail colossus, and second, reviving the company's fortunes after taking an eight-year hiatus from his CEO position. Schultz returned in the year 2008, during which Starbucks stock reached a low of \$8.93. Today it is trading north of \$70.00.

While it's clear that Schultz's career offers many lessons to the business world, legal industry leaders should be paying attention as well. Specifically, they can learn much from Schultz's deft handling of a gun-control debate

JOHN HELLERMAN and SPENCER BARETZ are the cofounders of Hellerman Baretz Communications, a communications agency specializing in thought leadership and branded content development, reputation management, and revenue growth. JOHN FORD, director of editorial services, contributed to this article. that had barged its way into Starbucks stores. Schultz effectively ended that debate—as far as it concerns Starbucks—with a masterful open letter that the company published in The New York Times, The Wall Street Journal, other newspapers, and on its website.

Although the controversy did not directly involve litigation, few are the law firm leaders that will not see the relevance of these events to the work of law firms and their management. First, lawyers are frequently involved in crafting public statements for clients facing public crises. Second, given the recent travails of the legal industry and the fact that it is reported on in more depth than ever before, law firm leaders are now frequently called on for public statements about the workings of their own firms.

Both situations call on attorneys to communicate effectively with the public. It's a much different discipline than advocating before a judge or negotiating a contract, a distinction that is sometimes lost on lawyers to their detriment.

The importance of good public communication is so vital to the work of lawyers today that Hellerman Baretz Communications started a feature on our blog called "Grading the Statement," in which we analyze the public statements of law firms and companies in crisis. Schultz would have gotten an A.

Most will know the background of the Starbucks controversy, which became a topic of national discussion. Gun-rights activists had begun holding "Starbucks Appreciation Days," in which they openly carried firearms into Starbucks stores. The events were made possible by Starbucks' policy—an attempt at neutrality—of respecting the open-carry laws applicable to each store location. From Starbucks' perspective, however, the Appreciation Days had the unwelcome effect of thrusting the company into the volatile gun-control discussion, painting Starbucks as a champion of gun-rights activists, and upsetting customers disturbed by the presence of guns.

The Starbucks Response

The company was in a tight spot, and the correct response was not obvious. Ban guns at Starbucks? Ban Appreciation Days? Make a donation to the Newtown-based group calling for action from Starbucks? The company chose a subtle course of action: to make no change in its policy, to institute no ban, but instead to publicly ask gun owners to keep their firearms out of Starbucks stores.

That response was hardly earth shattering it effected virtually no change. But Schultz and Starbucks understood something about public communication that lawyers should note: The *manner* in which it communicated its response was just as important as *the response itself*.

This can be difficult for lawyers to grasp when it comes to public statements, and with good reason. When it comes to the use of language, lawyers are trained to value precision far above emotional effect. Lawyers think nothing of cluttering their pages with defined terms (e.g., "The Starbucks Public Letter") in the name of accuracy, despite the fact that they make reading a chore. Lawyers are also trained to cover every eventuality in their contracts, which leads to a penchant for including redundant, unreadable lists in even non-legal documents. That tendency is most apparent in professional biographies, in which a lawyer experienced in, for instance, "employee benefit and compensation" matters can't stop there. To use a real-life example, the lawyer feels compelled to add: "including pension and profit sharing plans, employee stock ownership plans, deferred compensation plans, stock option plans, welfare plans, employment agreements, severance arrangements and change of control arrangements." No one absorbs all that, but the lawyer feels better for having covered his bases.

These habits may make good lawyers (saving the question of whether a little plain English would vastly improve contracts and briefs for another day), but they do not make for effective communication. A UCLA study by Prof. Albert Mehrabian, in fact, found that in personal interactions, only 7 percent of the received meaning is transmitted by words. Instead, body language accounted for 45 percent of the communication, and tone another 35 percent.

In his letter, Schultz wisely paid as much attention to his delivery as his message. First, he framed the issue, painting Starbucks as a neutral party caught in a fight it wants no part in:

From the beginning, our vision at Starbucks has been to create a "third place" between home and work where people can come together to enjoy the peace and pleasure of coffee and community. Our values have always centered on building community rather than dividing people, and our stores exist to give every customer a safe and comfortable respite from the concerns of daily life.

Everyone—even the most ardent advocates in the gun-control debate—understand the unfairness of dragging a bystander into an argument. We have all been that bystander at one time or another, and none of us liked it.

With the reader emotionally invested in Starbucks' plight, and after confirming his respect for both sides of the debate, Schultz then lays out his message. He does so with no ambiguity whatsoever. "To be clear: we do not want these events in our stores."

Schultz then literally underlines his message: "For these reasons, today we are respectfully requesting that customers no longer bring firearms into our stores or outdoor seating areas—even in states where 'open carry' is permitted—unless they are authorized law enforcement personnel."

The open letter succeeded not because of Starbucks' reaction itself-as noted, despite demands the company made no policy changes-but because the company understood how to communicate. It draws sympathy by painting an honest picture of its predicament, and follows that up with a forceful-and forcefully clear-statement of its position. Perhaps aware that there was little actual news in its message, Starbucks also ensured that its message was heard by purchasing full pages in The New York Times and The Wall Street Journal. This is yet another way in which Starbucks signaled its awareness that the manner in which a message is distributed is as important as the message itself.

Certainly, law firms and their clients risk something by putting a message into the public sphere, and sometimes "no comment" is the best response. When it won't do, however, law firms can help themselves by thinking hard about how their messages will be received.

Lessons for the Law

Make no mistake: The result that Starbucks achieved here was neither easy nor foreordained. Just ask Lowe's. The hardware retailer found itself in a similar position recently, whenseeking to extricate itself from a politically tinged controversy-it pulled its sponsorship of a TLC reality show called "All-American Muslim." Instead of exiting gracefully, as Starbucks did, Lowe's offered a tortured half apology on its Facebook page that drew 28,000 venomous comments. That statement failed for numerous reasons; primary among them, however, was its extreme vacillation, hesitancy, and lack of clarity. Lowe's did not even mention the name of the program in its statement, signaling to the reader that it was commenting from a place of fear. Starbucks' statement, by contrast, feels strong, clear, and transparent.

Admittedly, it is not easy for lawyers to counsel transparency, particularly when their clients' statements may one day be exhibits in litigation. They can find unlikely inspiration, however, in Conan O'Brien. In the tumultuous days of his semi-forced exit from The Tonight Show, when future litigation seemed likely if not certain, Conan issued a statement that rivals Schultz's. Like Schultz's, it wins the audience over from the start. "People of Earth," it begins, dismissing any sense of self-importance with a laugh, before noting that "no one should waste a second feeling sorry for me." That is prelude to a clear—and devastatingly convincing—explanation of why he is rejecting NBC's offer to move The Tonight Show to 12:05 a.m.

Certainly, law firms and their clients risk something by putting a message into the public sphere, and sometimes "no comment" is the best response. When it won't do, however, law firms can help themselves by thinking hard about how their messages will be received. Russells Solicitors, for instance, had virtually no choice but to address the media in connection with the controversy that led to this apology:

We, Russells Solicitors, apologize unreservedly for the disclosure caused by one of our partners, Chris Gossage, in revealing to his wife's best friend, Judith Callegari, during a private conversation that the true identity of Robert Galbraith was in fact J.K. Rowling.

The law firm was in a very difficult position, but its statement would have been more effective if the firm had chosen to either genuinely accept responsibility or lay all the blame on a rouge partner. It chose instead to straddle the fence—hoping to get the benefit of both positions—and thus ended up sounding "lawyerly."

Unfortunately, in recent years law firms have been required to make comment under the similarly trying circumstance of attorney layoffs. These firms have acquitted themselves to varying degrees, though Weil, Gotshal & Manges stands out for excellence. In a firmwide memo (which leadership certainly knew would be leaked), Executive Partner Barry Wolf explained the reductions of 60 associates, more than 100 support staff, and partner compensation decreases. The memo is notable for its frank admission that "the market for premium legal services is continuing to shrink." As soon as Wolf comes clean with that statement-leveling in an honest way with his audience-he has virtually insulated the news from any reasonable objection.

Weil Gotshal, like Schultz, treated his audience with the respect, honesty, and clarity that they needed to feel like they were being communicated with in a genuine manner. And with that groundwork laid, both Weil Gotshal and Schultz were able to effectively transmit difficult messages. They offer solid examples for attorneys called on to get across their points outside the courtroom.

Reprinted with permission from the October 15, 2013 edition of the NEW YORK LAW JOURNAL © 2013 ALM Media Properties, LLC. All rights reserved. Further duplication without permission is prohibited. For information, contact 877-257-3382 or reprints@alm.com. # 070-10-13-26