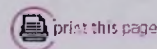


50th anniversary

50 Burson-Marsteller
PROUD YEARS
...just the beginning

Eleventh of a 50th Anniversary Series

The Olympic Games: A Quarter-Century Relationship

The Burson-Marsteller relationship with the Olympic movement dates back a quarter of a century. It started with the Los Angeles Summer Olympic Games in 1984 and continues to the present. Central to the relationship has been a two-decade association with the United States Olympic Committee. In addition, we have worked with a score of Olympic corporate sponsors – for some, like Coca-Cola and McDonald's, repeatedly at Summer and Winter venues. On a personal level, I count my involvement with the USOC, much of it pro bono, among the most satisfying of my roles as a public relations professional. Mike Moran, John Krinsky, Harvey Schiller, Bill Hybl and the late Robert Helmick have been both good clients and good friends.

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We entered the world of the Olympics almost by accident. For the better part of a decade starting in the 70s, I had courted AT&T - both PR vice president Paul Lund and his successor, Ed Block, after Paul's untimely death from lung cancer. I yearned to have that great name on our client list. My goal was achieved after I learned (actually from Bob Cohn, whose gem of a business, Cohn & Wolfe, we had recently acquired and who also was competing for the account) that AT&T was seeking an agency to help them manage the Olympic Torch Run across the United States. Tom Mosser led the charge for us and we got the business.

Thus began perhaps the largest, certainly most logistically complex, project ever undertaken by Burson-Marsteller. Managing the AT&T Torch Relay involved more than 160 B-Mers who helped plot the cross-country course from United Nations Plaza in New York City across the length and breadth of the continental United States to Memorial Stadium in Los Angeles. The event required 12,000 runners who carried the Olympic Torch 8000 miles through thirty states. The original flame, according to custom, was ignited on Mount Olympus in Greece. It was flown to Kennedy Airport in New York and trucked to United Nations Plaza where the AT&T Torch Relay officially began on May 8. It then took a circuitous route across the vast expanse of our country, the flame from one torch lighting the next, kilometer-after-kilometer, until it finally reached the huge natural gas-fueled cauldron atop the Olympic stadium. One destination along the route was the south lawn of The White House and President Reagan personally welcomed the torch entourage. Literally scores of events involving governors and mayors marked other stops, each meticulously planned in advance. In fact, one of the most painstaking aspects of the project was obtaining the requisite permits from cities, towns and villages and working with law enforcement and traffic departments on arrangements that were timed with high precision. At the opening ceremonies for the XX1st Olympiad the torch was carried into the stadium by a granddaughter of the legendary Olympic Gold Medal track star, Jesse Owens. Until entering the stadium, the torch bearer's identity was a well-kept secret.

Thousands of hours went into planning the Olympic Torch Relay, with Nick Kilsby and Al Schreiber playing prominent roles on the B-M team. Each day's progress was carefully mapped to maximize attendance and media coverage. The support team during the actual run consisted of a caravan of some twenty vehicles that transported medical, food preparation, security, media and government relations, communications and other support staff to assure uninterrupted progress of the torch. A B-M advance team preceded the torch by 24 to 48 hours to make certain permits were in order, to brief police and other law enforcement officials and to alert the press. Scheduled to-the-minute, there was seldom any deviation and the torch reached the Olympic opening ceremonies within sixty seconds of

the scheduled time.

A major obstacle that had to be overcome was recruiting torch bearers in unpopulated areas, mainly west of the Mississippi River. Most runners were people who "bought a kilometer" for \$1000 with the funds going to Boys and Girls Clubs and YMCAs and YWCAs in the donor's area. In sparsely populated areas, AT&T's retiree organization, The Pioneers, recruited volunteers and transported them to points along the relay route where one runner would pass the flaming torch to another. They included all manner of people, young and old, men and women, boys and girls, people of diverse ethnic backgrounds, all representative of the communities along the relay path. During each of the nine weeks of the Torch Relay, at least one national network evening news program reported on its progress and *USA TODAY* published a daily map tracking its route.

AT&T was one of more than a half-dozen major Olympic sponsors Burson-Marsteller represented during the 1984 Olympics, others including M&M Mars, Coca-Cola, Westinghouse and Flying Tigers. For Mars the games were the centerpiece of a global recognition program for employees (in the Mars culture, they are called "associates"). For two years Mars associates competed for points toward an all-expense trip to the Olympics. We handled all the logistics including housing, food and transportation to the numerous venues in and around Los Angeles. For the four days they were at the Games, three groups of 400 Mars associates lived in fraternity and sorority houses on the University of Southern California campus within walking distance of many of the events. One of our people, knowing that these houses were vacant during the summer months, came up with the idea to rent them for client use during the Olympics. Mark Bain, who now heads corporate communications for Alticor (formerly Amway) was transferred from B-M/NY to B-M/Los Angeles to direct on-site Olympic activities for B-M clients.

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The relationships we developed during the Los Angeles games set the stage and heightened our desire and resolve to continue our association with the Olympic community. In particular, I was determined that Burson-Marsteller have a role in the 1988 Summer Games in Seoul, Korea. Having had minimal contact with Korea even though we had operated in Asia more than a decade, I engaged my friend, Philip Habib, recently retired from the Foreign Service after achieving the rank of Under Secretary for Political Affairs at the State Department, to facilitate my visit to Seoul in November 1984. Habib was the U.S. ambassador to Korea in the 1970s and one of the Americans most admired by Koreans. He arranged a meeting for me with the Seoul Olympic Organizing Committee, many of whom were his long-time friends. The head of the committee (SLOOC) was the former Korean army commander, General Roh Tae-woo, who later became Korea's first elected president. We learned we had won the business in early 1985 (Hill & Knowlton was our principal competition). Our assignment was to assure the world that Korea had the resources and determination to stage the 1988 Summer Games in a manner consistent with previous Olympiads in a secure environment and the world's most advanced sports facilities. In short, Burson-Marsteller was to be Korea's voice to the world. In fact, Korea was on its way to becoming a world class nation. Already it was among the top dozen trading nations.

One of my best decisions was choosing Bill Rylance to be our on-site liaison with SLOOC's Secretary-General, Park Seh-jik, who had succeeded Roh Tae-woo. Bill was 28 years old when he arrived in Seoul, his first visit to the Orient. He had been with Burson-Marsteller three years, starting in London and then moving to Bahrain. Bob Leaf had brought him to my attention. Bill soon recruited Bryan Matthews, an Asian-based correspondent for London's Daily Mail, and the two of them spent the next three years implementing a broad-ranging program for the 1988 Seoul Games that included specific agendas in the United States, Japan, the United Kingdom, Germany, France and Spain - all countries important to Korea. Bill and Bryan served as a "mini-secretariat" for the head of SLOOC, participating in many international policy matters and conferences, writing speeches and responding to international inquiries. Among the more interesting initiatives was developing and implementing a strategy to assure Soviet Union participation in the Seoul Games. At the time, Korea and the USSR did not have formal diplomatic relations and the Soviet Union had boycotted the Los Angeles Games. Working with Tass correspondents based in Tokyo, Burson-Marsteller facilitated the initial exchange of messages between the two countries. USSR participation in the Seoul Games is credited with the speedy establishment of diplomatic relations between the two countries, somewhat similar to the

Korean relationship with the People Republic of China. To facilitate media coverage during the games, we imported some 20 B-Mers from a dozen countries to help manage the Olympic Press Center and serve as interpreters for overseas journalists.

Bill Rylance and Bryan Matthews left Burson-Marsteller after the completion of our contract with SLOOC at the end of 1988 and established Merit Public Relations in Seoul. B-M acquired Merit at the turn of the century and Bill Rylance subsequently moved to Hong Kong as CEO of Burson-Marsteller Asia/Pacific operations. Bryan Matthews remained in Seoul as B-M's senior representative in North Asia.

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Another group of B-Mers half-a-world away were engaged in another major Olympic-related activity. B-M/Oslo was recruited in 1983 to help Lillehammer, a small Norwegian ski resort, develop a strategy and program to win the venue competition for the Winter Olympic Games in 1992. A team headed by Per Heggenes and including Kai Henricksen and Trond Andresen, worked almost five years preparing submissions to the International Olympic Committee and persuading IOC members and other Olympic influentials that an unknown village in Norway, some 70 miles north of Oslo, was the ideal site. According to Per Heggenes, "The aim of the communications program at the early stages was in three parts: to make the candidacy known, to make it credible, and finally, and very important, to establish good relations with those we later defined as the real decision-makers and those who identify with them."

The B-M team took a leading role preparing the Lillehammer presentation to the IOC in Calgary in 1985. The first of three elements was a multimedia presentation titled "In this we believe." It highlighted Lillehammer's natural qualifications for being the venue as well as how completely Norway - its people, its lifestyle, its culture - reflects the Olympic ideal. The second element was labeled "The Challenge." It described the resources Lillehammer could bring to bear to so huge an undertaking. Interestingly, parallels were drawn to how the Norwegian government and private sector overcame the challenges brought about by the successful Norwegian offshore oil drilling initiative. Finally, a document titled "The Facts" was a three-volume, 500-page detailed account of all the information a member of the IOC required to be fully conversant with Lillehammer's bid. Despite this enormous effort that included personal contact with IOC members as well as the individual sports federations and national governing bodies, Lillehammer failed to get a majority of the votes. Albertville, France, was selected as venue for the 1992 Winter Games.

The Lillehammer Organizing Committee decided immediately to continue its quest for the venue in 1994 (several years earlier, the IOC voted to abandon the practice of holding the Summer Games and the Winter Games during the same year every four years; instead the Winter Games are now held midway between the Summer Games). Having once experienced the competitive process, Lillehammer entered the competition with a greater degree of confidence. It sharpened its messages to IOC members and other sharply targeted members of the Olympic community. There were five in all:

- Lillehammer was the only venue where all sports events, excepting alpine, could take place within walking distance of hotels and other lodging.
- All the required facilities were already finished or under construction, irrespective of the IOC decision.
- Lillehammer offers ideal and predictable climate conditions for winter sports.
- Norway's tradition of and commitment to winter sports (#2 to the Soviet Union in winter Olympic medals, 1.7 million of its 4 million inhabitants are members of the Norwegian Confederation of Sports).
- The establishment of a permanent Scandinavian winter sports center if Lillehammer was the Winter Olympic venue.

Coincidentally for me and my B-M associates, the IOC meeting to vote on the 1994 venue took place during the Seoul Summer Games in September 1988. Persevering to the very end of the process, the Lillehammer organizing committee enlisted the Prime Minister of Norway to demonstrate his nation's commitment to the Olympic spirit with a personal appeal to the members of the IOC immediately before the vote was taken. This strategy worked -- Lillehammer was an easy winner. I learned about it soon after the vote while having lunch with John Krinsky, the USOC's deputy executive director and chief fundraiser, at the Seoul Intercontinental Hotel, a stone's throw from the magnificent Korean Olympic complex. Kai Hendriksen thought (correctly!) that I would like to know the good news.

Olympic sponsorships came of age at the 1984 Los Angeles Summer Games when Peter Ueberroth recruited corporate sponsors in some two dozen categories at four million dollars each for exclusive rights to use the Olympic rings. Barely two decades later, the cost of a global category exclusive sponsorship (a TOP sponsor) has risen to up to forty million dollars - with some twenty-plus takers for the 2000 Sydney Summer Games.

My observation through the years is that most sponsors - Coca-Cola, McDonald's, Visa and Kodak are exceptions - fail to take full advantage of their sponsorships. They pay big bucks to the IOC for the sponsorship, let a couple years idle by and then decide they lack funding for a promotion/publicity budget that would cost them a couple million dollars.

During most of the time he was the non-paid volunteer president of the U.S. Olympic Committee, I was a close confidant and advisor to Robert Helmick. Bob was a successful Des Moines lawyer whose special expertise was in tax-free bonds issued by states, municipalities and other government entities. His rapid rise in the Olympic movement started when he became chairman of U.S. Water Polo in 1969 and a member of the board and executive committee of the Los Angeles Organizing Committee in 1979. A dedicated and passionate believer in the Olympic movement, he was elected a USOC vice president in 1981. Four years later he was elected USOC president which, for him, became a near full-time occupation. The same year he was elected to the IOC and four years later he was appointed to the IOC executive committee.

I met Bob at a USOC reception at the 1984 Summer Games in Los Angeles and took an immediate liking to him. His commitment to the Olympic movement was infectious and following his election as USOC president I offered him my support. He asked me to be a member of the USOC marketing and public relations advisory committee, headed by Olympic fencer Edgar House. Bob was a frequent visitor to New York and my advisory role evolved from our lunches together and his many visits to my office. My unwritten briefly spoken agreement with him was that I personally would serve him in an advisory capacity without compensation. I told Bob I preferred a personal pro bono arrangement because I wanted to feel absolutely unimpeded in telling him exactly how I felt on any given issue. I believed working as an unpaid free agent would facilitate that objective and best serve Olympic interests.

In late August 1991 Mike Moran, the USOC's highly regarded public relations chief, telephoned to give me a "heads up" on a story being pursued by *USA TODAY*, one of the few American newspapers that regularly reports on the Olympics. The gist of the story was that Bob Helmick was alleged to have a conflict of interest in that while serving as USOC president, he was representing clients seeking to influence the USOC. I had an appointment with Bob the next day and asked him if the story were true. He admitted representing several clients, but fiercely maintained he had done nothing that compromised his role as USOC president. After relating to me his conversation with the *USA TODAY* reporter, he sought my advice on what could be done to soften or neutralize the story that was likely to result from his interview. Based on my conversation with Mike Moran, it seemed clear to me that *USA TODAY* had the story and no good purpose would be served by talking further to their reporter. Before telling that to Bob, however, I asked him the direct question "do you have any other clients, beyond those known to *USA TODAY*, whose business interests are Olympic-related?" I volunteered that, if so, it would be better for him if everything came out in one story. I said the worst

case scenario for him would be for further conflicts to be discovered one-by-one and result in a series of adverse articles that would then be picked up by other media. Bob assured me that "no other shoes would be dropping" - or words to that effect.

The *USA TODAY* report, published September 6 – a full-page in the Sports section under the banner "Inside the USOC: A Look at Its President"—cited four situations where Helmick was perceived to have a conflict. (Helmick admitted to having the relationships.) The clients were Turner Broadcasting, sponsor of the Goodwill Games, which Helmick as USOC president at first strongly opposed but later supported; Saatchi & Saatchi, the advertising agency on retainer to USOC to sell sponsorships; the Director of Marketing for the U.S. Golf Federation which had applied to USOC to become golf's national governing body; and an organization hired by Brunswick Corporation to help bowling become an Olympic sport. The article appeared on a Friday, the day before a scheduled meeting of the USOC Executive Committee.

Although Helmick publicly pleaded that he had not used his office to further the interests of his clients (which, beyond providing access to decision-makers, I have always believed to be true), he faced near-universal condemnation - from reporters who regularly covered the Olympics and from throughout the Olympic community. Largely, the argument was that perception equated to reality and on that score, Helmick had done harm to the USOC. The day the story broke in *USA TODAY*, Bob and I met to assess the damage. He was resolute in wanting to retain his position as president and had prepared a list of arguments supporting his actions, among them that "the rules of the USOC clearly permit me to undertake legal engagements related to sport" and "I have been providing legal and counseling services similar to these since 1977." Out of our discussion came the idea that he would inform the USOC Executive Committee that he would not seek re-election after the Barcelona Olympics about ten months hence. While I regarded it as a desperation measure not likely to satisfy his critics, I did not discourage him. The Executive Committee's response was the appointment of a special counsel (Arnold I. Burns, former U.S. deputy attorney general) who was tasked to assure the Executive Committee that Helmick had made full disclosure of his representations which could be perceived to be in conflict with his responsibilities as USOC president.

During the next week, *USA TODAY* revealed that Helmick had additional relationships with clients seeking to influence USOC or IOC. He had misled the USOC Executive Committee, he had misled me and he had misled the media. If Bob had any chance of serving his term through the Barcelona games before the new revelations came to light (I believe that was a possibility if he had admitted everything from the outset), it seemed to me now that he had only two options: either to resign or to be forced out of office.

Helmick was alone in defending himself. We spoke by telephone several times a day as the media, fueled by adverse comments from within the Olympic family, continued to thrash him and the USOC. Some columnists called for his resignation. This was a heart-wrenching painful experience for him and I suffered alongside him throughout the ordeal. During his next visit to New York on September 18, I told him that I had concluded he would best serve the Olympic movement by resigning. By then, he was so beaten down by the media pile-on that he accepted my recommendation without protest. In fact, I recall him asking only "do I have to resign from the IOC also?" While I believed that was inevitable, I suggested he take it one step at a time and await IOC developments, pending its meeting the first week in December. As he sat facing me in my office, I showed him the handwritten five-paragraph resignation statement I had scribbled in red pencil hours before our meeting. His eyes misted as he read it and he accepted it without change. I would be less than candid if I failed to admit that I dropped a tear or two while escorting him to the elevator.

Prior to the IOC meeting in Lausanne, Bob spoke with me several times about strategies which might allow him to remain on the IOC board. Foremost in his mind was whether he should arrive a day or so early for a private meeting with Antonio Samaranch, the powerful IOC secretary-general. I favored such a meeting because I felt that the IOC would follow Mr. Samaranch's will. Bob asked if it made sense for me to accompany him to Switzerland and I told him I thought that could be counter-productive and did not offer to go with him. Rather, I assured him I would stand by for his telephone calls if he wanted to talk or seek advice. Helmick's presence at the IOC meeting was greeted with a hailstorm of adverse articles in newspapers in Britain and on the Continent, all citing the conflict issue and many equating it to a breakdown in integrity that affected the Olympics worldwide. He got no

support from his fellow IOC members.

He called me from Lausanne the evening after the opening session as I was leaving the office about six o'clock New York time - midnight his time. He asked for my counsel. I told him I thought he should resign gracefully - otherwise, he risked expulsion by the IOC which, I thought, would have been far more damaging to him - and, collaterally, to the USOC. He asked me to write a resignation statement. I didn't tell him, but I had already done so. I told him it would be FAX'd to his hotel within the next quarter hour. I waited ten minutes before sending it. Sadly, that was the last time Bob Helmick and I spoke.

With the passage of time - and Bob's death earlier this year - there has been speculation on whether it was really necessary for Bob to resign since the USOC investigation reported in late November 1991 - a good two months after the media storm started - that Helmick had not abused his office. I counseled him to resign because of the rapid erosion of confidence in the USOC at a critical moment in the Olympic time cycle - less than a year from the start of the Barcelona Summer games. My reasoning was that the media showed no signs of letting up and a continuing barrage of adverse news coverage would seriously undermine USOC programs like training and sponsor relationships. I continue to believe I did what was best for the USOC and for the Olympic movement worldwide - in suggesting both his resignation from the USOC and the IOC - even though I continue to think kindly of Bob Helmick. While I feel certain he spoke with others about whether he should resign - and that his direction may have already been decided on the two occasions when I provided him with a written resignation statement - it is worth noting that he sought no additional advice after talking with me. In both instances, he made public his resignation in a matter of hours after he had the written statements in hand. Throughout this tragic episode, I purposely avoided contact with any USOC or IOC officers or directors.

For the record, the USOC investigation report concluded:

"We have found no evidence that Mr. Helmick influenced, or attempted to influence, any USOC officers, directors or staff members in connection with their consideration or approval of contracts or transactions involving Mr. Helmick's private clients."

To summarize from the view point of a public relations professional: this is as classic an example as one is likely to find that demonstrates the role that perception plays in influencing attitudes and behavior.

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