

# ENTENTE CORDIALE

*'How do I get this past legal?'* Pfizer's Amy Schulman and Sally Susman tell Brunswick's Jennifer Lowney that, for them, this isn't an issue and describe how they make their relationship work

BY JENNIFER LOWNEY,  
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In the midst of a slew of unprecedented corporate crises some months ago, *The New York Times* revisited the question of how companies should manage such situations and asked, "Are some crises so dire that public relations victory is simply not on the menu? And, if so, what's an embattled company to do?" The piece examined those particularly troublesome cases where companies face competing demands for swift and complete public disclosure on the one hand, together with the need to avoid a potential legal liability down the road. "In times of crisis, communications professionals and lawyers often pursue conflicting agendas," the *Times* article pointed out. "Communications strategists are inclined to mollify public anger with expressions of concern, while lawyers warn that contrition can be construed as an admission of guilt in potentially expensive lawsuits."

The fact is that lawyers and communications executives often come at problems from very different perspectives. That is true even in non-crisis situations. Indeed, it is seen as a routine part of the process that, after all the draft materials have been assembled for a strategy that the communications





team believes will succeed, one of them must then ask, “How will we get this past legal?”

AT PFIZER, THE NEW YORK-BASED GLOBAL HEALTHCARE company, the relationship between Amy Schulman’s legal and Sally Susman’s corporate affairs and communications departments could be described as the complete opposite of the stereotype. The two have managed, by structural design and through their personal relationship, to arrive at a system that maximizes cooperation and minimizes conflict. The design includes the fact that both Schulman – who is Executive Vice-President, General Counsel and President and General Manager of Pfizer Nutrition – and Susman – Executive Vice-President of Policy, External Affairs and Communications for Pfizer – both sit on Pfizer’s 13-person Executive Leadership Team, the company’s top decision-making body, led by Chairman and CEO Ian Read. Additionally, Schulman and Susman “embed” staff in each other’s departments.

Far from their different departments operating within an atmosphere of conflicting perspectives, they appear to enjoy learning about each 

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**AMY SCHULMAN**  
— Executive Vice-President  
& General Counsel; President  
& General Manager, Nutrition

Amy W. Schulman joined Pfizer as General Counsel in June 2008 and saw the company through its \$68bn acquisition of Wyeth. She then led a major reorganization of the legal division to align with Pfizer’s new business-unit structure and broadened its scope to include lawyers in all markets.

In December 2010 her role expanded when she was named head of Pfizer Nutrition, a leading provider of infant formulas and other nutritional products. In January 2011, Schulman assumed responsibility for running this global business, worth nearly \$2bn.

Before coming to Pfizer, Schulman was a partner at DLA Piper, where she was a member of the board and Executive Policy Committee. Schulman is also executive sponsor of the company’s Global Women’s Council, which aims to make Pfizer an employer of choice for women.

In 2011, she was included in the “most innovative general counsel” lists of Inside Counsel magazine and Law360. In 2009, The National Law Journal named her to its inaugural list of the 20 Most Influential General Counsel and Forbes magazine included her on its list of *The World’s Most Powerful Women*. A graduate of Wesleyan University, she earned her J.D. from Yale Law School.

other’s world. “It’s a plum assignment for my people,” says lawyer Schulman. “Right,” says public affairs and communications chief Susman, “It’s a really coveted position for my team, too.”

Schulman acknowledges that an antiquated view of her profession persists. “There is a profound disconnect between how lawyers actually function in companies today and how it was 15 or 20 years ago. The idea then was that clients would never entrust lawyers with their real goals because they were convinced lawyers were in the business of saying ‘no.’ And because lawyers were disconnected from where clients really wanted to go, they were actually disabled from giving really good advice. They really *were* in the business of saying ‘no.’”

Similarly, Susman agrees there is a corresponding old-school idea that the communications department “just says what sounds good and has little grasp of business objectives and the risk management calculus.”

But how could the relationship be expected to improve when the potential for tension between the legal and communications departments has never been greater? Communications can be a source of many potential legal headaches for a company, encompassing crisis management, marketing and product communications, transaction news, financial reports, consumer outreach, informational campaigns and social media.

“Communicators need to understand and respect the risks, while legal also must understand how creative communications are critical to a company’s brand, its reputation, and its ability to impact its stakeholders,” says Schulman. “Dry, legally acceptable prose and safe-yet-bland strategies are not the answer. Lawyers must be part of strategic communications discussions from the outset of any project.” She and Susman have a mutual understanding and respect for how each department works within the overall business strategy.

But surely the degree of cooperation at Pfizer can’t always have been the case. How has it come about?

“I think the change reflects two trends,” says Susman. “One is that lawyers these days are thinking more like CEOs, like businesspeople. The other is the rise of the stakeholder society. So, in Pfizer’s case, patient groups, unions, environmentalists, activists

of all types, have a louder voice. That, combined with the internet and social media, has meant that there's no longer a hierarchy of command and control. You're in a daily discussion with the public about the position of your company. The advent of social media and the proliferation of corporate activism in the wake of the 2008 financial crisis has meant that there is unprecedented media scrutiny on every conceivable aspect of a company's activity, which requires monitoring and often a rapid response."

Susman adds, "On the communications side it is a matter of not simply putting out press releases or doing product launches by rote, but really managing a complex stakeholder environment."

Regulation is a huge consideration too. "The legal environment is shaped by a regulatory environment, much of which is shaped by public opinion," says Schulman. "So, if we're failing to respond to that in a way that's accurate and engaging, we're less likely to be successful on other fronts." It perhaps used to be the case that corporate lawyers would try to stay above the fray. "But it's no longer really possible to stay out of the dialogue and be seen as 'keeping the high ground.' However, it would be imprudent to wade into the middle of a conversation without having a sense of the right way to do it."

The two department heads agree that one of the keys for each department and their ability to work together is the judgment that each of them and their staff exercises.

"A decision to pursue a particular legal strategy can have tremendous communications challenges if it is not handled right," says Schulman. "There are all kinds of ways in which every legal step the company takes has a communications element. Conversely, communications has tremendous legal consequences. It has to be accurate, it has to be timely, it can't disclose more material information to a select audience. Pretending that either can exist without the other creates a whole host of problems."

The "soft management" skills are obviously important in managing the relationship. There are formal forums for debating issues but the two also take time, sometimes out of personal time, to discuss any irksome issues. And, as Schulman says, "Each of us is appropriately deferential in each other's territory, but at the same time, we go beyond ↗



### SALLY SUSMAN

— Executive Vice-President, Policy, External Affairs and Communications

Sally Susman is a member of Pfizer's Executive Leadership Team, chairs Pfizer's Political Action Committee and is Vice-Chair of the Pfizer Foundation, which promotes access to quality healthcare, nurtures innovation and supports the volunteerism of Pfizer's 100,000-plus employees.

Susman directs Pfizer's global communications and public affairs activities, including relations with governments in countries where the company has operations or markets products. She also heads the firm's corporate responsibility group and plays a key role in shaping the company's policy initiatives.

Before joining Pfizer in 2007, Susman was Executive Vice-President of Global Communications at The Estée Lauder Companies, where she directed global corporate affairs strategy for the company and its 28 brands. Previously she was at American Express. Earlier in her career, Susman spent eight years in government service, focused on international trade issues; working at the Department of Commerce and in the Senate.

Susman serves on the board of the International Rescue Committee, as well as the New York City Commission on Women's Issues. She holds a B.A. in government from Connecticut College and also studied at the London School of Economics.

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## SOCIAL MEDIA – A CASE STUDY

**A potential source of conflict between legal and communications is social media, a mode of communication that has grown so quickly that legal guidelines and public policy – never mind highly regulated public companies – have struggled to keep pace.**

At Pfizer, the communications team sought to develop an internal, company-wide message board – *Moving Pfizer Forward* – that would allow real-time posting without advance review or approval in order to create a candid, transparent environment for Pfizer employees to discuss key company issues.

The worry from legal’s point of view was how to ensure it would be used responsibly so as to protect both the company and individuals using the tools. It was uncharted territory and everyone was nervous – it’s an area where guidelines from the Food and Drug Administration remain vague.

To deal with these concerns, a team was created comprised of communications, legal, business and technology. They developed terms of use, a training program, and 24/7 monitoring.

A potentially troublesome area was a user agreement. Legal wanted users to click on it every time they used the blog, whereas communications thought that would deter usage. A compromise was to click once but post the terms prominently on the site.

The response from colleagues has been overwhelmingly positive. Colleagues use the blog to engage with one another to discuss topics ranging from US healthcare reform to corporate policies to environmental issues. By working to find compromise solutions, Pfizer has found a way to use social media in a way that many of its peers have not.

consulting each other – we use each other as a sounding board.” They both agree that the fact that they’re “temperamentally similar” helps the relationship work, but it is not the most important thing.

IN A SEMINAL STUDY FOR THE INSTITUTE FOR PUBLIC Relations in 2000, Bryan H. Reber examined the historically contentious relationship from both sides and identified two types of public relations practitioners and two types of lawyers:

*“One public relations type, the Caring Collaborator, was marked by the desire for collaboration, understanding and forthrightness. The second public relations type, the Legal Eagle, was also collaborative in nature, but was more confident about her ability to assess problems from a legal perspective.”*

*“One legal type, the Cooperative Colleague, is also strongly collaborative and believes lawyers should take part in message development during crises. This lawyer believes public relations plays a unique and essential role in crisis management. The second legal type, the Confrontational Counselor, wants public relations to be involved, but is also strongly committed to controlling public statements. This lawyer believes “no comment” is a responsible reply to queries whose answers have not been fully evaluated.”*

In the years since Reber’s study, events have conspired to make it more likely that companies will find that they have “Legal Eagle” types ranged against “Confrontational Counselors,” rather than more collaborative relationships. That is principally because of the huge additional burden of regulation that has been put on companies.

But Schulman’s response to the challenges of intense regulation simply reinforces the virtuous working relationship between her department and the communications team.

“In an organization like Pfizer, which is highly regulated and has multiple stakeholders, you need to have a legal division that is acutely aware of communication,” says Schulman. “And you have to have a communications team that is solidly grounded in facts first, because of the emphasis on patient safety.”

### SO WHAT HAPPENS WHEN THEY DO DISAGREE?

“It doesn’t happen very often,” says Susman. “But we handle it – personally, privately and directly. There are plenty of forums to debate and discuss things within the company, but there’s really no better forum than a one-to-one. We both ask a *lot* of questions – ‘I want to understand your thinking’ – it’s a conversation.”

Schulman goes on, “And to have a good conversation, you need to know how to be quiet. You would think communicators are all about talking, and lawyers are all about arguing.” Susman agrees, “I think Amy and I share the view that at the heart of our jobs, listening is more important than anything.”

How would they suggest that people in similar roles at other companies improve their relationship? “I’m a huge believer in projects,” says Schulman. “I would find something on which you can collaborate that is less loaded than the work you might clash on. Find an affirmative project and then you can build on that collaborative success.”

And what is the reaction outside Pfizer to their unconventional working relationship? “I’m reminded how different it is elsewhere when we’re dealing with a business partner and they want to issue a press release – and often it appears to me that the lawyers and the communications team are not in synch,” says Schulman. “So I’ll say to Sally, ‘Can you call up your colleague over there and tell them that this position they’re taking is inconsistent with the facts as we understand them.’ Or Sally will say to me, ‘Do you know the general counsel at so-and-so because they want to issue this release and we can’t get them to change the language – the way it is worded, it doesn’t make any sense.’”

“People are surprised,” says Susman. “And it’s not uncommon for one or other of us to drag the other along to meetings because we value each other’s perspective.”

A characteristic that both legal and communication departments in companies share – and perhaps a reason that they are at odds in many instances – is that they both battle to get recognition for unloved accomplishments; they both are in the disaster-avoidance business. Says Susman, “Our biggest achievements are often things that we’ve *avoided*. Many of my successes and many of Amy’s successes are the prevention of unimaginable horrors that could happen

### PFIZER FACTS

- Founded in 1849, Pfizer is the world’s largest research-based pharmaceutical company, with \$67.4bn revenues in 2011 and operations in 150 countries.
- The company has eight global business units: Primary Care, Specialty Care, Oncology, Animal Health, Emerging Markets, Consumer Healthcare, Established Products and Nutrition.
- It is No. 1 in Primary Care, Specialty Care and Animal Health business sectors worldwide.
- Pfizer has a dozen medicines each with sales greater than \$1bn, including the Lipitor, Prevnar/Prevenar 13, Lyrica and Sutent brands.
- The company employs more than 100,000 people, and has 89 manufacturing sites worldwide.
- In 2010, Pfizer donated \$3.1bn in cash and medicines globally.

Source: Pfizer



EVENTS HAVE CONSPIRED TO MAKE IT MORE LIKELY THAT COMPANIES WILL FIND THAT THEY HAVE “LEGAL EAGLE” TYPES RANGED AGAINST “CONFRONTATIONAL COUNSELORS,” RATHER THAN MORE COLLABORATIVE RELATIONSHIPS



to a company.” Schulman adds, “And as soon as you’ve prevented them everybody just says, ‘yes, well of course, that was completely unfair in the first place and never should have happened.’”

Schulman and Susman’s remarkably close working relationship demonstrates the way that things work best: with lawyers and communicators at the same table, sharing ideas, preventing lost time going down the wrong path, discussing risks and benefits of different approaches, being respectful of each other – and arriving at a strong strategic result. That’s a long way from the conventional “looping in at the end for review.” On the contrary, “We’re more like each other’s thinking partners,” says Susman.

The women have come to realize that there is strength in their partnership. “Presenting a combined view is very powerful within the company,” says Schulman. “And the fact that we’re so aligned is even more powerful in presenting Pfizer to the outside world.” ☺

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