



ANALYSIS PROFILE: Ernst & Young - starting its new global PR strategy at home

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Published on September 10 2001

Ernst & Young has created a new global PR position, and the firm appointed Larry Parnell in July to fill it. He talks to Craig McGuire about doing PR for prisons, politicians, and accountants.

When 'big five' accounting powerhouse Ernst & Young (E&Y) decided to reorganize its far-flung communications operations into one global group, it needed just the right kind of professional to tie it all together.

He, or she, would need the savvy negotiating skills of, say, a political speechwriter. The person would also need the kind of crisis management credentials you'd find in a high-pressure setting - like a prison system.

Yet, most importantly, they'd have to have a firm grip on the slippery world of professional services.

Lucky for E&Y, they didn't have to look far. In fact, the recruiters didn't even have to leave the building. In Larry Parnell, the director of PR, Americas, the company had someone who knew the company's culture inside and out.

The top global communications post is a daunting position when you consider the sheer size and complexity of E&Y, which operates in 130 countries.

E&Y advises companies on a broad range of financial and business issues, and has more than 80,000 employees pulling in worldwide revenues of over \$10 billion (for 2001).

While the communications division at some of its outposts may only consist of a handful of staffers, that's an infrastructure with myriad cultural differences and languages. And let's not forget the varying regional financial priorities and practices.

"(Larry) has extensive experience in all aspects of communications that he can draw upon to help position our firm strategically across the globe with our key stakeholders," says Jim Speros, who has worked alongside Parnell as E&Y's chief marketing officer.

However well suited Parnell may be, head communications honcho of a leading financial services firm isn't exactly where Parnell pictured himself 26 years ago when he graduated from Boston University with a BS in Journalism.

He had initially set out to become a journalist, but his first job out of school was in politics.

Parnell landed a job as a speechwriter and acting press secretary for Mayor Maynard Jackson of Atlanta in 1976. "It was a great, eye-opening experience for me," he remembers, "in terms of the power of personalities and getting an agenda across." He went on to serve as press aide for the Jimmy Carter for President campaign in Massachusetts, and speechwriter and director of communications for the Massachusetts attorney general.

Parnell's experience spans corporate and financial communications, government, and public affairs work. Prior to his arrival at E&Y, Parnell served as SVP at Ketchum, among other agencies. It was in the agency world where Parnell says he gained the most experience by working closely with big shots like Dave Drobis and Ray Kotcher at Ketchum, Chris Komisarjevsky at Burson-Marsteller, and most recently Howard Paster at Hill & Knowlton (E&Y's agency of record).

"I've rubbed shoulders with some of the heavy hitters in the industry, and it's really helped me gain perspective on different management styles, and different ways to get things done," Parnell says. "I'm a big believer in an agency background, because it's simply the best way to broaden your communications skills sets."

Parnell also gained invaluable experience as the public information officer for the Massachusetts Department of Corrections, where he worked for two and a half years. "You're talking work stoppages, hostage situations, and all sorts of highly emotional life-and-death crisis scenarios," says Parnell, adding that such experience is "a little unexpected in the professional services world, but great training."

Today, Parnell has a number of short-term goals at E&Y. These include taking several programs - such as crisis and issues management initiatives - overseas. That's alongside filling a number of key posts, such as his own former job.

But in the long term, Parnell and the industry he represents have some major hurdles to overcome - without some basic changes to the way accounting firms protect their reputations. "We need to educate people about the difference between a traditional and a forensic audit," says Parnell, adding that too often accounting firms are criticized when their clients restate figures or make mistakes.

A traditional audit finds the outside accountancy firm working with numbers they are given by the firm; forensic is when the firm is hired to investigate potential fraud. Travel giant Cendant and its former auditor Ernst & Young were forced to settle a major lawsuit over alleged accounting irregularities, and Parnell says Ernst & Young is now in

litigation with its former client.

Parnell explains that often accountancy practices settle lawsuits to avoid protracted litigation, even if they are not liable. Parnell feels this has damaged the industry's reputation as whole.

While there's not much he can do on that score, Parnell has worked hard to increase his knowledge of E&Y's industry. He explains: "Years ago, after landing a position at People's Bank, I met CEO David Carson and had to confess that I didn't really know a lot about banking." (He has since acquired an MBA from the University of New Haven.) "He said, and it resonates with me to this day, 'I have a building full of bankers, so I don't need another one. What I need is a great communicator.' It was an empowering lesson I try to pass along."

LARRY PARNELL

1975-1980: Various political posts, including speechwriter and acting press secretary for the mayor of Atlanta; Press aide for the Jimmy Carter Presidential campaign in Massachusetts; public information officer for the Massachusetts Department of Corrections; speechwriter and director of communications for the attorney general of Massachusetts

1980-1983: Account supervisor, Manning Selvage & Lee

1983-1987: Vice president, Booke & Company

1987-1993: First VP, corporate relations, People's Bank

1993-1995: Managing director, Gavin Anderson & Company

1995-1996: Director of IR, GTE

1996-1999: Senior vice president, Ketchum

1999-2001: Director of PR (Americas region), Ernst & Young

July 1, 2001: Director of global PR, Ernst & Young.