

Ms. Susan Bonnell
Director of Communications
Eastern Health

June 12, 2007

Susan,

Further to your request, Bristol is pleased to submit the following proposal outlining the scope and estimated costs for the development of a recovery strategy for Eastern Health.

Project Rationale

Since the issue of estrogen and progesterone testing has been reported in the media, the public debate surrounding Eastern Health's response to the situation has not subsided. Recent media coverage (both factual and inaccurate reporting) on this issue, along with the pending class-action lawsuit, and subsequent government response has heightened the general public's alarm over the state of healthcare in the province.

In addition, other healthcare incidents such as the suspension of the radiologists and questions on lab testing in 2003 have now left the public with the inability to separate two or three distinct issues. In the court of public opinion, ER/PR testing is now the "thin edge of the wedge." The debate has eroded confidence in the health care system and questioned the leadership and operations of Eastern Health.

This damage to the organization's reputation will impact Eastern Health's mission to completely and successfully integrate health care services in the region. But it is not insurmountable if Eastern Health takes the necessary steps to rebuild its credibility with employees, patients, health care partners, government, media and the general public.

In today's current environment a good corporate image is not only a by-product of financial health, but also a pre-requisite for success. A good corporate image is both a means and an end in itself.

Organizations are beginning to recognize the difference between image and reputation. It goes beyond advertising and traditional image management. To build an enduring and resilient reputation a company must establish strong relationships not only with customers (in this case, patients) but also, with other key stakeholders. An organization also has to meet the expectations of its employees, external stakeholders and the communities that it serves. Organizations can't afford to ignore specialized groups like governments and media to name a few. The opinions and interactions of all these stakeholders affect the way a company is regarded, in essence its corporate reputation.

While the factors for measuring corporate reputation tend to vary, there are six fairly consistent factors. These include:

- Financial performance
- Product quality
- Employee treatment
- Community involvement
- Environmental performance
- Organizational issues

It is true that the media may tire of airing these health care issues in the public on a daily basis, but it is critical to remember that (particularly with the ER/PR testing) this issue will be simmering in the public domain, just not necessarily in the papers or on TV over the next year. There are many pivotal events ahead (judicial inquiry, legal challenges, access to information requests, the provincial election, other adverse events) that will rehash the actions of the organization and serve as a constant public reminder if appropriate steps aren't taken to regain public trust.

A recovery strategy will allow Eastern Health to:

- Restore public confidence in the healthcare system
- Re-brand (image boost) Eastern Health Authority
- Demonstrate leadership within the organization
- Engage employees and instill pride
- Move from crisis to stability

Critical Success Factors:

Rebounding from a crisis situation of this nature will not happen overnight. It will also fail if the appropriate internal resources, both human and financial resources, are not dedicated to a sustained recovery effort for the next year. In addition, senior management and board buy-in is a mandatory for successful implementation of any recovery plan.

We would suggest that internally, Eastern Health strike a recovery team to lead this initiative. From a communications perspective, the Director of Communications is required to lead this initiative with support from Bristol. Appropriate communications resources should be backfilled to manage day-to-day functions while the recovery process is underway.

Phase 1 – Development of Recovery Strategy

Research

Working with your team, Bristol recommends the development of any recovery strategy must be founded with solid research. As noted in your position paper on 'Applying a Strategic Communications Model for Eastern Health' (May 2006), "neither Eastern Health nor any of its foundational entities has effective baseline information to quantify trust" in the organization.

Working with employees and health stakeholders will be a critical component of recovery and the only way to ensure we are communicating the appropriate messages to various audiences is to understand our starting point. We recommend undertaking initial baseline research both with the public and within the organization. We would recommend a budget to include a minimum of two surveys throughout the year, along with some internal focus groups.

This research could also complement the internal quality review Eastern health has committed to do this year. We understand this will examine its brand, corporate reputation, key message uptake, general perceptions of health care and organizational effectiveness (communications culture).

We understand the sensitivities of undertaking research and will work with Eastern Health to outline the most appropriate methods.

Armed with the research findings, Bristol will develop a strategy based on an integrated solution (public relations, public affairs, marketing and advertising).

Phase 2 – Implementation

As stated earlier, implementation of this plan will require a dedicated effort. While we believe it should be led internally, Eastern Health can benefit from Bristol's supporting role. We are proposing a [REDACTED] [REDACTED] of Senior Consulting/GR counsel. Under the retainer relationship Eastern Health will benefit from a proactive, two-way communications relationship with political insight and support during a tumultuous year. It also helps to have the perspective of "another set of eyes" not as close to the issue. The retainer [REDACTED] [REDACTED]

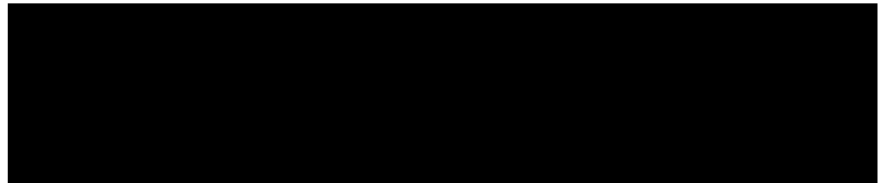
Phase 2 could also include the development of a creative concept and advertising (traditional and non-traditional) but that can't be quantified at this time in the absence of a recovery strategy.

Budget

(Please note that these numbers are estimates only)

Strategy Development
Research

Retainer Fees
Advertising



I would be pleased to discuss the details with you at any time.

Carolyn Chaplin
Senior PR Counsel
Bristol