

Failure to Launch: Communication Lessons from the WeWork IPO

wework

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Those who follow the business headlines no doubt noted the slow-motion crash and burn otherwise known as the recent WeWork IPO debacle. After much negative press and investment community angsting, the IPO was postponed – and then the board promptly [removed CEO Adam Neumann](#).

What are the key takeaways for communications professionals? The biggest favor we can do for the profession is to challenge the thinking that there is a [communications solution for every PR problem](#). Sure, it can help; and combined with a solid business plan is the icing on the cake. But no amount of reputation management or crisis PR could have headed off this mess.

The WeWork episode followed [disappointing Uber, Lyft and Peloton IPOs](#). Perhaps WeWork was the proverbial straw that broke the camel's back. Or they jumped the unicorn, to update another metaphor, and got singled out with negative attention,

emblematic of decreasing tolerance for ventures that can't seem to find a profit even if it's handed to them gift-wrapped.

It didn't help that their CEO, Adam Neumann, was [called out for odd behavior](#) like walking around barefoot and talking about living forever; or worse, lining his own pockets in questionable ways while the business suffered billions in losses. The public inspection that comes with an IPO brought all these concerns to light.

The main [PR](#) lesson, especially for tech companies, is to heed the winds of the industry and adjust communications plans accordingly.

There's little patience for bad boy CEOs today, and a growing backlash to tech (OK, WeWork is not purely a tech company; but it's been valued like one, and its model relies on startups and the tech-fueled gig economy).

What used to be visionary and endearing is now dismissed as nutty, dangerous and out of step.

Communications can't fix a flawed business model or stop plundering. But PR teams at the leading tech companies, the unicorns that are marching towards exits, should wake up to the fact that the tide has turned in tech. For starters, it would be a good time to jettison the term "unicorn."

PR should coach execs to get a little more buttoned-down, set and manage expectations, and not get ahead of them by over-promising.

Look to CEO Satya Nadella of Microsoft, icon of low key, steadfast profits, as a role model, not the loose cannon that is Elon Musk of Tesla.

Especially when approaching a highly public event like an IPO, PR teams need to work in lockstep with investor relations to

make sure that the company is ready – and has a defensible story that can pass muster with investors and the general public.

If there are any sensitivities or concerns, especially related to the hot buttons of consumer privacy, company culture problems, or bad behavior in the exec ranks, of course those should be dealt with in advance (not just for appearances; it is good business practice).

Communications needs to factor in the zeitgeist, do its job in grooming a company and its exec team, and tell a story that meshes with and advances the industry narrative.



About the Author: Based in New York City, Bob Gelleris is president of [Fusion PR](#). He is a veteran of tech sales, marketing and PR and has developed best practices for working social media, and content and influencer marketing into the PR mix. Bob and the Fusion PR account teams that have helped scores of tech startups launch, grow, and successfully exit. He is also a top-ranked blogger and business writer.