

Vernon C. Schranz Distinguished Lecture in Public Relations
Carole M. Howard – 1990

I am deeply honored to have been asked to present the 1990 Vern C. Schranz Lecture at Ball State University. Being included among the distinguished roster of your previous speakers, all of whom I count as mentors and friends, makes me feel both humble and proud.

And in fact their support over the years no doubt help explain how I got here. To paraphrase Isaac Newton, “If we can see farther it is because we are standing on the shoulders of other men.” Were he alive today he no doubt would add, “and women.”

It’s also a special privilege to be surrounded by hundreds of students and faculty as well as fellow practitioners. Coming back to campus is an intensely stimulating experience. Truth be told I believe I learn far more from students in open dialogue sessions than I can ever share in formal talk.

Let me set the scene for my remarks by telling you of an experience I had a few months ago while I was in Asia.

I was being interviewed in Hong Kong by a business reporter from the South China Morning Post, the largest circulation English-language daily newspaper.

She had been asking a multitude of questions about the purpose of my trip, which primarily had been to conduct employees communications workshops for the senior managers of our Reader’s Digest Association offices in Taiwan, Singapore and Hong Kong. We are encouraging all our managers to spend more time on two-way, face-to-face communication with their people. The reporter also spent a lot of time asking about Reader’s Digest Association because a public company less than a year ago and many people – including this reporter – are only just the beginning to learn that Reader’s Digest’s business includes much more than the flagship magazine.

As I said, it was a very long interview. Finally, then I asked the reporter if she needed any more information, she replied: “No, I don’t need anything else. My only problem is that I don’t know where to run this story in the ‘media’ or ‘management’ columns in the business section.”

Her dilemma delighted me, because it summarized in one sentence how I see my job – and how I hope all of you see public relations job – as simultaneously a media and a management function. It also reminded me of my own personal growth in my career.

I started out in public relations as the assistant editor of an employee publication, never dreaming strategic planning and corporate goals would be as integral to my working day as words and deadlines. In fact it wasn’t until 11 years after I’d graduated with a degree in journalism and English that I got my MBA.

To continue in that personal vein for a few moments, this year my husband and I celebrated our 25th wedding anniversary. And I’m coming up on that same quarter-century anniversary in public relations. Such milestones generally prompt introspection and a resetting of priorities. So it may be a particularly auspicious time for me to discuss my views on our profession.

I’d like to base my remarks on two main and interrelated points:

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First, that it is in our role as counselors to our CEOs and others in senior management that we make out most significant contributions to our profession.
And second, that the globalization of American corporations and the momentous political changes in the world over the past year will provide opportunities for you to make unique, individuals contributions that may dwarf the changes I've seen in my career.
Let's take them one at a time.

First, our role as counselors. When, President Kennedy asked CBS's famous reporter Edward R. Murrow to become director of the U.S. Information Agency, Murrow responded that he would be happy to do so "provided it is understood that I shall be in on the take-offs as well as the crash landings." That is a position we should all strive for – although perhaps we don't say it quite so cleverly.

People like me who are alumni of AT&T are very proud of Arthur Page, a vice president of AT&T, who in essence demonstrated the relevance of public relations to senior management policy formation. He was recruited to the company after the CEO, a man named Walter Gifford, had read Page's articles about the responsibilities of American business toward its customers and its publics.

Gifford told Page that since he was so good at telling business how it should act responsibly, he should try putting those edicts into practice. Page agrees – but not until he was assured he was not being hired as a publicity man but rather in a policy-making job, as a full-fledged member of the AT&T senior management team that would consider good performance to be general corporate policy.

Arthur Page's legacy has been passed on not only to AT&T public relations people but to our entire professions. And I believe that were two key reasons for his remarkable contributions to American businesses:

The first is his firm belief that while well-thought-out communication programs are vital to a company's success, they must be based on the reality of that company's performance and not on Madison Avenue slogans. Page summed up this theory in the single sentence, "Public relations is 90 percent doing and 10 percent talking about it."

And the second is the confidence he earned from his CEO, Walter Gifford, himself a man way ahead of his time in his concern for public opinion. Gifford has a deep belief in the value not only of communication but also of counseling from his public relations staff. With Gifford's support, Arthur Page preached improved customer service to colleagues who, without chief executive commitment, might have turned others aside for encroaching on their turf.

The evolution from communication to counselor is so natural and so subtle that you may not be aware of the metamorphosis until it has occurred.

One day you may be responding to a journalist's question on why your organization has a certain policy on drug abuse in the workplace. While your lips are providing the answer, your minds begin asking, "Why indeed?" Or you might be briefing a senior executive before a major media interview, when suddenly it become obvious to both of you that a particular personnel practice is woefully out of date. So together you work out a plan to change it. Or you are writing a speech for your CEO on

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your organization's global marketing strategy when you cross the line from simply articulating someone else's policy to actually participating in policy formulation yourself.

Your role changes. You have become a public relations counselor.

And what are the qualifications for this new role?

You still will spend a fair amount of time answering questions from reporters, creating corporate ads, writing annual reports and developing employees communications programs. But more and more you'll find yourself giving advice – on topics as complex as your CEO's responsibilities and your company's business, on issues as carious as those involving day-to-day operations, emergency situations or long-term planning. On the same day you might find yourself helping your data processing department communicate a reorganization, counseling marketing people on new product announcement and discussing a benefits policy for employees the AIDS with the Human Resources Department.

Such breadth means that we must have a thorough understanding of our organization's business strategy, marketing plans, product lines, internal problems, competitors and future opportunities – and we must learn to think strategically. Indeed we must think – and regard ourselves – as business people, as general managers, not just public relations professionals. When we demonstrate our confidence as managers, we have evolved from communications technicians to play an important role in helping formulate policy.

I'm reminded of the time a few years ago when a public relations manager from one of our international companies was in New York at Reader's Digest Association's world headquarters for training. He told us he didn't see a need for a tour of the customer service department. Compare his reaction to that of a public relations manager from another of our international companies a year later who asked to spend more time with our customer service people because service was becoming a key issue in her country.

Which of these two people would you call for advice if you have a business problem?

Public relations people sometimes complain that they do not get enough respect within their organizations. A colleague recently complained that she's never involved in the planning but rather only in the writing. Worse still, sometimes she's only brought in to fancy up words someone else has written.

A question haunts me: Has she earned the right to be consulted?

So many of us aspire to greater recognition do not fulfill management expectations. Substance and measurable results must be as important to us as mechanics and methodology. Motion is not always progress. We must resist doing well what should have not have been done at all. And we

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must derive out authority from our ability and our convictions – not from our place on the organization chart.

The right to offer candid counsel and expect confidence in our advice does not flow automatically. It must be earned. To be credible we have to demonstrate a solid understanding of the business and an appreciation for its problems.

The combinations of knowledge, judgment, instincts and skills – and yea, a little personal chemistry – will result in a solid working relationship between public relations professionals and their CEOs. Without such visible confidence in the public relations, other members of senior management are unlikely to share preliminary plans and corporate secret very freely, if at all.

Public relations professionals also should provide added value by putting the same effort into the long-term “storm warning” job as they do into short-term activities. Carl Sagan put it well: He said it was important to be alert for what he called “natural conspiracies, for connection among apparently disparate data.” We must understand and reflect shareowner sentiment, customer concerns, employee expectations and public opinion. We are their voices within our organizations just as we are out organizations’ ears and eyes in the community and the market place.

Professionals in public relations need to become, as management consultant Harry Levinson puts it, “organizational radar taking soundings and helping to steer rather than expect to be piloted.”

Most critical problems facing organizations today are communication problems. As Gifford and Page understood so well, the cosmetic touches of a publicity program cannot obscure deeper blemishes in organizational policy or practice for very long.

Yet public relations practitioners must retain their humility. Our value lies not so much in our knowledge as in our sources of information and our ability to ask questions that ensure thoughtful evaluation and reasonable answers by other specialists in the organization. There is much we can contribute to others in our companies – but also much we can learn from our colleagues, with their accumulated experience and values.

And speaking of learning, let’s move on to my second point – that with so many corporations becoming global enterprises and the unprecedented change going on worldwide, there are opportunities for public relations people on a larger scale than ever before.

There has been such momentous change in the past year that many of us now believe the impossible may indeed be possible after all. The bricks of the once impenetrable Berlin Wall have crumbled into souvenirs. Apart from Iraq, democratic ideas are blooming. Communist governments have fallen in Hungary, Poland, Czechoslovakia and even Rumania. Mikhail Gorbachev’s commitment to perestroika and glasnost are transforming not only the Soviet Union but also its relationship to the rest of the world. It’s hard to believe, but the Cold War could be over.

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Yet in Beijing freedom of expression enjoyed only a few brief shining moments before being crushed by tanks in full view of a worldwide television audience – although the Chinese will still tell you officially that the massacre never occurred. And in South Africa the bright promise of an eventual end to the horrors of apartheid, symbolized by Nelson Mandela's release from prison, is being blurred but the tragedy of blacks fighting blacks on the streets of Soweto.

The world seems paradoxically to have been blessed with more freedom and cursed with more dangers – as we're seeing in the Persian Gulf and also in Germany, where citizens are facing the economic realities of their reunification. It's rather like the words they put on early maps at the beginning of the age of exploration to guide navigators heading off to new worlds – they marked unknown portions of the oceans with the warning, "Here there be monsters."

But such monsters also provide opportunities for learning and adventures and heroes. And that is particularly true for communications people in America corporations and institutions.

Business Week recently said that companies today are so untethered from their home countries that they have become almost "stateless corporations." And their managers work out of "borderless offices."

That's certainly true in my job. With the technological advantages of FAXes, voice mail and satellite hookups at my fingertips, backed by a superb staff at our global headquarters in New York and Reader's Digest Association colleagues in more than 50 offices worldwide, I am as comfortable brainstorming magazine promotions strategy in Sydney as I am giving a speech in Stockholm.

The global trend is even more pronounced in terms of profit sources. In the past three years, Coke made more money in both the Pacific and Western Europe than it did in the United States. Nearly 70 percent of General Motors' 1989 profits were from non-U.S. operations. And the Reader's Digest Association – which you may consider a prototype American institution – more than half our revenues and profits come from our international operations.

As Fortune put it, "In the 1990s globalization will mature from a buzzword to a pervasive reality."

These trends have massive implications for public relations people.

If your company is "going global," you should be at the forefront of its effort to position itself in the worldwide marketplace. Organizations with a global business strategy also need a global communications strategy – with agreement on objectives, priority messages, target publics and product promotion plans from New York to New Zealand, so each country's public relations activities not only support local operations but also reinforce the corporation's global plan.

Such a role requires that we do much more than cleverly craft messages. We also must be alert to emerging issues in all markets where our companies do business, not just in our home country. And we need to remember that major issues do not always surface in the United States.

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Although most would probably agree consumer activism began in the United States, the consumerism movement today could be considered more proactive, for example, in Europe than it is here, particularly with economic boundaries falling and harmonization coming in 1992. And environmentalists in the United States often are not as politically involved as the “green” movement is in other parts of the world. For example, in Australia conservationists have been elected and are making their mark on national policy and lawmaking. And in England environmentally conscious investors can check how “green” their investments are through a society that “grades” companies against certain criteria. So our antennae must be up wherever our organizations do business all over the globe.

We also can help our companies be sensitive to other countries’ perceptions of American corporations in the global marketplace. While to us becoming global marketplace. While to us becoming global offers opportunities for new markets and economies of scale, to local managers the change is likely to mean loss of control and growing restrictions on their autonomy.

When planning on global basis, public relations professionals also need to think on a global basis. All the “we”s and the “they”s need to disappear from our vocabulary, with each decision based on what’s best for us – and our customers. Ideas need to be given equal considerations whether they come from corporate headquarters or a field office, from San Francisco or Singapore. Wisdom flows in all directions.

At Reader’s Digest Association, we have adopted a global strategy which we enunciate as “planning globally and acting locally.” We believe that our competitive advantage is our local management and local editors. Producing local products on local languages and understanding local customs in markets where we do business.

The success of Reader’s Digest magazine has spawned a global publishing enterprise with revenues exceeding \$2 billion annually from magazines, books, music and home video products. Today, Reader’s Digest Association has 15 international companies, with 7,400 employees worldwide in more than 50 locations around the globe.

All of our international companies prepare a public relations plan as part of their annual business plans. The public relations plan is part of their annual business plans. The public relations plans are based on local issues, local markets and local products – but they all bear a remarkable similarity to each other because they also are based on the company’s global communications strategy.

This brings me to another important role public relations can play in supporting both out CEOs and our organizations’ global role – and that’s to help the CEO articulate and communicate her or her vision and mission to the organization worldwide.

As Colgate-Palmolive CEO Reuben Mark put it, “It’s essential to push one vision globally rather than try to drive home different messages in different cultures.”

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People want to work for – and buy products from – companies they admire. Explaining the corporate culture – what your company stands for, who you are and what you do – is an important strategic and communications role. To do this effectively you must appreciate the economic, cultural, social and technological trends that are rapidly changing tradition.

To be a useful living document, the mission or culture statement must be rooted in the organization's business plan and be reflective of its values. It must accurately reflect senior management, be widely disseminated throughout the company and be practiced in everyone's daily business dealings. It must reflect all important constituencies, with particular emphasis on relationships with employees and with customers. And we in public relations must be modern-day "John the Baptists" in proclaiming the mission and the corporate values.

As I travel to Readers Digest Association offices around the world, I am frequently struck by the sight of our mission statement – which we call "Words we live by" – hanging in various offices, often translated into the local language. And there are frequent references to it in plans and presentations. So for us the mission statement is truly a living guide to and testimonial of our corporate culture worldwide, whether it's English or Chinese.

Which brings me back to that reporter in Hong Kong. You'll recall that she wasn't sure which column her story based on our interview should appear in. Well, she ended up writing two stories – one for the "media" column and another one a few days later for the "management" column.

And that, ladies and gentleman, is where public relations belongs – in both media and the management worlds. And that is where it will be when public relations coincided with corporate strategic planning and action.

I'd like to close with a special message to all public relations students.

In the 1960s, the Green Bay Packers, led by Coach Vince Lombardi, were invincible. Their passing game was strong. Their running game was superb. Every player had a carefully prescribed role, an opponent to block, a pattern to run.

But one of the coach's most valuable rules never made it into the playbook. The command barked out from the sidelines every time one of his backs got the ball and turned upfield was simply, "Run to daylight." Do what it takes to take advantage of an opportunity. Don't throw away the play book, don't blindly follow the rules if common sense tells you they won't work. Some of you probably saw the movie *Dead Poets Society*. You remember when the teacher, Mr. Keating, jumped up on his desk, shouted, "Carpe diem" – seize the day – and urged his students to follow him, to the world from a different perspective.

I cheered when John F. Kennedy said, "Ich bin ein Berliner!" and I cheered when Ronald Reagan said, "Mr. Gorbachev, tear down this wall!" Democrat or Republican, we hardly dared believe it could happen. And yet it has.

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The tumbling barriers in Eastern Europe, glasnost in the Soviet Union, the increasing global trends in the business world – I'm sure it will take a generation or two for the changes to stabilize. I was in Leningrad in August, and the long lines, shortages of consumer goods and disintegrating buildings are very visible reminders of the fundamental weakness in the Soviet infrastructure.

But, oh, the opportunities! I look at these historic changes from the point of view of someone born at the end of World War II, someone who can scarcely believe the historic changes the television cameras prove happening, someone who can scarcely comprehend the opportunities they will open up.

For you, on the other hand, the walls are down, new avenues are open, and you have unlimited opportunities.

President Bush tells the story of an old man walking along the beach in Maine with his grandson, who picked up each starfish they passed and threw it back into the sea. "If I left them up here," the boy said, "they would dry up and die. I'm saving their lives." But, the beach goes on for miles, and there are millions of starfish," his grandfather said. "What you are doing won't make any difference." The boy looked at the starfish in his hand, gently threw it into the ocean, and answered: "I am making a difference for this one."

You have a lifetime ahead of you to make a difference – in your own organizations and on a global scale. If you "carpe diem" – if you seize the day and "run to daylight" – the future is yours. And what an exciting future it will be.