

*Vernon C. Schranz Distinguished Lecture in Public Relations  
Bradley Wilks – 2001*

It is a great honor for me to have been invited here tonight to deliver the 23rd Annual Vern C. Schranz Distinguished Lectureship in Public Relations. As I was preparing for tonight's address, I had the privilege of re-reading many of the previous Schranz lectures given by key industry leaders who have been instrumental in defining the public relations profession over the past 50 years. It was amazing to see how many of the points made over the years by prior speakers remain relevant today.

Tonight's event is a homecoming of sorts for my wife, Gardi, and me. As some of you may know, we first met at Ball State University as graduate students in the public relations sequence nearly two decades ago. We were actually residents of Muncie twice; first as students, and later when I returned as head of investor relations at Ball Corporation and she became a faculty member in the PR sequence.

I'd also like to acknowledge my parents who are in the audience tonight. They played an instrumental part in instilling in me a healthy intellectual curiosity, an important trait for the practice of public relations.

So it's been great to be back on campus today and to see first-hand the Journalism Department facilities in the beautiful new Arts and Journalism Building. There is an exciting energy afoot in the department, and we can all be proud of our affiliation with it.

It is also a distinct privilege for me to stand here as the first Ball State alumnus invited to deliver this speech. There are any number of others who could have easily been selected for this honor, which is strong testament to the fact that Ball State graduates are truly beginning to make their mark in the field of public relations and not only in agencies, but in corporations and not-for-profits as well. With the tragic events of September 11 forever seared in each of our collective memories, many of us have struggled since that time to better understand the abyss that clearly separates our vision of America from that of other groups around the world.

More importantly, I think each of us has also been asking ourselves, "Is there a constructive role for public relations to play in helping to bridge perceptual gaps and build common ground in light of recent events?"

Tonight, I'd like to discuss some insights about how public relations is already rising to that challenge, as well as share some overall perspectives about the profession based on my experiences both on the corporate side as head of investor relations at Ball Corporation, as well as for many years as a counselor.

Let's begin with the title of my comments, which probably seem more apropos to a lecture in the geology department.

For me, however, the notion of plate tectonics seemed an apt metaphor for recent events. Plate tectonics describes the geological process by which continents slowly drift across the globe driven by powerful forces at the center of the Earth. The process is infinitesimally slow and invisible to us. However, its results are dramatic. In a plate tectonic world, following a slow, insidious period of change over a millennia, with little or no warning, an earthquake, volcanic eruption or other tectonic

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event occurs, unleashing bursts of destructive energy that radically transform our landscape. Such was the tragedy of September 11. In this case, however, the collision was not of continents but of civilizations.

What seems evident is that the most important challenge that emerges from this tragedy for public relations will be to seek to work in collaboration with our clients in government, the private sector and academia to foster better communications in the future.

This communications must be to a broad group of stakeholders including our own citizens, our employees, our allies and even those elements within our adversaries who may be receptive to moving toward common ground.

The truth is we have no alternative. For whether we like it or not, the march toward globalization is destined to continue, notwithstanding attempts by the terrorists to promote a sense of isolationism and even tribalism among the community of nations.

I believe that public relations as a profession is ideally suited to address this global challenge, having been actively engaged in promoting a global agenda on behalf of clients for years. In fact, our own industry has been and will continue to be a strong beneficiary of a vibrant global economy.

My own company now boasts offices in 50 markets around the world, and continues to evaluate expansion opportunities in emerging economies in places outside the United States.

And for Corporate America, the stakes have never been higher. International markets now account for the single most important growth opportunity for the majority of U.S. corporations, including such obvious global consumer brands as McDonald's and Coca Cola.

For example, more than half of McDonald's sales last year came from international operations, and with more than 29,000 outlets (15,000 overseas) in 120 countries, McDonald's certainly stands as one of the most visible and ubiquitous symbols of America abroad.

And the fact is that American brands dominate the global landscape. According to a recent survey by Interbrand, 9 out of 10 of the world's top brands are American.

And while Coke and McDonald's may be available everywhere around the globe, they continue to be viewed as quintessentially American. Such brands represent the hopes and aspirations of many people who admire the American capitalistic system and our culture of business ingenuity.

But they have to also come to represent what some people most despise about American popular culture: its focus on materialism and its seductive, indulgent and fast-paced lifestyle.

Right now, we're seeing the manifestation of these perceptions. Within a matter of hours after U.S. began bombing Afghanistan, angry crowds in Pakistan vandalized McDonald's outlets. A Coke plant in India was bombed this week in retaliation for the war in Afghanistan.

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Pizza Hut, Dunkin Donuts, Nike, Pepsi and KFC all have also become targets of extremists around the world in the wake of the current instability.

And while much controversy has been generated in recent years about the march toward globalization, the fact of the matter is that for much of the world, globalization has really meant Americanization. Think about it. It is our movies that play in every world capital, and our fast food and retail stores that have sprouted on every street corner in urban centers throughout the world.

And yet with the exception of certain European and Japanese automotive and consumer electronic companies, few global brands that originated outside the U.S. have ever managed to become successful mainstream brands in our country.

Perhaps this one-side relationship that America has had with rest of the world in recent years could in some measure explain why we have been placed in the crosshairs by those who reject globalization as just a fancy word for a cultural imperialism and economic hegemony that crushes local traditions, kills existing small businesses, threatens religious norms and is offensive to social mores.

Last year, Dan Edelman, pointed out in this forum an interesting fact that seems especially pertinent to the current debate. He cited a manual on public relations techniques edited by the late Edward Bernays pointing out that many more millions have been spent in engineering consent for products than in creating favorable attitudes towards the companies that make them. The same situation unfortunately holds true for governments.

A central paradox of the 21st century thus far is that while globalization and technology have more closely knit our global village together than at any time inhuman history, the perceptual gap between our view of the world and how others see us has become an abyss.

And in a world where we have the ability to speak with one another with unprecedented ease and speed, we seem less willing than ever to listen.

Of course, part of the problem has been the message. For us as Americans exposed to the steady diet of daytime talk shows, mindless sitcoms and violent entertainment often have warped perspective on reality, so it has been for millions around the world.

It's not difficult to understand how misperceptions could arise about America and its society among those whose only window into American life in recent years has been a fast food restaurant, a Madonna concert, and article of designer clothing or a steady drumbeat of movies or television programs promoting the most venal, violent or nihilistic aspects of our society.

America's principles of plurality and freedom must seem remote indeed to individuals where the day to day existence is filled with hunger, economic disparity and endless sectarian strife.

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But enough to that problem. Now let's move on to how we're dealing with it. Let's begin with the government, where President Bush recently nominated Charlotte L. Beers to be Under Secretary of State for Public Diplomacy. Beers, for those of you who haven't heard of her, is one of America's most powerful and successful advertising industry leaders and an expert in branding which she learned as a protégé of David Ogilvy, the industry's undisputed branding leader.

Some have even called for the creation of a cabinet level position, akin to the Ministry of Culture in France. The current role of Charlotte Beers, as defined by the U.S. government, is to help ensure that diplomacy, i.e. engaging, informing and influencing key international audiences, is practiced in harmony with public affairs, which is defined as outreach to Americans. Both of these are to work in conjunction with traditional diplomacy to advance U.S. interests and security and to provide the moral basis for U.S. leadership in the world.

Obviously, branding American and its principals of freedom and democracy will be significantly more complex than branding a product or company, and public relations must absolutely be a critical component of this communications effort. But it appears to me that from the outset, the government has demonstrated that it needs to do a better job. Both at home and abroad, we need to turn up the volume in communicating those values that we as a society hold dear and even sacred --- freedoms of expression, worship, speech, assembly and even the freedom to disagree.

Recent attempts by the Bush Administration to censor news broadcasts and publicly scold political satirists such as Bill Maher under the guise of national security are not an encouraging sign. If we've learned anything in prior conflicts, it is that propaganda and opposing points of view need to be refuted in the open marketplace of ideas, not censored.

In terms of the domestic audience, for years now there has been a movement in America known as multicultural diversity.

Paul Alvares, a former Schranz lecturer, noted that in his speech that our nation is becoming a fractured society, a house divided by race, by culture, by ethnicity, by gender, by class and by age. Instead of one identity, we Americans have been encouraged for a generation to have many discrete identities.

When I was a child, we used to hear a great deal about the American melting pot, where assimilation into a common culture was the single greatest aspiration that each new immigrant group rose to in our country.

In recent years we've seen things differently instead of a melting pot we've spoken of our society as a mosaic, where each piece is different, and yet somehow manages to come together to form a unique image of America.

We've been instructed to celebrate our differences. In fact, so much so that educators at some universities have created segregated dormitories for blacks only, Asians only, Hispanics only, gays only, etc. in celebration of each group's distinct identity.

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But since the events of September 11, I believe a new movement is afoot in America none that I will call multicultural unity. Rather than promulgating a fragmented view of society, it focuses on those attributes that unify rather than divide our citizens.

Through profiles of those killed in the tragedies, the media have attempted to put a face on the firm statistics, and a number of public service announcements have been filmed, most notably the *il am an American* commercial, which communicates the message that America's true strength as a nation lies in its diversity.

A powerful editorial cartoon supporting this notion shows two panels, one dated September 10 and the other dated September 11. The first shows a group of people sporting buttons with saying such as Italian American, Polish American, African American and Native American. The panel labeled September 11 shows the same group with the same buttons with descriptors marked out leaving only American.

So perhaps the good news out of all this is that after spending a generations hidden in the pantry, the American melting pot is once again back in the kitchen, simmering on the fire and distilling us down into the unique essence of a united people.

Now, let's talk about how public relations is helping find common ground. Since much of my life has been spend working in financial communications and investor relations, I'll begin there.

In financial communications, after many years of seesawing back and forth, the tide of history seems to be moving in favor of public relations, thanks in large part to a new regulation approved by the SEC in waning days of the Clinton Administration promoting fair disclosure.

Unlike the past, corporations may no longer share private information with analysts or investors without immediately issuing a press release to the public at large.

A year into the new regulation, most industry observers agree that financial transparency and fair disclosure have significantly improved under the new regulations, empowering individual investors at the expense of Wall Street insiders.

The good news for public relations in this new policy is the PR and IR are increasingly converging, and, in some cases, being combined together with PR at the helm.

The good news for Corporate America is that it's become easier to communicate an identical message simultaneously to investors, employees and the media through regular Web casts and press releases rather than through a series of whispered conversations and closed-door sessions with lead-steer investors and analysts, followed by public pronouncements.

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And with more timely access to critical market information, individual investors now have more access to virtually all the data the most sophisticated analysts have, calling into questions the need for these highly paid intermediaries.

Consider this: even prior to September 11, the Internet bubble had already burst, wiping out \$5 trillion in market value. Analysts, who had become a mainstay presence on CNBC and in the Wall Street Journal during the heady days of the late 90s fell strangely quiet.

Morgan Stanley's Mary Meeker who was compensated \$15 million in 1999 for telling investors to buy Priceline.com's stock when it was selling for \$165 and Healthon WebMD when it reached \$105 per share, went in to hiding as the stocks collapsed toward zero.

Consequently, the biggest loser under the new financial paradigm will be the analyst, many of who had spent the bulk of their time during the Internet boom promotion deals rather than doing credible financial analysis. With their objectivity and relevance severely undermined in this current era of market democratization, many analysts are aggressively trying to reinvent themselves to survive. Many won't succeed.

Another trend favoring public relations in the financial communications area is the growing emphasis being placed on non-financial metrics determining how investors will value shares.

Attributes such as quality of management, soundness of strategy and successful marketing acumen will all need to be communicated in a nuanced fashion by professionals with the skill aptitude and training to effectively do so, i.e. public relations practitioners.

So, how else are we helping to build common ground? First of all, by truly embracing the old adage "Think globally, act locally."

In the complex new economy global may not mean global at all, but rather customized initiatives conducted simultaneously across diverse geographic markets in order to achieve a common business objective.

For example, oil giant British Petroleum began seriously thinking about the need for a new corporate identity following its 1999 merger with Amoco, and subsequent acquisitions of Arco and Burmah Castrol.

So, when Ogilvy Public Relations helped relaunch the brand in July 2000 around the positioning Beyond Petroleum, the objective was to portray the company as a different kind of energy company to all of its stakeholder groups inkling 100,000 employees around the globe. The four key attributes that we wanted to communicate about the company were that it is performance focused, progressive, innovative and environmentally and socially responsible.

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The company also spent a great deal of time building common ground with environmental groups that had formerly been its adversaries.

To offer tangible proof of just how radical the change was going to be, the company chose to launch a prototype of its ultramodern new BP connect gas station featuring Internet kiosks, solar power, fresh food and clean fuels, hammering home the new positioning by ground truth reality.

In Asia, however, BP's agenda was entirely different. There, because one of the favored modes of transportation is legions of three-wheel vehicles known as tuk-tuks, Castrol was and remains the dominant brand in the marketplace.

So, rather than using same strategy it pursued in the U.S., BP chose to focus market by market on communicating the benefits of the leading local brand. What also emerged everywhere was the importance of employee communications in enabling the company to effectively reposition itself as a forward looking company moving beyond petroleum. Without an aggressive internal campaign to get employee buy-in, the external branding program would have failed. Internal communications became an essential tool in melding a diverse global workforce around the rallying cry, Beyond Petroleum.

This same focus on local markets takes place at McDonald's, which increasingly seeks to portray itself not as an American corporation, but a global one owned and run by local people around the world. "We're a confederation of local companies," says Jack Daly, the company's spokesman.

I already mentioned the growing importance of employee communications in our profession. Now more than ever before, employees are becoming viewed as perhaps THE single most important audience many of our clients must address.

Studies show that approximately 25 percent of a company's reputation is derived from public perceptions about how it treats its employees. A strong case in point is Southwest Airlines, the single U.S. carrier that appears to have emerged thus far relatively unscathed from the current industry melting down that is threatening the very survival of the large carriers.

Southwest subscribes to the notion that for a company to succeed, its employees have to embody and exemplify its brand promise to the ultimate consumer. And if you've ever flown Southwest, you'll know what I mean.

At Southwest, the corporate brand message has been a symbol of freedom, stressing the company's contention that its low fares have given the freedom to fly to millions who otherwise might be unable to afford it.

The internal brand message, "Freedom Begins With Me," is part and parcel of all its communications to employees. New employees are indoctrinated with the freedoms that they as Southwest Airlines employees are entitled, including such things as a freedom to create financial security, freedom to learn and grow and freedom to make a positive difference.

The effort has paid off in one of the industry's lowest rates of employee turnover and highest levels of employee satisfaction, year after year.

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Contrast this with the recent recriminations between employees at United Airlines and management over a memo to employees that was leaked to the news media predicting the pending demise of the airline without significant wage concessions. The ensuing firestorm subsequently resulted in CEO James Goodwin's forced resignation.

Another encouraging sign on the employee communications front has been creative efforts by companies to retain valuable employees during difficult times through the creation of specially designed packages to encourage laid off workers to remain attached to the company. For example, Cisco Systems, one of the leading networking companies, has made the strategic decision that rather than simply laying off key employees in an economic downturn, it has offered them the opportunity to take an extended leave of absence to do community service while retaining key benefits.

In this way, they promote social welfare, and remain engaged with great employees who might otherwise have jumped to a competitor.

So, how has our profession performed thus far in the wake of the attacks? From my point of view, it has done admirable, under the circumstances.

Many public relations professionals volunteered their time and expertise to relief organizations in the immediate aftermath. Most agencies including Ogilvy PR counseled clients to postpone all but the most critical of announcements, and to avoid any appearance that public relations efforts were attempting to capitalize on the situation or could be construed as overtly self-serving in the wake of the disaster.

Of course, some misguided individuals continued their standard marketing and publicity pitches, and in some cases even attempted to link the events in New York and Washington with their client's products or services.

One such example was a press release for e-Diets.com, which began with a solicitous "I hope this note finds you and your loved ones safe," and quickly cut to the pitch.

In recent years, a disaster of sorts has also hit the technology sector, leaving dot.coms strewn about the business plain. It may interest you to know that among the thousands of failed enterprises, one, eDiets.com, not only continues to turn a profit, but shows positive cash flow in its fifth year of business.

Such releases triggered rapid fire responses in articles in both the New York Times and Wall Street Journal, taking those agencies to task for their behavior, focusing on the gaffes and noting that many of the standard pitches were falling flat and that the industry, already reeling from a softening economy, had come to a virtual standstill during the crisis.

Some companies chose to stick to their marketing agendas in the wake of the disaster. Prior to September 11, one of our clients, Sun Microsystems, had worked with us for some time planning the launch of an important new server product at an event in New York City.

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Following the event of September 11, and after a great deal of discussion, Sun gave serious consideration to changing the venue or postponing the launch, but decided to move ahead in accordance with Mayor Rudolph Giuliani's wishes for business to continue as usual. The event was a success, and the company felt good that I was able to send a strong message to the world that American business is pursuing business as usual despite the challenges posed by September 11.

And now for you student in the audience, I thought you'd be interested in the state of the industry from the perspective of someone at one of the leading agencies. First of all, the past few years have been exceptionally good to the U.S. public relations industry.

According to the Council of Public Relations Firms, domestic revenues grew in 2000 by a record 33 percent to 3.4 billion and PR employment grew 25 percent to more than 23,000 people in the U.S. and more than 35,000 worldwide. My CEO, Bob Seltzer, describes the market environment last year as similar to the I Love Lucy episode in which Lucy and Ethel went to work in a chocolate factory and were forced to gobble the candy as fast as it came off the line, just to keep up with accelerating production.

Those days are long gone but the legacy for the industry in terms of unpaid bills and overinvestment in both staff and infrastructure, have dogged all of us in 2001.

Long before the events of September 11, the public relations industry was already struggling with a softening economy and the aftermath of the dot.com mania that swept our industry last year.

After doubling in size during the past five years, the industry has been faced in 2001 with employee layoffs.

Challenged by an uncertain economic environment, clients are reducing budgets and demanding greater senior level involvement and oversight on their accounts than ever before.

They want to make sure that programs are carefully aligned with business objectives, and that key success metrics are identified at the outset of the relationship to ensure accountability.

My advice to those of you who are entering the profession during this time of uncertainty is as follows:

**Be Passionate.** One of the attributes that we look for in employees is a true sense of passion about the job. One of my best employees exemplifies this unique passion every day on the job. He is an amateur racecar driver, which is why he so effectively relates to and services his auto-related clients.

**Be proud of Public Relations.** Many of you in the room have heard of Denny Griswold, one of the true pioneers of public relations and a former Schranz lecturer. Denny could always be seen sporting a button that said "Proud to be in PR." Those who view public relations as subordinate to other professionals' series careers such as law or management consulting are mistaken. So are those who select public relations as a career under the mistaken belief it is an easy haul.

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Quite the contrary, public relations is an incredibly challenging profession that should be avoided at all costs by those not willing to invest their blood, sweat and tears in achieving their client's objectives.

Be principled. Because you are both passionate and proud of your chosen profession, you must also adhere to the high principals outlined in the PRSA code of ethics.

If I've learned anything in nearly two decades of this business, it's that if your intuition suggests that if a client's motives are questionable, perhaps it's time to move on to a new client.

The same goes for abusive clients. Often the most challenging clients in terms of the relationship are the least profitable to work with, not only in terms of dollars and cents, but in intangibles such as staff morale and employee turnover.

Be connected. The most valuable public relations practitioners are true connectors. They know how to get things done because they've built solid relationships with business leaders, key journalists, influencers, employees and clients.

Be a Communicator. It may sound trite, but strong public relations professionals must have strong written and presentation skills.

It's been my experience that the ability to successfully communicate clearly in written and oral communications is closely aligned with critical thinking skills. The unfortunate truth is that great writers and great presenters are a rare breed these days, and the profession suffers for it.

Be a Counselor. I just recently spent time with a client going over our annual survey to discuss areas where he had indicated a need to be improved. What was fascinating to me was that while he was absolutely thrilled with the level of leadership and counsel he was getting from the team leader, he was disappointed at the ability of our mid and junior level people to provide him counsel rather than simply executing his demands. Good public relations people have strong convictions and the ability to stand by them despite client push back.

And finally, Be Credible. Personal credibility is your stock in trade in public relations. What too many young (and not-so-young) people fail to realize is that credibility, like trust, is something that is earned over many years, not bestowed upon you automatically with the assumption of some new title or accolade. It's got to be earned and once earned it can be lost quickly through poor judgment.

So, in conclusion, I believe the public relations profession stands ready to meet the current challenge in helping America and its institutions find common ground with the rest of the world. Liberal arts programs such as that taught at Ball State University will be playing a critical role in educating the next generation of practitioners in our business. In fact, I look forward to the day in the

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not-too-distant future that I can sit in this audience and listen to the unique perspective being shared by a future leader in the profession who comes from tonight's student audience. Thank you.