

Arthur W. Page Society Hall of Fame Award

Remarks by Margery Kraus, September 12, 2011



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Thank you, Bill, for that wonderful introduction. You have always been one of my heroes, so it is a great honor to have you be the one to make this introduction. I can only imagine how many people in this room you have discovered, mentored and helped in their career. That is the ultimate legacy anyone can leave, and we all respect you for it.

Thanks also to the Page honors committee for this recognition.

And, thank you, Gary, for such a good conference, although I must say it is a mixed blessing. We have had such interesting evening speakers that the bar is very, very high, and I am feeling the pressure.

When Bill called me to tell me that I had been selected for this honor, I was both excited and humbled. There is no greater honor than being selected from among your peers for such an award. I know and respect so many of the previous recipients and their accomplishments. I have sat in the audience and absorbed their "stories" and celebrated their accomplishments and their legacy to the industry. It is therefore humbling to follow in their shoes.

And, Tom, it is great to share this stage with you as someone I have known as a client, a colleague and a friend whose distinguished service is without question.

It is a special honor to receive this award in Washington, which has been my home base for my entire professional career. I first moved here in 1966 to finish my degree in political science, partly because I loved the study of the field and where the action is and – the truth be known – partly because I was in pursuit of the love of my life and now my husband of 45 years, Steve Kraus. I guess tonight is proof to my parents that both my degree and my "other" pursuit were not in vain.

Receiving this award in Washington the day after the 9/11 anniversary makes this award all the more memorable. I am sure we all vividly remember the events of that tragic day. My memories of that day are just as vivid, but in an odd way are tied to this award. You see, I was in Boston on September 10th having dinner with a dear friend at the Harvard Business School who has been a mentor to me and to APCO as we have grown. We had a dinner that led me to an "ahaa" moment for our firm and ultimately led to our management buyout at APCO.

I was so excited about the conversation I could not sleep, so instead of taking my scheduled flight back to D.C. from Boston – a flight that would have stranded me for days – I woke up very early, went to the airport and walked onto the shuttle – just before the flight the terrorists took from the same terminal.

I landed in D.C. in the midst of chaos minutes before the second plane hit the tower. Not knowing exactly what happened, I ran out of the terminal to get back to my office to make sure everyone was okay and watched the Pentagon go up in flames. By then, no cabs could go into D.C., so I walked (or rather trudged) to the office, some miles away, only to find out that I was the one unaccounted for, missing and feared lost. What I witnessed en route and the subsequent reunion in the office are memories that live forever and remind us about how fragile life is.

I hope we have all taken a few minutes over the weekend to reflect on those not so fortunate.

So, in a very odd way, the growth and success of APCO and ideas for the future will always be juxtaposed against the backdrop of 9/11, the day our world changed in so many ways.

It is also the backdrop of this change for my reflections tonight.

Those of you who know me well, know that I consider myself a relative newcomer to the profession, in spite of APCO's 27 years. I didn't start my career in public relations or communications. It has been a second career. My first was as a 12th grade civics teacher. But I was not a conventional teacher. I tried to reach my students by creating real experiences outside the classroom that helped them understand their responsibility as citizens of a great country. This led me to spend the first part of my career developing the Close Up Foundation – using Washington as a classroom and its leaders as teachers, subsequently involving almost a million young people in learning how to "find their voice" – a program in which I am still involved as a Board member and for which I still have passion after 40 years.

Watching Close Up's impact on participants was a great lesson to me to see what the power of expression, when properly used, could do to change attitudes, perceptions and perhaps the world. It also gave me my first in-depth view of how accessible our system is if you have a good idea and the right plan to recruit others to that idea.

This was especially important to me since I was a first generation American and understood both the responsibility and opportunity that comes with freedom. It made me an optimist and reinforced a can-do spirit that was planted by my mother's early teachings that "where there is a will, there is a way." A teaching that has helped me as I have created my own business – often against great odds and in a stubbornly independent way.

2

1971, when I ran Close Up's first program, was a very difficult time in this country. It was post Viet Nam, and we had a divided country and a disillusioned group of young people who felt they had lost touch with the system, with Washington and with the ability of government to lead the way. The program created for those young people a working knowledge, understanding and opportunity for responsible action. In a way, the values behind getting these young people to stand up was not so different from the founding principles of the Page Society – that the true character of an entity comes from the

words and deeds of its people, and judgment comes from actions not just talk. It was a way to give a truthful picture of our problems and opportunities and the need for action. It also became a bedrock of my own way of acting.

In a way, it was helping young people find their voice that led me to the field of communications. Now 40 years later, in the wake of 9/11, a much changed world order and one of the greatest financial meltdowns of recent memory, we again find ourselves faced with great challenges as we try to chart the path of our organizations and corporations for the future. We find ourselves in a situation where there is cynicism about our institutions and where confidence and trust are at an all-time low. And, again, we find that our voice and the voice of our employers and clients are more significant than ever.

But somewhere inside us all, we need to have the strength and conviction to do what we do best – to help our “clients” – internal and external – see a way forward to identify those undiscovered opportunities that inevitably follow or are hidden by the challenges of our times. If we are going to have a great future for our kids and our grandkids – and our employers – we have to step up and heed my mother’s advice that where there is a will there has to be a way.

The recent report that the Page Society issued with the Business Roundtable’s Institute for Corporate Ethics talks about these low levels of public trust and suggests they should NOT signal a capricious public or a no-win situation, but instead may represent an opportunity for game-changing solutions that can lead to greater efficiency and value creation. We as communications professionals and senior executives need to help lead the way to and through these opportunities. In order to do that, we need to understand what is happening around us and how we can make a difference.

Here is one person’s point of view:

It is hard to believe that it was 10 years ago that we were collectively covered in the ashes of the twin towers and the Pentagon, mourning the loss of our innocence and saddened by the loss of friends or loved ones. But in many ways, it seems like a lifetime ago. How the world has changed since then!

In the last 10 years, we have seen a seismic shift take place in our world. The center of gravity has moved east. We have moved from a G7 world to a G20 world. We have gone from a creditor nation to a debtor nation. We are working with and for businesses that need new consumers and are finding them in markets that are new to them and challenging and, yes, exciting. We are part of global economic and political systems in great transition and where the road ahead is anything but certain.

Just a few examples give the picture:

As the world has changed over the past 10+ years, the so-called emerging markets have accounted for over half of our global growth, and they now account for over 40 percent of the world economy, at least as measured at purchasing power parity.

Goldman Sachs has predicted that by 2040, five emerging market countries – China, India, Brazil, Russia and Mexico – will together have a larger economic output than the G7 countries, the seven Western nations that have dominated global affairs for centuries.

The Arab spring has challenged governments and traditional alliances in ways we could have only imagined a year ago. Bastions of predictability have become the centerpieces of new alliances, expectations and uncertain outcomes.

At the same time:

We are also facing more activist governments around the world, including our own. The relationship among business, government and society has dramatically changed. Many of these governments are now defining their future relationship with business – foreign and indigenous. New rules of the game and lack of certainty make navigation even more complicated. The advocacy of other governments on behalf of their domestic businesses' interests is also a challenge.

With all these environmental changes, what can we do to help our companies and our clients not just succeed but thrive?

In spite of these challenges, I believe this is the most exciting time for us. Never before has there been a bigger opportunity to leverage our natural talents and know how to benefit our employers, our clients, our communities and our world. We have an opportunity to make our experience and expertise even more valuable in helping lead through these changes.

Here are some ideas to contemplate:

1. Change the world one company at a time: lead through business diplomacy

The definition of a successful or well-respected company in this environment now requires proactive and interactive dialogue with a broad variety of stakeholders and forthright, transparent communications. We have been talking about this, and operating as an American multinational in this environment requires a particular adeptness, given the relative decline in respect for our country around the world and a growing prejudice toward domestic companies that are our global challengers for the future.

We have the opportunity as global firms to be ambassadors for this changing world by demonstrating those values and principles we would want people to emulate. Through good practices, corporate ethics and strong values we can encourage good behavior around the world that leads, not follows, regulation.

It is not enough to sell a successful product or service. Companies must also produce goods in an ethical and environmentally friendly way, treat their employees and communities fairly and govern themselves well. I think it was Paul Argenti who said that people around the world are looking for both value and values in their purchasing decisions.

We are in a position to help create the internal accountability that shapes an ethical corporate culture. And we know how culture shapes reputation. If we take on the responsibility to act as chief cultural or values officers, we can ultimately expand the value proposition for our clients and our profession.

Perhaps we can also help shape the profession for the new multinationals that will come on the stage in the next 10 years by setting a standard of excellence for others to follow as our profession continues to take shape around the world.

The challenges and opportunities for corporations thrust into the global spotlight are catalysts for public relations professionals to rethink their role and purpose given the need for corporations to build strategic and sustainable relationships. We can really make a difference.

2. Be advocates for corporate innovation and integration

I don't believe the differences and distinctions of our profession are valid for the future. What is public relations and what is public affairs? And where is the line between public relations and marketing? And if we figure that out, where does digital fit in? As the marketplace shifts, and as needs have changed, communications has taken on a differentiated and increasingly central role. We are being asked to operate at the nexus of traditionally distinct business units and disciplines. We are expected to lead integrated efforts to avoid problems and create solutions. Our companies have to speak with one voice across disciplines, geographies and cultures. Providing this integrated response is more important than ever and requires a new way of thinking. We need to be these agents of change.

We need to create organizational solutions that are as adaptable and resilient as they are focused and efficient. We need to continue to inspire initiative, imagination and solutions. We should be leveraging our role as a central player in an integrated, often global, matrix of services within our companies and agencies and renew and refresh our approach to solutions that work across disciplines and geographic boundaries. As the Page principles teach us, we need to manage for tomorrow.

This sense of integration is not just about what we do as public relations professionals – it is also a reflection of the way the world is operating. Complex problems require thoughtful solutions that draw upon the broadest range of disciplines.

Let's figure out how to engage those with the best ideas and solutions without regard to discipline, location or reporting lines.

3. Learn the operational tools of a post American world

As I mentioned before, global wealth and purchasing power, competition and expectations are all changing. The movement from a G7 world to a G20 world is not just a political movement where new governments are coming of age, it is a world with new consumers and new consumer expectations fueled by social media.

For instance, when I was in Israel recently, I arrived in the middle of a social revolution about the price of cottage cheese that was initiated by consumer action brought together by the Internet. All the tools of political organizing brought together by technology to change the price of a consumer product where people were tired of paying more than consumers in other countries were paying for their products. Imagine the implications if this is a global trend and a flash mob can control the prices of our products!

5

To succeed in today's global marketplace, multinational companies headquartered in any country have to devise sophisticated outreach techniques to listen carefully to their customers; to accurately segment customers in foreign as well as home markets; to position their products and services accordingly; and to communicate effectively in a fast-changing media and technology environment.

We have a choice about helping to lead this transformation, using our skills of understanding stakeholders, knowing how to communicate and having our ear to the ground.

To do this well, we have to enhance our understanding of how the basics of what we know can be adapted to new markets – develop what I have called a GLOCAL understanding. As someone who has had to do this in market after market as we built our company organically, we have to learn how to listen as well as lead.

Sometimes I think it is hard for us as Americans to adapt to these diverse environments, which will be a key to success in the future. Addressing diversity in our organizations and mastering the challenge of working on truly global teams requires us to understand that we may not always be the smartest people in the room.

It is a little like waking up one day as a parent and realizing that the children you mentored and raised actually now may be smarter than you are or have better ideas. Our ability to learn from others who do not look or think like us will be essential to our future success.

4. Go beyond what is required: be a champion

Stakeholders expect organizations to add value to society through their products and services and the conduct of their business. They want a true partnership, based upon integrity, transparency. It is only this kind of relationship for the future that will enable us to create new products and services in new markets with a competitive advantage that promotes greater business success.

In my firm, we have been referring to this as building a champion brand. It is about more than building product brand value, it is about opening the door for a true partnership with stakeholders that gives you the insights and ability to create new products and services, new markets and competitive advantage for greater business success.

Champion brands align their vision and values, business strategy and stakeholder expectations into one seamless narrative and approach to their business and their society. And they recognize that connecting a company's unique vision and values to a relevant market strategy will differentiate their corporate brand, while increasing credibility among customers, investors and employees.

Following this path will do a lot to repair and rebuild the trust deficit faced by industry and institutions around the world. We can make a difference.

These are just some thoughts from my own experiences about where I think we need to go as professionals in this great profession.

In spite of the challenges ahead, I am very proud to be here tonight as a communications professional and, as I said at the outset, to receive this award in Washington, my home port.

I feel lucky and enriched to consider many people in this room friends. I have really learned a lot from you, which was enhanced by my year as the Chair of the Council of PR Firms. It has been eye opening to get to know and come to respect so many of our competitors, collaborators and clients.

And I wouldn't be here if I didn't have the great team at APCO whose belief in me and my vision allowed me to pursue my dreams and whose loyalty, courage and entrepreneurial spirit continue to inspire me each and every day. Starting – and maintaining – a business is never simple, but having a strong team is a great source of strength, ongoing counsel and creativity.

And to be surrounded by my incredible family, which has now grown to 19 people, is the best of all – my husband Steve, who I mentioned earlier, and my three children, who are not only wonderful children (and now parents), but also important business counselors. Best of all, I am fortunate to be able to work with two of my children, Mara and Evan, every day. I thank them and their spouses and my 10 grandchildren for their unconditional love, forgiveness and support over the years. Building a business and balancing family life requires a lot of compromise and a great support system. It is your family that gets to see the good, the bad and the ugly! I couldn't have done what I did without their support, counsel, encouragement and help.

And, in spite of all the challenges discussed tonight, I am proud to be standing here as an American. We sometimes forget how the rest of the world looks to us for a spirit of global optimism and American entrepreneurship. This is a time of great challenge to that notion, but one that is worth the fight to keep. It is this sense of optimism and “can-do-ism” that has enabled me – a school teacher from a small mining town and the child of immigrants – to be the recipient of this award. It is this optimism that needs to reach our next generation.

I have tried to reflect as I prepared for this evening on how the Page principles have impacted my life and my actions and whether I knew at the time they were Page principles! However, I would like to add one new principle which I am sure Arthur Page thought was obvious. It is passion. I think passion is the secret sauce for what we do and how we do it. It is what makes us really good and gets us over the hill on the most challenging days. So THINK BIG, as Page says, conduct public relations (in its broadest sense) as if your whole company depends upon it AND HAVE PASSION.

I thank you all for allowing me to celebrate the passion and optimism – the accomplishments – represented in this award. It is a reminder of the opportunities that await all of us. And a celebration of the passion that fuels our success.

Thank you again for this tremendous honor.