

# BRUNSWICK REVIEW

A JOURNAL OF COMMUNICATIONS AND CORPORATE RELATIONS ISSUE 15 2018

## The WORDS Issue

**MARK PALMER**, former Enron spokesman, on telling the truth

**MARY BEARD** talks about *Women & Power*

The man behind the **HASHTAG**

The Shakespeare of **SILICON VALLEY**

Plus Christopher Dodd and Dambisa Moyo



# BRUNSWICK

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**T**HE TALENT AND GIFT OF COMMUNICATIONS AND language is obviously one of the great differentiators between us and other animals. We have been able to talk in complex ways for tens of thousands of years, if not more, but it is easy to forget that the written word is a quite recent phenomenon. Only just over 5,000 years ago, the Sumerians made written words come to life, pressing cuneiform characters into clay tablets.

We have come a long way in 5,000 years. Today, an average of 23 billion text messages are sent per day, and 350,000 tweets per minute. With such volumes on multiple channels and visual content powering up everywhere, one might expect written or spoken words to have a diminished importance. Actually, we believe the opposite. One of the many great opportunities of the digital world is that we can all become publishers. The power and reach of effective content, written or spoken, has never been greater. In their book, *Everybody's Business*, Brunswick Partners Lucy Parker and Jon Miller defined us as being in the Age of Conversation. We cannot control the conversations going on around us inside or outside our organizations, but we can contribute to, and sometimes shape, those conversations with the power of great and powerful content and how we use our words.

It feels like sound bites, bumper stickers and tweets have the greatest impact. They are more easily shared and re-shared, such as “Make America Great Again.” But most glance off of us. Headlines and sound bites catch our eyes, but well-crafted and thoughtful words can capture our hearts and minds and, in a digital age, they can go further and last longer. As we have exponentially increased our consumption of words and media, it seems we have also sharpened the mental and critical faculties for greater editorial competence. We can discard more of what comes at us as we pick out what we want to fully engage with. The paradigm has moved to pulling content, not pushing it.

The challenge for the corporate world is that we start from a low level of trust – corporate speak, legalese and spin not only fail to deliver, but can even be hugely damaging. Humanity, authenticity and honesty always rule the day. Our CEO and my colleague Neal Wolin, in this edition, quotes Ernest Hemingway, reminding us that the way to approach the task of writing is to “start with one true sentence” – everything else comes from that.

The best words are able not only to communicate a point of view, but to connect and show you see the world the way others see it. Helping clients make their case and make those connections has always been at the heart of what we do at Brunswick.

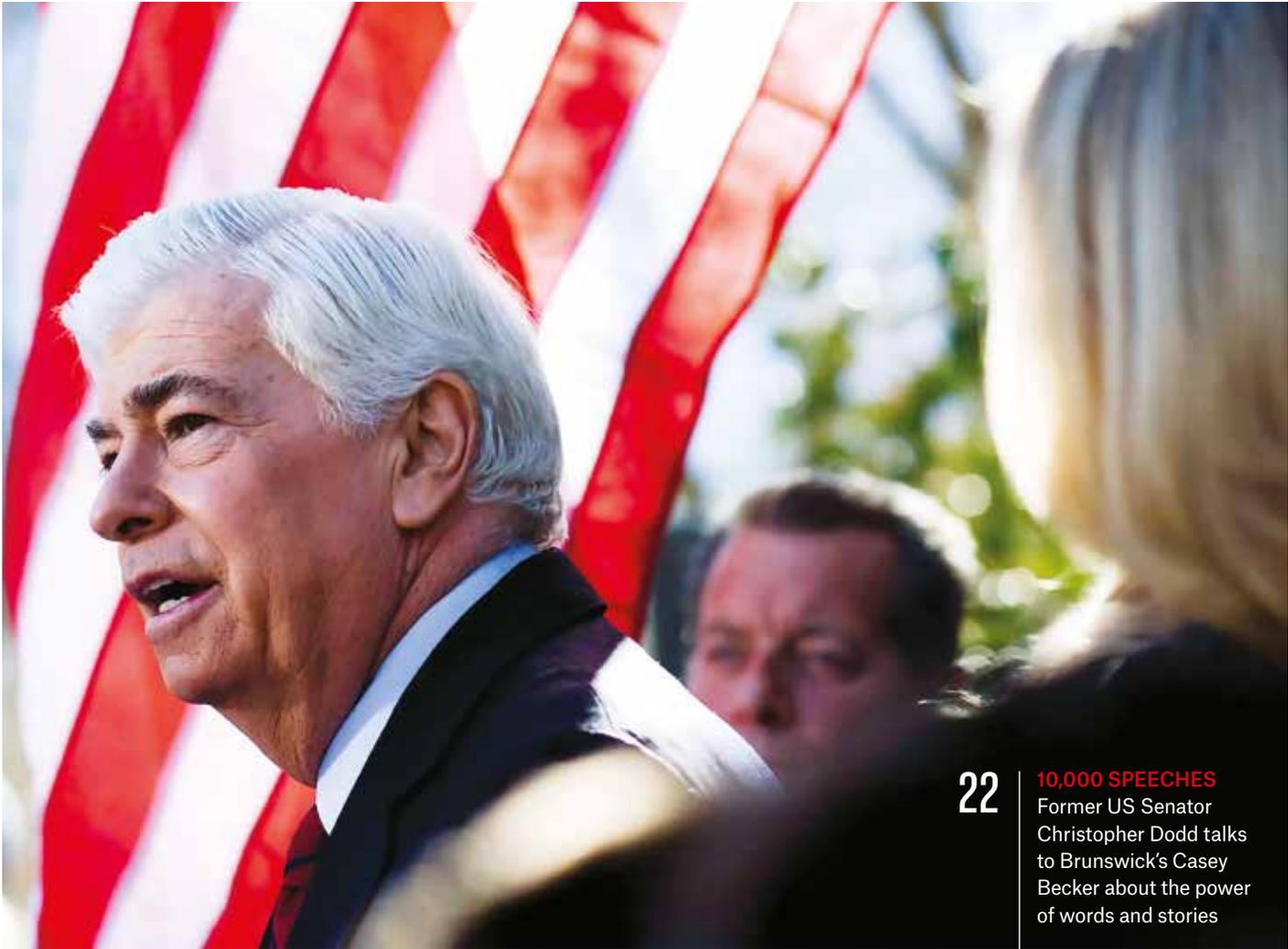
I hope you enjoy this edition as we celebrate the extraordinary, wonderful and potentially magical power of words.



**SIR ALAN PARKER**

CHAIRMAN,  
BRUNSWICK GROUP

**THE BEST  
WORDS ARE ABLE  
NOT ONLY TO  
COMMUNICATE  
A POINT OF VIEW,  
BUT TO CONNECT  
AND SHOW  
YOU SEE THE  
WORLD THE WAY  
OTHERS SEE IT**



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from the  
issue

# SP [O] TLIGHT

Sharing insights from Brunswick colleagues around the world on a medley of topics



PHOTOGRAPH: MILITARY HISTORY COLLECTION / ALAMY STOCK PHOTO

## Of TIME & PLACE

**I**N 1899, A PARLIAMENTARY candidate from Oldham stood to address a local church gathering. “Never before in the history of Oldham have so many people had so much to

eat,” he declared. As a junior minister nine years later, the same politician stood beside an irrigation project in Africa and said, “Never before in the history of Africa has so much water been held up by so little masonry.”

Before he became the greatest orator in British history, before he won the Nobel Prize in Literature, Sir Winston Churchill gave speeches that surely generated some mirth. “He was renowned throughout his career for lavishing verbosity on issues that simply didn’t warrant it,” said Philip Collins, the author and speechwriter for former British Prime Minister Tony Blair. Appearing on an Intelligence Squared panel called “Words that Changed the World,” Mr. Collins argued that the perfect context for Mr. Churchill’s grave tone and tenor arose only when he was in his 60s, and serving as British Prime Minister amid the Nazi invasion of western Europe.

Of Mr. Churchill’s speeches in 1940, Mr. Collins said, “What gives them their real gravity is the fact that the peril is real.”

For me and for others who work with words and who love the Churchill legacy, Mr. Collins’ lesson is worth remembering. If we try to emulate the great orator on behalf of a brand or product, we could succeed – and sound as cartoonish as Mr. Churchill did at that Oldham event.

That isn't to say Mr. Churchill isn't worth studying for routine tips about words and writing. "Short words are the best, and the old words best of all," he said.

In an unpublished 1897 piece called "The Scaffolding of Rhetoric," Mr. Churchill identified what he thought were the principal elements of a great speech: correctness of diction, rhythm, accumulation of argument and analogy.

Deliberate writers will also take particular comfort in knowing that Churchill was slow. He estimated one hour of work for every minute of a speech.

Obviously, those traits alone don't account for his brilliant flair with words and thankfully he offers other hints. As a film-maker, I'm especially interested in how he described his writing style as a "rapid succession of waves of sound and vivid pictures."

**"Short words are the best, and the old words best of all"**

Winston Churchill

One hopes that circumstances never arise to emulate Prime Minister Churchill in his moments of greatness. The most eminent Churchill historian, Dr. Andrew Roberts, says, "An awful lot of people thought that it was impossible to beat the Nazis, yet what Winston Churchill did, by constantly putting Britain's peril in the greater historical context of other times that Britain had nearly been invaded, but had been ultimately successful, he managed to tell the British people that this could happen again."

Or, as US President John F. Kennedy said of Mr. Churchill: "He mobilized the English language and sent it into battle." Churchill's greatest legacy may be his assurance that victory can be achieved against all odds. As Churchill himself once put it, "Never flinch, never weary, never despair."

*Sonal R. Patel is an Executive Producer for MerchantCantos.*

**The point of corporate communications is not to entertain, but to tell the truth**

## Exacting HONESTY

**T**HE LEADER OF A PUBLIC company has a duty to inform the public of material events that an investor, actual or prospective, would consider significant in deciding whether to buy or sell the shares. He or she must tell the truth – and tell it as soon as is reasonably practicable. He has no duty to spin, nor to comment, nor entertain, although in the pressure of the moment, many go down this path.

The audience, in the form of the media, have much more freedom. They can comment, they can entertain, they can write, or broadcast, from a point of view: left or right, capitalist or communist, young or old. Some public-service broadcasters have duties imposed by the state; the BBC, for example, has a duty to be "impartial" in its coverage. But while many in the private media strive mightily for accuracy and have strong ethical standards, they are entitled to select what they report, and decide upon which particular facets in the diamond of truth they wish to shine their light.

A chief executive has no such luxury. He has to tell it like it is, and dangers surround him if he launches into the areas of comment or entertainment. "A storm in a teacup," "a minor incident," "a forgivable error" can be claimed by the commentators, but less easily by the miscreant. It can be hard to stick to the mantra of "facts only" in a fast-developing, unexpected and unwanted situation.

Viewed this way, however, communication becomes much simpler; the rules are



**It can be hard to stick to the mantra of "FACTS ONLY" in a fast-developing, unexpected and unwanted situation**

straightforward. First, find the truth. (This is not easy in complex organizations that have lost their way.) When the truth has been found, if it is materially different from market knowledge or perception, tell it; tell it all and

tell it as often as needs be – but repeat the same message on the same facts. There is no need to improvise, nor to elaborate. As pressure rises, the same truth can be repeated. This is now commonly done, for example, in corruption cases.

"The Board will not allow corrupt behavior in this company and will sort it out at once," is a typical example. This statement is fact. It tells the market what the view of its Board is, and shows their determination to deal with it.

It is tempting to shift from the provision of necessary information material and useful to the market and, under pressure, stray into the realms of entertainment – "feeding the beast" may be the function of the media, but it is not the function of the company.

The CEO is concerned with what the public needs to know. He may wish to elaborate and expand, according to his temperament, but he would do well to always bear in mind the questions, "Am I informing or am I entertaining?" and "If I comment, why do I comment?"

One last word – on apologies: When disaster strikes, an apology is often necessary and usually welcome. It shows ownership, courage and sympathy. It need not become an admission of legal liability; lawyers' fears in this area are overdone.

One can be very sorry that something has happened, whether an explosion or a share price collapse; saying sorry and expressing sympathy with the victims is a proper human instinct. Sympathy and sorrow and a determination to put things right are not the same as professing guilt. Apologies need not be about fault or liability – they are about empathy.

*Rob Webb QC is a Brunswick Senior Adviser based in London.*



Cape Town's Table Mountain carries its "table cloth" of clouds – a sign, legend has it, of a smoking contest between a local pirate and the Devil.

## AFRICA bucks the political risk trend

**S**OCIOLOGIST DANIEL BELL, writing in the 1950s about mid-20th century ideologies, observed, "the old passions are spent." That turns out to be wrong, as recent political contests for the souls of major western societies shows. The brutal rebellion against liberal values and globalization in major Western democracies is a potent reminder that societal change is a predictable force – constructive change is not.

African countries are doing their own up-ending of the world view, but landing in a surprisingly more positive posture. Last year, Zimbabwe saw something as close to a legal coup as you can get – and suddenly, a place that pretty much everyone had written off is on an all-out charm offensive with Western investors.

In Angola, many were cynical about elections and the transition of political power from a colonial revolutionary leader to his comrade in arms and minister

of defense. Yet early evidence suggests that João Lourenço, technocratic general and newly elected president, deserves his corruption-free reputation – almost immediately he pushed back against military cronyism and nepotism.

In Liberia, the winner in the country's first democratic presidential election invited members of the losing party to join him in a unity cabinet. Africa is full of surprises.

Political risk, once considered purged everywhere but in Africa, is for the third year the primary threat to global trade. But across Africa, the significant political

risk for inbound mergers last year was almost exclusively due to the most sophisticated democracy on the continent: South Africa.

South Africa accounts for nearly two-thirds of Africa's M&A activity by value and about half by volume. Political uncertainty brought inbound deals by volume down 45 percent in the first quarter of 2017 – though measured by value, that activity was up significantly.

The hype about South Africa's institutional arrangements is proving warranted. This is encouraging and should help the region be more resilient to inward investment at a key moment of

global economic alignment.

Between 2004 and 2014, Sub-Saharan Africa became the world's second-fastest-growing region after Asia Pacific, driven in large part by the voracious demand for natural resources created by China's rapid industrialization. However, structural changes – the direct result of political shifts toward democratic accountability and good governance – played a critical role.

Applying these trends across broad sections of the continent would be an oversimplification. Among the Eurasia Group's top 10 global risks for 2018 is rising terrorism in Africa, with the Western powers increasingly distracted by their own domestic politics. Among the best performing economies on the continent, Ethiopia and Rwanda aren't exactly model democracies. But they are predictably governed and focused on trying to prioritize economic development over political squabbling.

However, in key economies, private markets are growing and thriving. While the decade of growth was not driven by manufacturing, early signs show it may be on the rise, aided again by China's expanding appetite. Combined with Africa's technology leapfrogging in areas such as fintech and communications, this might just sustain the continent's promise as the world's next major market.

*Itumeleng Mahabane is a Partner and Head of Brunswick's South Africa office.*

## SANDWICH SIGN goes viral HIGH-TECH MARKETING

has been humbled recently by the good old-fashioned sandwich board. Propped on a sidewalk or hung from a human being, the classic ad form hit peak popularity in the 19th century, then faded into irrelevance.

Until early this year, that is, when a lowly sandwich board outside a Denver coffee shop made national headlines, including on the front page of The New York Times. Shared widely on social media, the board's message – "Happily gentrifying the neighborhood since 2014" – drew hundreds of gentrification opponents to the coffee shop, temporarily forcing its closure.

In Manchester, England, meanwhile, a sandwich board outside a café noted that an online reviewer had criticized its porridge. The board made national news by inviting passers-by to give the disparaged porridge a try. Lesson: A punchy message can break through the limits of any medium.



**Brexit remains messy at best and its costs, unclear, says Brunswick Geopolitical's Pascal Lamy**

**W**E'RE APPROACHING THE two-year anniversary of the Brexit vote. And still the mechanics of how the UK will leave the EU, and at what cost, are unclear and hotly debated. I expect we'll see more talk than progress for a long while. I've compared the UK trying to leave the EU to a chef trying to remove an egg from an omelette that's been stirred since 1973 – difficult, frustrating and almost certainly messy. As someone who has been in trade negotiations for more than three decades, it is difficult to overstate the technical and regulatory challenges that Brexit poses – challenges that are further complicated by political calculations. Take financial services. How they'll be regulated between the UK and EU is a key part of the Brexit discussion, but I doubt will be part of any trade negotiation. So even if a trade negotiation is reached – an ambitious goal in and of itself – how banks can operate and firms will be regulated remains a separate issue to be resolved and then implemented.

Depending on the manner of its departure, Britain faces an economic or a political price. The more the UK leaves the EU, the steeper the economic price tag. A softer withdrawal reduces economic costs, but increases political ones. Britain can, of course, leave and negotiate new trade agreements. But can they do better with a market of 60 million consumers than they did in a market of 500 million consumers? I'm not so sure. In trade negotiations, you gauge

**A painful SEPARATION**

the weight of a market – making more concessions for a large market than a small one. Exiting enough to satisfy Brexit supporters, but not so much that it damages the British economy – that's a delicate compromise, and one that doesn't appear to be on the table in London. It might take something akin to a political spasm in the UK before such a compromise gains real traction. Rather than a decades-old omelette, a German professor equated the complexity of the UK leaving the EU with the first Moon landing – only Brexit was



“more complicated,” he said. Neither metaphor is perfect, but at least the professor's offers the hope of a smooth landing. A hard one, which unfortunately cannot be totally excluded at this stage, is the

scenario that should keep CEOs awake at night on both sides of the Channel. *Pascal Lamy is a Principal at Brunswick Geopolitical, and former Director General of the World Trade Organization.*



**SWEARING**

**Are curse words an unforgivable scourge or a healthy way to build trust?**

**I**N HER BOOK *SWEARING IS GOOD for You*, Dr. Emma Byrne argues that new research reveals how we might be better off to invite profanity into the office. But she's also clear that trying to implement a pro-swearing policy will be an uphill battle. Dr. Byrne tells how during the 2008 crash a Goldman Sachs senior manager described a sub-prime mortgage transaction in an email as “one shitty deal.” When the emails were released to the public, Goldman Sachs apologized – not for supporting a

system that broke global banking, but for bad language. Despite the aversion to swearing, evidence suggests it can help teams bond. Far from artless and vulgar, research shows that swearing in small groups demands social skills to express differences between teams and nuances specific to each member's role. In addition, Dr. Byrne's research shows swearing reflects on credibility: The greater the rate of swearing, the less likely the person was to be dishonest. Ultimately, there's no simple answer. Though it risks giving offense, it seems that at the right moment, a well-turned expletive can work wonders. *Laura Templer is Content Production Manager in London.*

# WORDS

Welcome to the Words edition of the Brunswick Review, in which we illustrate the power of words to promote economic and social progress.

In these pages we trace Singapore's status as an economic star to its decision in 1965 to make its official language English – even though few residents back then spoke it. We show how one man started a linguistic revolution by inventing the hashtag. We offer tips from former US Senator Christopher Dodd on how to prepare and deliver a great speech. Cambridge's best-selling classicist Mary Beard talks to us about lingering restraints on the voices of professional women. Economist Dambisa Moyo explains why words – her fourth book is currently on best-seller lists – offer the best hope for starting a

revival of Western economic prowess. And our researchers at Brunswick Insight reveal what people really hear when a company says, "No comment."

We also show how even great writers like Winston Churchill or Ernest Hemingway found it hard to choose the right words. Churchill, winner of the Nobel Prize in Literature, put one hour of work into every minute of a speech. Hemingway rewrote the last page of "A Farewell to Arms" 47 times. The secret behind virtually every great writer and speaker is a team of brilliant editors.

For anyone preparing a spoken or written communication, a basic recommendation is to identify the target audience. But Mark Palmer, Brunswick's US Managing Partner, adds a chilling coda. It comes from his experience as the former spokesman for Enron: Never forget that your audience may include the Department of Justice.

Best to lead by this credo: Words matter, always.

**NEAL WOLIN, CHIEF EXECUTIVE OFFICER**



# MARK PALMER

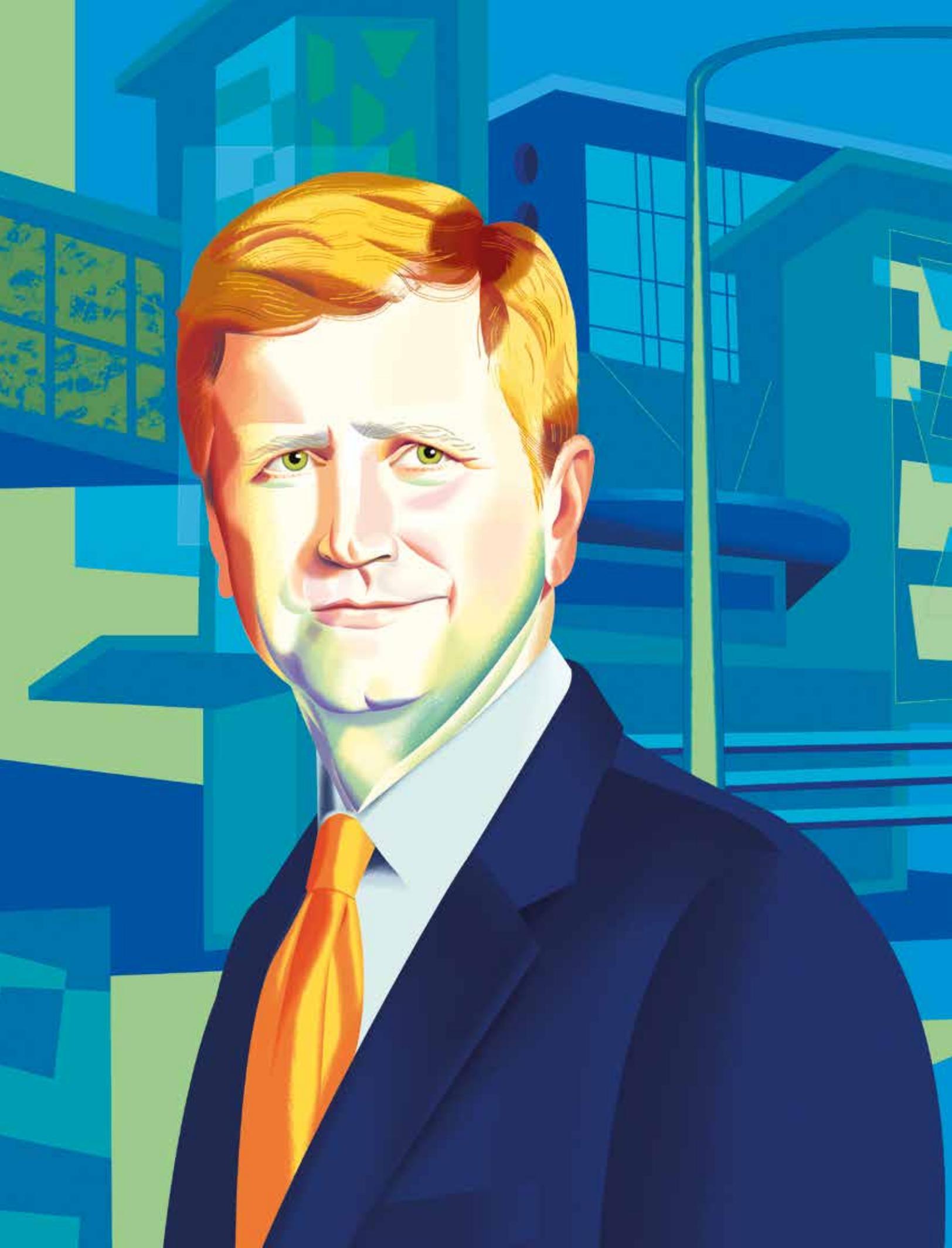
FORMER ENRON SPOKESMAN

**O**N OCTOBER 25, 2001, THE PHONE RANG ON THE DESK OF MARK PALMER, Vice President of Communications for Enron. The caller was a Wall Street Journal reporter inquiring about an Enron special-purpose entity called Chewco. • “Never heard of it,” said Mr. Palmer. Promising to look into Chewco, he said he would get back to the reporter. • During his first five years as Enron spokesman, Mr. Palmer had scrambled to accommodate ever-mounting interview requests from journalists enthralled with the innovation, the boldness and the incredible growth of Enron. During that time, the value of Enron stock more than quadrupled to \$90 a share. • But 2001 brought a series of setbacks: Short sellers planted skepticism in the media, the company’s charismatic CEO abruptly resigned and Enron took an unexpected \$1.2 billion charge against equity. The stock sank to below \$20 a share. • As he set out to gather information

# ON TELLING THE TRUTH

about Chewco, Mr. Palmer still believed in Enron’s capacity to recover. He still believed in the leadership of Kenneth Lay, the company’s long-time chairman who had recently re-assumed the title of CEO. As for Chewco, Mr. Palmer expected to get a quick answer and move on to his next task. • But within moments, he learned from an Enron executive that Chewco might be a deeply flawed entity. Enron executives investigating the files of Andy Fastow, the company’s recently departed CFO, were finding that Fastow might have improperly structured Chewco to circumvent accounting rules and enrich himself. If this suspicion were true, Chewco’s obligations would turn into Enron debt, further destabilizing the company’s finances and destroying what was left of its reputation. The news floored Mr. Palmer. • Exercising an authority that he arguably didn’t wield, Mr. Palmer called for an immediate gathering of top management, including Mr. Lay. So distraught was he that on the way to that meeting Mr. Palmer

ON TELLING THE TRUTH



AFTER  
GOVERNMENT  
INVESTIGATORS  
SWARMED ENRON,  
MR. PALMER LAY  
AWAKE NIGHTS  
REPLAYING EVERY  
COMMUNICATION  
HE EVER ISSUED  
ON BEHALF OF  
THE COMPANY

made a detour to the bathroom to vomit, a delay that cost him a seat at the meeting he had called. So Mr. Palmer sat on the floor of a small crowded conference room. During the meeting, when Mr. Lay failed to immediately grasp the Chewco implications, Mr. Palmer took charge by loudly slapping his hand on the floor. “I’ll tell you what’s going on, Ken,” Mr. Palmer shouted at the Chairman and CEO. “The Wall Street Journal knows more about what’s going on at your company than you do!”

Then Mr. Palmer demanded, as he had before, that Enron hire an independent investigator. This time Enron followed his advice.

Seventeen years later, Mr. Palmer serves as the US Managing Partner for Brunswick Group, where he offers advice on a range of topics, most notably how to navigate a corporate crisis. To that discussion he brings a degree of firsthand experience that he wouldn’t wish upon anyone. The son of a Vietnam War Navy attack pilot, Mr. Palmer grew up believing that hardship should be embraced, tackled and internalized, rather than just talked about. But the trial he endured as chief Enron spokesman during its spectacular rise and scandalous fall convinced him that Post-Traumatic Stress Disorder is a real affliction. Ever since that episode of nausea in the Enron bathroom, his gag reflex has been oversensitive. “Before Enron, I could have been a sword swallower. Ever since Enron, if I get just a little bit stressed my gag reflex is hypersensitive,” he says.

The lessons he gleaned from Enron underscore a type of risk not always appreciated on the front lines of corporate communications. After government investigators swarmed Enron, Mr. Palmer lay awake nights replaying every communication he ever issued on behalf of the company, aware of the potentially criminal implications of a corporate spokesman knowingly saying anything wrong or misleading.

Mr. Palmer passed that test, in the view of the media as well as government investigators.

It’s not that every communication he ever made on behalf of the company was accurate. He says, “It’s awful to look back on statements that I made based on getting an answer from (an Enron executive) and having it end up being wrong.” It’s that the fraud at Enron was known to only a few of the energy giant’s tens of thousands of employees. “If corporate fraud weren’t limited to particular individuals with a particular level of power, then it wouldn’t be a secret,” says Kurt Eichenwald, whose 700-page masterpiece on Enron, *Conspiracy of Fools*, conveys the shock awaiting those at the company charged with investigating Mr. Fastow’s deals.

During the company’s fall, Mr. Eichenwald covered Enron for The New York Times. “Mark Palmer never even approached the line of being deceptive to me or I think to any reporter,” says Mr. Eichenwald. While covering Enron for the Times, Mr. Eichenwald said that “If Mark told me I was going down a wrong path with my reporting, I would immediately stop. He had that kind of credibility because, conversely, when I was right, he never told me I was wrong. Mark understands that credibility is something you have to build and that the only way to build it is by being honest. He’d always do his best to get an answer and if the answer was ugly he’d give it to you.”

The Wall Street Journal’s Rebecca Smith and John Emshwiller played a significant role in uncovering Mr. Fastow’s secrets. In their 2003 book, *24 Days*, they said they “didn’t think Palmer had ever knowingly given them false information.” It seemed obvious “that (Palmer) had been trying to be helpful and honest.”

A University of Missouri journalism graduate, Mr. Palmer worked as a broadcast journalist before joining Fina, an oil-and-gas company, as its all-around spokesman and marketing guru. He was 35 in 1996 when a headhunter recruited him to Enron, a natural-gas pipeline company that was disrupting the industry by creating a market for trading natural gas. This innovation not only was proving to be profitable but also good for consumers. “Enron had this idea of a gas bank, and it really improved the natural gas market in the US. It solved the problem of there being shortages in one market and surpluses in another,” says Mr. Palmer.

Now, a brilliant Enron executive named Jeffrey Skilling – instrumental in the gas bank concept – was pushing for deregulation of the electricity market, an effort that required approval of both federal and state regulators. “You had this patchwork quilt of crazy regulation where someone in Long Island might be paying 22 cents a kilowatt-hour for power while someone in New Hampshire might be paying 8. We felt like we could do the same thing with electricity that we had done with natural gas – even out supply and generally lower the price.”

As Enron’s stock rose steadily, Mr. Palmer and his team fielded an ever-growing number of interview requests initially from trade journalists, then from the world’s top business publications. “We became a Wall Street darling, and a media darling. That the most innovative company in America was a former natural gas pipeline company – that was just a great story,” says Mr. Palmer.



Mark Palmer (bottom right) and his much-reduced staff following the Enron bankruptcy in December 2001. Their good humor here belies the difficult times they were negotiating.

**From \$90 to \$0** ENRON'S STOCK PRICE from August 2000 to January 2002



Data is compiled from Enron Securities Litigation Web Site

As short sellers became suspicious about how Enron made its profits, the stock of the much-admired company began to fall. A Fortune article in the spring of 2001, followed by the

unexpected resignation of CEO Jeffrey Skilling in August of that year, shook investors, whose fears seemed vindicated when Enron took a \$1.2 billion charge against equity in October. It didn't help

when CFO Andrew Fastow resigned under pressure one day after CEO Ken Lay expressed confidence in him. The end came when lenders lost faith, ultimately forcing Enron into bankruptcy.

An admirer of both Mr. Skilling and Mr. Lay, and a believer in their mission, Mr. Palmer said he “bought into the mission, and became like a lawyer who zealously defends his client.”

As Enron became more a trading company than an energy concern, its accounting grew increasingly complex, puzzling some analysts and investors. But Enron’s deals and books had the blessing of white-shoe lawyers and a blue-chip accounting firm, Arthur Anderson. Meanwhile, Enron’s critics often had their own agendas, as short sellers or foes of deregulation, and Mr. Palmer pushed back hard. “As spokesperson, I zealously communicated our message,” he says.

“When you’re the spokesman of a company whose success played out on the free and open market, a company that’s the darling of Wall Street and of the media, you develop a level of confidence that becomes arrogance,” he says. “Looking back, it’s shocking how full we were of ourselves.”

The beginning of the end came in the spring of 2001 when Fortune ran a story asking whether Enron was overpriced. The story pointed out that few analysts understood how Enron actually made money. The stock began to fall. In August, the stock took a steep dive when Mr. Skilling, CEO only since February, resigned, citing personal reasons. Then The Wall Street Journal began questioning the

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accounting behind certain limited partnerships set up by Mr. Fastow.

As the stock continued to slide, Mr. Palmer felt responsible. Many of his superiors told him that Enron was suffering only a perception problem, initiated by short sellers and perpetuated by journalists who did not understand the company's complex accounting methods.

When the WSJ persisted, raising questions about the limited partnerships, Mr. Palmer asked Mr. Fastow to provide an interview about them. Mr. Fastow refused, yelling on the phone that the idea was idiotic and questioning Mr. Palmer's competence as a spokesman. "Looking back, I realize that Andy Fastow screaming at me should have been a tell-tale sign," says Mr. Palmer. "I know that dogs don't bark because they're going to bite you. They bark because they're afraid."

To make matters worse, Mr. Palmer recalls, Mr. Lay told him, "Mark, what are you doing to get the Journal to quit writing these stories? They're killing us."

Even as the SEC announced an investigation into Enron, and as the company's own executives

turned up ever-grimmer details about its slipshod financial structures and in many cases improper accounting, Mr. Lay kept exhorting Mr. Palmer to somehow improve media coverage. That prompted the financial team that had replaced Mr. Fastow to sit Mr. Palmer down and show him what they had discovered to be the true state of affairs: The company had little in the way of cash flow and the value of its equity paled beside a potentially \$40 billion load of debt triggered by its falling stock price and lowered credit ratings. For Mr. Palmer, that horrible news brought relief.

"I had thought this was my fault. I had thought that all of our 401(k)s were going to zero because I couldn't convince the media that they were wrong," he says. Later that evening when Mr. Lay again beseeched Mr. Palmer to silence the WSJ, Mr. Palmer replied, "Ken, \$40 billion in obligations and no cash flow is a PR problem, but bad PR didn't cause it and good PR can't fix it." As Mr. Palmer puts it now, "You can't spin your way out of trouble you acted your way into."

Enron's falling stock price was creating havoc at a company that had heavily used its shares as

## KURT EICHENWALD ON WRITING "CONSPIRACY OF FOOLS"

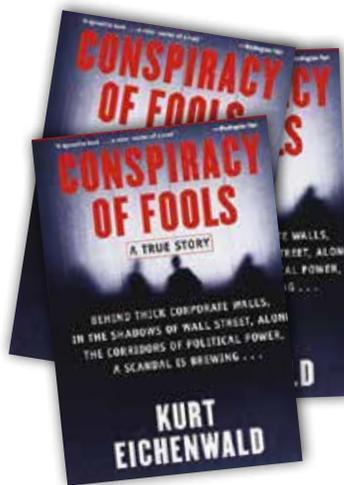
*Enron's demise inspired more than a dozen books. The best of them is arguably the best business book ever written: Kurt Eichenwald's Conspiracy of Fools. Mr. Eichenwald, who had covered Enron for The New York Times, describes here his book-writing process. His fifth book, A Mind Unraveled, will be published in October by Ballantine Books.*

In the 12th hour of our interview, the former Enron executive described the morning he climbed out of bed and drove to the office to face the unraveling of the energy giant. Responding to my question, he said a digital alarm clock awakened him.

"What color were the clock's digits?" I asked.

He threw up his hands. "Why do you need to know that?"

To portray the kind of visual image common in fiction, I often have to ask questions that can seem absurdly detailed. What type of sandwich did you eat? In which pocket did you carry your wallet? My goal is to write nonfiction



that reads like a novel, but the details that can simply be imagined by a fiction author all have to come from either an interview or a document.

The main story emerges from hundreds of thousands of documents I obtain. An assistant I call "the document wrangler" places all of the records in chronological order, then sorts them into hundreds of binders.

Every document and every description of an event from those records is then listed in a timeline, which usually runs between 500 and 1,000 pages long. Each entry describes which document in which binder contains the cited information and on which page.

But documents aren't a story – that comes from people who experience the events. For each of my books I have interviewed at least 100 people, often for an exhausting number of hours. My sessions with Ken Lay, the late Enron chairman, lasted more than 70 hours. Then the information is entered into the timeline, with each interview subject listed under a code name.

Ultimately, I stitch all of the information in the timeline into a first draft that can run to 2,000 pages. Once that is finished, I read it and often, for the first time, discover what the book is about. Then I cut hundreds of pages to produce a final product that is rich in detail, such as the color of alarm clock digits.

**Former Enron chairman and CEO Ken Lay, center, and his attorney Mike Ramsey in 2006, about to enter a courthouse in Houston, Texas, for the second day of a trial on fraud and conspiracy charges against Mr. Lay.**



collateral, and rising doubts about the company's financial integrity prompted its trading partners to insist upon more and more onerous terms. Growing counterparty distrust of Enron and its CFO forced Mr. Lay to fire Mr. Fastow. Because that action came only a day after Mr. Lay had publicly expressed confidence in his CFO, the firing hardly calmed nerves, inside or outside the company.

Then came the Wall Street Journal call asking Mr. Palmer about a partnership called Chewco. It turned out that some of the structures Mr. Fastow and his co-conspirators had set up were being used to disguise bad business decisions, create phony income and funnel money to Mr. Fastow and other cronies.

In the days, weeks and months that followed, Enron filed for bankruptcy protection, Mr. Lay left both the board and then the company under pressure from creditors, Congress ran rote show hearings, and federal prosecutors investigated and then brought criminal charges against Messrs. Fastow, Skilling and Lay, in addition to dozens of other Enron executives forced to plead guilty to crimes rather than risk defending themselves. How much Mr. Lay and Mr. Skilling knew about Mr. Fastow's crimes remains unclear, but both had sold massive amounts of Enron stock ahead of the company's downfall, leading to zero objectivity among potential jurors in the Houston area. The

accounting firm Arthur Anderson collapsed under the weight of an Enron-related obstruction-of-justice conviction that was reversed years after the closing of the firm.

All the while, Mr. Palmer and his team continued running the Enron communications department. After Enron filed for bankruptcy protection in late 2001, Mr. Palmer's communications staff got slashed to seven from 27. Since August, that team had handled the resignations of the CEO and CFO, new president and CEO announcements, Sept. 11-related announcements, a \$1.2 billion-charge against equity, news about Enron credit crunches and now bankruptcy, among other big announcements. The remaining seven team members worked around the clock often without going home, fielding as many as 400 calls a day.

Mr. Palmer slept on a boardroom couch while another member of his team slept under her desk. He showered in the company gym and saw his wife, Cozy, when she arrived to bring him fresh clothes. In the last three months of that year, he lost 35 pounds.

Recruited to take charge of Enron a month after its bankruptcy, turnaround specialist Steve Cooper encountered "the most catastrophic, most investigated, most chaotic scene you could imagine. Enron was being investigated by virtually every arm of the US government – the DOJ, SEC, FTC,

Department of Energy – and sued by dozens of states’ attorneys general. It had all the elements that attracted massive scrutiny by the press.”

Fielding all that was Mr. Palmer. “He brought order and thoughtfulness and transparency to what was a massive shitstorm,” says Mr. Cooper.

The psychological toll on Mr. Palmer and his staff was tremendous. In a matter of weeks, the company they represented had gone from admired to reviled. A typical experience for them was when Mr. Palmer learned that his daughter’s high-school journalism teacher stood at the front of class and referred to all Enron executives as “criminals.” For years accustomed to fielding requests from journalists competing to write front-page features, the team now faced a prosecutorial press that felt betrayed.

As requests for information intensified, Mr. Palmer and his team had little of it to give. Their first priority was to avoid giving bad information, which increasingly meant they had no information to give at all. At one point, Securities and Exchange Commission Chairman Harvey Pitt became irate when he read in a news story that Mr. Palmer declined to answer reporters’ questions on grounds that Enron was being investigated by the SEC.

“Harvey Pitt was furious, saying an SEC investigation should never be used as an excuse for not telling the truth,” Mr. Palmer recalls. “But I wasn’t hiding the truth. We simply didn’t know the truth.”

At times, Mr. Palmer wondered how long he and his staff could go on. Issuing one bad bit of news after another, amid a government investigation that would put all of their previous work under a spotlight, the communications staff was plagued by fatigue, depression and anxiety. It didn’t help that their retirement funds were stuffed with now-worthless Enron stock.

Once, Mr. Palmer called his father to ask if he should quit. His father, the stalwart Naval aviator and former TWA captain, noted that no one was shooting at him. “My father said, ‘I think you’re really good at what you do. If you stick it out, you’ll probably learn a lot. You’ll probably be even better.’”

For Mr. Palmer, a turning point came one day when his boss, Steve Kean, said, “You know what? At the end of the day, what we have to do is be proud of the way we conducted ourselves. We’ve got to be able to tell our grandchildren that we did the right things.” Inherent in that thought was the promise that this crisis would end. It wouldn’t last forever. Nothing does. Mr. Palmer remembered listening to a former squadron-mate of his father’s, a man who had spent seven years as a prisoner of war

in Vietnam, describe the ways he and his fellow prisoners had stayed positive – by seeing how long they could stay conscious during torture, by communicating with each other via a kind of Morse Code, by memorizing the name and capture date of every other prisoner, and honoring a system wherein the longest held would be the first released.

In that way, Mr. Palmer turned the months-long slog into a kind of contest. He began to pride himself on making sound decisions despite fatigue and anxiety. Long accustomed to feeling pressure from both his superiors and the media, he saw clearly now what he had known all along, that his only duty was to the truth, even if the truth was, “I don’t know.” Tackling one phone call at a time, one day at a time, he began to feel more than equal to the task. “In a crisis like that, what matters is mindset – somehow maintaining a productive, positive mindset,” he says.

Recalling his insistence that the company hire an outside investigator, Mr. Palmer wishes he’d also demanded that it hire a psychological consultant – ideally one with crisis expertise – to help his staff and others at Enron headquarters through the tumultuous weeks before and after Enron’s bankruptcy. “Companies in a crisis hire workout specialists, and they hire financial advisers, and all of that’s vital, but the mindset of those advisers is action, action, action. That doesn’t address the problem of shame and anxiety and fatigue in a culture that used to feel proud, and wants to feel proud again,” he says.

Mr. Palmer believes that a serious crisis can’t be managed according to any pre-conceived playbook. But he believes it offers an enormous opportunity for leaders to negotiate the unforeseen in a way that inspires and encourages employees, investors and the media. Never is a leader more closely watched or more widely heard than during a crisis, Mr. Palmer notes, adding that what all stakeholders seek from a leader at such moments is competence, diligence and honesty, especially honesty.

Mr. Palmer believes that his experience leading during crisis gave him extraordinary insight into how to avoid or limit such debacles, and the key factor is honesty. Given the very human desire to please one’s boss, and given the boss’s very human desire for positive reports, how can leaders create a culture where their workforce isn’t afraid to tell even the most unpleasant truths? “I got my Ph.D. in that at Enron,” says Mr. Palmer.

**KEVIN HELLIKER** is Editor-in-Chief of the Brunswick Review. He is a Pulitzer Prize-winning journalist, who spent nearly three decades at The Wall Street Journal.

## MARK PALMER

Brunswick’s US Managing Partner, Mark Palmer leads the firm’s Dallas office. He has 30 years of global experience in corporate, crisis and litigation, and financial transactions. Previously, he was VP of corporate communications and organizational effectiveness at Sysco Corporation. From 1996 to 2004, he served as Enron’s managing director and senior vice president of global communications.

# YES Comment



**L**ITIGANTS ENTERING A COURTROOM, WHERE their case will unfold before a judge or jury, are often accompanied by armies of lawyers wielding reams of briefs, boxes of exhibits, and sophisticated legal arguments. But outside the courtroom, these same litigants have traditionally been armed with nothing more than a terse “no comment.” (Research from Brunswick Insight, below, shows what stakeholders think of that response.)

Certainly the stakes are high in both arenas. But while thousands of hours go into preparing for the outcome of a court case, the impact of that case on reputation has historically been an afterthought – or a matter on which litigants and their lawyers simply put their heads in the sand.

Supporting a legal strategy with a communications plan targeting key stakeholders helps create a narrative that connects with them and frames the issues in a way that makes the legal arguments understandable, and perhaps even appealing.

Communications outside the courtroom can be tricky, particularly when a company is fighting on multiple fronts and anything said in one forum can have implications in another. But time and again, we’ve seen that litigants who prioritize the outside world – with its echo chamber of 24-hour news and digital, user-led discussions – better weather the litigation storm.

**ELLEN MOSKOWITZ**, a Partner, leads Brunswick’s US Litigation Practice. She is based in New York.

When a company says “no comment,”

**59**

**PERCENT** of Americans hear that company saying they don’t have a legal leg to stand on, and are just avoiding admitting guilt in public

**BRUNSWICK INSIGHT** on what people actually hear when you say **“NO COMMENT”**

This data was collected by **BRUNSWICK INSIGHT** in early March 2018 from a nationally representative survey of 715 US adults. Brunswick Insight provides critical-issues research for market-moving decisions, and combines data-driven counsel with an emphasis on research and analysis.

PERCENT

**75**

say “no comment” means a company is “more concerned with the bottom line than doing what’s right”

**82**

say “no comment” means a company knows that answering the question will “damage the company’s reputation”

**77**

say “no comment” makes them “trust a company less”

**73**

say “no comment” means a company is “deliberately trying to hide something”

**59**

say “no comment” means a company “lacks strong leadership”

ILLUSTRATION: FRANZISKA BARCZYK

**S**INCE THE START OF HIS PRESIDENTIAL campaign in June 2015, President Trump used apologetic language 20 times on Twitter. Thirteen of his tweets (65 percent) included terms that qualified the apology, like “if,” “however,” or “on the other hand.” The President isn’t alone in his approach. According to data analyzed by our team, over a 30-day period in early 2018, “sorry” or similarly apologetic words appeared 20.4 million times on Twitter – and in one out of every five instances, “sorry” was followed, either immediately or shortly afterward, by a single word that completely undermined it: “but.”

Harriet Lerner, a best-selling author and clinical psychologist at Columbia University, believes there may be no worse word for apologizing. “But” automatically cancels out an apology,” she wrote, “and nearly always introduces a criticism or excuse.” Its widespread use in tweeted apologies – more than 4 million times in that 30-day span – may explain why a Brunswick Insight survey found that while 80 percent of Americans expect the CEO to apologize for a company’s mistake, only 13 percent



# #SorryNotSorry

believe that apology is entirely genuine. Even though Twitter’s reach is small compared to its social media peers (Twitter has 330 million active users; Facebook has 2.1 billion), the platform is designed for real-time conversation and is heavily weighted with influencers, policymakers and journalists, making it the channel of choice for most corporate communications in the aftermath of a mistake. But with all of the trolls and traffic on Twitter, and with companies mishandling apologies and still reporting strong earnings the following quarter, how much does a well-worded apology on Twitter really matter?

Many of the benefits of a well-coordinated apology seem obvious but difficult to quantify: a stronger reputation, more credibility with stakeholders, or preventing a bad situation from being much worse. A 2015 study conducted by the Korea Advanced Institute of Science and Technology found timely, well-worded apologies on Twitter “reduced the level of negative sentiment” surrounding a mistake – better than the alternative, but not exactly inspiring.

If large organizations seem to be able to weather an apologetic misstep, it’s often a different story for individuals. Couched, toothless apologies have

It may seem easy for an executive or company to tweet “I’m sorry.” What to say with the remaining 271 characters is the hard part. Brunswick’s **ZACK CONDRY** and **SPARKY ZIVIN** report

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**SPARKY ZIVIN**, a Partner, oversees Brunswick Insight’s Washington, DC group, which provides critical issues research for market-moving decisions. **ZACK CONDRY** is a Director on the digital team, and also based in Washington, DC. Additional reporting by **RILEY BACK**, an Executive.

contributed to actors being dropped from movies, CEOs departing the C-suite and politicians resigning their offices. Organizations endure, but often with a different leader at the helm.

So what does a good apology on Twitter look like?

Platitudes and legal jargon suggest a tweet was written by a team rather than a leader, which makes audiences understandably skeptical. The passive voice – “mistakes were made” – or qualifying the apology implies a leader is more interested in avoiding blame than fixing the problem. Plain writing, with a lot of “I” and “me” pronouns, is a good place to start.

Words matter, but behavior and authenticity matter more. Like a good golf swing, there must be follow-through. In 2015, Taylor Swift announced a boycott of Apple Music over a one-month trial that neglected to compensate the artists for that time period. Eddy Cue, Apple’s SVP of Internet Software and Services, responded quickly in two tweets: The first said Apple would fix the problem, the second was to Taylor Swift directly, saying “we hear you.” Taylor Swift ended her boycott and, at the time of this article, is still with Apple Music.

Ms. Lerner writes that any apology should look to convey: “Yeah, I get it; I screwed up. Your feelings make sense, and I’m taking this seriously.” That’s a good template for executives to start with the next time they need to tweet “I’m sorry.” Those two words matter, but what comes after makes all the difference.

Brunswick's **SHAHED LARSON** says describing abrupt executive departures with platitudes can be problematic in the post #MeToo era

# How to Say GOODBYE

**H**OW DOES A COMPANY CHOOSE ITS WORDS when it publicly bids farewell to a leader who failed to live up to the organization's values? It's a question more companies are having to grapple with. Spencer Stuart, an executive search firm, found in its latest CEO Transitions report that CEO turnover at Fortune 500 companies was the highest it had been in the past decade. And a growing number of recent C-suite departures have been linked to workplace misconduct.

Historically, companies favored statements full of innocuous words but devoid of explanation. We're accustomed to seeing executives suddenly depart "to pursue other opportunities," or "for personal reasons," or arguably the softest landing of all, "to spend more time with their family." Stakeholders might have asked a few questions when they read about the departure, but ultimately they accepted – or at least weren't outraged by – those euphemisms.

To put it mildly, times have changed. Trust in businesses has eroded. Organizations are operating in the post #MeToo era. Social media provides mistreated employees with a global audience, and reporters with a powerful way to dig out the "real story" inside a company. Workplace misconduct is being talked about and taken seriously in ways we've never seen before.

When a senior executive departs suddenly, organizations must now assume the question is not if the "real story" will emerge, but rather when it will, and how the underlying facts will leak. And even if there is no "story" there, companies should appreciate the context and recognize that stakeholders will be looking for one.

So how can you say enough without saying too much? How will your words be received by the people affected by the misconduct? Will stakeholders believe what you say – and if they do, will they be satisfied? What about a CEO with a strong following, or a CFO who's had an outsized impact on the growth of the business, or a COO who's spent decades rising through the ranks? Add in confidentiality and legal considerations,

including the risk of defamation or wrongful termination litigation, and companies can understandably want to retreat to the well-worn territory of statements talking about "personal reasons" and "time with family" – or say nothing at all.

But holding back or choosing to be vague risks being labeled as dishonest, and can tinge the departure with the scent of scandal – a corporate "cover-up," or perhaps even worse, cowardice. People care about these issues more than ever, and they expect companies to as well.

So how can businesses be on the front foot? If the misconduct hasn't been reported in the press, the company can – and should – be the first mover. This offers the company far more than just control of the story: Candor sends a clear message that an organization will not tolerate the bad behavior, regardless of title or tenure. Sharing the "why" in a sensitive and considered manner can also help stop the culturally corrosive practices that others in the company may be modeling. Good luck getting employees to buy into your values if you don't embody them during turbulent times.

As for the words themselves, there's no one-size-fits-all approach. Context matters immensely. Each departure will have its own complexities and considerations. But if the details will vary in each case, the power of transparency won't. Honesty about why executives leave has a powerful effect on those who stay.

**Honesty about why executives leave has a powerful effect on those who stay**

**SHAHED LARSON** is a Partner specializing in litigation and crisis, regulatory investigations, and corporate governance. Based in New York, she's a former lawyer with expertise in workplace conduct issues.

ILLUSTRATION: HANNA BARCZYK



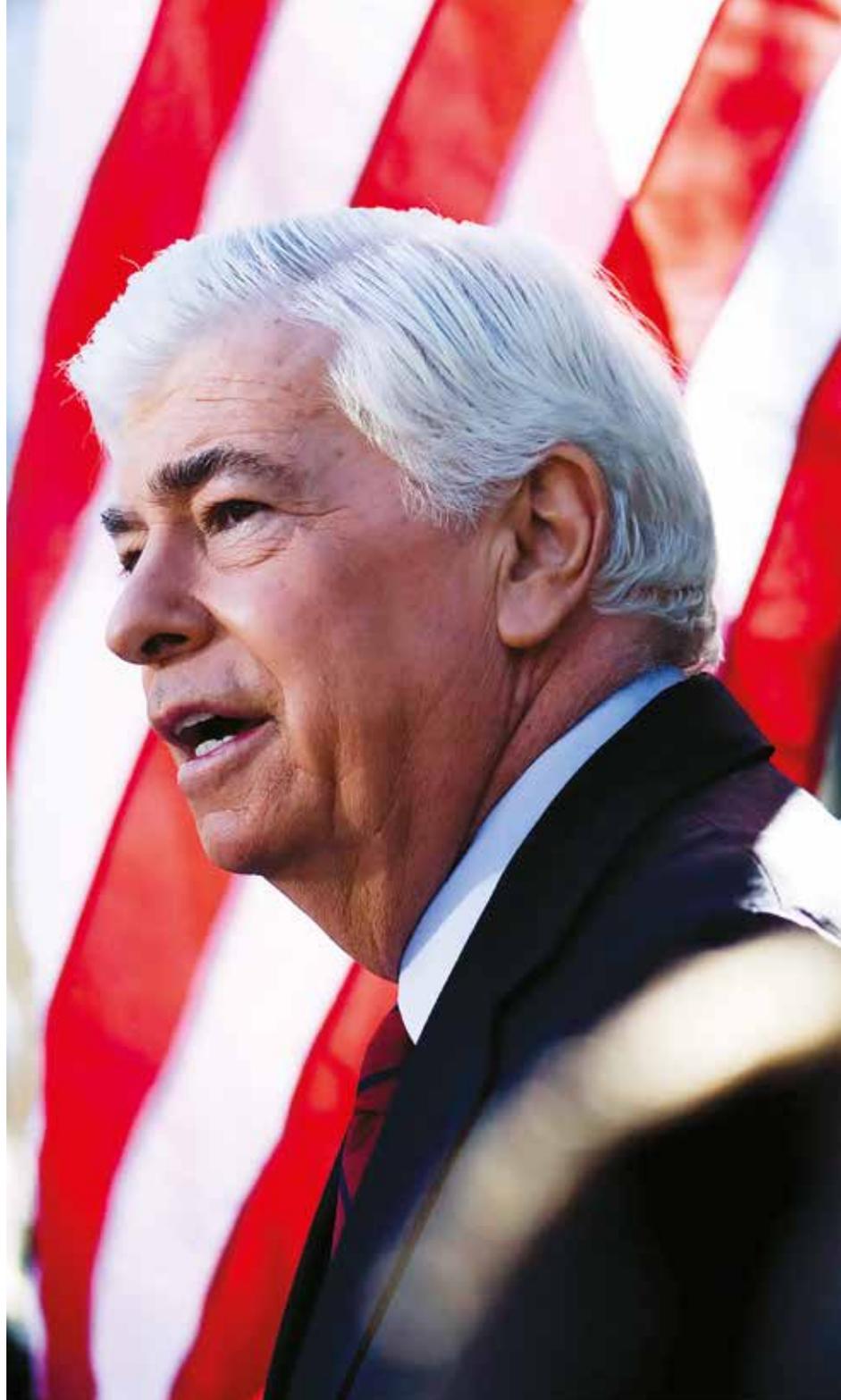
**S**TANDING OFFSTAGE, CHRISTOPHER DODD decided to scrap the 35-page speech he had prepared as keynote speaker at the 2014 Rome International Film Festival. Never mind that Mr. Dodd and his staff had worked on the speech for weeks, revising and rewriting it until 3 that morning. Never mind that Mr. Dodd, CEO of the Motion Picture Association of America (MPAA), had no backup plan. Watching the panel discussion that preceded his address, Mr. Dodd decided that the speech in hand wouldn't connect with this audience. Tearing off the top sheet of his speech, he wrote down seven bullet points on its blank side and walked out on stage. Thirty off-the-cuff minutes later, Mr. Dodd walked off stage to resounding applause and winked at his aide "How was that?" he asked.

His instincts, ease and charisma as a speaker go a long way toward explaining why Mr. Dodd is a legend in the US Senate. At the start of his Senate career, the little-known Democrat from Connecticut cut an instant national profile by delivering a scathing televised critique of President Reagan's support of right-wing regimes in Central America. Nearly three decades later, when Senator Dodd retired from the Senate, he delivered a valedictory speech that Republican Senator Mitch McConnell – a frequent political opponent – called "one of the most important speeches in the history of the Senate." In between, he employed his mastery of language to spearhead approval of a wealth of legislation, including the Child Care Act, the Family and Medical Leave Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act.

After Mr. Dodd's retirement from the Senate in 2010, his oratory skills made him the perfect voice of the MPAA, where he served for seven years. Now senior counsel at Arnold & Porter Kaye Scholer – and a devoted father who had his first child at age 57 – Senator Dodd sat down with his former aide, Brunswick Account Director Casey Becker, to address a subject relevant to all leaders: how to connect with an audience.

**Between campaign stops, the Senate, visits back home with constituents, the MPAA, I estimate you've given more than 10,000 speeches.**

[Laughs] I'd be hard pressed to come up with a number. After more than 40 years in public life, I am certainly no longer surprised to be called upon to share my thoughts. Whenever I showed up at, say, the New London Democratic Committee meeting, I would have been expected to say a few



Former US Senator  
**CHRISTOPHER DODD** tells  
Brunswick's  
**CASEY BECKER**  
about the role  
of words in a life  
of stories

words, though I wouldn't have prepared a speech. I couldn't tell you how many speeches that I gave as a candidate and as a Senator. After leaving the Senate I frequently spoke to groups about the financial reform bill, and of course I gave speeches on behalf of the MPAA.

Some required more thought than others, for instance, responding to President Reagan on Central America. I worked hard on my speech nominating Bill Clinton in '96 at the Democratic Convention, when I was Chairman of the Democratic National



# DEDOD

## SENATOR

Committee. I put a lot of thought into a nominating speech for Gary Hart in 1988 – only to watch him almost nominate himself four hours before I delivered my remarks. [Laughs] I reread that speech not long ago, and it holds up pretty well.

**On a speech that matters, say, your valedictory speech, how long does it take to write?**

I wrote it over a period of time. I felt as though I was putting a period not only on my 36 years in the Congress, but on my father’s 16 years as well. That’s

more than a half century of family Congressional service in a country with a relatively short history. So the closing speech was very important to me.

The process began with a conversation with staff who would be working on a draft. I shared the themes I wanted to include. The very best speechwriters can help you judge the sound of words. Not the sound in your head, intellectually, but literally the sound of the words. I would often ask speechwriters to read their drafts to themselves out loud. Sometimes I would record the speech to

**Senator Christopher Dodd announcing his retirement from the steps of his East Haddam, Connecticut home on January 6, 2010.**

**"If I were coaching [executives] today, I'd say what Ernest Hemingway said when someone asked him how to start a novel. Hemingway said, 'The first thing I write is the truest thing I know'"**

hear what the words of the speech sounded like. What the words felt like. There's a lot of truth to that old line, "I can't remember what you said, but I remember how you made me feel." Occasionally, you might speak a phrase that people will recall. But in the end what they remember is how you made them feel.

#### **Did you ever study other speakers?**

I read the speeches of Churchill, who was very disciplined, and Lincoln. Many of the great speakers share a love of language and a love of history.

#### **What do you do if you sense that the audience isn't engaged?**

If you're watching the first row of your audience begin to doze in the middle of a speech, stop, pause, and say, "Let me tell you a story." At least temporarily you'll get the audience's attention, but then you'd better have a good story to tell.

If you want to inform an audience about something, you need to entertain them enough to hold their attention. President Kennedy and President Franklin Roosevelt were talented speakers in their ability to do just that.

#### **Of the presidents you served under - Ford, Carter, Reagan, Bush senior, Clinton, George W. Bush and Obama - who was the best speaker?**

President Reagan was maybe the best. He could emote in wonderful ways without becoming excessive. You could tell when he was angry without him sounding angry. And you could tell he appreciated humor. President Obama had a wonderful delivery, and a deep appreciation for language and words.

Bill Clinton was effective. He could ramble on, but you didn't mind, because he was so interesting. Not long ago, President Clinton spoke at the center I started in my father's memory at the University of Connecticut. (The center's purpose is rooted in the work that Dodd's father, Thomas, performed as Executive Trial Counsel at the Nuremberg War Crimes Trials.) We give out an award every couple of years to human-rights groups or organizations that are making a positive contribution to human rights.

When President Clinton spoke, there were around 500 people in the audience, and you could hear a pin drop. Even though he went off on several tangents that left you wondering where his remarks were going, because he was so interesting, he had the ability to keep people focused on what he was saying.

#### **How long should a speech take to deliver?**

I always thought that the attention span of the average audience is about 20 to 30 minutes.

#### **What's the trick to a good opening?**

There are situations where a clock is controlling, and they're trying to move things along. Under those circumstances, you need to get right to the subject of the speech. Similarly, if the subject matter of the speech is very technical, I'll stick to prepared remarks.

But in a more relaxed environment, I might very well scrap the prepared text and write down a few notes of the high points, and speak extemporaneously. What is very important, if not under strict time constraints, is to begin with words that relax the audience. Humor and good stories can be very helpful.

#### **Is there an example?**

Over the years you accumulate quite a few of them. You do not want to tell the same story over and over again, or you might have some in the audience shaking their heads, saying, "You're not telling that story again!" That doesn't help the speaker.

A humorous story I've told on a number of occasions is about the time William Howard Taft was giving a speech at the Waldorf Astoria, many years ago. He had been out of public life, and the event was a black-tie dinner honoring him. The senator from New York, Chauncey Depew, who thought himself a rather clever speaker, introduced President Taft.

Now, Taft, aside from having been both President of the United States and Chief Justice of the US Supreme Court – still the only person in our history to have held both of these offices – was also physically a giant. He was six feet tall and weighed more than 300 pounds. Senator Chauncey Depew introduced President Taft by saying, "It's my pleasure now to introduce you to a man who's both pregnant with integrity and pregnant with courage."

Well, of course, the crowd roared with laughter, and gave Taft a standing ovation. Taft slowly got up, went to the podium, looked out over the audience and said, "If it is a girl, I shall call her integrity. If it is a boy, I shall call him courage. But if, as I suspect, it's nothing more than gas, I shall call it Chauncey Depew."

Telling a story relaxes the audience and acknowledges that you hope to inform them without boring them.



US Senators Chris Dodd, a Democrat, and Mitch McConnell, a Republican, take part in the First Nail Ceremony, December 6, 2000 in front of the Capitol. The event symbolizes the parties coming together, as they drive in the first nails to build a platform for the inauguration ceremony for a newly elected President. George W. Bush would take office the following January.

**Was there a speech that was important yet more or less impromptu?**

It was an important moment, but not quite “impromptu.” The two leaders of the Senate, Majority Leader Tom Daschle and Minority Leader Trent Lott, called a meeting in the Old Senate Chamber on the eve of the impeachment trial of Bill Clinton. It was just senators – no family, no staff – to discuss how we were going to handle the trial of President Clinton. Tom Daschle called me the night before the meeting and asked if I would be one of the speakers on the Democratic side of the aisle. There was not a lot of time to prepare.

What do you say to your 99 Senate colleagues at a moment like this? I decided to use the Old Senate Chamber, that setting in which we were meeting, for the theme of my brief remarks. I suggested there were two paths the Senate could take in our conduct of this trial. In the very room where we were gathered, in 1856, in a debate on the abolition of slavery, the Democratic Congressman Preston Brooks burst into the Chamber, took his walking cane and beat Charles Sumner, the Republican Senator from Massachusetts. That incident is infamous. It’s taught in high schools. That was one path we could take, turning the Senate impeachment trial into a political brawl. Or we could follow the example of Senators Clay,

Calhoun and Webster in the compromise of 1850, drafted right there in the Old Senate Chamber between these political opponents. These three crafted a compromise that delayed the outbreak of the Civil War, and some historians believe may have ultimately saved the Union. That was the second path we could take. The path of measured debate, compromise and decorum.

My point that day was, regardless of the outcome of the trial, how would the conduct of the US Senate be perceived and remembered by historians and others? As reminiscent of the caning of Senator Sumner, or reminiscent of that great compromise of 1850? After I and others spoke, Senator Phil Gramm stood and sounded a similar note, then Senator Ted Kennedy spoke, stressing the importance of us working together on this trial. I recall we all left the Old Senate Chamber with a clear mindset of how the Senate should proceed.

**What do you think of the speeches you hear today from corporate executives?**

I know some executives go through public speaking training, since speeches are not a major part of their experiences in moving up the corporate ladder. When they reach the senior ranks, they are expected to address audiences of shareholders, employees and customers. If I were coaching them, I would say

CHRIS DODD

A lawyer turned politician, Chris Dodd is best known for having served 30 years in the US Senate, where he was the author of important legislation including the financial regulations popularly known as Dodd-Frank. From 2011 to 2017, he served as CEO of the Motion Picture Association of America. He now serves as senior counsel for Arnold & Porter Kaye Scholer.

what Ernest Hemingway said when asked how he began writing a novel. Hemingway said, “The first thing I write, is the truest thing I know.”

I always thought that was not a bad idea when giving a speech. Start off with something you really believe. It will help you as the speaker, and it is good for the audience as well. It’s very important that the audience believe that you believe what you’re saying.

A good corporate executive will have strong beliefs. They wouldn’t be where they are if they didn’t. I would be less concerned about eloquence than conveying authenticity and sincerity. In short, I would want the audience to know me. One executive who is very good at communicating is Bob Iger, Disney’s CEO. He’s very comfortable on stage in front of an audience, very direct, very authentic.

Has the art of the speech changed?

Donald Trump has changed many things about our country. He delivers what are a series of “bumper-sticker” slogans, not great speeches. But as we’ve

learned, they are effective. A good part of the country tell us they have been waiting for political leadership to say what they really believe, someone who expresses his raw emotions.

Consider my friend, Vice President Joe Biden. What some considered Joe’s political liabilities have become strong assets. Joe speaks with great candor, honesty and believability. When Joe talks, people believe he is saying what he really believes. I profoundly disagree with President Trump on many, many issues, but when he speaks to his audience, people believe he’s expressing what he believes.

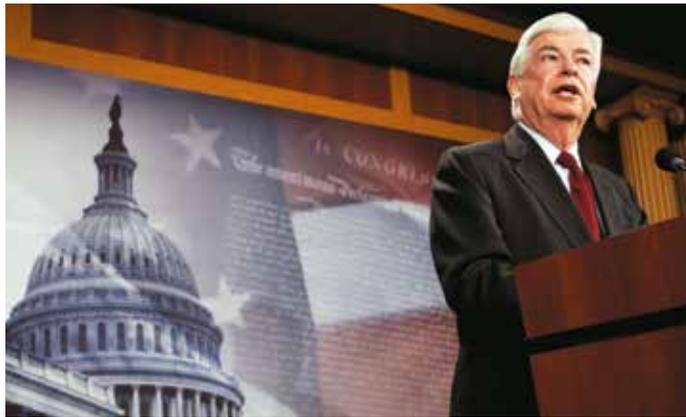
But the eloquence or logic of a speech, while still valued in many quarters, appears to be giving way to something new. We’re seeing a change in what constitutes an effective speech – a result that seems to indicate less of an appreciation for the well-crafted remarks of a time gone by.

CASEY BECKER is an Account Director with Brunswick, based in New York. He was Special Assistant to the CEO at the Motion Picture Association of America under Mr. Dodd.

FAREWELL REMARKS ON SENATE FLOOR IN 2010 (excerpts)

☆ Politics today seemingly rewards only passion and independence, not deliberation and compromise as well. It has become commonplace to hear candidates for the Senate campaign on how they are going to Washington to shake things up – all by themselves. May I politely suggest that you are seeking election to the wrong office. The United States Senate does not work that way, nor can it, or should it.

☆ Mayors, governors and presidents can sometimes succeed by the sheer force of their will. But there has never been a Senator so persuasive, so charismatic, so clever or so brilliant that they could make a significant difference, while refusing to work



with other members of this body. Simply put ... Senators cannot ultimately be effective alone.

☆ We one hundred Senators are but temporary stewards of a unique American institution, founded upon universal principles. The Senate was designed to be different, not simply for the sake of variety, but because the framers

believed the Senate could and should be the venue in which statesmen would lift America up to meet its unique challenges.

☆ In the end, the difference between a partisan brawl and a passionate, but ultimately productive, debate rests on the personal relationships between Senators. A legislative body that operates on unanimous

consent, as does the Senate, cannot function unless the members trust each other. There is no hope of building that trust unless there is the will to treat each other with respect and civility, and to invest the time it requires to create that trust and strengthen those personal bonds.

☆ No matter how obnoxious you find a colleague’s rhetoric or how odious you find their beliefs, you will need them. And despite what some may insist, you do no injustice to your ideological principles when you seek out common ground. You do no injustice to your political beliefs when you take the time to get to know those who don’t share them.

For employees in Germany and France, English and its chummy familiarity are unsettling, says Brunswick's **CARL HOENTHAL**

# To "Du" or Not to "Du"

**E**NGLISH IS NOW THE WORLD'S DE FACTO business language. Non-Anglophone companies must walk a tightrope between English and their native tongue, a balancing act that is changing the way people interact. English blurs the old-fashioned line between formal and familiar, throwing down the constant challenge: How should one address colleagues?

In English, the pronoun "you" works the same for everyone and calling someone by their first name is more often acceptable. This is confusing for the Germans and French, where the formal "Sie" and "vous" establish clear boundaries and necessitate the use of the person's last name.

Professional relationships may evolve toward the familiar, but that takes time and a measure of earned trust. Leaping to address someone as "du" (in German) or "tu" (in French) without an invitation can be taken as a gesture of disrespect. Americans and other English speakers blind to the distinction risk seeming rude or comical.

Meanwhile, the true nature of relationships between colleagues in UK and US companies is elusive for continental Europeans. It all sounds refreshingly casual. Everyone is so nice to one another. Status doesn't seem to be a factor.

Across Europe, old formalities are disappearing. The younger generation likes to keep it informal, of course. The older generation is loath to be seen as a spoilsport or out of touch. Klaus Gehrig, the head of the Schwarz Group – parent company of major retailer Lidl – sought to clarify the matter for his workforce two years ago. "There is no compulsion," he said. "But one thing is clear: Those who do not use 'du' are isolating themselves. These are not the people we need." (As irony would have it, Lidl recently raised eyebrows when it was caught monitoring employees with cameras.)

Gehrig is no outlier; many German companies have embraced the informal. Bosses want to be addressed by their first names. Johann Jungwirth, Chief Digital Officer at Volkswagen, decreed, "My name is J.J. I don't need to be addressed with [the formal] Sie." Informal is the new normal at Continental, Allianz, the Otto Group and others

eager to be in tune with the zeitgeist. We can poke fun at all this. But in countries like Germany and France, casual language (along with Silicon Valley-style leisure wear) nourishes a dangerous misconception. It suggests a proximity to superiors, colleagues and customers that reality does not bear out. A company is neither a family nor a circle of friends and even flat hierarchies are still hierarchies.

Asymmetrical relationships can get unpleasant without some professional distance, as when a sensitive issue has to be sorted out between a superior and subordinate. It can be harder to resolve a conflict between familiars who address each other with the informal "du." At the same time, use of the formal "Sie" does not preclude a meaningful relationship.

In the end, Germany is Germany and order is the order of the day. The renowned Institut für Demoskopie Allensbach asked Germans how they felt about liberal use of "du." Two out of three people said they extend "the 'du' offer" ["das 'du'-Angebot"] only to close friends. A third of the responses said they address peers at work with "Sie."

Yet ambivalence runs deep: In a study by the Gesellschaft für Konsumforschung, two out of three respondents were reluctant to address their bosses with "Sie" – yet dislike being addressed with "du."

Casual talk and a laid-back look may create a false sense of security. Bosses will always be bosses. If they see the need to cut a few thousand jobs, dismissing those people with the familiar "du" is not going to ease any pain.

**CARL HOENTHAL** is a Senior Adviser in Brunswick's Berlin office with a focus on public affairs.



## WHEREFORE ART "THOU"?

**BETWEEN 400 and 600 A.D., northern Germanic tribes settled in England; their language planted the seeds of modern-day English. From it, English inherited two second-person pronouns: a plural, "you," and a singular, "thou." As in German, the plural came to be used to show respect for elders and those of senior station, while the singular was**

**used with children, peers and inferiors. The 17th century saw rapid social mobility; people found it simpler to use "you" with everyone and "thou" fell by the wayside (except as an insult).**

**Today, ironically, the informal "thou" is preserved mostly in Christian religious rituals as a sign of respect for the Almighty. Credit for that goes to the adoption**

**of language from the King James Version (KJV) of the Bible, published in 1611. The original Hebrew and Greek didn't have a formal/informal distinction, so in the KJV translation, "you" is simply the plural form, and "thou," singular. Thus, the 23rd Psalm addresses God, saying, "thou art with me; thy rod and thy staff, they comfort me."**

**W**HEN SINGAPORE ANNOUNCED ITS independence on August 9, 1965, there was considerable doubt the former British colony would survive. It had no natural resources, no army, and internal unrest was a serious problem: More than 20 people had been killed in the city's streets during race riots a year earlier. Two regional neighbors, Malaysia and Indonesia, were fighting an undeclared war, while another, Vietnam, was at war with the US. Singapore lacked land to grow its own food, it had nothing to export, and it even depended on nearby Malaysia for water. So many countries in Southeast Asia were crippled by corruption, poverty and dependence on foreign aid that a similar fate seemed almost

as our language of government and our national language? Who is going to trade with us? ... How do we get access to knowledge?" Such a response sounds odd today given China's economic might, but in 1965 the average income in China was barely \$100, adjusted for inflation. (Beginning in the late '70s, China has enjoyed a "miracle" of its own: Its population has doubled, yet its average income now exceeds \$8,200.)

Malay may have been an even more plausible choice for a national language. Singapore had been a Malaysian state for two years, and Malay was perhaps the only common language shared by the disparate population. Still, even though it wasn't spoken by a majority of the population, Mr. Lee decided

Lee Kuan Yew (right) at a May Day rally in 1965, a few months before Singapore would announce its independence.

# SINGAPORE

geographically ordained for the tiny, new state.

Yet Singapore went from having roughly the same GDP per capita as Ghana (around US\$500) to a higher GDP per capita than Sweden within two generations. It now ranks second on the World Bank's ease of doing business scale behind New Zealand, boasts a near 100-percent literacy rate, and has an average life expectancy among the world's highest. Its development has been called an "economic miracle," and policymakers and politicians around the world invoke Singapore's ability to defy the odds in rallying support for causes ranging from Brexit to replacing Obamacare.

The man behind the miracle was Lee Kuan Yew, Singapore's "Founding Father" and Prime Minister for three decades. He would shape every aspect of the country's development, from the way it was governed to how its economy ran, and in 1965, Mr. Lee needed to decide what Singapore's national language was going to be.

At the time, Singapore's population was around 75 percent ethnic Chinese, 15 percent Malay, and 8 percent Indian – proportions that still hold true today. Not surprisingly, the Chinese Chamber of Commerce urged Prime Minister Lee to make Chinese the national and official language.

In a 2004 speech, Mr. Lee recalled his response: "You must be mad, and I don't want to hear any more of that from you." He went on to explain his reaction. "Could we make a living with Chinese

# SLANG

## Four languages, one "economic miracle"

English would be the language of business and government. "To attract investors here to set up their manufacturing plants, our people had to speak a language they could understand," Mr. Lee later wrote. "It was the language of international diplomacy, the language of science and technology, and the language of international finance and commerce."

Mr. Lee also made Mandarin Chinese, Malay and Tamil official national languages, putting all three – and the people who spoke them – on equal footing. "If we have only English and we allowed the other languages to atrophy and vanish, we face a very serious problem of identity and culture," he wrote. "What would have happened to Singapore? Where would the Malays be, and the Indians, what future would they have? ... The country would fall apart."

Mr. Lee gradually translated that decision into



PHOTOGRAPHS: TOP, LARRY BURROWS/THE LIFE PICTURE COLLECTION/GETTY IMAGES; RIGHT, CHEN HU

policy. His main focus was education. “However contrary to the concept of a homogeneous society, each racial group would learn his mother tongue as a second language.” In other words, all school lessons would be in English, except one class where students studied their “mother tongue.” This is how schools still operate today, though some teach multiple classes in these native languages. Students and families choose what their “mother tongue” will be.

The legislation of language persists in smaller ways, too. By law, Singapore’s national anthem, *Majulah Singapura* (“Onward Singapore”), can only be sung in Malay, though there are government-approved translations.

Such policies faced criticism. Some argued that those who spoke English at home had an unfair advantage at schools and in the public sector – the country’s largest employer for many years. A former colleague of mine, who is Singaporean, described it as a “kind of class system based on language.”

But Mr. Lee made no apologies for his choice. In 2011, more than 45 years after Singapore’s independence, Mr. Lee published *Hard Truths To Keep Singapore Going*, in which he restated his arguments for English: “It was the only decision which could have held Singapore together. If we had Chinese as a common language, national language, we would have split this country wide apart.” And in the direct, blunt tone Mr. Lee was known for, he added, “We would be foolish to have Malay or Tamil.”



**Since 1965, Singapore has grown by more than 50 square miles – “reclaiming” land by adding sand and soil to water. Gardens by the Bay, which features 18 man-made “supertrees,” sits on some of this reclaimed land.**

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**EDWARD STEPHENS** is Deputy Editor of the Brunswick Review, based in New York. Additional reporting by **CJ LIN**, an Account Director based in the firm’s Singapore office.

The Straits Times, Singapore’s largest circulation newspaper, reported recently that English had overtaken Mandarin as “the language spoken most often at home.” Mr. Lee, who passed away in 2015, would likely have been pleased with such news. But, to Mr. Lee’s frustration, English acquired a local flavor as it became widespread: “Singlish,” a popular patois that adds Chinese, Tamil, and Malay influences. “Friday, can?” for example, is a way of asking if a Friday appointment is convenient.

Mr. Lee wasn’t a fan. “Do not popularize Singlish,” he said in 1999, the same year the government launched the still-ongoing “Speak Good English” movement. “We are learning English so that we can understand the world and the world can understand us.” Mr. Lee felt similarly about Mandarin. He wanted it untainted by Hokkien, Teochew, or Cantonese dialects, and had TV and radio announcers trained to speak a standardized Mandarin.

Of course, language wasn’t solely responsible for defusing Singapore’s racial tensions, nor for setting it on a path of economic success. Mr. Lee also oversaw tough policies on corruption, better public housing (which also forced all races to live side by side) and infrastructure, low taxation, and investments in education and healthcare for all sectors of society. Singapore’s location on the Malacca Strait, responsible for as much as 40 percent of the world’s maritime trade, certainly helped too.

Nor are the lessons from Singapore’s decision on language applicable to countries with vastly different economies, histories and cultures. The US has no official language (though a majority of states have passed laws naming English as theirs), while South Africa has 11, and its national anthem contains five of them. India’s constitution recognizes 22 languages, though Parliament is conducted in either Hindi or English. Canada has decreed French and English as national languages. Language almost everywhere has powerful political, cultural, and economic implications that cannot be ignored or swept aside.

But choosing English as the language of business and government for Singapore, at a fragile moment for a new nation, remains a bold decision that united the country and allowed it to attract vital investment from the West. Instead of Chinese and Malays and Indians being pitted against each other in a sectarian fight for control, the choice of English put them in a roughly equal position. But even Mr. Lee knew that choice would only take national unity so far. “Will we ever become completely homogeneous, a melange of languages and cultures? No,” Mr. Lee said. “Why did we take this route? Because we have no other choice.”

**A**S ONE OF WESTERN LITERATURE'S oldest surviving stories, *The Odyssey* boasts a number of firsts. It offers the first example of literary sarcasm as well as the first mentor – in the form of a character actually called Mentor. According to Mary Beard, the epic poem has another “first” to its credit: the first written record of a man telling a woman to shut up. • The woman being silenced is Penelope, a wife grieving for her missing husband. The man telling Penelope to “go to thy chamber and mind thy own housewiferies” is Telemachus, her son. Why does an exchange composed nearly 3,000 years ago matter today? Because, as Ms. Beard writes in her best-selling *Women and Power: A Manifesto*, “When it comes to silencing women, Western culture has had thousands of years of practice.” • To make that case – and Ms. Beard does, forcefully – she mines mythology and history, and examines a cast of characters ranging from Aristotle to Angela Merkel, Medusa to Margaret Thatcher. Ms. Beard’s writing has the dexterity and confidence that comes with being, as she’s often described, the world’s greatest living classicist. A professor at Cambridge, she

makes regular appearances on talk shows in the UK, her op-eds appear in major newspapers, and she has presented documentaries on the BBC. An increasingly popular T-shirt reads: “When I grow up I want to be Mary Beard.” • Ms. Beard’s following stems not only from what she says, but also how she says it – an academic rigor combined with a refreshingly un-academic tone. In a recent interview with *The Guardian*, she equated the uncertainty around the UK referendum vote with “wanking in the dark.” In a 2018 blog titled “Why Classics Matter,” Ms. Beard described members of the Alt-Right as “spotty adolescents angrily typing

# MARY

# BEARD

out bile after their Mums have gone to bed.” The aforementioned Telemachus is a “wet-behind-the-ears lad.” • I asked Ms. Beard recently what she’d say to her readers – or T-shirt wearers – who are inspired by her unapologetic tone and the quality of her writing on the treatment of women, yet feel they can’t speak up without facing personal or professional repercussions. “That’s hard,” Ms. Beard said. “I would say to them that for years I was silent – but not now. The solution is a combination of bravery and the ability to recognize the words you hear yourself speaking as your own.” • Ms. Beard started lecturing at King’s College, London in 1979. Her first best-selling book came 36 years later, and was the 15th one she’d published, *SPQR*:

The celebrated author, academic and feminist speaks with Brunswick’s  
**EDWARD STEPHENS**

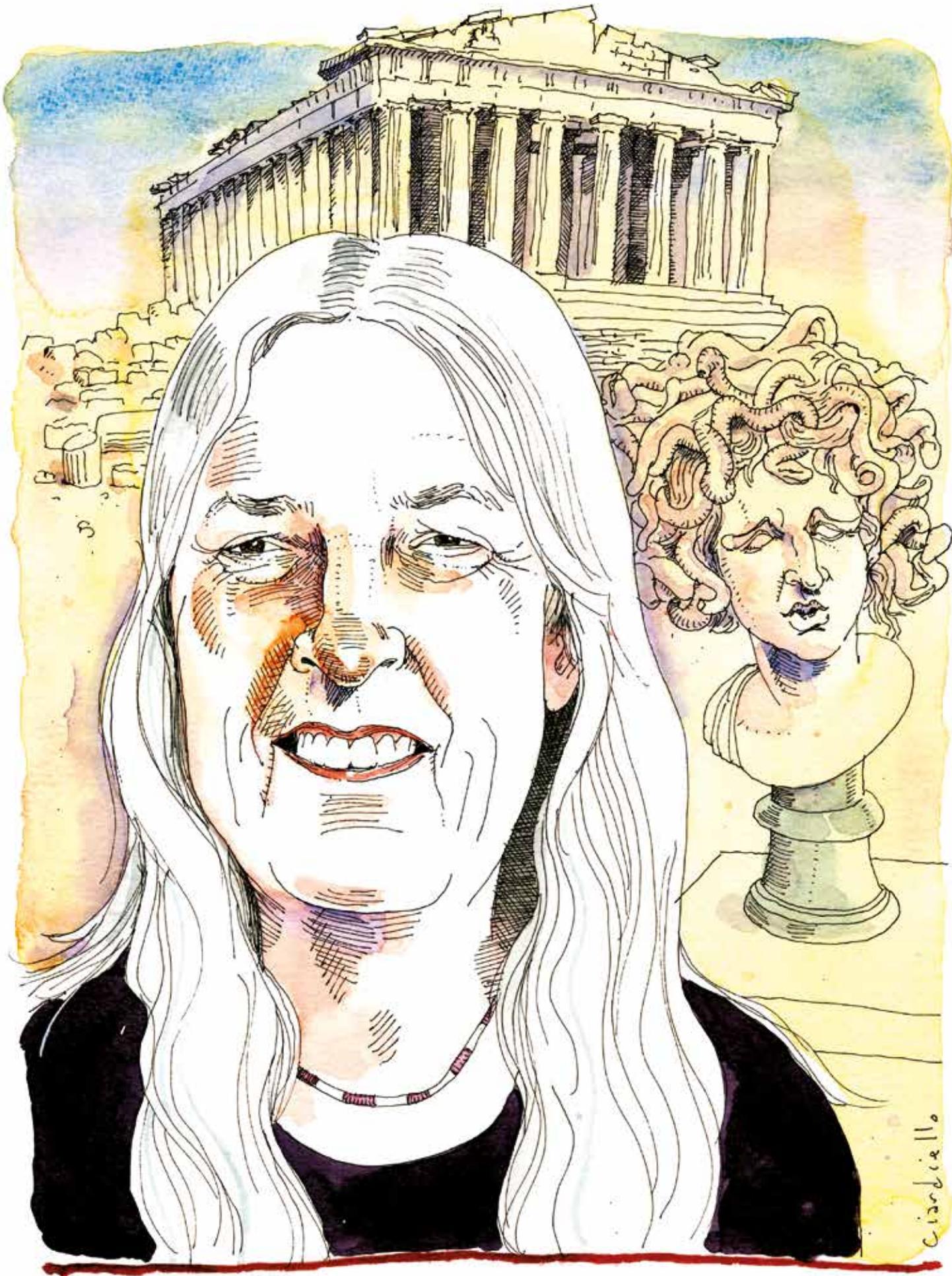


ILLUSTRATION: JOE CIARDIELLO

Ciardiello

*A History of Ancient Rome*. It made both The Wall Street Journal's and The Economist's "books of the year" lists, and was one of The New York Times' 100 notable books of 2015. Her 2008 book on Pompeii led to Ms. Beard's first appearance on the BBC, presenting a documentary on the ancient Roman city.

In *Women and Power*, Ms. Beard wrote about the grotesque responses she still receives after appearing on TV: "a load of tweets comparing your genitalia to a variety of unpleasantly rotting vegetables." A.A. Gill, the deceased TV critic, wrote in 2012 that Ms. Beard was "too ugly for television" and "should be kept away from the cameras altogether."

Ms. Beard's response to Mr. Gill appeared in the Daily Mail: "There have always been men like Gill who are frightened of smart women who speak their minds." She went on: "Maybe it's precisely because he did not go to university that he never quite learned the rigour of intellectual argument and he thinks that he can pass off insults as wit."

When responding to tired criticism that focuses on her appearance rather than her ideas, Ms. Beard's tone can be wonderfully acerbic. But when building a case that women have been silenced and marginalized for millennia, and that the effects of this still linger – more than we might be comfortable to admit – Ms. Beard's approach is measured and restrained, and resists oversimplifying history or reducing it to a tidy set of simple lessons.

"Western culture does not owe everything to the Greeks and Romans, in speaking or in anything else (thank heavens it doesn't; none of us would fancy living in a Greco-Roman world)," Ms. Beard argues in *Women and Power*. But many of our ideas about leadership and the qualities that underpin it "still lie very much in the shadow of the classical world." And the classical world was unquestionably a masculine one.

Is it really surprising that, with such shadows of the classical world looming, women who wanted to hold positions of power took steps to look and sound less like a woman? "We have no template for what a powerful woman looks like, except that she looks rather like a man," Ms. Beard argues. That's why Margaret Thatcher took voice training to lower her voice: "to add the tone of authority that her advisers thought her high pitch lacked."

Research published last year by Tina Kiefer, a professor at the University of Warwick, suggests Ms. Beard's not overstating the case. In the study,

people were asked to "draw an effective leader." Regardless of whether a man or woman was asked, the drawn leader was almost always a man. Describing the study to The New York Times, Dr. Kiefer said that even in the small number of drawings that were gender neutral, "the majority of groups present the drawing using language that indicates male (he) rather than neutral or female."

This highlights another way women are separated from power and leadership: in our daily language. "In every way, the shared metaphors we use of female access to power – 'knocking on the door,' 'storming the citadel,' 'smashing the glass ceiling,' or just giving them a 'leg up' – underline female exteriority," Ms. Beard writes. "Women in power are seen as breaking down barriers, or alternatively as taking something to which they are not quite entitled."

So what can businesses do? Well, the starting point may be acknowledging that this lingering shadow exists, and that businesses *can* do something. "We mustn't think that this is only for political institutions," Ms. Beard says.

Businesses can take the lead in "rethinking the idea of leadership." Asked to explain, she says, "Don't assume that the right business model is always leaders and followers – leadership courses for potential leaders, but no followership courses for the rest of us...?"

Ms. Beard's written before – and still believes – that we need to start "thinking about power as an attribute ... not a possession. What I have in mind is the ability to be effective, to make a difference in the world, and the right to be taken seriously, together as much as individually."

It seems a low hurdle to clear, but it's one that many governments and businesses still regularly fail to even attempt. Ms. Beard applauds movements like #MeToo and the awareness they bring, but says that by themselves, they won't be enough. "A hashtag is important – but it has to be converted into action." As wary as Ms. Beard is of oversimplifying the past, she is as resistant to prescribing easy, simple solutions.

It somehow felt wrong to interview Ms. Beard and not bring up Ancient Rome, so I asked if there were any Roman stories she wished she could put in the morning reading of modern leaders.

"Well, the reason that Julius Caesar failed might be instructive. He was a populist dictator, with a very sure touch in talking to the people. But the elite killed him," Ms. Beard said. "Make of that what you will."

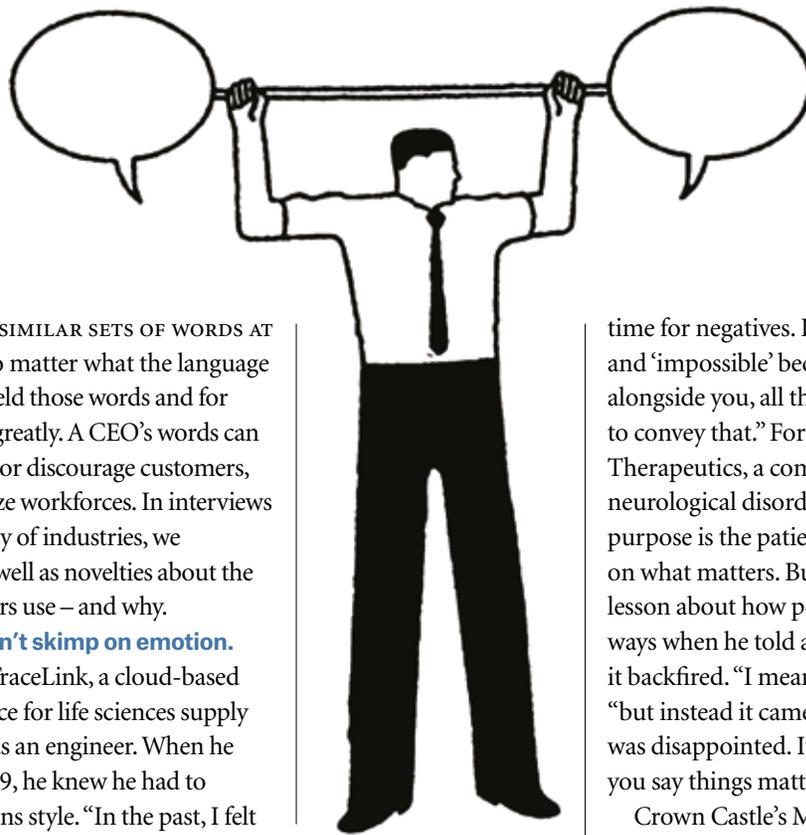


Medusa (above) "was one of the most potent ancient symbols of male mastery over the destructive dangers that the very possibility of female power represented," Ms. Beard writes in *Women and Power*.

A mythical monster, Medusa's look could turn a person to stone and her hair was a mess of squirming snakes. In some versions of the myth, she is born this way. In others, she was turned into a monster by the goddess Athena, as punishment for being raped by Poseidon in a temple dedicated to the goddess.

Medusa gets decapitated by the male hero Perseus. In most paintings and statues depicting the story, Perseus proudly holds the head aloft.

What does that have to do with today? Ms. Beard recounts how Hillary Clinton's and Angela Merkel's faces have been superimposed on to images of Medusa, with their male political opponents holding the dismembered head in triumph.



**A**LL LEADERS HAVE SIMILAR SETS OF WORDS AT their disposal – no matter what the language – but how they wield those words and for what effect varies greatly. A CEO’s words can move markets, encourage or discourage customers, and motivate or demoralize workforces. In interviews with four CEOs in a variety of industries, we uncovered similarities as well as novelties about the kinds of words these leaders use – and why.

**Simpler is better, but don’t skimp on emotion.**

Shabbir Dahod, CEO of TraceLink, a cloud-based tracking and tracing service for life sciences supply chains, started his career as an engineer. When he founded TraceLink in 2009, he knew he had to change his communications style. “In the past, I felt

time for negatives. I avoid using the words ‘can’t’ and ‘impossible’ because with the right people alongside you, all things are possible. It’s my job to convey that.” For Jeremy Levin, CEO of Ovid Therapeutics, a company that addresses rare neurological disorders, he communicates that “the purpose is the patient” to keep employees focused on what matters. But Levin was once taught a lesson about how positive expressions can cut both ways when he told a team “we can do better,” and it backfired. “I meant it as a call to action,” he says, “but instead it came across as a criticism or that I was disappointed. It was a sharp reminder that how you say things matters a lot.”

Crown Castle’s Mr. Brown says his favorite word in any language is “excited.” “It’s a hopeful word and it’s not very limiting. It conveys an energy, a sense of what’s to come and a sense of hopefulness about what will be – without being so precise as to define exactly what it is. As CEO, I have to communicate a sense of energy and passion around the subject matter, and show that what we do is something that matters in the world.”

**There is no I in team.** In addition to choosing positive words, the CEOs we spoke with make a point of avoiding the words “I,” “me” and “my.” Brown “will always use ‘we’ and ‘us,’ particularly when my comments are forward-looking. If it’s backward-looking or in recognition of something we’ve done well, I use ‘you.’ The exception is when I’ve made a mistake that I need to own and personalize – then and only then will I use ‘I’ and ‘me.’”

Tracelink’s Mr. Dahod agrees. “I like to use words like ‘team,’ ‘we’ and ‘us.’ It’s important to convey shared accountability and teamwork. I tend to avoid words that I think of as “hero” words that convey success depends on a superhero individual rather than a team.”

**The lasting power of words.** Straightline’s Mr. Watras learned this lesson the hard way when he said “that’s good” to his hair stylist. “I hadn’t heard what he’d said and just responded automatically,” Mr. Watras says. “It turned out he was telling me his father had recently died. I was understandably embarrassed and it was a reminder to always listen, and never assume you know what’s being said.”

## Take It From the Top: The Words CEOs Use

it was very important to explain things precisely and with rigor – the way an engineer is accustomed to communicating,” he says. “But as CEO, I’ve learned the importance of communicating with emotion. It’s what motivates and convinces people. Now I may still be factual, but I focus on emotion and passion.”

Jay Brown, CEO of Crown Castle, the US’s largest provider of cellular infrastructure, agrees. “I came out of finance and was CFO before becoming CEO. My language was too muddled with technical jargon, particularly financial jargon. Now I try to speak more directly and draw analogies to things that are commonly shared experiences,” he says. “For example, if I’m talking about a financial matter, I relate it to people managing their own checkbooks. Also, I try to get my team to forgo bigger words when simpler ones will do. It’s great that people might be impressed that we have a big thesaurus, but it’s wasted if they don’t know what the words mean,” he adds.

**The power of positivity.** Michael Watras, CEO of Straightline, a global strategic branding firm, says “I believe in optimism and don’t have a lot of

Vanguard Group for Leadership’s **KEN BANTA** and Brunswick’s **JONATHAN DOORLEY** hear from four CEOs on terms they use and phrases they avoid

**We asked these CEOs what words they'd hope people would remember them for:**

**Jay Brown, Crown Castle:** Steward, faithful, caring

**Jeremy Levin, Ovid Therapeutics:** Patients, purpose, products

**Shabbir Dahod, TraceLink:** Integrity, innovation, trust

**Michael Watras, Straightline:** Genuine, responsible, pops (the word he uses for going out for drinks)

Mr. Dahod also talks about the value in not changing language just to appeal to younger employees. "It can be divisive to use different words with different groups in the organization. I prefer to communicate with everyone in the same way."

Ovid Therapeutics' Mr. Levin adds "the biggest challenge when communicating to younger employees – and other colleagues for that matter – is not the choice of words but rather the loss of quality, clarity and human interaction that comes from the emphasis on texting and shorter forms of communication."

"I really enjoy the idea that words matter," says

Mr. Brown. "The time invested on words has a far greater impact than people realize. Preparing and being thoughtful about the words we use as leaders can – and often does – have great impact."

Finally, all four CEOs were passionate on one additional point: Words set leadership direction, tone, and framework, but what's decisive is how the leader acts on them.

**KEN BANTA** is Founder and Principal of the Vanguard Group for Leadership, which supports senior executives in building high-performance organizations.

**JONATHAN DOORLEY** is a Partner at Brunswick and specializes in M&A, shareholder activist defense and business critical issues. He is based in New York.

# Worthless "Value"

Professional shorthand is great – except when your audience doesn't know what it means, says Brunswick's **DAVID SELDIN**

**W**HEN TRAINING TO BECOME A PHYSICIAN, students learn a lot of technical language. They learn to distinguish the *coronoid fossa* from the *radial fossa*, and the difference between *medial epicondylitis* and *lateral epicondylitis*. But most doctors learn pretty quickly when they start to interact with patients that they're dealing with a sore elbow.

Medical jargon often gets in the way of the real professional task: helping the patient understand what's going on, what can be done about it and how to prevent it from happening again.

There's a lesson there for people who approach healthcare from a business, technology or policy orientation (especially all three). We have information that people need. We understand the situation so deeply that we have shorthand ways of referring to it. But we forget at our peril that in making ourselves understood by people who lack expertise, the jargon gets in the way.

Case in point: the word "value." If there is one concept that unites people across the healthcare industry, it is that pricing should be tied to value – the value that a cure brings to individuals, that better disease management brings to the healthcare system, the value that patients ascribe to a better understanding of their medical risks and health. The concept is brilliant; the word is not. Outsiders



**DAVID SELDIN** is a Partner specializing in public affairs, crisis communications, and corporate reputation, with an emphasis on healthcare. He is based in Washington, DC.

to the conversation don't know what it means. It's a buzzword and it needs to be replaced.

Working with clients from across the healthcare sector, I've had the opportunity to see this language tested in focus groups and polls, and put to use with journalists, investors, and public officials.

For the most part, they don't get it. Some people think "value" is code for "cheap," and worry that it will mean poorer quality. Other people think it's a euphemism for "more expensive," a way to take advantage of them. Still others are so uncertain and befuddled, they don't know what to make of it.

Something else that happens in those conversations: When you ask about ways to improve healthcare, people will often articulate exactly what we mean when we talk about value. They will say, "I'd like to see a system where we pay based on what works," or, "If something is going to prevent more expensive treatments down the line, we should be willing to pay a good price for that." Or they'll say, "Those extra six months with my mother were worth so much more than just treating her symptoms."

In other words, the public thinks the same things that the experts do, but because the experts talk about it in ways that defy understanding, the industry's reputation continues to suffer.

Is there a better buzzword? There might be, but a better approach is to take the few extra seconds to actually say what we mean. Instead of saying that they want to "move to a value-based approach to pricing," a pharma company's executives could simply say that its prices include considerations such as the impact a product has on a patient's overall health costs. Health plan leaders could replace "value" with simply spelling out that they will reimburse based on the success of treatment. It's not that hard to do.

**W**HEN A CORPORATE LEADER CEASES TO be effective, it is time to retire. However brilliant they may once have been, there will be a moment when their value has diminished and they need to step aside. For sports professionals past their prime, the same holds true. We retire clothes that we once considered elegant, but which now have lost their shape and no longer serve the purpose for which they were bought. This is the natural course of events.

The word has been used so often that it's become almost pointless, says Brunswick's **EDWARD STEPHENS**

Strangely, we are reluctant to apply the same discipline to the words we use in business, which can have a dulling effect no less profound than a doddering CEO at the helm. Business today is replete with words that either have lost their meaning or are so bland and shop-soiled that they convey nothing. Take the word "strategy."

A search for "strategy" on the Harvard Business Review website produces more than 30,000 results, while a writer for the digital news outlet Quartz

The more you write  
**STRATEGY,**  
the less likely it is you have one



ILLUSTRATION: MARTIN ELFMAN



The assumption is a **“STRATEGIC BUDGET”** sounds more thought-out and important than a budget

found more than 725,000 results when searching LinkedIn for job titles with “strategy.” According to Google’s Ngram viewer, which shows how frequently a word or phrase appears in the 30 million books scanned by the company, strategy appeared in writing six times more often in 2008 than it did in 1940, controlling for the difference in the number of books scanned from each year.

“Strategic” charted a similar rise in literature – and on LinkedIn. For the past five years, it has made the site’s list of the top 10 “overused buzzwords,” coming in at No. 4 in 2017.

Why the overuse? Part of the answer is a desire to impress. The assumption is that a “strategic budget” sounds more thought-out and important than a budget – that a “strategic plan” is more compelling than a plain-old plan.

Why have a Hiring Plan when you can have a Human Resources Strategy? And who could resist a strategic review, or being appointed Strategic Adviser, or being asked to consider strategic options, or opening a strategic location?

But are budgets and plans and options and reviews only strategic if we say they are? In almost every instance, deleting “strategic” sacrifices nothing except nine letters. Beverly Gaskin, Executive Director of Global Purchasing for General Motors, said it well: “Strategic buying is an oxymoron. If you’re doing anything in the buying field that isn’t strategic, you shouldn’t be doing it.”

This overuse of the word has led to a kind of chronic fatigue from which there is unlikely to be a recovery. The term now communicates precisely nothing, in much the same way that companies who proudly profess their allegiance to Excellence, Integrity, Respect and Customer Satisfaction manage only to communicate that they share the same values as any half-decent business, anywhere, throughout history – exactly what you would hope any business would do. So why brag about it as if it is something distinctive or special?

Other once-useful words have also been drained of their meaning and now face the same inexorable decline to nothingness.

“Literally,” for example, has seen its definition altered beyond repair – even in the venerable Merriam Webster dictionary – to reflect modern misuse. Now, literally can mean “an exaggerated way to emphasize a statement or description” – in other words, “literally” can now mean not literally at all.

The overuse of “strategy,” though, is starting to bear negative consequences – hence the need for its retirement.

The first is that it promotes a general confusion around what a strategy is and what it isn’t. A vision is where you want to go, a mission is what you want to achieve, a strategy details how you’ll get there, and tactics are how you’ll enact the strategy. They can overlap and reinforce one another, certainly, but these words – vision, mission, strategy, tactics – are not interchangeable. We know that strategies are important – hence all the books and job titles – but they become laughably meaningless when everything and anything is called a strategy or labeled strategic.

Business-strategy guru Michael Porter concluded that a key part of any strategy is “about making choices, trade-offs; it’s about deliberately choosing to be different.” That adds a touch of irony: Where “strategy” implies a choice to be different, its overuse implies the opposite.

The “strategy” and “strategic” flood is also typical of the inauthentic, woolen language that pollutes and weakens corporate communications. That’s the second problem. For far too many consumers and employees, straight talk remains elusive and business speak, all too common. Not a good approach to build trust and credibility – which everyone agrees is both valuable and in short supply.

“The great enemy of clear language is insincerity,” George Orwell wrote in 1946. “When there is a gap between one’s real and one’s declared aims, one turns instinctively to long words and exhausted idioms.”

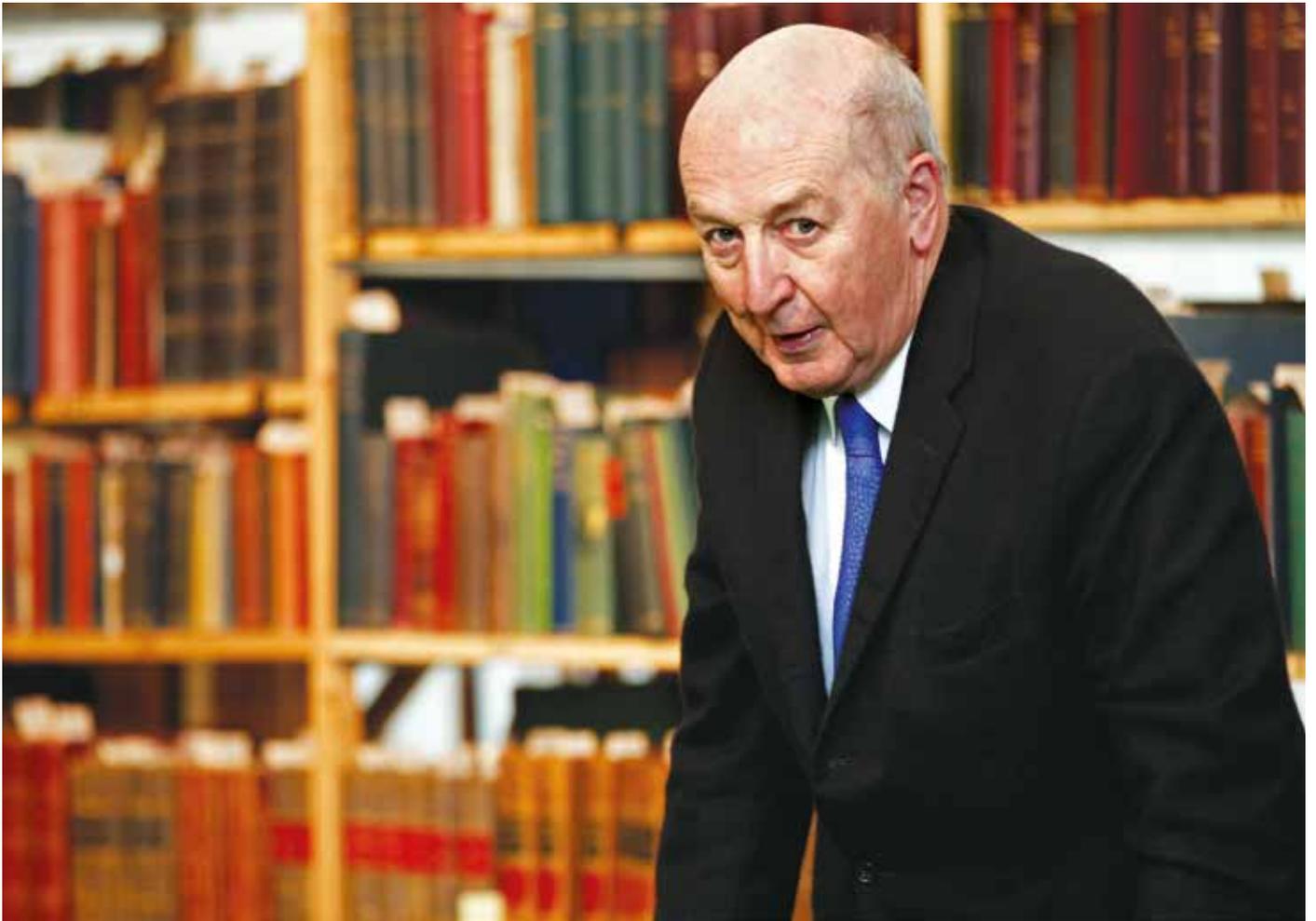
Progress, on any meaningful scale, is unlikely while “strategy” remains unchallenged in its current role.

In her best-selling book, *The Life Changing Magic of Tidying Up*, Marie Kondo writes of the liberating moment when you look at clothes or possessions you no longer need or want, thank them for their good and faithful service, and part ways with them. It is difficult, even painful, she acknowledges, but critical if one is to move ahead, free of clutter.

“Strategy” has become part of the clutter of business. It no longer serves the need for which it was intended. It is time to part ways, as it seems Southwest Airlines co-founder Herb Kelleher has already done.

“Strategy is overrated, simply doing stuff is underrated,” he said. “We have a strategic plan. It’s called doing things.”

**EDWARD STEPHENS** is Strategic Deputy Editor of the Brunswick Review, and based in New York.



# A Storied Past, Present & Future

**P**EREGRINE CAVENDISH, 12TH AND CURRENT Duke of Devonshire, operates a small, old-fashioned bookshop in Mayfair, a historic, neighborhood of London bordered by Hyde Park near Buckingham Palace. In the age of Amazon, Kindle and Apple iTunes, the economic model for garden-variety independent bookstores has evaporated. But Heywood Hill not only survives but thrives, through a combination of innovation and devotion by the Duke and his son-in-law, Heywood Chairman Nicky Dunn.

The Duke recently spoke with Brunswick Arts about the promise of the book business, as well as its challenges, and the growing global customer base for the shop's specialized subscriptions and libraries.

The Cavendish family has a historic love affair with books. Andrew Cavendish, later the 11th

Duke of Devonshire, was a regular customer at the bookshop founded in 1936 by Heywood Hill. Not only did he become a majority shareholder, he also married author Deborah Mitford, the sister of author Nancy Mitford, who worked in the shop.

The central family estate, Chatsworth, has served 16 generations and is home to a magnificent library of its own, with books dating back to the 16th century, including a first edition of a work by Thomas Hobbes – a resident of the house and tutor of the second Duke – and a prayer book with an inscription by King Henry VII to his daughter Margaret Tudor, Queen of Scots.

**Let's start with your family's literary connection.**

That's a good place to start. I'm the only person of my immediate family who hasn't actually

The **DUKE OF DEVONSHIRE** talks to Brunswick Arts' **ROYA NASSER** about the economics of his family's bookshop, Heywood Hill

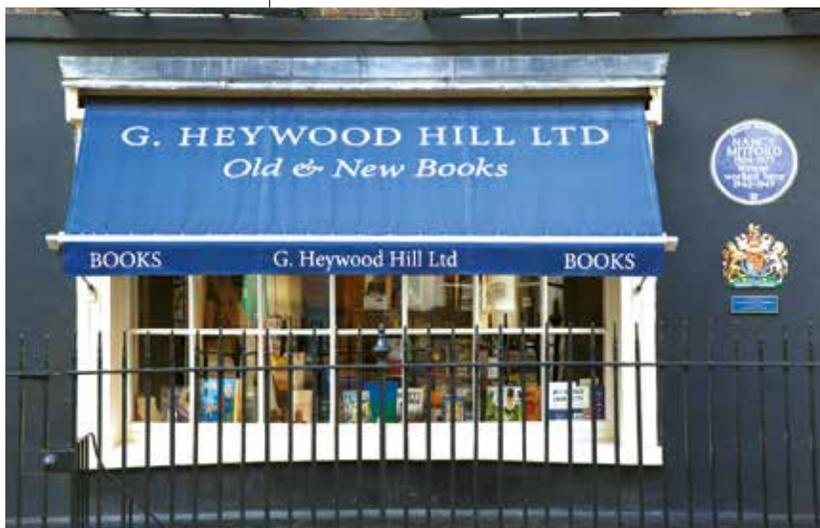
written a book. My sister, Emma, has written the authoritative book on rag rugs. And Sophie, my other sister, wrote a couple of books. My mother is better known as an author, and she wrote quite a lot of books. My father wrote a wonderful book about a racehorse called Park Top, and a book of memoirs as well. So, they're all writers. I tried and failed. It was too difficult, I thought.

**Are you a collector of books yourself?**

I don't collect books as such; I do buy quite a lot of books, partly because of Heywood Hill and partly because I always hope that I'm going to read them and quite often don't. [Laughs] I hardly ever buy old books. I don't buy sort of library-quality books.

My taste has changed. When I was much younger, I'd read an awful lot of novels. I prefer contemporary, mostly non-fiction now. I read a lot of my family history and things to do with Chatsworth or the collections or painters or artists or whatever. If ever there's a new monograph about a private house in England, I have to buy it. There are about 40 altogether in the library as sort of reference books.

Founded by George Heywood Hill in 1936, the shop at 10 Curzon Street in Mayfair remains a landmark of literary life. During World War II, Evelyn Waugh saw it as a center "for all that was left of fashionable and intellectual London." A scene in John le Carré's 1974 novel *Tinker Tailor Soldier Spy* is set there.



**Is that how buying turns into collecting?**

All books – to somebody or somebodies – are very interesting to read; not all of them to everybody. People tend to buy books on subjects they're interested in. But they're also objects of almost a beauty, and certainly libraries are very beautiful rooms. They are important artifacts, and still are beautifully made.

As far as luxuries go, hardback books are very good value. I'd much rather read a hardback than a paperback. I do read sometimes books on a Kindle,

but not very often. Hardback books are lovely things to have. And a room without books in it is quite a depressing place. I would hate to be in a room without a book, and I'd hate to go on a journey without a book, even if it's only a half an hour train journey; not to have a book in one's bag would be very unusual for me and I'm sure for most people.

So, people have always collected books for those two reasons: for the knowledge or the interest that they give and for the beauty of them as objects, particularly en masse. With both art and books, even if it starts off as trophy collecting, it finishes up being a real enjoyment. I don't know of anyone who collects either books or art who doesn't get more pleasure than they may have anticipated.

**How has collecting changed in the digital age?**

Obviously, the internet has transformed book collecting. Anybody with a computer has a hugely expanded reach. They find out at the click of a button what there is on what subject and where and how much. I don't think that's done quite a lot of bookshops much good, particularly shops selling old books as well as new books.

Certainly, at Heywood Hill, we've had to take this challenge on. We've had to raise our game as have all booksellers. But it certainly doesn't mean the demise of the independent book shop. There are far fewer of them, of course. But as long as we can provide the service that we do, there will be a place for us. We sell a lot of copies of bestsellers. But we like to go beyond that.

One thing the team has done very successfully is provide completely bespoke services – including subscriptions – the digital world can't provide that.

**The subscription idea grows out of that effort to create bespoke services, yes?**

Yes, and we're launching one now in the US. We called it "A Year in Books." This was largely Nicky Dunne's work. He works incredibly hard and makes it great fun for me. I sort of stand back, but I cheer him on as best I can. The subscriptions idea has grown enormously and is incredibly popular. If there's 12 books in the package and people find that nine of them are books they've really enjoyed, then one has to regard that as a great success.

The number of repeat subscriptions we get is a testament to the care that the team takes.

And it differentiates us from other shops. It has been copied – inevitably, because it's a good idea and a good idea is always copied. But we have a good reputation in this area.

PHOTOGRAPH: COURTESY OF HEYWOOD HILL

### How do you choose books for a specific person?

We have very knowledgeable booksellers – one is an Oxford graduate who reads over 150 books a year himself. Another’s been selling books for over 30 years. Nicky eats, sleeps and thinks books, when he isn’t with his family. When we get a repeat subscription, we can get to know the customer better, their likes and dislikes. And we encourage comprehensive feedback.

The subscription service is already in more than 50 countries. And we feel like the light from Heywood Hill beams onto all those countries. And customers will be beaming back.

We’ve benefited from extremely good word-of-mouth recommendation – the best form of advertising. But ultimately, it’s the books – the choice of books, that is the key. If that doesn’t work, nothing works.

### You also build specialized libraries for people?

Years before Nicky was involved in the business, my father worked with the staff here to create an Irish library. That was initially housed at Chatsworth and it is still in the family. Nicky’s picked up that idea and created libraries that are usually subject-specific.

He’s working on a library in France at the moment, which is aiming to tell the positive story of humanity across the centuries and the continents. So that’s quite a wide-ranging library. And his next project will be a library on capitalism for a fund management company. Then there’s a sports-specific library for an American, as an exceptional milestone birthday gift.

These are just a few out of the wide varieties of libraries we have been making. For those sort of collectors, Nicky will work with the architect or the interior designer or both.

People can spend at the lowest six-figures on the library – that’s not out of the way. But it’s a lot of books and it makes for a beautiful library. Compared with the price of contemporary art, that would buy you one picture.

### What do you think about the importance of libraries for literacy?

That’s more to do with public libraries. I can only talk about this in the most general way. I’m well aware of the economic factors for local government at the moment. But lending libraries are a very important part of civilization, not only because they enable people to have access to books who would not otherwise, but also because they

“WE HAVE VERY  
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are a place for people to go where they’re safe and warm and they’re not going to be harassed by anybody and they can sit and read. It’s a safe-haven place to go. And that’s incredibly valuable. Libraries are a sign of civilization.

### What are your favorite books?

I’m reading a book called *The Colonial World of Richard Boyle, First Earl of Cork*, because he is an ancestor and also because he had an incredibly fascinating career, particularly in Ireland. That was beautifully written by David Edwards and Colin Rynne.

Otherwise, I would have to say, anything by Adam Nicolson. The first book of his I read was called *Restoration* about the rebuilding of Windsor Castle, a fantastically interesting and exciting book even though you know the result at the end. He wrote another about the making of the King James Bible. He’s just a wonderful, wonderful writer on any and every subject – as good as it gets.

.....  
**ROYA NASSER** is a Partner and Head of Brunswick Arts Europe, the firm’s advisory arm for cultural institutions and charitable organizations around the world.



The Duke and Duchess of Devonshire stand beneath “Lilas,” a work by Iraqi-born British artist Zaha Hadid, at Chatsworth House, the family estate in Derbyshire, England. Chatsworth was founded by Elizabeth Talbot, later known as Bess of Hardwick, in the 16th century. The original house suffered

deterioration and was rebuilt and finished into its current form in 1707.

In the 1950s, the family turned the building over to a charitable trust and opened it to the public. The Duke and his family live there now as tenants, but also stewards. He oversaw the first major renovation since the

1800s, restoring much of the gilded splendor that had been lost to time.

“This house was built to show off,” he told an interviewer in 2015. “It was built to show off the people that lived there. And now it’s built to show off itself, because the house, the gardens and the park are really what it’s all about now.”

**D**AMBISA MOYO RECEIVED A DOCTORATE IN macroeconomics from Oxford University, a Master of Public Administration from Harvard University and an MBA from American University, from which she also received a degree in chemistry.

Yet her credentials as a global economist go beyond her academic achievements. She worked for nearly a decade for Goldman Sachs, and before that for the World Bank. She has visited more than 80 countries, and her own experiences span both the developed and developing world. A resident of New York City and the United Kingdom, she's a native of Zambia, where she was born and raised.

As an author, she has published three New York Times best-sellers. The first, *Dead Aid*, is a treatise on the failure of aid to Africa. Next came *How the West was Lost*, her argument that misguided economic policies have dimmed the futures of developed countries; and a third, *Winner Take All*, examines the implications of China's purchase of natural resources around the world.

Ms. Moyo has nearly 1.2 million followers on LinkedIn, and nearly 200,000 on Twitter. Among other accolades, Time magazine once called Ms.

The best-selling author, economist and Chevron Board member speaks to Brunswick's **KEVIN HELLIKER** about the future of democracy

Moyo one of the world's 100 most influential people. She sits on the boards of Barclays, Barrick Gold and Chevron.

One late morning in March, just ahead of a lunch date with Oprah Winfrey, Ms. Moyo sat down at the New York offices of Brunswick to talk about the publication of her fourth book.

**Your new book, *Edge of Chaos: Why Democracy Is Failing to Deliver Economic Growth and How to Fix It*, sounds potentially ominous. What is the worst-case scenario facing Western democracies?**

The worst fear is it becomes so dysfunctional it ends up operating at the extremes. And the extremes would be either a plutocratic coterie of very wealthy people controlling not just politics but public policy, or where populism renders government dysfunctional, because it is continually pandering to the populist sentiments or zeitgeist of the moment.

We're already trending toward those extremes. We're sitting here the day after the Italian election, which appears to have produced a somewhat dysfunctional government.

With Brexit in the UK, the government is essentially grounded from having any long-term discussions about education or infrastructure or healthcare. Then there's the US, where during the 2016 elections, 158 families accounted for 50 percent of political contributions. This smells of wealth so correlated with public policy that the idea of one-man/one-vote is not really reflected in the democracy.

DAMBISA

MOYO



PHOTOGRAPH: COURTESY OF DAMBISA MOYO

**“PEOPLE AROUND THE WORLD TRUST AUTHORITARIAN GOVERNMENTS TO DELIVER, MORE THAN THEY TRUST DEMOCRATIC GOVERNMENTS. HOW CAN WE IMPROVE DEMOCRACY SO THAT PEOPLE PLACE MORE TRUST IN IT?”**

**Did this book begin before or after the 2016 US election?**

Before. The book was borne out of frustration. I’ve worked on Wall Street and in finance all my life, and as an economist I’ve gotten increasingly frustrated by a mismatch between the lens that economists see through and the lens used by public policymakers and politicians. What economists see are long-term, intergenerational, structural problems, such as income quality, the jobless underclass, high debt levels, productivity declines and natural resource scarcity. Politicians facing election every two to four years are treating these problems as short-term.

Short-termism is also a problem in corporations, of course. But what’s most worrisome to me is the short-term focus of governments and public policymakers. Of all the headwinds democracies are facing, the overarching one is myopia.

**What are your solutions?**

I offer a menu of 10 proposals. One would be to extend political terms. Rather than two-year or four-year election cycles, you could do what you see in Brazil, where it’s a nine-year term for a senator, or Mexico, where it’s a six-year term for the presidency. With that, there could be a capping of terms. You get a longer term, but without the incumbent who hangs around as in an autocracy.

I’d also argue for some kind of a system that binds government to legislation, so you don’t have public policies swinging around after every election. A recent example would be around Obama’s healthcare; it went back and forth through a legislative process and was passed. The last thing you need is a new government coming in a year later and dismantling the whole thing. Obviously, you don’t want to end up in a system with bad policy, but you could take into consideration a grandfathering of public policy so that for 10 years it can’t be totally dismantled. That would stabilize markets and give business and corporations a better sense of the lay of the land.

**What is your hope for *Edge of Chaos*?**

That there’ll be an open debate about the ways we can improve on democracy. Studies from the World Economic Forum say people around the world trust authoritarian governments to deliver, more than they trust democratic governments. How can we improve democracy so that people place more trust in it?

I love living in the United States. I choose to be here and not elsewhere because one of the hallmarks of Americana is the ability to look at things, see

underperformance and switch directions. In much the same vein, I would hope that Americans could look at China and acknowledge that it has done well in many respects. It has come from essentially nowhere over the past 30 years to become the second-richest country in the world, moving hundreds of millions of people out of poverty.

We may not like their system, but let’s at least be objective enough to try and understand what the best parts of that system are. The Chinese are ideological about economic growth and progress. They’re not to my mind ideological about democracy or market capitalism or any system for that matter.

In fact, if we were able to convince them that democracy and market capitalism could deliver economic growth, they would adopt it tomorrow. The problem is they don’t believe that it can generate economic growth in a sustained and equitable way.

I was born, raised and spent my formative years in Zambia, Africa – one of the poorest countries in the world. All my life I have been raised to believe that democracy and market capitalism are the path to economic growth, better living standards and reducing poverty.

However, with China’s legendary economic success and democracies in advanced countries struggling, people around the world are no longer convinced. Why? Perhaps because we who believe in democracy are no longer convincing.

**Do you believe in market capitalism?**

I am a believer, but I also recognize its weaknesses. Income inequality has widened, whether we’ve had Republicans or Democrats in office. There’s something fundamentally, structurally wrong in the system right now that is leading to those outcomes.

China’s Gini coefficient is roughly the same as the United States. How is that possible? Two different political systems, two completely different economic systems, and yet they’ve got the same measure of income inequality. And China’s income inequality’s improved over the last 10 years. That of the United States has worsened.

**Do you think it’s possible that Western dominance will turn out to have been a phase to be overshadowed in the decades ahead by China?**

Obviously I can’t see the future. But through the democratic process, we are seeing a backlash against market capitalism and also against the political establishment. Those are the two pillars of Western civilization.

But I don't think we've yet been road-tested on what the outcome is. Will populism lead to a more socialist type of world view? You could argue it's happening in a sort of stealth way in the United States. Issues around gun control are now being decided by cultural norms and sentiment. Everything around the Oscars and the arts is being heavily influenced by what society's deeming important. People are demanding that companies consider broader issues than narrow returns and the cost of capital.

It's also interesting that the use of executive orders has risen not just under Trump, but under the last four presidencies. There might be a stealth reorganization under way around what society demands of its political and business leaders.

The US and China are so interesting to compare and contrast. The US is all about the individual. In China it's society.

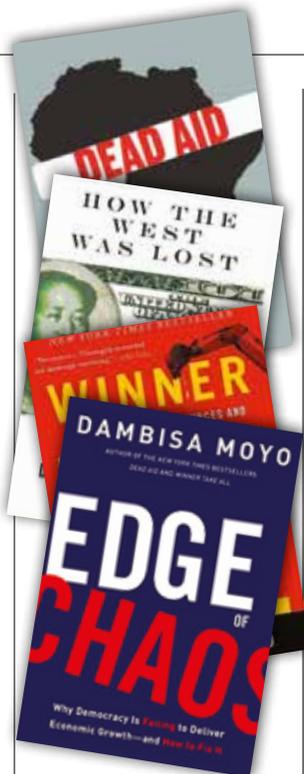
One thing they're doing in China is called Sesame Credits, where if you do things that are good for the community, you earn credits that will give you certain benefits. For example, if you coach your kid's soccer team on the weekend, you might be able to get your father the best healthcare. I asked a Harvard professor, "Have you heard about the Sesame Credits?" I thought he might be enamored of the idea. But he said, "That is completely anti-American, completely anti-individual, completely Big Brother."

**As someone who sits on several boards, do you sense that corporations are sincere in saying they're looking out for all stakeholders? Is it just talk or has there been a real shift?**

It's 100 percent the case. Companies that do not take onboard these fundamental shifts are not going to be around for long. The imperative is not just coming from regulators or even investors. Our customers and colleagues demand it. They expect good behavior.

The communities in which we operate expect good behavior. If you want to compete and thrive in business in the 21st century, you have to have this agenda front and center. How are you serving as a good citizen? How are you contributing to the broader function of society?

Dare I say it's sometimes a difficult shift, not because people are unwilling, but because we're asking companies that have been incredibly successful to change their approach, to innovate, to see how they can best deliver their products and goods and services in a world where the parameters have moved.



All four of Ms. Moyo's books made the New York Times Best Seller list: *Dead Aid*, *Winner Take All*, *How the West Was Lost* and *Edge of Chaos*. The last, released in 2018, addresses popular uprisings in a period of anemic economic growth and widening wealth inequality.

**DAMBISA MOYO**

Economist and author Dambisa Moyo is a Board member of Barclays, Barrick Gold, and Chevron. She holds a Doctorate in Economics from Oxford, and a Masters from Harvard.

KEVIN HELLIKER is Editor-in-Chief of the Brunswick Review and a Pulitzer Prize-winning journalist, based in New York.

**Do you see any momentum toward increased female representation on boards?**

I am quite optimistic about that. The intellectual argument was settled a long time ago. Our customers are diverse, our regulators are diverse, our investors are diverse. It's mad to have a board that is not diverse enough to reflect those different communities, ways of thinking, historical contexts, *et cetera*. It's critical to whatever it is we're selling.

On a very micro level, I receive the National Association of Corporate Directors daily information on board shifts, and they have a breakdown right in the top, by women and men, and those numbers show that we're moving in the right direction. Are we where we need to be? Of course we're not. But 10 years ago, I was the only woman on the boards where I was serving. Today, in some cases, nearly half of the board members are women.

There are also a lot of initiatives around bringing Latinos, Asians, blacks into the boardroom. International companies are bringing international people. If you have half of your revenue coming from outside of the US, you might want to have some board representation from those regions.

**You've said that one of your frustrations is the reluctance of some managers to offer constructive criticism. How do you address that?**

I have realized that the onus is largely on me. If people feel that I am aggressive or don't take feedback well or that I might get angry or I might sue them, then they're less inclined to give that feedback.

If you're an athlete, if you're Eliud Kipchoge trying to run the first marathon under two hours, you know exactly how well you're doing and how much faster you have to get. I try to lead my professional career in that vein. I try really hard to get people to give me as much critical feedback as possible.

If you make mistakes, you want people to call you out on that, in a constructive way. It is very helpful if people say, "You're not good at this, but here are three ways that I think you might get better." I'm not saying it's easy. It's why Thanksgiving and Christmas are notorious for family blowups, because nobody wants to take feedback, nobody wants to give it. Feedback can be hard and horrible, but it has to be critical if you want to get better.

**Do you have an athletic goal?**

I would love to run a sub-five marathon. If I could do sub-four-and-a-half, that would even be better. My best time, 5:18, was at the London Marathon.

**B**EFORE #METOO OR #BLACKLIVESMATTER, there was #barcamp. On August 23, 2007, less than two months after the first iPhone was released, Chris Messina, a designer and developer working in Silicon Valley, tweeted “how do you feel about using # (pound) for groups. As in #barcamp [msg]?”

Alongside the tweet (BarCamp referred to a technology conference Mr. Messina helped organize, one that has since been held in 350 cities around the world), he posted a blog about how the technology could work and created mockup designs of how it might look. The post ended humbly, acknowledging the idea wasn’t perfect, but that “the beginning steps look somewhat promising and workable.” Two days later, a fellow technologist offered a catchier name for Messina’s idea: hashtag.

In July 2009, roughly two years after he’d suggested the idea, Twitter took steps to allow the symbol to function as it does now, and as it does on every major social media platform: linking the symbol to the word and making it searchable.

alternative view for curmudgeons who grimace at hashtag finding its way into the Oxford English Dictionary and our daily conversations.

#### Where did the first hashtag come from?

In 2007, about a year after Twitter had started, the first South by Southwest Festival – the tech conference in Austin – was held and people were tweeting about it. People who didn’t go to SXSW were annoyed that their Twitter feeds were full of all of this garbage that they didn’t care about.

I knew that a lot of the behavior and activity on the web at the time was about group formation, so it seemed one solution would be to force everyone who wanted to talk about SXSW into a group.

The problem was no one was going to do that. You try to corral humans and they’ll resist on principle. We needed something that was easy, that was opt-in, that people would have some sort of economic incentive to use – and of course, that incentive typically is vanity. You want to be seen, right?

Blogging was the primary social activity then. You

# #CREATOR

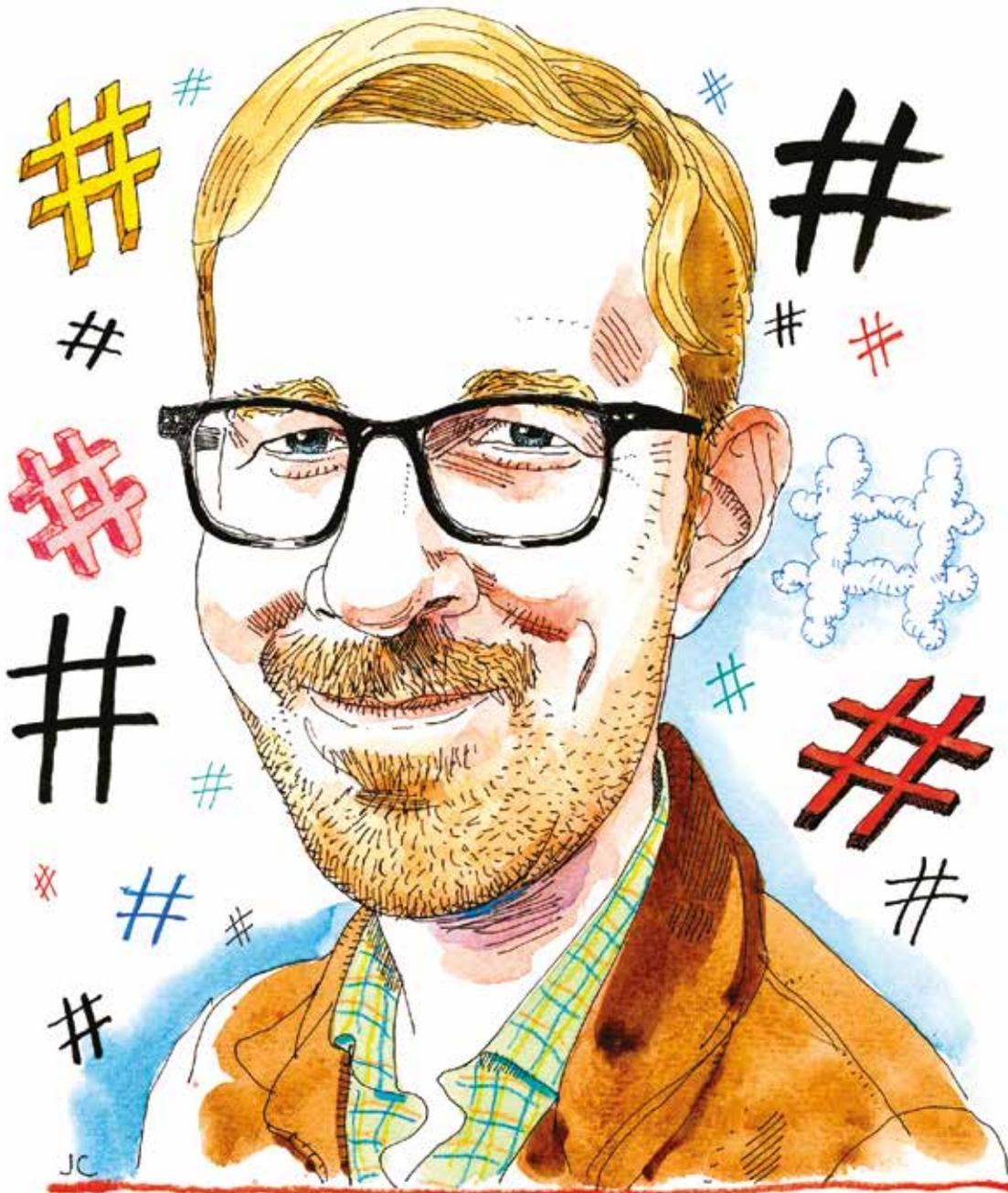
The man behind the hashtag, **CHRIS MESSINA**, talks with Brunswick’s **EDWARD STEPHENS**

Mr. Messina went on to work for some of Silicon Valley’s biggest names – Google, then Uber – and recently co-founded Molly, a technology service that “cleverly answers questions about you based on what you tell her and the social media you share with her.” His creation, the hashtag, has provided the prefix and rallying cry for social movements across the world – #IceBucketChallenge, #MeToo, #BlackLivesMatter, #BringBackOurGirls – and has transformed the way we write, search for, and discover conversations online.

In a recent conversation, Mr. Messina told Brunswick how the hashtag was more of a “slow hunch” than a eureka moment, and inspired by practicality as much as politics. He also offered an

had Blogger, for publishing things that looked like articles, and Flickr, which was essentially a photo blog. If you could teach people to add labels to their content, just like you did on Flickr, where you’d add tags to your photos so that people could find them, then you could add tags to your content on Twitter.

There were two other important features at the time that don’t really exist in the same form today. One was called *track*, which allowed you to create a kind of Google alert for a word on Twitter. Any time that word was mentioned, you’d received a notification. The other was Internet Relay Chat, or IRC, sort of like chat rooms, and each chat room or channel was denoted by a pound symbol as a prefix, and then the name of the channel.



So the behaviors were relatively straightforward; I brought them together. It was pretty easy to explain how to use it. And more importantly, it was sort of an open-source behavior: When you saw someone doing it, you could emulate their behavior, or you'd figure it out pretty easily. And it was important that the hashtag would work anywhere you could write text, and people couldn't remove your hashtags.

**You say that its "open-source behavior" was important. Why?**

It provides context to what we were trying to do at the time – and when I say "we," I mean there was a community of technologists, people building social software, in San Francisco in particular. We had a

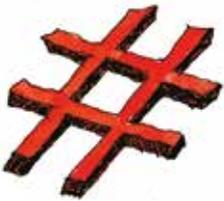
bunch of libertarian ideas about how the internet should be built to enable speech, coordination, communication, and expression. I think people forget that some of the tools and technology which allow that today simply weren't there when we started. A lot of what social media was, the role it could play, whether it would even be useful – that was being debated at the time. We didn't think Twitter was going to succeed; people didn't know what it was for. They just thought it was stupid navel gazing.

**Did you save any of the most pointed comments or critiques to your idea?**

Oh, yeah. People really hated it. They said, "Chris Messina uses way too much jargon in his tweets,"



The comedian and late-night talk show host Jimmy Fallon (above, left) parodied the conversational use of "hashtag" in a skit with the musician Justin Timberlake. Since its release in 2013, the video has had more than 32 million views on Youtube. In less than two minutes, the pair say "hashtag" nearly 50 times, making the pound sign with their fingers every time they use the word. Mr. Messina joked about the number of times friends and colleagues had sent him the skit.



**CHRIS MESSINA**

Chris Messina, the creator of the hashtag, is co-founder of Molly, a service that allows people to ask questions, and that automatically responds using information from your social media profiles. He formerly worked for Uber and Google, and co-founded BarCamp, a technology and web event that has been held in more than 350 cities.

**EDWARD STEPHENS** is Deputy Editor of the Brunswick Review, and based in New York.

and, "What is this crap?" There were traditionalists who just thought it was an abuse of language. All that was there. And I thought: that's cool. What is it that you feel isn't effective about this idea? What's your alternative? How else can we solve this problem in a way that's elegant, and accessible, and doesn't require people to think too hard?

**People probably assume the creator of the hashtag is worth billions of dollars.**

I wish.

**But aside from the recognition, how have you benefited from creating the hashtag?**

A lot of people have the same perception: "Oh my God, you created this thing, you must be worth so much money." And the truth is I can sort-of-mostly pay my rent.

I've been asked, "Why didn't you patent it?" and it's because I saw it as a way of shaping thoughts, and it's important that thought remains free. That idea would be imperiled or hindered had I tried to assert some type of ownership over it.

Creating products and technologies that invite participation, that actually support participation – that intention has come true in a way that clearly hasn't happened in other parts of social media. Not that I'd call all uses of the hashtag positive, but many of them are.

Maybe I could clamp it down and still make some money and it'd be fine. But that wasn't my goal. I wanted to build an open-source concept that no one could really own, and that once the behavior was learned and documented, anybody would be able to use it without requiring permission from me.

When I think about dividends that I get from this, it's more about the cultural dividends, propagating a more open and inclusive culture, even if it's challenging at times, like when I think, "I wish I was as cool as the people using these hashtags," or, "Oh my God, the Alt-Right is using hashtags."

**Has the hashtag been a mixed blessing for you? Is there a fatigue that comes with being known as the creator of the hashtag when your career has been much more than that?**

No, because it's a jumping off point. And I think it's at once relatable yet inscrutable – magical even.

One of my best experiences in this was talking to a group of teenagers – I think a friend's kids or younger siblings – and my friend casually introduces me as the inventor of the hashtag. And they're like, "Yeah whatever, old man." And I told them to Google

"hashtag inventor." And when my face came up, their faces dropped.

It's sort of like meeting the person that invented the steering wheel, you know what I mean? This is such a perfunctory thing that's part of my everyday life and there was a person behind it?

There was a world where there were no hashtags and then suddenly – you'd think it was suddenly, but it was really 10 years – hashtags are everywhere. And I lived through that. I saw that process. I saw my friends build companies like Wordpress and Instagram, and I happened to contribute this interesting, small little hack on language.

**People now say "hashtag." What's your response to those who grimace when they hear it, or characterize it as the erosion of language?**

It's funny because I've been part of conversations where people actually don't know my connection to it and they will just use spoken hashtags ironically, and I obviously giggle a little bit inside.

On the one hand, it's incredible. I didn't come out to Silicon Valley with any sense that I might contribute something that would become part of the vernacular. You might dream, "well, wouldn't it be amazing if...?" and then you go back to your day job.

But for an older generation observing what seems like the deterioration of language – I would look at that differently. I think we're seeing shifts in how we communicate that are really interesting and meaningful. It's an expansion of language.

You have a thought in your mind and you want to put that thought into someone else's brain – how do you do that? Language. And you can tweak it to express something new. That's what the hashtag does, it tells you, "This word in this context is important. It describes what I'm talking about."

For a long time, we used computers to express ourselves in very direct, rule-based ways – rules that came from centuries of printed text. Today, young people are learning to communicate within the basic constructs provided by a QWERTY keyboard on their phones, and yet are able to speak in a language, and manipulate a language that probably wouldn't make sense to you or me – they're removing vowels, adding multiple periods, things like that.

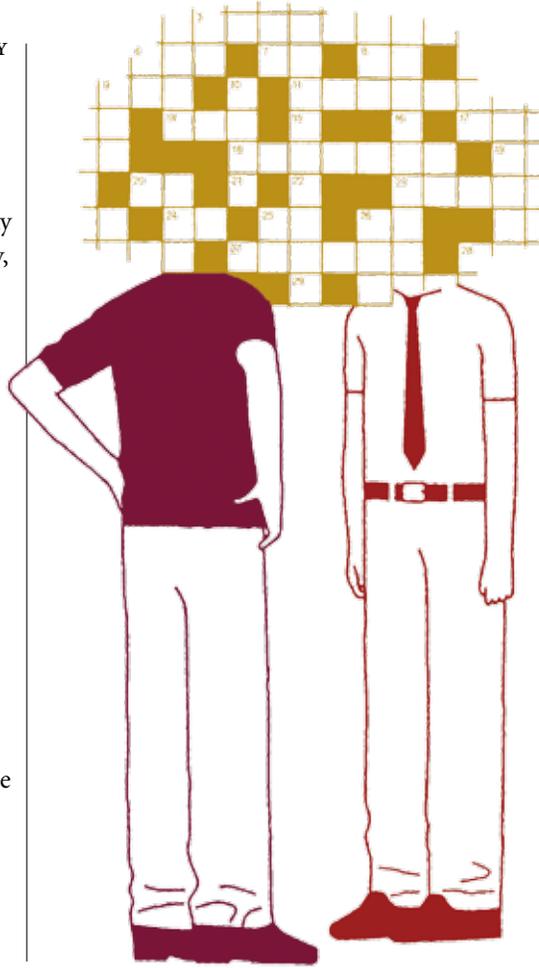
We're starting to see how fast language can be manipulated to become more expressive. And this evolution is happening before our eyes, an evolution we couldn't see before because it was so slow. We're seeing the mutability of language, and how it allows us to adapt in ways that we probably don't even fully understand or appreciate yet.

**I**N THE EARLY 20TH CENTURY, A GROUP OF MAINLY British and American philosophers launched the “linguistic turn.” They tried to ground long-running problems of epistemology and metaphysics in the logic of language and, in the process, to dissolve the discipline of philosophy as it had been known since Descartes. Inadvertently, these thinkers also laid the groundwork for the new – and more delightful – field of corporate communications.

Philosophy has a long tradition of transforming itself. Enlightenment thinkers tossed out natural philosophy in favor of physics; 20th century thinkers ditched philosophy of mind for psychology and cognitive linguistics. Less well understood is the subtler shift from philosophy of language to public relations.

Just as the Hellenics could not answer the questions raised by Newton, the theories of Frege, Popper and Russell seem ill-equipped to answer the timeless question, “How do I get my story in the paper?” Their work nonetheless set conditions for the eventual triumph of Parker, Ogilvy and Sard.

In this essay, we examine three ways in which philosophy of language has influenced modern communications, and, in turn, how public relations is, humbly speaking, the philosophy of our age.



# LANGUAGE GAMES

Brunswick’s **ALI MUSA** and **SAM WILLIAMS** lampoon philosophy’s influence on PR

## SEEKING CORRECTIONS ... AND THE USE-THEORY OF MEANING

The “linguistic turn” brought new rigor to a field preoccupied with invisible forces, different types of ghosts, and other occult residue from Hegel and Schopenhauer. Analytic philosophers applied the parsimony of symbolic logic to most philosophical problems and exposed them as either illusory, or as better addressed by science or art.

Take WVO Quine’s argument from, “The Two Dogmas of Empiricism”: There are no perfect synonyms; therefore, universal truths do not exist.

This is paraphrasing.

Quine argues that unconditional truths – as opposed to contingent truths verifiable by experience – depend on synonyms (e.g., all

bachelors are unmarried men). Philosophers since Aristotle had largely held that the meanings of words are immutable. However, Quine claimed synonyms are in fact indeterminate concepts, whose meanings change in different contexts. If philosophy since the Greeks was a building, unconditional truths were the bricks, and synonyms, the faulty mortar.

The implication is that the meanings of words should be understood by their use. This is important to remember when seeking corrections from journalists: Meaning does not exist beyond implicit social agreement on how to use words.

Ludwig Wittgenstein called these agreements “language games.” If a game, that game would be KerPlunk. An entire latticework of meaning can crumble if one pulls on the right straws. Consider this newspaper statement about your client:

“The company’s third-quarter earnings missed market expectations.”

A dilemma. Call the client, calmly explain the tenets of classical empiricism and the verification theory of meaning, and brace for a firing? Or seek a correction so absurd it may challenge our shared notion of reality? Grabbing the second horn of the dilemma could get you gored, but it could also land you a promotion.

You dial the news desk.

**You:** I read your piece with interest. I noticed that in the opening paragraph, you argue proposition (*P*)...

**Journalist:** Argue? It’s a statement of fact.

**You:** It is normal for you, in your ordinary language, to confuse a belief statement with a fact about the external world, but an appeal to formal logic will set you straight.

**Journalist: ...**

**You:** Your predicate “missed market expectations” refers to a social construct of questionable authority and fluid definition. These expectations are part of the observed set *e* and possess property *h* (for “high”). However, they do not exist in the world in the same way as “the brown dog” or “the green tree.” Rather, *e* exists more like Sherlock Holmes exists, as a fictitious character. In a sense, you’re benchmarking the company’s earnings to a fiction.

**Journalist:** These are the expert analysts we customarily reference.

**You:** So you agree that your argument is based on custom and habit?

**Journalist:** They use audited data.

**You:** Which brings me to my next point. Your subject, “The company’s third-quarter earnings” is based upon contemporary financial theory. However, Kuhn’s conception of paradigm shifts shows that even the most established scientific theories can change. Your talk of “earnings” might make sense now, but so did talk of “phlogiston” by 18th century chemists and, *mutatis mutandis*, “demons” by St. Augustine. Look, I know you don’t want your work to be ridiculed in a generation’s time. That’s why I’m here to help you. I propose, replacing (*P*) with:

(*P*) The company’s third-quarter measure of virtue did not, at the exact moment of this publication, coincide with the fiat-statements of a self-appointed committee of fortune-tellers.

**Journalist:** I – I can’t find any holes in your argument. I suppose I’ll make the correction.

**You:** You’re stepping out of the cave, sister.

This is  
important to  
remember  
when seeking  
corrections  
from journalists:  
Meaning does  
not exist beyond  
implicit social  
agreement  
on how to use  
words

## CONTAINING LEAKS ... AND PERFORMATIVITY

In his 1962 classic, *How to Do Things with Words*, JL Austin introduced the concept of the performative utterance. Austin argued that “truth” can only be attributed to descriptive phrases, like “the cat is white,” or “fourth-quarter earnings are up.” There are, however, certain phrases that correspond to reality, yet which cannot be properly described as true or false because they are not descriptions of the world but rather *events* that take place in it (e.g., “I now pronounce you man and wife”).

Austin’s concept is helpful when dealing with reporters seeking to confirm a sensitive leak. If the reporter has solid sources and traps you on the phone, you face the challenge of not confirming the story while still preserving credibility. You could, of course, fire off some tepid belief statements such as “I don’t think this is a story” or, more pathetically, “I believe the deal will go through.”

On the other hand, you can confidently evade a journalist by using performative phrases, such as “I claim that this not a story,” “I bet you the deal will close,” or, more desperately, “I hereby marry you.” These are not descriptions, but acts, and therefore cannot be judged for their truth or falsehood.

More importantly, they are uninteresting acts. Unless you’re a celebrity who happens to work in communications, chances are your proclamations, wagers and nuptials will not make the headlines; and, in this case, neither will the leak.

## TREND-JACKING ... AND SENSE VS. NONSENSE

What constitutes a good business? The definition has changed over time. Gone are the days when the merit of a company consisted in the scale of its South Sea empire or the number of union organizers it arrested. Being a good company now involves a more prosaic range of factors: creating shareholder value, being sustainable, treating staff well and sticking to strategy.

But pointing to sound basics is increasingly not enough. To be truly liked, businesses must also make public declarations of value, above and beyond profits and margins. Almost every company now seeks to “save the environment,” “champion social justice,” or “make the world a better place.” Can they?

Despite its chilly demeanor, Wittgenstein’s 1921 *Tractatus Logico-Philosophicus* was a savage masterpiece. It targeted a calcified philosophical establishment which, Wittgenstein thought, was more concerned with grandiosity than meaningfulness. The *Tractatus* attacked the dominant philosophical traditions not by rebutting

their arguments (as less ambitious philosophers might), but by showing them to be essentially meaningless: “Most of the propositions and questions to be found in philosophical works are not false, but nonsensical.”

For Wittgenstein, reality consists in “facts,” facts consist in “states of affairs,” and states of affairs consist in configurations of “objects.” He also said that the best and most meaningful thoughts and propositions are pictures of reality (NB: The *Tractatus* exhorts clients to invest in compelling infographics). To be meaningful, statements must depict, through the frank logic of grammar and vocabulary, the sliver of the world being discussed.

The *Tractatus* showed assertions about value (and other metaphysical concepts) to be nonsense. Meaningful language depicts the world – which, in Wittgenstein’s view, is constructed austerely from objects and their logical relations. Where can values and concepts like “justice” fit into this sort of language? They do not, because justice isn’t an object, there is no configuration of objects which would amount to it, and there is therefore no proposition which could describe it.

Wittgenstein concluded that there are some things you can speak about, and others you can’t – indeed mustn’t – if you don’t want to be guilty of nonsense. “The CEO saved a brown cat” might be an acceptable statement in this view. However, even if the CEO saved one million cats, under no circumstances has “the company made the world more just,” or at least not in a describable way.

Take the weary communications adviser, listening to a client explaining once again why their recondite product makes the world a more just place – and asking for that to headline the next press release:

**Client:** Our paper clips make the world a more just place, and we want to build our communications strategy around that fact.

**You:** [Staring blankly out the conference room window] I could nod dutifully as I usually do, treasured client. But given it is Friday afternoon, I will refer you instead to the final line of Wittgenstein’s *Tractatus Logico-Philosophicus*: “Whereof one cannot speak, thereof one must remain silent.”

**Client:** I beg your ...

**You:** It means, “shut up.”

#### POSTSCRIPT: THE NEW DOGMA OF PR-ICISIM

Where ancient philosophy was concerned with objects and modern philosophy with minds, contemporary philosophy has dealt with words.

**ALI MUSA** is an Associate for Brunswick in San Francisco.

**SAM WILLIAMS** is an Account Director in London. Both hold undergraduate degrees in Philosophy.

But nowadays, “philosophy” does not deal with much of anything. Language philosophers largely succeeded in blowing up post-Cartesian thought – universities no longer hire many metaphysicians, or many philosophers for that matter.

Our world is very different to that of Socrates. But logical thinking and precise language still have a special power to explain problems and overcome them. Experts can clarify what we say, help us understand what we really mean – and thereby identify what, if anything, we need to do.

There is no doubt that corporations today are great engines of human advancement, generating wealth, funding research and encouraging policy. They are entirely appropriate subjects of cultural dialectic, in the press and elsewhere.

It necessarily follows, via *modus ponens*, that the most useful role of philosophy in our age is to advise corporations. To advise them at their most critical moments – financial situations, crises, and the like – particularly on how they use language to communicate, or “relate,” their news to the public.

## A CALL TO DECENCY

**LUDWIG WITTGENSTEIN** (1889-1951) is regarded as the philosopher of language and decency. The Austrian eccentric found journalists despicable purveyors of “dangerous phrases such people use for their own ends.” No doubt he would have a dim view of public relations.

It is easy to view PR as a corrupt and irrecoverable use of language. That negative view could be offset with some Wittgenstein decency.

**FIRST**, words are only adequate if they are correctly used, clear, exact and simple. Present things as they are. Change nothing but the way we look at things, “which changes everything.”

**SECOND**, have usefulness (for your audience) in mind. Words must connect to life and everyday language, and must be truthful, rather than manipulating. No PR-isms, jargon, spinning ... stay away from the dark side.



**THIRD**, showing and doing are much more important than saying. Behavior is the unavoidable prime form of communication. For his second book, Wittgenstein intended the motto, “In the beginning was the deed” (from Goethe’s “Faust”). This should translate into responsible behavior toward all stakeholders.

**FOURTH**, don’t run against the barriers of language: Ask yourself, is this necessary? Is it sensible to the audience? Cut out the “bosh” and “chatter.”

This last is important in our time, when the flood of reckless and unnecessary

language has become excessive – infinitely more than Wittgenstein could have imagined when he warned against technology’s negative effects on humanity.

His only complete work, *Tractatus*, has a cult following among students of philosophy. But in a letter to a publisher, Wittgenstein stressed that most didn’t understand that “the important part is what I don’t say.”

Wittgenstein wanted society to be populated by people “who think for themselves,” rather than follow social order or philosophical schools. He needed us to finish his thoughts, as relevant to our needs.

It’s a calling, really: aspiring to live responsibly and consciously, through words. As communication professionals, it’s our calling.

**RONALD SCHRANZ** is a Partner at Brunswick and Head of the Vienna office.

**A**MONG YOUNG INDIANS, AWE AND admiration run deep for technology entrepreneurs. So there's palpable respect in the classroom when the lecturer is Jaithirth Rao, an IT baron in India.

Drawing from a career that included decades in banking, Mr. Rao lectures at the Indian Institute of Technology in Mumbai, a tough-to-enter academic beacon in India.

On this day, Rao is giving a brisk lecture on China and globalization. His tone is knowing and vernacular; his language closer to the street than scholar – the reverse of his appearance – and mercifully free of the Harvard Business School franchise of business English. An enemy of jargon, Rao quotes English poet W.H. Auden, who said “the duty of a poet is to keep faith with words, don't let words get corrupted.”

Rao happens to be a published poet, which makes him an outsider in India's clubby management circles. Many contemporaries have written books, typically about their own self-improvement or improving India. One bestseller became the blueprint for India's digital economy. But most are self-absorbed meanderings of careers well-traveled and well-rewarded. Few seem to have looked beyond their résumé for inspiration.

The running theme of Mr. Rao's poetry is exile, which in one of his own verses he describes as “a condition of the skin.” Mr. Rao lived and worked for 25 years in “multiple layers of exile” in the Middle East and North and South America. Nor was there respite when he returned home. For him, the mother of all exiles is Bengaluru (also known as Bangalore), India's IT capital whose emergence as the world's tech back-end was the very cause of his overseas postings. Now back in Bengaluru, he still feels rootless. “It's a new type of exile in (my) homeland,” says Mr. Rao.

His literary passions are well known in Indian business circles. A reporter for India's Economic Times declared after visiting Mr. Rao in 2012 that the CEO should win an award for the volume of books in his office. “From literature to management to history, they're crammed on shelves, strewn on the sofa, stacked up on the centre table.”

Mr. Rao, 66, universally known as Jerry, did not set out to be a pioneer in Indian IT. A classical schooling in Madras and professional education at the elite Indian Institute of Management, one of the schools where he now teaches, led to a peripatetic two-decade career with Citi. After

landing among the bank's top 50 managers worldwide, he accepted a role to seed Citi's proprietary IT services unit. Based in California, the venture offered a bridgehead to India, a time-zone separation that would nourish Rao's poetry.

This was in the late 1990s, the era that saw the rise of the India offshore services model, where a client in the US has technology back-end in India, joined by a technology supply chain that would transform paper-intensive activities. Bengaluru blossomed. Wall Street, an early and aggressive outsourcer, reaped the efficiencies. Business schools celebrated the model in case studies.

In this climate, the 20-year Citi manager was perfectly positioned to turn entrepreneur. The result was MphasiS, an IT services and call center company. A decade on, the company sold to EDS, which acquired a majority stake for \$380 million.

Throughout, Mr. Rao found time to write, his professional movements across borders strengthened by a detachment that yielded essays in magazines and eventually a published anthology of poems, entitled Gemini II. His move back to India and experiences creating MphasiS saw Mr. Rao develop an approach to communications at odds with the orthodoxy.

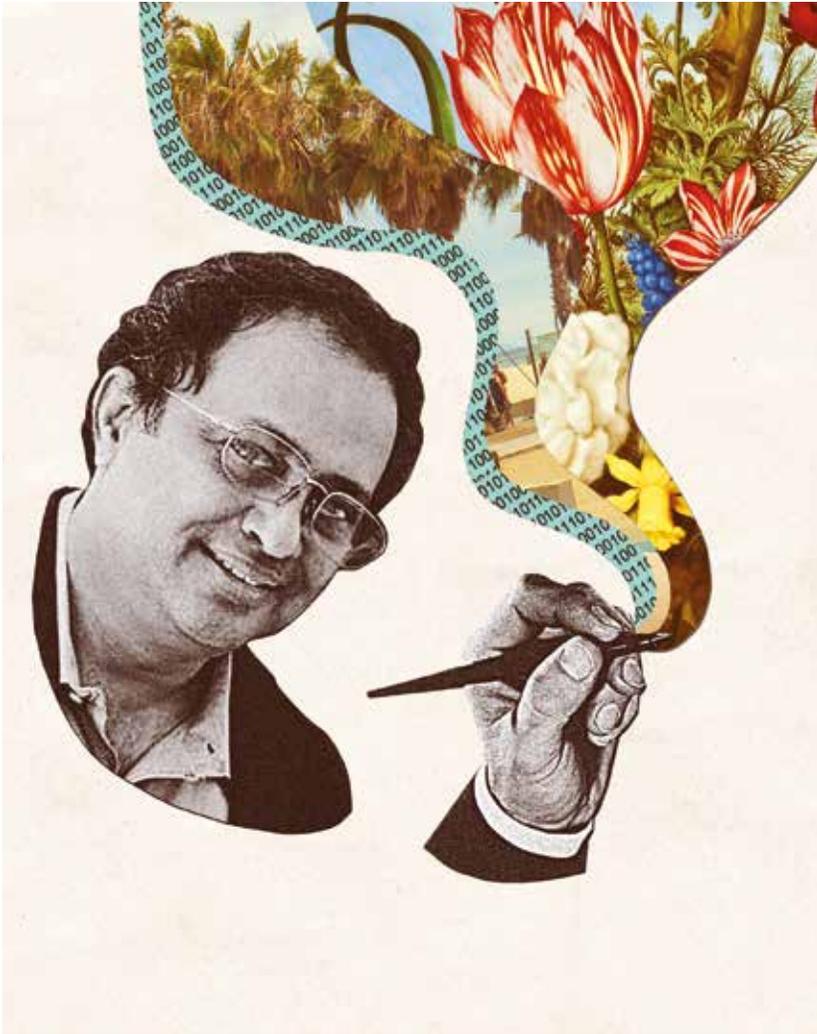
At Citi, “people spoke in jargon because they were part of internal cults and cults have their own language,” he says. But they spoke like that because “they were afraid or wanted promotion.”

# AUDEN IN

Mr. Rao is remembered by Citi lifers for a presentation he gave that, in communication terms, spoke a new language. Rao presented an image of India containing 16 European countries (the EU at the time), to illustrate India's complexity and opportunity; on another slide, he showed images of bicycles (recreational in the US, essential transport in India) parked outside a factory and motorcycles outside the same factory years later, again to illustrate the potential for (Citi-funded) growth at the factory. There were no bar charts or graphs, yet the Citi-lifers were stunned by the clarity of communication.

## JAITHIRTH RAO

Founder and former CEO of IT services company MphasiS, Jaithirth “Jerry” Rao founded Value and Budget Housing Corporation (VBHC), an affordable housing venture, in 2010, where he is currently Non-Executive Chairman. He is also a founder and former Director of HomeFirst Finance, focused on helping first-time home buyers. His book of poetry, *Gemini II*, is published by Penguin India.



# EXILE

Mphasis founder and former CEO **JAITHIRTH RAO**, a published poet, tells **KHOZEM MERCHANT** of his fidelity to words

As the founder-boss at Mphasis, Mr. Rao had a different audience: brilliant, young, computer engineers, like those he teaches in Mumbai. Their English – the language of global IT – was typically the product of a technical education, not the literary one that had groomed Mr. Rao. They were precociously vulnerable to business jargon, which in its gross conceit creates “dishonest exaggerations,” he says.

The Indian IT sector and the expectations of its ambitious community of IT engineers were still maturing. After years of strong growth, hard times followed in 2001 with the dotcom crash.

ILLUSTRATION: LINCOLN AGNEW

When Mphasis was forced to announce cuts in salaries, Mr. Rao was prepared.

“Plain speaking: If you want respect from educated technical workers, you have to go back to Auden.” The plain speaking, he insists, contributed to attrition levels below the industry norm.

Mr. Rao’s other tool of language was a fat schedule of off-sites and other direct interactions with staff at Mphasis to ensure his message would be heard – literally providing vocal leadership.

While his current venture is in low-cost housing, Mr. Rao says he watches the quality of language at the successor to IT services, e-commerce, and sees even more democratization of words and usage.

“These guys will not be able to duck behind phraseology like traditional businesses did; they will have to say, ‘Sorry, we screwed up,’” he says of the start-up culture that has seized young Indians, attracting \$13.5 billion in investments in 2017.

Mr. Rao is obviously both passionate and respectful of words, which has helped him stem the spread of jargon in his own professional spheres. He has revealed, for instance, that in meetings his mind often drifts to Shakespeare, away from, say, Ram Charan (a popular Indian management guru). In another tilt against orthodoxy, Rao sees the Bard as an undiscovered management guru, whose smart thinking on team management and leadership runs through what were otherwise thought to be just great works of literature.

**KHOZEM MERCHANT**, former President of Pearson India and a correspondent for the Financial Times, is a Partner in Mumbai and leads Brunswick’s India business.

## “WINTER OF DISCONTENT” (excerpt)

*Between menstrual moons  
and the fear of a haunted  
tomorrow,  
we discover, rediscover  
the warmth of lips, hands,  
and soft wounds of silence.*

*Alone in exile,  
among unfamiliar fears  
androgynous lies  
decapitated pride  
we would have perished.*

*Together, we have touched  
winter in a foreign land  
and now together we watch  
a tepid spring set in.  
Fears still linger amidst*

*the million knots  
in our intestines,  
but together  
we know  
that beyond fear  
beyond pride  
beyond humiliation  
east of sorrow  
and south of anger  
there lies a land  
a country that wayfarers  
gypsies, wounded men  
can call home.*

*From out of the cold  
towards that home  
our journey begins.  
– By Jaithirth Rao*

# MAKING LOVE

ARTIST ROBERT INDIANA SPENT 10 YEARS ON projects that led to the creation of the “LOVE” sculpture, during which he explored individual words as “a fit and viable subject for art.”

The American artist, who died in May at the age of 89 in his home on the island of Vinalhaven in Maine, said the use of isolated words was inspired in part by old wooden beams he found near his studio on the East River in Lower Manhattan. Quoted in the journal *Art Now: New York* in 1969, he said the beams looked to him like stelae, which in ancient societies would bear inscriptions. These, however, had “the breadth to bear just one word, such as ‘Moon’ or ‘Orb,’ or ‘Soul’ and ‘Mate.’”

He was also working with elemental shapes – circles and squares, the latter divided into quarters. The “LOVE” design drew on all these preoccupations: The quarters of the square are each occupied by a single letter, “as compactly and economically as possible, but with my interest in the circle still called to mind by the tilted ‘o.’” The

design was created in 1964 as a Christmas card for the Museum of Modern Art in New York.

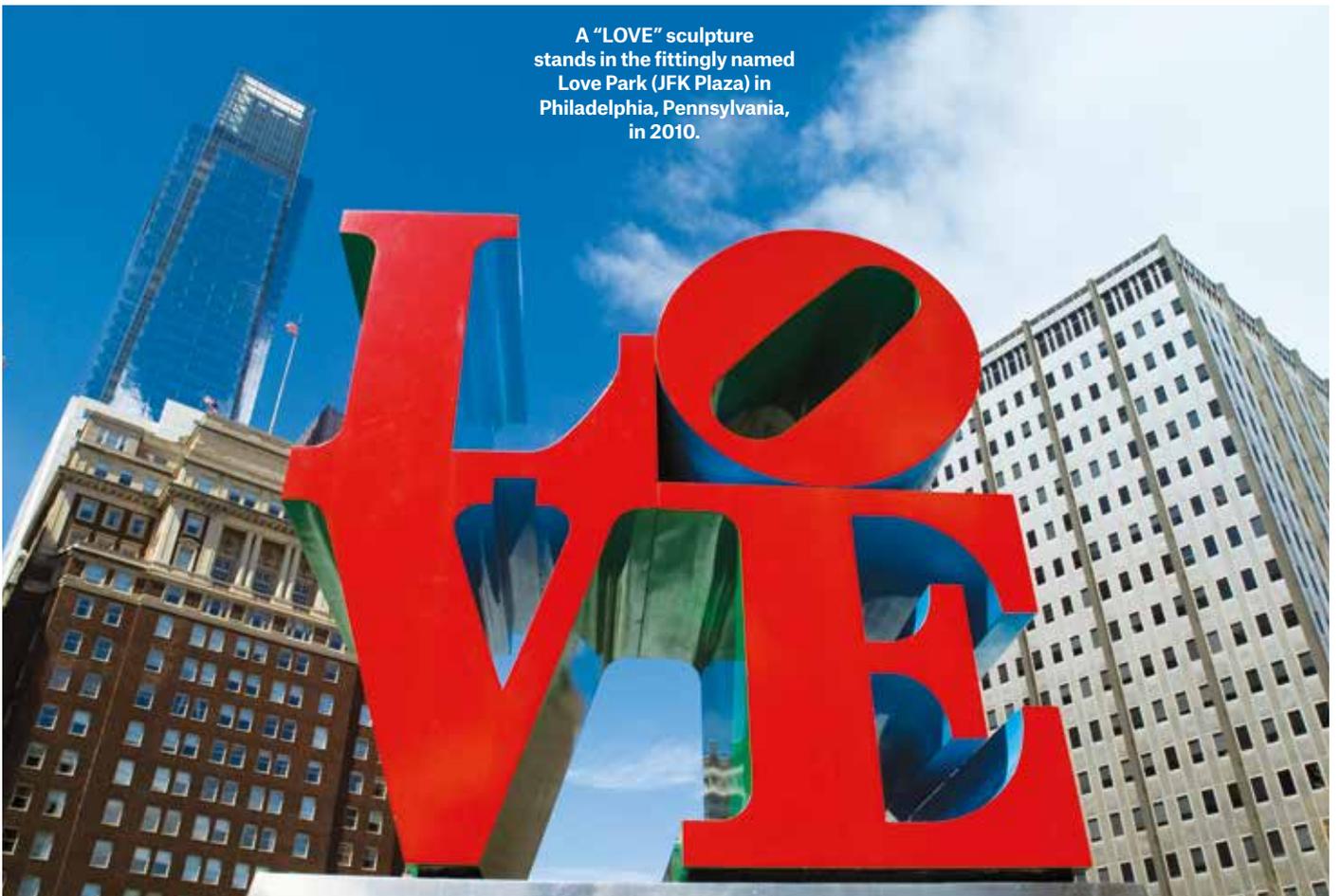
The design’s popularity rose through the ’60s and ’70s, as the global youth culture and anti-Vietnam War movement latched on to the word “love” for its complex message of idealism, nonviolent protest, compassion and sexual freedom. The year 1967 was the “Summer of Love” – a hippie high-water mark. On the radio, the newly released Beatles’ hit “All You Need is Love” provided a soundtrack.

Born Robert Clark, the artist adopted the name “Indiana” from his home state and, in 1970, he created the first metal “LOVE” sculpture for the Indianapolis Museum of Art. It stands 12 feet square and 72 inches thick. Others have since been installed in New York, Philadelphia and other North American cities as well as Europe and Asia. Sculptures of translations, including into Hebrew and Chinese, have been made.

In 1973, the design’s significance was blessed by no less a cultural authority than the US Postal Service, which put it on a stamp.

**CARLTON WILKINSON** is a Brunswick Director and Managing Editor of the Brunswick Review, based in New York.

A “LOVE” sculpture stands in the fittingly named Love Park (JFK Plaza) in Philadelphia, Pennsylvania, in 2010.



PHOTOGRAPH: RICHARD LEVINE/CORBIS VIA GETTY IMAGES

Follow the wisdom of the Grammar Guru at the peril of losing your audience, says The Economist's **LANE GREENE**

# A Close **READ** of Rules

**I**N THINGS GRAMMATICAL, ONE OFTEN HEARS the complaint about the language slouching toward a lowest common denominator: teens, text-speak and Twitter ruining our collective ability to string a noun and a verb together. But in corporate language, we often see the opposite effect: an impossibly high common denominator.

I mean this: Every office has a Grammar Guru, either officially or unofficially an editor of things that go out in the company name. This is often the only person in the building who can define a subordinate clause or use *whom* with confidence. Everyone else fears a Grammar Guru, who gets away with almost any changes to copy because no one else can refute their arguments.

But there's a countervailing desire when companies communicate with the world: to sound human. There are a lot of usages in English that show a distinction that Geoff Pullum, a linguist at the University of Edinburgh, calls Normal versus Formal. We all know that there are more relaxed and more buttoned-up ways to say certain things, like *it's* versus *it is*, and that both are acceptable. But there are also many cases where people like the Grammar Guru think only the Formal form is right. This can mean that your company ends up talking like its customers never do – and this is a bad thing.

Take *whom*. Yes, it's still used in serious writing. But it's rare in spontaneous speech – a hallmark of Normal. This is why ad copy and other informal types of language, which mimic speech, tend to avoid it. Twitter – by default – recommends “who to follow.” But if you set your account to UK English, you will, for some reason, get “whom to follow.” (In fact *whom* is not used more commonly in the UK, though both Britons and Americans seem to think that it is.) In both countries, *who* is Normal and *whom* is Formal, and in certain circumstances *whom* just looks weird, even when Formally correct.

My employer, The Economist, recently put “Who Cyril Ramaphosa should fire” on its cover. The editors knew that *whom* was traditional here, but couldn't bring themselves to put “Whom Cyril Ramaphosa should fire” there. Though our readers are grammatically astute, not a single letter

of complaint came in. Or take the singular *they*. Editors have wrongly frowned on *they* to refer back to pronouns like “anyone” (anyone who wants to bring their partner can do so) or to a generic person like “a student” (any student who wants to use their calculator may do so). For a couple hundred years, people used his instead, leaving half the human race out of such references.

But singular *they* is even older, first attested in 1375, and appearing in the King James Bible, Shakespeare and especially often in the works of Jane Austen (and in this article's second paragraph: Did you notice?). It is now making a comeback in print, and it has of course long been ubiquitous in speech. Don't let Grammar Guru win this one: Singular *they* is perfectly normal, and acceptable, in any copy meant to sound even a little conversational. And “sex-neutral he” is on its way to the dustbin of history, as it should be.

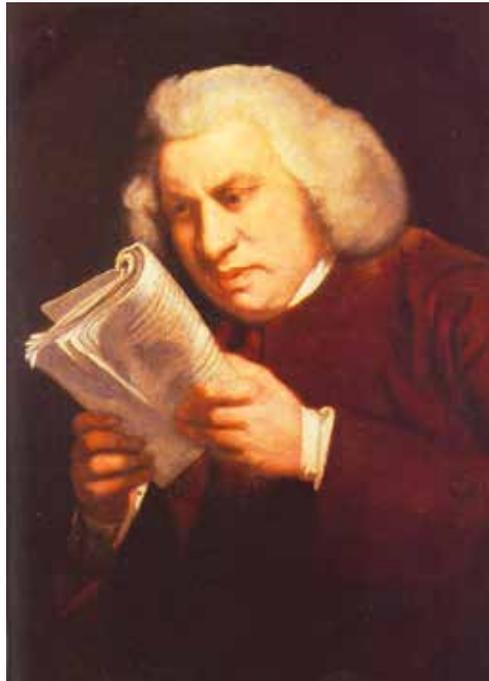
And if your office

Grammar Guru insists on never ending a sentence with a preposition, or never splitting an infinitive, put your foot down. Real Grammar Gurus have always recognized the so-called rules against these to be baseless, from the great H.W. Fowler in 1926 to Steven Pinker in his excellent *The Sense of Style* in 2014. Many elegant writers avoid split infinitives, of course. But those less elegant torture good English into some awkward stress position to avoid these harmless usages.

The point? In order to avoid offending those for whom the highest pleasure is an outraged letter to the editor, too many writers insist on prose that goes against the grain of Normal, the way the vast majority of English-speakers use their own language on a daily basis. Good grammar matters, but so does reaching your audience. Most of the usages above are impeccable, and even letting a judicious *who* in place of a *whom* may be just fine.

If your goal is to make a human connection, use the language your audience does.

**LANE GREENE** writes The Economist's Johnson column on language, and is the author of *You Are What You Speak* (2011) and *Talk on the Wild Side* (September 2018).



**THE ECONOMIST'S Johnson column on language was created by Stephen Hugh-Jones in the 1990s. It is named after Samuel Johnson, the 18th century writer and creator of the English language's first great dictionary. This portrait by Joshua Reynolds shows Johnson's intense concentration and the weakness of his eyes.**



**E**NTER ANY ROOM IN BRUSSELS, and you are likely to hear conversations in a wide variety of languages. Although spoken with every accent imaginable, English dominates. It's the most commonly spoken second language among the vast majority in the EU, and tends to be the natural go-to language for Europeans.

But listen closely and you will soon realize that people in the “Brussels bubble” – those working for and around the European institutions – have developed their very own English dialect. To an English or American ear, conversations in Brussels have a somewhat European flavor, with people naturally accommodating each other's turns of speech and vocabulary.

They include words that do not exist or are relatively unknown to native English speakers outside the EU institutions – often defying standard spelling and grammar checkers. Many are used with a meaning derived from other languages and not usually found in English dictionaries.

## Speaking **in Tongues**

The EU has become a laboratory for a new *lingua franca*, a branch of English shaped by non-English speakers, says Brunswick's **CLAIRE THOMAS-DAOULAS**

“Which actor is in charge of this dossier in the Cabinet?” is a typical sentence in Brussels. The “actor” here can be anyone (person or organization) involved in doing something – not necessarily some stage or screen star. A “dossier” means a policy issue or subject, while the “Cabinet” is the private office of a European Commissioner.

“Eventual” is often used to mean “possible,” and “actual” to refer to something happening now – twisted usages that are inspired by the way similar-sounding words are used in other European languages. In the institutions, many “fonctionnaires” will go on “mission” – translation: Many civil servants will go on business travel. An intern or someone doing a work placement is known as a “stagiaire.” You may also be asked to “SMS” your friend on his “handy,” rather than asked to text them on their mobile phone.

This “Euro-English” no doubt grates on the ears of native speakers. In data protection, a field in which the European Union plays a leading role in establishing standards globally, EU texts use the phrase “adequate level of protection,” in the sense of “equivalent level of protection.” To our American partners, “adequate” sounds like “barely acceptable,” a difference of definition that has led to disputes between the two sides.

Many also argue that the jargon developed in Brussels is another cause for the distance and mistrust of European citizens toward European institutions. The use of idiomatic vocabulary, particularly if it creates misunderstandings, fosters a sense that the EU cannot relate to its citizens.

At the same time, it is worth remembering that the EU is an unprecedented political project that brings together people from 28 different countries, who speak 24 different languages and come from different cultural and historical backgrounds. To agree on a common vision for this project that is the EU, we, as Europeans, must be able to rely on a shared language.

A language is obviously much more than a strict set of rules. It is first and foremost a tool to communicate, one that needs to be adaptable to social contexts. Rather than being formal or static, the English language lives and evolves through its use by people from different backgrounds.

In EU official meetings, everyone is free to speak his or her own language, with official simultaneous interpretation provided. But in a day-to-day setting, in informal conversations between colleagues and friends or even in high-stakes political negotiations, English is the easiest common language, and so is developing into a *lingua franca* with a life of its own.

The EU is an unprecedented political project that brings together people from 28 different countries, who speak 24 different languages and come from different cultural and historical backgrounds

.....  
**CLAIRE THOMAS-DAOULAS** is a Director in Brunswick’s Brussels office, specializing in public affairs.

Until the enlargement of the EU to Eastern European countries in 2004, French and English were spoken to an equal extent by the Brussels bubble. With the addition of eight countries from the East of Europe, with no ties to Roman languages and a cultural proximity to the US, English became much more predominant.

### Impact of BREXIT

There are over 70 million native English speakers in the EU, or about 13 percent of the EU population. With Brexit looming, the EU will lose 65 million native speakers. Yet it is unlikely that Brexit will make English any less important in the EU – in spite of French and German efforts to the contrary.

Too many people use it to communicate for it to be replaced by any other language, at least not any time soon. Thirty-eight percent of Europeans speak English more or less fluently as a second language. Inside the Brussels bubble that figure is much higher. A full 94 percent of secondary students in Europe learn some English as a foreign language. French is a distant second, with 12 percent of European citizens speaking it as a second language; German is third at 11 percent. English as the language of business and diplomacy is too well-established in Europe and worldwide for Brexit to change that dominance.

What Brexit will change is that the British will lose their say in how English is used in Brussels. A near-absence of native English speakers will create more space for Euro-English to flourish. In many situations, English will be spoken without a single native speaker, and any hope that the British could nudge Europeans toward the UK standard will be lost. Europeans will be free to take the language in a new direction.

When using English, EU citizens will be on the same footing: They will be communicating in a second language; no one will hold the absolute truth in how the language is used. As it evolves, the language will be shaped as a true, egalitarian *lingua franca* – sans authority – for a unique political entity.

There are prior examples of this. In each of the UK’s former colonies – India, Nigeria, even the US – a distinct form of English has emerged.

The development of a “Continental English” would take time, and require intense interaction between people who regularly switch between their own languages and English. In the meantime, Brussels and its Euro-English may serve as the laboratory in which this new form of English is created.

**O**N THURSDAY, JANUARY 13, 1972, THE 41ST page of The New York Times carried nothing but opinion pieces from outside contributors. Or at least it looked that way at first glance. But the bottom-right quarter of the page was actually an advertisement. Bereft of images, boasting a bold, eye-catching title supported by 11 well-written paragraphs, the only giveaway it was an ad was the large Mobil logo beneath it.

It wasn't the first quarter-page advertisement to run on the Times' op-ed page – banks had taken out space – nor was it even the oil company's first advertisement in that slot. But the ad was notable because it looked and sounded like its editorial neighbors. It was one of the first "advertorials" to appear in a major newspaper, and it marked the start of one of the most famous communication campaigns to employ them. With the regularity of a weekly column, a Mobil ad appeared in that same bottom-right quarter on the Times' op-ed page practically every Thursday for the rest of the decade.

The man said to be instrumental in writing, editing and placing these ads was Herbert Schmertz, a vice president at Mobil and head of its public affairs department, whom the Washington Post called in 1979 "the most powerful, most successful public relations man in America." Mr. Schmertz passed away earlier this year at the age of 87. The advertorials he helped write appeared in most national newspapers, and remain perhaps his most enduring legacy.

Seldom reusing the same text, most Mobil advertorials followed a similar formula: a punchy headline – "All in favor of unemployment, please rise," for example – the Mobil logo at the bottom, and paragraphs that carried the clarity, confidence, and opinion of an op-ed. While the US grappled with an energy crisis and sky-high gas prices for much of the 1970s, and while oil companies faced sharp criticism from politicians and citizens alike, Mobil used these ads – reportedly paying \$3,500 (\$20,000 today) for the weekly slot – to tell Times readers its side of the story. Mobil defended the profits oil companies were making, lambasted national energy policies, touted the jobs the oil industry created, and reminded people about the development oil powered.

Their brilliance lay not just in the quality of their composition, but in the new approach to corporate communications they heralded. Advertorials bypassed journalists and editors – the gatekeepers of what did or didn't appear in print – and allowed Mobil to make its case directly to the public. Mobil didn't use the space to try to sell a product, but instead remained focused on explaining their point

of view on national – and often divisive – issues. They did so with a look and tone that matched the op-eds alongside, putting the oil giant's arguments on equal footing with the news stories that so often criticized them. And they worked. "He has given Mobil a glistening image, unlike those other companies in the industry," the Post wrote in 1979.

Detractors called the practice dishonest, others called it counter-productive. In 1988, Richard Cheney, a PR executive, said, "To go out and argue with people in public, it's like seeing two people fighting in the street. You're not going to take sides, you just want them to stop."

Mr. Schmertz saw the approach as self-defense. He told the Washington Post in 1979 that "Mobil is looked upon generally as being different from the rest of the industry. Different and unpredictable. They see us as more aggressive, more willing to speak out, face the opposition head on, publicly." About a decade later, when more companies had followed Mobil's outspoken example, Mr. Schmertz told The New York Times that the company had "made it respectable for companies to have views, opinions and philosophies and to express them."

Mr. Schmertz joined Mobil in the mid-1960s as a labor lawyer. By the end of the decade he was overseeing its public affairs department and would eventually sit on Mobil's board. It seemed a senior

Oil executive  
**HERB SCHMERTZ**  
pioneered  
a proactive,  
sometimes  
pugilistic  
approach to  
corporate  
communications  
that drew as  
much admiration  
as it did criticism

# The Advertorial

position for a PR man to hold at one of America's largest companies, but Mr. Schmertz thought it a job requirement. "The nature of a successful PR man now requires that you know as much about the business end of what you're involved in as the line managers do," he told the Post. "Otherwise, you're just a door opener or a flack."

The don't-back-down approach that Mobil took in public aligned closely with Mr. Schmertz's persona. When oil prices skyrocketed after the 1979 Iranian revolution, Mr. Schmertz supposedly walked outside the Mobil building in midtown Manhattan and debated protestors on the sidewalk. A few years later, after The Wall Street Journal ran an article Mr. Schmertz felt was harsh and unfair, he pulled all advertising from the paper and embargoed it: no interviews, no responses to questions.

Remembered as communications pioneer, Mr. Schmertz also exerted influence in the field of



# Architect

politics and corporate philanthropy. Before joining Mobil, Mr. Schmertz worked in JFK's administration as general counsel of the Federal Mediation and Conciliation Service. During his 20-plus years with the company, Mr. Schmertz took two leaves of absence: the first to work on Robert Kennedy's presidential campaign in 1968, and the second to work on Ted Kennedy's campaign in 1980.

Mr. Schmertz was also an early and forceful proponent of what today seems like conventional wisdom: There was a financial case to be made for corporate philanthropy, not simply a moral one. Mr. Schmertz was instrumental in Mobil's sponsorship of public television, including the award-winning series "Masterpiece Theater," which adapted famous novels and biographies for television. It was well-received and well-watched, introducing millions to the Mobil brand by saying "this program is brought to you by..." It wasn't altruism that inspired the

patronage, but rather what Mr. Schmertz called "affinity-of-purpose" marketing. "More consumers are buying products not based on the product itself, but based on their feelings about the supplier of that product," he said at a 1987 panel discussion. There was immense value, therefore, in generating goodwill, and what better way for an oil company to do so than by supporting public television – a project that millions could enjoy, and which seemed to offer no financial return? The sponsorship garnered the company favorable coverage, and Mobil, when they weren't taking stances on national issues, mentioned their patronage in the quarter-page ads.

At a time when any misstep is amplified by the megaphone of social media, being wary of saying anything at all has never seemed more defensible. And yet, Mr. Schmertz's legacy is a reminder of the possibilities of a point of view, especially one delivered clearly and consistently. Instead of reacting to a conversation, companies can join it – and maybe even help shape it. "Our belief was that if we didn't participate in the marketplace of ideas," Mr. Schmertz said with his usual frankness, in a 2014 interview, "then we deserved what we got."

**"[MOBIL] MADE IT RESPECTABLE FOR COMPANIES TO HAVE VIEWS, OPINIONS AND PHILOSOPHIES AND TO EXPRESS THEM"**

Herb Schmertz

**EDWARD STEPHENS** is Deputy Editor of the Brunswick Review, and based in New York.

ILLUSTRATION: LINCOLN AGNEW

**N**OTHING CAN CRUSH THE LIFE OUT OF A good turn of phrase more predictably than translating it word for word into another language. Google Translate correctly renders the Spanish “levantar la liebre,” as “to lift the hare”; but that mechanical translation offers the native English speaker no hint of sense. A more skilled translator will recognize the phrase and the meaning behind it, and find the appropriate corollary in English: to let the cat out of the bag.

Addressing stakeholders in multiple languages is a fact of business life today. Yet translating key materials – around the launch of a website, a new

# The **POWER** of AUTHENTICITY

product or a shift in strategy – is often treated as an afterthought. Sometimes that can result in severe consequences for a company’s reputation and revenue.

Beyond just getting the words right, any message needs to resonate with its target audience. That only comes through fluency and an understanding of the local culture. The last thing a company wants to demonstrate is a lack of commitment to stakeholders in a given region – a sloppy translation practically guarantees that negative message.

In China, this problem is as difficult as it is pressing. The activity of the nation’s businesses in overseas markets and their exposure to stakeholders in other languages grows each year. Meanwhile, more countries are doing business in China and finding the challenges of Chinese daunting.

A quick internet search on “bad translations” reveals some impressive fails: Chinese audiences read the slogan “Come alive with Pepsi!” as “Pepsi bring your ancestors back from the dead!” KFC’s hugely successful motto, “Finger-lickin’ good” became the unfortunate, “We’ll eat your fingers off” – not the best way to get native Chinese customers in the door.

Traditionally, English sentences tend to be longer and more descriptive, while Chinese sentences are more focused on the overall meaning of the sentence and tend to be shorter. But

Brunswick’s  
**ST. JOHN MOORE**  
and **ANNE BARK**  
say translation  
isn’t about words;  
it’s about ideas



**ST. JOHN MOORE** is a Partner and Head of Brunswick’s Beijing office, where he has been based for almost two decades. **ANNE BARK** is a Director based in Shanghai. Additional reporting by **BAIJIA LIU**, also a Director in Shanghai.

the complications go deeper than grammatical mechanics or the difficulty of interpreting Chinese characters as English words. Companies must also ensure the right Chinese is being used to avoid embarrassment and reputational damage locally.

Chinese companies often take a formal approach, using Communist Party-inspired language. While that makes sense for a domestic audience, it can alienate stakeholders abroad.

On the other hand, foreign companies operating in China must adopt a tone and choice of words (or characters) that connect with local audiences naturally and authentically. In both cases, it’s all about understanding and meeting stakeholder expectations.

Many organizations prepare materials in their headquarter’s home language and then translate those materials for a local market. This process may help with internal alignment and approval, but it typically results in language that lacks authenticity in the native language and reduces resonance and

impact. In its worst case it can alienate.

Testing content with your local stakeholders is key. It’s also important to remember that languages evolve, and trends can give the most innocent expression a sinister twist. This makes the need for local,

on-the-ground feedback and expertise even more important.

Outsourcing translation can help. However, people familiar with the company’s tone and style, as well as industry related jargon, can add far more value, and help capture the right message in authentic language.

Asking employees for their input and ideas on language invites them to be part of the process. This type of engagement builds internal awareness and pride, and ensures tag lines and product names work for the local audience.

A more robust approach to translation can help businesses avoid embarrassing situations and misunderstandings. But even more, it can allow companies to transform words into the appropriate tools that they can use to connect with their local audiences.

# RISE of the MACHINE

**T**HE US STATE DEPARTMENT ESTIMATES IT takes 2,220 class hours to reach full professional proficiency in Mandarin – that’s five hours a day, five days a week, for 88 weeks straight. For similar levels of proficiency in Spanish or Italian, it estimates 600 hours, or 24 weeks, are needed.

Languages difficult for people to learn tend to be difficult for computers to translate. For decades, computers substituted words in one language for words in another, producing predictably bad results.

But that’s changing. Computers are employing a more human-like approach to translation, and the results are drastically improving. Microsoft recently announced its translation software can now “match human performance in translating news from Chinese to English.”

The implications of this improvement are difficult to overstate: It could help remove the language barrier from business.

Machine translations of Chinese are important for two reasons. First, Mandarin is the most widely spoken language in the world. Second, translations between Mandarin and English are perhaps the most difficult for a machine to make; if AI can solve that problem, the thinking goes, it will be able to do so for other languages as well.

Word-for-word systems are woefully ill-equipped to even loosely translate Mandarin into English. A Chinese character can take on different meanings when combined with others, and a comprehensive Chinese dictionary has about 20,000 characters. The Chinese character 钱 (qian) means money, 钟 (zhong) means clock, 书 (shu) means book. However, when used together, 钱钟书 (Qian Zhongshu) is the name of a well-known Chinese author. Unless an algorithm reads all three together, it will produce babble.

Recent progress in computer translation has been largely driven by Google’s Neural Machine Translation (NMT) system, developed in late 2016. NMT uses an artificial neural network, which mirrors how our brains solve problems: classifying, organizing and weighting information, and then adjusting based on feedback.



China’s tech sector has also entered the field in the last few years, particularly in travel-related translation. Any international visitor to Beijing, Shanghai or Guangzhou, knows that some information is available in English, but a guide still comes in handy. However, for the more than 130 million Chinese tourists who traveled overseas in 2017 – a number that is expected to grow to 200 million by 2020, according to the China Tourism Academy – language remains a major barrier. Vital information in major Western cities isn’t always displayed in Mandarin, making a guide a necessity.

Products like the Sogou Travel

**Mandarin has long been near-impossible for computers to translate. That is changing, say Brunswick’s RACHAEL LAYFIELD and AMY WANG**

Translator are making independent travel more feasible: The device uses the company’s expertise in natural language processing derived from big data – Sogou receives over 200 million voice requests per day, amounting to approximately 240,000 hours of data – to translate between Chinese and 24 languages, and uses Optical Character Recognition (OCR) to read menus and street signs. Another, iFlytek, is a pocket-sized real-time speech translator. Company Chairman Liu Qingfeng tested the device in front of media at the National People’s Congress of China. Chinese search giant Baidu has released its own pocket translator, and Microsoft is applying the technology to translating news coverage.

If some professional translators scorn AI, others are learning to work with machines, even helping to train their potential replacements. Neural network technology allows computers to learn from and adapt to human feedback in real time. Translators are the ideal tutors for these data-hungry machines and could accelerate their development.

For all the tantalizing possibilities in machine translation, real limitations remain. Unstructured conversations – the nature of many, if not most, discussions – remain problematic. So do idioms and slang. At China’s prestigious Boao Forum, where President Xi Jinping delivered the keynote speech this year, Tencent, the Chinese tech giant, debuted a system powered by AI that was supposed to translate the event in real time. The results were described by the media as illegible. Luckily, the Forum had a staff of human translators on hand.

**RACHAEL LAYFIELD**, a Director, and **AMY WANG**, a Senior Translator, are both based in Brunswick’s Beijing office.

**I**N 2017, A COMPANY CALLED QUID LANDED ON CNBC's Disrupter 50 list and broke onto Deloitte's Technology Fast 500 rankings at No. 208, with three-year growth of 493 percent. That followed a 2016 Technology Pioneer Award from the World Economic Forum.

With a roster of clients that range from NASA and Walmart to Samsung and various media giants, buzz about Quid is intensifying. Its technology has proven effective at helping battle disease, identify fake news and bolster cybersecurity, along with the more routine monitoring of clients' competitors.

Quid may be the world's most voracious reader. The technology it employs devours text in volumes and at a speed no man will ever equal (even if humankind, as some experts say, yet engages only a fraction of its brain). Quid scours corporate filings, scientific journals, books, government databases, social media and media of every other sort. Then its systems – featuring nine patents – chart patterns, make connections and detect trends. If there were a Marvel Super Nerd, its name might be Quid.

The résumé of Quid's Co-Founder and CEO Bob Goodson bears serious Silicon Valley credentials. He was the first employee of Yelp, and a founder of YouNoodle. In launching Quid in 2010, Mr. Goodson attracted capital from the likes of Peter Thiel's and Sean Parker's Founders Fund and from Quid Chairman Charles Lho, publisher of Korea's largest English-language newspaper. Michael Patsalos-Fox, McKinsey's former Chairman of the Americas, also sits on Quid's

SILICON VALLEY

# SHAKESPEARE

**BOB GOODSON** is CEO of Quid, a tech company that can trawl through vast troves of words to find patterns and connections humans can't. He speaks with Brunswick's **ANTONIO ORTOLANI**

board, and is an investor. But Mr. Goodson's route to Silicon Valley was via academia, not tech.

A British native who studied literature on scholarship at Oxford, he says that Quid was founded in large part upon his love of language. In analyzing medieval poetry, he discovered a need to look at language in a new way.

"The world is awash in data – most of it numbers," he told the World Economic Forum in 2016. "But floating along in the sea of data is language, arguably the most important way in which humans make sense of the world."

## When did it occur to you to subject words to data analysis?

My first degree was in literature and philosophy. I went on to grad school to focus on language theory, because I had this curiosity about what language is. I was in grad school in Oxford, on track to be a professor of language, when I came across challenges in reading that I assumed had been solved by computer scientists, for instance the search for patterns across large volumes of text. But it hadn't been done. This was about 2002. It seemed to me that there was a missing field where computer science meets the arts.

What fascinated me was that the way we read has not changed for a couple of thousand years. Despite the rise of computing, we haven't made any real changes to how we read. Even though what we read today is on a web page, your eyes are still scanning one line at a time. And yet we have way more content around us than ever; it's been growing exponentially

now for over 15 years. There are so many things that we want to understand in the world around us, I would say that traditional ways of reading no longer really serve us effectively. Even Google just points you to a specific web page that you can go read as you would an index in a book from a thousand years ago. At Quid, we're looking for ways to help people read and consume information on a much larger scale using a combination of visual and verbal cues. And trying to find completely new



"Today, if you wanted to read everything that's published in one day, it would take over 90 years of continuous reading. That's just in English"

## BOB GOODSON

Bob Goodson is Co-Founder and CEO of Quid, an AI company that uses a search engine to analyze and visualize the world's written content. Goodson was the first employee at Yelp. He has a Master of Philosophy degree in Medieval English Literature from the University of Oxford.

ANTONIO ORTOLANI is a Director specializing in global media analytics and measurement. He's based in New York.

that would take us many hours. I can see it moving toward a computer-and-human hybrid, where we put the best of those two together. There are certainly things the human brain can do that computing is very, very far away from, and may never catch up. And so how do we lean on the best of both?

### What was your vision for Quid?

When Quid got started, I didn't know if it should be a consumer product, or B2B. Then three large companies approached me in the first six months or so, laid their problems on the table, and said, "Look, we don't feel we have a good solution to these problems." For Quid, taking on those problems was a massive step in product development because we could see these were problems other companies were probably struggling with, so we focused on honing our platform and data to answer those questions.

We figured out the 10 or so most important questions that companies and governments have. They're mostly questions that any large organization would have. What are our competitors doing?

That is a question that even governments are asking: What are other players like me doing? It's hard to answer, and it's a question you have to keep asking, because if you answer it in February, there's new stuff happening with your competitors in March – and there are new competitors.

It used to be that a large company could know who its competitors are, the two or three that matter. But technology has disrupted that. Quid is used by various players in the automotive industry, where there are now potentially 500 players that the traditional industry needs to monitor.

### Have there been results that surprised you?

Oh, hundreds of cases over the years. And I'm sure thousands more that we don't ever hear about, because the software is deployed with the clients. I'm trying to think of one I can discuss, because obviously we're under an NDA with our clients.

There's an analysis we did for the UN a few years ago. The UN wanted to know why people in certain countries either weren't adopting or had stopped adopting vaccines. Why weren't people in Pakistan, Kenya and a few other countries adopting them, even though the vaccines were available? It was a shift, this problem had just started. And it was causing a potentially huge world health problem.

Now, the traditional research method would have had you get on the ground and run surveys on a large scale with people, trying to understand their attitudes and ideas around vaccines. And you'd be

looking at three to six months in order to get those insights back, at the potential cost of a lot of lives.

What the UN did was, it ran the news, it ran social media coverage, through Quid, and when we looked at all the discussion around vaccines we found that people had developed a skepticism about vaccines because of the outbreak of Ebola, for which there was no vaccine. It was very surprising.

Using Quid, it took basically three days to figure this out. And then the UN was able to act on this information. I don't know if that connection between Ebola and vaccine skepticism would ever have been found through surveys.

### For clients in financial situations, how can text analytics feed into investment decisions?

We have the world's largest dataset of venture-funded companies, with global coverage for both private and public companies, including financial information and rich written descriptions. You can search Quid using the precise language you want to find those companies, you're not restricted to categories, you can search any words, and we'll find the companies who are the most relevant strategic partners, acquisition targets, competitors, etc. And then we overlay the financial flows – so you can see the capital flows in the different spaces. That's a very powerful combination. So that continues to be one of our most popular use cases. And it's used heavily in corporate strategy and for monitoring the many competitors companies face these days.

### Can Quid be part of the solution to the problem of fake news?

Absolutely. We recently partnered with The Wall Street Journal on an investigation that found thousands of fake comments on the Federal Communications Commission website.

And Quid is a solution to the overabundance of news. Twenty years ago, pre-web, you could get up in the morning and read a newspaper over breakfast and get an overview of everything that's happening in the world. And for the most part everyone read the same newspapers, so you could have a meaningful exchange with your colleagues that day about what happened. Today, if you wanted to read everything that's published in one day, it would take over 90 years of continuous reading. That's just in English.

### Are you an outlier as a Silicon Valley executive who studied literature, the liberal arts?

Two entrepreneurs that I admire are Reid Hoffman, the founder of LinkedIn, and Stewart Butterfield, the

founder of Flickr and Slack. Reid studied philosophy at Oxford and Stewart studied philosophy at Cambridge; they're both students of literature.

I was on a panel with Reid once where we were talking to students, and I asked him a question about his study of philosophy, and he said that the analytic methods he learned in studying philosophical arguments were a great training ground for starting and running a business, for the real-world application of logic, and for breaking down arguments into their distinct parts.

### Where do you stand in the debate about whether liberal arts degrees are worthless next to the sciences or computer programming?

Computer science degrees are very important. They have a role. But there's so much you can learn in your free time and, in fact, most programmers are people who learned it as a hobby. I taught myself to program when I was about 8, when I started programming video games.

It's not so much a question of do you get this degree or that degree. A degree ought to be one percent of everything you learn.

That traditional model of training, learning, working and then retiring won't be relevant any more. One reason is that we're going to live way longer. We now have 60-year careers. If you graduate at 21 or 25 as an accountant or a lawyer, those skills are probably not going to hold you for 60 years. In that span, entire professions will cease to exist. How do we set up our careers – how do we set up our companies – to be based on continuous training?

When it comes to innovation, it helps to have a wider combination of interests, knowledge and experiences than other people looking at the same problem. If everyone at the table trying to solve a problem has the same background, education and experience, then you're going to get a lot of the same answers. If you want a competitive edge, a vast array of knowledge, interests and experience positions you to see a solution that isn't obvious to everyone else.

### How does one develop a wide range of expertise and experience?

When someone, especially an adult, gets intrigued by something, it's easy to say, "Well, why would I learn that? It doesn't fit with my career." I'd recommend taking away that filter. When I was a teenager I developed this habit that I still have of going really deep into topics that interest me without asking myself why. Last year, I started training wild birds. I have no idea why.

## MAPPING THE ONLINE CONVERSATION

**MILLENNIALS & CARS:** What's been written about those topics, what are the common threads, and what phrases tend to appear most often? Answering those questions would be a daunting prospect for a human researcher.

It is precisely problems like these that Quid is designed to address. Its analysis begins with individual articles represented by nodes. As the platform begins

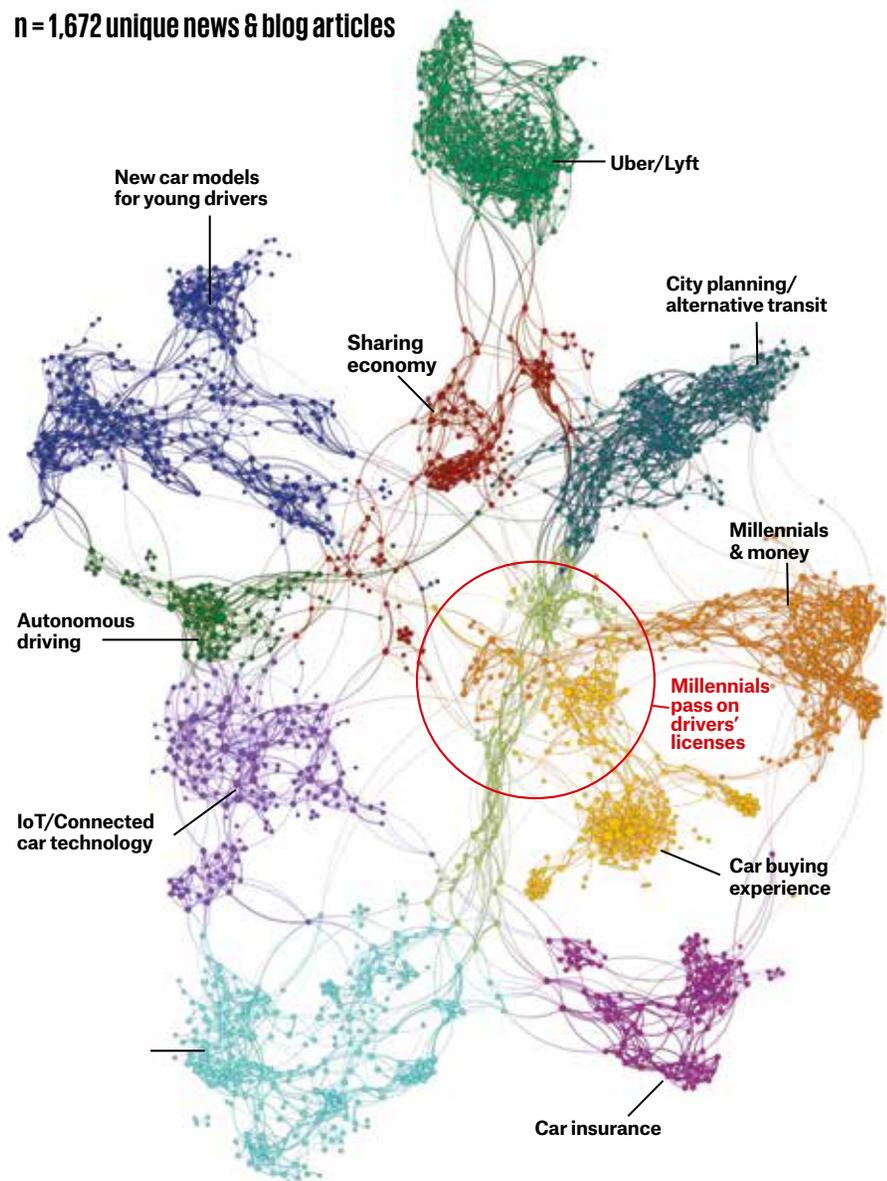
to uncover shared language, it groups articles into clusters that represent a wider theme or topic. Different colors distinguish the different clusters.

Once the clusters have been defined, they are visualized on a network map that categorizes individual articles for analysis at a glance – without having to have read thousands of articles. Clusters in the middle of the map are the most

central to the topic; those toward the periphery are less so. Some clusters interconnect, indicating shared characteristics.

The map below shows few strong connections in the center, reinforcing a growing awareness that diversity among Millennials makes their behavior difficult to predict. The map shows, however, that one of the few things they have in common is a disinterest in driving and owning cars.

n = 1,672 unique news & blog articles



Source: Quid, Inc. 2015

**T**HE OPEN DIGITAL ENVIRONMENT OF THE internet is widely viewed as anarchic, dangerous and confusing, a place former US National Security Agency and CIA Director Michael Hayden once referred to as a “global free-fire zone.” It is easy to feel overwhelmed and outgunned by tenacious and ingenious adversaries – criminals, hackers and even nation states. That wildness is set to increase dramatically.

The fourth industrial revolution is well under way. In 2017, the Internet of Things harbored approximately 18 billion connected devices; the total is expected to stand at 75 billion by 2025, a fourfold increase. Keeping pace with that growth, new cyber threats have emerged for consumers, businesses and financial institutions around the world.

To meet these challenges, the cybersecurity industry as a whole is also changing. New companies such as DarkMatter have emerged to find solutions to the evolving threats. As a younger company, DarkMatter approaches the problems from a more holistic perspective.

“I feel the industry’s current approach to cybersecurity has been overly reliant on perimeter security and reaction to threats,” says DarkMatter Founder and Managing Director Faisal Al Bannai. “This has ironically left entities more vulnerable to attack. Companies are investing in the equivalent of a Maginot Line when what we need is to encourage the use of evolving ecosystems designed to respond to the relevant attack.

“Walls haven’t worked as defensive measures. That is very clear. Our aim is to help organizations become cyber resilient.”



# CYBER

Founded in 2014 and based in Abu Dhabi, DarkMatter naturally sees cybersecurity with a greater urgency than companies in the West. The Middle East has seen explosive growth in its digital economy, a boom that has exposed it to a rash of cyber attacks. Fast-growing benefits and equally fast-growing threats are prompting innovative ways of weaving cyber defenses and awareness more closely and effectively into a company's DNA.

"Many locals from the emirates have grown up in a relatively safe environment but now face a situation where multiple threats are emerging online," Mr. Al Bannai says. "That's where the need for companies like DarkMatter and our concept of cyber resilience have grown from. Cyber resilience can mean having the ability to not only recover quickly from cyber attacks, but to end up stronger."

In addition to its own advisory services DarkMatter recently debuted its first product: Katim ("silence" in Arabic) is a smartphone that the company claims is the most secure mobile device made, and it markets the phone to governments and businesses in the banking sector and the oil and gas industry. The Katim is outfitted with a custom operating system, and mobile device management and productivity apps.

The company has grown rapidly, recruiting an international bench of talent that, together with its government connections, have caused some to speculate it may be involved in surveillance. Mr. Al Bannai has emphatically denied such interpretations in media reports and believes the company and the sector are aggressively headed in the opposite direction.

"As an industry, we need to establish institutional trust and transparency as pre-conditions to

The Middle East is a cybersecurity hotspot. DarkMatter Founder **FAISAL AL BANNAI** tells Brunswick's **WILL ANDERSON** and **JOHN GREENWAY** about his firm's fresh approach

achieving the correct level of cyber resilience," Mr. Al Bannai says. "We often talk publicly about the need for an overarching 'Dome of Trust and Transparency' for our industry, so that we can gain access to new markets."

Cultivating that atmosphere of trust requires cooperation across the cybersecurity industry, Mr. Al Bannai says. "For an emerging industry like ours, it's imperative that we have an industry-wide platform that allows organizations to conduct comprehensive reviews of hardware and software before their installation. Those ideas remain in their infancy, but I don't think it'll take a seismic shift for them to attain wider acceptance.

"To begin rebuilding trust, developers and technology suppliers need to become more transparent about the capabilities of their products. That's a central component of the way we run our business, integral to the way we've grown in such a short timespan. But I'm also acutely aware that there's more to do to convince the general public on the big issues we face around cybersecurity."

As part of that effort, the company produced a "Cyber Resilience and Trust Report" with Brunswick Insight at the start of 2018. For Mr. Al Bannai, the report's findings reveal not just the wider trends in cybersecurity and perceptions around digital safety, but also an outline for how his business will grow over the next five years.

Included in the report's recommendations are the need for cybersecurity functions in business and government to gain organizational visibility and relevance, while developing a greater commitment to investment in software and talent. For instance, only 36 percent of cybersecurity professionals surveyed in the report responded that they currently have a direct reporting line to the CEO.

But for DarkMatter, cyber resilience is more than a concern of any one specific company; it extends to the entire community.

"We have a role to play in the wider protection of the local populace," Mr. Al Bannai says. "The scale of our Smart City program in the UAE will be vast. The cities here are growing and, with so many entry points, it's essential that we surround those cities with an evolving system of security."

Globally, cybersecurity breaches in 2017 had some major effects that have become headline news: 1.5 terabytes of data were stolen from HBO; 145 million customers of Equifax, the credit reporting service, had personal and financial data stolen; and the WannaCry ransomware attack infected systems in 74 countries worldwide.

ILLUSTRATION: NOMA BAR

# BEYOND THE WALL

The Middle East's share of that activity has grown even more dramatically. Statistics released by Dubai Police in 2017 indicated that cyber crime in the UAE increased by 136 percent between 2013 and 2015, amounting to a reported total of \$22.3 million in damages and lost revenue. Across the wider Middle East, companies also suffered larger losses last year as a result of cyber incidents, compared to other regions: 56 percent lost more than \$500,000 compared to 33 percent globally. Among businesses in the Middle East, 85 percent are more likely to have suffered an attack compared to the global average of 79 percent.

"The region has definitely taken great strides to improve performance, but as the Middle East continues to rapidly digitize in line with other parts of the world, hackers are finding greater opportunities to exploit vulnerabilities," Mr. Al Bannai says. "And companies have suffered larger losses than corresponding areas around the globe. There's still more that the region needs to do to ensure that it's on par with other countries around the world, but I also believe we can be at the forefront of the next global tech invention.

"One of the problems we see is that customers are often trying to find a silver bullet to solve their security issues. That's the biggest misconception we are trying to address. This is a systemic problem and you can't solve these issues unless you have a holistic approach to security."

**WILL ANDERSON** is a Partner and the Head of Brunswick's Abu Dhabi office. **JOHN GREENWAY** is an Associate with the firm in Abu Dhabi.

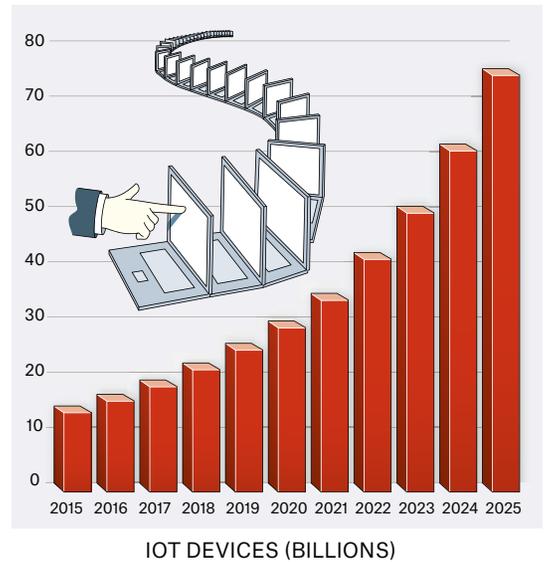
### DARKMATTER

A digital defense and cybersecurity consultancy and implementation firm, DarkMatter has head offices in the UAE, and research and development centers in Canada, Finland and China. Employing established, international cybersecurity specialists, the company helps safeguard the operations of large organizations, critical infrastructure and nations.

## EXPANDING VULNERABILITY

In 2017, DarkMatter, working with Brunswick Insight, released the "Cyber Resilience and Trust Report," using research and survey data to detail trends in data security. The chart below shows the exponential rise of

Internet of Things devices - an explosive growth in connectivity that opens vast new battlefields in the international cyber war. The new vulnerabilities created highlight the need for a deeper approach to cybersecurity.



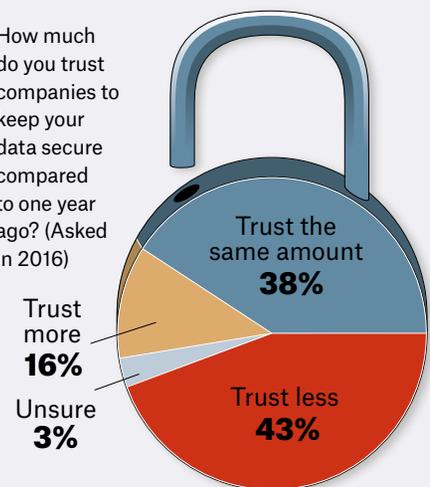
Source: Brunswick Insight

## TRUST DECLINE

Perhaps the most challenging damage as a result of cyber attack is reputational. As headlines report incidents of exposed personal consumer

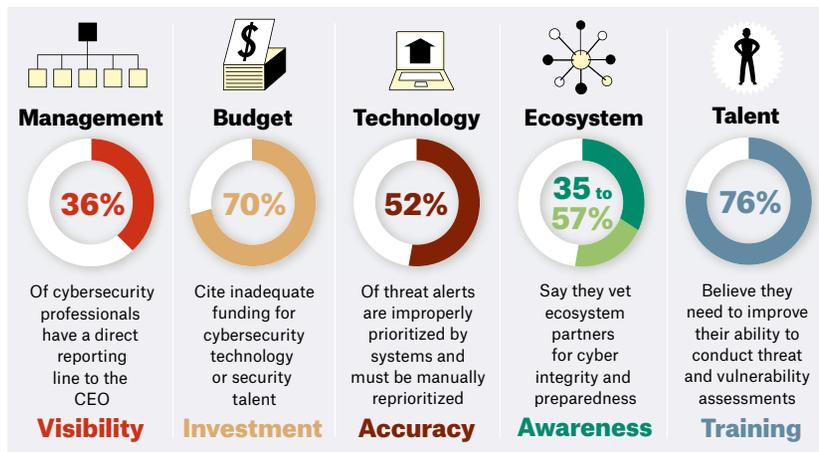
and customer data, fewer people consider their information safe. Brunswick Insight's survey results from 2016, below, show a marked drop in public trust.

How much do you trust companies to keep your data secure compared to one year ago? (Asked in 2016)



## PROFESSIONALS' CONFIDENCE

The result of a survey of cybersecurity professionals by Brunswick shows some of the areas where organizations are weakest in overall cyber readiness. Most significant are perceptions of a general lack of appropriate funding and training.





If it's easy to remember, is it also easy to steal? Not necessarily, says Brunswick's **SARAH RALL**

**Complex doesn't have to be confusing.**

Complexity in passwords has more to do with length than anything else. Using arbitrary characters might make your password look hard to break – but it can also make it incredibly difficult to recall. There's no need to devote brain space to an obscure string of characters that you forget every time you try to log in to your account – and you can spare yourself the needless time and effort it takes to endlessly reset forgotten passwords.

**Mix it up.** While it might be more convenient to use the same password for all accounts, it puts your personal information at serious risk. Passwords should be changed frequently to stay cyber safe and should be unique to each site.

**(Memory) tricks of the trade.** Song lyrics and movie quotes always seem to stay in the brain longer than necessary – use this to your advantage. Pairing your favorite movie quote or song lyric with the year it came out is a simple technique to create a strong passphrase: “MayTheForceBeWithYou!1977.”

Another trick is positive association. If you're going on a trip to Thailand with your best friends in October, you might use something like:

“CountdowntoThailand<3BFF10!”

If you're having trouble remembering a pin number, you can use a silly association to help jog your memory; if your bank pin is 4101, for instance, you might picture four elephants running wild on the 101 freeway.

**Lock it up.** A post-it note on your desk listing your password isn't keeping your data secure. Password managers such as Dashlane allow you to securely store your passwords and only remember one master password. Most password vaults also offer tools to generate strong passwords that will then be stored and secured and allow you seamless access to your many accounts. With Dashlane, the master password isn't stored on your computer or the company's servers, so it's harder to steal. The service also requires you to log on from an approved device. If you try to log in from a new one, it will ask for two-factor authentication.

There's no simple answer to securing your identity across all of your professional and personal accounts. But complexity is your friend, and the best passwords require a layered approach. Computer processors can run billions of combinations per seconds to try and crack your password, but a little extra effort from you can go a long way in protecting your information.

# Hey!uNeedaNNewP@s\$word

**P**ASSWORDS ARE THE FIRST AND PERHAPS MOST important line of cyber defense, and faulty passwords have caused major headaches and big financial losses for individuals, companies and governments. An industry report from 2017 found that 81 percent of breaches were “leveraged by a weak, default or stolen password.”

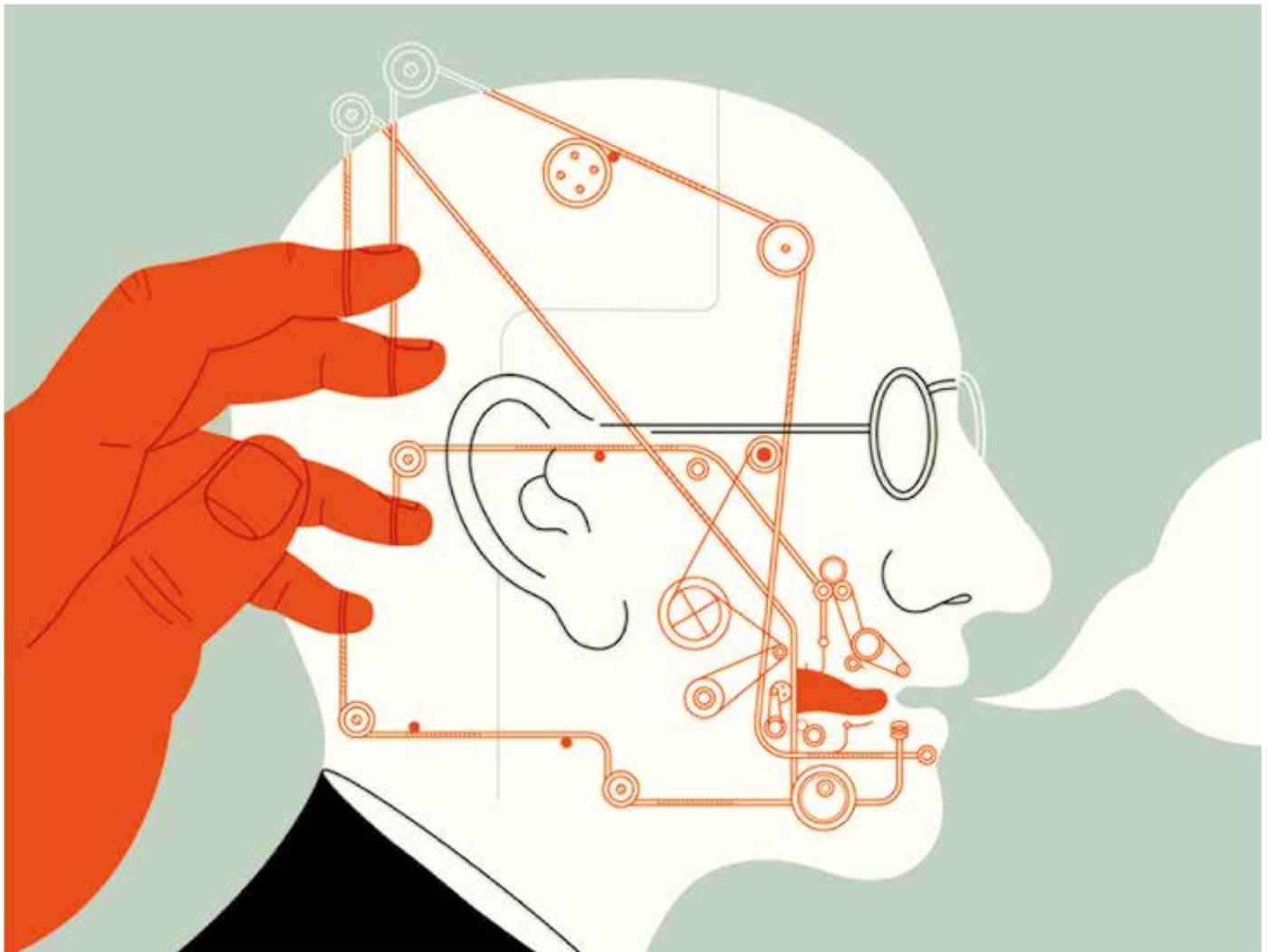
What makes a good password? The better question to ask might be: What makes a bad one? The top three entries on SplashData's list of 2017's worst passwords: “123456”; “password”; and “12345678.” It takes cyber-criminals seconds to hack these.

If you are a chronic password re-user, your Netflix account could grant access to your bank account, email or healthcare records. Conventional wisdom is that a strong password is just a string of random characters. But it's not exactly easy to remember “T8#ks&4hd” – making that password trick somewhat impractical.

Thankfully, there are other solutions: **Passphrase is the new password.** A passphrase is a long string of words or characters much easier to remember and much harder to hack. A sentence, for instance, “IShouldUseAStrongPassword!” is significantly more difficult for a computer or hacker to crack than a random grouping of numbers, capital letters and obscure characters.

**SARAH RALL** is an Associate at Brunswick Group specializing in privacy and data security. She is based in the firm's San Francisco office.

ILLUSTRATION: PABLO AMARGO



**V**IDEO TOOLS NOW ON THE MARKET ALLOW one person’s face or voice to be replaced by another’s, creating what are known as “deepfakes” that can fool most viewers.

Audio tools can replicate a person’s voice from samples. Anyone can be made to say anything.

Such hoaxes could be used to destabilize delicate situations like trade negotiations or criminal investigations, delegitimize reputable sources or slander celebrities or political candidates. They could also wreak global havoc: Imagine a convincing, but fake announcement by the President of the United States of a nuclear missile strike against North Korea.

In the spring of 2016, before the tsunami of “fake news” roiled the 2016 US presidential race, only a few saw the impending danger. A young MIT alumnus and Silicon Valley consultant named Aviv Ovadya was one.

“It became clear we were at an inflection point,” says Mr. Ovadya, now Chief Technologist for the University of Michigan’s new Center for Social Media Responsibility and a Knight News

# PUPPET

Innovation Fellow at Columbia University’s Tow Center for Digital Journalism. While noting that much good can come from these innovations, Mr. Ovadya compares the growing threat to that of nuclear weapons, and sees society’s awareness as myopic – “a one-inch view of the outside through the windshield” of a car careening out of control.

Over the past two years, his warning of a looming “infocalypse” has drawn attention, and Facebook, Twitter, Google and other platforms have put more resources into preventing malicious use of their products. The next step, Mr. Ovadya

says, is a commitment to massive investment to develop countermeasures, and to allocate “nimble money” – talent pools and shared resources across organizations that can be deployed quickly as the fast-moving technology creates new threats.

**Can you tell me a little about your background?**

At MIT, I studied computer science. But a big part of the conversation in the community around me was about the impact of technology on society. During that time, I came to terms with the idea that maybe technology isn't an unqualified good. It can change the way the world works; it can put you into a better world and it can put you into a worse world.

That was pretty formative – realizing that there's a trade-off between the efficiency that comes from technology and resilience, which is often lost as a result. Technology can make the world much more fragile. I went on to get my Master's at MIT and then spent a bunch of time in Silicon Valley, as a software engineer and product design consultant. But on the side, I was working on understanding some of these systems around technology and society.

About two years ago now it became clear that we were at an inflection point. The means of distribution of information was being manipulated, co-opted and optimized in a way that was really harmful for democracy, for public discourse, for health – for all these things that we clearly care about in society.

The truth is under threat from “extreme reality manipulation.” **AVIV OVADYA**, prophet of a looming “infocalypse,” speaks to Brunswick's **CARLTON WILKINSON** about how business can fight back

# MASTERS

Not only was it very bad already, but it was going to get much worse very quickly. And there was nothing being done that would make it not continue to get worse. That was what triggered me into action. That isn't acceptable. That isn't a world I want to live in. So, I decided to focus my energies to see what I can do about that.

**What kind of reception did you get when you started to spread the word about this in 2016?**

Probably the most common response was, “That's not actually a problem. Prove to me that it's a

problem.” You still hear some of that: “This has always been true. Nothing's new.” But there's a lot of evidence to the contrary at this point.

It's sort of like saying, “Nukes aren't really a problem because there was always war.” Well, they actually are. They changed the game in a way that wasn't possible before and as a result, you need to change the entire face of diplomacy, among other things. It's true, nukes don't do anything new – you could use a spear to kill someone. But at some level, it's definitely new – in terms of the scale and scope, for instance.

**Do you think the impact of “fake news” in the election helped prove your point?**

Yes, there's a lot more interest – whether or not there's actually been effective investment. But that's starting to happen and it's good to see. It's still too little, too slow. It's a big ship, but when you've decided you want to move it, it can be moved quick.

There are organizations that have invested single-digit millions of dollars, where tens of millions actually need to be invested by many different organizations across the board – and billions across the ecosystem – to address these threats as they continue to spiral.

Likewise, it's good to see some of the platforms taking this seriously. Even people at the very top in some cases are owning up, saying, “Hey, we didn't do a great job.” The more that happens, the more likely it is that there will be significant progress.

**Are there specific technologies you're most concerned about or is it a pool of technologies?**

The overall threat is really in two components. One is the ability to make it look like anything has happened – this extreme reality manipulation. The other is being able to persuade people because you build a model that fits what that person would like to believe. Those go hand in hand and can be extremely powerful.

These threats are worrisome from a cybersecurity perspective, from a diplomacy perspective, from a policy perspective, from an electoral integrity perspective, from an education perspective. Just so many interesting ways that this could be applied that aren't particularly positive.

In the US, the issue is seen to involve a bias of far right against the far left. But if you have people known for manipulating video, trying to manipulate narratives, the bias isn't left and right. The bias is people who are willing to manipulate reality versus people who aren't.

**AVIV OVADYA**

Chief Technologist at the Center for Social Media Responsibility at the University of Michigan and a Knight News Innovation Fellow at the Tow Center for Digital Journalism at Columbia University, Aviv Ovadya is focused on identifying, measuring and mitigating indirect harms of social media and related technologies that affect public discourse.

**CENTER FOR SOCIAL MEDIA RESPONSIBILITY**  
As part of the University of Michigan School of Information, the Center for Social Media Responsibility opened in 2018 to foster dialogue between media makers, consumers, platform companies, researchers and academics about social media in society.

**Are you worried that technologies might emerge that you and others aren't predicting?**

I don't profess to know all the horrible things that might happen – and also all the good things. Probably the worst and the best things that will happen we can't quite predict. But that doesn't absolve us from doing our best to predict them. Otherwise you're going to be reactive. And maybe you're reactive two years too late because that's how long it takes for the funding timeline to work. That's a recipe for disaster.

Just having a body of experts who understand what is already happening, doing scenario models, that's crucial.

**Do you have recommendations for boards or investors?**

The investment that should be happening is not just within the social media part of the tech industry but in the entire supply chain. How a camera or phone gets made – there are things there that are relevant to talk about. We need an authenticity infrastructure. There can be a very long delay before it starts being created. They have to start now.

To prevent the kind of abuses we know are coming, we need investment now beyond just the Big Five – Apple, Microsoft, Amazon, Google and



In April, "Get Out" director Jordan Peele, working with BuzzFeed, used President Barack Obama's face and voice to call President Donald Trump "a total and complete dipshit." Peele reveals the deepfake ruse in the YouTube video and warns viewers to "stay woke" about growing threats to truth.

Facebook. It also requires lower-level or different parts of the ecosystem. And perhaps even a new kind of corporate social responsibility.

These problems are evolving very rapidly and threats are going to emerge very quickly, so we'll need nimble money. Being able to address new threats as they come up – not having a six-month, one-year, two-year cycle before that happens – that's absolutely critical. That means a talent pipeline, to ensure that people put into these roles can actually

work effectively. You need to be able to create an emergency task force with amazing people very quickly – these are people who would have gone to Google or Facebook, or been a partner at McKinsey or something. Have them really working to understand and address new threats, in combination with all the types of stakeholders that are relevant – social scientists, diplomats, journalists, whoever they may be.

These are all challenging organizational problems. But if we don't address them, it's unlikely we'll be able to handle what gets thrown at us, whatever that ends up being. We're going to have repeats of information ecosystem failures, another step function in the de-legitimization of institutions that ensure that our society actually works.

**So this requires board level conversations and new organizational functions?**

Probably the most realistic way is for each company to execute on this independently, given the way companies work. But we should also have cross-company organizations that are focused on this, not just for one company's benefit, but for the benefit of all – for the benefit of these other "brands," like democracy.

These are broad recommendations. Executives, venture capitalists, board members, technology officers – these people individually are going to have very specific questions about various aspects of these issues, how to proceed, how to measure a particular threat, how to coordinate with one another, where best to invest. I'm here to help – to answer many of those questions – to create the infrastructure we need to take on these challenges.

**Looking ahead 20 years, do you think we're going to have found the right solutions? Are you optimistic?**

It is possible we can make it to 20 years from now. My goal is to make sure that we make it that long – while still having this level of democracy and a functioning society.

People are only now waking up to the coming threats. I'm trying to go beyond that – to actually build the necessary institutions that can take on these challenges. If we make it to 20 years, we will have figured it out. So, *if* we make it, then yes, I'm optimistic.

**CARLTON WILKINSON** is a Brunswick Director and Managing Editor of the Brunswick Review, based in New York.

**I**N A SURPRISING SHOWING, THE VALUE OF M&A activity in Brazil rose to \$61.77 billion in 2017. While still fairly low by global standards, that number marks a 33 percent increase over 2016.

The catalyst behind that jump was the nation's famous "Lava Jato," or "Car Wash," investigations into corruption. Large Brazilian groups under pressure from the probes were forced to sell major assets as their financing options became scarce.

Some of these deals naturally represented great opportunity for buyers in terms of valuation. But some also came with a fair share of risk, as they may still hold undocumented liabilities, or carry legacies from historically poor governance structures.

These deals and the probes themselves have heated up the discussion about corporate ethics in Brazil, highlighting the importance of the supervisory role of boards and the identification of risk not only in M&A transactions but in any capital allocation decision. At the center of that discussion are Emilio Carazzai and Heloisa Bedicks, respectively the former Chairman and General Superintendent of the Instituto Brasileiro de Governança Corporativa, a leading authority on corporate governance standards in the country.



## GOVERNANCE Emerges from the "CAR WASH"

In 1995, when IBGC was created, one of the first issues the founding group had to deal with was the proper Portuguese translation for "governance." At that time, Mr. Carazzai and Ms. Bedicks say, board meetings at most companies were mere periodic lunch meetings, a leisure activity for a group of gentlemen to discuss everything but corporate issues. Meeting minutes were written in advance to be signed afterward, just as a formality.

Fast forward more than 20 years to the present day: The Lava Jato probes have made "governança corporativa" the phrase of the moment. The investigations started in 2014 and are the biggest ever into corruption in Brazil. However, according to Mr. Carazzai, the growing talk about governance has as much to do with the groundwork that had already been laid regarding a shift of culture toward international best practices. Lava Jato only threw additional light on its importance.

Brazilian Institute of Corporate Governance officials **EMILIO CARAZZAI** and **HELOISA BEDICKS** talk to Brunswick's **TEREZA KANETA** about reforms in the culture of business leadership

"It is not fair to say that the evolution of corporate governance in Brazil was accelerated due to Lava Jato," he says. "The revised fifth edition of IBGC's Corporate Governance Best Practices Code was published in November 2015, but the *first* one was published in 1999. Many other developments have assured the dynamism of governance-related themes in Brazilian capital markets, which would have happened with or without Lava Jato."

Among these were three significant initiatives: the Capital Markets Investors Association Stewardship Code for Responsibility of Institutional Investors; the Brazilian Association of Private Pension Funds Investment Code; and the reform of "Novo Mercado" guidelines starting in 2010 (Novo Mercado is the listing segment in the Brazilian Stock Market that includes companies with the highest standards of corporate governance, created in 2000). According to Mr. Carazzai, these follow a larger trend in Brazil.

"It's not a coincidence that Brazil has the most advanced capital markets in the BRIC countries (Brazil, Russia, India, China) or other Latin American countries," he says.

Still, those improvements on their own weren't enough. Some companies listed among the Novo

Mercado were later found to be targets of the Lava Jato investigations.

“Many companies have complied only in appearance,” Ms. Bedicks says. “On the surface, they had adopted all the best practices in terms of processes and structures. But the true essence, which pertains to companies’ culture, was not there. Lava Jato was a reality check for everyone – it highlighted the importance of strong board supervision and the importance of cultural change in Brazilian companies.”

Mr. Carazzai agrees, saying an emphasis on audits, governance rules and compliance requirements can only go so far – the culture itself has to change.

“The problem is only corrected by ethical behavior,” he says. “When you impose a regulation, you only create one more specialist in circumventing that regulation. What you have to do is to educate, pre-empt and mitigate. Fostering better practices, implementing strong supervision and severe punishment for wrongdoers will all result in better outcomes.”

**TEREZA KANETA** is a Partner in Brunswick’s São Paulo office. Former head of MZ Consult Latin America, she participated in 95 percent of the IPOs in Brazil between 2004 and 2012.

Arguably, the most significant outcome of Lava Jato is the realization that even “big shots” may be held accountable for the wrongdoing. The great surprise for Brazilians was not the exposure of the systemic unethical private-public relationships, but the fact that for the first time in history several high-profile businessmen, politicians and influential intermediaries involved in the schemes actually ended up in prison.

This change in the perception of risk and higher culpability for non-transparent decisions has made companies more vigilant. Pressure not only from boards and investors, but also from other relevant influencers have shaken companies to the core, and they are adapting – learning to engage and establish constructive conversations with all their stakeholders about ethical, environmental and social responsibility issues.

Both Mr. Carazzai and Ms. Bedicks agree this has resulted in permanent changes, at least in the private sector. As companies put their heads over the parapet, they are also learning to defend themselves from detractors, and this process leads to increased transparency.

“When a company decides on an investment or divestment, it should present itself in the most transparent way possible. Clever companies should maintain a dialogue with markets and society in general. So, in that regard, I do not see them falling back into old habits,” says Mr. Carazzai.

Ms. Bedicks expresses a cautious optimism. “Private companies have woken up to the importance of good governance to create sustainable value. The era of ‘leisure lunch board meetings’ are definitely over; companies understand the need for strong boards. What we see is that the pressure comes from its own board members; peer pressure has been elevating the standards of their own work.”

Overall, Ms. Bedicks believes there is still a long way to go for a broader cultural change, and she expects to see state-controlled companies also reforming governance and increasing transparency. Mr. Carazzai adds that more work needs to be done to build on the progress that’s been made.

“Our work at IBGC focuses on making sure all the advances in corporate governance are successful in the long term,” he says. “Significant advances inevitably produce reactive opposing forces – it happened in the implementation of Brazilian Corporate Law in 1976, and in the creation of Novo Mercado in 2000. The journey of governance is not a straight line. Resilience is the key.”

## CLEAN-UP TIME

A sprawling **BRAZIL PROBE** reeled in everyone from car wash employees to an ex-President

**BEGUN IN MARCH 2014** as a money-laundering inquiry, Brazil’s Operation Lava Jato (“Car Wash”) grew into the biggest corruption probe in Latin America. The name came from a car wash facility in Brasília that was an early focus of the probe.

Ultimately, key figures from several major corporations, including Petrobras, and nearly every political party were implicated.

**AFTERSHOCKS CONTINUE TO ROCK BRAZIL:** Former President Luiz Inácio Lula da Silva, still one of the country’s most popular politicians, was sentenced in April to 12 years in prison for corruption, even as he was ahead in the polls for the upcoming election. He is so far the highest profile figure imprisoned in the probe.

**LULA DA SILVA** disputes the charges and turned himself over to police only after a dramatic standoff involving thousands of supporters. His cell is in the southern city of Curitiba, in the same police headquarters where the Lava Jato probe is based.

The probe resulted in some impressive **NUMBERS:**

**188**  
CONVICTIONS

**305**  
PEOPLE  
INDICTED ON CRIMINAL CHARGES

**11.8**  
BILLION DOLLARS  
IN FUNDS, INCLUDING FINES, RECLAIMED

# GOVERNANCE

**I**N A HOTEL CAFÉ IN THE LOWER EAST SIDE OF Manhattan, Miguel Poiares Maduro is an unassuming customer, eager to talk about his tickets to current Broadway musicals and the gray drizzle dogging pedestrians outside.

It takes some concentration to recall that this pleasant college professor is also former Advocate General of the European Court of Justice, a member of the European Council of Foreign Relations and the World Economic Forum, and of the EC High Level Group on Media Pluralism and Media Freedom. In his current role as Director of the newly established School of Transnational Governance at the European University Institute, Mr. Maduro is perhaps the world's leading authority on the important power lines being drawn beyond the control of any individual state.

Over breakfast and coffee, he described how states worldwide have ceded some authority

## Without Borders

to private companies and non-governmental organizations, often involuntarily. Large parts of global society are directed by multinational players who may or may not be answerable to governments or citizens. Professional sports organizations alone account for 1 percent of the world's GDP, and yet are left to rely on their own internal systems of governance.

In 2016, Mr. Maduro was brought in as Chairman of the Governance and Review Committee for FIFA to help reform the worldwide soccer organization then embroiled in ethics investigations. His service, along with several others, was terminated in 2017, over disagreements

**MIGUEL MADURO**, Director of the European School of Transnational Governance, tells Brunswick's **ALEXANDRA ABREU LOUREIRO** and **CARLTON WILKINSON** about evolving paths of power beyond the state



ILLUSTRATION: JOE CIARDIELLO

“IT’S AS IF WE  
HAVE SOFTWARE  
BEING DEVELOPED  
NOW, CHANGING  
AS WE SPEAK,  
BUT OUR  
HARDWARE  
REMAINS STUCK  
IN THE ‘60S”

with FIFA’s President. He talks easily about that experience, the lessons it holds for society’s handling of transnational governance generally, and how the School of Transnational Governance intends to facilitate that conversation.

The school, launched in 2017 and based in San Domenico di Fiesole on the outskirts of Florence, engages and trains high-level officials and executives in positions in government, NGOs and the private sector. In the process, Mr. Maduro says, the school hopes to map the different forms of governance beyond the state and the issues they impact, to empower individuals and societies seeking to answer this growing challenge.

**Is good governance fairly well defined? Or is it still evolving?**

Definitely still evolving. The only common element between these organizations is that they require governance that states themselves aren’t able to provide. The forms that governance takes are extremely diverse.

A lot of work needs to be done, both in systematizing these different forms, but also in discussing and seeing what they have in common with each other. Then, we need to link those with the traditional core uses of governance.

We’re living in an increasingly interdependent world. Migration, climate change, security, trade, even traditionally national areas like social justice or taxes, are now matters involving transnational governance. But our forms of governance are still largely determined by a state-based world.

It’s as if we have software being developed now, changing as we speak, but our hardware remains stuck in the ‘60s. That’s the difficulty. We want to update that hardware and also study and know the software.

**I suppose you’re watching the Cambridge Analytica headlines?**

Yes, exactly. In theory, our privacy and personal data would be regulated by national laws. In fact, by engaging with multinational organizations, we’ve given regulation of our privacy, our personal data, to those actors. And what’s the right mechanism of accountability, of regulation, when the company that controls that data itself transcends the borders of the state?

There’s a mismatch between our actions – even sometimes writing social media posts for our state or local community – and our more traditional expectations for how regulation works.

**Is preservation of a free press a concern of the school?**

It is a core issue for governance beyond the state. You can only have good governance if you have a free and informed public space. Journalists are the editors of democracy: They shape the public agendas we discuss, and furnish us with information. But they’re being replaced – citizens and organizations are shaping the public agenda through social networks that don’t always have editorial processes. Not surprisingly, the quality of information is lower.

We’ve seen transnational processes – alleged interference in elections, or in political processes through fake news, for instance – but citizens don’t understand the transnational dimension. So they turn to ineffective traditional political solutions. The more the media is able to convey the complexity of these issues, and in a manner that’s accessible to citizens, the better citizens will be able to engage in democratic deliberation. They’ll be able to provide their political leaders with the right sort of incentives for governance that needs to happen beyond the state.

**Is there a risk that populism could reverse the trend toward more transparency and better governance?**

There are really two trends, and they don’t necessarily move in the same direction. On the one hand, there’s increasing awareness of the importance of good governance and a demand for it.

On the other, we’re increasingly inept in forms of governance to match what’s needed for an interdependent world. Those trends are moving in opposite directions. It’s a mismatch between where you need governance to be and the existing models of governance today.

This can lead to populism that presents very simple solutions to complex issues. But you can’t address these problems appropriately by just retreating to the state – not effectively at least. It’s evolution. But political solutions that promise that are appealing. Citizens choose these traditional political solutions because there is no obvious alternative forum for governance beyond the state where they have a voice. There seems to be no form of effective or even possible governance for these transnational situations.

That’s really the challenge we have today. That’s what makes a project such as the School of Transnational Governance so important.

### How is the school structured? What sorts of programs does it have?

Our Master's programs start in 2020. We are looking to attract a mix of students from both the private and public sector. Currently we offer different types of executive training – seminars, courses and summer schools. In the seminars, we try to bring together policy makers, academics and private sector executives to address specific topics. The idea is to provide an informal context for stakeholders in a particular field to discuss the most urgent matters.

And we have a policy fellowship, where we host mid-career or up-and-coming leaders from the policy world in their respective fields for six months to a year. We hope to have formal politicians, people from the private sector, from non-governmental organizations – including trade unions – and journalists. We have a diverse group already for our first year.

Our faculty's the same way: Some are from academia and some come from professional practice to share their experience.

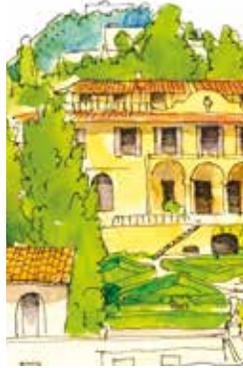
We've initiated a variety of partnerships in Europe – some working toward dual academic degrees and some non-academic – and are discussing similar arrangements in South America and Southeast Asia.

We also have an oral history series. At the moment, we're interviewing all the former presidents of EU institutions – the European Commission, the European Parliament, the European Council, the European Central Bank – all of them. Parts of the interviews will be kept in the EU archive that the university hosts. And part of them will be publicly available as online streams.

### Can we talk about FIFA? What went wrong?

Oh, we can! [Laughs] That's an example of transnational governance. There's a problem of culture at FIFA. There's a systemic conflict of interest between the stated goals of governance reform and what people call the political cartel that dominates the sport. FIFA has rules that seem to fit the best standards of governance. But when my committee, which was supposed to enforce and promote reform, tried to apply those rules, our plan wasn't accepted.

It doesn't depend on FIFA's leadership. Whoever the leaders are, they'll do what is necessary for the political cartel to survive. If they don't, they'll be sacked themselves. To reform, you have to



### MIGUEL POIARES MADURO

A full-time professor at the European University Institute and Director of its School of Transnational Governance in Florence (stg.eui.eu), Miguel Poiares Maduro is a regular visiting professor at Yale Law School and has taught at the London School of Economics. He previously served as Minister of Regional Development under the Prime Minister of Portugal. From 2003-2009 he served as Advocate General at the European Court of Justice. He was Chairman of the Governance and Review Committee of FIFA from 2016 to 2017.

**SCHOOL OF TRANSNATIONAL GOVERNANCE** Founded in 2017 under the auspices of the European University Institute, the School of Transnational Governance held its first lectures and events in 2017, toward the goal of enhancing knowledge, experience and programs of organizational governance and regulation beyond the state.

dismantle the political cartel. You cannot expect the cartel to do it itself. Reform has to come from outside the organization.

At FIFA, there's no chance that an alternative model can appear that will force them to change, to reform from the inside. In other commercial organizations, it's more likely that competition or public opinion could force a new approach to the business model. But FIFA dominates all soccer and the World Cup. It's impossible.

### The US and UK have traditionally been the leaders in establishing transparency and good governance. Do you see that continuing?

Their leadership hasn't yet extended to new forms of governance beyond the state. They haven't stepped into that role. I'm not sure anyone has. That's the problem.

The EU – in its support for our school, for example, but in many other ways – is showing a greater level of awareness. As a collection of states and economies, the EU has more experience of governance beyond the state. But it will be crucial for the US to play an important role in that too.

At all levels however, what the US has expressed is a retreating to its borders. It has been a trademark of President Donald Trump even during the campaign – on international security, the participation in NATO, on international trade agreements, on immigration. It is important for the US to remain engaged in international matters. In a world that is increasingly interdependent, the US should take a leadership role on those issues.

### Does Brexit or any future departure of a member state from the EU jeopardize the school's future?

No, I don't think it will. In response to Brexit, we've seen member states become even more cohesive. So the issue is relegated to the UK. They've made it clear that even if they leave, whatever form it takes, they want to continue to engage with Europe in many domains. The UK is realizing that even if it leaves the EU, it needs other ways to engage on the transnational level, to remain relevant in an interdependent world.

**ALEXANDRA ABREU LOUREIRO** is a Senior Adviser for Brunswick in the Portuguese-speaking world, based in London and Lisbon. She served as spokesperson for the Portuguese government on defense and foreign affairs, and is a former journalist. **CARLTON WILKINSON** is a Brunswick Director and Managing Editor of the Brunswick Review, based in New York.

**A**S CEO OF CONNECTED CARE AND Health Informatics for Philips, Carla Kriwet is charged with many duties beyond recruiting. But recruiting is central to her – and Philips’ – goal of saving and improving billions of lives around the globe. The 127-year-old company, once an electronics conglomerate, needs engineering graduates and other serious talent to further its mission as a global force in healthcare technology.

To compete for such talent, Dr. Kriwet offers graduates more than a chance to advance their careers and accumulate stock options. What she talks about when she talks about recruiting is saving lives. A veteran of the medical devices and medical services industries, Dr. Kriwet spoke with the Review from the US headquarters of Amsterdam-based Philips.

#### **How great is the need for engineers at Philips, and how do you compete against Silicon Valley?**

The need is high. We are hiring aggressively. There’s a labor war going on, a war for talent, and what we can bring to the table is purpose.

Our vision is to improve the lives of 3 billion people a year by 2025, and that is not just a vision we put on some PowerPoint. It’s serious. We measure people on it. We break it down per business unit and per market. We have targets which are linked to our incentives systems. And we take action when we think we are not getting there.

One example is that we figured out we’re not growing strongly enough in Africa and Southeast Asia. I’m not talking about “growth” in the financial sense, but growth in terms of saving people’s lives, in reaching that target of improving 3 billion lives a year. So we took countermeasures,

like engaging with community life centers to make healthcare more accessible.

And it’s this purpose, and how seriously we take it, that differentiates us from many businesses hiring engineers.

#### **Does that message tend to resonate with engineering graduates?**

This entire generation is looking for purpose beyond making money. We get these questions from graduates: “What will be my impact? What project would I work on, and how can I be sure it really has impact?” They want to change the world.

#### **Are tech-savvy graduates your primary target, and if so why?**

I’ve been working in this industry for many years and I can tell you it’s very traditional. If you look inside a hospital, many of the processes still work more or less the same as they did 30 years ago.

And it must change. Populations are growing and aging, chronic disease is increasing and costs are increasing. At the same time, affordability and access are declining. That gap is widening, and the only chance to close it, to get good clinical outcomes at affordable costs, is with technology.

One of the reasons we are moving our US headquarters to Cambridge, Massachusetts – which will open Q1 2020 – is to bring us closer to more software talent, to startups, and to the company’s local university and hospital partners.

Philips’ **CARLA KRIWET** tells MerchantCantos’ **JEFF SINDONE** and Brunswick’s **KEVIN HELLIKER** how the firm competes with Silicon Valley for top engineers

# A HIGHER HIGH-TECH CALLING



**“IF YOU ASK DOCTORS WHAT THEY WANT, THEY DON’T ASK FOR MORE DATA. THEY DON’T ASK FOR MORE INFORMATION – THEY HAVE MORE THEY CAN COPE WITH. THEY ASK FOR SMART, PREDICTIVE GUIDANCE, HELPING THEM TO DO THEIR JOB”**

**What would you say to a graduate who asked exactly what Philips does to save lives, and how a new hire might participate in that?**

Our technology in the catheterization lab, and also our defibrillators, are saving lives every day in an immediate and dramatic way. I receive letters each week from people thanking Philips for the fact that they’re alive and able to see their grandchildren.

But saving and improving lives goes beyond treatment. It starts with prevention and healthy living, where we have great assets. It goes to diagnostics, which typically hasn’t been efficient or accurate enough, and to treatment. And it goes outside the hospital into the support of chronic diseases. We can give very concrete examples of our life-saving effectiveness in each step in what we call the health continuum. Our people do get excited seeing that their projects and activities are contributing to better lives across the entire health continuum. That sense of purpose drives us whether you are in sales, whether you are in marketing, whether you develop products and systems.

When I interview people, I say, “Think about yourself or somebody in your family who recently had a medical issue, a hospital visit, and the challenge that person faced in navigating the healthcare system, getting reimbursement, finding the right advice.” I can easily convey how an individual I’m interviewing would be helping Philips address each of those frustration points.

**Do you yourself interview graduates?**

Quite a lot. It’s important to show the relevance we attach to that topic. But it’s also important for me to understand what they’re asking for, what their concerns are, what attracts them to Philips, and what they are seeking from the labor market.

**I could imagine a young graduate being impressed that he or she is being interviewed not only by a recruiter or HR professional, but by a senior executive.**

Today’s graduates are self-confident and have options. They don’t have this kind of hierarchical view that we saw 10, 20 years ago, where they would be timid and so impressed that they’re talking with a C-suite leader. They know the labor market is good for them. They’re looking for things which used to be less on our HR agenda. We used to say, “This is your career path. You’re starting here, and these are the five steps you need to reach the director level,” or whatever. When you try that out with graduates today, they’re not interested. They’re like, “I don’t

want a fixed future. What I want to know is what impact can I have, how can I bring what I learned to make an actual difference, how can I concretely improve the world we’re living in?” And they ask about work-life balance, which is something that would not have been brought up 10, 20 years ago.

**Are you seeking Ph.D.s, undergraduates or both? With what degrees?**

We’re seeking graduates at all levels. Obviously software engineers are in high demand. At Philips, 60 percent of our R&D engineers work on software, with a large number of them working on the application of Artificial Intelligence.

But we’re also looking for other types of engineers, quality-control experts, economic experts, marketing experts and business graduates.

Even so, it’s less that we are looking for one or two specific functions and more a certain mindset. A key factor is cooperation. Many years ago, there was a transparent organizational chart, and a defined team, and it was clear who you had to interact with. Now, you have to influence people who might not report directly to you. You have to cooperate not just across the organization, but also with startups we are partnering with. You have to cooperate even with competitors. This collaboration mindset is a key focus of the interviews.

**Is it a challenge to explain the mission of Philips, a name that over the decades was attached to a variety of products?**

We took the decision three years ago to fully focus on healthcare technology. We sold our audio business, our video business, our TV business. And we IPO’d the lighting, and took all the money we received from these sales to invest fully into health tech. We think it’s a very important area and also an area that needs focused investment.

As a health tech company, Philips has a very strong brand name, top of the list in many markets. Certainly in Germany or India, and of course the Netherlands and some European markets. That also comes from our consumer brand, where we are known for oral healthcare and other products.

For people who have some sense of medical device technology innovation, Philips is one of the top brand names. We have leading market shares or are the market leader in a number of fields – patient monitoring being one, for example.

If you are talking about graduates who don’t have any medical background, I think we might score lower than other firms. But when you bring in the

purpose, our promise and mission of saving and improving billions of lives, it shifts the ground.

### What is Philips's track record of innovation in healthcare?

We are one of the leading innovators in artificial intelligence, in diagnostics, radiology, connected care. We're working to enable the flow of crucial information throughout the hospital as well as outside the hospital, and allow data to be shared between all kinds of devices, not just Philips devices.

I spend a lot of time in hospitals, observing. I want to understand how our products and solutions are used, and what issues our customers are struggling with. A couple of years ago, I spent three days with a nurse in the general ward. She had to look after nine patients at night, some of whom didn't look really well. She woke up some of them to take some measurements, and they were upset about being awakened. She was running around, worried about disturbing other patients. By morning time, one patient had died, and the nurse hadn't seen it because she thought he was sleeping.

That's a reality in the general wards right now – 40 percent of unanticipated deaths happen there. The caregiver-to-patient ratio is not one-to-one or one-to-two, as in the ICU, but one-to-eight or 10. Secondly, there's no continuous monitoring. There are spot checks, but no continuous monitoring, and therefore no alarm.

The digital solution from Philips is a wearable biosensor. It's like a patch a third of the size of your hand. You put it on your chest, and it measures key vital signs: respiratory rate, temperature, heart rate, and also position so that we can detect falls. And it translates that with smart algorithms based on big data into early warning scores. If temperature and respiratory rate change in a certain way, and at a certain calibration, you can predict a heart arrest with up to 90 percent precision. And you can do that six to eight hours before it happens.

Now that same nurse is sitting behind a dashboard. At the dashboard is a traffic light with green, yellow, red figures. She can call doctors, she can call rapid response teams, she can give medications. There is also clinical decision support. And it's predictive. That eliminates the stress of being on your own with eight or 10 patients.

There's another example that I feel passionate about, since I worked in an NGO in Burundi. A significant percentage of the world's population, either for financial or location reasons, lacks access to anything you would call modern healthcare.

**"IT'S LESS THAT WE ARE LOOKING FOR ONE OR TWO SPECIFIC FUNCTIONS AND MORE A CERTAIN MINDSET. A KEY FACTOR IS COOPERATION"**

### CARLA KRIWET

Carla Kriwet is CEO of Philips' Connected Care & Health Informatics (CCHI) cluster of businesses, and a member of the firm's Executive Committee. Before joining Philips, Kriwet held leadership roles at Linde AG, Germany, and was a Senior Principal at The Boston Consulting Group.

JEFF SINDONE is a Partner at MerchantCantos, Brunswick's creative communications agency.

KEVIN HELLIKER is Editor-in-Chief of the Brunswick Review. Both are based in New York.

One solution is what we call tele-ICU. It's a hub-and-spoke model. Imagine a huge room somewhere in Bangalore in a university hospital, with the best experts around. That's the hub. The spokes are smaller hospitals throughout India, for instance, or anywhere in the world. If you're a physician in the hub, you see the patients because there's advanced video technology, you speak to the caregivers, you have access to all the medical data, the history of that specific patient.

Some of the caregivers in these remote places are not even doctors, they're nurses. But they get expert advice from the best people in the country – thereby increasing access to healthcare. You also connect data on a larger basis. If you're a patient in this remote location, I can look not only at you and your certain condition, but as an E-ICU expert I can also get to a database of all patients in a similar age with a similar health track record, with a similar environment, and come back with smarter insights.

One other example: Radiology departments are traditional and too often ineffective. You see radiologists literally looking at three different kinds of screens, and comparing them and saying, "This cancer looked a little bit smaller half a year ago. Now it's a little bit bigger. And I think it's moved, but I can't really see it well up here." The new AI technology we're putting into the radiology department is doing away with this guessing, this extracting data from different systems. Instead of guessing whether the tumor grew or shrunk or moved, automation is making that information available instantly. That allows the physician to focus on the patient, on treatment, on intervention.

If you ask doctors what they want, they don't ask for more data. They don't ask for more information – they have more they can cope with. They ask for smart, predictive guidance, helping them to do their job. And it's our job to meet these needs, and the job of our new joiners at Philips is to work with us toward this end.

### What do you say if a candidate asks why you like working at Philips?

Medical errors cause 250,000 deaths annually in the US alone. My passion is avoiding those deaths. What excites me is when I see proof that our technology is saving lives. You no longer have to risk patient infection by cabling and de-cabling – with our devices it's transferred over Wi-Fi, no touch. Little babies in the NICU? They're getting fewer infections because of our smart technology. When our work saves lives, that moves me.

**W**ES MOORE STOOD SECOND FROM left, smiling, alongside four US military veterans. His head obscured the lower-half of the I on the Time magazine cover. The headline read: “The New Greatest Generation.”

The issue came out in August 2011, when Mr. Moore was 32 years old. A Rhodes Scholar and White House Fellow who’d spent time working on Wall Street, Mr. Moore was then best-known for the best-selling book he’d published a year earlier: *The Other Wes Moore*, a true story about a man who shared Mr. Moore’s name and had been born in the same impoverished Baltimore neighborhood. While the author had gone on to distinguished career that included serving as a paratrooper in US Army’s 82nd Airborne Division, the other Wes Moore had killed an off-duty police officer and was serving a life sentence.

How could two African-American men born into such similar situations have wound up on vastly different paths? The answer Mr. Moore arrived at was neither simple nor comfortable: a mixture of luck and personal responsibility, a difference in small decisions and family support. “The chilling truth is that his story could have been mine,” Mr. Moore wrote. “The tragedy is that my story could have been his.”

After appearing on the Time cover, Mr. Moore wrote another best-selling book, worked to combat veteran homelessness – his TED talk “How to talk to veterans about war” has been viewed nearly 1 million times – and became a host on the Oprah Winfrey Network. In 2014, he founded BridgeEdu, an education platform to help disadvantaged students at every stage of college, from admission to graduation.

In April 2017, Mr. Moore was announced as the new CEO of Robin Hood, the largest poverty-fighting organization in New York City. By the organization’s estimates, there are 1.8 million low-income New Yorkers in need of the charity’s help – a population that would be the fifth-largest in the US if it were a standalone city.

Robin Hood’s annual donations approach \$130 million, with a majority of the funds going to provide education, basic needs and economic security. The efficacy of each program the charity invests in is evaluated by one of the organization’s 160-plus “metric formulas,” all of which are available on Robin Hood’s website.

Such a numbers-driven approach seems fitting considering the makeup of Robin Hood’s board,

which includes some of Wall Street’s biggest names: Paul Tudor Jones, the organization’s founder, David Solomon, David Tepper, Laurence Fink, Stan Druckenmiller. These legendary investors, along with other directors – who include Jeff Immelt, Katie Couric, and Tom Brokaw – cover 100 percent of Robin Hood’s administrative costs.

Mr. Moore is committed to accelerating Robin Hood’s fight against poverty, and he’s also looking to expand it. “Poverty’s nowhere near beaten in New York,” Mr. Moore told Brunswick recently. “But poverty’s also nowhere near a New York problem – there are more homeless veterans in Baltimore than there are in New York City, for instance. And the truth is the victories here

# CHIEF Philanthropy OFFICER

won’t mean enough unless they can inspire victories elsewhere.”

In a wide-ranging conversation, Mr. Moore shared what he’s reading at the moment – *The War on Normal People* by Andrew Yang, and *How Democracies Die* by Steven Levitsky and Daniel Ziblatt – and also spoke about what guides him as a leader. “You’re only going to get people so far by telling them what to do,” Mr. Moore says. “You’ll get people to move mountains if you show them what to do.”

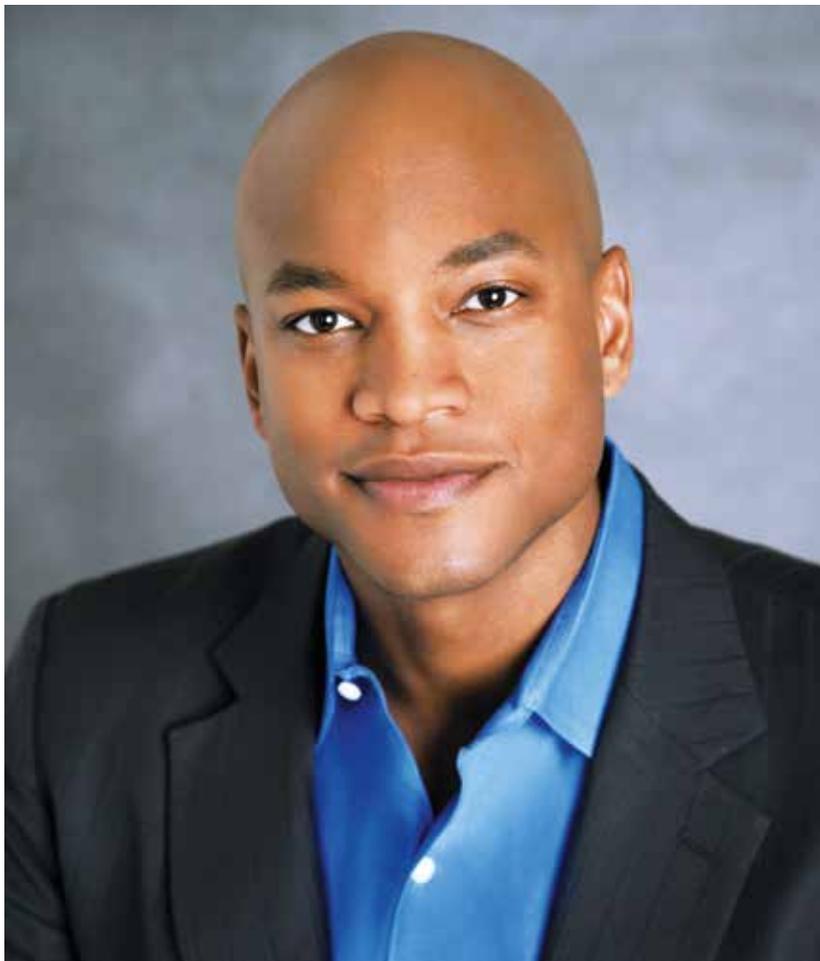
**What would you tell a young person who wants to know what it takes to lead others?**

I’d tell them to lead by example.

**Why that in particular?**

There’s a lot of lessons about things like focus, direction, transparency, and so on. All of those

Robin Hood CEO **WES MOORE** is a decorated veteran, best-selling author, White House Fellow, social entrepreneur, Rhodes Scholar, former investment banker – and approaching his 40th birthday. He talks with Brunswick’s **MUSTAFA RIFFAT**



PHOTOGRAPH: COURTESY OF WES MOORE

things are incredibly important, of course, and you need them to be successful. But it's easy to get mired in long lists of leadership do's and don'ts.

It's amazing what people will do if they know that you've done it already, or that you're going to be right there with them. It sounds simple, but it's not easy.

People need to feel inspired by the work that they do. They need to be driven by the work they do; they need to believe in it.

By leading the way, you're showing people that even though it might be hard, it won't be impossible. That you'll never ask them to do something you're not willing to do yourself.

**With the emphasis you place on action, how important are words? Are there any you deliberately try and use more as a CEO?**

Words matter immensely; they can support action and inspire it. One of the key words I'm stressing now is partnership. Partnership in everything that we do. The problem of poverty is too big for any person, any organization, to tackle by themselves. The team that partners best, will win.

**WES MOORE**

Wes Moore is CEO of Robin Hood Foundation, New York's largest poverty-fighting organization. He is a best-selling author and former White House Fellow and Rhodes Scholar. He served in the 82nd Airborne Division in the US Army.

**There's been talk of "ending poverty" for decades. Is it a reasonable goal?**

I think the idea of waking up one day and poverty being gone isn't a realistic expectation. I think part of the problem is, at best, we have moved as a society toward simply making poverty more tolerable. We can do better; we have the tools to do better. Now we just need the will.

**What's the biggest myth people have about poverty in the US?**

One of the biggest is that people are poor by choice. Another is that poverty is a lifestyle decision – that if people just work hard they can get out of poverty.

Those are myths because they're simply not backed up by facts. The fastest-growing population of people in poverty are the working poor. And the challenges and obstacles they're facing are becoming more complicated, not less, so we have to be more innovative with our solutions and not retreat to simple explanations like "work harder."

**What would you say to people who feel powerless to affect change in their lives, let alone societal change?**

I'd tell them to simply focus on what they can do. To try to solve a big problem by yourself can feel so intimidating and overwhelming that it leaves you wondering where to start. But if you do your part, if you push yourself a little bit harder – that change, whether personal or societal, could be tremendous.

**You've accomplished a great deal in a relatively short career. What drives you?**

My sister said her definition of hell would be God showing you everything you could have accomplished had you only tried. I heard that and ... damn.

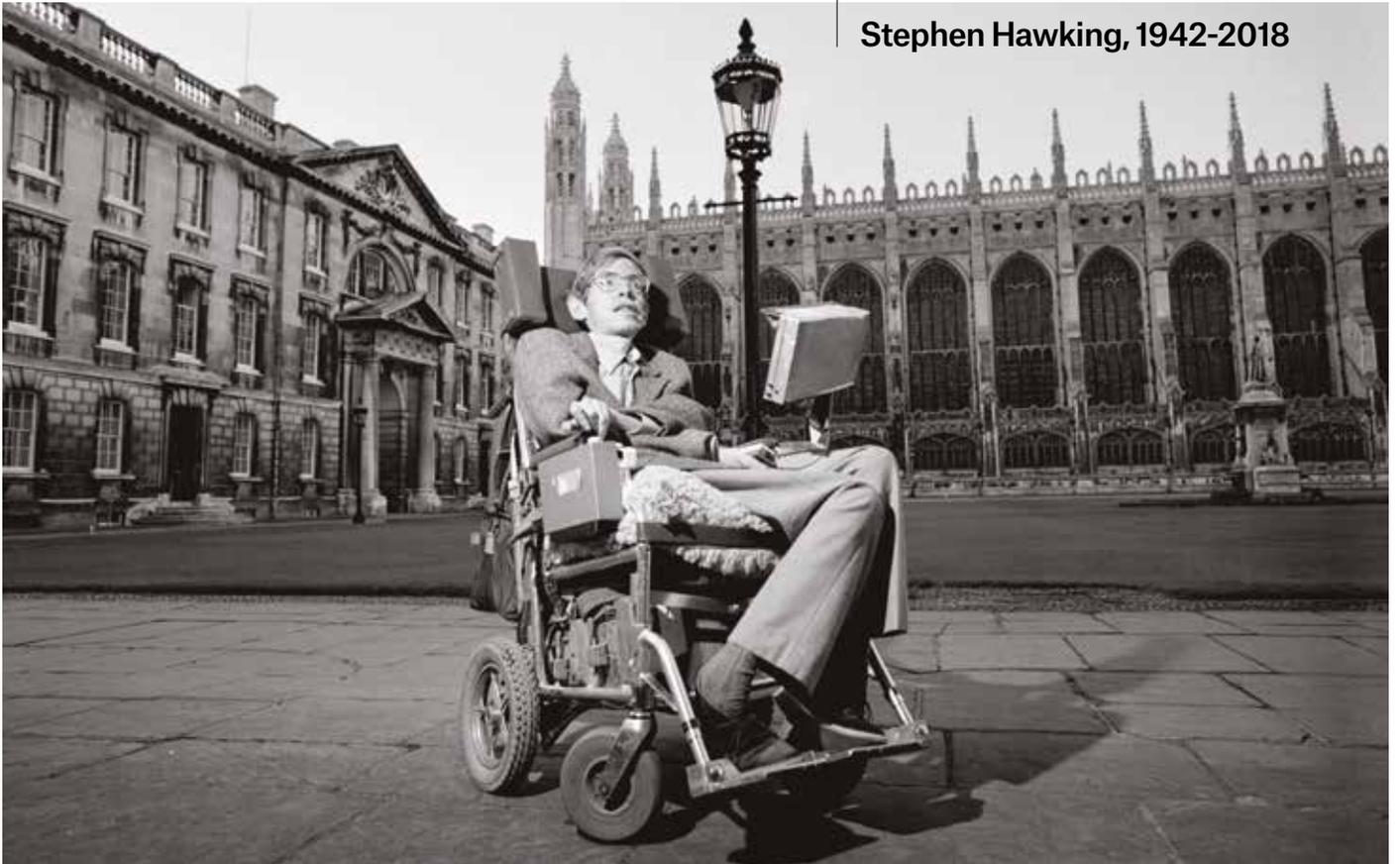
When we think about what it is that we can do, what we should do – if we're not pushing, and if we're not moving beyond the fear of failure, trying to stretch, then what's the point? If you're not running across the tape and collapsing after you finish, then you didn't run your hardest race.

Whenever that conversation happens for me, whenever that day comes, the only thing I want God to say to me is: "Job well done."

MUSTAFA RIFFAT is a Director specializing in cross-border M&A transactions, crisis, and capital markets. A member of Brunswick's global financial institutions group, he is based in New York.

# Critical moment

Stephen Hawking, 1942-2018



**P**ERHAPS HE DIDN'T REDEFINE OUR understanding of our place in the universe, as Einstein did with the theory of relativity, or invent a new branch of mathematics, as Newton did with calculus. Yet Stephen Hawking's life and work captured the public imagination as profoundly as anyone in the history of science. In both mind and body, he symbolized our species' victory over the forces of nature. And behind his story, like a rocket engine, fired a determination to communicate so powerful that it propelled him through the loss of speech via tongue or finger.

A brilliant if unmotivated student at Oxford, then Cambridge, he was diagnosed at 21 with ALS (also called "Lou Gehrig's Disease") and not expected to live to be 25. But the degenerative progress of the disease proved slow and, with death as a constant companion, he found a new sense of purpose. Soon he was a star at Cambridge, occupying the post once held by Sir Isaac Newton and opening new territory in theoretical cosmology.

Eventually almost completely immobile, he nonetheless authored a stream of radical papers shifting scientific perceptions about black holes and

**STEPHEN HAWKING** at Cambridge University in 1988, the same year he published the best-selling *A Brief History of Time*. One reviewer in *Time* magazine wrote: "Even as he sits helpless in his wheelchair, his mind seems to soar ever more brilliantly across the vastness of space and time to unlock the secrets of the universe."

the origins of the universe. In 1984, pneumonia nearly killed him; an emergency tracheotomy left him voiceless. At first, he was reduced to spelling out words using letter cards held in front of him. But fledgling personal computer technology allowed him to communicate – at a rate of 15 words per minute.

While tech innovations barely kept pace with his physical deterioration, the sound of his speech synthesizer became a brand in itself, a symbol of wit and wisdom that Professor Hawking carried with pride. In 1988, his book *A Brief History of Time*, became a runaway best-seller – over 11 million copies sold in 35 languages. The author himself narrated a feature-length film version. As his fame grew, he frequently appeared – in his wheelchair, with that voice – in cameo roles on TV shows such as "Big Bang Theory," "Star Trek," and "The Simpsons."

His death itself could be seen as a cosmological alignment. Born January 8, 1942, exactly 300 years after the death of Renaissance astronomer Galileo, Stephen Hawking died on March 14, Albert Einstein's birthday.

**CARLTON WILKINSON** is Managing Editor of the Brunswick Review, in New York.

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