

2000 Arthur W. Page Hall of Fame Lecture

Public Relations: Coming of Age in the New Economy

**By John D. Graham,
Chairman and Chief Executive Officer
Fleishman-Hillard, Inc.**

September 25, 2000

Thank you very much for that kind introduction. I really don't deserve an introduction like that. But I have a bad back and I don't deserve that, either, so I'll gladly take it.

I would like to extend my thanks to the members of the Arthur W. Page Society for this honor. It is very gratifying and at the same time very humbling to be recognized by the top leaders of our profession. Imitation may be the sincerest form of flattery, but recognition by one's peers is the sincerest compliment I can imagine. Thank you very much.

An award of this caliber really gives you reason to pause and reflect on a career's worth of lessons. Some learned with ease, and others learned the hard way. I think this is an ideal time to share one of the best lessons I ever learned about awards and the speeches that come with them.

Early in my career, I joined a client of mine who was visiting a local grade school. He was CEO of a big company which had just made a large grant to the school. He let his enthusiasm for the moment carry him away, and ended up making a speech that matched the grant in size.

After his talk, he asked the exhausted class what they were studying. They told him, "Ancient Greece." "Really?" he said. "Then can anyone tell me about Socrates?" he asked.

After a moment, one little girl in the back of the room slowly raised her hand and said, "Socrates was a great philosopher. He made long speeches and his friends poisoned him."

Believe me, that is one lesson I have never forgotten. And I promise to keep it in mind today.

But excited as I am to receive this honor, I have to admit that I was a little nervous when they told me I would be this year's inductee. I quickly reviewed the list of those who have been inducted ahead of me. Giants in the field like Ed Block, Harold Dan Edelman, Larry Foster, Grant Horn, Jack Koten, and Dick Mau. True public relations legends.

These and the other Hall of Fame inductees are terrific standard bearers for the Society in particular ...and for the entire profession. They are gifted strategists. They are leaders.

And many of them are retired.

For a moment, I thought that naming me to the Hall of Fame might be someone's very creative way to suggest that I should start thinking about my career options.

But I have to tell you something ...leaving this business is about the last thing on my mind ...and I hope that's the case for you as well. Because I firmly believe that this is the best time ever to work in public relations.

Our services are in demand as never before. Our profession has never been held in higher regard. Public relations practitioners are working for ...and creating positive social change. And our work is making more of a difference in board rooms...in the media ...and in living rooms than ever. If there are any roadblocks to our profession's continued growth ...I firmly believe they are of our own making.

I would like to spend a few moments reviewing why I believe our profession is flourishing today. After that, I want to touch briefly on where I believe we are headed in the always-on digital environment in which we all live and work.

By any objective measure, our profession is doing very well. Here are just a few examples of what I mean.

Today, public relations is attracting more highly skilled people than ever before. At my company, and I'm sure at other agencies and in some organizations, we are seeing tremendous job growth.

For example, at Fleishman-Hillard, this year alone we will hire 600 people. And we're not alone in that kind of growth. People are coming to public relations in substantial numbers.

And what is more impressive is that more people are joining the profession with greater skills. There are still plenty of people with journalism backgrounds in the business. But today I see more public relations staff with graduate degrees. More are coming to us with prior work experience in other fields, like law, investment banking, management consulting, and politics.

And many of our new employees are joining the profession right out of college, which also says a lot. I can't tell you how invigorating it is to have so many good, bright, energetic young people coming into the profession. It's also challenging, as many of these young people need significant training and mentoring.

As I move around our system and visit our offices around the world, I make it a priority to with meet as many of our young Fleishman-Hillard associates as possible, and I'll tell you why. They are anxious to tell me about the difference they are making for positive change. They bring a lot of vitality to our firm ...a strong commitment to doing good and doing well.

But what they *don't* bring is just as important. They're too young to know what they can't do...too young to be biased. My challenge is to ensure that their enthusiasm is nurtured and maintained.

We owe it to our profession to mentor young professionals...to guide them ...and instill in them the principles that Arthur Page laid out for us.

What accounts for this influx of fresh talent? I believe that the development of the profession has a lot to do with it. Salaries and benefits are higher than ever. The challenges we face in our daily work are tougher, more demanding and more satisfying to overcome.

PR is also increasingly recognized for the profession that we've always known it to be. And for that, we have to give organizations like the Arthur W. Page Society a lot of credit. This group has been at the forefront in demonstrating the value of public relations, and it's made a difference.

A second measure of our profession's well being is the level of respect that public relations commands today. Many of us in this room have worked through periods where public relations people were buried in the corporate hierarchy...reporting into the legal department, human resources, the marketing group, or the executive support organization.

Those days are rapidly receding as more and more CEOs come to understand what Arthur Page knew all along: Companies operate with the blessing of the public.

Those blessings are manifested in various ways...in sales, in the stock price, in media coverage, in legislation and regulation...and in every case, public opinion is the underpinning.

A third measure, of course, is the substantial growth in overall corporate budgets devoted to public relations. The bottom line in our business has always been the bottom line.

All the studies show that companies are spending more and more on public relations to help them meet their specific business objectives.

Today, our industry is growing at historical rates...in terms of people, in terms of budgets...as the profession matures and as companies truly appreciate the value of public relations. But now that we find ourselves in this unique position, where do we go from here? More specifically, what is the role of public relations going forward, in our Digital Age?

To answer that, we need to step back for a moment and examine the environment in which we operate. I'm talking about the public arena, where opinion is shaped, influenced and molded.

Today, that arena is louder, more open and more chaotic than anytime in history.

The public square is no longer the 100-foot-by-100-foot area in front of a court house or city hall. Today's public square is more like 12 inches by 12 inches ...about the size of the average computer screen.

Anyone who owns a computer...and these days, we are more likely to own one, two or three of them ...that person is in the arena, shaping the debate or being engulfed by it.

When we log on today, we are networked into millions of voices, views and attitudes. Today, there are 10 million live Web sites on the World Wide Web at a given moment, and they fill every niche of human need or desire. Every product, every service you can imagine is available there. And I'm sure there are a few you can't imagine that are available as well.

Worldwide, there will be million 375 Internet users by the end of this year...an increase of about one-third over 1999. In the U.S. alone, at least 84 million people use the Internet at home or work and 37 million Americans use it daily. Estimates are that 55,000 new users join the online world everyday.

Access to the Internet is occurring at an unprecedented pace. It took the better part of a century for access to telephone service to become universal. It took several decades for most of the nation to get television. The Internet has taken only a few short years to become established as an integral part of most our lives.

On top of this explosive growth in New Media is the rapid growth and diffusion of what we now call Old Media...quaint things like newspapers, radio and television. But these media are working just as hard to meet specific niches as well. Consider television. It wasn't so long ago that the entire nation had a choice of the Big Three networks.

Today, we can choose from dozens of networks. 24-hour news channels. 24-hour business channels. 24-hour sports channels. Even a 24-hour classic sports channel to show you re-runs of sporting events you witnessed on TV, live, just a few years ago.

There are 24-hour food and cooking stations. We're now making pop culture celebrities of chefs. Shopping channels, history channels, old movies ...the list goes on and on.

The public square has grown geometrically. But even more important than that, it has become interactive. That means we are not just consumers of news and information ...we are participants in it.

Our opinions are not confined any longer to whomever we can speak to in person. Do you enjoy watching the explosive St. Louis Rams as much as I do?

Well, if you are a Rams fan, there are about 50 places on the Internet available for you to tell the whole world about what defense you think the Rams should play. ..what offensive plays they should call...or how much you love or hate their new uniforms.

Want to sound off on the presidential race? Go right ahead, until you are blue in the face ...or until your fingertips bleed.

Or maybe you own stock in a company. Let's say it's a small fiber optics equipment manufacturer on the West Coast, and you've shorted their stock.

You could go on any number of on-line message boards, completely anonymously, using a made-up screen name, and pretend to be a fiber optic expert and talk down the stock.

Or you could take it another step. You could create a totally fictitious news release about the company's poor earnings. You could have a young, electronic distribution company issue the release. And you could sit back and watch as the company's stock drops more than 60 percent.

You could also wind up facing federal charges, as happened to the young man in California who did just that to a company.

My point is this. We are drowning in information. And while we may still be starved for knowledge, as the old saying goes, we are even hungrier for the truth.

In other words, in an age when everyone has a voice...where credibility is assumed rather than earned...trust is an increasingly precious commodity. In the Digital Age, therefore, reputation matters as never before.

That is why we in public relations ...as the professionals most responsible for managing and maintaining reputations...are poised to achieve even more.

What does this mean for us? I would be misrepresenting myself...and insulting the distinguished members of this Society...if I were to pretend that I had the answers. I don't think anyone has all of the answers right now. The Digital Economy or New Economy or whatever you want to call it is still in its infancy. But I think there are several broad characteristics of working in this era that bear covering here.

First is speed. Mark Twain said a lie races half-way round the world before truth can get its boots on. That was when information traveled as fast as the telegraph. There is just no corollary to that today. Mark Twain would have no concept of what speed means to us.

For us, it means we have to think in terms of real time responses to bad information. Not in terms of the next news cycle, but right now. Because there is no news cycle anymore.

At the same time, we need to anticipate change. Economic upheavals...demographic shifts political winds...everything is in flux.

The greatest value we can add is to prepare our corporations and clients accordingly. Increasingly, it is our responsibility to anticipate these changes ...analyze their potential impact on our clients and corporations from the standpoint of public perception ...and design and implement programs to help them meet these changes.

We also have to make certain that everything we communicate is absolutely honest and beyond reproach. The public's nose for ascertaining when the truth is being stretched...for spin ...is keener than ever. Credibility flows from truth.

Lastly, I think we need to remember the most basic lesson of all. It is the fundamental advice I give our clients and our agency staff, and it is this: Do the right thing. In my years in the business, I have never seen a company unduly punished for doing the right thing for its customers, its employees and its shareowners.

And when you think about it, doing the right thing is the best way to sum up the principles that Arthur Page himself set out for our profession so many years ago. They survive to this day because they reflect a basic truth.

They are principles that all of us are proud to uphold, and that is why I am so proud to stand before you today as the newest member of this Society's Hall of Fame.

Again, thank you for this honor.