

Truth Be Told

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*How authentic marketing and communications
wins in the purposeful age*

John O'Brien
David Gallagher



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This book is dedicated to John's parents who taught him truth needed to be told, and to David's parents, who instilled the importance of listening as the means for understanding.

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ABOUT THE AUTHORS – TWO JOURNEYS TO TRUTH

John's path to truth in marketing

I was the product of a family of small business owners in a rural market town in the British Midlands in the early 1960s. Both my parents had their own shops, as did my grandparents, and several other relatives were businesspeople and smallholders. In two of the shops, at an age too small to be seen over the counter, I would stand on a step to watch the shop whilst whichever family member or member of staff went off to make the tea. As I grew, so did my awareness of the efforts my family put into the businesses and their local marketing, from adverts in the local newspapers, a picture ad at the cinema, thematic window displays, as well as involvement in the local business chamber, charity events and community activities. The shops were a bustle of activity; not just customers, but also employees, sales representatives, local suppliers bringing goods in or neighbours popping in for a chat. The shops were a part of their local communities and a community in itself. My family responded to local circumstances, met market demand and used simple messaging, alongside their front-of-house behaviours, which built trust and reputation. The oldest business was a shop started by my great-grandfather in 1908 and which is still operated today by a former employee under the same name; for over 100 years it has served local people with the same sense of character and goodwill which local businesses are best placed to embody. That surely is sustainable success in business.

Having left school, and after a few short years in banking, I actually took a diversion, attending the Royal Military Academy at Sandhurst, gaining my commission and going on to serve 10 years as an infantry officer. That experience embodied within me a strong sense of personal purpose, as aligned with the organization. This in turn was based on strong ethics and a set of behavioural values. When I left the Army in 1994, I found myself applying such principles at the interface of business with society, including 10 years as the Prince of Wales's director of programmes at his responsible business network BITC (Business in the Community), which gave me unparalleled experience working with and advising major global and UK business leaders on initiatives covering over 20 countries. Then in 2010, having become disillusioned

by the relative failure of Corporate Social Responsibility (CSR) to change business behaviour in the wider sense, I embarked upon creating a post-CSR proposition, helping contribute to much of the now accepted language and thinking around ethical purpose in business. Having built my own business, I joined Omnicom in 2017 to co-lead their ethical purpose consortium of agencies, leading to a further expansion of applying purpose strategy thinking into global marketing and communications.

Coming from what can be described as an unconventional path into the world of brand, advertising, PR and digital communications, brought a different perspective to that of my colleagues and broadened out the possibility of how one amplifies the power of purpose, using the influence of communications. If I draw a line between my family businesses, the last 25 years' experience, and what I see today, it is this: business of any scale is first and foremost about people and the communities within which it operates. To build long-term success, you must meet the expectations of those people and do so in a way that can be trusted but at the same time be profitable to support the ongoing business needs. Marketing is about telling that story well and that story needs to be truth.

I now split my time between Omnicom, co-leading ONE HUNDRED, a consortium of cross-specialist agencies, and a portfolio of non-executive business advisory and voluntary charitable roles. I can be found at: www.johnobrien.world; LinkedIn: www.linkedin.com/in/johnobrienwritlarge/; Twitter is @Johnwritlarge

And David: same place, different road

It's somewhat remarkable we landed at the same place, at the same time, with such similar thoughts, given the very different paths we have taken. I have spent the last 25 years in a 'big agency' environment, working my way through various roles within the largest group of communications and PR specialists in the world, advising giant companies, famous brands and powerful government institutions on all kinds of major announcements, changes, and campaigns, not to mention a few serious crises. These assignments took me to dozens of countries and required me to become familiar with hundreds of businesses and organizations across just about every industry, sector and media environment; so many differences, so much nuance to every situation, and yet one feature common to every single engagement – a fundamental desire to communicate something of importance, of value, to the world.

Of course, not every assignment actually included substance of importance or value. Often the brief to us was to find something meaningful to say about a product, or a new corporate direction, or tired old government initiative, and while we often managed to succeed, it was clear we were starting at the wrong end of the process. How much easier it would be to establish why something is crucial, before worrying about how to make it sound important.

Looking further back, my first professional experiences were instrumental in shaping my later views on purpose and meaning. After gaining a journalism degree from the University of Texas, I found myself looking for editorial odd-jobs in Washington, DC, eventually landing a jack-of-all-words role at a mental health advocacy organization. This and a similar, later job at a major diabetes research association had all of the usual resource-related challenges associated with non-profits and charities, but they both enjoyed a powerful, priceless asset: a clear and defining sense of mission. One focused on improving the lives of people with mental health problems, the other toward funding research and services for people with diabetes – and both organized every single effort under these unambiguous aims.

If forced to date my very earliest memory of ‘work’ and what my future might hold, there’s an old photo of me at age four or five, in the print shop of my grandparents’ small-town newspaper in central Oklahoma (probably not the safest place for a small child, in hindsight). I remember asking my grandmother who set the type and sold the ads, what the newspaper was for. ‘We tell people about things that happen when they can’t see it for themselves,’ she said. And what if you get it wrong, I wondered? ‘We try very hard not to,’ she said. ‘It all has to be as true as it can be – or we’ll hear about it!’

Thinking of these experiences as a whole, themes emerge. The most successful communications or marketing projects I’ve supported served a clear, meaningful purpose from the start. These projects were undertaken not as one-way projections of ‘key message’ or product features, but as part of ongoing conversations with a wider community. These communities in turn included participants well beyond shareholders and end-users, earnestly engaging all who had a stake in that overarching aim. And they were all as true as they could be.

I spend the majority of my time heading international growth and development for the Omnicom Public Relations Group, alongside volunteer advisory roles for the McCombs School of Business at the University of Texas, Mothers 2 Mothers, and the London School of Hygiene and Tropical Medicine. I can be found at: Twitter @TBoneGallagher; LinkedIn: <https://www.linkedin.com/in/david-gallagher-4a23394/>

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In the process of researching this book we spoke and corresponded with dozens of colleagues, clients past and present, and even the occasional competitor or two, all of whom were generous with their expertise and experience. Comments quoted directly have been approved for publication by the following contributors:

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FOREWORD

In January 2020, many of the world's business leaders embarked on their journey towards 'stakeholder capitalism'. During the World Economic Forum's 50th Annual Meeting in Davos, companies from every sector, and all parts of the world, committed to the 'Davos Manifesto 2020'. It stated that the purpose of a company is to 'engage all of the company's stakeholders in shared and sustained value creation', and that the best way to do so is 'through a shared commitment to policies and decisions that strengthen the long-term prosperity of a company'.

The Manifesto in this way marked a milestone: it made explicit that companies should do more than chase short-term profits, and focus on a broader purpose instead. But mere weeks after the conclusion of the event, the question of how to best deliver on these long-term goals in the face of short-term pressures became extremely pertinent. The COVID-19 pandemic plunged our world into the most challenging times we've faced in generations. In many Western societies, citizens rose up against systemic racism. And the climate crisis started to cause ever more environmental damage, from the wildfires in Australia, to the cyclone Amphan in West Bengal.

For the business leaders who had committed to stakeholder responsibility just months earlier, these events required them to 'hit the ground running' on finding and delivering on their stakeholder purpose. In addition to protecting their revenues and business activities, they needed to help protect all their stakeholders – employees, suppliers, customers, and society. And, amidst these multiple crises, they needed to clearly communicate their actions. This wasn't going to be easy in any circumstance, but it was important to get this right, because the long-term prosperity of their own businesses, and that of society as a whole, depended on it.

Truth Be Told is a handbook for executives who want to know how they can communicate their stakeholder actions and their broader purpose to the outside world, including in uncertain and tempestuous times like these. Its premise is clear: communicating on your virtuous actions will only be effective if your words are supported by meaningful actions on the ground. The right order of action is to first, truly commit to stakeholder responsibility and redefine your purpose; second, reassess your business activities against this light, and course-correct where needed; and third, communicate about your accomplishments to the outside world.

A brief history of stakeholder capitalism

Before you read this book, it's important to know that companies haven't always committed to this purpose-driven, stakeholder-oriented form of capitalism. Globally, capitalism has appeared in three main forms. The first is 'shareholder capitalism', embraced – until recently – by many companies and economists. It holds, as Milton Friedman said, that 'the business of business is business' (Newsmaker, 2010) and that its primary goal should be to maximize its short-term profits. The second is 'state capitalism'. This form of capitalism entrusts the government with setting the direction of the economy and has risen to prominence in many emerging markets, not least China.

The third is 'stakeholder capitalism'. I first talked about it a half-century ago, in the book *Modern Enterprise Management* in 1971, and in the first Davos Manifesto, signed in 1973. This model positions private corporations as trustees of society – stakeholders themselves who pay their fair share of taxes, show zero tolerance for corruption, uphold human rights throughout their global supply chains and advocate for a competitive level playing field. It's clearly the best response to today's social and environmental challenges.

The rise of shareholder capitalism, though, which was dominant until now, is not without merit. During its heyday, hundreds of millions of people around the world prospered, as profit-seeking companies unlocked new markets and created new jobs. But advocates of shareholder capitalism had neglected the fact that a publicly listed corporation is not just a profit-seeking entity but also a social organism. Together with financial industry pressures to boost short-term results, the single-minded focus on profits caused shareholder capitalism to become increasingly disconnected from the real economy. This model was no longer sustainable.

Coinciding with the launch of the decade of action to deliver the Sustainable Development Goals (SDGs) by 2030, at the Forum's Annual Meeting in 2020, global businesses prepared for a year and decade of action on some of the world's most pressing challenges: climate change and greenhouse gas emissions, rising cyber risks associated with digitization, the need for massive workforce reskilling, and the need to reduce inequities in access to healthcare, especially mental healthcare – to name just a few. And the pandemic crystallized the need, like never before, to collaborate on developing solutions to these challenges and many others facing our world.

Finding your purpose and communicating to stakeholders

The pandemic and resulting social and economic crises now present a rare but narrow window of opportunity to reflect, reimagine and reset our world to create a healthier, more equitable, more prosperous future.

As we seize upon this window, companies should do two things: first, they should realize their purpose and their role in revamping societies and economies, both in the immediate response to issues like COVID-19 and the climate crisis, as well as in the long term. And second, they should include stakeholders in the conversations that matter. This consultation process should be organized such that executives and boards can make decisions, well aware of the issues that matter to their stakeholders

The good news is that both of these tasks can be executed. To realize their purpose, the World Economic Forum's International Business Council, comprising 140 of the world's largest companies, in September 2020 presented a new set of environmental, social and governance (ESG) metrics and disclosures, called the 'Stakeholder Capitalism Metrics'. Led by the Chairman of the International Business Council (IBC), Bank of America CEO Brian Moynihan, with support from the 'Big Four' accounting firms, these stakeholder metrics are meant to complement standard financial metrics. They can ensure that a company measures its sustainable value creation in a way that is consistent across industry sectors and countries.

The broad, cross-sector support for the metrics shows a real commitment on the part of companies to being more transparent in their communications about their non-financial performance – and already we're seeing it play out. Companies are responding to their employees' and suppliers' needs in the crisis, changing their supply chains to reduce emissions and donating to social justice organizations and launching initiatives to make their own workplaces more inclusive and equitable. And as the pandemic-induced lockdowns have required people to work, learn, shop and socialize almost exclusively at home, opportunities to communicate with stakeholders directly have been increasing.

Thanks to the digital innovations of the Fourth Industrial Revolution, businesses also have the opportunity to engage directly with stakeholders, including the public, like never before. One example comes from the World Economic Forum itself. Over the past years, we set up 'Global Future Councils', to include experts in all domains into our agenda setting. We've

set up hundreds of hubs of ‘Global Shapers’ – young people under the age of 30 – to make sure the voices of the world’s young are heard. And we built a global social media following of 25 million people and opened up our events, including the Annual Meeting in Davos, to the public, with live-streaming and social media coverage across platforms including Facebook, Twitter and TikTok. The 50th Annual Meeting in 2020 in this way was historic in its level of stakeholder participation. Many companies are making similar efforts to make sure they can consult their stakeholders as well.

However, this opportunity is not without risk. In the midst of the COVID-19 pandemic, climate-related disasters and social upheaval, we’re relying on digital technology and digital communication platforms to work, learn, and even see doctors – and information can quite literally save lives. But there is also a dark side to the ubiquity of these information technologies: the risk of misinformation. This is all the more reason why businesses must communicate, openly and often, so stakeholders aren’t led astray.

Stakeholder capitalism requires not only open and transparent communication, but also vigilance. Companies have a duty to combat the viral spread of misinformation that’s (intentionally or not) misleading or provocative, ensure the safekeeping of their stakeholders’ private data, and take action to prevent or stop cyber security threats. And, if and when something inevitably goes wrong in this new space, even more clear, transparent communication about what happened is needed, and what will be done to fix it. After all, damage can be done by rapid misinformation even when the correct information quickly follows.

The bottom line

The new world of communications is no longer just about the message your company is putting out into the world. One-way communication, from business to shareholder or business to stakeholder, isn’t enough. Today, the communications environment is one in which everyone interacts with one another. Businesses have a role to play in ensuring they are having a dialogue with – and especially listening to – stakeholders, verifying information, responsibly managing and mitigating risks and, if one of those risks does come to bear, communicating even more.

To create a better world, companies must have a purpose rooted in the world around them, not just in their own operations. John O’Brien and

David Gallagher show how do to so in any company in an honest and purposeful way. I hope you enjoy reading their book.

*Klaus Schwab
Founder and Chairman, World Economic
Forum
Geneve, October 2020*

Reference

Newsmaker.com.au (2010) The Business Of Business Is Business, <https://www.newsmaker.com.au/news/5603/the-business-of-business-is-business#.X66m-cj7TIU> (archived at <https://perma.cc/3TRQ-WPHR>)

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As for our commitment to truth, we take full responsibility for complete accuracy in our content and for any shortcomings which of course are ours alone.