

**43rd Annual Distinguished Lecture & Awards Dinner
Institute for Public Relations
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“Thirty Years in the Same Job, and What Do I Know”

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I want to thank the Institute for Public Relations for honoring me by asking me to speak this evening ... and I want to congratulate this organization for the outstanding work it is doing on behalf of the industry. Your emphasis on public relations as a science as well as an art, and your traditional emphasis on issues such as education and research, are all very timely right now, and I think the IPR is in a position to make even greater contributions in the future.

Like many of you, I have my share of opportunities to speak before various groups ... but I have been really looking forward to this one because it not only allows me to speak to one of the most important groups in our industry ... it also provides me a very interesting assignment.

You will decide if what I have learned is useful for you ... but I know that doing my homework for this talk has been useful for me. It has allowed me to look back over 30 years and really think about this wonderful craft ... this wonderful art ... known as public relations.

Although I have been at this for some time, I don't pretend to know any more about this profession than anyone else here this evening ... but I am pleased to share with you my own personal thoughts ... gained by being a PR guy for nearly four decades and CEO of Fleishman-Hillard for three of those decades.

I started at Fleishman-Hillard, in 1966, after being hired by Bob Hillard. At that time, there were only eight employees at the firm, so being selected as a new hire was a big deal. I was assigned to work on the Granite City Steel account under the direct supervision of one of the partners, Harry Wilson. Granite City Steel was one of our flagship accounts and Harry Wilson – a former newspaper editor – was one of the more accomplished and exacting partners among the group ... in other words, he was tough.

As I reported for duty – to a very skeptical Harry Wilson – he slid a large book across the desk to me entitled: *“The Making of Steel.”* He pointed out to me that if I was going to work on this account, I really had to know everything about their business ... and consuming the contents of this book was a start. He also gave me the assignment of developing a white paper ... a background paper on Granite City Steel's new state-of-the-art basic oxygen furnace and hot strip mill – quite a sexy topic. The white paper, of course, was to serve as the basis for various trade and business articles.

After five days of numerous interviews, heavy reading, and checking with all the sources you would expect me to use in this type of assignment, I returned to Harry's office and, gushing with pride, gave him my white paper.

After quickly scanning what I considered to be an outstanding piece of work, he threw the paper back across the desk and proceeded to tell me not only did the white paper not have enough detail, but if this was an example of what I was capable of producing ... I certainly would never make it at Fleishman-Hillard or in public relations anywhere.

He advised me, in no uncertain terms, that I might think about finding another line of work ... one where my surface treatment of such a serious and complex topic might be acceptable ... he thought advertising might be the right place for me.

Totally crushed, I asked for another 48 hours and he gave it to me. I worked day and night, digging deeper for every last detail and bit of information I could find on this subject. It was painful ... but I got it done.

After meeting my deadline and turning in my new version of the work ... Harry, for the next 25 minutes, reviewed the paper as I sat across his desk holding my breath and thinking maybe I should try advertising. He read almost every word. And then, he slid the paper back across the desk and proceeded to tell me that – it had far too much detail. Don't ask me why, but from that moment on I was committed to a career in public relations.

Lesson learned: No pain ... no gain.

Throughout my years in this business, time and time again I have learned there is no substitute for hard work. This is the first of a few lessons learned that I will share with you this evening. However, in my mind, this is one of the most important. Hard work – approaching a task by focusing all of your energy, desire and enthusiasm directly on the project at hand – will never fail you.

I would like to share another story from my very early days at Fleishman-Hillard. I had been at the agency only a week when Bob Hillard told me to come along with him to Emerson Electric.

Now, this was a big deal to the most junior guy at the agency ... being asked to accompany one of our founders to a meeting with one of our three biggest clients. To my surprise, this was not only Emerson, but Bob was pulling me into a key meeting with the CEO, Buck Persons. For whatever reason, Bob thought I would be effective on the Emerson account and would work well with Buck.

It actually worked out better than Bob expected. When we got to the meeting, Buck said: "I know you, Graham." I wasn't sure if he would remember, but we had worked together on a community fundraising project. I got immediately involved in Emerson ... I developed a strong relationship with Buck, and I have continued to work with Emerson through three CEOs and for nearly 40 years.

Lesson learned: There are times when org charts and fancy titles mean nothing. You've got to know who will get the best results and build the strongest relationships ... regardless of what it says on their business cards. That is how you have to pick and manage your teams

A postscript to that story – some of you may know that, for about 25 years, we only had one title at Fleishman-Hillard – and that was: Counselor. The origins for that one title grew out of our respect – not always fondness – for lawyers. We found that when you put lawyers and PR people in the same room with a client, the lawyers somehow seemed to grab the attention of the client ... I don't know if the words "Let's sue them" had anything to do with it or not. But we decided that two could play this game, so we landed on the title 'Counselor' and it stuck.

After becoming CEO of Fleishman-Hillard in 1974, I began to develop my dreams and aspirations into a vision for the agency. That vision had its basis in a strong, personal commitment to build our company into a firm with the best people, the best reputation, the best clients, and one that offered the best communications service on a worldwide basis. That has been our vision for 30 years ... and it remains our vision today.

But having a vision ... and taking the steps to make it reality ... are two very different things. Growing a worldwide business from St. Louis ... which is not exactly the public relations capital of the world ... may seem like a daunting or even impossible task ... but we planned it carefully; we were guided by our vision, and we worked on it one step at a time ... hiring one key person ... gaining one additional client ... and opening one office at a time – Kansas City in 1977, New York in 1980, Los Angeles in 1982 and Washington, D.C., in 1985 ... then opening London and Paris two years later, beginning our expansion into the international arena.

I will also tell you that the period of the mid-80s was a great period of high risk for our firm. We were totally over extended ... and I personally was over extended ... I was traveling 250,000 miles a year, while personally handling our three largest clients ... at the same time, explaining to our bankers ... who absolutely had no idea what we did for a living ... why we should open new offices in Washington, London, and Paris ... while we were still losing money in our recently established New York and Los Angeles offices.

It was really tough. My CFO and I personally mortgaged our homes and everything else we owned in order to meet our twice-a-month payroll. It was a high-risk strategy, but it worked. Those new offices gradually developed a solid client base and began to contribute to our overall operations. Truly, it was that vision of what I felt Fleishman-Hillard could become that sustained me through that period.

So, three important lessons learned:

- One – Develop your vision ... and stay with it ... it can sustain you through tough times.
- Two – In order to achieve that vision, sometimes you have to take risks.
- Three – Find a banker that's OK with a double mortgage if you want to grow a PR agency into a worldwide firm.

You notice I have been saying "we" as I talked about our firm's struggles and our success. If we had not had the good fortune to find and bring on board outstanding people – not only in our St. Louis headquarters, but in each of the locations where we started offices, someone else would be speaking to you tonight.

I have learned that you can have the vision and commitment ... but you can do nothing without good people. Choose your people carefully ...take the time and make the effort to train them ... work with them and develop them and they will become your greatest asset.

I learned something else ... an incredibly valuable lesson ... during this period of rapid growth. It was actually more of a discovery ... we discovered we had developed a great culture that had grown out of our firm's Midwestern roots.

I say we "discovered" we had this culture because this was really based in how we lived and did business everyday. It was not the result of someone suddenly deciding that Fleishman-Hillard needed a culture and therefore needed to invent one. It was us. We put it in writing in 1984, in the form of the Fleishman-Hillard philosophy ... and I took the liberty of putting a copy of our philosophy on your table this evening.

The Fleishman-Hillard philosophy has served us extremely well. For 20 years, we have used it to guide and direct our staff worldwide in how they should conduct business on an everyday basis. It's our culture that ensures when we encounter difficult situations – like the one we currently face in our Los Angeles office – that our company will do the right thing, and that we will emerge from this situation stronger as a firm.

You notice that when I talk about our culture, I say "worldwide" ... those basic values that we put on paper two decades ago work well today with our staff in Berlin, as well as Beijing, Mexico City, here in New York, and everywhere else. This culture has become part of the fabric of our firm. There's no doubt in my mind that our culture is the single most important ingredient in the success of Fleishman-Hillard.

Ray mentioned earlier that our firm has ranked first in the quality of client work for 12 years running in the client survey done by Harris/Impulse Research. That kind of performance is driven by our culture. In our annual employee survey, this year 95 percent of our people said they work for a company they can feel very proud of. If they weren't so proud of their company ... and their work ... we couldn't produce the quality that defines Fleishman-Hillard.

So ... lesson learned: If you have a great culture don't try to re-invent it with the trends of the day. It can carry you through the good times and the bad. If your company does not have a strong, positive culture, I would urge you to develop one. I firmly believe you will never be a truly great company without it ... and, if you don't develop your own, someone else will do it for you.

Now, for a lesson I learned the hard way. It was 1987, here in New York, and three of us were pitching a very significant piece of new business. I won't name the client, but rest assured it was a high-revenue, high-prestige opportunity. We were doing pretty well. I had set the stage, established our credentials, and my colleagues were on target ... smart and strategic ... heads were nodding in the room.

All of a sudden, the presentation was interrupted. The potential client's General Counsel, who had come into the meeting late, had just discovered the name of the agency pitching his business. He pointed out very clearly ... and loudly ... that we were suing his company.

Actually, it turns out we were suing his parent company because they owed us money for some work we had done ... but he was close enough. We quietly packed up and left.

Lesson learned: There are no good surprises.

For all of us, people in the communications business, I am constantly surprised by how many of our problems involve a breakdown in communications. It is human nature. We don't want to deliver bad news, and on many occasions that is exactly, and literally, what we have to do.

One day I would love to see research on this, but I am convinced that surprise increases a client's or a CEO's reaction to a negative story or a negative situation by at least 100 percent. The same with employees. Let people know what to expect and what you are doing about it, and half the battle of dealing with a negative situation is behind you.

All of us in this room face tough decisions from time to time. When I have one, I want to gather information and amass all of the pertinent data I can find. I want to read, read, read ... and then I want to get opinions from experts and analyze it all. When I reach a decision, I want to feel comfortable that it is firmly grounded in the best possible research and expert opinion.

And, sometimes, if I do all of that ... I have discovered that I am still missing a critical part of the equation.

For example, about 10 years ago, we had two very important jobs to fill ... both were General Managers, and both were in vitally important locations for us. We had done the normal screening, intense background checks, brought our leading candidates in for multiple interviews. We had the data, we had the opinions, we had the analysis.

The problem was that the data was in conflict with my instincts. I did a lot of soul searching and the short version of this story was that in one office I did exactly what the data suggested. In the other job, I went against the data, I didn't pick the best candidate on paper. I trusted my instincts ... I trusted my gut.

As it turns out, the individual I hired on the basis of data didn't work out, and the individual I hired on the basis of my gut instinct has done a great job and is part of our top management group today.

Our firm's biggest decision was choosing an acquisition partner for Fleishman-Hillard seven years ago. Trust me, we did the due diligence ... mountains of it. However, in the end, there were still numerous, critical intangibles and my instincts took over. We picked Omnicom, and it's been one of the best decisions I ever made ... allowing us to grow at an even more rapid rate and providing the firm with the resources we needed to further develop our worldwide capabilities over a short period of time. They have been a great partner and my boss, John Wren, is one of the best CEOs I have ever known.

Lesson learned: Follow your gut ... remember that data without instinct is just as bad as instinct without data. Our instincts are the unconscious products of our years of experience. When facing a decision, we need to take time to stop and listen to them.

This ability to listen to your gut is something that I have seen – across a wide range of businesses – and with many of the successful CEOs with whom I have worked over the years. I have been fortunate in my career to have spent time with a great number of business leaders, and to learn from them. One of my favorites was Dick Mahoney, the former CEO of Monsanto.

Dick really understood what we do and the value that public relations added to his business. Monsanto, as many of you know, was besieged with lawsuits on environmental and other issues. The various forms of litigation became a huge negative overhang for the company.

The reason that Dick is one of my all-time favorite clients was that he was fond of telling his friends and associates: “If I’d only spent more on PR and Public Affairs up front, I would have spent a whole lot less on lawyers later.”

Dick also told me and his top corporate PR officer that part of our jobs were to be catalysts for positive change within the organization.

I really try to do that, every day on the job. I try to be a catalyst, to make things happen, not let them happen to us. I push people hard and I set high expectations ... so I try to always keep it positive, to reinforce the good work people are doing, to encourage them and provide direction. And I believe change happens every day, every hour, in a healthy organization ... so my role is to recognize it, to root out the unproductive change and lead the organization toward positive changes. I also try to apply this in my work for clients, not just in leading Fleishman-Hillard.

As much fun as I’ve had in looking back over my career and sharing some of the lessons learned with you ... I would be remiss in talking to a prestigious group like this without giving a brief perspective on the future of our profession.

In my opinion, our future has never been brighter ... and I congratulate all of you in this room for choosing the public relations profession. But I have two caveats.

First, we must get our act together in further proving the real value of what we do. I am talking about a sound, scientifically grounded, understandable and measurable model that takes media tracking data and audience opinion data – which many companies already collect – and uses that information to demonstrate the value that communications programs contribute to key business outcomes ... like brand value, market value ... and earnings per share.

I know that IPR has worked hard to advance the role of research as one of the most important tools of our trade. Given the significance of this issue to the future of our industry, I congratulate you on this effort.

Second, we need to prepare ourselves professionally for the increasing role we will have the opportunity to play in helping companies anticipate and prepare for issues, problems and opportunities that may be coming down the track three years ... or even five years out. If we are able to anticipate and put communications programs in place to meet those future issues or problems ... or to take advantage of those opportunities ... we will be considered highly valued members of top management and key advisors to boards of directors.

In order to accomplish this, we must be able to take on the job of creating and maintaining a comprehensive vision of the future economic and social issues that will impact business outcomes for our respective companies. This means, of course, we must become futurists and learn to think ... to plan ... and to execute ... on a long-range basis.

In my opinion, the public relations professional must become the integrator of all messages across the company and across all audiences. He or she must become the person who sees how all of the pertinent present and future issues come together as a backdrop for company actions, and also become the manager of influential relationships and a brand building champion who can be effective in the urgent world we will live in for decades to come.

I will leave you tonight with one final thought.

Thirty years on the same job and what do I know?

I know that I could not have chosen a better ... a more satisfying ... more interesting ... more challenging ... and more fun career than public relations.

Thank you very much.

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