Good evening, everyone.

I am honored by the opportunity to speak with you tonight. I have long appreciated the research and education work of the Institute for Public Relations. And when I think about those who have preceded me at this podium over the years, I am humbled.

As anyone does who is invited to step up to this podium, I went back and read a number of the speeches of those who have appeared here over the past 10 to 15 years. And what struck me was that they were all, in one way or another, talking about the same thing: a fundamental shift in the world, in the nature and status of organizations and of business itself, and of the implications of all of that for our profession.

And doesn’t that accord with your own experience? Haven’t we all been seeking to identify what is changing – and understand what never changes – in what we do for a living? Aren’t we all aware that we are living in a period that the more historically minded among us would call an inflection point?

I don’t believe anyone here tonight needs another wake-up call. On the contrary, the people I know in this room are at the forefront of understanding and embracing change, whether it is the arrival of globalization, or the digital revolution, or the new expectations of business by society and stakeholders everywhere.

So, I’d like to offer the perspective of someone who is in the midst of trying to implement new approaches in a large, complex enterprise. I will not be so presumptuous as to offer ‘best practices.’ These are early days. Instead, I will try to describe what I believe are emergent, new disciplines in our function – the contours of a new profession, if you will.

Let me start with what, in my opinion, this new profession is not. It is not the combination of marketing, communications and corporate social responsibility – though, as Mike mentioned in his kind introduction, that is what IBM did last year. Companies reorganize every 18 minutes. If zipping together three departments is all that’s happening, it’s neither very interesting nor very lasting. It can be easily unzipped tomorrow. As I’ve said to my IBM colleagues on the combined team, our company has put us together not because it needs greater consistency, efficiency or synergy. It has put us together to create something new, something that our company – and perhaps every company – needs, because the world in which we operate has changed.

So, what is this new profession? I’ll talk about some things we’re all seeing around us every day – and then offer a perspective on what’s going on underneath those, the deeper changes they reflect.
First, the fusing of brand and culture into a new management discipline.

Some believe that the integration of marketing, communications and CSR is not only logical, it is inevitable – because of all the changes in the external environment – the need to speak with one voice across advertising, sales promotion, events, websites, the media, analysts, bloggers and the like.

Of course there is value in message consistency, especially now, with the diffusion of media. But you don’t need to go through all the work of structural integration to achieve that kind of alignment. (In fact, as many of you will attest, integrating organizations often impedes unity, at least at first.)

Rather, I believe the most powerful advantage of putting these teams together is that we have combined our culture with our brand, and our values are the foundation of both. Experts in the workplace and experts in the marketplace are now on one team.

As never before, people care about the corporation behind the soft drink, the bank account, the computer. They do not separate their opinions about the company from their opinions of that company’s products and services -- or its stock, for that matter.

People care about the behavior and compensation of the company’s executives... how the product was produced, and by whom... how the company treats its employees and suppliers... how it impacts the environment. Now, maybe people always cared about these things – but, really, how much could they know about what was happening inside our companies? Today they have an unprecedented view into the corporation’s actual behavior and actual performance.

One day soon, every employee, every retiree, every customer, every business partner, every investor and every neighbor associated with every company will be able to share an opinion about that company with everyone in the world, based on firsthand experience. The only way we can be comfortable in that world is if every employee of the company is truly grounded in what their company values and stands for.

What are we doing about this at IBM? We have created a new discipline within my organization that puts together brand management and workforce enablement, or what we used to call internal communications. This may sound to some like external and internal messaging coming together – employee as brand ambassador. Sure, that’s an aspect of it. But the centerpiece is something quite different. We call it the IBM Brand System.

Picture a framework with five columns. From left to right the columns are labeled what it means to look like IBM, to sound like IBM, to think like IBM, to perform like IBM and ultimately to be IBM. Simple enough. You could in 30 seconds create the same frame for J&J, Chevron or Ketchum. But of course it would -- and should -- take you much longer to fill in the details. Every word, every phrase and description in that framework would be painstakingly chosen. Because this is your corporate genome. It describes what makes your company unique. Developing the framework is hard work, but it’s only the foundation. Because, like a genome, the real work -- and value -- are in bringing it to life.
So, we say X, Y and Z is what it means to “look like IBM.” Well, do we look like that in all of our advertising, websites, sales collateral? In all of our client briefing centers, all of our laboratories, offices and buildings in every part of the world? In our industrial design and trade dress? Where are the gaps? How do we know? How will we go about systematically closing them – to become truer to our brand and our values?

We say A, B and C is what it means to “sound like IBM”… and to “think like IBM”… and “perform like IBM.” Where are the gaps? How do we know? How will we go about systematically closing them – to become truer to our brand and values?

A couple of things become obvious as one moves to the right in this framework.

To really activate the System, you go from managing outward expressions and manifestations of the company – visual identity, naming conventions, messaging, design and the like – to the behavior and performance of people. This Brand System is necessarily inclusive of corporate culture.

And that means that the System cannot be activated without close collaboration with other parts of the company – from sales and service delivery, to product engineering and HR.

For example, we are now collaborating with our colleagues in HR to redesign IBM’s leadership competencies for the first time in many years. If this is ultimately approved by the CEO – and we’ll know in a few weeks – it will mark the first time in my 25-year career that the foundational elements of HR will not only be aligned with our brand and workforce strategies, they will be essentially the same.

For those of you who work in large corporations, I think you’ll appreciate that this isn’t to have tidily consistent models. It will mean that the criteria by which we recruit and train employees, develop managers, groom executives, determine career opportunity and advancement – these will be identical to our brand and culture… to what it means to look like, sound like, think like, perform like and be IBM.

So, the fusion of brand and culture. As you can imagine, classic communication and classic marketing have a role here. But this is fundamentally not about messaging or engagement. This work requires management rigor, which is why we believe it deserves to be – and must be – a new discipline in its own right.

The second aspect of what our profession is becoming is the creation of constituency.

In the circle of this room, we talk about constituents all the time. We talk about stakeholders, audiences and agendas. Certainly, I mean the “creation of constituency” in this way.

But the building of constituency goes beyond the reaching of audiences. It gets to how a company establishes shared attraction and shared values: how it shapes not just common ground, but a deeper, enduring, shared idea.

Consider Apple. They are, of course, brilliant, iconic as marketers, as product designers, as shapers of a distinct corporate culture. But the much deeper story is that because Apple was so in touch with their character as a company, they understood the passion of
their chief constituency – “contrarian thinkers” who value creativity… simplicity… design… and being different.

And so their tactics logically flowed from that. They don’t just advertise, they teach. They don’t just sell, they create learning experiences in their stores. They want you to actually learn everything the product can do, because you’ll then teach others. And the good news, they discovered, was that their customers used only a fraction of those products’ functions – so there was significant opportunity to unlock even more enthusiasm and advocacy… a whole new marketing ‘white space,’ so to speak..

That’s why visits to the Apple Store’s “Genius Bar” are free to you as a customer. They don’t pitch at you; instead, they teach you – and in the process, recruit both new and loyal customers as advocates and evangelists. Apple has gone far beyond the traditional media and means of marketing – and has become publisher, teacher, community-maker.

Or consider a tire company that, more than a hundred years ago, was looking to expand its market. Now, this company could have simply marketed their tires more aggressively or artfully. But they were limited by the amount of driving that people were doing. So, in addition to advertising, they created ideas, information, resources and evaluations – of hotels, of restaurants, of tourist destinations. They gave people reasons to travel more.

Hence, the tire company became a publisher, as well – the creator of a universally respected, some would say definitive, resource: the Michelin Guides.

What were Apple and Michelin doing? They weren’t simply promoting themselves or their wares – though they generated enormous demand for their wares. They engaged, in essence, in a different kind of segmentation. They did not segment the marketplace based on demographics, geography, income level or gender. Rather, they looked at people in terms of their beliefs and desired lifestyle, of certain ways people achieve feelings of engagement and self-worth. And, having identified that segment of the population, they fed, nurtured and inspired those beliefs, and those people. They made those people a better version of themselves – through the provision of knowledge, or by advancing policy, or by providing encouragement.

They weren’t simply sending messages to audiences. They were creating audiences. They weren’t shaping relationships with existing constituents. They were creating constituencies.

And this rigor of building constituency with clients is just as applicable to employees, partners, government officials, NGOs and investors. They may have different goals and agendas, yet it is possible to hold them together by enabling them to participate in your enterprise’s core idea.

At an earlier time, IBM did this. No one asked IBM for the first mainframe. But it turns out there was always a segment of the marketplace… and the investment community… and the workforce… that stood for the things the mainframe helped deliver: not just data processing, but progress, not just computation, but transformation – a way to, in a word, make the world work better. And therefore, the constituency we most appeal to has been the forward-thinker in everyone.
We have in our time rediscovered this constituency, and they are rediscovering us. This is the basis of our Smarter Planet strategy. We are specifically and deliberately working to validate and stoke the optimism of forward-thinkers. We are saying to them – because we really believe it ourselves: “Your hopes for your industry, your city, your environment, your community are now within your grasp. This isn’t a metaphor. We can actually build a smarter planet.”

You may have noticed that our tactics flow from that. Our work of late tries to get at the real substance of change, the real issues on the table. The work is long-form. It’s argued, not pitched. It doesn’t focus on our products and services. It purposefully invites people to think.

This is not an abandonment of mass-market advertising. Corporations still need, as my brilliant colleague Chris Wall at Ogilvy puts it, to establish presence and provide substance. And advertising remains the primary way corporations establish presence.

The business models of advertising and media may be under attack – US newspaper circulation at its lowest level since 1941... 105 papers shut down in the US this year alone. But we should not confuse that historic shakeout with the continuing need of corporations to reach mass audiences, to be heard at scale, to establish presence.

In my view, advertising isn’t going away anytime soon – but it will and must assume new wisdom, and take new forms.

I entirely agree with the advertising executive who said, “I do not regard advertising as entertainment or art form, but as a medium of information.” That was David Ogilvy and that was the first line of his 1983 bestseller, Ogilvy on Advertising. I think Ogilvy would despair over the state of advertising today, and not merely its troubled economics. He would repudiate its superficiality and its wastefulness.

Today Ogilvy & Mather is led by a very capable executive named Miles Young, who moved into the CEO job earlier this year. He came by to see me because Ogilvy & Mather is IBM’s longstanding advertising agency. He wanted to know how he can be helpful to IBM. I said, “Miles, please use IBM to change Ogilvy, and use Ogilvy to change advertising.”

I’m delighted to see that our partner is very much up for the challenge, and I know they are not alone. There is a wonderful opportunity for this vast and important profession to also transform and to help corporations to do the important work of building constituency.

And now, the third and last dimension of what our profession is becoming: Building the eminence of our workforce.

I believe that 2010 will be the year that corporations grapple with and ultimately accept that their employees are engaging with – and must engage with – social media. We’ll certainly go through a necessary period when people raise all sorts of objections. The CFO worries about financial disclosure. The General Counsel fears intellectual property leakage. HR will say we’re helping competitors recruit our people. And everyone will be nervous about criticism of management. These are all legitimate.
But let’s assume we can address those issues. I believe we will. As with the telephone, the copier, the fax, e-mail, the Internet itself, social media will take its place as a tool of business. We will establish a responsible set of policies and practices to ensure that it enters business through the front door.

In fact, some of us want to help make that happen. The Page Society has created a task force on New Media, which I’ll be co-leading with Alan Marks of eBay. We will seek to convene C-suite officers – legal, finance, HR, marketing and communications -- of major corporations. We will grapple with issues of governance and risk. We hope to emerge with policies and guidelines that all business can adopt.

Let’s say we actually do that. Then what? Policies and guidelines may keep individuals and their companies out of trouble but, by themselves, they won’t create business value.

What will? Well, think about what you seek when you search for something on the Net – from a digital camera, to a vacation rental in Tuscany, to a bank, to providers of smart grids. Today, you find content. Lots of content. Articles, websites, user-generated reviews, an infinite amount of marketing material. And, of course, that’s how the game is played today. So we pay dearly for paid search, and we flood the Web with content, hoping that people find us.

But very soon, people will be searching not for content, but for experts – not just anyone who has the time to blog or tweet, but people who actually know what they’re talking about. And all companies will then flood the Net with their people, in the same way we flooded the World Wide Web with websites and content a decade ago.

But I think it’s obvious that that, by itself, won’t make you a winner. It's not a differentiator. What will determine success or failure in the coming era will be not whether your people show up on the global commons, but what they do once they’re there.

The key, in other words, is to build the eminence of our workforce.

What do I mean by “eminence”? No matter what their industry, their profession, their discipline or their job, people with eminence are acknowledged by others as expert. It’s not simply to know a lot about Tuscan villas, digital cameras or banking. You need to be recognized as an expert. And when you show up – in person, or online; in writing, or in conversation – you are both knowledgeable and persuasive. Because being an expert and being good at communications aren’t the same thing, as we all know.

Which is why we need to make the creation of this kind of workforce an intentional act, a new discipline in our function. Yes, we need guidelines and policy – but also training, resources and support for broad networks of experts.

Ironically, perhaps the most threatened by this shift in the world are the experts at communications itself. We are tasked, now, with making others as expert as we are – and that makes some of us uncomfortable. We’re the crafters of messages. We’re the authorized spokespersons. We’re the producers of high-quality video, print, events and online.

Like all priesthhoods, we’ll have to get past that resistance. We have to take the next step and build the eminence of our workforce.
I find that I quote from my friend Bill Nielsen a lot these days. It was Bill who shared with me this quote, which I love, from Abraham Lincoln: “Character is like a tree and reputation like a shadow. The shadow is what we think of it; the tree is the real thing.”

Or, as Harold Burson put it in his talk at this event five years ago, “… there are two components that comprise public relations: one is behavior, the other is communications.” Harold was talking about our profession – but I hope I’ve persuaded you that the same two criteria now apply to all the employees of our companies.

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I believe my own company needs all of these capabilities – these new professional disciplines. And because we believe this, we are placing bets. We are moving large numbers of people into new roles and responsibilities, reconceptualizing job categories and career paths, reallocating our resources, rethinking our measurements, and changing what we expect and need from our partners. Most of all, we are changing the work itself.

Two years ago, a number of us at the Arthur Page Society were part of a task force commissioned by Roger Bolton that aimed to identify new priorities and responsibilities for the Chief Communications Officer of the future. The white paper that resulted was called The Authentic Enterprise. We named it quite deliberately – but perhaps unwisely. Because despite the paper’s fairly clear argumentation about what we meant, its notion of authenticity is often misconstrued.

People often come up to me and tell me they are glad we placed ethics, trust and compliance back at the center of the agenda. I’m glad they are pleased – but that’s actually not what we meant. The paper argues that compliance and ethics are just table stakes.

What did we mean? Well, it’s been often said that “great companies are good companies.” True. But good companies are not always great companies.

Great companies are not merely successful… they are unique. Whether it’s in their products and services, or how they manage their people, or the experiences they provide their customers, or the way they identify and capture new market opportunities. In some way, what they have chosen to do they do differently from – and better than – anyone in the world.

To me, this is what “values” are about… and what “authenticity” means. This is about consciously choosing a unique identity. And it’s about actually being that unique thing you have chosen to be.

I am fascinated by the differences in what companies value. Some value innovation and risk-taking, others security and risk-mitigation. Some companies value revenue growth, others consistency of earnings and cash. There are several great automakers in the world, but they don’t value the same things. Some value quality, reliability and safety… others, beautiful design and precise engineering… still others, affordability and broad availability. There are many great employers in the world and they share many similar characteristics. But some value team play, while others reward individual achievement.
You get the point.

For great companies, values are not the work of “positioning” or messaging or storytelling alone. For great companies, what they value defines who they are – and who they hire, and what they make, and the broader constituency of aspiration they seek to define. And they methodically and intentionally align their operations and cultures to authentically be that.

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As I say, these are early days. We must have appropriate humility about our capacity to foresee the future. So consider the point of view I’ve described here as a starter-set – initial steps toward building a new kind of profession, and professional. This new professional will, I believe, be born out of the distinct strands of DNA that we would recognize in communications and marketing and other fields -- of those who know the soul and character of the business… who understand its source of authenticity… and those who understand the science of markets. It melds those who are comfortable in a world they can influence, but not control… with those who know how to analyze and measure with defensible precision and rigor.

I’m eager to dive into this work – the work of figuring out new models, methods and skills in the years ahead. And given the leadership of the people in this room…people whose example and friendship I value so much…. I couldn’t be more optimistic, grateful and excited to construct this new profession with you.

Thank you.