

A large crowd of people is gathered for a protest. In the foreground, a woman holds a sign that reads "ONE PLANET ONE PEOPLE ONE FUTURE". Behind her, another person holds a sign that says "AGAINST WHITE SUPREMACY". Other visible signs include "MAKE RACISTS AFRAID AGAIN", "NOT RACISM!", "KESSEL A RACI SEWER", "ARRESTED IS NAZI TRASH", and "WHITE". A person in the crowd is wearing a shirt with a large "A" symbol. The entire image has an orange tint and a diagonal white graphic element on the right side.

GREAT (SOCIAL) EXPECTATIONS: *Communicating Your Values When It Matters Most*

May 2019

THEN

“The social responsibility of business is to increase its **profits.**”

- Economist Milton Friedman,
NYT, Sept. 13, 1970



NOW

“...society increasingly is turning to the private sector and asking that companies **respond to broader societal challenges.** Indeed, the public expectations of your company have never been greater.”

- Larry Fink, Black Rock investment firm CEO,
in January 2018 open letter to CEOs

95%

believe companies have the ability to shape a better society yet

87%

also believe most companies focus on their own agenda rather than considering wider society.



Outdoor retailers REI, Patagonia and others pushing political fight over lands, climate



Gillette Ad With a #MeToo Edge Attracts Support and Outrage

FORTUNE

Toms Launches Campaign to End Gun Violence With \$5 Million Donation

FASTCOMPANY Airbnb's new ad opposes Supreme Court's Trump travel ban ruling



Starbucks is closing to fight racial bias. What will YOU do?

COMPANIES MOST LIKELY TO BE ASKED

- Leader in the category
- When topic relates more directly to your business (e.g., ACA and health insurance companies)
- Publicly held companies
- Consumer products/services companies
- Companies previously more vocal
- Companies known for more extreme positions

TO ENGAGE OR NOT TO ENGAGE

IS YOUR ANSWER “YES” TO ONE OR MORE OF THESE QUESTIONS?

- ☐ Does the issue relate to our business?
- ☐ Does the issue directly speak to our mission and/or values?
- ☐ Where do our consumers/customers sit on the issue? Employees?
- ☐ Is the issue part of our CSR/purpose platform?

- ☐ Would we be an early, mid or late adopter?
- ☐ Where are our competitors on the issue?
- ☐ Can we engage with other like-minded companies?
- ☐ Will engaging create expectations to act on other issues/situations?
- ☐ Will our position restrict our ability to conduct future business?
- ☐ Is it an important issue to weigh in on regardless?

89% agree companies should support social issues that are consistent with their business focus and expertise.

KNOW YOUR BRAND ENGAGEMENT PHILOSOPHY

Bystander

ALDI:

Under the radar, out of the firestorm

Joiner

Joe Company:
Wait & see

Uniter

Harley:
#United WeRoll



Activist

Starbuck's:



"Given the state of things in the country, there is a need to help those left behind."

- Then-CEO Howard Schultz (CNN, 12/2/16)

MAP APPROACH BY ISSUE

WHEN

FOLLOW
ISSUE

LET STAFF
KNOW
COMPANY
POSITION

WAIT FOR
CRITICAL
MASS TO JOIN

LEAD
ON
ISSUE

HOW

SAY
NOTHING/
DECLINE
COMMENT

STATEMENT
READY

PROACTIVE
RESPONSE
IN MOMENT

TACKLE
ISSUE
HEAD-ON

WHAT

SAY NOTHING/
DECLINE
COMMENT

SPEAK TO
WHAT
COMPANY
STANDS FOR

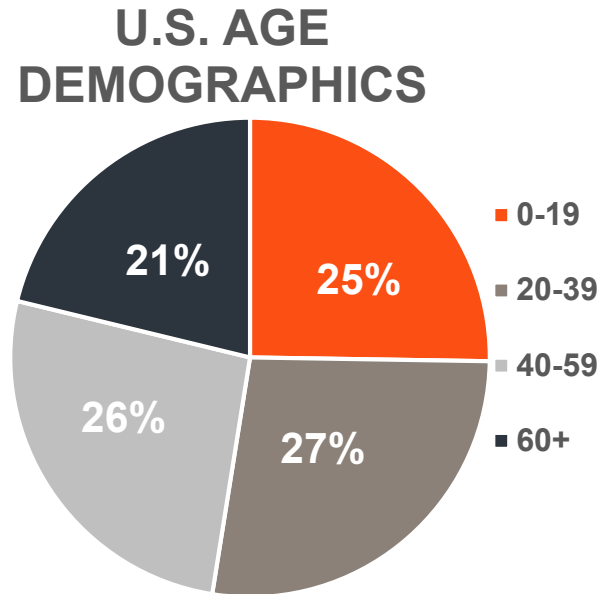
UNIFYING
MESSAGE

TAKE ON
DIRECT
ADVERSARY

EMPLOYEES VS. CUSTOMERS

Nearly 2/3 of employees (70% millennial by 2020) expect their employer to take a stand on important issues affecting their country and constitutional rights, such as immigration, equal rights, climate change, etc.*

* 2017 Harris Survey



DETERMINE WHEN COMPANY ALLIES WAY TO GO

SAFETY IN NUMBERS, ESPECIALLY IN SAME CATEGORY

- **Reuters:** Tech giants to go to bat for 'Dreamers'
- **Reuters:** GE, Boeing, Oracle form coalition to support Republican border tax
- **Roll Call:** Immigration: McDonald's, Coke, Tyson CEOs urge Congress to Act

THE NEW NORMAL?

"82% of Tech Professionals Favor CEO Activism"

More US companies jump into social and political debates

"The New CEO Activists"

"Yes, CEOs, You Do Need To Speak Up On Social Issues"

"C.E.O. Activism Has Become the New Normal"

"The Moral Voice of Corporate America"

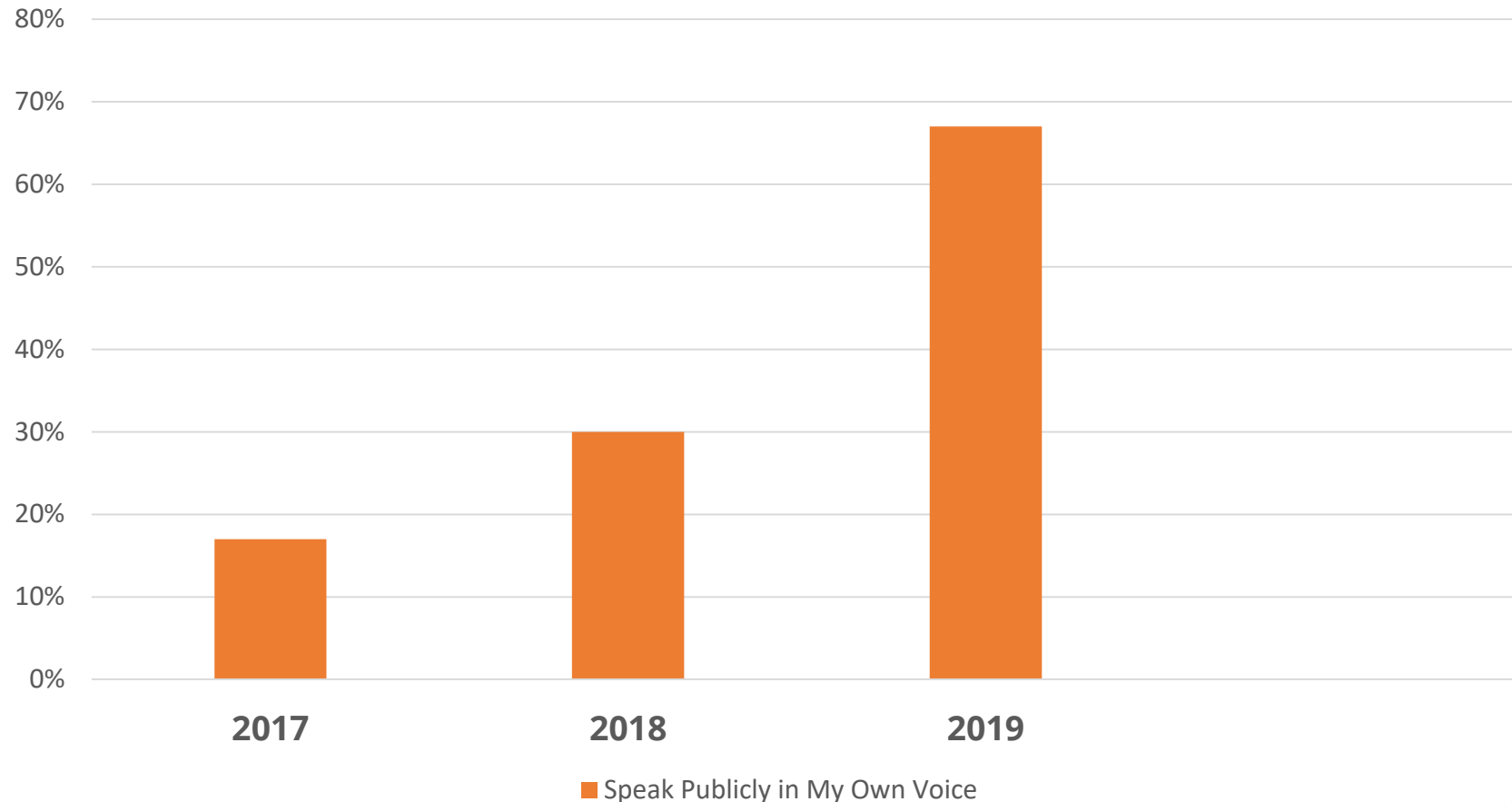
APC

worldv

"Walmart, Patagonia and Lyft Make Push to Increase Voter Turnout"

As CEO, what is the most effective bold move I can make toward sustainable business leadership over the long term?

Speak Publicly in My Own Voice



DETERMINE IF SOMETHING RISES TO CEO

After Parkland...

- **Dick's Sporting Goods** CEO explains decision to restrict gun sales: "It was unanimous that we should do this and stand up and take a stand."
- **Levi Strauss** CEO Chip Bergh takes a stand on gun violence: "As business leaders with power in the public and political arenas, we simply cannot stand by silently when it comes to the issues that threaten the very fabric of the communities where we live and work."
- **Toms Shoes Founder** announces plan to end gun violence starting with a \$5 million investment into organizations across the U.S. that are working to curb gun violence.

IMPORTANCE OF ORGANIZATIONAL AGILITY

SHARED ADVOCACY

Actively Engages Stakeholders

Invests in Society

Advocates for Others



ACTIVE LEADERSHIP

Seeks Risk Intelligence

Leans into Tech Advancements

Applies Predictive Analysis

Actively Listens

Operates with Flexibility

ENTERPRISING CULTURE

Fosters a Learning Culture

Empowers Employees

Open to Change

Integrates Diverse Perspectives

Rewards Risk-Taking

Communicates Clear Vision & Values



QUESTIONS? COMMENTS?