

BRUNSWICK REVIEW

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The **WFH** Issue

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2020

The Age of Acceleration

BY SIR ALAN PARKER

THERE ARE MOMENTS IN HISTORY WHEN everything seems to accelerate. Ten years in one. 2020 is such a moment. All over the world, long-term trends have raced forwards and deep issues have surfaced, often pretty brutally. • In the turbulent late 1700s, William Blake said, “What is now proved was once only imagined.” The techno-evangelists must feel the same, along with climate change activists and human rights campaigners, as well as the neo-Keynesian monetary policy folk. • We have learned a lot this year. Business has shown an agility it could not have imagined. None of our crisis workshops modeled this one. Leadership has stood to the fore in its support of staff and other crucial stakeholders. Companies have accomplished things we wouldn’t have thought possible. Leadership has shown it really matters. • Trust in the corporate sector has risen in line with its resilience. In particular the banking and capital markets sector have been, to date, resilient. The markets have been volatile but the financial sector has

worked in response to problems not as the cause of them.

All of those changes painfully put into place following the last crash, particularly in banking, have passed a test. We can only hope we apply equally well the learnings from this crisis.

It is now widely accepted that the full economic and social impact has only just begun and behind that the recognition of impact on the personal lives of people everywhere. Among our clients, leadership teams in all sectors have been incredibly focused not just on organizational challenges but also on the well-being and mental health of their people at every level. In many cases, it has a knock-on effect to their families and local communities.

The effort to create a more cohesive and caring culture internally has massively accelerated, even when a record level of jobs is being lost. The value of addressing these issues openly and honestly has, in our experience, never been higher, never more widely recognized. As ever, trade-offs have to be made. It is the nature of life and business. But the people issues weigh heavier than ever in decision making not as a result of union pressure or legislation, or even solely good performance and other reasons of business. A pandemic lays bare the impulse to serve humanity. At Brunswick, we are engaged in significantly more work in these areas and, no less important, work that is more substantive and impactful.

This pandemic has surfaced many deep, longer term issues. The depth of systemic inequity has been laid bare. The true depth of this shows up very poignantly in the COVID death statistics.

Racial inequity and gender inequity have accelerated onto board agendas in previously unimaginable ways and we do not see those movements declining. Actually, the increasingly impressive response of the leaders showing real leadership will demonstrate what is possible and make it easier for others to follow. Though the noise of a new media world makes analysis difficult, the message is clear, words are not enough. Action is what matters and that is what will build and protect reputation.

This is also true in the other mega-trend that we see accelerating rapidly, climate change. Those voices early in 2020 who thought this pandemic would put climate on the back burner are long gone. If anything, climate change concerns have been intensified by a powerful mix of concern about health and the environment. Governments have so far failed to deliver meaningful change and in response to this the recognition of the role of business is growing. External pressures are growing too, but the debate is shifting away from business as part of the problem towards business as the chief source of solutions.

Transitioning business models can be difficult and take time. Tech disruption has shown us that. One big difference in transitioning to a lower carbon world is that there

is now far greater support from the investment community, even activism. Investors are increasingly looking for leadership to embrace change and get ahead of the curve rather than go slow into it, at ever-increasing risk.

Investor ratings on those embracing versus those avoiding necessary change are rarely as divergent as between Tesla and the old-line auto industry, but there are underlying investor trends that signal the direction. Also worth considering, a failure to fulfill promises to wider stakeholders can carry a more immediate risk for leaders than might a financial stumble, given the longer-term judgment of shareholders.

In all the massive upheaval this year technology has come to our rescue, keeping our businesses running, where they can, from home. It turns out you can't make steel from home but you can run a trillion-dollar bank from your kitchen as one Chairman pointed out to me, and as another retail CEO said you can run thousands of stores and their supply lines from drawing rooms. Technology has also kept us entertained and most importantly connected to friends and loved ones. This is not without its dark side, and I don't mean just Zoom stress. Our cyber prep and breach teams are facing an extraordinary step-up in problems all over the world.

Dealing with technology disruption has been a top-of-the-agenda issue for business leaders for over two decades. Now business faces a new kind of non-optional connectivity. Business now must be connected to major societal issues in a way it never has before. Employees want employers to reflect their values and where possible the general public is voting through consumer choice, and online there is no place to escape. The new power to call out business on big issues is reaching leaders in every aspect of their lives.

Profit and positive social impact are no longer seen as binary choices. Having widened the aperture of considerations, leaders are taking societal factors into account as for decades they have taken on regulatory factors. It is a core competence and they will be judged by their recognition, understanding and response to changing attitudes.

Investor sentiment through the crisis has been almost universally clear and consistent to our clients—think and act in ways favorable to the long-term good of the business. Investors are looking well beyond financial performance in 2020 or 2021. They have put greater emphasis on ESG, not just as a risk metric but as an indicator of sophistication of leadership and an important indicator of the direction of travel on these bigger issues.

There is a great opportunity for business leaders here. Creating financial returns for investors is central to any business purpose and right now that ability is crucial for investment in R&D and innovation. Longer term, creating value for more than a single set of stakeholders will

IN THE TURBULENT LATE 1700S, WILLIAM BLAKE SAID, “WHAT IS NOW PROVED WAS ONCE ONLY IMAGINED.” TECH-EVANGELISTS, CLIMATE CHANGE ACTIVISTS, NEO-KEYNESIAN MONETARY POLICY FOLKS MUST FEEL THE SAME.

deliver not just financial rewards but also customer loyalty, stronger internal support and performance, better supply-chain-and-distribution relations and lower regulatory and political risks.

Governments everywhere have massively increased their involvement in all of our lives. We have seen emergency laws limiting freedom of movement along with direct company and sector interventions and levels of spending and debt that are normally seen only in a wartime context. As Yuval Noah Harari, of *Sapiens* fame, reminds us, this is the moment we decided to give governments unprecedented access to our private lives. Unfortunately, all of this intervention and activity has not led to an increase in confidence or trust in our political leaders.

Divisions in societies around the world have not seemed so wide or so deep for a generation or more. Political leaders, in many cases, are seen to have been deepening these divides. By contrast business leaders are acting as a unifying force. Not just in their CSR or philanthropy, and not just in their organizations. More broadly, business leaders are knitting their societal and political agendas into working strategies and practices. Under the pressures of 2020, that is an enormous priority.

In political life and in some societies, the competition or the opposition is increasingly seen as the enemy. In business, this is the opposite. Now more than ever you cannot have single views, you have to learn to understand why the opposition are opposed. You have to recognize or embrace different perspectives. The art, then, is applying that understanding positively and to good business use.

Throughout this crisis there has been an increasingly clear role for business in society. By effectively broadening its role it has been better valued by all its stakeholders. Business cannot be the solution to the problems of the world but with some focus and adjustment it can be more visibly part of the solution. A government will not be the organization that creates a vaccine. It can, however, learn to understand its potential to better coordinate solutions.

The achievement that took place early this year all over the world was truly remarkable. Again a statement of what can be done given the right commitment.

This *Review* is titled “The WFH Issue.” We have all

mused on the future of office life. Now we have done lockdown for long enough for most of us to yearn for the camaraderie, social buzz and productivity of our workplaces, the joy of seeing our colleagues.

Dealing with our new lives at a day-to-day level has kept all of us very busy. Yet most of us have also found proper time to reflect deeply on bigger strategic issues. I have found this to be true on a personal and also corporate level.

Almost every senior team we work with has devoted significant time to some pretty deep introspection. Looking into the contours of the post-COVID future, they are taking stock and challenging themselves to get fit for a new environment. That might require changing portfolios, structure, management or culture. Often it is all of these because they are so interconnected. You do not need a crystal ball to predict that all this deeper thinking will accelerate action all the more in 2021.

Many of our clients see “build back better” not as a slogan or as a financial target. For most, that will not be possible for quite some time. Rather, they’re seeking to contribute what they do best for all their stakeholders, and they’re seeking to be recognized and appreciated for it. It is an emerging opportunity.

We have learned a lot about what is precious to us. What matters and what we want to protect in our personal and corporate lives. Like health, the things we care about are a leveler of us all. It is hard not to feel that in some ways COVID has prompted us to reflect on our humanity. It has reminded us how we want that humanity present in our working lives.

For our part, we are just incredibly privileged to stand alongside our clients, and we are determined to contribute in these extraordinary times. Thank you.



SIR ALAN PARKER
CHAIRMAN,
BRUNSWICK GROUP



DAMBISA MOYO

A celebrity in the world of economics, followed by millions on social media, she writes bestselling books and serves on the boards of Chevron and 3M.

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Brunswick Review Editor in Chief and native Midwesterner Kevin Helliker describes for his colleagues how the pandemic turned him into a New Yorker.

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ADMIRAL MIKE ROGERS

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SPOTLIGHT

Observations, insights & analysis from around the world on a medley of topics.



Targeting UNTRUTHS

It's a depressing fact that facts don't carry the weight they once did, and still should. But there are ways to fight back against mis- and disinformation, says Brunswick's CHAD GIRON.

TEN MINUTES ON FACEBOOK OR TWITTER IS ALL IT TAKES TO DIAGNOSE the communications landscape as infested with “fake news.” The line between truth and fiction is heavily blurred by deepfakes, partisan media outlets and old-fashioned lies, emanating even from individuals empowered to lead governments and institutions.

Professional communicators and journalists are trained to believe that “the truth” is a kind of curative tonic for their audiences. If individuals could only be exposed to the truth about a topic then, surely, their passions and opinions would orbit around the gravitational pull of facts and reason. This is simply not true.

“The truth,” and its foot soldiers, facts, face several opposing forces. Some are endemic to our modern media environment and the mechanics of social media. Some are simply human nature. All contribute to a dynamic wherein relying upon “the truth” and facts to convince audiences is a risky if not a losing strategy.

The most powerful opposing force is reach. Misinformation is more popular—way more popular—than truth. It reaches far more people. Recently, a client was the subject of a large volume of false and misleading online content. Their media team then dedicated a significant amount of time to help reporters source and substantiate the accurate content.

At Brunswick, we examined the reach and engagement of the accurate articles versus the articles with false or misleading information, and the result was dispiriting. On average, the corrected content received only 2 percent of the engagement of the most popular misinformation articles.

In other words, “the truth” sells nowhere near as well as falsehoods. Follow-up focus group research revealed that many individuals in the client’s target audience weren’t aware of the existence of fact-checking websites. Those who were aware of fact-checking sites perceived their content to be no more trustworthy than misinformation. Among these individuals, an affinity for misinformation lingered even after being shown that it was false.

This brings us to a second force opposing the effectiveness of truth: human nature. Misinformation is more widely shared because it is more interesting. Whether it’s today’s tabloids or the penny dreadfuls of the Victorian era, salaciousness sells.

Misinformation is often filled with narratives featuring powerful, well-known individuals and organizations allegedly engaged in outrageous activity. These fantastic stories are designed to generate clicks regardless of the cost to reputations, public discourse or public policy. They are packaged to look like news to lend their content legitimacy—all the better to influence you—but they are not remotely beholden to journalistic integrity.

A third force opposing truth is the economic value of clicks. Social media platforms are built on algorithms that encourage “engagement,” regardless of content veracity. Let’s face it, cute cat videos aren’t being shared because they inform public discourse. The structure of social media favors content that is often crafted to inflame emotions, reinforce existing prejudices and entice users with irresistibly amazing assertions. The more clicks, the more dollars.

In an environment where fighting falsehoods with fact-checking is disadvantaged at best and doomed at worst, what are some ways to push back against the tide of misinformation?

First, understand that truth does bear power. In fact, the most successful misinformation contains a kernel of truth. For organizations, misinformation often revolves around distortions or misrepresentations of actual products or operations. Activists, competitors or even disgruntled employees are apt to misrepresent executive motives, how a company operates or how it sources materials. In these cases,

the misinformation may brush up against a truth while presenting a distorted vision of it.

Second, recognize the power of narrative. In correcting the record or checking facts or rebutting misinformation, what often works best is the creation of a competing and more compelling narrative. To maintain integrity and trust, that story should absolutely be fact-based, but it should elucidate motivations.

In the case study mentioned previously, we researched what elements of storytelling would help build trust and neutralize the negative effects of misinformation. One of the most effective narrative ingredients was to explain motivations and clearly state positive values and intentions.

Once a competing narrative has been created, it must be distributed at scale to relevant audiences. This needs to be a multi-channel effort involving earned media, paid media and owned channels, including websites and social media channels.

When it comes to reaching audiences at scale, traditional media outlets, also known as mainstream media, are invaluable for their large reach and relatively high trust levels.

Aside from earned media, the two most important channels in sharing a narrative are Google search and YouTube, respectively the number one and number two search engines in the world. They are the first place a wide range of audiences turn to research an issue or verify information.

Another way to neutralize misinformation is to use third parties to help amplify the reach of your narrative and bolster your reputation online with their implied or explicit support. When pushing back against misinformation, third parties with large, engaged and loyal social media audiences can serve as force multipliers.

In a world of unscrupulous media, malicious actors and algorithms seemingly programmed to reward falsehoods, it isn’t enough to know in your heart the truth about you and your organization. You must be prepared to broadcast that truth in a long and complex war of information. ♦

Chad Giron is a Director in Brunswick’s office in Washington, DC, specializing in digital strategies content development.

United for Africa

Brunswick’s Itumeleng Mahabane sees an opportunity in the dire global crisis.

WHILE EARLY IN THE PAN-demic, developed countries faced the most significant public health impact, it is now developing countries that face the brunt of structural and systemic risk. The World Bank predicts the first annual rise in global poverty since 1998. Africa will be especially hard hit and that will boomerang to the developed economies.

Global solidarity is crucial to meet global challenges to health and prosperity. For much of this year, at the precise moment that we most needed a Keynesian effort of multilateral coordination, the world instead was retreating to national interests.

Finally, in November, the G20 responded with a groundbreaking



unified approach to debt restructuring for the world’s poorest countries, which has received broad support. The US is willing to consider extending the agreement to middle-income nations. Vaccine breakthroughs and a political shift in the US create further impetus to expansion.

Africa’s nations will be set back decades and will have their financial capacity obliterated by COVID-19. The UN’s Sustainable Development Goals, already at risk before the pandemic, could now be put beyond reach.

In April, South Africa dropped decades of resistance to the

International Monetary Fund, inviting emergency assistance to address COVID-19. While political debate about it continues to rage, the \$4.3 billion loan now appears clearly insufficient. The National Treasury estimates the economy will only recover to 2019 levels in 2024. Most other nations in Africa face far worse outcomes.

Multilateral institutions will have to innovate more deeply and international cooperation must move beyond the Bretton Woods institutions. New infrastructure will be needed, a fact underscored by the logistical challenges of a COVID-19 vaccine rollout.

However, given some of the recent political changes in major economies, it is possible that the changed world we see on the other side of this crisis will be one built more firmly on cooperation. ♦

Itumeleng Mahabane is a Brunswick Partner based in Johannesburg.

Connected Leadership: Communicating from the outside-in

How can CEOs engage a WFH workforce? Fewer all-company emails and more social posts, says CRAIG MULLANEY.

THE PANDEMIC HAS FORCED even tech-resistant leaders to hold video meetings and attend webinars. They've seen that technology can't replicate the benefits of meeting face to face, but it can foster connections that otherwise wouldn't have happened—and create new opportunities in the process.

It's a lesson CEOs should bear in mind as they engage their WFH workforces. Many are trying to stay connected today by recreating events on video: happy hours, office visits, town halls, etc. Others have resorted to larger doses of familiar digital tools: emails, newsletters, intranet posts. These are great at conveying information, not engaging people. How many of us respond to a CEO's all-company email? When does a leader's intranet post generate more than perfunctory comments?

Counterintuitively, the route to better internal engagement runs through external platforms. Whether LinkedIn, Twitter, Instagram, or Facebook, these platforms were designed to connect people. Liking a CEO's post or leaving a comment somehow doesn't feel daunting, so we actually do it. This, in turn, creates opportunities for the leader to respond to those comments or likes—dozens of connections that a read-but-not-responded-to email wouldn't have generated.

It helps that social platforms encourage humanity, an ingredient all too often lacking in internal efforts. Picture a typical all-staff email from a CEO: formal, long, and carries the



fingerprints of multiple authors. Town halls and newsletters often feel similarly scripted and inauthentic. Social media, by the kind of content it lends itself to, has a way of injecting warmth and humanity. That's a critical ingredient of engagement—and leadership. We want to know who leaders are before we trust what they say, let alone connect with their agenda.

That humanity flows, at least in part, because leaders can use more than italics and underline to express themselves on social platforms. Every major platform offers the ability to engage via live or recorded video and, unexpectedly, the less polished the production, the more authentic and engaging they appear. A LinkedIn article with embedded images and pull-out quotes is more striking than a simple plain-text email. Whatever the channel, leaders can tell richer stories in ways that reveal their voice and style.

Another practical benefit: reach. In many industries, employees don't use an intranet or have an email address. But they all have a phone and most use social media. Go where your audience is; don't expect them to find you.

And crucially, publishing a message for internal audiences on an external platform lends greater credibility to the message. It's one thing to speak behind closed doors—another to say it publicly. This public-facing approach begets a virtuous cycle—employees are likelier to engage when CEOs demonstrate they're listening—and sets a powerful example for colleagues to follow.

It's an approach we've seen leaders use with great effect during these difficult months. Verizon CEO Hans Vestberg, for example, used Twitter, Instagram, and LinkedIn to connect with employees throughout the pandemic and amid the protests against racial injustice. Hans communicated most weekdays, live, via the public employee Twitter handle "VZUpTo-Speed"—at times to an audience of more than 50,000.

Counterintuitively, the route to better internal engagement runs through external platforms.

For the CEO unsure where to begin: Pick a channel and post to celebrate your employees. Goldman Sachs' David Solomon and Walmart's Doug McMillon, for example, both routinely highlight the outstanding contributions of employees on Instagram. All it takes is a photo plus a short, authentic note of gratitude.

Imagine what that kind of public recognition means to the employee or their team—would you rather have your boss tell you in private you've done a great job, or deliver that message in front of thousands? And consider what that communicates about your company's culture and personal leadership style—not just to current employees, but also prospective ones.

This approach, at its core, isn't just about engaging employees from the outside-in; it's also about bringing crucial outside perspectives in front of the CEO, providing them an unfiltered look of how the world actually sees them and their company. This crisis is an opportunity for executives to move beyond Zoom and email and use social technologies to reinvent and reinvigorate how they lead their organizations. ♦

Craig Mullaney is a Brunswick Partner based in Washington, DC.

THE JOKE ABOUT INTELLIGENCE officers,” Brunswick Director Preston Golson says, “is that they smell flowers and ask, ‘Where’s the funeral?’ Because you get to a point where you have—I wouldn’t say a dim view, but a very realistic view of what goes on in the world.”

Preston, and George Little, a Brunswick Partner, are both former CIA officers. The two spoke with Brunswick Review in June about how partisanship has become an increasing threat to the integrity of national intelligence. At the same time, the death of George Floyd at the hands of police had triggered a global wave of civil unrest.

A former aide to the Director of National Intelligence, Preston also served as CIA Spokesperson, Chief of CIA’s Public Communication Branch in its Office of Public Affairs, and Chief of Communications for the Agency’s Directorate of Digital Innovation. George was Assistant to the US Secretary of Defense for Public Affairs and Pentagon Press Secretary, and CIA Director of Public Affairs.

You can read the full interview, “Fragile Legitimacy,” online at www.brunswickgroup.com/review. Below is a sample of their responses.

ON WHITE HOUSE ATTACKS ON INTELLIGENCE

GEORGE: My colleagues at the CIA wake up every single day thinking, “How am I going to get this information and characterize it in the most truthful, meaningful way for the President and the Vice President and other national security policymakers?” I worked in a Republican administration. I worked in a Democratic administration. Didn’t matter...

There is a great deal of concern that the independence of the intelligence community will erode, become increasingly politicized, that it will be used in many of the same ways that governments and other societies use their intelligence communities and militaries—to drive political

Intelligence Report

Two former CIA officers, now with Brunswick, discuss the past and future of the US.

ends for their own reasons, for their own constituencies.

PRESTON: There really is a selfless commitment to the ideals of America that are held deeply by people in the intelligence community. Not saying it’s perfect.

But the Constitution, the rule of law, the American way of life—they believe all those things very strongly. And a lot of the CIA’s ethos was built out of the Cold War. We defeated the Soviet Union, right? Our ideals versus their ideals. Despite our many shortcomings as a nation, we’re supposed to be better than our adversaries. That’s something we’ve always told ourselves.



ILLUSTRATION: DAN BEJAR

To see some of those things called into question just kind of strikes at some of the fundamental ethos.

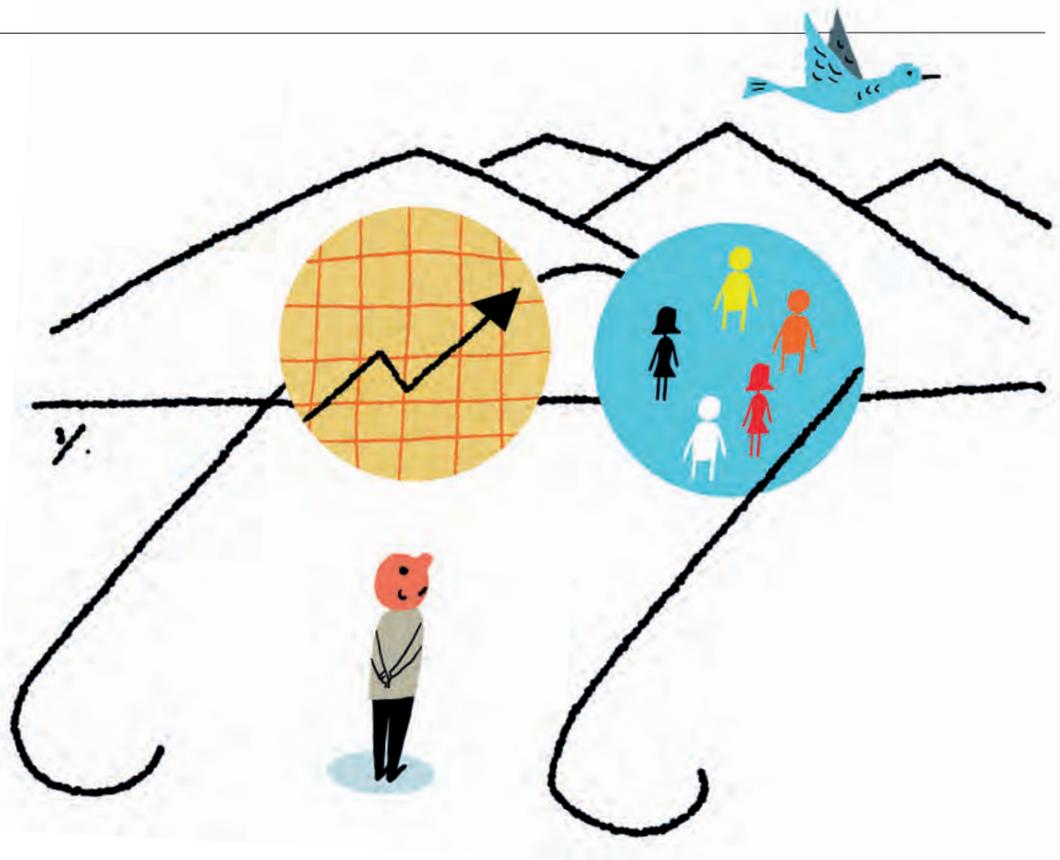
Both the intelligence community and the Department of Defense are given tremendous powers to secure the country. The deal that they've struck with the American public is that there's going to be oversight, lack of partisanship, following the rule of law, to utilize those authorities and capabilities around the world. So there's a concern that if the intelligence community is seen to be politicized (as it is in many other countries), that will lead to an overall delegitimization of the work and it will be seen as just another partisan agency.

ON THE GEORGE FLOYD PROTESTS

PRESTON: As an African American, I see this as a longstanding issue that's spanned administrations. People are protesting against systemic issues that are deeply ingrained in the founding of our nation. We saw 400 years from when the first slave ships landed on our shores...

One of the things I've been thinking a lot about recently is how much people are surprised when they shouldn't be surprised. If you go back to every decade of the 20th century, you find a period of racial unrest and race-related riots usually tied to cases of brutality—Martin Luther King's assassination is one. Each decade there are examples of it. Yet we act as if it's a surprise every time it happens. So there's an element of strategic failure and intelligence failure. Companies have to ask themselves why this keeps happening.

GEORGE: Ultimately you have to match words with deeds. Corporations will be held to account on what they do to change the situation, to make profound change and to follow up on their commitments, not just within their own companies, but in society writ large. Even 10 or 20 years ago, companies weren't expected to play that role in society... Now it's vital. ♦



Familiar Face of GOOD

Centuries-old traditions in Asia offer new value. By TIM PAYNE, JOANNA DONNE, DAISUKE TSUCHIYA and YOICHIRO SATO.

IN 17TH CENTURY FEUDAL Japan, a class of merchants known as the Omi Shonin practiced the inclusive capitalism that the rest of the world, centuries later, is embracing as “the new paradigm.”

Associated with the province of Omi, these merchants travelled the country, buying goods from the cities and conducting trade from Hokkaido in the north to the tip of Japan's southern Kyushu island. The Omi were strongly aware of their status as outsiders and that their livelihood depended on building long-term, trusting relationships.

Their philosophy, Sanpo Yoshi, continues to have an influence in Asia. The name means “good for three parties.” The Omi intended to make money, but knew that their

success was dependent on their customers and the communities in which their customers lived. Sanpo Yoshi holds that a successful business must also benefit others.

The benefits split three ways: Urite Yoshi (売り手よし), or Good for the seller; Kaite Yoshi

(買い手よし), or Good for the buyer; and Seken Yoshi (世間よし), or Good for society. In return for their trade, the Omi would build schools and bridges, support local shrines and even pay taxes for poor families, expecting nothing in return.

This approach made them exceptionally successful through the 17th and 18th centuries. And it lives on in modern Japan as a hallmark of good business. In research conducted by Brunswick in 2016, 80 percent of respondents in Japan felt business can provide solutions to major challenges—by far the most positive response of the 24 markets surveyed.

Among Western markets with the lowest trust, including the US and the UK, the response was barely half of that. Japan's corporations are sometimes criticized for a lack of emphasis on shareholder return, but they have clearly won the trust of stakeholders.

CARING FOR THE COMMUNITY

In China, in the early days of the republic and in the absence

A BRUNSWICK SURVEY FOUND THAT IN JAPAN,

80

PERCENT FELT BUSINESS COULD OFFER SOLUTIONS TO SOCIETY'S MAJOR CHALLENGES.

of a flourishing private sector, major state-owned enterprises, or SOEs, were established and tasked with nation building. More than just an employer, these businesses influenced the health of the community. Since the late '70s, as the nation's private sector has developed, many of its biggest businesses have been partially privatized yet they still underpin society.

"Historically, a major SOE in China looked after the fabric of the lives of workers and their families," Fu Chengyu, former Chairman of Sinopec Corporation told us. "Most of the social and domestic amenities were provided by the company. More recently, in my time running Sinopec, while we faced out to the international capital markets and recognized a listed company's responsibility to generate profits, as Chairman I was still very clear Sinopec was a community of several million families, not just the one million directly on the payroll."

Separate from the Chinese model, many of Asia's emergent champion businesses come from a lineage closer in spirit to the Omi merchants. Banyan Tree Hotel and Resorts is one. Its founder and Chairman, Ho Kwon Ping, recently shared his views with us about how Asian business leaders can create their own authentic and locally appropriate model of capitalism.

"Capitalism, and any economic system, is culturally bound and the ethos of Asian civilization has to a large extent been communitarian in nature," Mr. Ho said. "There has been a strong need for communities to stress social cohesion and harmony as opposed to encouraging a model where the individual succeeds at the expense of others. It is therefore natural that Asia has embraced a model where the interests of the community, customer, employees, are all critical."

Mr. Ho and his wife, Claire Chiang, 25 years ago formed a luxury hospitality business headquartered and listed in

Singapore. From the very beginning, they had a deep sense that building a luxury resort in developing Asia could have tremendous consequences—not just environmental, but also social. As he put it, "How do you integrate yourself with the community when one day's room rate could be equal to a local villager's monthly income? You



"ASIA HAS EMBRACED A MODEL WHERE THE INTERESTS OF THE COMMUNITY, CUSTOMER, EMPLOYEES, ARE ALL CRITICAL."

Ho Kwon Ping,
Chairman of Banyan Tree
Hotel & Resorts

risk creating dependency and resentment."

To mitigate against this, Mr. Ho worked very hard to make sure that Banyan associates as well as guests appreciate that their interaction with each other is critical. The whole service culture is contained in a phrase they use: "I am with you." This is built on a foundation of empathy and understanding.

"When you have culturally insensitive people come and visit a place and disparage the culture and the people and the poverty, you develop an alienation and a sense of grievance against the people you are employed to serve. The service is no longer real but very forced. So we talk about this culture of 'I'm with you' and the idea that what I am

doing helps you and the local community and what you are doing helps me too."

Asked if this focus on communities and staff pays off in improved returns, Mr. Ho rejected the assumption.

"If people try to justify stakeholder capitalism on the grounds that ultimately your profits will increase, you are an apologist of stakeholder capitalism. If you really believe in it, it may well be true that you are not maximizing your profits."

PLANTING A SEED

The Asian conglomerate C.P. Group is today Thailand's largest private company, with global revenues of \$63 billion in 2018. But the company started out as a seed shop in Bangkok's China Town.

Arriving in Thailand 100 years ago barely able to speak the language, Chia Ek Chor named his business Chia Tai, taken from a Chinese expression for operating fairly and ethically.

"Conscious of our family's immigrant status and grateful for the generous welcome they received in Thailand, my father Ek Chor sought to 'give back to the country' by operating his business with honesty and integrity," says C.P. Group Senior Chairman Dhanin Chearavanont. "One of the first examples of this was seed products sold with an expiry date handwritten on the package, and a promise to exchange any that were deficient. Doing so guarantees the crop quality for farmers, whom C.P. Group counts as life partners. It was 50 years before Western retailers began to seriously adopt 'use by' and 'best before' dates and that speaks to the desire to do right by our customers."

The values remain deeply embedded in C.P. Group's culture and articulated through the Group's "Three Benefits" philosophy. "Both in Thailand and beyond, C.P. Group's priority has always been to benefit the country and the people. And only when those two priorities are met should the company seek to

benefit," the chairman said. "C.P. Group turns 100 next year and the three benefits philosophy will always be the guiding star to ensure our success wherever we invest for the next 100 years."

NOT ALL PERFECT

While the idea of stakeholder capitalism has long been culturally acceptable and even the norm in Asia, it would be wrong to imagine that it is a perfect model. The Western model of good governance has been slow to be thoroughly adopted and a fair share of corporate governance scandals in Asia have been the result.

"We have both a challenge and an opportunity that is very different from the West," says Banyan Tree's Mr. Ho. "We have embraced the idea of the broader community and done all kinds of things that are probably not always considered in the best interest of minority shareholders. Now we must adopt greater rigor in terms of defining our stakeholders and separation of interests."

Trust in business varies widely from region to region and doesn't translate automatically. In the US, only 43 percent of the population feel businesses are trustworthy. That means that even Asian businesses steeped in an inclusive culture need to be prepared to articulate their value, not just to domestic stakeholders, but internationally as well, in diverse markets.

Still, there is a certain arrogance in the West as it embraces stakeholder capitalism as its own thoroughly modern invention. Markets that have lived that philosophy for centuries may well serve as models for what that actually means. ♦

Tim Payne is a Brunswick Senior Partner and Head of Asia in Hong Kong. Joanna Donne is a Partner based in Singapore.

Daisuke Tsuchiya is a Partner in London and Head of Japan, leading a team of more than 15 Japan experts and bilingual advisors around the world.

Yoichiro Sato is a Director in Brunswick's Tokyo office, which opened in 2020.

The George Floyd Outrage: US Workers

SPEAK

Brunswick Insight's poll of employees reveals how they would like their companies to respond. By Mara Riemer.

AMERICANS ARE RIGHTLY outraged at the killing of George Floyd and are making their voices heard in the streets and online. We have seen a flood of corporate statements across the news media, social media and employee inboxes and they've generated a wide range of strong reactions.

To find out what workers expect from their companies, Brunswick conducted a poll of 1,192 US workers, including an over-sample of 292 Black workers, on June 1, 2020. We sought to understand their opinions and perceptions of companies speaking out on racial discrimination in America and what actions companies should take.

Public polling on issues of racial equality has been taking place since long before the civil rights movement. Our research is intended to collect data on how workers are viewing the statements and actions of their employers. Companies have been expected to speak out on social issues for some time now, and the expectation for them to do so is growing. That is reflected in our results.

TAKE A STAND When we asked workers if they expect their employers to take a stand on social issues, 31 percent said "yes" unequivocally and 41 percent said "yes, but only when the issue directly affects the company's business." Just over one quarter said "no." Black workers are even more likely to expect their companies to take a stand on social issues, even when they disagree with the position taken.

As younger generations enter the workforce, the expectation

that companies will address issues of social change and racial justice is likely to increase. Young people are significantly more likely to want to hear from leaders at their own company on George Floyd and racial discrimination: 52 percent of GenZ want company leaders to address his death and the protests specifically, compared

Companies have been expected to speak out on social issues for some time now, and the expectation for them to do so is growing.

to 29 percent of millennials, 15 percent of GenX and just 10 percent of baby boomers.

And when companies do speak out, their voices are heard: Workers are paying attention to what companies are saying in response to the killing of George Floyd and the protests, with 68 percent of workers saying they are aware of companies issuing statements expressing support for racial justice.

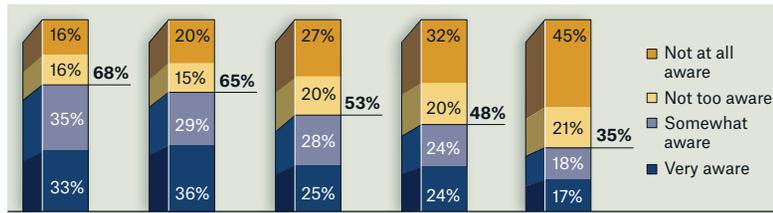
THE BENEFITS In the eyes of workers, speaking up is much more likely to improve perceptions of a company than to hurt them. Over half (51 percent) of all workers say that speaking out in solidarity with protesters improves their view of a company compared to 37 percent who say that it would not affect their perceptions. The percentage of Black

workers who say their perceptions would improve is significantly higher at 70 percent.

With GenZ and millennials the impact is overwhelmingly positive: 65 percent of GenZ and 57 percent of millennials say it would change their opinion for the better, as opposed to 4 percent and 10 percent, respectively, who say it would change for the worse. Baby boomers are more evenly split: 36 percent say it would improve their opinion of the company and 22 percent say it would worsen it.

IT'S NOT TOO LATE At the time of this writing, there are many companies that have yet to make a public statement and are wondering: Is it now too late? Will they come off as followers? Will their late commentary be viewed as inauthentic? While each company

Awareness of COMPANIES SPEAKING OUT is High



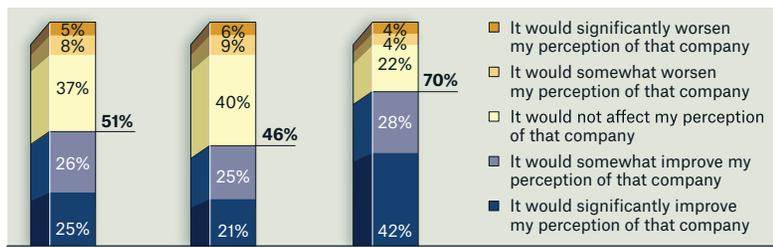
Companies issue statements in support of racial justice; President Trump takes shelter in bunker during DC protests; Protests spread around the world; Anonymous hackers re-emerge during unrest; Female protestor suffers a seizure after an NYPD officer throws her into a curb

Almost seven in 10 US workers are aware of companies issuing statements expressing their support for racial justice—more than any other story we tested.

must assess its own situation, the general answer is that it's not too late. Over 70 percent say that regardless of timing, it is important for companies to let their employees and customers know where they stand.

GenZ and millennial workers are even more likely to want to hear from companies on the protests regardless of timing; 82 percent and 70 percent respectively say companies should speak out regardless of timing.

STATEMENTS OF SOLIDARITY Viewed Positively



US Workforce; White Workers; Black Workers

About half say that their perceptions of a company would improve if the company released a statement expressing solidarity with the protestors. Black workers are especially appreciative of the act.

ACTIONS OVER WORDS

Importantly, workers want more from corporations than just statements. The data suggests that the next few days and weeks will come with increased expectation of follow-through and commitment. Companies should be having conversations now about the next steps they will take. Workers believe that donating to organizations that fight racism and promoting the use of police body cameras are actions to prioritize.

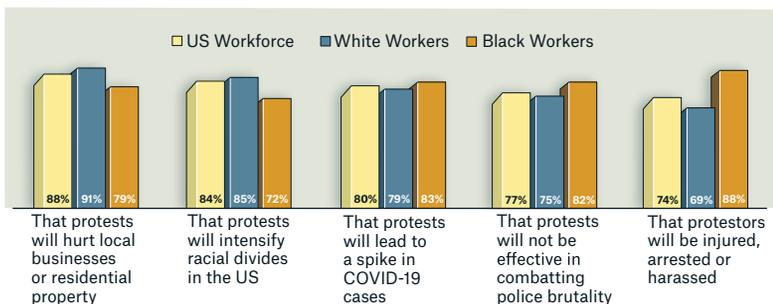
Notably, nearly one quarter (24 percent) of Black workers agreed that companies should allow Black colleagues to take mental health days off—nearly twice the rate of white respondents (13 percent), and much higher than the 2 percent of baby boomers and 9 percent of GenXers who said the same. This indicates that the extent of the daily emotional toll that these events are taking on the Black community remains underestimated by the mostly white, largely middle-aged group that populates most boardrooms.

As corporations make decisions on how to support employees through this time when all Americans are feeling the stresses of the pandemic and are exasperated at the brutalities they have witnessed, leaders need to ensure that there are people of color around the table where the decisions are getting made, or risk their own blind spots obscuring the best path forward.

Only when we look back on these times will we know if this was the moment when things really changed. For now, what this means for companies is that they must consider how they fit into the conversation of today and the solutions for tomorrow. They must thoughtfully approach what they say, and then take action, to make those words authentic. ♦

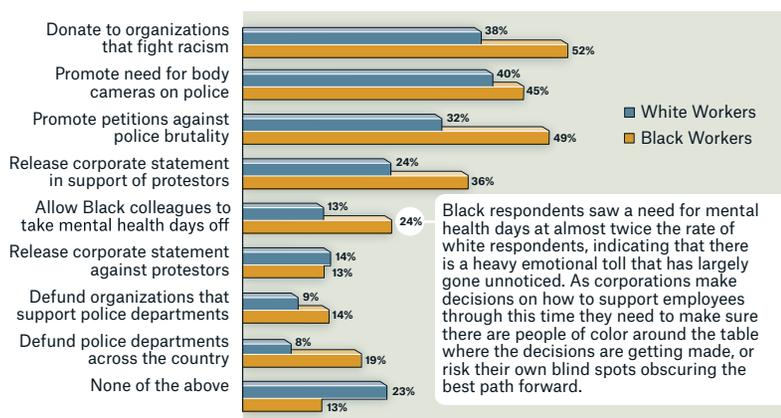
Maria Riemer is a Partner with Brunswick Insight, the firm's public opinion research function. She is based in Dallas.

TOP CONCERNS Differ Along Race Lines



Black workers' top concern was for protestors' safety; for whites, it was damage to property. White workers' No. 2 concern was worsening the racial divide; this was the lowest concern among Black workers.

Black Workers Want MORE ACTION from Companies



Black respondents saw a need for mental health days at almost twice the rate of white respondents, indicating that there is a heavy emotional toll that has largely gone unnoticed. As corporations make decisions on how to support employees through this time they need to make sure there are people of color around the table where the decisions are getting made, or risk their own blind spots obscuring the best path forward.

Black employees expect more corporate action than white workers. The gap is especially large when it comes to promoting petitions against police brutality. Companies should consider shifting from expressing solidarity with protestors to calling on police to do better.

WFH



DURING A BRUNSWICK REVIEW INTERVIEW LAST March, I was asked to compare the financial collapse of 2009, when I served as Deputy Secretary of the US Treasury, with the black swan of 2020, COVID-19. • “Then, we had a financial crisis that bled into the real economy,” I responded. “Now, we have a much more complicated, much more uncertain set of circumstances. The basic rhythms of life have stopped. People aren’t traveling, they’re not aggregating, they’re not interacting, they’re not transacting. The things we have long taken for granted are no longer taken for granted. And there isn’t a strong sense when, if ever, there will be a return of what we used to call normal” (Page 56). • Nine months later, COVID-19 remains a crisis for human health and the global economy. But there is another factor I mentioned in March that remains true: There is a critical role for the private sector to play in making progress on both. • What comes to mind is not just the pharmaceutical and biotech industries’ record-breaking progress in pursuit of a vaccine, or the manufacturers that swiftly built capacity for making PPE, disinfectant and medical equipment. I think of companies across industries figuring out ways to keep customers served, employees retained and society functioning in a radically altered environment. • One legacy of the pandemic is the arrival in general parlance of “WFH.” So named,

this edition of our magazine brings you *Brunswick Review* stories posted online during the first months of the pandemic. On Page 32, IBM Chief Information Officer Fletcher Previn takes us inside the tech giant’s COVID-19 response. Other examples of outstanding leadership through COVID-19 can be found in our profiles of South Africa’s Adrian Gore, CEO of health insurer Discovery (Page 72), and Kerala’s Health Minister K.K. Shailaja (Page 69). • In this issue, our coverage of race and equality includes an interview with Shellye Archambeau, one of Silicon Valley’s first Black female CEOs and a Director on the board of Verizon, who expresses “cautious optimism” about Corporate America becoming more racially equitable (Page 42). • For inspiration on staying strong amid adversity, see our interviews with Kim Chambers, the marathon swimmer (Page 99), and British explorer Sir Ranulph Fiennes (Page 92), and read the account of Brunswick’s own Admiral Mike Rogers, a veteran of long confinements aboard ships and submarines (Page 36). • The COVID-19 pandemic, the economic crisis and all-too-frequent reminders of structural racial inequity have meant that 2020 has been an extraordinarily challenging year for all of us. I am hopeful for a brighter 2021.

NEAL WOLIN, CHIEF EXECUTIVE OFFICER



The fate of the **GLOBAL ECONOMY** does not rest on the US election, says Dr. Moyo. "It's bad, whatever happens." By **KEVIN HELLIKER.**



Iconoclastic Economics:

DAMBISA MOYO

SHE SPEAKS FOR THE LEFT, THE RIGHT, THE POOR, THE RICH, THE THIRD world and the first. A native of Zambia, she holds a doctorate in macro-economics from Oxford University, a Master of Public Administration from Harvard University and an MBA from American University, from which she also received a degree in chemistry. • Her résumé includes stints at Goldman Sachs and the World Bank, and she has published four best-selling books: *Dead Aid*, a treatise on the failure of aid to Africa; *How the West was Lost*, on misguided economic policies of developed countries; *Winner Take All*, on the implications of China's purchase of natural resources around the world; and *Edge of Chaos: Why Democracy is Failing to Deliver Economic Growth and How to Fix It*. • She has nearly 1.4 million followers on LinkedIn, and more than 200,000 on Twitter. Time magazine once called her one of the world's 100 most influential people. She sits on the boards of Chevron and 3M, having previously served on the boards of Barclays Bank and SABMiller. She's a serial marathoner. She has visited more than 80 countries. She lives in New York and London, where she is finishing her fifth book and serving on a commission on racial equity at the behest of the British Prime Minister.

For the global economy, how important is the US election?

I don't think the election will make a material difference to the global economy. It's bad, whatever happens.

What leads you to say that?

Even before the financial crisis hit in earnest this year, the global economy was in a precarious place. Large economies, from emerging markets with at least 50 million people to very large developed markets, were struggling to create growth. Most countries were failing to generate 3 percent growth—the minimum annual growth rate needed to double per capita incomes in a generation—roughly 25 years.

Add to that a lot of economic headwinds: technology and the risk of a jobless underclass, demographic shifts, income inequality, climate change, natural resource scarcity. India's adding a million people a month

PHOTOGRAPH: COURTESY OF DAMBISA MOYO

to its population. Social mobility in the US has been halved in the past 30 years. Debt: Just this week the WSJ reported that consumer, business and government debt in the US had reached \$64 trillion—triple the gross domestic product. Productivity: A factor accounting for 60 percent of why one country grows and another doesn't—has fallen considerably over the past decade in developed markets, in an era when technology should be leading to increased productivity. Finally, there is impotent public policy. We have been living in a period of negative interest rates, massive debt, massive government deficits, and enormous and arguably unsustainable welfare systems.

Again, that is all before COVID.

I've been very fascinated by the similarities between the Gilded Age of 1870 to 1900 and the one between 1950 to 2008. Both were periods of high economic growth, globalization, and the rise of very strong and important corporations. Both periods had very notable widening income inequality. Both were periods where you had relatively weak or small government in terms of government being an economic participant as an arbiter of capital and labor. A data point worth considering: From 1850 to 1900, all the presidents in the US had one term in office, only one. They were actually broadly considered irrelevant.

That first Gilded Age was punctured by World War I, the Spanish Flu and the Great Depression.

What followed was a 20-year period of low economic growth, deglobalization through protectionist policies on trade and the breakup of large corporations. You had government become much more important both in terms of size and economic importance. You get FDR and his three terms as president. He builds the New Deal to address income inequality. The turnaround really came from the War, '39 to '45.

One marker I think is interesting: The Dow Jones Industrial Index peaked in 1929 at 381 points, and it did not hit 381 again until the 1950s.

If you believe that history repeats itself, then we will be going into a period of low economic growth and big government. On big government, Angela Merkel has talked about the idea of 7/25/50. That Europe is 7 percent of the world's population, 25 percent of GDP, and 50 percent of world welfare payments. If you add the US, you're talking about 12 percent of the world's population, 50 percent of GDP and 90 percent of the world's welfare payments. If you consider that 90 percent of the world's population lives in the emerging markets—this is an imbalance that is, longer term, unsustainable.

IN
20
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Now there is an impetus for more tax revenue, because governments need it, and also more regulation that becomes more antitrust. Corporations will likely get smaller. We have had a period where all the large sectors—banking, technology, airlines, pharmaceuticals, energy companies—are dominated by a handful of companies. We essentially very organically have ended up with a number of oligopolies.

Every aspect of globalization is now unwinding. The area of trade in goods and services. The movement of capital is being subjected to capital controls. The movement of people, immigration is a political third rail, and there is a risk of a splinternet—that over the next decade the world will split into China-led versus US-led technology platforms. Lots of barriers are being put up.

The result, if you look at forecasts, is that projected equity returns materially have come down from around 8 percent-plus to between 4 and 6 percent.

To use the unofficial motto of the pandemic, how can developed nations build back better?

The answer has to be more efficient government. As I wrote in my last book, economists and business people can do all they want in terms of enhancing efficiencies. But if you have government that is ineffective—that's not only not doing constructive stuff but is actually hurting the business environment—then you're not going to grow or generate long-term returns.

Mike Bloomberg has talked about there being four things that government needs to be. It needs to be data-driven. It needs to be forward-leaning. It needs to focus on measured outcomes. And it has to be not corrupt. If you have that type of government, you're off to the races.

But we don't have that type of government. And we don't have the sort of imaginative thinking that really was the bedrock of the United States. There's no Manhattan Project. There's no DARPA. There's no large-scale government-led effort as there was in the build-up of Silicon Valley. When the American Civil Engineers releases data showing that America gets a D-plus in terms of infrastructure, there's not a response, not a state or federally led program to rebuild the interstates or highways. At best public policy appears reactive, and not proactive.

To what extent is the future of the global economy in the hands of corporate executives?

I would say it is *de facto*, but not *de jure*. Especially in the West, there's a clear delineation between public policymakers, the private sector and civil society.

Traditionally corporations have not been charged with providing public goods such as healthcare, education and infrastructure, or as involved in socio-cultural debates. However, society, as well as large institutional investors and regulators, is increasingly demanding that corporations take a stand in these areas.

Several years ago, I wrote an article talking about how I expected these lines to be much more blurred, not least because of what China has done. China, many people would say, has been quite successful running an economy where these lines are blurred. Of course, there are lots of arguments saying that we haven't yet seen the costs of China's choices, and that day will come, et cetera. But for now, they've been able to do this.

In a surreptitious way in the West, companies have been taking on the responsibilities of government not only in terms of social goods like education and healthcare, but also areas like climate change. And now this has been sort of formalized because of the Business Roundtable statement, and the move away from the Milton Friedman view of corporate responsibility. I believe this will continue to a far greater extent in years to come.

In a recent tweet, you noted that of each of the G20 countries except China has suffered a recession this year. Will the pandemic have the effect of enhancing China's global presence?

There is a risk that that happens. I would point to three trends that are becoming solidified in this COVID era. One is China trading with emerging markets and other countries. They are stamping their imprimatur on global trade—now as the primary trading partner in many of the largest emerging and advanced economies.

Similarly, in foreign direct investments, China is not only the largest lender but often the largest investor in many large economies around the world, from Australia, across Europe, South America, and Africa.

The third thing is that China is now the largest lender in terms of debt to the emerging markets. It's actually surpassed the G20 and some of the multinationals. China is thought to be buying distressed debt on the secondary market and then forcing governments to negotiate by giving assets instead of restructuring the debt. That's really important to China's continuing efforts to become a much bigger player. Additionally, China is the largest foreign lender to the US government—fluctuating between No. 1 and No. 2 with Japan. Naturally, this means

"WE'RE BEGINNING TO LEARN A SHARP LESSON ABOUT THE SOCIETAL COST OF PRIVATE FREEDOMS. TRADE-OFFS ARE GOING TO BE REQUIRED OF US. TRADE-OFFS MUCH MORE CHALLENGING THAN SIMPLY WEARING A MASK."

debt is not merely an economic variable, but also a mounting geopolitical concern. As we speak, China is in the middle of selling off the US dollar debt, which is why there's been so much weakness in the dollar recently.

In 20 years' time, what do I know for sure is going to be important? Two things: China and technology.

In our last interview, you said, "All my life I've been raised to believe that democracy and market capitalism are the path to economic growth, better living standards, and reducing poverty. However, with China's legendary economic success and democracies in advanced countries struggling, people around the world are no longer convinced, perhaps because we who believe in democracy are no longer convincing." Has the pandemic—which China arguably handled better than the West—affected that dynamic?

At the heart of that question is ideology, meaning: At what point are the costs of ideology so great that we turn into pragmatists?

When we last spoke I was talking about countries that are very poor getting to the point where they say, "Democracy all sounds nice on paper, but I need to eat today." Westerners love their freedoms. I can do whatever I want. I can have as many children as I like. Nobody's going to tell me that I can't eat as many burgers as I want to.

We're beginning to learn a sharp lesson about the societal cost of those private freedoms. Trade-offs are going to be required of us. Trade-offs much more challenging than simply wearing a mask.

IN DEBT TO CHINA

China is now the largest official creditor to the developing world

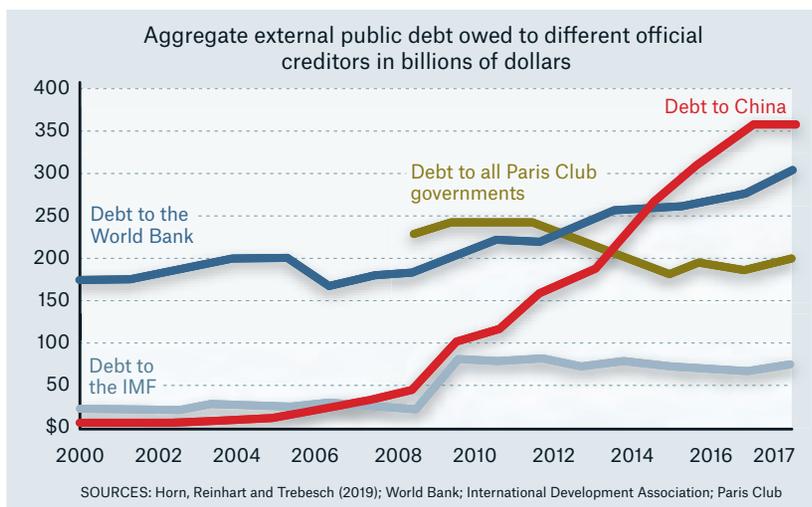


CHART: PETER HOEY

What is your latest book and when is it out?

It's out spring 2021, and the topic is corporate boards. It's cryptically titled *How Boards Work*. [Laughs] It's actually the closest thing I've written to a memoir, because I talk about my experiences on boards.

It's not a big exposé. When there's a corporate scandal, people will say, "Where was the board?" I'm trying to provide some clarity around what levers the board has, and what a board's mandate is. What exactly can a board do? Why can't it do more? How should we be thinking about that?

It really tries to address a handful of basic questions on matters like worker advocacy, data privacy issues, how to engage in a world that's become deglobalized, how to manage supply chains, how to tap into global talent. I end the book by offering proposals on how boards can better do their job, which is to support management while also checking and challenging management.

Also, make sure the trains run on time. In a climate where scandal gets all the attention, we tend to forget that hundreds of millions of pieces of clothing, goods and services are delivered every single day, in an efficient, cost-effective and sustainable way. That's done with the oversight of effective boards. I'm offering ideas for how we can make boards even more effective given all the transitions and challenges of the global economy and geopolitics.

While writing your book, you're serving on a UK government panel?

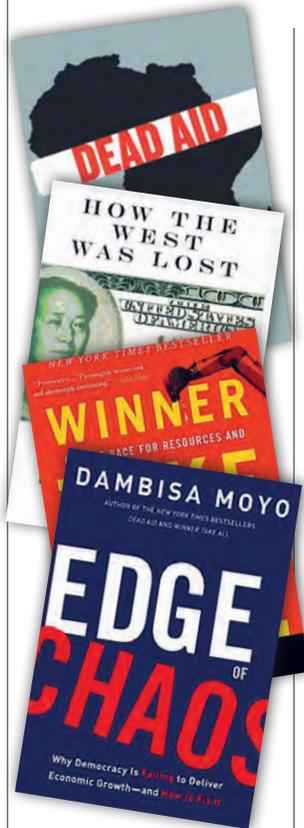
I joined the Commission on Race and Disparities, under the Prime Minister's office. I'm chairing its Employment and Enterprise subgroup. They approached 10 of us, none of us politicians, across the political spectrum, to look objectively look at the evidence, and come back with suggestions.

Has diversity and inclusion truly been a concern of boards and corporations? Or just lip service?

I've been supported throughout my career by a lot of people who don't look like me. But one data point does not make a trend, and for way too long there absolutely has been a lot of systemic racism.

Corporations, and society more generally, have to be more ambitious. Giving a check for \$10 million to some community program—that's motherhood and apple pie. That's necessary but not sufficient if we're going to jumpstart society in a more inclusive way.

During boardroom discussions on this issue, I try to push management to be more aggressive and innovative. I figure, "We can put a man on the moon. Why can't we solve these types of problems?" The



All four of Ms. Moyo's books made the New York Times Best Seller list: *Dead Aid*, *Winner Take All*, *How the West Was Lost* and *Edge of Chaos*. The last, released in 2018, addresses popular uprisings in a period of anemic economic growth and widening wealth inequality.

KEVIN HELLIKER is a Pulitzer Prize-winning journalist and Editor of the *Brunswick Review*.

challenge is twofold. First, we're extremely impatient. The world we're living in is an artifact of challenges that need long-term solutions, like investments in education. People don't have patience for that.

The other issue is, I want to make sure that the result isn't a few people who look like me winding up on boards and in the C-suite. As long as Black people and other minority groups don't have the tools to enhance their lives, then there is a serious, systemic problem. Everybody deserves the right to fully participate in the economy, to have equal access to capital, to opportunity. That, to me, is the rub.

I worry that we could be in a world now, with cancel culture and other agendas, where people are using injustice to fight injustice. As a consequence of that, you're seeing many more companies going private. If capital accumulation, capital formation, investment in everything from technology to pharmaceuticals—if that more and more happens privately, there'll be less likelihood that people like myself can participate in the economic enhancement of the future. I want to make sure that the conversations are constructive, they're helpful. Minorities need feedback. I don't want a situation where people are scared to give me feedback because I am a Black woman.

Unfortunately, given the multitude of and manifold challenges facing the global economy, there's a real risk that the social justice issues slip to the bottom of the agenda again. If COVID numbers spike up and global growth goes down even further, you could get more political populism, and that could move social justice further down the agenda.

Do directors face new pressure to advance the interests of all stakeholders?

In terms of the corporate mandate, we're there on behalf of financial shareholders. The Delaware incorporation rules talk about that.

But in the real world, where there's a lot of failure in the delivery of public goods, schools, infrastructure and healthcare, corporations are being required to participate in broader societal advancement not only by regulators but by investors and other stakeholders—employees, customers, communities. The 2019 Business Roundtable statement on the purpose of corporations solidified this view.

Those of us on boards are straddling this line, making sure companies remain profitable enough to fund R&D, innovation and future proofing—while making the world a better place. My book talks at length about navigating that. We don't want the pendulum to swing to where we're all "woke" but no longer focused on making sure the business is viable. ♦



In Millennials We Trust

DECADES OF BORROWING AGAINST FUTURE generations and stretching the planet's resources placed the human race in a precarious position—and that was before COVID-19. Count on us—millennials—to make a difference, partly because we have no choice, and partly because growing evidence suggests that we already are. To the “unluckiest generation”: We're up!

In typical millennial style, I found myself spending a long time pondering the implications of a particular social media post. You wouldn't think a

Left holding the bag, they will correct the mistakes of their predecessors, says Brunswick's **JENNIFER HUFFMAN.**

friend's Instagram story of an art exhibition in January would stick with you in June. But I couldn't get Erik Johansson's “Demand and Supply” (2017) out of my head. In that digitally created portrait, Johansson vividly captured the overdeveloped state of our planet: a city left precariously balanced on a spindly column of earth, the rest of its island home eaten away by the city's mining.

We have built a world of luxury the Earth cannot afford. We are accelerating our massive credit card debt that paid for these decisions, yet somehow, the bill is never due, and our spending limit

increases. No wonder the Edelman Trust Barometer finds that 56 percent of people believe capitalism does more harm than good. No wonder there is a large trust deficit in our institutions.

As if the picture were not already grim, in walks COVID-19. The pandemic shook up the status quo. However, it also created room for societal debates to take on a new urgency. People are trapped working from home, fearing potential unemployment or already working reduced hours, uncertain of what the future might bring, besides more drudgery.

Yet despite the strains of homeschooling and the binge-inducing call of Netflix, this moment has created more space for reflection than our hyper-distracted, smartphone-driven world normally allows.

Many of us are asking uncomfortable questions. Clearly we can live on much less. Why do we consume so much? Minority communities, already beset by below-average health, are disproportionately impacted by COVID-19. How does that reflect a just society? Supply chain workers are choosing between risking COVID-19 exposure or starvation. How can the West in good conscience subsist off the global poor? It is as though, for the first time, COVID-19 has many of us seeing Johansson's picture clearly.

These questions aren't new. But in this moment, they *feel* new. They have gained a critical relevance.

Who will take the lead in answering them? Millennials should. Despite being what *The Washington Post* calls the "unluckiest generation," a generation that *The Atlantic* says "doesn't stand a chance," we should push to spare future generations our experience. Yes, I am asking the worst-off generation to become the business leaders we need.

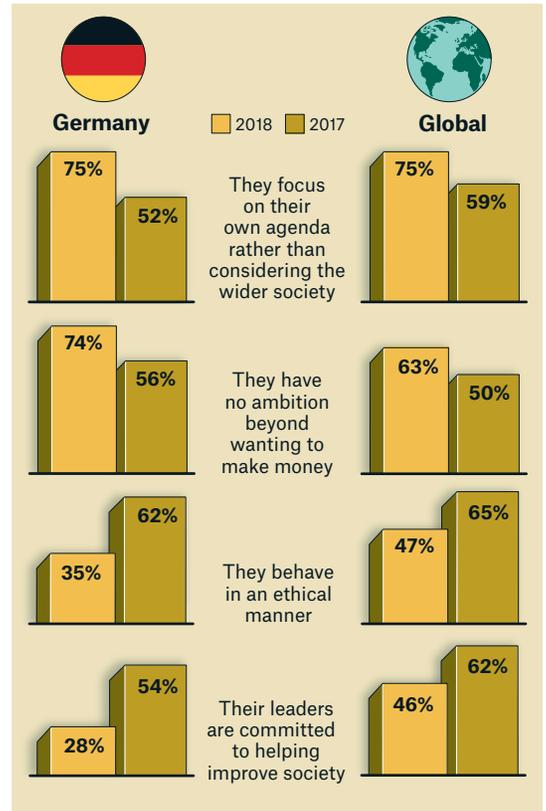
If we are going to use the crisis to acknowledge and embrace these questions, then "greenwashing" and "purpose-washing"—terms dismissing corporate sustainability efforts as all bark and no bite—must stop. According to a Brunswick survey, 71 percent of British citizens believe companies become involved in societal and environmental movements for the sake of appearances.

One reason for perceived "purpose-washing" is that business leadership has not put action behind mission and purpose statements. A Harvard Business Review survey found that executives believe a company's purpose brings both internal and external benefits: 89 percent feel purpose drives employee satisfaction; 84 percent said it impacts a company's ability to transform; and 80 percent say it increases customer loyalty. Despite this, only 46 percent of executives say their company has a

ACCORDING TO A BRUNSWICK SURVEY, **71** PERCENT OF BRITISH CITIZENS BELIEVE COMPANIES BECOME INVOLVED IN SOCIETAL AND ENVIRONMENTAL MOVEMENTS FOR THE SAKE OF APPEARANCES.

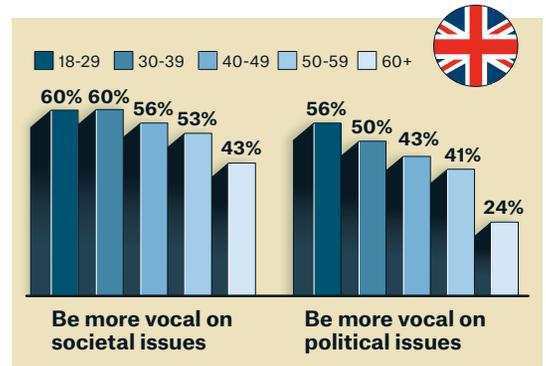
BUSINESS BEHAVIOR

Percent of millennials who agree with the following statements about the behavior of businesses



SOCIETAL ISSUES

Young people want to see business leaders being more vocal on societal issues



strong sense of purpose. This gap is eroding society's trust in business.

Millennials are especially skeptical about the authenticity of business intentions. In Germany, according to a Deloitte Millennials study, millennials' trust in business' intentions eroded drastically from 2017 to 2018. That study finds a declining belief among German millennials in the ethics

of business and in the commitment of business leaders to societal improvements. German millennials are more skeptical than their peers abroad, though globally, our generation's view is pessimistic. We shall see if post-COVID-19 studies indicate any positive shift.

For now, millennials want leaders to be more vocal on societal and political issues. They are also calling on leaders to close the gap between words and action.

On average, 63 percent of millennials *worldwide* say that the role of business is to improve society, not generate profit. In Mexico, India and Brazil, for example, that number jumps to 80 percent, according to Manpower Group.

Millennials are not just calling on leaders. They're becoming leaders. Many already are leaders. The average age of a first-time manager in the US is 30, meaning more than half are moving into leadership roles, says Korn Ferry.

Of course, many who have taken non-traditional routes are already CEOs and have started their own businesses. And there are a lot of millennials out there—as of 2020, millennials currently represent 35 percent of the global workforce, the largest portion of any generation.

The composition of millennials will add to their influence. Millennials represent important societal issues they wish their leaders would support, particularly in terms of diversity and inclusion. Using the American example, 72 percent of millennial women are employed. When other generations were the same age (around 22-37), a lower proportion of women were employed (though GenX was not far behind at 71 percent). Broadly, American millennials are the most diverse adult generation in US history, with 44 percent of them belonging to a minority group. Fifty percent of this cohort also believe gender falls on a spectrum, rather than being binary.

These factors help explain why the CEO of the future will look different—and perform in a different way. According to an American Express Survey, 70 percent of American millennials say that “the CEO role will no longer be relevant in its current format.” That suggests a greater sharing of power. In the same survey, 81 percent say that “a successful business will have a genuine purpose that resonates with people.” In other words, make purpose authentic. Eliminate greenwashing.

Millennials will be the ones to put words into action. Their experiences and accomplishments already prove as much.

AS OF 2020,
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CURRENTLY
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JENNIFER HUFFMAN is an Associate with Brunswick in Frankfurt, specializing in M&A, crisis and sustainability. She previously worked in the US Congress, US State Department and the German Parliament.

THEY DONATE:

Despite being the worst-off generation financially, in 2011 (yes, deep into the financial crisis), 63 percent of millennials donated to three or more nonprofits, according to the Millennial Impact Report.

THEY INVEST IN THEIR EMPLOYEES:

Sixty percent of millennial business owners invest in office perks to keep their employees happy (compared to 31 percent of GenX, 27 percent of baby boomers) according to the University of California Management Review.

THEY CONTINUOUSLY SELF-EDUCATE:

During the pandemic, 38 percent of millennials and 40 percent of GenZ have used the time to concentrate on personal development (compared to the average of 29 percent), according to a Kantar study.

THEY ARE USED TO A PRECARIOUS WORLD:

In 2008, US millennials were graduating during a recession, and absorbed much of the country's earnings losses. Younger Europeans were disproportionately affected by high unemployment and part-time work. And COVID-19 has set millennials back further, representing the highest portion of the unemployed in the US, according to the Washington Post.

THEY KNOW HOW TO LIVE WITH LESS:

Younger generations are more educated, have more debt, and earn 20 percent less than previous generations, according to the NGO New America. This is also reflected in decline in homeownership and other activities previous generations enjoyed.

Millennials are ready to change the world for the better. We're willing and able to live with less. In our view, struggling minority groups aren't the distant other; they are us, our friends, colleagues, and partners. We know that putting ethics ahead of profit is not just the right thing to do; it's good for business. We accept that our planet is doomed unless we act.

As members of a generation dealt a difficult hand, we have no choice. Each of us bears some capacity to lead. On the front lines and in the C-suite, we must be the change we wish to see. Let's use this extraordinary moment between Zoom meetings and Netflix binges to “build back better” what previous generations left us. Let's stop excavating the earth underneath us and start planting seeds. We can, and will, deliver. ♦

CHRIS KEMPCZINSKI WAS ENJOYING A QUIET moment at his home in Chicago last autumn when he received a call from Chair of the Board of McDonald's Corporation, Rick Hernandez. Mr. Hernandez was calling to ask if Mr. Kempczinski would take over the helm of McDonald's. The circumstances were unusual. Evidence had emerged that McDonald's then-CEO, Steve Easterbrook, had violated company policy and undermined company values. After a thorough investigation, the Board took decisive action, terminating Mr. Easterbrook and naming a new leader.

Mr. Kempczinski wasn't new to the company but unlike previous chief executives, he hadn't joined the restaurant giant decades earlier, either. He'd come to McDonald's in 2015 after holding top management positions at Kraft Foods and PepsiCo. Joining as VP, Global Strategy, Business Development and Innovation, it took him only a year and a half to earn promotion to President of McDonald's USA, where he was responsible for the operations of about 14,000 restaurants. In November 2019, Mr. Kempczinski became President and Chief Executive Officer of McDonald's, the world's largest restaurant company.

He took charge of McDonald's amid an executive scandal and soon found himself facing the most serious global pandemic in a century. He spoke with Brunswick's **JAYNE ROSEFIELD.**

CHRIS KEMPCZINSKI

In just four years, he had clearly made a mark.

Nothing about Mr. Kempczinski's ascent surprised Greg Kelly, a Senior Partner at McKinsey & Company and a friend of Mr. Kempczinski's dating back to university. During their undergraduate days at Duke, Mr. Kempczinski made no secret of admiring "Coach K," aka Mike Krzyzewski, whose teams have won five national titles. Of Mr. Kempczinski,





Mr. Kelly says, “At college, we nicknamed him ‘The Colonel’ given the similarity between his leadership qualities and those of Duke’s legendary basketball coach.” In the younger Mr. Kempczinski, Mr. Kelly also saw the “tremendous energy and resilience” that might have predicted his traveling the globe not only as a rising leader in business but as a serial runner of marathons far and wide.

Michael Hsu, Mr. Kempczinski’s former boss at Kraft Foods, now Chairman and CEO of Kimberly-Clark, saw the way in which these character traits, coupled with his deep understanding of consumer behavior, drove strong business performance. He describes Mr. Kempczinski as a “business savant,” someone who is able to “translate insight into action into results.” He also was struck by Mr. Kempczinski’s genuine commitment to personal

Even amid a crisis, Mr. Kempczinski is determined to stay focused on the long term.



growth and development, as well as his focus on building meaningful connections. Put simply, he is a leader who at his core “cares a lot.”

Inside McDonald’s, Mr. Kempczinski wasted no time reminding employees, franchisees and suppliers that their pride in McDonald’s was rooted in the values on which the company was founded—and reiterating his personal commitment to those values. “In his first town hall as CEO, Chris was clear with his expectation that everyone personify the values of the company,” recalls Kevin Ozan, CFO at McDonald’s. “In those 60 minutes, he reminded us all of the responsibility we have to deliver on McDonald’s greater purpose.”

It was a belief in Mr. Kempczinski that led Heidi Capozzi, Chief People Officer, to join the company in April this year. “My very first impression of

Chris, and a belief I continue to hold today, is that he is a true values-based leader. Integrity, and doing what's right, is at the core of who he is and how he thinks."

Mr. Kempczinski had barely warmed his chair in the job when the pandemic struck, closing restaurants around the world seemingly overnight. Mr. Ozan reflected on his CEO's approach: "From the outset of this pandemic, Chris's priority has been clear—protecting restaurant crew and customers above all else. The whole world was in crisis mode, but Chris's calm demeanor and thoughtful approach ensured that as a team we could implement the swiftest operational transformation in our history to protect restaurant crew and customers, while providing financial support to franchisees to ensure they could focus on running their restaurants rather than worrying about what the future might hold."

After a dramatic drop in sales in the early days of COVID-19, McDonald's in September reported its greatest same-store sales gain in nearly a decade in the US market. And at the time of Mr. Kempczinski's one-year anniversary in early November, McDonald's stock had spiked even above the year-earlier price when he took over as CEO. McDonald's has navigated the challenges presented by COVID-19, emerging with higher brand trust scores, higher customer satisfaction scores, and higher restaurant margins than the company had going in.

During this first year, Mr. Kempczinski has proven agile in his role and is firmly focused on the path ahead, having refreshed the company's values over the summer and recently launching McDonald's new growth strategy, Accelerating the Arches. As part of the strategy launch, Mr. Kempczinski articulated a clear vision of where the company will make a greater impact in the world through its renewed purpose to feed and foster communities.

Said Mr. Kempczinski in the company's recent Investor Update: "People expect more from corporations today—a truth that has taken on additional resonance during a year in which climate change, social justice, diversity and inclusion have driven the public conversation Customers want to see that the McDonald's they visit locally matches how we act globally. They want—and expect—McDonald's to be a force for good." And under Mr. Kempczinski's leadership, McDonald's is committed to delivering on that expectation—being defined not just by what they do, but how they do it.

In early November, Brunswick Partner Jayne Rosefield, head of the firm's Chicago office and

Global Consumer Industries Practice, interviewed Mr. Kempczinski.

As you navigated a global pandemic and the rise of extreme social unrest during your first year as CEO of McDonald's, did any particular principle or philosophy guide you?

It's been important to me that we're always connecting the decisions that we make back to what we stand for as a company. Reminding people: Here are the values that have defined McDonald's over the years and, based on those values, here's why we're going to make these decisions.

Any time you're in a crisis, you can get a little bit short-term focused. My guiding light has been to make sure we're keeping the long-term in mind and to ensure we're as transparent and authentic with people as possible. What do we know? What don't we know? What are we uncertain about? What are we certain of? It's been helpful for us just to keep people in the loop, informed, focused forward.

But this year has definitely been a team effort, and I've certainly been fortunate in that I have a very experienced team around me.

Are there particular mentors or heroes whose words or examples have helped guide you this past year?

There's not one person. I've taken different lessons from all the leaders I've worked for and admired.

My first mentor at P&G was a guy who defined what it means to be honest and upfront. In following that example, I've tried to not put a lot of corporate spin and polish on stuff, but to just speak in a pretty open, honest way about how I see things.

Another influence was Nelson Mandela. I'm a product of the '90s. I graduated from college in '91—right around the time Nelson Mandela had been released from prison, become President of the ANC, and started negotiations to end apartheid. It would have been so easy for him to dwell on all the horrible things that had happened to him over the decades. But what so impressed me about him was that he was firmly focused on the future, on moving forward. I've never forgotten that.

Finally, I went to Duke and I'm a big Duke basketball fan. I wouldn't be a Duke fan if I didn't take some lessons from Coach K. His ability to forge a sense of comradery among his players holds lessons for any leader. He builds great teams.

In my experience, you piece together these lessons from different leaders and ultimately they define your own leadership style.

65
YEARS
IN BUSINESS,
SERVING
65 MILLION
PEOPLE A DAY
(GIVE OR TAKE).



Have events or experiences of the last year in any way altered or broadened your perspective on leadership?

Definitely one of the things that's gained focus is the need for communication. To lead, you have to be out there talking a lot and, in some cases, saying the same message over and over and over. You also have to acknowledge there are things that we don't know.

COVID's a perfect example of that. Are we making the right trade-offs between keeping our restaurants open, keeping communities served, keeping employees employed—between all of that and keeping people safe? I hope so. And I feel good about what we've done. But those are areas of uncertainty. I don't have all the answers, and if I pretended I did have all the answers, people wouldn't believe me.

Amid all else that's going on, you recently launched a purpose to feed and foster communities? What does that mean exactly and how will your customers see this come to life?

Customers are seeking brands that reflect their values ... and the line between the corporate brand and the consumer-facing brand is blurring. In this current environment, all companies are being asked to define their mission, their higher purpose. Because we're McDonald's and our reach is so great, we're in so many different countries, we touch so many

"I don't think we did enough to embrace how we are a part of culture," Mr. Kempczinski said in explaining the launch of the Travis Scott Meal, a wildly successful venture between McDonald's and the celebrated rapper.

different things, we were getting pulled into lots of efforts where either we didn't have inherent credibility or our ability to make a difference was limited.

I wanted to step back and just think about where we could actually make a difference. And that brought us back to the notion of community. When Ray Kroc structured McDonald's as a franchise business, the founding idea was to have a franchisee who lives in the community and who is going to be way better at managing the restaurant than some corporate stiff, thousands of miles away.

Off of that founding idea of serving communities, we know we can make a difference around jobs and opportunity. We can make a difference around being there for communities in crisis, from Ronald McDonald's House Charities to natural disasters. That led to the feed and foster community idea, because I did feel like that's a place that we have a very credible ability to make a difference.

Your investments in Drive Thru and digital in restaurants have proven to be fortuitous, even prescient, amid the pandemic. What are your 2021 priorities for staying ahead and nimble?

We call them the three Ds: Drive Thru, delivery, digital. And we're definitely doubling down on those. I think everybody has recognized we're going to a world that's going to be more contactless, that's

PHOTOGRAPH: JERRITT CLARK/GETTY IMAGES FOR MCDONALD'S

going to have more dine-away as opposed to dine-in.

We're making sure that we're continuing to offer a better experience on these than anybody else. So, for example, with Drive Thru, the classic frustration for the customer is: How long is it going to take?

So, are there things we can do to speed up the Drive Thru? Yes. Plenty of things. Voice recognition could be one area to do that. Second, what if you're a loyal customer? Maybe there is a lane for our loyal customers that allows them to go through in a faster way. We're looking to innovate and actually make sure that we're doing it better than anybody else.

Given your particular focus on those factors, even before you became CEO, it's almost as if you saw the pandemic coming.

We've been in the Drive Thru business for decades, so I don't want to say that we had any foresight in that. We did recognize three or four years ago that delivery was going to be a huge opportunity for us. We have a big advantage with 40,000 restaurants.

Seventy-five percent of the population across our top markets live within three miles of a McDonald's. We just have an incredible footprint that lends itself to delivery. The more delivery locations you have, and each of our restaurants is a delivery location, the better you can make that experience. So, credit to the team for getting on that one early.

As for digital, I think everybody, not just in our industry, recognizes that digital is transforming how consumers are interacting with brands, how they're experiencing things. I think for us, to be honest, we just had to catch up. And I think we're now at a place where we've caught up. Now, we actually have to create some advantage there.

Given your franchise model, how do you ensure during COVID-19 that restaurants can survive the short term and be in a position of strength for the long term?

We were lucky in that McDonald's franchisees came into the pandemic in a very strong position. In most major markets, they were at or near record cash flow, which essentially is how much money they're able to take out of the business.

When COVID-19 struck, the first thing that we wanted to do was put some immediate liquidity into the system. So, we put about \$1 billion of liquidity into the system.

Right now, if you look at where our franchisees are, I feel very good about their health. We have a few specific issues here and there. But, broadly, our system's in great shape.



"WHETHER YOU'RE THE CEO OR YOU'RE WORKING A FRY STATION, IF YOU FAIL TO LIVE UP TO THE VALUES, THEN YOU CAN'T STAY IN THE SYSTEM."

Looking at your recent marketing initiatives, featuring cultural icons like Travis Scott and J Balvin, and the recent launch of Spicy Chicken McNuggets, I have to wonder how a brand as established as McDonald's continually reimagines marketing?

I get asked sometimes, "What exactly do you do as CEO of McDonald's?" It can seem as though the system runs itself. So what do you do? My answer is: ensuring the relevance of the brand. There's nothing more important to my job than making sure McDonald's is as relevant 10 years from now as it is today.

We make a significant investment each year in marketing. I didn't think we were getting enough out of that investment. I didn't think that we had contemporized our approach to marketing. I don't think we did enough to embrace how we are a part of culture. The things you just referenced there are about us getting more aggressive, getting more out of our investment and then embracing our role in culture. Sometimes, having the visibility of McDonald's can be a burden, can make for an easy target. But far more often, it's a huge benefit because people just love to talk about McDonald's, and that's something we should lean into.

The prior CEO stepped down last year over a compromise of company values, and this year the company has faced accusations of racial discrimination and sexual harassment. When you took on the role, quickly establishing values as a central theme of your leadership, was there a sense that McDonald's needed its values updated?

I think it's precisely because McDonald's had a very strong core set of values that the issue with my predecessor was as traumatic for the company as it was. When you had a leader that acted in a way that was incongruous with those values, it raised a question: Are we as good as we say we are?

Early on, I wanted to put my fingerprints on what was already a very strong set of values and make clear that we are absolutely committed to them. This is who we are. We did have a leader who didn't act in accordance with our values, and you've got to hold everybody to the same account. Whether you're the CEO or you're working a fry station, if you fail to live up to the values, then you can't stay in the system. I wanted to make that set of expectations very clear at the beginning of my tenure so that this was not a moment to reconsider what we stood for. Rather, this was a moment to double down on what we stand for and make it clear that it applies to all of us equally.

In July, in response to the killing of George Floyd, McDonald's posted a video titled, "They were one of us." How do you view the responsibility of brands such as McDonald's to take a stand on social issues?

It all connects to what you stand for as a company. What are your values?

One of our values is that we open our doors to everyone. When you serve as many customers as we do, our customers are society. One of the things that has defined McDonald's over the decades has been our emphasis on diversity, making sure we have a franchisee population that reflects the US population or the global population.

When you've built your business model on diversity and providing opportunities for everyone, and suddenly a human rights issue comes into the public discussion, it would have been a huge miss for us to not put our voice out there.

When something in the public discourse is relevant to who we are as McDonald's, and frankly where we would be expected to say something, we should lend our voice.

There's a whole bunch of other areas that aren't as relevant to us where we shouldn't be lending our voice. It goes back to credibility. Where do we have credibility to speak and stand behind our values and commitments?

The McDonald's brand is well known around the world. Everybody has a clear sense of it. Everybody recognizes the golden arches. And yet the menu varies from culture to culture, place to place. How does the brand remain so cohesive while catering to local tastes?

We use the expression—I'm sure other companies use it as well—there's freedom within the framework.

We have our core menu: hamburger, cheeseburger, Big Mac, Quarter Pounder. If you have the golden arches outside your door, you're serving the core menu.

But then you do have the flexibility locally to add items that you think appeal to local tastes. That's why in China, you find things like bubble tea, which has little tapioca droplets in it. In India, you have the tikka masala burger.

Freedom within the framework gets back to this point of how the brand stays relevant. Food is such a local experience that you have to give people some latitude to adapt to local tastes. I think we've done a pretty good job over the years of striking that balance.

"CUSTOMERS ARE SEEKING BRANDS THAT REFLECT THEIR VALUES... AND THE LINE BETWEEN THE CORPORATE BRAND AND THE CONSUMER-FACING BRAND IS BLURRING."

Brunswick Partner **JAYNE ROSEFIELD** is head of the firm's Chicago office and Global Consumer Industries Practice.

As someone who eats at McDonald's daily, what is your favorite regular item at HQ?

You've got to double-click one more—give me a day part. When you eat as much McDonald's as I do, you think in day parts. Breakfast? Definitely the Egg McMuffin with no Canadian Bacon. If it's available, I like a blueberry muffin with that.

Pivot to lunch, I always get the fries. Not a day goes by that I don't have a small order of fries. I have a rotation of lunch items. I'm a Filet-O-Fish-no-tartar-double-ketchup guy. I like the Nuggets with ketchup. Not any of the other sauces; just straight-up ketchup. On occasion I will do a Quarter Pounder.

Regular chicken nugget or spicy?

I've always liked the regular. But I'm now a convert to the spicy. I'm hoping it's going to stick around.

When you travel abroad, do you have any favorite international menu items?

When I travel abroad, I embrace the hospitality of the franchisee that I'm visiting. They like to show me the latest thing that they've got on the menu and I'll go with that.

If they don't express a strong bias, I do the Quarter Pounder because that's a great product to calibrate around the world. You know what a good Quarter Pounder should taste like. Through trying that product, you get a sense of how the kitchen's running.

Any franchisee reading this is going to make sure they suggest a new item because they don't want to be calibrated. (Laughs.)

What's this we hear about changes to your iconic burgers?

The adjustments we're making are a series of small changes that add up to one big difference our customers really notice. Essentially, it's a new cooking procedure in the restaurants that allows us to cook a hotter, juicier burger every time. We also put the onions actually on the grill as opposed to putting the onions on at the dressing table. The onion flavor gets sort of seared into the beef. It's a great flavor improvement on our product.

It's kind of amazing. After 65 years of doing this, we still find ways to actually make the product just a little bit better. We're rolling out this new cooking procedure around the world. Where we've launched it, in markets like Canada and Australia, we've seen great success with meaningful lifts in both sales and traffic, and we're excited about what it can do in the rest of the world as well.

Now, you've got me hungry.

You're going to love those grilled onions. ♦



**Inside
IBM'S**

AS IBM'S CHIEF INFORMATION OFFICER, FLETCHER PREVIN leads a global team of over 12,000. Their mission is to prioritize user experience and provide secure, global IT for around 350,000 IBM employees. Together they manage IBM's network infrastructure, cybersecurity, over 500 data centers, 480,000 laptops, 220,000 mobile devices and an annual budget of \$2.7 billion. They are responsible for the IT across IBM's business units, from outsourcing to quantum computing, as well as in every aspect of IBM's operations, from supply chain to marketing, making IBM's IT department one of the biggest tech operations outside the US federal government.

Fletcher joined IBM in 2006 and has held several key roles in sales and technology. His experience spans reinventing desktop computing environments (Windows, Mac, Linux), industry-leading solutions for sellers and mobility programs, transforming IT infrastructure, delivering productivity tools and agile transformation. Prior to joining IBM, he managed the Enterprise Systems Group at Walmart.com. Fletcher is a graduate of Connecticut College with a degree in Political Science.

How did the crisis unfold for you?

IBM is in the business of running mission critical workloads, so we regularly simulate and model things like geopolitical instability, earthquakes and fires. This was a new model for us: What if the whole planet has a problem at the same time?

Sometimes it pays to be paranoid. Early January, watching what was happening in Wuhan, we thought we needed to be prepared to have the capability for everyone to work remotely. There is a lead time to ordering and installing the hardware and capacity for remote access, and they were already becoming difficult to get in various parts of the world.

This crisis has highlighted how delicate the worldwide supply chain is. This just-in-time supply chain model, where you're not keeping big inventories of things, means things can get disrupted in a relatively short amount of time.

We started to see lead times for manufacturing tick up. Laptops going to 8-10 weeks, routers, firewalls, network equipment became supply constrained. And just as we were having challenges in sourcing equipment, so were a lot of our clients.

COVID-19 RESPONSE

CIO **FLETCHER PREVIN** and his team "compressed 10 years of strategy into 10 weeks of execution," reports **PHILIP DELVES BROUGHTON**.

In early March, we realized this wasn't a contingency plan anymore. The genie was out of the bottle. We had to pressure test the IT to make sure everyone could do their jobs remotely. That meant ensuring the systems were running and people could connect to them, but also that they knew how to work this way. The finance department, for example, had never closed a quarter working remotely. So we had days where we had particular divisions try working from home to make sure everything worked.

IBM mandated work from home in the US on March 20 and in India on March 24.

And then?

Phase one was just about the technology—quickly meeting the need. How do we get all the capacity up and running from a technical perspective so everyone can work from home?

Just in the last five years, we've been able to assume that everyone has a laptop, a camera and high-speed internet at home. We've wrapped collaboration and productivity tools around these capabilities. It wasn't long ago that we'd just talk on the phone. That's a much "less than" experience. Videoconferencing has been very important for working from home.

I always advise CIOs to implement tools that embrace modern ways of work and are agile. Do the tools make it easy to have a meeting? Share files? File an expense report? Onboard an employee? That goes for all technologies that enable remote work.

Phase two was the cybersecurity concern. Cyber is an enduring challenge and a moving goalpost. Now you've extended the attack surface of your enterprise to everybody's homes.

You've got people's children using smartphones and laptops, using social media, streaming media. Having a different cyber strategy became very important for us so we could have visibility into what's going on in our enterprise, extending out into the remote endpoints in people's homes. Specific technical things became important to us, like securing those endpoints.

You read about a lot of environments where they sent people home and their VPN was then overwhelmed by people watching streaming media and movies. That's an artifact of having a VPN strategy which requires you to haul all the traffic back in to inspect it. We put in place split-tunnel VPN, which meant we could see what we needed to.

Phase three was culture. There's a big difference between working from home and being under house arrest in a pandemic. Over time, how do we maintain the health and well-being of our workers and a high-performance culture?

We're benefiting in the short term from the fact that most people know each other already and have some foundational relationship, having been together in person. It's like your relatives: You don't stop being close to your parents or grandparents just because you no longer live together.

But as new people come into the organization, you have this concept of deposits and withdrawals on the relationship bank at work. Work calls are the withdrawals. Deposits come in the form of going to lunch together, talking to somebody, inquiring about what's going on in their personal life. Those things are more difficult but not impossible to recreate in a virtual work environment. They require deliberate effort. If your only interactions are work calls, it doesn't leave a lot of room for making friends.

In the office, we would have gone to dinner together. So, now we send food to people's homes and have dinner together through videoconferencing. I sent a home office enablement kit to my team—a nameplate, a coffee mug, a stress ball—saying, hey, we're probably going to be in this condition for longer than any of us would have anticipated, so here's a little something to make your home office more office-like. Little gestures of kindness go a long way in times like this.

You've said that in terms of technology many people these days experience the "Jetsons" at home and "Flintstones" at work. What did you mean?

New people coming into work have a very different set of expectations from people 10, five or even three years ago. When I first started working, I accepted that things are more complicated in a

big enterprise. That's the nature of the beast. New people come to work thinking "the technology should be better than in my personal life." And often it isn't.

So when did it become OK to live like the Jetsons at home and like the Flintstones at work? If you have this kind of disparity in the experience, the short answer is, it's not OK and people will make decisions about where they want to work based on that difference.

Today's best user experience is tomorrow's minimum expectation. IT departments have to focus on that experience. Can you onboard new hires and off-board those departing without coming into the office? Can you provision people with tools to do their jobs seamlessly? Quality of life issues sound pedestrian, but the state of IT is a daily reflection of what the company thinks about its people. The culture of a place is a function of how your work gets done and your culture is the only unique thing you have.

What has been the most significant change for your team?

From an IT perspective, this has compressed 10 years of strategy into 10 weeks of execution.

Before the pandemic, IT departments were broadly all on the same journey. They wanted the benefits of the cloud, and to embrace software as a delivery model that gives them scale and security. They wanted to get out of legacy data center operations. They needed to provide their employees with collaboration tools to allow them to be productive from anywhere, and to have a cyber strategy that permits that kind of flexibility while still being secure. In a large enterprise, everything is a scale problem. You're dealing sometimes in highly regulated spaces, with different sets of privacy concerns around the globe, different data residency obligations that have to be met. People are working through these challenges on various timelines.

Many people thought they had more time to get there. Suddenly, this all became critical—a classic case of trying to change the tires on the car while it's going 60 miles an hour. IBM's decision to consolidate IT into a single shared service was a force multiplier in being able to effect change at scale. We were empowered to make decisions.

Before COVID-19, only 25 percent of IBM's 350,000 plus people were not in a traditional office. Our strategy had been to bring people back into the office. So this was a very rapid change in a matter of weeks to get to 98 percent of people working remotely.

As it pertains to cyber, you've got three broad areas: technology, policy and education. The technology is pretty straightforward. Here are the capabilities. Here are the solutions. The education is pretty straightforward. We'll be transparent about what we will and won't do and under what circumstances.

It tends to be the policy that causes the most churn in an enterprise: Who's entitled to what, what will we pay for, what will we not pay for, what do we want to permit from a policy perspective? When you're under duress, it motivates you to find answers to these questions and compress your existing plans.

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Any pleasant surprises?

We were working 24/7 for weeks, a lot of long nights. But the end result was the business didn't experience any disruption. That has been a nice surprise.

We survey our people to ask them how they feel about working remotely. How supported have you felt through this process? How is your mental well-being? How stressed do you feel? Are you proud to be working here?

Overwhelmingly, the answers have been positive. Ninety-six percent feel this has been well handled. They were able to continue doing their jobs without disruption. They have the hardware and software and IT support they need.

While we're seeing a little bit of an elevated stress level, this stems from general concerns about the health and well-being of people's families and the news.

We also look closely at metrics around productivity, emails being sent, meetings being had, sales cadence activity, number of software releases, Slack activity—which shows that, if anything, people are more productive working remotely. They don't have the commute time. They are having up to two hours more per day of meetings.

What did you not anticipate?

It's proven to be a more complex problem to solve than we realized going into it in March. Now the question is what do things look like coming out of it? How do we emerge on a stronger footing?

There is so much complexity around safely returning people to an office, especially in a metropolitan area like NYC. There are concerns around mass transit, then you need to have temperature screening, PPE distribution, doors need to be propped open. The flow of people needs to go in one direction so they aren't crisscrossing when they go to get a drink.

To whom does it fall when someone is not being compliant with the guidelines? Is it a human resources issues, a facilities issues, the person's manager's issue? Those are the sort of scenarios we haven't really had to pressure test, and now we're going to have to.

Will we ever go back to the office?

Our talent strategy isn't changing, our jobs aren't changing, but the role of the office is changing. We don't know exactly how, but we're making some assumptions like we'll need less real estate because some amount of remote work will persist.

For a lot of people the office will no longer be a place you go every single day to do your job. People will occasionally gather for some purpose. That means fewer, smaller, remote satellite offices, replaced by flexible hubs that can be easily reconfigured.

We are learning what types of roles are enhanced or diminished by working remotely. After the pandemic ends, we will have a better understanding of which jobs benefit from being in the office and which jobs work better remotely.

If you or I were going to the office to sit six feet apart and shout through masks, that's probably best done on Webex. But there are other jobs that really do have to be done in an office, whether that's manufacturing, supply chain management or in our case scientists doing semiconductor design, who require specialized lab equipment.

You have a sort of budget of risk. With more people being brought back into the office, there's an increased risk footprint, and you want to save that risk for things where there's a huge benefit to being physically in one place.

How do you stay sane?

I shortened all my 30-minute or one-hour meetings to 20 or 50 minutes. And turned all my one-on-ones into virtual walking meetings. I get on the treadmill and tell the other person if you want to go out and take a walk and not be on video, let's do that.

Every week, we have a virtual happy hour where we can talk as friends. Originally it was at 5:00pm on Friday. But we found it's not great for people to roll right from a work meeting to happy hour. They are still in work mode. So now we have a buffer of at least an hour between the end of work and the start of happy hour.

**“YOU'RE TRYING
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What advice do you have for CEOs about remote work?

First, start to position it as work from anywhere, not work from home. It gives you a lot more latitude to avoid a class system where some people have to come back into the office and others don't. You want a progressive work environment where people can get their jobs done from anywhere, whether that's at a client site, or from home or on the road.

Second, actively measure the health and well-being of your workforce through direct and indirect measures. Survey them, but also look at the productivity markers to know when things start to deteriorate and where you need to put energy.

Third, put a new social contract in place. People who used to work remotely sometimes felt marginalized compared to people in the office. This has been a great equalizer. You no longer have two meetings going on, where people in a conference room are laughing and whispering while people calling in from outside can't see what's happening.

People don't have to explain any more why they're not wearing a jacket or tie, why there's a dog in the background, or a baby crying. If the situation at home means that you can't be on video, that's OK. These are things that just happen in life.

Now everyone's home has been turned into an office, the new social contract accepts that all of this is OK. It is more accommodating of people's lives. ♦

PHILIP DELVES BROUGHTON is a writer and a Senior Consultant at Brunswick, based in New York. He was previously a Senior Advisor to the Executive Chairman of Banco Santander. His books, including *Ahead of the Curve*, have appeared on *The New York Times* and *The Wall Street Journal* bestseller lists.



Deployment: WFH

Each workday, a member of our vacated Washington office writes a letter to colleagues working from home, a tradition that has spread to several Brunswick offices. These notes often combine inspiration, philosophy and humor with favorite books, recipes and TV shows. Reprinted here is a contribution, penned in April, from a colleague for whom lockdown once meant month after month in a submarine. In a 37-year career with the US Navy, Mike Rogers rose to the rank of Four-Star Admiral, ultimately serving as Commander of the US Cyber Command, leading teams that stopped the most destructive cybercriminals in the world, from North Korean hackers to Russian saboteurs. He served as Director of the National Security Agency, the largest US intelligence agency, and as Chief of the Central Security Service. Now a Senior Advisor in Brunswick's Washington, DC office, Admiral Rogers offers counsel on cyber security, privacy, geopolitics, technology, intelligence, crisis management and the challenges of leading large organizations in a democratic society in the digital age.

A retired Four-Star Admiral, accustomed to long confinements at sea, offered counsel in April on how to navigate the tough times ahead.

HARD TO BELIEVE WE WERE ALL LAST IN THE office on Thursday, 12 March—six weeks ago. By now, we've all created a new normal for ourselves—a routine that tries to account for eating, living, loving, working, exercising, worshipping and everything else we do in life—but all in one place. That one fixed location—our home—was never built or designed for all of us together all of the time.

For me that means taking on new chores around the house and spending more time with my wife and children than I have in 35 years of marriage or 32 years as a father. While that has been challenging at times, it has also been very fulfilling. Our two adult sons opted to come home and quarantine with us rather than lock down in one-bedroom apartments in NYC and Chicago. For the first time in almost 15

years we are an in-residence family again, all getting along well. Their presence makes me happy and my wife and I, after a marriage spent more apart than together, are finding that we actually enjoy each other's company.

For me, a lifetime of extended deployments away from home in the confined spaces of a destroyer, submarine or aircraft carrier for months at a time is finally paying off. Even conservative projections for the duration of this lockdown pale next to 110 consecutive days at sea on combat deployment. I find this situation very much in line with that set of experiences—but with the good fortune to do it with family, alcohol, cable and the internet! I can even get in a car and go to a grocery store.

We are all going through this new journey with a high degree of uncertainty (how long will it last?) and perhaps some level of anxiety (how bad will things get—for us as individuals, for Brunswick and for the broader world we are a part of?). We worry about our health and the health of those we love, the well-being of parents and children, our own financial and mental well-being if this gets even worse and what the future holds—for ourselves, our families, our company and for our nation and the broader world. Such concerns are normal, healthy and appropriate. Pondering them doesn't mean something is wrong with you. Just try to maintain perspective.

I wanted to share two observations and one request with you. They are shaped in no small part by having spent almost four decades in an organization (the US Navy and, by extension, the broader Department of Defense) that focused first and foremost on preparedness for, and performance in, crisis—crises that lasted for days, weeks and months (sadly even years in the case of Iraq and Afghanistan) without interruption or let up. That provided periods of extreme excitement but even longer periods of boredom. Days and weeks spent at a high level of readiness for action but also, if truth be told, often just spent waiting—waiting for something to happen or someone (us, or the enemy) to just make a decision and do something. I learned a lot from that set of experiences; about the nature of crisis and how individuals, teams and organizations deal with crisis and how to lead in crisis—particularly crises of extended duration.

Observation number one is that we are now in the toughest part of this crisis—maintaining our focus, discipline and well-being in the face of high uncertainty, increasing boredom and continual frustration. In the beginning of a crisis there is normally a certain amount of adrenaline, excitement

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"Crisis tends to bring out true character," says Brunswick Senior Advisor Mike Rogers, a retired Four Star Admiral. "Character is reflected in the choices we make and the way we treat each other."

and stress to keep us focused and on our guard. But that becomes tougher as anxiety, boredom and frustration set in. And that is where we are now in the COVID-19 journey. You see it in the increased protests about the lockdowns and in unsafe practices by individuals with respect to social distancing and isolation. So many times in my uniformed career I watched organizations and teams come together in crisis and perform magnificently initially and yet find it very difficult to continue to do so over time. We each need to sustain a healthy lifestyle in this situation and to continue to make smart choices and not lose our focus because we are bored or frustrated with the current situation, which is likely to last for some unknown period of time versus ending next week.

The second observation is that crisis tends to bring out true character and commitment—in individuals and in organizations. Character is reflected in the choices we make and the way we treat each other. Commitment is reflected in the fact that we are there for each other and for our work. I want to thank all of you as individuals and our company leadership for the character and commitment I have seen on display over the past six weeks. I hope you take pride in being part of a company that has character and is committed—to us as individuals and to the work. And that you work with individuals who have displayed high character and commitment in the midst of all this. Trust me, I have been part of or seen teams where that was not the case and it is something very sad and frustrating to be a part of.

My request is that we all look out for people having challenges dealing with this situation—particularly those alone or in poor health. I draw strength from my family and my friends and each of us needs a source of strength in these tough times. Going it alone is not a recipe for success in extended periods of stress, uncertainty or anxiety. Let's all look for and reach out to those needing help in finding or sustaining that strength in the face of this uncertainty.

In closing, stay healthy, well in mind and body, and positive in outlook. And remember, the one thing we do know for sure in the face of all this uncertainty is that COVID-19 and the physical isolation we find ourselves in now will not last forever. One day in the not too distant future we will find ourselves once again talking across cubicles, speaking so loudly on cell phones that much of the whole office can hear the conversation, working collaboratively in conference rooms, and laughing and eating together in the break room. That will be a great day for each of us! ♦



BETWEEN 2009 AND 2017, MORE THAN \$424 billion in total tech venture capital was raised—and 0.0006 percent of it went to startups led by Black women, according to research by Project Diane. In a separate study, analysts at Morgan Stanley dubbed the ingrained, systemic bias by investors toward multicultural and women-owned businesses “a trillion-dollar blind spot.” Gender inequality in the tech world—most forcefully directed toward women of color—is one of the many inequalities COVID-19 threatens to not only exacerbate, but also to potentially relegate in importance as companies narrow their focus to survival.

In a report released prior to the outbreak, PwC described gender diversity in tech as being “a crisis.” Gendered recruitment practices, toxic “bro culture” and a persistent pay-gap had led women to comprise less than one-third of the workforce at leading tech firms and only 12 percent of the industry’s leaders.

Attendees of accelerateHER’s 2019 Forum in London. The event was designed to “bring together female leaders, senior investors and select rising stars to drive meaningful conversations about the state of technology.”

The fallout from that inequality could be seen in everything from new product development—like the “holistic” health app that made no mention of menstruation—to inherently biased algorithms, like an infamous AI recruitment tool which prioritized male applicants. Tech investors and tech-focused venture capitalists are similarly lopsided. In Europe last year, all-male-founded tech startups received 92 percent of investments across the continent, according to a report by Atomico.

Also driving this disparity is the representation of women in the venture capital workforce—twice as many men work in VC as women, according to research by Diversity VC. Another is the limited opportunity to invest in women-led teams. In the UK, only 5 percent of pitch decks that venture capital firms consider come from all-female-founded teams (and only 20 percent come from mixed gender teams).

“If you didn’t have any access to funding or



Will COVID-19 put gender diversity in the tech world on the back burner—or provide a crucial jolt to eradicate dated policies and thinking?

LAURA STEBBING, Co-CEO of accelerateHER, talks to Brunswick's **MEAGHAN RAMSEY** and **INEZ BARTRAM VILAR**.

Accelerating Women in Tech

networks before, how can you get access now?” says Laura Stebbing, co-CEO of accelerateHER. “How can you make yourself heard? A big part of what we can do is create those connections.”

Launched in 2016 by the team behind the Founders Forum, accelerateHER brings tech leaders, entrepreneurs, companies and investors together to address the under-representation of women in technology. The organization, which counts

Google, Microsoft, Henkel X Ventures and Intel Capital among its partners, is focused on driving systemic change across the industry, from educating leaders on the barriers women face to redistributing more capital to women. Its different approaches and tactics are unified in their desire to create space for women-led innovation, to give life to ideas that may otherwise struggle to survive, and to connect women entrepreneurs to platforms that help them scale their businesses.

Progress in gender diversity in tech has been agonizingly slow, yet prior to the pandemic there was encouraging momentum. The industry had seen a rise of specialist backers as well as a growth in women-founded businesses valued at \$1 billion or greater. At the 2020 World Economic Forum, Goldman Sachs, the US's largest deal underwriter, announced a new diversity requirement for the IPOs it would work on. “We’re not going to take a company public unless there’s at least one diverse board candidate, with a focus on women,” Goldman Sachs CEO David Solomon told CNBC.

COVID-19 risks halting that momentum—or perhaps breathing new life into it. The pandemic has seen flexible work arrangements, so crucial for working mothers, become more widespread and hinted at how our working lives can be reimaged. Meanwhile the global protests against police brutality and racial inequality have sparked an intense focus on corporate actions on diversity and inclusion, particularly the gap between business’s rhetoric and reality.

In a recent conversation with Brunswick’s Meghan Ramsey and Inez Bartram Vilar, Ms. Stebbing shared the structural shifts the industry needs for meaningful change, and explained how her organization continues to connect people and ideas in a time of quarantine.

Part of your work was bringing people together, creating new connections—is that still possible with COVID-19?

We’ve spent a lot of time thinking about how we can make sure people who wouldn’t usually be “in the room” get in the room. And we can still do that—we can help bring world-leading founders and CEOs straight into people’s homes virtually. We’ve done a session on innovating in crisis with the former CMO of GE; we’ve held sessions on fundraising with Dame Natalie Massenet DBE of Imaginary Ventures, Sonali De Rycker of Accel and Danny Rimer OBE of Index Ventures. What’s great is that we’ve been able to hold all these sessions as open meetings

on Zoom, so it really does feel like a community coming together. On June 12, accelerateHER LIVE will feature talks from Hillary Rodham Clinton and Cherie Blair CBE QC, who are being interviewed by Dame Vivian Hunt DBE as part of London Tech Week. We'll also have sessions on Black Lives Matter—leading with action in tech, mental health, cyber security, pivoting and leading with a gender lens in crisis. We're still very much sharing ideas and bringing people together.

Has COVID-19 disproportionately affected women in tech?

As it's doing in public health and economic opportunity, COVID-19 is exacerbating all the inequalities that already existed in tech. The number one issue women face is access to capital. They often lack the network that opens the door to investment in the first place. They then have to navigate the multitude of layered biases that affect investment decision-making: from affinity bias (sharpened by the small number of women VCs), to the different questions that are asked of women (VCs tend to ask men questions about the potential for gains and women about the potential for losses), to male investors being uncomfortable funding things they don't use, understand or personally value.

ThirdLove Founder Heidi Zak has said of pitching to male investors: "They invest in incredibly complex and intricate technology, but I lose them when I say bra."

Those challenges still very much exist—and then you add new ones on top of those. Helen Lewis wrote a terrific piece for *The Atlantic* called "The Coronavirus Is a Disaster for Feminism." It came out in mid-March, when a lot of people were recycling those anecdotes about Shakespeare and Newton getting some of their best work done in isolation. And Helen Lewis' point was: Those men didn't have childcare responsibilities and housework. And we've since seen the many studies highlighting how women—in all industries—have disproportionately taken on home schooling, childcare and cooking. These shifts in daily life are compounding the existing issues of fundraising and access to networks.

How hard is it to get the mostly-male industry to pay attention to a problem that isn't "new"?

We have found that most leaders, male or otherwise, are motivated by one of two arguments, and often both.

First, gender equality is a social and moral imperative—essentially, the desire to be on the right side



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of history. The leaders that are motivated by the moral imperative of equality are typically searching for avenues to give teeth to their values. We have yet to come across a leader in the industry who denies that equality is a moral imperative; however, there are plenty of leaders who acknowledge the problem yet fail to appreciate its impact, or the role they could play.

Second, the financial value of gender parity. Startups founded and co-founded by women are significantly better financial investments, according to research by Boston Consulting Group and MassChallenge. They found that "for every dollar of funding, these [women-led] startups generated 78 cents, while male-founded startups generated less than half that—just 31 cents."

Women-led companies also tend to be more capital efficient and achieve a lot more with much leaner resources—bringing in 20 percent more revenue with 50 percent less money invested, according to research from the Kauffman Foundation.

Is it even possible to overcome biases so ingrained that we're seldom aware of them?

It's hard to change people, but we can change processes and systems. And the tech industry needs wholesale structural change, from hiring and board representation to capital flows.

But we should be hopeful. There are many impressive behavioral design tools popping up to help curb biased decision-making and behaviors. Awareness of your unconscious biases is an important first step. But as anyone who's made a New Year's resolution knows, there's an intention-action gap. We need to make it easier for people—and businesses—to live up to their virtuous intentions. Whether that's using tools to remove gendered language in job descriptions, implementing hiring tools like Applied, or completely changing the way we do performance reviews.

Setting targets for diversity and inclusion, and measuring against them just as you would with any other business-success metric, is critical. Establish data baselines, as well as regular intervals for collecting and reviewing data, then use these figures to drive smarter business decision making. Investing in tools and resources to extend the employee tenure of women in your business—prevent them dropping off after periods of absence and encourage them to return to work—will reduce the resources required for searching, hiring, training and replacing staff that leave due to inadequate support.

In VC and investment decisions, it's about intentionally widening your network to diversify your deal flow, making sure your LPs and your team look like the people you want to attract and fund, setting targets and, most importantly, focusing on data. Too many investment decisions are based on a gut feel, which, at the end of the day, is biased decision-making.

What's one concrete action leaders in business could take right now?

I'll give you two.

First, put your money where your mouth is and invest in women. Evaluate your procurement processes to establish a baseline dataset on how your company brings in suppliers. Stipulating that even 10 percent of your company's suppliers must be women-founded businesses or adhere to diversity practices your company values (a gender-equal board, for example) could have an immense impact. A number of leading companies have stepped up, making financial commitments to support women entrepreneurs along these lines, including Walmart and Microsoft.

Secondly, work from the inside out to equalize parental leave in your organization. Normalize men taking just as much time off as women, and stop calling it maternity leave. A 2018 Harvard Business Review article cites the sliding scale of issues new mothers in high-income countries encounter the longer they are away from paid work: Their probability of promotion decreases; they are less likely to move into management or receive a pay raise once their leave is over. New mothers are also at greater risk of being fired or demoted.

Women who take longer leave are often unfairly judged to be less committed to their jobs than those that choose not to have children or take less time away from the workplace when they do. This is at odds with a key motivation for parental leave legislation: enabling women to pursue motherhood without sacrifice to their career success.

The Institute of Fiscal Studies estimates that by the time a woman's first child is 12 years old, her hourly pay rate is 33 percent less than that of a man with the same experience. Extrapolate that impact for additional children and consider that setback in the context of a childcare system that is prohibitively expensive for many families and a job market where part-time work is hard to come by or undervalued. The combined lack of incentive to return to the workforce after leave means employers are missing out on a wealth of talent.

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MEAGHAN RAMSEY is a Partner in Brunswick's Business & Society practice. She previously led the global social impact work of the Dove brand. **INEZ BARTRAM VILAR** is an Account Director. Both are based in London.

Are you optimistic that the COVID-19 pandemic will inspire that sort of re-thinking—that it will be a “great leveler”?

We know that one of the single biggest things we can do for women in the workplace is normalizing flexible working, and of course that's now happened for a lot of women in office roles. We have lots of CEOs telling us they never thought this kind of flexibility was possible before, and now they're realizing it is. That's promising.

But we need to make sure that we fundamentally change the rules of work to make them work for women. It's great that women can work from home, but it's not necessarily a solution if they still aren't in the key meetings, if they're burdened with caring responsibilities, if they're being left behind.

For leaders, it's about looking at the future of work, not focusing on simple technological quick-fixes. And, crucially, as leaders look at the future, that they do so through a gender lens. How will these decisions affect women? Are women being included in this conversation?

What about investors—what's one thing they can do immediately?

Revise your portfolio targets. Make the bold commitment that 50 percent of your firm's venture capital investments must be made in women founders, or founding teams that include women. Set targets for one, three, five and 10 years to create structure and reinforce accountability for delivering them.

Also, look at cap tables. Research conducted by #Angels, an investment collective of early Twitter employees, found that of the 6,000 companies they analyzed (with a combined total of nearly \$45 billion in equity value), women made up 33 percent of the combined founder and employee workforce but held just 9 percent of the equity value. Women are largely removed from the wealth creation the industry boasts. This has a profound impact on the amount of capital a woman walks away with at exit, limiting her ability to fund the next generation of innovative new ideas, or indeed start a new company. Not only do diverse founding teams matter, but so does the composition of their share of the business. This single action could be transformational.

And be honest when you fail, ask why an initiative hasn't worked and consult the data. Look beyond your own footprint. Finding ways to influence your broader ecosystem could help accelerate the delivery of your own gender diversity goals. ♦



on Your Own Terms

SHELLYE ARCHAMBEAU sits on four boards including Verizon’s and Nordstrom’s, and was one of Silicon Valley’s first African American female CEOs. She spoke with the Review about her new book, the Business Roundtable’s effects inside the boardroom, and why she “detests” work-life balance.

PERHAPS THE MOST MEMORABLE LINE FROM THE RECENT US VICE PRESIDENTIAL debate—or certainly the only one to since appear on T-shirts, mugs and hoodies—was delivered by Senator Kamala Harris, the first woman of color from either party to appear on a presidential ticket. As she was being interrupted, Senator Harris turned to her opponent and said, “Mr. Vice President, I’m speaking.” That moment was watched by 58 million people; that experience—being talked over by a man—was familiar to possibly a much larger audience: women in workplaces worldwide. • The day before the debate, Shellye Archambeau published *Unapologetically Ambitious: Take Risks, Break Barriers, and Create Success on Your Own Terms*, which recounts her journey as a woman of color through the notoriously male-dominated tech industry: from a secretary at IBM during college to a CEO in Silicon Valley by 40. In a recent virtual discussion organized by Stanford University, Ms. Archambeau remembered how as a young professional, one of her male colleagues had called her “sweetpea.” When it came

PHOTOGRAPH: ODIWAMS

her turn to speak, Ms. Archambeau paused, looked her colleague in the eye, then said with a firmness that echoed Senator Harris: “My name is Shellye.”

Ms. Archambeau’s book marries life experiences with life lessons, many of which speak directly to those still being marginalized and discriminated against. “It is not your fault that things are harder for you, but you must not let it harden you,” Ms. Archambeau writes. “Don’t blame yourself, and don’t waste your energy blaming others. If you allow life’s injustices to define you, they will. But if you choose to define yourself, to believe in yourself and align yourself with others who believe in you, you will find a way to live the life you want.”

Among the book’s remarkable features is that Ms. Archambeau found time to write it. She sits on the boards of Verizon, Nordstrom, Okta, and Roper Technologies, and serves as an advisor to the Royal Bank of Canada and Capital Markets Group. She spoke with the Review the day after *Unapologetically Ambitious*’ official publication.

Former Google CEO Eric Schmidt said *Unapologetically Ambitious* was “the book he wished he’d read in his twenties.” Was that the reader you wrote this for: young professionals?

Yes, I was trying to reach the young professional who is trying to figure out all of it, you know, typically in their 20s and 30s. That’s when you make so many decisions that have an outsized influence on the rest of your life, not just your career. Just look at what happens between 25 and 35: In that one decade most people choose where they’re going to live, who their life partner will be, the industry they’re in, whether they’re having children ...

And I wanted to share my experiences, and my belief, that you can impact how life happens if you’re intentional about what you do. Because I’ve just seen so many people wake up in their late 30s, in their mid-40s, in their early 50s, and they’re like, “This isn’t where I thought I would be. What happened?” And what happened was life happened.

That message comes through so powerfully in the book: *Be intentional. Plan. Make choices. And yet in a pandemic, thinking of the future leaves a lot of people anxious or worried, hence the calls to cultivate some form of surrender, acceptance—to let go of our plans.*

I totally don’t agree.

The pandemic hasn’t shifted your stance?

Not at all. If anything, I think when chaos is happening around you, which, let’s just put everything that’s happening as chaos, it’s even more important to figure out your focus. If you’re a dancer, one of the things that you learn is when you do turns and spins, you have to have a focal point.

You can’t let your eyes go with you as you go all the way around. You need to have a focal point, and that keeps you steady every time you spin. Well, the world is spinning right now. And if we just take our eye off the focal point and we just follow it ... oh, my God. I get dizzy thinking about it.

It’s so important to focus on: “What can you actually control?” And you know what? There are a lot of things that you can control. I don’t care if what you can control is so simple as, “What am I going to eat tonight? How am I going to exercise?”

I find focusing on what I can control—even if it’s not major things in life—to be much more calming than letting the world figure out what the heck happens next. To me that’s much more scary. So this notion of, “Let it all go and just see what happens,” I don’t understand that at all. I mean, the dancers end up on the floor if you drop that focal point. If anything, in times of chaos, when things are just spinning, it’s really important to remember: “OK, what are my priorities, what am I focused on, what can I control?”

Now, there’s going to be some things that you can’t control now that you could have prior to the pandemic. OK, let them go. Worrying is just going to take extra brain power. So let those things go and focus on: “Now, what can I control? And let me make sure that those things are going as well as they can.”

Another point you stress is to not seek “work-life balance”—Right. I cannot stand “work-life balance.” I detest that term.

Why?

Because what is a balance? I mean, close your eyes and picture it. It’s a metal structure with a bar across the top. It holds two weights and they’re even at all times. That’s balance. It’s static. But here’s the problem: life isn’t.

So if this is now how we’re going to be judged, doing a great job with work-life balance when you are even at all times—please. It was put in place for all of us to feel guilty, I’m just convinced of it, because no one has balance. The whole premise and the expectation is just flawed. There are enough things in life to make us feel guilty and inadequate. We don’t need that term, too.

Instead, you advocate “work-life integration.” For many people, the pandemic has forced that in a very literal sense—and it hasn’t been easy. What’s your recipe for making it work?

Look, it’s hard. I have no magic wand that says, “You do this and it’s all easy.” It’s not. It’s hard. But you know what? Life is hard. So realize as you’re struggling and you’re finding it hard that so are a lot of people. So you’re in really good company. It’s not you. Don’t think that you are failing because it is so hard. It’s hard for everyone.

“RACE WAS SO TABOO IN THE UNITED STATES THAT IT WASN’T EVEN ONE OF THE THREE THINGS THAT YOU *DIDN’T* TALK ABOUT IN POLITE COMPANY: RELIGION, SEX AND POLITICS. RACE WASN’T EVEN ON THE LIST, IT WAS SO UNDERGROUND. OK? AND NOW, WE CAN TALK ABOUT IT.”

AS AN AFRICAN AMERICAN WOMAN in my fifties, I don't exactly fit the prototype for a tech industry business leader. I can't tell you how many times people—especially women and people of color—have asked me this question: How did you get where you are?

Before I answer the question, let me tell you a bit about where I started. In 1962, I was born into a family of modest means and high ambitions. This was not long after lunch counter sit-ins called national attention to segregation, and not long before Martin Luther King Jr. delivered his "I Have A Dream" speech at the March on Washington.

During the first five years of my life, the Civil Rights Act passed, peaceful demonstrators met brutality on the Edmund Pettus Bridge in Selma, Alabama, the Voting Rights Act banned practices that limited voter rights, and racial tensions soared. In this environment, my determined parents set out to make a life for our family, following opportunity wherever it took us.

As for me, I started as a shy, gangly black girl in an all-white elementary school, and I grew into a successful high school student and a graduate of the Wharton School. I met a wonderful man to share my life with, and together we raised a family. After a fast-paced rise through the ranks at IBM, I become one of the very (very) few female African American CEOs in the technology sector, all the way back in 2003, when I was forty years old. As CEO of Zaplet, I orchestrated a merger with MetricStream, guided our combined company through the choppy waters of the dot-com bust and the financial crisis of 2008, and came out of the other end an industry leader, employing over a thousand people. Along the way, I have mentored countless young professionals, and I have been involved in organizations that do a lot of good—especially for minorities and women.

How did I get here? That's what this book is all about—the values, experiences, lessons, ideas, strategies, and actions that got me where I am today. If I had to sum it up, though, I would say ambition got me here—ambition supported by the conscious choices I made every step of the way.

Success begins with figuring out what you want, then making the choices that will get you there. You'll notice I use that word a lot: choices.

Early on, my parents set me on the right track by teaching me the foundational life skills and lessons that would help me survive in a world hostile to young black girls like me.

In addition to choices, you may notice I use another word a lot: plan.

That's right. I'm a planner. Big time. In fact, some might say I'm a little over the top when it comes to strategizing my life. But honestly, as a business leader and mentor, I'm surprised how many people—smart, talented, creative people—don't have a plan in place to help them reach their goals.

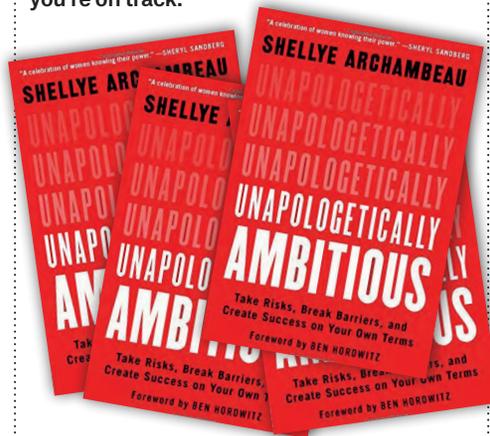
I know people who have taken the

UNAPOLOGETICALLY AMBITIOUS

An Excerpt from
Shellye Archambeau's
new book.

opportunities they found right in front of them, instead of strategizing to create their own options. I've watched people make easy choices that don't truly serve their long-term goals. I've met people who once had an idea—a far-fetched dream—of what they wanted, but they never formalized that dream into a goal or figured out a plan to get there. These are the folks who wake up in midlife, wondering how they ended up so far away from where they'd hoped they would be.

All too often, I meet people who don't think about the long term at all. If you don't have goals, how will you reach them? If you have goals but no plan, how will you know if you're on track.



The good news is: It's never too early to plan. And the better news is: It's never too late. At any point in your life or career, you can set an objective, research the skills, experiences, or resources you need to go after it, and then map out a plan to achieve it.

Seriously.

I'm not the only person who has custom-built a happy, successful life. You can do it, too. This doesn't mean you won't face challenges, disappointments, and tragedies along the way. (Most of us do). It means that you can make life—and everything that comes with it—work for you.

Wait—are you wondering if this actually applies to you? If you can find success and happiness? Why is this a question so many of us ask ourselves—not "How can I get what I want?" but "Is this even possible for someone like me?"

Let me say, unequivocally, yes. Yes it is. Let me explain.

If you haven't figured this out already, I'm an ambitious woman. Unapologetically so. When people ask me where my ambition comes from, well, it's sort of like asking me where my legs came from. It grew with me; it's part of my genetic code. Just as you can trace certain physical traits back through the generations of my family, so can you trace ambition.

My Aunt Dee, keeper of the family papers on my mother's side, has a document that reminds me how far my family has come over the years. Yellowed parchment, faded brown ink—it's called a deed of manumission, a handwritten letter penned by a slave owner, verifying the release of one of my ancestors from slavery. To read it, you would have no idea it referred to a human being. It could be a description of livestock—male, five feet nine inches, high forehead, long scar on his neck. Just a couple generations later, my great-grandfather, a proud and accomplished man whom everyone called Papa, was bringing my mother and her sister to lunch counter sit-ins, teaching them to take a stand for what's right, and writing weekly letters to the editor of the local paper, speaking out against injustice.

On my father's side, we have a family Bible, a heavy tome bound in blue cloth embossed with intricate gold lettering. Inside, it's inscribed with the names and birthdates of ancestors, beginning with Dominique D'Archambau (a different spelling of my last name), a sea captain from France, who married a Jamaican woman named Maria Chaddenne who gave birth to Thomas Nicholas, in 1806, in Jamaica. That list of names leads right to my own grandchildren. Tracing my finger down the page, I imagine what life was like for each generation. I see how each name is like a rung on a ladder climbing toward greater and greater freedoms.

Yes, I see the challenges my ancestors faced. I also see their strength—the work ethic, pride, faith, and ambition that propelled them forward. That's in my DNA.

As for you? No matter where you are starting, no matter where you or your family have been, you too have the strength to propel yourself forward. No two individuals want the same things out of life. We all know this in theory, but when it comes time to design our lives, sometimes we overlook that essential question: What do I want? Forget about achieving success as someone else defines it. What do you want?

By the end of this book, I hope you will both define what you want and feel empowered to go after it, unapologetically.

Excerpted from the book UNAPOLOGETICALLY AMBITIOUS: TAKE RISKS, BREAK BARRIERS, AND CREATE SUCCESS ON YOUR OWN TERMS by Shellye Archambeau. Copyright © 2020 by Shellye Archambeau. Reprinted with permission of Grand Central Publishing. All rights reserved.

Now, let's look at what can you control. If you're married and have young kids, it's particularly tough. They've got Zoom classes. You have to sit with them and you're trying to get work done, too.

Try to make the best of it. Figure out the structure that you can provide, the expectations you can set your kids. We set expectations at work all the time. Our kids are really smart; you would be surprised, even at very young ages, how you can set expectations. Maybe you say, "From this time to this time, you're on your iPad and Mom's on her computer." Right? "OK, we're going to sit here together. You're going to do this, I'm going to do this. You have three chances to ask me questions, all right?" And when they say, "OK, well, can I ...?" you can go, "Yep, absolutely, let's get our paper. That's number one. Right? You have two more."

Because if we don't bring that same kind of structure to our lives as we do our work, then it's just chaos for everybody. I'm not trying to make light of it. It is hard. But there are things that we can do and tools that we can use at home, just like we do at work, to bring structure and make it a little bit more predictable.

It feels much longer, but it was only a little over a year ago that the Business Roundtable came out with its statement on corporate purpose. Did that change how you view your role or responsibility as a director?

It's interesting, because it didn't change my personal view. I always felt the best companies are companies that deliver consistently good returns to shareholders, treat their employees right and are good corporate citizens. I just believe those all go hand in hand: You're a good corporate citizen, so employees want to work for you. And therefore you end up with good employees and you're able to generate better returns.

But it absolutely did, I think, impact conversations broadly, in the boardroom and in companies in general. And I'm thrilled that it actually came to fore.

We read all the time about the powerful business case to be made for advancing racial equity. And yet judging by their actions, business leaders—often caricatured as pursuing profits and financial returns above anything else—seem OK leaving these on the table. You've been a CEO; you sit on four boards. How do you make sense of this contradiction?

Whenever you're developing a new muscle, it's uncomfortable. If you're a runner and you suddenly decide you want to take up boxing, well, you know what? When you take your first few lessons, you're not good. It's not comfortable. You haven't been developing those muscles in your arms and chest. And the legs, suddenly, you don't need long, lean muscles, you need tight, bulky ones to get the power in. You're impulse is: "Forget it, I'm going to go back to running. I can get the same results, stay healthy, stay in shape."

I see it the same way in business. Why do they leave those returns on the table? They don't have that muscle. They know how to do what they've been doing. And they can get good enough returns that way. And until now, people weren't pushing them to go get that extra return.

It's really as simple as that. We are creatures of habit. Developing new habits, developing new muscles, those take intention. And frankly, we're just not intentional enough across the board. Some companies are. And as a result, you actually see real difference.

You've said before you're "cautiously optimistic," to use your metaphor, about more companies building that muscle. Why the hesitation?

I'll come back to the "caution" in a minute, but I'm optimistic because of three things. One: For the first time in my lifetime, we are talking about race.

I mean, race was so taboo in the United States that it wasn't even one of the three things that you didn't talk about in polite company: religion, sex and politics. Race wasn't even on the list, it was so underground. OK? And now, we can talk about it. And more than that, it's actually encouraged.

That leads to my second reason: People are hearing for the very first time, experiences and perspectives that I don't think they ever had, which helps drive empathy and understanding. And you also have people stepping up to say, "All people should actually be treated equally. I thought that was the case. And now I see it's not. But everybody should." And the people who are standing up represent the demographic of the entire country.

And then, three: Even during civil rights, very, very few businesses actually stepped in. It was a government issue. It was not a business issue. Well, this time, business is stepping in. And they're saying, "How our employees are treated, whether they feel safe, whether they can live—that matters to us. And we're going to play a role."

Those three things are what give me optimism around what's different. The reason I use "cautious" is because we're a fickle society. We tend to pick big things to focus on and then we get tired and we move to the next thing. And this one, it's taken us 400 years to get here. And it's not going to be fixed in 12 months. So the question is and the caution is, "Are we actually going to have the fortitude to just keep working at it?"

You know, it goes back to that muscle. A lot of people go out and do something once or twice. They come back, they're sore, and they say, "OK, I'm not doing that anymore." It's over. Right now, we're at the point where muscles are getting sore, people are getting tired.

If you were able to get every Fortune 500 CEO on a Zoom call, what do you think they need to hear right now?

A lot of studies I read say one of the top problems that CEOs feel they have is talent. A lack of it. And I don't believe we actually have a talent problem, not a raw talent problem. We have a problem identifying and developing talent across the board.

Because talent is evenly distributed—by geography, ethnicity, age, gender, however you want to look at it. It makes no sense to me that we should have a talent shortage. We need to think about it differently: "How do we do a better job of identifying talent and developing talent?" Because there's plenty of it out there. ♦

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The New Yorker

ON MY LAST WALK HOME FROM THE OFFICE LAST March before locking down, I came across a reporter in Herald Square. She was seeking to interview people about the closing that day of the famous Macy’s store there. But passersby that evening were few and six feet between, none of them apparently eager to land a TV appearance that might risk their health. Knowing from my own journalistic experience how difficult person-on-the-street interviews can be, I volunteered.

Keeping her distance, she pointed a microphone in my direction. “As a New Yorker, how do you feel about the closing of this iconic store?”

I knew exactly what she wanted me to say. Were I in her shoes, I knew what I would want me to say. But she had triggered something. “She shouldn’t have called me a New Yorker,” I thought.

Trying again, she said, “As a New Yorker, how does it make you feel to see Herald Square this empty?”

That did it. “Actually, I’m from Kansas City,” I said. “Excuse me?”

For years, my KC cap was a symbol of resistance. Then the pandemic struck.

“KC,” I said, tipping my Chiefs cap for emphasis. Her eyes, drifting beyond my shoulder, implored some other stranger to come rescue her.

I walked away scolding myself. “What the heck was that about? Your wife is a New Yorker. Your daughter was born at NYU. You’ve lived here for eight years.”

But I was unrepentant. “She shouldn’t have called me a New Yorker.”

This beef of mine was particular to New York. While living in Chicago, I’d called myself a Chicagoan. During two stints in Dallas, I’d worn cowboy boots. Like Kansas City, however, Chicago and Dallas belonged to what New Yorkers called flyover country.

Thirty years ago, when I joined *The Wall Street Journal* in Dallas, I discovered that my counterparts in New York felt a bit sorry for me. They just assumed I wanted to live and work in The Only City that Matters. In every New York apartment I visited, there hung that Saul Steinberg *New Yorker* cover, belittling everything west of the Hudson

River. I met New Yorkers ashamed of their Midwestern roots, New Yorkers who couldn't fathom anyone choosing any place else, New Yorkers who'd attained one of their highest goals in life once they'd moved into a dingy studio costing thousands of dollars a month.

I went the other way. For 20 years I worked in the *WSJ's* Dallas and Chicago offices, declining promotions that would have brought me to New York, accentuating my Kansas twang whenever I spoke with particularly proud New Yorkers, sometimes acting dimwitted in honor of the smartest business executive I'd ever covered, the late Sam Walton. As a journalist, meanwhile, I wrote stories about important and interesting people in places New Yorkers generally considered unimportant and dull. Out of Kansas City alone I logged more than 200 bylines.

If my reaction to geographical snobbery seems extreme, that's because I grew up in the Kansas City other Kansas Citians love to ridicule. Fifth-grade geography teachers and the board game *Trivial Pursuit* have propagated the belief that there are two Kansas Cities. But everybody within a hundred miles of them knows there is only one: KCMO. That's where you'll find skyscrapers, museums, sports stadiums and college degrees. Over in KCK, we had slaughterhouses, steel plants and car factories. Whenever *The Kansas City Star* (located in KCMO, of course), wrote about KCK, the subject matter was either corruption or crime.

The Star famously is where Hemingway started his career, and less famously where I started mine. After a decade of delivering *The Star*, I entered its newsroom as a reporter just out of college, and blushed when a veteran reporter deigned to ask where I was from.



PHOTOGRAPH: KEVIN HELLIKER

IN EVERY NEW YORK APARTMENT I VISITED, THERE HUNG A POSTER OF THAT SAUL STEINBERG NEW YORKER COVER, BELITTLING EVERYTHING WEST OF THE HUDSON RIVER.

A city in lockdown, taken by the author on an April run through Greenwich Village.

Back then *The Star* was nationally respected—only that spring it had won two Pulitzers—and its cub reporters came from exotic places like Boston.

But I wasn't going to lie. "KCK," I said.

His laughter caught the attention of the whole newsroom. "I was over there once—by accident," he said. "How'd you get out?"

Oh well. It is said that the best qualification for journalism is a chip on your shoulder.

That chip came along with me when at long last I moved to New York eight years ago. To make sure nobody mistook me for a New Yorker, I walked the streets of Manhattan wearing Chiefs, Royals and Jayhawks apparel. Even after marrying a New Yorker, even after fathering one, I needed to make clear that I was double-parked here.

But within days of that ridiculous stand of mine at Herald Square, I received calls from the Midwest, as well as from people who had fled New York. They'd heard about refrigerated morgues outside hospitals, about the National Guard digging mass graves, about the daily deaths of hundreds of New Yorkers. They'd seen images of dark stores, empty sidewalks and a desolate Times Square. "What's it like there?" they asked, these rubberneckers.

And then it occurred to me: New York was the place nobody wanted to be. New York was KCK.

You might think the city, stripped of its bragging points, would turn sullen. The prospect of that even intrigued me a little. But I was astonished. It's as if I were the Grinch, hearing the Whos sing Christmas carols even after their presents had been stolen: New Yorkers were friendlier, funnier and more cheerful than ever. Or maybe they always had been, and that chip had blinded me to it. Out running, I found passersby eager to wave at me. On my daily trip to the grocery, I heard somebody satirize that White House recommendation to limit food shopping to once a week: "Yeah, I'll just load up my nonexistent SUV in the nonexistent parking lot outside." I even heard a new twist in that never-ending debate about who is and who isn't a real New Yorker: Those who fled should get an asterisk beside their name.

By the time my wife and daughter and I got away for a break in Vermont in July, New Yorkers had flattened the world's steepest coronavirus curve. Eight million people had done it, and I was one of them. Hearing the Kansas twang in my voice, a cashier in Brattleboro, Vermont, asked where I was from, and I hesitated only a second.

"I'm a New Yorker," I said. ♦

KEVIN HELLIKER is a Pulitzer Prize-winning journalist and Editor of the *Brunswick Review*.

The Moment We Trained For

GEORGE OSBORNE

SERVED AS UK CHANCELLOR OF THE EXCHEQUER from 2010 to 2016. During the period Mr. Osborne had responsibility for the UK's economic, budget and financial policies, the country posted the strongest growth in the G7 and attracted a rising share of global business and tech investment. He also undertook far reaching reforms of pensions, introduced the ground-breaking sugar tax, and promoted regional growth and devolution with the northern powerhouse. Following the successful election of a Conservative Government in 2015, he also served as First Secretary of State. A prominent campaigner for Britain to remain in the EU, Mr. Osborne left the government in July 2016 following the outcome of the referendum.

On his appointment in May 2010, Mr. Osborne was the youngest Chancellor since 1886, and the third youngest in history. He presented eight budgets, the most of any Conservative Chancellor. Prior to that he was elected in 2001 as the youngest Conservative MP, ran David Cameron's successful campaign to become Leader of the Conservative Party and helped negotiate the formation of Britain's first Coalition Government since the Second World War.

Today, Mr. Osborne is Editor of London's Evening Standard, one of Britain's largest circulation newspapers, a post he has held since 2017. He is also a senior adviser to the BlackRock Investment Institute. He chairs the Partners Council of EXOR, the holding company for firms like Fiat Chrysler, Ferrari and the Economist magazine. He is a visiting professor at Stanford's Graduate School of Business, where he teaches a course in decision making—and he is a fellow of the Hoover Institute. He has a Master's Degree from Oxford University in Modern History. In April, he was interviewed for the *Review* by Philip Delves

A (young) elder of UK government and politics on leadership amid the pandemic.



George Osborne, then serving as Chancellor of the Exchequer, holds the Budget Box outside of 11 Downing Street in 2016.

Broughton, a Senior Consultant to Brunswick, former New York and Paris Bureau Chief for the Daily Telegraph and the author of best-selling books.

How is it running a daily newspaper these days?

This pandemic is the biggest story of our lifetimes and there is an enormous amount of public interest in getting authoritative facts and analysis. But there's also the real business challenge of the precipitous fall in advertising revenues. It's both a great opportunity and a big challenge.

We've responded in two ways. First, we've had to reduce costs. We've put some of our staff on a furlough scheme, and we're making sure we're as efficient as we possibly can be.

Second, we have reshaped the newspaper to cover the COVID-19 crisis and dramatically changed the distribution. We used to hand out copies at Tube stations but people aren't using the Tube. Now we've switched to hand-delivering copies of the newspaper to homes across London. We're also seeing traffic up on the online platform. This is just accelerating the merging of our print and digital operations.

What do you imagine it's like in Downing Street?

Downing Street is a very small building. Even though you're part of a broad network of the state with thousands of people working in departments and different arms of the government, ultimately the decision making comes down to a very few people in that very small building.

There will be intense pressure on the political and official leadership. And they've got the additional human toll, which I never had, of infection and self-isolation.

What's the government's biggest communication challenge?

Trying to get the balance between reassuring people that you have a plan and a path through, whilst at the same time not giving false hope and promising things that can't be delivered. Governments get themselves into all sorts of trouble when they over-promise and under-deliver. At the moment [April, 2020] I would be erring on the side of caution, explaining to people what we don't know as well as what we do, and not promising either timelines that can't be delivered or exit strategies that don't exist or help that is not about to imminently arrive.

Who really makes the decisions at times like this?

In any organization, and government is no different, it's always three or four individuals right at the center

"THEY WON'T THINK OF THIS NOW, BUT FOR THE PEOPLE AT THE HEART OF THE COVID-19 CRISIS, THIS IS THE GREAT MOMENT OF THEIR CAREERS. TO USE THE HACKNEYED PHRASE, THIS IS WHAT THEY TRAINED FOR."

who are making the biggest contribution to steering through a crisis.

In a democracy, you can't avoid the head of government—the central decision maker. One thing I was constantly reminded of in government was that every one of the most difficult decisions is elevated to the Prime Minister. If they were easy decisions, by their very nature, they wouldn't have reached the Prime Minister's table. Some of the burden can be shared by people like the Chancellor, but essentially the PM is left with the hardest calls.

Usually there's also the head of the civil service. The late Jeremy Heywood in the UK was the outstanding example of this.

Obviously in this kind of crisis, you're also relying on your public health officials, your chief scientific advisors, who usually wouldn't have anything like this kind of access to the PM. In ordinary times, they might see the Prime Minister once or twice a year.

A big challenge for government is that you can't be entirely led by the science. Scientists are making a very important judgment, which is how you tackle the disease. But politicians and officials have to balance that with other judgments like what is sustainable for the economy, or acceptable to society. You could imagine a piece of scientific advice which would be to let the elderly and the sick die so you can concentrate your resources on the young. But no civilized society could make that judgment.

Expert opinion should certainly inform any decision, but ultimately the political leaders in a democracy are balancing various judgments, and the group helping them with this is very small.

How does government prepare for these kinds of crises?

The government I was part of had a risk register which we'd regularly interrogate. It was a grid showing a combination of the risk of a particular event happening with how damaging it would be. Top of the risk register was a nuclear war, which governments still do some planning for, though not nearly so much as 30 or 40 years ago. Then there are events like flooding, a solar flare, a fuel strike, all sorts of things like that. There'd be rigorous and regular assessments of the register. Pandemic flu was very high up on the register. So it is not true that no one in the British government had done anything to think about this. Governments have had stockpiles of protective equipment. But clearly, it's self-evident, not enough thinking had gone into this.

Looking back in a lot of countries, we hadn't really stress-tested a pandemic where the hospitalization

rate would be so much higher than in a flu outbreak. That's what has led to the pressure on all these healthcare systems.

How do you sustain energy and morale on a team under intense pressure?

For the people at the top of government, it is incredibly exhausting and challenging. But this is also, frankly, the defining moment of their careers. If you talk to the people who were directly involved in the financial crisis, they will now say that those few months in 2008-9 were the high point of their career. They may not have felt it at the time, when they were overworked and faced enormous pressures, but it was also the moment they could make the biggest contribution to the well-being of their societies. And



Days before presenting budget to Parliament in March 2016, Osborne visiting a construction site in central London.



when they were required to be as innovative and flexible as possible. They won't think of this now, but for the people at the heart of the COVID-19 crisis, this is the great moment of their careers. To use the hackneyed phrase, this is what they trained for.

How do you stay level-headed?

Inevitably, in the first couple of weeks of a crisis, there is a physical toll. You have to get through an enormous amount of material and make a huge number of decisions. You have to be realistic that you're going to be using most of the hours of the day to do that.

What's crucial is spotting the moment after you've made the initial decisions when you have to figure out how to pace yourself. The absolute key to staying sane and making sensible decisions is knowing that you can't do it if you're flat-out exhausted the whole

In 2015, when George Osborne was Chancellor of the Exchequer and Boris Johnson was Mayor of London, the pair delivered a joint speech at the Tate Modern, outlining a long-term plan for the city's economic future.

time. You have to make sure you're getting a decent night's sleep, you're getting some exercise, you're eating healthily and regularly.

Quite often I find political and business leaders remain frenetic and can't spot the ebbs and flows of when they really do need to be up all night, and when now's a night you can actually go to bed. Obviously you get completely burned out. I saw it happen a lot in politics, people work absolutely flat out, then get frazzled, and they're no use to anyone.

How has the British government handled this crisis so far?

Britain is in the middle of the pack, I would say, of the Western countries. It has clearly been better than many. It has the advantage of a public healthcare system so it can direct the nation's healthcare in a way in which, for example, the US with its fragmented healthcare system cannot.

But now [April 2020] it has announced all these schemes to deal with the problems, it can't keep announcing more schemes. You have to deliver, otherwise you'll undermine confidence in what you're doing. There's a legitimate debate about whether Britain, like other countries, was too slow to move to quarantine and to adopt the strategy of trying to halt the spread of the disease altogether. But that will be for the wash-up afterwards.

What's clear is that this is an absolutely defining event for all governments. Many will be casualties of it. Recessions and crises like these lead to changes of government. Probably not in the UK, because we've just had an election, but in many other places, I suspect, there'll be regime change.

What differences have you noticed in the response of government and business?

Events like this remind you of the power of government compared to the power of an individual business, which is only as strong as its balance sheet.

This virus has struck different business sectors in this completely random way. An otherwise healthy, exceptionally well-run travel business now finds itself in a critical position. Whereas a badly run chemical company which happens to make hand sanitizer finds itself in a very good position.

Businesses tend to be narrowly focused on what the management can deliver, the costs of the business, the income, and I guess for better businesses, concern for their workforce.

A government has so many more considerations—very many more stakeholders and at the same time many more resources available to it. It

doesn't have that narrow concern about the balance sheet. You can see the way central banks and Treasuries have massively expanded their balance sheets.

Provided governments can maintain the confidence of financial markets, they can deploy incredible resources—but if they lose that confidence, as you saw so many countries do after the financial crisis, then like any badly run business they face bankruptcy.

What will be the consequences for business?

Businesses are going to have to look at their balance sheets. Investors are going to ask, what is the strength of those balance sheets in a crisis? What are the cash reserves? You're going to end up with these fortress balance sheets. Certainly in the short- to medium-term after this crisis, you will see a big suspicion of over-leveraged companies.

It's quite similar to the banking crisis. The banks fell over. They were rescued. After that, they were required to hold very large amounts of capital. All the people in the industry who complained that regulators and politicians like myself were demanding too much of the banks can now look at this present crisis and thankfully the banks are in a relatively strong position precisely because they have these reserves.

I think the same thing will happen in the broader corporate sector. For corporates who are rescued and bailed out, the price will have to be stronger balance sheets. They will have to show they can operate with zero income for longer than they are clearly able to at the moment.

What are the most relevant historical parallels to today?

Plagues and pandemics are actually fairly regular occurrences in human history. It's amazing when you read historical accounts, like Samuel Pepys on the plague in London in the 17th century, how similar the issues are: the pressure on the authorities to close down activity; the strain that puts on the individuals being confined; what do you do when people are defying the quarantines. There's the reassurance that these are not new issues.

An interesting model is Franklin Roosevelt. In his first inaugural address, he is very candid with the American people. He does not promise the Great Depression will be over immediately. But he offers vigorous leadership and is innovative in getting the bureaucracy of the US government to think differently about how to help the American public. You end up with enormous schemes to keep people at work, to rescue banks, to support businesses.

Although this is a more condensed timetable now

“FOR CORPORATES WHO ARE RESCUED AND BAILED OUT, THE PRICE WILL HAVE TO BE STRONGER BALANCE SHEETS.”

PHILIP DELVES BROUGHTON

is a Senior Consultant to Brunswick, based in New York. He was previously a Senior Advisor to the Executive Chairman of Banco Santander. His books have appeared on The New York Times and Wall Street Journal bestseller lists. He is a former Financial Times columnist, and former Daily Telegraph bureau chief in New York and Paris. He has collaborated with corporate and nonprofit leaders at firms including Blackstone, Apple and Goldman Sachs. He has a Master's Degree from Oxford University in Classics and an MBA from Harvard Business School.

because the crisis has come so quickly, what you want from your political leaders is candor about the situation, not false hope that there's any easy route through this or it's all about to come to an end. But at the same time you want hope that there is a path through and that government will be deployed in brand new ways.

Will this lead to greater international cooperation or greater mistrust?

The striking difference between this crisis and the global financial crisis is the lack of international coordination and the high degree of mistrust.

During the global financial crisis, there was lots of coordination between central banks, the G20 and international institutions like the IMF. You see almost none of that now. The G20 is completely irrelevant. There has been some central bank coordination but not much. And of course, unlike in 2009, when the cooperation between the US and China was critical, with China stepping in to help the global economy, now you have a war of words between the two.

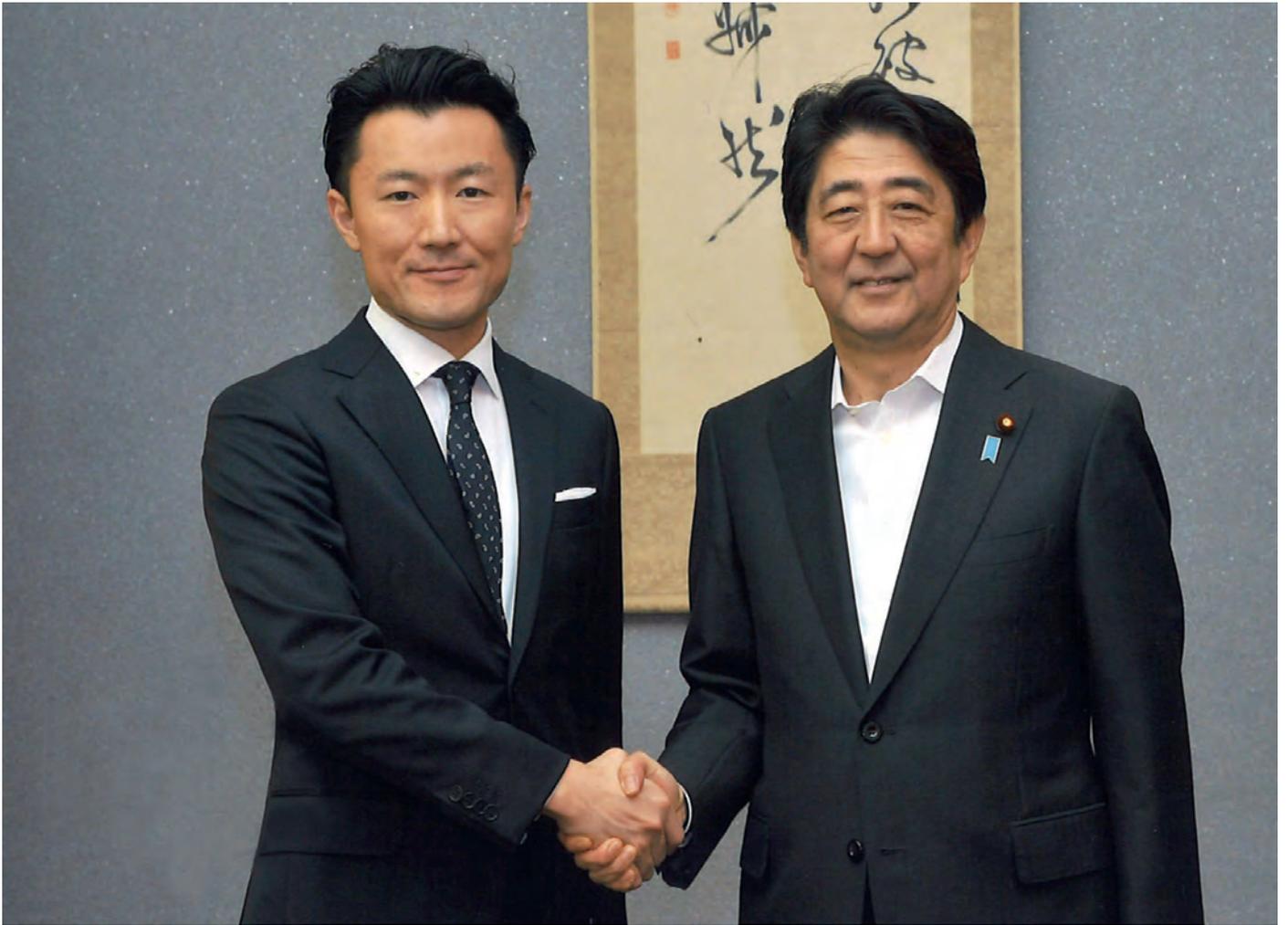
Unfortunately, international cooperation has been almost entirely lacking. Countries have tended to adopt their own economic and health solutions to the problem. In the future, what you'll see is countries essentially building out their resilience, creating domestic supply lines for key chemicals and testing kits, and ventilators and protection equipment, and acting more quickly to shut borders.

Clearly, it should be self-evident that this is a global crisis, which shows no country is an island. Everyone is affected in much the same way. I suspect the actual result will be countries thinking they can isolate themselves from future episodes like this.

You're a passionate Londoner. What's it like seeing your city under siege?

London has been through a hell of a lot: plagues, Great Fires, the Blitz. It's pretty eerie going around seeing how everything is shut in London just as in these other great cities like New York. But London will come back. It always does.

If I was looking for a silver lining, I'd say that in the street where I recently moved, one of my neighbors celebrated their birthday. I didn't even know who this neighbor was. But the whole street came out and raised a glass. There was this incredible community spirit in a street where I barely knew anyone. In these rather anonymized cities, like London and New York, one of the amazing paradoxes of everyone being forced to stay at home is perhaps we are becoming stronger and greater communities. ♦



ABENOMICS

the SEQUEL

ON SEPTEMBER 16, SHINZŌ ABE ENDED HIS TENURE AND LEFT HIS OFFICE AS PRIME Minister of Japan, the world's third-largest national economy and a key ally and trade partner with the US, Asia and Europe. Mr. Abe is the longest-serving prime minister in Japan's history, holding the office from 2006 to 2007 and again from 2012 to 2020. During that time, he set the tone for the country's politics, economy and foreign trade. Policies of monetary easing and fiscal stimulus to jumpstart the economy, and regulatory reforms that emphasized transparency intended to open Japan to foreign investors, were so closely identified with the Prime Minister that they continue to bear his name: Abenomics. • On the same day, self-made career politician Yoshihide Suga, who was the right arm for Mr. Abe as Chief Cabinet Secretary during the Abe administration, was elected as the 99th prime minister of Japan, taking over as the nation is addressing another severe economic blow from the global COVID-19 pandemic.

Brunswick's **YOICHIRO SATO**, a former member of Prime Minister Shinzō Abe's office, offers insights into the outgoing prime minister's power and how his policies will fare under the new Suga administration. BY **DAISUKE TSUCHIYA**.

Mr. Suga's top priority is to strike a balance between advancing economic growth and maintaining health safety measures that forced the postponement of the 2020 Tokyo Olympic games, now scheduled for July of 2021.

Japan, home to over 3,000 of the world's 5,000 oldest companies, is a tough market for anyone to launch a new business, a fact that Brunswick Partner Daisuke Tsuchiya and Director Yoichiro Sato know well. Both are veterans of government work in Mr. Abe's administration. As advisor on foreign affairs, Yoichiro worked directly with both Mr. Abe and Mr. Suga. Shortly after Mr. Abe stepped down in September, Daisuke interviewed Yoichiro about the challenges as well as the opportunities of the Japanese market, and what the change in government means for business.

What do you think are the main achievements of Prime Minister Abe's administration?

In a nutshell, I think the prime minister was successful in fostering hope for Japan, for the people of Japan. He was very, very good at changing the narrative for the country. He made the people of Japan feel more confident about the future. His focus was revitalizing Japanese economy—his administration started in 2012, just after the Great East Japan Earthquake. We didn't have a lot of hope for the future then. We had spent almost two decades in economic stagnation and price deflation. So Abenomics aimed to push national growth through easing monetary policy, boosting fiscal stimulus and pushing structural reform.

The administration put in place reforms or measures to facilitate dialogue between Japanese corporations and investors, that is, the governance code and stewardship code. The aim was to make the market more attractive for both domestic and international investors and by doing so, to incentivize Japanese corporates to create greater value through their businesses as well as to achieve share prices that more closely reflect their value. They're now more expected to share and disclose their information. The government also pushed Japanese corporates to enhance governance and increase productivity. This includes work-related reforms and promoting diversity with female empowerment. Such measures had not been undertaken with the same rigor by previous administrations due to strong opposition from vested interest groups, even parliament members or ministries within the government. In the economy, the unemployment rate dropped from around 4.3 percent to 2.4 percent, which produced over 4 million new hirings, and the employment of women dramatically increased.

Career civil service is at the core of Japanese government. Lifetime civil servants continue to enjoy strong respect and are at the heart of a lot of long-term policy development. Were Abe's accomplishments a factor of his personality or a sign of a shift in underlying, institutional trends for the long term?

I think that's a great point. Prime Minister Abe's administration is one of the most powerful in the history of Japan as a democratic country. During his second term, seven and half years in office, he won six times through the national election, either in the lower

house or upper house. The Abe administration also managed to establish the agency for human resources—the Cabinet Bureau of Personnel Affairs—in order to have more influence over personnel decisions, especially of senior civil servants. The robust policies of reform pushed forward by Abe's administration are definitely a result of more coordination among key ministries, thanks to the political capital that he had, and the increased political power over the civil service.

However, there is also a more underlying sense of urgency in all areas of government to revitalize the economy, given international competition and a fast-aging population. Without that, the Japanese ministries and government agencies that have such an important role to play in realizing long-term policy change in Japan would not have been mobilized as effectively as they were. I feel this is a trend that will continue under Prime Minister Suga and subsequent administrations.

With the changes in the governance code and the stewardship code, more foreign investors are buying shares of Japanese companies. Activist shareholders are also more engaged, as a result of Abe's encouragement for more dialogue with shareholders. Do you see that trend continuing?

Yes. I think it's a long-term trend, a fundamental vector. The ruling parties—LDP and the alliance with Komeito—want to push the national economy, leveraging foreign investment and welcoming more people from the rest of the world. That's been one of the key elements of Abenomics, and they want to push harder.

The current focus is to address the COVID-19 situation where they have to strike a balance between economic growth and public health. But in the long term, once we've recovered, they want to celebrate the Olympics and to welcome more people and visitors through various measures. The government has relaxed the restrictions on immigrants or professional workers from other parts of the world, for instance. Tourism was on an astronomical rise in the last decade before the pandemic started. I think the new administration will have the support to continue policies to connect Japan and other markets.

Foreign direct investment as a percentage of GDP, even as it has increased, is still very low in Japan, putting Japan at around 190th in the world, despite all of the measures that Abe has undertaken. What do you think are the challenges for foreign businesses to enter Japan?

That's one of the most important questions we have to ask ourselves. One initiative taken by the Tokyo municipal government is to establish and brand the city as a new Asian regional hub for finance, to attract more and more investors or fund managers on the ground in Tokyo. They have discussed a variety of these challenges for international corporates or financial institutions working in Tokyo or in Japan—taxation, language issues, complexity of regulations, and others. They understand that without cooperation by the national government and the business sectors they cannot achieve high-level investment and will struggle to

“WITHOUT HAVING A GOOD LEVEL OF TRUST WITH SOME KEY JAPANESE STAKEHOLDERS ... I DON'T THINK ANYONE COULD BE SUCCESSFUL IN THE LONG TERM.”

encourage global businesses to be on the ground in Japan.

However there is only so much that national and local government initiatives can achieve. There will be work required on the side of foreign businesses as well, to crack the Japanese market which, as data shows, is not an easy market to succeed in.

Yes, it is not an easy market—not only for new foreign businesses. What practical steps should foreign businesses be taking to establish themselves in Japan?

First, they should try to have a good understanding of the Japanese market. I'm not saying the Japanese market is very unique. We do have many things in common with other markets of the world. But there are cultural and regulatory differences, and generally a much longer period required for establishing credibility. Showing that you understand those differences would be a good signal in marketing and branding.

Second, I would suggest foreign companies make the effort to engage stakeholders in the local market for the long term. Regulatory matters or some differences in rules or commercial practices across industries—those might pose challenges for international corporates who want to disrupt or enter a new market here. But without having a good level of trust with some key Japanese stakeholders—government, regulators, trade associations, consumers, business suppliers or media outlets—I don't think anyone could be successful in the long term.

That's an interesting point. Stakeholder capitalism has been all the rage globally in the last couple of years. Japan has been doing this for a few centuries. The Omi Shonin (Omi merchants) had the concept of “Sanpo Yoshi” or “three ways good”—business has to be good for the buyer, seller and for society. So you're saying, understanding that mindset is needed to succeed in business in Japan?

Yes. I think not only Japan but also in the global market, multi-stakeholder engagement is a powerful way to stand out these days. But absolutely the case is true in Japan—an old and yet a new trend. I believe it's in the DNA of Japanese business and Japanese society.

You worked with Mr. Suga's team when he was Chief Cabinet Secretary. What insights do you have into what sort of prime minister he will be?

Mr. Suga has been a very important key player in the cabinet as a very close partner for Prime Minister Abe, especially around coordinating with key ministries. When the government planned reforms or new initiatives, they needed strong support from key ministries such as taxation or education or labor reform or anything. Mr. Suga has been vocal in promoting the key initiatives that push the national economy, including relaxing visas for visitors and restrictions on professional workers.

Suga also strongly supported an initiative in taxation, what we call “Furusato Nozei,” a policy aiming to revitalize regional economies by allowing tax-deductible donations to municipalities. He comes from a rural background as well, so decentralization and revitalizing regions in Japan is an important theme for him.

Suga really understands the importance of leveraging the global economy for Japan's benefit. He was a strong supporter for promoting and exporting Japanese agriculture products to other parts of the world, a key mindset change, as traditionally Japanese agriculture has not been export-orientated. One common theme that runs through all of this is, he has been very focused on revitalizing the Japanese regional economy through attracting foreign investment and people. Consistency is key. Some analysts are already saying that “Suganomics” will take over from Abenomics.

In terms of geopolitics, I think the main thing on the minds of many is the US-China relationship. How do you see that affecting Japanese businesses abroad and non-Japanese businesses interested in Japan?

Yes, the general geopolitical tension affects Japanese politics as well as the Japanese economy and business environment. Aligned with the security measures or political measures taken by the US or other countries, the Japanese government has implemented restrictions or new rules around trade with foreign countries.

Japanese corporations have been affected by a decrease in trade volume with China, while seeking more partners in South East Asian countries. However, Japanese corporates really understand the importance of keeping business ties with China, and hence the key going forward will be whether some perceived security concerns can be addressed and whether trust in China and Chinese companies can be improved.

In terms of regional or international security, Mr. Suga will likely take over the course charted by Mr. Abe and emphasize the US-Japan alliance and partnership with India, Australia, as well as important relationships with China and other Asian countries in order to secure this region. ♦

YOICHIRO SATO is a Brunswick Director in the firm's newly opened Tokyo office and was previously on the government affairs team at Goldman Sachs. Yoichiro served as special assistant to Prime Minister Shinzō Abe on foreign affairs and as Chief Cabinet Secretary, working directly not only with Prime Minister Abe, but also with the team of Yoshihide Suga, now the current Prime Minister. Yoichiro also served with Japan's Ministry of Foreign Affairs and was instrumental in the negotiations for the economic partnership agreement between Japan and the European Union, in addition to his two-year station in Pakistan as part of a front line on the war on terrorism.

DAISUKE TSUCHIYA is a Brunswick Partner and Head of Japan. He is a former Japanese government official who often served as interpreter to Shinzō Abe during his first tenure in office, 2006–2007, on occasions such as the G8 Summit and other meetings with global leaders. Daisuke is currently based in the firm's London office.

Nine months ago, Brunswick CEO Neal Wolin questioned “when, if ever, there will be a return of what we used to call normal.”

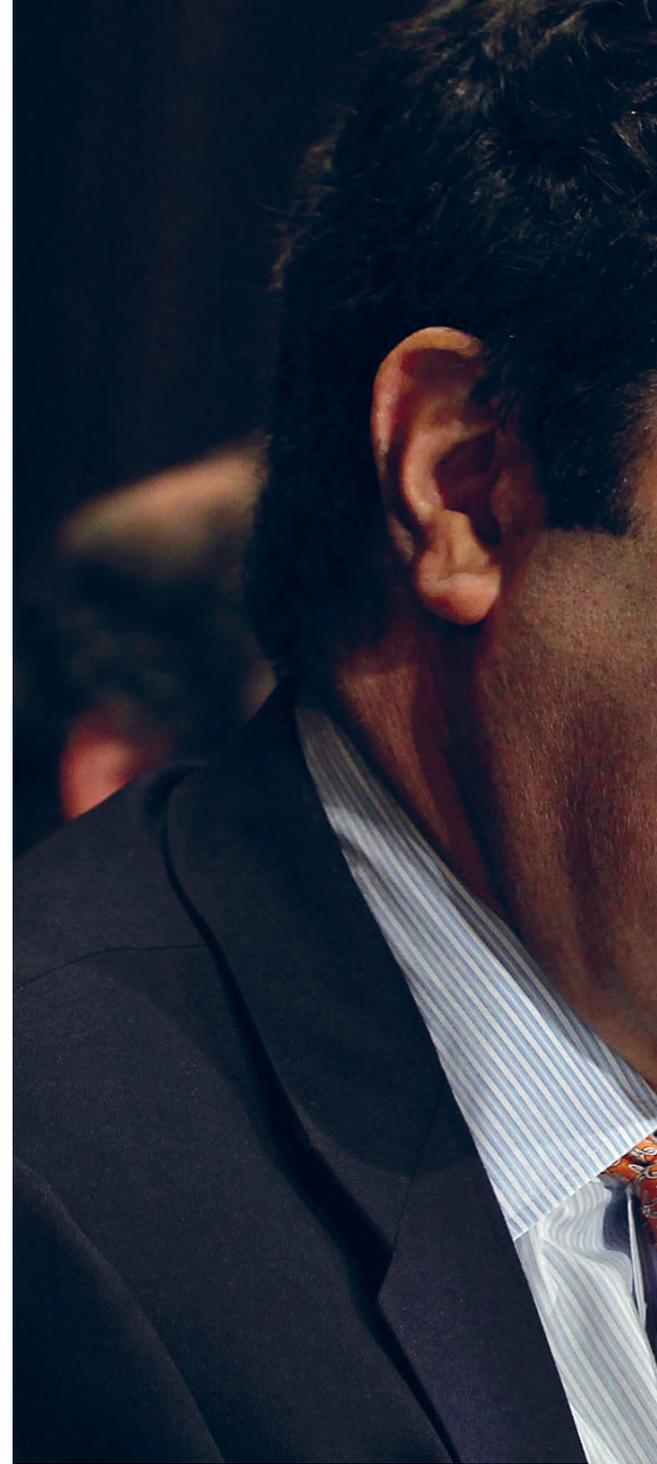
IN EARLY 2009, BARACK OBAMA INHERITED the worst economy of any incoming president since the inauguration of Franklin D. Roosevelt in 1933. Needing topflight economists on his team, President Obama hired Larry Summers, the former Harvard President and former Treasury Secretary, as Director of the National Economic Council. He also appointed Timothy Geithner, New York Fed President and a former Summers protégé at the Treasury, as Secretary of the Treasury. To serve as Deputy Assistant to the President and Deputy Counsel to the President for Economic Policy, Mr. Obama tapped Neal Wolin, an Oxford-educated economist and Yale Law School graduate who had served as General Counsel for the Treasury under Mr. Summers.

In March 2020, Neal Wolin saw perils darker than in early '09.

CRISIS REVISITED

Barely two months after Mr. Wolin moved into his White House office, Mr. Geithner recruited him to serve as Deputy Secretary of the Treasury. Over the following months, they convened with a large circle of other economic experts to nudge the economy away from the edge of collapse. “By that summer (2009), we had not only averted a depression, our economy had started growing again,” Mr. Geithner wrote in his 2014 memoir, *Stress Test*. “House prices stabilized. Credit markets thawed. And our emergency investments would literally pay off for taxpayers.”

How might a leader of that rescue view the current COVID-induced crash? To find out, Mr. Wolin, now CEO of Brunswick, spoke with Review Editor Kevin



Helliker. It’s worth noting that Brunswick isn’t Mr. Wolin’s first stint in the private sector. Before joining the Obama Administration, Mr. Wolin served as President and COO of the property and casualty insurance companies of The Hartford Financial Services Group.

Also worth noting is the statement that President Obama issued to *The Washington Post* upon Mr. Wolin’s departure from the Treasury in 2013. Mr. Obama said that Mr. Wolin’s “deep knowledge and excellent judgment helped us ... pass tough new Wall Street reform, strengthen our financial system, foster growth here at home, and promote economic development around the world.”



PHOTOGRAPH: ALEX WONG/GETTY IMAGES

What is your level of alarm today compared with the darkest days of 2008-2009?

In many respects, it's higher. Then, we had a financial crisis that bled into the real economy. Many financial institutions and other companies were under great pressure.

Now, we have a much more complicated, much more uncertain set of circumstances. You can see just by looking in your newspaper every day the extent to which the basic rhythms of life have stopped. People aren't traveling, they're not aggregating, not interacting, they're not transacting.

These factors have caused a level of uncertainty and anxiety that is, in many respects, unprecedented,

and certainly greater than what we felt in the autumn of 2008, or spring of 2009. Those were obviously scary circumstances, in the sense that markets were not functioning properly. But here the disruption is more broadly gauged across the entire economy. The things that we have long taken for granted are no longer taken for granted. And there isn't a strong sense when, if ever, there will be a return of what we used to call normal.

What are your thoughts about the US government's relief and stimulus packages?

In moments like this, the most important thing is to attack the problem with overwhelming force. That's

Deputy US Treasury Secretary Neal Wolin and Federal Reserve Chairman Ben Bernanke testify before the Senate Banking, Housing and Urban Affairs Committee in May of 2011.

the lesson from 2008–2009. That’s the lesson frankly from all economic crises. That response should make sure that people and businesses are, as much as possible, able to meet their financial obligations and that people aren’t losing their jobs unnecessarily. And central banks should use monetary policy to ensure liquidity.

In this case, Congress’s \$2 trillion package is helpful. It’s got the right basic pieces: support to individuals, many of whom will be worried about meeting their obligations if they lose their jobs; support for businesses small and large, and also for important sectors of our economy.

The Fed has made clear that they will respond with overwhelming force to provide liquidity and financing to large businesses, small businesses, the treasury markets and also the municipal markets.

The 2009 response was complicated by the need to bail out some of the institutions that had contributed to the crash. By comparison, the cause here is simple—a pandemic, an act of God—so there’s far less finger pointing in regard to cause. Does that difference make it any easier logistically or politically to identify the path forward?

I don’t think so. This is a unique circumstance in our history, in the sense that it’s not just isolated to a particular piece of the markets, or a particular piece of the real economy.

Suddenly everyone is staying in their homes, demand is falling dramatically, and the effect will be a generalized collapse of demand in our economy. We don’t know the basic trajectory of the public health crisis. We don’t know how long it will continue. We don’t know how many people will be ill. We don’t really have a strong sense yet of the level or the speed or the persistency of the economic dislocation.

All those things make responding to this particular circumstance very, very complicated, indeed.

In the absence of obvious, sure-fire solutions, how does a leader choose a strategy and stick with it?

You need to see to the other side of the chasm, as it were, and to have confidence that you will get there and a constant focus on how to get there. First, what makes sense conceptually as to how to get there, then what types of programs would move us in that direction, how exactly should they be designed and implemented?

The details here matter. Roll up your sleeves and dig into the nuts and bolts, the design and particulars, the implementation of the plan you put

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forward. Leaders need to be very focused on the process at every stage. After forming a broad plan and a strategy for implementation, you must remain flexible in the face of evidence suggesting that adjustments should be made. Be willing to make changes along the way. Be willing to learn from experience and adjust according to what’s going on in the world. That’s the appropriate mindset.

There’ll be complicated, challenging days. Things that you’ll try won’t necessarily work the way you hope or expect they might. At those moments especially, it’s important for leaders to stay positive, to understand that progress is not linear, that sometimes it’s a step forward and two back. It’s important to believe that over time, with persistence, high-quality colleagues, and a real sense of commitment, there will come substantial progress. As much as possible, it’s that progress on which people should be focused.

The government’s actions of 2008–2009 ended the economic crisis and led to the longest recovery in history—but they weren’t wildly popular at the time. How does a leader stay on course amid the din of criticism, especially in the age of social media?

Leaders are elected in the public sector, and chosen in the private sector, to make judgments and to lead. It’s important to have convictions about what’s right, and to do what circumstances require, without thinking about winning a popularity contest. One doesn’t want to be overly influenced by popular sentiment in thinking about how to advance economic policy and design in these very challenging moments.

At the same time, in democratic systems, bringing people with you is an important aspect of success. It’s critically important that people understand what you’re trying to do, and why, and how you’re trying to do it. Reflections on ’08 and ’09 make clear that it would be a mistake to move ahead without worrying whether people understand what you’re doing and why you are doing it.

How does a private-sector leader reassure employees who are afraid of layoffs and of a life-threatening virus?

Play the cards face up. Be clear about what you know and what you don’t know. Make sure everyone understands that the business remains committed to doing the best that can be done.

It’s essential that a leader expresses the desire to look after the welfare of the business and the people in the business. To make commitments that are



ironclad may be irresponsible. It's very hard to know what course this or any other crisis will take. But be clear about planning through a range of possibilities, and be clear about doing so with an earnest desire to take care of the people on whom a business depends and who depend on the business. In all of that, be honest and sincere.

When you talk about those dramatic days at the Treasury, you invariably cite a long roster of former colleagues—Tim Geithner, of course, but also people like Diana Farrell and Michael Barr. It's clear that a large number of you developed into a tight-knit team.

In these moments, one needs to collaborate. You want all hands on deck. The issues are too complicated for any individual to think through, or any small group of individuals. These are huge questions that require the input of fully functioning, effective, collaborative teams—teams to ask questions, challenge assumptions, work in concert, think about implementation. That's what we had overwhelmingly in 2008–2009. It's absolutely critical.

Is that true in the C-suite as well as in the top offices at the Treasury?

It's true everywhere. It's true in the private sector, it's true in the public sector. It's true for problems that are globally huge, as this pandemic is, and it's true for problems that are smaller. A team working collaboratively, in almost every case, is going to increase the quality of the thinking, the rigor of the analysis, the extent to which ideas are tested and vetted and considered from all perspectives. It almost doesn't matter what exactly the context is, although obviously, the bigger the problem and the greater the

During the crisis, Mr. Wolin, above left, worked closely with, among others, Assistant Treasury Secretary Michael Barr and Diana Farrell, Deputy Director of the National Economic Council.



White House Press Secretary Robert Gibbs listens as Deputy Secretary Wolin briefs reporters at the White House in the spring of 2010.

consequence, the more one needs a team of the highest caliber, with deep experience, a team that functions in a seamless and highly productive way.

Are you discussing this economic crash with your fellow veterans of the last economic one—Summers, Geithner and company?

I am. To some extent, the band has gotten back together. I was getting emails as late as half past midnight last night from Summers and Bob Rubin, and there's a fair amount of chatter about what are the right policy interventions, and how would one think about design questions?

We're not in government, obviously. But some on the Hill are asking for our views. What's the most effective means of administering a set of programs to get money out to individuals and small businesses? What exact methods? How should a set of small-business-credit support be structured? Things of that sort.

Are private-sector leaders eager to help?

The private sector is very keen to pitch in. This is a moment of great national and global importance

and sensitivity. Meanwhile, on the government side, broadly speaking there's an interest in learning the lessons of history from people who've led through real economic stress, if not through these particular circumstances.

What I'm observing is that our lawmakers today want to be the beneficiaries of a wide circle of input, thought and constructive feedback. Hopefully, that will contribute to better policy interventions and better outcomes. ♦

KEVIN HELLIKER, a Pulitzer Prize-winning former Wall Street Journal writer, is Editor of the Brunswick Review.

Under stay-at-home orders, a tradition spread from one Brunswick office to another: At day's end, a colleague sends a short essay to his or her working-from-home office mates. The Review is selecting a few to share with a larger audience. On July 10, Hayley Singleton, an Executive Assistant, shared this with her New York colleagues.



“Too Black & Not Black Enough”

AS A WOMAN OF MIXED RACE I AM IN THE unique position of existing in two worlds. I am consistently both too Black and not Black enough, living in an ambiguous middle ground between two often opposing communities. I am not Black enough to seem threatening to my white neighbors, but I am Black enough to be told by a high school classmate that I only got into a prestigious college over him because of Affirmative Action. Since George Floyd's death, my Black friends speak to me of our shared anger and fear. We are Black together. My white family and neighbors feel comfortable talking to me about how rioting isn't the right way to protest. “It's horrible what happened to George Floyd,” they say, before qualifying and justifying his death with “but...” We are white together.

To many of the white people in my life, I am a more palatable kind of Black, so much so that they are able to forget my Blackness because it doesn't align with their stereotypes of it. I grew up in a suburb, I work in corporate America, I'm a nerd that loves Russian literature and *The Lord of the Rings*. I am not like the “other” Black people by whom they feel threatened. My kind of Blackness is comfortable enough for my white family and friends to use my existence in their lives as proof they are not racist. None of this is new

Brunswick's
HAYLEY SINGLETON,
a woman of mixed race, reflects on the conversations, judgments and perspective that come with “existing in two worlds.”

to me, nor is ignorant commentary by well-meaning people new to any person of color. My boss at my last job spoke proudly of how she didn't see me as Black but as a person, as if the two were mutually exclusive. I have been asked by strangers more times than I can count “what are you?” as if I am some fascinating new species they've discovered, as if my non-whiteness is a curiosity they are entitled to examine. This isn't new, yet the comfort of white people justifying casual racism to me, at a time when the racial divide in our country is so stark, puts me in a particularly uncomfortable position.

The way I see it, our problem isn't hate so much as it is willful ignorance. It is a society desperately clinging to the fantasy of a utopian post-racial world because to acknowledge racial inequality is to accept culpability. So instead we relegate the concept of racism to the arms of Jim Crow and pretend we've left it far behind. What I'm hoping to convey is that racism is not just the KKK and segregated drinking fountains. It is far more insidious. When it was no longer able to live happily on the surface of our lives it slipped deeper, weaving its way into almost every aspect of our society, a rotting patchwork of injustice sewn into our nation's ideals. The ignorance I and all those who look like me have faced, though not always a threat to our physical safety, is much more than an unpleasant comment here and there. It's a theft of identity. It takes all that you are and all that you've done and strips that away until there is nothing left but your skin. It is the reinforcement that we will never be equals. That is racism.

What I have struggled with these past few weeks is remedying the racism of those who don't believe in it. People who consider themselves allies but whose support wavers as soon as a window is broken or a TV is stolen, as if those items are worth more than our lives. How do we solve a problem believed to be extinct? How do we wake the self-proclaimed “woke”? I don't have the answers, but I have to believe it can be done.

I'm sure by now at least 99 percent of you have seen *Hamilton* (thanks Disney+), so you'll be familiar with Lin-Manuel Miranda's words of wisdom: “History has its eyes on you.” It has its eyes on all of us. This is a moment for our country, a chance to be better than those that came before. And I am hopeful that we are seizing it. I see in the crowds of protesters people who look like both my white mother and my Black father. I hear Al Sharpton, Ayanna Pressley and so many others speak, and it's not just the Black community that's listening. Change will not happen overnight. But I have hope that one day the two worlds I inhabit will stand as equals on common ground. ♦

GERALD PARSKY IS CHAIRMAN OF LOS ANGELES-based Aurora Capital, a private investment firm overseeing more than \$4 billion in capital. After serving as Assistant Secretary of the US Treasury from 1974 to 1977, he became a Senior Partner at Gibson Dunn & Crutcher, before founding Aurora Capital in 1991. A graduate of Princeton University and University of Virginia School of Law, he served for 12 years as a Regent of the University of California.

That background gives him a singular perspective on the impacts of the pandemic, both economic and social. He offers the *Brunswick Review* his thoughts on the outlook for private equity firms, the role of government and the alienation of the younger generation. Where all else looks gloomy, he is heartened by what he sees as the basic goodness of Americans.

The pandemic has exposed “fault lines in private markets: deal leverage recently reached a new high, and multiples paid in recent months reached a multi-year high,” says McKinsey. What will recovery look like for PE?

The situation was in part caused by too many PE firms having an enormous amount of “dry powder” to invest (about \$900 billion). The recovery will be gradual, and the returns for investments already made could be much lower than in the past.

One positive consequence will be the PE industry’s return to a more traditional investment approach; namely, paying a reasonable multiple for a company, applying financial and operating expertise, selling the company and achieving a net IRR that is meaningfully higher than investing in public equities during the same period. In this reshaping process, investors will reward PE firms that remained disciplined during the overheated years.

How should PE firms respond to COVID-19?

A PE firm should reach out to each of its portfolio companies to guide them through this difficult time. Each portfolio company should be asked to stress test its balance sheet and operations to evaluate the impact of a protracted downturn/recession, and determine whether it could withstand a 40 to 50 percent decline in revenue in 2020.

What’s the best piece of advice you’ve heard during the crisis?

Do not underestimate the length of the economic downturn/recession and be sure each of your companies has adequate liquidity. Where appropriate, draw down credit lines to create cash reserves.

Private Equity VISIONARY



GERALD PARSKY

talks with
Brunswick’s
HARRY W. CLARK
about how the
pandemic is
re-shaping the
priorities of
private equity
and society.

Is there a repercussion or effect from COVID-19 you’re surprised isn’t getting more attention?

There will be significant, negative, long-term effects of the magnitude of government debt that is being created—and more is coming. As a result, government will have an ever-increasing role in all of our lives and this needs to be carefully managed. Deficit financing carries with it a very real risk. When interest rates rise, the cost of this debt will be significant.

Are there similarities with historic events here? Does this feel like a more accelerated version of previous crashes or is it uncharted territory?

Except perhaps for the Depression, we have not experienced anything like this in previous “crashes”; in part because this has involved a complete shutdown of the world economy. That was not the case in the 1970s, 1980s, 1990s, or in 2008. Specifically, there could be a 30 to 35 percent decline in GDP in the second quarter and it could remain for the rest of this year. Even before COVID-19, I thought it was likely that we would have a recession in 2021.

Has the move to remote working been seamless for Aurora, or has it required some fine tuning?

It has been relatively seamless. After the experience of 2008, we adopted a “disaster recovery plan.” We took immediate action in line with the directive from the Governor of California. All staff were provided remote access to enable them to work as efficiently as possible from home to keep them safe.

Do well-managed companies welcome or resist the management partnership Aurora offers?

Bringing operating talent to a company is welcomed by management. However, the executives we bring need to provide a light, but effective touch or they will be resisted. My close friend and partner, Larry Bossidy, the former CEO of Honeywell, is a perfect example of how positive an operating executive can be in private equity. He chaired a number of companies for us, several of which faced stress in the economy. In each instance, the executives welcomed his advice, operations significantly improved, and we realized outstanding returns.

You talked in a recent interview about millennial anger over income inequality and the cost of education. Does that anger represent a threat to economic stability?

We cannot afford a generation lost in anger. The youth of today need to be the business leaders of tomorrow and many of them feel they are being left out. Before COVID-19, a survey of millennials indicated that 23 percent declared that “they have no friends.” The COVID-19 pandemic, and the social distancing required, could increase this feeling of loneliness. As we come out of this crisis, we have to address the feelings of our youth. If we do not, we are planting the seeds of an “angry, lonely generation.” Such a result will have a significant impact on our economy.

“WE CANNOT AFFORD A GENERATION LOST IN ANGER. THE YOUTH OF TODAY NEED TO BE THE BUSINESS LEADERS OF TOMORROW AND MANY OF THEM FEEL THEY ARE BEING LEFT OUT.”

Any personal thoughts, economic or otherwise, about life during lockdown?

It has made me realize how important family and friends are in one’s life. It also can help you realize how fortunate you have been to have lived in a free society and a capitalistic economic system.

A crisis can help bring about the best in people. Just consider the number of Americans who risk their lives every day to help those who have been struck by the virus. I am optimistic that the kindness and support we have seen during these difficult days will continue to shape us as we recover.

The Los Angeles mayor appears to be a strong leader at this moment. Do you feel reassured or not by our political leadership in this pandemic, local and national?

There certainly are examples of leadership from our political figures. However, there remains too much emphasis by some on blaming others for this crisis. As a result, the public is not reassured enough that this crisis will be addressed effectively. There will be plenty of time to evaluate what was not done to prepare for this crisis. Now is the time to come together to address the present and prepare for the future.

Do you see any silver linings to the pandemic?

It has provided us many examples of the goodness of our people. All you have to do is observe members of the emergency response teams, who put themselves in real danger every day helping others, in order to understand what so many Americans are like.

Should the financial and environmental challenges facing California be an important concern for investors everywhere?

California is the fifth largest economy in the world; now larger than Great Britain. However, the State’s Public Employee Pension Systems have enormous “unfunded liabilities,” which, for healthcare alone, now approach several hundred billion dollars and growing. In addition, California has a tax system that relies too heavily on the personal income tax, the most volatile form of tax. As a result of COVID-19 and the recession to follow, California’s revenue shortfall over a two-to-three-year period could approach \$70 billion to \$90 billion, thus dwarfing the budget reserve that existed before this crisis of about \$20 billion to \$25 billion. Such a situation for California’s economy should be a concern to all investors. ♦

HARRY W. CLARK is a Senior Counselor to Brunswick. He was Counselor to Ambassador Bob Zoellick and the Office of the US Trade Representative.

Half a World Away

Under stay-at-home orders, Brunswick has developed a new tradition: At day's end, one colleague at a time sends a "Thought for the Day" to all their working-from-home office mates. Funny, sad, inspirational, philosophical—they help us feel connected to one another during a time of separation. We are selecting a few to share with readers. Vedika's was sent June 10.

ON MARCH 7, I BOARDED A FLIGHT TO GO BACK to India for a week to visit my family. Ninety-five days later, I am still here.

I wasn't expecting a long stay. I packed a very small suitcase and even left my portable laptop mouse in New York, in hopes of shutting off from work while I was away. But COVID-19 went from just another virus to a pandemic. India went from operating 100 US flights to 0, in just seven days.

Time has become a strange concept. In an attempt to stay close to my New York work schedule while living nine time zones ahead, my new workday starts at 6:00pm and ends at 3:00am (on the good days). I eat lunch when my parents eat dinner, and I sleep when the sunlight starts to trickle into my window. The biggest struggle has been staying motivated, especially while watching the pandemic unfold in my developing country.

Sixty percent of India's population, an estimated 812 million people, live in extreme poverty, unable to even sustain basic needs such as food and water. Each of them lives on less than \$3.20 a day. India's lockdown has meant that work, transportation, and support stopped for most of the population, making already harsh conditions even worse.

A few days after I settled back into life at home, a young man approached me as I walked my dog, asking me politely, "Do you know how I can get to Agra from here? I am walking there and need directions." He carried his life with him in several bags, shuffled his feet in torn slippers. Agra was 160 miles away from where we stood. It would take him 87 hours of walking continuously to reach his destination. He was just one out of 812 million.

The world's most disadvantaged are suffering in the harshest of ways. Everywhere, communities struggle to survive. I've looked to my work to provide me with purpose. The current social and political climate has shown that it is not only important for corporations to take a stand on social issues, it

What does "work from home" mean when work is New York, but home is India?

VEDIKA KUMAR, from Brunswick's New York office, shares her pandemic perspective.

is necessary. As advisors, Brunswick influences how companies behave, how they talk about issues, how they can use their resources to change the world, to make it a better place. Holding on to this broader vision has kept me motivated, helped me stay up and stay alert during my odd hours.

The world is simultaneously mourning and fighting—for health, for equality and for new hope. There is a lot of sadness, a lot of frustration and anger. I only hope that everyone has a few moments of joy to hold on to, a few loved ones to turn to, and a vision to look toward to get through this difficult time. Here are some moments of joy that I've held tight:

I was able to prep my father for his first live CNBC interview—while he made an incredibly terrible client, he made a very proud father as he experienced a little snippet of the work that we do.

I couldn't be in New York to join the recent protests, but having a steady paycheck meant that I've been able to contribute to causes I believe in. Connecting my fortunate ability to work to giving back has helped me attach value to my days.



Vedika with her parents at a pre-COVID celebration in India.

My mother visited our local florist two months back and found him struggling to put food on the table for his family. No one was buying flowers. He wanted to shift to selling fruit instead. Moved, my mother did what she could to support him. His new fruit shop seems to be doing well, and he has vowed to repay her kindness by being kind to others he encounters who are struggling to make ends meet.

All this also keeps the words of Japanese Buddhist philosopher Daisaku Ikeda in my mind: "Our real strength lies in our capacity for empathy with others and the action we take on their behalf. As long as one has hope, one has strength." ♦

AS THE FIRST WAVE OF THE PANDEMIC SPREAD across the world, economists saw a different wave looming on the horizon: bankruptcy filings. Their worst fears, however, did not materialize—not yet, at least. Many now worry that trillions of dollars of fiscal support deployed during the pandemic may have delayed, but not averted, a wave of bankruptcies.

The Federal Reserve Bank of San Francisco said in an October report that “Chapter 11 bankruptcy filings are running at their fastest pace since 2013.” They added that corporate defaults in 2020 have “surpassed the total for all of 2019” and are on course to be the highest since the 2009 financial crisis.

Government stimulus, federal and state policies to encourage forbearance certainly helped. So too the return of business activity—US GDP surged 33 percent in Q3 2020.

But stimuli and forbearance have limited life spans. Credit insurance company Euler Hermes estimated in August that by the end of 2021, every region worldwide will post double-digit increases in insolvencies, with the biggest surge expected in North America—up more than 50 percent from 2019 levels.

This looming wave promises to be unlike its predecessors, largely because of the uncertainty that will inevitably surround it.

There remains little clarity, for instance, on how long significant parts of the economy will remain shut down, how far consumer spending will drop and stay depressed, and the overall shape of economic recovery. Such uncertainty is likely to make agreeing on a reorganization plan more difficult. So too avoiding litigation in bankruptcy court.

Communications during both out-of-court restructurings and formal bankruptcy processes can play an important role as companies navigate this terrain. In particular, businesses should keep four points in mind.

1 Trust and goodwill now are essential. Restructuring resembles a battle between warring tribes, where factions within tribes often have strongly differing interests. Companies will have an easier time—whether negotiating with stakeholders to stave off bankruptcy or building consensus around a reorganization plan—if they have already established goodwill during the darkest days of the COVID-19 crisis.

On that front, many companies have solid ground to stand on, having displayed compassion and shared sacrifice in a time of need. Marriott

WHEN YOUR CRISIS STORY HITS CHAPTER 11

The current rough passage may not end with COVID-19.

Brunswick’s **JONATHAN DOORLEY** and **WILL RASMUSSEN** lay out steps to take now.

and Air France-KLM, for example, announced executive salary reductions; Carnival Cruise Lines donated ships as makeshift hospitals; BP offered free fuel at retail sites for emergency workers. As the pandemic continues, so does the opportunity for businesses to establish goodwill and build trust.

Employees and customers will often feel overlooked in a restructuring process yet they are essential to the plan’s success. Politicians may also raise their voices on bankruptcy and restructuring proceedings. Companies that have a history of doing their part for their community—particularly in the heat of a crisis—are far more likely to get favorable consideration.

2 The government will take a big role. Given the magnitude of the health crisis, we’re likely to see a greater level of political involvement than in previous bankruptcy waves. Companies taking CARES Act loans in particular will face greater scrutiny over their treatment of workers and executive pay. Taxpayers may become a direct shareholder in the most distressed industries, like



airlines. These could spark even more controversy than the Troubled Asset Relief Program (TARP) unleashed in the last financial crisis.

The government is also pushing stakeholders to work more collaboratively: Regulators including the Fed, FDIC and OCC have eased reporting requirements around troubled loans, while encouraging banks to work together with borrowers.

This evolving and increasingly complex landscape will require new considerations. Chief among them: an ability to understand a wider range of stakeholders' concerns—and then deploy tailored, targeted messaging.

3 Prepare for a tough fight and focus on winning key victories. A bankruptcy process carries multiple opportunities for someone—whether the involved parties, or outside stakeholders—to set the narrative.

Establish a game plan in advance, deploy communications that will build momentum through a potentially aggressive battle, and mete out new information judiciously to keep the upper hand.

JONATHAN DOORLEY is a Partner and **WILL RASMUSSEN** is a Director in Brunswick's Financial Situations team in New York. Brunswick was ranked the No. 2 PR Firm for Bankruptcy advisory in *The Deal's* first quarter 2020 Power Rankings.

Despite the possibility for a more collaborative approach, it's wisest to brace for an aggressive fight—one likely to include leaks and misleading information.

Take full advantage of the milestones, which may include a forbearance agreement, disclosure statement hearing and approval, or the start or outcome of a confirmation hearing. Companies prepared to seize these moments reach critical stakeholders with messages that resonate.

The efficacy of those messages is multiplied if they're supported by third-party influencers. These kinds of relationships take months—years, even—to build. Yet cultivated in advance, these influencers can help amplify your message and lend it greater credibility.

A key element in winning the battle in traditional media is educating critical reporters. Usually only top-tier financial outlets will have dedicated reporters on this beat; building rapport and sharing information puts your best foot forward.

Infographics, messaging and videos can also help you tell a compelling story online. Better than piecemeal online posts is a coordinated, in-depth digital communications strategy. Tools such as pixel tracking, issues and keyword targeting, coupled with digital advertising, will help identify and reach key targets.

4 Prepare a strong turnaround narrative with a compelling vision for the future. In a bankruptcy, you have to win the support of the court and stakeholders for your turnaround plan to emerge from Chapter 11. Despite the uncertainty swirling today, that still remains true: Those who can best articulate a plan will have an upper hand.

The highest cash bid may not win approval. The bankruptcy court approves the rules for the auction of assets, and the debtor can exercise its business judgment to determine the best bid, subject to court approval. In some cases, the debtor and the bankruptcy judge might accept a lower bid if it is more likely to allow the business of the debtor to continue in some form, thereby better protecting all the involved parties, including suppliers, employees, and the communities where the assets are located.

That gives a glimpse not only into the complexity of the process, but also the critical role that communications can play in it.

Delivering a clear, compelling narrative that addresses public interests has always been important—now, it is essential. ♦

DR. SCOTT GOTTLIEB, THE FORMER HEAD OF the US Food and Drug Administration, has recently become what Politico called “the shadow coronavirus czar” in the US, churning out dire COVID-19 warnings and systemic advice in network interviews and *Wall Street Journal* op-eds. His even-handed professionalism has allowed him the ability to openly contradict announcements from the President—who at first tried to play down the threat—while being spared the political attacks experienced by other former White House officials.

Instead, the Trump administration’s policy has swung to his side, with the President himself retweeting his former FDA Commissioner’s advice, ratcheting up the notice those views receive. Dr. Gottlieb’s own Twitter following has risen from 57,000 last fall to well over 190,000 in recent weeks.

Perhaps the US’s most critical mistake, he says, was in not bringing together the work of academia, private business and government to address the need for tests. As he told CNBC, “There should have been, I think, a sense of urgency about taking an ‘all of the above’ approach and trying to get all of the diagnostic players into the game as early as possible. We ended up doing all those things, but we ended up doing them late. And now we’re still behind the curve.”

A PHYSICIAN'S Physician

That directness and focus on efficiency are characteristic of Dr. Gottlieb. Appointed in 2017, he set a new standard as FDA Commissioner, earning praise for his agency while other offices in the Trump administration were seen to be falling into chaos. After his departure in 2019, he has remained a respected figure in both parties.

In addition to his medical expertise, Dr. Gottlieb has a knack for making complex matters understandable to the layperson and a clear-eyed view of the workings of business, government and media.

In a conversation with the *Brunswick Review* late last year, before the current crisis was on anyone’s radar, he shared his views on topics related to his time at the FDA, including the balance of government and business, and his approach to leadership.

Former FDA Commissioner **DR. SCOTT GOTTLIEB** talks to Brunswick’s **RAUL DAMAS** about the evolution of medicine in the US.



In 2017, as the FDA Commissioner designate, Dr. Scott Gottlieb testifies during a Senate Health, Education, Labor and Pensions Committee hearing.

PHOTOGRAPH: ZACH GIBSON/GETTY IMAGES



How did being the son of a physician, particularly a psychiatrist, influence your career choice?

It's hard to isolate what influence my proximity to doctors had on me. But I was drawn to medicine because of the nature of the profession itself. It meant the opportunity for service and rewarding work, while also offering lifelong learning and the chance to be a part of a profession. I also saw medicine as something that could allow me to continue expanding other interests, especially writing. There is a long history of physician authors. When I decided to pursue medical school, I was already editing my college newspaper. I knew I wanted to continue publishing, even if I didn't do it full time. I eventually ended up working on the staff of a number of medical journals while I was a student and resident.

How does being a father of three daughters influence your leadership style and policy thinking?

It probably influenced me most directly in how I managed my team at FDA. Many of the people I worked with also had young children. I knew how important it was to allow people some flexibility to work and fulfill their commitments to their families. I understood how important it was to know what people's boundaries were—when they needed to be offline or adjust their workday to fulfill family obligations. So, I tried to make sure we had a work culture that embraced these needs.

You became FDA Commissioner in 2017. What would have been your priorities in 1992?

The priorities evolved over time at FDA as the opportunity set has changed, along with people's expectations for the agency. In the early 1990s, a lot of the scrutiny was over the efficiency of the review process. There was discussion of a "drug lag" between the US and Europe. The view was that drugs targeting important medical conditions were being approved in Europe months and sometimes years before they were approved in the US. So, there was a lot of focus on modernizing the review process to move drugs to market more efficiently.

This was also during a time period when FDA was being criticized for not moving to market quickly enough drugs targeting HIV. The outgrowth of that was the FDA Modernization Act of 1997, which created pathways like accelerated approval. In 2017, there were new priorities like opioid addiction, drug pricing, drug safety, and the imperative to help advance new technology platforms safely, like cell and gene therapy and regenerative medicine.

"THINGS HAVE CHANGED A LOT WITH RESPECT TO HOW INFORMATION GETS SHARED. I THINK FEDERAL AGENCIES HAVE BEEN SLOW TO ADAPT BUT ARE CATCHING UP."

You first worked at the FDA in 2002, then returned in 2005, and of course in 2017. What long-term changes did you see in the agency?

The most profound change as it relates to new drugs was the growing emphasis on drug safety and significant investment in the agency's ability to better evaluate the short- and long-term safety of new medicines. I think this is an appropriate reflection of advances in technology. As our ability to evaluate medicines gets better through new tools and science, so should our expectation of the safety of new medicines.

People sometimes say that drugs approved 30 years ago might not be approved today because of our higher bar for safety. I don't think this is true. Our expectation of safety has increased, but so too has our ability to better define the benefits of new drugs. So, we might be able to reveal more about the safety of drugs that could weigh against a medicine's approval. But we also know a lot more about a drug's potential benefits at the time of approval. So, the risk and benefit considerations remain in balance.

What has changed is that we want greater certainty that a drug will deliver its promised benefits. And when there are side effects, we want to know about them quickly. At a time when the technology for evaluating drugs has gotten a lot more advanced, these are reasonable expectations for patients to have.

You led—in many ways ignited—significant medical community concern about e-cigarettes, particularly among minors. What drove you to that decision?

We believed that electronic nicotine delivery systems like e-cigarettes could offer a less harmful alternative for currently addicted adult smokers, to help adult smokers quit cigarettes. E-cigarettes are not safe. But they are less harmful than smoking. And if a currently addicted adult smoker can fully quit cigarettes and transition to e-cigarettes, they can improve their health.

So, we took some new steps in the summer of 2017 to more rapidly migrate adult smokers off cigarettes by seeking to regulate nicotine in combustible cigarettes to render them minimally or non-addictive. At the same time, we took steps to help bring e-cigarettes through an appropriate series of regulatory gates. At the very moment we were seeking to regulate nicotine in combustible tobacco, we saw the e-cigarettes as a potential alternative for adult smokers who still wanted to use nicotine but would no longer be able to access it from traditional tobacco.

What prompted us to change our policy as it related to e-cigarettes was the data in 2018 showing a tragic and shocking rise in the youth use of these products. We did not foresee that magnitude of an increase in youth use of these products. In 2017, when we first advanced our policy, youth use of e-cigarettes was declining. The big uptick in kids use of e-cigarettes was shocking to us and was a public health crisis that required strong and immediate new steps.

What does the US healthcare system receive insufficient credit for doing well?

We deliver very good advanced care in the US and benefit from new medical technology. I think we take for granted how advanced our care is for serious conditions. We take for granted how much innovation is developed largely if not entirely for the US market, and how much Americans benefit from these advances. Without the investments we make in advanced care, we may not have the same medical innovations that we're benefiting from. American consumers drive innovation.

Where we sometimes don't succeed is when it comes to routine care and a lot of tech-based interventions. We do medicine really well at the high end, where patients have serious conditions. Where we sometimes don't do a good job is on the more routine aspects of primary care.

You've been most prolific commenting on the drug industry, but you've also noted it's a relatively small percentage of total health spending. Hospitals represent a much larger segment of health spending. How can they change to help lower system costs?

A lot of the cost and inefficiency in the system is on the services side when it comes to the delivery of care in hospitals. It's hard for government policy to impact these trends. It's hard to set rules in Washington that are going to drive more efficiency in delivery. Often what we do in Washington drives the opposite result.

Politically, it's also harder to advance policy in Washington that could be adverse to hospitals. They are distributed around the country and are generally the top employers in their congressional districts. So, the hospitals, as a group, have a lot of political influence on Capitol Hill.

I think as more of the financial risk for the delivery of care shifts to providers through payment bundles and other forms of capitation, that's putting more pressure on provider systems to improve their efficiency. And you're seeing at the same time a lot of

"PEOPLE SOMETIMES SAY THAT DRUGS APPROVED

30

YEARS AGO MIGHT NOT BE APPROVED TODAY BECAUSE OF OUR HIGHER BAR FOR SAFETY.

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RAUL DAMAS is a Partner in Brunswick's New York office. Previously, he worked in the White House under President George W. Bush and with Pfizer and Purdue Pharma.

investment by venture capital and private equity in new delivery models that are aimed at helping offer more efficient arrangements for delivering care, or new tools to hospitals and other systems for enabling these outcomes.

How does medical training need to change?

Medical training already has changed. Medical students today are much more likely to embrace arrangements where they are employed by systems as opposed to being independent. When I was training, everyone wanted to own their medical practice. Today, the majority of medical students want arrangements where they're salaried employees of larger systems and have more predictable work arrangements. The expectations have changed dramatically, in part driven by the changing desires of graduating medical students, and in part driven by changes in the structure of medicine where the kinds of private practice opportunities that were the norm 20 years ago are no longer as prevalent.

At the same time, I think students are being trained to be much more cognizant of cost and efficiency. This is good, to a point. You want the imperative to be on achieving the best outcomes for the patient. But I think physicians should be accountable for costs to the patient and understand how cost impacts a patient's access to care—their ability to remain compliant with care—to achieve good outcomes. The system should worry about the system-wide costs. The physician should be focused on their patients and cost incurred by patients is a big factor.

You've created a niche for yourself on social media. Your Twitter account has 57,000 followers. Why do you use social media platforms?

Social media has been a very effective tool to engage the public and also get information out quickly. I found it to be invaluable when I was at FDA as a way to do rapid response but also to offer perspective on breaking issues. I think agency heads are going to have to rely on social media channels like Twitter more and more. The news cycle moves so fast that in order to get your information and perspective into stories you need to be able to disseminate it through these vehicles.

Things have changed a lot with respect to how information gets shared. I think federal agencies have been slow to adapt but are catching up. If you wait a day to respond to something important, you could have lost the chance to shape the narrative to reflect your goals and incorporate what you believe are key elements to a story. ♦



INDIA

Epicenter

THE INDIAN NOBEL LAUREATE ABHIJIT BANERJEE has said India must be “fast not clever” in defeating COVID-19. In Kerala, the state first hit by the virus, they seem to have been both, earning the tribute: “Kerala leads, India follows.” The sprinters and strategists in Kerala’s coronavirus team line up behind K.K. Shailaja, a former junior school science teacher, women’s activist and now health minister in the communist-ruled territory in southwest India.

Ms. Shailaja is a textbook Kerala public servant. Her role as teacher is so highly respected that it is added to her name: K.K. Shailaja Teacher. From her teenage years, she was also a functionary of the Communist Party of India (Marxist). The CPI (M) ushered her into the local assembly two decades ago but the dual life of teaching physics and chemistry to teenagers and the Kerala assembly was crushing.

“This is about serving society,” she says of her careers. “In science, I would encourage my students to look beyond their textbooks and understand the role of science in society. Politics I love because it allows me similar interaction with people, this time in healthcare and social justice and women’s development.” But eventually she had to choose. “I was in school and after 4:00pm each day I was going to political meetings. I could not do both and be truthful to either school or politics. So, I became one for politics.”

Brunswick Review spoke with Ms. Shailaja as Kerala was, for the third year in a row, handling a statewide health disaster. In 2018, the state had seen

One state’s readiness could serve as a model for the nation and the world. “Coronavirus Slayer”

K.K. SHAILAJA,
Kerala’s Health Minister, talks to Brunswick’s **KHOZEM MERCHANT.**

an outbreak of the Nipah virus, which lasted a little over a month and claimed 17 lives. A year later there were major floods in which over 100 people were killed and thousands evacuated.

Soon after the COVID-19 outbreak began, early victories left Ms. Shailaja dubbed “Coronavirus Slayer” by news outlets and since then she and her chief minister, the veteran CPI (M) leader Pinarayi Vijayan, have commanded a national audience. Kerala’s road-tested disaster protocols are serving as important models for the crisis now being faced by the rest of the country.

KERALA’S EARLY ACTION

On a day toward the end of January, Ms. Shailaja saw an online item about a virus in Wuhan.

“I worried that this virus would come to Kerala because so many of our students were on courses in Wuhan. So, we started our precautions. From January 24 onwards, we set up the state control room [the war room]. Many special groups came into being to address this potential pandemic. We knew what to do because we had been there before—with Nipah—so we knew the protocols, we understood the chain of activity.”

“That first student tested positive; he came into our custody, was quarantined, treated and recovered; it was a victory for Kerala.” Attention quickly shifted from returnees from Wuhan to migrants from the Gulf, where millions of Keralites work and who send money back home, providing an

economic lifeline for the region.

Kerala’s first-mover status was watched across India. In March, the country’s best-known broadcaster noted that Kerala was consistently ahead of Mr. Modi (whose ruling Bharatiya Janata Party bitterly opposes the CPI (M) in Kerala), often by several days, with initiatives on fiscal support, free rice, lock-down, and community kitchens and free food.

In early April, Kerala’s curve began to flatten, while elsewhere in India it was rising. The state saw a drop in active cases in the first week of April, down 30 percent from the previous week. The rate of recovery in Kasaragod district, for example, home to half of all reported cases in Kerala, was three times faster than the national average. Kerala’s prospective lockdown exit was unveiled in mid-April, also a first for the country. That allowed activities, such as small homestead farming, crafts and retail, to resume.

INDIA’S CRISIS

At that point, the rest of India was seeing the outbreak continue to spread and the number of cases rise, causing Prime Minister Narendra Modi to announce an extension of a national lockdown by a further two weeks.

India’s positive cases and fatalities were initially modest compared to big-population countries such as China and the US. However, as of November it trailed only the US in total number of cases. A country of 1.38 billion people, two-thirds living in rural areas (in some 638,000 villages), the rest in densely populated cities and towns, India is exceptionally vulnerable to a virus whose identity is invisible and velocity a mystery.

In announcing the lockdown extension, Mr. Modi noted that he was juggling between lives and livelihoods, but as he spoke it was clear that livelihoods were the greater casualty. On TV, viewers see migrant workers with no money, having lost jobs at building sites, factories, shops, restaurants and other hourly-paid employment, walking from Delhi to their villages in the hinterland. They have become the human face of a crisis that is bigger, more uncertain and more unusual than any economic shock before.

First, because of the broad economic shutdown, the scope of COVID-19 is bigger than the 2008 financial crash and it creates multiple big shocks in multiple geographies. Uncertainty also surrounds the public’s continued tolerance of invasive restrictions on behavior—social distancing works in urban middle classes but is probably unenforceable in rural India, where most Indians live.

Finally, this crisis’ economic impact is elastic,

impacting everything from manufacturing to services and in between.

A big part of that “in between” is India’s entire informal economy, its supply chain and heartbeat, where four-fifths of the workforce is employed—at least 350 million people. The pandemic has unravelled this supply chain, costing migrants their jobs.

India’s public healthcare system is under-funded and unprepared for COVID-19’s mass fallout, or its by-product, such as hunger. Health and hunger are obvious and immediate threats to migrants, the poor and elderly, and they are the current focus of official food and grains support.

If that were not enough, the pace of GDP growth had weakened sharply between March 2018 and December 2019 and official unemployment was at a 45-year high. So just as coronavirus hit India’s shores in the southwest in late January, India’s economy was already tumbling.

BEYOND COMMUNISM

Health emergencies tend to show the better side of communist rule in Kerala. The party became India’s first communist government in 1957 and since then it has been a consistent presence—either in power or one step away. However their popular appeal and their effectiveness in a crisis are both built not on ideological slogans but on a foundation of community engagement and development.

Communist governments have lavished resources on building a network of primary and preventive healthcare, topping national league tables and mirrored in human development metrics. In addition, frequent disasters have given Kerala’s political executive, bureaucracy and police a practiced common purpose and rapid response capability.

The Nipah outbreak in particular helped Kerala develop the response that has proven effective against COVID-19. In a country of monsoons and floods, collapsing bridges and buildings, Nipah was different because it yielded knowledge and expertise to handle COVID-19: testing and tracing, geolocation surveillance and data capture, social distancing, livelihood support and aggressive public education.

“Every system has its own method and ours here in Kerala works with the participation of the whole society,” Ms. Shailaja says.

For decades, the treasury of Kerala, a small economy dependent on tourism and rubber, has leaned toward social services. Local literacy is high while healthcare infrastructure runs deep to grassroots levels. Primary healthcare centers are modelled on the UK’s general practice clinics. One innovation

“IN EARLY APRIL,
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PHOTOGRAPH: COURTESY OF KERALA, INDIA PUBLIC RELATIONS

(with an eye on thriving medical tourism that brings foreigners to Kochi for treatment at a fraction of the cost in Europe) is the creation of “harmony centers,” based on an idea from Cuba.

A culture of democratic participation in each “panchayat,” or village, rounds off a strong, enduring social contract.

“They’ve had communists here and others running the state, but basically the social pact is secular and strong: it’s about the people, and in crisis the government, bureaucracy and police move into action quickly,” says Vijay Sakhare, inspector general of police for Kerala.

The emphasis on community creates unexpected benefits. A practice known as “social policing,” for instance, embeds police in the community, going beyond law and order to build pastoral relations with communities. This constant contact with the

K.K. Shailaja, Kerala’s Health Minister, earned the nickname “Coronavirus Slayer” for her swift, thoughtful response in the early stages of the pandemic.

KHOZEM MERCHANT is a Brunswick Partner and the Head of the firm’s Mumbai office. Previously, he was a journalist with the Financial Times and President of Pearson India.

community led to Mr. Sakhare’s design and launch of an app to connect doctors and patients worried about coronavirus symptoms, broadening direct communication of reliable information.

The minister of the moment, Ms. Shailaja, admits that more than Kerala’s crisis credentials are currently on display, for India and the world to see. The state’s entire system is being judged, she says, and that includes credible governance, healthy and educated workers “and, most important, transparency.”

Those characteristics are equally prized by the world of capitalist investment—a fact she readily acknowledges. Kerala greets 1.1 million foreign visitors to its fabled backwaters each year and investors would be similarly welcomed, she says. But that must wait for a post-coronavirus world.

Until then, “I always feel there is unfinished work and that troubles me.” ♦



IT'S BEEN 21 YEARS SINCE HEALTH INSURER Discovery was first listed on the Johannesburg Stock Exchange. In that time, it has grown to become the country's largest administrator of private medical plans and a leading financial services player, while also helping change health- and insurance-industry paradigms around the world. The company moved aggressively in its early years, battling entrenched models across a number of industries. And now it's leading the way for sea change in the way the world views health-care in general.

But rather than being able to celebrate, founder and CEO Adrian Gore finds himself in the middle of yet another storm as coronavirus threatens lives and undoes societal norms.

Known for remaining positive in the face of the most difficult challenges, Mr. Gore is regarded as one of South Africa's most innovative entrepreneurs. He started Discovery from scratch and turned it into a multibillion-dollar company. The business created the Vitality behavioral incentive model, which pioneered the use of rewards to encourage members to live healthier, thus also driving down medical costs.

Lauded by business strategists as the epitome of shared value, Vitality has been adopted by global insurance giants like John Hancock, AIA, Manulife, Generali, Sumitomo and Ping An.

Even before COVID-19, Discovery had faced challenges. Among the most pressing: In 2019, the South African government announced plans to introduce a universal healthcare insurance system. Short-sellers believed that announcement—light as it was on detail—threatened parts of Discovery's business model. Countering that narrative called for a number of steps, including explaining to investors the value of Discovery's complex actuarial models.

And then came the coronavirus. Rather than back off on innovation, Mr. Gore pushed further, leapfrogging old business models in a quest to solve immediate and seemingly intractable problems. Discovery teamed up with mobile company Vodacom, enabling anyone in South Africa with access to a mobile phone to book free virtual consultations and get advice from doctors. The company also introduced financial flexibility measures to help people continue to pay their premiums.

In the middle of all this, Mr. Gore took time to speak to the *Brunswick Review* about his outlook for the company.

ABOVE the FRAY

ADRIAN GORE, founder and CEO of Discovery Group, talks to Brunswick's **MARINA BIDOLI** and **GEORGIE ARMSTRONG** about working for the greater good and the power of positivity.

WE



Tell us about your remote doctor consulting initiative with Vodacom.

It's a powerful partnership. We've had this front-line telemedicine platform called DrConnect, which had taken years to develop and was largely on ice as South African regulations required all doctor consultations to be done in person. Over the past few weeks we have managed to scale it up due to the national imperative of treating COVID-19. We are moving very quickly. More and more doctors are being trained up. With Vodacom we collectively committed an initial R20 million (\$1.1 million) to fund 100,000 virtual consultations. This is likely to increase.

A large portion of the South African population live in close quarters and millions are immunocompromised due to HIV and TB. Our tool allows the doctor to check your symptoms virtually and then decide whether or not to refer you for testing. The aim is to support more efficient front-line testing and advice, relieving pressure on the healthcare system. In the UK too, we are offering similar virtual consultations through Vitality Health. The process is currently limited to COVID-19 but we'll learn what's possible. I expect that telemedicine will become ubiquitous in managing disease in the future.

How do you feel about South Africa's handling of the crisis and about Discovery's contribution?

I think we have managed this very well. Our lockdown was imposed early, decisive steps were taken to flatten the curve, and we have done that. The number of infections is low, our hospitals are relatively empty, we have built capacity, so up to this stage we have done well.

Decisions from here on will be crucial. President Cyril Ramaphosa has announced a risk-adjusted approach to restarting the economy. The really vulnerable sector is small-to-medium enterprises—the quicker we get funding and liquidity to them, the better.

For our part, I am proud of the impact we have had, working with government on many areas of the response, particularly supporting SMEs. Coming out of this, the new heroes are scientists, doctors and the myriad of healthcare workers and other support staff that work alongside them.

The experiences of our global Vitality partners, particularly around digital tools and data, are critical and we're working closely with them. We are modeling everything. What is clear is that you've got to test far more people, far more quickly. You've got to track and trace those people who are positive. That's the game changer in this battle.

**"WITH VODACOM
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CONSULTATIONS."**

How do you see this affecting the debate around National Health Insurance?

The world, and certainly healthcare, will not be the same after this pandemic. After the Great Depression many nations adopted social security and national health systems. If we can create affordable and more sustainable systems that provide all South Africans access to basic healthcare, that would be a very positive outcome of this crisis.

How do you respond to criticisms that you're overly optimistic?

I am not a naïve optimist. I am not discounting that we face real, significant challenges. Especially in these times, we are seeing how poverty and inequality have real and tragic consequences. My plea for positivity is not in spite of these challenges but because of them—and it is rooted in cold, hard science.

Historical data shows the world has been getting progressively better for most people. Notwithstanding the enormity of the current coronavirus pandemic, with the right attitude and clear action from government and the private sector, I am sure that we will overcome this crisis too. New solutions are being developed as we speak.

Humans are genetically coded to seek out negative cues. This was fundamental conditioning for our survival, but it would be a mistake to view the world through a declinist mindset. As South Africans, we suffer from that mindset acutely. A 2017 Ipsos MORI global study showed that we are the gloomiest about how the world has changed and what the future holds on a broad range of issues. We are not just impervious to progress but confident in our erroneous perceptions. We are confidently wrong. This mindset has dangerous consequences which impede our progress.

A vision-based leadership approach is an antidote to declinism: acknowledging progress and creating hope; seeing problems as real, but solvable; seeking out positive cues alongside negative ones when reading our environment; and recognizing the potential and investing in it. This is how change happens.

You founded Discovery in 1992, in your mid-20s, with just R10 million in seed capital. Today it's a multibillion-dollar business with 12,000 employees. What gave you the courage to go at it alone?

I was a young actuary at Liberty Life and was inspired by the sense of how an institution can change society. It lit a fire in me. Liberty had achieved some global exposure. I was inspired and it gave me a great sense of ambition to build something that could positively

influence people's lives. I remember sitting in their atrium thinking: "If you could build something like this it would be unbelievable."

The journey started with a sustainable health insurance product. It was always a big-picture, value-centric approach. It wasn't ever about making money. We disrupted on every front. We did not sit in the boardroom. We kicked the doors down on every single thing. Brokers had never sold health insurance. We created the distribution channel and restructured products. We tore everything apart. We took strategic risks. When we listed on the JSE, the government warned us they were going to take us down. We were fighting. That's what it takes. It was bold stuff.

The breakthrough at a philosophical level was understanding the concept of too few doctors in the midst of a terrible disease burden with HIV/AIDS and high levels of communicable illness. We wanted to keep medical aid costs under control. Our simple concept was a medical savings account. I like complexity but there is power in simplicity. If you have a savings account and people see they are spending their own money, they behave differently than they would if they spent a third party's money. Either you control cost by controlling the supply side or you give people control on how to spend their own money.

How did this develop into the behavioral economics model?

I was inspired by the idea of Walt Disney's purpose of making people happy. At a time when companies were only worried about shareholder returns, our idea was to make people healthier. We wanted to empower people to make the right choices through the savings account.

I started giving talks. I would tell CFOs of big companies to forget health benefits—"currently your employees and you are on opposite sides of the fence, they are trying to consume everything they can, and you are trying to fund it. So, we are going to change the incentives." They came to the same epiphany that I had had. And from there things started to rocket.

Regulators and competitors started to take notice. We were creating all kinds of discontinuities in the market. We started to say: "if you belong to Discovery, you can go to the gym for free." This was 1997. Nowadays a gym is a utility but then it was a status symbol. What we did was make people earn the gym. If they went to the gym enough times they could go for free. That was the embryo of Vitality. It just evolved. We were trying to incentivize behavior. It was an absolute consumer hit but at a policy level there were heated debates.

"WE ARE NOT JUST IMPERVIOUS TO PROGRESS BUT CONFIDENT IN OUR ERRONEOUS PERCEPTIONS. WE ARE CONFIDENTLY WRONG. THIS MINDSET HAS DANGEROUS CONSEQUENCES WHICH IMPEDE OUR PROGRESS."

MARINA BIDOLI is a Brunswick Partner and Head of the firm's South Africa office.

GEORGIE ARMSTRONG is an Associate based in South Africa.

Then we started testing how this could be applied elsewhere—to life insurance, to banking. We launched a credit card business with First National Bank, changing credit card incentives. We innovated around dynamic pricing. We realized underwriting and paying the same life insurance price for 40 years did not make sense. We began to understand why people make bad choices and that risk was largely behavioral. This was a profound shift in financial services. This wasn't about loyalty programs.

Our purpose of making you healthier fed into the growing concept of behavioral economics. It was only in 2012 that Michael Porter came to South Africa to speak at one of our leadership summits. His view was that society would do well if companies, by virtue of their business models, created economic behavior that would benefit everyone. Our business was completely aligned with our clients: if they are healthier, we are more profitable. Our ultimate goal is that by being more competitive, we also help society. That's a perfect, shared-value cycle.

What about the analysts who fear you are taking on too much risk by expanding the behavioral economics model into adjacent industries?

We never bet the house on anything. Nothing we do poses a systemic risk. The scrutiny we have been under is more about our organic growth model. It's a function of "can you pull this stuff to scale?" That is not an illegitimate question. We have been transparent around what we are investing in, new businesses like the bank. This takes time—brick-by-brick organic growth. Had we been on an acquisition trail, you'd have no idea if value was created.

I don't get offended by this type of criticism. I listen to improve where I can. My team knows that I want to hear every comment and anecdote of what people are experiencing. I got a report last night at 10 p.m., about 40 pages long. People email me. I read emails the whole night. Even in difficult times, if you can afford to build you need to do this. When the cycle turns—and it will turn—you're in play.

As a founder-led business, how much thinking goes into your succession plan?

Quite a bit. I tend to emphasize IQ and ability but there isn't a "Discovery Person"; quite the opposite. There is value in diversity of thinking in pursuit of the same goal—real deep thinking, both IQ and creativity. That's what we are looking for—not an actuary who is technically brilliant but doesn't connect the dots. For succession planning, there are a lot of people able to take over from me one day, easily. ♦



rational decisions,” Ms. Boraie said. “I remember watching TV with my mother and feeling furious at the way a mother in a cooking commercial was portrayed. If a woman was playing the role of a mother, her teeth would be perfect and white, she’d have a button nose and colored eyes, and act totally fake. These women were not representative of me or my mother or any of the mothers I knew.”

As a 25-year-old Arab woman, Ms. Boraie is representative of the audiences that Miraa is targeting. She believes that the age of TV commercials based on such two-dimensional characters is over, but is concerned about the impact they have already had on self-confidence across the region.

“You could say that they are just advertisements,” she sighed. “But these images are in our faces 24/7, sub-consciously affecting our perceptions and driving stereotypes. You start to wonder who is responsible for constructing these beauty ideals and what impact they have had on the way Arab women choose to live their lives.”

UNILEVER

Around the world, Unilever is seeking to become synonymous with social purpose. The firm’s mission to “make sustainable living commonplace” is brought to life through campaigns such as Dove’s Real Beauty movement and sustainable farming and production practices. The company’s belief that “brands with purpose grow” has been validated by the fact that its 28 “Sustainable Living” brands, which take action to support positive change for people and the planet, grew 69 percent faster than the rest of the business and delivered 75 percent of the company’s overall growth in 2018.

The strategy has paid off in the Middle East in particular, where Unilever has had a presence for many years. Dove and Lux are among the top five beauty and personal care brands in Saudi Arabia, as measured by brand footprint. Lipton tea, another Unilever offering, has become such a strong household name in the region that many consumers think it is a local brand. But as the market grows, it becomes more complex and Unilever’s brands are using research to keep abreast of the concerns of its audiences.

For Dove, it was critical to understand the impact of beauty ideals on the everyday lives of women and girls in Saudi Arabia and the UAE, core markets for its beauty and personal care brands. Its survey of over 600 girls identified significantly higher social pressure than other parts of the world, derived from unrealistic ideals of beauty and social comparisons, fueled by social media.

“THESE IMAGES ARE IN OUR FACES 24/7, SUB-CONSCIOUSLY AFFECTING OUR PERCEPTIONS AND DRIVING STEREOTYPES. YOU START TO WONDER WHO IS RESPONSIBLE FOR CONSTRUCTING THESE BEAUTY IDEALS.”

YARA BORAIE,
Vice Arabia

The research showed that only 8 percent of girls in Saudi Arabia had high body esteem, far fewer than the global average of 24 percent. Eighty percent of girls in both countries were choosing to opt out of social engagements or put their health at risk due of low confidence. They felt more pressure than other parts of the world associated with their future, marriage and looking after their families.

Girls in both Saudi Arabia and the UAE expressed a desire to be judged on what they say and do rather than their looks, and to see more diversity in age, race, shape and size for women portrayed in the media. Sonia Kapoor, a Senior Digital Content Manager at Unilever who led the development of Miraa, felt that the findings pointed to a lack of independent platforms for women in the Middle East.

“In the Arab beauty space, you would traditionally see three types of platforms,” Ms. Kapoor said. “Conventional local heritage magazines spotlight Western trends for Arab women and, while they have adopted a digital presence, their content hasn’t evolved to offer a two-way dialogue with women in the region. International publications have also mostly re-purposed global content for the region. Meanwhile, social media platforms like Instagram celebrate unrealistic images of beauty.

“Our research showed that artificial beauty ideals were holding women and girls in the region back from achieving their potential. We wanted to give them control of defining the beauty narrative in line with their cultural values, and felt we were uniquely placed to develop a platform that could add value to their lives.”

MIRAA

Miraa was launched in 2018 to present a diverse array of Arab women addressing topics that readers might not feel comfortable discussing with family and friends. These include post-partum depression, how to deal with hair loss, or what questions you should ask your gynecologist.

The website links closely with dedicated social media channels that drive traffic, creating a two-way dialogue with readers to inform editorial choices. Public and private Facebook groups have been set up to allow the community to dive deeper into topics and share encouragement with each other.

Ms. Boraie insists Miraa is not looking to be controversial for the sake of it. “Miraa has been inundated with requests—DMs, Facebook messages, emails. Sometimes an article will spark discussion on a sub-topic that our audience will want to hear about. We look to cover all angles possible and treat a topic as two sides of a coin—building inclusivity.”

In the platform’s launch film, “The Other Side,” Miraa was able to present three diverse Arab women for a discussion centered on women’s self-acceptance.

One of them women, Rose, is a Syrian medical consultant. She discussed the dangers of attempting to attain perfection through surgery, while at the same time emphasizing how to use fillers, a medical treatment that fills in facial wrinkles safely.

Some viewers reacted angrily to Rose’s endorsement of the procedure, which led Ms. Boraie to develop a follow-up piece exploring perceptions around cosmetic surgery in more detail.

“It seemed that a woman could be bullied for the way she looked, and then attacked for being plastic—both sides could be fatal. We helped Rose discuss the importance of respecting personal choice,” she said. “Our goal is to make our audience feel safe and included—whether at school or at work, experiencing adolescence or adulthood. We want to reach as many Arab women as possible with this message.”

In the same film, Wadeeah, a Bahraini guitarist and motorcycle enthusiast, and Asma’a, a functional fitness coach and Egyptian rowing champion, explained that platforms like Miraa are helping to highlight the value that diversity brings and encourage women to focus on achievement rather than appearances.

“Societal norms have changed,” Wadeeah said. “Today you can choose whether to wear a hijab or not. Since I choose to wear the hijab, and basically everything we do as hijabis is frowned upon, girls actually encourage me and tell me to keep it up whenever I get on my motorbike.

“Being confident, intelligent and respectful in a girl’s daily life and the way she deals with people, will



Yara Boraie is a journalist with Vice Arabia who helped Unilever develop the Miraa project, featuring wide-ranging discussions of topics important to women.



make her look beautiful and radiant, regardless of what she wears.”

Asma’a added: “When I was younger, being strong was viewed by some as ‘mistarjelah’ (acting like a man). After being profiled on Miraa, I had women approach me asking how they can become stronger too. It feels good to encourage a healthy standard of beauty for others.

“It’s important for women to share a real side of their lives with each other, rather than the manicured version that we often see on social media. When I hear Serena Williams discuss her struggles competing as a mother, it makes me feel that I can get through the challenges that I face in my life.”

Miraa’s diverse network of female Arab contributors has helped Unilever brands’ visibility and relevance. An example is Dove’s #ShowUs campaign, the world’s largest photo library created by women and nonbinary individuals, which features women profiled through Miraa. With more than 5,000 images, #ShowUs offers a more inclusive vision of beauty for media and advertisers to use.

Similarly, Lux aimed to encourage more Saudi women to enter the workforce after identifying that only 16 percent of the Saudi workforce was female, despite women making up 76 percent of unemployed Bachelor’s-degree holders. Lux’s #IntoTheSpotlight campaign purchased hundreds of search terms on Google to ensure that female professionals were the first results seen by those with hiring power, thus also shining a light on female role models who had broken into male-dominated fields.

In an age when there is increased scrutiny on corporate purpose statements and accusations of “purpose washing,” the campaigns launched off Miraa have helped Unilever’s brands demonstrate real intent and responsibility in their efforts to drive social value.

The numbers look promising. As of January 2020, the website recorded 3 million unique users for the year, with 6.6 million individual page views.

Unilever’s global CEO Alan Jope believes the firm’s approach to social purpose helps build resilience and attract employees as well as customers. He commonly quotes his belief that “Brands with purpose grow, companies with purpose last, and people with purpose thrive.”

Ms. Boraie agrees. “Brands should never underestimate the value of inclusivity, authenticity and relevance. They’re not going to find it in board rooms, but through engaging with their audiences.” ♦

TASHA YOUNG is a Director with Brunswick based in Dubai.

ANDREA

Under lockdown, a tradition spread from one Brunswick office to another: At day's end, a colleague sent a short essay to his or her working-from-home office mates. These notes were funny, sad, inspirational and philosophical, and often sprinkled with favorite recipes, TV shows, and games. On May 6, Graham Carter, Contracts and Data Manager, sent this note to his colleagues in Brunswick's London office.

TODAY, 6TH MAY, IS A DAY THAT HAS BEEN ETCHED in my mind for well over 40 years as it is my mum's birthday. That used to make it a day of joy and happiness.

That changed at 5:13am on 6th May 2018, when I received a call from St. Christopher's Hospice in Sydenham, informing me that my wife, Andrea, had died. I then had to do the hardest thing I'll ever have to do, which was to tell my son, Ben, that his mum had died. This broke my heart. A bit later I had to call my wonderful father-in-law to let him know that his daughter had died. That broke my heart too.

Andrea had an amazing inner strength and her Yorkshire grit and determination shone through from the moment her consultant spoke those fateful words in October 2014: "Your mammogram showed signs of cancer."

Her daily question to herself was, "Will complaining about it make any difference at all? Yes or No?" To which she answered, "No, then don't complain about it." And she didn't. No complaining when secondary breast cancer was found in her arm leading to shoulder replacement surgery. No complaining when little metastases were found in her brain, leading to gamma knife surgery. Still no complaining when more metastases were found in her liver. She handled it all with a smile and immaculate nails.

Will complaining about it make any difference is a question I've asked myself a lot recently. The answer is no. This lockdown is what it is and we need to adapt accordingly as individuals, as a business and in the wider society.

Recalling his late wife's courage

During this time, I've often wondered how Andrea and I would have dealt with the lockdown together, and with Ben too. We'd have probably driven each other up the wall. Our little foibles and annoying traits, which we'd usually take for granted, would have been magnified. I know that she would have smiled whilst putting stuff in the dishwasher purposefully in the wrong place (I have a process).

If there were two ways of doing something, we'd

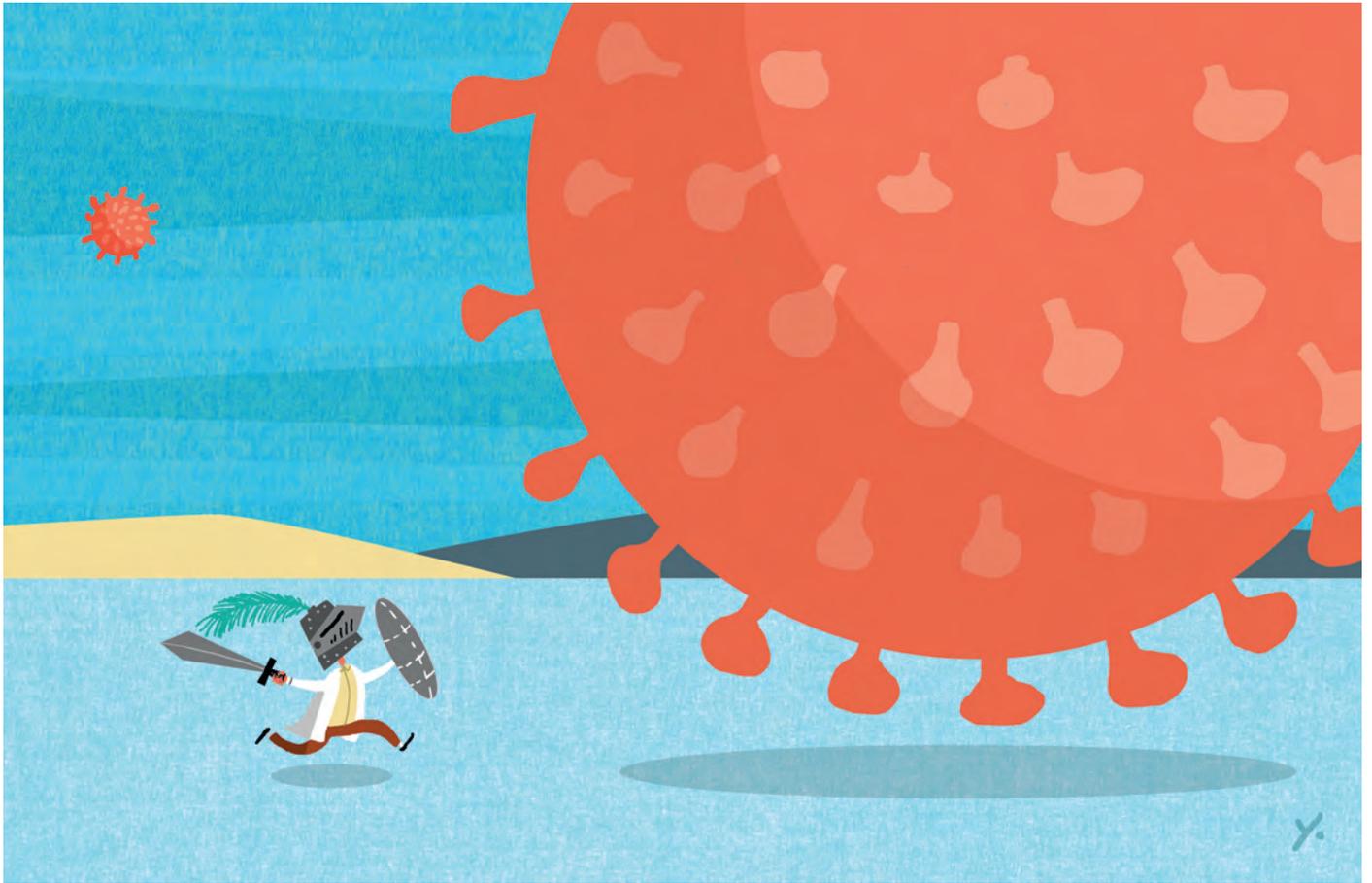


Graham and Andrea with their son, Ben, in September 2017.

find them. More often than not we'd end up in the same place, which was always the important part. The lockdown has shown us all that there is more than one way to do something and achieve the same goal.

This was read at Andrea's funeral. It's from Winnie the Pooh and it makes me think of her and smile:

*If ever there is a tomorrow when we're not together
there is something you must always remember,
You are braver than you believe.
Stronger than you seem and smarter than you think.
But the most important thing is even if we are apart,
I'll always be with you. ♦*



RACE AGAINST TIME

The pharmaceutical industry is seizing the moment to both help lift society out of the pandemic and rebuild its own reputation. The clock is ticking. By Brunswick's **BEN HIRSCHLER** and **JEREMY RUCH**.

The COVID-19 pandemic is a make or break moment for the pharmaceutical industry. Around the world, billions of people are living in hope of a vaccine or cure, and entire stock markets are swinging on read-outs from clinical trials. • The potential for drug companies to throw a lifeline to a sick world has sent corporate purpose soaring to the top of the boardroom agenda—and drug development is in the spotlight in a way it has not been since the early days of HIV/AIDS. • With drug companies investing billions of dollars in COVID-19 research and executives marshaling their best scientists to try and outwit the virus, the pharmaceutical sector now has a huge opportunity—and a huge challenge—to prove its value to society. In the words of Eli Lilly CEO David Ricks, the pandemic represents a “once-in-a-generation opportunity to reset the reputation of the industry.”

ILLUSTRATION: JAMES YANG



While academic and government labs will play an important role in the fight, it is only the world's large drug companies that possess the infrastructure, production capacity and know-how to develop and manufacture the necessary drugs and vaccines at scale. However the recognition that multiple companies—ranging in size from industry giants to small biotechnology outfits—are working flat out to roll back the greatest health crisis in more than a century is already changing perceptions across the board.

A Brunswick Insight survey of more than 600 opinion leaders who follow healthcare in the UK, the US and China shows how the sector has enjoyed a significant reputational boost. In the results from Britain and America, those who saw a more positive impact from recent events topped those who saw a more negative impact by 30 points. In China, that spread has historically been even larger, and currently stands at more than 80 points. Other Brunswick research among informed consumers in the UK and the US also reveals reputational gains for pharmaceutical companies. Around two-thirds of informed consumers now have a positive view of drug makers, compared with well under half in 2018. Significantly, throughout the research, Chinese respondents proved to be considerably more positive toward companies and more optimistic about progress on COVID-19.

The industry could certainly do with a lift, especially in the all-important US market. The sector has received a battering in recent years from the opioid epidemic, a run of mis-selling scandals and politically charged drug pricing controversies. As a result, at the end of 2019, pharmaceuticals ranked as the most poorly regarded industry in the eyes of Americans among 25 industries monitored by Gallup. It was the lowest reading since the series began in 2001.

Now, however, the COVID-19 emergency has changed the terms of the debate and the pharmaceutical industry's response to the crisis has given companies a chance to improve their tarnished reputation. The big question is: Will the halo effect last? The Brunswick Insight survey, conducted over the summer, shows that while big pharma and biotechnology companies, in particular, are currently enjoying a notable boost, just over half of people still have not changed their view of the sector—a source of risk if companies fail to deliver.

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AROUND
THE WORLD,

“If the pharma industry creates hopes that they can't fulfill, particularly concerning delivery of a vaccine, then the reputational reprieve may be short-lived and the reaction could be harsh,” Erik Gordon, professor at the University of Michigan's Ross School of Business, told the *Brunswick Review*.

The Brunswick Insight survey finds that most people expect to see approved and broadly available vaccines by mid-2021, although many recognize there are uncertainties in the process of development, manufacturing and roll-out. Not surprisingly, it is expectations around vaccines that are especially critical in determining sentiment toward the sector, with meaningfully higher positive opinions evident among those who expect widespread vaccine availability next year.

In other words, it seems that the industry has a window to deliver before patience starts to run out.

Since the traditional timeline for vaccine development is 10 to 20 years, fast-tracking the process is a tough ask. Yet there have already been remarkable advances, with around 200 vaccines against the coronavirus now in development in laboratories around the world, according to the World Health Organization—even though the genetic sequence of the virus was only deciphered in January. More than 40 of these, including a significant number from China, are in human trials and the first ones have already generated impressive results. Globally, it is an unprecedented pace of progress.

Another message that comes across strongly from the polling is that companies are expected to be collaborating—not competing—when it comes to COVID-19. By and large, this chimes with the reality on the ground. While it is true that there is rivalry between scientific groups, the big picture shows an exceptional level of collaboration both within the industry and between the business, academic and governmental organizations. The combined effect is turbo-charging a trend toward open innovation that has been building for some years.

Indeed, announcements about COVID-19 partnerships have come thick and fast in recent months. GlaxoSmithKline and Sanofi, for example, are working together in a unique vaccine alliance that aims to get a COVID-19 vaccine to market by next year. In this case, each company holds a key part of the puzzle: Sanofi is providing the basic experimental vaccine, while GSK is supplying a crucial additional ingredient, called an adjuvant.

Adjuvants make vaccines more effective at lower doses, enabling large-scale production.

In another promising case, AstraZeneca is working with the University of Oxford to fast-track progress on a vaccine originally developed by academic scientists, in a deal that underlines the need to build manufacturing and distribution capacity alongside good science.

The pandemic has also brought out the inventiveness of companies in tackling medical problems in novel ways. This includes the adoption of new technologies for many experimental vaccines, such as using ribonucleic acid (RNA)—a chemical messenger that instructs a person’s cells to make viral proteins in order to mount an immune response. This is the technique adopted with notable success by biotechnology pioneers Moderna of the US and Germany’s BioNTech, which is working with Pfizer.

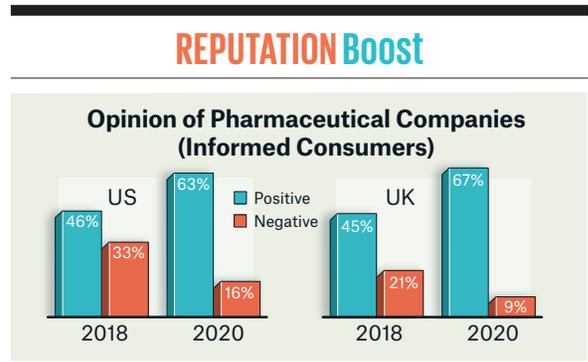
In some cases scientific progress has been down to applying lateral thinking to problems. British biotech company BenevolentAI adapted its artificial intelligence system—originally established to find new drugs—to hunt for existing medicines that could work against COVID-19. This has led to the discovery that an established rheumatoid arthritis drug, made by Eli Lilly, had the potential to be repurposed as a coronavirus treatment. The drug is now in clinical testing.

However, developing new products and getting them through clinical trials and on to the market is only one part of the challenge. Just as tricky are the demands for equitable access and fair pricing—marketing areas that could easily become pitfalls for companies.

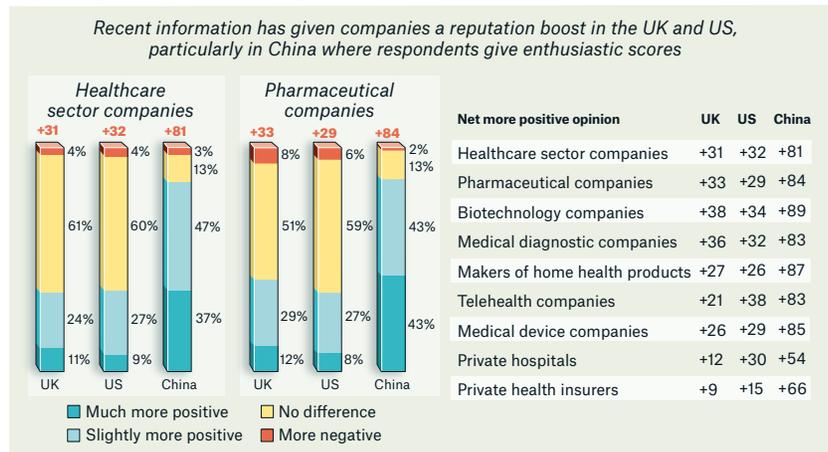
While there is acceptance that the industry needs to make profits in order to invest in future research and development, the survey also finds a high level of support for price caps in the case of coronavirus-related products. This will require the industry to tread a fine line when it comes to setting prices—something that several companies have recognized by pledging to restrict profits on vaccines that are sold during the pandemic.

One such decision that attracted extraordinary attention was the move by Gilead Sciences to set a standard price for its newly approved antiviral drug remdesivir of \$2,340 per patient across advanced economies. The move was criticized on both sides of the drug pricing divide, but welcomed as “responsible” by the US-based independent

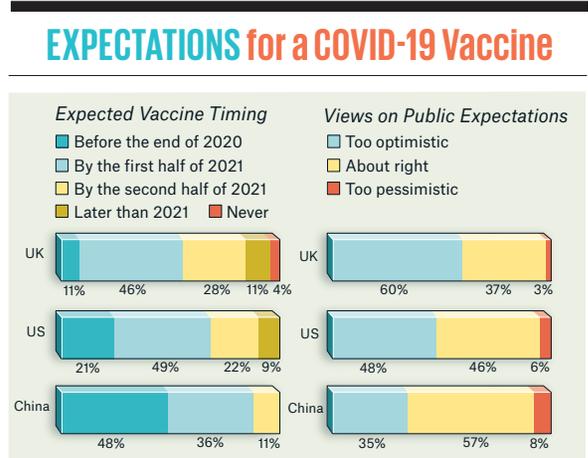
In the midst of a global pandemic, we have seen a significant increase in positive sentiment toward pharmaceutical companies.



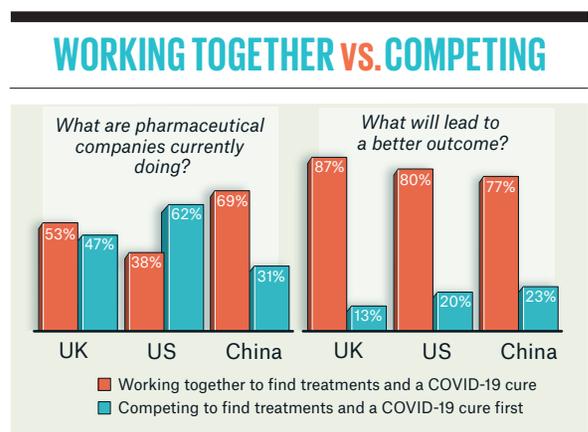
IMPACT OF INFORMATION About Healthcare Companies



Most respondents, including nearly half of those in China, expect an approved vaccine by this time next year. However they also believe public expectations are too optimistic.



There is benefit to pharma companies showcasing their work with other companies. Collaboration sends a more positive message.



nonprofit watchdog the Institute for Clinical and Economic Review.

“When Gilead came out with their price, they got attacked by everybody,” said John LaMattina, a senior partner at PureTech Health and a former R&D head at Pfizer. “They got attacked by analysts, who said they were not doing right by the shareholders because they were charging too little, and by various nonprofit agencies, who said they were charging too much. My personal feeling is that since both sides attacked them, they probably got the price right.”

Mr. LaMattina, who wrote a book on the industry’s broken reputation in 2012 called *Devalued and Distrusted*, has been following the fortunes of the sector closely during the coronavirus crisis. He believes pharma has done a good job so far in being attuned to the needs of society, while also balancing the requirements of shareholders.

“The big companies are really doing the right thing in terms of dropping everything, prioritizing this pandemic and making investments at risk. Nobody else can do what they are doing right now in terms of devoting resources, money and capabilities at the problem,” he told the *Brunswick Review*.

While the commercial fortunes of some smaller companies hinge on the success or failure of COVID-19 products, coronavirus drugs and vaccines are likely to move the profit needle less at large pharmaceutical companies, given their more diverse therapeutic portfolios.

Instead, the pandemic is widely viewed in boardrooms as an ESG (environmental, social and governance) issue. This puts front and center companies’ common purpose of leveraging science and innovation to improve human health, while also throwing a spotlight on how those companies interact with governments.

The desire of certain governments to prioritize supplies for their own citizens ahead of those of other countries—so-called “vaccine nationalism”—is a clear risk.

For global companies, satisfying the demands of one large buyer in a particular market may antagonize stakeholders elsewhere. Navigating through these competing demands when initial stocks of vaccine are limited is going to be a delicate balancing act—and the political pressures could be intense, given the heightened role of state actors in the pandemic. Large amounts of public money, as

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well as private capital, are now being invested in the vaccine hunt, with the US spending billions of dollars via Operation Warp Speed and other countries placing large pre-orders for supplies.

The need to strike the right balance on access is echoed in nuanced public opinion feedback. Most survey respondents say they want an eventual vaccine to be equitably distributed, both by geographic area and individual need. Yet there is also support for governments claiming priority access to vaccines that have been developed by domestic companies.

This is not the only area where public opinion is pulling in opposite directions when it comes to expectations of industry behavior.

For example, while finding a COVID-19 vaccine and improving testing are viewed as the top priorities for healthcare companies, there is also a strong desire for corporations to protect patient data and privacy. Stakeholders also want both faster approval processes, to speed new innovations to market, but simultaneously would like to see increased regulatory oversight for medical treatments to guarantee patient safety.

Ultimately, COVID-19 has given pharmaceutical companies a unique opportunity to prove their societal worth by doing the right thing in a crisis. They possess the potential to return economies around the world to some semblance of normality by collaborating in ways that they have never done before to deliver life-saving vaccines and treatments. That is a powerful story. Of course, it may not work out if products are delayed by scientific or manufacturing setbacks, in which case some blame is likely to be apportioned to both companies and governments.

But Mr. LaMattina is optimistic there will be winners that make it to market, allowing the industry to steer the conversation back to an appreciation of how it helps people live longer and healthier lives—a message that has too often been overshadowed by scandals and pricing rows.

“They’ve been doing stuff they haven’t got much credit for,” he said. “But when your reputation is down in the gutter with tobacco companies it takes a while to recover.”◆

BEN HIRSCHLER is a Senior Advisor based in Brunswick’s London office and a former global pharmaceuticals correspondent for Reuters. **JEREMY RUCH** is a Director in London, with 20 years’ experience conducting polling and research for some of the world’s largest companies.

CHURCHILL

THE ONLY POEM THAT WINSTON CHURCHILL ever wrote in his long life was entitled “Influenza.” It was about the epidemic that was ravaging Asia and Europe and which ultimately killed one million people between 1889 and 1890. He was 15 years old and its 12 verses were published in his school magazine, *The Harrovian*. It opened with the lines:

*Oh how shall I it's deeds recount
Or measure the untold amount
Of ills that it has done?
From China's bright celestial land
E'en to Arabia's thirsty sand
It journeyed with the sun.*

Churchill then geographically followed the disease's path westwards in each of the subsequent stanzas until it reached Britain, in a mixture of teenage rhyming juvenilia (“O'er miles of bleak Siberia's plains / Where Russian exiles toil in chains”) and occasional flashes of the kind of vivid linguistics “vile, insatiate scourge,” “Whose loathsome hand and cruel sting / Whose poisonous breath and blighted wing”) that were to be heard again six decades later during Churchill's wartime premiership.

In the penultimate stanza of the poem, the epidemic had weakened:

*Its power to kill was o'er;
And with the favouring winds of Spring
(Blest is the time of which I sing)
It left our native shore.*

Before COVID-19 leaves our native shores, is there anything that might be learned from Churchillian leadership about our best response to it?

Some leaders have already tried to derive inspiration from Churchill in the current crisis, not always successfully. The BBC reported that the Italian prime minister, Giuseppe Conte, was “quoting Churchill” in his speech to the Italian people when he said, “This is our darkest hour, but we'll get through.” In fact Churchill spoke about Britain's “finest hour” in his great speech of 18 June 1940, whereas *Darkest Hour*

FLU and the

was the name of the Gary Oldman movie about him.

Churchill saw a great deal of flu and flu-like epidemics in his life, and was Secretary of State for Munitions and later Minister for War during the Spanish Flu of 1917–19. Catharine Arnold, author of *Pandemic 1918*, tells us that during the first twenty-five weeks of that truly horrific pandemic, no fewer than twenty-five million people died of the disease, which eventually was to kill well over fifty million people and perhaps as many as a hundred million worldwide, many more than the cataclysmic world war that overlapped it chronologically.

The flu—which Allied “fake news” ascribed in their propaganda to being deliberately developed by German scientists, just as German propaganda blamed Allied scientists—became particularly virulent in those places where the war had already led to

CEOs and business leaders are having to take decisions with potential life or death consequences. **ANDREW ROBERTS** explores how Winston Churchill was shaped by pandemic, and what lessons his leadership holds.



A couple on the streets of London wear masks during the Spanish Flu outbreak—a scene replayed on the city's sidewalks more than a century later.



PHOTOGRAPH: VINTAGE_SPACE / ALAMY STOCK PHOTO



Winston Churchill watches a military parade in 1918, the year the Spanish Flu would claim 25 million lives within 25 weeks. He was Secretary of State for War at the time.

malnutrition. It is a remarkable statistic that of the 116,516 American military deaths in World War One, no fewer than 63,114 (54.2 percent) were due to disease (mainly Spanish Flu), against 53,402 (45.8 percent) which were due to battle.

The subtitle that Laura Spinney chose for her book *Pale Rider* was “The Spanish Flu of 1918 and How It Changed the World.” She explained how the disease had incredibly powerful political, cultural, and social effects on the postwar world, in societies that were still reeling from the military Armageddon. She even ascribes the rise of Churchill’s great opponent, Mahatma Gandhi, and the Indian nationalist movement, in part to the way that millions had died of influenza there, with the British authorities unable to contain it.

“Grave are the times,” Churchill wrote to Sir Thomas Inskip, the Minister for Defence Co-ordination, in a letter of January 1937 about the Nazi rearmament program, yet he was writing of the influenza from which Inskip was suffering rather than the German threat, and added that he had told Inskip’s secretary not to show him the letter until he

had recovered. “I hope you will make sure that you have the necessary periods of convalescence. All my household has been down with this minor scourge, and a certain number of days of complete relief from work of any kind is absolutely necessary for perfect recovery. So far I have survived and If I escape altogether I shall attribute it to a good conscience as well as a good constitution.” The 1937 outbreak was indeed a minor one compared to earlier outbreaks, but while having a good constitution might indeed be useful in mitigating the effect of the virus, there’s precious little epidemiological evidence to suggest that having a good conscience was of much help.

Sir Patrick Vallance, the Chief Scientific Advisor to the UK Government, said in March that if Britain escaped with only 20,000 killed by COVID-19, as opposed to the 8,000 who normally died of influenza each year, it would be relatively speaking “a good outcome” considering how rampant it is. It is salutary to think, however, that Britain lost no fewer than 19,240 killed on the first day of the Somme Offensive on 1 July 1916, a battle that was to continue for another five months, and which

Churchill denounced as an abominably large loss of life in comparison for the measly amount of ground gained. There were also over 38,000 non-fatal casualties that same day, whereas those who survive COVID-19 will get through it intact, without the loss of limbs and organs associated with the fighting on the Western Front.

In 1940, Churchill had a card placed on the table of the War Cabinet bunker in Whitehall, which can still be seen today in the Churchill War Rooms. It consisted of a quotation from Queen Victoria's letter to Arthur Balfour during Black Week—the worst week of the Boer War, in December 1899—and read: "Please understand there is no-one depressed in this house. We are not interested in the possibilities of defeat: they do not exist." As homes throughout the country self-isolate through COVID-19, we could do worse than adopt that motto.

Churchill's daughter Mary Soames once told me never to assume we could tell "what Papa would have thought or said" about any situation or phenomenon that took place after his death in January 1965. Yet it doesn't take much imagination to guess that his response to COVID-19 would have been a resolute one, guided as he was by scientists, though never dominated by them. "Scientists should be on tap," he once said, "not on top." It is certainly a very good thing that our prime minister is an admirer—indeed a biographer—of Churchill.

As CEO and other senior business executives have to take decisions that will have life-changing consequences for their employees, there is another quotation, this time from Churchill's great speech of 14 June 1940, that might be helpful for them, once adapted from wartime to peacetime exigencies.

"People must have hope, to face the long haul that lies ahead," Churchill told the House of Commons, only 10 days after the Nazis had forced the British Expeditionary Force off the Continent at Dunkirk. "Is the tragedy to repeat itself once more? Ah no! This is not the end of the tale. The stars in their courses proclaim the deliverance of Mankind. Not so easily shall the onward progress of the peoples be barred. Not so easily shall the lights of freedom die. But time is short. Every month that passes adds to the length and to the perils of the journey that will have to be made. United we stand. Divided we fall. Divided, the Dark Age returns. United, we can save and guide the world." ♦

ANDREW ROBERTS is the author of *Churchill: Walking with Destiny* and the Roger & Martha Mertz Visiting Reader at the Hoover Institution at Stanford University. He is married to Susan Gilchrist, Chair, Global Clients at Brunswick.

"The discoveries of healing science must be the inheritance of all. That is clear. Disease must be attacked, whether it occurs in the poorest or the richest man or woman, simply on the ground that it is the enemy; and it must be attacked just in the same way as the fire brigade will give its full assistance to the humblest cottage as readily as to the most important mansion."

—WINSTON CHURCHILL

Speech to the Royal College of Physicians, 2 March 1944



Kate Bingham, Chair of the UK Government's Vaccine Taskforce, is part of the Novavax trial in London, one of nine vaccines currently in Phase 3 testing.

Testing TIMES

IT IS THE LAST DAY OF LONDON'S INDIAN SUMMER AND I AM sitting in a large hospital learning about the risks of participating in a COVID-19 vaccine trial. The weather is about to break—and the coronavirus forecast is also deteriorating, with a second wave of infections spreading rapidly through British cities. • There is a small group of us in the hospital hidden behind facemasks, so it is hard to gauge the mood as we watch a film detailing what to expect and the risks involved. All of us are of a certain age: 56 years and up, to be precise. The trial has already recruited thousands of 18 to 55-year-olds—typically the first age cohort to test a new medicine—and the researchers are now ready to try their invention on us oldies.

Brunswick's **BEN HIRSCHLER** describes taking part in a COVID-19 vaccine trial as part of the historic global effort to halt the disease.



Our small group is just a tiny part of a vast international effort to develop vaccines in record time, hopefully to turn the tide on the worst health crisis in over a century. There has been nothing like this global endeavor in the history of vaccines for both speed and scale, and the progress to date has been remarkable. Dozens of vaccines are now in clinical testing and the front-runners have already produced promising preliminary data. They include the one that I will help to test, which was developed by the University of Oxford.

The fact that vaccines are in sight, just months after the new coronavirus was identified in China, is testament to a monumental effort by scientists, drug companies and international groups. But it would not have been possible to get this far, this fast without tens of thousands of people being ready to roll up their sleeves and expose themselves to an unproven shot.

While a small number of participants in our trial are being paid, the vast majority of us will get no compensation. So, what motivates people to take part?

In my case, I can identify three factors. One is a simple desire to contribute to the fight against the pandemic and to push back against a worrying rise in vaccine skepticism. But self-interest also comes into it. By taking part in the placebo-controlled study, I will have a 50:50 chance of getting a vaccine that may—with luck—protect me from a potentially very nasty disease. I will also get weekly home swab tests for COVID-19, enabling me to monitor my health in a way that is unavailable to most people.

The third factor is curiosity. After two decades working as a healthcare journalist, writing frequently about the ups and downs of clinical trials, I am intrigued to find out what it feels like to do something useful and join one.

Filling in the online form earlier in the year to express my interest in participating was the easy part. But now sitting in the hospital waiting for my first injection, the commitment feels more daunting. The scientist in the film we are watching is running through a long list of possible detrimental side effects, from the mild and common (muscle aches, feverishness, headaches, nausea, tiredness) to the very rare and serious (reactions in the nervous system that might cause severe weakness or even death).

It is not the first time I have been in a hospital listening to a list of worrying potential side effects before giving my consent to an intervention. In

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recent years I have twice heard about the risk of life-changing damage that could arise from routine abdominal surgery. But in those cases, the trade-off was clear: There was a chance to rid myself of discomfort and occasional pain.

This time, I am perfectly healthy, so the risk is harder to evaluate—and that, of course, is the point about vaccine safety. Vaccines are given to healthy people, which means the safety bar must be set extremely high.

Building confidence in the science of vaccines is therefore crucial, not just to encourage participants to enroll in studies but—crucially—to ensure widespread support for eventual public immunization programs.

I have grown up in Britain with a National Health Service that I trust, and it is reassuring to find that it is familiar NHS doctors and nurses who are checking me over and administering the injections. Nonetheless, the researchers and medics face significant communications challenges in the light of an increasingly vociferous “anti-vax” movement that questions the safety of vaccinations in general. It is feared the unfounded claims by this movement could lead to significant numbers of people refusing a COVID-19 shot.

Despite the overwhelming evidence that vaccines against a host of diseases save millions of lives every year, getting the messaging right in specific cases is not straightforward. The issue came sharply into focus just two weeks before my hospital visit, when the University of Oxford and its partner AstraZeneca halted new-patient enrollment for their trial after a British participant experienced an unexplained neurological illness. The trial soon resumed in Britain, Brazil and South Africa, following an independent review that deemed the problem was unlikely to be vaccine-linked, although US regulators kept it on hold for longer.

The episode reveals something of a dilemma for scientists and companies: The current global health emergency demands increased transparency from vaccine developers to ensure public support, but the need to protect patient confidentiality and the integrity of scientific research limits the amount of information that can be released.

One thing that is striking is just how meticulous the clinical trial staff are in evaluating every patient. After already going through a lengthy telephone screening to check my eligibility for inclusion in the trial, my initial visit to the hospital still takes more than two hours, during which time we fill in numerous forms, run through my detailed

medical history, check my temperature and blood pressure, and take blood samples. I am also given instructions for filling in a seven-day “e-diary” to record my reaction to the vaccine and asked to initial every line of a 22-point consent form before finally getting my injection. One month later, I will return for a booster shot and more tests.

The vaccine we are trialing is made from a weakened version of a common cold virus from chimpanzees that has been genetically changed so it cannot grow in humans. Scientists have added genes to this virus so that it makes COVID-19 proteins called spike glycoprotein. The idea is that if the body recognizes and develops an immune response to this spike glycoprotein it will prevent infection—or at least stop serious disease. Half the volunteers will get this new vaccine and the rest, as a comparison, will receive an existing meningitis vaccine that is not expected to offer any coronavirus protection. Neither group knows which one they are on and nor do the clinicians administering the injections.

Then it is a question of waiting to see what

DESPITE THE OVERWHELMING EVIDENCE THAT VACCINES AGAINST A HOST OF DISEASES SAVE MILLIONS OF LIVES EVERY YEAR, GETTING THE MESSAGING RIGHT IN SPECIFIC CASES IS NOT STRAIGHT-FORWARD.

happens. If significantly more people given the meningitis shot become infected with COVID-19, that will show the new vaccine provides protection. However, even with around 30,000 people involved in the trial around the world, it is hard to know when there will be enough infections to prove an effect because this will depend on how much virus is circulating in society at large.

Regulators charged with assessing COVID-19 vaccines want to see, as a minimum, a reduction in the illness rate of at least half—and preferably a lot more. But the bottom line is that we will not know if that can be achieved or exceeded until enough of my peers fall sick. Some early glimpses at the data could be imminent, but researchers—who are keen to compile as complete a picture as possible—are preparing for a long haul.

My last appointment back at the hospital is slated for November 2021. ♦

BEN HIRSCHLER is a Senior Advisor based in Brunswick's London office. With a long career in journalism, he was most recently Senior Pharmaceuticals Correspondent for Reuters, based in London.

MANY SHOTS ON GOAL

THERE ARE MULTIPLE COVID-19 vaccines in development around the world, including more than 40 that are already in clinical trials. Nine of these are in final Phase 3 testing and pivotal data on the main front-runners are expected before the end of the year.

The wide field increases the chances that at least one—and very likely several—will ultimately prove successful. Initial results are certainly encouraging. But no-one knows for sure how long vaccine protection will last or which groups of people might benefit most.

The vaccines in Western markets that are further advanced include those from Pfizer/BioNTech, AstraZeneca/Oxford and Moderna. While Russia and China have both approved vaccines for emergency use, these products have yet to demonstrate safety and efficacy in big Phase 3 trials.

Six different approaches are being taken to COVID-19 vaccine development—from cutting-edge technologies inspired by genetics to tried and tested methods going back many decades. Scientists are also testing the potential of additives called adjuvants to enhance some of these approaches.



RNA/DNA: Genetic code is inserted into human cells, which then use the instructions to make a coronavirus protein.

VIRAL VECTORS: Genetic code to make a coronavirus protein is carried into cells by a harmless virus.

PROTEIN SUB-UNIT: A small piece of coronavirus protein is used to stimulate an immune response.

VIRUS-LIKE PARTICLE: Uses a particle resembling the coronavirus but containing no viral genetic code.

INACTIVATED VIRUS: Coronavirus is disabled by a chemical or radiation so it cannot cause disease but is still recognized by the body.

LIVE ATTENUATED VIRUS: Coronavirus is weakened to reproduce very poorly in the body.

ILLUSTRATION: JAMES STEINBERG

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He led teams to Earth's most remote locations, and survived isolation on an ice floe menaced by polar bears. Famed explorer Sir Ranulph Fiennes outlines five principles for successful leaders.



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Its history of dedication to employees and communities have left the 110-year-old, family-run Ermenegildo Zegna Group uniquely prepared for this moment.



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CRITICAL MOMENT

The first widely used vaccine, invented by Edward Jenner in 1796, led to the successful eradication of smallpox, a horrifying disease that had plagued mankind.

UNTIL COVID-19, ISOLATION FOR SIR Ranulph Fiennes meant the 90 days he spent floating around in the Arctic Ocean on an ice floe in minus 20°C during the 160,000 kilometer Transglobe Expedition (1979–82). Food had virtually run out and every so often a half-ton polar bear, the world’s deadliest predator with sharp claws, big teeth and capable of running at 60km/h, would climb onto his icy raft. The only means of defending himself was banging two saucepans together. “It drove them nuts. And they usually ran away,” he says.

The man the Guinness Book of Records has described as the “The World’s Greatest Living Explorer” says his solution to mental isolation, then and in the current global lockdown, is to “keep telling yourself to stay patient. Stay cheerful. And remember there are millions of people elsewhere far worse off.”

The trial of Anne Boleyn, The Battle of Agincourt, Lady Godiva, Finsbury Square and actor Ralph Fiennes all have direct family links to Sir Ranulph Twisleton-Wykeham-Fiennes, Bt., DSO, OBE (aka “Ran”). He is an extraordinary character and a good friend. We meet in Dubai at the much-acclaimed Emirates Airline Festival of Literature where he is promoting his 25th book—his autobiography *Mad, Bad and Dangerous To Know*. That was how the father of his childhood sweetheart and first wife, Ginny, described him. Is he?

He admits to “Bad” from having misbehaved and spent time in various prisons, “but the Mad and Dangerous to Know ... well, they’re up for debate,” he says. People think he must be crazy, and he is a serial risk-taker, but careful calculation and thorough preparation are hallmarks of all his 30 completed expeditions. His achievements include climbing the world’s highest mountains and raising \$25 million for various charities.

The first time I met Ran was at The Royal Naval College at Greenwich, on the eve of the Transglobe Expedition’s triumphant return in the presence of the expedition’s patron, HRH Prince Charles. At the end of the Transglobe Expedition across both poles along the Greenwich Meridian, and after 90 days stuck on that ice floe fending off hungry polar bears, Ran and his teammate, Charlie Burton, arrived back in the UK on the Benjamin Bowring icebreaker and promptly slipped ashore to a pub on the shores of the River Thames for a quiet, well-earned pint. That was nearly 40 years ago and still the Transglobe volunteer team of 52 people



LIFE-SAVING

Leadership Principles

Famed explorer **SIR RANULPH FIENNES** talks to **ALEX BLAKE-MILTON** about the discipline needed to achieve a goal no other has done.

reunites regularly to swap news and relive their expedition exploits, such is the strength of the team culture fostered under Ran's leadership.

Each year he gets through a punishing schedule of lectures at the behest of Fortune 500 companies the world over eager for an edge in leadership and guidance on achieving peak performance. Sir Ran has distilled five principles of leadership from a lifetime of pushing himself and others to insanely abnormal limits. For example, in 2003 not long after collapsing from a heart attack at 59, he and co-expeditioner Dr. Mike Stroud raised a significant sum for The British Heart Foundation by running seven marathons on seven continents in seven days.

SIR RAN'S FIRST LEADERSHIP PRINCIPLE:

"You always need to appear democratic even if you're a real tyrant." Leading a team across a crevasse field on Everest is a series of life or death choices that he has faced many times. With all his experience including falling into one or two, Ran knows the way across to safety. But he takes time to consult his team so that they all agree on his way and the team moves forward in complete unison. It's a ploy he uses all the time to get people to do what he wants. I know from having worked with him for eight years at Occidental Petroleum, Ran's only corporate job.

"**SELECT THE PEOPLE** you work with extremely carefully if you want to achieve your goal safely" is the second principle. All 8,000 candidates wanting to join The Transglobe Expedition team had to pass the grueling selection process for the UK's military elite, The Special Air Service. The test has a 90 percent fail rate among the people who believe they are mentally and physically fit enough to apply. That was just for starters. Those who made it through were then subjected to various expeditions to test their mettle in the frozen wastes of Greenland and Arctic ice at minus 40°C.

"Expeditions, particularly in extreme cold, bring out people's worst character flaws. You need to find out who they really are before you put your life, your reputation or your commercial success in their hands." He describes the intense spirit of competition among expedition team members and the constant mental struggle not to let them outperform you. Ran's "business" involves taking calculated risks in the most hostile environments in the world. "Finding the right people is all about ensuring the success of an expedition and understanding the candidate well enough to know how they're



Sir Ranulph Fiennes, above and left, trekking across the Arctic in 1982. To the right is fellow adventurer Charlie Burton. When the photo was taken, the ice they were on was melting and their back-up aircraft grounded. Below, the pair pose for a photo having reached their goal: the North Pole.



likely to behave when things get really tough.

"You need to test them and test them again until you're certain you've got the right person for the job. For non-technical jobs, I always recruit people on the strength of their character. Above all, I look for people with a passion and strong motivation. You can teach them everything else. Anyone with a hint of malice or one-upmanship gets rejected instantly."

THE THIRD LEADERSHIP PRINCIPLE is all about motivation. "Strong leaders need strong faith. That's not necessarily a religious faith. But you need a strategy for killing the voice in your head that says, 'give up, you can't do this.' For me, I want to make my father and my grandfather both proud of me. They died before I was born but they watch over me and silence that unwanted voice. I also don't want to disappoint any of the charities for which I raise funds. There are people who depend on that money, and they give me a powerful motivation."

THE CHARACTERISTIC that is shared by super-achievers, in business or physical endeavors, is that "They all have absolutely unshakeable self-confidence"—the fourth principle. As Ran explains, "There is no space or time in their heads for self-doubt or wavering." Ran possesses a self-confidence

nurtured through years' experience of extreme physical tests and learning from the odd failure. He made several attempts before successfully reaching the North Pole without any support, hauling everything he needed behind him on a sledge. The journey is equivalent to dragging a fully stocked family freezer for 500 miles over ice ridges measuring up to 12 meters high.

On his solo attempt to reach the North Pole unsupported in 2003, he fell through thin ice into the Arctic Ocean and had to drag his sledge out of the freezing waters, sustaining severe frostbite in the fingers of his left hand. To deal with his agonizing blackened fingertips back at home, he famously decided to remove them in his garden shed on Exmoor with the help of his wife and a saw. He keeps the fingertips in a Kodak film tin ... of course he does.

THE FINAL PRINCIPLE is taking time to establish Proof of Concept. The bolder the concept, the more care and depth required for testing. When his late wife Ginny had the idea for Transglobe, they agreed it was very risky. So the two of them researched and tested the concept for seven years

FOOD HAD
VIRTUALLY RUN
OUT AND EVERY
SO OFTEN A HALF-
TON POLAR BEAR
WOULD CLIMB
ONTO HIS ICY RAFT.
THE ONLY MEANS
OF DEFENDING
HIMSELF WAS
BANGING
TWO SAUCEPANS
TOGETHER.

(without income) before trying to get it approved, raising the millions necessary from 1,900 sponsors to finance the trip, and recruiting 52 people willing to go the ends of the Earth for three years unpaid. Building a company may not carry life-threatening risks, but the need for solid Proof of Concept is still there. "My sponsors, like investors, need to be shown convincingly that what you're proposing is feasible, the risks are manageable and above all how they will get a return for their money."

Sir Ran hides his 76 years well and there are few signs of him slowing down. He is currently testing the concept for his next expedition, negotiating the launch of "Ran's Rum." In addition, he's writing two books on Ernest Shackleton and T.E. Lawrence—both of whom were Ran's boyhood heroes.

His remarkable exploits reflect extremes of leadership and getting ordinary people to excel. He has drawn his five leadership principles from a lifetime of achieving the seemingly impossible. He has set a tough challenge for following generations. Where is tomorrow's Ranulph Fiennes? ♦

ALEX BLAKE-MILTON is a founding Partner of Brunswick Gulf and builds the firm's communications practice in the Middle East. He is based in Dubai.

THE WORLD'S GREATEST LIVING EXPLORER

RANULPH FIENNES WAS BORN IN England and grew up in South Africa near Cape Town with his mother and three elder sisters. His father was killed in the final year of World War II before Ran was born. He didn't wear shoes virtually until he moved back to England age 12. He then met Ginny Pepper, age 9, whom he later married.

He had a tough time at Eton where he was bullied as a "pretty boy." He has described the experience at Eton as far harder than anything he faced in the Special Air Service (SAS). He frequently got into trouble for climbing towers and steeples. Having had a fragmented academic career in South Africa and England, he left school without O- or A-levels but nonetheless got into the Mons Officer Cadet School. Joining the SAS, he was thrown out after he blew up the film set of "Dr. Doolittle" (1967) because the

production crew were making a nuisance of themselves by diverting a river through a small favorite village of his. He joined the Scots Greys tank regiment and served in Germany patrolling



Ranulph Fiennes with Ginny, his first wife, before flying to Headless Valley in Northern Canada. She was part of his support crew.

against an unlikely Russian attack.

He resigned and transferred as an SAS advisor to the Sultan of Oman's Forces in the bitter unpublicized war against Marxist-backed guerrillas attempting to gain control of the Strait of Hormuz through which 75 percent of the world's oil was shipped at that time. After the Dhofar War (1962-1976), Ran began his life of expeditions, books and lectures.

His wife Ginny died after they had been married for 34 years. He has been married to Louise for 15 years. Their daughter, Elizabeth, 15, campaigns actively against trophy hunting, and they have a stepson, Jack, 22. Louise is an expert horse breeder and has a herd of 20 animals. Sir Ran is credited with 24 books of fiction and nonfiction. Eighteen of them were written long-hand. He doesn't use a smartphone or a computer.

BY SIR ALAN PARKER

I FIRST CAME ACROSS ADAM GRANT WHEN

I picked up *Give and Take* and realized this was one of those pivotal books that would bring together a great body of thinking and, at the same time, illuminate our lives in real and practical ways. The power of it was such that within two weeks I had received five copies from different Partners around the world. All of their messages carried a similar theme: Adam Grant had captured and brought to life so many of the principles we hold dear within Brunswick. He used the power of rigorous analysis and great

ADAM

storytelling to ground our long-held beliefs in real experience and analysis.

- For those who have sought ways of growing business with a human heart so that performance drives us to be better people who can contribute more, Adam Grant seems to be more relevant than ever. The pandemic has set us huge challenges and will accelerate many of the trends and issues that we have seen emerging over recent years, which is why the World Economic Forum turned to Grant to envision how COVID-19 might inspire change in the corporate world.
- His thinking has given great grounding to shape thinking and practices that will only become more important if we are to truly build back better.





WorkLife Leader

Do you see the pandemic producing a meaningful, long-term shift in how companies think and operate?

Predicting the future is a fool's errand. That said, it's hard to imagine the pandemic not influencing the future of work. The most obvious shift is to a world of remote work. We already have good evidence that many people become more productive when they have the flexibility to work remotely—they appreciate the freedom and trust, and respond with greater commitment and dedication. As long as they're in the office at least three days a week, we haven't seen performance or satisfaction costs. Before the pandemic, when I shared this evidence with executives, many were resistant to trying it out. Not any more. Now that we've been forced to live this experiment, many leaders have seen firsthand that their people are fully capable of delivering from a distance. The option to work remotely—at least part-time—should be here to stay in many workplaces around the world, especially in the knowledge and service industries. I won't be surprised if remote work stipends become common benefits: job offers should include a budget for a comfortable home office set-up and high-speed internet. Some companies might start differentiating themselves by covering home exercise equipment.

In *Option B*, you and Sheryl Sandberg write, "Resilience is the strength and speed of our response to adversity—and we can build it. It isn't about having a backbone. It's about strengthening the muscles around our backbone." What are those muscles for business leaders, and how can they flex them today?

I'd say there are three key muscle groups for leader resilience. The first is creating psychological safety: making it easy for people to share problems and voice concerns without the fear of being punished. We know that psychological safety is critical to both preventing errors and promoting innovation, because it enables people to learn from one another's mistakes and bring unconventional ideas to the table. The second is taking care of people. It's hard to take action if you don't know what your employees are feeling—whether it's anxiety, isolation, or grief at the loss of normalcy. Now is the time to ask people what their biggest challenges are right now and figure out how your company can help and support them. The third is being proactive, not just reactive. It's often said that we shouldn't let a crisis go to waste, and the companies that will bounce back the strongest and fastest from this crisis are



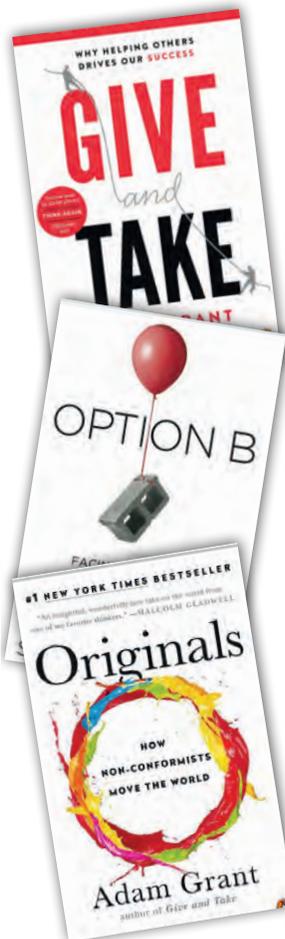
Mr. Grant onstage with Facebook COO and *Option B* co-author, Sheryl Sandberg.

the ones that are already envisioning the new future they want to create.

A CEO recently told me it doesn't feel like he's brought work home with him. It feels like he's started sleeping in the office. The number of decisions, the weight of those decisions—those aren't dwindling for him or any CEO until who knows when. What does the latest research suggest that they can and should do to stay sharp?

We wrapped up season 3 of my WorkLife podcast on May 12 with an episode on remote work. One of my favorite conversations was with Scott Kelly, who's done more remote work than almost anyone in human history—as an astronaut, he set an American record with a year-long mission in space. That's a long time to be in isolation, especially when his life was hanging in the balance of his everyday decisions. Before he left Earth, he did something interesting: he imagined how he wanted his mission to unfold and end. Not just what he wanted to accomplish, but how he wanted to feel throughout the journey. He said having that image in mind helped him stay resilient and mentally alert. Sure enough, this tracks with recent research in psychology: imagining how we want to feel in the future doesn't just help us see more clearly in the fog. It also makes the present feel more scarce and motivates us to make the most of it. That's something every CEO can do: Imagine the day this pandemic is finally over. Looking back, how will you wish you had gone through it? ♦

SIR ALAN PARKER is Chairman of Brunswick, which he founded in 1987. He has established a number of group companies to Brunswick, including MerchantCantos and Brunswick Arts, and was knighted in 2014 for services to business, charitable giving and philanthropy.



Mr. Grant's three books, all international best-sellers, have been translated into 35 languages.



Among other feats, Kim Chambers is the first woman to swim from the Farallon Islands to San Francisco.

Silicon Valley's

Hall of Fame Swimmer

FOR TWO YEARS, KIM CHAMBERS ENDURED DAY AFTER painful day of therapy trying to regain the ability to walk. It was an ordeal she wouldn't wish upon anyone, an ordeal she would never want to repeat.

And yet.

"My injury was the best thing that ever happened to me," she says.

Silver-lining stories are vital just now. Our need to believe that some good will emerge from the awful toll of the coronavirus is reflected in the world's unofficial motto of recovery: build back better. Rallying behind that phrase, business and political leaders are promising a post-pandemic world of greater equality, deeper concern for the environment, wider access to better healthcare.

Yet the Kim Chambers story raises a question: Why limit our hopes to outcomes we can envision? Ms. Chambers started swimming in the hope that it would help her walk again, never imagining that she would become a legend of the sport. Perhaps we ought to keep our eyes open for unanticipated junctures. "I have had the great fortune of plumbing the depths of a sense of self that did not exist ten years ago, five years ago or even a year ago," she writes on her blog.

Ms. Chambers could serve as a role model for

the many adults who cling to fantasies of athletic glory—F. Scott Fitzgerald dreamed of quarterbacking the Princeton football team long after he became a world-famous writer—except that she never longed for aquatic glory. At age 30, she was an up-and-comer in Silicon Valley, the holder of two degrees from the University of California at Berkeley, including a Master's in information management with an emphasis on computer/human interaction. She'd come a long way from the New Zealand sheep farm where'd she'd grown up. "I was very much the corporate woman—high heels and all," she wrote on her blog. "I made enough money to think I was invincible."

Then one day while hurrying to an appointment she tripped on her high heels and fell. She awoke in the hospital, where a surgeon told her good news—he'd barely avoided the necessity of amputating her leg—and bad: She had a 1 percent chance of ever walking unassisted. She was suffering from Acute Compartment Syndrome,

in which swollen tissue and internal bleeding create destructive pressure. "My life as I knew it was over," she says.

She did not think about building back better her career in Silicon Valley. A former ballerina, college rower and all-around fitness fanatic, she thought about proving her doctors wrong. "Something

She entered the water hoping to regain her mobility. She became a record-breaking aquatic marathoner. By CRAIG MULLANEY

inside of me decided this prediction was unacceptable. I didn't know how or when, but I was determined to prove all the doctors wrong," she later wrote on her website. As she told the *Brunswick Review*, "Not a single time did my doctors discourage me. They were my biggest supporters and fans when I did prove them wrong."

She was encouraged to try swimming at a local pool. Neither the horrific scars on her legs nor her lack of swimming proficiency stopped her from showing up. Weightless in water, she discovered she could move in it as she hadn't moved in two years. "It was pure magic. I felt free for the first time in years," she wrote.

A larger revelation occurred when she accepted an invitation to swim in the 53-degree waters of San Francisco Bay. So-called open water swimming requires a high tolerance for lack of control. Visibility is limited, the temperature frigid, and progress sometimes thwarted by wind, waves and currents. Ms. Chambers loved it.

In the months and years that followed, this aquatic neophyte evolved into one of the world's most accomplished marathon swimmers. In 2015, she became the first woman to complete the 30-mile swim across frigid and shark-infested waters from the Farallon Islands to San Francisco. "There's no way that I would attempt that swim. It's too cold, too challenging. It's just tough. I'm not in that 1 percent of 1 percent. I can't even say it's like the Mount Everest of our sport. It's something beyond that; it's like the Mount Everest on the North Pole in the middle of the Pacific," says Steve Munatones, Founder of the World Open Water Swimming Association.

A year earlier, she became the third woman (and sixth human) to complete seven round-the-world channel swims known as the Oceans Seven. She won induction in the International Marathon Swimming Hall of Fame. Vito Biella, an entrepreneur and founder of an elite open-water group called Night Train Swimmers, says, "Kim went from a beginner to a good swimmer in two years, in the next four or five years she made her mark and belongs in the league of all-time greats."

Her transformation from disabled accident survivor to world-renowned athlete prompted her employer, Adobe, to give her a new assignment as an inspirational speaker. That led eventually to Ms. Chambers leaving Adobe for a career in public speaking. In the midst of writing and editing a memoir, Ms. Chambers took time out to talk with the *Brunswick Review*.

In 2016, you attempted what would have been the longest solo swim ever accomplished by a woman, in the Sacramento River. As I read about it, what amazed me was how you fell short of the goal—and yet climbed into the boat expressing pure joy.

That's the only swim where the photo of me getting out of the water is me grinning ear to ear. I was elated. I did fall short. But when I climbed out of the water that day, I could put my hand on my heart and say, "I did all that I could do that was within my control." The winds had kicked up. They were over 25 knots. For a solo swim, you really need the winds to be well under ten knots. If you've done all that's in your control, then it can become kind of intoxicating to surrender yourself to nature, to the sea, to the river, whatever might happen. I didn't see it as a failure at all.

Afterward, there wasn't any internal voice saying, "Maybe you could have gone further"?

I didn't hear that voice. Being a marathon swimmer, you don't have a personal coach. You don't have all the amenities that come with being a high-paid professional athlete. Nobody's cracking the whip to get you up at four in the morning. You have to do it for yourself. For all of my swims, I had a training plan. And I followed it to the T. If you do that, then throughout the process you must combine it with an acceptance that Mother Nature is the boss. When I follow a plan, I follow it meticulously, because I know that I am the sort of person who would kick myself and say, "Well, you remember that time, two weeks ago? You shouldn't've stayed up that late."

We live in a very curated world, with social media and whatnot, and it is a world that celebrates only success. But there is so much to be learned, to be gained, from failure. I had what some people may deem a failure in my early days of open water swimming. I was going to England to do an English Channel relay swim. There are six swimmers. You swim an hour on, five hours off. A friend of mine who had swum the English Channel said, "You're going to England. You're paying all this money to go there. Why don't you do a solo during the same trip?" In my naïvete, I said, "I'm going to do that."

I managed to get a boat pilot. I told my swimming community here in San Francisco that I was going to swim the English Channel, and people were horrified. They knew I had no business attempting



**"IN A WORLD THAT CELEBRATES ONLY SUCCESS,
THERE IS MUCH TO BE GAINED FROM FAILURE."**

"I'M LEARNING THAT THERE IS BRAVERY IN CHOOSING NOT TO DO SOMETHING YOU COULD DO."

a solo swim across the English Channel. On my part, it wasn't coming from a place of arrogance. Just naïvete, being cavalier and thinking, "I can do it." I'd done all these relays and I wanted to do something solo. I wanted to see what I was capable of doing.

So I did the relay. And a few days later, I'm in the English Channel again. I swam for about seven hours, and I wasn't even halfway across the channel. These swims are timed with the tidal movements, and you want to make sure that, based on your swim speed, you are approaching France with an incoming tide. For me, time was ticking over. I was not doing very well. I was pretty tired and pretty spent.

The boat captain ended the swim. I was hauled on the boat. I was so ashamed. I was so disappointed in myself, even though I knew that I hadn't done the training required.

I sort of came back to San Francisco with my tail between my legs. But it didn't take long before the experience lit a fire. I decided that I was going to return to the English Channel. But I was going to return to the English Channel as prepared as I possibly could, all the while knowing that Mother Nature is the final decider. I came back, a few years later, to do the English Channel, and it was the easiest of all my swims. I was gifted with sunny skies and perfect wind conditions. It was a fabulous swim for me.

It's striking to me that when you awoke in the hospital, you weren't focused on returning with a vengeance to Silicon Valley, your focus wasn't on hitting a grand slam in business or technology.

For me the physical goal took precedence. My identity had been stripped from me. I was a medical patient. Any vision I'd had for myself was shattered by this new reality. I'd been a ballerina for 15 years. I wanted to move again.

When the surgeon said, "We saved your leg. But we don't know what, if any, functionality you'll ever have," the hammer fell, and it felt like a life sentence of being disabled. I didn't want that for myself. And I know we don't all get to choose that.

I did return to tech. I worked at Adobe from 2010 (three years after the accident) to 2019. And those nine years at Adobe were incredible. It's unusual to get an employer who understands the holistic view of an employee. As I began to explore this sense of self with these swims, they were very understanding. I'd come into work with wet hair, after just getting out of the water. And nobody batted an eye. The people at Adobe rallied behind me and allowed me to change into the roles I was growing into. I ended up in a public-speaking role at Adobe. And they gifted me with incredible opportunities. Between the people at Adobe and my fellow members of the Dolphin Club and South End Rowing Club (open water swim clubs in San Francisco), the secret ingredient of my journey



has been a sense of community. It has been people believing in me.

Sometimes in San Francisco in the winter you stand there on the beach thinking, "Gosh, it's so early in the morning. Everyone else is in bed. And it's cold. It's foggy." Then you see an 80-year-old saunter past you and just get in the water. There are days in the winter when you may be in for only five or 10 minutes. But you get out of that water, and you feel like you've just conquered the world. When you swim in the cold Pacific in the morning

in the winter, you conquer the hardest challenge of the day.

In those swim clubs, there's attitude of "Why would you take a boat across the English Channel, when you can swim it?" But there's also support for swimming five minutes. You never get out of the cold Pacific saying, "That was a bad swim." It is always a mental accomplishment.

What are you training for now?

I'm learning that there is bravery in choosing not to do something that you probably could do, mentally and physically. I learned what I wanted to learn from those swims, and for a while I switched to mountaineering. The highest mountain I climbed was Aconcagua (highest mountain in the Americas, and highest outside of Asia).

For now, though, I don't have a swim or mountain on the horizon. The aftermath of each of the events I did continues to percolate in my life. I'm happy just where I am right now.

How did public speaking become your new career?

Adobe put me in front of audiences of about 12,000. I was very nervous. But it was this adrenaline that was just like jumping off a boat in the middle of the ocean, and now I'm keeping busy doing it on my own. Amid COVID-19, I do miss the energy of a room, but I'm keeping busy on Zoom.

I didn't grow up a swimmer and I don't necessarily have the build for it. I have small hands and small feet. But if I as a swimmer can do what I did, then others can accomplish far more than they might imagine. I don't speak in order to stand on any kind of pedestal. I just want to share what I've experienced. We all have a duty to be the best version of ourselves. That doesn't necessarily mean being the skinniest or richest woman in the room, or having started the most companies. What it means is deeply personal for each of us.

I believe that mine is a story worth hearing at a time of such grief, of such collective grieving over what could have been, what should have been. Not that there's always a silver lining, but you have to hope for one, and only in time will it reveal itself. ♦

CRAIG MULLANEY is a Brunswick Partner, based in Washington, DC. An experienced advisor and a New York Times best-selling author, he is also a renowned expert on executive use of digital and social media to communicate and lead organizations.

Audra McDonald

IN JANUARY, BEFORE THE CORONAVIRUS crisis hit the US, I had the opportunity to interview versatile Broadway star Audra McDonald, whom *The New York Times* has called “probably the most talented person on the planet.” She has won more Tony awards than any other actor, most recently for her resurrection of jazz legend Billie Holiday in “Lady Day at the Emerson Bar and Grill.” • I had interviewed Ms. McDonald once before—in 1989. Not yet known to the world, she was starring in a summer stock production of “Man of La Mancha” in a regional theater in a small town in Pennsylvania. Her presence onstage and her voice, even then, were electric. • Just three years later, she was appearing on Broadway in “The Secret Garden”; in 1994, she won her first Tony for “Carousel.” • Today her name is a household word. Emmys, Grammys, operas, TV shows, blockbuster Hollywood films, solo albums and concert recitals—she’s covered all of that. She currently stars as Liz Lawrence in CBS’s *The Good Fight*, now in its fourth season, and will be playing Aretha Franklin’s mother in the upcoming biopic, *Respect*. In Disney’s *Beauty and the Beast* she was Madame Garderobe, an opera diva transformed into a wardrobe. • In 2016, President Barack Obama awarded her the National Medal of Arts—the US’s highest honor for artists—and she was named one of *Time Magazine*’s 100 most influential people. • Catching up with her again in January was a thrill and felt briefly like closing a loop. • Then, the coronavirus pandemic struck and completely shut down the theater district in New York.

Winner of the most Tony Awards in history, she is “probably the most talented person on the planet.”
By **CARLTON WILKINSON.**



PHOTOGRAPH: © ALLISON MICHAEL LORENSTEIN

In response to the crisis, artists including Ms. McDonald refuse to be silenced and have been performing online from their homes—intimate glimpses of talent shared in an effort to do what the arts has always done: connect people and allow them a vehicle to share their strongest emotions. The performances also raise money for the Broadway community through The Actors Fund, which has set up a website to stream live webcasts twice a day.

The virus also hits each of us, including Broadway stars, in personal ways. The death of playwright Terrence McNally last week from the virus was a terrible and disturbing blow to the theater world. His many plays and musicals set the tone for stage culture, capturing the sentiment of the age.

Audra McDonald was often featured in those productions. In Mr. McNally's 1995 "Master Class," she appeared as a student of opera star Maria Callas played by the late Zoe Caldwell. The role won her a Tony and catapulted her to fame. She and Mr. McNally became close friends and she has since starred in other stagings of his work, including "Ragtime," and "Frankie and Johnny in the Clair de Lune."

"My dear sweet brilliant kind Terrence," she said on Twitter. "The world is not nearly as sweet of a place without you in it. My heart is breaking yet again."

In the interview below, only weeks before these events unfolded, it was clear that she remains a compassionate and strong woman, unmoved by celebrity, her emotions available for anyone to see. She dismisses the spectacular scope of her career as a function of her "hyperactivity." In conversation, information flows from her in fire-hose recountings, over rocky struggles to find the right word and through sudden surges of emotion.

Offstage, she serves on the board of Covenant House, a global shelter for homeless and abused young people. She won recognition from the Human Rights Campaign, the US's largest LGBTQ rights organization, for her public engagement on equality and anti-bullying. She has a 3-year-old, a college-age daughter, and two stepsons.

When we met in 1989, you had just completed your first year at Juilliard School of Music. Do you think you were prepared for what was coming?

Well, it's not like it's a career that took me by surprise; it's the only thing I had ever done, before I'd gone to Juilliard. I'd done all this theater in Fresno, California. I felt very much at home and very much at peace back up onstage, taking a break from school. But in terms of the way my career would take off—that, I wasn't prepared for. That, I wasn't

"THE THING THAT SCARES ME TO DEATH IS USUALLY THE THING I RUN TOWARD ARTISTICALLY. THAT'S WHERE YOU'RE GOING TO LEARN THE MOST."

expecting. I don't think I could have dreamt the career that I've had.

You've talked about how you had "made a feeble attempt" at suicide while you were at Juilliard. Was that a reaction to the pressures at school pushing you toward opera, rather than musicals?

That had a lot to do with what was going on. I was feeling very, very lost—very, very conflicted. My entire life, all I ever wanted to do was musical theater. And all of a sudden, here I was—not forced, I mean I went to Juilliard of my own choice. But I think I didn't really research how rigorous and how specific the training would be.

I had no desire to go into opera, and yet that's all that I was being allowed to study. That's why you and I met 30 years ago. Because I went very much against my teachers' wishes and auditioned for summer stock instead of going to a classical program somewhere. So, yes, that coupled with just being generally very, very depressed by that point—that's a very true story. I did try to commit suicide.

Is that part of your interest in Covenant House?

Yes, absolutely. I wasn't suffering from homelessness. I did have a supportive family. A lot of the Covenant House kids do not. A lot of them just have nobody. A lot of them have mental health issues or have aged out of the foster care system; a lot of them have suffered domestic violence, sex trafficking. Some are young women who are pregnant or with young children and no place to go. To have a safe space, a home, a soft place to land—and not just to land, but to be taken care of and nurtured—it's so important. All the special lives that have been altered because of Covenant House—it is incredible. If any of your readers are looking for a place to be charitable, the Covenant House is worth a look.

How did you build a relationship with them? Did they approach you?

No! I was getting ready to open "Lady Day" on Broadway and I was looking for a place to donate money for an opening night gift. I started thinking about Billie Holiday's childhood and how awful it was. She was homeless, sexually trafficked, abused. I'd heard about Covenant House, so I thought, that's a good idea for a donation. If she had had a place like that maybe she would have had a better time of it.

I went down there to do a donation, between a matinee and an evening preview. But because it was a Saturday, the office staff wasn't there. There's 24/7 care for the residents, but at that moment they



were having trouble finding someone who had the authority to take a check. While they were doing that, I was sitting there. And I watched a kid come in off the street. And I [voice breaking]—you know, I still get emotional thinking about this kid and watching him go from being so frightened and so alone—the fear and the toughness in the eyes of this boy, maybe 16? And to watch them jump into action and just catch him—it just took my breath away.

Sorry I got emotional. I've been with them ever since. Almost six years ago now.

You must be flooded with offers of roles. Is there any calculus to sort them out?

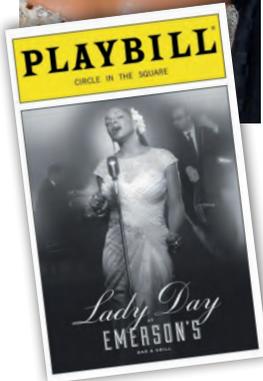
No! There is no calculus anywhere in my brain. I'm laughing about that because my older stepson is in college and was taking us through one of his calculus problems. He lost me after the first three words.

No, I go with my gut. I always feel like I'm being presented with the right thing at the right time. And the signal I get from my gut literally is, "That scares me to death." The thing that scares me to death is usually the thing I run toward artistically. That's where you're going to learn the most. You may fall flat on your face, but it will be a learning experience. I'm all about evolution. So that's my calculus: Run towards the danger.

In one episode of *The Good Fight*, Liz describes the impact of voter suppression over generations in the Black community. Does portraying that kind of activism feel like real activism?

It does. If my role were to talk about why voter suppression is important, I would do that—I would

In 1996, Audra McDonald won her second Tony award for her role as a student to Zoe Caldwell's Maria Callas in "Master Class," above left. In 2012, she starred in Gershwin's "Porgy and Bess," right. As Billie Holiday in "Lady Day at Emerson's Bar & Grill" in 2014, below, she won a record-breaking sixth Tony award.



question it, but I would absolutely do it. That's my job as an actor. But to have my character be so seamless with who I am in terms of what I believe and my values, it makes it easier for me to play these roles. This role in particular.

That's a testament not only to the show runners, Robert and Michelle King, but also to the fact that we have African American writers in the room, speaking from their own experience. That's so important, to diversify the stories we are telling in the world and to make sure you have people not only that are being cast in these roles, but people behind the scenes that can bring these stories to life.

Is it difficult to switch between the needs of opera, musicals, Broadway, TV and film?

I find that they all illuminate each other. When I'm doing television work, it's so much about specificity and thinking loudly, but you've got the camera right there. The moment has to be very calculated, but small in size so that it doesn't overwhelm the camera. That then helps me to bring a greater amount of specificity to the work onstage. Then, because of my stage roles or the television roles, I can bring more character work into my concerts. When I do master classes, I say to my students, you've got to have a reason for singing. You're not just up there making a pretty sound. All the wants and needs and desires of the character, why they are singing this word, this note at this moment—it all has to have meaning.

All those roles inform my concert work. And the freedom of the concert work will inform the freedom that I need when I'm on television. And so as

disparate as they may seem, they all for me inform each other.

At Juilliard, you were torn between musicals and opera. You seem to have found a way to just do both, and more, rather than have to choose.

I think it's because I'm just hyperactive. I'm interested in too many different things. So I just haven't said no to myself. That's not necessarily a good thing, but I know myself artistically well enough to know that it's fulfilling for me.

The reason I got into concert work is because Michael Tilson Thomas [internationally lauded conductor and Music Director of the San Francisco Symphony] wrote a letter that sat on somebody's desk for a long time before it got to me, saying, "Hey, I think you're kinda great. I've seen you in a couple Broadway shows. I'd love to have you come and sing with the San Francisco Symphony at Carnegie Hall for our opening night, 1998. You'd be singing Gershwin, 'Porgy and Bess.' And I don't know if you'd feel comfortable with that, but I think you'd be great." And I read that, and I was going, "Well, that sounds scary—but it's Michael Tilson Thomas—but I'm just a Broadway singer now—but, OK, yeah, maybe I'll do it!" You know? Just *go for it*.

When I met you, you were very much one of the troupe. Does that kind of camaraderie get harder to find as you become more of a star?

Oh, it's so necessary. It takes an absolute village to put on a show. You may be like "Hey, I'm the diva out here singin' in front," but you have to have great people turning on the lights or costuming you well or throwing those costumes on you in time so that you can get there or giving you great words to say or music to sing—or the whole enterprise falls apart.

Maybe because I grew up in dinner theater and we were all part of the entire enterprise. You had to strike your own sets, help make your costumes, all that stuff. I've never been in a position where I thought, "Well, all of this just lives to serve me." We all live to serve the piece.

Everybody has to come to that theater eight times a week and do that job. I learned from people like Zoe Caldwell when we were in "Master Class." [Ms. Caldwell and Ms. McDonald both won Tonys for their performances in the 1995 play. Ms. Caldwell died in February 2020, after this interview.] We toured that show before we came to New York and she always knew the name of every usher, she knew the name of the doormen, she knew all the crew's names. Zoe makes everybody feel like that they are

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CARLTON WILKINSON is Managing Editor of the *Brunswick Review*. He holds a Ph.D. in Music and is an award-winning writer on music for newspapers, websites and academic journals.

just as important as she is—that's exactly what she believes. That was a good example for me early on.

Have you ever thought about directing?

Every once in a while, it crosses my mind. But then I think about how difficult it is. I've worked with some amazing directors. There's a lot of—I don't want to say "babysitting," but there's a lot of caretaking that goes into it. And I think, until I have all my children out of my house, that's something that I don't think I would have the bandwidth to do. As much as I think it would be fulfilling, until I am not called upon to be a caretaker on a daily basis at home, I don't think I have the energy to do it.

Are there productions that you think directors should undertake? Roles you'd like to play?

I would love to do a gender bend on the musical "Sweeney Todd" and play Sweeney [a murderous barber]. I think it would be a wild challenge.

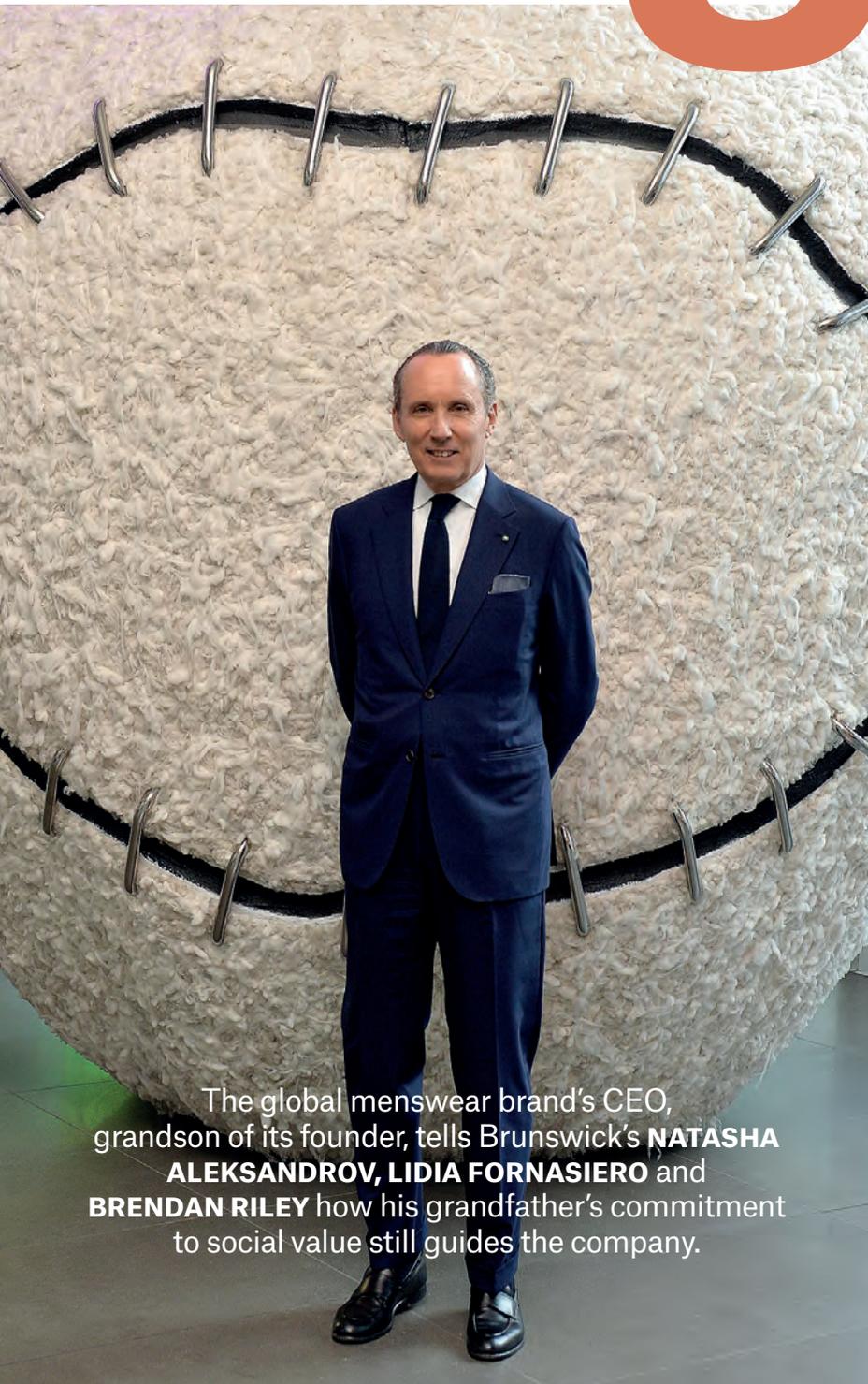
And then there's the work I've done with young and up-and-coming composers and lyricists. Producers need to take a chance on more people of color—more women even. There's the whole trans community that, as we see—I mean, look at what Janet Mock [American writer, TV host, director, producer and transgender rights activist] has done. We need as much representation as we possibly can.

I would love to see what roles and stories come out of those segments of the population when they are given the opportunity and financial ability to be produced and shown on a large stage. Like "Slave Play" [the hit play that premiered in 2018]. Look at what ["Slave Play" playwright] Jeremy O. Harris has done. He's basically a kid right out of Yale, and look what we've got because of his work and because of commercial producers taking a chance on bringing this very provocative work to Broadway.

With all this going on, is there anything like a typical day for you?

Nope! [Stressing every word:] *Not even a little bit!* Every day is different, especially because my husband is also a performer and an actor [Will Swenson, featured in Broadway shows "Hair," "Les Misérables" and "Waitress"]. I mean, you and I were talking about "what's the calculus"—every day here is "What's the calculus for today? How do we get through today? Oh, we were gonna be home for the next week, and you just got a job offer to go off to Vancouver for six months? Well, OK! We'll figure that out too!" So yeah, two actors and being parents, there is no typical day. The typical day is chaos. ♦

Zegna



The global menswear brand's CEO, grandson of its founder, tells Brunswick's **NATASHA ALEKSANDROV, LIDIA FORNASIERO** and **BRENDAN RILEY** how his grandfather's commitment to social value still guides the company.

THE CULTURE OF THE ERMENEGILDO ZEGNA Group seems tailor-made for this moment in history, when companies must address mounting challenges related to a myriad of social concerns.

Corporate responsibility, diversity, equity and inclusion and sustainability are no longer buzzwords thrown around by a select few, but rather a necessary part of many businesses' corporate strategies. The treatment of employees and the value of an enterprise to the surrounding community are now of significant importance to all sectors of business.

Since its founding in 1910, Zegna has remained a closely knit, family-run organization dedicated to giving back to its customers, its employees, its community and the environment. In the 1930s, as part of that effort, its founder, Ermenegildo Zegna, created a nature reserve and reforestation project around the town of Trivero, where his wool mill was located, and developed a constructive relationship with employees and the surrounding community that continues to this day.

As it has grown into a global leader in menswear with 500 stores and 6,000 employees worldwide, Zegna's leadership has kept its mission closely focused on those core values. Today, the company has expanded the reserve into the 100-square-kilometer Oasi Zegna in Biella Alps, and its commitment to community has blossomed into a brace of initiatives, including #UseTheExisting, which aims to foster sustainable practices in fashion industry manufacturing, and #WhatMakesAMan, a campaign that elegantly advocates for a more fluid and compassionate definition of masculinity.

Ermenegildo Zegna, the namesake and grandson of the founder, represents the third generation of the Zegna family at the company's helm. At Zegna, 2020 was meant to be a celebratory year, with the brand celebrating its 110th anniversary. But COVID-19—which struck the company's

Ermenegildo Zegna, or "Gildo," is the third generation of his family to run the company, which has been in business for 110 years.

hometown of Milan especially hard—upended any sense of jubilation. We spoke to Ermenegildo Zegna about the company's response to the pandemic and its current role in the global conversation toward a better world. Despite leading the company through one of its most difficult moments, his commitment to its founding values remains firm, and he is putting them to the service of the new challenges facing businesses around the world. At the peak of the pandemic in northern Italy, Zegna made direct donations in Italy and abroad and converted part of their manufacturing plants to produce much-needed personal protection equipment.

"My grandfather's philanthropic foresight continues to lead us generation after generation," Mr. Zegna says. "If he were running the business today, I have no doubt that he would be making the same commitments we're undertaking with the same sense of dedication."

Your grandfather's vision for the company seems ahead of his time. Why do you think that was?

My grandfather realized that establishing a positive relationship with the local community was key to obtaining the quality he sought for his products. He wisely understood that that was necessary to create the best possible social and environmental conditions—to use resources for the good of others; to give back to the people and to our employees; to take care of the territory and communities from which we come, and in which we do business.

How has your leadership had to evolve to meet the challenges around societal issues?

Zegna, both as a family and a company, has always been committed to giving back to the communities in which we live and work. I believe my grandfather was a pioneer in creating social value—a concept which, at the time, wasn't as explicitly talked about as it is today. For instance, he accomplished a massive reforestation of the mountains around Trivero, where the Ermenegildo Zegna wool mill operated and still operates to this day. But preserving the natural beauty of his hometown wasn't his only focus; he was also committed to the well-being of the people, not only those who worked for the company but those who lived in his community and outside it.

We want to carry forward what he started. In 2000, we established a family foundation, *Fondazione Zegna*. The *Fondazione* is developing projects on natural resource enhancement and conservation, sustainable development, culture, education, health and wellness.

**"WE WANT
TO INSPIRE MEN
TO EXPRESS
THEIR PRINCIPLES
THROUGH
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THAT CREATE
A BETTER
FUTURE."**

As part of that, six years ago we launched the Ermenegildo Zegna Founder's Scholarship, extending the philanthropic vision of my grandfather to a new generation as a concrete way to express our strong traditions of giving back and of social responsibility. Every year we award €1 million to talented Italian university graduates to enable postgraduate studies or research abroad. This not only manifests our own commitment to the development of our country, but also encourages each of our awardees' individual sense of responsibility and desire to play their own positive part in shaping the future.

What have you learned from COVID-19?

This pandemic has been exceedingly difficult. Not only were we forced to close nearly all of our stores, but our headquarters and production facilities are located in two of Italy's worst-hit regions and the world's earliest hotspots.

Yet it has also brought us closer together. The creativity coming out of this once-in-a-generation moment has been inspiring and energizing. We're rethinking and questioning everything with a new spirit. Lessons learned in 2020 will be carried into the future: an increased use of flexible working, new ways of connecting with employees, customers and communities, and the application of new paradigms to manage a new normal.

Do you think being a family-run, private company allows you more flexibility in prioritizing your social value efforts?

The way we are organized—as a family-run company—is definitely an asset. Given our size and structure, our priorities are clear, as are the values in which Zegna is deeply rooted. We are able to move with more agility and push boundaries in a way that perhaps we wouldn't be able to if the company and family weren't synonymous. Those are strengths that are well known within the company but can be difficult to communicate to outsiders. Since our origin, Zegna has been guided by strong values and a true and authentic history, belonging to our past, present and future. Heritage and legacy are part of our DNA and keys to the development of a healthy future.

Our family-run structure largely drove how we responded to the pandemic. We knew that we had to take care of one another, and as the situation has continued, we continue to adjust to ways of working across the globe. We continue to face many unknowns, which makes communicating with each other and upholding our sense of community and family more important than ever.

How much do your roots in Trivero affect the way in which the company operates?

Trivero is our hometown—it's where everything started in 1910 and where our wool mill is still located. Our roots in Trivero and our local mindset have always influenced the way we've developed the business and how we approach new challenges.

We are proud of our heritage, but we also know we must look outward, toward the rest of the world. Thanks to this approach, Zegna is today a global company with branches all over the world and our intent is to continue mixing local and international mindsets because we truly believe in diversity as a form of enhancement.

We presented our Summer 2021 collection in Trivero with a new digital format allowing anyone, anywhere in the world to experience the emotion and creativity behind a collection that was inspired by Oasi Zegna.

What are the greatest challenges you face as a company with regard to building social value?

Our transformation from a top-quality fabric producer in Italy to a global luxury menswear brand presented significant challenges with regard to everything we do. As we undertook this fundamental change, we had to maintain our commitment to product excellence and the established relationships we have with our clients. A key step has been the vertical integration of our supply chain, which allows us to have nearly complete ownership and control from the primary raw material to the end product.

The fashion industry is among the worst for environmental impact. How is Zegna different?

Wool manufacturing relies heavily on natural resources such as water. We are working to keep our environmental impact as low as possible throughout the production cycle. But this is not enough. We're very conscious about the amount of waste the luxury industry generates. We're working to use sources and processes that emphasize recycling to ensure we do not waste any material. Our #UseTheExisting initiative is a brand commitment, launched with the Winter 2019 collection, to use pre-existing and post-consumer fibers that are reworked for a new life.

I'm also very proud that Zegna is part of the industry's Fashion Pact—a remarkable alliance of 250 companies that represents a proactive step forward toward a sustainable world. For us it has been natural to embrace this challenge; it perfectly matches our vision of respect and care of environment and community as fundamental values.



Actor Mahershala Ali is one of the celebrities featured in Zegna's #WhatMakesAMan? SS20 campaign, an effort that challenges what its CEO calls the "static, traditional notion of masculinity."

Tell us about the campaign "What does it mean to be a man today?" Why did Zegna launch that?

Since 1910, Zegna has been side by side with men and a purveyor of timeless and modern clothing for them. We know them, and we have always made it our goal to understand their needs and desires.

I firmly believe that the static, traditional notion of masculinity no longer works—if it ever did. Masculinity is not one thing, nor it is defined by given rules; it has always been evolving. Men today are coming to terms with their inner weaknesses as well as their strengths. We are more willing to take risks to embrace our individual personalities, more confident to show emotions, more able to challenge ourselves to believe in and work toward a better world.

The campaign has been evolving over time: Our aim is to move from inner reflection to action and legacy. We want to inspire men to express their principles through responsible actions that create a better future.

"#WhatMakesAMan?" isn't just a brand campaign, it's an opportunity for us to take a new approach to how we think about who we are as a company. Through the campaign we're examining our values, how we talk to our clientele, how we meet a younger audience where they are, how we reuse and reinvent the existing to create our products, how we honor the legacy of our founder, and how we plant seeds today that will make a better world tomorrow.

The campaign represents an invitation to our customers, and to the wider public, to accompany us on this path. I am confident that our customers understand and respect our approach and are making it their own, as well.

What role is the younger generation playing in the evolution of Zegna?

Every Zegna generation has been led by values such as ethical and environmental responsibility, passion for work, discipline and attention to details as fundamental assets to contribute to the company development as addressed by our founder. I really hope the fourth Zegna generation, some already in the company, will strengthen the digital strategy the company is already undertaking, without forgetting the company culture and tradition. The digital component is something that comes more naturally to this generation, so I have high hopes that they can develop it into a much larger strength, seizing new opportunities that have emerged from this specific moment. ♦

BRENDAN RILEY is Partner in Brunswick's New York office. **LIDIA FORNASIERO** and **NATASHA ALEKSANDROV** are Directors in Milan.



THE UNARMED COP

DURING 31 YEARS IN LAW ENFORCEMENT, Sir Mark Rowley walked the streets as a constable, led a covert unit against organized crime, served as Chief Constable of Surrey’s large police department and ran the UK Counter-Terrorism Policing unit.

One thing Sir Mark never did was carry a gun. “I’ve commanded firearms operations. But I’ve never carried a firearm,” he says. “Nor do I look back and wish for one moment that I’d carried a gun.”

In this respect, Sir Mark typifies the British police. More than 90 percent of UK police officers don’t carry guns. In surveys, the vast majority of them say they want to keep it that way. “Whenever there’s an incident that starts people talking about arming our police, someone takes a survey and most officers say, ‘I don’t want to be armed. That’s not what I joined to do,’” says Sir Mark. “That heartens me. It reassures

me that our culture and our heritage are still there.”

How British police maintain law and order largely without the use of guns.

By **KEVIN HELLIKER.**

Sir Mark Rowley QPM was knighted in 2018 for his “exceptional contribution to national security.”

At a time of intense scrutiny of police killings in the US—most involving firearms—I found myself marveling at the idea of Britain’s unarmed police. This was not out of any crazy hope that US police might put down their guns. In the most armed nation in the world, an unarmed police force would be defenseless. Nor is it any big secret how police in the UK manage without guns: The UK ranks 127th in guns per capita, according to the 2017 Small Arms Survey, which means that there’s little (though not zero) risk of an unarmed British police officer encountering an armed assailant. Still, a society not that different from America—in fact the nation that gave birth to America—functions with unarmed police. How did that happen? And might there be in it any revelation worthy of consideration here?

After I shared those questions with my colleague

Paddy McGuinness, a Brunswick Senior Advisor who formerly served as the UK's Deputy National Security Advisor, he introduced me via email to his friend and former colleague, Sir Mark.

A graduate of Cambridge University, Sir Mark began his law enforcement career as a constable in the West Midlands Police—a “bobby on the beat,” in UK parlance—and ended it as his nation's anti-terrorism chief, overseeing a unit that thwarted dozens of attacks. After his retirement in 2018, the Queen knighted Sir Mark for his “exceptional contribution to national security at a time of unprecedented threat and personally providing reassuring national leadership through the attacks of 2017.” His former colleague Paddy McGuinness echoed that praise: “Through my time as Deputy National Security Adviser, Sir Mark was a national asset. He instilled trust and confidence in the public even while we were under attack by terrorists of several persuasions and the police had to use lethal force.”

After leaving policing in 2018, Sir Mark co-founded Hagalaz, which uses new methodologies, gaming technology and crisis leadership expertise to help organizations improve preparedness. He is also Executive Chair of Make Time Count, a new social enterprise digitizing the supervision and reintegration of offenders and other vulnerable groups into communities. And he's a board member at Quest, a firm that specializes in sensitive investigations especially into global sports integrity issues. He spoke to me from his London home.

It's a measure of how American I am that I can't imagine any police officer preferring to work without arms.

On average, less than one police officer a year gets murdered in the line of duty in the UK, out of 120,000 cops. What's that number in the US?

The average is high enough—about 50—that the murder of a police officer in the US is not big news. Just yesterday, there was a short article buried in The New York Times about the murder of two police officers in Texas.

Right. By contrast, when two young women officers were tragically murdered in Manchester in 2012, that was in the news for ages. It's still in the news. The government set up a task force to coordinate efforts to tackle the organized crime behind the murders.

Such tragedies are outrageous here because they're unheard of. If you're a police officer here, why would you want to change that? I think there's a concern that you might actually escalate risk by arming officers. In

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the States, there is data around officers being killed by their own gun after it was taken by an assailant.

Yes. An FBI report says that between 2002–2011, 28 US police officers were killed by their own stolen guns.

The downsides are serious. Why risk them if you don't actually need a gun? There's also the risk of suicide, among police officers and members of their family.

That's true. A nonprofit that promotes mental health assistance for US police officers reported a record number of suicides in 2019–228—among current and former police officers. And there's research showing higher suicide rates among gun owners, simply because they have the means to act on suicidal impulses. Still, there must have been a moment in your career as a police officer when you wished you had a gun?

Not really. When I was a newly promoted sergeant, I ended up chasing a guy who'd done an armed robbery who was carrying a gun. I didn't have one. I was very pleased when he decided to throw it away and keep running rather than turn around. If we were more militarized and armed in UK policing, maybe he would have turned around and pointed it at me. As it was, he threw it away and ran and I was faster than he was because I was fit and he was a drug addict. So justice was done. I've had a few knocks and bruises in my policing career, but I'm alive and well.

Did I hear you say the percentage of British police officers carrying guns rose slightly under your watch?

After looking at terrorist attacks as they were developing in other parts of the world, most notably after the Bataclan attack and other Paris events, we decided we needed a larger number of armed officers to deal with such eventualities. At that time, I was in charge of national counter-terrorism, and I discussed that with David Cameron and Theresa May and they gave us extra money to arm us. That might have taken us from 5.5 percent to 7 percent of officers being armed. It was a big deal for us, but it still left well over 90 percent of our officers unarmed.

That small percentage does mean the training levels can be very, very, very high. On my watch, in 2017, we shot dead quite a few terrorists. Do you remember the attack on London Bridge? The terrorists drove over a bridge and mowed down some people. Three guys get out of the vehicle and the three guys are shot by the police. They were shot dead within eight minutes of the police being called.

That was a consequence of changes we'd made in the previous two years, having more armed officers. But still, only 7 percent of your officers are armed, and three roving terrorists are shot dead in eight minutes? I know the NYPD or Chicago or Los Angeles police would be very happy with that outcome.

I'm not suggesting the US could import that. Our armed officers are trained to a far higher level than your average armed American cop because they can be, because it's a small proportion. Ours are doing five weeks a year of training. When only a small percentage of your officers are armed, you can afford that kind of investment. Every one of our armed officers is actually trained to deal with terrorists who might appear to be wearing a suicide belt.

The training to a higher level means you're much less likely to unnecessarily shoot a member of the public. We have various training kits in the UK where you take your people through different scenarios, perhaps using a laser gun, and it shows you when they fire and how much they fire, and it improves judgments and decision making.

Without that training, an officer can shoot the wrong person. Or let themselves get tunnel vision where they fail to see a line of innocent people at a bus stop behind the bad guy. Learning to get as much information as possible before you fire, waiting a fraction of a second longer to see that it isn't actually a weapon he's carrying. The practicing of that kind of judgment is very difficult, but that's what our armed officers are trained to do.

Of course, with fewer armed officers, there's a danger your response might not be quick enough. You have to be able to manage the logistics very carefully when you've got fewer armed officers. But we've shown we can respond quickly.

Are other European police forces unarmed?

Generally, the European police are armed. But you have to put it against our firearms law. If you had a handgun under your bed in the UK and we heard about it, got a warrant and searched your house, you would go to prison, I believe for a minimum of five years. You might have no criminal history. We haven't proved any criminal intent, but you've got illegal possession of a handgun and you're going to get five years. That's quite a big difference to other countries, especially the US.

In the UK, firearms are harder to obtain. That all but eliminates spur-of-the-moment actions, somebody getting shot over an insult in a bar. Here, firearms are used when they're pre-planned. You and I have fallen out over some drug dealing business, so



Armed London officers—a tiny portion of the total—quickly ended a terrorist attack on London Bridge in 2017.

“OUR ARMED OFFICERS ARE TRAINED TO A FAR HIGHER LEVEL THAN YOUR AVERAGE ARMED AMERICAN COP BECAUSE THEY CAN BE, BECAUSE IT’S A SMALL PROPORTION. OURS ARE DOING FIVE WEEKS A YEAR OF TRAINING.”

I go to a mate to acquire a firearm for the night to come around to your house and kill you and then I'll get rid of it. By running surveillance against the more serious criminals, the UK police can often intervene when criminals are arranging to pick up firearms.

To the extent that respect is rooted in fear, doesn't a sidearm engender respect?

I disagree with respect being synonymous with fear. If you only respect your parents because you're scared stiff of them, that's not great, is it? It may be true in the States that a firearm is needed to persuade anybody to do anything, but it's not true in the UK. I'm not arguing for a UK model in the States. I'm simply saying that police officers here make thousands of arrests across the country every day without using firearms.

Police are equipped with things like tasers and with incapacitant spray in the UK, and those non-lethal options are used from time to time. But the degree of force required in this context is entirely different to the American context of a gun ownership culture that goes back hundreds of years.

My side would never suggest the States should disarm police, based on what I can see. I do think there's a question about what proportionate arming looks like, and about giving the police the right weaponry and the right training to do the job.

From what I've seen, it's not always proportionate in the States. Some of the equipment that was passed on to the US police after the Iraq War sends an odd message that the way to police our communities is with the same equipment that was used to deal with terrorist insurgents in a war overseas. That probably doesn't help strike the right

balance of trust and respect between communities and police.

How did the British system come about?

In Britain, in the 1700s, there were magistrates who were in charge of law and order in their parishes. Before the Industrial Revolution, all you had was parishes. To help them with a bit of muscle, they would swear in a local good chap as a constable. This was a very fragmented bottom-up model. After the Industrial Revolution and post the Napoleonic Wars, cities developed, and now you needed something more organized in places like London. It was Sir Robert Peel, the British Home Secretary, who founded the Metropolitan Police in 1829, and who lots of people would say is the founder of modern policing. Peel had this idea that you need to stick all these independent constables together into police forces which are called constabularies. They were very clear this wasn't repressive, this wasn't top-down, this wasn't paramilitary. It was bottom-up community law enforcement. It was policing by consent of the public.

Along with the first commissioners of the Metropolitan Police, Peel drew up nine principles on what policing's about. Bear in mind, this was nearly 200 years ago, and yet Peel's Nine Principles of Policing remains the foundation of what is known around the world as community policing. One of the nine that occurs to me when we talk about an armed police force is Principle Four: "The degree of cooperation of the public that can be secured diminishes proportionately to the necessity of the use of physical force."

If you want public support for policing, you need to think as much about maintaining the trust of the public as the weaponry you need to deal with dangerous individuals. You need to use the minimum amount of force. Then there's Peel's Principle Six: "Police use physical force to the extent necessary to secure observance of the law or to restore order only when the exercise of persuasion, advice and warning is found to be insufficient."

What experiences in your career encapsulate the meaning of community policing?

I'll give you two. The first came when I was chief constable of Surrey, a force of maybe 2,000 police officers and 1,500 unsworn staff. It's a decent-sized department policing a million people in a commuter zone just on the edge of London, to give a sense of the place.

During the four years I was chief there, I put more resources into community policing. There was an annual survey of police work that gets done in the UK, and at the end of my period as chief there, the

SIR ROBERT PEEL'S



PRINCIPLES:



UK policemen are called "bobbies" after Sir Robert Peel, who in 1829 formed the Metropolitan Police. He also twice served as Prime Minister.

Surrey police had risen to have the highest level of trust of the public in the UK. That trust is a concrete asset. It helps the police get vital support and information from the public.

Now, flip forward a few years to when I'm running the national counter-terrorism machine. That work is partly about intelligence agencies doing sophisticated undercover operations. It's partly about specialist armed resources dealing with really dangerous people. But it's also about community policing. On my watch over four years, we stopped 27 attack plots, in some cases because of people in communities who trusted the police enough to say, "I don't know if I'm worrying too much about this, but I thought you should know about X." These calls were literally from the nosy neighbor. Or the relative suddenly worried about a family member who started behaving differently. It's about trust. It's about trust having a local police officer who knows their patch and who is known to all the shopkeepers and others. "Oh, that's Mark. He's in charge of this patch and he's walking around regularly. You can trust him." ♦

1. The basic mission for which the police exist is to prevent crime and disorder.
2. The ability of the police to perform their duties is dependent upon public approval of police actions.
3. Police must secure the willing cooperation of the public in voluntary observance of the law to be able to secure and maintain the respect of the public.
4. The degree of cooperation of the public that can be secured diminishes proportionately to the necessity of the use of physical force.
5. Police seek and preserve public favor not by catering to public opinion but by constantly demonstrating absolute impartial service to the law.
6. Police use physical force to the extent necessary to secure observance of the law or to restore order only when the exercise of persuasion, advice and warning is found to be insufficient.
7. Police, at all times, should maintain a relationship with the public that gives reality to the historic tradition that the police are the public and the public are the police; the police being only members of the public who are paid to give full-time attention to duties which are incumbent on every citizen in the interests of community welfare and existence.
8. Police should always direct their action strictly toward their functions and never appear to usurp the powers of the judiciary.
9. The test of police efficiency is the absence of crime and disorder, not the visible evidence of police action in dealing with it.

SOURCE: New Westminster Police

Critical moment

MAY 14, 1796



AS A CHILD IN GLOUCESTERSHIRE, ENGLAND IN the 1760s, Edward Jenner, creator of the first widely used vaccine, overheard a dairy maid say, “I shall never have smallpox because I have had cowpox. I shall never have an ugly pockmarked face.”

Smallpox had been a scourge for all of recorded history. No treatment was ever developed. For infants, it was nearly always fatal. Upwards of 20 percent of sickened adults died. Each year in 18th century Europe, the disease killed an estimated 400,000. Those who lived bore scars and a third were left blind.

But survivors never got sick from it again. Even a mild case could grant immunity. Various cultures seized on this and found crude ways to induce mild infection, using material from the sores of smallpox victims. In China, scabs were ground to a powder and inhaled. In Africa, they were bandaged into a cut on the skin. In Turkey, small scratches were touched with needle tips carrying droplets from the sores.

The round sores gave the disease its Latin name, “variola” or “spots,” so inoculation was termed “variolation.” It wasn’t foolproof, but it typically didn’t leave scars and far fewer people died. Variolation was

Mothers have their babies vaccinated in this 19th century painting. As many as 90 percent of infants who contracted smallpox died. For everyone else, death rates ranged from 20 to 60 percent.

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widely used first in Africa, India and China. Slaves kidnapped from Africa introduced it to the Americas. English society saw it being used in Turkey in the mid-18th century and brought it home.

Jenner himself had been variolated at age 8, a few years before he overheard the dairy maid’s remark. When he later became a village doctor, he saw the young woman’s bold claim borne out: An infection of the mild disease of cowpox left people immune to smallpox. On May 14, 1796, he injected a boy with the cowpox virus. Later the boy was variolated and showed no symptom of smallpox—he was immune. Jenner called it “vaccination,” from the Latin for cowpox, “variola vaccinia” (from “vacca” or “cow”).

Jenner’s invention eventually made smallpox the first disease to be eradicated, in 1977. Meanwhile, vaccine science has turned polio, diphtheria, tetanus, measles, flu and a score of other diseases into largely historic threats.

All of which brings us to today, to this moment, when a widely available vaccine to defeat COVID-19 is the hoped breakthrough for which nearly all the world is holding its breath. ♦

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