

Client Service

An Interview with Richard Edelman, President and Chief Executive Officer, Edelman

EDITORS' NOTE Richard Edelman has extensive experience in marketing and reputation management, having led assignments with major corporations, NGOs and family businesses in over 25 industries around the world. He has topped PRWeek's list of most powerful executives three times ('07, '08, '13), was recognized as the highest-rated CEO by Glassdoor (2014) and was inducted into the Arthur W. Page Society's Hall of Fame (2014). He is regarded as an industry thought leader and has posted weekly to his 6 AM blog since 2004. Edelman is the founder of the Edelman Trust Barometer, which will celebrate its 20th anniversary next January. He is consistently mentioned as one of the foremost experts on the topic of trust. He serves on the Board of Directors of the Ad Council, the Atlantic Council, the Chicago Council on Global Affairs, the Children's Aid Society, the Gettysburg Foundation, the 9/11 Museum and the National Committee on US China Relations. He is a member of the Civic Committee of the Commercial Club of Chicago, World Economic Forum and PR Seminar.



Richard Edelman

COMPANY BRIEF Edelman (edelman.com) is an independent global communications firm that partners with businesses and organizations – long-established and just-emerging – to evolve, promote and protect their brands and reputations. Its global network comprises 6,000 practitioners in more than 60 offices whose work spans brand, reputation, digital and advisory and is powered by analytics, planning, creative and media relations. Among its many honors are the Cannes Lions Grand Prix for PR; the Holmes Report's 2018 Global Digital Agency of the Year; Advertising Age's "Agencies to Watch 2018;" and, five times, Glassdoor's "Best Places to Work." Since its founding in 1952, it has remained a family-run business. Edelman also owns specialty companies Edelman Intelligence (research) and United Entertainment Group (entertainment, sports, lifestyle).

What are the keys to Edelman's strength and leadership in the industry and how do you define the Edelman difference?

The most important distinction is that we are still private, independent and family-owned. We have not become part of one of the holding companies and that has allowed us to have the freedom to continue to evolve the business.

We started as a classic PR company doing marketing and PR; then we diversified into corporate and public affairs; then we went global; then, more recently, we built Edelman Digital into the largest social digital business; we've gone on to add creatives – planners, paid media people, etc. of which we have added 600 in the past four years. We have also added experiential and entertainment.

We think of Edelman as a strong tree with a trunk that is PR and the first two branches are corporate PR and brand PR. Further up the tree, there are digital, creative, experiential, entertainment and research branches.

We don't care so much about money. That sounds nuts, but we care much more about the clients and making sure we keep them for a long time. Seventeen of our top 20 clients have been here for a decade and that says everything.

It's about client service – my dad's whole focus was on being humble. I still do media relations.

That is the tone from the top.

It's more important than ever, partly because the context has changed so profoundly.

We have populism and we have new demands on business because government is dysfunctional. We also have new expectations of CEO's by employees and we have a new expectation of brands.

We have done two studies: one is called Earned Brand and it revealed the rise of what I call brand democracy – two-thirds of consumers, globally, are now belief-driven buyers, which is unbelievable. These consumers say that they will buy or boycott a brand solely because of its position on a social or political issue. More than half of the people (53 percent) we surveyed believe that brands can do more to solve social ills than the government, and 54 percent believe it is easier for people to get brands to address social problems than to get government to act.

The other amazing statistic we uncovered was from this year's Trust Barometer, which found that trust is now local.

Over the past two years, with all of the problems plaguing social media platforms, fake news and a lack of faith and trust in CEOs and government leaders, the employer has become the most trusted institution. Globally, "my employer" (75 percent) is significantly more trusted than NGOs (57 percent), business (56 percent), government (48 percent) and media (47 percent). Furthermore, three-quarters of people want their CEO to speak up on issues of the day, especially on pay, diversity and inclusion, and job retraining. This is a huge jump from last year.

That context proves why PR is so important today. People and consumers don't want to be spoken to. They want to be communicated with, and PR is how that gets done. We don't talk at people – we create conversations and we build relationships.

What we do matters more than ever.

How should employers look to apply PR today?

We have come up with a new compact we call Trust at Work, which has four components.

First, employers must create an aspiration and a vision that employees can look to.

The second is that they have to educate employees, not just advocate. They have to make employees the first group they talk to and allow them to provide feedback.

The third is, they have to have some roots in the local community wherever they are headquartered. They have to have a connection and help solve the problems in the communities in which they operate.

With the disruption taking place in the industry and the impact of technology and digital, is there still an effective understanding about the value of traditional public relations?

Lastly, CEOs must speak up directly on issues of the day.

Smart companies will heed the call to build trust from the inside out with employees as the focal point.

With its surveys around trust and brand, Edelman is known as a thought leader in the industry. How critical is thought leadership, especially given the investments Edelman makes in gathering and analyzing this information?

In 2000, when we started the Edelman Trust Barometer, my idea was to bring McKinsey-like intellectual property into the marketing services business, and the trust barometer has fulfilled that dream.

It has enabled us to go, with conviction, to clients like CVS to tell them how they can really benefit by taking cigarettes off of their shelves, and to REI to close their stores the day after Thanksgiving and to do the #OptOutside program – to take bold actions, because actions speak a lot louder than words.

Thought leadership has also been central to our being able to have a corporate and public affairs business that is now just as large as our brand business.

Edelman is heavily committed to pro bono work. Will you discuss how this work reflects the values of the organization?

We volunteer during crises like the shootings in Dallas or Orlando and provide pro bono work.

We have also done important work for veterans such as the Department of Defense Warrior Games.

We also do this after natural disasters – our Miami office went to Puerto Rico and did a #RebuildingWithLove pro bono campaign in August 2018. We donated hundreds of thousands of dollars worth of hours to that.

We also helped open the 9/11 Museum and Memorial pro bono.

If something is important, we do it.

With the size and scale of Edelman today, is it more challenging to maintain the family culture Edelman is known for?

It certainly requires more travel. I also have a brother and sister in the business. My brother runs the foundation and my sister is working in recruitment. I also have one of my children in the business now in our San Francisco office working in our Tech practice.

More importantly, it's not just Edelman direct family members. It's the inclusive culture my dad before me and now I try to put forward that inculcates taking chances and being entrepreneurial. It's not a top-down, numbers-driven organization; it's all about client service, so we have to have an entrepreneurship-and-innovation-matters type of culture.

With Edelman's diverse client base, how critical is it that your workforce mirrors that diversity and will you discuss your emphasis on building a diverse and inclusive workforce?

About five years ago, I set the goal of having women account for 50 percent of our leadership positions, and we are just about there. In the operating committee, 47 percent of the senior



The Chicago office of Edelman founder, Dan Edelman, with images of various Edelman campaigns on the walls

leaders are women; we also have women running four of our five largest offices. Across our system, women lead 21 offices. I can look at my three daughters and say that we're on our way.

In terms of the diverse population, our goal by 2022 is to be 30 percent people of color in the U.S. We're more than two-thirds of the way there.

We are accomplishing this through hiring, but also through training and recruiting horizontally. The person who runs our Southwest business is Hispanic; the person who runs our Miami and Colombia business is Hispanic.

To enhance these efforts, in 2018 we appointed our first Global Chief Diversity and Inclusion Officer, Trisch Smith. Additionally, our Employee Network Groups, such as Edelman Equal (LGBTQ community), Edelman Griot (black community), Edelman Inclusivo (Latino community) and Edelman Forward (veterans and their families), continue to create community, assist in recruitment and inclusion efforts, and inform client programs.

We know we consistently deliver better work for our clients when our teams reflect our communities.

How worried are you about the lack of trust in information and fake news, and what can be done to bring more trust back in news and reporting?

Two things: one, I think that PR firms have to do everything possible to help media report accurately and fairly.

Increasingly, with only half as many reporters in newsrooms today, we have to help educate them, but on both sides of an issue instead of just out and out advocacy. We're in our business to support truth and clients will benefit from healthy debate.

At the same time, I'm increasingly telling clients to go directly to the end user of information. Every one of our clients should be its own media

company. If we think about the media cloverleaf as mainstream media, digital media, owned media, and social media – owned media, like Walmart.com, needs to be an important channel that provides information on supply chains, sustainability and employment practices. People need to be able to rely on that information, particularly the employees.

Edelman is known for its marquis blue-chip clients and working with some of the largest and most well-known brands. How important is it to work with start-up companies and entrepreneurial companies as well and will you discuss Edelman's ability to service the whole spectrum of companies?

The Silicon Valley office is our best example of that. We have a dozen or more companies that are a billion or below in revenue and doing new approaches in cloud-based services or other areas.

We also have started a special subsidiary called Revere, like Paul Revere, to work with smaller, domestic clients. Some clients want the global Edelman network; for those that just want U.S., we now have this new subsidiary.

How special is it to be able to work with the third generation of your family when it comes to continuing to build on the Edelman legacy?

When I go to Chicago, I work in my dad's old office. I see all of the pictures of the campaigns from the past 60 years on the walls. The heritage of this place is so fundamental and what really matters is consistent and decent management. There have only been two CEOs for the past 22 years, and that provides an important stability.

Also, our other top people who have been here 20-plus years are core to our legacy and are woven into the fabric of the firm – they are just as much family as I am. ●