

Should You Speak Out?

MHCDS Seminar

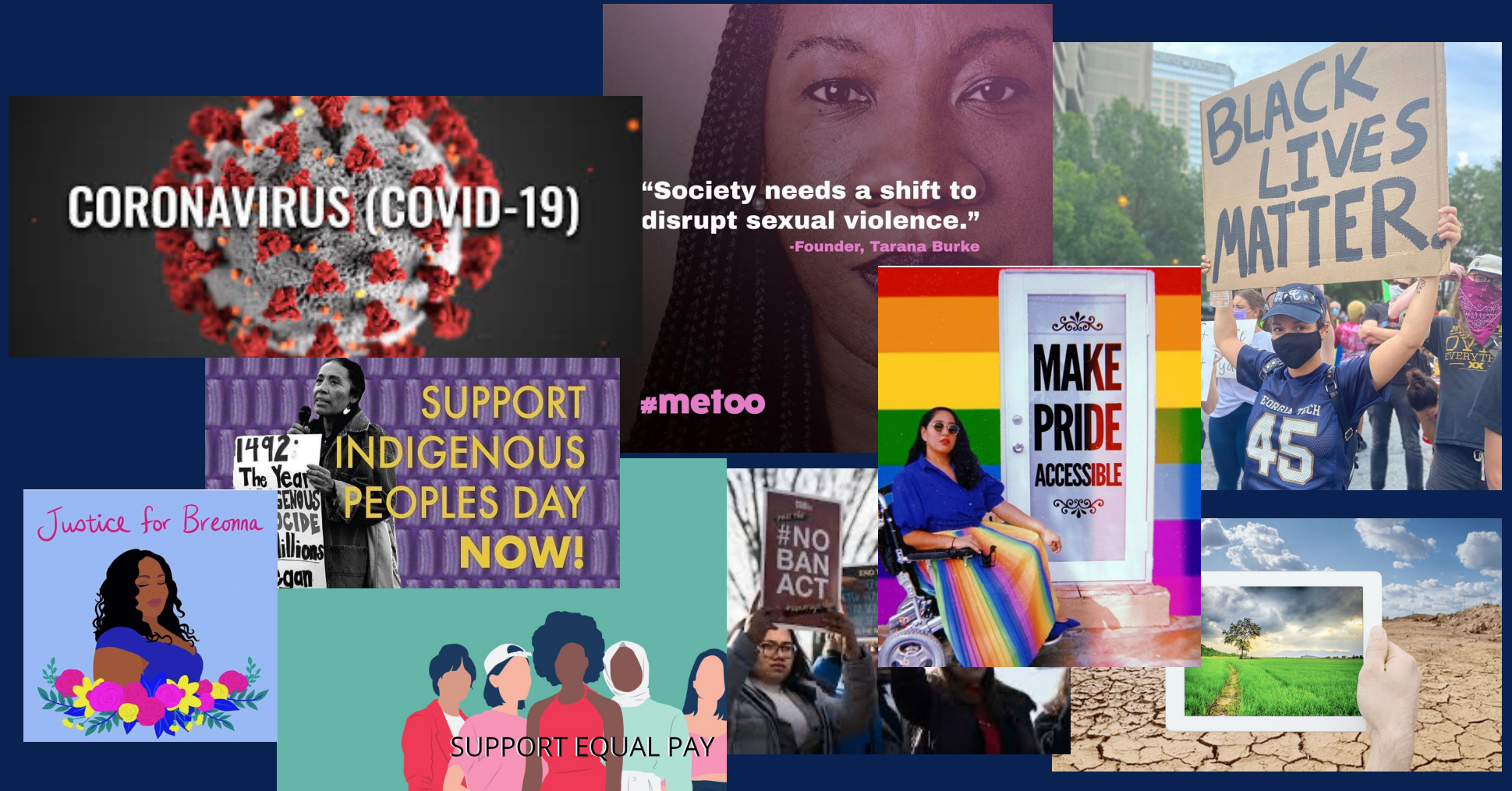
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The Tuck School of Business

Companies have watched as political and social movements have deeply affected their employees, customers, investors, and the communities in which they operate

Key constituencies expect companies to 'speak out' on these issues



Reflect on Your Organization's Approach to Speaking Out on Social Issues

- What ideas have you used in your organization?
- Any insights from past experiences speaking up or staying silent?

What Should a Company Do?

- When should you speak out?
- How should you prepare and position your response?
- Should your company take the lead in driving the conversation, or is it better to partner with other organizations to have a more meaningful influence on the issue?
- Or, perhaps most interestingly, should you avoid speaking out at all?

According to the Edelman Trust Barometer,
54% globally **believe that CEOs should speak publicly** on controversial political and social issues they care about.

Three Questions to Guide Your Approach

1. Does the issue align with your company's strategy?

- “What’s needed is relatively clear: it’s deep reflection on your corporate identity-what you stand for-which may well lead to material changes in your strategy and even your governance.” Purpose is most effective when it connects with a company’s “superpower’-its unique ability to create value and drive progress” ([McKinsey, 2020](#)).






2. Can you meaningfully influence the issue?

- This includes having the relevance (i.e. expertise, past exposure to the topic, etc.), resources, and willingness to invest those resources to affect the issue. What companies must try to avoid is being perceived as hypocritical or as woke-washing. If the company is not genuinely invested in the issue, they are better off supporting someone else’s fight with donations.

3. Will your constituencies agree with speaking out?

- Are there constituencies that disagree? Leadership must discuss and carefully weigh the relative importance of those constituencies to the business (e.g. a small customer segment with limited power vs. your largest investor). In addition, companies must also consider the moral case for a response rather than just the business case.

Should You Speak Out? - A Framework for Corporate Responses

# of "Yes"	Does this issue align with your strategy?	Can you meaningfully influence the issue?	Will your stakeholders agree with speaking out?	GOOD EXAMPLES
3	Speak out as a leader about the issue			 Brigham Health speaking out on systemic racism
Maybe speak out as a follower				
2	Conduct research to understand risk/ consider firing stakeholders	NO	NO	 CVS Health removing tobacco products from US stores
	Find a partner to increase influence	NO	Avoid being perceived as disingenuous	 AAFP partnered to speak up on climate change
	NO	Consider evolving strategy – you may be overlooking an opportunity		 AstraZeneca reducing carbon footprint of supplies + products
1	Do not speak out for now continue to monitor			 AMA on the impact of gun violence
0	Do not speak out			

A Deep Dive into the Framework

To provide a deep dive on the “Speak Out” framework, let’s review some recent events based on the following 4 factors:

- ① Known/recognizable brands
- ② Rich with documentation and nuance
- ③ Recent and relevant examples
- ④ Large scope and complex scenarios

Does this issue align with your strategy?

Can you meaningfully influence the issue?

Will your stakeholders agree with speaking out?

3 Yes's – Brigham Health Responds to Racism



BRIGHAM HEALTH

“Speak Out” Framework – 3 YES

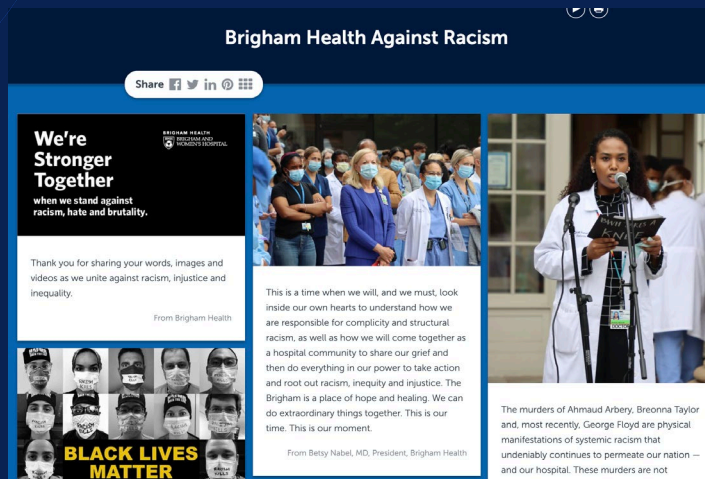
- ✓ Aligns with company strategy
- ✓ Meaningful influence on issue
- ✓ Stakeholders agree

Situation

- June 2020: After multiple deaths of black men, mass protests swept the country with calls to fight systemic racism

Public Response

- Issued a statement from president Dr. Betsy Nabel
- Held a vigil in honor of George Floyd and solicited words of support from the community



“...we, as a community, must come together and actively do everything within our power — locally, nationally, and globally — to root out racism, inequity and injustice.” – Dr. Nabel

Does this issue *align with your strategy*?

Can you *meaningfully* influence the issue?

Will your *stakeholders agree with speaking out*?

3 No's – Starbucks and USA Today “Race Together”



"Speak Out" Framework – 3 NOs

- ❌ Aligns with company strategy
- ❌ Meaningful influence on issue
- ❌ Stakeholders agree

Situation

- Starbucks launches a Race Together initiative encouraging patrons to proactively engage in conversations about race

Public Response

- Initiative was universally criticized
- Negative reaction from general public and media



Does this issue **align with your strategy**?

Can you **meaningfully influence the issue**?

Will your **stakeholders agree with speaking out**?

2 Yes and 1 No – AstraZeneca Adjusts Strategy for Climate Change



“Speak Out” Framework – 2 YES, 1 NO

- Aligns with company strategy
- Meaningful influence on issue
- Stakeholder agree

How does a pharmaceutical company address climate change when global healthcare, if a country, would be the **world’s 5th largest emitter of greenhouse gases**?

In 2020, AstraZeneca began investing 1B in renewable energy, a carbon-negative value chain, and next-generation inhalers that avoid hydrofluorocarbons

Does this issue align with your strategy?

Can you meaningfully influence the issue?

Will your stakeholders agree with speaking out?

2 Yes and 1 No: Cannot Meaningfully Influence? Creating Partnerships for Climate Change



“The AAFP will continue to work with other health care organizations to inform the public and policymakers about the harmful health effects of climate change.”

“Speak Out” Framework – 2 YES, 1 NO

- Aligns with company strategy
- Meaningful influence on issue
- Stakeholders agree

U.S. CALL TO ACTION
ON CLIMATE, HEALTH, AND EQUITY:
A POLICY ACTION AGENDA

2019

By signing onto a public call for action with advocacy and public health organizations, the AAFP can have a larger impact on a topic that is part of their strategy and mission



Does this issue align with your strategy?

Can you meaningfully influence the issue?

Will your stakeholders agree with speaking out?

2 Yes and 1 No: Re-evaluate Relationships with Constituencies – CVS Removes Tobacco Products



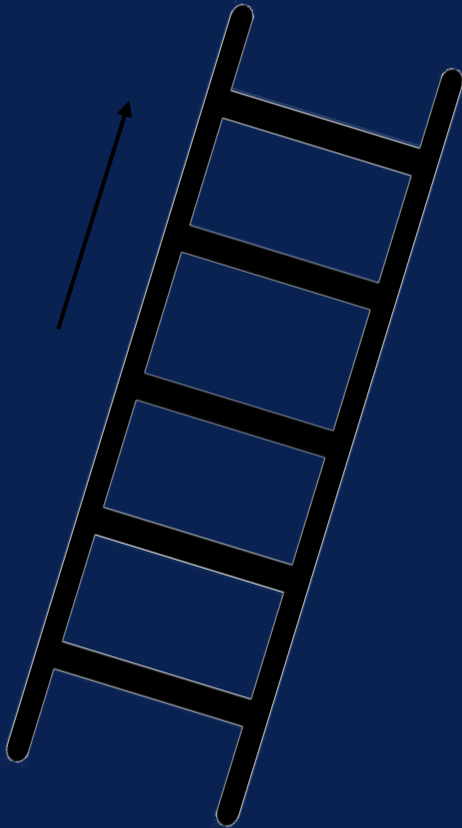
“Speak Out” Framework – 2 YES, 1 NO

- ✓ Aligns with company strategy
- ✓ Meaningful influence on issue
- ✗ Stakeholder agree

In 2014 CVS rebranded as CVS Health and removed all tobacco products from 7800 stores as they began new smoking cessation campaigns, giving up \$2B in revenue

“Ending the sale of cigarettes and tobacco products at CVS Pharmacy is simply the right thing to do for the good of our customers and our company” –Larry Merlo, CEO of CVS Health

Climb the Ladder



Consider climbing the
framework's ladder as
the climate changes

Does this issue *align with your strategy*?

Can you *meaningfully influence the issue*?

Will your *stakeholders agree with speaking out*?

1 Yes and 2 No – The AMA on Gun Violence



"Speak Out" Framework – 1 YES, 2 NOs

- Aligns with company strategy
- Meaningful influence on issue
- Stakeholders agree

Situation

- Since the mid 1990s, the CDC and other research organizations were prohibited from using funds to study gun violence or gun control, despite increasing mass shootings and gun violence in the US

Public Response

- No public statements in response to mass shootings and escalating gun deaths

Does this issue align with your strategy?

Can you meaningfully influence the issue?

Will your stakeholders agree with speaking out?

3 Yes's – AMA Responds to Gun Violence in 2018



"Speak Out" Framework – 3 YES

- ✓ Aligns with company strategy
- ✓ Meaningful influence on issue
- ✓ Stakeholders agree

NEW Situation

- Nov 2018: In response to an NRA tweet for doctors to "stay in their lane" and a mass shooting in CA, doctors began sharing graphic stories on the impact of gun violence in a viral #ThisIsOurLane social media campaign

Public Response

- AMA issued a statement condemning gun violence
- Created tool to teach providers to promote gun safety

Group Conversation: Reflecting on Your Organization's Approach

- Reflect on what you learned from the cases and frameworks.
- What ideas have you used in your organization?
- Any insights from past experiences speaking up or staying silent?

Takeaway: Executive teams should use this 3-question framework to determine when to speak out

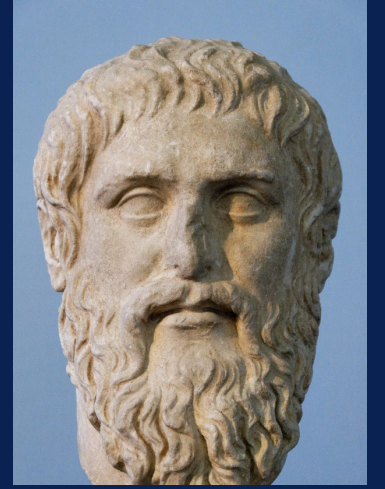
Does this issue **align with your strategy**?

Can you **meaningfully influence** the issue?

Will your **stakeholders agree** with speaking out?

This 3-question framework:

- ✓ equips executive teams with a three-question framework that will help them determine when to speak out
- ✓ offers a business case for how to speak out
- ✓ enables companies to determine which issues are most relevant to their business to both make a positive impact on society and their bottom line



*“Wise [people] speak because they have something to say;
fools because they have to say something.”*

- Plato

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