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LEADERSHIP & BUSINESS PODCAST

EPISODE 214: MIKE LORD – UNDERSTANDING CORPORATE PUBLIC AFFAIRS

Mike Lord

So it really doesn't matter what type of organization, including if you're an entrepreneurial startup. But the CEO has to be the chief public affairs officer to navigate all of these complexities.

Female Voice

From William & Mary in Williamsburg, Virginia. This is Leadership & Business, produced by the William & Mary School of Business and its MBA program. Offered in four formats: the full-time, the part-time, the online, and the executive MBA. For more information, visit wm.edu.

Ken White

Welcome to Leadership & Business, the podcast that brings you the latest and best thinking from today's business leaders from across the world. Sharing strategies, information, and insight that help you become a more effective leader, communicator, and professional. I'm your host, Ken White. Thanks for listening. It's difficult to succeed in business today without having a solid grasp of public affairs, public policy, and politics. Regardless of the size of your business or sector, decisions that are made in your state capital, Washington, DC, and beyond, can greatly affect your bottom line. Learning to strategically manage corporate public affairs was the focus of a recent three-day workshop for William & Mary's executive MBA students. The workshop took place at The Washington Campus, a nonprofit, nonpartisan education consortium in Washington, DC, that partners with top business schools and universities around the world. Mike Lord is the President of The Washington Campus. He joins us today to talk about public policy, public affairs, and why business leaders must be well-versed in this arena. Here's our conversation with Mike Lord.

Ken White

Well, Mike, thanks for taking the time to join me. It's a very busy day for you, but I appreciate you taking the time to do this. Welcome.

Mike Lord

Great, thanks, Ken.

Ken White

You just spoke to our executive MBA students, well, a couple hours ago, and it was very interesting. One of the things that you said that struck me is you thought, there seems to be some pessimism across the country. What is that? Why do you see it that way?

Mike Lord

So, it's a matter of perception versus reality. We certainly have challenges, but the US economy is still quite strong, especially globally. Inflation is down, and even real incomes, net of inflation, are stronger. But people aren't feeling it. They are feeling more anxious than ever. There's actual polling and data that show this. And so it comes down to perception versus reality, including things like, there's one example of the price of eggs, which I know because I eat a lot of eggs, and when it's \$6 for a dozen eggs, that hits you. And so even though the statistics show that incomes are doing well versus inflation, inflation is way down. There's a sense of anxiety, and some of that's due to the partisanship and the political environment that we have going on. But overall, the US is in a great position in terms of the global economy. Capital investment and expenditures are strong, and it's a strong economic environment. But people have a lot of concerns about the future, and a lot of that stems from the political environment, but also what they see in media and social media.

Ken White

Right. Yeah, social media. What's the role of that in Washington, DC?

Mike Lord

Definitely, in DC, social media has an outsized role, and it's difficult for a lot of people to understand, but it gets a lot of attention. And again, perception is reality. And so if there's a lot of noise on social media about something, it gets a lot of attention. Sometimes that's good, sometimes it's not so good. And so it's a challenge for organizational leaders to figure out how to navigate this new environment and how to make sense of things, including when a lot of what's out there is not true, because social media has no filters, there's no editors, everyone's their own content creator. And that can be really great and empowering and democratizing. It can also result in a lot of misinformation and subpar information.

Ken White

You said it's a new age for public affairs. What makes it so different from the past?

Mike Lord

So I think in terms of public affairs, for any organizational leader, any business leader, it's become a new skill set for the C suite set of knowledge and skills, where it means you need to understand how to navigate this media and social media environment. You need to understand and deal with stakeholders more than ever, including government. So regulators, legislators at the federal level, state level, local level. And it requires diplomacy. It requires judgment. It requires a sensitivity to thinking about different sides of different issues, what your customers are thinking, what your employees are thinking, what public policymakers are thinking. And it really is a new and different challenge for executives to figure that out. It's not just about mastering your functional areas of finance and operations and things of that sort, but it's really the CEO has to be a chief public affairs executive as well.

Ken White

If we look across the board, not many business schools are covering it. And so I think, I'm assuming, many come to you. Tell us about The Washington Campus and who you work with and what you do.

Mike Lord

Sure. Well, The Washington Campus was founded in 1978, so we're about 45 years old, and we specifically were founded to bridge that gap between business and government. Where business didn't understand government, government didn't understand business. So it was a group of senior government officials who had just left the Ford White House, business school deans, and business executives who got together and founded The Washington Campus. And back then, in 1978, and for most of our history, the focus was on public policy, government relations, things like lobbying, understanding regulatory processes. But now, just as much of our curriculum is about that larger public affairs space, which means understanding media and social media, how to navigate it, how to react to it, when not to react to it, dealing with stakeholders, whether it's communities, NGOs, non-governmental organizations, employees, customers, and so on. So, our curriculum has really evolved as the challenges of business leaders have evolved.

Ken White

Now, you work with and instruct MBA students, executive MBA students, like you do with William & Mary, but companies and C suites as well.

Mike Lord

So we do, we used to do, earlier in our history, a lot more executive education. But since the MBA and executive MBA market has evolved, most MBA students now are working professionals. So we've switched to doing it in our regular programming, where I would say 80% of our participants are working professional executive MBAs. So typical profile

might be at least in their 30s, some are in their 50s, some are already CEOs, some have started their own companies, and they know that they need to understand this public affairs and public policy environment. So we've switched from doing the traditional executive to where every program we do now tends to be 80% or so are working professional MBAs.

Ken White

Right, and executive., for those who don't know that, that's where your company sends a group off to a university or somewhere to learn for a few days or a week or longer. Right? So for a CEO who might say, I can only do so much, let me just have a chief public affairs officer, let's throw this to the communication office. What do you say to them?

Mike Lord

It's not a task that you can delegate or contract out. It's an inherent set of knowledge and skills that CEOs need to have, whether it's for-profit, not-for-profit, public sector, private sector. It needs to be part of the C suite and board in terms of their knowledge and their skill set and their involvement. Things have to be coordinated. You can't have one side saying one thing and your comm saying one thing, and then the CFO saying something else. And especially with instant communications, that comes back and bites you. And so, it is a very complex and diverse challenge, but it has to be integrated at the C suite level and at the board level. And we see challenges like, I've used everything from Apple and Tesla to what's going on with university presidents and universities these days, getting embroiled in politics, whether they like it or not. So it really doesn't matter what type of organization, including if you're an entrepreneurial startup, but the CEO has to be the chief public affairs officer to navigate all of these complexities. And it has to be integral to the business strategy, to the investment planning. So even with US-China relations, for example, that's politics. And you need to think about that in terms of your supply chains, your market planning, your investments, where you're going to build facilities, production, and who are you going to use as your suppliers.

Ken White

As someone who teaches communication, I'm thrilled with where leadership is going now. The leader needs to be a communicator. That sounds basically what you're saying. The leader has to be able to interact with people if they're going to be successful today.

Mike Lord

Absolutely. And a lot of it is about framing and messaging. A lot of it is about putting yourself in the other person's shoes. And so it is a different set of skills where it's not just about technical, financial, operational skills and performance, but you have to look at things from 360 degrees, think about all the different stakeholders' roleplay, think about the consequences. And so, communications is absolutely critical.

Ken White

We'll continue our discussion with Mike Lord in just a minute. Our podcast is brought to you by the William & Mary School of Business. The Financial Times, Bloomberg Businessweek, Princeton Review, and US News and World Report have all named the William & Mary MBA program one of the best in the US and the world. If you're thinking about pursuing an MBA, consider one that has world-class faculty, unparalleled student support, and a brand that's highly respected, the William & Mary MBA. Reach out to our admissions team to learn which of our four MBA programs best fits you: the full-time, the part-time, the online, and the executive MBA. Check out the MBA program at William & Mary at wm.edu. Now, back to our conversation with Mike Lord, President of The Washington Campus.

Ken White

So when you're teaching a program like ours, what pieces of the puzzle do you try to bring in in front of students so that they get a good understanding?

Mike Lord

We definitely have a pretty comprehensive curriculum. We even have students who have worked on Capitol Hill or worked at a regulatory agency. Then, they go back to do their MBA. They take our course, and they say, I spent ten years on the hill, but now I finally understand how DC works because they all have their own slice. So, if they were a staffer for a member of the House from western Michigan, that was sort of their domain. That's what they focused on. Or if they were working at a regulatory agency, Department of Education, or Department of Labor, that was their slice that they saw. And so it's interesting, we've had many students who even worked in government in DC for ten years or more go back, get their MBAs, and they say, now I finally understand how all of it works, because our curriculum includes lobbying and advocacy, regulatory processes and regulatory engagement, how to navigate media and social media, the role of associations and coalitions, and even some of the basics like we're talking about. What does it mean? Public affairs versus public policy? Politics versus policy, which is often a fraught area because as an organizational leader, you definitely want need to get involved in various policy discussions, but you might want to stay away from the politics. So, just understanding even the difference between politics and policy is pretty important.

Ken White

So, I think we use those terms interchangeably. Public affairs and public policy. How do you define public affairs?

Mike Lord

So public affairs is really an evolution of what we've seen here in DC in terms of the executive functions, where it used to be a traditional government relations executive and

maybe an in House or contract lobbyist. And that was kind of the way things were for decades here in Washington, DC. But because public policy is such an integral part of larger public affairs, which includes things like communications, stakeholder relations, and so on. It really DC has become the center of the public affairs function as well, which includes public policy as a subset. So, I think that's the best way to think about it is public policy as a subset of this larger universe of public affairs that includes things like stakeholder communications, media and social media, lobbying, and advocacy. So, it includes the traditional government relations and public policy functions. But it's about a whole lot more because that public policy and the public affairs environment is what shapes public policy.

Ken White

And you also said politics. So, how do you define that?

Mike Lord

So politics is the gamesmanship, the horse race. It's important it determines who's going to occupy that office, who's going to control the House, who's going to control the Senate, the White House. But that is different from policy. So, there's become a much more robust industry here in Washington, DC, of policy expertise, policy engagement, and policy advocacy, which means you are the subject matter expert. So on issues like gene editing or on issues like artificial intelligence, you need to have some serious business and or technical expertise to effectively lobby and advocate, but also just to effectively inform and engage policymakers. But to your point about communications, you also have to be able to simplify that in a way that your average staffer, your average regulator, your average house member of the House or Senate can understand, which really means what is the impact, what's the impact and importance for the country, but especially for their state, their district, for jobs and so on?

Ken White

What are some of the hot issues right now? You mentioned artificial intelligence, I assume. Is that one of the hot topics in the nation's capital?

Mike Lord

Yes, definitely. AI is the hot issue. It's cross-sector. It ranges from education to healthcare to financial services. It's interesting because people are trying to figure it out legislatively and regulatory-wise, but no one's quite even sure what they're talking about because different people have different ideas and definitions of what AI is or what AI should be. So it's kind of hard to legislate and regulate something when you can't even define what it is.

Ken White

But the idea is regulation. Are we headed that way for AI?

Mike Lord

It's already happening. So regulators are working on it every single day, and they're trying to shoehorn it in with existing legislation. So whether it's the FDA, Food and Drug Administration, Department of Transportation, and so on, they're trying to use existing laws to shape regulations. And those existing laws may or may not fit in terms of AI is quite different than anything we've seen before.

Ken White

What are the other hot topics in Washington, DC, besides AI?

Mike Lord

I'd say a lot of it is they are social issues, social and cultural issues, which is something that organizational leaders are going to be drawn into. They are being drawn into. They may not like it, but you don't have a choice. So whether you're the CEO of Disney or whether you're a university president, you're going to be drawn into these issues. And the interesting dynamic, especially in this country, is that the policy is shaped and determined both at the federal level, but just as much at the state and local level. And those are often in conflict, or you have two different states in conflict. So California and the stakeholders and situation there may be very different from how it is in Florida, but you've got thousands or tens of thousands of employees in each state, and then you also have federal issues and federal legislators and regulators to be concerned with. So, it can be a very complicated environment, but it's one that organizational leaders cannot avoid.

Ken White

If someone's interested, one of our listeners, or all of our listeners are interested in this, what should they read? Publications, websites? What's a good thing to look at daily or regularly to learn?

Mike Lord

So, there's definitely good news sources. Politico is for DC insiders, but that means they're not trying to present to your general public. They're trying to present to DC insiders who are trying to understand what is actually going on as opposed to taking sides. So, if you really want to see some of the inside of what's going on, Politico can be a great source. There's also our executive committee member, Vice Chairman Emeritus Bruce Melman is one of the best-known lobbyists here in Washington, DC. He publishes quarterly sort of insight reports, and they're available to the public, and we often post those on our LinkedIn pages. There's less partisan sources or more fact and policy-based sources.

Axios, for example, has some great information, great newsletters you can sign up for, and they're brief. You can get a quick, you know, two-minute insight into what's going on and how policy is affecting business. And they're less focused on the politics and more on the policy dynamics and the impacts on business. And by business, I mean for profit and not for profit.

Ken White

You're pretty optimistic about where things are headed.

Mike Lord

I am. I'm quite optimistic. I'm a realistic optimist, but I'm realistic because there's data that show that the US economy and the US within the world is in a stronger position in many regards than it has been in decades, if not ever. We have a really dynamic, resilient economy. We're still the world's innovation leader. People still look to us. The reason we have an immigration problem is people are voting with their feet by the millions. So that is a challenge. It is a problem, but it's also an indication that we are still something that people look up to and are hopeful about. And so even some of our challenges are because we're actually in a pretty good position. The fact that we don't have any major legislation, we were just talking about that earlier today, is because we don't have any crises we're dealing with right now. So it's better to try to avoid those crises. But when you have big bills doing big things on Capitol Hill, passing, that's usually because of a crisis. So even the fact that we're not seeing huge bills on Capitol Hill is an indication that we're actually humming along pretty well. Despite all the noise of the politics and partisanship, especially in the media and social media, which does not represent what's actually going on. Even here in Washington, DC, behind the scenes, people are actually trying to work in a bipartisan way. Most staffers, most members on issues like artificial intelligence, where it's not a partisan issue. And both sides are trying to figure it out and figure out how to tackle it. So I am very much a realistic optimist, and I think the US is in a unique position in some regards more than ever in terms of its strength as an economy, but also in the world more generally.

Ken White

That's our conversation with Mike Lord, and that's it for this episode of Leadership & Business. Our podcast is brought to you by the William & Mary School of Business, home of the MBA program offered in four formats: the full-time, the part-time, the online, and the executive MBA. Check out the William & Mary MBA program at wm.edu. Thanks to our guest, Mike Lord, and thanks to you for joining us. I'm Ken White wishing you a safe, happy, and productive week ahead.

Female Voice

We'd like to hear from you regarding the podcast. We invite you to share your ideas, questions, and thoughts with us by emailing us at podcast@wm.edu. Thanks for listening to Leadership & Business.