

# The Carlson Credo

## An Interview with Marilyn Carlson Nelson, Chairman, Carlson

**EDITORS' NOTE** Marilyn Carlson Nelson serves on the boards of Exxon Mobil, the Committee Encouraging Corporate Philanthropy, and The Kennedy Center for the Performing Arts, and is Chair of the Mayo Clinic Board of Trustees. She teaches corporate responsibility at the Carlson School of Management at the University of Minnesota and is the author of the bestselling book, *How We Lead Matters: Reflections on a Life of Leadership*. Nelson graduated with honors from Smith College with a degree in International Economics and attended the *Institute des Hautes Etudes Economiques et Politiques* in Geneva.



Marilyn Carlson Nelson

**COMPANY BRIEF** Headquartered in Minneapolis, Minnesota, Carlson ([www.carlson.com](http://www.carlson.com)) is a privately held, global hospitality and travel company encompassing more than 1,300 hotels, including Radisson®, Country Inns & Suites By Carlson<sup>SM</sup>, Park Inn®, and Park Plaza®; T.G.I. Friday's® restaurants; and Carlson Wagonlit Travel®, the global leader in business travel management. Carlson operates in 161 countries and its brands employ more than 170,000 people.

### Carlson has always been heavily involved in philanthropic efforts. Culturally, how critical has that been?

My father and founder of the company, Curt Carlson, often said that: "We in business can almost always do a better job in the community than can big government. We're closer to the problems, we're more creative in our solutions, and we're certainly more dollar-wise." That was his philosophy and that heritage has continued.

All of our corporate responsibility efforts are integrated into the fabric of who we are. It begins with the sense of personal accountability that is expected of all of our employees. It's included in our great leader attributes, which we use to evaluate not only people's performance but also their stewardship of our resources and reputation. And it's reinforced through what we call The Carlson Credo: "Whatever you do, do with integrity; wherever you go, go as a leader; whomever you serve, serve with caring; whenever you dream, dream with your all; and never, ever give up." You can't fulfill on the credo without operating your business responsibly and caring about the communities in which you operate. It is consistent with our sense of business responsibility that we challenge

our employees to be leaders not only in our organization but in their communities as well. Philanthropically, we engage primarily in three focus areas: education, children at risk, and basic needs in the communities in which we operate. Two-thirds of the Carlson Family Foundation is directed by family members. Before my father passed away, the family developed a value statement, which says, "We will assume responsibility to protect and preserve our family relationships and to enhance our communities."

One third of the foundation's funds is directed by our corporate executives so it tends to be more reflective of our strategic initiatives and the nature of our businesses. There is an emphasis on supporting those organizations that are involved in issues around housing, food, and nutrition. We also fund several international organizations based on the global presence of our business.

As a signatory to the UN Global Compact, we are working diligently to implement green initiatives, and we're very concerned about human rights. We were the first major travel and hospitality company in the U.S. to sign the industry's international Code of Conduct to protect children from commercial sexual exploitation in tourism. The accolades we have received from our employees, customers, and partners for being leaders on this issue have been very gratifying.

Along with philanthropy, social entrepreneurship is also emerging as an important driver of social change which, we hope, will help business re-earn the public's trust in corporations as good global citizens. The exciting aspect about social entrepreneurship is that it incorporates basic business concepts. We are identifying new issues and finding ways to create products and services that respond to them. The best example from our business relates to the obesity question. Our restaurants have experimented with everything from having smaller plates to working with Cargill to create the same "mouth-feel" in nutritious, less caloric foods. We want to have exciting, tasty food but we would also like to feel that we are creating healthy offerings that respond to this health issue.

In order to better benchmark our philanthropic activity we were one of the inaugural companies to sign on as a member of CCEP. In their first year, we participated in the launch of their "corporate giving standard", which asked that we collect data from all corners of our operation regarding contributions, non-cash philanthropy, and volunteer activities. This

allows us to have a better sense of what exactly we are doing, to track how it has evolved over time, and to measure what kind of impact we are making. It also provides us with a valuable opportunity to see how our trends differ from or corroborate the trends of other participating companies.

### Is it sometimes frustrating when you don't see immediate results?

At Carlson, our CEO time frame is not quite as short as it is at some of the public companies. So building for the long term is in our DNA and that gives us more patience.

At the same time, one of my frustrations is that it is hard to predict returns on investments made to solve some of these complex problems. In other words, how do you present value for the future when it comes to corporate responsibility measures? It would help to better justify the investments and garner greater consensus if we could find a way to fit these activities into the more typical business time frames, be it a three- or five-year strategy.

Also, it's just a fact of the fast-paced age we live in that employees, customers, and markets, are used to the excitement of facing new issues and problems. Solving these tougher, more entrenched problems tends to get old. So we need to keep these issues fresh and make sure that the initiatives started survive a change of CEO in public companies and a change of political leadership in the communities. Some problems can't be solved within the confines of an election cycle or one CEO's tenure. Often these are the issues – like education – that hold the greatest potential for the well being and competitiveness of our society.

I also believe that despite all the enthusiasm about collaborations and corporate commitment to societal problem-solving, we must continue to clearly define our roles. It is the job of corporations to respond to needs, generate value at a competitive price, and to create jobs and economic vitality. We can't overburden the corporate sector or we will slow our growth and innovation. Each sector – public, private, and NGO – must partner to solve these problems in ways that leverage our unique skill sets without detracting from our primary focus.

One of Carlson's goals is to be the number-one hospitality company to work for by 2015. Meaningful corporate responsibility initiatives are essential to that aspiration. This next generation wants to be part of an organization that is not only economically viable and competitive, but that is responsible. They want to work for brands they're proud of and where they feel they're part of the solution, not part of the problem. ●