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## **How Corporations Can Navigate the New Normal**

-Interview with Brad Staples, CEO of APCO Worldwide-

The current period is frequently referred to as the "new normal," marked by conflicts and disruptions like the war in Ukraine and the Covid-19 pandemic. As the established global order faces growing challenges, businesses must explore novel approaches to navigate this complex landscape. To shed light on this issue, Atsushi Yamakoshi, Senior Counselor of Keizai Koho Center interviewed Brad Staples, the Chief Executive Officer of APCO Worldwide, an independent global public affairs and strategic communications consultancy based in Washington, D.C. The following is a summary of the interview, edited for conciseness and clarity.

In the "new normal" era, Staples highlighted three major disruptions: the transformative impact of the Covid-19 pandemic on business-government relations and the empowering shift in employer-employee dynamics with remote work, along with the significant challenge posed by the Russian invasion of Ukraine to the international order, while another critical disruption lies in the potential decoupling from China, presenting distinct challenges and economic opportunities based on diverse regional perspectives.

### **The New Normal**

According to Staples, the Covid-19 pandemic has indeed led to several new dynamics. It has for example redefined the relationship between business and government, which is increasingly focused on the transition to a greener and more digital economy. It has also redefined the relationship between employers and employees. Staples notably noted that white-collar employees being able to work from home has "changed the nature of the contract" and empowered employees.

In addition to the effects of the Covid-19 pandemic, the Russian invasion of Ukraine poses a significant challenge to the former international order. Governments worldwide are becoming more inward-looking and protectionist, using regulations to safeguard their

markets. Governments, in an unprecedented move, mobilized businesses to pull out of Russia, effectively turning "business into an arm of diplomacy," according to Staples. Business leaders, rather than focusing solely on economic profit, took sides with political leaders.

The different perspectives on the war in Ukraine by governments around the world add another layer of complexity to navigating the "new normal." The "West," including Japan, Europe, and the US, views the invasion of a sovereign nation like Ukraine as a challenge to the rules-based global order, while the "global South" and many Asian countries consider it a regional dispute and territorial question.

Staples also mentioned the potential decoupling from China. While the "discussion is more binary" from a US perspective, Europe still sees the economic opportunities China offers. In the global South and most of Asia, the choice to fully decouple from China simply does not exist due to the scale of business investment.

### **Implications for Business Activities — The Importance of Diverse Perspectives**

How should corporations, therefore, react to these changes? Staples provided several pieces of advice, one of which emphasized the need for a "clear sense of business purpose and mission and a defined set of values." Having these will enable corporations to make confident and swift decisions on how to navigate this new complexity. Importantly, these values must be shared by the employees, as a committed workforce fosters resilience and a sense of unity.

Furthermore, having access to insights and information from diverse perspectives is crucial for success in the current situation. Because issues look different depending on one's position — be it in business or politics, or in the US or Asia — a lack of diversity in businesses hampers sensible and flexible responses. Staples stressed the importance of "diversity in all senses: international voices and ideas, more women in leadership, and young people."

Seeking counsel from these different perspectives will provide generational and gender insights, as well as an international perspective. Ultimately, an open mindset enables companies to successfully enter markets and increase profits. As Staples said, if you're a Japanese business leader in America, "it becomes very difficult to connect if you don't understand these issues of equity and justice."

However, diverse voices can only be of use if they are heard and taken seriously. "You need to be able to speak truth to power," Staples emphasized. This is where communication comes into play. Bringing in diverse insights and perspectives is essential, particularly for

Japanese companies looking to expand internationally, Staples said. The secret is to "create a very enabling and respectful environment, so if people come with their own views and perspectives, [companies should] embrace that," Staples shared.

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**Brad Staples** is Chief Executive Officer of APCO Worldwide.

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**Keizai Koho Center**

<https://en.kkc.or.jp>

Keidanren Kaikan, 1-3-2 Otemachi, Chiyoda-ku, Tokyo 100-0004 JAPAN

e-mail: [platform@kkc.or.jp](mailto:platform@kkc.or.jp)

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