

# LEVICK 2019 Year in Review

*“The past is never dead. It’s not even past.”*

– William Faulkner

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In 1790, George Washington referred to the new American government as “...the last great experiment in promoting human happiness.” Through nearly two and a half centuries it has been tested by every generation, sometimes more than others, though one would be hard-pressed to find too many threats to our democracy greater than today. The Civil War, the Great Depression, Pearl Harbor and World War II – this current period will surely find its way to that list in testing this

“Great Experiment.”

The United States is the confluence of three great systems: democracy, capitalism and theology (or non-theology, as the case may be). The perfect imperfection of our government – for the longest-lived national constitution in the world – is how it struggles to keep these three systems in balance.

Our rose-colored rearview mirrors make history appear well ordered, while the present is almost always messy. Rather than genuflect daily, we take history for granted. Of course: General Washington would surprise the British at Trenton; General Rommel would run out of oil in North Africa; Senator Joseph McCarthy would be undone; and President Johnson would

pass the Civil Rights and Voting Rights Acts. History's arc progresses in one direction, pointing ever-upward – or so the thinking goes. Yet as the Mayans learned almost 2,000 years ago, an Iron Age can, and often does, follow a Golden Age.

What happens when the federal government largely stops working, as it has in the United States for the past 30 years? When the federal government falters, business leaders historically have stepped in. In 1909, when a period of federal inaction occurred, J.P. Morgan and Wall Street literally created the Federal Reserve. Harriet Tubman rescued slaves; Cornelius Vanderbilt established shipping; Clara Barton founded the Red Cross; John D. Rockefeller built the oil business; Andrew Carnegie gave rise to the steel industry, and Henry Ford mass-produced cars, all changing America dramatically. Crisis abhors a vacuum; when the federal government is static for long enough periods of time, industry has stepped in. But what now? Who will be the great leaders to step up and provide the vision that the federal government no longer seems capable of supplying?

For our entire professional lives, businesses have largely stayed out of politics. The steadfast rule has been: *Focus on shareholders and customers.*

There were always exceptions and controversies, but the bright lines between business and government were, well, bright. No more. Nearly 40% of Americans – and two thirds of Millennials – expect their **brands** to be “woke.” They expect companies to stand for something beyond the product, to take just political positions, to be sensitive and diverse in advertising, to be minimalist in its carbon footprint and to engage in sophisticated corporate social responsibility. What's a company to do?

Over the past year, the most common theme in our columns was “Mercantile Activism” – the new age of activist corporations. How do companies lead – or follow adroitly – in an age of

heightened ESG (Environmental, Social, Governance) expectations and instantaneous and viral online judging?

How is it that Modelo can advertise its beer on television with a strong “hire an immigrant” message but Peloton is penalized \$1.7 billion in value in a week over a television advertisement that online critics considered sexist?

How can Dick’s Sporting Goods execute a ban on handgun sales nationwide and quickly recover while WeWork – “Do what you love” – crumbles?

How does Uber go from cool to clueless and Lyft, sensing the void, markets “woke” but quickly appears unresponsive and hypocritical over female passenger safety?

Why do people largely forgive Chick-fil-A for their historical anti-LGBT stance while other companies are excoriated for not being diverse enough in a single advertisement?

There are rules and case studies, and we covered many of them in 2019 to help guide companies during this increasingly damning – and judgmental – time. With apologies to William Faulkner, the past may not be dead – but it can provide some prologue.

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