



LEADERSHIP IN THE CONTEXT OF CHANGE

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Good afternoon. Good afternoon, everyone.

As Director-elect Tatsuno just mentioned, given that we are one of the world's true international organizations, I'm going to deliver my speech in Spanish. So for those of you who are not Spanish speakers, you may want to put on your headsets.

[In Spanish]

Good afternoon, everyone.

You know, this is an exciting moment in Rotary's history. It is an exciting time to be a Rotary senior leader. We are closing in on our signature goal of eradicating polio. Our members are carrying out more global grants than ever before. Our Rotary Foundation raised almost \$400 million last year, the second highest amount raised in the Foundation's history.

And, this year, working with Harvard University, we set out to answer this question: How much money do Rotary clubs contribute to their local communities? I am proud to announce that, in addition to the funds contributed to The Rotary Foundation, our 36,000 clubs contributed an estimated US\$1.15 billion in cash to their local communities in 2018.

So when you add this \$1.15 billion to the \$400 million contributed to The Rotary Foundation and the \$850 million estimate of the value of Rotary's volunteer service hours as determined by Johns Hopkins University, this means that we are a more than \$2 billion organization!

That is a truly impressive figure and reaffirms what we all know — that Rotary is one of the greatest organizations for good in the world today.

But even more important than how much our members give is how they feel about Rotary. And our surveys clearly show that large numbers of our fellow Rotarians feel that we need to change.

And why?

Because they understand that at a global level we face major challenges — for our clubs, our cause, and our continuity. Now, these challenges certainly keep me up at night. And I suspect that they are probably on your minds during this assembly as well.

So, to address these challenges, we have to ask three critical questions:

First, in this rapidly changing world, are we nimble enough to adapt and innovate?

Second, can we, given our annual change in leadership, cultivate the continuity necessary to implement those adaptations?

And third, are we an organization that can continue to be relevant for the 21st century?

And since the primary impetus for enacting change occurs at the club and district level, the leadership of each and every one of you here today will be critical.

This means that real change — the type of lasting change to which our strategic plan aspires — requires two types of innovation.

First, the innovation to change the status quo.

Second, the innovation to overcome the inevitable resistance to that change.

To illustrate this point, consider two Chicagoans of the last century, who both had visions of a different future. One you know well. His name was Paul Harris, the founder of Rotary, who spearheaded the rapid expansion of our organization across the globe.

And the second visionary was a lawyer named Russell Baker, and his big idea after the Second World War was to create a truly multicultural and international law firm, something that was unheard of at the time.

But when Russell presented his idea to the partners of the firm where he was working, they thought he was crazy. So, Russell split off to start his own firm, which would grow into the largest law firm in the world — Baker & McKenzie, still thriving today.

Paul and Russell both had to innovate to change the status quo. In fact, not taking action was their risk. And their opportunity was being bold enough to implement an idea that had never been tried before. So, in their own ways, Harris and Baker innovated to change the status quo and overcome resistance to change.

Now, you might think that the same possibilities to explore uncharted territories are not available to you. Well, I was once where you are today. I had a choice between maintaining the status quo or taking some risks to make a positive impact. In my case, the status quo was a relatively comfortable life in Washington, D.C.

Four decades after Russell Baker launched his law firm, I was a young lawyer, working at another law firm in Washington. It was the late 1980s and the world was changing fast. Mikhail Gorbachev had instituted perestroika and glasnost in the Soviet Union and the Berlin Wall was about to come down.

These political reforms opened up previously inaccessible markets in Eastern Europe and the Soviet Union, and Baker & McKenzie, a firm that prided itself on operating in new and difficult markets, decided to take the risk and expand into the Soviet Union.

And so the firm recruited me in late 1989 to join two other lawyers to open an office in Moscow. And Marga and I, just two weeks after our wedding in Argentina, found ourselves moving across the Atlantic for a new adventure.

And as I began to find my feet after a year in Moscow, my thoughts turned to the country that my parents left at the end of World War II — Ukraine. I believed there was a real opportunity to open a new office in Kyiv, so I pitched the idea to the firm.

There was significant resistance to my idea, given the political situation in the Soviet Union. Was it a good business decision? Would it compromise the work of the Moscow office?

But my proposal had a champion in Bob Cox, the firm's chair. In his words, "The risk is not in opening the office. The risk is in *not* opening the office."

So, the proposal was accepted, and Marga and I packed up all our belongings, together with some office equipment, and took the train from Moscow to Ukraine. The move was not easy. Life in Moscow was tough, but it was tougher in Kyiv, where the Soviet drabness and lack of amenities were even more pronounced.

For almost two years in Moscow and our first year in Kyiv, we lived in a small hotel room. Marga cooked on a small hot plate and washed the dishes in the bathtub. At the market, she would use a Geiger counter to scan the produce as she looked for any radiation contamination from the nearby Chernobyl nuclear reactor explosion.

But despite these challenges, we were also blessed with tremendous opportunities, even if this meant juggling multiple jobs at once — just like a Rotary district governor. In the daytime, I helped the parliamentary committee that was drafting a new constitution for Ukraine and advised on new legislation. And at night, I would help Western companies ease their entrance into a new and unfamiliar market.

We had to be nimble to be relevant. We had to be open to new ways of doing things. We had to help the Ukrainians understand Western legal concepts, and we had to help our Western clients understand a system that was foreign to them.

It was exciting. It was challenging. Nevertheless, the office proved to be a huge success. It proved the doubters in the firm wrong. And, today, it is still an experience that Marga and I will cherish for the rest of our lives.

So, disrupting the status quo is possible. Overcoming resistance to change is possible.

In short, the evolution of Rotary and Baker & McKenzie provide inspiration for our challenge to lead, to be nimble, and to keep Rotary relevant for this century.

And so as you embark on your journey as district governors, there are three practical issues I would urge you to focus on, which I call the three C's: clubs, cause, and continuity.

First, our clubs, which will shape our ability to adapt. You can take practical steps by encouraging each of your clubs to create their own action plan. You can think out of the box and grow Rotary by chartering new and exciting club models in your district, even if those models do not comply with all of our rules. Remember, there is no Rotary police!

You can think of clubs with flexible meeting schedules. Clubs where you can relax attendance requirements. Clubs that offer multiple membership types. Clubs that are attractive to a more diverse and younger demographic.

Second, our cause — of making lasting change — and the priority in our Action Plan to increase our impact. Our plan imagines service projects that are scalable, sustainable, and more impactful. It's not about the number of books you hand out. It's about whether your project actually increases the literacy rate in the community. It's not about the number of wells you drill. It's about reducing the incidence of waterborne disease.

These are the types of projects all generations want to be a part of. So, I challenge each of you to foster at least one project in your district that truly focuses on these types of outcomes and greater impact.

Third, the success of any action plan depends on continuity. Rotary's Action Plan covers five years, so of course it will outlast the term of any Rotary leader. Without continuity of purpose in every single district, it will not succeed.

So, work with your current governor, governor-nominee, and nominee-designate as one united team, with a shared vision and a shared action plan for your district. Because it is only through our clubs, through our cause and through continuity, that we will come closer to our vision of the future.

A future where Rotary is the organization of choice to connect the best and brightest in every community, across the generations, and across social divides. A future where Rotary is a dynamic hub for innovators. A home for people of action, which disrupts the status quo for the better. A place where new members come to us because of the clear long-term benefits of membership.

Of course, this won't be easy. You know, [former U.S.] President John F. Kennedy, when explaining the need for the U.S. to become a global leader in space exploration, said, "We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard."

And the leadership you will need to demonstrate for Rotary will involve change and hard decisions. Your ideas for change may face resistance. But you all chose to take on this challenge. Because not taking action is your biggest risk.

And your biggest opportunity is being bold enough to implement ideas that have never been tried before. And I have no doubt that you are all capable of taking risks, of being bold, of making lasting change for the better.

Because with your leadership, Rotary will continue to grow, to change, to connect the world and open opportunities.

Thank you.