

**Gail McGovern**

**Romney Institute – Administrator of the Year banquet**

**March 19, 2015**

- **Thank you Director Thompson and everyone who is here this evening: faculty members, advisory board members, students, and guests.**
- **I'm very grateful to the Romney Institute, the Marriott School, and the entire BYU community for this tremendous honor.**
- **It's particularly meaningful for me because the LDS Church is one of the Red Cross's most active and valued partners.**
- **The Church contributes so generously in support of our lifesaving mission.**
- **And, Mormons are among our most significant financial contributors.**
- **So many Church members also give the gift of life by donating blood.**
- **And many others volunteer their time.**
- **For those of you in the audience who have been involved in supporting the work of the Red Cross – whether it's donating blood, time, or funds – thank you from the bottom of my heart.**
  
- **Another reason why this award has such special meaning for me is because I deeply admire all the Romney Institute does to promote the value of public service.**
- **Whether you're a student, married to a student, a faculty member, or an administrator – none of you would be here in Provo if you weren't committed to the idea of serving others.**
- **Earlier today I had a chance to meet with many of your MPA students.**
- **I have to tell you – it's inspiring to be around such an outstanding group of young people who are looking to make a positive difference in this world.**
  
- **On a personal note, it's a thrill to reconnect with Josh Romney.**
- **I had the privilege of being Josh's marketing professor while he was at the Harvard Business School.**

- **Josh has two traits that I always look for whenever we recruit people to the American Red Cross.**
  - **These traits are simple but often rare to find together: he's very smart but also very nice.**
  - **And, he's committed to giving back.**
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- **I firmly believe that one of the most important things any of us can do in life is to give back.**
- **Service has always played an important role in my life, from both a personal and professional standpoint.**
- **I was fortunate enough to grow up in a household where my mom and dad put an emphasis on being a contributing member of society.**
- **And lessons learned from my Jewish faith – like tithing and support for the less fortunate – also had an important influence on me at a young age.**
  
- **I started volunteering early in life, beginning in high school.**
- **I tutored younger students in high school, I was a candy striper in our local hospital, and in college, and I was involved in a youth program treating juvenile delinquents.**
- **After college I was a Girl Scout leader for 7 years.**
- **I loved the feeling of giving back.**
- **I owe that to my parents and my faith.**
  
- **Later, as I juggled my career and raising a child, my husband and I became more involved in supporting causes we cared about financially.**
- **And now, I have this incredible privilege to serve by being a part of what I feel is one of the greatest humanitarian organizations in the world, the American Red Cross.**

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- **I mentioned that my faith played an important role in developing my values, and helped drive my commitment to give back.**
  - **Over the years, I've grown to appreciate the inherent connection between faith and service.**

- I see this commitment not only in my own faith, but in many other faiths as well – certainly, in the Mormon faith.
- It's reflected in the missions that you serve.
- It's reflected in your staggering levels of charitable giving.
- It's reflected in the volunteer involvement from so many LDS Church members.
- And it's reflected in the powerful work that LDS Humanitarian Services carries out around the world.
- Your work makes such a difference in so many areas: providing clean water; addressing neonatal needs; providing immunizations; family food production; disaster relief, and so much more.
- From a very personal perspective, I'm in awe of the LDS community's commitment to faith and service.
- And, on behalf of the American Red Cross, we are so very, very fortunate to have the Church as partner.

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- Speaking of the American Red Cross, when I was first approached to be considered for this role, I was drawn by the intellectual challenge of it.
- That was almost seven years ago
- I didn't know what to expect, and I didn't understand how the Red Cross would impact me personally.
- I've witnessed far too many scenes of unimaginable heartbreak and devastation.
- The destruction from places like Japan, Haiti, the Northeast after Sandy, and Oklahoma after the tornado in Moore.
- These are images that will stay with me forever.
- But I also get to see the very best our country has to offer.
- And I'm thankful every day because I truly believe I have the best job in the world.
- I get to personally experience the amazing generosity and resiliency of the American people.

- I can't tell you how gratifying it is to work side-by-side with our remarkable volunteers, donors and employees.
- Whenever I travel, I wear my Red Cross pin.
- And hundreds of times I've heard the words "thank you."
  
- I've heard it from the soldier, who said thank you for getting him home from Iraq, so he could be with his grandfather one last time before he passed away from cancer.
- Every year we provide more than 350,000 of these sorts of emergency services to the men and women of our armed forces, our veterans and their families.
  
- I heard thank you from the 16 year old girl who received multiple blood transfusions when she was in a horrific car accident .
- We provide around 40% of the nation's blood supply, and we distribute more than 7 million lifesaving blood products every year to hospitals around the country.
  
- I heard thank you from a senior exec of a Fortune 50 company.
- I mentioned that it seemed like everyone had a Red Cross story and he said, "let me tell you mine."
- He told me that we taught him First Aid and a month later he saved his daughter from choking.
- He said, "the Red Cross saved my daughter's life."
- We teach lifesaving skills – like CPR, first aid, water safety – to more than 6 million people every year.
  
- And I've heard it from countless disaster survivors for the help we provide - food, shelter, relief supplies, comfort and hope so they can get back on their feet again.
- We respond to nearly 70,000 disasters every year, of all sizes.  
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- The scale and scope of our mission never cease to amaze me
- But as I mentioned earlier that it was the intellectual challenge that really drew me to the Red Cross.

- **When I first started in June 2008, we were facing a number of challenges.**
- **We had a \$209 million operating deficit, and we also had incurred a mountain of debt.**
- **We had a ton of duplication across our local chapters: each of our 720 chapters had their own e-mail systems, payroll systems, finance systems – you get the picture.**
- **We even had 720 different websites.**
- **If you tried to find “donate blood” or “disaster relief” in a Google search, half the time we wouldn’t even come up, because we were so fragmented.**
  
- **Because of my background in the private sector, I went into the job thinking that what the Red Cross needed was financial discipline.**
- **But it didn’t take long for me to realize that I couldn’t think of this only from a financial perspective.**
- **I soon learned that leading a nonprofit is very different than leading a business.**
- **In the corporate world, I had a reputation of being a nice “participative” leader.**
- **I always encouraged honest input, I’d respectfully debate and weigh diverse opinions, and then I’d make a decision.**
- **At that point, I knew that if I would say “jump”, everyone would ask, “how high?”**
- **At the Red Cross, when I would reach that point and say, jump, they’d say “why should I? I don’t think so; you haven’t convinced me yet!”**
- **I have to tell you that motivating 400,000 volunteers takes a very different leadership approach than motivating an employee.**
- **You need to motivate volunteers by the power of your ideas, not the power of your office.**
  
- **But, I believe that learning this made me a better leader.**
- **I daresay I believe I’m a kinder person.**
- **I’m certainly more humble.**

- **And being exposed to our mission has made me more thankful for the things that truly matter.**
- **I've learned that I can lead not only with my head but also with my heart.**
  
- **From a business perspective, the way forward for the Red Cross wasn't that difficult to see.**
- **Josh, your section at Harvard could have nailed the answer in a 90 minute class.**
- **We had to simplify our organizational structure, cut costs, and centralize our back office operations.**
- **So my leadership team and I took this solution to my first board meeting, confident that it would be a no-brainer.**
- **Boy was I wrong.**
- **Many of my colleagues on the board did not want to approve the proposal.**
- **They predicted there would be a mutiny if we made the changes we were discussing.**
  
- **I knew we needed to adjust our process if we were going to have any chance of pulling this off.**
- **So my team and I decided to take a more inclusive approach.**
- **We brought 50 of our best chapter executives from across the country together to collaborate on a solution.**
- **Then we sent their plan out to the entire organization – or at least the ones we had email addresses for since we were on different email platforms.**
- **We got thousands of responses, and made many, many changes for the better.**
- **And somewhere along the line, I realized that this process was changing my leadership style.**
  
- **At the make-or-break meeting to put the final plan in front of our chapters, I found myself delivering a passionately emotional talk.**
- **I pointed to recent disasters, and described how our local chapters had responded.**
- **And then I implored the group to save the Red Cross.**

- Earlier in my career, I would have considered that kind of speech kind of sappy.
- But in that room, I could see people were changing from skepticism to belief.
- Our amazing Red Crossers care so deeply about our mission
- They were willing to accept some difficult changes in order to save this American Treasure.
  
- So we consolidated all of our back office functions – including finance, HR, payroll, etc. – which cut costs and improved efficiencies.
- We also had to make some tough financial decisions, including layoffs.
- All of these changes paid off – and we’ve made great strides.
- In two years, we eliminated our operating deficit;
- And we’re continuing to pay down our debt today.
- I couldn’t be more proud of our dedicated Red Crossers, our volunteers, employees, and donors who helped make this financial turnaround a reality.
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- And we’re at it all over again.
- There’s been a decline in demand for blood products.
- The hospitals have become much more cost conscious and are no longer tossing unused blood in their operating rooms.
- They are now bringing the blood into surgery in refrigerator units and returning the unused blood back in inventory.
- By the way, if you donate blood, don’t stop.
- We still need to collect at least 15,000 units each day at the new reduced level of demand.
- But, the decline is causing us to embark on our second turnaround.
- I’m confident that our Red Crossers will once again step up because of their commitment to our mission.
- And I’ll continue to lead with my heart as well as my head.
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- When I look back on my career in the private sector, I realize I could have been leading this way all along.

- When my team at AT&T would get all wound up, I would say, “people calm down, it’s just telephone service; we’re not saving lives here.”
- At Fidelity, I’d say, “it’s just gathering assets, we’re not saving lives here.”
- I obviously couldn’t say “we’re not saving lives here at the Red Cross.”
- But, everyone wants to be part of a higher purpose.
- At AT&T – we didn’t just provide telephone service, we were connecting people to information they needed and the people they loved.
- At Fidelity Investments – we didn’t just manage money; we helped people fulfill their dreams for college or retirement.
- Every leader can tap into the power of a higher purpose.
- You need to lead with your head, but sometimes you need to have the courage to also lead from the heart.

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- As I close my remarks – I want to let you know once again what a pleasure it is to be here with all of you.
  - And I’m profoundly grateful for the support that so many of you have given to the American Red Cross.
  - I firmly believe our humanitarian organization is needed now more than ever.
  - The number of natural disasters is on the rise.
  - More members of our Armed Forces are being deployed, or they’re coming home and they need help adjusting to civilian life.
  - Our blood products and training courses are saving lives every day.
  - And there’s always more we can do.
  - We’d be delighted to get you involved in our mission to alleviate suffering in the face of emergencies.
  - The need is great and we have so many opportunities to make a difference – whether it’s volunteering your time, donating blood, or supporting our mission financially.
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- **Once again – thank you to everyone at the Romney Institute, the Marriot School and the BYU community for being such wonderful hosts.**
- **It's been a pleasure to share this day with you, and I'm so very grateful for this tremendous honor.**
- **Thank you.**