

XEROX BUSINESS LIVE

Breakfast Event, Tuesday, February 16, 2010, 7:45 – 10:00 a.m.

Hotel Vancouver and Vancouver Art Gallery

Doug [Lord], thank you for that kind introduction. And to everyone at Xerox Global Solutions, thank you for welcoming me here today. Ladies and gentlemen, on behalf of The University of British Columbia, it's an honour to welcome *you* to Vancouver and to the 2010 Olympic and Paralympic Winter Games.

It hasn't escaped my attention—and I would just like to draw *your* attention to the fact—that I'm sharing the podium this morning with two former Olympic athletes! It's all I can do, frankly, not to raise my arms in the 'Victory' salute, but I promised Doug I wouldn't, and that I wouldn't sing the national anthem, and that he could just give me my medal later and we could keep it very low key.

But I think my place in this lineup does raise the question of how a university president belongs here today, and in fact what useable ideas a university president may have to offer a group of senior business leaders on the wisdom and importance of investing in the Olympics as a means of attracting and retaining good people.¹

So the way I want to spend my time with you this morning is in exploring a couple of big questions: The first is, Is there a way to look at these Olympic Games as

¹ Topic requested by Xerox head office.

an opportunity to redefine 'investment' and 'economic benefit?' Secondly, how can benefits from a short-term event elicit people's long-term commitment to an organization, or a region? And third, Is it possible to learn to recognize non-traditional investment opportunities in the Games that will inspire that kind of commitment?

As I look for answers to these three big questions, I'm going to talk about what I know best, which is how an organization with two campuses and multiple other sites, a \$2.0 billion annual budget and real financial challenges brought about by the economic downturn, 50,000 students and 19,000 employees has found in the Olympics an opportunity to benefit not just UBC but everyone the university touches—from students, staff, faculty, and alumni to community members, Vancouver residents, First Nations communities, Canadian citizens and international partners.

So, to my first question: Are the 2010 Olympic Games going to be our opportunity to redefine 'investment' and 'economic benefit?' To begin to answer that, I'd like to tell you a story.

Redefining 'Investment' and 'Economic Benefit' With Respect to the Olympics

Three years after the 2002 Winter Games in Salt Lake City, a group of business people from Vancouver's Board of Trade made a trip to Utah to see what they could learn about how a host city can benefit from a global event like the Olympics. One of the people they spoke with during the course of their stay was a furniture dealer, and they asked him if having the Games come to his State had helped his business. In answer, the dealer grinned, shook his head, and said, "Latvians don't buy sofas."

Tourists and locals alike are here for the *Games*, not to buy sofas or anything else. But that doesn't stop enthusiastic backers from making Olympic-sized predictions about how businesses will get rich quick. When BC launched the bid for these Games 12 years ago, the claim was that hosting the Olympics would bring \$1 billion worth of economic growth and 25,000 jobs. Three years later, that prediction had grown to \$2.8 billion and 67,000 jobs. In 2002, a revised study predicted \$10 billion in growth and 228,000 jobs.

But in 2003, University of British Columbia economist David Green crunched the numbers to determine the long-term economic benefits of hosting a Winter Olympics, and concluded in a report to the Canadian Centre for Policy Alternatives that they were "extremely limited." Economist Jeffrey Owen of Minnesota noted that Games rarely if ever produce the new jobs or the visitor

spending that their boosters predict because of the way they are financed. In 2008, an independent international accounting firm found that the region's economy had grown just one-tenth of one percent as a result of the Games. UBC real estate professor Tsur Somerville and three-time Olympian Jake Wetzel published a study just last month, saying, "We do not find support for the argument of host city backers that the Olympics delivers positive economic benefits."

Robert Barney, director of the International Centre for Olympic Studies at the University of Western Ontario, says, "There has never been an Olympic Games that has made a profit." In cases where surpluses were claimed, such as by LA, Calgary, and Salt Lake City, massive federal spending was left out of the calculations.

There *are* businesses that will do very well in the next few weeks. They include hotels, restaurants close to Olympic venues, and ski resorts near where Olympic events are taking place. Tourist outlets generally may also do well, and the BC government is betting millions on the hope that tourism will increase long term.

But there are also many businesses that suffered and even closed their doors over the past several years as a result of lost revenues during infrastructure construction. Column A and Column B on the balance sheet are neck and neck.

All this to say that if we look for economic benefits in the customary places, we'll probably be disappointed. However, there *are* three areas where economists generally agree an Olympics host is likely to see benefits.

The first is in international trade. Economist Andrew Rose at the University of California, Berkeley, says the benefits go not only to the host city but also and *equally* to those cities that bid and lose. Here's why: "When a country submits a serious bid to host the Olympics," Rose says, "what they're really doing is saying that they're open for business ... and a serious member of the international community." Of course, Vancouver hung its shingle out during the 1986 World Exposition. The explosive growth that has occurred here in the quarter-century since will be a tough act to follow. But it's not out of the question, and certainly both government and industry are hoping for a show-stopping second act.

The second generally agreed-upon area of economic benefit is infrastructure improvements. Although many host cities have been left with stadiums and other structures that have sat empty in the years following the event, (as a parenthesis, I am a Montrealer by origin. I was paying for the 1976 Olympic Stadium on my property tax bill until 2006!) the Games *can* act as a catalyst for substantial and even historic change when development focuses on enhancing the quality of citizens' lives in the long term. In this respect, Vancouver will have done very well. We have a new Sea to Sky Highway that allows for increased and safer travel between the Lower Mainland and Whistler. A new convention centre and a

new rapid transit line that connects our international airport to the downtown core. Two new, sustainable, state-of-the-art athletics facilities – one on UBC's Vancouver Campus - that will be well used after the Games. And the Athletes' Village will be converted into much-needed low-income housing once the Games are over.

So one, international trade and two, infrastructure improvements. Both are likely to have a measurable effect on the region's ability to attract and retain good people. But the *third* area of benefit is of a different order entirely. It's the least tangible, and arguably the most interesting. This is the one that has the potential to redefine the term 'economic benefit.' The one that requires us to reconsider what we mean by 'investment opportunity.' And this is the one that I am convinced has the greatest influence on whether people come to an organization, or a city, and whether they stay.

The third area of benefit, which *all* experts seem to agree accrues to an Olympic Games host, is ... happiness. Media pundits call it 'the feel-good factor.' Politicians call it 'civic pride,' the opportunity to celebrate human achievement and the Olympic ideals. But whatever you call it, the question is, how does it translate into tangible benefits like talent retention? Here are some of the answers I've found.

Happiness and HR – How It Works

In September of last year, French president Nicolas Sarkozy drew on a report led by Nobel Prize-winning US economist Joseph Stiglitz and called for us all to re-measure our GDP according to a 'joie de vivre' index. Vancouver's Board of Trade has a Chief Happiness Officer. The Dean of UBC's own Sauder Business School quoted the Buddha in one of Canada's national newspapers on the importance of giving back. So has the economic downturn shaken some bearings loose, or are these business leaders onto something real?

Research says it's real. UBC economist John Helliwell, a fellow of the Canadian Institute for Advanced Research and a co-director of the Social Interactions, Identity and Well-Being Program, told the Vancouver Board of Trade that "it is engagement that keeps us happy," and that when happiness rather than money becomes the currency of engagement, then interacting and networking with others becomes exponentially more powerful. At a recent conference on Well-Being and Sustainability, Helliwell demonstrated the potential power of happiness to help communities develop efficient responses to community-wide, nation-wide or even global opportunities or challenges.

Speaking of sustainability, I read an interview with Patricia Calkins, Xerox's Vice President of Environment, Health and Safety, where she said, "From the beginning, I wanted to do something that was meaningful to society. When I got into the environmental realm, I saw the opportunity to make contributions." When she was asked what was next for her, she answered: "As long as I ... feel that

I'm contributing in a way that makes a difference, I will be really happy with where I am."

Lest I be seen to be playing favourites with my examples, let me point to the work of American economist Richard Florida, who studies the effects of creativity and diversity on the long-term economic health of cities and regions. He calls his measuring stick the Creativity Index, and he's translated dense economic theory into popular non-fiction books such as *Who's Your City?*, which people are now using to determine where they would be happiest living and working.

Florida says, "Smart people are the most critical resource to any economy." The key to attracting and retaining them is being the kind of place that encourages diversity, the kind of place, he says, "where people can find opportunity, build support structures, be themselves, and not get stuck in any one identity." He's been able to demonstrate that a geographical clustering of this kind of talent exerts considerable influence on the location of high-technology industries and on regional incomes.

So to recap: First, Olympic windfalls are a pipe dream for most businesses. On a regional scale, even international trade and infrastructure development can be long-term gambles. But apparently the 'sure thing' is an increase in happiness. Second, happiness correlates to well-being, job satisfaction, economic strength, and the ability to respond effectively to local to global opportunities and

challenges. Third: The best chance any organization, city, or region has of attracting the best and brightest in the world and keeping them happy is to be a place that embraces diversity. Cultural. Intellectual. Diversity of expression, creativity, and contribution.

So if THAT's our goal,—encouraging diversity—how can investing in an event that lasts just a few weeks lead to the kind of long-term commitment we're looking for from our people? The answer lies in reconsidering what we mean by 'investment' and, perhaps, whose happiness we're talking about.

The Royal Caribbean Factor and the Olympic Games

A story: Just a week or so following the earthquake that devastated Haiti and left so many there homeless, injured, or dead, the media reported that Royal Caribbean Cruise Lines was still bringing holiday-goers into a resort just miles from the capitol to feast and suntan and play. Journalists—and many viewers—found the juxtaposition morally repugnant. Royal Caribbean responded by continuing to operate, to employ their Haitian resort staff, and to provide an influx of foreign cash into the local economy. They ferried relief supplies in and donated \$1 million toward the rebuilding of the country's infrastructure. Was any of that an investment for them? It doesn't fit any of the standard criteria. But those cruise line staff, those patrons, and all the people around the world who understood Royal Caribbean's response will remember—likely for the rest of their lives— that

in the moment of greatest need, at the epicenter of the disaster, they made a difference.

Back to the 2010 Olympic host city. David Eby, executive director of the BC Civil Liberties Association, was quoted in the UK *Guardian* last week saying, “There are those who argue that we shouldn’t be spending billions on a two-week party until we’ve dealt with the fact that people are freezing and starving in our streets.”

And they are. Just blocks from here, in fact, in the midst of a city hailed as one of the most livable in the world, people are dying for want of food and shelter.

But some groups representing those people are looking at these Games as a catalyst for change. Michelle Clausius of Covenant House, an organization that supports homeless young people, says, “I can’t say for sure if the same level of ... support towards reducing homelessness would have occurred without the Olympics, but I know that the issue is much more in the spotlight than it was prior to the awarding of the Games.”

Where does The University of British Columbia stand in this great debate? Or, for that matter, on the issue of the Olympics’ carbon footprint? Or of the perception that the Games make only jocks and sports fans happy? It’s the jocks versus the nerds, I’ve heard. The pro-Games boosters versus the nay-saying bean counters. *So where does UBC stand?*

Well, first, UBC has had more than 250 of its 'nerds' compete in Olympic Games since 1928. We prefer the term 'well-rounded.'

And second, these Olympics aren't a for-or-against proposition. We don't stand on either side. What UBC stands *for* is exceptional teaching and learning; research excellence; and engagement with, and service to, the people of British Columbia, Canada, and the world. Those are our core commitments, and they didn't change when the Olympics came to town. They're backed by commitments to sustainability, intercultural understanding, and an outstanding work environment. And based on those commitments, since the day Vancouver was named as the 2010 host city, UBC has been very substantially invested in the Olympics.

UBC is a host venue for the 2010 Winter Olympic and Paralympic Games, and the programmer and host for over 200 public arts, science, and technology events running before and during the Games. UBC Robson Square, our downtown Vancouver site, is the BC International Media Centre and home to 3,000 journalists for the duration of the Games. The three billion worldwide viewers we've been told to expect are getting a clear and close look at The University of British Columbia.

UBC researchers are conducting the world's first IOC-mandated Olympic Games Impact Assessment. The results will help future bidders and organizing committees maximize the positive impact of hosting the Games, and create the social, economic, and environmental standards by which all future Games are measured. Half the funding for the \$600,000 study comes from VANOC, and the other half from UBC.

As part of Canada's Own the Podium 2010 initiative, UBC researchers have developed high-level techniques and equipment to give Canadians an edge in competition. That investment has paid off already with a 41 percent increase in medals won at Olympic Winter Games between 2002 and 2006, almost all by female athletes, I might add.

These investments—in infrastructure, publicity, sustainability research, and human athletic achievement—are ones you might expect. In terms of sheer numbers, though, the majority of our investments are much less obvious. But they are no less important.

For starters, some of the most vocal protestors against the Games come from among UBC's students, staff, faculty, and alumni. Over the past year and continuing through the Games, the University has made dialogue opportunities available to those who want a forum. In fact, I believe the UBC community is

uniquely positioned to instigate a potentially transformative exchange of ideas on questions of economic, environmental, and social justice.

Several faculties are running courses on Olympics-related topics. Public seminar series are bringing athletes, experts, and learners together to discuss issues of sport and its potential as a tool for social justice and peace. UBC's online institutional repository, called cIRcle, collects Olympics-related theses and other materials, and all of its contents are freely available to users around the world.

How else are we invested? Well, UBC students are out of class these next two weeks, on their annual reading break. And a thousand of them are using the time to volunteer with inner-city school children in a program called Community Service Learning. They'll see issues of sustainability, literacy, and poverty through the eyes of some of the city's most vulnerable residents.

Another 400 students are helping to run a free health clinic in the Downtown Eastside, known as Canada's poorest postal code. At another clinic, fourth-year dental students provide oral health care to low-income, high-risk residents. The Street Nurse Program, made up in large part of UBC graduates, provides health care to people living in the alleys and hotels of this same area of the city. And UBC's Faculty of Law runs the First Nations Legal Clinic, providing legal services to disadvantaged members of First Nations communities.

Here's another not-so-obvious investment. UBC is using the Games to focus international efforts on halting the progression of HIV and AIDS. A conference will be held next week on the UBC campus, and a panel of the world's best minds in research, industry, policy, and philanthropy will show what can be accomplished in the arena of global health when nations work together.

These are not traditional investment scenarios. I can't give you a cost-benefit analysis, or predict the University's ROI. If I had to make an educated guess, though, I would say that the investments we're making in the Olympics in the areas of teaching and learning; in research; and in community service are going to have long-term pay-offs exponentially greater than those we've made in the more standard investment arenas. Our operating models differ, I know. But whether we're a university, a community, or a corporation, our capacity to invest in this way differs only by degree. Even a single individual can do it.

Which brings me to my last story. It's about a young journalist, author, and media consultant named Charles Montgomery who had a room to rent out during the Olympic Games. He was more interested in providing a visitor with a nice place to stay than in getting rich quick, so he set a reasonable rate and committed to donating half of whatever he made to two charities that support Vancouver's homeless. Friends heard what he was doing and wanted to join in. Before long, Montgomery was running a full-fledged enterprise called Home for the Games.

His Olympic goals are 1,000 host homes and \$750,000 for Covenant House and the Street-to-Home Foundation, and he's well on his way.

Montgomery is in demand as a writer, his laptop is his office, and he could make his living from anywhere in the world. But he chooses to stay here in Vancouver, where he is free to protest the Games if he wants to, where he can write and say what he wishes, and where the opportunity exists to make a real and tangible difference in the lives of his fellow citizens.

And here's the epilogue: In his spare time, Montgomery's writing a book on what makes cities happy. It seems he learned from a UBC economics professor named John Helliwell that *IF* they fostered a stronger culture of big-heartedness and volunteerism, the Olympics could make Vancouver happier.

Conclusion

It's the nature of good business to go for the gold. But it's the nature of wisdom to look to the tarnished places, too, and to help uncover what's underneath. The Olympic Games provide an unparalleled opportunity to do both.

At their essence, the Olympics serve to remind us of the very best of human achievement, and to inspire us to pursue that—not just for ourselves, not just for our athletes, but for everyone. Whatever anyone may think of the Olympic

machine, the Olympic *spirit* is something that the best among us all want to be part of. Invest in making *that* possible, and you'll never want for good company.

Thank you.