

Swept Away

but still standing

alum communicates the
human side of two disasters



For most of us, there is quite a gap between real life and the movies. But in both cases, we are always intrigued by one question: How does a person react when faced with a challenge? Not the little stuff. Instead, big, sweeping events that knock people off any but the firmest of foundations.

Scott Hamilton ('82 Management) is at a place now from which he can reflect on that question, and he has his own career as a point of reference.

Not once, but twice he has been caught up in far-reaching dramas that he could never have expected. Outright disasters that challenged his values, tested his resolve, and presented him with ample opportunities to survive or to fail. The man-made financial disaster of WorldCom and the natural disaster of



Hurricane Katrina was the costliest Atlantic hurricane in history.

Hurricane Katrina affected thousands of lives, and Hamilton, as a professional communicator, found himself smack in the middle of both. Yet through it all and to this day, he has kept his message focused on humanity.

Admirable for someone who rose up as a company man in a corporate world.

It's a world that Hamilton now deals with from the outside in: The public affairs company in which he is the owner has the "standard fare" of corporate clients. But as with any dynamic character in a compelling story, there have been changes in Hamilton's outlook.

The man-made financial disaster of WorldCom and the natural disaster of Hurricane Katrina affected thousands of lives, and Hamilton found himself smack in the middle of both.

"I'm just a lot more interested in projects that tend to have a more immediate impact on people's lives," he said.

His attitude makes sense, considering his experience.

"It's hard to go through both of those situations and not be

changed, and not see the world a little bit differently," Hamilton says. "You realize there's more to life than having the highest P/E-ratio."

Hamilton brought that message to students, faculty, and staff at Iowa State during his presentation "From Bad to Worse: WorldCom to Hurricane Katrina,"

"It's hard to go through both of those situations and not be changed, and not see the world a little bit differently."

— Scott Hamilton

made at the College of Business in April. The event was sponsored by the Caterpillar Foundation, the Bacon Center for Ethics, Ralph and Jean Eucher, and the Committee on Lectures (funded by the Government of the Student Body).

The accidental communicator

As a management student at Iowa State's College of Business, Hamilton "envisioned becoming sort of a business person. If you had said when I was at Iowa State that I was going to be writing for a career, I would have been surprised."

After graduating from Iowa State in 1982, Hamilton started his career in sales and marketing positions. Even after business writing "started to click" during his pursuit of an MBA at The George Washington University School of Business, he continued on the sales and marketing track after he finished his degree. Eventually, Hamilton "sort of fell into a writing and research role at MCI, in Washington, DC (which was acquired by WorldCom), almost by accident," as he describes it. But what he regarded as a temporary position, quickly became a career.

Clearly, he had found his niche. In February 2000, he was promoted to vice president of investor relations for WorldCom. It was an important position in a company that appeared to be a stunning success story. Hamilton, a self-proclaimed "adrenaline junkie," thrived on the pace and welcomed the challenges. But even as he performed his job with energy and integrity, the company was about to collapse into a scandal for the ages.

As the story unfolded, Hamilton found that he had been misled by those whom he worked with and trusted. Some of the information he had passed along as a professional communicator turned out



In 2005, Scott Hamilton found himself in the middle of one of the greatest natural disasters in the country's history.

He didn't expect that he would ever find himself in the midst of storm-related crisis communications. And yet that's exactly what happened.

to be misinformation spun off from untenable accounting. The wordsmith found himself caught in a numbers game that swirled out of control. WorldCom's bankruptcy, filed in July 2002, was the largest in United States history—far beyond even that of Enron, which had filed late in 2001. And as with Enron, the lives of everyday people were shattered as the paper value of investments and retirement portfolios vaporized.

From stock prices to storm surge

Hamilton's career survived the tumult. Although he was not complicit in any way for WorldCom's wrongdoings, most doors in investor relations were closed to him. He moved on to an entirely new kind of role as director of communications for the

Mississippi Development Authority, the state's lead economic developer. As such, he didn't expect that he would ever find himself in the midst of storm-related crisis communications.

Hamilton found that he had been misled by those whom he worked with and trusted.

And yet that's exactly what happened.

When Hurricane Katrina struck in late August 2005, Hamilton and other state communicators were swept into action as public information officers. This time, the human tragedy was starkly apparent. Lives were ruined and lives were lost amidst wide-scale destruction. Hamilton saw suffering all around him while working in difficult conditions on Mississippi's Gulf Coast—conditions that brought out the best in

most people and the worst in a few. His ability to focus on the work, and the message, sprang from the very values that had sustained him through the WorldCom experience.

A time to reflect

Hamilton views his experiences as opportunities for growth, for him personally and professionally, and for those in the business world today. He offers his reflections in that spirit. Rather than seeking blame, he points to lessons learned.

Or, at least, lessons that should have been learned.

In today's business climate, for example, "I feel like many investment advisers tend to be afraid to go away from the crowd because their bonuses are based on how well they do relative to everyone else," Hamilton says. "Our market has suffered because there has been no natural correction or cynicism. This leads to fad chasing. First the dot-coms, then real estate and now commodities. What people are missing in the investment world today is that they just need to get back to basics."



Over \$80 billion in property and infrastructure was destroyed by Hurricane Katrina.



Katrina left over 1,800 people dead plus hundreds more missing, including over 300 dead or missing in Mississippi.

Those basics, according to Hamilton, include accurate financial statements, but also permeate communications and professional conduct. “Follow through on what you say you’re going to do,” he says, “and be honest. When you talk about basic principles, I think about the principles of dealing with other human beings. Basic business etiquette is still important.”

“When you talk about basic principles, I think about the principles of dealing with other human beings. Basic business etiquette is still important.”
— Scott Hamilton

Common sense advice, it would seem, although one of the tests of a crisis is to communicate well, and in some cases to communicate at all. Losing sight of the bigger human picture happens all too often.

“It’s amazing how difficult the little things become when you’re faced with a crisis,”

Hamilton says. “Usually the reason for a crisis is not that just one thing broke but two or three things, which means part of the way you usually do things isn’t going to be the same.”

What doesn’t change in a crisis? “The bottom line is that people are people,” Hamilton says. “Don’t forget that you’re talking to people and that your company is made up of people. These are human problems and emotions, so keep humanity in the messages.”

That’s precisely the tone that Hamilton brought to Iowa State in April, according to University Professor Brad Shrader, the Ralph and Jean Eucher Fellow in Business Ethics at Iowa State.

“At WorldCom, for example, Scott was caught up in an organizational wave,” Shrader said. “Sometimes one person can be carried along by a situation. What really touched people was his reflection on our vulnerability in that kind of situation. He’s asked himself, ‘What did I do? What did it mean? What were the red flags?’ It was very human, very touching.”

Hamilton was also able to tell his story without recrimination. As an expert communicator, he relayed the facts and acknowledged the emotions. His isn’t a bitter tale, but it is a meaningful one.

“He talked about what we can learn rather than focusing on assigning blame,” Shrader says. “Blame may be important for justice, but it does not solve a

lot of problems. I thought he stayed positive in the midst of two amazing disasters. His simple message was that we should try to do the right thing. Be accountable, don’t misrepresent, and when things go wrong, try to make them right. There are a number of these positive stories and Scott hit the chord just right.”



Brad Shrader

“Blame may be important for justice, but it does not solve a lot of problems. I thought he stayed positive in the midst of two amazing disasters.”

— Brad Shrader

Still, the negative stories tend to generate the most attention, and plenty of them continue to arise, such as the recent “credit crisis.” Many, it seems, call into question the value of ethics in business, if not society.

“Right now business ethics is a little more on our radar screen,” Shrader says. “In the past, a lot of business schools have not required ethics courses or leadership and values courses. Sometimes students would leave school without a perspective of how business truly adds value to people’s lives.”

Iowa State has responded with a series of required courses in ethics and leadership as part of undergraduate and MBA programs. The new Gerdin Citizenship Program, profiled on page 14, has an ethics component as well. Courses are also being developed to teach leadership in corporate governance.

Hamilton, for his part, continues to see the positive when it comes to the basic principles that have buttressed his career.

“The young people I’ve worked with the past few years, I think they absolutely have a good grasp of fundamentals,” he says. “And when I was at Iowa State in April, I saw

young men and women with firm handshakes who looked me straight in the eye. I was suitably impressed.”

Does Hamilton have any advice for the up-and-coming business students of today? Yes, of course, and none of it is surprising, considering his own career. Some of his thoughts:

- “Everything in business is about people. Never forget that. Treating people well is infectious.”
- “Never stop learning.”
- “Irrespective of your college degree, do the things you like or love. In the end, that’s going to be a lot more important than just following your degree.”

Finally, as one who has endured two major disasters, Hamilton offers one of the most basic suggestions of all: Don’t forget to laugh.

“Keep your sense of humor about you,” he says. “There are going to be a lot of trials and tribulations in your life, and if you take them all too seriously, it’s going to be overwhelming. If you don’t laugh, you’ll cry, and if you do laugh, you’ll cry anyway, so you might as well go ahead and laugh.” ■

“If you don’t laugh, you’ll cry, and if you do laugh, you’ll cry anyway, so you might as well go ahead and laugh.”

— Scott Hamilton



Hamilton recounted his experiences with WorldCom and Hurricane Katrina in an emotional lecture at Iowa State in April.