

The Chief Communications Officer: Guiding Your Business in a Chaotic World

The business environment is in upheaval, and it's not just about the economy. Companies now communicate with consumers and stakeholders in a significantly different way and through new channels that didn't even exist a few years ago. As a result, chief executive officers (CEOs) and boards are closely examining their strategic communications function. In this paper, Seema Kathuria looks at the changes sweeping through the corporate communications field and reviews the issues that will be critical in the coming year as companies seek to define and implement their communications strategy.

A Business World (Still) in Crisis: No company's reputation (or business) is safe

Despite what some economic forecasters are saying, most of those operating in the business world think that the tumult and uncertainty of the past 18 months will continue for some time. Many companies still are grappling with severely tarnished reputations and pervasive, cross-industry distrust of business in general on the part of consumers and investors.

While many firms earned their bad reputations over the past two years, it's also true that even some of the world's most well regarded firms have seen their reputations tarnished. A U.S.-based Harris Interactive Poll released December 1, 2009, revealed just how bad things are. Forty-four percent of the respondents in the annual scientific poll say they do not trust the public statements of any business. Only 12 percent think banks are trustworthy, just 9 percent see the pharmaceutical sector as such and only 5 percent find oil companies to be honest dealers. The supermarket industry fared the best in the annual poll, but with just 36 percent of respondents finding the sector trustworthy, it hardly seems like something to celebrate.

In the same survey, people clamored for more government oversight. Forty-four percent say the health insurance, oil, pharmaceutical and banking industries all need more regulation—not exactly an indicator of high consumer confidence.

Beyond the Economy: Dynamic forces at play in society demand new messages and new communications tactics

Restoring reputations and stakeholder confidence shaken by the economy is just one element that is spurring organizations to rethink their communications strategies. Businesses recognize that they will increasingly need varying but integrated messages to reach different constituents. At the same time, an evolving array of media will be employed to reach these key audiences. As a result, Communications departments are evolving away from the more structured and separately functioning areas such as investor relations, consumer relations, media affairs and internal communications.

Many CEOs are increasingly making corporate communications a specific, more comprehensive role, one that sits in the c-suite and is far more connected to the business and to revenue streams than typically has been the case in the past. The result is a chief communications officer (CCO) charged with centralizing, developing, leading and executing a robust and fully integrated communications plan. Beyond the weighty effects of the economic downturn, the external forces driving these changes include:

Globalization of Stakeholders

Understanding a company's stakeholders used to be a fairly predictable business. There were customers foremost plus employees, investors, business partners and regulators. Simple. Global commerce,



the Internet's transformative power, transnational governing bodies like the European Union plus international trade pacts like NAFTA have led to a massive proliferation of corporate stakeholders. Non-governmental organizations such as medical organizations, environmental groups, human rights campaigners plus state attorneys general and student activists, to highlight just a few, all have managed to become powerful and vocal stakeholders in many corporate sectors.

You can't grow Roundup Ready corn in Iowa without weighing the concerns of subsistence farmers in Mexico. And if you sell services or products in America, you'd better expect scrutiny of your worldwide workforce. It isn't just new markets that globalization has opened up over the past few years but greater visibility and, therefore, accountability for an organization's actions.

Message Multiplication

Inextricably linked to globalization is the reality that companies now have many more issues and messages to communicate. If it were only about products or services, that would be easy. Today, organizations often are judged on the sustainability of their products and supply chains, their investment and vendor policies, the role their products play in the health and well-being of their users, their promotion of gender and racial equality, and their philanthropic commitments. Gone are the days when you could just put a product in the marketplace and go home for the night.

If executed the right way, these issues present a valuable opportunity to connect with stakeholders in a meaningful and positive social dialogue. But this is critical: These issues also require strategic management and a coherent message that builds the brand. Left uncontrolled, these varying messages can overwhelm an organization and undermine the integrity of the brand and its overarching value in the minds of consumers.

Endless Technological Revolution

Finally, technological and entrepreneurial innovation is creating an ever-changing menu of new communication channels. Facebook and Twitter are the most obvious ways the latest technologies have transformed corporate communications, but let's not forget that until 2007, most people didn't even know what a tweet was. It should go without saying that communication and media channels will continue to evolve and

decentralize. The old, privileged sources of information, whether traditional media outlets or corporate marketing departments, are becoming only single nodes in a vast communication network connecting producers, consumers and intermediaries.

With these dynamic and often unpredictable forces at work, it should be no surprise that businesses are actively seeking out or cultivating CCOs who can both synthesize and leverage these changes. Enterprises that do not respond and capitalize on these dramatic changes are squandering a potential competitive advantage and are exposing themselves to significant business risk.

How a strategically aligned CCO plugs in to your business

One thing that the last year has made clear is that a company's CCO must be able to develop and execute sophisticated strategies across multiple channels. So perhaps the most distinguishing characteristic of an effective CCO is a highly strategic mindset. The CCO needs to be someone other c-suite leaders expect at the table for a wide range of discussions. This person's network will extend broadly throughout the company and the industry. It also will extend into other industries, giving the CCO a wide perspective and range of resources upon which to draw. Thanks to these skills, the CCO should know as much, if not more, about the business than anyone else. Taken together, these are the big-picture competencies of a communications leader as we enter the new decade. More specifically, a CCO's interlocking responsibilities will include:

Communications Strategy

The CCO is an enterprise's chief spokesperson as well as trusted communications advisor to the CEO and the rest of the executive team. Now more than ever, business decisions must be analyzed through the lens of communications, and the CCO should drive this activity. The CCO also must be a prognosticator, able to anticipate technological, societal and regulatory trends and advise c-suite colleagues accordingly. Different business units and various constituencies will require unique tools and it is the CCO who develops and oversees implementation of them. The CCO also acts as an educator within the organization to raise awareness of communications issues and corporate strategy.

Business Intelligence and Stakeholder Interface

The CCO should be an impeccable source of intelligence regarding your business, its stakeholders and the market at large. The key people and organizations involved with your business, their motivations and their alliances will be familiar to the CCO. Working with c-suite counterparts to assess stakeholder expectations on all manner of corporate initiatives also will be a necessity. For example, will a new rollout alienate traditional customers? How can the company get ahead of the issue, and what tools will it use to get there? Ask the CCO.

Management

The CCO must assemble, manage and develop a team with the capabilities and perspectives that a truly strategic communication campaign demands. The leader of this group must both develop and then implement a culture that reinforces that strategic orientation. As with any excellent manager, the CCO must continuously assess the functional capabilities of the broader communications team in light of changing needs and adjust accordingly.

Company Culture, Values and Beliefs

While not charged with setting company culture, the CCO will be its guardian and chief interlocutor. As part of this task, the CCO should ensure that a company's culture, values and beliefs are integrated into its communication efforts and that it is consistent across channels. Because of globalization of markets and many industries' recent cycles of consolidation and cross-pollination of talent, corporate cultures also are also being assessed more rigorously and are evolving to meet new opportunities: The CCO is the lead facilitator for spreading these values inside and outside the company.

Communications Infrastructure

The expansion of new communications platforms will require more than simply deciding to embrace today's social media and other new communications tools. CCOs must be early adopters of many new technologies and channels, they must be able to evaluate new media platforms for degree of appropriateness to their markets and they must leverage those avenues that will have the greatest impact. The CCO then must be able to strategically reallocate resources and ensure that the necessary new channels are integrated within the business.

Conclusion

The chief communications officer cannot drive change alone. It should go without saying, but there must be an organizational commitment to the CCO's success. This begins with ensuring that the CCO has unfettered access to the CEO and the freedom to forge direct connections with unit leaders across the company. Those executives, in turn, must abandon outdated views of the communication chief's role and engage the CCO on a strategic level. The CCO isn't there only to make sure other executives get profiled in the news or just drive the creative ad campaigns but rather to help drive a profitable business.

No matter how brilliant and how strategically oriented a communications leader is, he or she inevitably will fail without the right resources. Even in these lean times, the most progressive organizations are making sure their CCO has a critical mass of people and the financial resources required to do their job effectively. When it comes to chief financial officers and general counsels, it works the same way, and, in this new business environment, the CCOs also need that level of commitment and backing.

The changes under way in communications technology, stakeholder engagement and globalization present a powerful impetus for CEOs and boards to rethink their communications function—and the person who leads it. There will be no “one size fits all” template for doing so. Each organization will have to approach the matter based on the current state of its communications group and the long-term objectives of its business. However, we believe organizations that quickly and effectively adapt their communications strategy to these new demands will enjoy a significant competitive advantage.

Author

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