BEYOND COMMUNICATIONS

A CEO perspective of reputation leadership
CONTENTS

Foreword 4

Executive summary 6

1: The value of communications 12

2: Strategy: is communications trusted? 20

3: All change: the new communications culture 24

4: The challenge of filtering in an age of noise 31

5: The need for true leadership 36

6: The future: a profession in revolutionary change 41

CCO capabilities required by CEOs 47

Acknowledgements and thanks 48
FOREWORD

We commissioned this research because the profession we serve is under strain.

It is not the general pressure of business management, nor a lack of quality in the corporate communications talent pool: during our 40 years of business, we have watched the very best in the field professionalise and change the industry to deliver true value. The best are as good as they always were.

The strain is being caused by the runaway scope of the profession in the digital age. With that revolution, corporate communications’ vertical skills growth – upwards to board-level expertise – has suddenly been stretched across an infinite horizontal plain. The global conversation is constant, the boundaries of influence unmarked, and the potential audience everywhere and always online. Which parts of this limitless world does business now expect the profession to occupy and own? Where is its future point of value?

These are questions that could only be answered by canvassing the views of a broad consortium of leading executives. Between May and August 2016, we interviewed 40 CEOs across Europe, from leaders of small trade organisations to those of major multinationals.

Their answers were frequently challenging. These CEOs called for a communications function that was much more informed, more provocative, more business-savvy and less risk-averse than ever before. They often felt that the profession had – with honourable exceptions – trained its crosshairs on the wrong targets in the digital age, reverting to instincts of ‘message management’ and ‘channel worship,’ rather than focusing on the potential impact to corporate reputation. Underwriting everything was a loud call for communications now to start capitalising on the digital opportunity to actively grow their businesses, not simply support them.

The profession may find some of the judgements in this report unsettling. We encourage the debate that this report will provoke. We urge communications directors not to fear such critiques, but to digest and question them. Can they be seen as a blueprint for taking the industry forward or are they a reflection of the education that communications professionals have driven within business? The CEOs’ comments – piercing though they often may be – reflect both the evolution of the industry and the future potential in corporate communications. CEOs were often exuberant advocates for everything skilled communicators can achieve. All predicted that the function would become more central to their businesses in the coming years.

On behalf of the profession, VMAGroup also issue a challenge to CEOs to back up their bold words now with even bolder actions: in short, how much of their far-reaching ambition for corporate communications – and their advocacy of its intrinsic value to modern business – is matched by increased resourcing? At VMAGroup, we know that the very best in the profession are doing exactly what CEOs demand. Most communications directors already keenly feel (perhaps even actively embrace) the challenges this report raises. Many have recognised that the role has changed and have been attempting to exploit that. However, even these first-class communicators are often struggling when they are no longer being asked to ‘do more with less’, they are being asked to do differently – smarter, sharper, bolder, far wider – with no more resources than in the old, analogue age.

At VMAGroup, we are passionate about the profession and nurturing its skills profile. Our mission is to see communications stand tall as a true executive function. In bringing these issues to the fore, we hope to help foster the continued development of communications professionals and businesses alike.

Julia Meighan
Chief Executive,
VMAGroup

Willem de Ruijter
Executive Director EMEA,
VMAGroup
Modern companies understand clearly that communications is a key enabler of business strategy, and that communications directors need to have valuable IQ and EQ skills in equal measure to perform the role effectively. This report is an important and timely contribution to the professionalism of the function.

Rupert Younger
Director,
Oxford University Centre for Corporate Reputation

CEOs seldom think that communicators are able to prove how they deliver value. This finding underlines that we need a broader understanding of communication value. It’s not limited to operational metrics like visitors, followers or outreach. It’s also not about sales or reputation only. Communications drives corporate value in many ways. Listening to stakeholders, mitigating crises, identifying business opportunities, creating a favourable culture for rapid change are additional ways to support the boardroom. The voices presented in this report ask the profession to reinvent themselves.

Prof. Dr. Ansgar Zerfass
Professor and Chair in Strategic Communication,
University of Leipzig – Lead Research, European Communication Monitor

Debate drives our industry. Every day, communicators turn a clash of corporate ideas into a core proposition to attract new customers, reassure investors and engage employees. Whether agency or in-house, we negotiate the tension between boardroom ego, market sentiment, staff cynicism, political scrutiny and the views of millions of opinionated consumers tapping their smartphones – all to make our businesses succeed. We don’t just react to this dynamic environment, we mould and build it.

We welcome VMA Group’s research and the essential insights it reveals. The role of a communications director and relationship with their CEOs is curious: sometimes communicators are confidants, guides and decision-makers, sometimes they can feel like little more than bag-carriers. But they are evermore essential. We hear and recognise the CEO’s call for bold, informed, provocative, business-savvy comms directors. While many are more than capable, they have to be seen by their bosses to be ready. There is still much to learn and much to do.

How will you respond? What do you think? Let the debate begin.

Gavin Devine
Chief Executive,
Newgate Communications
EXECUTIVE SUMMARY

ARE COMMUNICATIONS DIRECTORS READY FOR THE NEW LEADERSHIP CHALLENGES?

"Communications is far too important to leave to just the communications director."

Dr. Gerrit Zalm
Chairman Managing Board, ABN AMRO N.V.
Since the early vanguard in US corporations in the early 1990s, elite members of the corporate communications industry have spent years trying to reinvent the profession from within. The goal of this endeavour (reaching European shores in more recent times) has been to create a new industry, well-distanced from the ‘in-house journalists’ of old. The new wave, in contrast, is determined to create a truly strategic function – one delivering not just products but business progress, outcomes rather than outputs, and all while serving business goals rather than personal whims.

But over the last decade, even as this endeavour has progressed, a vast commercial revolution has been taking place all around. The 40 CEOs in our interviews were clear: does the shift in the business landscape – digital, on-demand, consumer-led, communicative – threaten to leave the corporate communications profession behind? Is the modern communicator still trying to professionalise yesterday’s operating model in the completely new reality of today? Or perhaps communicators are perfectly poised to capitalise on these strategic shifts?

The new profile for communications: guardians and growers

CEOs told us why: the digital revolution has not just changed the commercial environment for their companies, necessitating new products, new customer platforms, new operating models and new ways of interacting with the buying public. It has changed the very meaning of ‘the company’ itself.

O2 is a brand that runs a business, not a business that has a brand.

Ronan Dunne
CEO, O2 Telefonica

‘The company’ no longer exists primarily on high streets and City trading floors. It is now a concomitant part of society, whether or not it wishes to be. Minute to minute, it is being pulled without regard into open conversations on the internet – celebrated and shamed; queried and mocked; championed and retweeted; buffeted and tossed on the seas of public opinion. This is where the company now exists – as an entity of the public sphere – and the dominant corporate conversation in our world is now the consumer’s.

In this new reality, an organisation can no longer hope that good reputation will come with commercial success, or that well-manicured advertising will inoculate it against risk. The evidence is stark: industry insights indicate that trust in organisations has declined precipitously during the digital revolution, with less than half of the population now believing what CEOs say. Top executives have recalibrated their operating models accordingly: reputation can no longer follow business decisions, it must now lead them. It is no longer the by-product of good strategy. It has become the strategy. Reputation is the primary wedge with which the modern organisation must carve its way through an increasingly cluttered commercial environment.

The new wave of communications directors: guardians and growers

For those interviewed, this has redefined the skills profile they require of a modern communications director. The job is no longer about production, nor even primarily about content and campaigning, but about guardianship of the company, its reputation and its risks. It is not about micro-managing brand guidelines, it is about conceiving creative ways to defend a brand that now lives in the unregulated online marketplace of public opinion.

It is also not about simply supporting the company. It is about actively driving the company’s growth. This is completely new territory for the profession: CEOs are, for perhaps the first time, asking of communications leaders how they plan to grow their businesses.

The commercial realities of this communication-centric world are unavoidable for CEOs. Every day, the digital marketplace proliferates further: the on-demand economy (Uber, Ocado, Netflix) is already estimated at a worth of US$57.6 billion annually; the new ‘sharing economy’ hot on its heels (the peer-to-peer rental market of Airbnb alone is estimated at US$26 billion). Each year brings entirely fresh profit terrain for companies to rush to capture. Externally, new media – communication media – is driving the commercial future of businesses across the world. Internally, it is no longer swish tech toys for teenagers, but ingrained into work habits and collaboration tools. It is how the business of business is getting done.

Between the reputational maelstrom of social media, the sales potential of internet technology and the internal efficiency promises of enterprise software, the modern CEO no longer sees communications as a supporting mechanism of business but rather as one of its key drivers. They see more than ‘potential’ in communications; they see absolute business necessity.

Communications is a central part of business, internally facilitating the flow of ideas and information around an organisation. It builds alignment; externally acting as the nerve centre for an increasingly wired relationship between business and consumer. Communications becomes the very thing that allows the body corporate to live and thrive.

Once, communications directors struggled to get a hearing from executives. Now, their CEOs have spun around, shone a spotlight on them and demanded to know how communications teams are working to transform, protect and then actively expand their businesses.

The drive for strategic business advisers

CEOs asked if the profession is ready to take up the challenge. Is the communications talent pool brimming with enough entrepreneurial business leaders with the commercial acumen to take organisations forward, anticipate risks and autonomously react to emerging trends? Though many CEOs increasingly brought their communications directors into strategic decision making, several expressed reservations about the underlying skillset.

Those communicators who come up from those traditional roots really struggle to make the leap to a strategic proactive perspective.

Peter Freedman
MD, The Consumer Goods Forum

What, then, does the communications profession need to grasp to deliver for business in this new age? It is about attitude as much as aptitude. Our 40 interviews demonstrated that the modern CEO is looking for strong commercial understanding; a strategic business leader who sits at the inner core of the organisation and proactively connects, coordinates, and facilitates the business to achieve its strategic objectives; one who can take the global conversation about the company and harness it towards the brightest commercial future.

Technology used to be a cost, but today that same technology is the business. For many of the same reasons, communication used to be seen as a cost but is now becoming the business. In a world where everything and everybody is connected, what is the difference between communication and customer experience management, or reputation management? It is a very thin line.

Saskia van Uffelen
CEO, Ericsson Belux
Most senior people have to be able to play at multiple levels, they’ve got to be able to move easily up and down the corporate ladder and adjust accordingly. Anyone who works for me directly is automatically in a leadership role. You just can’t have that status and not be expected to be a leader. And by ‘leadership role’, I mean you have to be able to act in my stead, and across multiple countries.

David Lockwood
CEO, Laird PLC

It means this new breed of communications director must have new competencies for a new age – no longer simply a wise counsel or an interpreter of executive output. CEOs didn’t want communications directors who saw themselves as ‘executive mouthpieces’. They wanted drivers, strategic thinkers, and entrepreneurial leaders. The call for communications directors who could agitate – and who had sufficient clout and wherewithal to challenge executives – was particularly loud.

I want my director of comms to challenge me; to teach me as well and help with my blind spots.

Dr. Axel Steiger-Bagel
CEO, Bayer Benelux

I take the view that if you employ a lot of experts, allow them to challenge you. Why employ people who are experts and then pretend that you know better than them? Why employ them if you’re not going to get the best out of them? Use their expertise. When they challenge you, it’s because their knowledge and expertise almost gives them the authority to do so, isn’t it?

Michael Birkett
CEO, Regenda

Are ‘seats at the board table’ and obscure ‘metrics’ important?

This drive for strategic prowess from communications should not be misunderstood. This was not a clarion call for communications directors to sit on the executive team. Indeed, in the most successful organisations, the CEOs interviewed were often certain communicators provided strategic value most by providing a bold external perspective, not by being part of boardroom groupthink. However one must wonder how the communications function can gain both the budget and respect that it needs if it’s outside the boardroom.
Our communications director is not on the management board but every time we have a strategy session, every time we have an offsite, he’s always there. Because I want him to be part of the discussions, part of the decision making and then part of the final strategy development. And quite often he is bold and vociferous about it, overruling the marketing team, making the argument in the room for the right decisions to be made from a communications perspective.

Tjeerd Jegen
CEO, HEMA
Nor was it a call for yet more data measures of the unmeasurable. For many years, the communications profession has strained to prove ROI, inventing ever-more elaborate indices to quantify the financial value of their work. Despite all those efforts, top executives remain dubious to the point of dismissing the whole endeavour.

I believe you only need to measure something – including communication – if it can be measured. Example: when I worked as Minister of Finance, the overall goal for my colleagues at the Defence Department was effectively ‘world peace’, but you can’t put that as a line item in a budget. So they simply counted the hours vessels were on sea instead. That doesn’t contribute to effectiveness. It’s tracked with numbers, but it doesn’t tell you anything useful. Smart can be stupid.

Dr. Gerrit Zalm
Chairman Managing Board, ABN AMRO N.V.

Instead, CEOs are crying out for communications directors who understand the difference between metrics and value – the sort of value that is inarguable; manifest in every reputational bulwark, every intervention that has helped the company navigate the shifting terrain of a transformational age. The best communicators, our interviewees told us, simply demonstrated value by producing the optimal result for the company right when it was most needed.

Leaving tradition behind

Taken in total, our 40 interviews paint a vivid portrait of their idealised communications director. Some CEOs want an end to the mission to ‘prove worth’ and yet paradoxically spoke about proving value.

The verbal shields which the profession has traditionally used must be interrogated and destroyed. Have words like ‘influence’ and ‘persuasion’ lost their impact in the modern world of corporate communications?

Over the course of these interviews, CEOs reflected that communications directors should now seek to advise, instruct and lead. It is not about supporting the business but actively driving value creation.

The old model is dying; is possibly already dead. Roles are broadening and functions are becoming more integrated. CEOs do not care about reporting lines any more than they care about who ‘owns’ the employee engagement survey or the company Twitter feed. They care about results, drive and vision. They care about value.

The world has changed. As a business, we need to prove ourselves to keep our licence to operate. We cannot avoid difficult communications any more, we need to sit together with our stakeholders and address any concerns they have. So for the communications role, you need the business partner, the strategic thinker, but also the digital savvy person. To me, the communications director is definitely one of the most important people in the business right now.

Dr. Axel Steiger-Bagel
CEO, Bayer Benelux

Like all great leadership challenges, this change represents both an opportunity and a risk but the modern communications director is in pole position. Communications holds a unique vantage point in the modern organisation, a 360º viewpoint taking in all stakeholders – internal and external, public and private, executive and employee, high-rolling investor and high-street shopper. More than ever, what will mark out successful communications professionals are integrational skills; the ability to mend the disconnect between these viewpoints, to amalgamate their different perspectives into a single purpose, forging new relationships in the process and transforming the commercial landscape.

In other words: leadership.
THE VALUE OF COMMUNICATIONS
We see a corporate communications director as the builder of the brand value proposition, the custodian of the corporate reputation – not in a reactive way but proactively. In order to sell our products and services, increasingly we first have to sell the company. Whether it’s government giving you incentives, or it is customers buying because they trust you. Unless you’ve got a meaningful brand proposition you can’t get off first base.

A strategic communications director understands that and understands that’s their role, and it really ought to have as much value on the balance sheet as other assets of the business because any strategic move will create stress points in the brand proposition that need to be managed.

David Lockwood
CEO, Laird PLC

‘Value’ has long been a thorny issue for the communications profession. Stuck in a swamp of career uncertainty in the 1980s and 1990s, the old ‘message managers’ have striven hard ever since to standardise, strategise, and then professionalise the function.

The commercial outlook is now unrecognisable from even that of a few years ago. With digitalisation, the communications director has been thrust to the forefront of the modern organisation. They are now considered as the key with which the business can unlock new commercial territory externally and drive change internally. They are, as ever, the shield protecting the company against reputational risk online. Modern CEOs no longer need to be sold on the idea of good communication’s value. Better than anyone else, they know that nowadays their entire business is communication.

It’s very important, because without communication these days, you simply do not exist. Especially for companies quoted on the stock exchange, communication plays not just a key role but a strategic role. You have to know social media as well as traditional media. You have to be able to summarise emerging issues quickly and prioritise them. You have to be on the ball and not miss any issue that might impact on business. You have to be able to adapt yourself to the very high speed of communication these days and be proactive. It’s a complex and critical set of requirements for the business.

Laurent Picheral
CEO, Accor HotelServices Central & Eastern Europe
CEOs want to be the spearheads of communications

That U-turn extends to who now stands as the figurehead of organisational communications. Where once a communications director might have struggled to get their CEO to embrace his or her position as the organisation’s lead communicator, the conflict now comes the other way. Top leadership don’t want to be left out of the discussion around communication, nor sidelined from delivering messages.

Dr. Gerrit Zalm
Chairman Managing Board, ABN AMRO N.V.

There’s still the need for teams to prove value convincingly

Such elevated status for communications as a professional capability does not, of course, mean that the function now operates with a blank cheque and a licence to roam. There is a nuanced difference between businesses accepting the inherent value of good communications, and them being confident that their own communications teams are delivering it. Indeed, VMA Group was told frequently that the case made internally was often unconvincing.

Gerd Götz
CEO, European Aluminium

What, then, are the key areas the communications function should focus on, according to our panel of 40 CEOs? In broad terms, they told us that there were four key points of value creation:

1) Building and safeguarding the reputation

Foremost of these was reputation. Organisations now live in a constant state of brand uncertainty. In a world of citizen activism and real-time media, a business’s licence to operate can no longer be taken for granted. Repeatedly, the CEOs in our interviews returned to this idea: that their companies now existed in a permanently fragile space, besieged by a tidal wave of stakeholder demands, public scrutiny and regulatory impositions. They were under constant pressure to display more transparency, offer greater disclosure, and show more positive social impacts. Each knew they were only ever one product defect away from an instant Twitterstorm and a humiliating PR disaster.
Stakeholder management, in the terms of reputation management is becoming ever more important. Knowing what’s going on in those communities and serving those, and to bring those people along with you. I think this will become more important to act as a sort of counterweight against all volatility from the media. To make sure that clients and stakeholders know what’s going on before the storms come in.

Peter Molengraaf
CEO, Alliander
2) Navigating, filtering and harnessing the digital

If the story of the twentieth century was globalisation, the story of the twenty-first century so far has been digitalisation. Amidst the wealth of commercial opportunities it has created for businesses, the Web 2.0 revolution has been something of a mixed blessing for communications professionals. It has brought new ways of engaging with audiences and simultaneously placed the profession directly in the path of a huge volume of data, opinions and voices. As discussed in detail in chapter 4, for CEOs this has at least created one universal value point for the communications director – as the person in the organisation who can filter value out of the noise.

“[We] have not been using the digital sphere to the extent that we could. We have been meandering into it, but it has not been clearly formulated as a strategy for a while, more of an underlying understanding that we want to go there. And whilst we are in the process of improving, we are already seeing some great results.”

Dr. Ernst Lutz
Former CEO, EIT RawMaterials GmbH

“You’ve got to balance multitudinous requests. That invariably brings pressure, so you’ve got to be able to manage pressure well – with a degree of calmness, understanding what the priorities are, and which are the most important. With the advent of social media, managing the running commentary that’s always there in the background – and which can be very influential and can be very damaging if you mismanage it – is vital.”

Mike Hawes
CEO, SMMT

“The new technology – as a tool of communication – has also been a mixed bag as far as CEOs are concerned. Although the intrinsic value of social media was championed enthusiastically by some of the CEOs (usually those who were most active on it themselves), disquiet was not uncommon, with several unconvinced that a business case had been adequately made or that the endeavour had clear objectives.

“I’m not sure we really know why we are tweeting whatever it is we’re tweeting. We lack a clarity of purpose around it, I think. I could tell you we’re a lot more present in social media but not whether we’re achieving our aims because I’m not sure we’re really clear on what our aims are. It’s the bridge between the social media strategy and the business strategy that we haven’t made.”

Peter Freedman
MD, The Consumer Goods Forum

“We have not been using the digital sphere to the extent that we could. We have been meandering into it, but it has not been clearly formulated as a strategy for a while, more of an underlying understanding that we want to go there. And whilst we are in the process of improving, we are already seeing some great results.”

Dr. Ernst Lutz
Former CEO, EIT RawMaterials GmbH
What do we mean by ‘the digital revolution’?

At the end of 2005, the internet was static and one-way. The majority of European households were on dial-up connections1 and rarely used the internet outside work2. The most popular internet brand was MSN.com3, the most searched tech terms on Google were ‘Mp3’ and ‘wallpaper’4. Only early adopters ever actually added content to the web.

Between 2006 and 2008, all of that changed. In those three years, the size of the internet doubled.5 Crucially, at the heart of this rapidly expanded online space was, for the first time, the average user: this was a new, social internet; an entirely new global idiom – a world of social media, interactivity, consumer reviewing, YouTube, blogs, citizen journalism, TripAdvisor, Yelp, collaborative content, social tagging, Skype, Flash multimedia, Netflix-on-demand, BBC iPlayer, Facebook, Wikipedia, Twitter, and real-time, interactive online news. Such revolutionary changes in such a short period did not require further amplification, yet received it nonetheless via a surge in the uptake of home broadband in the OECD during the same period and the launch of the first capacitive-touchscreen smartphone (the Apple iPhone) in 2007, spawning its own revolution in ‘apps’ over the following year.

As a result, the three years from 2006 to 2008 – the birth of ‘Web 2.0’ – marked a period of extraordinary change in the business and consumer marketplace – the moment at which, across the developed world, the internet migrated from being a slow and occasional adjunct to life, to the ever-present conduit through which life was commonly lived.

It also revolutionised the relationship between communications and business. The commercial ramifications of Web 1.0 were minor in comparison (retailers had to build online shopping platforms). The ramifications of Web 2.0 have been truly disruptive, even more so as its ‘social web’ concept has been expanded in recent years by the ‘sharing economy’ (Airbnb, Zipcar) and ‘on-demand’ (Uber, Ocado, Netflix). Since 2006, the world has been in the consumer’s hands, all the time, permanently connected and fully interactive. As the CEOs in our interviews recognised, businesses have been operating ever since in a marketplace where the consumer is king; an interactive, open public space where communications is both potential master key and potential deadly weapon.

3) Taking up the leadership mantle

Throughout our interviews, the call went out for a new generation of business leaders to emerge in the communications function (see chapter 5 for more detail).

Amidst a litany of business skills they would like to see – from balance-sheet reading to vision creation – it was notable how many CEOs explicitly specified that value lies not in unquestioning support, nor in seeing oneself as merely the vessel of management ideas. Navigating an often bewildering digitalised world, CEOs told us clearly that they want more from their communications leaders: they want to be challenged, corrected, and contradicted; to have their preconceptions shattered. They want more than another ‘Yes’ man or woman. They want someone with enough certainty to be able to put forward a powerful counter-argument. Anecdotally, we observed this view was expressed most by those CEOs who also variously described close and trusting relationships with their communications directors. In other words, they wanted to be challenged – but only by those they saw as credible advisors.
The communications director has to tell the CEO everything he does not like to hear.

Sebastian Mikosz  
CEO, eSkypl

My head of communication’s stance is to advise and challenge me and the other members of the executive team. That ranges from how we can carry our messages out, to highlighting reputational pitfalls, possible hostile reactions, and so forth.

Mark Tanzer  
CEO, ABTA

He needs to be able to hold up a mirror, be independent and not afraid to speak up. We want to hear different voices and opinions.

Gerben Edelijn  
CEO, Thales Nederland B.V.
4) Spearheading internal change

It was very noticeable – and telling – that, when asked to outline the function’s value and purpose, most CEOs instinctively confined their comments to the universe of external communications. Reputation, brand and media were what had primacy in their minds. Only when prompted did they usually acknowledge that internal communication was important also.

The exceptions were largely the CEOs in organisations currently going through major change. Here, the value of internal alignment and company culture arose much more naturally as value points in the conversation. These comments, however, were also usually couched in new terms – with calls for a break from previous models of change communications; for active leadership from the profession. The message from these CEOs was that they now expect the best communications professionals not just to support organisational change with campaigns and slogans and roadshows, but in many cases to be the executive spearheading that transformation, adopting it as a personal responsibility.

“I take the basic knowledge and skills of the profession as given. For me, the field is full of great PR expertise. But the key element is how you're going to embrace the organisation; be an integral part of the change management process necessary for this industry. In other words: how you get the people going.

You can have the key skill-sets – all the tick boxes of a great diploma, a Master’s degree, the best credentials from the big names – but if you can't take the organisation with you on a daily basis, you’re missing the most important skill: to foster the change process and to be a co-driver of cultural transformation.

From my perspective as a CEO, that's the fine line between ‘good’ and ‘great’ in communications: do I trust the person’s ability to get people in the organisation going and being authentic.”

Mr. Andreas Joehle
CEO, Hartmann Group

Most of all, CEOs were asking for communications directors who had the whole package of requirements expected of any other senior leader – business partner and visionary; people manager and hard-nosed economist; growth hunter and calculated risk taker.

“The communications director has to be your alter ego; somebody in whom you can have blind trust – in their ability to unpack both the company vision and your personal vision. It should be a person you can fully trust and who deepens your capabilities, who advises and reviews your ideas and opinions – and, overall, who gives you the feeling that here is someone you can always rely upon.”

Albert Röell
CEO, KPMG NL

KEY FINDINGS

• Although the value of communications as a central business operation is implicitly accepted by CEOs, many communications directors still need to make a more convincing ROI case for the impact of their own work.

• CEOs are still uncertain that the company’s social media activity is driven by either a strategic purpose or a clear sense of the desired returns.

• Reputations are more fragile than ever. CEOs frequently see this as the key value point provided by the communications director.
2

STRATEGY: IS COMMUNICATIONS TRUSTED?
Not so long ago, CEOs were mostly immune to the idea of involving communicators in the creation of the business strategy. The argument presented by the communications profession was always forceful: that their ability to be effective rested on them being able to mould the strategy into a communicable format before it got hard-baked.

That appeal usually fell on deaf ears. In most cases, ‘after the fact’ was seen by the executive team as every bit as good as ‘in the boardroom’. It rose out of an impression of communicators as mostly finesse merchants – polishers; able to take a strategy they had had no part in formulating, sprinkle ‘magic comms dust’ on it and somehow still make it shine. Their skill lay in tweaking the presentation of the facts, not determining the facts themselves.

The sea change: communicators seen as vital components of creation

Some CEOs still cleave to this operating model, seeing the communications director as mostly a message translator, best kept at a certain distance from major decisions. It is safe to say, however, that this represented by some distance the minority opinion across our 40 interviews. Almost all CEOs now considered it a statement of obvious fact that their lead communications professional was best positioned to provide value at the point of strategy creation – if not ‘in the room’, then at least through significant advance input.

“It is of paramount importance that the communications director has a very accurate understanding of the strategic implications. He actively advises me and has a key role in crafting the key messages before they are cascaded further.”

Laurent Lenoir
CEO, Aliaxis

“The earlier the communications director gets involved in strategic issues, the easier it becomes to translate it both internally and externally, and relate it to positioning and reputation.”

Ralph Hamers
CEO, ING Group
The communications director has input into the Board agenda before it even gets printed.

Ton Büchner
CEO, AkzoNobel

The communications director should definitely be involved in strategy. In fact, one of the changes I made was to move the communications director onto the executive board. I’m convinced that if the communications director fully understands ‘the why’ of decision-making – the challenges; the trade-offs – then you get better results once it has to be communicated out to stakeholders. Besides, our strategic decisions will be stronger if we have robust representation from the external world in the room. Having that view as part of the decision making on the board I think is definitely a strength.

Tomas Pietrangeli
MD, Arla Foods

This sense of not just a preference for communications’ early involvement but the absolute necessity of it was especially – noticeably – true of those interviewees from multinationals or large associations. Arguably, these sizable public institutions have a more progressive sense of the function; their communications departments more established and with longer-standing reputations.

But it seems also to indicate that the larger the organisation, the higher the stakes: these prolific organisations have more at stake reputationally with each major decision, their communications agenda more complex and nuanced and requiring of greater advance scrutiny. As discussed elsewhere, the overriding impression formed throughout our interviews was that in an open-information world, ‘reputation’ for these large organisations had become a driving force behind business strategy, rather than an assumed by-product of it. In such circumstances, CEOs seem keener to get an expert’s eye as early as possible in the process.

Senior corporate communications professionals have to be involved in the key strategic decisions – and not just sitting in. It’s the input that matters. I need to know at the very beginning of a strategy process: is there a market ready for it? Is lobbying needed? Can I get reimbursement? Do I have to prepare the public market, or specific segments, for what is coming?

In my view, the involvement of communications needs to take place at the very beginning of the strategy-building process. It’s important for them to be there, challenging ideas and highlighting opportunities: ‘What does that really mean?’ ‘Can we live up to these standards?’ ‘Have you thought about A, B, C?’

Andreas Joehle
CEO, Hartmann Group

The communicator as a part of the corporate symphony

Besides the function’s enhanced value as ‘reputation guardian’ in a disruptive world, our interviews indicated that some of the fuel for greater involvement comes from today’s altered commercial environment – in particular its impact on the demarcation lines between business functions.

In a networked, multi-dimensional world, many CEOs saw a need for their own business’s functions to become more closely interconnected in parallel. All must now play their role, they told us repeatedly. Functions cannot afford to be permitted to see themselves as ‘a unit apart.’ They must play off one another symphonically, collaborating, trying to build an amalgamated form of value. Indeed, several CEOs expressed surprise that communications should be seen as a special case in this regard.
To what extent is the communications director involved in strategy? To the same extent as the other directors. I have five directors in the team and we have regular discussions in our management committee meetings on the various different steps that we’re taking from a strategic point of view. All of my directors are invited to sit in on the board meetings. I think it’s important that we all stay connected, because everything is increasingly interconnected.

Mella Frewen
Director General, **FoodDrinkEurope**

Is ‘a seat at the board table’ a redundant demand from a bygone era or essential to future success?

Though the overwhelming preference was to have communications’ input early in the strategy creation process, it should be noted that this rarely translated into satisfying that age-old demand for communications directors to be given ‘a seat at the board table.’

Is this something of a red herring issue? Are those already at the table at times guilty of negating the influence of additional voices? How can communications gain the respect and budget it needs if it is external to the boardroom?

Even among those who saw the communications directors’ input as pivotal, only a handful had brought them onto the top management team. Several gave a reasoned and final judgement on the matter: here was a professional class whose very value to strategy formation lay in their ability to offer an external perspective – the views of multiple stakeholders inside and outside the business. The whole purpose of involving them would be compromised if they were just another ‘management insider’.

The question of ‘involvement’ in the strategy of course implies ‘making’ or ‘steering’, rather than ‘helping’, ‘supporting’ or ‘assisting’. I think our communications director is involved in every big decision in some way as a sparring partner. We spend a significant amount of time together. It’s not that we, as an executive committee, decide something and then we hand it over to him and say, ‘make something pretty to communicate out of that.’ There is a constant, evaluating, collaborative way of working on it.

Ton Büchner
CEO, **AkzoNobel**

**KEY FINDINGS**

- Communications directors are frequently involved in strategy creation; almost always at least have input
- Majority of CEOs actively involve the communications director when there is a demonstrably ‘communications-centric’ issue
- Three core strategic viewpoints that communications directors bring to the discussion: how to bring alignment; how to translate the strategy into content and channels; and the reputational risks and rewards of strategic decisions
- CEOs from multinationals see communications’ input more broadly and progressively – as a vital strategic voice in all business decisions, especially from the perspective of reputation and brand
ALL CHANGE: THE NEW COMMUNICATIONS CULTURE
We’re in a completely different environment now. In the old days, companies could just do their thing and, once in a while, communicate and then basically disappear into their own planet again. Not anymore. People want companies to have a purpose; they want companies to have a social responsibility; they want companies to be more than just paying dividends at the end of the year. So everything about communications has to change with how these audiences are changing – your channels for reaching them, methods, styles, techniques. Our company now needs to be a content creator, we need to be a publisher, and we need to be a storyteller.

Ton Büchner
CEO, AkzoNobel

Change. Asked how core communications competencies were changing, our panel of CEOs understandably quickly zeroed in on the day-to-day skillsets being radically re-architected by disruptive technology. They spoke at length of new digital capabilities, new channel approaches, new styles of listening, and a completely altered media-management model. We shall return to this revolution in the fundamental skills repertoire in chapter 5.

Tellingly, however, interviewees soon eagerly turned that conversation to what underpinned these skills changes – the reshaping of the information culture around us, and the attitudinal shifts this has now necessitated in communications professionals. Arguably even more important than any ‘skills’ upgrading, CEOs felt it was this – the need to develop a completely new approach to the job, a new philosophy – that was the more vital part of the future portfolio of the communications director.

A whole new philosophy of organisational communications

In today’s social world of open conversations, those interviewed believed that communicators can no longer relax into the micro-managing, message-massaging approaches they have traditionally known. The message has escaped their clutches. The brand is out of their hands. Nothing is the same anymore.

It’s why I say that you can’t speak about ‘communications’ anymore but rather ‘customer expectation management’. It’s not enough to undergo ‘a digital transformation’ in your channels or tactics. You also have to transform yourself in a way that you accept that (for B2B and B2B2C) the end-user now takes the lead.

Saskia van Uffelen
CEO, Ericsson Belux
For senior communications professionals in particular, those interviewed observed that this was a brutally hard transition. Socialised over decades in one operating model – shaping, owning, dictating – they have now had to unlearn everything and then construct a new methodology for keeping organisation and stakeholders in alignment without ever outright ‘insisting’. It remains one of the biggest challenges for the modern communications director: how to fulfil the role of engaging audiences without their historic centre of gravity.

The drive towards authenticity

That new communications culture – less control, more involvement – was one that our interviewees intuitively understood at root to be a democratic revolution. Everyone now has equal access to the public forum – executive and front-line employee; hedge fund and high-street shopper. Many CEOs (often those with the highest public profiles in the biggest companies) observed that this has also changed the tone corporate communications must now adopt.

“We are currently seeing a complete revolution, as the world rapidly becomes ever more transparent. The pressure to increase transparency is enormous, and I believe that corporate communications can play a very significant role in that process. The ability to steer this process in the right direction – to communicate your story, your strategy, your culture – is becoming ever more important.”

Stepan Breedveld
CEO, Ordina

Once, we talked religiously about the necessity for ‘openness and honesty’ in communications. This, said the CEOs, was yesterday’s communications model. In the world of social media, they observed, it is authenticity and transparency that rule supreme. No longer will employees, customers, investors or the media stand for being ‘spun’, nor for clanging sales pitches and overly crafted soundbites.
If so, this shift in audience expectations changes the communications professional’s approach to the job even further. Everything they have always known – taking a line, massaging the message, selling an angle – are they redundant skills now? Are they potentially destructive to the very purpose in communicating? If so, the centre of gravity shifts away even further.

Moreover, these CEOs stressed that handling this issue was not a matter of ‘finessing’ messages in the right way. It was not a new editing skill one could learn. To be authentic, they stressed, a communicator now had to be genuinely authentic.

“I think one thing that is quite apparent is that if the communications aren’t authentic now – if they’re plasticky or a bit too corporate – then they just don’t get picked up. So I think the future of the profession is a new sort of savviness about how and what they communicate. Because the days of the very traditional stuff – the press release and so on – are largely over. It’s how you can use digital media to capture someone’s attention and then make sure that your message is pithy enough to be picked up and acted upon.”

Campbell Fleming
Former CEO, Threadneedle

In this social-media era, people have got a much bigger B.S. radar.

Tjeerd Jegen
CEO, HEMA

We noticed once you give clear and correct information and are not distracted by politically correct answers, you can influence the internet community.

Johan van Winkel
MD, Intersnack Group

Once again, it was the underlying issue of the corporate reputation that had crystallised CEOs’ views on the matter. Their eagerness for communications directors to get on board with a retooled approach to the job – the need to enter the flow of the conversation, not dictate; the need to be authentic and transparent – was not driven necessarily by a desire to keep audiences happy. It was born of a clear recognition that the modern digital consumer is both more informed about corporate responsibility and laser-like in pointing out hypocrisies and inconsistencies.
More than anyone, these CEOs know that there has been an unprecedented crisis of trust in organisations over the last decade. Industry reporting states that less than half of the population now trust CEOs to tell the truth. A concomitant part of the digital revolution has been the rise in citizen journalism, with exposé blogs like Gawker and Guido Fawkes and the rise in populist politics making public activism bigger than it has been for half a century. CEOs are acutely aware of all the reputational risks that abound in this new communications environment.

“We’ve noticed a big and increasing demand for transparency. Our consumers and stakeholders at Arla want to know where their food is coming from. They want transparency in the supply chain. And I would say that the balance between a ‘communications’ approach to stakeholder engagement and a ‘marketing’ approach is shifting in favour of communications. In my business, that’s manifested by an increasing preference for having very honest, authentic, transparent conversations, and moving away from grand claims, mass advertising and so on.”

Tomas Pietrangeli
MD, Arla Foods

The generation game

If all of this means that communications needs to develop more core skills, several CEOs suggested that this might be simply a matter of broadening out your team’s frame of reference by improving its age bracketing. For arguably the biggest change to the culture and customs of organisational communication is the chasm that has now opened up between different generations in the workplace. The CEOs in our interviews – charged with understanding the needs of an ever-fragmented consumer population – returned to this idea of the ‘digital divide’ repeatedly.

“There is an increasing communication gap between generations and I think it’s a key challenge for communications to be able to connect with all the different stakeholders within the company.”

Laurent Lenoir
CEO, Alliaxis

“The challenge is how to reach a generation that is growing up with a completely different media-consumption model to the past, and how to make simple, compelling content that will capture them. With internal communication, how do I effectively reach the cashier on Saturday afternoon, 15 years old, working four hours a week? How will I reach the commercial director here in his office? How do you span that enormous diversity in a world where people have very different ways of engaging? You’ve got 50 year olds who didn’t grow up with digital, and 15 year olds who think only in terms of digital. How you bridge those two groups is perhaps the biggest challenge of all.”

Tjeerd Jegen
CEO, HEMA

For the CEOs interviewed, therefore, one of the great shifts in functional expertise for communications will be to straddle that generational gap. They envision the new style of communications professional will be the one with a 360° view of all stakeholders – executives and front-line employees; 50-somethings and teenagers – and perhaps the only person in the organisation with the expertise and resources to begin weaving a network of threads between these atomised populations. CEOs saw this as not just a matter of content segmentation either, but also the ability to juggle a matrix of different channels. Others offered reminders that ‘the medium is still the message’ – even in social media.
Content, the message itself, is highly important. However, the medium greatly affects the effect of the message. That is why I believe communications directors need to recognise that each media channel provokes different responses in people and that they thus need a tailored strategy for each channel. If you get a commercial message from us by e-mail or see it on LinkedIn, or if we spread it on Twitter – each affects the receiver differently. I get more reactions on a press release if I post it in my LinkedIn network, compared to when it is placed in a transport news magazine or even the Financieel Dagblad. So apparently, the effect differs per medium. Insight in how to handle these differences and how to effectively place messages in the variety of media channels, contributes enormously to communications’ effectiveness these days.

Frank Verhoeven
CEO, Vos Logistics
Are communications directors skilled-up for the change?

Amidst the interstices between social media platforms, on-demand products, and real-time conversations, lay intriguing perceived gaps in the industry’s portfolio. Perhaps foremost among CEOs’ concerns was an uncertainty that communications directors have all the necessary capabilities to meet these new challenges.

“I think in order to be a successful corporate communications director in the future, there are definitely some skills and capability upgrading that needs to be done there around digital.”

Tomas Pietrangeli
MD, Arla Foods

“Without being ageist, it does seem that younger people are better able to keep up with the pace of change in social media and digitalisation. So I think ‘change’ for the profession is going to be about constantly being prepared to evolve both your team and your communications approach. You’re going to need a strong communications team to support the director with the right balance of skills, expertise and knowledge of markets and knowledge of customers.”

Michael Birkett
CEO, Regenda

KEY FINDINGS

• The digital revolution has brought arguably even more significant changes to the approach and culture of communications than to the core skills of the job

• The ‘message control’ model is over. Key challenge: communications professionals must somehow now find a new way to create alignment among audiences without ever dictating to them

• Authenticity and transparency are the essential tonal cues today – otherwise your communications will be dismissed out of hand

• Audiences expect evidence of a new type of business model – socially responsible, publically responsive, democratically inclusive
THE CHALLENGE OF FILTERING IN AN AGE OF NOISE
If the communications director has a traditional comfort zone, it is when a chaos of narratives besets the organisation and they are called upon to understand it, distill it, and then lead everyone towards a simple coherence.

Externally, those muscles are most manifestly flexed during a crisis. Thrust into the role of first line of defence between the organisation and the outside world, this is the professional communicator’s natural territory, when they feel themselves hit peak value – shielding and deflecting attention; answering difficult questions; controlling the narrative; pouring oil on troubled waters. Internally, its twin is the uncertainty of organisational change, when rumours and unvoiced anxieties simmer under the surface. Seasoned communicators pride themselves on being adept at spotting the divergence of directions, calming fears and bringing people back into alignment.

The CEOs in our research valued that professional capability – to filter chaos into coherence – very highly indeed.

"When I receive strategic plans from people, one of my maxims is to say: ‘Well, put that into a press release for me.’ If they say, ‘Oh it’s far too complicated for that,’ my reaction is: in that case, you don’t understand it really; you don’t understand what people really care about. I think that’s one of the internal things that a really good corporate comms person does: they hold a mirror up to the organisation and keep everyone honest, and they do it by focusing on what’s important and what’s real and understandable."

David Lockwood
CEO, Laird PLC

Those interviewed CEOs frequently referred to the disruptions to this filtering capability being caused by the pace and volume of the modern environment. They instinctively recognised all the challenges of performing the job in a world where your responses can no longer be weighted, massaged, workshopped and refined, but must happen in real time. More than that, they recognised that the sheer scale and intensity of the modern conversation problematised the act of filtering to the point of making it impossible.

In such a breathless environment, the CEOs offered a collected set of considered reflections, recommendations and requirements.
1. The need to stay focused

First, they stressed the importance of maintaining focus amidst the overload – to be objective and measured enough to be caught in neither the hullabaloo of a Twitterstorm nor the lustful rush towards every new communications tool coming onto the market. For many, this had almost become a new core functional competency, one that would go alongside the classic arsenal of basic written and oral skills. They called for communications professionals now to develop expertise in shrewdness and selectiveness; to be able to stand apart from the mania and maintain an objective eye. To be expert in this is to accept the digital age as being discriminating.

2. The need to retain objectivity

Almost as important, several mentioned the need for cool heads to prevail – a sense that the new ‘filtering’ skill of the professional communicator is the ability to sift out the mass panic even as it besets those around them during short-lived internet manias.

“I think the challenge is how communications directors get their heads around the immediacy of digital. When internet trolls cause a scene, or as a Twitterstorm gathers a momentum of its own, it’s so immediate that I think people can sometimes lose the context. They can lose sight of the fact that it may only be a certain small group of people, or that the news cycle has accelerated so much that it tends to pick up an issue and then almost immediately move on. So keeping calm while that’s happening – and knowing it will pass – is important. Retain your objectivity. Don’t lose sight of the main issues.”

Campbell Fleming
Former CEO, Threadneedle
The great sifting tool? Big Data is so far a Big Bust

The challenge, of course, is how to be discriminating and calm in such a blizzard of inputs and channels and opinions. Big Data analysis ought now to be the professional communicator’s greatest ally in this regard, and many have invested great hope in it. 72% of communicators recently said they believed that Big Data would change their profession\(^1\). But though many CEOs spoke of the importance of data management in the future, they felt the results so far were very thin.


One of our trainees had a good point about good communication and the need to be more granular. Her grandmother, who is 96 and does not recognise her grandchildren anymore and is dependent on her wheelchair, got one of our mailings recently saying: ‘Dear Mrs. De Vries, we know you are very busy with your career…’ So there is room for improvement, as you see. That data could have been segmented better...

Dr. Gerrit Zalm
Chairman Managing Board, \textit{ABN AMRO N.V.}

There is only more to come from ‘disruptive events’

Perhaps the most common – and irrefutable – observation was that the problems of overload and excessive digital noise were only likely to worsen in the coming years.

The rate of change simply seems to keep increasing. And I think that's a challenge for communications teams to deal with – first, to keep on top of it; but secondly, to some extent, to keep ahead of the implications of that.

David Clarke
CEO, \textit{Energy Technologies Institute}
However, independently of each other, several CEOs also added the same intriguing inflection to this idea. They predicted that this future exponential increase in inputs – noise, data, information, change – would not only be due to growth in technologies. They foresaw proliferating crises too – ‘disruptive events’. Today’s noise, these future-watchers said, is merely that of the general population responding to daily life. But we are also living in a world of major global occurrences, sudden shifts in the social fabric that happen without warning and take on a power of their own – and which can potentially take businesses.

One big challenge, I think, is managing businesses through these ‘disruptive events’. Recently we have seen the EU referendum, for example, or controversy over tobacco investments. In our own business, major disruptive positions have emerged around climate change and the environment. I class these as major disruptive events in terms of how quickly they emerge, how big they get, and the impact they’re going to have. I think that’s a big issue for communications teams: it’s likely there are going to be more of those kinds of events, and they’re going to be more or less unexpected when they actually happen.

David Clarke
CEO, Energy Technologies Institute

CEOs told us that rather than becoming entangled in the melee of social media – and trying to manage its day-to-day frenzies – the professional communicator would be wiser anticipating and planning for these far larger tectonic social shifts which could truly destabilise the information structure. In organisations where product recalls might be an issue, for example, they called for communicators to educate themselves now in the business of production, in order to be prepared. They wanted proactive anticipation, multiple-scenario planning; a readiness to deal with emerging issues that went beyond ‘having a crisis plan’ and extended to trying to understand the way society was moving – and your business was moving – and then trying to pre-empt it.

The key challenge is: have that foresight to anticipate what is likely to become important over the next few years, because if you get it wrong now, it’s going to be hard to recover.

Mike Hawes
CEO, SMMT

There are always too many fires being put out, and not enough of being on the forefront, challenging, thinking long-term in terms of what needs to be done around the company’s reputation. I would definitely call that out as an area of improvement for the profession.

Tomas Pietrangeli
MD, Arla Foods

KEY FINDINGS

- Discernment and filtering have become core skills – the ability to select from a vast and noisy information flow what is of actual value to the business

- Communications professionals need to rise above the manias and mass panics the online world can provide, providing a cool head in a crisis

- A key, proactive part of filtering is to anticipate major disruptive events coming down the pipeline and to have a plan of action for how to deal with them
THE NEED FOR TRUE LEADERSHIP
‘Skills’ is a slippery term. CEOs spoke abundantly about the changes to attitude they see urgently required in the profession — of the need to engage with a new philosophy of communications (see chapter 3). They spoke too of emergent competencies of discrimination in the information age (see chapter 4).

But in terms of the foundational day-to-day skillset of the profession, many CEOs had the same reaction: those baseline competencies remain as vital as ever.

Among required technical skills, I would say what’s important are the old-fashioned ones of understanding your audiences and your channels and being able to write clearly and communicate.

Mark Tanzer
CEO, ABTA

I wouldn’t say skillsets are necessarily changing. I mean, you’ve got to be well informed. You’ve got to be calm and composed. You’ve got to have the basic communication skills, written, oral, being able to understand issues and grasp complex issues and make them relatively simple.

But I would always argue that you also need to have a firm understanding of the business, how it works, how it’s put together, and what its issues are.

Mike Hawes
CEO, SMMT
Are communications directors up to the new requirements?

CEOs were frequently keen to upgrade this discussion of ‘skills’ to ‘expertise’ instead – and once they did, would return frequently to the idea that communications directors urgently needed to enhance their core leadership skills. As organisations have become commercially and culturally anchored to open communication, it has never been more necessary for communications directors to be able to harness that capability on behalf of the business. Several said that the profession still had serious standards to raise in this regard.

“The functional skills are changing but I don’t think that’s necessarily the great shift we imagine. What is challenging is that the head of communications needs to be marshalling all of those emerging skills with much more strategic and business savvy than ever before.

In some senses, it’s an unfair request of the head of communications because they were often raised in the world of advertising or journalism or PR. Those backgrounds don’t offer a commercial, business-oriented mindset, and we didn’t take them on to have those skills. I think that’s a really big challenge now. I’ve dealt with quite a few heads of comms, one or two of them truly ex-business. But most I think still come up through those traditional roots and they really struggle to make the leap to a more strategic proactive kind of perspective.”

Peter Freedman
MD, The Consumer Goods Forum

“I find that communications people should be closer to the business. They should be able to understand the company figures properly – to understand the business, but also where it’s heading and what issues it’s going to face. In general, if communications people have sufficient insights in the business, I truly believe they are able to generate more value.”

Paul de Krom
CEO, TNO

The capability to act in the CEO’s stead

This should not be misunderstood as a straightforward request for communications directors to know how to read a balance sheet (although that was also deemed important). What these CEOs talked about went well beyond textbook MBA skills. They spoke of a certain quality, an attitude, an aptitude; a willingness to look out across the business horizon as a true leader does; a willingness even to be the shadow-outline of the CEO themselves.

“Most senior people have to be able to play at multiple levels, they’ve got to be able to move easily up and down the corporate ladder and adjust accordingly. Anyone who works for me directly is automatically in a leadership role. You just can’t have that status and not be expected to be a leader. And by ‘leadership role’, I mean you have to be able to act in my stead, and across multiple countries.”

David Lockwood
CEO, Laird PLC

Some mentioned that ‘leadership’ meant even adopting a perspective previously anathema to many communications directors – the ability to make decisions in the interests of the business, not just the communications agenda.
For the director of comms, the important things that matter: one is having that strategic vision of what the big picture is and what’s changing and how you are going to have to adapt to that. I think that is absolutely key. But second, I think having the right personality and set of standards is important. I think somebody who is able to challenge and stand up for what they think is the right thing to do for the business, not just in terms of the ‘right communication thing to do’.  

Mark Tanzer  
CEO, ABTA

The need to be proactive – to drive future value

Most tellingly of all, our top-flight CEOs returned time and again to a nuanced part of the leadership competency framework, something that goes far beyond ‘skills’. The modern generation of communications director, they said, has to be able to not just react, but create. They can no longer content themselves with being just a buffer, a defence and a vessel – firefighting emerging issues, answering media requests, or translating the executive team’s vision. They are not a support function anymore.

Now, they must be creative, entrepreneurial and act unilaterally with good sense. They have to devise new directions for the business, spot growth opportunities, and foresee emerging risks to reputation before they even occur and then respond on behalf of the company without waiting for approval first.

The communications director has to be a self-starter. And that goes from the traditional stuff – preparation for speeches, or media interviews – right through to higher-level activity. You have to be able to operate independently with real self-reliance, because you can’t check everything upfront or discuss it internally. You have to back yourself and go with it, in the moment. That’s leadership, and it requires various skills: you need to be up-to-date, you should be able to make connections well, and you need to be a lot more broadly developed in your business skills to be able to make those decisions.

Job Dura  
Chairman, Dura Vermeer
If you want to have a leading role, you don’t have a choice, you have to work proactively. You will have to be able to act quicker, make connections faster. The business expects that you deal with matters proactively, to signal things, to be able to speak their language. People who are able to stay on top of the situation are the ones that get the best jobs.

Paul de Krom  
CEO, TNO

This desire for a newly active approach to the job ran through every single one of our interviews, and (as discussed in the previous chapter) applied as much to discussions of internal communications as external communications. Proactive, autonomous leadership was what CEOs wanted to see from the profession around all key issues – reputation and risk, organisational change, brand management, crisis planning, media management and digital transformation. They wanted communications directors to show fearlessness; to back themselves and their own expertise; to take entrepreneurial risks; to have a nose for profit opportunities; and to be looking for business growth. It is a mark of respect both for the function and its practitioners. CEOs have elevated the communications function to the status of key business discipline. They are now calling on the profession to justify that faith with displays of business drive.

**KEY FINDINGS**

- Core technical skills are still important; they must now be supplemented by more core business skills
- CEOs want more than support, counsel or executive ‘translation’ services. Businesses now need true leadership from communications directors
- Proactive endeavour is the critical element – delivering new business growth, rooting out commercial opportunities, driving change internally
THE FUTURE: A PROFESSION IN REVOLUTIONARY CHANGE
I believe that the corporate communications director is responsible for the reputation of the company. He should be my right-hand man to make sure we act in a coordinated way. He is someone who brings critical debate to discussions, and then is loyal to the decision once it needs to be executed. You honestly don’t want somebody who keeps pursuing their own agenda, but we are constantly growing and our activities raise more and more interest, so we do need somebody who won’t mince their words and who is clear about potential dangers that might arise. For all those reasons, I think the importance of the role is only going to increase.

Mel Kroon
CEO, TenneT TSO B.V.
As we have seen, comments were often extremely challenging for the profession. The stockpile of expectations and demands laid out before the new class of communications professional was steep – more flexible; more discriminating; more digitally-wise; more business-focused; more proactive; more growth-oriented; and more executive-minded in both effort and outlook.

It is important to remember, however, that ‘challenging’ does not necessarily mean ‘wholly dissatisfied’. Our interviewees also frequently expressed great faith in many of the capabilities of their own communications directors, and often talked of strong, trusting personal ties.

"Apart from the fact that he’s on the extended Board, so always present in important discussions, the director of communications and I are in touch with each other almost daily. There’s zero space between us.

Geert-Jan van der Snoek
CEO, TMG

"To be honest, when I think of the last three corporate communications directors I have had – and I have hired two of them – there has not really been a core skills deficit as such. I think it’s more about the need for more modern leadership; a shift in terms of what employees and stakeholders require in terms of leadership, and I think the communications director plays an important role in being at the forefront of that. I have been encouraged since my arrival in the UK by the way the industry is taking on board the new realities, while at the same time ensuring that they continue their work with traditional stakeholders and insulating companies from perceived risk.

Tomas Pietrangeli
MD, Arla Foods

Take heart, don’t lose heart

In addition to internalising the laundry list of desired competencies laid out by our CEOs, the communications profession would be wise to see all the positive implications: such a clear and ambitious skills profile reflects the elevated expectations CEOs now have of the communications role in a digital-first age. By ‘demanding more’, CEOs are sending a clear signal that they think the function can deliver more; that they are already envisioning a vital future for it at the heart of their businesses; that they believe the talent pool contains the expertise and capability to fulfill those heightened expectations.

That CEOs now see corporate communications as being indivisible from the machinery of business is undeniable. They made it clear they now take it as a basic article of faith that robust, open, authentic, regular communication is vital to success. Many are avidly spearheading that endeavour themselves. All stated unilaterally that they now recognised it as a core part of their own jobs.

"In the past you could be an expert in your field and lead groups of people, even if you weren’t a great communicator. Those days are over. Digital has taken away all the barriers. You can’t hide anymore. If you’re a senior leader now, you need to be a great communicator too.

Tjeerd Jegen
CEO, HEMA

Executives are out of the shadows. They blog, they tweet, they run town halls, they hone their key messages. Communication has become, to them, simply an intrinsic part of leadership – and for the same reasons, they foresee the leadership influence of the communications function only increasing further in coming years.
I think the nuanced side of the communications director’s role will only become more important in the future. In the past, it was more about the straight skills of making material, writing content. But nowadays, the reputation game is so important to a business – and that means the positioning game; how can you place something in a very subtle and sophisticated way to take account of all the sensitivities at stake?

So the importance of the function just keeps growing because as a company in this more open media environment, you keep getting more vulnerable. When I started here, communications was a guy making brochures. Now, suddenly, the sort of positioning a communications professional can offer has made it a vital component of the whole business.

Marc van Nuland
CEO, Aon Risk Solutions, The Netherlands

Offer such a future of C-suite patronage and prestige to communications directors a few years ago – in functions that often felt like the first place the axe would fall whenever times got tight – and most would have scarcely believed it possible.

The need for commensurate resourcing

However, it is one thing for CEOs to be more personally ‘invested in’ communications these days. It’s quite another for them to match those words by actually investing in the function. On behalf of the profession, therefore, we also issue a counter-challenge to CEOs: what mechanisms internally are ensuring that communications has the resources to match these exalted ambitions?

At VMAGroup, what we observe is a profession that is struggling to meet those expectations not because of a lack of capability in the talent pool – the best are as good as they always were – but because the formal machinery of the organisation very often does not resource it. Salaries, team sizes and budgets are not commensurate with the status – and vastly increased scope – being offered to the profession. CEOs are right: businesses are transforming, corporate communications is now a driving wheel in the machinery of commerce, but the packages necessary for realising that potential are still rarely proportionate to the task.

CEOs are ambitiously demanding a communications function that is now full-scale, multi-dimensional, online and offline, internationally tuned-in, serving multiple stakeholders, working in traditional media and wrestling down the unmanageable chaos of opinion on the internet – and all using about the same budget and team sizes as in the days of emails and a static intranet.

It is a ‘say/do’ gap that some CEOs, at least, acknowledge.
There has been a huge rise in demands from consumers. They want answers. They want transparency. All of that puts a lot of strain on the corporate communications function. So I think the biggest challenge will be: how do you put together the resources to actually cope with it all? If the demand is increasing exponentially, the communications function is going to need more resources – but I’m not sure the resources will exactly follow the demand. So that will be a future constraint on the profession. I think securing both the right people and the right amount of people is going to be a big challenge going forward for the profession.

Tomas Pietrangeli
MD, Arla Foods

Courage, faith and risk

Regardless, for the corporate communications profession, the competency gauntlet has been thrown down. Many in the profession will acknowledge the criticisms. Many more will be gladdened to know that the challenges of the digital age have been recognised by top executives.

Written through all comments was, we believe, a call for the current crop of communicators to find a better balance between creating value and managing risk; a more bold, entrepreneurial approach that shows a self-confident profession with the courage of its convictions and enough faith in its own expertise to challenge those at the top.

The communications director works in the same room in the building as the secretary of the board – in fact we are all now on one floor, we do not have separate rooms anymore. He has full access to everything, no restrictions. He is actively involved and is asked to stimulate and to give feedback. His message should be frank when required ... and provocative too. He needs to be able to tell a senior leader who has worked at KPMG for 25 years that he or she does not possess the correct KPMG vision. That takes a certain character.

Albert Röell
CEO, KPMG NL
Proactivity was, perhaps, the central watchword in all our interviews. This was the clearest vote of confidence of all: in asking for more self-reliant leadership, CEOs were not running communications directors down; they were actively encouraging them to step up. Hitherto, the profession has perhaps been too content to support the growth plans of others. Interviewees believed that now is the time for the profession to deliver such change itself. It was a call for fearlessness.

So be fearless. Take up this opportunity. Learn the business better, become more involved, and invest in strategic risks. Be prepared to challenge authority from a position of expertise – it’s what you’re hired to do. Pore over the CEOs’ remarks and endeavour to match the skills profile they lay out: you will find no better blueprint of success.

This is a moment of truth for the profession. It is also potentially a moment of great harvest. CEOs now see communications directors as the arbiters of internal culture, as the bridges between their organisations and a digitalised consumer market. The profession is positioned to be the grand custodian of the corporate reputation. Roles simply don’t get any bigger in this day and age.

It is now up to the profession to choose which path it will take.
CCO capabilities required by CEOs

Key leadership skills

- Managing complexity
- Decision making capabilities
- Results oriented
- Business insight
- The ability to instil trust

Personal skills

- Courage
- Resilience
- Learning agility
- Collaborative skills
- Problem solving capabilities with speed and complexity

Characteristics

- Strategic mindset (not tactical or expert)
- Global perspective (not judgemental or narrow)
- Ability to drive (not influence) engagement
- Manage and lead through ambiguity

What CEOs need and will demand

- Expert advice with credibility and holding excellent judgement
- Business and financial acumen
- Relevant business or other functional experience
- Leadership skills
- Strategic competence
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48
HEMA ................................................................. Tjeerd Jegen  
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We help our clients achieve their business goals and respond to today’s demanding business and political challenges. We use integrated communications strategies and a precise combination of content and channels to target multiple audiences.

Our clients range from some of the world’s largest companies to young, growing enterprises.

We don’t settle for standard answers. We believe in senior management involvement, disciplined creativity, fast, flawless execution and measurable results.

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