



CORPORATE COMMUNICATION PRACTICES & TRENDS 2001

9 January 2002

Corporate Communication Institute
at FDU

Michael B. Goodman, Director

www.corporatecomm.org



CORPORATE COMMUNICATION PRACTICES & TRENDS 2001

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- Gary Radford
- Jennifer Lehr
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- Jeanette Cruz
- Jennifer Brown



GOALS OF THE STUDY

- Describe the current state of the art in Fortune 1000 companies
- Continue the CCI Benchmark Study
- Develop a snapshot of Corporate Communication practices
- Identify trends in Corporate Communication
- Build a database for further study



THE STUDY METHODS

- The Survey: 18 Questions
- Mailed survey to Fortune 1000 companies -- March 2001;
- Follow-up post-card reminder -- April 2001
- Second survey mailing -- May 2001
- Response rate – 18%
- Interviews -- May - June 2001
- Number of interviews: 30 +



OVERVIEW OF FINDINGS

- Competition & technology drive actions
- Evolving roles & responsibilities
- Accelerating pace of work
- Increasing strategic importance
- Critically important for business units
- Trends: globalization, technology, social responsibility, employee focus, reputation management
- Core competencies expand to strategic abilities
- Practitioners are younger, smarter, and better paid
- Impact of terrorism and September 11 to be determined



KEY FUNCTIONS OF CORPORATE COMMUNICATION

- Advertising & Image Building
- Change & Corporate Culture
- Media Relations
- Investor Relations
- International Communication
- Communication Policy
- Internal Communication & Technology
- Crisis Communication
- Corporate Citizenship & Ethics
- Executive Communication Issues – Building a Communication Culture
- Leadership and Communication
- Public Relations

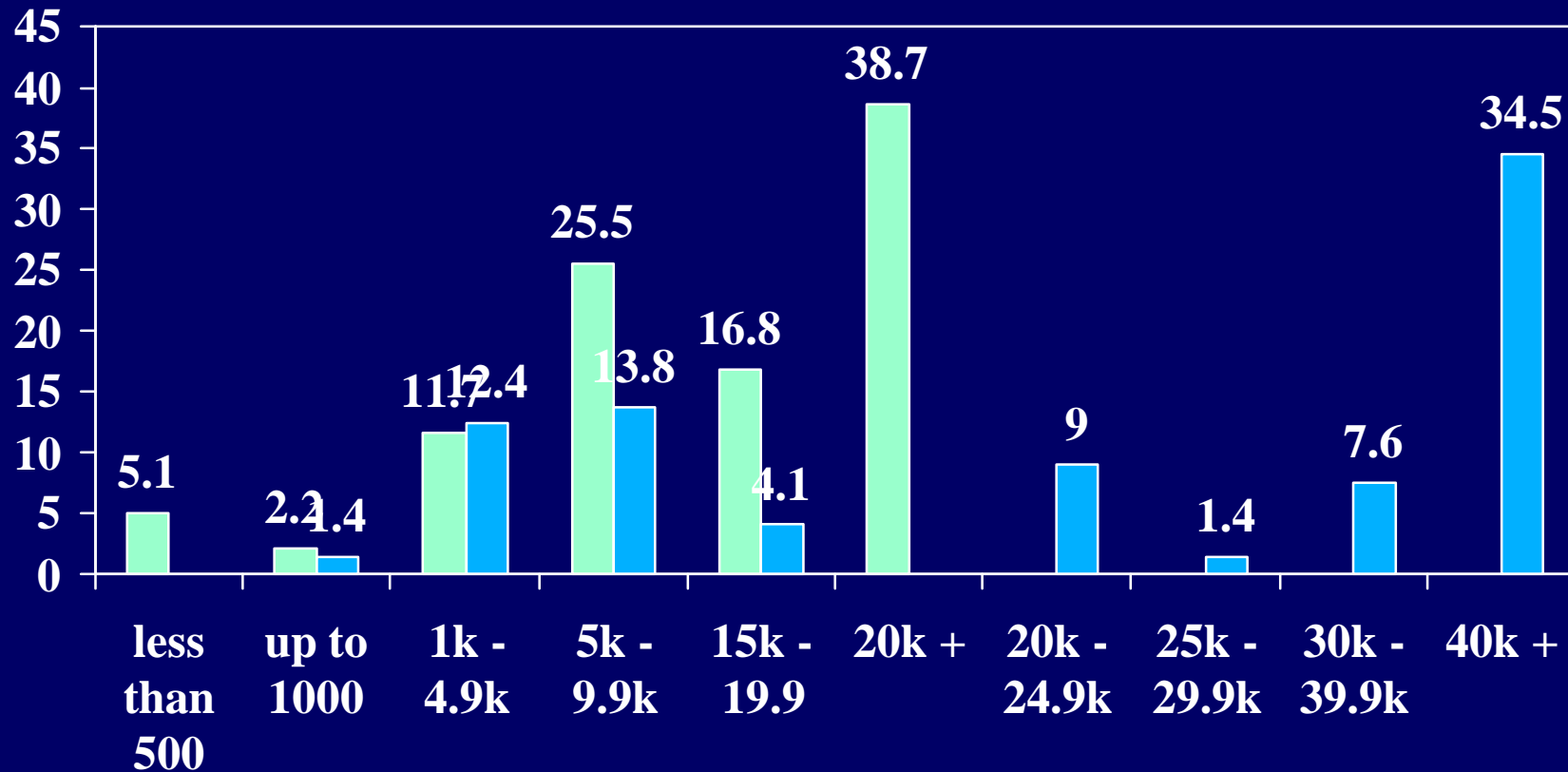


CURRENT TRENDS in CORPORATE COMMUNICATION

- Relationships with the community matter a great deal
- Culture is vital to organizational health
- Communication is strategic – now more than ever
- The age gap between managers and employees must factor into planning
- People in the workforce care more about themselves than the company
- Speed is faster than it ever was
- Company is expected to be a good citizen, AND make money
- Media relations is more complex – no more old boy system
- Internet is just a tool; Internet is a strategy – truth is on the continuum
- Company will have a crisis; prepare for the ones you can't conceive of
- Writing is still the core skill for Corporate Communication

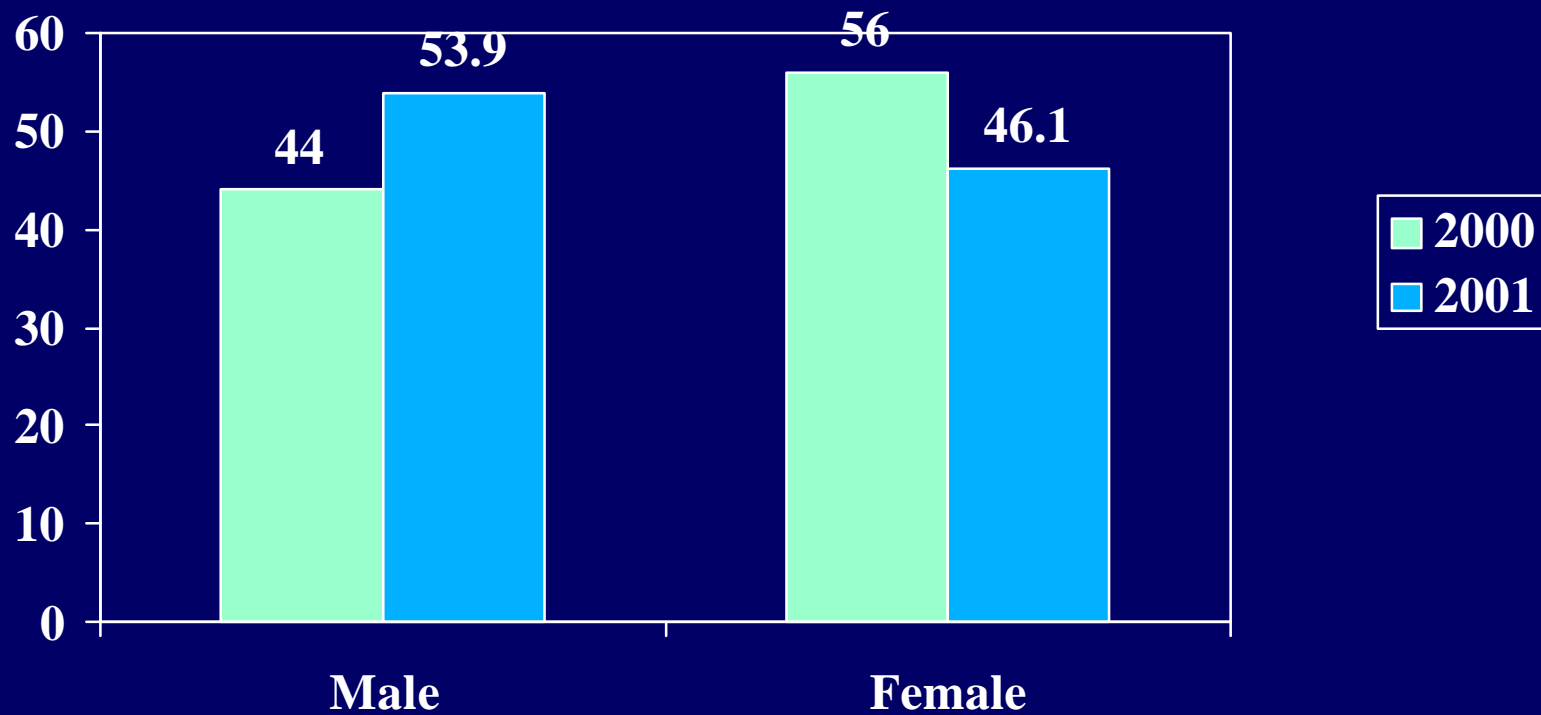


NUMBER OF EMPLOYEES -- 2000 & 2001



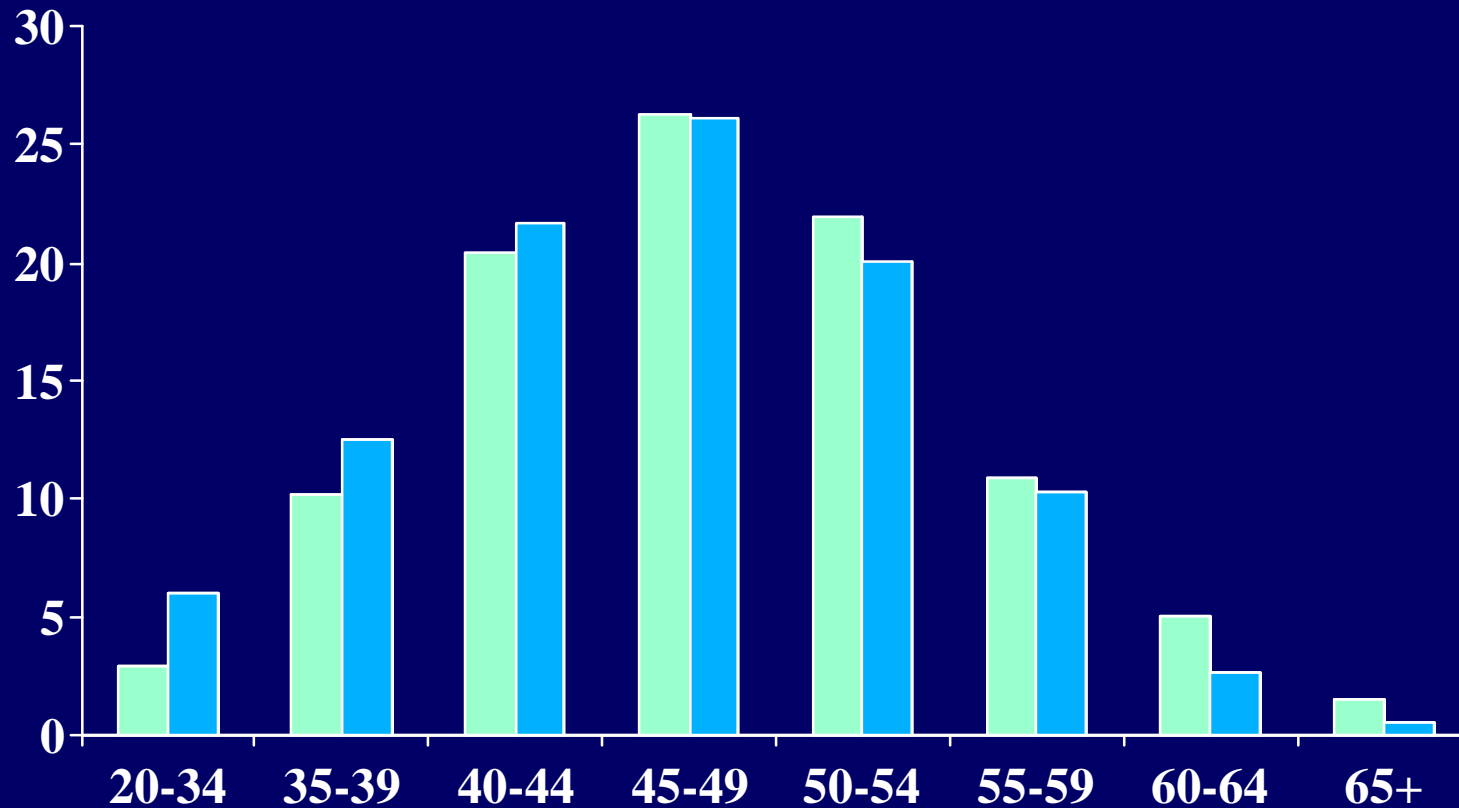


GENDER OF CORPORATE COMMUNICATION EXECUTIVES



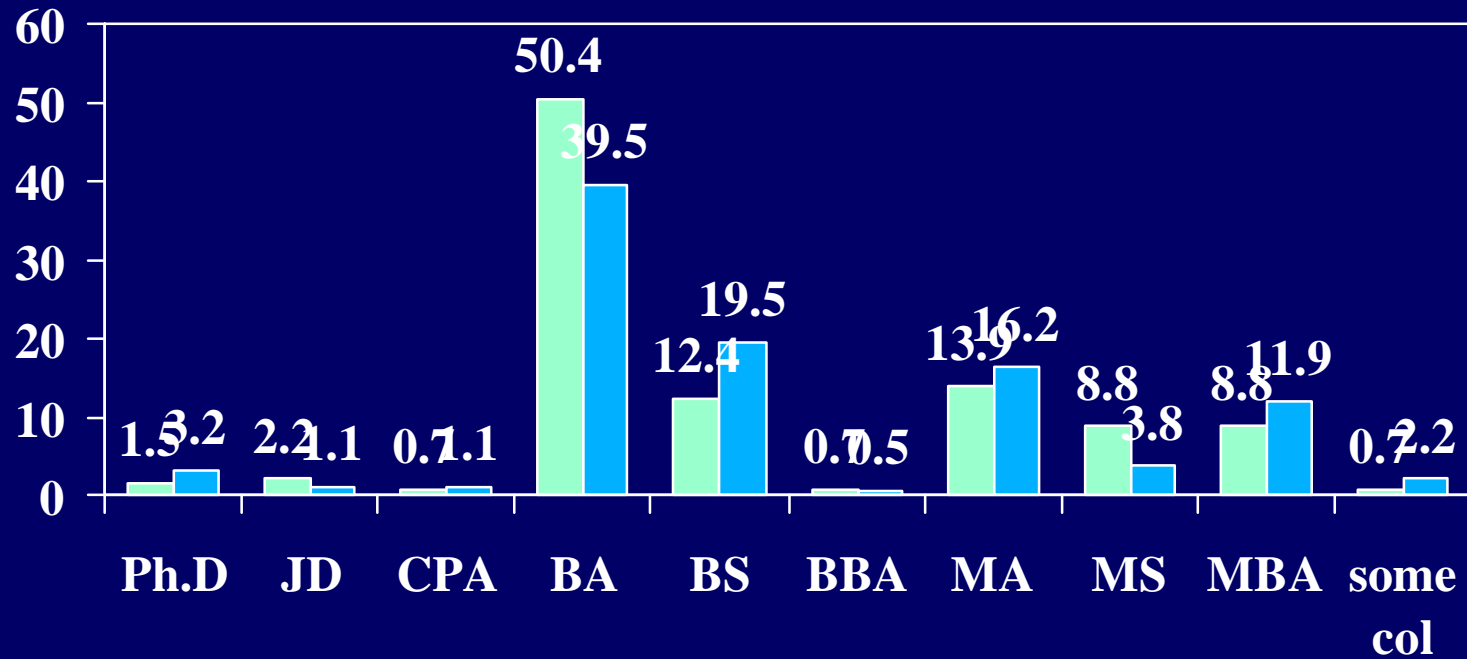
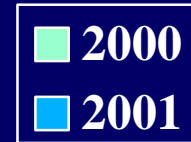


AGE OF CORPORATE COMMUNICATION EXECUTIVES

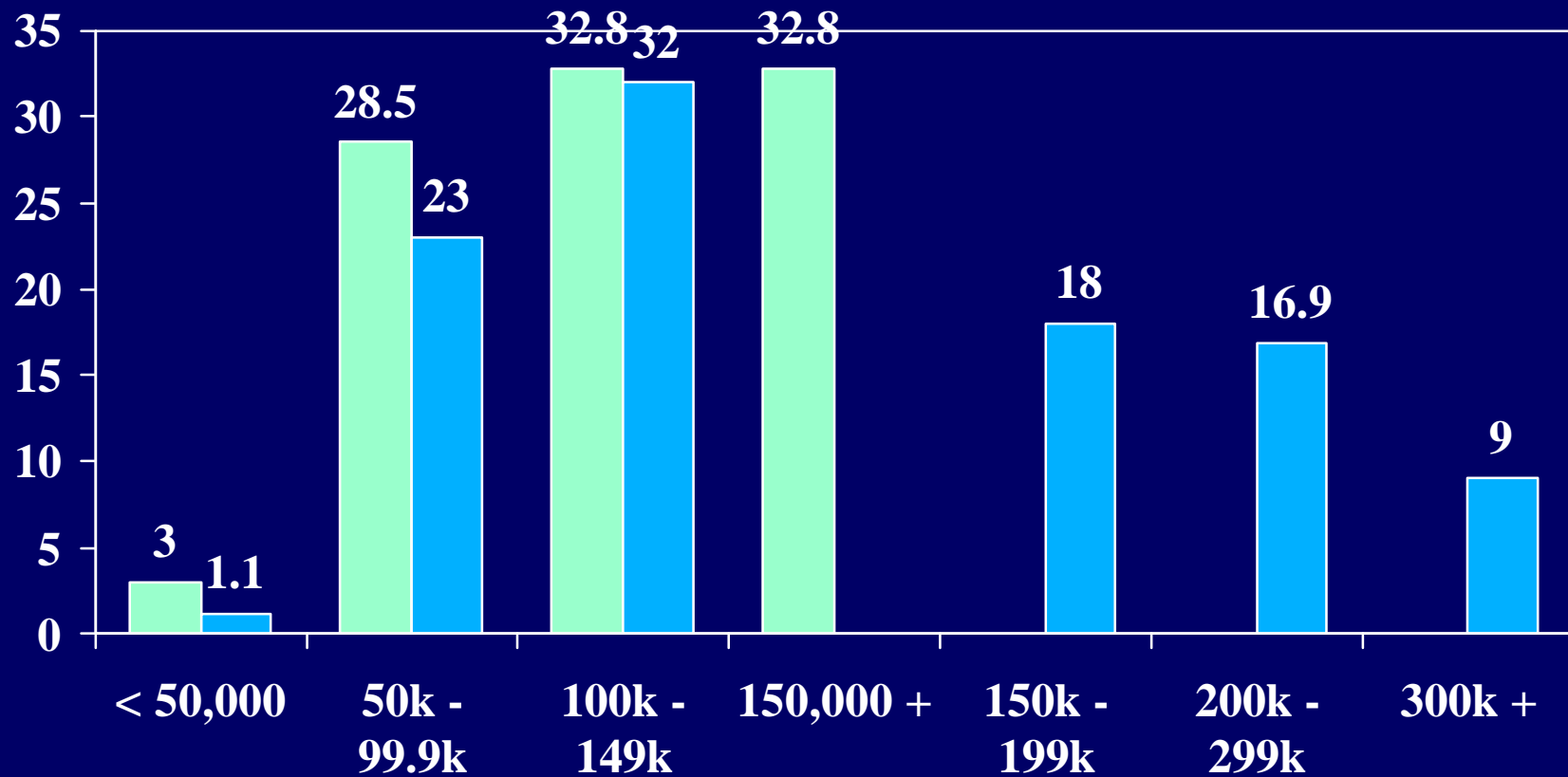




EDUCATION OF CORPORATE COMMUNICATION EXECUTIVES

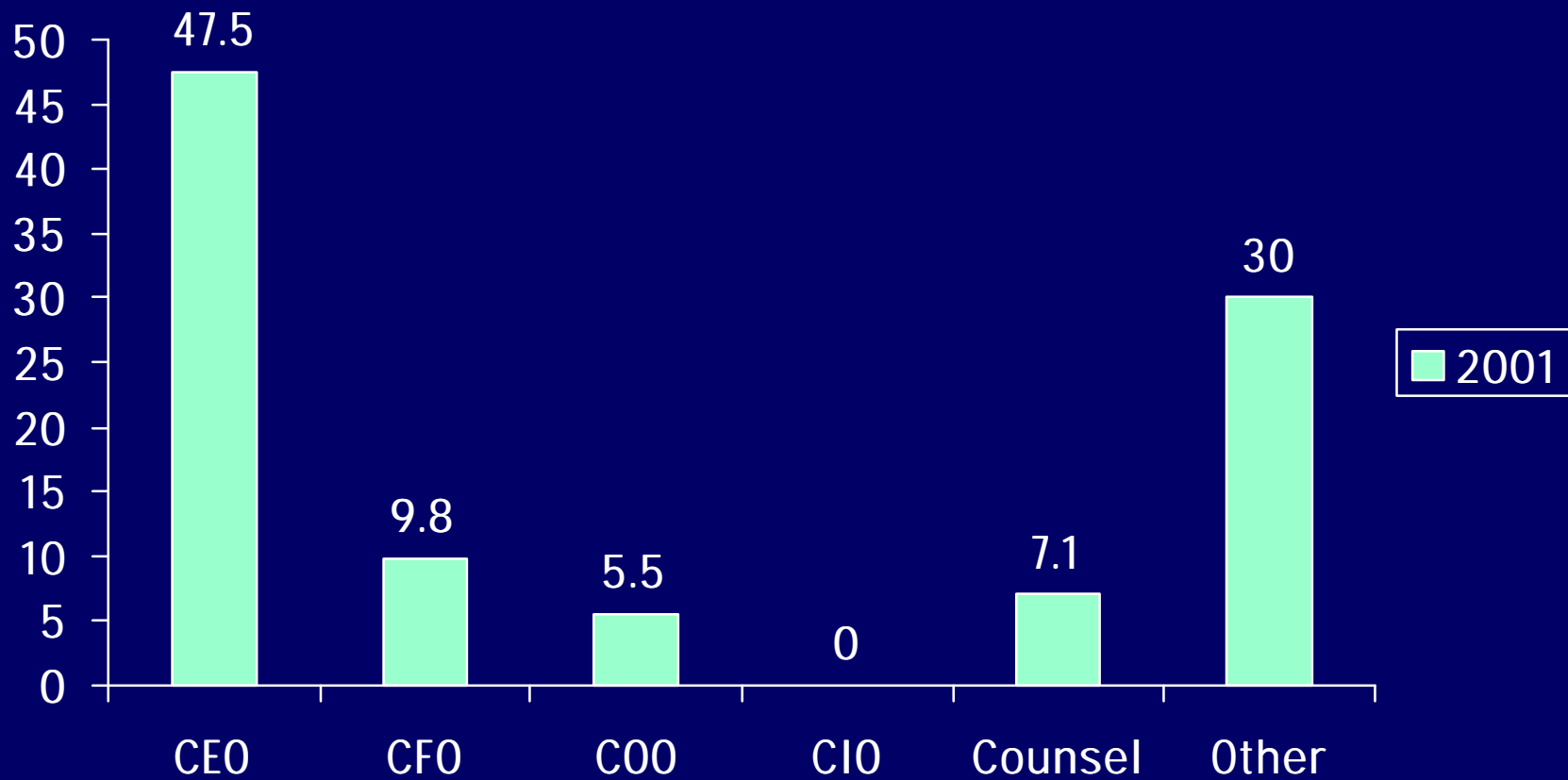


SALARY 2000 & 2001





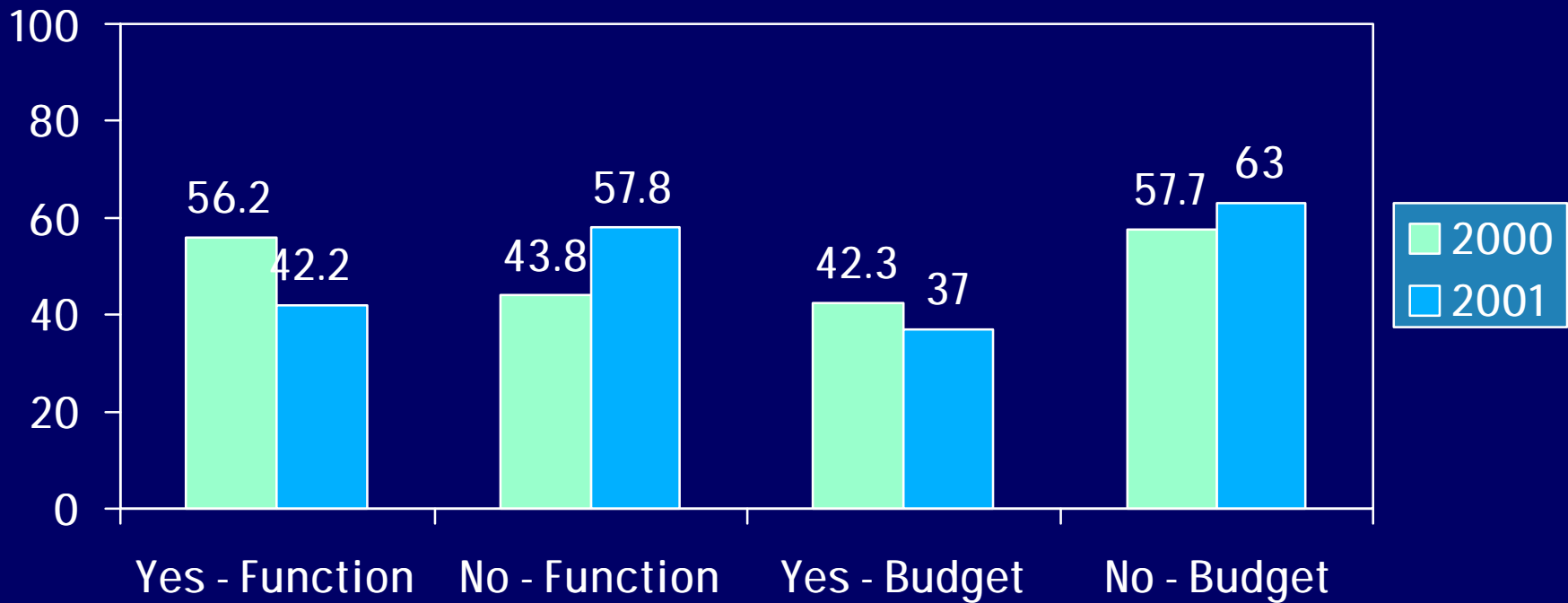
REPORTING LINES





CORPORATE COMMUNICATION FUNCTIONS & BUDGET (1)

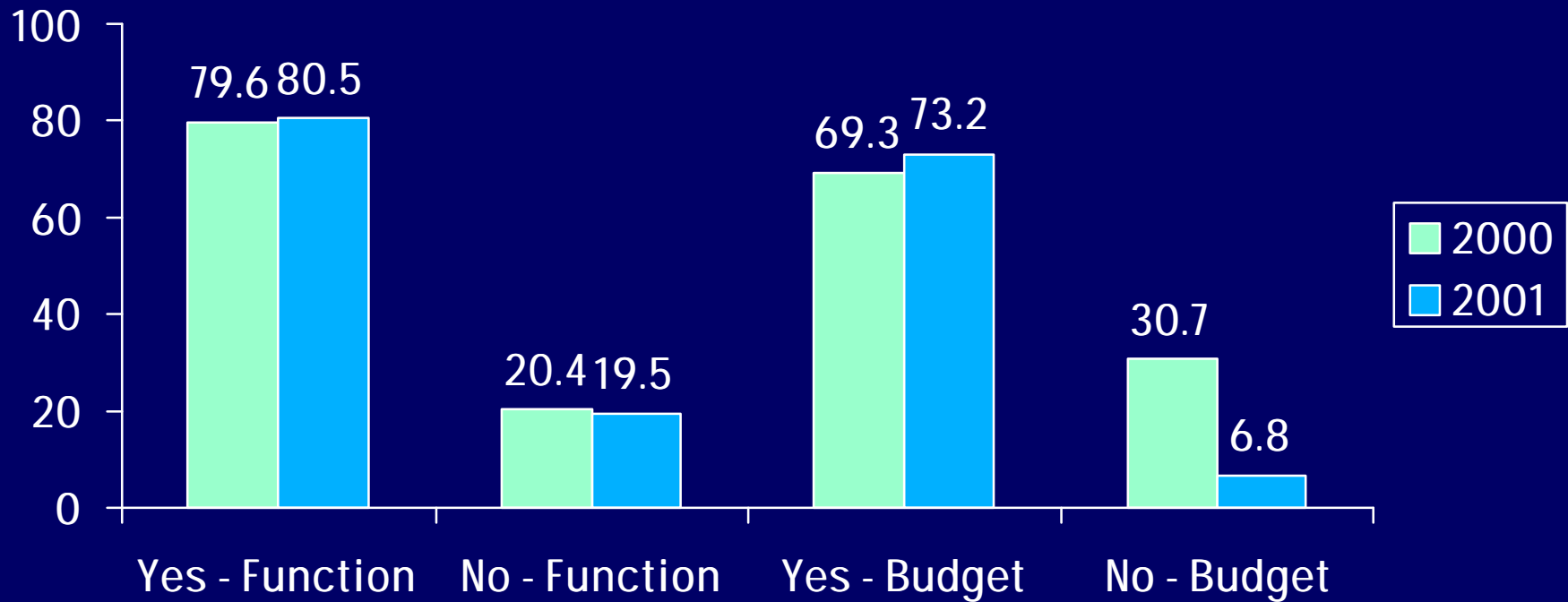
Advertising





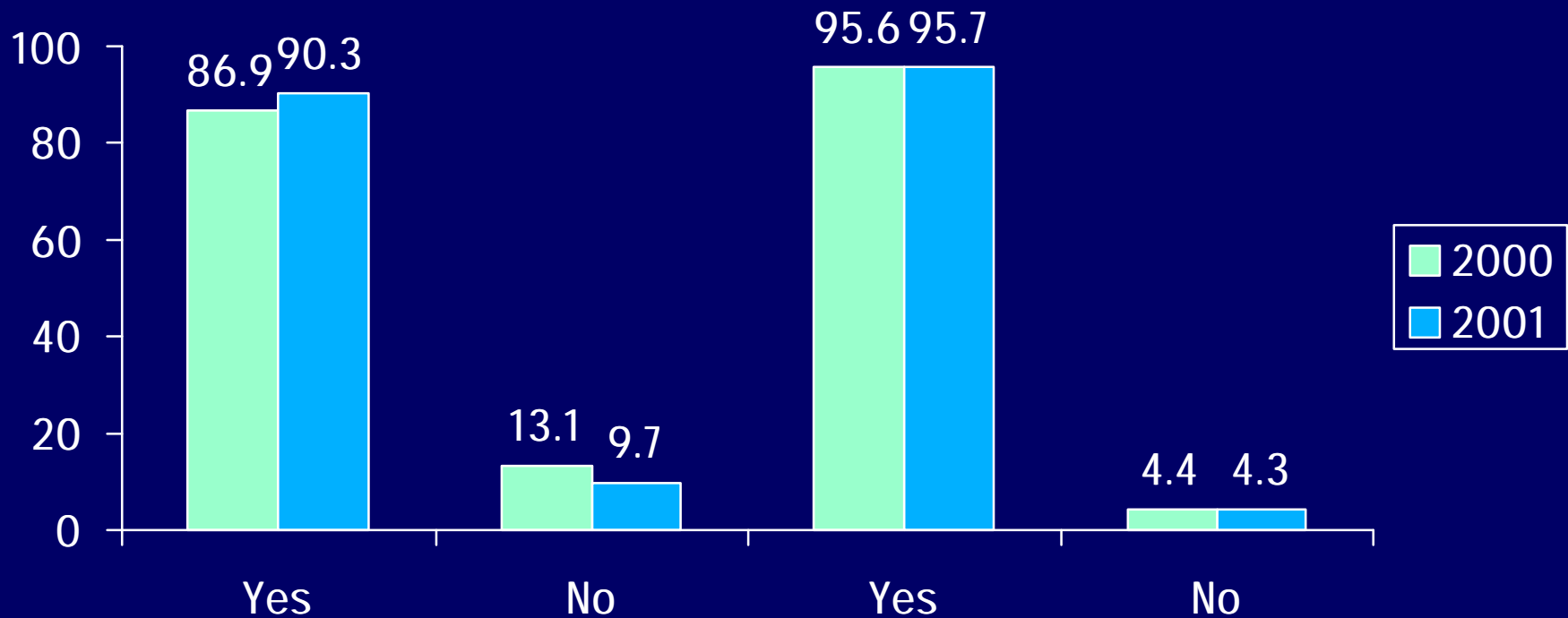
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (2)

Annual Report



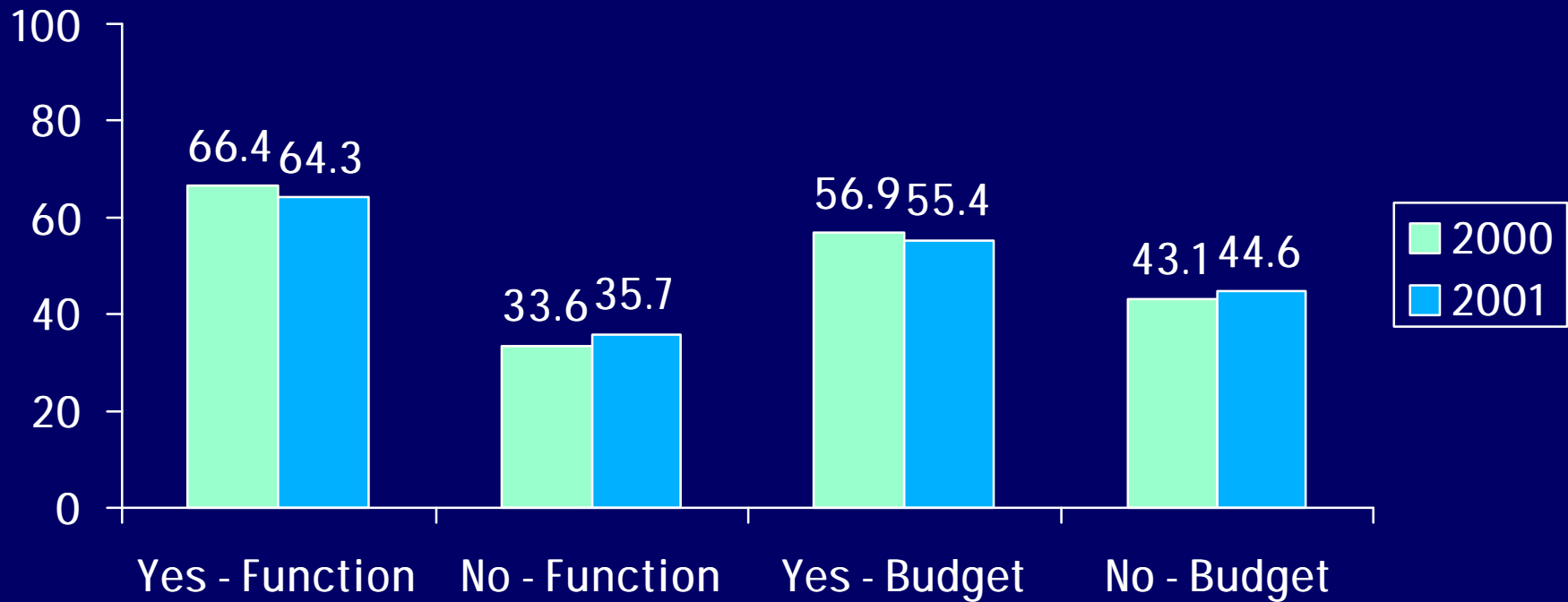
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (3)

Communication Policy & Strategy



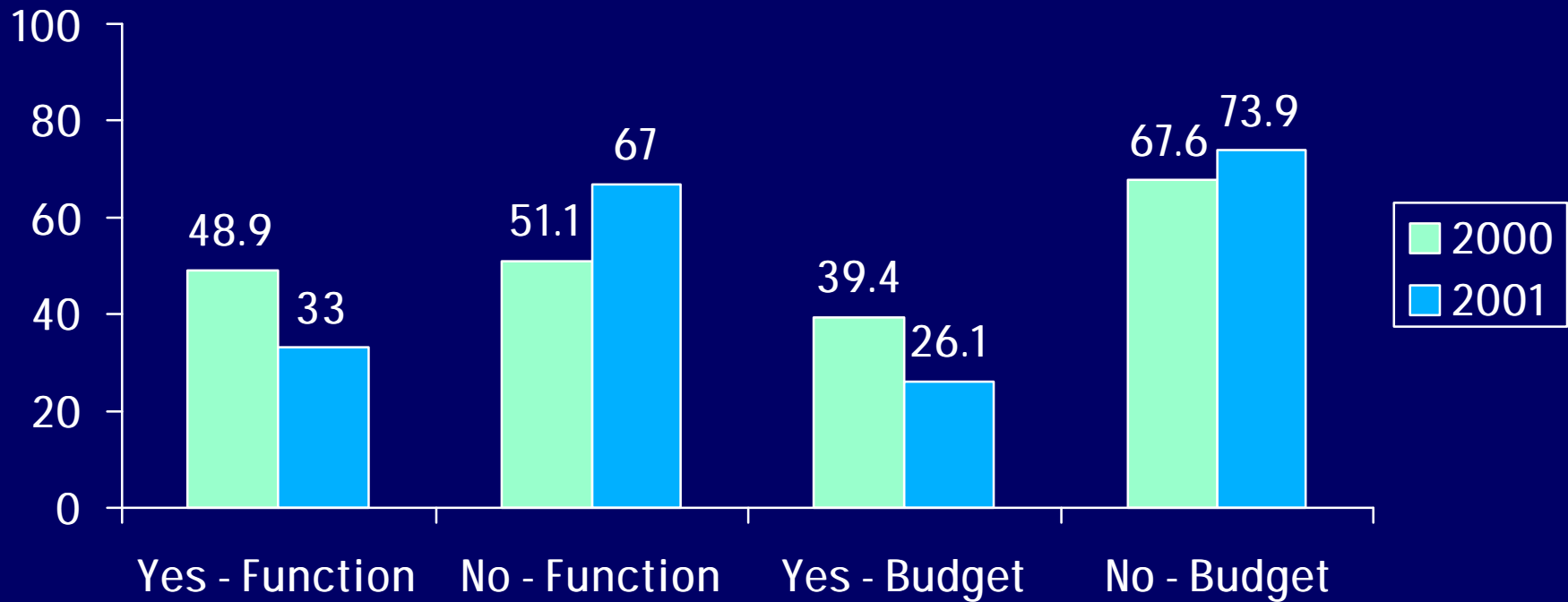
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (4)

Community Relations



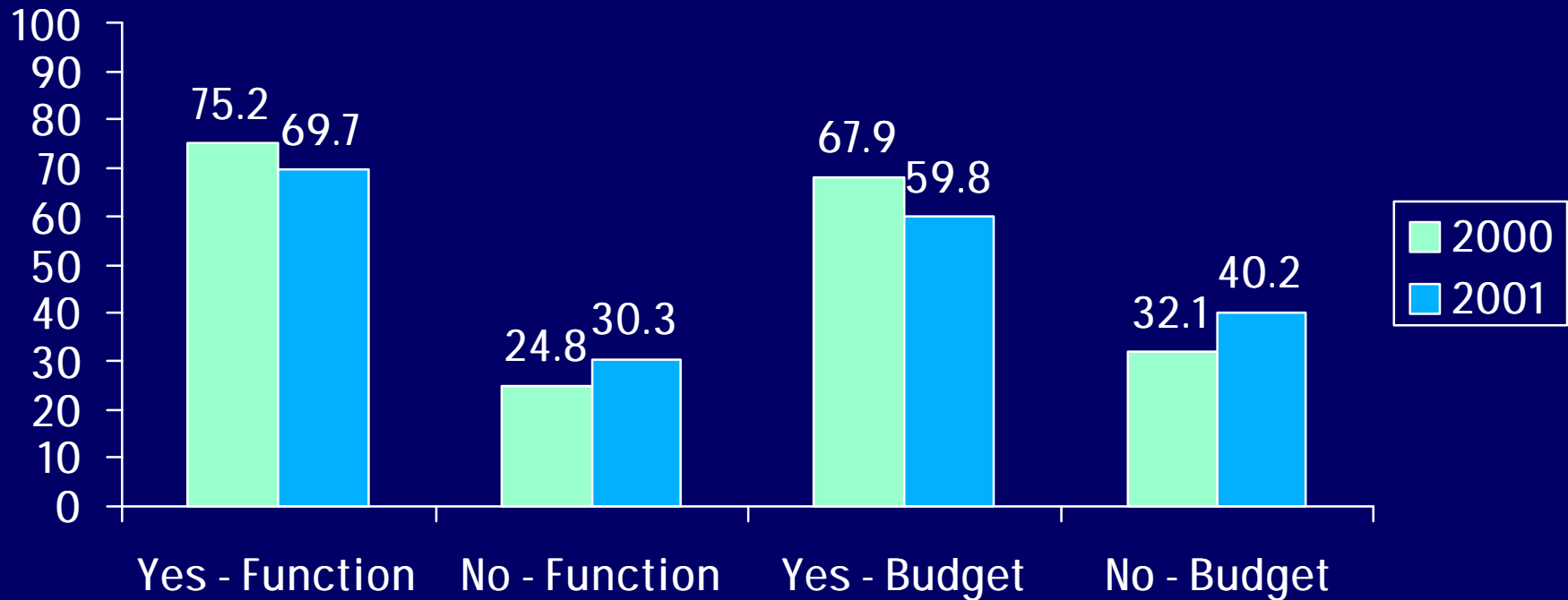
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (5)

Corporate (Organizational) Culture



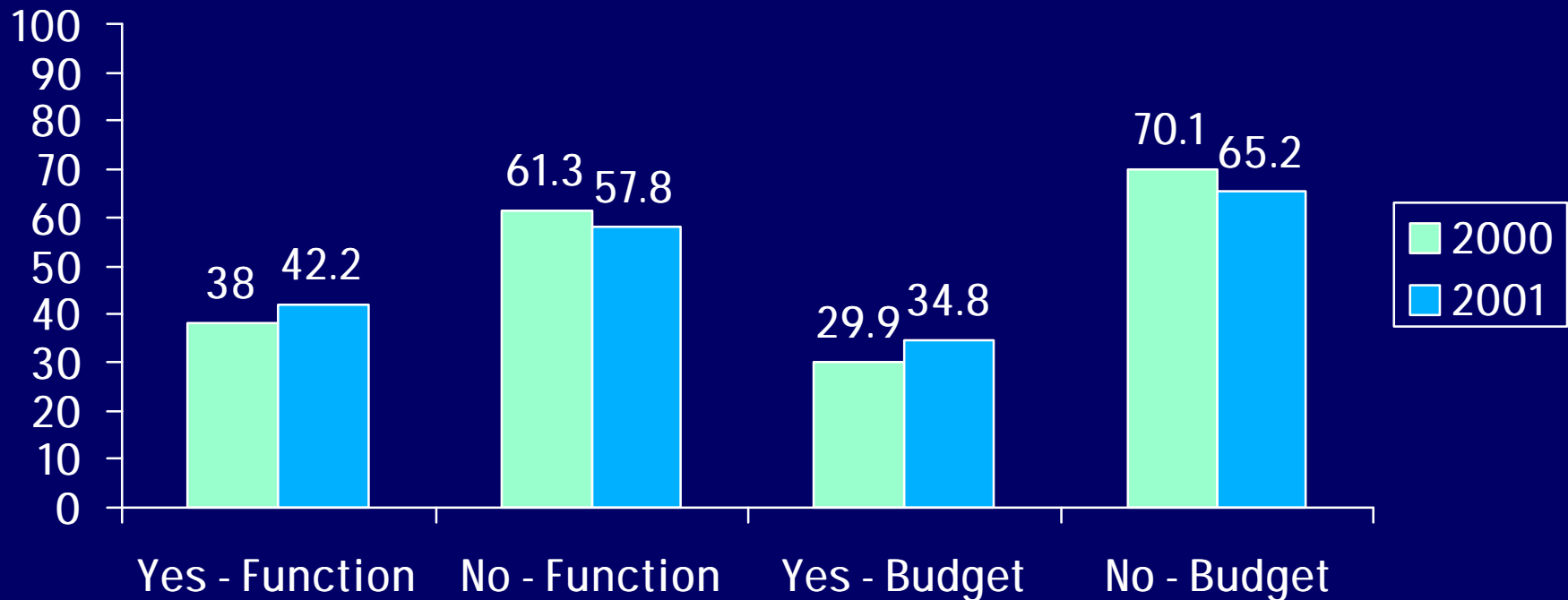
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (6)

Corporate Identity



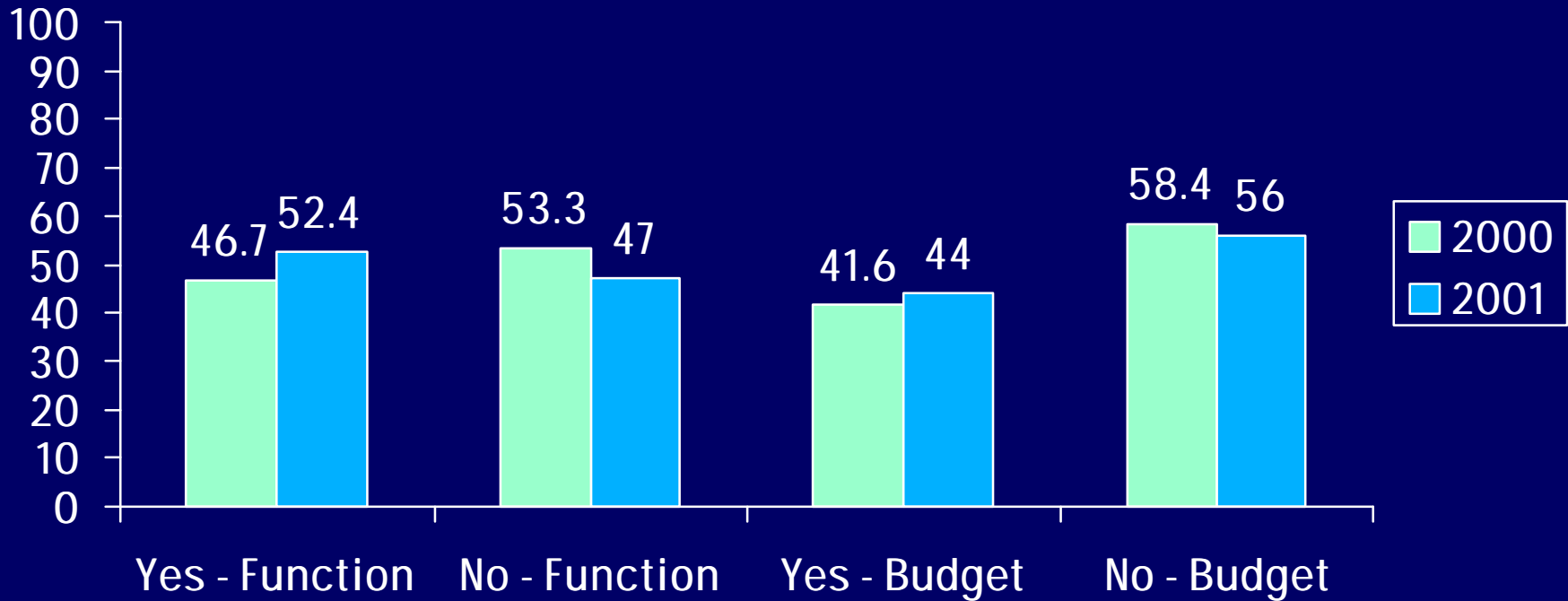
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (7)

Mission Statement



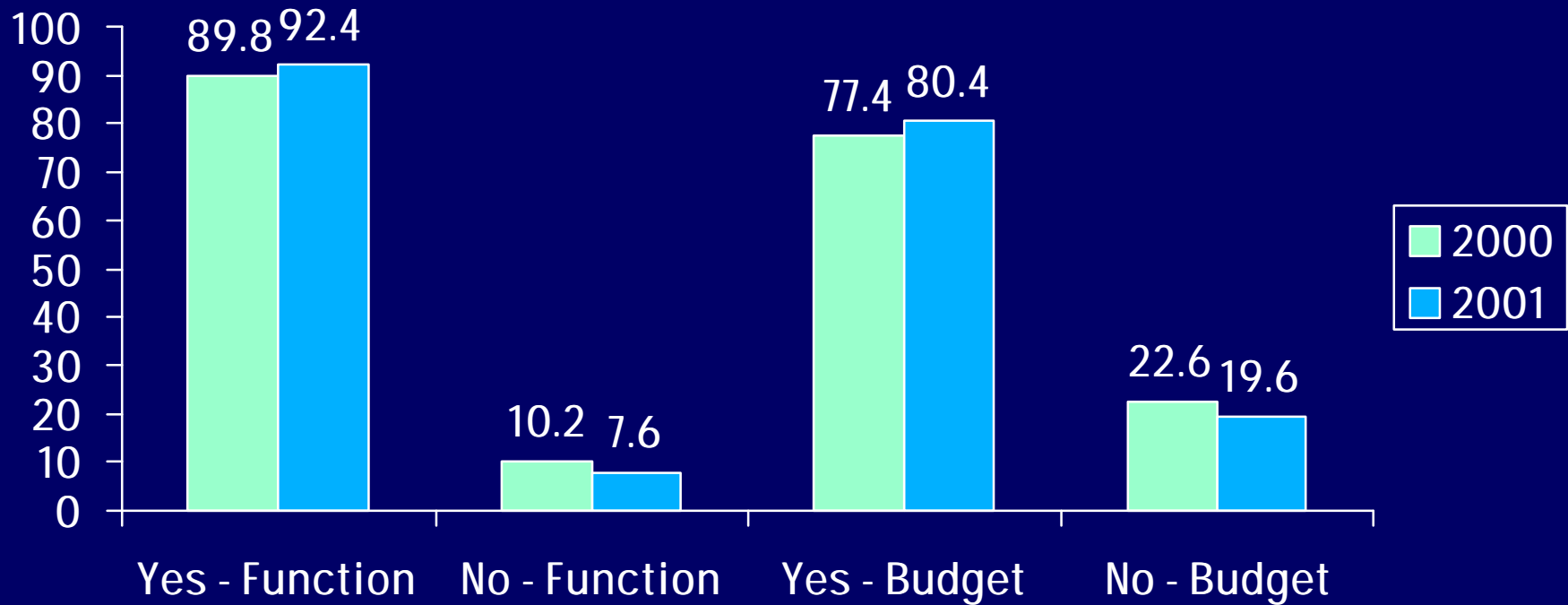
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (8)

Philanthropy (Citizenship)



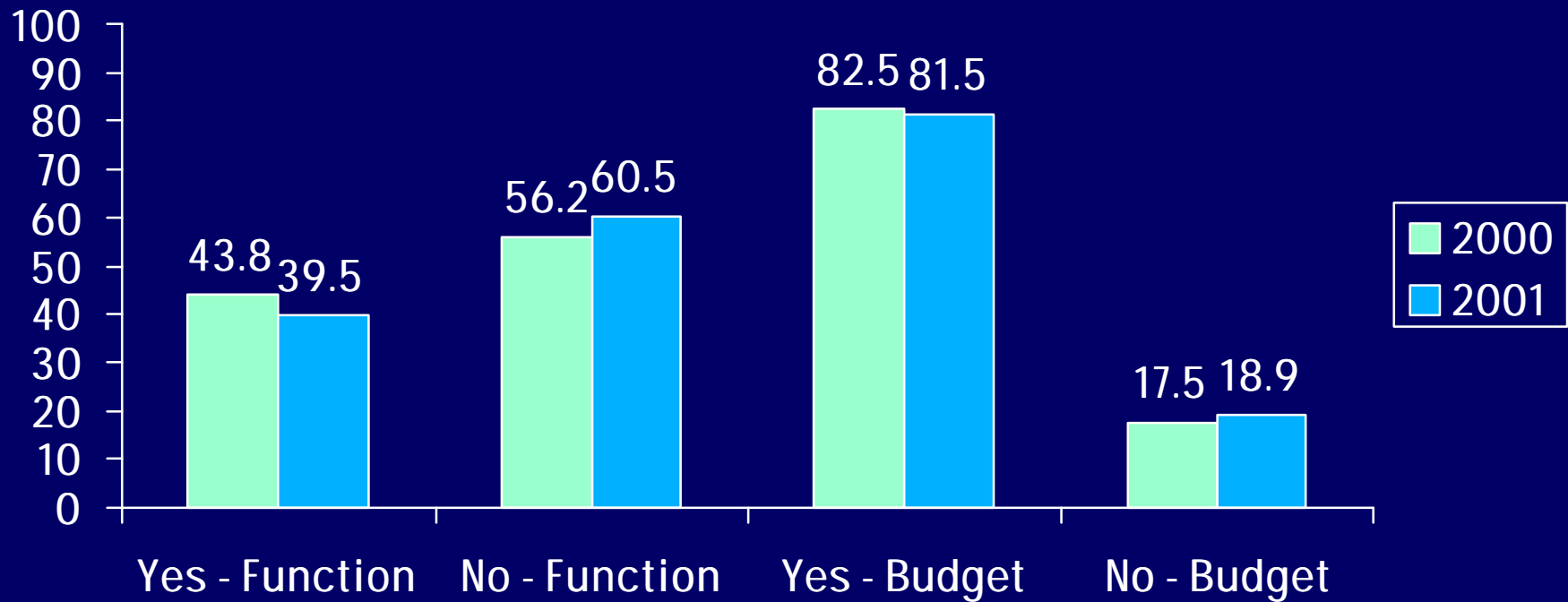
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (9)

Crisis & Emergency



CORPORATE COMMUNICATION FUNCTIONS & BUDGET (10)

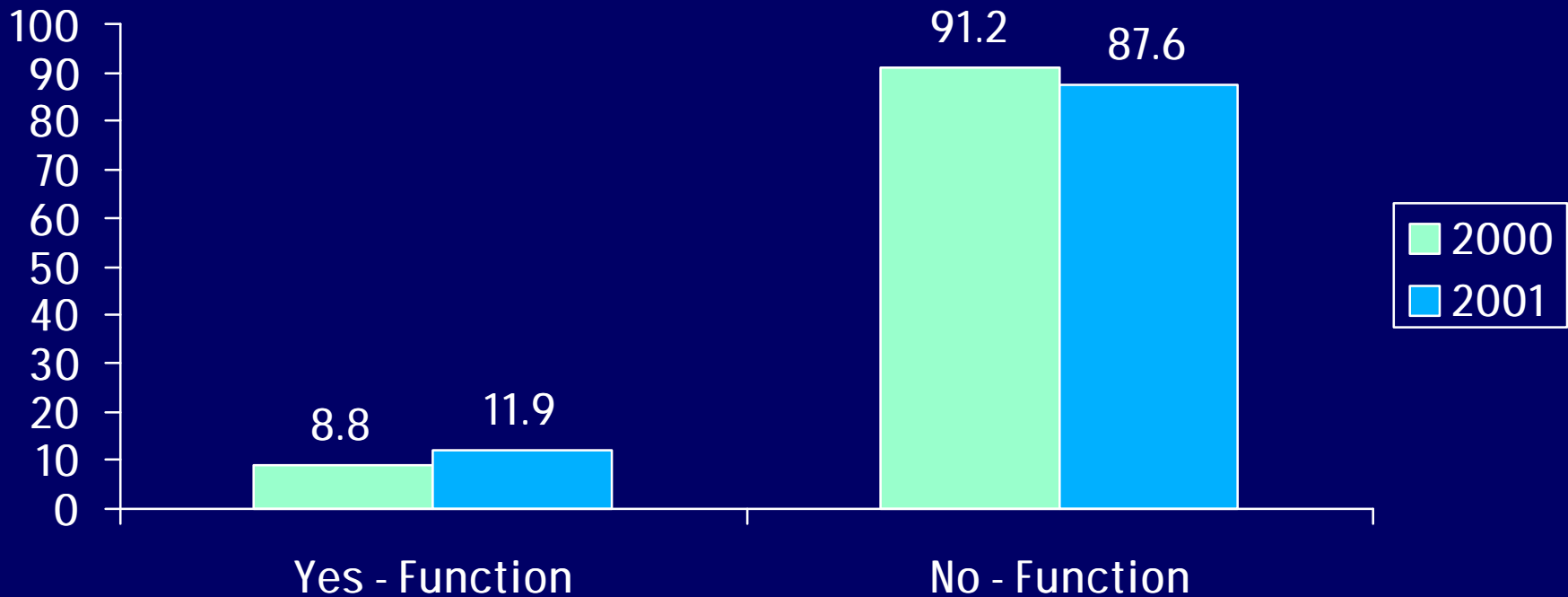
Employee Relations





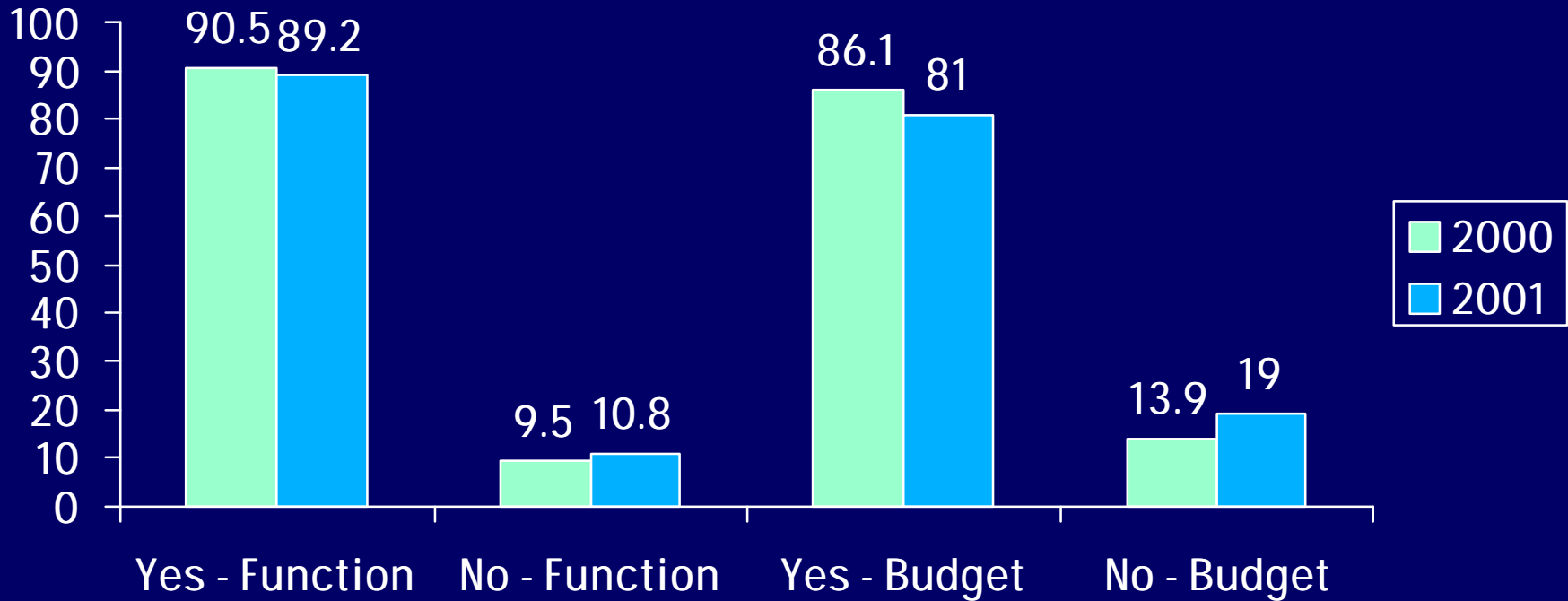
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (11)

Ethics Code



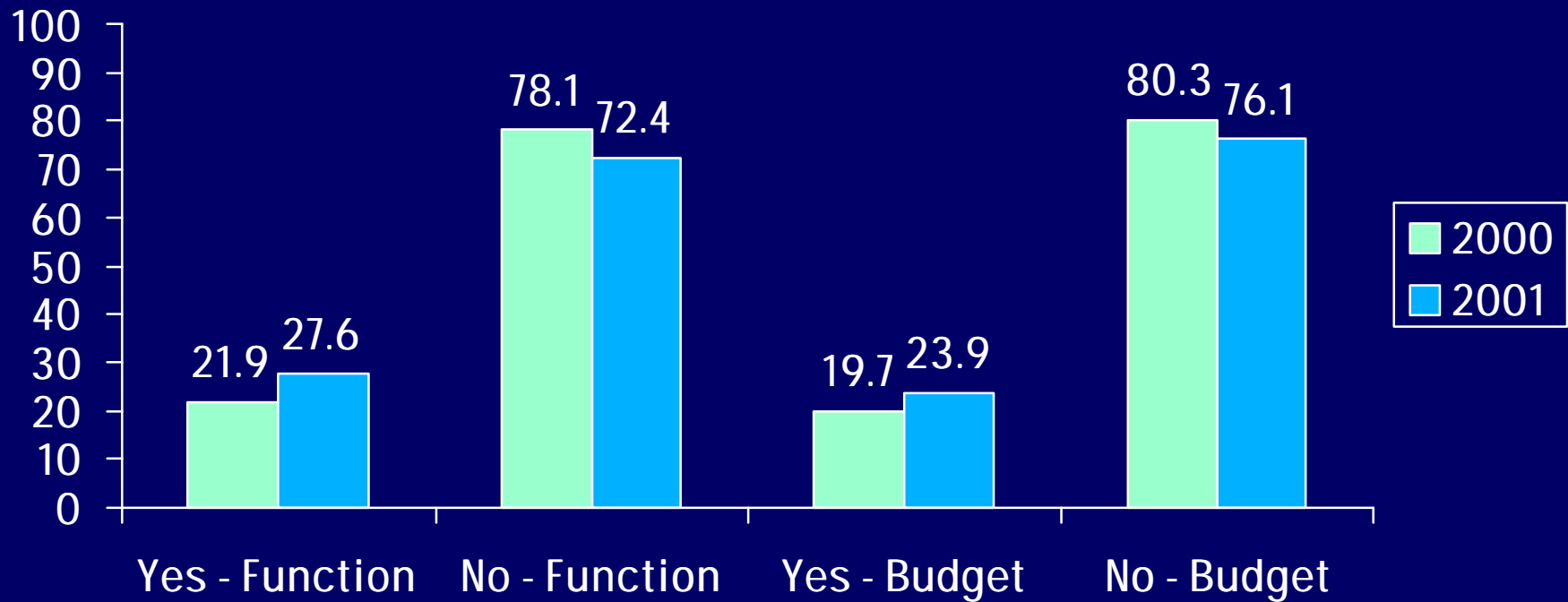
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (12)

Executive Speeches



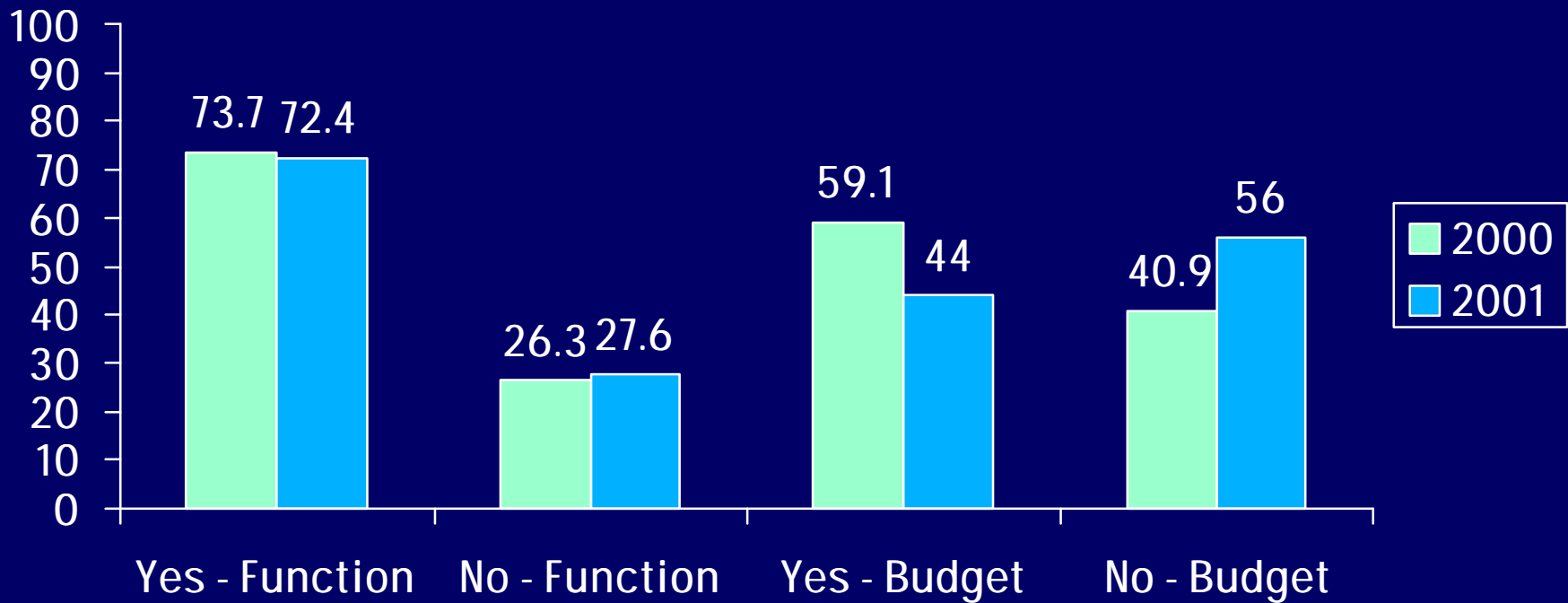
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (13)

Government Relations



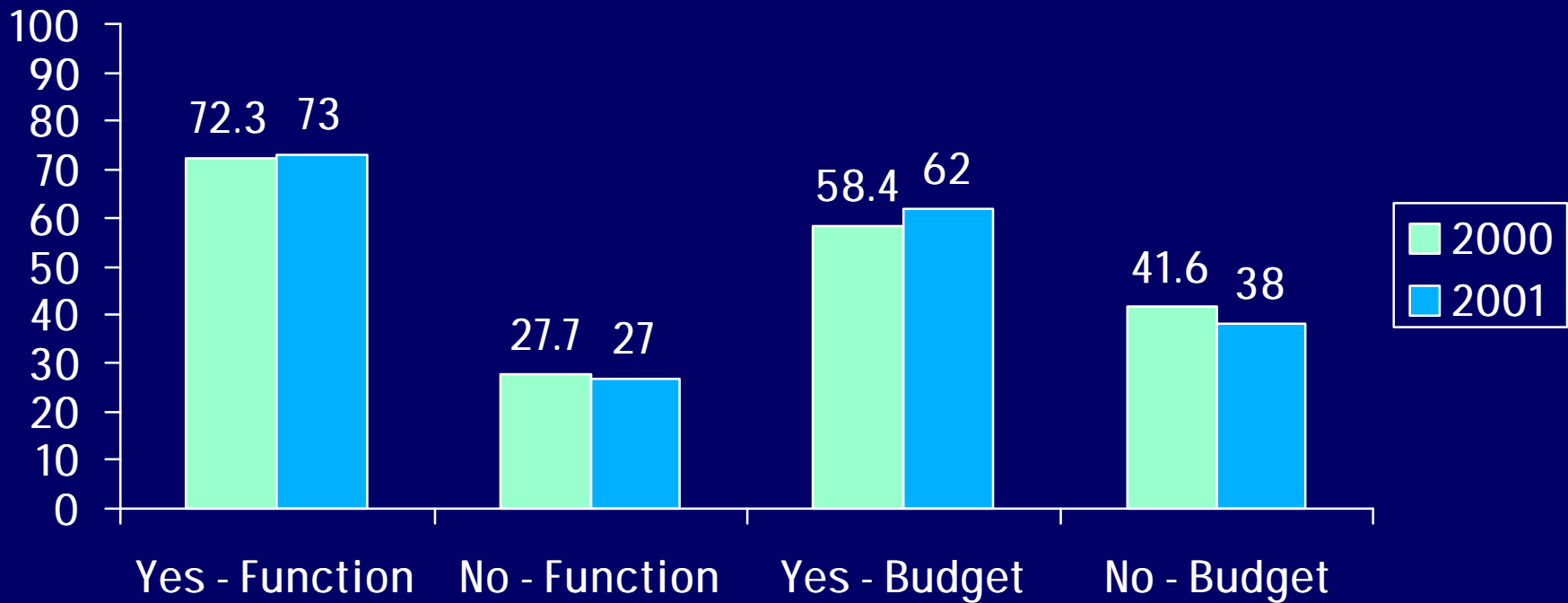
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (14)

Internet Site



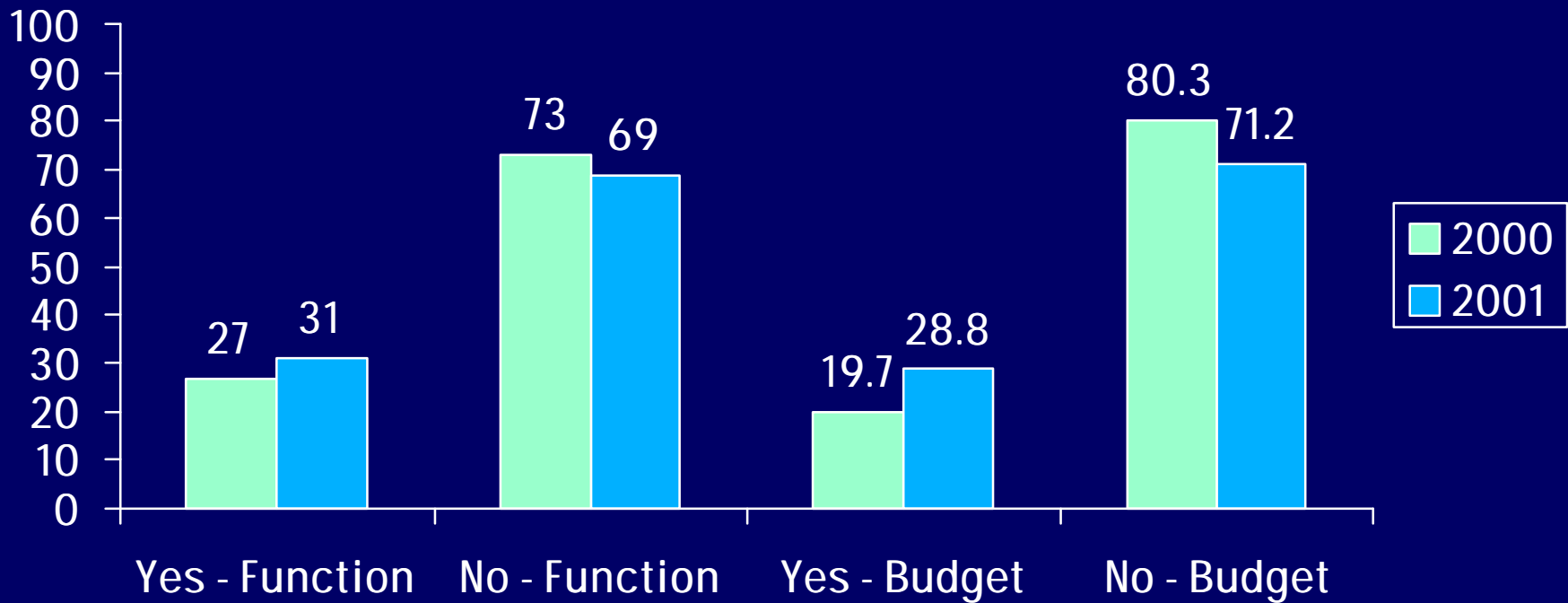
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (15)

Intranet Site



CORPORATE COMMUNICATION FUNCTIONS & BUDGET (16)

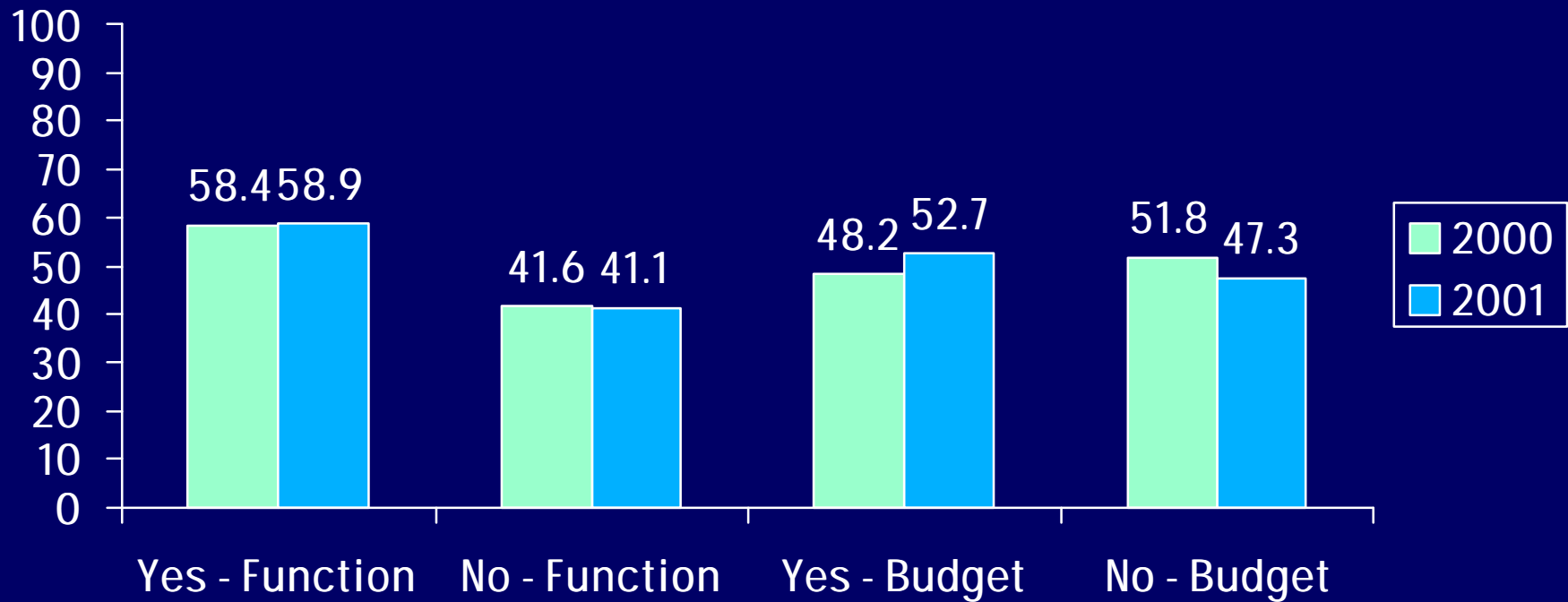
Investor Relations





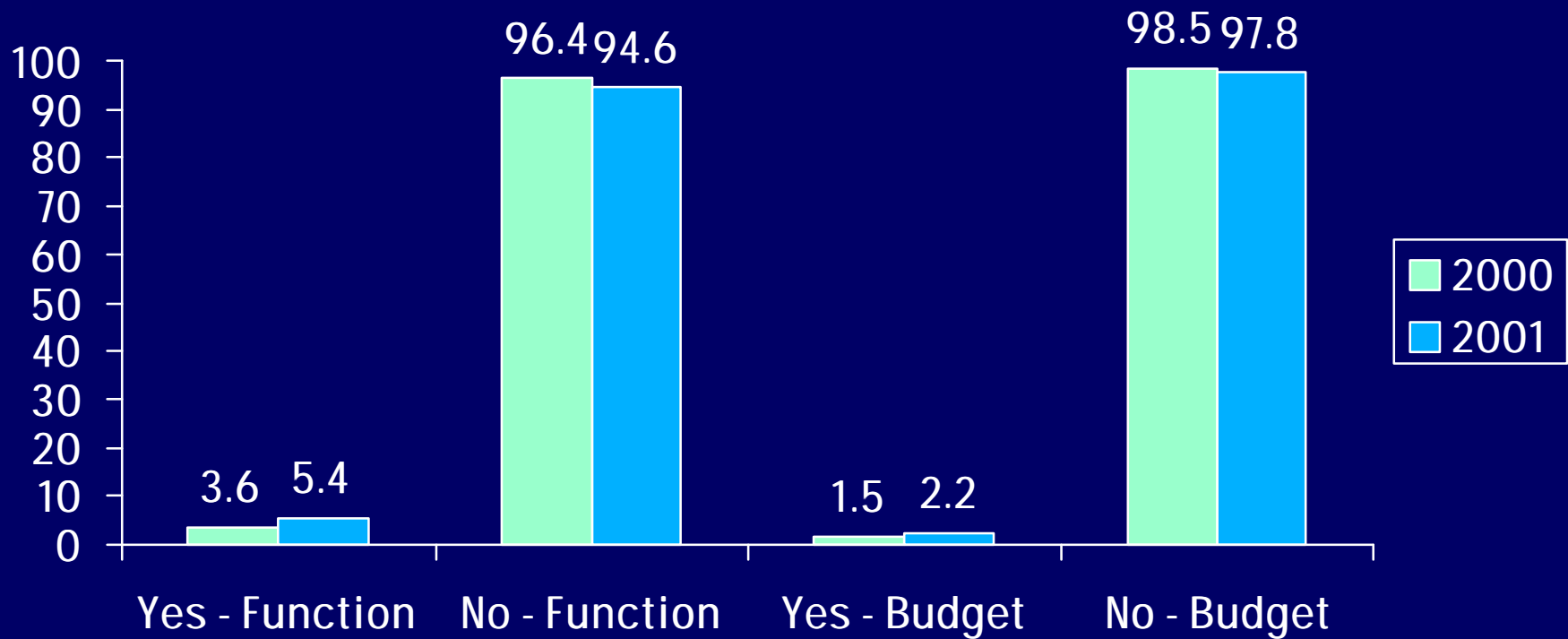
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (17)

Issues Management



CORPORATE COMMUNICATION FUNCTIONS & BUDGET (18)

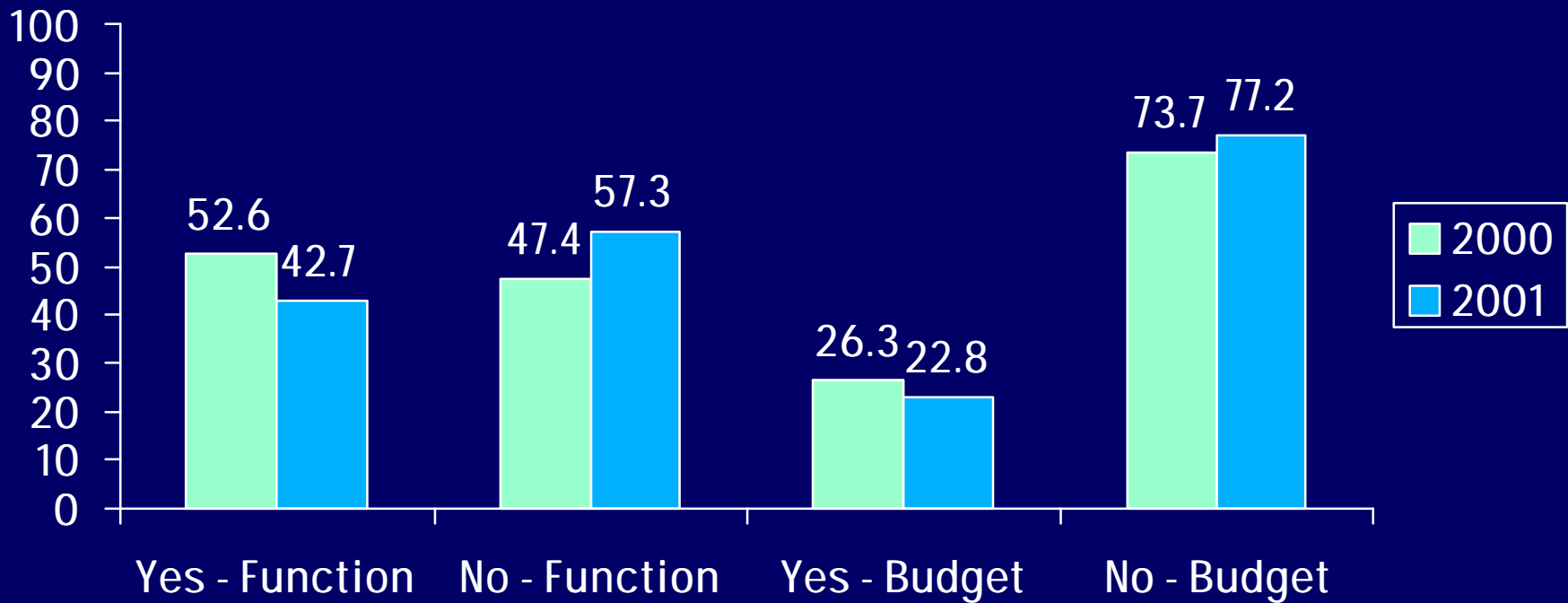
Labor Relations





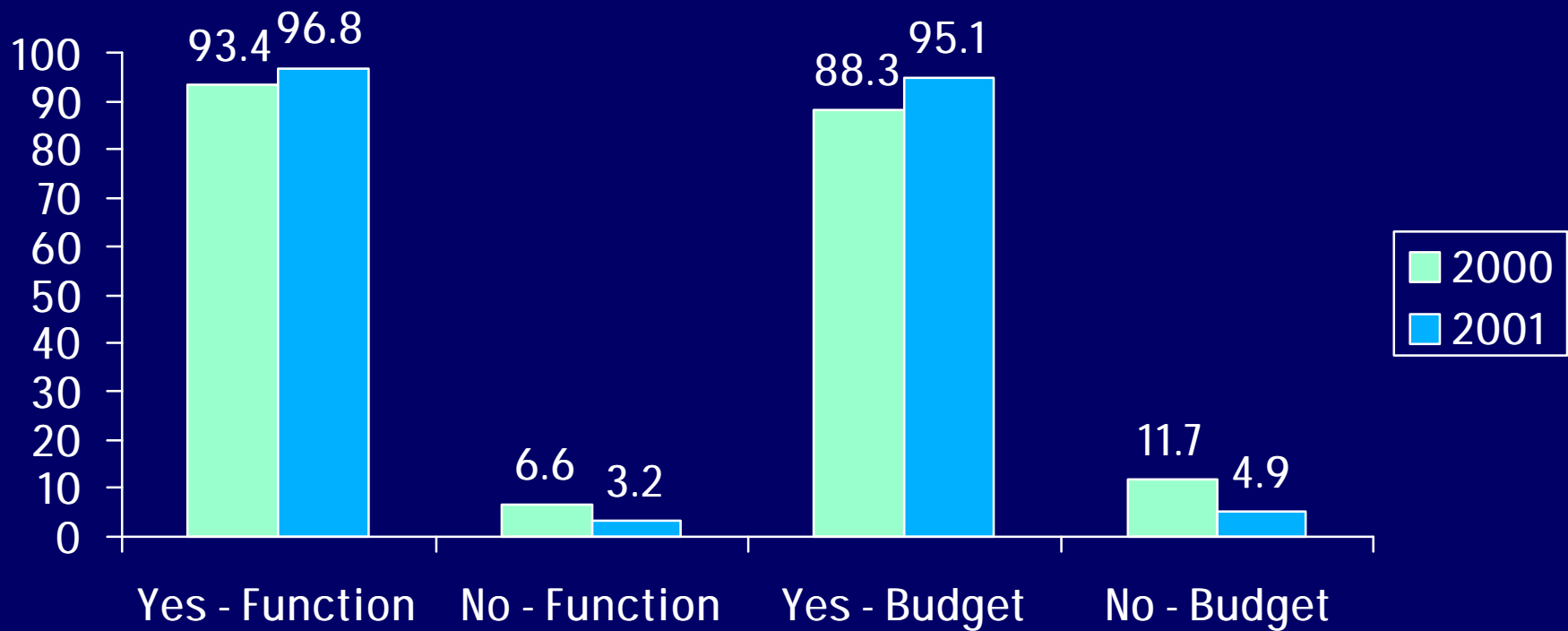
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (19)

Marketing Communications



CORPORATE COMMUNICATION FUNCTIONS & BUDGET (20)

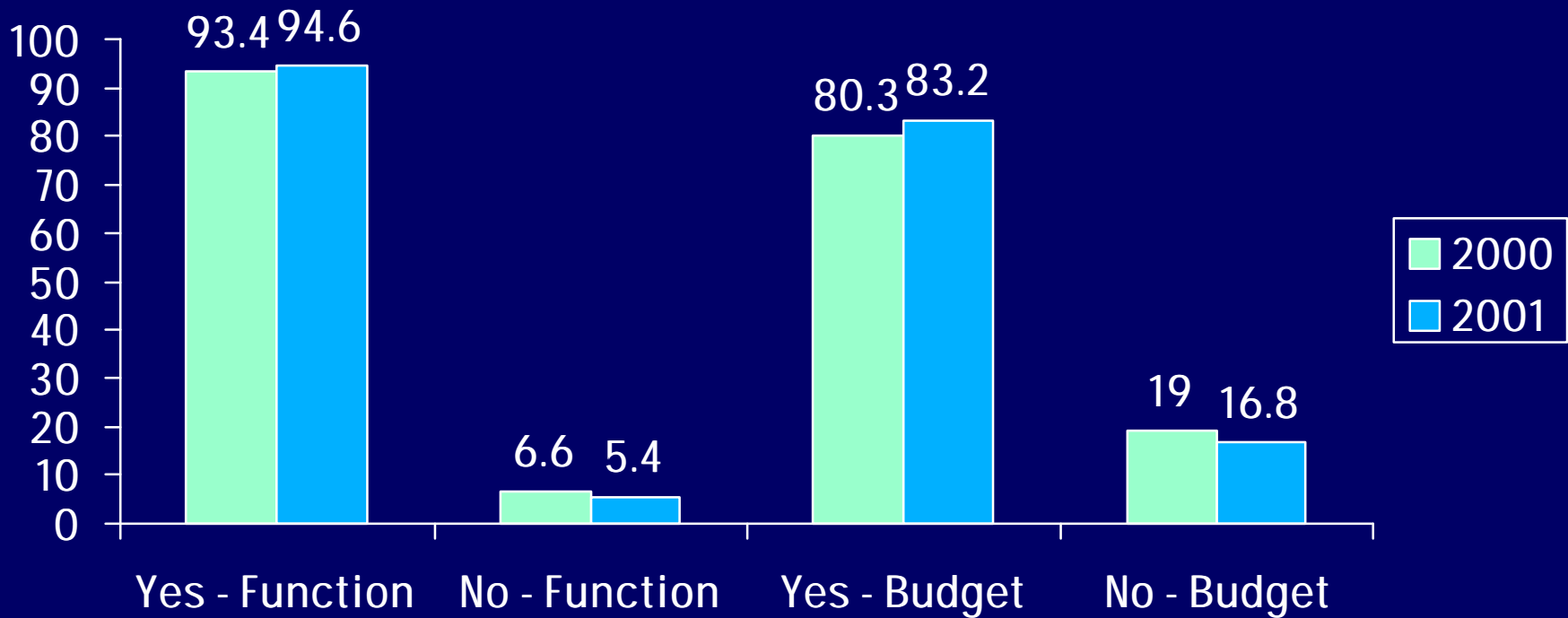
Media Relations





CORPORATE COMMUNICATION FUNCTIONS & BUDGET (21)

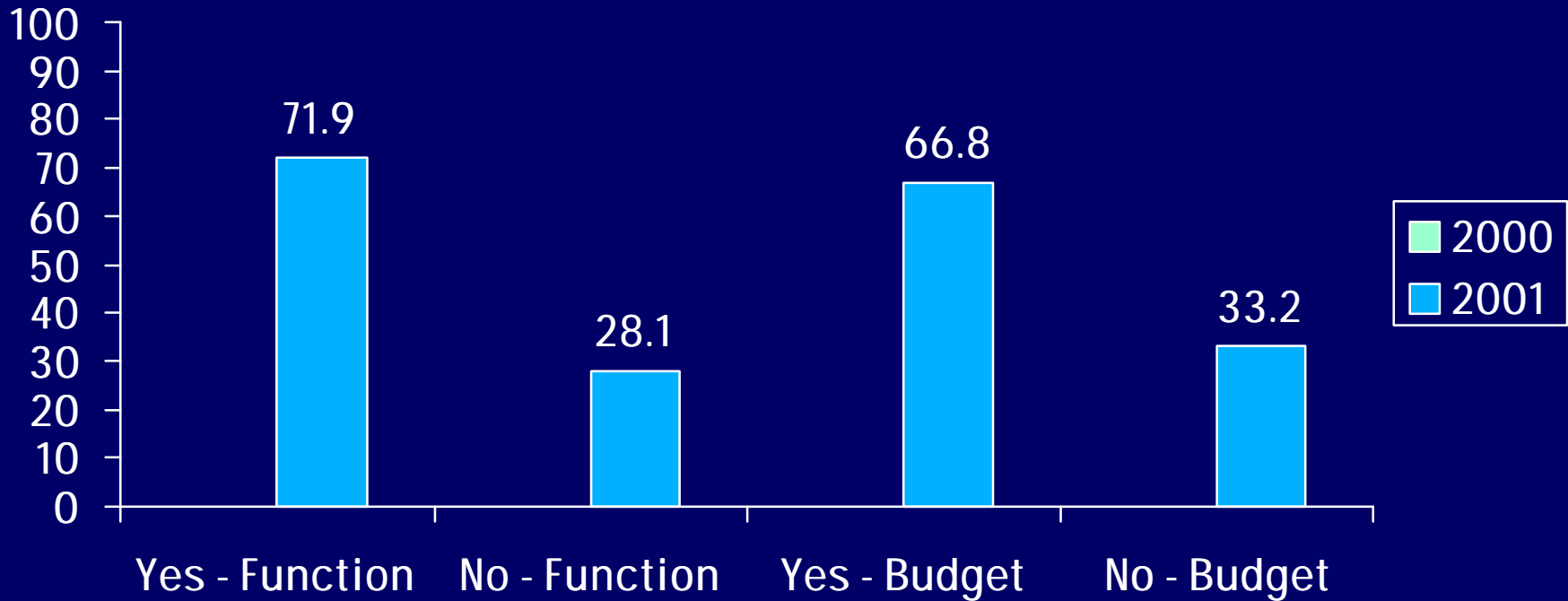
Public Relations





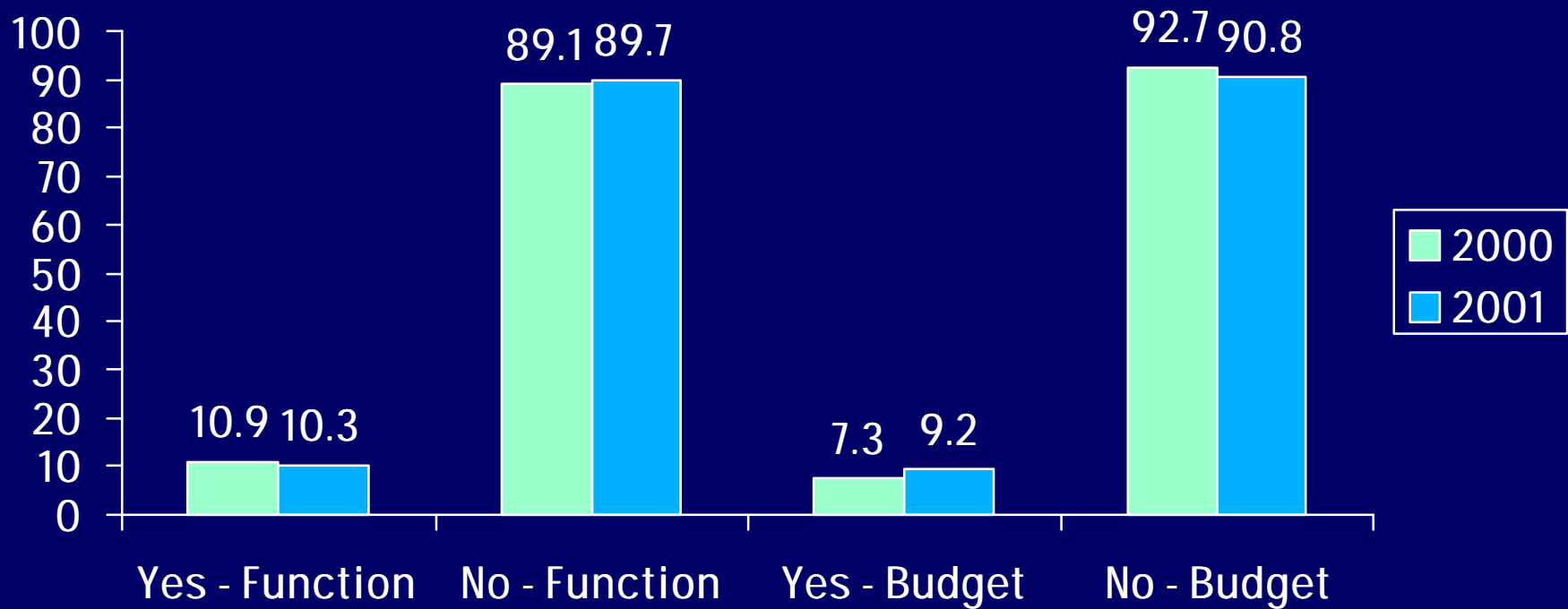
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (22)

Reputation Management



CORPORATE COMMUNICATION FUNCTIONS & BUDGET (23)

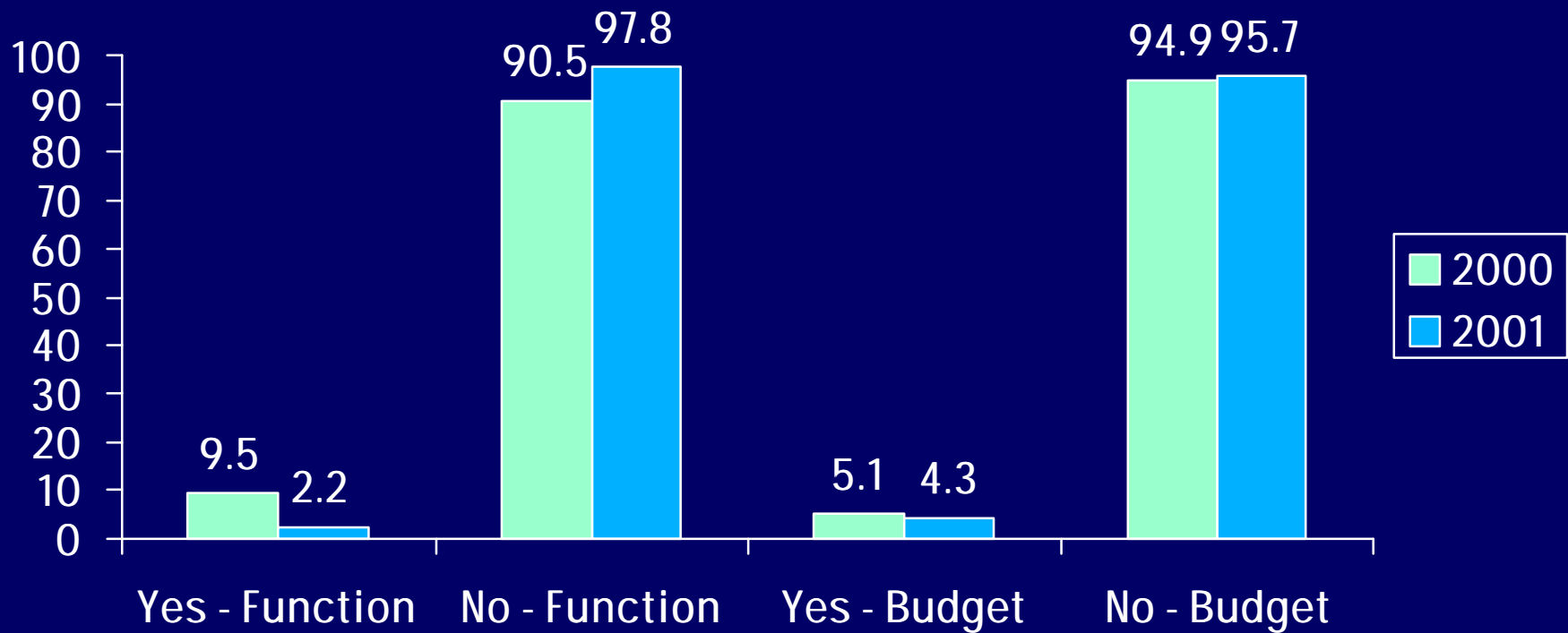
Technical Communication





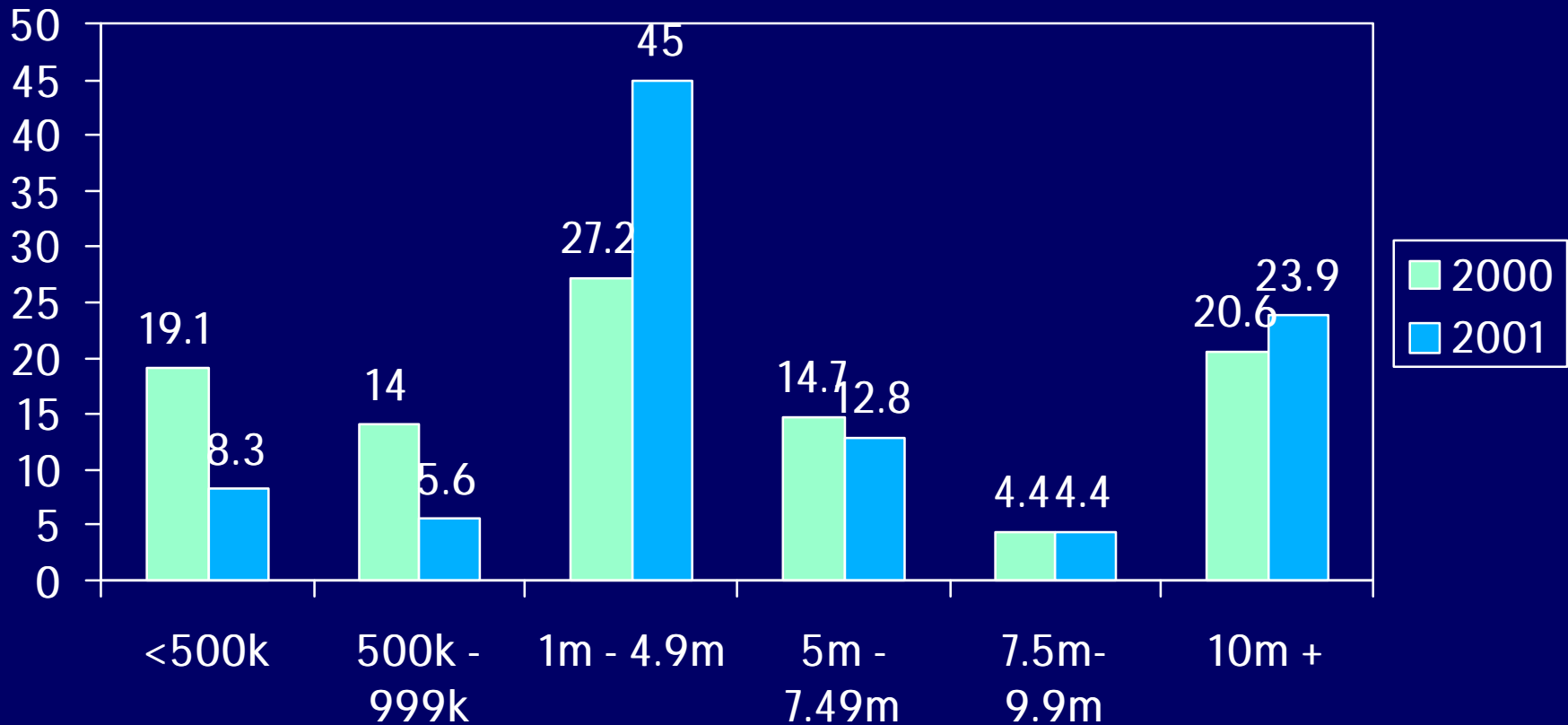
CORPORATE COMMUNICATION FUNCTIONS & BUDGET (24)

Training & Development

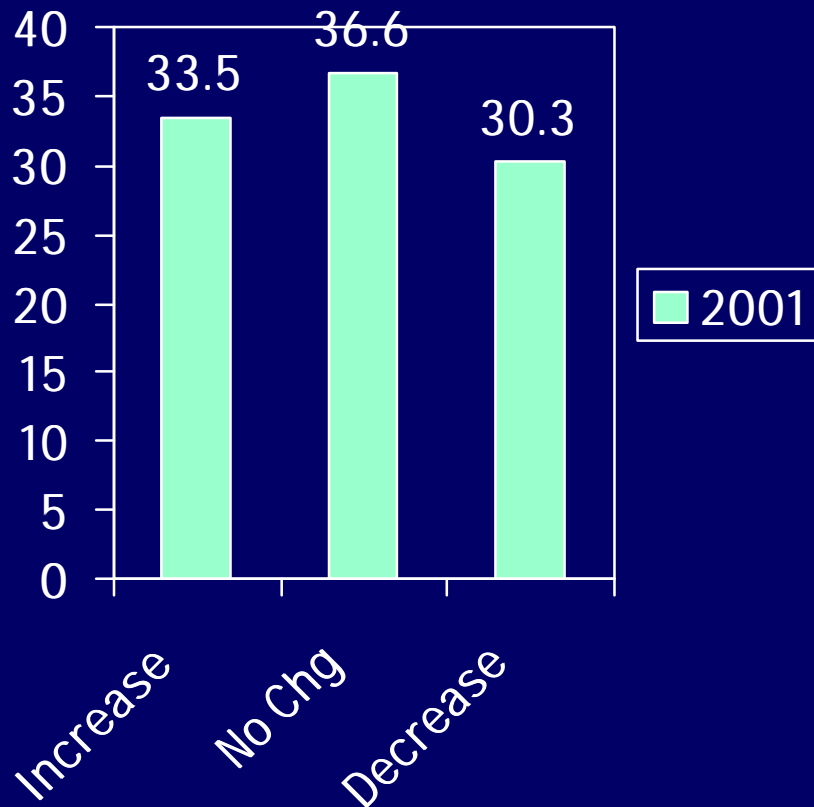




CORPORATE COMMUNICATION BUDGETS -- Dollar Value



BUDGET CHANGES -- 2001



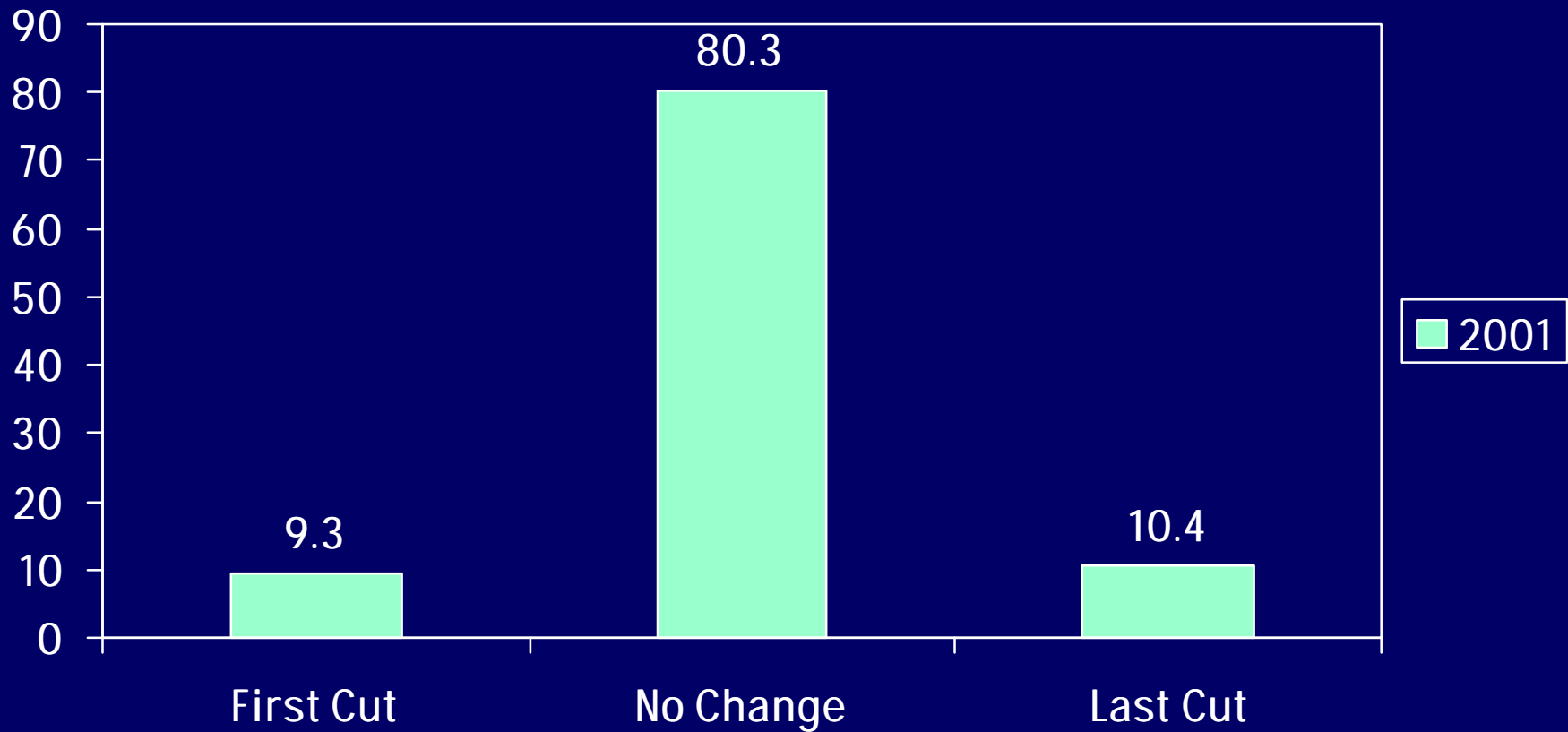
INCREASED Budget

- 20% -- 5% increase
- 5.4% -- 10% increase
- 1.1% -- 15% increase
- 7.0% -- 15% + increase

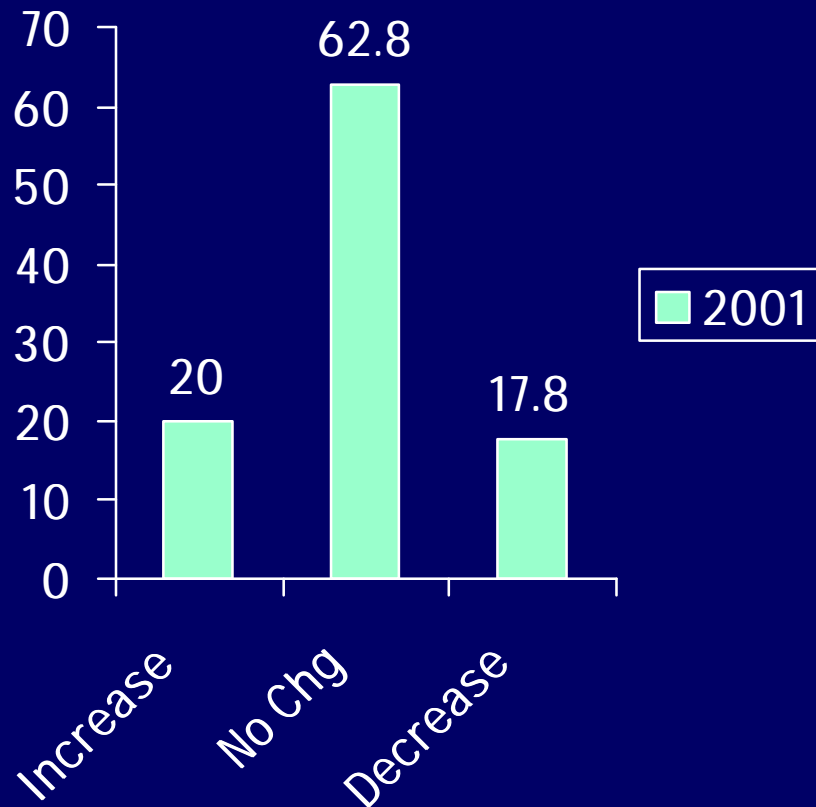
DECREASED Budget

- 13% -- 5% decrease
- 9.7% -- 10% decrease
- 3.8% -- 15% decrease
- 3.8% -- 15% + decrease

BUDGET CUTS TO REDUCE COST



STAFF CHANGES -- 2001



INCREASED Staff

- 10.3% -- 5% increase
- 4.3% -- 10% increase
- .5% -- 15% increase
- 4.9% -- 15% + increase

DECREASED Staff

- 8.1% -- 5% decrease
- 4.9% -- 10% decrease
- 1.6% -- 15% decrease
- 3.2% -- 15% + decrease



COMMUNICATION & RISK

In simpler times corporate leaders communicated little in an effort to reduce the risks to themselves and their organizations.

- Mean -- Benchmark 2000-- 3.35
- Mean -- 2001 -- 3.22
- Std. Deviation -- Benchmark 2000 -- .96
- Std Deviation 2001 -- 1.06



COMMUNICATION & SUCCESS

In a complex environment, honest, clear, and coherent communication can drive the rewards of success toward the organization and its leaders.

- Mean -- Benchmark 2000 -- 4.59
- Mean -- 2001 -- 4.58
- Std. Deviation -- Benchmark 2000 -- .54
- Std. Deviation -- 2001 -- .74



ROLE OF CORPORATE COMMUNICATION IN COMPANIES

Percent of Respondents who RANKED the following functions #1 :

20% -- Manager of company's reputation

15.1% -- Source of public information about the company

14.1% -- Manager of relationships -- co. & key NON-CUSTOMER constituencies

13.8% -- Advocate or "engineer of public opinion"

12.4% -- Manager of the company's image

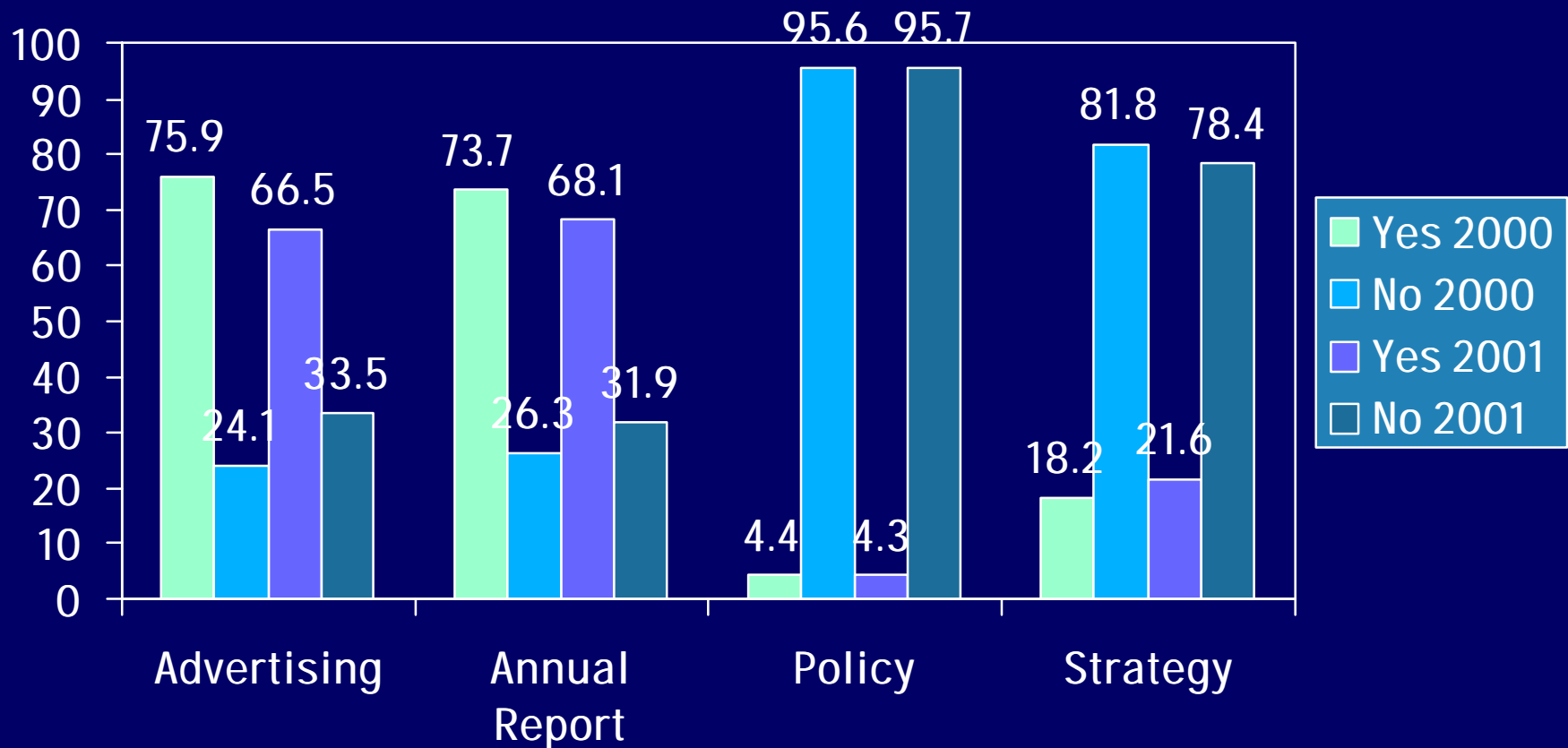
11.9% -- Driver of company publicity

11.4 % -- Manager of relationships -- co. & ALL key constituencies

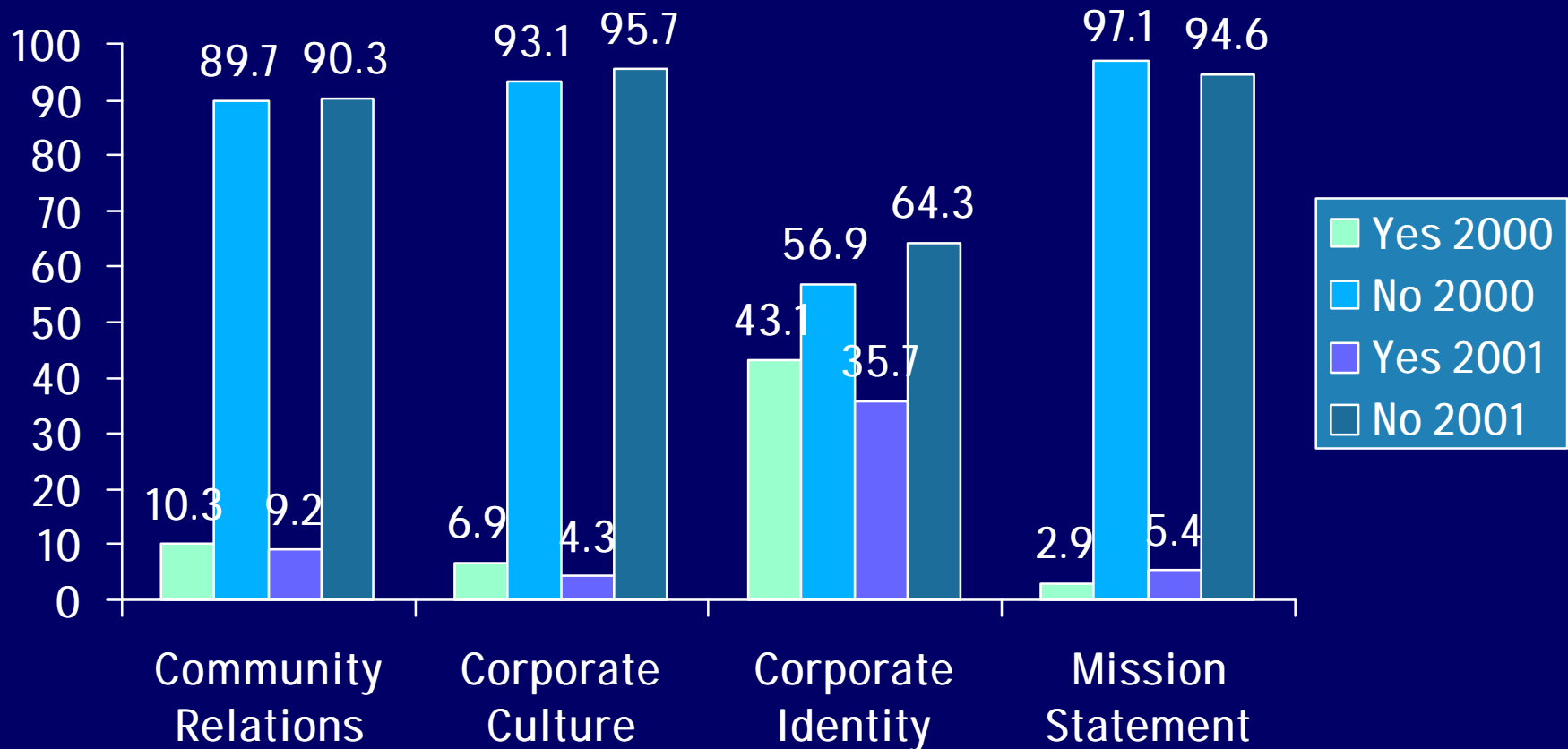
2.7% -- Support for marketing & sales

8.1% -- Other

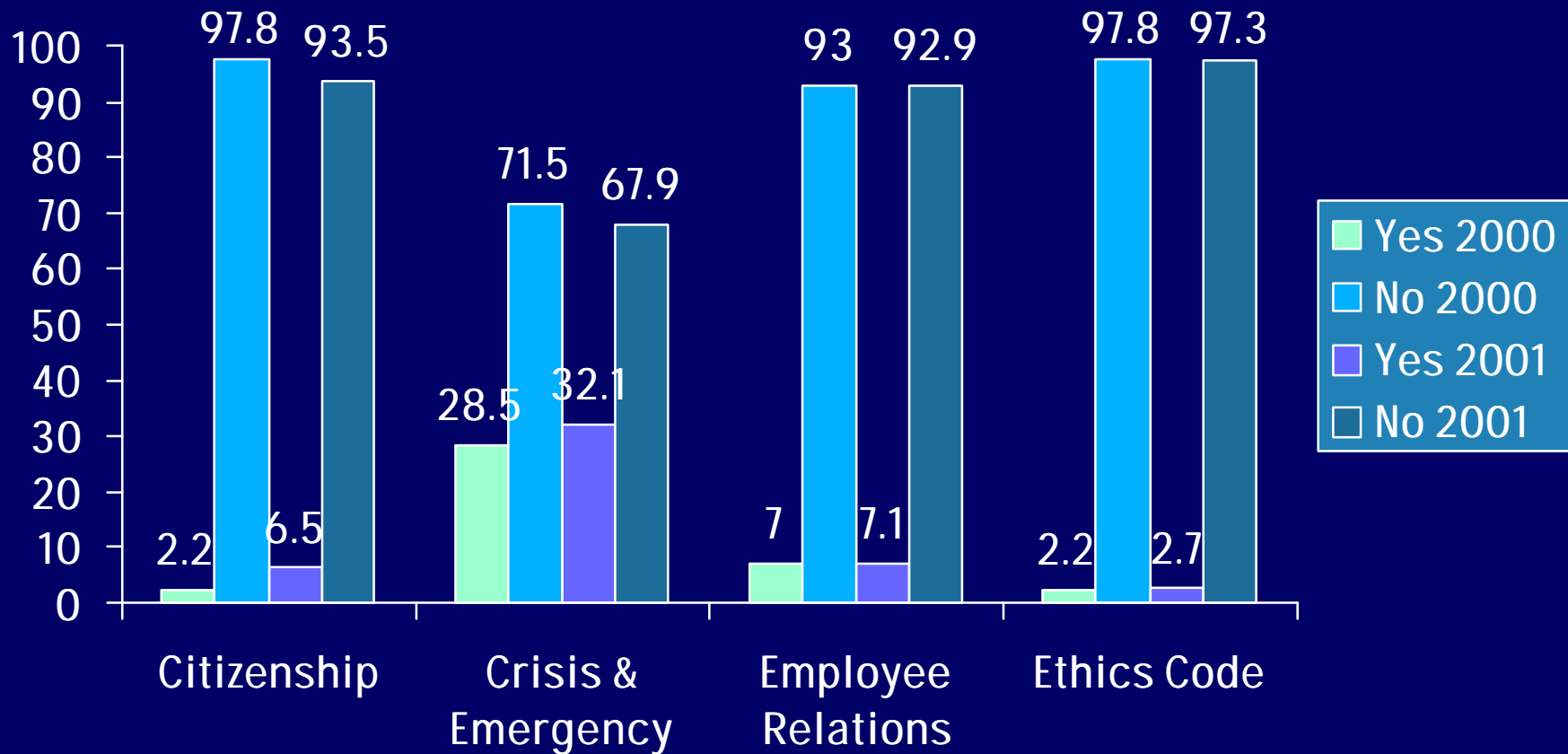
USE OF AGENCIES or VENDORS (1)



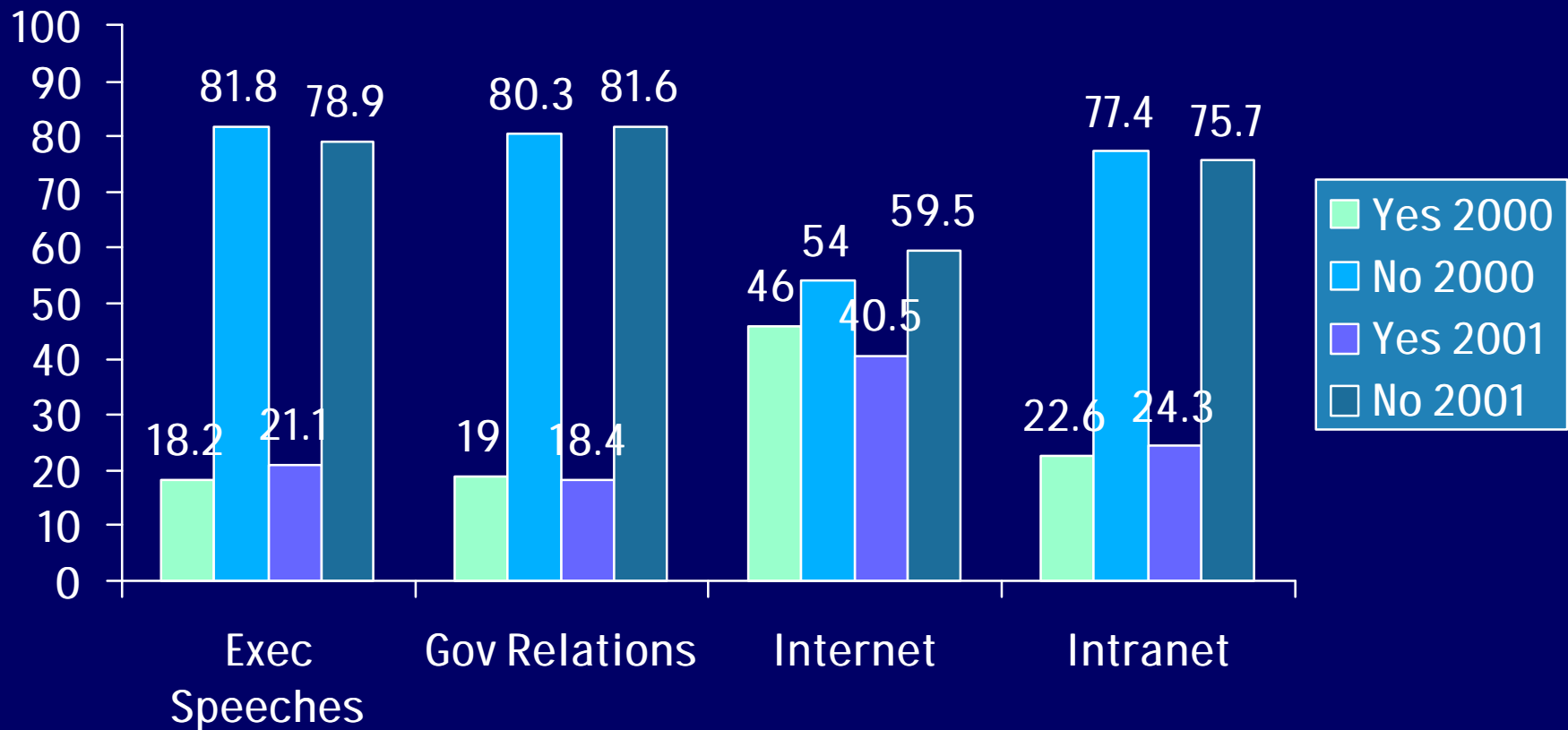
USE OF AGENCIES or VENDORS (2)



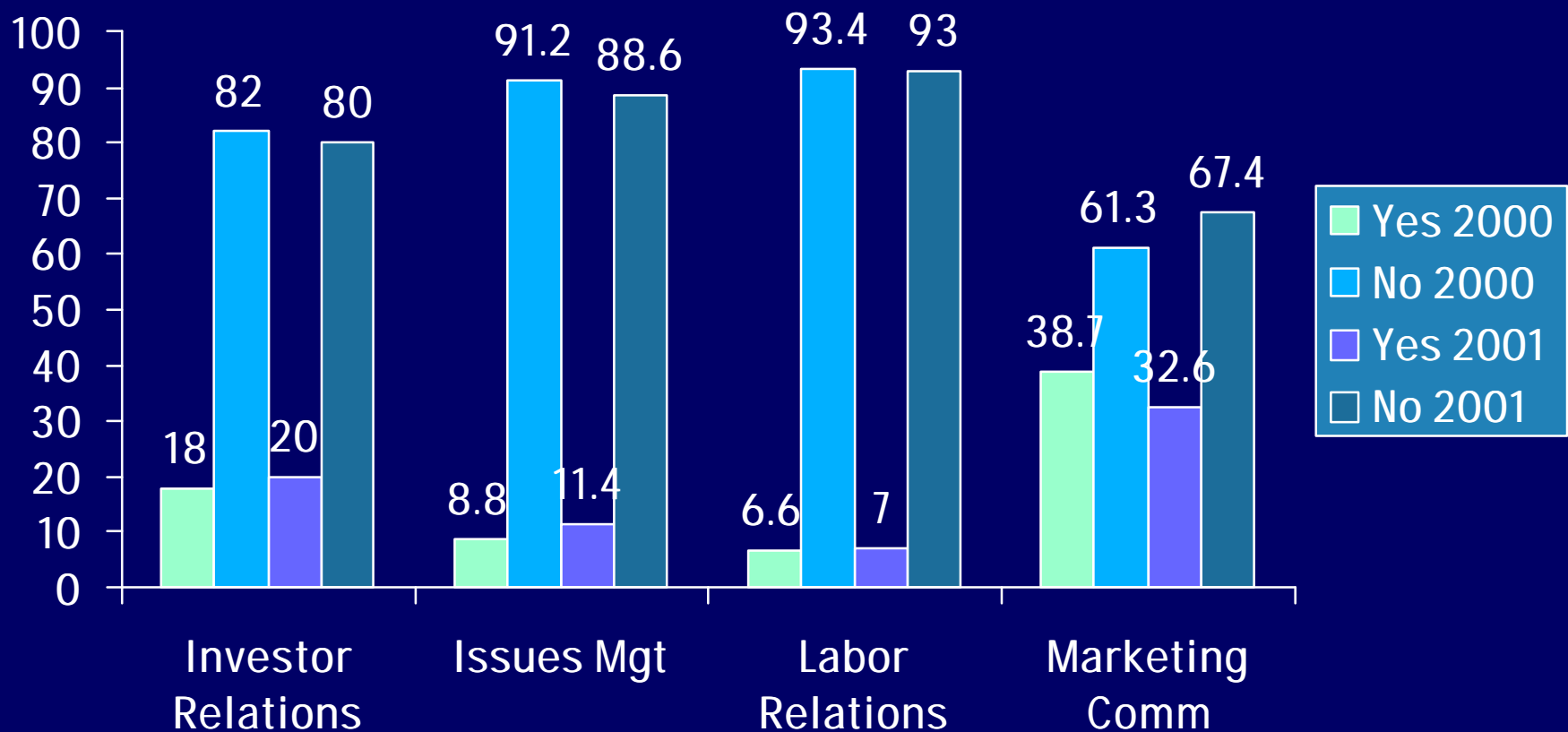
USE OF AGENCIES or VENDORS (3)



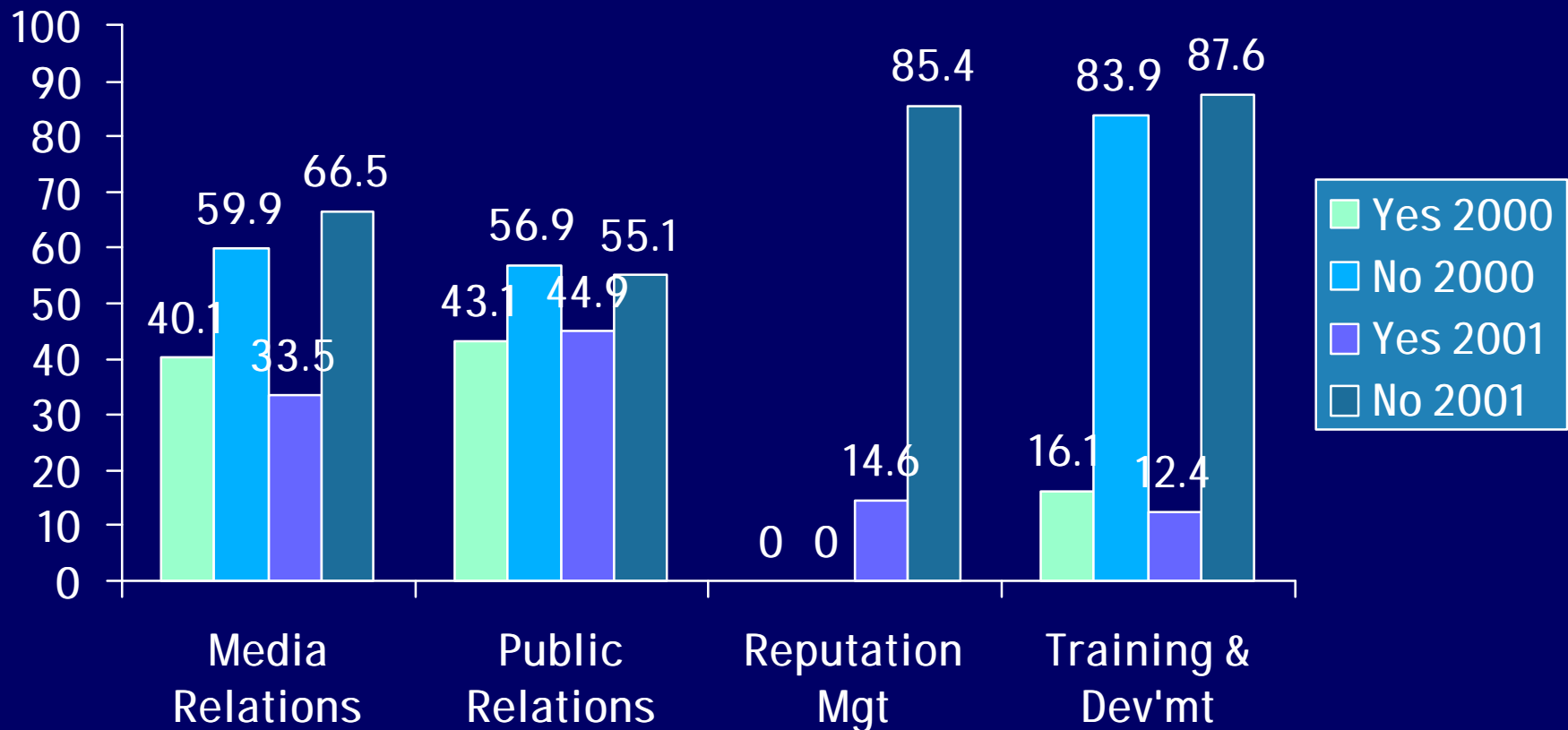
USE OF AGENCIES or VENDORS (4)



USE OF AGENCIES or VENDORS (5)



USE OF AGENCIES or VENDORS (6)





COMMENTS (1)

- ...the role of corporate communication [is to] manage a company's brand reputation through broad involvement in a number of different capacities such as providing counsel to the CEO, ...overseeing communications to all constituencies to achieve consistency, and managing the long-term reputational implications of a corporation's strategy to ensure the brand retains its integrity - regardless of the financial environment.
- Increasingly ... technology-driven.
- ... We are the corporate conscience.



COMMENTS (more)

- Employee communications is being recognized (finally) as very important. The key here is that our people are watching behavior. Actions speak louder....
- Communication professionals, even at the most senior levels, must be both strategic (thinkers) and execution (doers) focused.
- Corporate communications tends to be taken more seriously each day at this and most other serious companies. As a profession, we would be best if we let communications imply what the average educated person means by communication and avoid making unsupportable claims for its capability or utility.



COMMENTS (more)

- ...the profession is evolving along with business toward meeting the new dynamics of globalization and e-commerce. This transformation is raising the profile of the profession and requiring new skill sets. Continuing education will be critical to success...
- To be flexible and to utilize new tactics. To anticipate problems before they are problems. To have a respected and honest relationship with senior management allowing the communicator to speak candidly...
- The office must serve as a clearinghouse of information and policy.



COMMENTS (more)

- The role of corporate communications in our company is significant. It has earned its "place at the table" by delivering value to our business units...
- ... Today's communication leader must be skilled in all disciplines, including IR, and be in a strategic position on the senior management team to be effective and valuable.
- ...Our execs are largely caught in a 1970's time warp who seem to think communications is best functioning organizing office parties/picnics/etc. or taking reactive positions with the media...



COMMENTS (more)

- ...corporate communications responsibility is to ensure employees were well-informed about the company, and that the company's perspective is represented in the media.
- Corporate communication underpins virtually every aspect of the company... to realize a very viable exponential ROI, communications must be viewed as a strategic function reporting to either the CEO, CFO or head of marketing.
- Corporate communications is viewed by management as an essential and vital skill set. Viewed as major contributor to public standing and business success.
- Our constant challenge is to be included as a strategic partner to our executives...



INTERVIEW QUESTIONS AND SOME RESPONSES ...

Eight questions sent by e-mail -- option to have a telephone interview or send return e-mail:

- The three or four critical issues
- Importance of Corporate Communication to - YOU; CEO
- Top three trends in corporate communication in companies
- Trends unique to the industry
- Downsizing; growing; restructuring; streamlining
- Core Competencies: individual practitioners; the corporation as a whole
- Internet Responsibility -- CC, IS



FINDINGS

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- Critically important for business units
- Trends: globalization, technology, social responsibility, employee focus, reputation management
- Core competencies expand to strategic abilities
- Practitioners are younger, smarter, and better paid



WHEN ALL IS SAID AND DONE

With all the changes in the nature of work, the tools, the people, the companies, maybe some simple guidelines might be helpful

How about Nordstrom's? They have two:

#1 Use your best judgement

#2 See Rule #1

Judgement, wisdom, understanding, integrity – develop and rely on them



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