Current Trends In Corporate Communication

ANA Corporate Communication Committee Meeting
March 26, 2002
Practices & Trends 2001

The Research Team:

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- Jill Alexander
- Jim Hutton
- Gary Radford
- Jennifer Lehr
- Christina Genest
- Lisa Mobus
- Jeanette Cruz
- Jennifer Brown
Goals of the Study

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

• Survey: 18 Questions
• Mailed 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 +
Key Study Insights

Relationships with the community matter a great deal.
Key Study Insights

Culture is vital to organizational health.
Key Study Insights

Communication is strategic – now more than ever.
Key Study Insights

The age gap between managers and employees must factor into planning.
Key Study Insights

People in the workforce care more about themselves than the company.
Key Study Insights

Speed is faster than it ever was.
Key Study Insights

The company is expected to be a good citizen and make money.
Key Study Insights

Media relations is more complex – no more old boy system.
Key Study Insights

Internet is just a tool;
Internet is a strategy —
truth is on the continuum.
Key Study Insights

Company will have a crisis; prepare for the ones you can’t conceive of.
Key Study Insights

Writing is still the core skill for Corporate Communication.
Demographics & Practices

- 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

• 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

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Role Of Corporate Communication In Companies

Percent of Respondents who RANKED the following functions #1:

- Manager of company’s reputation: 20.0%
- Source of public information about the company: 15.1%
- Manager of relationships (Co. & Key non-customer constituencies): 14.1%
- Advocate or “engineer of public opinion”: 13.8%
- Manager of the company’s image: 12.4%
- Driver of company publicity: 11.9%
- Manager of relationships -- co. & ALL key constituencies: 11.4%
- Support for marketing & sales: 2.7%
- Other: 8.1%

Note: Four New Options For 2002

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...The role of corporate communication [is to] manage a company's brand reputation ... and the long-term reputational implications of a corporation's strategy to ensure the brand retains its integrity - regardless of the financial environment...
...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...
...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...
...Today's communication leader must be skilled in all disciplines, including IR (Investor Relations), and be in a strategic position on the senior management team to be effective and valuable...
Selected Comments

...Corporate communications responsibility is to ensure employees were well-informed about the company, and that the company's perspective is represented in the media...
Selected Comments

...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...
Selected Comments

…”Our constant challenge is to be included as a strategic partner to our executives…”
Interview Questions...

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
When All Is Said & 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 judgment
#2 See Rule #1

Judgment, wisdom, understanding, integrity – develop and rely on them!
Thank You

For Your Time & Attention
Survey Data
Number of Employees 2000 & 2001

- Less than 500: 5.1
- Up to 1000: 2.2
- 1k - 4.9k: 11.7
- 5k - 9.9k: 12.4
- 15k - 19.9: 25.5
- 20k +: 38.7

- 20k - 24.9k: 34.5
- 25k - 29.9k: 7.6
- 30k - 39.9k: 1.4
- 40k +: 0
Gender Of Corporate Communication Executives

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<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>2000</td>
<td>44</td>
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<td>2001</td>
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Age of Corporate Communication Executives

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Education Of Corporate Communication Executives

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Reporting Lines

- CEO: 47.5%
- CFO: 9.8%
- COO: 5.5%
- CIO: 0%
- Counsel: 7.1%
- Other: 30%

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Corporate Communication
Function & Budget (1)

Advertising

* Statistics Show If Respondents Own The Function and Its Related Budget

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Corporate Communication
Function & Budget (2)

Annual Report

* Statistics Show If Respondents Own The Function and Its Related Budget

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Corporate Communication Functions & Budget (3)

Communication Policy & Strategy

* Statistics Show If Respondents Own The Function and Its Related Budget

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Community Relations

* Statistics Show If Respondents Own The Function and Its Related Budget

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Corporate (Organizational) Culture

* Statistics Show If Respondents Own The Function and Its Related Budget

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Corporate Communication
Functions & Budget (6)

Corporate Identity

* Statistics Show If Respondents Own The Function and Its Related Budget

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Mission Statement

* Statistics Show If Respondents Own The Function and Its Related Budget
Corporate Communication Functions & Budget (8)

Philanthropy (Citizenship)

* Statistics Show If Respondents Own The Function and Its Related Budget

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Corporate Communication Functions & Budget (9)

Crisis & Emergency

* Statistics Show If Respondents Own The Function and Its Related Budget

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Employee Relations

*Statistics Show If Respondents Own The Function and Its Related Budget

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Corporate Communication
Functions & Budget (11)

Ethics Code

* Statistics Show If Respondents Own The Function and Its Related Budget

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Executive Speeches

* Statistics Show If Respondents Own The Function and Its Related Budget
Corporate Communication Functions & Budget (13)

Government Relations

* Statistics Show If Respondents Own The Function and Its Related Budget

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Corporate Communication Functions & Budget (14)

Internet Site

* Statistics Show If Respondents Own The Function and Its Related Budget

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Corporate Communication Function & Budget (15)

Intranet Site

* Statistics Show If Respondents Own The Function and Its Related Budget

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Investor Relations

* Statistics Show If Respondents Own The Function and Its Related Budget.

http://www.corporatecomm.org
Issues Management

* Statistics Show If Respondents Own The Function and Its Related Budget

http://www.corporatecomm.org
Marketing Communications

* Statistics Show If Respondents Own The Function and Its Related Budget
Corporate Communication
Functions & Budget (20)

Media Relations

* Statistics Show If Respondents Own The Function and Its Related Budget

Yes - Function: 93.4% (2000), 96.8% (2001)
No - Function: 6.6% (2000), 3.2% (2001)
Yes - Budget: 88.3% (2000), 95.1% (2001)
No - Budget: 11.7% (2000), 4.9% (2001)

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Corporate Communication Functions & Budget (21)

Public Relations

* Statistics Show If Respondents Own The Function and Its Related Budget

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Corporate Communication Functions & Budget (22)

Reputation Management

* Statistics Show If Respondents Own The Function and Its Related Budget

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Use Of Agencies or Vendors (1)

- **Advertising**
  - Yes 2000: 75.9
  - No 2000: 24.1
  - Yes 2001: 66.5
  - No 2001: 33.5

- **Annual Report**
  - Yes 2000: 73.7
  - No 2000: 26.3
  - Yes 2001: 68.1
  - No 2001: 31.9

- **Policy**
  - Yes 2000: 95.6
  - No 2000: 4.4
  - Yes 2001: 95.7
  - No 2001: 4.3

- **Strategy**
  - Yes 2000: 81.8
  - No 2000: 18.2
  - Yes 2001: 21.6
  - No 2001: 78.4

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Use Of Agencies or Vendors (2)

- Community Relations:
  - Yes 2000: 10.3
  - No 2000: 89.7
  - Yes 2001: 9.2
  - No 2001: 90.3

- Corporate Culture:
  - Yes 2000: 6.9
  - No 2000: 93.1
  - Yes 2001: 4.3
  - No 2001: 95.7

- Corporate Identity:
  - Yes 2000: 43.1
  - No 2000: 56.9
  - Yes 2001: 35.7
  - No 2001: 64.3

- Mission Statement:
  - Yes 2000: 2.9
  - No 2000: 97.1
  - Yes 2001: 5.4
  - No 2001: 94.6

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Use Of Agencies or Vendors (3)

- Citizenship 2000: 97.8%
  - Citizenship 2001: 93.5%
- Crisis & Emergency 2000: 71.5%
  - Crisis & Emergency 2001: 32.1%
- Employee Relations 2000: 93%
  - Employee Relations 2001: 71%
- Ethics Code 2000: 97.8%
  - Ethics Code 2001: 97.3%

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Use Of Agencies or Vendors (4)

- Internet: Yes 2000 - 81.6, No 2000 - 40.5, Yes 2001 - 59.5

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Use Of Agencies or Vendors (5)

- **Investor Relations**: 18 (Yes 2000), 20 (No 2000), 82 (Yes 2001), 80 (No 2001)
- **Issues Mgt**: 8.8 (Yes 2000), 91.2 (No 2000), 11.4 (Yes 2001), 88.6 (No 2001)
- **Labor Relations**: 6.6 (Yes 2000), 93.4 (No 2000), 7 (Yes 2001), 93 (No 2001)
- **Marketing Comm**: 38.7 (Yes 2000), 61.3 (No 2000), 32.6 (Yes 2001), 67.4 (No 2001)

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## Use Of Agencies or Vendors (6)

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<th>Yes 2000</th>
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<th>No 2001</th>
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<tr>
<td>Public Relations</td>
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<td>56.9</td>
<td>44.9</td>
<td>55.1</td>
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<tr>
<td>Reputation Mgt</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Training &amp; Dev'mnt</td>
<td>16.1</td>
<td>83.9</td>
<td>12.4</td>
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</tr>
</tbody>
</table>

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About The Presenter

**Michael B. Goodman**, Ph.D., is the founder and director of the Corporate Communication Institute at Fairleigh Dickinson University. Over the past 20 years, he has taught business communications and literature courses at New York University, New York Institute of Technology, and SUNY at Stony Brook. He is the author of seven books on business communications and is currently at work on "While You Were Looking the Other Way -- Sixteen Forces That Are Redefining Communication" with several professional colleagues. Since 1981 he has been a consultant to aerospace companies, medical institutions, manufacturers, and corporations on corporate communication, managerial communication, problem-solving, new business proposals, change, and corporate culture. Email: drmbgoodma@aol.com. For more information go to: www.corporatecomm.org