



CCI CORPORATE COMMUNICATION PRACTICES & TRENDS STUDY 2009

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Executive Summary

The “CCI -- Corporate Communication International Corporate Communication Practices and Trends Study 2009” has profound implications for professional practice worldwide, and confirms corporate communication as a strategic management function centered on these ten key findings:

1) Increased anxiety among chief communication officers is in response to the global financial crisis, business model transformation, and spread of the networked enterprise. The economic crisis underscores the need to build trust in business, as well as the immediacy of adapting to a transformed media landscape.

2) Dramatic budget (43.1% report >5%) and staff (28.1% report >5%) decreases reflect overall corporate responses to the global economic downturn, contrasting sharply with modest increases in the past. Nevertheless, communication executives remain optimistic that budgets will **not be “among the first to be cut”** (90.8%) reflecting the value of the function. Companies expect corporate communicators to accomplish even more with ever decreasing resources.

3) Social media has changed dramatically the media landscape for the practice of corporate communication. A substantial majority of communication officers are responsible for social media function (78%) and budget (64%); they use vendors sparingly (28%). The challenge is for communication officers to focus on the strategic, rather than the tactical, use of the new technology.

4) Corporate communication executives continue to see their primary role in the company as “counsel to the CEO” and “manager of the company’s reputation.” Reputation management requires a strategic partnership and counsel with the CEO.

5) Communication officers’ responsibility for the management of the **Investor Relations** function and budget is increasing, reflecting the financial crisis & transforming business model, and they are engaged with the creation of the Annual Report by 3 to 1. Understanding the capital markets during the financial crisis of 2008-2009 is central to building positive relationships that demonstrate strategic understanding of the rapidly changing business.

6) Chief communication officers, compared with the 2007 study, are even more mature (60% are over 50) and paid more (30% over \$300K). More managers have BS, MS, and JD degrees, and fewer have MBAs. More corporate communication executive officers are male (66.7%). Since almost 2 out of 3 corporate communication executive officers are over 50, and 1 out of 3 is paid over \$500K, consider the different experiences between managers and their staff; and **consider the need for succession planning**. An opportunity exists to build on technology competencies of new staff and the leadership experience of managers.

7) Corporations manage the **executive compensation** issue through greater disclosure. A majority commented that the issue had “no significant impact” on the practice of corporate communication. Although engagement on this issue with the media and investors seems to have

dampened stakeholder backlash, there remains the need to continue to embrace through action and behavior the company's commitment to accountability and transparency.

8) The **alignment** of messages with action demonstrates a "commitment to candor and consistency" in the contemporary environment of ever increasing transparency and disclosure. Ethics and values offer a strong base for a culture of accountability, and increased public scrutiny leads to better decision-making, "enabling an ethical culture."

9) Corporate communication executives are **using vendors more** than in 2007 to help with government relations (+18%), corporate identity (+10%), crisis communication (+10%), and executive communication (+10%). Uncertainty concerning the direction of the economy strengthens the need for vendors, interns, and "contingent workers" and provides access to experts without long-term commitment. The challenge is, however, to avoid dependence on outside experts at the expense of developing internal capability and expert counsel.

10) Corporate communication officers require **business acumen** -- "a deep understanding of business and business strategy," as well as the ability to "articulate ideas and persuade others." Adapting to the transforming business environment requires strategic thinking, problem-solving, integrity, and crisis management expertise to function as an active partner in the strategic process to achieve business goals.

For 2009 the overall goal of the CCI – Corporate Communication International "Practices and Trends Study" was to outline and analyze the state of the art for corporate communication in publicly-traded, multinational companies. With the first study in 2000, it was determined to focus on publicly traded companies for several reasons. First, information in such companies is public and more readily accessible. Second, public companies are often in the vanguard of corporate practices because of the pressures of the capital market, their need to respond to the media, and the realities of the global marketplace. And finally, public companies have a greater understanding that their "license to operate" comes from public approval and is maintained by public trust.

The CCI Study 2009 continues the studies from 2000 to 2008. CCI -- Corporate Communication International determined that the practices and trends study could be conducted every two years, and this cycle of research was implemented with the study in 2005. In years the practices and trends study was not conducted, the focus of CCI's research has been on particular issues that have an impact on the profession. In 2006 and 2008 CCI conducted benchmark studies of the Corporate Communication Practices and Trends in China. And in 2008 CCI, along with research partners in South Africa, conducted a benchmark study in South Africa. Information gathering for these Benchmark Studies was based on previous CCI research studies. For the 2009 research we also compared the results with the CCI Studies from 2000 to 2008. The results of these studies, as well as the full report of the 2009 study, are posted on the CCI website at www.corporatecomm.org/studies.



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