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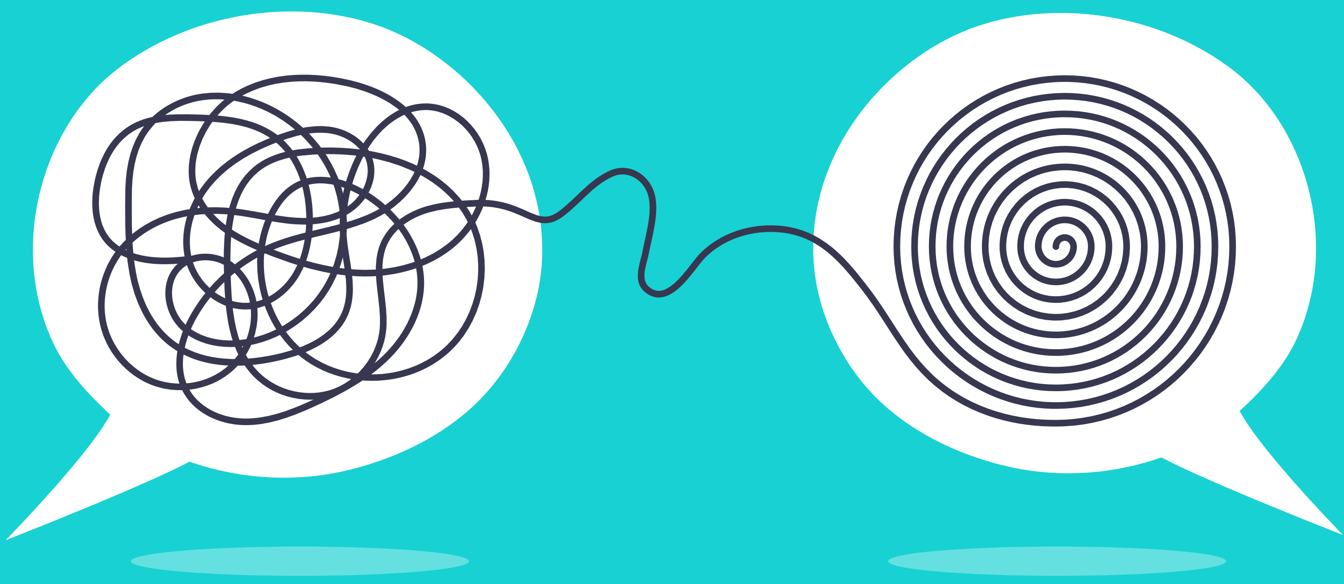
Elevating the Role of Communications in Business Leadership



5 questions to Blanca Juti, Chief Corporate Affairs & Engagement Officer at L'OREAL

From Specialist to Strategist: The Communications Leader as a Strategic Advisor

The Art of Leading Change: Strategic Communications as a Catalyst for Transformation

Corporate Communications as a Strategic Partner

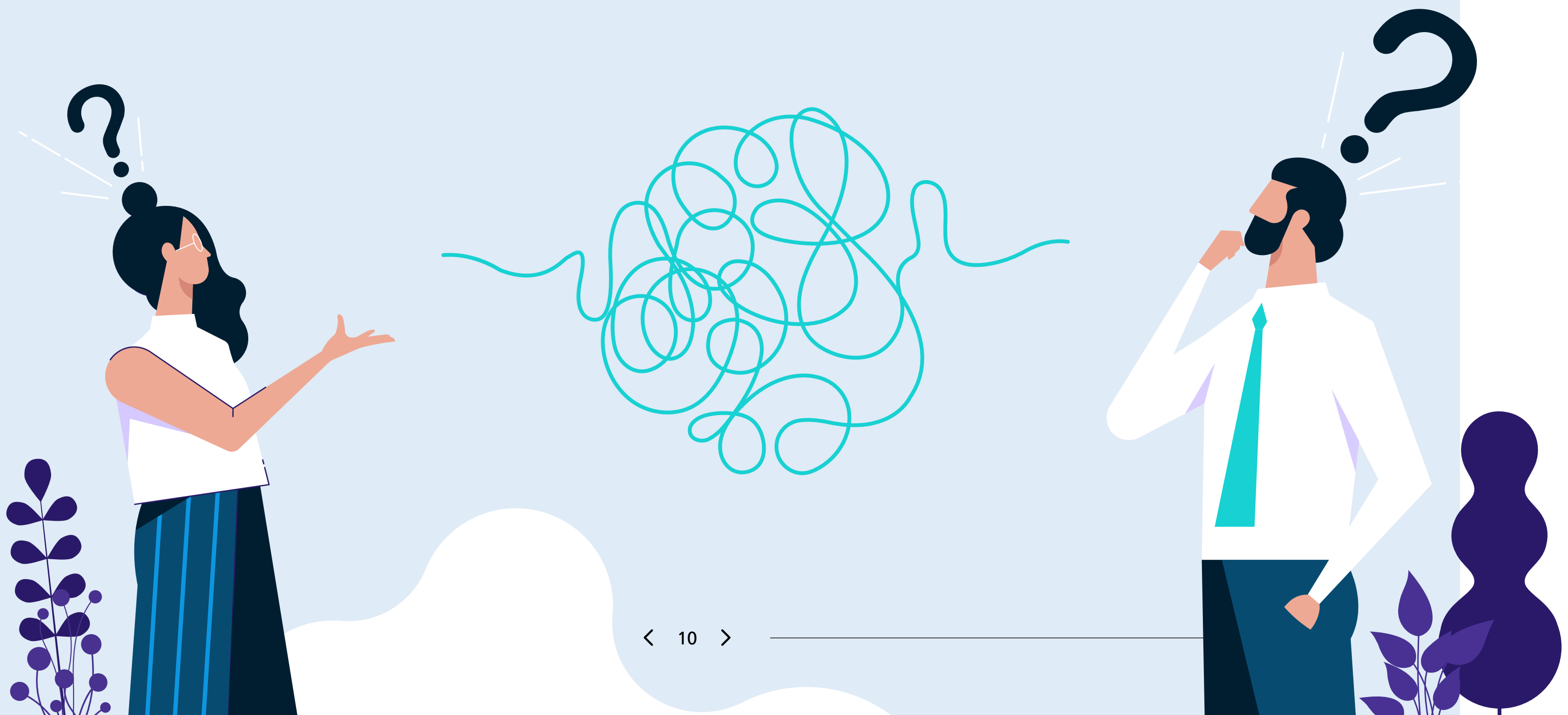
By Prof. Dr. Ansgar Zerfaß, Professor and Chair of Strategic Communication at the Institute of Communication and Media Studies at Leipzig University, Germany, and Consulting Editor of the International Journal of Strategic Communication (Routledge, USA)
Christoph Lautenbach, Managing Partner at Lautenbach Sass

The pervasive networking of social and established media has led to a crisis of trust among large sections of society. In a time of mistrust, disinformation, and polarization, it is becoming increasingly difficult for companies to reach their stakeholders and build fruitful relationships. Nevertheless, the financial and human resources of communication departments are stagnating or declining. How can this contradiction be explained?

A recent study by the Academic Society for Communication & Management shows that top managers in large German companies see their communications department predominantly as a developer of content and internal service provider—but not as a manager of stakeholder relationships.

Only 50 percent are convinced that communicators support them in fulfilling their own tasks. Almost the same proportion are sceptical that the costs of corporate communications are justified.

It is therefore essential for communications managers to clearly emphasize the strategic value of their work for the company. Only if the management board and supervisory board recognize the importance of professional communication for the company's success will they be prepared to provide the necessary resources. Communications departments must prove that they are far more than mere service providers for operational tasks: That they are strategic partners of top management in shaping stakeholder relationships and achieving corporate goals.



Redefining the role of corporate communications

In disruptive environments, supervisory and management boards have to cope with permanent transformation tasks. In the complex stakeholder world, it is important to combine a variety of expectations with the corporate strategy. The personal persuasiveness of top management is a decisive success factor here. Communications departments can make a valuable contribution by supporting supervisory and management boards in their role as ambassadors, providing continuous information on developments in the opinion market, classifying trends in the industry and society, and offering coaching on communication behaviour. To fulfil this role, communicators must qualify as internal strategic advisors and develop appropriate formats. Communicators can create various advisory and orientation services for top management, such as regular updates and briefings on strategic topics, listening tours for targeted feedback from stakeholders, or scenario workshops.

At the same time, however, communication managers should also critically question which business model their own department is pursuing—and whether they themselves are able to explain this consistently. It is essential to clarify: What impacts need to be achieved among different stakeholders to support the company's goals? What specific services must the communications department provide to achieve this? How can the necessary workflows be established through an intelligent combination of structures, processes, methods, skills, and technologies?

What budgets and personnel resources are required, and how do communicators themselves benefit from excellent performance? It is not enough to refer to general contributions to reputation. Instead, management must be able to see how corporate goals are being supported.

For example, to enhance the company's profile as an innovator, corporate communications should identify relevant opinion leaders and define their desired perceptions and attitudes.

Specific measures, such as a series of dialogues with experts and thought leaders or innovation labs, must be used to achieve this. And last but not least, the effectiveness of the communication must be proven—with metrics for the success of the measures and shifts in perception and behavior.

Development of a business model for the communications department

One innovative approach is to look at the working methods and performance of the communications department, using the dimensions of a business model (see Figure 1). This approach, developed by the University of Leipzig and the management consultancy Lautenbach Sass, makes it possible to analyse and optimize the entire value creation process of the department and has already been successfully implemented in several countries and industries. Four building blocks show how the entire value creation process of such a unit can be recorded, discussed, and further developed—from the provision of the necessary resources by the organization's management or internal clients (inputs), to the combination and transformation of resources (execution) and the resulting activities and products (results), through to the intangible and tangible values that are created for the company as a result (impacts). Each element of the frame of reference is further differentiated by a sub-model that describes specific dimensions that can be empirically tested and evaluated.

For example, the execution model brings various dimensions into view that need to be aligned with the organization's business model. If an organization (such as an insurance company) has to place a great deal of emphasis on thoroughness and risk control, this should also be reflected in the corporate communications processes.

Corporate Communications as a Strategic Partner

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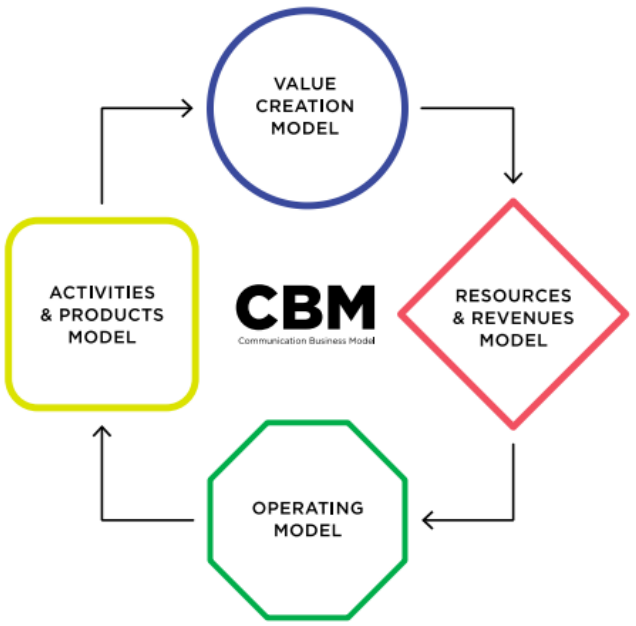

Figure 1: Communication business model
Source: www.communication-business-model.com

Governance and clear mandates

A defined governance structure and clear mandates for the central communications department are crucial for the effectiveness of corporate communications. As the person responsible for communications, you should work to ensure that the supervisory board and management board create these conditions. Experience has shown that weak governance leads to communicators becoming preoccupied with many secondary tasks and losing themselves in the jungle of external and internal requirements. Diffuse mandates also encourage uncoordinated communication activities by individual company and business divisions. In both cases, resources are wasted. In this way, corporate communication can neither survive in the battle for attention nor make a strategic contribution to the company's success. Its essential task—namely, to influence stakeholders in line with organizational objectives—is weakened as a result.

For communications departments to fulfil their role, they also need a deep understanding of the strategies and business models of the entire company and its sub-divisions. While professional excellence is the duty of all communicators, this must be supported by a good flow of information from the management board. Only then can communications departments advise top management internally and influence public debates on corporate issues.

Strategic fit instead of blanket solutions

Because the economic and communicative mix is different in every company, there is no "one best way" to shape corporate communication and the business model of communication departments. What is important is the "fit" between corporate and communication strategies at all levels. Communication managers should make it clear to top management the contribution that strategically positioned communication can make to the company's success. They should explain how they can support the company's goals through communication, and what resources are required for this.

They should position themselves as internal consultants who offer customized solutions. Supervisory boards and management boards sometimes underestimate the need for communication, overlook communication risks, or are not sufficiently informed about the potential services offered by modern communication departments.

All parties involved can benefit if the set-up of communication departments is discussed using the business model approach. Thus, company leaders gain a holistic view of communication and public opinion-forming. This helps them to make strategic decisions more confidently. Communication departments can increase their internal appreciation and resources. Above all, however, they are better equipped to influence customer preferences in the interests of the company, secure the license to operate in society, and promote a culture of change.

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Christoph has over 25 years of experience in advising top management and communications managers in all areas of corporate communications. His main areas of expertise are moderating and supporting strategy and positioning processes, optimizing processes, and repositioning corporate communication departments.

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Prof. Dr. Ansgar has worked in communications and general management for many years, received numerous awards for his research, and published 44 books and over 450 articles, chapters, and study reports on corporate communications, value creation, communication excellence, and digitalization/CommTech.