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# THE FIVE CHALLENGES OF CORPORATE COMMUNICATION

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## Introduction

Admired as much as misunderstood, corporate communication continues to be the cornerstone and integrative stratum of a company's story. Corporate communication must be seen as that which reaches an entire organization. This definition implies a transversal and integrative purpose, with the resulting advantages and disadvantages.

The advantages include the ability that corporate communication has to integrate the needs of an entire organization through the management of a comprehensive vision. Hence, the need for a Director of Communications (dircom) to participate in the bodies that establishes such vision and strategy in order to reach it. As far as the disadvantages, there is the distance from the profit and loss account, whether quantitative, in the case of a company, or qualitative, when it comes to a non-profit institution or entity.

The advantages and disadvantages must be weighed up in the context of the digital transformation we are going through. Added to the challenges associated with the hierarchical and functional positioning of communication are those involved with adapting to a system known for the communicative empowerment

of its stakeholders (and, as a result, the multiple broadcasters and broadcasts), the speed of transmission (we live in an online and onlive world), access to an enormous quantity of data, confusion between facts and emotions, and the general climate of discredit.

Antonio López, President of Honor of the Association of Directors of Communication (DIRCOM) and a leading reference in communication in Spain, has stated with concern that "we must reinvent the profession or others will reinvent it for us". The first part of that sentence was the slogan chosen by DIRCOM for its recent internal conference. This profession must be reinvented from an ethical perspective because the greatest challenge we are facing (not only communicators, but also society in general) is the collapse of trust caused by a loss of credibility for the institutions that provide the backbone for social organization and practically all of its spokespeople, among other factors.

***"The lesser the truth, the lower the credibility. The lower the credibility, the lower the trust"***



# How to define and communicate a real purpose

All beginnings start at the beginning. The values that an organization's culture are (or should be) modeled on are the basic raw materials managed by a corporate communicator. This is its character, as per the [Global Alliance for Public Relations and Communication Management model](#). A dircom must act as the curator of this character which includes a company's DNA and reputation, and which expresses its personality through a brand.

Purpose enables a dircom to work long-term and thus overcome the temptation to become dragged down by the short-term, which is full of tasks and anxieties that often cloud a forward-looking vision.

The heart of this character must reflect the purpose, the higher goal that moves an organization. In the case of companies, the latest edition of the [Trust Barometer](#), presented in Davos in January this year, insists on the necessary compatibility between economic and social benefits. In fact, 75 percent of the people surveyed believe that "a company must

take actions to increase their profits and at the same time improve the economic and social conditions of the community where it operates".

Along these same lines, leadership today is not conceived without the existence of a purpose or mission. "To keep our society moving forward, we have a generational challenge — to not only create new jobs, but create a renewed sense of collective purpose," said [Mark Zuckerberg](#), the founder and majority shareholder of Facebook, during a conference he gave in May this year at the University of Harvard.

"Our goal is to develop services that significantly improve the lives of as many people as possible. In pursuing this goal, we may do things that we believe have a positive impact on the world, even if the near term financial returns are not obvious," said the founders of Google, Larry Page and Sergey Brin in their [registration statement](#) which, as an apparent paradox, was a prologue to their public offering in 2004.

Figure 1. The communicative organization



Source: *Global Alliance for Public Relations and Communication Management*



All organizations have a purpose, yet too often it remains inside the founder's or owner's head without being formulated or it is expressed as a mere exercise of propaganda. The most important skill for a director is to tie this purpose to the organization's mission and create a story that gets stakeholders involved.

This storytelling must fulfill three principles:

- **Veracity.** It must correspond to the reality; in other words, be backed by facts. This principle includes access to data (transparency) and their traceability.
- **Seduction.** The story must hook the stakeholder because it seems interesting and, above all, useful.
- **Integration.** Stakeholders must feel a part of it all and involved with the story told by the organization and even have the opportunity to write a portion of it (co-creation).

Joseph Truncale, CEO of the Public Relations Society of America (PRSA), the largest national communicators association in the world, recalls that [the purpose must clarify what an organization is and what it is not](#): "That affirmation sends a clear message and helps

***“Companies have to be authentic, diligent and transparent when they react to facts and situations that can become worse”***

establish the behavioral norms (culture) that bring needed focus to the entire organization. And what we are not is every bit as important to define as what we are. Paradoxically, the tighter the focus, the broader the opportunity.”

The empowerment of citizens, consumers and customers are at the core of our decisions. In this new world, we are all actors and reporters. Social media has made it so that consumers and the general public have control of the conversation 24 hours a day using a number of different screens. Power is with the people. The people decide what can be done and what cannot. Nowadays, that is where the connections are made and brands and companies are built or destroyed. The challenge: participating in the conversation and creating adequate storytelling for a company based on a shared purpose that places citizen, consumers and customers at the core of our decisions. Companies have to be authentic, diligent and transparent when they react to facts and situations that can become worse.



## How to create a listening culture

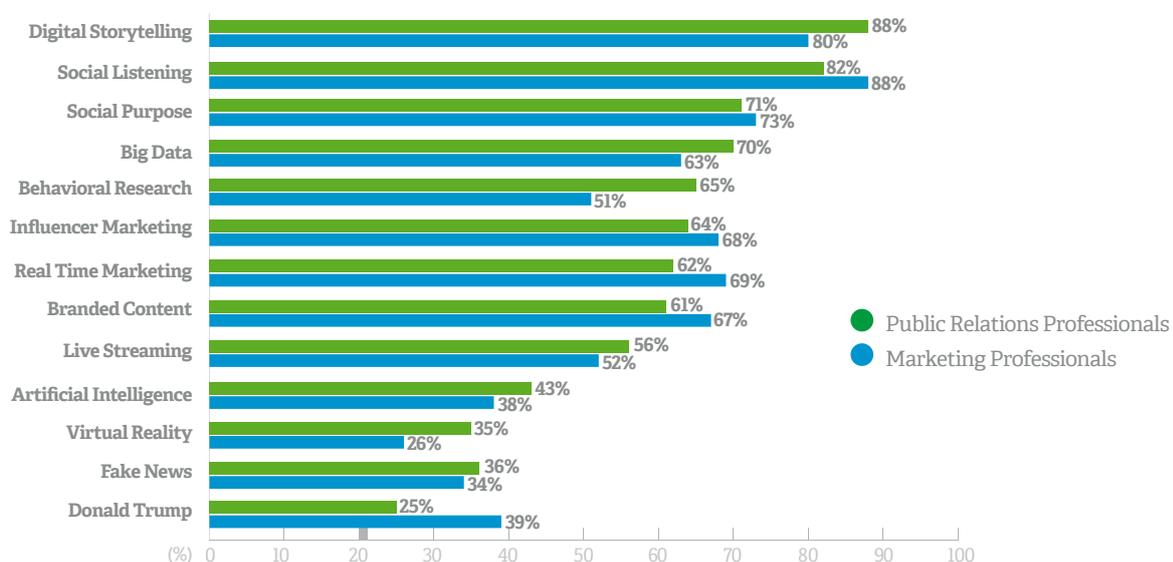
We must listen to stakeholders in order to integrate them. Listening is the second of the three lines of action advocated by the Global Alliance model and, regarding this, it also coincides with the role of the **Chief Communication Officer (CCO)** as devised by the Arthur W. Page Society. This think tank speaks of the “foundational” mission of a CCO, “a strategic leader and counselor to the enterprise, capable of leading and advising with a broad stakeholder view in mind”.

In order to actively and even empathically listen, you have to want to listen. Many organizations ‘monitor’ opinions rather than listen to their stakeholders. Listening implies understanding the reasons and emotions that move people to relate with an organization and then responding to them. Understanding their reasons does not necessarily mean admitting they are right because a dircom has to maintain the balance between various interests and the best way to do so is by referring back to a strategy that must offer value to everyone, particularly those who are most committed to the achievement of the overall objectives.

Big data can help a corporate communicator listen. **Data analysis** is one of the most important trends impacting the future of public relations, according to the **Global Communication Report** led by the Center of Public Relations at the University of Southern California (**USC Annenberg**). It is interesting to note how communicators mention this trend (70 percent of those surveyed) more times than marketing professionals (63 percent) despite the assumption that the latter are more accustomed to working with metrics. This same study points to **behavioral research** as another emerging trend. Big data makes research work easier and reveals guidelines that can be very useful in bringing a product and its story closer to the different stakeholders, especially customers.

A dircom has to learn to convert big data into smart data.

Figure 2. Important trends impacting the future of Public Relations



Source: Global Communication Report



## How to lead the digital transformation

This position is facing a changing scenario, characterized by the eruption of new technologies including the aforementioned big data as well as virtual reality and artificial intelligence. A communicator must be aware of this mutation and its consequences, and even more so when this transformation is rooted in the technological and social phenomena that have fostered citizens'/consumers' mass access to communication channels. These changes have reached business models and are questioning the status quo of entities that are not able to adequately interpret the new environmental conditions.

The most outstanding feature of this new era is the individual's nearly unlimited capability to communicate, which offers us the opportunity to be the stars of the transformation process or, at the very least, supporting actors. In fact, adaptation to the digital world reflects many

more cultural components than technological ones. An organization's internal culture is a territory in which communicators must be able to easily work. We have to know how to translate the impact of technological changes on organizational processes, particularly those with a communication component (almost all of them).

The **Arthur W. Page Society** portrays the dircom as the builder of digital engagement systems: "The CCO has an emerging opportunity to devise sophisticated enterprise-wide digital systems for managing engagement with stakeholders at all levels, both internally and externally".

***"Contributing to the digital transformation also means helping the media with its own transformation. Communication needs journalism, good journalism"***



## How to amicably converge with other roles

A corporate communicator is a natural silo breaker. The responsibility is vertical (through the creation of a communication strategy) and transversal (through interaction with all of an organization's departments or a company's divisions). Added to this naturally integrative character is the need to converge with other roles that have a more direct impact on a company's reputation, where this is understood as the most valuable and, often, the most fragile intangible asset.

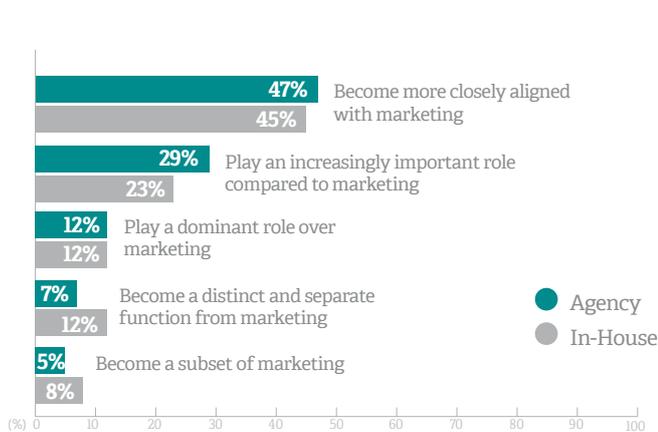
A dircom is forced to interact with the business, to serve the operational units in order to provide them firstly with a common narrative and, secondly, in order to help resolve the problems they may face in their relations with stakeholders. Corporate positioning is a good example of the first while crisis communication is of the second.

Converging with other roles does not mean integrating with them or being subject to them. A dircom is responsible for a role with its own

strategic and relevant personality quite close to the top executive within an organization and is able to give opinions to management bodies. I would even say that some newer roles that have found a place within corporate organizational charts, such as **social responsibility**, must be moving in the same direction as the communication.

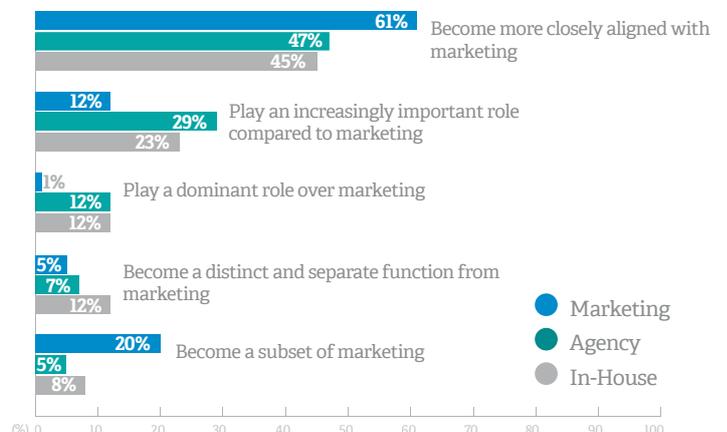
The roles of marketing manager and customer relations representatives lie within this territory of confluence with communication. Cooperation is inevitable and essential and must be more closely linked, as indicated by the Global Communication Report for which public relations and marketing professionals (in-house and agency-based) were interviewed. In their collaboration with marketing, a dircom must break down one those *clichés* that have accompanied them from the very beginning: their fundamental mission involves media relations (press officer), the only task which marketing professionals exclusively attribute to them.

Figure 3. PR professionals believe Public Relations will...



Source: Global Communication Report

Figure 4. Marketing professionals believe Public Relations will...



Source: Global Communication Report



## How to monitor ethics in an organization

“My dream is for communicators to become the conscience within organizations and the drivers of ethical approaches”. Antonio López, Honorary President of DIRCOM.

When [post-truth](#) has free run and spokespeople from all backgrounds and strata become a legion in the deformation of reality in benefit to their interests, the reinvention of corporate communication will only be possible from the ethical side of its exercise.

[Anne Gregory](#), professor of corporate communication at the University of Huddersfield (United King) and former President of the Global Alliance, holds that the acronym VUCA (*volatility, uncertainty, complexity and ambiguity*) now includes a D for *deceitful*. These words describe the atmosphere in which organizations move today as they face almost-ongoing crises; turbulence that severely hinders the ship’s path to good results.

Given the impact of our role on the precarious moral scaffolding upholding this VUCAD scenario, corporate communication needs a clear purpose. And this purpose may be no other than contributing to the creation of a healthy and safe environment in which people related to the organization can converse.

The truth, a concept that is as simple as it is powerful, must guide all decisions made and actions taken by a dircom. Veracity is earned by sticking to the facts. Emotions are a part of these

***“My dream is for communicators to become the conscience within organizations and the drivers of ethical approaches”. Antonio López, Honorary President of Dircom***

facts, but they cannot be separated from them or presented as such. Stakeholders must have clear, accurate and useful information in order to form their own opinion of an organization, its actions and strategies.

“With reputation hitting rock bottom, the goal now is to recover the lost treasure of trust by using all of the essential tools: ethics and transparency.” El octavo sentido (The Eighth Sense), José Antonio Llorente.

Given their closeness to the top executive, a dircom is responsible for introducing ethical criteria in the decision-making process. This responsibility goes beyond the role of regulatory compliance as the ultimate purpose is to create a culture of honesty, transparency, reporting and contribution to social wellbeing.

### [Bell Pottinger Case](#)

[The scandal involving the British agency Bell Pottinger](#) has shaken up the profession. This firm designed and executed a “dirty campaign” that played on racial animosity in South Africa, including the creation of false news items, to benefit its client Oakbay Investments, a company that is controlled by the controversial and influential Gupta family which has strong ties to President Zuma’s government. Following the scandal, which led to the firm’s bankruptcy, Richard Edelman, founder and president of the public relations agency network named after him, called upon the communication industry to forge a new global compact of ethics principles. The Global Alliance for Public Relations and Communication Management [responded to this call](#) by convening a summit of major leaders to encourage such a compact and agree upon a new global code of ethics for communicators.

# Reputation Management, Communication and Public Affairs

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The industry's top two publications have rated the consulting firm as one of the most important communication agencies in the world. It is 54<sup>th</sup> in the **Global Ranking 2016** prepared by The Holmes Report and 53<sup>rd</sup> in terms of global revenue according to PRWeek's Global Agency Business Report 2016.

Most awarded communications firm in the markets where it operates, and has been recognized, in 2017, as the **Agency of the Year in Latin America** (Latin American Excellence Awards 2017).

## Team of Specialists



**José Manuel Velasco** is a member of LLORENTE & CUENCA Advisors Network. Velasco is the leader of the Executive Coaching in Communication Area at LLORENTE & CUENCA. With a degree in Information Science, he has completed the Advanced Strategic Program at the Institute for Management Development (IMD) in Lausanne (Switzerland). He is an International Coach Federation (ICF) certified executive and team coach as well as the President of the Global Alliance for Public Relations and Communication Management, the federation that encompasses communication associations and academic institutions from all over the world. He is also a professor of corporate communication for several masters and post-graduate programs at various universities.

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## **d+i** developing ideas

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