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THE FIVE CHALLENGES OF CORPORATE COMMUNICATIONS

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Introduction

As much admired as misunderstood, corporate communications continue to be the cornerstone and key component of a company's story. But corporate communications must be a collective effort, one able to reach an entire organization. This definition implies a transversal and unifying purpose, with all the resulting advantages and disadvantages.

The advantages include corporate communications' ability to integrate an entire organization's needs through managing a comprehensive vision—hence the need for a director of communications (dircom) to participate in the teams that establish this vision and strategy. As far as disadvantages, there is a distance from the ideas of profit and loss, whether quantitative (in the case of a company) or qualitative (when it comes to a nonprofit institution or entity).

These advantages and disadvantages must be weighed in the context of the current digital transformation. Added to the challenges associated with positioning communications in a hierarchical and functional manner are those involved with adapting to a system known for the communicative power of its stakeholders (and, as a result, the multiple broadcasters and

broadcasts), speed of transmission (we live in an online and onlive world), access to an enormous quantity of data, confusion between facts and emotions and general climate of mistrust.

Antonio Lopez, honorary president of the Association of Communication Directors (DIRCOM) and leading reference in communications in Spain, has stated his belief that “we must reinvent the profession, or others will reinvent it for us.” The first part was DIRCOM's chosen slogan for its recent internal conference. Communications must be reinvented from an ethical perspective, as the greatest challenge we face (not only as communicators, but also in society) is the mistrust caused by a loss of credibility among the institutions forming the backbone for social organization and practically all their spokespeople, among other factors.

“The less transparency, the less credibility. And the less credibility, the less trust”



How to define and communicate purpose

Everything starts with a beginning. The values of an organization’s culture are (or should be) modeled on are the base materials a corporate communicator manages. This defines its character, as per [the Global Alliance for Public Relations and Communication Management’s model](#). A dircom must act as the curator of this character, which includes company DNA and reputation and expresses brand personality.

Purpose is what enables a dircom to work in the long term, without succumbing to the needs of the short-term, which is full of tasks and anxieties that can cloud forward-looking vision.

At its heart, this character must reflect “purpose,” the higher goal that guides an organization. The latest edition of the [Trust Barometer](#), presented in Davos January 2017, highlights the necessary compatibility between economic and social benefits for companies. In fact, 75 percent of the people surveyed believe “a company must take action to increase profits while improving the economic and social conditions of the communities in which it operates.”

Along these lines, leadership is no longer conceived as something devoid of a higher purpose or mission. “To keep our society moving forward, we have a generational challenge—we must not only create new jobs, but also create a renewed sense of collective purpose,” said [Mark Zuckerberg](#), founder and majority shareholder of Facebook, during a conference he gave at Harvard University in May this year.

“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 Google founders Larry Page and Sergey Brin in their [registration statement](#) which, in an apparent paradox, was a prologue to their public offering in 2004.

All organizations have a purpose, but all too often it remains inside the founder’s or owner’s head, unformulated—or, alternately, it is expressed as a mere exercise in propaganda.

Figure 1. The communicative organization



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



The most important skill for a dircom is to tie this purpose to the organization's mission, creating a story that gets stakeholders involved.

The purpose of this storytelling is threefold:

- **Transparency.** The story must correspond to reality and be backed by facts. This includes access to data and its traceability.
- **Seduction.** The story must hook stakeholders by being interesting and, above all, useful.
- **Integration.** Stakeholders must feel integrated into and involved with the organization's story, even having 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, believes [the purpose must clarify what an organization is and what it is not](#), stating, "Organizational purpose is as much about what we are as what we are not. That affirmation sends a clear message and helps establish the behavioral norms (culture) that bring needed focus to the entire organization."

“Companies have to be authentic, diligent and transparent when they react to facts and situations, or a difficult situation can become worse”

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 is at the core of our decisions. In this new world, we're all stakeholders and reporters. Social media has allowed consumers and the general public to lead the conversation 24 hours a day, from countless screens. The power is with the people, and it is they who decide what can and cannot be done. Nowadays, that's where connections are made and brands and companies are built or destroyed. The challenge lies in participating in the conversation and crafting suitable storytelling for a company, while basing these on a shared purpose that places citizens, consumers and customers at the core of corporate decisions. Companies have to be authentic, diligent and transparent when they react to facts and situations, or a difficult situation can become worse. THE CASE OF UNITED: HOW REPUTATION CRISES HAVE CHANGED IN TODAY'S WORLD



How to create a culture of listening

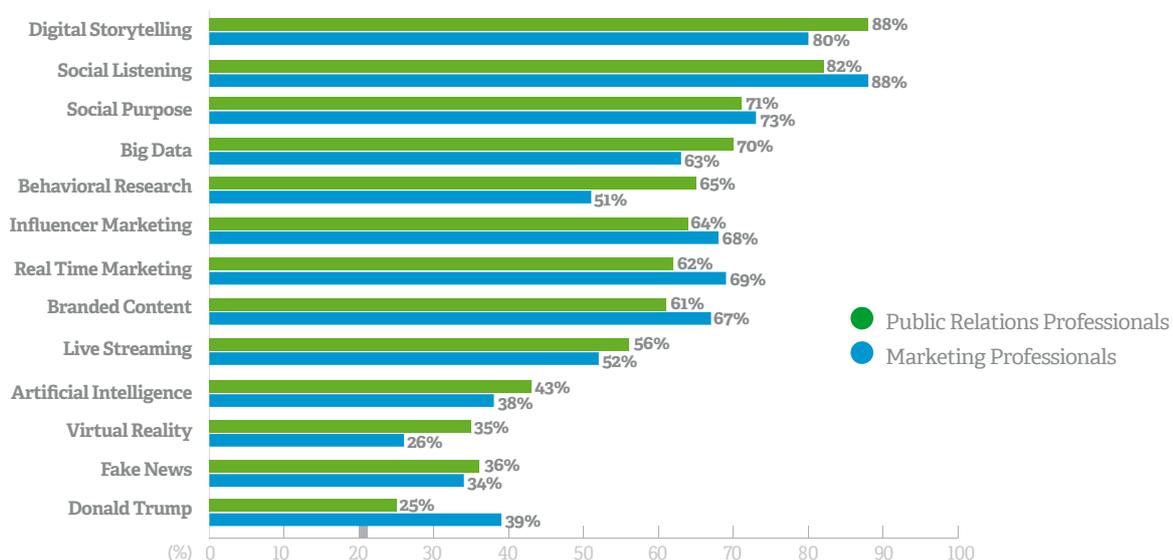
We must listen to stakeholders if we want to integrate them. Listening is the second pillar advocated by the Global Alliance model, and it coincides with the role of the **Chief Communication Officer (CCO)** as outlined by the Arthur W. Page Society. This think tank speaks of the “foundational” mission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

But to actively and 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 to an organization, then responding to those. Understanding their reasons does not necessarily mean admitting they’re right; A dircom must maintain a balance between various interests, and the best way to do so is by referring back to a strategy that offers value to everyone, particularly those most committed to achieving 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 University of Southern California (USC Annenberg) Center for Public Relations. It’s interesting to note how communicators mention this trend (70 percent of those surveyed) more often than marketing professionals (63 percent), despite the assumption that the latter are more accustomed to working with this kind of data. This same study points to behavioral research as another emerging trend. Big data makes research work easier and reveals guidelines that can be useful in bringing a product and its story closer to stakeholders, especially customers.

A dircom must 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

dircom are facing a changing scenario thanks to the eruption of new technologies, including the aforementioned big data, as well as virtual reality and artificial intelligence. A communicator must be aware of these changes and their consequences, even more so when this transformation is rooted in the technological and social phenomena that have fostered citizens and consumers' mass access to communication channels. These changes have reached businesses and are upsetting the status quo in entities unable to adequately navigate the new landscape.

The most outstanding feature of this new era is an individual's nearly unlimited ability to communicate, which offers us the opportunity to be protagonists in the transformation process—or, at the very least, supporting actors. In fact, adaptation to the digital world reflects more cultural components than technological ones.

An organization's internal culture is an area in which communicators must be able to work. We have to know how to describe the impact of technological changes on organizational processes, particularly on those with a communication component—which include almost all of them.

The **Arthur W. Page Society** portrays the dircom as the architect of a company's digital engagement systems. "The CCO has an emerging opportunity to devise sophisticated enterprise-wide digital systems to engage stakeholders at all levels, both internally and externally."

"But contributing to the digital transformation also means helping the media with its own transformation. Communication needs journalism—good journalism."



How to work with other roles

A corporate communicator is a natural connector. Their responsibilities are vertical (through the creation of a communications strategy) and transversal (through interactions with all an organization's departments or company's divisions). But beyond this naturally integrative practice is the need to work with roles that have a more direct impact on company reputation, where this is understood as the most valuable and, often, most fragile intangible asset.

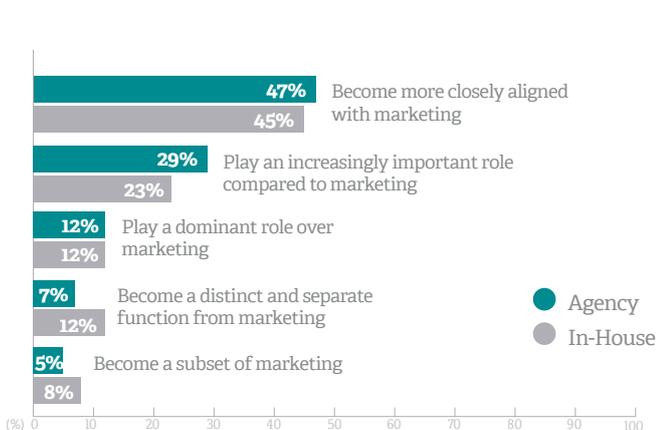
A dircom is forced to interact with business areas to assist operational units, first providing them with a common narrative and, second, helping resolve any problems they may face in their stakeholder relationships. Corporate positioning is a good example of the former, while crisis communication is for the latter.

Collaborating 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 meaningful character, one quite close to the organization's top executives to help share opinions with management bodies. I'd even say that some newer activities that have found a place in corporate organizations, such as **social responsibility**, must move in the same direction as communications has.

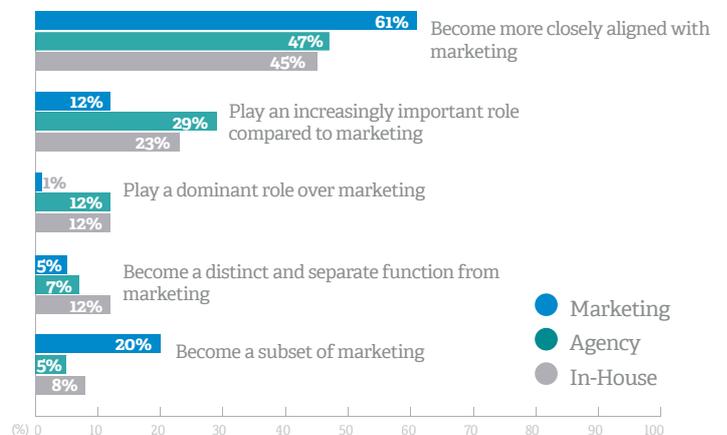
The roles of marketing managers and customer relations representatives lie within this territory, overlapping with communication. Cooperation is both inevitable and essential; These areas must be closely linked, as demonstrated by the Global Communication Report, which interviewed public relations and marketing professionals (in-house and agency-based) when collecting its data. In their collaborations with marketing, a dircom must break down a cliché that has shadowed them since the very beginning: The idea that their fundamental mission involves media relations (as a press officer), the only task marketing professionals attribute exclusively 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 their organizations’ consciences, the drivers of ethical approaches.” Antonio Lopez, honorary president of DIRCOM.

When [post-truth](#) has free run and spokespeople from all backgrounds and areas join together to bend reality to benefit their interests, reinventing corporate communications will only be possible from an ethical starting point.

[Anne Gregory](#), professor of Corporate Communications at the University of Huddersfield (United Kingdom) and former president of the Global Alliance, firmly believes the acronym VUCA (*volatility, uncertainty, complexity and ambiguity*) should now include a D for deceitful. These words describe the atmosphere in which today’s organizations live as they face a seemingly ongoing crises, creating turbulence that severely hinders the ship’s course toward good results.

Given the importance of communications on the precarious moral framework in this VUCAD scenario, corporate communications need a clear purpose. Furthermore, this purpose must involve contributing to the creation of a healthy and safe environment where people related to the organization can converse.

The truth, a concept as simple as it is powerful, must guide all a dircom’s decisions and actions taken. Trust is earned by sticking to the facts; Emotions form part of these facts, but they

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

cannot be separated from them or presented as truth on their own. Stakeholders must have clear, accurate and useful information to allow them to form their own opinions of an organization, its actions and its strategies.

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

Given their closeness to the top executives, a dircom is responsible for introducing ethics into the decision-making process. This responsibility goes beyond regulatory compliance, as the ultimate purpose is to create a culture of honesty, transparency, reporting and social responsibility.

[Bell Pottinger Case](#)

[The scandal involving British agency Bell Pottinger](#) has shaken the industry. This firm designed and executed a “dirty campaign” based on racial tensions in South Africa, including the creation of fake news, to benefit its client Oakbay Investments—a company 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 public relations agency Edelman, called upon the communications industry to forge a new global compact on ethical principles. The Global Alliance for Public Relations and Communication Management [responded to this call](#) by convening a summit of industry leaders to encourage the creation of this compact and agree upon a new global code of ethics for communicators.

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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 54th in the **Global Ranking 2016** prepared by The Holmes Report and 53rd 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 Director of the Executive Coaching in Communication Area and a member of the Advisory Board at LLORENTE & CUENCA. Velasco is current President of the Global Alliance for Public Relations and Communication Management. Also, he was Managing Director of Communication and Corporate Responsibility at FCC, Director of Communication of the energy company Unión Fenosa and of the public railway transport company Renfe. Moreover, Velasco chaired the Spanish association of communication executives (DIRCOM) and the Forum of Corporate Social Responsibility in Spain (Forética).

Velasco has a degree in Information Sciences from the Complutense University of Madrid, he has completed the Strategic Management Program of the IMD in Lausanne and is certified as an executive and team coach by the International Coach Federation (ICF).

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