

COMMUNICATION INSIGHTS

HOW TO PLAY THE GAME

Strategic tools for managing corporate communications
and creating value for your organization



ACADEMIC SOCIETY
FOR MANAGEMENT & COMMUNICATION

An initiative of the Günter Thiele Foundation

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Note: Throughout this publication, gender-specific terms may be used in order to ease the text flow. It should be understood as referring to both genders, unless explicitly stated.



HOW DO COMMUNICATION DEPARTMENTS CONTRIBUTE TO SUCCESS?

THE COMMUNICATIONS CONTRIBUTIONS FRAMEWORK IDENTIFIES EIGHT STRATEGIC AND OPERATIONAL CONTRIBUTIONS

Even though most executives view communications as critical for corporate success, they lack an understanding of communications' contribution to value creation. Explaining and reporting communication impact in the language of top managers becomes a key success factor. Our newly developed framework can help communication professionals overcome this challenge.

Why a consistent story of communications' contributions is needed

Communication leaders are often confronted with the question of how communications adds value to the organization. When asked to provide answers to top executives, professionals use multiple stories. These range from defining communication goals and delivering communication activities to building reputation and boosting sales, to name a few. Interestingly, communicators report predominantly on day-to-day operations, key campaigns and easily measurable activities such as online statistics. But they seldom demonstrate that communication is also an ongoing strategic process that adds significant value to the company's goals. A consistent story seems to be missing. It is little surprising then that executives continue to view communicators as channel producers or service providers and relegate communications' impact to the most visible outputs (Brønn, 2014; Falkheimer et al., 2017; Zeffass & Viertmann, 2017).

This makes it important to draw a more precise picture of the various strategic and operational contributions of communication departments. In order to explain and report the full potential of communication, a common awareness of communications' contribution and a consistent story are needed.

A first glance into research

Previous research has shed little light on the communication department and its contribution to value creation. Our literature review revealed that large-scale empirical benchmarks of communication departments remain rare in contemporary research. Most data available is based on singular case studies exploring the structure and size of communication units across different countries and industries. Therefore, it remains difficult to identify success factors for the set-up of communication departments, such as budgets, staffing or efficient process structures.

What makes communication departments excellent?

Only few research projects have explicitly explored what makes a communication department successful and how to manage and steer the unit efficiently. The first large-scale study, the IABC Excellence Study headed by well-known American researcher James E. Grunig, identified the characteristics that make communication departments excellent.

Key insights were:

- Communication departments should be empowered as members of the top management in order to unfold their full potential and make a strategic contribution to corporate success. Hence, physical and mental proximity to the CEO is key.
- A communication manager with a managerial mindset and professional experiences should lead the communication unit.
- Goal setting is important for measuring communication effectiveness and ensuring efficient processes.

Recently, this normative approach has been complemented by a new approach based on excellence models in strategic management and large-scale empirical surveys across more than 40 European countries. The Comparative Excellence Framework for Communication Management (see further reading, p. 20) identifies drivers of excellence on the organizational, departmental and professional level. It names nine commandments of excellent communications. This expands on traditional insights and is compatible with our own qualitative research (Tench et al., 2017; Vercic & Zerfass, 2016).

Reporting success in the language of management

If communication professionals are to be perceived as key actors in the organization, they need to speak and report success in the language of management. In order to systematize the different contributions of the communication department, we have developed a framework that introduces a distinction between strategic and operational activities. This type of approach is often found in management literature (Drucker, 1986; Porter, 1996). Surprisingly, it has not been popular in communication research so far, except for approaches which have differentiated between strategist and technician roles of communication executives.

A new framework to explain communications' contributions

The findings from the literature analysis have been summarized and contrasted with insights from the empirical interviews conducted with ten heads of communication at global corporations. This allowed us to build a framework for explaining the contributions of communication departments to organizational success: the Communications Contributions Framework (CCF). The framework suggests that communication departments deliver four core contributions.

BENCHMARKING PRACTICES

Benchmarking communication departments is not very common in the business world. Many companies adhere to excellence models (EFQM, Malcom Bridge) and assess their production lines or customer service processes against best practices from the industry. However, they seldom use this in communications except when analyzing share of voice in the media or comparing owned online media.

This might change in the future due to a new initiative called the **Communication Benchmarking Initiative**. The idea came from the CCOs of several large German corporations and is organized within the Günter Thiele Foundation. Its goal is to provide more transparency of the structures and financial resources of corporate communications departments. The first annual survey among German companies will be launched in 2017.



@ www.communication-benchmarking.de

*» As communicators,
we compete for resources.
We have to justify our
contribution to the success
of the company and defend
budgets. Benchmarking
helps above all to create
greater transparency in costs
and employee structures.
This supports discussions
with top management and
management consultants,
internal audits, and leading
the communication
department. «*

*Dr. Christoph Zemelka, Senior Vice President
Corporate Communications, Brand Management,
and Sustainability, Robert Bosch*

The first two contributions – (1) *Convey & Multiply* and (2) *Align & Contribute* – illustrate the core activities: communication departments support corporate goals directly by communicating the corporate strategy and indirectly by supporting corporate goals through communicative activities. For the latter, they derive communication targets from strategy and support daily processes of all organizational functions. The third contribution (3) *Steer & Manage* refers to general managerial activities that every unit has to fulfill and implies

that the department has to work effectively and efficiently. The fourth contribution (4) *Advise & Coach* includes communicative support for top management and other departments, but also some rather new tasks. Communication departments are increasingly involved in strategy processes as they provide advice based on the unique insights gained from monitoring stakeholders, social media and public opinion.

The Communications Contributions Framework



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Strategic: doing the right things

Tasks and activities are strategic if they relate to the core positioning of corporations in a substantial way and create potentials for future success. Following this understanding, a communication department delivers strategic contributions by implementing effective measures for organizational survival in dynamic environments. (Falkheimer et al., 2016)

Operational: doing things right

Tasks and activities are operational if they support ongoing business processes and help to generate profit. The focus is on mid- and short-term success, on the maintenance of liquidity and the license to operate on a day-to-day basis. The term 'operational' is often conflated with 'tactical' in communication literature. A communication department delivers operational contributions by implementing efficient communication services.

Eight strategic and operational contributions of communications



CONVEY & MULTIPLY

CONVEY: By convincing key stakeholders of the corporate strategy the communication department contributes strategically to corporate success. Therefore, the department uses its unique relationship network to influential journalists, politicians or critical stakeholders for the development of messages to convey strategic goals.

»The communication department develops communication plans for selected key stakeholders such as investors or internal leaders who are highly relevant to endorse the corporate strategy. This could be done via road shows and background talks.«

MULTIPLY: The communication unit contributes operationally to corporate success by passing on the corporate strategy and positioning to interested publics. Communication departments have to break down the strategy into comprehensible messages and distribute these in annual reports and CEO interviews, on websites or social media.

»It's a 100% communication for corporate strategy. Clear words as well as the right channels such as brochures, videos, press conferences, online communications and annual reports play a key role in explaining our company's strategy to all our stakeholders.«



STEER & MANAGE

STEER: By steering key resources and critical processes of the communication department in a future-oriented and strategic manner, the department adds to the prospective performance of the organization. Communicators are required to have a solid knowledge of management and controlling tools to ensure the department's strategic management.

»The communication department offers programs to improve the communication staffs' competencies. It also develops effective structures in order to optimize internal workflows.«

MANAGE: Through planning, budgeting, allocating resources and measuring success, this contribution includes the management of the day-to-day operations of the communication unit. Leadership competencies as well as excellent project management competencies are important.

»The communication department has to do things right, by implementing processes efficiently, reducing costs, controlling operations and reporting on the broad range of activities.«



ALIGN & CONTRIBUTE

ALIGN: Excellent communication departments ensure the strategic alignment of communication strategy with corporate strategy. They define objectives that either directly or indirectly add value to the company. Communicators need to know how to build reputation, manage brands, foster innovation, build up architectures of listening as well as how to set up communication strategies.

»The crucial task of the communication department is to translate the overarching corporate strategy into an aligned communication strategy and to define specific communication goals.«

CONTRIBUTE: The communication department delivers professional communication measures and supports the day-to-day operations of other organizational functions. Cross-divisional communications have to be integrated and orchestrated. Furthermore, messaging and listening competencies are needed.

»The communication team is in charge of communication campaigns, product publicity, or employer branding, and thereby enables the operation of other corporate functions such as product management and human resources.«



ADVISE & COACH

ADVISE: By consulting and advising the organization on its long-term strategic development the communication department gains influence in strategic decision-making processes. Research on the advisory function has recently seen a new rise under the terms 'listening' and 'internal counseling'.

»The communication unit is increasingly counseling top management with regard to the societal needs and expectations towards the company. By monitoring critical issues and trends, communications provide an early warning system for upcoming crises and offers strategic advice.«

COACH: By coaching the communicative competence of employees and executives, the department helps and enables all members of the organization to communicate professionally. This contribution remains under-researched. However, in today's media environment, every member of the organization is and should be a communicator.

»We have set up different formats to offer regular communication trainings and teach employees and top managers how to communicate professionally on behalf of our company.«

CATCHING THE ESSENCE OF STRATEGY

The significance of strategy for excellent communication management has been emphasized all along – yet, defining and formulating communication strategies is still an ongoing theme in the corporate world.

The term strategy originates from Ancient Greece in 6 BC and describes the strategist as an elected military leader. The term itself is derived from the Ancient Greek word *strategia*, which means ‘office of the general’. Carl von Clausewitz, a Prussian military general from the 18th century, was one of the first authors to contribute to the theoretical discourse about the idea of strategy. The term was first used in organization theory in the 1950s and became popular in the following decades.

A strategy provides a description of an organization’s positioning for the future, focusing on what should be done rather than how it should be done. Strategies ensure the best possible fit between an organization and its environment. They combine both plans for the future and patterns from the past (Mintzberg, 1987; Nothhaft & Schölzel, 2015; Raupp & Hoffjann, 2012).

Seen one strategy, seen them all?

There is not one strategy. Instead, different levels and types of strategies are important:

- **Enterprise strategy:** addresses the broadest level of strategy and describes how to secure the societal and political legitimacy of the organization (license to operate)
- **Corporate strategy:** defines the focused markets and products/services, how to compete in principle, and which unique combination of resources is necessary to stay successful (financially oriented)
- **Business strategy:** provides directions how to compete specifically in the chosen market or product segment (marketing oriented)
- **Functional strategies:** provide information on how functional areas, such as corporate communications, human resources or finance, should work together in order to support higher-level strategies.

(Bentele & Nothhaft, 2014; Raupp & Hoffjann, 2012; Steyn, 2007)

Communication strategies

Communication strategy is a major buzzword in corporate practice. Practitioners speak of social media strategy, campaign strategy, crisis communication strategy, employer brand strategy and sponsoring strategy. However, much of what is labeled ‘strategy’ in every-day language is actually rather a plan, guideline or simply a list of communication measures. Communicators should use the term ‘strategy’ carefully. A strategy involves providing a general direction, not only tactics. In times of increasing media convergence and the blurring of communication genres, it appears questionable whether it is useful to develop single strategies for single channels. Instead, it is useful to formulate an overarching content strategy embracing different channels at the same time (Cornelissen, 2017).

How to use the framework

The Communications Contributions Framework (CCF) can help communication professionals to develop a convincing story of communications’ impact:

- Reflect on the various strategic and operational contributions of the communication department in order to explain communications’ impact in its complexity. Develop a solid storyline which demonstrates that communications is a strategic facilitator, not only a service provider.
- Prioritize and manage communication goals, budgets and human resources in accordance with the multiple contributions. Check that the right measures are in place.
- Report success in the same way as top managers to facilitate the cooperation with the board and other departments. Showcase the positive influence of communications on corporate performance with the aim of strengthening the departments’ influence within the organization.

At a glance

- Research focusing on the communication department’s contribution to corporate success is rare. Large-scale empirical benchmarks are mostly absent.
- However, a common understanding of the various strategic and operational contributions of communications to corporate success is needed to leverage its full potential.
- The Communications Contributions Framework (CCF) outlines four core contributions. They are further broken down into eight strategic and operational contributions and follow established management models.
- Communication managers need to reflect on the department’s numerous contributions and report on all of them, and not only on operational performance indicators or key projects. They should emphasize the critical role of communication departments in adjusting strategies and ensuring the license to operate.

FURTHER READINGS

Tench, R., Vercic, D., Zerfass, A., Moreno, Á., & Verhoeven, P. (2017). *Communication Excellence: How to Develop, Manage and Lead Exceptional Communications*. London: Palgrave Macmillan.



ACADEMIC SOCIETY FOR MANAGEMENT & COMMUNICATION

The Academic Society for Corporate Management & Communication is a joint initiative of leading companies and universities. Through joint research and knowledge sharing it aims to actively shape the future of corporate communications. The initiative was founded in 2010, and today is supported by six universities and nearly 40 corporate partners.

The Academic Society initiates research projects that are both practical and future-oriented. They go beyond disciplinary boundaries and are designed as comprehensive studies that support the ongoing professionalization of corporate communications.

In 2015 the Academic Society launched the world's most comprehensive research program for strategic corporate communications – Value Creating Communication. Researchers from universities in Leipzig, Münster, Wien, and Berlin are collaborating with academics from all over the world and with corporate communications executives from leading companies. Together they are researching the key challenges facing communication management today, such as digitalization and Big Data, value creation and how to set up processes and collaborate with internal and external partners. Furthermore, the research program is aiming to advance the profile of strategic communication as an advanced field of corporate management.

The Academic Society is part of the Günter Thiele Foundation for Communication & Management, a non-profit entity governed by state law, dedicated to the advancement of science and knowledge transfer in the field.

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