



Listen and be heard in the digital age

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For the last four years Ampersand's Corporate Affairs Practice Executives, Tim James and Richard Norey, have attended the annual Corporate Affairs Summit. The communication landscape has fundamentally changed over this time. Back in 2010 many communication forms that are now deeply entrenched in the corporate psyche were still emerging. Now, all that has changed and digital communication avenues such as social media and online communication are at the heart of many businesses. But even with all this change, digital communication is still very much in its infancy.

So what should executives, managers and corporate affairs and communication professionals be thinking about to ensure their work remains relevant and supportive of the organisation's strategic mission? It's a big question, one that's not easily answered.

One of the essential themes to emerge from the conference that gets to the crux of what modern communication is all about, is how important it is for businesses to listen to their stakeholders, in order for their messages to be heard. How this happens in the digital age compared to the pre-digital era requires a re-think of how to approach communication. Here are some of the key considerations enterprises need to make to optimise the corporate affairs function in the brave, new digital world.

First, let's take a look at some take-out statistics that emerged during the Summit:

- There will be more than 75 billion connected devices worldwide by 2020. So in only seven years' time there will be more than nine devices for every living human.
- Overall, 14 of every 60 minutes (or 24 per cent of our time) is spent on social media.
- 9 out of 10 people have a shower, get dressed, brush their teeth and check their smart phone as part of their daily routine.
- Mobile devices drive communication with 82 per cent of us accessing social media with a mobile device.

The digital revolution is transforming society and all organisations need to consider what this means for their business and the way they connect with key stakeholders and customers (internal and external). It's a very different communication landscape to the one in which corporate affairs executives operated at the turn of this decade. Back in 2010, many businesses were still questioning whether they needed to have a digital media voice and if they did, what was the best way to become part of digital conversations.

Today, we live in a totally different world. Businesses that have not integrated digital media into their everyday operations are taking a high risk-approach. They will find it increasingly hard to listen to what their customers, competitors, suppliers and even regulators require. Moreover, they will find it tough to have their voice heard in the digital conversation.

The ubiquitous nature of digital communication means businesses that have not found a boardroom seat for the corporate affairs function risk taking a non-strategic approach to one of the most powerful forces in society. This is especially important given the prominence of digital/social media today.

Indeed, social media is no longer simply an adjunct to the activities of the corporate affairs and marketing teams. It's a key platform where customers are converted, a business is commercialised and reputations are made or broken. So considering how to best be a part of this conversation should be a topic for discussion in every organisation.

So how does the digital revolution affect the corporate affairs and marketing functions? It's always important to remember that the role of the corporate affairs and marketing departments is to act as the custodians of the organisation's brand, customers and reputation – both internally and externally. These functions must ensure their activities align with the strategy and vision of the business. It's also important to keep in mind the CEO and senior leadership team are the primary client of the corporate affairs function.



Of course, this is all predicated on an innate ability for corporate affairs to hone their ear to what people right across the business are saying. Having the trust of the CEO is essential, but there should also be a two-way flow of information around the entity, with the corporate affairs team the pivot in this discussion.

Employees pay a high degree of attention to what their peers say, not just to what their managers say. So the corporate affairs team should consider the value of building a communication ecosystem that enables the free flow of information through each part of the organisation. This system needs to encompass forums and channels where people feel empowered to speak, and trust what they say will be heard. It's an approach that can genuinely foster a 'listen and be heard' way of operating.

One business doing this really well is HSBC. Its philosophy is that the internal audience is the most important one. Its way of thinking is that great communication isn't about sending messages from the top down in a one-way fashion. It's about seeking continual feedback from every level of the business and allowing staff to express themselves in an original fashion.

A great example is HSBC's YouTube channel, which is filled with absolutely fascinating stories of its people achieving successes, generally in their private lives, right around the world. You can find the channel [here](#). What this shows is that at HSBC, people feel safe telling their story, as a direct result of the effort the business has put into nurturing the human side of their team members and allowing them to share their extraordinary and also their ordinary tales. It's a truly inspiring way to approach internal communication.

The benefits of having an established 'trust bank' with staff comes to the fore whenever a business faces a crisis situation. When a crisis happens, your internal stakeholders should be one of your first priorities. Because in a world of Google Alerts and social media, staff are highly likely to be aware of the crisis as it happens. So garnering their support is critical.

It's always been essential to work fast in a crisis situation to ensure your messages are some of the first to reach the public domain. This is where the support of your CEO and senior management team is absolutely vital. You need to be empowered to act quickly and decisively in any crisis. Because the slower you act, the more likely it will be for incorrect information to filter into the public domain.

It's also essential to understand how media has changed when it comes to crisis reporting. Mass redundancies across many years at all the big media houses mean that journalists are reporting more about less. So you can expect the intense part of the crisis to last for longer than it might have in the past. Media houses are also increasingly using anonymous tip offs thanks to the fact the size of news rooms has substantially diminished. Which means anyone involved in a crisis is potentially playing the role of a publicist, increasing the complexity of the modern crisis situation.

Ultimately, when it comes to managing communication in a crisis, it's important to recognise that you can't always control the outcome. The most effective way to help guard the brand and reputation of the business is to be authentic in all communication.

Another major change is the gradual convergence of the marketing, corporate affairs and digital functions. Four years ago in many organisations these divisions operated in silos and had discrete responsibilities. But that's changing. In many companies conversations are happening about how to build a bridge between these functions so they can operate together. Debates are forming around who ultimately owns the customer and what are the key channels for acquisition, retention and regular communication cycles.

This has huge benefits as increasingly, organisations need to tell the same story through a number of different channels, multiple times. So it makes sense for these functions to collaborate to achieve this. Functions or organisations who don't operate collaboratively with open, customer centric communication or ineffectively manage the complexity of cross-functional stakeholder management, risk missing key customer and people opportunities.



Convergence of the corporate affairs and marketing functions also has merit given the 24/7 media cycle. We access social media daily and expect the businesses with which we are engaging to immediately respond. So corporate affairs and marketing functions may need to re-think traditional business hours. It's a risk for organisations to have a corporate affairs team that clocks off at 6pm on a Friday and isn't back at the desk until Monday morning. If a critical incident happens that captures the attention of social media users over the weekend, the business's reputation could be seriously damaged online in the interim. By the time the team responds on Monday morning, it could be tricky, or at least time-consuming, to repair the damage.

Another major shift that is taking place is the relaxation of the corporate narrative. Corporate affairs is no longer the single voice for an organisation – it's one voice in a sea of many. Today, anyone can talk about your business – which means the narrative that comes from the corporate affairs function has to be authentic and must genuinely engage with all the other voices that make up the discussion around the business. It's more than just a two-way flow of communication: it's a multitude of voices, opinions and perspectives.

Former News Limited chief Kim Williams delivered the keynote address at the Summit. You can read a transcript of his address here [The Age of Media Transparency](#). He made the point that we are witnessing the largest transfer of power ever seen in human history, from producers to consumers. He believes organisations will rise and fall as a result of this shift, in a rapid fashion. In fact he characterised this dynamic as having "almost ferociously unstoppable speed and tsunami like energy and impact."

The digital media revolution means everyone is empowered and anyone with a smart phone has a voice in online discussions. It's important not to underestimate what this means for businesses. We talk about industries being disrupted by enterprises with new business models consumers are quick to embrace, to the cost of incumbents who may have led their fields for decades or longer. Uber, the app that's shaking up the taxi industry is just one example. Existing regulations might have blocked its progress for the time being. But it's only a matter of time before its way of doing business becomes the norm.

Digital technologies and the internet have changed forever the way we find and share information. But as much as online media has already changed our society, the journey has just begun. There are many opportunities for businesses to join the conversation. We are yet to fully appreciate the way digital technologies will transform the way we live our lives, which means there's still plenty of scope for organisations to re-think how digital technologies will shape their business, and the best way to use these tools to communicate and grow.

Ultimately, there's no right or wrong way for management and communication executives to respond to what's happening in the digital and social media worlds. Each organisation will have a unique approach. But what is clear is that businesses that are not part of the dialogue and are not open to new ways of thinking will almost certainly be left behind.

We watch with much interest the functional trends both within Australia and globally. Our role is to map, engage and optimise top executive and emerging leadership talent. We also offer functional advocacy, structural design and capability assessment, and cross-sectoral leadership advice to our client partners at CEO and Executive level.



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3.7
YEARS

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22%

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