



KORN FERRY®

Perspectives

**CHIEF
COMMUNICATIONS
OFFICERS:
THE PANDEMIC'S
NEW BUSINESS
LEADERS**

The coronavirus outbreak underscores how CCOs are becoming bigger drivers and influencers of business — and why they are increasingly being tapped as CEOs or operational leaders.



The problem:

As corporate communications continues to evolve, organizations have been slow to create new paths outside of marketing.

Why it matters:

CCOs are trusted strategic advisors to CEOs and have insight across the whole business, positioning them as an untapped commercial resource.

The solution:

Create paths for communications executives to become business and operational leaders.

Barri Rafferty got into communications when it was, as she says, “a very written word business.” Press releases were the trade’s main currency, and PR Newswire and Business Wire were the dominant platforms.

Not long after she started her career, Rafferty started managing the accounts of some of the biggest clients at her PR agency, Ketchum. She was in a global client role when everything changed—an opportunity to run her own balance sheet as CEO of Ketchum’s Atlanta office. Now she runs the entire firm, the first woman named to lead a top-five global communications firm.



Such moves are rare — but becoming less so. Marketing was once the only path that communications leaders took to move up but increasingly they are landing in critical business unit roles, overseeing operations and even becoming CEO. Along with Rafferty, Richard Plepler, who served as Chief Communications Officer at HBO and then became CEO, was a notable example. And now, in the age of the coronavirus crisis, their role only becomes more critical as firms need assuring, clear messaging to one stakeholder after another, both in and outside the firm.

Part of that relates both now and before the pandemic to the changing nature of communications. It isn't just timed announcements around earnings, product releases, appearances, or promotions anymore. Communications shapes the business narrative, handles crises — witness the role of communications during the coronavirus pandemic — and defines purpose. It involves social media marketing, influencer relations, stakeholder management, public affairs, and more. Today, most of the dialogue around communications isn't planned — it's taking place spontaneously on social media, where the speed of information is much faster, the context less defined, and the effect on business more immediate. "CCOs are getting recognized for their role in driving the day-to-day business results of a company," says Rafferty.

Peter McDermott, a senior client partner in Korn Ferry's Global Corporate Affairs Center

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of Expertise, says as CCOs become more trusted advisors to CEOs, the more they are considered as business leaders themselves. It's a trend he expects to continue in the current and post pandemic period, as stakeholders place more emphasis on being transparent and trusted, and organizations face more of an onus to communicate externally and internally.

"The way CCOs operate with CEOs gives them insight into a range of issues and familiarity with every aspect of the business," says McDermott. "That gives CCOs the ability to build unique operational and commercial acumen."



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To be sure, the role of the CEO today is arguably more public than ever before, responsible for being an organization’s ultimate leader, role model, and public face. A CEO’s impact extends beyond professional duties to include personal, social, family, and community activities as well. The risk the role carries is huge - for the CEO and the company.

“One of the major challenges a CCO faces is defining the brand and reputation of the CEO as separate from the brand and reputation of the company, and to protect the longevity of both,” says Karen Tripp, CEO of Fidelco Guide Dog Foundation Inc., which trains dogs to aid the blind, and former head of communications and public affairs at the energy company Phillips 66.

That’s no small task considering organizations and CEOs are expected to take a stand on major social issues like diversity and inclusion, sustainability and environmental impact, equality, and more. Tripp, who has held senior leadership positions at The Hartford and GE and whose career path has traveled from CCO to CMO to CEO, says managing the depth of issues is similar to managing a supply chain, requiring deep understanding of an organization’s purpose, products, and people, as well as a facility for judgment and strategic thinking. As Tripp notes, “these are all skills and traits CCOs possess that are applicable and critical across corporate functions.” products, and people, as well as a facility for judgment and strategic thinking. As Tripp notes, “these are all skills and traits CCOs possess that are applicable and critical across corporate functions.”



5 Skills That Go Beyond Communication

Chief communications officers are increasingly being tapped to lead business operations or even become CEOs. Here are a few critical skills and traits CCOs possess that make them attractive leaders.



Agility

On any given day, CCOs are faced with a range of disparate issues that require deft management.



Strategic thinking

CCOs are responsible for positioning corporate actions and have to anticipate a multitude of outcomes internally and externally in response.



Risk management

One of the CCO's main jobs is to evaluate risk and make decisions based on potential business impact.



Holistic insight

The unique position CCOs occupy gives them a line of sight into every aspect of the business as well as its culture and talent.



Stakeholder relationships

CCOs are in the rare position of having contact across stakeholder groups, including employees, shareholders, customers, management, board directors, and others.



“I think that communicators who are accomplished business people in their own right will be in demand for governance roles going forward.”

The changing business and communications environment, combined with the close CEO relationship, is attracting corporate boards to the value of CCOs as directors as well. AnnaMaria DeSalva, global chairman and CEO of the communications agency Hill+Knowlton Strategies, was serving as CCO for DuPont when she was recruited in 2017 to join the board of XPO Logistics, a Fortune 200 transportation and logistics company. As CCO of DuPont, she played a central role in the company’s transformation, including its \$130 billion merger with Dow Chemical, after which she became a senior advisor to the combined company’s CEO while he led the breakup of DowDuPont to form three new independent public companies.

XPO’s board was attracted to DeSalva in part because of her experience in transformation, as well as her deep experience working with CEOs and boards of directors. One year after being named to the XPO board, DeSalva was appointed chairman of the governance committee and last year was asked to serve as the board’s vice chairman.

“The role of a CCO is to ensure that stakeholder strategies ultimately drive reputation, commercial performance, and

effectively manage risk—all crucial to strong value creation, which is really the purpose of the board,” says DeSalva.

“I think that communicators who are accomplished businesspeople in their own right will be in demand for governance roles going forward,” she says.

When Stacey Tank got promoted from her communications role at Home Depot in 2018, she didn’t exactly inherit a thriving business. Of the three installation units for which she had profit and loss responsibility, performance at one of them was particularly challenged. Four product lines were loss-making and shrinking by double digits. So one of Tank’s first acts as a new business leader turned out to one of her most difficult: she decided to shutter the four lines of business.

“It was extremely challenging because you’re impacting people’s jobs,” says Tank. “But I credit my communications background with helping me support and take care of people during the transition.”

Tank says she worked with the human resources team personally on exit deals. She started a monthly live video town hall that enables employees to hear updates on the business and ask real-time, anonymous questions to leadership. “The trust was so low that we felt we owed them better communication than what they were receiving before,” says Tank. “In situations like that, it’s the soft skills that are most important.”

“CCOs possess skills and traits that are applicable and critical across corporate functions.”



To be sure, internal communications, once the neglected stepchild of the function, is arguably the most important aspect of the role today. With organizations in an increasingly pitched battle for talent—and talent being the key differentiator in business performance—employee recruitment, retention, and engagement are more critical to success than ever before, says Korn Ferry's McDermott.

“Employee communications is more important than ever because of the importance talent places on what an organization stands for,” says McDermott, pointing to the increase in employee activism as a new frontier in internal communications.

Taking a stand on societal issues, inclusion and diversity, environmental responsibility, and even where and who a company does business with is now part of the fundamental structure of communications as it relates to talent recruitment and engagement. But it extends even further. Consider how the coronavirus crisis impacts organizations in the form of layoffs, restructurings, and more. “A lot of organizations have been caught without the right communications in place when it comes to these issues,” says McDermott.

The role CCOs play in creating an environment where employees can speak freely and be heard is another factor helping them break through into operational and CEO roles. Understanding risks associated with ethics, compliance, and operations all play into an organization's ability to recruit and retain talent, which in turn directly impacts its culture. And, as McDermott notes, to the extent that CCOs help shape an organization's culture, they help drive its business results and shape its success.