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**The leaders of industry keep on innovating --**

Just as this week's SF Chronicle reports, some of the most established companies in the Bay Area -- companies like Chevron, Schwab, HP and Oracle -- continue to be the innovators and leaders in their fields. This is also true in many parts of the country where other corporate giants innovate and drive regional economies.

How do these established companies stay on top? They launch new products and services, develop innovative business strategies and incorporate inventive management tactics, the Chronicle reports.

The corporate communications function is one area in which "new management tactics" are being applied by winning companies. It's a far different function today than just five years ago.

Because of our 20-years' experience meeting the communications talent needs of major corporations, we were recently asked to write an article for CEO Refresher on this very subject.

[Here is a link to the article on our Website](#) or you can read the full article below.

We look forward to hearing back from you about your experiences and if we can be of service to you in meeting your communications needs.

**The international talent shortage --**

McKinsey & Company calculates that China's demand for globally experienced leaders will increase 22 fold over the next 10 years. If one assumes that the other high-growth Asian countries will be experiencing similar shortages, this translates into great opportunity for experienced American executives who are looking to increase their international expertise.

Gordon Chiang, a principal of Shulman Associates, will be in China speaking with new and potential clients in Shanghai and Beijing in May.

If you or one of your associates in communications, finance, operations or human resources is interested in knowing more about these expanding opportunities in China for American professionals, please send Gordon an email at [Gordon@Shulmanassoc.com](mailto:Gordon@Shulmanassoc.com).

**Article: "The Role of Communications in Corporate America" --**

## The CEO Refresher

### The Role of Communications in Corporate America: More Complex and Critical Than Ever

By Barry Shulman and Gordon Chiang

In today's successful companies, senior communications executives have become one of the most important and trusted advisors sitting at the table in the c-suite. This has not always been the case. In the past, organizations would often position their senior-most communications professional reporting to the COO, an HR Executive or the CFO, which meant that the CEO did not always hear his or her advice.

Not anymore. This change in status for the corporate communications professional, while gradual in some sectors and industries, has accelerated over the past five years. This is far from pure speculation; our executive search firm has validated this phenomenon across the country, primarily as a result of us working closely with major corporations in defining their communications needs and recruiting some of the nation's top communicators.

There are several internal and external factors that have caused this dynamic shift and pushed the

communications function into the limelight, a spot where it will undoubtedly stay for the foreseeable future.

One of the most powerful of these driving forces is the increasing sophistication of corporate customers, shareholders, and employees, as well as the general public, on business and industry issues. These corporate constituencies are demanding increasing access to facts and news about companies they buy from, invest in and work for. In addition to general information, they also want quick answers to their specific questions about products and services.

This expectation on the part of the public to have immediate and comprehensive information puts heightened pressure on corporate communications executives. No more can corporations rely on "doubletalk" and delays.

## **Ever-present Internet**

The Internet is, of course, the major driver of this change. Thanks to the ability to update data and communicate online, 24/7, communications executives and their staff are more and more required to do so. Most companies are wholeheartedly embracing this opportunity to offer more sophisticated communication strategies to reach their constituents and help drive business success. At the same time, instantaneous communications can cause certain stress points. Any delay to issuing critical news or a response to a negative story on their Website or other Internet news channels, for example, could appear as stonewalling or equivocating and may have a negative impact on the acceptance of the message by its intended audience.

The Internet has also changed the importance of the overall corporate brand or image, which is now visually supported with well-coordinated messages on the company's Website as well as in all of the corporate and marketing collateral. Companies look at brand equity as highly significant. Communications pros are now the point persons in helping build corporate images and brands. In summary, developing a company's brand image is no longer the purview of marketing and product teams; the corporate communications executive is now participating in this critical task.

Another major factor that moved the spotlight onto the corporate communications executive was the passage of Sarbanes Oxley five years ago. When this bill became law in 2002 few understood the ramifications on the communications function, but today the impact is clear: organizations must maintain a more transparent posture and that means they must communicate vital information more rapidly to a wider group of constituents. In addition, they must retain records of all communications, including internal emails, for possible future scrutiny by regulatory and oversight agencies as well as judicial bodies.

## **Communications No Longer Limited to "Need-to-Know"**

Prior to Sarbanes Oxley, our clients tell us that corporate messages and communications were on a more need-to-know basis. Both internal and external constituents were told only what the corporations wanted them to know and when they wanted them to know it. Lawyers advised on what communications was required to which groups at any given time but, mostly, senior management could get away with minimal disclosure. Now, the increase in information that is disseminated to all audiences, particularly to investors and shareholders as dictated by Sarbanes Oxley, has created an overall atmosphere of openness and transparency in Corporate America.

This new focus on transparency and more forthcoming communications has created an environment whereby CEOs and their communications advisors place new emphasis on managing the messages, on corporate reputation management and corporate social responsibility communication. It's not information for information sake; rather successful companies are charging their communications teams to put their communications into greater context.

In this new era of "more communications to more groups more frequently," the pressure rests squarely on the shoulders of the communications staff to create effective positioning and deliver more refined messages to constituencies with more targeted demographics. The idea of "customer development" is taking hold and communications executives are again taking the lead.

Forget the simpler times in the corporate communications office; today, the functions and responsibilities in the communications group have become so complex and time-sensitive that their seat at the c-level table is considered one of the "hottest" in Corporate America today.

In addition to these external factors, there have been other influences inside Corporate America that have greatly impacted the profession, as well, namely, the emergence of the high profile CEO, the more rapid turnover of senior officers, and the need to understand the ever-changing attitudes and opinions of various constituents within the organization. The senior communications executive today, therefore, must be part psychologist and executive coach as well as corporate strategist, brand builder, mediator and journalist.

## **Staffing Up to Meet the Need**

Another major change in the role of communications within an organization is the number of professionals and where they are situated. In the past, communications functions were often handled at mid-corporate staff levels with some junior-level communicators operating in the field. Today, many division and department heads have seasoned communications staff quickly delivering more sophisticated communications to employees, suppliers and customers.

The bottom line, the communications function continues to grow in prominence and responsibilities in successful organizations. Our experience shows that more and more companies are adding serious and comprehensive communications functions within their business units.

As the communications function becomes more integral within a company, the senior level executive is charged with an even bigger task: building consensus among these groups and assuring that reality and the party line are well integrated into all of these dispersed functions in the organization.

## Marketing Communications Comes of Age

Another major change for the corporate communication executive is in the area of marketing communications, now a more critical function within the overall communications bucket. Corporate communications executives are equally responsible as the marketing/advertising group for overseeing customer and marketing communications. The merger of the two functions is complete in many companies where marketing communications vehicles now convey messages about corporate strategy and vision as well as product de-signs and benefits.

The need for more qualified communications professionals is a major change in the past five years. To meet this demand, companies today are seeking communications professionals who have very specific backgrounds and experience in particular communications specializations of communications. And, today, those communicators with these specializations can essentially write their own tickets.

Barry Shulman founded Shulman Associates Executive Search firm in San Francisco in 1990 after four years as a vice president with The Goldman Group in New York City, a leading search firm. In the past 20 years, Shulman has assisted hundreds of corporations and PR agencies in structuring strategic communications functions and recruiting highly qualified executives to manage them. He speaks frequently at industry functions and contributes to various trade and business publications. He can be reached by clicking here.

Gordon Chiang is a partner in Shulman Associates, a 16- year-old executive search firm specializing in recruiting for positions in corporate marketing, marketing communications, public relations and other leadership roles. Prior to joining Shulman Associates, he worked with a Silicon Valley-based technology company where he focused on marketing and executive management searches. He can be reached at [gordon@shulmanassoc.com](mailto:gordon@shulmanassoc.com) or [www.shulmanassoc.com](http://www.shulmanassoc.com).

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