THE NEW CCO: TRANSFORMING ENTERPRISES IN A CHANGING WORLD

EXECUTIVE SUMMARY

ARTHUR W. PAGE SOCIETY

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The Chief Communications Officer (CCO) of today is at a critical inflection point. The environment in which enterprises operate is fraught with challenges: emerging competitors reinventing traditional business models; changing demographic, regulatory and sociopolitical conditions; new modes of work; and an ongoing paradigm shift in how individuals engage with one another and with organizations. Spurred by these changes and enabled by social media, stakeholder groups have become more empowered, emboldened and organized. Evolution of the enterprise in the face of these new realities is required, and CCOs increasingly will be central to guiding these changes. In this report, we describe how the role of the CCO is evolving to meet the challenge.

Transformation of the CCO and the Communications Function

Just as in nature, organizations that thrive are those most highly attuned to the conditions of their ecosystem and best able to adapt to them in ways that yield a competitive advantage. The CCO, as both monitor of environmental conditions and communicator across the enterprise, is necessarily at the center of much of the adaptation that takes place. Our research revealed five patterns that reflect how the communications function itself is changing:

1. **Shifting Investments**
   CCOs are increasingly directing resources to content-based engagement opportunities, in some cases even building their own publishing platforms.

2. **Increased Focus on Integration**
   CCOs are working more closely with their C-Suite contemporaries to coordinate stakeholder engagement, co-leading on issues like diversity and culture, marketing and sales promotion, and building digital systems.

3. **Creation of New Job Roles**
   New engagement strategies are creating the need to add employees with new skill sets and responsibilities, such as content and engagement designer, digital strategist and behavioral scientist. CCOs are also frequently functioning as an attractor, builder and distributor of talent across the organization.

4. **New Partnerships**
   CCOs are supplementing in-house capabilities with external expertise in areas like behavioral economics, data analytics and content creation while forging new partnerships with NGOs that allow them to better navigate rapidly changing social and environmental challenges.

5. **New Measurements and KPIs**
   CCOs are embracing new metrics by gauging factors like employee engagement, customer loyalty, propensity to recommend to others, social influence and likelihood to act based on past behavior.

Looking at these patterns holistically, we can begin to understand the changes taking place around the CCO and the communications function. In turn, these trends lead to what we believe to be the three fundamental roles that the CCO of tomorrow will serve.

Role One: The Foundational CCO

The CCO has become not only a central actor in leading the enterprise's stakeholder engagement and reputation management efforts, but also a leader in building corporate character and advising on key business strategies. Based upon our research we have distilled this foundational role of the CCO into three areas:

1. **Strategic Business Leader and Counselor**
   Today's enterprises require a CCO who is an informed, vocal, compelling and trusted counselor to leadership. And given its uniquely broad view, leadership expects Communications to identify, interpret and act upon changes in the external environment; stay ahead of events by monitoring traditional and social media; engage with regulators, policymakers, IGOs and NGOs; and build trusting and lasting relationships with stakeholders.

2. **Steward of Enterprise Reputation**
   The CCO's service as a "conscience counselor" ensures that the company's actions match its rhetoric, that values are practiced and not merely preached, and that the company is behaving responsibly, transparently and with the interests of all stakeholders in mind.

3. **Effective Communicator**
   With the proliferation of digital channels and the more indirect influence that enterprises have in shaping perceptions, communicating honestly and effectively about the enterprise has become even more crucial.

While this foundational role has long been central to the remit of the CCO, we have found that it has actually increased in scope and importance as the reputational challenges to enterprises have increased.

Role Two: The CCO as Integrator

A new model of leadership that is emerging today is not about organizational structure or "ownership," but rather how to effectively share enterprise-level responsibility for the organization's actual behavior and stakeholder relationships. What matters most is the CCO's ability to drive cross-functional collaboration and integration around strategic priorities. Today's CCOs are working more closely than ever with CIOs on cybersecurity and digital engagement platforms; with CHROs on employee recruitment, engagement and retention; and with general counsel on risk mitigation and building stakeholder partnerships.

We did not see clear patterns of combination or predominance between the Communications and Marketing functions. However, there is increasing collaboration between the two as paid, earned and owned media are increasingly interrelated in the social media realm and as companies elevate social purpose to a more integral component of their business strategy and brand identity.

This, however, does not mean that the two must be combined organizationally; in fact, the distinct value that each brings should be preserved and honored. Most CCOs believe that whatever formal structure is applied within an organization, the future will require more ad hoc, fluid approaches requiring coordination, collaboration and strategic integration skills. Whatever structural approach an organization chooses, our research suggests that:

- The CCO must have a direct working relationship with the CEO and C-Suite colleagues;

- All C-Suite members must collaborate on both activating corporate character and engaging stakeholders around it; and

- The CCO should have responsibility for systematically managing enterprise stakeholder engagement through social media and other means.

Role Three: The CCO as Builder of Digital Engagement Systems

Our research leads us to a framework for the newest—and arguably most challenging—role of the 21st-century CCO: engaging with individuals to build advocacy at scale. To do so, the CCO must become a builder of sophisticated platforms that map stakeholders, understand them (usually through data), and systematize the process of engaging with them, not merely as segments but as individuals.

We expect that the CCO will increasingly lead efforts, in concert with other line function leaders, to develop what we are calling "digital engagement systems." These systems would "know you" based on data and apply that knowledge to deliver personalized content (information, tools, answers, etc.). Building and operating systems to engage individuals directly and at scale requires the CCO and the Communications function to:

Leverage data to understand individuals. Data offer a window into who matters, to whom *they* matter, and how best to engage them. Indeed, for the purposes of creating a system of engagement, the content we create and inject into public discourse, as well as the content generated by others, are data to be analyzed.

Create channels and platforms to connect with those individuals directly. By combining data insights with knowledge of behavioral economics, CCOs can build new platforms that offer a customized experience for individual stakeholders.

Engage with individuals to shape opinion and influence behavior. A digital engagement system is important for both dimensions of the Page Model—activating corporate character and building authentic advocacy. CCOs and their teams are the architects of a new form of engagement, driven by content that exemplifies corporate character

while making it relatable to the individual based on data insights. The powerful connection that results will help organizations build and maintain more influential relationships with stakeholders while inspiring them to engage within their own networks in ways that support the brand.

The new CCO will be a systems thinker and enterprise strategist, a key hub of the ecosystem and a driver of strategic business outcomes. The systems that CCOs are being called upon to build require expertise in governance and process, innovation and collaboration, and design and production. Leading enterprises are pioneering the development of digital engagement systems that drive deeper insight and greater capabilities related to business-critical stakeholder engagement activities. And they use those insights and capabilities to engage in real dialogue with stakeholders.

The Page Model and the New CCO

The Page Model begins with defining and activating the enterprise's corporate character—the essential identity infused into its mission, purpose, brand, strategy and culture. Around this character, CCOs engage with stakeholders to build shared belief, spur

The Page Model for Enterprise Communications
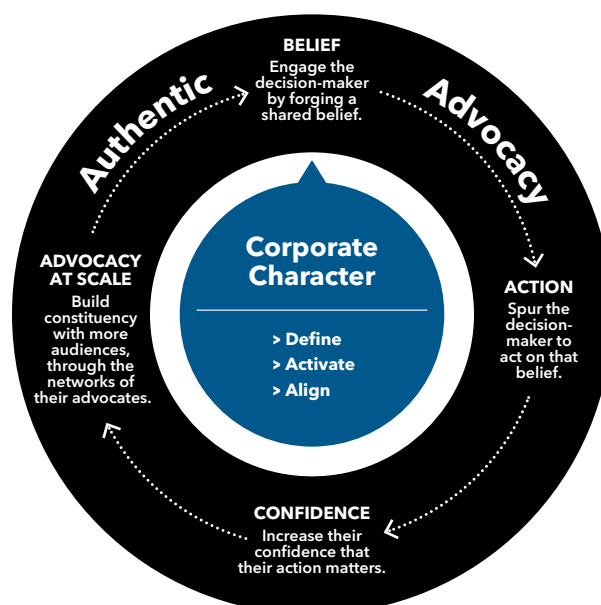
them to action, earn their confidence and motivate them to advocate on behalf of the enterprise, beginning the cycle anew with a broader set of stakeholders.

Corporate character, by definition, must permeate the enterprise. This demands that character be built into the bedrock of every facet of the business. With the growing expectation that enterprises operate transparently and responsibly and serve a greater social purpose, the work of defining and aligning corporate character becomes ever more important. Connecting the work of the enterprise with the ways in which it improves the lives of those with which it interacts is perhaps the most elemental strategic role the CCO can play. This requires aptitude in roles one and two.

Inspiring shared belief that leads to advocacy necessitates a keen understanding of the interests of all stakeholders and the ability to connect with them effectively. The CCO's ability to win the support of C-Suite colleagues and direct their efforts to a singular purpose requires the ability to fully integrate the work of communications while applying data analytics, cultural intelligence and behavioral economics precepts. CCOs will leverage this knowledge to build sophisticated systems that bring corporate character to life through personalized engagement experiences with employees as well as customers. That's role three. This engagement flows both into and out of the enterprise. The inbound elements will shed light on who influences the enterprise, what motivates them and where to reach them. The outbound will be the delivery of content that inspires their confidence, enables them to take action and empowers them to serve as advocates. This constant two-way flow of information and mutual engagement between enterprise and stakeholder has become the norm for how enterprises engage in a digital world.

Call to Action

As today's CCOs undergo this transformation, the Arthur W. Page Society offers the following recommendations:

Foundational CCO:

1. Find and use data to fortify the foundational CCO role, including the ethical management of reputation, execution of communications strategies and provision of strategic counsel to leadership.

2. Seek out diversity. Diverse viewpoints are of increasing importance as companies engage with new communities on a global basis.

CCO as Integrator:

3. Establish new partnerships with C-Suite colleagues. Engage with the CHRO on employee engagement and corporate character, with the CIO on developing a more robust data analytics capability, and with the CMO on aligning brand and customer engagement with that of other stakeholders.

4. Use innovative approaches like Agile to re-engineer the concept of teams and facilitate greater cross-functional integration and collaboration. Inject teams across functions and diversify the skills and competencies of team members.

CCO as Builder of Digital Engagement Systems:

5. Use data to uncover and pursue new opportunities for broader and more meaningful engagement. Leverage a combination of off-the-shelf tools and custom-built systems (depending on the level of resources available) to devise cohesive systems for identifying stakeholders and engaging with them around pertinent content.

6. Engage with individuals by empowering employees and creating channels and platforms to connect with those individuals directly, aiming at building a foundation of understanding and support—as well as joint action.