
Watson Helsby

FTSE 100

Group Director of Corporate
Affairs/Communications Survey

2013 Results

2013 RESULTS

1. Summary

Watson Helsby, the executive search firm, has updated its 2012 FTSE 100 Group Director of Communications/Corporate Affairs survey¹, providing information on reporting lines, Executive Committee (ExCo) membership, and remuneration.

This revealed that 77% of FTSE 100s now employ a dedicated Group Director of Corporate Affairs, 70% report to the CEO (this excludes those companies that have someone on the ExCo with that title, but whose profile is neither communications nor corporate affairs e.g. Legal), and 43% sit on the ExCo. Base salaries of over £300,000 are not uncommon, and total compensation packages can easily exceed £1,000,000.

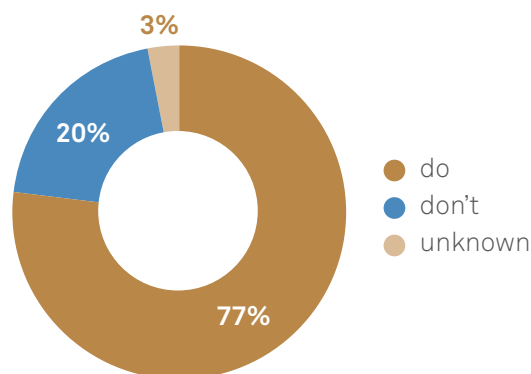
2. Methodology

We used a combination of proprietary data, desk research, phone interviews (for compensation details), and information provided by our network in the corporate affairs “industry” (both in-house and consultancy). We collected data on 97 of the FTSE 100 making this the most comprehensive survey currently available. Compensation information was provided by 25 Group Corporate Affairs Directors, an almost equal representation across FTSE 20 and the remainder (FTSE 21-100).

¹ Over the years, corporate communications and corporate affairs have almost become interchangeable titles, though the latter tends to denote responsibility for a broader stakeholder remit. Other titles are also used by companies in the FTSE100 such as Corporate Relations. For the purpose of this research, we have used the “Group Corporate Affairs Director” title as a catch-all.

3. Key Findings

(i) % of the FTSE100 employing a dedicated Group Corporate Affairs Director



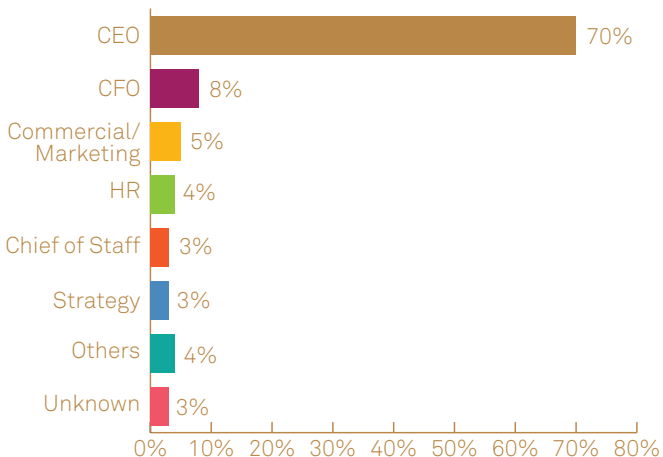
- 77% of FTSE 100 (last year 73%) companies employ a dedicated Group Corporate Affairs Director, but a small number of lower profile companies, mainly B2B, regard it as a more junior role.
- 20% do not (last year 24%) employ a dedicated Group Corporate Affairs Director.

In those companies that don't, one of the following three situations tends to apply:

- (a) Media relations, public affairs & policy, internal communications and corporate responsibility, (as well as annual report, website and digital communications), are split between various functions (Legal, HR mostly). Media relations, internal communications, public affairs etc., are still resourced at senior level, but not integrated into one single function, nor led by an overarching Group Corporate Affairs Director. This approach is most widespread in the natural resources/oil & gas sectors.
- (b) B2B companies with a low profile, operating in markets with few regulatory or political issues, and where business customers are seen as the key stakeholder audience. Marketing or marcoms is therefore perceived to be a more business critical function than corporate communications. In these circumstances a group communications director is regarded as unnecessary and PR/communications is consequently resourced at a more junior level, often reporting to marcoms/marketing and:
- (c) Communications is folded into IR and reports to an IR/communications director who will normally have an IR background. Focus, therefore, tends therefore to be on financial media, reporting, corporate website etc.

(ii) Reporting Line

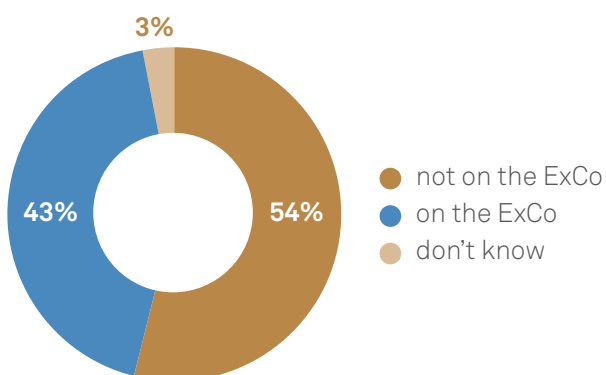
In the 77% of FTSE 100 companies that do have a Group Corporate Affairs Director, just under three quarters report to the CEO, down from 76% in 2012.



Although the CEO reporting line predominates (70%), over a quarter of Group Corporate Affairs Directors report elsewhere. A reporting line to the CFO is the second most common and is normally found in companies where there is a combined Group IR and Communications Director whose core area of expertise is IR. 'Others' included General Counsel and Chief of Staff. There were five FTSE 100s whose reporting line we were unable to ascertain.

(iii) Formal Membership of the Executive Committee

Of the 77 FTSE 100s that have a Group Corporate Affairs Director, the position has a formal seat on the ExCo in 33 of these (43%), whereas in 54% of the FTSE 100 it does not. We were unable to obtain this information for 5 of the 77 companies (3%).



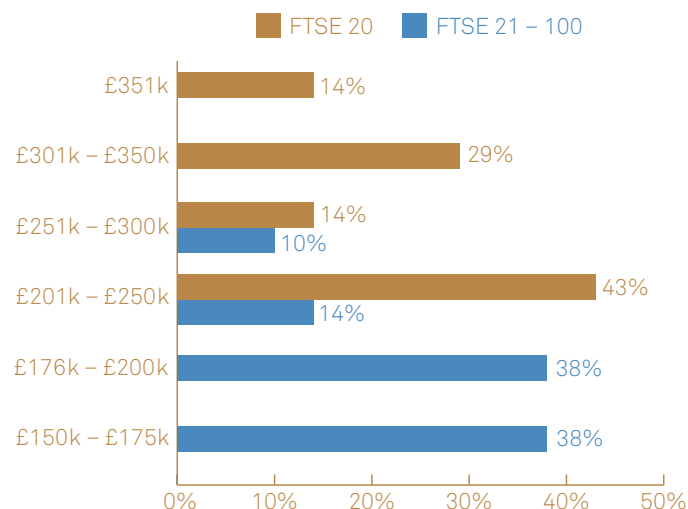
This shows that there is no trend towards ExCo membership since our 2012 survey revealed that 46% of Group Corporate Communications/Affairs Directors had a seat on the ExCo (vs. 43% this year). In fact, if anything, the opposite, but this is partly explained by the fact that the FTSE 100 has changed, some companies dropping out and others being promoted.

In those companies where the role does not sit on the ExCo, it is represented by either the Chief of Staff, the CFO, Commercial Marketing, Strategy, HR or General Counsel.

(iv) Remuneration

Remuneration packages can vary significantly between those working for FTSE 20 companies and those further down the FTSE 100. We therefore interviewed a cross section of Group Corporate Affairs Directors from the top 20, along with those working in companies further down the FTSE 100, in order to demonstrate these differences.

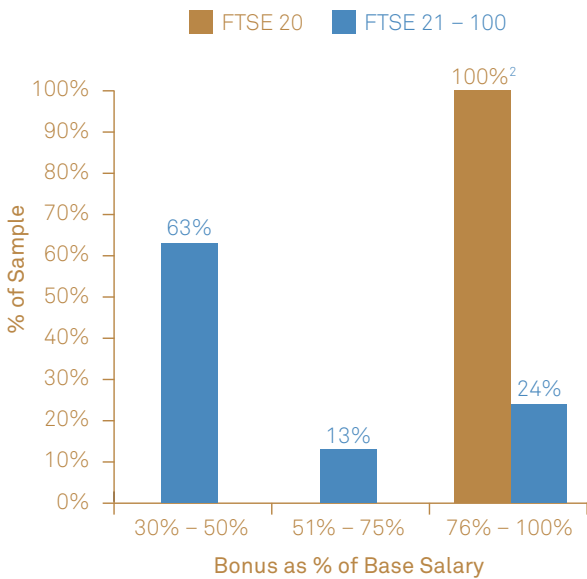
(a) Basic salary



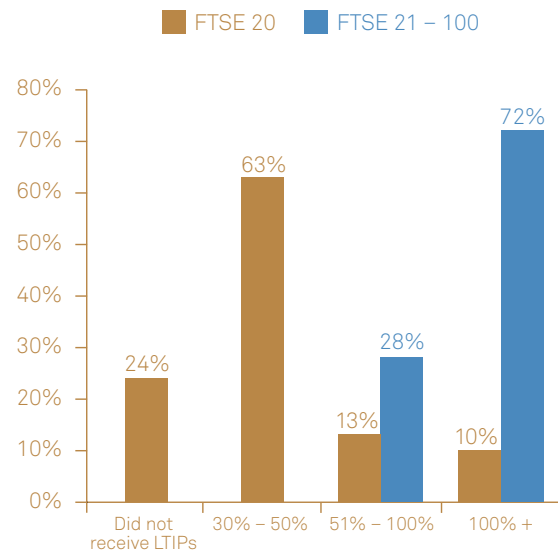
Basic salaries in the FTSE 20 ranged from £225,000 to £500,000. The median is £300,000 p.a.

Base salaries for Group Directors of Corporate Affairs working in companies outside the FTSE 20 ranged from £162,000 to £250,000, on average £100,000 less than those earned by Group Corporate Affairs Directors in the FTSE 20. Size of company is not the only determinant of salary; formal membership of the ExCo also increases all components of the package. And this tends to be more commonplace in the FTSE 20.

(b) Bonus



(c) LTIPs



- On-target bonus for FTSE 20 Group Corporate Communications/Affairs Directors ranges from 80% to 100% of base salary, with stretch (exceeding expectations) up to 200% of base salary.
- On-target bonus for those working for companies in the mid FTSE 100 ranges from 40% - 80%, averaging out at 55%.
- On-target bonus for those working in the lower end of the FTSE 100 are 40% - 60%.

LTIPs for FTSE 20 Group Directors of Corporate Affairs, with a few exceptions, will exceed 100% if performance criteria are met. However, 100% pay out is rarely expected. Those working further down the FTSE 100 can expect (again, if performance criteria are met), to an LTIP ranging from 30% to 80%, the average being around 50%. Those who earned lower bonuses are often compensated by a more generous LTIP.

² For Group Directors of Corporate Affairs in the FTSE 20, almost all bonuses were at 100%.

About Watson Helsby

Watson Helsby provides executive search counsel and expertise across the following disciplines: corporate communications; financial PR; media relations; public affairs; internal communications; crisis and issues management; digital communications; investor relations; corporate responsibility and communications strategy and planning.

In addition to our core offer of search, we regularly publish Watson Helsby industry reports. These examine the latest thinking, practices, trends and issues in the disciplines into which we recruit. In so doing, they provide a contemporary view of the direction in which specific roles are evolving as well as the competencies that leaders of these disciplines require to be successful.

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